

Pa. Back to School Public Education Trends

OVERVIEW

As students head back to school, there are many claims of teacher shortages and funding shortfalls. In reality, public school spending is at a record high, and Pennsylvania ranks among the highest-spending states nationwide. The enacted state budget increased funding for public schools by almost \$690 million, on top of 2022's record-high \$1.58 billion funding increase.

Meanwhile, enrollment in public schools has dropped, but the number of teachers and other school employees has increased. While certain local districts face teacher shortages, this has been exacerbated by shrinking districts hiring and retaining staff. This disparity could be resolved if funding followed the child.

Further, pension reform could alleviate hiring challenges. While the average Pennsylvania teacher earns nearly \$75,000, school districts spend more than \$20,000 per teacher to pay off pension liabilities. That is, had Pennsylvania converted to a defined contribution retirement system, public schools could provide \$95,000 in average teacher salaries at current spending levels.

KEY POINTS

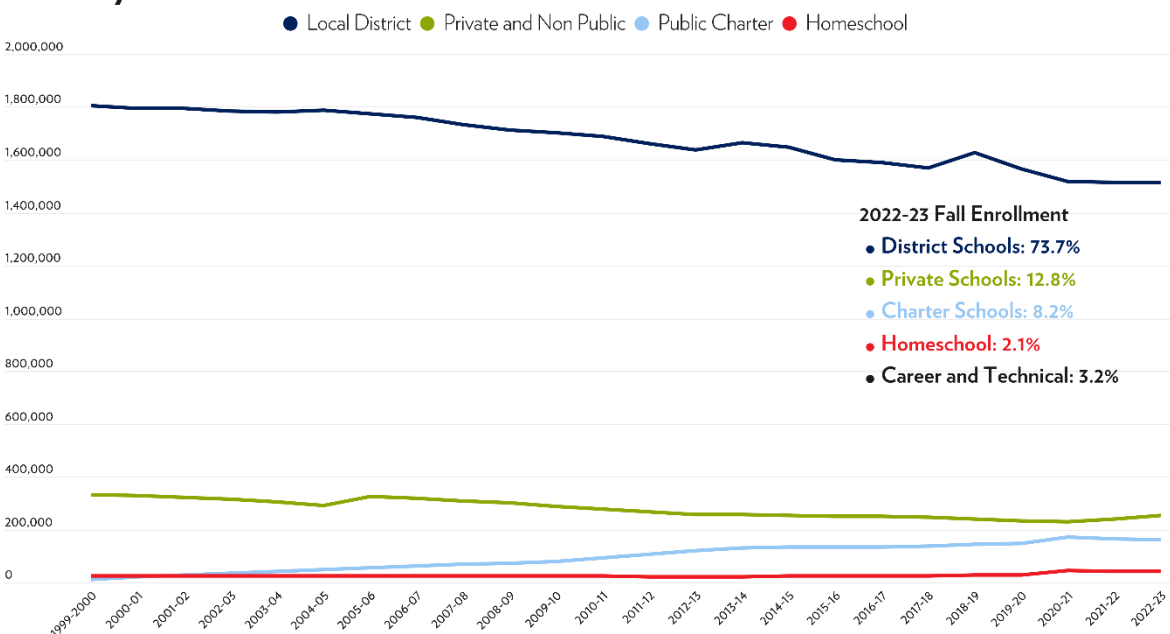
- Since 2000, Pennsylvania public school enrollment has dropped 7.7 percent (139,000 fewer students); but public schools have added 21,145 more employees (8.8 percent growth), including nearly 40 percent growth among administrators.
- The average Pennsylvania public school teacher earns nearly \$75,000 in salary, ranking 12th highest in the nation. Meanwhile, school districts spend, on average, \$20,000 per teacher in pension contributions to pay off unfunded liabilities.
- Pennsylvania school districts spent \$21,263 per student in 2021–22, ranking 7th in the nation at nearly \$5,500 more than the national average.
- State support of public education is up 54 percent over the last decade, reaching an all-time high of nearly \$15.5 billion in 2023–24.
- Pennsylvania school districts are stockpiling taxpayer resources, with over \$5.96 billion in general reserve funds and another \$2.9 billion (includes charter schools and other public schools) in unspent federal pandemic aid still sitting in the treasury.

