School Spending Update, 2013-14

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The Pennsylvania Department of Education recently released new expenditure and revenue figures for the 2013-14 school year. This memo presents trends in school spending, revenue, pension contributions, district fund balances, and property tax increases.

Pennsylvania school districts spent $26.1 billion in 2013-14, an all-time high. This represents a $600 million increase from 2012-13.

Districts spent $15,019 per pupil in 2013-14, up from $14,621 in 2012-13. Total education spending steadily increased over the last five years, save for 2011-12 upon the expiration of temporary federal stimulus dollars.
State revenue to school districts reached an all-time high in 2013-14, at $9.7 billion. State aid slightly dropped under Gov. Rendell in 2009-10 and was supplanted by federal stimulus funding. However, since 2010-11, state aid has consistently increased. On a per-pupil basis, state taxpayers contribute roughly $5,400, which mirrors the national average.

School districts pension contributions increased from $1.4 billion in 2012-13 to $1.9 billion in 2013-14. In 2008-09, districts spent $562 million on pension contributions; schools have seen more than a three-fold increase in only five years. These costs will continue rising in coming years.
School districts continue to accumulate large reserve funds, up to $4.1 billion in 2013-14—a $200 million increase. This amounts to more than 15 percent of their total revenue.

Property tax increases remained restrained in 2013-14—only growing by 2.2 percent—a far cry from only ten years prior when the year-over-year increase exceeded 7 percent.