



Policy Points

from the COMMONWEALTH FOUNDATION

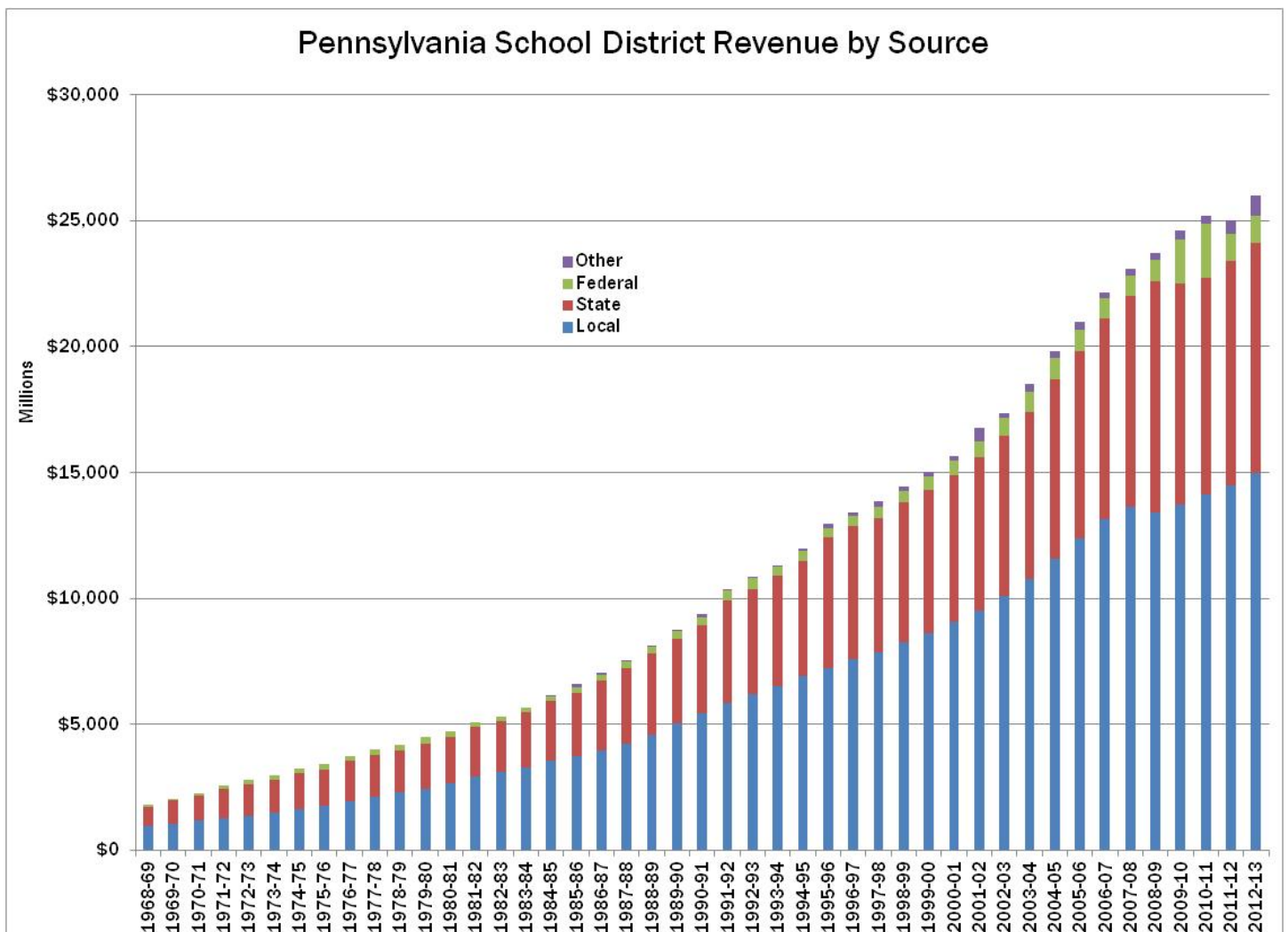
June 2014

Five Facts on Pennsylvania Public Schools

The Pennsylvania Department of Education recently released its annual summary of public school finances for the 2012-13 school year. Here are some basic facts about school finances and spending, that you might not be aware of.

SCHOOL DISTRICT REVENUE IS AT AN ALL-TIME HIGH.

- Total revenue exceeds \$26 billion, which is \$974 million more than in 2011-12. It is \$800 million more than in 2010-11, the previous record high, and nearly \$3 billion more than in 2007-08, the last fiscal year prior to federal stimulus funds being used to balance the state budget.

