

2017-18 State Budget

Governor's Budget Address



The Basics

- Governor Wolf proposed \$12.2 billion in education spending.
 - A \$458 million (3.9%) increase from 2016-17.
- More BEF and Special Education money
- Significant investment in early childhood education
- Budget outlook



The Numbers

(In Thousands)	2016-17 Budget	2017-18 Proposal	Difference
Basic Education	\$5,895,079	\$5,995,079	\$100,000
Ready to Learn	\$250,000	\$250,000	\$0
Special Education	\$1,096,815	\$1,121,815	\$25,000
Early Intervention	\$252,159	\$263,878	\$11,719
Head Start	\$49,178	\$59,178	\$10,000
Assessments	\$58,300	\$58,300	\$0
Pensions	\$2,064,000	\$2,304,000	\$240,000
Social Security	\$492,082	\$529,500	\$37,418
Transportation	\$549,097	\$499,097	-\$50,000
Nonpublic Transportation	\$80,009	\$80,009	\$0
Pre-K Counts	\$147,284	\$212,284	\$65,000
Career & Technical Ed	\$62,000	\$62,000	\$0



Basic Education Funding

- Governor Wolf's budget proposal
 - \$100 million increase in BEF (a 1.7% increase).
 - Total of nearly \$6 billion.
- Would mean \$452 million in new money passed through new BEF Formula.
 - All districts would see an increase in BEF funding.
 - **If \$0 increase** – some districts could see a reduction in BEF funding from last year.
 - Would not be less than 2013-14 BEF, but could be less than 2016-17.



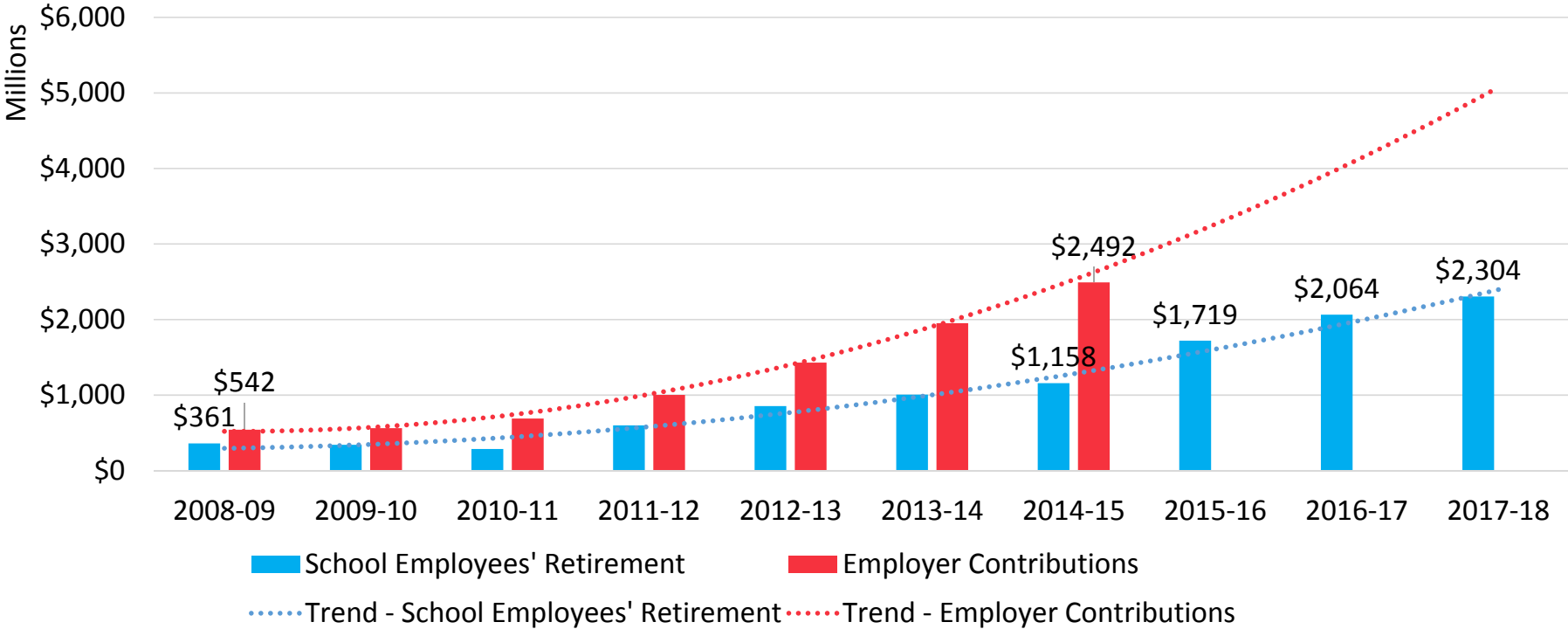
Pensions

- Employer contributions are up **360%** between 2008-09 and 2014-15.
- State budget allocations to pensions went up **221%** in that time.
- Governor Wolf's budget proposal
 - Additional \$240 million in School Employees' Retirement funding (an 11.6% increase).
 - Total of more than \$2.3 billion.
- Legislative update on pension reform efforts.



