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In its [Dec. 10th Editorial](https://www.timesleader.com/opinion/765377/our-view-wvw-needs-to-strike-balance-on-fund-balance) on the poor fiscal situation facing the Wyoming Valley West (WVW) School District, the editorial board misstates Commonwealth Foundation’s position on the use of reserve funds.

It’s true that we have highlighted the growing cash reserves of school districts across the state. This year, the total surpassed $4.6 billion. That’s [twice as much as the state government spends on our criminal justice system](http://budgetfiles.pa.gov/budget2019e/GBD_2019e.html).

However, it is not true that we offer this criticism void of context. We consistently argue that a modest reserve fund is demanded by prudence. And we agree with Pa. Auditor General Eugene DePasquale’s assessment that when a reserve fund reaches 20 percent (2.5 months) of a district’s general fund expenditures then they’ve gone too far. At that point, continued accumulation of reserves and continued increases in property taxes become dubious.

WVW has never come anywhere close to stashing away that much cash. Even at their peak of $4.4 million they pale in comparison to districts like [Springfield Township in Montgomery County](https://www.commonwealthfoundation.org/issues/detail/is-your-school-district-hoarding-cash), which packed away almost $23 million (roughly 40% of their budget) in 2017-18 while simultaneously raising taxes.

Which brings up a final point. Don’t let the state law restricting the increase in property taxes once reserve balances reach eight percent fool you into thinking the problem has been resolved. A recent [NBC 10 Philadelphia investigative report](https://www.nbcphiladelphia.com/investigations/Here-Are-Pennsylvania-School-Districts-Stockpiling-Cash-509535961.html) revealed that requests for exceptions are never denied. In it, a Department of Education official conceded, “The way the law is written, we can’t.”

If districts like WVW are to maintain modest reserves while keeping property taxes affordable then we must address the principle cost drivers: our unfunded pension liability and broken education funding system that puts bureaucracy before kids.