



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

RESOLUTION NO. 150593

Introduced June 11, 2015

**Councilmember Neilson
for
Council President Clarke**

RESOLUTION

Calling upon the Governor and the Mayor to jointly issue an Executive Order establishing an intergovernmental fiscal oversight entity for the School District of Philadelphia.

WHEREAS, The School District of Philadelphia continues to face a financial and educational crisis of extraordinary dimensions. In its Fiscal Year 2016 Budget Presentation, the District requested \$264.7 million in new, recurring revenues, including \$105.3 million from City taxpayers; and

WHEREAS, Each year, the City Council of Philadelphia is called upon to authorize the levying of Real Estate, Use & Occupancy, Sales, Liquor, Cigarette, and Net Income taxes for the benefit of the School District. Those who live, work, or own property in Philadelphia are obligated to pay these taxes, which are estimated to yield *\$1.009 billion* in FY2015 (excluding delinquent real estate collections); and

WHEREAS, City Council has repeatedly heard and responded to the pleas from the School District for more funding by judiciously increasing certain tax rates and/or authorizing other revenue measures for four consecutive years (not counting FY2016). These measures (including the new sales and tobacco taxes) have dramatically added to the burden on Philadelphia taxpayers. Thus, for FY2015, estimated local tax revenues and City appropriations for the benefit of the School District total nearly *\$179 million more* than in the immediately preceding year; and

WHEREAS, Despite these increases, the School District remains in desperate straits, hamstrung by a continuing structural deficit and by diminished support from the Commonwealth since FY2011. City taxpayers alone cannot rescue the School District; in the end, the Commonwealth of Pennsylvania is an absolutely essential partner with the

City of Philadelphia

RESOLUTION NO. 150593 continued

City in providing funding for the operations of the School District of Philadelphia, and in restoring the School District to long-term fiscal health; and

WHEREAS, There is a continuing and critical need to ensure that the finances of the School District are efficiently and effectively managed, not only for the sake of the children whose futures are at stake, but also in order to demonstrate to those who fund the School District – including both the Commonwealth and the City – that resources are soundly allocated and additional investments are justified; and

WHEREAS, The municipal government of Philadelphia has benefited greatly from the sustained fiscal oversight provided by the Pennsylvania Intergovernmental Cooperation Authority (PICA). PICA has proven to be an effective means of fostering sound financial planning and budgetary practices within City government, without interfering in the day-to-day administration of City government; and

WHEREAS, With the goal of renewing confidence in the efficacy of School District operations, it is appropriate and timely to establish a companion oversight entity for the Philadelphia School District; and

WHEREAS, The School Reform Commission cannot itself fulfill the role of an independent fiscal oversight entity, inasmuch as it is directly responsible for the operation, management and educational program of the School District of Philadelphia, standing in the shoes of the currently suspended Board of Education; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Council respectfully calls upon the Governor and Mayor to jointly establish by Executive Order an intergovernmental Philadelphian School District Oversight Committee (PSDOC), and to charge PSDOC with the responsibility to provide direct, immediate, and continuing oversight of School District finances.

FURTHER RESOLVED, That the Council recommends that PSDOC be comprised of appointees of the following: the Governor, the Leadership of the Philadelphia delegation to the General Assembly, the Mayor, and City Council; and that PSDOC be provided with a professional staff.

FURTHER RESOLVED, That the Governor and the Mayor should direct and encourage their respective appointees to the SRC to cooperate fully with PSDOC by providing PSDOC with full and contemporaneous access to all financial materials prepared by or for the School District; by committing to submit to PSDOC multi-year financial plans; and by authorizing PSDOC representatives to attend all meetings of the School District, whether internal or subject to the Sunshine Act.