

Teachers' Union Head Claims State Shortchanging Education

To no one's surprise the head of the state's largest teachers' union is again complaining about the unwillingness of the state to replace the Federal stimulus spending that ended in 2011. Moreover, the union head is unhappy that a large fraction of the \$1.25 billion increase in funding since Governor Corbett took office is going to pensions and social security.

The union president is also upset that state law limits the ability of school districts to raise property taxes. And he wants one of the most important pro-business policies adopted by the Legislature—the phasing out of the Capital Stock and Franchise Tax—curtailed to produce more tax revenue. Presumably the union wants most of any such increase to be allocated to education.

This preposterous and one sided view came from the Pennsylvania State Education Association's (PSEA) recently released *Sounding the Alarm 2* report.

As we, along with other analysts, argued back in 2009 when the Federal government was pouring enormous amounts of “stimulus” money into the states to keep public employees on the payroll, it would have been prudent for school districts not to treat the funding as permanent and to take steps to begin reining in expenses against the time when the “stimulus” would end. So, in effect, the impact of the recession on public spending was muted and postponed. But it is happening now. Making the impact of the delayed recession effects worse, the state employees' and the state teachers' pensions are seriously underfunded and are necessitating large amounts of tax dollars to be allocated to meet those obligations.

The argument that school districts cannot raise taxes is misleading. Districts are limited by state law as to how much they can raise taxes in a given year. However, districts can apply to the Department of Education for an exemption if they need more money for pensions, special education, or construction. Most exemptions are granted. Districts can also put any tax increases before the voters in a referendum. The real limiting factor is not state law; it is the willingness and ability of taxpayers to absorb an even greater burden along with their ability to force school boards to heed their wishes. In a weak economy and with already heavy property tax burdens, it is very difficult to ask taxpayers

to accept higher tax levies. As we saw in the Plum School District, the school board opted not to raise taxes and instead announced the layoffs of 23 personnel. Why? Because of the need to ante up a million dollars for pensions and the unwillingness of the teacher union to agree to a wage freeze for the coming year.

There are three parts of this problem. The right of teachers to strike that leads to overly generously contract terms, the very rich pension formula for retirees, and the law that prevents layoffs for economic reasons, forcing the elimination of entire programs.

If the head of the teachers' union insists on resisting reforms in all three of these areas by bringing to bear the powerful political influence of the teachers' union, then the future will bring more of the same—demands for higher taxes, layoffs and a worsening education environment.

Indeed, it is time for taxpayers to ask a question. What concessions are teachers willing to make to help the state and school districts get through the period of subdued growth? Pennsylvania teachers are on average very well compensated compared to the nation and receive exceptional benefits. But there is no gainsaying the fact that the right to strike and state law regarding layoffs create an imbalance of bargaining power in favor of the unions. Pennsylvania needs to take a look at Wisconsin's reforms. Education quality need not be sacrificed in order to rein in costs while eliminating work rules that preclude good management.

And the unions need to explain how it is that with enormous levels of per pupil spending districts including Pittsburgh, Wilkesburg, and Harrisburg cannot achieve acceptable levels of academic proficiency. The time for excuses is over. If teachers have good reasons for the failure of many public schools that spend loads of money, they should come forward with those solutions. And asking for more money is not an answer. Taxpayers have the right to expect responsibility and accountability. Public employees who are not willing to be part of a solution will remain part of the problem. Taxpayers have done their part.

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