

COURT OF COMMON PLEAS



KEVIN F. KELLY
PRESIDENT JUDGE

SENIOR JUDGES
ANN A. OSBORNE
GREGORY M. MALLON

JUDGES
GEORGE A. PAGANO
KATHRYNANN W. DURHAM
BARRY C. DOZOR
JAMES P. BRADLEY
MARY ALICE BRENNAN
LINDA A. CARTISANO
SPIROS E. ANGELOS
G. MICHAEL GREEN
JOHN P. CAPUZZI, SR.
RICHARD M. CAPPELLI
WILLIAM C. MACKRIDES
ANTHONY D. SCANLON
MARGARET J. AMOROSO
DOMINIC F. PILEGGI
JOHN J. WHELAN
NUSRAT J. RASHID
RICHARD H. LOWE
STEPHANIE H. KLEIN
KELLY D. ECKEL

DELAWARE COUNTY
THIRTY - SECOND JUDICIAL DISTRICT
COURTHOUSE
MEDIA, DELAWARE COUNTY, PENNSYLVANIA
19063

May 14, 2020

Dr. Gregory Thornton
Receiver – Chester Upland School District
232 West 9th Street
1st Floor Administration
Chester, PA 19013

Dr. Juan Baughn
Superintendent-New Receiver as of May
25, 2020
232 West 9th Street
1st Floor Administration
Chester, PA 19013

Gentleman,

The approaching retirement of Dr. Thornton and the challenges ahead for the new School District Receiver Dr. Baughn, marks a "mild post" for the Chester Upland School District.

As a courtesy, I am enclosing a copy of the Court's May 14, 2020 Order that approves the Revised Financial Recovery Plan and further Orders the implementation of recommendations thereto.

This Order is intended to provide a "road map" for the School District, providing priority to initiatives and strategies recommended in the Revised Financial Recovery Plan.

The Order is intended to confirm authority to the Receiver to move ahead with various recommendations and initiatives, including further investigation and requests for proposals for strategic initiatives.

It is important that various documents and notices be posted on the School District's website, see paragraphs 2(a) and 9 of the Court's May 14, 2020 Order, and the Restated June 30, 2018 and June 30, 2019 audits must be completed, see paragraphs 1(b) and 3 of May 14, 2020 Order.

May I also confirm the importance of ongoing professional and academic collaboration with all the talented, experienced, and conscientious stakeholders, including staff, administration, strategic advisors, parents, elected School Directors, and the Pennsylvania Department of Education staff and advisors, as well as prospective offerors.

For both of you, your decades of public service, commitment to public education, and service to our children is appreciated. Thank you for toiling in the fray. Your service to our community is worthy of acclaim.

Very truly yours,

Barry C. Dozor, J.

BCD/dmc
Enclosure
Cc: All Counsel of Record
Letter filed of Record

**IN THE COURT OF COMMON PLEAS OF DELAWARE COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW**

**IN RE: APPOINTMENT OF A RECEIVER
FOR THE CHESTER UPLAND SCHOOL
DISTRICT**

NO. CV 2012-009781

James R. Flandreau, Esquire and Sean Fields, Esquire,
for Pennsylvania Department of Education

Robert DiOrio, Esquire, George Dawson, Esquire, William A. Jacobs, Esquire
for Chester Upland School District

Kevin M. McKenna, Esquire and Carolyn Flynn, Esquire
For Agora Cyber Charter School, Chester Charter School for the Arts,
Pennsylvania Cyber Charter School, Pennsylvania Virtual Charter School
and Commonwealth Connections Academy

Rocco P. Imperatrice, III, Esquire and Katherine O'Connell Bell, Esquire
For Widener Partnership Charter Schools

Francis Catania, Esquire, James J. Byrne, Jr. Esquire and, Kevin D. Kent, Esquire
for Chester Community Charter School

Kenneth R. Schuster, Esquire and George Dawson, Esquire
For Elected Board of the Chester Upland School District

Michael Puppio, Esquire
for Friends of Chester Community Charter, Chester Charter School for the
Arts

Brian H. Leinhauser, Esquire
For Achievement House Cyber Charter School, Pennsylvania Leadership
Charter School, Pennsylvania Distance Learning Charter School, Education
Plus Academy Cyber Charter School

Mary M. McKenzie, Esquire, Michael Churchill, Esquire, Darlene Ko Hemerka, Esquire,
Maura McInerney, Esquire and Kristina Moon, Esquire
For Parent Petitioners

**ORDER APPROVING THE SUBMITTED REVISED FINANCIAL RECOVERY PLAN
AND IMPLEMENTATION OF RECOMMENDATIONS THEREOF**

AND NOW, this *14* day of May, 2020, whereas the Receiver has submitted a Revised Financial Recovery Plan providing various recommendations intending to achieve and sustain financial viability and educational achievement, and this Court's January 8, 2020 Scheduling Order and Rule upon the Receiver, the Chester Upland School District and School Board, The Pennsylvania Department of Education, and all other parties to this matter, and a hearing on March 3 and 4, 2020, and this Court's review of the record, testimony, submissions, and all evidence thereto, **NOW, THEREFORE**, subject to the following conditions and requirements, **THE REVISED FINANCIAL RECOVERY PLAN IS HEREBY ACCEPTED AND APPROVED.**

