



U.S. Education Secretary Duncan threatens to pull PA's stimulus aid for schools.

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WASHINGTON (AP, June 18) - The Obama administration is warning it may withhold millions of extra stimulus dollars from states that use the money to plug budget holes instead of boosting aid for schools.

Education Secretary Arne Duncan made the threat Thursday in a letter to Pennsylvania Gov. Ed Rendell, but his words have implications for Texas, Arizona and other states.

And they raise the stakes for the White House, which will come under intense pressure from Congress if Duncan does hold back some money.

In the letter, Duncan wrote he is displeased at a plan by Pennsylvania's Republican-led Senate to reduce the share of the state budget for education while leaving its rainy-day surplus untouched. To do so is a disservice to kids, Duncan wrote.

Duncan said the plan may hurt Pennsylvania's chance to compete for a \$5 billion competitive grant fund created by the stimulus law to reward states and school districts that adopt innovations Obama supports.