

The Truth About Education Spending in Pennsylvania

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Ben Franklin once said, “in this world, nothing is certain except death and taxes.” If he lived in Pennsylvania today, he might have an addition to his list: claims of [underfunding](#) by the education establishment.¹ But repeating a falsehood doesn’t make it true. Here’s the truth about education funding:

HOW MUCH DO PENNSYLVANIA TAXPAYERS SPEND ON PUBLIC EDUCATION?

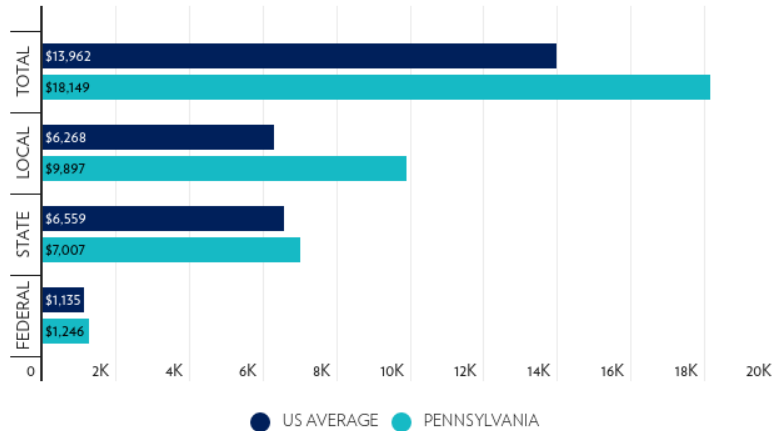
Pennsylvania spends more than [\\$18,000 per student](#) in public school.²

- Pa.’s spending is significantly higher than the national average. The last available national data is from 2016-17, when Pennsylvania was spending \$17,800 per student compared to the national average of \$14,000.
- This is 24% higher than per-pupil spending at Pennsylvania charter schools, which is [around \\$15,000](#).³ But Governor Wolf and his allies say charters get too much money, so he has proposed significant cuts to charter funding. How can charters be overfunded while spending 24% less than district schools—especially when a [higher percentage](#) of charter students are economically disadvantaged compared to district students?⁴
- Meanwhile, average private school tuition in Pennsylvania is [\\$11,570](#) this year.⁵ It’s even lower in Catholic schools, according to the PA Catholic Conference: around \$4,000 for elementary and \$7,500 for high school.

PA SCHOOL REVENUE PER STUDENT

(2016-17)

Schools receive funding from local, state, and federal sources. Pennsylvania exceeds the national average, per-pupil, in each category.

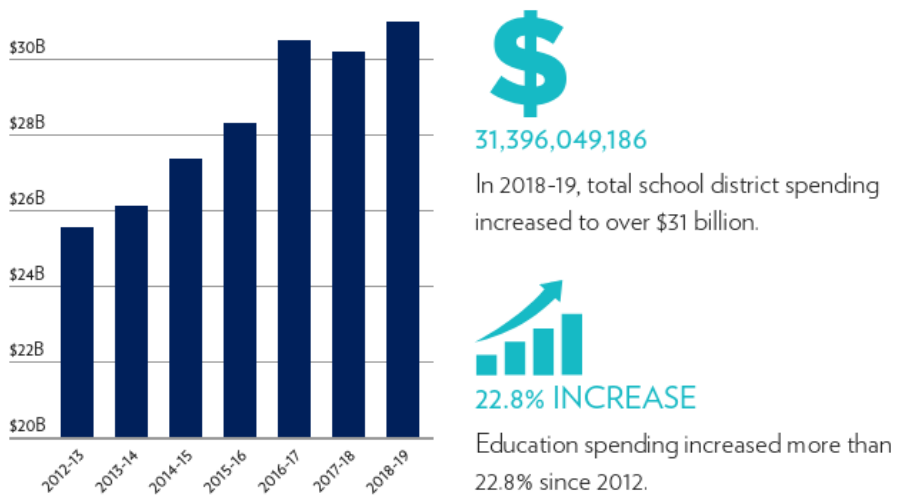


Source: National Center for Education Statistics, Revenues for Public Elementary and Secondary School Districts: School Year 2016-17

HAS SCHOOL DISTRICT SPENDING INCREASED OR DECREASED OVER TIME?

District spending increased nearly 23% percent since 2012. In 2018-19, total education spending from all sources (local, state, and federal) increased to an all-time high of more than \$31 billion.⁶

PA SCHOOL DISTRICT SPENDING



SOURCE: Pennsylvania Department of Education, Annual Financial Reports (Expenditure Data for School Districts).

