



## **A Ridiculous Waste of Pennsylvania Taxpayers' Money**

At a time when the Governor is complaining bitterly about the looming state deficit and after he has line item vetoed about half the General Assembly's budget for schools, the Department of Education (DOE) has been instructed to send additional dollars to the Wilkinsburg School District to assist in the irrational scheme to send 7<sup>th</sup> through 12<sup>th</sup> graders to Westinghouse Academy in the Pittsburgh Public School District (PPS).

As we have noted before the idea that students from one of the absolute worst academic performance schools in the state will experience significant benefits from being shipped to another of the poorest performers in Pennsylvania is ludicrous on its face.

Two questions: What is the source of the state money for the Wilkinsburg-PPS agreement and what it is to be used for?

Based on the 2015-16 Basic Education Funding (BEF) narrative available on the DOE website \$3 million of BEF was set aside "for a third class school district identified in financial watch status under section 611-A of the school code for two or more years that has curtailed its educational program by eliminating its high school program and has assigned its pupils to a neighboring school district through a written agreement with the neighboring school district...to be used as described in the written agreement between the two districts." While that language is clear the situation is a bit confusing as there is no corresponding language in the Appropriations bill passed in December and signed into law two days before the new year and the letter of agreement (approved by the Wilkinsburg School Board on October 27<sup>th</sup> and the PPS Board the following night) that sets out eighteen terms between the two districts to govern transfer of students does not explicitly spell out how the money is to be used.

In news accounts the \$3 million is purported to be recurring (though it is not yet clear if it is for a specified number of years) and used for "transition" costs. Media accounts from various dates last month indicate the money will be used to pay for a coordinator to oversee the process, guidance counselors, social workers, professional development for teachers, academic programming and other support services. But at \$3 million a year? Not close to being a reasonable explanation.

Clearly, Westinghouse cannot take on 270 additional students without more teachers and other staff. Presumably, it is anticipated that a portion of the \$3 million each year will be used to pay the additional staff at Westinghouse.

PPS is offering to charge \$8,000 per-pupil tuition to take the Wilkinsburg students. This is almost \$6,000 below the per-pupil tuition the DOE has calculated PPS can charge non-district secondary students. Why would they make this apparently generous offer?

Bear in mind that in an October 1<sup>st</sup> news article a Wilkinsburg school board official stated “Pittsburgh representatives were very understanding in that we would be incurring extraordinary costs with unemployment because of the partnership... They adjusted the tuition to make it affordable.”

The terms leading to this offer of “affordable” tuition were spelled out in the letter of agreement: “the [\$8,000 per student rate is] dependent on securing funding for transition costs from the Pennsylvania Department of Education. In the event that transition funding is not secured, the Wilkinsburg School District will pay the School District of Pittsburgh the tuition rate of \$12,954 in the first year...[and] \$13,056 in the second year”.

Still, the first year discount of \$4,900 per student amounts to a total discount of only \$1.32 million per year. Making that amount up through additional “transition” funding would be more than enough to hire the necessary staff to teach and counsel the 270 incoming students. So why is \$3 million being contributed by the state?

All this is happening against a backdrop of the extraordinary current funding levels for Wilkinsburg schools. In the latest published DOE data, Wilkinsburg had combined, state, Federal and local revenue in 2013-14 of \$29.65 million or \$23,400 per-pupil (including charter students) of which \$15,800 per-pupil were spent on instruction. It would seem Wilkinsburg has more than adequate revenue to pay the full \$12,954 in tuition PPS can charge and that no discount should be necessary.

Apparently, the reason for the discounted tuition and state funds to cover “transition” is that Wilkinsburg cannot simply release the employees associated with teaching, administration and maintaining facilities for the students but must continue to provide income. The same October 1<sup>st</sup> article quoting the Wilkinsburg board member pointed out that although the teacher contract expired at the end of June the terms (which in Pennsylvania is still in effect even though the contract has expired) state in effect that “...the number of furloughs cannot exceed the percentage of decline in total school district enrollment from the previous school year” and that the teachers would be prepared to go to arbitration if necessary. Thus, the union can presumably argue that enrollment has not decreased since District students are still being paid for by the District. It would be interesting to see how a judge might rule in this case. Is this situation the same as an enrollment decline created by students moving to charter schools?

The letter of agreement states that while PPS can consider hiring Wilkinsburg employees for positions they would not be required to do so. And if PPS is not agreeable to taking

on those employees who would lose their jobs, then Wilkinsburg, believing it is still on the hook, will provide compensation anyway. Very likely, with its own declining enrollments, PPS will give priority to filling any newly opened positions to PPS employees who might otherwise face layoffs. Or hire from a pool of already vetted and approved applicants that it would like to add to staff.

In any case, the stated reason for PPS offering the tuition discount and insisting the state provide “transition” funds, was in recognition of the costs Wilkinsburg would incur in having to come up with money for no longer needed employees but who are ostensibly protected under law (or commitment by the Wilkinsburg School Board) from being abruptly terminated. Wilkinsburg School District will remain intact, it is simply outsourcing its education for 7<sup>th</sup> to 12<sup>th</sup> grades. No doubt a court battle would ensue if the staff associated with those grades were fired on the grounds there is no work for them. And it is almost certainly the case that some of the more senior teachers in this group will use their seniority to bump the less senior teachers in the K-6 grades.

Bottom line, because PPS will not commit to hiring these teachers (nearly all of whom are deemed highly qualified by the state’s School Performance Profile of Wilkinsburg), the state’s taxpayers will have the privilege of paying for Wilkinsburg staff with no work to do. That is the important part of the story the news accounts regarding “transition” costs are leaving out. The extra \$3 million to Wilkinsburg will boost its per pupil revenue to \$27,500—assuming the District receives its normal state allocation and does not cut local taxes right away. It will be worth watching finances in Wilkinsburg schools to see if this infusion of an additional \$3 million a year was really necessary and to ensure that it does not get spent frivolously.

It is too bad that a terrible decision to send students to Westinghouse is further compounded by the pouring of large amounts of state money to facilitate the decision. Surely, local charters or outsourcing to private educators would have been far better options.

This situation encapsulates and exemplifies the governance of education in Pennsylvania. The people in charge of it and many public school supporters believe every problem can be solved by throwing more money at it.

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