



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

THE ASSISTANT SECRETARY

APR 30 2009

Honorable Tim Bishop  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representative Bishop:

I am writing in response to a message that we received from Will Jenkins of your staff. In his message, Mr. Jenkins provided the Department with a message that a contractor sent to local school districts in New York State. The message included information that is not consistent with the State Fiscal Stabilization Fund (Stabilization) authorizing statute.

In its message to local school districts, the contractor stated, "We anticipate school districts will be required to demonstrate maintenance of local tax levy effort in connection with the receipt of stabilization funds. If your district is planning to reduce your 2009-10 tax levy below the amount of the 2008-09 tax levy, this action may put your district's eligibility for federal fiscal stabilization funds in jeopardy." Establishing a requirement that a local school district retain a specific tax levy as a condition of eligibility for Stabilization funds is not permitted under the statute. I will contact New York State to see if this is what the State is planning and, if that is what the State is planning to do, will inform them that it is not allowable.

If you have any further questions, please do not hesitate to contact me. I can be reached at [Joseph.Conaty@ed.gov](mailto:Joseph.Conaty@ed.gov) or by phone on 202-260-8230.

Sincerely,

A handwritten signature in blue ink that reads "Joseph C. Conaty".

Joseph Conaty  
Delegated the Authority to Perform the Functions  
and Duties of the Assistant Secretary for  
Elementary and Secondary Education