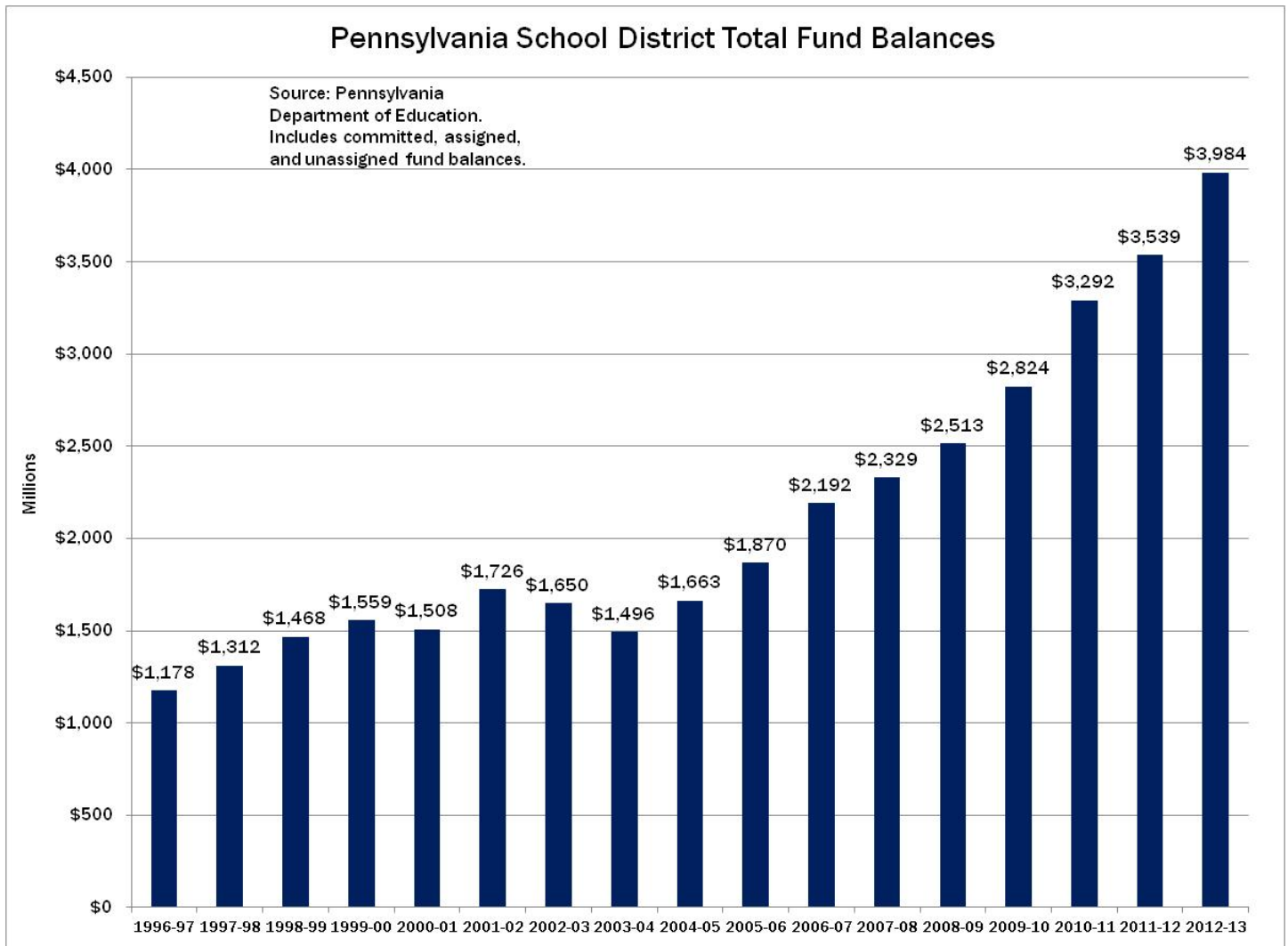


TOTAL SCHOOL DISTRICT SPENDING IS ALSO AT A RECORD HIGH, AT \$25.56 BILLION.

- This represents an \$803 million increase over the prior year, and \$467 million more than the previous high.
- The fastest growing major category of spending is “5000, Other Financing Uses,” which is primarily interest payments on debt. Debt payments grew by 74% since 2002-03. In contrast, instructional spending increased by only 42% in the same time frame.

