Pennsylvania faces a projected General Fund shortfall of more than $1 billion. Gov. Rendell proposed a $29 billion budget for FY 2010-11 that increases taxes, and is demanding a $350 million increase in basic education subsidies to school districts. This is the seventh in a series of fact sheets on the Pennsylvania state budget.

**Pennsylvania Cannot Spend Its Way to Educational Success**

- K-12 public education spending has skyrocketed in Pennsylvania:
  - Pennsylvania’s education spending increased from $4 billion in 1980 to **over $25 billion** in 2009—a **133% increase in per-pupil spending**, from $6,171 to $14,420 (in 2010 dollars).
  - School construction and debt spending has **doubled** in just 10 years. Prevailing wage laws increase the cost of construction by 20% or more; repealing this mandate would save $400 million annually in construction costs.

### PA Public School Spending Per Pupil (Inflation Adjusted to 2010)

- **2008-09 = $14,420**
- **133% Increase, adjusted for inflation, since 1980**


Fall Enrollment includes School Districts, Charter Schools, State-Owned Schools, Special Program Jointures, State Juvenile Correction Institutions and Comprehensive CTCs are included. Enrollments for Occupational CTCs are not included.
Public school staffing has increased while enrollment has declined

- Since 2000, enrollment has decreased by 26,960 while schools have hired 32,937 more staff members.
- Most of these new employees pay dues to the PSEA labor union, which runs one of the largest political action committees in the state and heavily funded Gov. Rendell’s campaigns.

K-12 public education performance has stagnated

- Despite these spending and staff increases, performance on the NAEP exam has changed little.
- Academic studies have found little or no correlation between student achievement and class size, teacher salaries, or per-pupil expenditures.
- Pennsylvania ranks a dismal 43rd in the nation in combined SAT score, and scores have not improved over time.

Public schools have $2.7 billion in reserves

- Reserve funds have increased over $1 billion since 1996-1997, to $2.7 billion.
- School district fund reserves are almost 8 times the amount of Gov. Rendell’s proposed $350 million increase in state subsidies.

School choice saves taxpayer money

The $75 million Educational Improvement Tax Credit (EITC) was reduced in last year’s budget deal, while subsidies for school districts rose by four times the cost of the entire EITC. Another cut to the EITC is scheduled, while school districts are in line for an increase of over $300 million.

- The average EITC Scholarship is $1,100, compared with the average school district spending of over $14,000 per-pupil.
- If the EITC were to be cut and scholarship opportunities reduced, many students would be forced back into high-cost public schools, resulting in higher property taxes.
- The EITC saves taxpayers almost $500 million per year by allowing children to attend better or safer schools at a lower cost to taxpayers.

For more information on the Pennsylvania State Budget, visit CommonwealthFoundation.org/budget