1. This Court finds that the revised Financial Recovery Plan complies with the requirements, intent and purpose of the School District Financial Recovery Law, 24 P.S. 6-601 et seq. This Court further finds that the Receiver, Dr. Gregory Thornton, and the District's financial consultant, John Pund, C.P.A. credibly testified and collaborated the merits of the revised Financial Recovery Plan, and clarified the information necessary for the successful completion and implementation of the revised plan.

a) This Court also finds that the submitted Revised Recovery Plan provides for the delivery of effective educational services to students enrolled in the District (24 P.S. § 6-641-A) and said plan is hereby approved and the

Receiver is specifically authorized the use of specific powers under the Financial Recovery Plan to carry out any of the options set forth in the Revised Financial Recovery Plan and the framework for Chester Upland School District Strategic Options Initiative (SOI), the outsourcing management of schools or functional areas of management, requiring further review and approval of this Court as this Order specifically identifies. The Receiver may exercise all the powers and duties specifically set forth in 24 P.S. §6-642-A.

b) As a precondition of the outsourcing of management of schools, the restated June 30, 2018 and June 30, 2019 audit **MUST BE COMPLETED** and filed of record. It is paramount that this information be available to decision maker(s), Receiver, consultants and advisors, the School District, the Pennsylvania Department of Education, all parties, and general public, and this Court.

2. The Revised Financial Recovery Plan, submitted on December 19, 2019, provides the School District with multiple recommendations, including provisions of an effective education to all students, as well as providing various initiatives and a roadmap to financial recovery and options available to it under Section 642-A of the School District Financial Recovery Law.

a) The Revised Financial Recovery Plan, as submitted and approved herein, shall within thirty (30) days of this Order be published by the posting in full

on the District's website, and copies available at the Districts Administration Office, at no cost, to anyone upon request.

3. Within forty five (45) days of this Order, the School District shall file of record, and copy to Chambers, the Restated June 30, 2018 and June 30, 2019 audit. If not timely completed and filed of record, the District and Receiver shall file of record, and copy to Chambers, a report as to status, reasons, and explanations of delay, and expectation of completion, otherwise a hearing will be scheduled for further review and corrective measures that may be required.
4. As retaining essential personnel shall be a priority, the District, with all deliberate care and speed, shall search and employ supportive staff required for educational, financial, auditing, management, business practices, and maintenance that the Recovery Plan recommends, subject to the Receiver's judgment, and financial recovery. i.e.: Quad A. Project Manager; Financial and Data Management; IT Child Accounting; Human Resources; and all functional areas as the Receiver deems required.
 - a) As finances and circumstances may require the Receiver shall determine the timetable for search and retaining new essential employee-personnel and/or choose to outsource with Request for Proposals as more fully set forth herein.
 - b) Financial recovery and the success of any future contracting and procurement will be dependent on bringing stability to the District's

business operations. The employment of supportive staff and advisors, do not require Court approval.

5. As the Receiver deems necessary, and as events and circumstances may require, amendments to the Revised Recovery Plan may be submitted for review.
6. As the Receiver has recommended, to pursue a path to financial viability, stability, and recovery, as well quality education, and the return of control to the elected CUSD Board of School Directors, the Receiver shall prepare, advertise, solicit, and evaluate Requests for Proposals and instructions governing the requested proposals for the consideration by the Chester Upland School District and Receivership for the potential need for outsourcing of functional areas of the District, including HUMAN RESOURCES, SPECIAL EDUCATION AUDIT SERVICES, FEDERAL PROGRAMS, TRANSPORTATION, BUSINESS AND FINANCIAL OFFICES, ACCOUNTING, AUDIT SERVICES, INFORMATIVE TECHNOLOGY, CHILD ACCOUNTING, MAINTENANCE OF FACILITIES AND ANY ASSESSMENT THEREOF, AND SECURITY to one or more providers.
 - a) Requests for Proposals for various functions may be prepared, advertised and reviewed collectively, or at various periods of time. Circumstances, events, and financials may require differing or various time schedules for the preparation, advertising, and review, if at all. The specific Proposal(s) requirements, specifications, qualifications, criteria for prospective offerors and selection thereof, proposal(s) format, contract terms and conditions are to be prepared, submitted, and approved by the Receiver, with the advice,

review, and further approval of Receiver's legal counsel, Robert M. DiOrio, Esquire. The Receiver shall set all dates and conditions of proposal submissions. The outsourcing of functional areas referred in Paragraph 6 do not require Court approval.

7. As further recommended by the Receiver, and having reviewed the Receiver's "Framework for Chester Upland School District Strategic Options Initiative", (SOI), dated April 15, 2020, the Receiver shall prepare, advertise, solicit, and evaluate Requests for Proposals and instructions governing the requested proposals for the consideration by the Chester Upland School District and Receivership for the potential need for strategic options in managing and delivering pre-kindergarten – 12th grade schools, or any variation thereof.

