

TO: Rick Wright
Chief of Staff

DATE: July 24, 1993

SUBJECT: Potential Relationship Between the Rutgers/Camden Laboratory School, the NJEA, and Jersey City

You will be able to calendar the Governor's announcement of the Rutgers/Camden Laboratory School initiative shortly. All that is needed is specific information regarding fiscal 1994 expenditure estimates. These data are being compiled at this time.

The laboratory school initiative might offer opportunities for the Governor to strengthen his position with the NJEA, and contain the political impact of the election of Mayor Schundler in Jersey City.

Enclosed is an article regarding the gubernatorial campaign and the respective roles of Jersey City (Mayor Schundler) on the one hand, and the NJEA on the other. The nexus for the Mayor and the NJEA is the issue of school vouchers. The Mayor of Jersey City supports individual "school choice", using vouchers as the mechanism. NJEA, the teachers' union, is opposed. Whitman supports vouchers, while Florio is said to oppose the concept.

If the Governor secured the support of the NJEA for the laboratory school concept prior to announcing the Rutgers/Camden initiative, a number of purposes may be served. First, the Governor would have a valid, arguably superior, alternative to vouchers. Second, the NJEA would be able to deflect the obvious "anti-change" criticism they are sure to bare given their opposition to vouchers. (NJEA might be willing to lend financial support to the Governor's project.) Third, this initiative (and its implicit meaning for a voucher system) might be one of the building blocks for garnering the state-wide support of the NJEA for the Governor. Finally, as the article indicates, NJEA support in Jersey City may be one way of overcoming a potential endorsement for Whitman by Schundler.

The potential for Schundler supporting the Governor, or more likely moderating his support for Whitman as the election draws near, could turn on policies the Governor has supported like increased municipal aid

and school aid (read property tax relief) as opposed to school vouchers. Local aid increases are initiatives Whitman can not support since she is looking to roll back the taxes that provide such aid.

The NJEA should be briefed regarding the Rutgers/Camden project.

Second, you should discuss the interrelationships outlined above and determine their merit with respect to the campaign.

Third, determine a date for announcing the Rutgers/Camden initiative. If the issue is considered important enough in political terms, it should coincide with the opening of the school year in September.

Last, we should brief the Commissioner of Education and the Higher Education Chancellor. They should be prepared to discuss the initiative, how it fits into school reform, and how it contrasts with a voucher system.

These recommendations do not resolve the problem of State support for parochial schools, a policy that may be supported by Whitman to allure the alternative school constituency. In this regard, one of the following positions might be considered by the Governor.

- A policy that calls for increased non-public aid (meaning the aid categories that are permitted under the Constitution and, in fact, funded to some degree presently) in school districts taken over by the State. A substantial number of vulnerable parochial schools would be subsidized. The policy acknowledges that those least able to afford tuition payments are "forced" to find alternative schools for their children because - by the State's own assessment - the public system is inadequate. A State subsidy redresses this problem.

- A broader policy than the one outlined above, one that embellishes non-public aid in areas with a disproportionate AFDC population, may be supported. The prevalence of AFDC recipients is a valid proxy for poverty, and would cover the large number of needy children attending parochial schools in urban areas. It may be an item we could negotiate with the catholic school leadership.

Key election role for Schundler

When Bret Schundler, the all-conquering New Jersey political hero of 1993's first half, was sworn as mayor of Jersey City July 1, a panoply of Democratic and Republican big names, headed by gubernatorial candidates Jim Florio and Christie Whitman, was in eager attendance. Schundler, after all, offers either Florio or Whitman the opportunity to steal a prize on which the other had counted.

JOSEPH W. KATZ
Case closed. Whitman supports vouchers, Schundler supports Whitman.

Not so fast. Watching this issue anxiously and, to some, menacingly is the state's single most politically powerful private interest organization, the New Jersey Education Association. With a membership of 142,000 teachers and other school personnel, not only can NJEA mobilize thousands of its people to get out its own vote and to work directly for candidates it endorses, but it also can channel huge sums to those candidates.

In 1989, the last gubernatorial election year, NJEA contributed more than \$370,000 to Florio and its Assembly endorsees.

To Dolores Corona, NJEA's director of government relations, school vouchers are "a most serious issue."

Corona views the plan as an immense new drain on the taxpayers since vouchers also would have to be given to all students currently attending private schools. Not only would vouchers lead to "the demise of the public schools," she predicts, but it would foster "elitism by granting tax funds to a lot of wealthy people."

Schundler expresses scorn for the teachers' union, which worked heavily against him in the city election. "You see what happened; I won more than two-thirds of the vote," he observes, throwing the teachers' opposition into their faces.

"It's wrong for politicians to give in to interests such as the NEA (NJEA's national parent). With vouchers, the unions will be less demanding because the public schools that can't compete will have to close, and this means the loss of their members' jobs."

WHITMAN, however, can't so cavalierly write off NJEA. She appears to have a fair chance of winning its endorsement or holding the group neutral. The teachers are still bitter over the events of 1990 when Florio, at the height of his powers and coming off NJEA's support for his election, steamrollered a Democratic Legislature into transferring teacher pension payments from the state to the school districts.

The change was designed to make the districts more reluctant to raise teacher pay.

NJEA was further alienated by the Democrats in 1991 when the Legislature reduced the portion of the \$2.8 billion Florio tax increase that could be spent on schools.

Thus, it was no surprise when the union overwhelmingly supported the Republicans in their landslide legislative win in 1991. The GOP repaid that help by repealing the pension transfer. Corona does credit Florio with signing the repealer.

NJEA's Political Action Committee is scheduled to vote its endorsement Aug. 14. Reflecting the difficulty of the gubernatorial decision, Corona notes that there's a strong possibility that the verdict may be delayed.

Just as the governor is eager to make nice with the teacher lobby, he's been lavishing attention and tangible rewards on Schundler. At the inaugural, he ostentatiously signed a bill that would give the city, among others, new millions from the utilities gross receipts tax.

Less than a week later, he was back in town to pose with the mayor and officials welcoming a state-stated relocation of three firms from New York to one of the city's new waterfront office towers.

Meanwhile, James Boylan, the man Schundler had installed as the anti-existing-organization Jersey City Democratic chairman, was appointed by Florio to a paying position on the State Local Government Board. To accomplish this, the governor had to persuade the county's three Democratic senators — all products of organization politics — not to block the nomination of a man who had helped the mayor conduct a campaign based in large part on the alleged misdeeds of organization politics.

The Republican mayor says he's "happy to give the governor credit every time he does something good for Jersey City." As for Florio and school vouchers, he says, "you shouldn't assume that people can't be moved; people aren't necessarily fixed."

"Is Florio fixed?" he's asked. "We'll find out," is the enigmatic response.

Whitman, who has been assiduously courting Schundler since he sneaked into the mayoralty with 16 percent of the vote in a 19-candidate special election last November, has many reasons to believe he'll stick with her party.

The mayor expresses his admiration for such Republican luminaries as Jack Kemp, whom he invited to be a principal speaker at his inaugural, and House GOP whip Newt Gingrich, who he says feels their party must do more for people in the cities than admonish them to "be scrupulous."

AS FOR JOBS, ceremonial photo opportunities and other goodies, Whitman will have to persuade the mayor that there will be even better things to come if he'll help her get elected. Meanwhile, she must think of how to explain to NJEA the promises she's already made to him.

Between them, Schundler and NJEA have Florio and Whitman walking on eggs — of the scrambled variety. The question is: Who will slip?

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