

**A RESOLUTION BY THE RECEIVER OF
DUQUESNE CITY SCHOOL DISTRICT
FOR SOUND FISCAL MANAGEMENT AND ACCOUNTABILITY**

Whereas, The Duquesne City School District Financial Recovery Plan – consistent with the Financial Recovery Act 141 of 2012 – was issued on February 11, 2013 and implemented on April 2, 2013; and,

Whereas, On November 12, 2020, a Fourth Amendment was approved by the Pennsylvania Department of Education and final approval granted by the Allegheny County Court of Common Pleas on November 16, 2020; and

Whereas, The Fourth Amendment is designed with visionary, strategic, and operational goals and objectives for sustainability now and in the future; and,

Whereas, The primary goal of the Duquesne K – 8 School is to be recognized as a “turnaround school” and a model for rebuilding educational programs, services, and activities in a financially distressed school district; and,

Whereas, Every Fiscal Quarter since 2013 – 2014, the School District has had no unpaid or contested invoices and all payroll, benefit expenditures, debt service obligations and tuition payments have been made in a timely manner and the School District is unaware of any other unasserted claims or assessments involving the School District; and,

Whereas, The School District recognizes that responsible fiscal planning and management are key factors in allowing administrators and the Board of School Directors to focus on attaining educational goals and priorities, including advanced planning of conservative budgets to achieve the greatest educational returns based on available resources; and,

Whereas, the Pennsylvania Department of Education, Division of Subsidy Administration, has calculated the base index for the 2023 – 2024 fiscal year as 4.1 percent, noting the Adjusted Index for Duquesne is 6.7 percent and the MV/PI Aid Ratio is 0.8917; and,

Whereas, The Receiver, Superintendent, Business Manager, and Business Consultant have been engaged with Public Financial Management to develop a new 5-year Baseline Financial Projections / Model Assumptions of revenues and expenditures, debt service, and the impactful nature of ESSER funding to ensure that the funds are leveraged in a way to meet the District’s academic goals while maintaining the long-term financial stability of the District’s budget and operations; and,

Whereas, Public Financing Management has provided a research-based Secondary Tuition Rate Analysis of the state tuition formula used for Duquesne students who attend neighboring East Allegheny and West Mifflin secondary schools. The present formula is based on the Adjusted Act 1 Index and is not sustainable in the long run when considering the unasserted increases in state subsidies and the expected increases in the Act 1 Index. Scenarios offered by PFM as alternative tuition rates would help stabilize Duquesne’s long-term financial position. The School District believes that a formula based on actual instructional costs is a better method than using the Act 1 Index formula, noting that any change will require legislative approval; and,

Whereas, the annual tuition rate for DCSD students who attend school at West Mifflin Area and East Allegheny is \$15,817.15 for the 2022 – 2023 school year. Tuition was calculated by PDE and communicated to the District, with the District given an opportunity for comment. The tuition rate formula will continue to be an ever-growing financial burden for the District because it will never remain flat or decrease, growing by at least the District’s Adjusted Act 1 Index or the annual growth in the District’s revenue budget. When the Act 1 Index projected figures are taken from the Independent Fiscal Office, the District’s tuition rate is expected to be \$21,833 by the end of 2026 – 2027; and,

Whereas, a significant financial challenge facing the District continues to be the rising costs of charter school tuition. Legislative remedies are needed that address accountability to control the quality and cost of these programs. Actual charter school rates, as calculated on the PDE-363 for FY 2021 – 2022 reflect federal ESSER funding revenue. The tuition rate for each non-special education charter school student for 2021 – 2022 was \$15,194.67 (\$575 lower than the previous year) based on actual, calculated rates). For each special education student who attends a charter school, the student rate was \$38,936.38 (approximately \$300 more than the

previous year) based on actual, calculated rates. The District continues to face an unprecedented special education calculation due to the nature of the formula assuming a 16% special education population. Because the District's special education population is appreciably higher at 24%, the formula incorrectly divides total special education expenditures by a small number of students than are actually enrolled at Duquesne.

Therefore, Be It Resolved, That the Receiver, acting as the Board of School Directors, in collaboration with the Superintendent of Schools and Administration, shall be committed to sound fiscal management and accountability to ensure that the Annual Budget reflects the educational values of the elected Board of School Directors and the greater Duquesne community based on local resources, state subsidies, state / federal grants, foundation giving, and continued technical assistance from the Pennsylvania Department of Education; and,

Be It Further Resolved, That a new 5-year Baseline Financial Projections / Model Assumptions will provide valuable financial projections, analysis, and discussions among Duquesne City School District stakeholders for financial sustainability, transparency, and accountability, including updates of projections as part of the Annual Budget planning and approval process.

HEREBY adopted this 25th day of October, 2022.

ATTEST:

DUQUESNE CITY SCHOOL DISTRICT

Signature on File

Board Secretary

Signature on File

Receiver, acting as the Board of School Directors