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PRESS RELEASE

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School District of Philadelphia Fails to Match Funding for Federal Grant, Records \$2M Shortfall for College Readiness Program

City Controller's audit finds noncompliance with GEAR UP program

PHILADELPHIA – City Controller Christy Brady today released the latest School District of Philadelphia audit of federal grants that found the School District failed to provide the minimum contribution to the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), resulting in a matching shortfall of \$2,170,558.

GEAR UP is funded through the U.S. Department of Education and designed to support college preparation and awareness for students in economically challenged communities. The School District is required to provide a matching contribution equal to the total federal GEAR UP funds obligated during the stated budget year.

While the School District reported almost \$3 million in total program obligations in 2024, its matching contribution only amounted to \$820,416, representing just 27% of the total GEAR UP funds obligated.

“The grant regulations require the School District to contribute one dollar for every dollar of Federal funds obligated for the program,” said Brady. “Failure to meet the required matching amount increases the risk of noncompliance, resulting in the possible disallowance of grant funding.”

The non-federal share of the cost of GEAR UP may be provided in cash or in-kind. However, the School District does not have procedures in place for identifying, securing and tracking matching contributions. The City Controller recommends the School District take immediate corrective actions:

- train grant personnel to help identify eligible funding sources for matching contributions
- create a detailed tracking system for in-kind and cash contributions
- conduct periodic reconciliations of matching contributions to ensure compliance with grant requirements.

According to Brady, implementing the corrective actions will ensure the School District complies with federal regulations and continues to receive funding for an essential educational program that benefits thousands of Philadelphia's students.

"The GEAR UP grant is a great funding opportunity for the School District," she said. "It provides students with opportunities to visit colleges, prepare for ACT and SAT tests, receive tutoring and mentoring, and offers many other great resources to prepare for higher education."

School District officials agree with the City Controller's findings and stated that corrective actions will be fully implemented by September 2025. They will provide targeted training for program staff, complete a comprehensive review of all records and documentation related to matching contributions, and implement a quarterly leadership review process.

Visit <https://controller.phila.gov/> to view all the findings and recommendations of the City Controller's latest report.

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