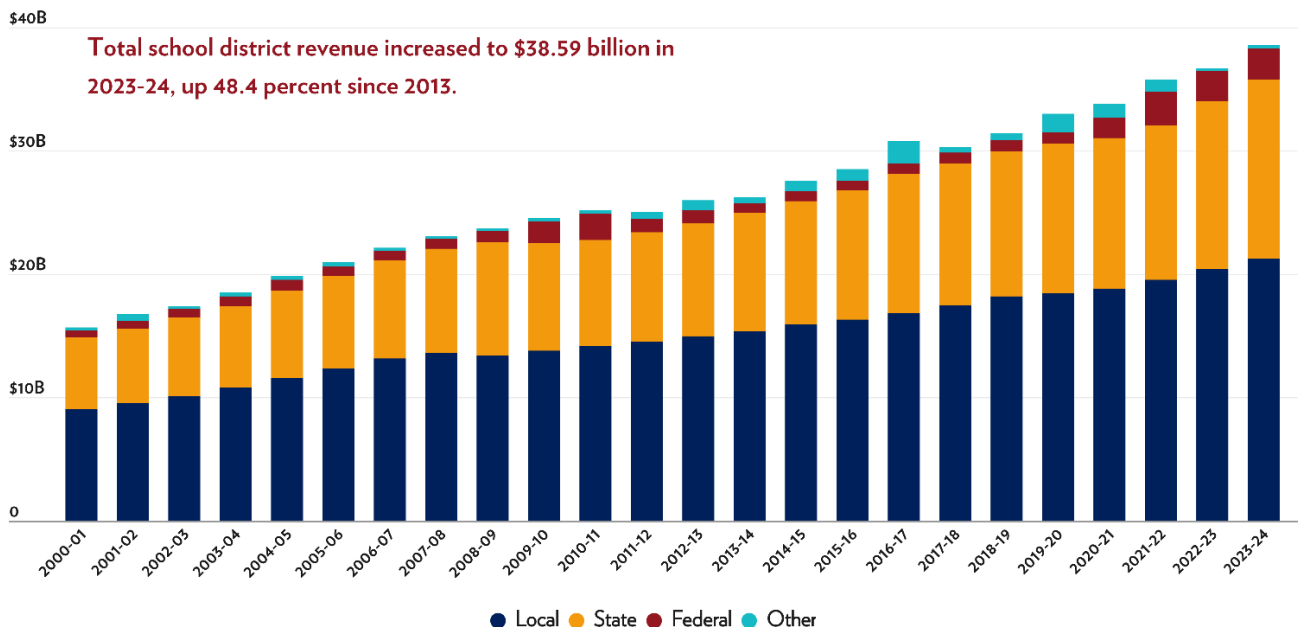


Pa. School Funding Reaches \$23,000 per Student in 2024

PENNSYLVANIA PUBLIC SCHOOL SPENDING IS GROWING

- **Public school spending reaches historic levels year after year.**
 - Pennsylvania public school revenue per student increased to \$23,061 in the 2023-24 school year, up 44 percent since 2014–15, according to recent data from the Pennsylvania Department of Education (PDE).¹
 - Total school district revenues from all sources (local, state, and federal) increased to **\$38.6 billion** in 2023–24.
 - This predates a \$1.2 billion increase for public schools in the 2024–25 state budget. State support of public schools increased \$6.7 billion over the last decade.
 - Pennsylvania’s per-student spending ranks seventh-highest in the nation, approximately \$4,100 more per student than the national average (according to the latest available data from 2022).²

