Pennsylvania Education Spending

Gov. Tom Corbett’s FY 2011-12 budget proposal includes $63.6 billion in total operating spending—$27.3 billion in General Fund spending—a reduction of $3.3 billion from FY 2010-11. This budget restores overall spending to pre-stimulus levels and proposes no new taxes. This is the sixth in a series of fact sheets on the state budget.

Pennsylvania Public School Spending Continues to Grow

- K-12 public education spending has dramatically increased in Pennsylvania.
  - Pennsylvania’s education spending increased from $4 billion in 1980 to more than $25 billion in 2009—a 133% increase in per-student spending, after adjusting for inflation.
  - Pennsylvania school districts spent more than $13,000 per student in 2008-09.

- School construction and debt spending has doubled in a decade.
  - Prevailing wage laws increase the cost of construction by 20% or more; repealing this mandate would save $400 million annually in taxpayer-funded construction costs.

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 Pennsylvania.
  - The PSEA, Pennsylvania School Board Association, and other groups receive tens of millions of dollars from school districts while lobbying for more education spending and against substantive education reforms, including school choice and taxpayer control of tax increases.

K-12 Public Education Performance Has Stagnated

- Despite these spending and staff increases, performance on the National Assessment of Educational Progress, the national exam used to compare state performance, has changed little.
  - Academic studies have found little or no correlation between student achievement and class size, teacher salaries, or per-pupil expenditures.
  - A 2010 study by 21st Century Partnership for Science, Technology, Engineering, and Mathematics Education (21PSTEM) comparing 11th grade math, reading, and science scores on state tests with district
per-pupil spending found low-spending districts often outperform high-spending ones.

○ Another 21PSTEM study looked at the 30 Pennsylvania school districts that improved the most on 11th grade reading and math performance and the 30 districts that declined the most from 2004 to 2010. Schools that declined actually had higher increases in total per-pupil spending.

- Pennsylvania ranks 43rd in the nation in combined SAT score, and scores have not improved over time.

**Public Schools Have $2.7 Billion in Reserves**

- At the end of the 2008-09 school year, public schools had $2.68 billion in General Fund reserves.
  ○ This includes $1.77 billion in undesignated funds, and $907 million in funds designated for specific future use.
  ○ School reserve funds have grown by 127% (from $1.1 billion to $2.7 billion) since 1996-97.

**School Choice Costs Taxpayer Less**

Private schools, charter schools, and homeschooled educate more than 395,000 at far less a cost to taxpayers than the $13,000 per student spent by school districts.

- More than 300,000 students attend private and nonpublic schools, with state support (including transportation costs going to school districts) of less than $1,000 per pupil.
  ○ Educational Improvement Tax Credit scholarships—which averaged about $1,100 in 2008-09—served approximately 45,000 of these students, with an average family income of less than $30,000.

- Charter schools, including cyber charter schools, served 73,000 students in 2008-09 at about $1,500 less per student than school districts spent.

- Approximately 22,000 students are homeschooled in Pennsylvania. Homeschool parents receive no direct taxpayer support.

- In total, school choice saved taxpayers more than $4 billion, based on school district spending per student.

**Total Taxpayer Savings from Students Attending Alternative Schools**

<table>
<thead>
<tr>
<th>2008-09 School Year</th>
<th>Savings Per Student*</th>
<th>Number of Students</th>
<th>Total Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private and Nonpublic</td>
<td>$12,179</td>
<td>300,008</td>
<td>$3,653,843,158</td>
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<tr>
<td>EITC Scholarship Students</td>
<td>$11,077</td>
<td>44,893</td>
<td>$497,286,603</td>
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<tr>
<td>Home School</td>
<td>$13,145</td>
<td>22,316</td>
<td>$293,343,820</td>
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<tr>
<td>Public Charter (Total)</td>
<td>$1,495</td>
<td>73,054</td>
<td>$109,197,291</td>
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<tr>
<td>Cyber Charter</td>
<td>$2,935</td>
<td>20,406</td>
<td>$59,895,459</td>
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<tr>
<td>Total</td>
<td></td>
<td>395,378</td>
<td>$4,056,384,269</td>
</tr>
</tbody>
</table>

* Includes Tax Credits for EITC Scholarships as Cost

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