



Financing Education in the Commonwealth: Revenue and Expenditures in PA Counties, FY 2015-2016

HARRISBURG – Tax season is here. One of the benefits from these tax dollars is public education. This brief uses membership, funding, and expense data from the Pennsylvania Department of Education and attainment, earnings, and unemployment data from the U.S. Census Bureau's 2012-2016 American Community Survey to analyze trends in school financing. During the 2015-2016 Fiscal Year, there were approximately 1.7 million students attending public schools across Pennsylvania and counties spent upwards of \$30.6 billion to run these public schools.

Other key findings include:

- Pennsylvania provided around \$3,900 of state funding per student
- The average school in Pennsylvania spent \$16,400 per student
- Three-quarters of school spending was for employee salaries, benefits, and retirement

STUDENTS AND GRADUATES

Average daily membership (ADM) represents the average number of students in membership during the reporting period. ADM is calculated by dividing the aggregate days membership for all children on active rolls by the total number of days the school district is in session. The total approximate ADM of public schools in Pennsylvania is 1,724,000: 123,000 kindergarten students (7.1 percent of membership); 788,900 elementary students (45.8 percent of membership); and 808,000 secondary students (46.9 percent of membership).

As of 2016, about 3.2 million Pennsylvanians over the age of 25 have just a high school diploma or GED equivalent and about 926,000 have less than a high school level education. High school graduates earned around 37.5 percent more than non-graduates. For the working population between the ages of 25 and 64, the unemployment rate for high school graduates is 7.5 percent, compared to 13.4 percent for residents with no high school diploma or GED.

EDUCATION FUNDING: TAXES, GRANTS, AND SUBSIDIES

STATE AND LOCAL TAX REVENUE

K-12 education is funded through a combination of tax revenue, grants, and subsidies. Counties across the Commonwealth received approximately \$28.9 billion in tax revenue during the 2015-2016 Fiscal Year. Of that amount, around \$18.3 billion came from local tax sources and around \$10.6 billion came from state tax sources.

The county that received the most total tax revenue was Philadelphia - collecting close to \$3.5 billion. On the lower end was Forest County, which received over \$11.5 million in total tax revenue for Fiscal Year 2015-16. A majority of counties received more local tax revenue than state tax revenue. The county with the highest proportion of tax revenue from local sources was Chester County [Figure 1]. Local tax revenue for Chester County totaled nearly \$1.3 billion, while state tax revenue came to just under \$0.3 billion.

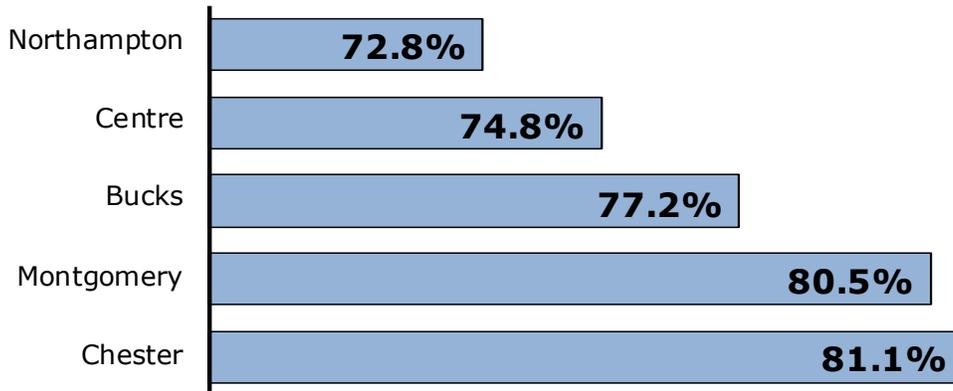


Figure 1. Top five counties with highest proportion of funding from local tax revenue, FY 2015-2016.

Rural counties received most of their tax revenue from state sources. The county with the highest proportion of state tax revenue was McKean County - 69.8 percent [Figure 2]. State tax revenue accounted for nearly \$27.8 million of the \$91.9 million in total tax revenue for McKean County.