PRE-K–12 SCHOOL ENROLLMENT IS DECLINING

Pennsylvania public schools have experienced overall reductions in student enrollment. Meanwhile, the number of parents choosing to homeschool their children has dramatically increased, fueled in large part by the COVID-19 pandemic.

- Pennsylvania public schools lost more than 139,000 students, or 7.7 percent from 1999–2000 to 2022–23.¹
 - District schools lost more than 289,000 students, or 16.1 percent; while charter schools grew by 150,000.
 - More than 63,000 students enrolled in Career and Technical Schools or Intermediate Unit Programs.
- Private school enrollment also dropped during this time frame, with 78,000 fewer students enrolled in private and nonpublic schools, a 24.1 percent decline.²
- Homeschooling rose by 74.5 percent from 1999–2000 to 2021–22, with a major increase in 2020–21 during the COVID-19 pandemic.³
- A large dip in school district enrollment has occurred since 2019–20, following the start of the COVID-19 pandemic, with almost 51,000 students leaving school districts.⁴
 - In Philadelphia alone, more than 11,000 students, or 8.6 percent, have left the school district since the start of the pandemic.⁵

Pennsylvania PreK-12 School Enrollment Trends

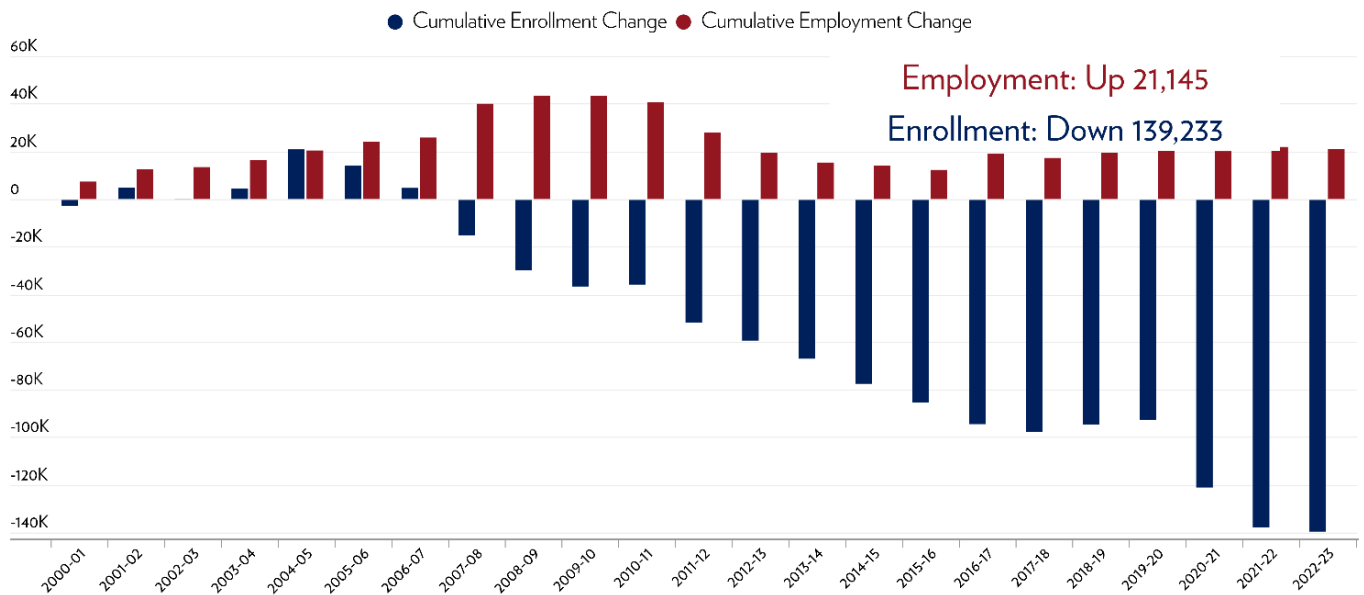


PUBLIC SCHOOL EMPLOYMENT IS GROWING

Although student enrollment has declined across Pennsylvania, public school employment of teachers and administrators has increased. Individual school districts largely retain funding despite declines or increases in student enrollment.

