Duquesne City School District Resolution Advocating a Change in the Established State Tuition, Act 141, 24 P.S. Education § 16-1607 (b) (4) Formula By the Receiver Acting as the Board of School Directors Duquesne City School District

Whereas, On November 16, 2012 the Duquesne City School District under new legislation was declared a severe financial recovery school district pursuant to Act 141, 24 P.S. Education § 6-601-A, et seq.; and,

Whereas, the School District, as a point of historical reference, discontinued it senior high program in 2007 and its junior high program in 2012, resulting in the assignment of secondary students to East Allegheny and West Mifflin School Districts for educational, curricular, and extracurricular activities; and,

Whereas, On February 11, 2013, the Chief Recovery Officer presented a Financial Recovery Plan for the School District; and,

Whereas, On February 21, 2013, the Elected Board of School Directors of the Duquesne City School District rejected the Financial Recovery Plan; and,

Whereas, On February 26, 2013, the Secretary of Education of the Commonwealth of Pennsylvania petitioned the Court of Common Pleas of Allegheny County pursuant to Section 671-A of the Act, 24 P.S. § 6-671-A, for the appointment of a Receiver for the School District and the approval of the Financial Recovery Plan; and,

Whereas, On April 2, 2013, the Court of Common Pleas of Allegheny County approved the Petition for Appointment of a Receiver and appointed a Receiver for the School District and approved the Financial Recovery Plan; and,

Whereas, The Court of Common Pleas of Allegheny County approved the appointment of a Receiver and the extension of receivership for the School District every three years thereafter, including the most recent extension through April 1, 2025; and,

Whereas, On November 12, 2020 the Pennsylvania Department of Education gave provisional approval of a Fourth Amendment of the District and on November 16, 2020 the Court of Common Pleas of Allegheny County approved the Receiver / School District's Motion to Amend the Recovery Plan to strengthen and preserve School District educational programs, services, and activities, including a two-year phase-in plan for a K-8 Grade Level Reconfiguration; and,

Whereas, the two-year phase-in plan for a K-8 Grade Level Reconfiguration was achieved and fully implemented for the 2022-2023 school year; and,

Whereas, in a court-dictated Settlement Agreement in 2017 among the School District, West Mifflin School District and the Pennsylvania Department of Education addressed various issues, disputes, and differences, including terms and payments for an established tuition rate formula beginning with the 2017-2018 school year; and,

Whereas, the School District continues to express serious concerns about the state approved tuition rate formula which is the product of the prior year's tuition rate and the greater of the percentage increase in the School District's total budgeted revenues, or the Index set pursuant to the Taxpayer Relief Act; and,

Whereas, the School District is rapidly spending its fund balance to support the Annual Education Budget while East Allegheny and West Mifflin School Districts continue to receive greater tuition amounts unrelated to the actual costs of instructional programs, further noting that Duquesne tuition costs will increase by the 2022-2023 index calculation of 5.6%; and,

Whereas, the Pennsylvania Independent Fiscal Office projects three years of higher Base Index Rates at 4.3%, 4.3%, and 3.6% in 23-24, 24-25, and 25-26, respectively. Assuming the same adjustment factor as 22-23, this will result in Duquesne's Adjusted Act 1 Index being 7.1%, 7.1%, and 5.9% in those future years.

Whereas, the return of 7th and 8th grade students to Duquesne reflects a decrease in 2021-2022 tuition paid to WM/EA and a decrease will be reflected for 2022-2023; however, the total annual tuition costs rise at an an

unfair rate, noting the School District is sending less students which changes the effect of the increase. Further, the WM/EA tuition included in the state student tuition formula is affecting charter tuition expenditures and the current calculation costs are unsustainable; and,

Whereas, the following chart illustrates the seriousness of the negative financial effect of increased student tuition expenditures paid to West Mifflin and East Allegheny School Districts. Charter school tuition costs are also included to demonstrate that approximately 43% of the overall DCSD Education Budget is designated to out-of-district enrollments:

Year	Charter Tuition	WM / EA Tuition	Total
2016 - 2017	3,350,700	3,543,739	6,894,439
2017 - 2018	3,657,360	4,069,875	7,727,235
2018 - 2019	3,897,781	4,257,161	8,154,941
2019 - 2020	3,861,637	4,605,401	8,467,038
2020 - 2021	4,441,662	4,490,371	8,932,033**
2021 - 2022*	4,714,662	4,136,300	8,850,962***

^{*}Estimated

THEREFORE, BE IT RESOLVED that the Receiver, acting as the Board of School Directors, recognizes that the tuition payments established by Pennsylvania statute creates an unsustainable financial burden on the **Duquesne City School District** and calls upon the General Assembly for a substantial change in the established state calculated tuition (24 P.S. 16-1607 (b) (4) formula for fairness and equity by amending the Pennsylvania School Code to ensure financial fairness and sustainability of the **Duquesne City School District**.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Receiver, acting as the Board of School Directors, supports the **Duquesne City School District** and its extraordinary efforts to be a "turnaround school district" and to do what is educationally sound for students and what is fiscally responsible for taxpayers. To that end, the **Duquesne City School District** commits to continuous school improvement in partnership with the Pennsylvania General Assembly, Pennsylvania Department of Education, and the Allegheny County Court of Common Pleas to do what is in the best interests of our children, youth, and families.

HEREBY adopted this <u>27th</u> day of <u>September, 2022</u>		
ATTEST:	DUQUESNE CITY SCHOOL DISTRICT	
SIGNATURE ON FILE	SIGNATURE ON FILE	
Board Secretary	Receiver, acting as the Board of School Directors	

^{** 7}th Grade Returns

^{*** 8}th Grade Returns