



pennsylvania
DEPARTMENT OF EDUCATION

**DECLARATION OF TERMINATION OF MODERATE FINANCIAL RECOVERY
STATUS UNDER SECTION 624-A OF THE PENNSYLVANIA PUBLIC SCHOOL
CODE**

I, Khalid N. Mumin, Ed.D., Secretary of Education, state and declare that I have reviewed the Penn Hills School District's ("District") progress under the District's Financial Recovery Plan pursuant to Article VI-A of the Pennsylvania Public School Code ("School Code"), 24 P.S. § 6-601-A, *et seq.*, and,

WHEREAS, Pursuant to section 621-A of the School Code, 24 P.S. § 6-621-A, and section 18.5 of Title 22 of the Pennsylvania Code, 22 Pa. Code § 18.5, the District was designated as being in Moderate Financial Recovery Status by then-Secretary of Education, Pedro A. Rivera, on February 1, 2019; and

WHEREAS, The District's initial Financial Recovery Plan, developed by the District's Chief Recovery Officer ("CRO"), Daniel J. Matsook, Ed.D., and approved by the District's Board of School Directors, was approved by then-Secretary of Education Rivera on July 16, 2019; and

WHEREAS, An amended Financial Recovery Plan, developed by Dr. Matsook and approved by the District's Board of School Directors, was approved by then-Secretary of Education, Noe Ortega, on July 8, 2021; and

WHEREAS, The Pennsylvania Department of Education ("PDE") has provided the District with ongoing technical assistance regarding the District's financial and academic challenges, including consultation with PDE and other financial and academic consultants and advisors; and

WHEREAS, Dr. Matsook and the District's administration, Board of School Directors, educators, and other school staff have worked diligently as a school community to improve the District's financial and academic health; and

WHEREAS, A school district's financial recovery status may be terminated if the district has satisfied and continues to satisfy criteria for termination ("Exit Criteria") as set forth in section 641-A(9) of the School Code, 24 P.S. § 6-641-A(9), and the district's financial recovery plan; and

WHEREAS, Pursuant to section 641-A(9) of the School Code, 24 P.S. § 6-641-A(9), and its Financial Recovery Plan, the District must satisfy the following Exit Criteria before its financial recovery status may be terminated:

- The District does not request an advance of its basic education subsidy for three consecutive years;

- The District does not need to secure a Tax Anticipation Note for three consecutive years;
- The District maintains a fund balance of at least 5% annual expenditures and sustains it with a stabilized revenue source for three consecutive years;
- The District sustains a delinquent tax rate of 10% or less for three consecutive years;
- The District approves a balanced budget with recurring revenue rather than rely on one-time funds for three consecutive years;
- The District is compliant with all directives in the Financial Recovery Plan as determined by the CRO for three consecutive years;
- All teacher and other employee salaries are paid when due;
- The District is not in default on any bonds, notes or lease rentals and is not subject to withholding by the secretary under section 633 of the School Code, 24 P.S. § 6-633;
- The District does not satisfy the criteria stated in regulations promulgated under section 621-A(a)(2) of the School Code, 24 P.S. § 6-621-A(a)(2); and
- The District is making progress toward financial stability.

STATEMENT OF FACTS

In accordance with section 624-A of the School Code, 24 P.S. § 624-A, I hereby declare and find as follows:

1. PDE, in conjunction with the CRO, has reviewed the District's financial and academic progress under the District's Financial Recovery Plan, including the District's progress in meeting the Exit Criteria set forth in section 641-A(9) of the School Code, 24 P.S. § 6-649-A(9), and the District's Financial Recovery Plan.
2. The District has not requested an advance of its basic education subsidy in the past three years.
3. The District has not needed to secure a Tax Anticipation Note in the past three years.

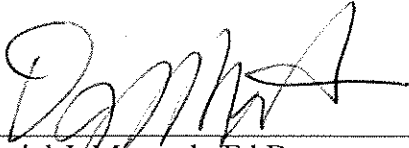
4. The District maintained a fund balance of at least 5% annual expenditures and sustained it with a stabilized revenue source for the past three years.
5. The District sustained a delinquent tax rate of 10% or less for the past three years.
6. The District approved a balanced budget with recurring revenue rather than rely on one-time funds for the past three years.
7. The District has been compliant with all directives in the Financial Recovery Plan as determined by the CRO for three consecutive years.
8. All teacher and other employee salaries are paid on time.
9. The District is not in default on any bonds, notes or lease rentals and is not subject to withholding under section 633 of the School Code, 24 P.S. § 6-633.
10. The District does not satisfy the criteria stated in regulations promulgated under section 621-A(a)(2) of the School Code, 24 P.S. § 6-621-A(a)(2), to be designated a financial recovery district.
11. The District is expected to be able to maintain financial stability and continue to provide funds to support programs and initiatives contained within the District's Financial Recovery Plan.
12. The District has demonstrated a commitment to focus its resources and efforts on implementing its Financial Recovery and Comprehensive Plans to create conditions to advance academic growth and student achievement of each student enrolled in the District.
13. Following the termination of the District's Financial Recovery Status, pursuant to section 625-A of the School Code, 24 P.S. § 6-625-A, the CRO and PDE shall oversee the District's board of school directors for five (5) years to ensure financial stability is maintained.
14. During the five-year oversight period, PDE will oversee the District's board of school directors to ensure the initiatives of the Financial Recovery Plan continue to be implemented to ensure sustainability of the progress thus far achieved.

NOW, THEREFORE, in consideration of the facts and findings described herein, and, having made the determination that the District has satisfied and continues to satisfy the criteria for termination of financial recovery status pursuant to section 641-A(9) of the School Code, 24 P.S. § 641-A(9), I hereby Declare:

The Penn Hills School District shall be removed from the designation of Moderate Financial Recovery Status on this, the 23rd day of May 2024.



Khalid N. Mumin, Ed.D.
Secretary of Education
Commonwealth of Pennsylvania



Daniel J. Matsook, Ed.D.
Chief Recovery Officer
Penn Hills School District