School District Revenues



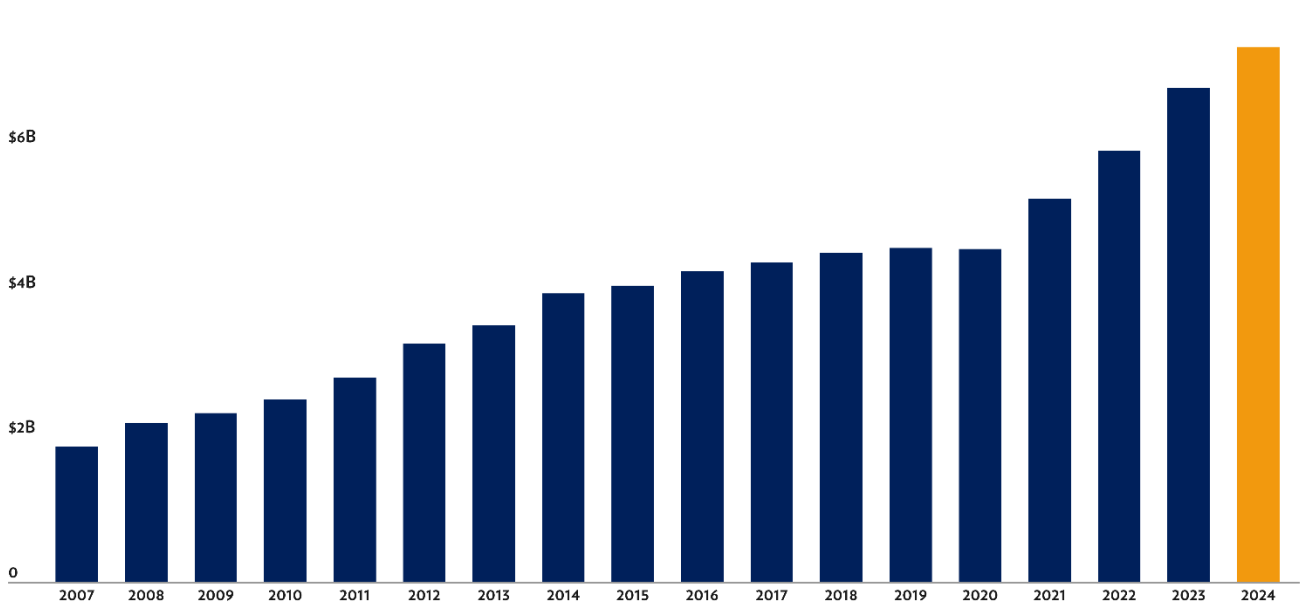
Source: Pennsylvania Department of Education, Summary Annual Financial Report [Data](#), "Revenue Data 2000-01 to 2023-24."

SCHOOL DISTRICT RESERVE FUNDS AT EXCESSIVE LEVELS

- **School districts hold excessive stockpiles of taxpayer resources.**
 - School district reserves consist of assigned, unassigned, and committed funds.
 - In 2023, Pennsylvania’s then-Auditor General, Timothy DeFoor, [reported](#) that school districts were misusing reserves by intentionally hiding funds in a “shell game” that allowed districts to raise taxes.
 - The audit found “common yet questionable practices” among 12 school districts that raised taxes 37 of the 48 times during the timeframe studied—despite having sufficient funding of more than \$360 million collectively—in their reserves.³
 - The most recent PDE [data reveals](#) that school districts collectively hold \$7.4 billion in reserve funds (as of 2023–24), up \$557 million from the previous year.⁴
 - School districts’ general fund reserves have continually increased over the past 17 years by an astronomical 294 percent, with a rapid hike of over 60 percent just since 2020.
 - Claims that public schools remain inadequately or inequitably funded fail to take reserve funds into account. Lawmakers must balance demands for increased funding for public schools with a commonsense plan for addressing [excessive](#) reserve fund balances.⁵

School District Fund Reserves

School district reserve funds have risen over the past 17 years, reaching \$7.37 billion in 2024.



Source: Pennsylvania Department of Education, Detailed Annual Financial Reports, “General Fund Balance 1996-97 to 2022-2023.” General Fund Balance includes Assigned, Committed, and Unassigned funds.

- **Reserve funds should be no more than [20 percent](#) of a school district’s total spending, according to the former Auditor General.**⁶

- Fifty-seven percent of Pennsylvania's 500 school districts have reserve funds exceeding 20 percent of their spending.
- Twenty-two districts have reserves at 50 percent or greater of their operating budget.

