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Donald A. Ogilvie of BOCES emphasizes that federal boost is only a short-term answer. Associated Press



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WNY school districts find hope in part of stimulus

\$2.43 billion coversloss of aid from state

By Jerry Zremski NEWS WASHINGTON BUREAU CHIEF WASHINGTON — Local school districts may be able to avoid tax increases and layoffs, thanks to a little-noticed section of the federal economic stimulus bill aimed at making up for lost state education aid.

The bill, passed by the House last week and up for Senate consideration this week, includes about \$2.43 billion in such aid over two years for New York, where Gov. David A. Paterson is proposing a \$950 million cut in state funding for education in the 2009-10 budget.

In other words, it appears the additional federal aid will easily be able to cover the losses in state aid, at least in the first of the next two years.

School districts "will have direct dollars that they can spend flexibly to make up for local shortfalls," said Sen. Charles E. Schumer, D-N. Y., who pushed for inclusion of a "state fiscal stabilization fund" that would be used for the school aid. "As a result, there should be minimal, if any, school tax increases and no cuts in programs."

The money would be in addition to much-discussed boosts in funding for underperforming students, special education and school construction. And local education officials, previously unaware of the pot of money they could use as they wish to cover shortfalls, were cautiously optimistic that it could save local school districts from disaster in the coming year.

"The intent is to roll back, to the greatest extent possible, whatever cuts in education a state will be forced to make," said Donald A. Ogilvie, superintendent of Erie 1 Board of Cooperative Educational Services, who added that "most of us were generally unaware" that the stimulus bill included that money.

As a result, Ogilvie, Buffalo School Superintendent James A. Williams and other school officials complained last week that the federal school aid was too targeted at specific programs and not available for general uses.

But that turns out to be wrong, thanks to the additional pot of money.

"We are well aware of the school boards' need for flexibility," Schumer said.

Details about the fiscal-stabilization aid remain vague, compared with other sources of education money in the legislation, which can be estimated down to the school district level.

It is impossible to say exactly how much money would go to each state because much of the data that will be used to allocate the money is not yet available, according to the Congressional Research Service, which developed the \$2.43 billion estimate for the state.

Nevertheless, education leaders said, the money should provide a strong cushion for local school districts in tough times

"It's positive. It's helpful," Ogilvie said.

The federal government would send the money to Albany, which then would distribute it to local school districts.

"The stimulus package is designed to give direct budget aid to school districts and help to prevent massive teacher layoffs by providing schools with flexibility and the tools they need to serve our children," Schumer said.

Under the bill, the state must distribute the aid to its school districts under its existing school funding formulas, said Tom Dunn of the state Department of Education.

Richard C. Iannuzzi, president of the New York State United Teachers, praised Schumer and Rep. Charles B. Rangel, D-N. Y., chairman of the House Ways and Means Committee, for fighting to get the education funding included.

State aid for schools increased by nearly 50 percent over the last five years, and even if the governor's 3.3 percent

cut in education is approved, state assistance to local schools still would total \$20.7 billion next year, a 42 percent increase over 2003-04.

Nonetheless, the teachers union president warned that the state must solve its own budget problems and not try to use the federal funding as a crutch. He said that it remains important for the state to raise income taxes on the wealthy to cover its shortfalls.

"Unless \$15 billion in federal aid is coming to New York, I don't see how the stimulus bill solves the state's problems," Iannuzzi said, referring to the size of the state's budget gap.

Ogilvie stressed that the state and local districts will have to figure out how to deal with their long-term fiscal challenges.

The BOCES superintendent said, "It does not necessarily answer the question, 'What happens in two years?' "

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