Public School Revenue Sources

From school years 2000–01 through 2009–10, total elementary and secondary public school revenues increased from $522 billion to $627 billion (in constant 2011–12 dollars), a 20 percent increase, adjusting for inflation. From school years 2008–09 through 2009–10, total revenues for public elementary and secondary schools decreased by about $1 billion, or less than 1 percent.

From school years 2000–01 through 2009–10, total elementary and secondary public school revenues increased from $522 billion to $627 billion (in constant 2011–12 dollars), a 20 percent increase, adjusting for inflation using the Consumer Price Index (CPI). During this period, the total amounts from each revenue source (federal, state, and local) increased, but the percentage of increase differed by revenue source. Federal revenues, the smallest of the three revenue sources, increased by 111 percent, compared with increases of 22 percent for local revenues and 5 percent for state revenues. Federal revenues peaked in 2009–10 at $80 billion, while local revenues peaked in 2008–09 at $275 billion, and state revenues peaked in 2007–08 at $304 billion.

From school years 2008–09 through 2009–10, total revenues for public elementary and secondary schools decreased by about $1 billion in constant 2011–12 dollars (0.1 percent). During this period, state revenues declined by $20 billion, or 7 percent. Total local revenues declined by $0.1 billion (0.02 percent), despite the increase in the revenues from local property taxes ($3 billion, or 1 percent). In 2009–10, local property taxes constituted 81 percent of total local revenues and 35 percent of total revenues for elementary and secondary schools. Federal revenues were the only other source that increased from 2008–09 through 2009–10 (by $20 billion, or 33 percent).

The percentage of total revenues for public elementary and secondary education that came from federal sources increased from 7 percent in school year 2000–01 to 13 percent in 2009–10. The American Recovery and Reinvestment Act\(^3\) directed spending toward education and contributed to the increase in revenues during school years 2008–09 and 2009–10. The percentage coming from local sources fluctuated during this period: 43 percent in 2000–01, compared with 44 percent in 2009–10. The percentage of total revenues from state sources decreased from 50 percent in school year 2000–01 to 44 percent in school year 2009–10.


For more information, see the Reader’s Guide and the Guide to Sources.
In school year 2009–10, there were significant variations across the states in the percentages of public school revenues coming from each revenue source. In 18 states, half or more of education revenues came from state governments, while in 14 states and the District of Columbia half or more came from local revenues. In the remaining 18 states, no single revenue source made up more than half of education revenues.

In school year 2009–10, the percentage of revenues coming from state sources was highest in Hawaii and Vermont (82 percent each). The percentage of revenues coming from state sources was lowest in Missouri and Illinois (29 and 28 percent, respectively). The District of Columbia does not receive any state revenue; in 2009–10, most of its revenues were from local sources (91 percent). The percentage of revenues coming from federal sources was highest in North Dakota (22 percent), followed by Mississippi, New Mexico, and Idaho (21 percent each); the percentage was lowest in Wyoming (7 percent), followed by Massachusetts, Maryland, and Colorado (8 percent each). Among all states, the percentage of revenues coming from local sources was highest in Illinois and Nevada (59 percent each) and lowest in Vermont and Hawaii (8 and 3 percent, respectively).

NOTE: The District of Columbia and Hawaii have only one school district each; therefore, neither is comparable to the other states.
In school year 2009–10, the percentages of local revenue from property taxes also differed by state. Connecticut had the highest percentage of local revenue from property taxes, at 55 percent. Four other states had percentages of local revenue from property taxes of 50 percent or more: New Hampshire, Rhode Island, Illinois, and New Jersey. Vermont and Hawaii had the lowest percentages of local revenue from property taxes (0.2 percent and 0 percent, respectively). In 14 other states, property taxes made up less than 25 percent of education revenues (in descending order): Mississippi, Delaware, Washington, Maryland, Montana, Kentucky, North Carolina, Tennessee, Minnesota, Idaho, Louisiana, Alabama, New Mexico, and Alaska.

4 Hawaii has only one school district, which has no funding from property taxes.

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