- Even as enrollment declined, Pennsylvania public schools added 21,145 employees, a growth rate of 8.8 percent from 1999–2000 to 2022–23.⁶
 - Public schools added more than 7,500 classroom teachers (6.5 percent growth).
 - The largest growth was in all other categories of “professional staff”—including administrators, coordinators, and “other professional staff.” Public schools added 8,885 non-teacher professional staff, a growth rate of 39.0 percent.
 - Even post-pandemic, public schools have added staff—with an additional 1,319 classroom teachers since 2019–20—while enrollment dropped.
- At the same time, the number of students per teacher in public schools dropped from 15.7 to 13.6.
 - This student-to-teacher ratio varies by school district, from 18.9 to 1 for the Greater Nanticoke Area in Luzerne County down to 7.6 to 1 for North Clarion County.
 - The ratio of students to total employment dropped from 7.8 to 1 to 6.6 to 1.
- Some school districts are experiencing teacher shortages and difficulty hiring teachers. Focusing funding on school districts instead of students exacerbates the teacher hiring problem.
 - Statewide, there are more teachers (as well as more administrators and more support staff) but fewer students.
 - Even school districts with shrinking enrollment have added teachers and other staff or retained more than their enrollment required.
 - This over-hiring has led to shortages in school districts that face greater challenges in teacher hiring.
 - This hiring problem is because funding doesn’t follow students. School districts with shrinking enrollment have continued to get funding increases (due to “hold harmless” provisions).

Pa. Public School Enrollment and Staff Growth Since 2000



Source: Bureau of Labor Statistics: <https://www.bls.gov/cpi/>

PAST PENSION LIABILITIES LIMIT TEACHER PAY

Pennsylvania teachers are, on average, among the highest-paid teachers nationally. Employee benefit costs have skyrocketed because of past policy decisions—supported by the school unions—to underfund the school pension system and push off needed pension reform.

- The average salary for a classroom teacher in Pennsylvania public schools was \$74,723 as of 2022–23, according to the Pennsylvania Department of Education (PDE).⁷
 - This ranks Pennsylvania 12th highest in average teacher pay, according to the National Education Association (NEA).⁸
- While teacher pay is relatively high compared to the national average, the cost of employee benefits has skyrocketed, crowding out salary increases.
 - In 2021–22 (the latest PDE data available), Pennsylvania public schools spent \$9.1 billion on employee benefits. This comes to nearly \$36,000 per employee.⁹
 - From 2011–12 to 2021–22, total public school spending on salaries increased 15.7 percent; meanwhile spending on employee benefits increased 86 percent, as retirement contributions (i.e., pension payments) increased 367 percent.¹⁰
- For the 2022–23 school year, the pension contribution rate for all Pennsylvania public schools was 35.26 percent;¹¹ all public districts had to contribute 35 percent of salaries (in aggregate) towards that state-run pension plan for school employees (PSERS).

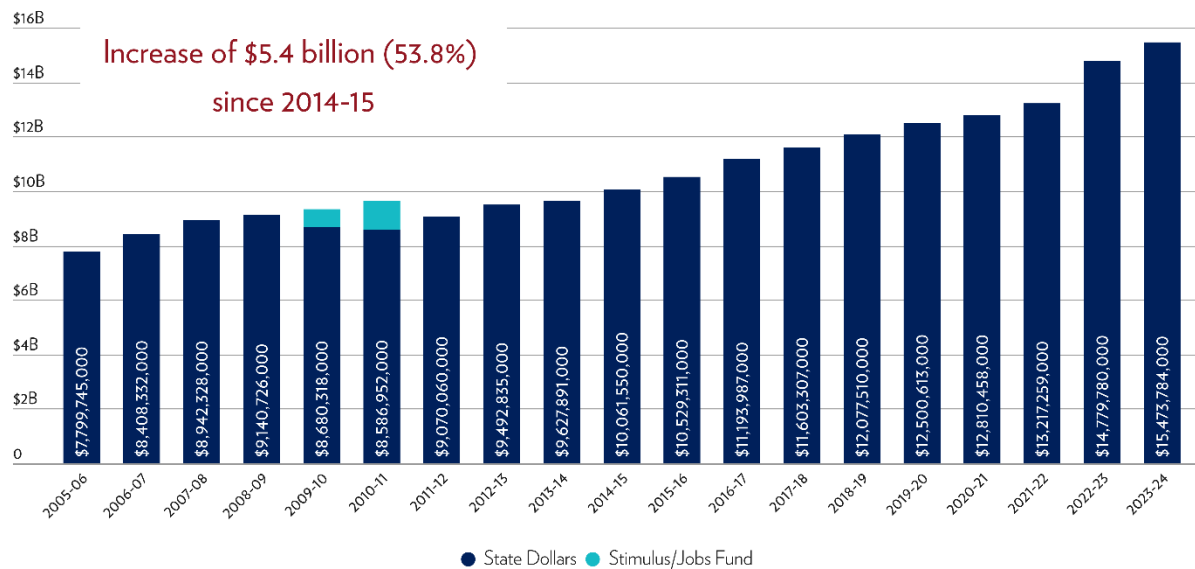
- The lion’s share of this contribution rate—28.24 percent—wasn’t for current teacher’s retirement, but to pay off past unfunded pension liabilities (i.e., debt).
- That rate (28.24 percent) equals \$20,186 when imposed on the average teacher salary.
- If Pennsylvania had enrolled all employees in a defined contribution plan, like a 401k, there would be no pension debt to pay off. Had lawmakers done so, Pennsylvania public schools could be paying teachers an additional \$20,000 per year, without increasing overall spending.

