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Gov. Wolf Announces Removal of Erie's Public Schools from Financial Watch Status

Erie, PA – Governor Tom Wolf today joined Department of Education Acting Secretary Eric Hagarty at Strong Vincent Middle School to announce Erie's Public Schools (EPS) official removal from Financial Watch status, following more than five years of recovery efforts by district leaders and increased education funding under Governor Wolf's leadership.

"I am immensely proud of Erie's Public Schools, and the years of work leaders have dedicated to improving their financial health," said Gov. Wolf. "Their removal from this designation today marks the first time in the commonwealth a district has been removed from Financial Watch status. It is a monumental accomplishment. Erie has demonstrated its ability to maintain a structurally balanced budget, and made strategic investments in students, staff, and programs that previously struggled due to financial challenges. Through strong partnerships and oversight locally – and additional education funding from my administration – the district was able to stabilize its finances. Their recovery process should serve as a model for other school districts that are struggling financially."

EPS Superintendent Brian Polito joined Governor Wolf in celebrating the announcement and highlighted the district's ability to establish and maintain its hard-won financial stability.

"This is a momentous day in the history of Erie's Public Schools, and is a day of celebration for everyone in the district who helped lift us to this point. That we are now being removed from Financial Watch – the first district in the commonwealth to achieve such a goal – is a testament to diligent and thoughtful planning in every aspect of our organization, strategic execution of that plan and, of course, robust support from the state – without which, we would not be here today," said Polito. "I'm so proud to say this district is now much better positioned, financially and operationally, to serve our families and meet the mission of ensuring every student finds a personal path to success."

EPS was designated as being in Financial Watch status in September 2016, triggering a process in which the district was required to work with the Department of Education to solve continuing financial problems. Key elements of the financial improvement plan included:

- standardizing and replacing outdated curriculum across all grade levels and subject areas
- hiring staff to support students in English language arts and math
- hiring teachers for art, music, and physical education classes in buildings where these programs had been reduced in previous years

"The Pennsylvania Department of Education is proud of Erie's Public Schools, under the leadership of Superintendent Polito and financial administrator James Ohrn, for this great accomplishment," said Acting Secretary Hagarty. "Over the past eight years, the Wolf Administration has been committed to providing targeted support and funding to Pennsylvania's schools, and those efforts combined with the strong partnerships formed between the school district, the state, and the local community have laid the groundwork to benefit students and their families for years to come."

In 2022, Governor Wolf appointed James Ohrn as financial administrator to oversee EPS' recovery efforts and was charged with developing and implementing the district's financial improvement plan.

"My analysis of the financial footing of Erie Public Schools' General Fund now confirms that, after access to additional local and state support, prudent usage of federal stimulus funds, and ongoing initiatives for cost control, the future financial projections over the next five years are both structurally balanced and provide the necessary funds for curriculum upgrades and capital improvements," said Ohrn.

"The path to financial solvency has not been easy for the Erie City School District, and the state has been an essential partner along the way," said Representative Bob Merski, a former teacher. "We fought hard for millions in recurring aid, and the state delivered. Now, with historic funding for Erie in the new state budget and a talented, dedicated workforce, the district is ready for autonomy. While it is exciting to see management of our district return to local control, our work is far from finished. Restoring the instructional staff and other cuts that were made to get us back to solvency will be a major focus in the months ahead. But it is encouraging to know that we will be working on those goals from a stronger, more stable position."

"Leaving Financial Watch status is a huge milestone for the Erie city school district, which has worked hard to comply with the requirements of the state's plan and now has the ability to maintain a balanced budget for years into the future," said Reprepresentative Pat Harkins. "While the district is grateful for its partnership with the state, greater financial stability does not mean our fight is over. Erie schools have faced decades of underfunding that have made it impossible to compete with schools in wealthier zip codes. We will continue fighting for more Level-Up funding in the years ahead until we can finally, truly level the playing field for our students."

EPS' removal from Financial Watch is effective today, September 29, 2022.

Governor Tom Wolf is a leader consistently at work for the people of Pennsylvania. Learn more about how his <u>Priorities for Pennsylvania</u> have fueled the commonwealth's comeback, leaving Pennsylvania in a much better place than when he arrived.

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