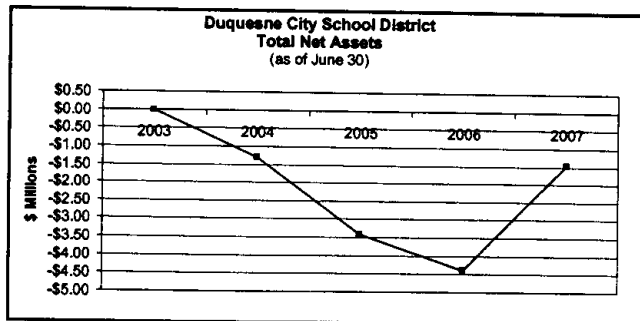


Report Highlights

Summary of the Financial and Academic Status of the Duquesne City School District

Act 45 of 2007 called on the LB&FC to provide summary information on the financial and academic status of the Duquesne City School District (Duquesne). The report is to include a financial audit of the most recently completed school year.¹

- **Duquesne's net assets, though still negative, improved by \$2.92 million in FY 2006-07, from -\$4.39 million (as of 6/30/2006) to -\$1.47 million (as of 6/30/2007).**



- **Duquesne received an unqualified (clean) opinion, with no significant deficiencies found in its internal control systems.** In an audit, an unqualified, or clean, opinion is positive.
- **Duquesne's General Fund balance improved due primarily to a \$3.27 million increase in state funding.** Most of the additional 2006-07 state funding was made available through a \$2 million Intergovernmental Agreement between the PA Department of Education, the Pittsburgh School District, and Duquesne. Of the \$2 million, \$548,000 was for management services to be provided by the Pittsburgh SD. The remaining \$1,452,000 was provided to Duquesne for administrative and general operating expenses.
- **Duquesne's instructional costs decreased while administrative costs increased.** In FY 2005-06, instructional costs were \$9.93 million (68% of total expenditures) and administrative costs were \$1.34 million (9% of total expenditures). In FY 2006-07, instructional costs declined to \$9.04 million (63% of total expenditures), while administrative costs increased to \$1.67 million (12% percent of total expenditures). The increase in administrative costs is attributable to the agreement with the Pittsburgh

- SD for management services at a cost of \$548,000.
- **Duquesne's student PSSA scores are among the lowest in the state.** Student performance at Duquesne is well below the statewide average at all grade levels tested.
- **Duquesne has not met its Adequate Yearly Progress goals for the past six years.** The Duquesne School District has not met its Adequate Yearly Progress goals for six years and is currently in "Corrective Action II-Second Year" status.
- **Duquesne's Elementary School is in "Warning" status, but the High School met all of its 13 AYP targets in 2006-07.** Despite low student PSSA scores, Duquesne High School met all 13 of its 2006-07 AYP targets. This is possible because there are multiple ways in which a school can meet its AYP targets despite low PSSA scores.
- **Duquesne High School has closed.** On June 5, 2007, the Duquesne Board of Control passed a resolution that curtailed the operation of the high school. Students from grades 9-12 now attend either West Mifflin Area High School or East Allegheny High School. Duquesne continues to educate K-8 students living within the district.
- **Per pupil spending at Duquesne is among the highest in the Commonwealth.** In 2005-06, the most recent year for which statewide figures are available, Duquesne had current expenditures of \$14,163 per student, twelfth highest in the state and 39 percent higher than the statewide average (\$10,173). Total expenditures, which include facility construction and debt service expense, were \$15,856 per student at Duquesne, 21st highest in the state and 38 percent higher than the statewide average (\$11,485).

¹Rather than conduct our own financial audit, we relied on the financial audit conducted as required under the Pennsylvania School Code.