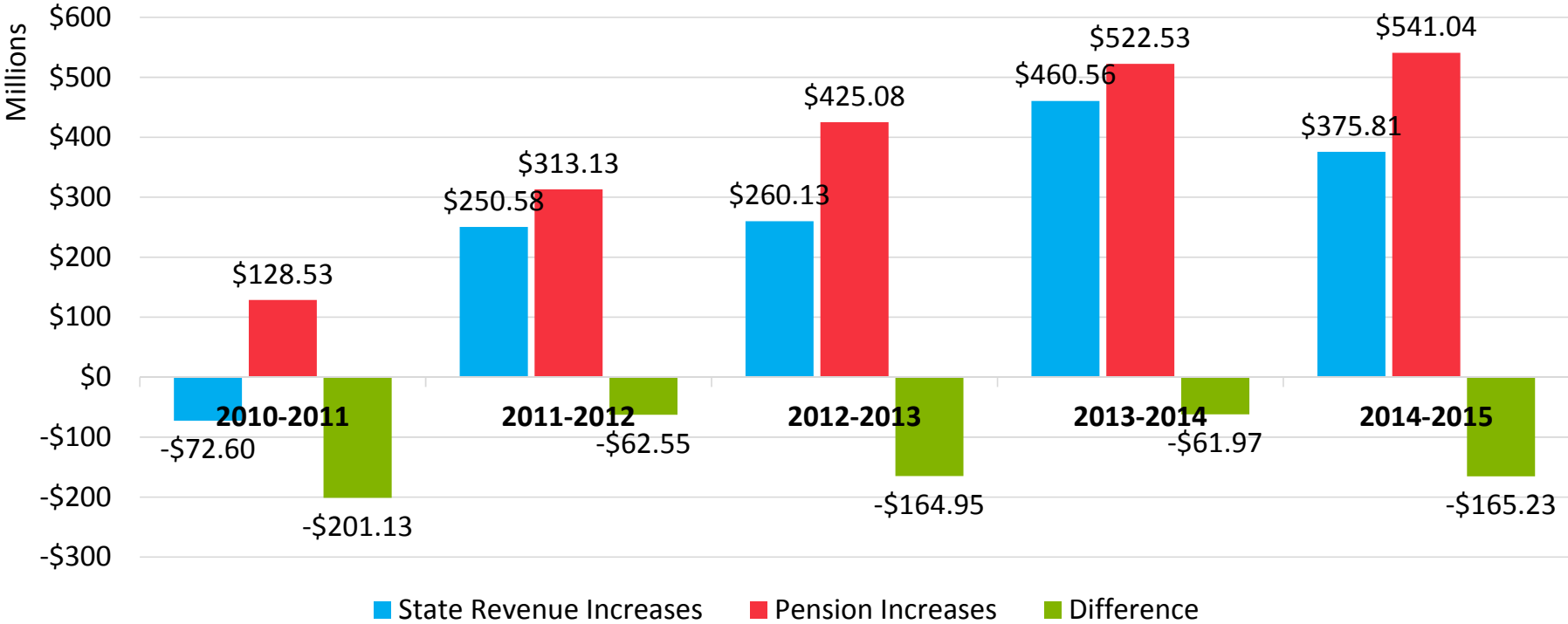
Pensions

Pension Trends – State and Employer Contributions



Pensions

Pension Increases vs State Revenue Increases



Pensions

- The state generally contributes 50-55% of employer pension contributions.
- The \$240 million increase in state pension funding could mean an increase of \$108-\$120 million for school districts.
- Pension increases more than cover the entire proposed BEF increase.