HAVE STATE TAXPAYER CONTRIBUTIONS FALLEN OVER TIME?

No. State taxpayers are contributing record levels of funding to school districts.⁷

STATE AID TO SCHOOL DISTRICTS



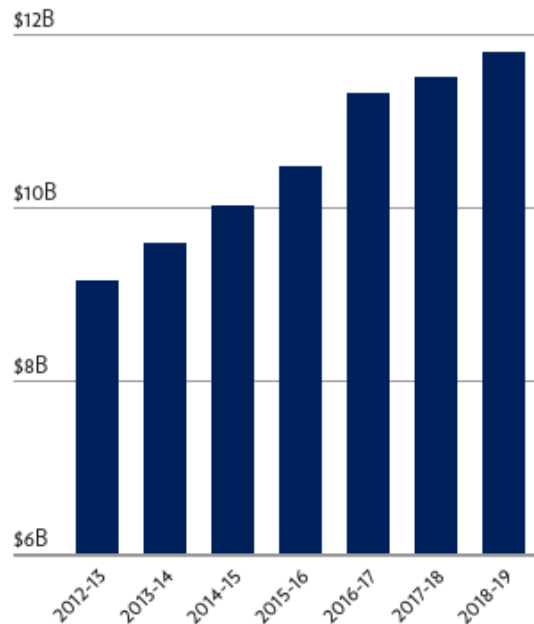
\$11,786,687,140

State support of public schools (excluding local and federal funds) is also at an all-time high.



28.8% INCREASE

State aid has grown by 28.8 percent since 2012.



SOURCE: Pennsylvania Department of Education, Annual Financial Reports (State Revenue).

WHAT ABOUT THE “STATE SHARE” OF FUNDING?

Advocates for higher spending use a meaningless metric—“state share” of funding compared to other states—to claim Pennsylvania taxpayers are not spending enough. State taxpayers cover 37% of the tab in Pennsylvania, compared to an average of 47% across the nation. But the “state share” is only lower in Pennsylvania due to local funding being extraordinarily high: around \$3,500 more per student than the national average.

To illustrate why “state share” is a meaningless statistic, consider the following. If Pennsylvania districts cut local taxes and brought local per-pupil funding in line with the national average, the “state share” would jump to 48%. Overall funding per pupil would still be above the national average. Low “state share” is one of the most common talking points among groups calling for more funding (see [here](#), [here](#), [here](#), [here](#), and [here](#)), but none of these groups would be happy if the state share grew due to local spending being reduced. A meaningful discussion of state education funding should focus on amount and allocation, not misleading references to “state share.”

HOW HAVE PENNSYLVANIA SCHOOL DISTRICTS' FINANCES BEEN IMPACTED BY COVID-19?

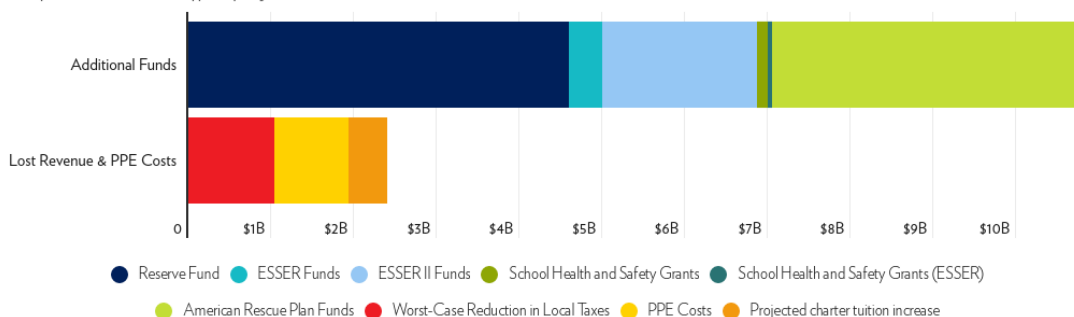
Including the American Rescue Plan Act of 2021, Pennsylvania school districts are on track to receive around **\$6.3 billion** in additional federal aid. Even if local tax revenue drops as much as the Pa. Association of School Business Officials' (PASBO) worst-case scenario for 2020–2021, districts will have around **\$5.2 billion more** in overall funding.

