



**Basic Education Subsidy**

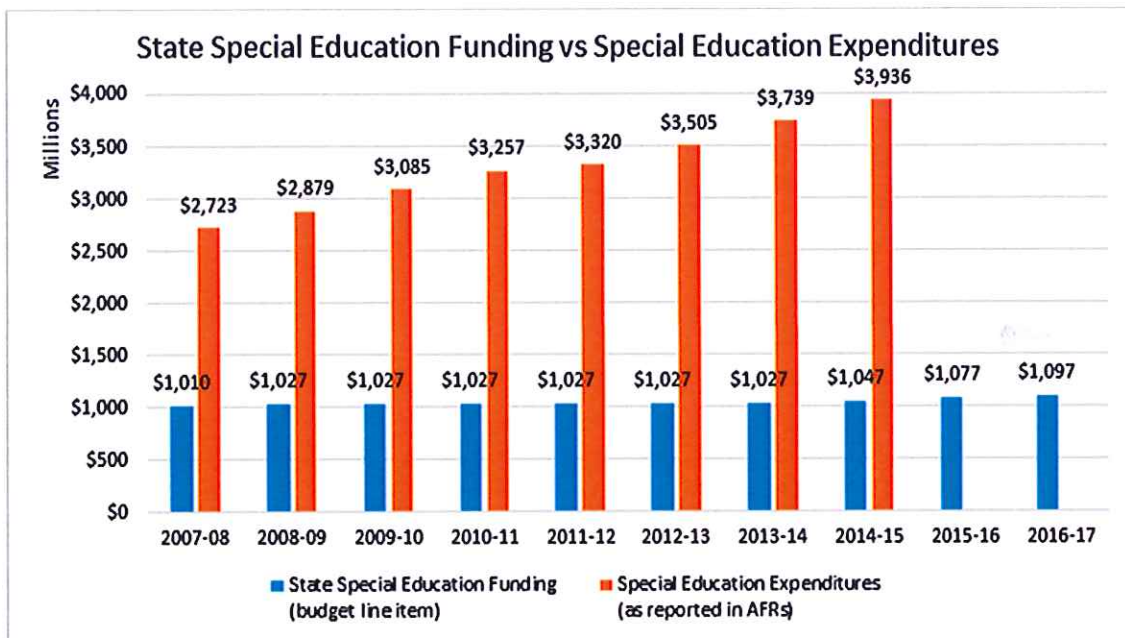
Support: A minimum increased investment of \$100 million for the basic education funding (BEF) appropriation. The increase in the BEF appropriation will be distributed through the new Basic Education Funding formula. If there is no increase in Basic Education Funding in the new budget, some school districts could see a reduction in BEF funding from 2016-17.



**Special Education**

Support: A minimum increased investment of \$25 million for special education. The new special education funding will be run through the new Special Education Formula.

Increasing costs for special education instruction and services mandated by state and federal laws and regulations have become a major cost driver in district budgets. Special education expenditures have increased nearly 45% since 2007-08, while the state’s investment has only increased by 8.6%.



**Pupil Transportation**

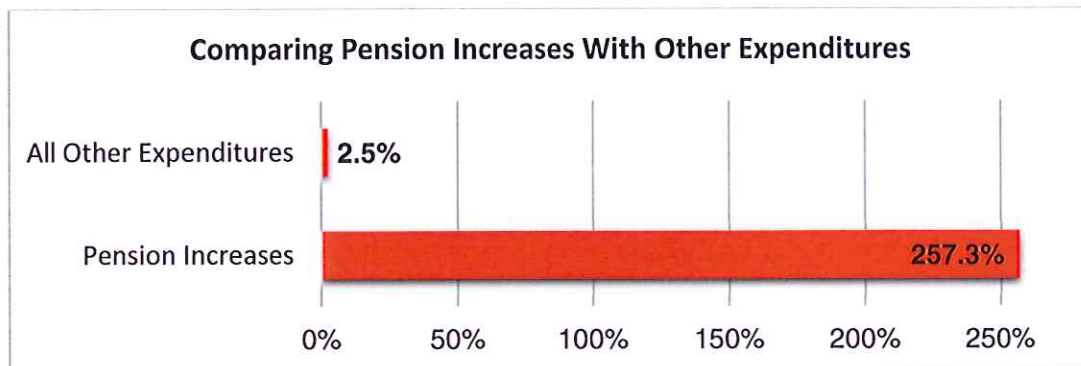
Oppose: A proposed \$50 million cut in pupil transportation, which will hurt school district budgets. This is equal to about an 8% decrease in every district’s transportation budget. The cut would not reduce the need or costs for school districts to provide transportation to their students, as well as the burden of transporting students attending charter and nonpublic schools.

## Pension Costs Are Pushing School District Budgets

The proposed increases in BEF and special education (along with a decrease in transportation) will be negated by increases in pension costs.

	2017-18 Gov. Proposal
Basic Education	\$100,000,000
Special Education	\$25,000,000
Transportation	(\$50,000,000)
Pension estimate (45% of state increase)	(\$196,000,000)
<b>Net Change</b>	<b>(\$121,000,000)</b>

In a recent PSBA survey, nearly 85% of school districts said pension costs were the single biggest source of budget pressure. Employer contributions are up 257% between 2010-11 and 2014-15. Pension costs are up 360% if you go back to 2008-09. Any funds saved from pension system reforms should address the liability.



## School Boards Control Costs to Pay for Charter, Pension Increases

School boards are budgeting responsibly. They have managed their expenditures by decreasing staff salaries by over 4% and controlling nonmandated costs to a minimal increase of 5% over the same period. At the same time, charter tuition costs are up over 50% and pension costs continue to rise. These are expenditures that could be going into the classroom instead.

