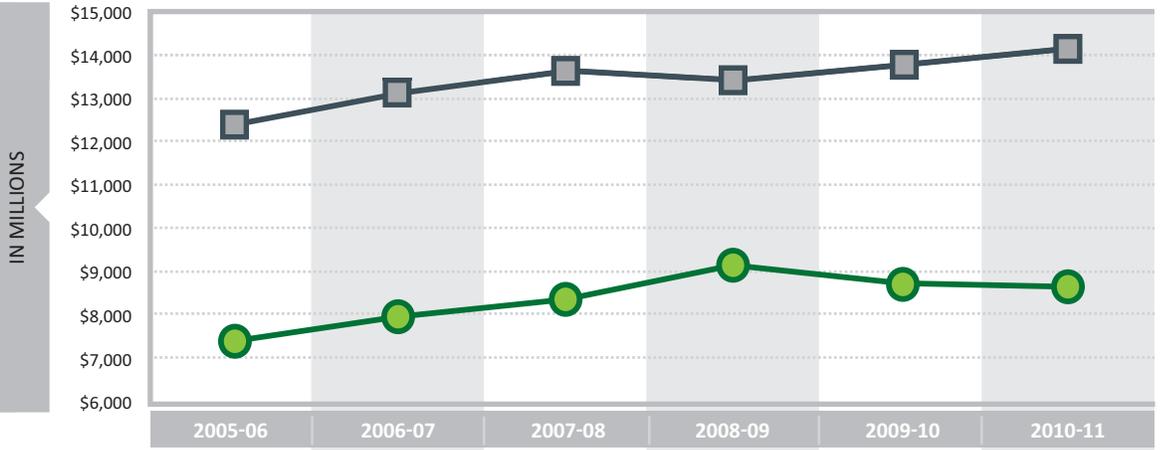


THE McCord Report

A quarterly look at Pennsylvania's economic vital signs

Local vs State Funding

The graph and pie charts at right compare the state funding to local revenue sources for public school districts in Pennsylvania from 2005 to 2011, and provide a snapshot of how each source compares as a portion of total funding in select years.



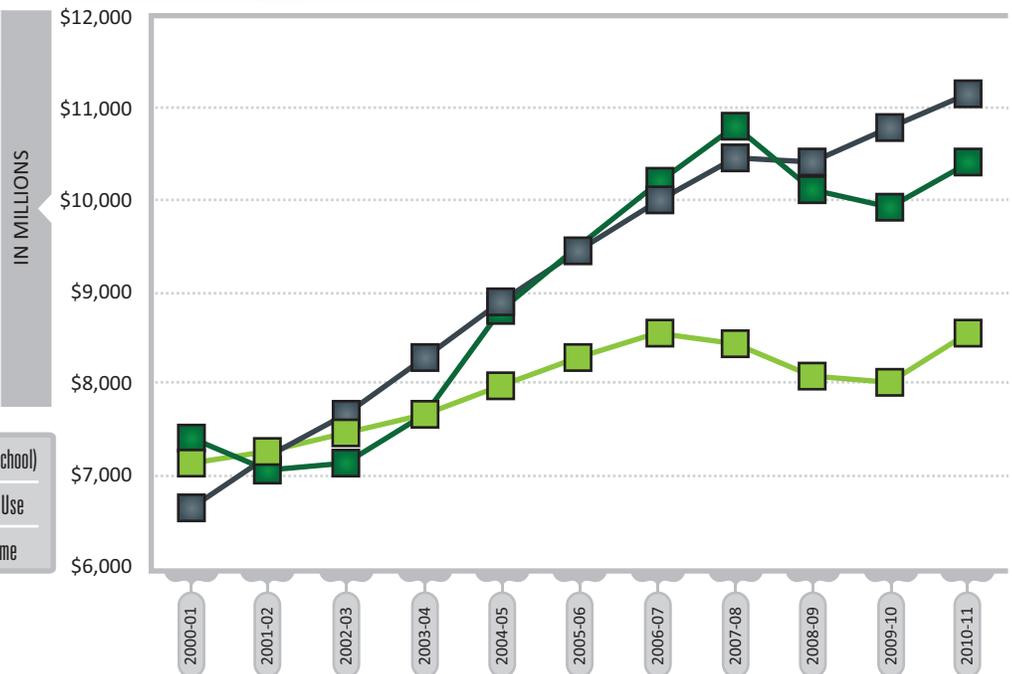
● Total Local Revenues
● Total State Revenues



Source: PA Department of Education, Annual Financial Report data

Tax Collections by Category

In each of the past three years, local real estate tax collections have exceeded state revenues from the personal income tax and from sales and use taxes – two sources of funding that have been discussed as alternatives to the current property tax system that is used to finance public education. The graph at right compares total collections for each of these three taxes, by fiscal year.



