

DECLARATION OF FINANCIAL RECOVERY STATUS
FOR THE STO-ROX SCHOOL DISTRICT

I, Noe Ortega, Secretary of Education of the Pennsylvania Department of Education (“Department”), state and declare that I am aware of the financial condition of the Sto-Rox School District (“District”), the administrative practices of the elected board of school directors, and other pertinent matters concerning the District; and

1. **WHEREAS**, on March 26, 2020, the Department placed the District in Financial Watch Status pursuant to section 611-A of the Public School Code of 1949 (“School Code”), 24 P.S. § 6-611-A; *see also* 22 Pa. Code § 731.2, based upon a number of indicators that evidenced the District was experiencing financial difficulty;

2. **WHEREAS**, based upon the District’s Financial Watch Status, the Department has been providing technical assistance to the District related to financial and budgetary matters;

3. **WHEREAS**, on June 30, 2021, Danielle Mariano, Deputy Secretary for Administration, issued a Preliminary Declaration of Financial Recovery Status (“Preliminary Declaration”) to the District and the District was afforded an opportunity to respond to the Preliminary Declaration and request a hearing on or before July 9, 2021;

4. **WHEREAS**, the District did not respond to the Preliminary Declaration and did not request a hearing;

5. **WHEREAS**, the State Board of Education promulgated regulations establishing criteria which the Secretary of Education may consider in determining whether to issue a declaration that a school district is in Financial Recovery Status and whether a school district in Financial Recovery Status shall be deemed a Moderate Financial Recovery School District or a Severe Financial Recovery School District, 22 Pa. Code §§ 18.5, 18.7;

6. **WHEREAS**, based upon the most recently available public information, the District meets criteria to be placed in Financial Recovery Status pursuant to 22 Pa. Code § 18.5, including:

- A. The District's unreserved fund balance has declined for three consecutive years and is less than five percent of the District's annual expenditures.
- B. The District's assigned and unassigned total fund balance in the District's general fund is less than zero.
- C. The District's assigned and unassigned total fund balance in the District's general fund as a percentage of total expenditures is less than three percent.
- D. The District experiences a delinquent tax rate of more than ten percent.
- E. The District experienced a deficit of three percent or more for three consecutive school years, resulting in a reduction of unassigned fund balance each year.

7. **WHEREAS**, there is no indication that the District is unable, or is reasonably unlikely, to be able to fulfill the 180 days instruction for pupils requirement of section 1501 of the Public School Code of 1949, 24 P.S. § 15-1501;

NOW, THEREFORE, on this 12th day of July, 2021, in consideration of the above facts and the criteria for the issuance of a declaration of Financial Recovery Status, I make the following declaration:

The Sto-Rox School District is in Financial Recovery Status as defined in section 621-A of the School Code and section 18.5 of Title 22 of the Pennsylvania Code, 24 P.S. § 6-621-A; 22 Pa. Code § 18.5, and is subject to the provisions of Article VI-A of the School Code that apply to Moderate Financial Recovery School Districts as defined in section 651-A, 24 P.S. § 6-651-A.



Date Mailed: 7/12/21

Noe Ortega
Secretary of Education

