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Judge OKs Steel Valley Bond Issue to Finance Pay Inequities for Teachers.

An Allegheny County Common Pleas Court judge approved the Steel Valley School District's request to use a bond issue debt to finance gender-related pay gaps related to a recent court settlement.

During a brief court hearing Wednesday morning, the school district's attorney, Jerri Ryan, told Common Pleas Judge Michael Della Vecchia that the money from the bond issue would fund salary adjustments across the district to avoid more litigation in the future.

Steel Valley asked the court to allow it to issue $1.75 million in bonds, rather than raise property taxes in the short term, according to a May 21 petition.

Municipal finance experts contacted recently by the Pittsburgh Post-Gazette said that debt issuances are typically used for big capital projects, not costs related to legal settlements.

Naomi Richman, senior vice president at Moody's Public Finance Group, said last week the ratings agency is "not aware at this time of any cases involving Pennsylvania municipalities, including school districts."

Steel Valley in April reached a settlement with five female teachers who claimed in a lawsuit in U.S. District Court that they had been unfairly hired at lower salaries than male coworkers.

The teachers, who were hired between 1997 and 2008, began at the lowest step on the pay scale despite prior work experience. The district cited "policy" while paying some male teachers with similar experience more, according to the lawsuit.

As a result of the federal court settlement — for an undisclosed amount — Steel Valley reviewed three years of records to address pay gaps throughout the district and it will make a lump sum payment to the affected teachers, according to the petition. It is unclear how many employees are affected.

Steel Valley, a 1,400-student district that serves Munhall, Homestead and West Homestead, employs about 200 people, including nearly 130 teachers.

In his ruling, Judge Della Vecchia said he was not taking a stance on the substance of the case, only that the district followed proper procedure in requesting the bond issue.

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