Source: PA Department of Education.

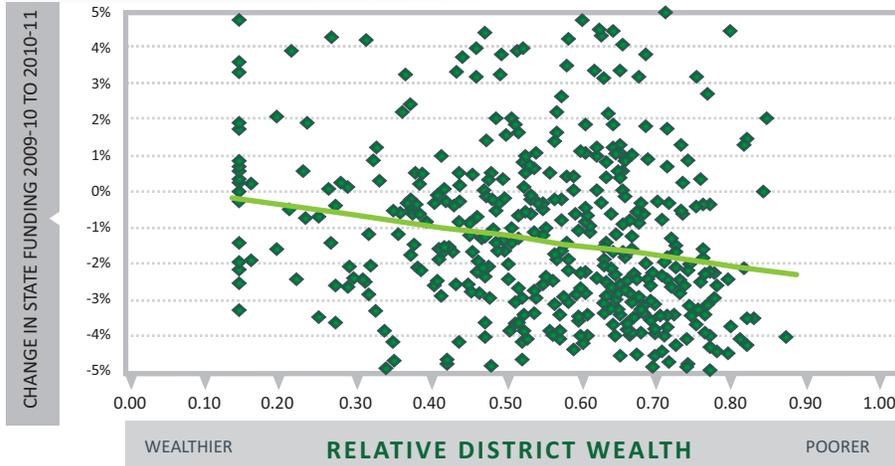
■ Real Estate (School)
■ State Sales & Use
■ Personal Income

State Funding Changes by Relative District Wealth Between 2009 - 2010 and 2010 - 2011

The scatter plot and trend line depict the relative wealth of Pennsylvania's school districts (using respective real estate market values and personal income aid ratios) as compared to the change in their state funding totals between 2009 and 2011. The relative district wealth is plotted according to the horizontal axis, with wealthier districts to the left and less affluent districts to the right.

Note: The median change in funding to all 500 school districts was -2%. The trend line reflects data from all districts within three standard deviations of the mean, or 99% of all districts, to remove the effect of outliers. The plot area reflects only those districts with funding changes between -5% and 5%, which encompasses nearly 90% of all districts in the state.

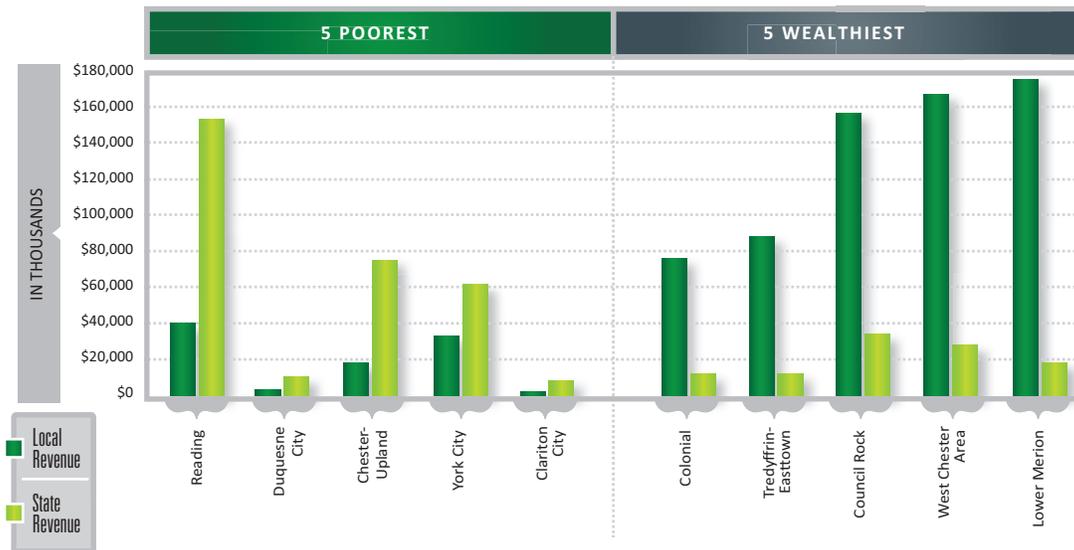
Source: PA Department of Education



How They're Funded: Wealthy vs. Poor Districts

The chart at right depicts the share of local versus state funding for the five poorest districts and the five wealthiest based on their respective market value/personal income aid ratio (21 districts actually tie for wealthiest using the ratio, so the top five were selected using the highest cumulative market values and personal incomes in 2010). Less affluent districts depend more heavily on state revenues than those on the opposite end of the spectrum.

