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Seventy Urges Summer Session on City Funding for Public Schools

PHILADELPHIA – July 3, 2013 – The Committee of Seventy today urged Philadelphia City Council to hold an unusual summer session soon and to work closely with Mayor Nutter to guarantee the city's portion of funding for the struggling Philadelphia public schools, most likely through cuts in city spending.

"Immediate city action would send a strong message to the others who are being asked to help solve the school crisis – including the state, the teachers and the School District itself – that City Hall is doing its part and doing it without raising taxes again," said Zack Stalberg, Seventy's President and CEO.

To help close the School District's \$304 million budget gap, City Council approved a budget to give \$75 million to the schools: \$28 million in future property tax collections and \$45 million in cigarette tax revenue. The cigarette tax did not receive the required approval by the Pennsylvania General Assembly.

"City government has a choice: sit tight and wait for the state to act on the cigarette tax, which it may not ever do, or step up and ensure funds for the schools right now," said Stalberg. "Every day that goes by without resolving this nightmare is one more day of chaos and uncertainty about the state of the schools when they open on September 9."

Stalberg underscored that "there is no issue bigger in this city – and nothing that accounts for so many other problems, such as unemployment, an undereducated workforce and poverty – than how successful we are in educating our kids."

Stalberg acknowledged that increased city funding carries a risk of diminishing the possibility of eventual state action on the cigarette tax, which city leaders say they continue to hope for. It also would result in the allocation becoming a recurring city expense for the schools. "But the stakes are far too high. This shouldn't be a game of chicken to see who will blink first. It's clear a deal with the General Assembly is not imminent. And also clear that the schools are scheduled to open in 68 days. It's up to Mayor Nutter and City Council to take control of this crisis immediately," Stalberg said.

According to Stalberg, with the budget already approved, the city's options are limited. "By law, it is too late to raise taxes to generate new dollars. And waiting to see whether some new funds materialize from another source is too uncertain." Stalberg said the most likely basis for a funding solution is for city to cut costs and transfer money to the schools. A two percent spending reduction in a \$3.8 billion operating budget would yield \$76 million; a one percent cut would yield \$38 million.

Stalberg pointed out that convening a rare summer session on school funding and working with Mayor Nutter would fulfill Council President Darrell Clarke's pledge to "work productively [with Mayor Nutter] on the issues that unite us" during his January 2, 2012 Inaugural Address. "Nothing could be more important to the legacy of this mayor, this Council and this Council president than doing as much as they possibly can to fix the schools."

The Committee of Seventy is a non-partisan organization fighting for clean and effective government, fair elections and an informed citizenry. For more information, see www.seventy.org.