The Request for Proposals are intended to address the District's substantial near-term and long-term challenges, including lagging academic results, attendance and truancy, financial challenges, deferred maintenance, operational administrative, and financial requirements, special education, and the delivery of quality safe education.

- a) The specific proposal(s), strategic options, proposal requirements, specifications, criteria for prospective offerors, and selection process, all terms and conditions, are all to be prepared, submitted and approved by the Receiver with the advice, review, and approval of Receiver's legal counsel, Robert M. DiOrio, Esquire. The Receiver shall set all dates and conditions of proposed submissions. The Receiver, with the advise of legal

counsel, may consider at his discretion the benefits and use of Requests for Information, in advance of Requests for Proposals, for any and all of the strategic options in managing and delivering grade levels of education.

- b) As to any and all strategic options of managing Chester Uplands School District's pre-kindergarten – twelfth grade schools, or any school or portion thereof, any provider must be required to effectively demonstrate their ability to provide continuity of quality educational curriculum and extra-curriculum programs, and meet the needs of current and future students with disabilities, as well as alternative quality arrangements for students who do not chose to attend the conversion charters 24 PS 6-642-A(a)(iii)(E).
- c) As set forth in this Order and as required by School Code, the Receiver, with assistance of legal counsel and strategic advisors, shall consider requirements for the conversion of a District School to a Charter School that include a competitive request for proposal process, the demonstration of the financial savings, and the evaluation of each submitted proposal in a public manner. See 24 PS 6-642-A(a)(2)(i), 24 PS 6-642-A(a)(iii)(E)(10).
- d) Requests for proposals shall be issued for each of the initiatives recommended in the Revised Financial Recovery Plan. Each responder shall address how their response meets all the goals and recommendations set forth in 24 P.S. §6-641-A, and the terms and conditions of this Order.
- e) Any proposal to outsource management or operation of District schools shall be evaluated not only for it's potential cost savings and effecting needed

economies but also for its impact on the District, effective delivery and quality of educational services, and quality services to children with disabilities.

8. The Receiver shall engage independent strategic, educational and/or legal advise to assist and advise in any way the Receiver and legal counsel may require, of which shall include John Pund, C.P.A.

a) The elected School Board of the Chester-Upland School District, with the advice and assistance of their solicitor, shall serve as a Review Board of the Receiver's recommendations in an advertised public manner, and shall review, comment, and invited to make further recommendations and provide advice to the Receiver and this Court of the merits of the Receivers recommendations of any options of outsourcing management of school(s) and grade levels of education. This public meeting shall be transcribed. The Receiver and his strategic educational and legal advisors, as well as the proposed providers, shall be available to answer questions and present any and all recommendations. The public and representatives of the Pennsylvania Department of Education shall be invited to attend and comment.

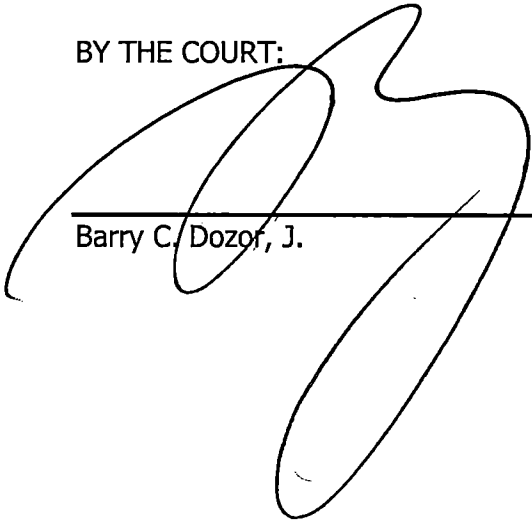
b) Any recommended strategic initiative or option to change management of any school or grade level, requires the filing of a Proposed Amendment to the Recovery Plan for Court review and approval.

9. The Receiver, on behalf of the District shall timely post on the District's website:
- a) Revised Financial Recovery Plan and any amendments thereto;
 - b) All final Requests for Proposals; or Requests for Information, if any;
 - c) The "Framework for Chester Upland School District's Strategic Initiatives" and any update versions;
 - d) A copy of this Court Order;
 - e) Notice of all School Board meetings and School Board Review Board meeting(s) scheduled to review and discuss strategic initiatives, as more fully set forth herein.
10. The Receiver is expected to communicate, collaborate, and confer with the Pennsylvania Department of Education and School Board on all matters of importance, and new initiatives, critical to recovery. The Pennsylvania Department of Education's collaboration, resources, advice, expertise, and commitment is appreciated and a great public service to Chester Upland School District and children.
11. The gravity of the School District's severe financial distress, aggravated by the economy, and financial crises caused by the COVID-19 pandemic is both a short term and a long-time reality and a precursor of a far grimmer School District financial report card. The financial impact of the COVID-19 virus pandemic on all School Districts is undoubtably substantial, to be measured in the future.

Recovery will require resourcefulness and initiatives that are contemplated and authorized by the School District Financial Recovery Law and School Code.

The collaboration with the Pennsylvania Department of Education continues to be essential, especially in the midst of the COVID-19 economic collapse and recovery.

BY THE COURT:



Barry C. Dozor, J.