PENNSYLVANIA PUBLIC SCHOOL SPENDING IS GROWING

Over the last decade, taxpayer spending on Pennsylvania public schools has consistently increased, reaching all-time highs year after year.

- Pennsylvania per-pupil public school funding increased to \$21,263 in 2021–22, up 37.6 percent since 2013, according to PDE data.¹²
 - This spending increase occurred before Pennsylvania distributed most of its federal pandemic aid and increased public school funding in the last two state budgets.
 - Total school district spending from all sources (local, state, and federal) increased to \$33.67 billion in 2020–21, up 32 percent since 2013.
- As passed,¹³ the Pennsylvania state budget [increases state support of public schools](#) to nearly \$15.5 billion, with the \$566 million increase in 2021–22, the \$1.58 billion increase in 2022–23, and the \$690 million increase for 2023–24.¹⁴
 - State support of public schools has increased 53.8 percent since 2014–15, with a total increase of \$5.4 billion.

State Support of Public Schools



Source: PA Department of Education, Summary of State Appropriations for Education

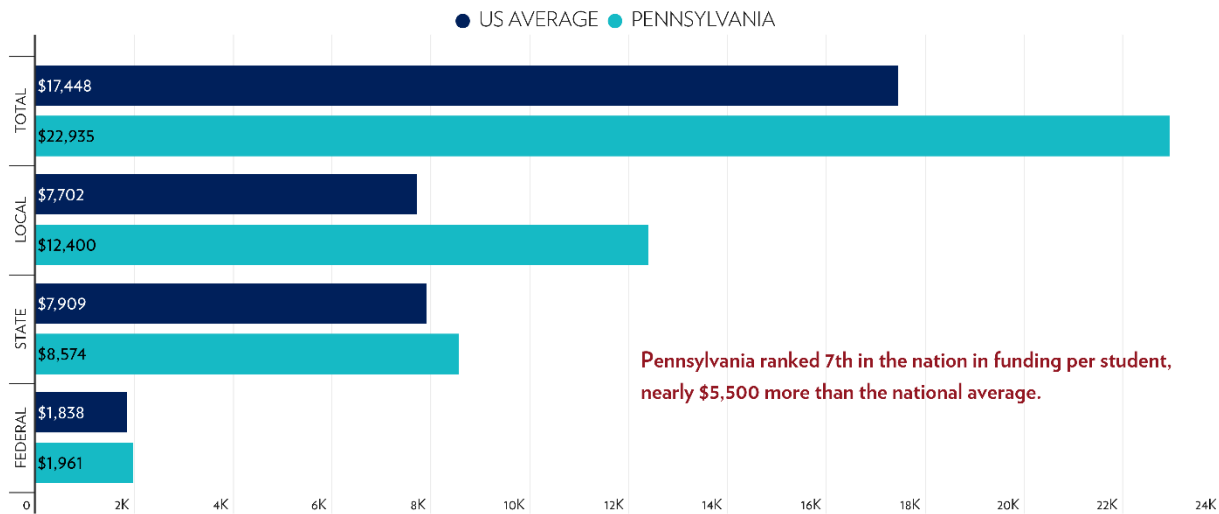
PENNSYLVANIA OUTSPENDS THE NATION ON PUBLIC SCHOOLS

Pennsylvania ranks among the highest-spending states on public education.