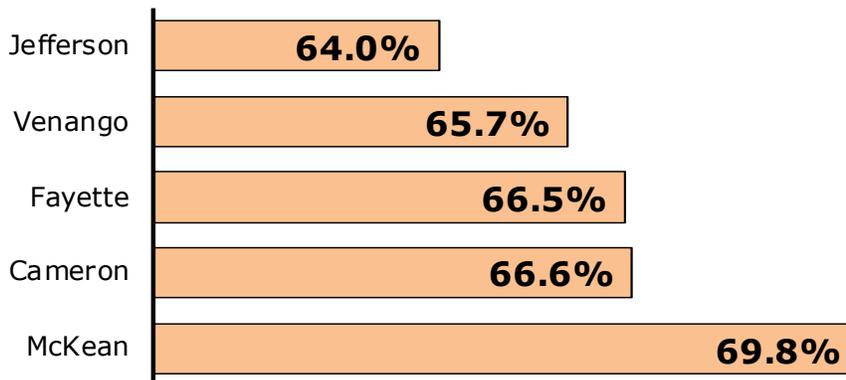


Figure 2. Top five counties with highest proportion of funding from state tax sources, FY 2015-2016.

GRANT AND SUBSIDY REVENUE

Funding from grants and subsidies totaled \$6.7 billion. Over five billion dollars (\$5.7 billion) came from the state’s basic education funding (BEF) while nearly \$1 billion came from the state’s special education funding (SEF). Most counties, 47 in total, received less than \$100 million each in grants and subsidies [Figure 3]. Four counties (Montour, Cameron, Forest, and Sullivan) received less than \$10 million each in grants and subsidies. Philadelphia received the most funding at roughly \$1.2 billion, 17.3 percent of the state’s grants and subsidies.

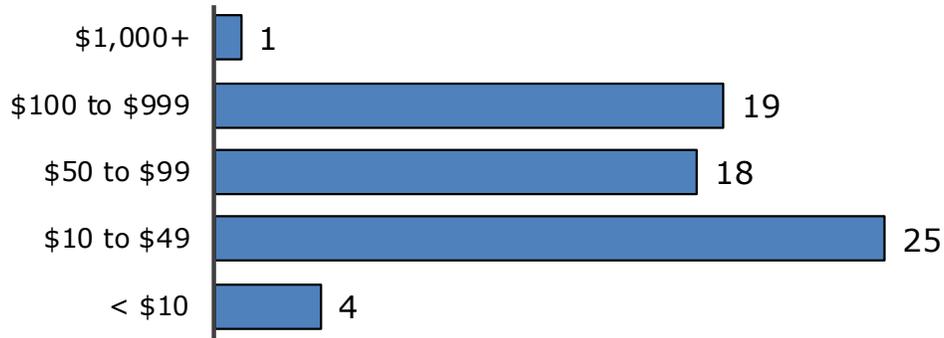


Figure 3. Number of counties by level of funding (in millions), FY 2015-16.

PER STUDENT FUNDING

Cameron County had the highest average funding received per student at \$9,800 – over twice as high as the state average of \$3,900 per student. Counties in southeast Pennsylvania had the lowest funding rates per student while counties in the northeast of the state had the highest funding rates per student [Figure 4].