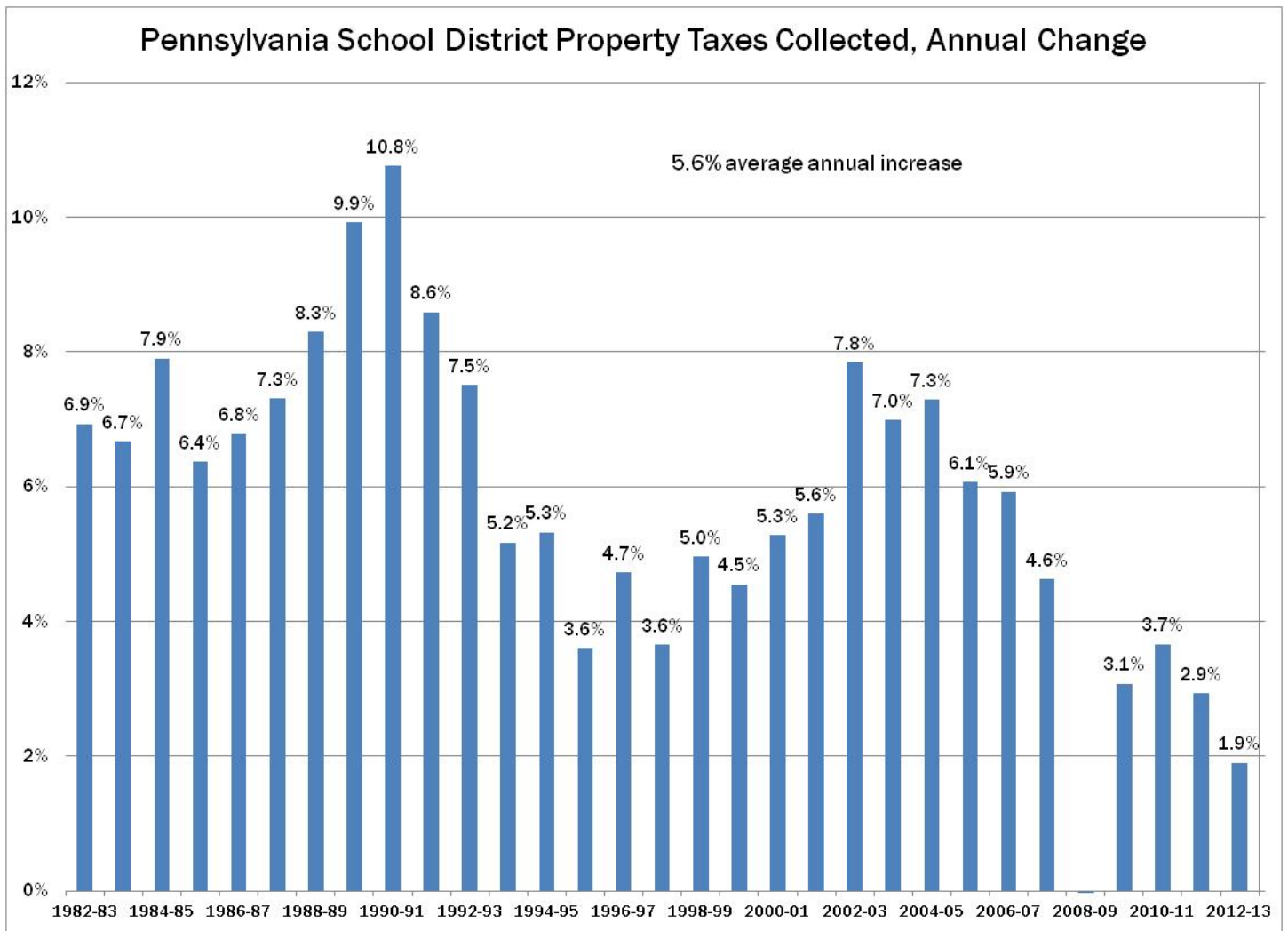
SCHOOL DISTRICT RESERVES GREW BY \$445 MILLION.

- In 2013, Pennsylvania school districts increased their combined reserve funds by \$445 million—to a total approaching \$4 billion as of June 30, 2013.
 - ⇒ Including charter schools and career & technical centers (CTCs), public schools had more than \$4.2 billion in total fund balances.
- School district total fund balances grew by \$1.7 billion since 2007-08.



