

Munson, Anita

From: Hann, Hervey
Sent: Thursday, March 24, 2016 8:05 AM
To: Munson, Anita
Subject: FW: PSBA Special Report: Budget Impasse Ends

Can you copy this and add it to the bulletin for this week?

*Hervey P. Hann
Superintendent
Southern Fulton School District*

From: PSBA Office of Government Affairs [mailto:Cindy.eckerd@psba.org]
Sent: Wednesday, March 23, 2016 3:24 PM
To: Hann, Hervey
Subject: PSBA Special Report: Budget Impasse Ends



Pennsylvania School Boards Association

legislative special report

March 23, 2016



Gov. Wolf to allow 2015-16 budget bill to become law without his signature, will veto Fiscal Code bill

**PSBA
Victory**

Today Gov. Tom Wolf announced that he would allow the budget provisions under House Bill 1801 to become law without his signature in order for schools to stay open through the end of the current school year.

The General Assembly passed House Bill 1801 on March 16, giving the governor 10 days to take action or let the bill become effective without his signature. **Therefore, the bill will officially become effective on March 27.**

The governor's announcement is a victory for PSBA and the advocacy efforts of public school officials who have continued to contact legislators and the governor's office urging an end to the impasse.

The new budget bill makes additions to appropriations made under Act 10A of 2015, which was signed last December and vetoed in part. The supplemental appropriations contained in House Bill 1801, and the

amounts under Act 10A of 2015, result in total General Fund expenditures of approximately \$30 billion.

Basic education will receive a \$200 million increase, with \$150 million for the basic subsidy and \$50 million targeted to the Ready to Learn Block Grant. There are no funds specifically allocated to provide school districts reimbursement for the interest paid on loans taken out during the impasse.

The bill includes these other funding increases for education:

Special Education -- \$30 million

Pre-K Counts -- \$25 million

Head Start Supplemental Assistance -- \$5 million

School Employees' Retirement -- \$5.6 million

PA Assessment -- \$9 million

Safe School Initiative -- \$5 million

Pupil Transportation -- \$2.4 million Mobile Science & Math Education Program -- \$250,000

However, the governor also indicated his intention to veto **House Bill 1327**, companion legislation which amends the Fiscal Code to provide for implementation of the 2015-16 budget and distribution of funds. The bill also addresses PlanCon reimbursement for school construction projects through the establishment of a program to issue up to \$2.5 billion in appropriation-backed bonds for the purpose of providing reimbursements to school districts for approved projects. Wolf said there are constitutional concerns with the language under House Bill 1327 and that he will veto it in its entirety.

Meanwhile, the June 30 deadline to adopt a 2016-17 state budget nears.

"We applaud PSBA members and school district communities in all of their outreach to the legislature and governor advocating for a budget to be enacted for this fiscal year. On behalf of school entities across the state, we thank the General Assembly and governor for bringing the current crisis to an end," said PSBA Executive Director Nathan Mains. "While we appreciate the governor's persistence with pushing for much-needed education funding increases, the \$200 million in HB 1801 will keep doors open and allow schools to focus on educating children. There are still challenges ahead on the 2016-17 budget, which must be passed by June 30 to ensure that schools can enter into the next academic year with confidence."

PSBA will continue to provide additional information on the distribution of the 2015-16 subsidies as it becomes available.

Pennsylvania School Boards Association

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