Source: PA Department of Education

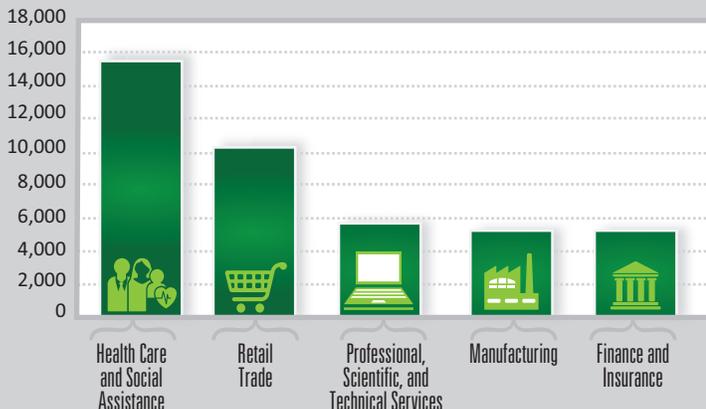


PA's Employment Picture

Source: PA Department of Labor and Industry

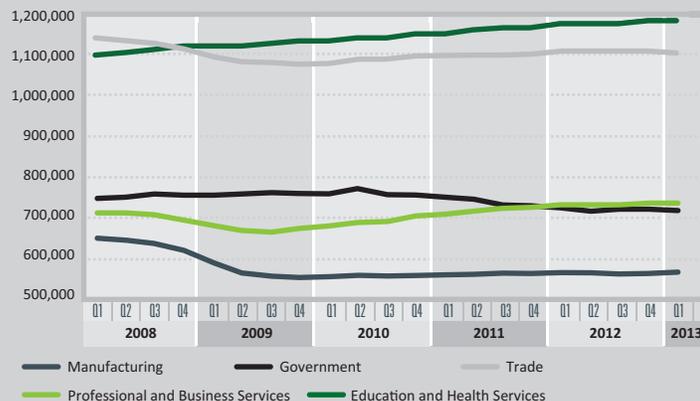
Who is Hiring?

Of the nearly 60,000 jobs advertised online in March 2013, these industries posted the greatest number of openings.



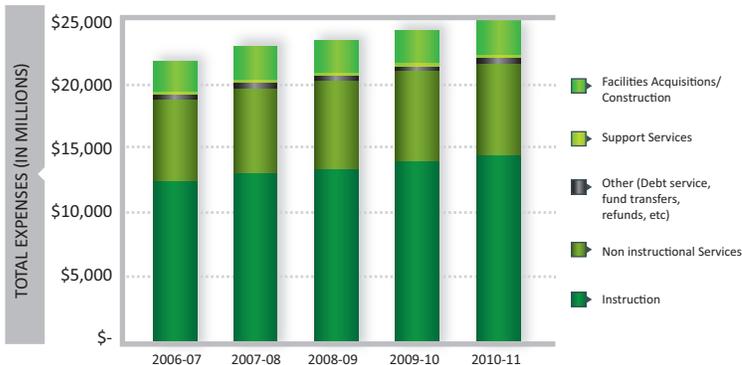
Jobs by Industry by Quarter, 2008-Present

These five industries supported the greatest number of jobs as of March 2013. See how the job count has changed in each quarter over the past five years.



Total School District Expenses by Year

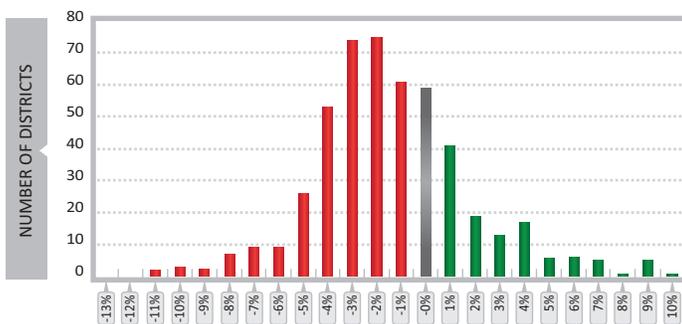
Despite changes in funding levels, cumulative school district expenses have risen each year since 2006. The following chart illustrates total expenses, by school year, for all Pennsylvania school districts and details the nature of those expenses.



