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Pittsburgh Schools: Unconscionable Spending

The Pittsburgh School Board has failed miserably to fulfill its role as steward of the money collected from City and state taxpayers. The fact that it spends more than \$15,000 per pupil is bad enough, but now it has been learned just how incompetent at controlling costs the Board has been. Recently obtained personnel records for custodial and maintenance show pay levels that are simply incredible and inexcusable.

Astoundingly, four employees whose base annual incomes were below \$40,000 were paid in excess of \$90,000 in 2003. Moreover, several employees are on pace to exceed \$90,000 in 2004. In all, 16 employees were paid more than \$80,000 with 11 of those classified as custodians. One mechanic was paid \$109,000. How is this possible? In short, massive overtime. As hard as it is to believe, the records show that nine employees in the custodial and maintenance group took home more than \$40,000 in overtime pay in 2003.

While these are the most egregious examples gleaned from an analysis of the records of 390 employees, the overall overtime picture is just as disturbing. (Part time kitchen staff were excluded because they do not contribute significantly to the overtime problem.) In 2003, the total overtime pay received by the entire group of 390 amounted to 54 percent of base pay. Except in an emergency, paying that much overtime reflects a breakdown of managerial and financial control.

Some astonishing statistics are contained in the personnel records. For example, nearly 10 percent of the group (37 people) collected more than 100 percent of their base pay in overtime. At the same time, almost half of the employees collected overtime equal to half their base pay. A quarter of the group received more than \$20,000, many of those over \$30,000. Amazingly, only 12 members of the group of 390 employees received no overtime at all.

But there's more: in addition to the massive amounts of overtime, these employees are entitled to other pay tied to longevity and education. This pay amounts to another third of base wages. All told, the average employee in this group of custodial and maintenance employees was paid 187 percent of base wages in 2003. And, as was mentioned above, that pattern is continuing through 2004.

It is little wonder that all attempts to outsource or privatize these functions are met with tremendous resistance. The pay levels that have been reached in the Pittsburgh School District among these custodial and maintenance workers have obviously taken many years to secure, and will be guarded vociferously.

There are no excuses the Administration or the Board can offer that will justify mismanagement of this magnitude. This colossal failure to act as faithful stewards of tax dollars suggests a very casual attitude toward the Board's obligations to ensure that tax dollars are spent wisely and well. One can only wonder what other examples of gross overspending are waiting to be uncovered in the Pittsburgh Schools.

The Allegheny Institute has been calling attention to the outsized spending by Pittsburgh Schools for several years. That spending and the system's poor academic performance are clearly important elements in the declining fortunes of the City of Pittsburgh. A recent *Policy Brief* noted the utterly nonsensical attitude of school board members who claim they have been fiscal conservatives and very prudent in overseeing the District's finances. Now, there is proof positive that claims of efficient management by the District are no more than hot air.

Clearly, it is time for the Commonwealth, which sends almost \$200 million a year to the Pittsburgh Schools, to take a look at how state funds are being spent. The present example of unconscionable overtime pay for custodians and maintenance employees points to the need for a thorough review of School spending practices. There are three questions that must be answered. First, how long have the egregious overtime payments been occurring? Second, how widespread are the abuse of overtime and other mismanagement of tax dollars within the School District? And third, why have the Board and the administration failed to correct the overtime abuse problem?

If this situation does not provoke meaningful change in the management of the Schools, then true reform is unlikely to ever happen in the District. Absent major reforms, declining enrollment and outflow of residents fleeing high taxes and poorly performing schools will undoubtedly continue.

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