

## **OFF THE FLOOR: Rendell put state first in education budget.**

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A Capitolwire Column

By [Peter L. DeCoursey](#)  
Bureau Chief  
Capitolwire

HARRISBURG (July 7) - One of the usually fair knocks against Gov. Ed Rendell took a hard hit in this budget. If Rendell proposes anything, someone says, and increasingly often it is Democrats as well as Republicans, that hidden within it is more state money for Philadelphia.

And heaven knows, in mass transit, in direct projects, for the Comcast Building, and literally in thousands of other ways, he has done quite a bit of that.

But not in the education budget battle this year. Instead, Rendell showed his critics that on major issues, he will sacrifice Philly for something more important.

Rendell proposed a six-year, \$2.6 billion commitment to increasing the state basic K-12 annual education funding. He wanted to kick it off with \$291 million, 50 percent to 100 percent higher by percentage than past increases, in the first year. And he wanted to apportion that money with a formula that gave funds first to the poorest and most over-taxed school systems.

Then, as he does sometimes, Rendell attempted to cheat in Philadelphia's favor. In 500 school districts, his formula drove out the state cash on the basis of a formula that included school district tax effort. In Philadelphia, and only in Philadelphia, he substituted the city tax effort for the school district tax effort, resulting in \$34 million extra for the Philadelphia School District.

So going into the education budget battle, Republican leaders attacked on all four fronts: they wanted to change the formula Rendell proposed, cut the amount he proposed in the first year, ignore the six-year commitment and get rid of Philadelphia's special treatment and the \$34 million it brought them.

Given Rendell's past record, I expected him to guard Philadelphia's money, insist on the first-year spending and concede away the six-year commitment and the formula.

Instead, the governor conceded on the six-year plan, and conceded away Philadelphia's special formula subsidy. He gave half the city's \$34 million to double the 1.5-percent increases 101 school districts were getting. He cut the other \$17 million entirely out of the basic education subsidy.

Of course, Philadelphia will likely get at least most of its \$34 million through other state-discretionary accounts, but remember, it would've probably gotten the bonus discretionary cash anyway. So the district genuinely lost money here. And it did so because Rendell had a more important goal.

Most people thought going into this, and I certainly did, that the most important, and least winnable, fight from Rendell's point of view was for the new funding formula. It identifies the districts that are farthest from the dollar amount a legislative study determined they required to adequately educate their kids. Then the formula pushed double-digit increases to all of the districts least funded to adequately educate their kids, with a boost to those whose residents have the highest tax burden.

If, like Rendell, you believe in that adequacy study, and if, like Rendell, you know that many poor urban school districts like Reading can't afford to hike property taxes without driving the final remainder of the middle class from them, then the magnitude of the formula is obvious.

And that formula was the part of his education plan even Democratic legislative leaders said had to be scuttled and re-written.

Rendell could have settled for the \$291 million in overall funding, a vaguely-worded resolution about the six-year funding goals and probably in the end kept the \$34 million for Philadelphia.

Instead, he held out, cut Philadelphia, cut the overall amount and won the formula, because he honestly believed it was the most important part of the package. And that meant Southeast Delco School District is getting a 16-percent state funding hike, Allentown, 19, Lancaster, 17, Panther Valley, 16, Muhlenberg, 21, Reading, 18, York, 16, Norristown, 19, Chartiers Valley, 11, Upper Darby, 22, Bangor, 13, Whitehall-Copley, 12. And lots of other school districts across the state, also struggling to fund an adequate education, got double their normal increases.

By announcing his numbers early and proposing an amount so much higher than past increases, school boards began to expect the big increases Rendell was sending many of them. And they became his best lobbyists and 300 of them can't wait to push for year two, when Rendell raises the ante by 60 percent.

Last week in the Capitol, lawmakers were saying Rendell would be remembered for his energy plan or mine safety or infrastructure, and all that, plus a smoking ban, did get passed. And that's not even mentioning \$3 billion in borrowing Rendell will get to spend after he passes two more big bridge bond bills in his last two budgets. He even got to

keep developing high school graduation tests, so he can try to mandate them again next year.

But if he gets year two and year three of his funding for basic education passed as he now proposes them, and this first year gave them the color of law and the momentum of precedent, that could become his most important legacy, even more than gambling.

And it is undeniable that Rendell had every chance to act as the governor of Philadelphia on this issue. Instead, even if you don't like his policy here, you cannot deny he put the whole state first.