

# **FASTFACTS**

From the House Appropriations Committee

**JOE MARKOSEK**, DEMOCRATIC CHAIRMAN

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## **Chester Upland School District First Symptom of Statewide Issue**

*The Republican-passed 2011/12 state budget included nearly \$1 billion in cuts to school districts across the state. Not a single school district in Pennsylvania is receiving more funding overall in 2011/12 than it received last year. In fact, the cuts disproportionately hit poorer districts harder than districts in more affluent areas. The education funding cuts in the budget, including the elimination of the charter reimbursement provision which helped districts re-coup some of the money paid to charter schools, is causing major economic stress on districts across the state. **The drastic cuts led many districts to increase local property taxes, lay off teachers and staff and cut programs.***

*In poorer districts with a limited tax base, **the problem is growing.** This month the Chester Upland School District in Delaware County ran out of money and teachers began working without pay to educate the district's 3,600 students. This document will provide details about the funding problem at Chester Upland SD and how many other districts may face the same future.*

### **Chester Upland SD Budget Facts**

#### **2011-12 Budget**

- Total approximately \$96 million with \$65 million (68 percent) derived from state funding.  
**Note: Actual district expenses will be as much as \$20 million higher than the budget.**
- District funding was cut more than \$8.4 million (14.4 percent) in Gov. Corbett's 2011-12 budget.
- The district's total operating budget (federal, state and local funds) for 2011-12 is more than \$17 million lower than its 2010-11 budget.

#### **Costs to Educate Each Student:**

- Chester Upland SD reports that in 2011-12 it is spending, on average, roughly \$14,500 per student.
  - Chester Upland SD spent approximately \$15,300 per student two years ago, according to the PA Department of Education's most recent data (2009-10). The statewide average that year was \$13,600.
  - The highest expenditure per student in 2009-10 was \$26,570 in Lower Merion SD, one of the wealthiest districts, located next door in Montgomery County.
- Chester Upland SD pays the charter schools \$9,858 for each regular education student and \$24,528 for each special education student.

- In 2011-12, the district will pay **more than \$40 million of its \$65 million state funding** to charter schools. This requirement becomes especially burdensome considering that the Republican-passed 2011-12 budget eliminated the state reimbursement for charter school costs.

#### ➢ **Chester Community Charter School** (founded by [Vahan Gureghian](#), a Montgomery County lawyer and entrepreneur):

- 2,697 Chester Upland students attend.
- Payment from district is **\$36.2 million.**

#### ➢ **Widener Partnership Charter School** (founded by Widener University):

- 329 Chester Upland students attend.
- Payment from district is **\$3.8 million.**

### **Tip of the Iceberg**

Although the PA Department of Education has not released a formal list of school districts on the brink of financial insolvency, such a list would likely include, but not be limited to:

#### **Allegheny County**

- Duquesne City SD
- Sto-Rox SD

#### **Berks**

- Reading SD

#### **Dauphin County**

- Harrisburg SD
- Steelton-Highspire SD

#### **York County**

- York City SD

**Handling Budget Cuts**

In response to the 2011-12 state budget cuts, the district implemented numerous cuts, including:

- Closed 2 school buildings.
- Furloughed 115 teachers.
- Furloughed 84 additional staff.

**Comparison to Other Districts**

Chester Upland SD’s budget was reduced approximately **\$1,144 per student**, *the third highest reduction of all 500 districts.*

- Duquesne City received the highest reduction at \$1,521 per student.
- Philadelphia was second highest at \$1,314 per student.
- **The statewide average cut per student was \$441.**

**Current Status**

On **Jan. 12, 2012**, the Chester Upland SD filed a federal lawsuit against the Pennsylvania Department of Education.

On **Jan. 17, 2012**, a federal court judge ordered the state to advance Chester Upland SD \$3.2 million of its 2011-12 basic education subsidy to pay teachers and staff through the beginning of February. Another court hearing is scheduled for February.

The **\$3.2 million** that the court ordered PDE to send to Chester Upland SD is **not additional funding**; it is simply an advance on the payments that the state already owes the district for this school year.

Although the district did not have enough money to make payroll, the teachers resolved to continue working without pay to educate the children.

To ensure continuing education at the school district, the Education Law Center, a non-profit legal advocacy organization, also filed a lawsuit naming both the PA Department of Education and the Chester Upland SD.

**Chester Upland SD by the Numbers**

**3,600** students attend district schools

**3,026** students attend two charter schools

**45 percent** of the district’s population attending charter schools

**77 percent** of students are eligible for free/reduced lunch

The current crisis in the district has been featured in national newspapers as well as television, including CBS News and the nationally syndicated “Ed Show” on MSNBC.

**Chester Upland SD Oversight History**

**1994** — The Chester Upland SD was certified as financially distressed (on the brink of financial insolvency) and a special board of control was seated to manage the district in place of the elected school board.

**2000** — The district was named as an “[Education Empowerment District](#).” An Empowerment Board of Control was seated and replaced the Special Board of Control.

**2003** — A new Special Board of Control was seated and replaced the Empowerment Board.

**2006** — The court appointed the Secretary of Education as “Receiver” to provide financial oversight of the district.

**July 2010** — The elected school board was again placed in charge of the district, following the expiration of the Education Empowerment law.

**“We can’t continue to allow school districts to spend money they don’t have, with the expectation that when they get through with that money, the state will send them more. There are other schools that are just behind Chester Upland in their economic problems.”**

— Gov. Tom Corbett talking about Chester Upland SD - Jan. 17, 2012

Chester Upland SD 5 major subsidy payments	2011-2012 Estimated State Funding	2010-11 Estimated State Funding	\$ difference	% difference
Basic Education	\$49,251,802	\$43,909,437	\$5,342,365	12.2%
PA Accountability Grant	\$980,044	\$2,494,468	<b>-\$1,514,424</b>	<b>-60.7%</b>
Charter School Reimbursement	\$0	\$10,887,959	<b>-\$10,887,959</b>	<b>-100.0%</b>
Education Assistance Program	\$0	\$706,903	<b>-\$706,903</b>	<b>-100.0%</b>
School Improvement Grant	\$0	\$657,955	<b>-\$657,955</b>	<b>-100.0%</b>
<b>TOTAL</b>	<b>\$50,231,846</b>	<b>\$58,656,722</b>	<b>-\$8,424,876</b>	<b>-14.4%</b>

*NOTE: The basic education subsidy for 2010-11 includes federal stimulus funds that were part of each district’s subsidy payment that year. PA Accountability Grant funds for 2011-12 were eliminated; the payment listed above was paid via a supplemental appropriation to 2010-11 that was paid in the 2011-12 budget.*

**House Appropriations Committee (D)**

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