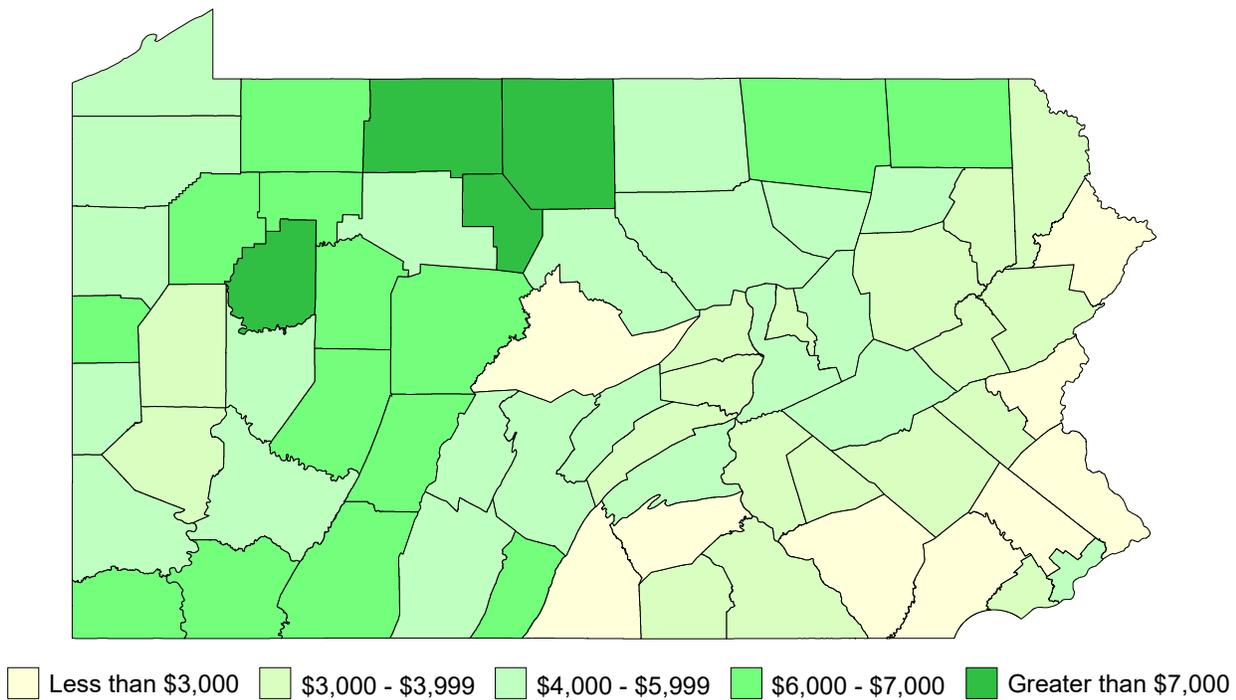


Figure 4. Average funding received per student by county, FY2015-2016.

EDUCATION RESOURCES AND EXPENSES

Pennsylvania’s schools spent over \$30.6 billion during Fiscal Year 2015-16 – an average of \$16,400 per student. Three-quarters (75.2 percent) of the expenses were related to employee services, such as salaries, benefits, and retirement contributions [Figure 5]. Employee expenses totaled to approximately \$23.0 billion. Schools spent upwards of \$942 million (3.1 percent) on supplies and \$1.9 billion (6.2 percent) on technology.