- According to U.S. Census Bureau data, Pennsylvania’s spending of \$22,000 per student is almost \$5,500 more than the national average. The commonwealth’s spending per student exceeds the national average for every funding source—federal, state, and local.¹⁵
- As of fiscal year 2021 (the most recent Bureau data available), [Pennsylvania ranks](#) 7th in total per-student funding, 7th in local per-student funding, and 22nd in state per-student funding.

Pa. School Revenue Per Student

Fiscal Year 2021



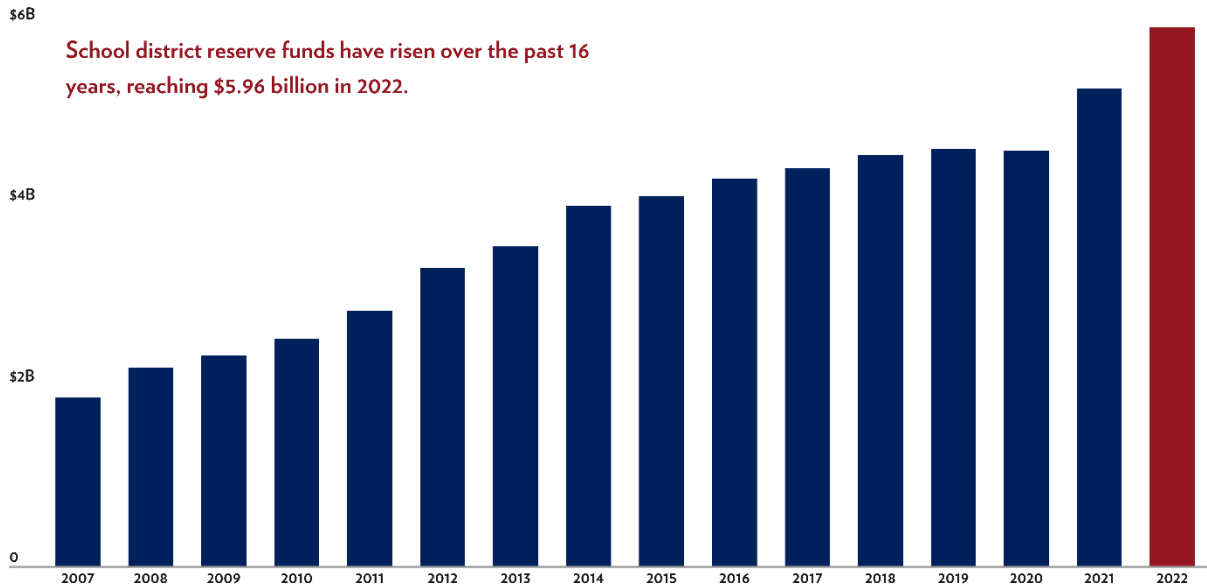
Source: US Census Bureau, 2021 Public Elementary-Secondary Education Finance Data, <https://www.census.gov/data/tables/2021/econ/school-finances/secondary-education-finance.html>

SCHOOL DISTRICTS ARE STOCKPILING RESERVE FUNDS

While some rainy-day funds are important for weathering unforeseen events, school districts have amassed excessive stockpiles of taxpayer resources.

- PDE data reveals that public school districts collectively stockpiled \$5.96 billion in reserve funds in 2021–22, up 68.6 percent since 2013.¹⁶
- School district reserves consist of assigned, unassigned, and committed funds. While the intent for assigned funds may be for capital improvements, reserve funds are fungible, which allows school districts to repurpose their use.

School District Fund Reserves



Source: Pennsylvania Department of Education, Detailed Annual Financial Reports, "General Fund Balance 1996-97 to 2020-2021." General Fund Balance includes Assigned, Committed, and Unassigned funds.

PUBLIC SCHOOLS STILL HAVEN'T SPENT FEDERAL MONEY FOR "REOPENING"

Calls for increases in state education funding come even as public schools sit on billions of unspent federal aid. This leftover federal money is *in addition* to the billions school districts hold in general reserves.

