



## OFFICE OF THE CITY CONTROLLER CITY OF PHILADELPHIA

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# PRESS RELEASE

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### **Half of School District of Philadelphia’s \$4.6 Billion Budget Relies on 16 Types of Local Taxes, Fees & Contributions**

City Controller’s latest monthly report reviews funding sources to operate public schools

**PHILADELPHIA** – A new analysis released today by Philadelphia City Controller Christy Brady details how the School District of Philadelphia (SDP) funds its \$4.6 billion operating budget, highlighting the district’s reliance on local revenue sources.

The April 2026 Municipal Money Matters report shows that the Commonwealth of Pennsylvania is the SDP’s largest single funding source, providing more than \$2 billion annually to support operations. However, local revenue sources account for the remaining funding, with the City of Philadelphia providing dedicated tax revenue and direct contributions from the General Fund.

“Understanding how our public schools are funded is essential to transparency and accountability,” said Brady. “This month’s report gives residents a clear picture of where public education dollars come from and how dependent our schools are on decisions made at the city and state levels.”

The largest local revenue sources in the past school year were the Real Estate Tax, generating nearly \$1.2 billion, followed by the City’s General Fund contribution at \$285 million, and the Business Use and Occupancy Tax at \$200 million. In FY2025, the City increased the SDP’s share of Real Estate Tax revenue from 55% to 56%.

A breakdown of the other local tax and non-tax revenues from last year includes:

| <u>Source</u>           | <u>Amount (FY25)</u> |
|-------------------------|----------------------|
| Sales Tax               | \$120,000,000        |
| Liquor by the Drink Tax | \$92,400,000         |
| School Income Tax       | \$71,800,000         |
| Cigarette Tax           | \$58,400,000         |
| Investments             | \$28,000,000         |
| Misc.                   | \$10,400,000         |
| Gambling                | \$9,500,000          |
| Rideshare               | \$6,300,000          |
| Voluntary Contributions | \$4,100,000          |

|                       |             |
|-----------------------|-------------|
| Stadium Agreements    | \$2,800,000 |
| Public Utility Realty | \$1,400,000 |
| Reimbursements        | \$10,000    |
| Parking Authority     | \$0         |

Federal funding constitutes only a small share of the SDP’s total budget, emphasizing the importance of local and state policy decisions to Philadelphia’s public education system.

“Over the years the City and the School District have expanded and diversified the streams of local funding that our public schools have come to rely on,” said Brady, “It is imperative, as the School District faces yet another budget shortfall that threatens education quality and puts jobs at risk, that we provide transparency around this strategy to ensure tax dollars are being used efficiently and effectively.”

The analysis is part of Controller Brady’s ongoing Municipal Money Matters series, which is designed to make complex financial information more accessible and understandable for the public through monthly published reports.

The full April 2026 Municipal Money Matters report on the School District of Philadelphia funding is available on the City Controller’s website: <https://controller.phila.gov/>

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