DESPITE RECORD FUNDING, EDUCATION PERFORMANCE LAGS

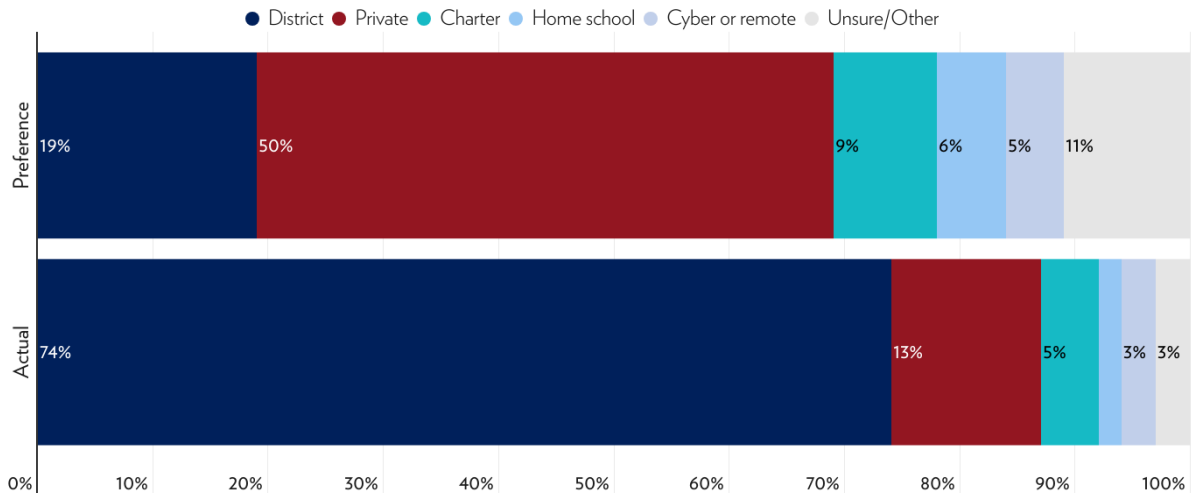
- Across Pennsylvania, Keystone exam scores show that 18 schools do not have a single student testing proficient in either English or math in 2024.⁷
 - Among the [low-achieving](#) high schools, only 10 percent of students are proficient in math, and just one in three students demonstrates English language arts (ELA) proficiency.⁸
- The 2024 Pennsylvania System of School Assessment (PSSA) results show poor performance.
 - About half of Pennsylvania's fourth and eighth graders cannot read proficiently at grade level.
 - More than half of Pennsylvania's fourth graders and nearly 75 percent of the state's eighth graders cannot perform math at grade level.
 - Among students in third to eighth grades, only 18 percent are proficient in math and reading.
- Nationally, fewer than half of Pennsylvania's public school students are proficient in any category. The 2024 National Assessment of Educational Progress (NAEP), or [Nation's Report Card](#), released in January, reveals that over two-thirds (69 percent) of the commonwealth's eighth graders are not proficient in math and reading. Fourth-grade student proficiency scores are 41 percent in math and 31 percent in reading.⁹
- [Testimony](#) from the Independent Fiscal Office (IFO) notes "the data are less clear" regarding the relationship between spending and academic performance. The highest- and lowest-performing school districts each spent more than the state per-student average for regular instruction.¹⁰

PENNSYLVANIA NEEDS TO TIE DISTRICT SCHOOL FUNDING TO ENROLLMENT

- **Enrollment is decreasing as spending is increasing.**
 - Pennsylvania public schools lost nearly 300,000 students from 2000–01 to the 2023–24 school year.¹¹ Yet, revenue increased 146 percent.¹²
 - PDE projects an enrollment decline of [another 60,000](#) K–12 students by 2028.¹³
- **Districts with shrinking enrollment receive more funds while districts with growing enrollment receive less.**
 - In 2014–15, Pennsylvania adopted a student-based funding formula for both basic education and special education. Yet a decade later, more than 95 percent of basic education and two-thirds of special education do not follow these student funding formulas.¹⁴

Parents' School Preference

In 2024, fewer than 1-in-5 parents surveyed would select a public district school for their child, if money was of no concern.