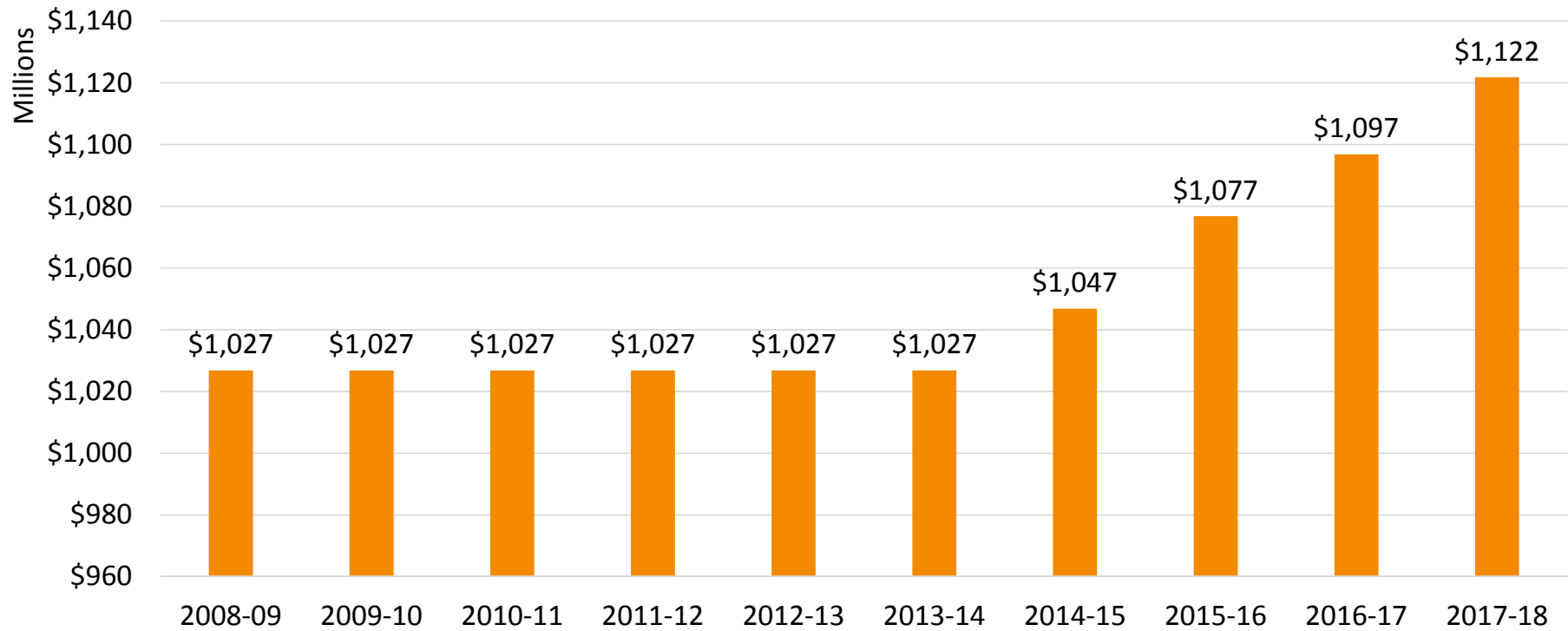
Special Education

- Increasing costs have become a major cost driver.
 - Special education expenditures have increased 44.6% since 2007-08.
 - State special education funding has increased 8.6% since 2007-08.
- Governor Wolf's budget proposal
 - \$25 million increase in special education (a 2.3% increase).
 - Total of more than \$1.1 billion.
 - \$90 million in new special education funding run through SEF Formula.
 - \$11.7 million increase in early intervention.



Special Education

State Special Education Funding



Other Issues

- PlanCon
 - Governor Wolf's budget proposal includes \$29.7 million in PlanCon funding.
- Transportation
 - Governor Wolf's budget proposal includes a decrease of \$50 million in pupil transportation.
- Other decreases
 - Mobile science and math education programs (de-funded)
 - Adult and family literacy (\$800,000)
 - Educational access program (de-funded)
 - Job training and education programs (de-funded)



Questions?

Stay tuned for more updates as the budget evolves

Come to PSBA Town Halls for in-depth review

- Monday, February 20 Forbes Road Career and Technology Center, Monroeville
- Tuesday, February 21 Venango Technology Center, Oil City
- Wednesday, February 22 Clearfield County Career and Technical Center, Clearfield
- Thursday, February 23 Columbia Montour AVTS, Bloomsburg
- Monday, February 27 Middle Bucks Institute of Technology, Jamison
- Tuesday, February 28 PSBA, Mechanicsburg
- Wednesday, March 1 Bedford County Technical Center, Everett
- Thursday, March 2 West Side CTC, Kingston

