**Section:** Finances and Governance

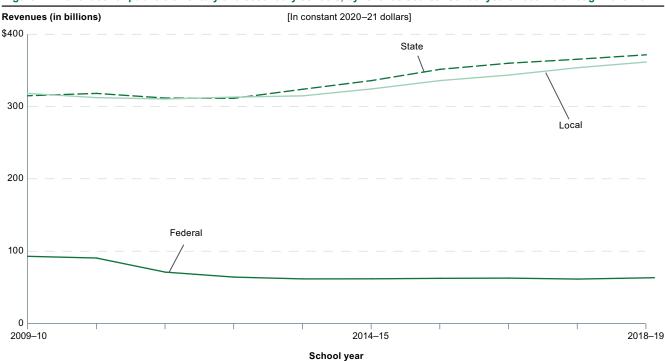
## **Public School Revenue Sources**

Between 2009–10 and 2018–19, public school revenues increased 10 percent in constant 2020–21 dollars. During this time period, public school enrollment increased 3 percent.

In school year 2018-19, elementary and secondary public school revenues totaled \$795 billion in constant 2020-21 dollars.<sup>1, 2</sup> Of this total, 8 percent, or \$63 billion, were from federal sources. Some 47 percent, or \$371 billion, were from state sources and 45 percent, or \$361 billion, were from local sources.<sup>3</sup> In 2018-19, the percentages from each source differed across the 50 states and the District of Columbia.

Total public school revenues were 10 percent higher in school year 2018-19 than in 2009-10 (\$795 billion vs. \$724 billion). During this time, total revenues were lowest in 2012-13 (\$687 billion). These changes were accompanied by a 3 percent increase in total elementary and secondary public school enrollment, from 49 million students in 2009-10 to 51 million students in 2018-19 (see indicator Public School Enrollment).

Figure 1. Revenues for public elementary and secondary schools, by revenue source: School years 2009–10 through 2018–19



NOTE: Data are for the 50 states and the District of Columbia. Revenues are in constant 2020–21 dollars. Constant dollars based on the Consumer Price Index, prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to a school-year basis.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "National Public Education Financial Survey," 2009–10 through 2018–19. See *Digest of Education Statistics* 2021, table 235.10.

Between 2009-10 and 2018-19, state public school revenues increased 18 percent and local revenues increased 14 percent. In contrast, federal revenues decreased 32 percent between 2009-10 and 2018-19. During this time, the revenue streams progressed differently. Federal revenues decreased 34 percent from the 2009-10 high (\$92 billion), the year after the passage of the American Recovery and Reinvestment Act of

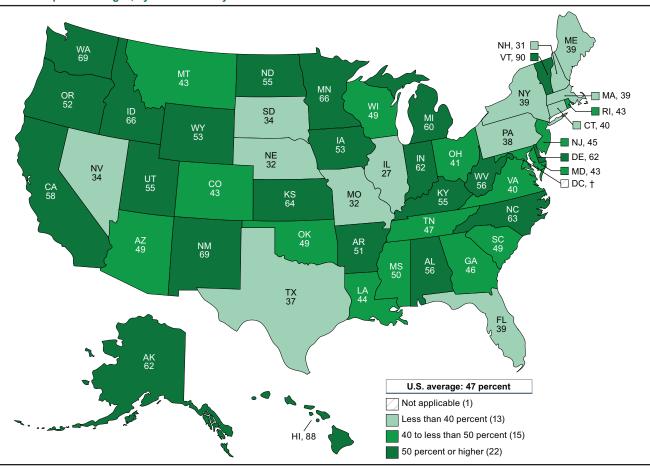
2009, to \$61 billion in 2013-14. Federal revenues then fluctuated between \$61 billion and \$63 billion from 2013-14 to 2018-19 (\$63 billion). State revenues were lowest in 2012-13 (\$311 billion) and then increased 19 percent from 2012-13 to a high of \$371 billion in 2018-19. Local revenues were lowest in 2011-12 (\$310 billion) and then increased 16 percent to a high of \$361 billion in 2018-19.

Revenues from federal sources also decreased as a percentage of total public school revenues from 2009-10 to 2018-19. Federal revenues accounted for 13 percent in 2009-10 after the American Recovery and Reinvestment Act of 2009, and they accounted for 8 percent in 2018-19. Local sources accounted for about 45 percent of total revenues in each year from 2011-12 through 2018-19. The percentage of total revenues coming from state sources increased between 2009-10 and 2018-19 (from 43 to 47 percent).