Source: Commonwealth Foundation, Common Ground in the Commonwealth 14 Survey, March 2024, <https://www.commonwealthfoundation.org/commongroundpoll/>

- Most state funding is doled out through “hold harmless.” [Hold harmless](#) is a decades-old practice that guarantees public school districts the same amount of state revenue as the previous year, regardless of enrollment changes.¹⁵
 - The [results](#): districts with far fewer students than a decade ago receive significantly more state funding per student than districts with growing enrollment.¹⁶
 - Tying state funding to enrollment would ensure that each student, especially those in high-poverty neighborhoods, receives adequate resources.

PENNSYLVANIAN PARENTS AND VOTERS WANT TO EXPAND EDUCATIONAL CHOICE

- **March 2025 polling shows [seven out of ten](#) Pennsylvanians support school choice.**¹⁷
 - Roughly the same number also support specific program legislation, like that for the Pennsylvania Award for Student Success (PASS) or [Lifeline Scholarships](#), to provide students assigned to low-achieving schools with the funding they need to attend a school of their choice.
 - Two separate but similar initiatives are under consideration. PASS, as proposed in [Senate Bill 10](#), has already passed the Senate Education Committee in an [8-3 vote](#) and a forthcoming [Lifeline Scholarship bill](#) in the Pennsylvania House of Representatives would both provide Education Spending Accounts (ESA) to students residing within the attendance boundary of a school ranked in the bottom 15 percent of academic performance.¹⁸
 - Polling in 2024 [indicates](#) that parents would choose private school education for their children if they could afford tuition. Wealthy families can afford to rent or buy a home in high-performing school districts, while low-income families cannot, perpetuating inequality. Expanding school choice in Pennsylvania ensures that all children—regardless of zip code, income, or race—have access to a high-quality school.

- **Data shows that 85,570 low-income students currently receive tuition assistance under Pennsylvania’s Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) scholarship programs.**
 - However, the demand for tax credit scholarships far exceeds supply, with one out of two student scholarship applications unfulfilled due to arbitrary program caps.
 - ESAs, as the PASS/Lifeline Scholarship legislation proposes, would directly fund students, giving families the resources they need for educational costs and delivering on the promise that every child has access to a quality education regardless of their zip code.

CONCLUSION

Pennsylvania now spends a new all-time high of \$23,000 per student in public schools, amid ever-increasing state funding, taxes (state and local), and school district reserve funds—even as enrollment and test scores decline.

Instead of following a flawed funding formula and allowing districts to stockpile taxpayer dollars, state lawmakers should target education funding to follow students.

Expanding educational choice would ensure that **“every student receives a meaningful opportunity to succeed”** as required by the 2023 Commonwealth Court ruling.¹⁹

¹ Pennsylvania Department of Education, Annual Financial Report (AFR) Data Files, 2014–15 and 2022–23, [https://www.education.pa.gov/Teachers - Administrators/School Finances/Finances/AFR Data Summary/Pages/default.aspx](https://www.education.pa.gov/Teachers-Administrators/School-Finances/Finances/AFR-Data-Summary/Pages/default.aspx).

² Stephen Q. Comman et al., “Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2021–22 (Fiscal Year 2022),” (Washington D.C.: National Center for Education Studies, May 7, 2024), 7, <https://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2024301>.

³ Pennsylvania Department of the Auditor General, “Auditor General DeFoor Questions Annual Property Tax Increases for 12 School Districts; Calls on Legislature to Close Loopholes,” news release, January 25, 2023, <https://www.paauditor.gov/press-releases/auditor-general-defoor-questions-annual-property-tax-increases-for-12-school-districts-calls-on-legislature-to-close-loopholes>; Auditor General Timothy DeFoor, “School Districts – General Fund Balances: Applying for Referendum Exceptions, Designating Funds, and Increasing Taxes,” (Harrisburg, PA: Department of the Auditor General, January 2023), <https://www.paauditor.gov/Media/Default/Reports/speSchoolReservesAuditReport012523.pdf>.

⁴ Pennsylvania Department of Education, Annual Financial Report (AFR) Data: Detailed, “2023–24 AFR” and 2022–23 AFR,” accessed May 6, 2025, [https://www.education.pa.gov/Teachers - Administrators/School Finances/Finances/AFR Data Summary/Pages/AFR-Data-Detailed-.aspx](https://www.education.pa.gov/Teachers-Administrators/School-Finances/Finances/AFR-Data-Summary/Pages/AFR-Data-Detailed-.aspx).

