

Governor Wolf announced today that he would allow the 2015/2016 budget bill, House Bill 1801, become law.

This means that \$3 billion in BEF currently held by the state will flow out to school districts ASAP. The budget presented includes an additional \$150 million over the 2014/2015 allocation. This is an increase of \$50 million in BEF on top of the \$100 million included in the budget blue-lined in December 2015.

The Governor had indicated that while he is allowing the budget to become law, he said that he will veto the Fiscal Code Bill, House Bill 1327. This bill provided instructions on how to distribute the Basic Education Funds dollars. Under these instructions, schools would receive the same amount as they did in 2014/2015 and the additional \$150 million is to be allocated using the new basic education funding formula.

At this time it too early to determine the distribution method to be used to allocate the additional \$150 million. It could be distributed through the new BEF formula or through a formula developed by the governor’s office.

RSD is owed approximately \$17,000,000 for Basic Education Subsidies that were to be received on February 25, 2016, but were held by the Governor’s office due to the budget impasse and blue-line.

Below is a chart summarizing the potential impact of the approval of the 2015/2016 state budget:

Funding Line Items	RSD	2015/2016	Difference	Potential	Difference	
	2015/2016 Budget	Received To Date		Funding for 2015/2016	Dollars	Percent
Basic Education Funding Base (2014/2015)	117,615,435	51,854,949	(65,760,486)	117,638,248	22,813	
Additional Basic Education Funding	1,638,671		(1,638,671)		(1,638,671)	
Total Basic Education Funding	119,254,106	51,854,949	(67,399,157)	117,638,248	(1,615,858)	
Additional BEF if BEF Formula is Used (\$150MM)				5,700,000	5,700,000	
Total Basic Education Funding	119,254,106	51,854,949	(67,399,157)	123,338,248	4,084,142	3.4%
Ready To Learn Block Grant	3,774,126	4,179,631	405,505	4,179,631	405,505	10.7%
Total BEF and Ready to Learn Block Grant	123,028,232	56,034,580	(66,993,652)	127,517,879	4,489,647	3.6%
PlanCon Rental and Sinking Fund Subsidies	5,577,610	-	(5,577,610)	-	(2,800,000)	
Total BEF, RTK, and PlanCon	128,605,842	56,034,580	(72,571,262)	127,517,879	1,689,647	1.3%