

Text of the D.O. Letter dated 5.10.2015 addressed by **Selvi J Jayalalithaa**, Hon'ble Chief Minister of Tamil Nadu to **Shri Narendra Modi**, Hon'ble Prime Minister of India is reproduced below:

"I write to bring to your attention attempts to unilaterally further reduce the Government of India's share of the funding for the Sarva Shiksha Abhiyan (SSA) from the present already reduced level of 65 per cent.

The Ministry of Human Resources Development in the 216th Meeting of the Project Approval Board of SSA for the year 2015-16 had approved a total outlay of Rs.2329.15 crores in the Centre:State sharing pattern of 65:35 and had also requested the Government of Tamil Nadu to commit to provide 35% of the plan outlay as its share. Based on this clear indication, appropriate provisions were made in the State's Budget for 2015-16 and the approved plan was put into operation from April, 2015.

The Ministry of Human Resources Development released an ad hoc grant of Rs.389.31 crores on 15th May, 2015. Subsequently, on 1st September, 2015, an amount of Rs.162.78 crores was released to Tamil Nadu as the balance of the first installment, with a hand written correction requiring the State Government to release its corresponding share of 50%. On 14th September, 2015, the Ministry of Human Resources Development wrote to the State Governments indicating that the Ministry of Finance would release only 50 per cent of the outlay for the scheme as the Central share, as against the originally committed 65 per cent, pending a final decision on the proposed modifications to the Centre-State funding pattern for Centrally Sponsored Schemes consequent to the enhanced devolution of tax resources to States as per the recommendations of the 14th Finance Commission.

SSA is a very important scheme implementing the Right to Education Act, 2009, a Central legislation intended to achieve the national goal of Universal Elementary Education. Hence, the scheme ought to be funded adequately by the Government of India and the Union Budget 2015-16 made that intent very clear. In Annex 8 of the Expenditure Budget Volume I which detailed the Centrally Sponsored Schemes which would continue to be fully supported by the Central Government, those which would be delinked from Central assistance and those which would receive modified funding, as a consequence of the recommendations of the 14th Finance Commission, SSA is clearly indicated as one of the schemes which would continue to be fully supported by the Union Government. To go back on an assurance given in the Union Budget 2015-16 which has also been voted by Parliament is improper.

Further, the Central Share of the expenditure on SSA is met from the Education Cess levied on central taxes and duties. The revenue from Cesses and Surcharges are entirely appropriated by the Central Government and not shared with the States as part of the divisible

pool of taxes. Having levied, collected and appropriated Education Cess, it is unfair and unjustified to reduce the Central share of the funding for Sarva Shiksha Abhiyan.

The Governing Council of NITI Aayog has constituted a Sub-Group of Chief Ministers to make recommendations on issues relating to Centrally Sponsored Schemes. Tamil Nadu has taken a stand that, in order not to distort expenditure priorities of States, a Centrally Sponsored Scheme must have a Central share of at least 75 per cent. It is learnt that the report of the Sub Group is soon to be submitted to the Prime Minister. When the issue is engaging attention at the highest level, a unilateral reduction by the Ministry of Human Resources Development in the share of Central funding for Sarva Shiksha Abhiyan is not called for.

Tamil Nadu has been fervently working towards ensuring access to free education for children in the age group of 6 – 14 years and children belonging to weaker sections and disadvantaged groups. In 2015-16 alone, an amount of Rs.20936.50 crores has been provided for School Education in the State's budget.

The Government of Tamil Nadu has formulated various programmes for the effective implementation of the Right to Education Act keeping in mind the Centre-State sharing pattern of 65:35. We were confident that no change in the funding pattern would be effected, particularly after the clear indication in the Union Budget and the reply of the Union Minister for Human Resources Development to Starred Question No.508 in the Lok Sabha on 13.8.2014, in which it had been categorically stated that there was no proposal to change the fund sharing pattern between the Centre and the State Governments under the Sarva Shiksha Abhiyan from the present 65:35.

The 14th Finance Commission's recommendations have been very adverse for Tamil Nadu and the entire benefit from increase in vertical devolution from 32 per cent to 42 per cent has been wiped out by the sharp reduction in Tamil Nadu's horizontal share by 19.14 per cent and the removal of a number of specific purpose grants. Tamil Nadu actually stands to lose Rs.6000 crores per annum as a result of the 14th Finance Commission's recommendations. Hence, the sudden and unilateral decision to change the sharing pattern from 65:35 to 50:50 will jeopardize the implementation of Sarva Shiksha Abhiyan in Tamil Nadu, which is undoubtedly a national priority.

Given the seriousness of the issue I request you to kindly intervene immediately in the matter and direct the Ministry of Human Resources Development and Ministry of Finance to ensure that the Government of India provides at least 75 per cent of the funding for the Sarva Shiksha Abhiyan and in the interim, immediately restore the sharing pattern for the Sarva Shiksha Abhiyan to at least the existing ratio of 65:35."

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