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CHESTER UPLAND SCHOOL DISTRICT RECEIVER ADOPTS \$118.4 MILLION BUDGET

*Sale of assets and other cost-cutting measures shrink deficit by \$6.2 million
from preliminary spending plan approved in May*

(CHESTER, PA) – Receiver Joe Watkins this evening adopted a \$118.4 million General Fund Operating Budget for the Chester Upland School District at a Special Meeting with the Public. This budget represents a decrease of over \$4.3 million, or 3.5%, over last year’s budget but it will continue to fund efforts to provide excellence in education for the estimated 3,000+ district students for fiscal year 2014-2015. The budget supports the second year of the Fiscal and Academic Recovery Plan, complies with the district’s requirement to provide special education services and upholds a commitment to provide a safe learning environment. It calls for an increase in real estate taxes not to exceed 3.4%, the maximum allowed under Act 1 and mandated by the Receiver’s Act 141 Recovery Plan, which the elected School Board approved today.

“Our goal is to provide an excellent education for all the students in our school district,” said Receiver Watkins, “and we’re just beginning to see the fruits of our labor. Turn-around doesn’t happen overnight but we are fully committed to this recovery.”

Supt. Gregory Shannon pointed to the many positives that marked the recent school year. “We continue to see impressive measurable results in key areas, including reading, academics, climate and safety, enrollment and attendance,” he said. “Responsibility, accountability, excellence and optimism—these words are defining our district from top down and bottom up.”

Receiver Watkins noted that the sale of two buildings is expected to result in \$3.7 million in local revenue for next year. Additional cuts resulted from a 20% across the board reduction in administrative cost center budgets and a scaled-back facilities budget; however, due to the anticipated revenue from the sale of assets, there will be a \$700,000 contribution to a capital reserve fund to fund proposed maintenance and renovation projects at Chester High School. Anticipated savings from employee retirements and resignations, in part from eligible teachers (those who have served in the district for a minimum of 25 years and are at least 55 years old) who responded to an Early Retirement Incentive Program, were already reflected in the District’s Preliminary Budget in May.

Receiver Watkins noted that the district is working closely with the state Legislature and the Department of Education to eliminate the remaining budget deficit, now estimated at approximately \$12.3 million. “We are in the process of righting this ship and are confident that we will succeed. To keep things in perspective, shaving \$6.2 million from our preliminary projected annual deficit is monumental and something most districts wouldn’t be able to achieve in one year. But we’re not most districts.”

Receiver Watkins and Supt. Shannon are in the process of reorganizing the district schools to increase offerings for students from pre-k through 12th grade. They have created a new pre-kindergarten summer reading readiness camp, are targeting reading skills for all elementary students and increasing the number of advanced placement classes for high school students. Supt. Shannon will once again take his targeted message to the streets this summer, going door to door to ask parents and students to believe in the district and to enroll in its public school system.

Applauding Supt. Shannon’s efforts, Receiver Watkins said increasing enrollment is essential to the financial and academic success of the district. CUSD pays charter schools tuition on a per-student rate based on the calculated cost of education, with a higher reimbursement for students identified as “special needs.” Receiver Watkins also hopes to have

support from the legislators to counterbalance the fixed cost of charter-school enrollments which stands at \$54 million for 2014-2015.

By law, the district must provide charter schools with \$9,182 for regular education students and \$35,114 for each special needs student out of the district's annual budget. This fiscal challenge alone leads to structural deficits that are hard to overcome when enrollment in the charters schools exceeds the enrollment in the public schools, Watkins noted.

CUSD's education subsidy is projected to remain at about \$59 million. The district hopes to receive a state Ready to Learn grant in the amount of \$688,000. Feeling the pinch like other districts, Chester Upland faces a 23.63 percent increase in the employer's contribution rate to the Public School Employees Retirement System, a projected impact of \$861,000, and an additional \$1 million increase in health premiums. The District is also facing the challenge of falling assessed property values in the City of Chester which will have a budget impact of almost \$1 million.

The district's Recovery Plan is yielding fruit with 98 percent of the plan either complete or in progress. Target reading levels have increased by 380 percent in elementary school students, and kindergarten reading readiness levels have increased by 900 percent. Incidences of violence at Chester High School dropped 40 percent, and as a result of last summer's grass-roots recruitment drive, enrollment is up from the state's 2013 projection of 2,200 students to the current figure of 3,041 students.

Receiver Watkins sees recovery in motion at every school. "CUSD faculty and staff have been working diligently to complete the points mandated in the district's Recovery Plan. We're seeing measurable results in key areas, including reading, academics, climate and safety, enrollment and attendance," he said. "Our students and parents are responding to this turn-around, and there's a growing sense of optimism throughout the district."

"We have brought rigor to the education process at Chester Upland School District and are holding everyone in the district - from the administrators and principals, to the teachers, aides and support staff, to the students themselves - accountable for the success of each student," added Supt. Shannon. "We're here to provide the educational experiences students need to prepare them to lead successful lives and become contributing members of society in an environment that is respectful and conducive to learning."

About Chester Upland School District

In the NEW Chester Upland School District, Superintendent Shannon has instituted academic enhancements to the curriculum, built in accountability at all levels of staff and is improving safety and climate at all schools. Since he assumed leadership of the district last summer, student enrollment has grown to more than 3,000 students. He and his team offered students and the parents 44 reasons, including dramatic improvements to educational offerings, enhanced security and an improved climate in schools, to attend district schools.

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