According to the most recent data, districts had \$4.59 billion in reserves heading into the pandemic—an all-time high level. Even factoring in reduced local taxes, estimates for COVID-19 expenses, and increased charter tuition, districts should have around **\$8.4 billion** in excess funds coming out of the pandemic.

This [infographic](#) shows the overall financial picture of Pennsylvania school districts after accounting for COVID-related impacts.⁸

Federal Dollars & Reserves Close School District Funding Gap^{iv}

Additional funds to school districts from the CARES Act, CRRSA Act, ARP Act, and reserve funds dwarf the worst-case scenario of lost local revenue due to COVID-19. The worst-case scenario uses PASBO's projections, which are several times what the Independent Fiscal Office projects.



This [tool](#) will let you look at any district in Pennsylvania to see their financial health in light of COVID-related impacts.⁹

ARE FULLY REMOTE DISTRICTS SAVING MONEY?

Unfortunately, the lag in financial data means any current district savings are unknown. It seems likely there are savings—especially since the unions and their allies have spent years bragging that they could do virtual education for **\$5,000 per student**.¹⁰

Recent data from the [Educomics Lab](#) at Georgetown University finds districts that are fully virtual are experiencing \$200–\$1,000 per student surpluses due to reduced costs.¹¹ Earlier this year, one district in Illinois announced it's giving [taxpayers a refund](#) because of savings related to school closures.¹²

HAS A LACK OF FUNDING PREVENTED SCHOOLS FROM OPENING?

While there are costs to reopening, these costs have largely been incorporated in the chart above. The [Educomics Lab data](#) previously referenced found schools that were open had increased costs in a similar \$200–\$1,000 per student range for things like summer school, adding time to the school year, and student

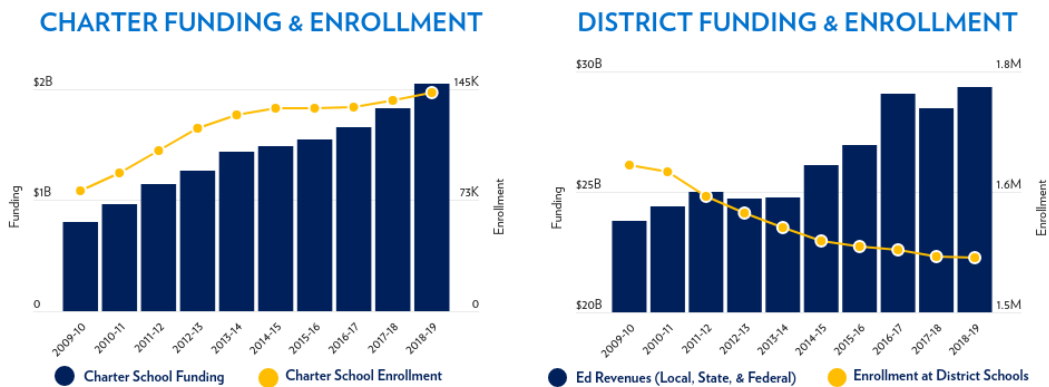
services.¹³ These increased costs are less than the per-pupil aid the federal government has already allocated, which is around \$1,500 in Pennsylvania.

Throughout Pennsylvania, Catholic and other non-public schools have reopened without this extra funding—often in the same neighborhood as a closed district school. This contrast is most stark in Philadelphia, where [Catholic schools](#)—serving low-income families, often in older buildings—stayed open while the district schools have mostly remained closed.¹⁴ So it’s clearly not just about the money. In fact, [national studies](#) have found union influence is often the strongest factor in the school reopening debates.¹⁵

WHAT’S THE IMPACT OF CHARTER SCHOOLS ON EDUCATION FUNDING?

Charter schools only receive funding when students enroll in them. When more students choose charter schools, charter schools receive more money. As the [charts below](#) show, district school spending is not linked to enrollment, which is declining while funding soars.

Enrollment & Funding Trends



Sources: Combination of PA Department of Education AFR Data and Enrollment Reports.

Per-pupil charter funding rates are set by a state-mandated formula driven by district spending. District payments to charter schools (\$13,000 per pupil) are 27% less than what districts spend per pupil in district schools (\$18,000 per pupil)—thus charters actually save districts money.

School choice opponents often decry the “cost” of charter schools. But school districts exist to facilitate the education of children. Students and the funding to educate them are not district property. It makes no sense to refer to charter schools as a “cost” without also recognizing district schools as a “cost.”