⁵ Commonwealth Foundation, “Find Your School District’s Reserves,” May 5, 2025, <https://www.commonwealthfoundation.org/research/school-reserves/>.

⁶ Jan Murphy, “School Districts Reserve Funds Continue to Grow, Amassing \$4.3 Billion in 2014–15,” *PennLive Patriot News*, June 15, 2016, https://www.pennlive.com/politics/2016/06/school_districts_reserve_funds.html.

⁷ Pennsylvania Department of Education, Keystone Exams: 2023 Keystone Results, <https://www.education.pa.gov/DataAndReporting/Assessments/Pages/Keystone-Exams-Results.aspx>.

⁸ Pennsylvania Department of Education, PSSA Results: 2023 PSSA School Level Data.

⁹ National Center for Education Statistics, “Nation’s Report Card: Pennsylvania Overview,” January 29, 2025, https://www.nationsreportcard.gov/profiles/stateprofile/overview/PA?chort=1&sub=MAT&sj=PA&sfj=NP&st=MN&year=2022R3&cti=PgTab_OT&fs=Grade.

¹⁰ Matthew Knittel, “Testimony on the 2023 Basic Education Funding Commission Survey,” Independent Fiscal Office, December 15, 2023, <http://www.ifo.state.pa.us/releases/729/Testimony-on-the-2023-Basic-Education-Funding-Commission-Survey/>.

¹¹ Pennsylvania Department of Education, Public School Enrollment Reports, August 13, 2024, <https://www.education.pa.gov/DataAndReporting/Enrollment/Pages/PublicSchEnrReports.aspx>.

¹² Pennsylvania Department of Education, Education Budget, “2024–25 Preliminary Basic Education Funding” and “2024–25 Preliminary Special Education Funding,” February 2025, <https://www.pa.gov/agencies/education/programs-and-services/schools/grants-and-funding/school-finance/education-budget.html>.

¹³ Pennsylvania Department of Education, Enrollment Projections, September 23, 2024,

<https://www.education.pa.gov/DataAndReporting/Enrollment/Pages/PublicSchEnrReports.aspx>.

¹⁴ Pennsylvania Department of Education, Education Budget, , “2024–25 Preliminary Basic Education Funding” and “2024–25 Preliminary Special Education Funding”; Pennsylvania Department of Education, “Historical Subsidy and Grant Information,” September 2024 [update], <https://www.pa.gov/agencies/education/programs-and-services/schools/grants-and-funding/school-finance/financial-data/historical-subsidy-and-grant-information.html>.

¹⁵ Commonwealth Foundation, “2025 State of Education Spending in Pennsylvania,” January 22, 2025, <https://commonwealthfoundation.org/research/2025-education-spending-pennsylvania/>.

¹⁶ Commonwealth Foundation, “Education Funding in the Commonwealth,” January 10, 2024, <https://www.commonwealthfoundation.org/research/education-funding-commonwealth/>.

¹⁷ AFC Press, “New Polling Shows Widespread Support for School Choice in Pennsylvania,” April 9, 2025, <https://afcpres.substack.com/p/new-polling-shows-widespread-support>.

¹⁸ Sen. Judy Ward et al., Senate Bill 10, Pennsylvania General Assembly, Regular Session 2025–26, <https://commonwealthfoundation.org/report/2024/06/26/common-ground-polling-results-education-2024-q3/>; Reps. Clint Owlett and Martina White, “Lifeline Scholarship Program,” Co-sponsor Memo, February 12, 2025, <https://www.palegis.us/house/co-sponsorship/memo?memoID=45659>.

¹⁹ William Penn School District et al. v. PA Department of Education et al., 587 MD 2014, “Memorandum Opinion Filed” (February 7, 2023), <https://www.pacourts.us/news-and-statistics/cases-of-public-interest/587-md-2014---william-penn-school-district-et-al-v-pa-department-of-education-et-al>.