Source: PA Department of Education

State Funding Change by Number of Districts

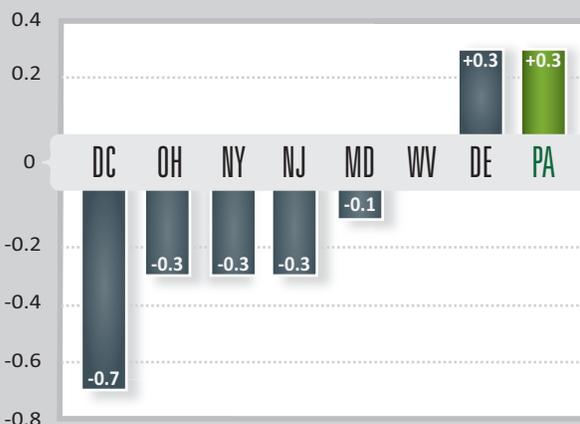
Between 2009 and 2011, 325 public school districts, or 65% of all districts in Pennsylvania, experienced a cut in state funding, while 59 received flat funding and 117 enjoyed an increase. The bar chart breaks down and totals districts by the size of their change in funding.



Source: PA Department of Education

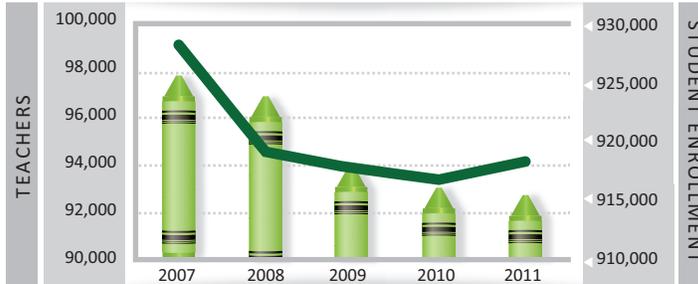
Unemployment Rates: One Year Later...

Among states in the region, Pennsylvania and Delaware were the only two to register an increase in their March 2013 unemployment rates over their March 2012 rates.

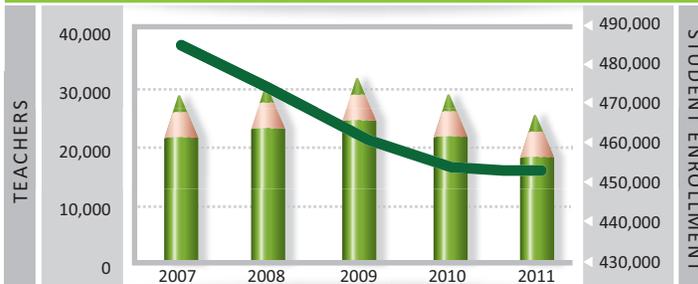


See how the total number of Pre-K-12 students have compared to the number of teachers in Pennsylvania's public and private schools between 2008-2011.

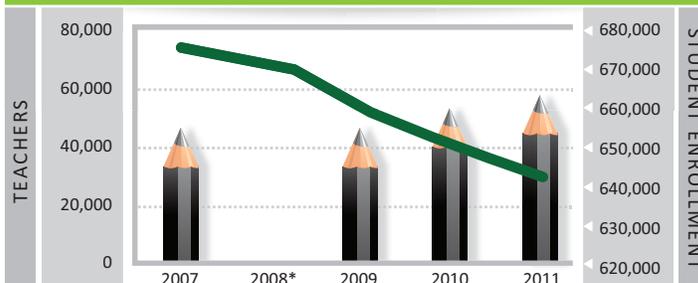
Pre-K - Elementary School



Middle School



Secondary School

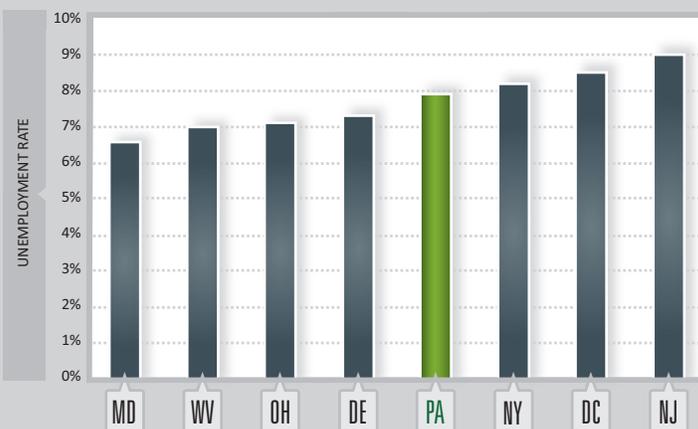


Sources: Teacher employment statistics are from the U.S. Department of Labor's Occupational Employment and Wage Estimates. Student enrollment figures were derived from the PA Department of Education.