- Since 2019, Pennsylvania public schools were granted more than \$6.7 billion in federal pandemic aid through three packages: Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and American Rescue Plan (ARP).
- As of August 1, 2023, Pennsylvania public schools (including district and charter schools) still have [\\$2.9 billion](#) in federal pandemic aid yet to be distributed from the state Treasury.¹⁷

CONCLUSION

Pennsylvania spends nearly \$22,000 per student in public schools, with state and local taxpayer funding constantly increasing. School districts have fewer students, but more teachers, more administrators, more support staff, and significantly larger reserve funds.

The issue isn't a lack of money, but how it is distributed. State lawmakers should work to ensure that funding follows the child, not the building, and continue progress on pension reform that benefits both teachers and taxpayers.

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- ¹ Pennsylvania Department of Education, Public School Enrollment Reports, accessed August 18, 2023, <https://www.education.pa.gov/DataAndReporting/Enrollment/Pages/PublicSchEnrReports.aspx>.
 - ² Pennsylvania Department of Education, Private and Nonpublic School Enrollment Reports, accessed August 18, 2023, <https://www.education.pa.gov/DataAndReporting/Enrollment/Pages/PrivateNPEnrRpts.aspx>.
 - ³ Pennsylvania Department of Education, Home School Education, accessed August 1, 2023, <https://www.education.pa.gov/DataAndReporting/HomeSchool/Pages/default.aspx>.
 - ⁴ Pennsylvania Department of Education, Public School Enrollment Reports, December 2022 [update], <https://www.education.pa.gov/DataAndReporting/Enrollment/Pages/PublicSchEnrReports.aspx>.
 - ⁵ Philadelphia School District, District Performance Office, School Information, https://www.philasd.org/performance/programsservices/open-data/school-information/#district_enrollment.
 - ⁶ Pennsylvania Department of Education, Professional Staff Summary, accessed August 15, 2023, <https://www.education.pa.gov/DataAndReporting/ProfSupPers/Pages/ProfStaffSummary.aspx>; Pennsylvania Department of Education, Support Staff Summary, <https://www.education.pa.gov/DataAndReporting/ProfSupPers/Pages/SupportStaffSum.aspx>.
 - ⁷ Pennsylvania Department of Education, Professional Staff Summary.
 - ⁸ National Education Association, “Rankings of the States and Estimates of School Statistics 2022,” June 2022, <https://www.nea.org/sites/default/files/2022-06/2022%20Rankings%20and%20Estimates%20Report.pdf>.
 - ⁹ Pennsylvania Department of Education, Annual Financial Report (AFR) Data: Detailed, accessed August 1, 2023, <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/AFR%20Data%20Summary/Pages/AFR-Data-Detailed-.aspx>.
 - ¹⁰ Pennsylvania Department of Education, Annual Financial Report (AFR) Data: Detailed.
 - ¹¹ Pa. Public School Employees Retirement System, Employer Contribution Rates, accessed August 1, 2023, <https://www.psers.pa.gov/FPP/Publications/General/Pages/Employer-Contribution-Rates.aspx>.
 - ¹² Pennsylvania Department of Education, AFR Data Files, 2021–22, <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/AFR%20Data%20Summary/Pages/default.aspx>.
 - ¹³ Some of these appropriations will require enabling legislation before funds can be distributed to school districts.
 - ¹⁴ Pennsylvania Department of Education, “2023–24 Enacted Summary of State Education Appropriations,” accessed August 15, 2023, <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Education%20Budget/Pages/default.aspx>.
 - ¹⁵ U.S. Census Bureau, “2021 Public Elementary-Secondary Education Finance Data,” May 16, 2023 [last page revision], <https://www.census.gov/data/tables/2021/econ/school-finances/secondary-education-finance.html>.
 - ¹⁶ Pennsylvania Department of Education, Annual Financial Report (AFR) Data: Detailed, “General Fund Balance: 2012–13 to 2021–22,” <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/AFR%20Data%20Summary/Pages/AFR-Data-Detailed-.aspx>.
 - ¹⁷ Pa. Treasury Accounting Bureau, Status of Appropriation (COVID-ESSER-LEA), July 2023 monthly report, July 31, 2023, <https://www.treasury.gov/tabs/>.