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In school year 2018-19, there were substantial variations across the states in the percentages of public school revenues coming from state, local, and federal sources. In 22 states, more than half of all revenues came from state governments, while in 18 states and the District of Columbia, more than half of all revenue came from local governments. In the remaining 10 states, no single revenue source comprised more than half of all revenues.

Figure 2. State revenues for public elementary and secondary schools as a percentage of total public school revenues, within specified ranges, by state: School year 2018–19



† Not applicable.

NOTE: All 50 states and the District of Columbia are included in the U.S. average, even though the District of Columbia does not receive any state revenue. The District of Columbia and Hawaii have only one school district each; therefore, the distinction between state and local revenue sources is not comparable to other states. Categorizations are based on unrounded percentages. Excludes revenues for state education agencies.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "National Public Education Financial Survey," 2018–19.

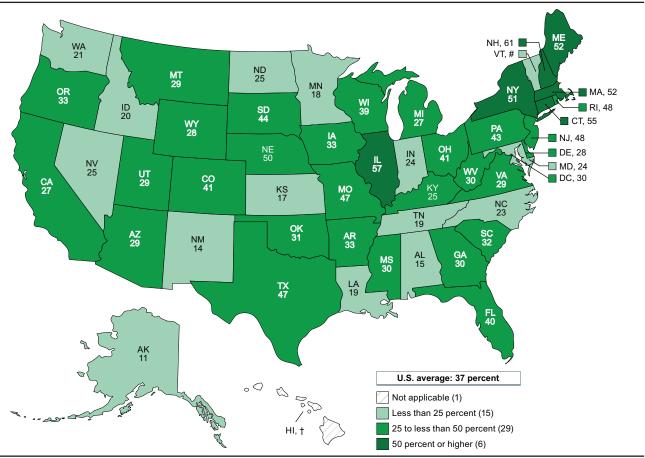
See Digest of Education Statistics 2021, table 235.20.

In school year 2018-19, the percentages of public school revenues coming from state sources were highest in Vermont (90 percent) and Hawaii<sup>4</sup> (88 percent). They were lowest in Illinois (27 percent) and New Hampshire (31 percent). The percentages of revenues coming from federal sources were highest in Alaska (15 percent) and Mississippi (14 percent). They were lowest in New Jersey (4 percent) and Connecticut (5 percent). Among the

50 states, the percentages of revenues coming from local sources were highest in Illinois (66 percent) and New Hampshire (64 percent). They were lowest in Hawaii and Vermont (2 and 3 percent, respectively). In the District of Columbia, which does not receive any state revenue, 92 percent of all revenues were from local sources and the remaining 8 percent were from federal sources.

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Figure 3. Property tax revenues for public elementary and secondary schools as a percentage of total public school revenues, within specified ranges, by state: School year 2018–19



<sup>†</sup> Not applicable.

NOTE: All 50 states and the District of Columbia are included in the U.S. average. Categorizations are based on unrounded percentages. SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "National Public Education Financial Survey," 2018–19. See *Digest of Education Statistics 2021*, table 235.20.

On a national basis in 2018-19, some \$290 billion, or 80 percent, of *local* revenues for public school districts were derived from local property taxes. Connecticut (98 percent) and Rhode Island (97 percent) had the highest percentages of local revenues from property taxes.

On a national basis in 2018-19, revenues from local property taxes comprised 37 percent of *total* revenues

for public school districts. The percentages of total revenues from local property taxes differed by state. New Hampshire and Illinois had the highest percentages of total revenues from property taxes (61 and 57 percent, respectively). In Vermont, the percentage of revenues from local property taxes rounded to zero. Hawaii has only one school district, which received no funding from property taxes.

## Endnotes

- <sup>1</sup> All revenues in this indicator are adjusted for inflation to constant 2020-21 dollars using the Consumer Price Index, or CPI. For this indicator, the CPI is adjusted to a school-year basis. The CPI is prepared by the Bureau of Labor Statistics, U.S. Department of Labor.
- <sup>2</sup> Data in this indicator represent the 50 states and the District of Columbia.
- <sup>3</sup> Local revenues include revenues from such sources as local property taxes, other public revenues, and private revenues.

Private revenues include tuition from individuals, transportation fees from individuals, food services (excluding federal reimbursements), district activities, textbook revenues, and summer school revenues.

<sup>4</sup> Hawaii has only one school district; therefore, the distinction between state and local revenue sources is not comparable to other states.

**Reference tables:** Digest of Education Statistics 2021, tables 235.10 and 235.20; Digest of Education Statistics 2020, table 105.30

Related indicators and resources: Public School Expenditures

**Glossary:** Constant dollars; Consumer Price Index (CPI); Elementary school; Property tax; Public school or institution; Revenue; School district; Secondary school

<sup>#</sup> Rounds to zero