SUMMARY

Lack of funding is not the problem with education in Pennsylvania. District schools already spend more money per pupil than most other states, more than charter schools, and more than the average private school tuition. Rather than pouring even more money into the current system, we need to increase flexibility and shift the basis of funding decisions to students’ choices. That will help us meet the needs of every Pennsylvania family.

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- ¹ “Gov. Wolf’s Plan to Invest Billions in Education, Cut Taxes for Working Families Draws Praise.” Governor Tom Wolf, 4 Feb. 2021, www.governor.pa.gov/newsroom/gov-wolfs-plan-to-invest-billions-in-education-cut-taxes-for-working-families-draws-praise/.
- ² Pa. Department of Education, Annual Financial Reports 2018-19 (Expenditure Data for School Districts), Pennsylvania Department of Education, <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/AFR%20Data%20Summary/Pages/AFR-Data-Summary-Level.aspx>.
- ³ Ibid.
- ⁴ “Charter School Fact Sheet.” PA Coalition of Public Charter Schools, 2019, pacharters.org/wp-content/uploads/2019/08/Charter-School-Fact-Sheet_2019_v.2.pdf.
- ⁵ “Pennsylvania Private Schools By Tuition Cost.” Private School Review, 2021, www.privateschoolreview.com/tuition-stats/pennsylvania.
- ⁶ Pa. Department of Education, Annual Financial Reports 2018-19 (Revenue Data for School Districts), <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/AFR%20Data%20Summary/Pages/AFR-Data-Summary-Level.aspx>.
- ⁷ Pa. Department of Education, Annual Financial Reports (State Revenue), <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/AFR%20Data%20Summary/Pages/AFR-Data-Summary-Level.aspx>.
- ⁸ Pa. Department of Education, Detailed AFR Data, General Fund Balance 2018-19, <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/AFR%20Data%20Summary/Pages/AFR-Data-Detailed-.aspx#.VZwC6mXD-Uk>;
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- Pa. Commission on Crime and Delinquency, ESSER School Health and Safety Grants FY20-21, <https://www.pccd.pa.gov/schoolsafety/Pages/ESSER-School-Health-and-Safety-Grants-FY20-21.aspx>;
- Pennsylvania Association of School Business Officials, “PASBO Estimates School Districts Could Experience \$1 Billion Loss in Local Revenue in 2020-21,” https://www.pasbo.org/blog_home.asp?Display=122; and
- AASA and ASBO International, “What Will it Cost to Reopen Schools?”, <https://www.asbointl.org/asbo/media/documents/Resources/covid/COVID-19-Costs-to-Reopen-Schools.pdf>
- ARPA funds to school districts calculated by the House Democratic Appropriations Committee as reported in PennLive: <https://www.pennlive.com/news/2021/03/the-19-trillion-stimulus-plan-how-much-will-your-school-district-or-municipality-receive.html>.
- ⁹ Ibid.
- ¹⁰ Education Voters PA, “Cyber School Funding Reform Report,” 2019, educationvoterspa.org/wp-content/uploads/2019/02/Ed-Voters-Cyber-Charter-School-Funding-Reform-Report-w-Appendices.pdf.
- ¹¹ Georgetown Edunomics Lab, Financial Turmoil Webinar, Mar. 2021, edunomicslab.org/wp-content/uploads/2021/03/Financial-Turmoil-Webinar-Mar3.pdf.
- ¹² Guerrero, Rafael. “\$10 Million Reimbursement Coming to Naperville School District 203 Taxpayers.” Chicago Tribune, 28 Jan. 2021, www.chicagotribune.com/suburbs/naperville-sun/ct-nvs-naperville-203-tax-reimbursement-st-0122-20210121-gm2kpwam4jepbpzxsitwp5ugm-story.html.
- ¹³ Georgetown Edunomics Lab, Financial Turmoil Webinar, Mar. 2021, edunomicslab.org/wp-content/uploads/2021/03/Financial-Turmoil-Webinar-Mar3.pdf.
- ¹⁴ Wolfman-Arent, Avi. “In-Person Classes. Old Buildings. Almost No COVID. Are Philly Catholic Schools a Blueprint?” WHYY, 21 Feb. 2021, whyy.org/articles/in-person-classes-old-buildings-almost-no-covid-are-philly-catholic-schools-a-blueprint/.
- ¹⁵ “More Studies Show Unions and Politics Driving School Closures.” Center of the American Experiment, www.americanexperiment.org/2020/12/more-studies-show-unions-and-politics-driving-school-closures/.