

Legislation Text

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Authorizing City Council's Committee on Fiscal Stability and Intergovernmental Cooperation to hold hearings to examine the potential benefits of establishing a 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 FY2015 Budget Presentation, the District requested \$440 million in new, recurring revenues, and stated that \$216 million of that amount was needed merely to maintain the status quo; and

WHEREAS, Each year, the City Council of Philadelphia is required to authorize the School District to levy Real Estate and Use & Occupancy taxes, which those who live, work, or own property in Philadelphia are obligated to pay. Those taxes alone are estimated to yield \$817,368,000 in FY15; and

WHEREAS, The City Council has repeatedly heard and responded to the pleas from the School District for more funding by judiciously increasing tax rates for four consecutive years. At the same time, these increases have added to the burden on Philadelphia taxpayers; and

WHEREAS, the Commonwealth of Pennsylvania is a partner with the City in providing funding for the operations of the School District of Philadelphia. The Governor's proposed Operating Budget for FY15 includes \$1,379,149,000 in State appropriations for the School District of Philadelphia. In addition, Council has been focused on securing appropriate additional resources for the School District, including authorization to enact a cigarette tax, restoration of charter school reimbursements, and implementation of a fair funding formula for all school districts in the Commonwealth; 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 City and the Commonwealth - that resources are soundly allocated and additional investments are justified; and

WHEREAS, In 1991, when the City government of Philadelphia faced its own massive financial crisis, the Pennsylvania General Assembly responded by enacting the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class, which led to the creation of the Pennsylvania Intergovernmental Cooperation Authority (PICA) on June 5, 1991; and

WHEREAS, PICA's powers include (among others) the responsibility and authority to oversee the finances of the municipal government of the City of Philadelphia, and to require that the City prepare and submit each year a comprehensive Five-Year Plan for PICA's review and approval; and

WHEREAS, PICA has proven to be an effective means of fostering sound financial planning and budgetary practices within City government and has demonstrated the value of having an effective oversight entity. At the same time, PICA has not interfered in the day-to-day administration of City government, instead balancing the need for fiscal oversight with the right of home rule and self-government; and

WHEREAS, With the goal of renewing confidence in the efficacy of School District operations, it would be appropriate and timely to consider the merits of establishing a new oversight entity for the Philadelphia School District, to consider how such an entity should be constituted, and to consider what its powers and duties should be; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That City Council's Committee on Fiscal Stability and Intergovernmental Cooperation is authorized to hold hearings in order to examine the potential benefits of establishing a fiscal oversight entity for the School District of Philadelphia.