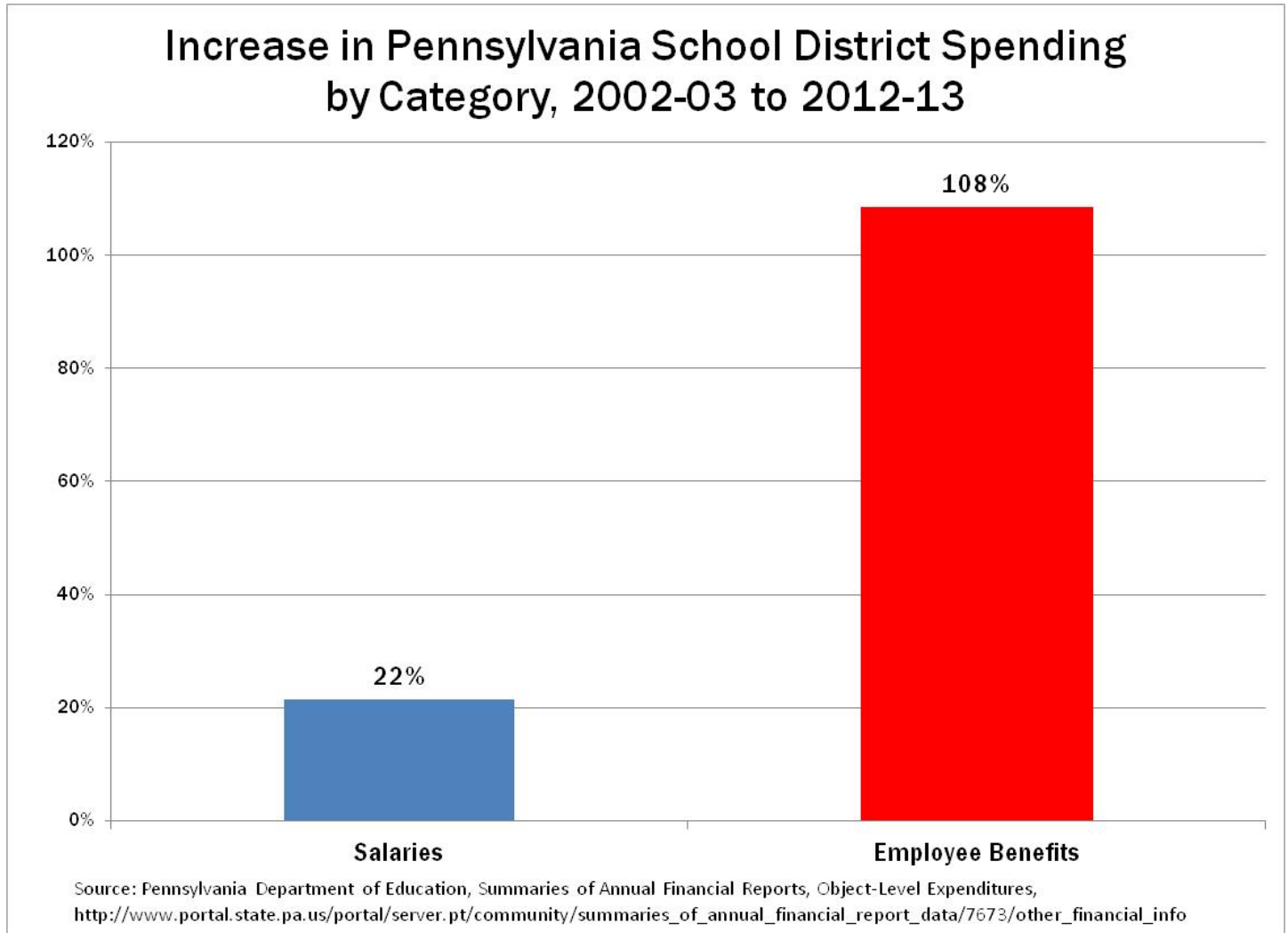
PROPERTY TAX GROWTH HAS SLOWED.

- Property taxes grew by 1.9% in 2012-13, the smallest tax increase except for 2008-09, the first year of slot machine funds for property tax “relief.”
 - ⇒ The next lowest was 2.9% in 2011-12.
 - ⇒ Average annual growth in school property taxes has been 5.6% over the past 30 years.
- Despite the claims that the “\$1 billion cut” (which is itself a lie) would drive up property taxes, tax hikes over the last two years have been significantly lower than past years, thanks in part to legislation tightening the loopholes by which school districts could raise taxes without voter approval.



EMPLOYEE BENEFITS CONTINUE TO OUTPACE OTHER CATEGORIES

- Over the last decade, school districts' spending on school salaries grew by 22%.
 - ⇒ In contrast, spending on employee benefits—driven by escalating pension costs—grew by 108%.



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To find more information on *Pennsylvania Education Spending*, visit CommonwealthFoundation.org