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Businesses Balk at Pittsburgh Promise Program

According to a Tribune Review report, the Pittsburgh business community has not warmed to the Pittsburgh Promise program. This is the program that plans to offer college scholarships to virtually all graduates of Pittsburgh's high schools. So far the Promise fund has garnered only \$51,000 from businesses while most of the contributions have come from the usual liberal foundations in the City. Foundations that never miss an opportunity to waste money on will of the wisp, do good efforts, especially if they involve public education.

Apparently, the business community has not been convinced of the efficacy or usefulness of bribing parents to stay in Pittsburgh—or attract parents to the City—as a way to increase enrollment in the miserable failure that is Pittsburgh's high schools. And little wonder. Years of spending vast amounts of public money as well foundation gifts on enormous numbers of programs with precious little to show in return in terms of academic achievement undoubtedly has created considerable skepticism about whether it is advisable to keep propping up this failure with ever more money.

Whereas liberal foundations have the luxury of frittering away money on hopeless causes, businesses, especially in these difficult times, simply must be more level headed and rational about where they put limited resources. After all, firms in the City are already paying taxes to fund the egregiously expensive Pittsburgh Public School District --currently \$20,000 per student annually—which continues to have huge percentages of high school students scoring well below grade level proficiency on statewide exams. Given the poor return on investment on their tax money, why would businesses want to waste more money trying to fix the system?

Nominally, a major goal of the Promise plan is to stop the slide in enrollment and begin to turn it around. Enrollment has fallen precipitously in recent years and is forecast to continue dropping. The question businesses must ask is “How does pouring more money into trying to prop up this expensive, poorly performing system benefit my company?”

Firms need a sufficiently well educated and skilled workforce that can help their business thrive and succeed. If they donate some of their limited resources to the Promise program, they may eventually benefit if some the recipients get degrees in disciplines they can use. However, this is a high risk strategy with a low probability of paying off for the firm. Instead, corporations are more likely to spend money on education programs for current employees through either tuition reimbursement programs at area colleges or through training

and certification programs. These two options provide a more direct payoff with a much lower downside risk than does contributing scarce dollars to the Pittsburgh Promise.

Moreover, companies already have high quality alternatives available for helping students get a good education. For example, they can donate to the Pittsburgh Catholic Diocese's Extra Mile Foundation, which provides scholarship aid to needy children so they can attend one of the Diocese's Extra Mile Schools in the City. Companies can also participate in the State's Education Improvement Tax Credit, a program that provides a 75 percent tax credit for donations to a non-profit scholarship or educational improvement organization. The percentage increases to 90 if the business makes the same donation for two consecutive years. The tax credit is limited to \$300,000 annually per firm. Still, the program is very popular as indicated by the fact that the state's legislatively established annual limit for the program is completely met each year. Indeed, there are calls to expand the current annual tax credit limit.

In short, there are far better places to invest than the Pittsburgh Promise for companies wishing to allocate funds for the purpose of improving education in the region.

If the Mayor wants to attract corporate and business money for educating Pittsburgh's children, here's an idea he should try. Establish a scholarship program that will allow City parents to choose an alternative school for their children—be it religious or private. Then see how that plan fares in raising money compared to the Promise plan. It might even lure some of the more sensible members of the foundation community away to support a program for Pittsburgh's students who would like a choice other than the public schools but cannot afford it.

To be blunt, why would a rational parent opt to keep a child in a failing school district for nine or ten years, robbing them of chance at a good education, if real alternatives to the public schools were available and affordable? Protecting the public school system as it is—and is likely to remain given the powerful groups who are in charge—is a fool's errand.

And here is the best part of a scholarship funded choice plan. Competition from such a program could force City schools to improve or fade away altogether. That has happened in Milwaukee where public school performance has improved in the years since the voucher program was introduced there. This is a clear win-win situation that businesses should support whole heartedly.

Jake Haulk, Ph.D., President

Frank Gamrat, Ph.D., Sr. Research Assoc.

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<p>Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd. * Suite 208 * Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: aipp@alleghenyinstitute.org</p>
