

Lesson one: Don't balance the budget with temporary funds  
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As the state budget fight intensifies in Harrisburg, news from Washington comes as a warning that making the wrong choices for education now could cut Pennsylvania out of a pool of new money in the future.

President Barack Obama and Education Secretary Arne Duncan announced rules Friday for the administration's new "Race to the Top" fund, a \$5 billion incentive for states that find ways to toughen standards, recruit and keep effective teachers, track student performance and turn around failing schools. That money is on top of State Fiscal Stabilization Funds for which Pennsylvania has applied.

Mr. Duncan already has warned that the state's chance for a share in "Race to the Top" money won't be good if it cuts back on how much it spends on education. He said so in a letter sent last month, in response to a request from Gov. Ed Rendell.

Mr. Rendell and Senate Republicans differ on how to use the initial federal stimulus funds. The governor wants to give \$5.2 billion in state funds to school districts for the upcoming budget and again for 2010-11, the same amount they received for 2008-09. The federal stimulus funds -- \$418 million for the 2009-10 budget and \$737 million the following year -- would be provided on top of that.

Because of a big deficit in the state budget, Republicans disagree. They want to use the stimulus funds to cut back on how much state money goes to schools. Republicans would use state funds to come up with the amount districts received in 2005-06 and then use the \$700 million in stimulus funds to fill in the gap.

The trouble with that is two years from now, when the stimulus funds run out, Pennsylvania's education funding will be back at 2006 levels rather than 2009, as proposed by the governor. Doing so would eliminate the much-touted

improvements enacted last year that were supposed to start reducing school districts' reliance on local property taxes.

On top of that, it would take Pennsylvania out of the running for the "Race to the Top" -- both literally and figuratively.

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