* Number unavailable

Regional State Unemployment Rates, March 2013

See how Pennsylvania's unemployment rate in March 2013 compared with other states in the region.





In this edition of *The McCord Report*, we dive into public education funding in Pennsylvania, how it has changed over the years, and how it affects poor and wealthy school districts.

Funding and investments in public education prompt polarizing debates – and understandably so. Funding for public schools is among the largest components of the state budget, and it is arguably our most important obligation. Debate is ok, but we won't achieve smart public-policy decisions if we fail first to understand the facts.

Here, we outline relevant facts. And this is our effort to help policy makers make smart decisions.

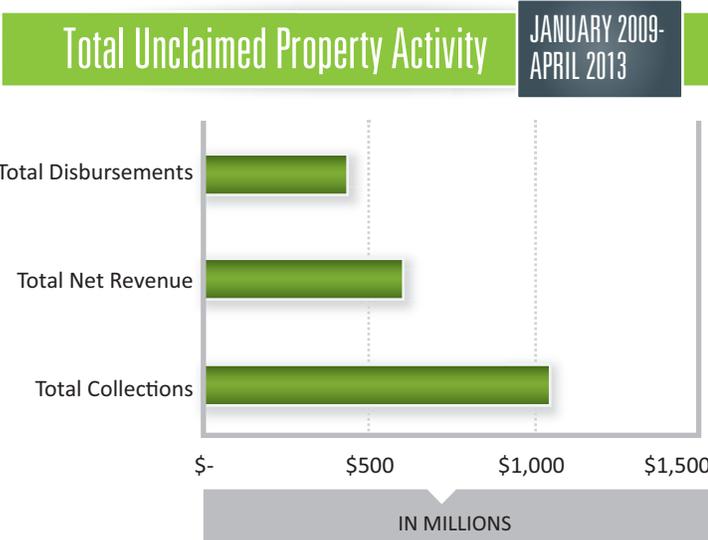
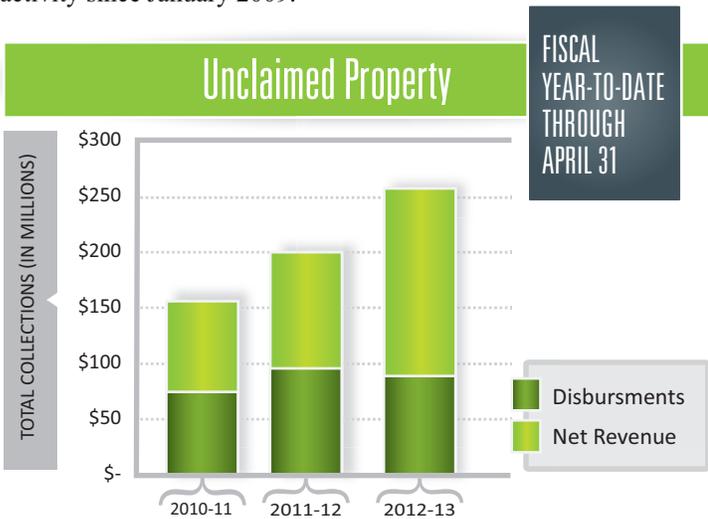
As always, I look forward to your comments (and your suggestions for future editions of *The McCord Report*). Please do email us at McCordReport@patreasury.gov.

Sincerely,

Rob McCord
Pennsylvania State Treasurer

Unclaimed Property

Unclaimed property reported to Treasury is either returned to its rightful owners or, while it is waiting to be claimed, is counted as revenue for the General Fund. The following charts compare the current fiscal year-to-date activity in the Unclaimed Property Program to the previous two years, and provide a tally of total activity since January 2009.



PA 529 College Savings Program

Treasury administers the Pennsylvania 529 College Savings Program, which offers families two distinct savings plans to help make college affordable. Please visit www.PA529.com to learn more about the program. The following charts show total assets and total number of accounts for both plans – the Guaranteed Savings Plan (GSP) and Investment Plan (IP) – for the past three years as of March 31.

