

Federal education chief supports Rendell's push for more school spending Friday, June 19, 2009

By Eleanor Chute, Pittsburgh Post-Gazette

U.S. Education Secretary Arne Duncan has given an assist to Gov. Ed Rendell, who is trying to persuade the state Legislature to use federal economic stimulus money to increase basic education spending in the coming year's budget.

In response to a letter Mr. Rendell sent seeking help, Mr. Duncan wrote, "I was disappointed to see that, instead of tapping into the state's Rainy Day Fund, the Pennsylvania Senate recently chose to reduce the percentage of the overall budget being spent on education. To cut state appropriations for primary education by \$728 million [14 percent] while leaving a \$750 million rainy-day surplus completely intact is a disservice to our children."

Mr. Duncan said Pennsylvania's position "may be negatively impacted" for discretionary grants -- including competitive Race to the Top money -- if it has disproportionately reduced its education budget or if it "has done nothing more than backfill budget holes with these dollars when the state had other resources available to it, such as a Rainy Day Fund."

Mr. Duncan noted: "Each state has an obligation to play its part in spurring today's economy and protecting our children's education."

Mr. Duncan's letter was dated yesterday, and the state Department of Education released it the same day.

Pennsylvania is expected to receive more than \$2.6 billion for education from the American Recovery and Reinvestment Act. Some of it -- such as money for special education and Title 1, which serves low-income children -- is distributed by a set formula.

But about \$1.6 billion is part of a state fiscal stabilization fund, which must be spent on education but has more flexibility than the formula-driven categories do. Mr. Rendell intended to spend much of the amount to increase basic education subsidy and continue implementing a new formula aimed at greater equity.

However, Senate Republicans won Senate approval to roll back state basic education spending -- the stimulus bill requires maintaining 2006 spending levels -- and to fill the gap with \$728 million in stimulus money, thus holding the basic education allocation to 2008-09 levels.

In his letter dated May 21 to the secretary, Mr. Rendell outlined the situation and asked, "I am hopeful that you will explore any and all options to assist us in helping Pennsylvania understand that the Senate budget is a violation of the intent of the ARRA from both the perspective of the U.S. Congress and the President of the United States. Moreover, I would hope that you would find ways to convey any and all repercussions that Pennsylvania schools may face with respect to federal funds should the Senate budget become law."

Mr. Rendell wrote that it was his understanding that the Senate plan could put numerous school districts at risk of needing to increase local taxes to comply with maintenance of effort requirements for special education and Title 1. Mr. Duncan's letter did not directly address that point.

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