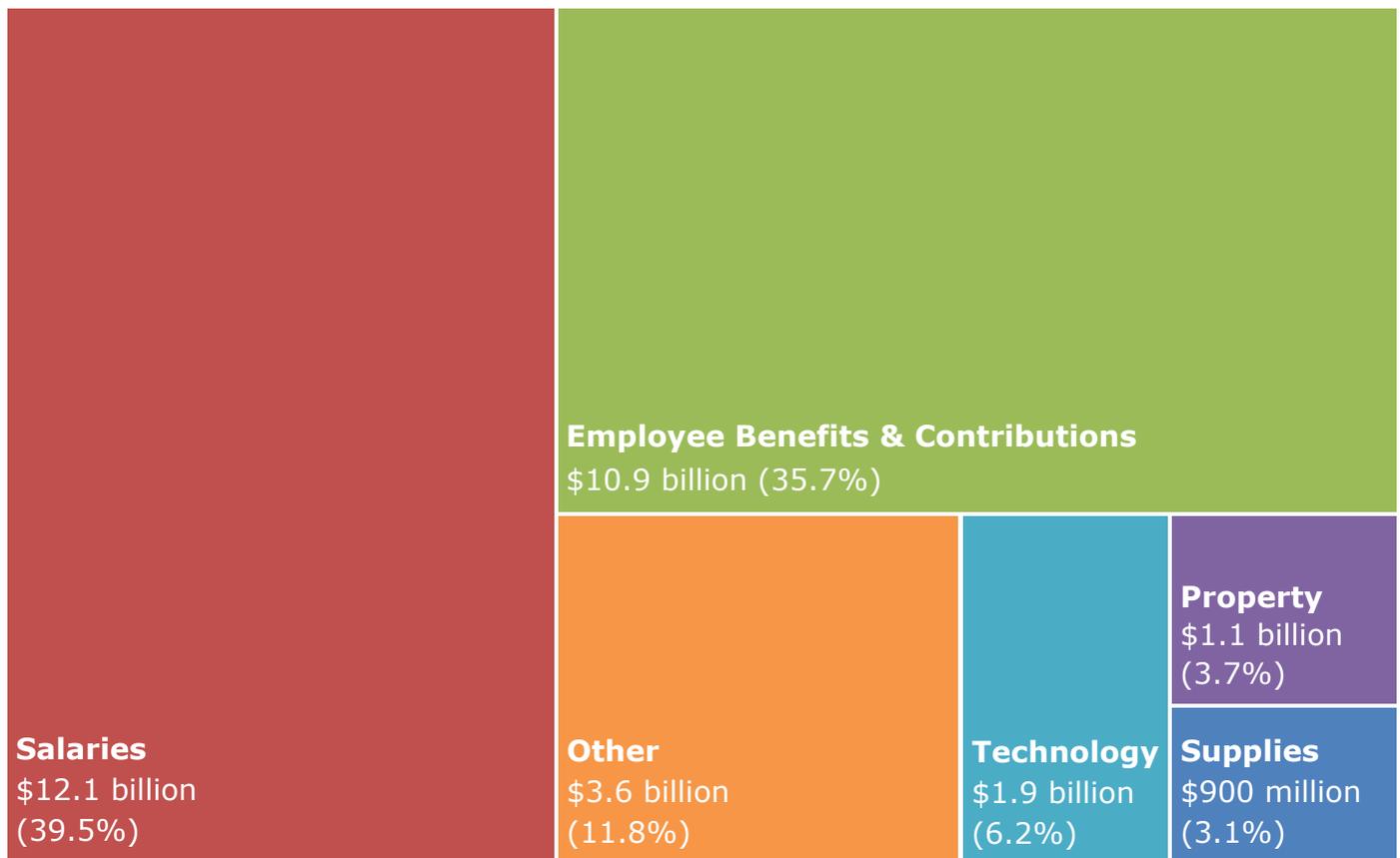


Figure 5. Major school resources by proportion of total expenses, FY 2015-16

The average county in Pennsylvania spent nearly \$180.7 million on school employee salaries for Fiscal Year 2015-16. School administrative professionals in Pennsylvania (principals, directors, and superintendents) earned the most with an average annual salary of \$103,000. Other professionals in school coordinate services (school nurses, librarians, and guidance counselors) earned around \$71,000 and classroom teachers earned around \$65,200.

Teachers earned the most in Montour County for Fiscal Year 2015-16 (\$96,700 average salary), followed by Bucks County (\$83,300) and Montgomery County (\$80,800). Teachers earned the least in Huntingdon County with salaries that averaged \$46,600, followed by Mifflin County (\$49,900) and Somerset County (\$50,600).

Source: PA Department of Education. Membership, Funding, and Expenditures for FY2015-2016.

- <http://www.education.pa.gov/data-and-statistics/Pages/default.aspx>
- <http://www.education.pa.gov/Policy-Funding/Pages/default.aspx>

U.S. Census Bureau. 2012-2016 American Community Survey, 5-Year Estimates.

The Pennsylvania State Data Center is the Commonwealth’s official source for population and economic statistics. It is based at Penn State Harrisburg’s Institute of State and Regional Affairs. The Pennsylvania State Data Center is part of the U.S. Census Bureau’s National State Data Center Program.

Questions? Contact the Pennsylvania State Data Center at 717.948.6336 or online at pasdc.hbg.psu.edu.