

June 30, 2021

# Recovery Plan Advisory Committee

# Agenda

- Feasibility Study
- Principles Guiding Our Work
- Guiding Questions
- Revenues and Expenditures as of May 31, 2021
- Fund Balance
- 2021-2022 PA State Budget
- Recovery Plan?
- Questions

# Feasibility Study

- The Feasibility Study is a critical step in caring properly for District facilities and ensuring the health and safety of students and staff in those facilities.
- This work is occurring in parallel with reconfiguration plans, because the District has more space than it needs for current enrollment.
- The Feasibility Study is a thorough and detailed review of all the components and systems that need to be improved or replaced; and estimates the cost of each improvement/replacement.
- The Feasibility Study also prioritizes individual needs to communicate urgency, i.e., replacement of a leaking roof is priority 9 while providing entrance signage is a priority 2.

# Estimate Costs of the Draft Feasibility Study

- The Feasibility Study has identified facility improvements with a total estimated cost of \$304M.
- Priority 9 items alone cost \$8.4M and priority items cost \$116.9M.
- Of the 16 facilities 13 have needs that exceed 60% of the estimated cost of total renovation—meaning the District should consider total renovation instead of addressing only identified needs.
- To do total renovations at those 13 facilities the total estimated cost is \$355.9M.

# Principles Guiding Our Work

- We know that we will not ever have nearly enough resources to take care of all the District's capital needs.
- With that in mind our task is to develop recommendations about which schools' needs will be addressed over the next 15 years and in what order.
- We believe that all students and staff should be in facilities that are high-quality and designed to support their educational programs.
- We need to move students out of leased spaces.
- We need to reduce the number of elementary schools through consolidation and potential new construction.
- Investment in administrative facilities should be minimized.

# Guiding Questions

---

- What one recommendation would you give the Superintendent?
- Finish this sentence—In 10 years I hope the Scranton School District\_\_\_\_\_.
- The best part about living in Scranton is\_\_\_\_\_.

# Revenues and Expenditures as of May 31, 2021

## Condensed Board Summary Report

Fund: 10  
 From 01/01/2021 To 05/31/2021  
 Summarization Level: FULL FUND/MAJOR FUNCTION/MAJOR OBJECT

Account	Description	Current Budget	PTD Exp/Rev	YTD Exp/Rev	YTD Outstanding Enc	Balance	YTD% Used
<b>1000</b>	<b>GENERAL FUND - INSTRUCTION</b>						
000	.	0.00	0.00	0.00	0.00	0.00	0.00
100	PERSONNEL SERV-SALARIES	49,691,382.55	18,983,155.36	18,983,155.36	0.00	30,708,227.19	38.20
200	PERSONNEL EMPL BENEFITS	37,692,510.00	13,348,448.11	13,348,448.11	0.00	24,344,061.89	35.41
300	PURCHASED PROF & TECH	3,238,903.00	1,152,938.20	1,152,938.20	126,932.64	1,959,032.16	39.52
400	PURCHASED PROPERTY SVC	216,279.00	73,778.49	73,778.49	0.00	142,500.51	34.11
500	OTHER PURCHASED SERVICE	14,262,267.00	6,146,385.56	6,146,385.56	107,190.24	8,008,691.20	43.85
600	SUPPLIES	2,458,789.13	426,799.68	426,799.68	439,776.22	1,592,213.23	35.24
700	PROPERTY	315,005.00	39,268.40	39,268.40	24,058.20	251,678.40	20.10
800	OTHER OBJECTS	58,587.00	8,370.83	8,370.83	10,494.79	39,721.38	32.20
900	OTHER USES OF FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
<b>N00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>MAJOR FUNCTION TOTAL</b>	<b>107,933,722.68</b>	<b>40,179,144.63</b>	<b>40,179,144.63</b>	<b>708,452.09</b>	<b>67,046,125.96</b>	<b>37.88</b>
<b>2000</b>	<b>GENERAL FUND - SUPPORT SERVICES</b>						
000	.	0.00	0.00	0.00	0.00	0.00	0.00
100	PERSONNEL SERV-SALARIES	15,318,191.12	5,573,075.17	5,573,075.17	0.00	9,745,115.95	36.38
200	PERSONNEL EMPL BENEFITS	12,041,814.23	4,231,322.42	4,231,322.42	0.00	7,810,491.81	35.14
300	PURCHASED PROF & TECH	1,792,052.03	402,220.07	402,220.07	453,966.40	935,865.56	47.78
400	PURCHASED PROPERTY SVC	2,503,403.51	820,842.20	820,842.20	441,020.75	1,241,540.56	50.41
500	OTHER PURCHASED SERVICE	5,266,404.51	566,343.32	566,343.32	869.78	4,699,191.41	10.77
600	SUPPLIES	2,119,899.72	795,593.48	795,593.48	100,445.78	1,223,860.46	42.27
700	PROPERTY	497,900.00	95,212.66	95,212.66	138,826.30	263,861.04	47.01
800	OTHER OBJECTS	61,050.00	27,522.99	27,522.99	0.00	33,527.01	45.08
<b>N00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>MAJOR FUNCTION TOTAL</b>	<b>39,600,715.12</b>	<b>12,512,132.31</b>	<b>12,512,132.31</b>	<b>1,135,129.01</b>	<b>25,953,453.80</b>	<b>34.46</b>



# Revenues and Expenditures as of May 31, 2021

## Condensed Board Summary Report

Fund: 10  
From 01/01/2021 To 05/31/2021  
Summarization Level: FULL FUND/MAJOR FUNCTION/MAJOR OBJECT

Account	Description	Current Budget	PTD Exp/Rev	YTD Exp/Rev	YTD Outstanding Enc	Balance	YTD% Used
300	PURCHASED PROF & TECH	0.00	0.00	0.00	0.00	0.00	0.00
400	PURCHASED PROPERTY SVC	0.00	0.00	0.00	0.00	0.00	0.00
500	OTHER PURCHASED SERVICE	0.00	0.00	0.00	0.00	0.00	0.00
600	SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
700	PROPERTY	0.00	0.00	0.00	0.00	0.00	0.00
800	OTHER OBJECTS	0.00	0.00	0.00	0.00	0.00	0.00
N00		0.00	0.00	0.00	0.00	0.00	0.00
	<b>MAJOR FUNCTION TOTAL</b>	<b>(87,693,904.00)</b>	<b>(19,840,024.16)</b>	<b>(19,840,024.16)</b>	<b>0.00</b>	<b>(67,853,879.84)</b>	<b>22.62</b>
8000	<b>GENERAL FUND - REV FROM FED SOURCES</b>						
000	-	(7,810,000.00)	(4,854,092.47)	(4,854,092.47)	0.00	(2,955,907.53)	62.15
600	SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
	<b>MAJOR FUNCTION TOTAL</b>	<b>(7,810,000.00)</b>	<b>(4,854,092.47)</b>	<b>(4,854,092.47)</b>	<b>0.00</b>	<b>(2,955,907.53)</b>	<b>62.15</b>
9000	<b>GENERAL FUND - OTHER FINANCING SOURCES</b>						
000	-	(435,000.00)	0.00	0.00	0.00	(435,000.00)	0.00
200	PERSONNEL EMPL BENEFITS	0.00	0.00	0.00	0.00	0.00	0.00
600	SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
	<b>MAJOR FUNCTION TOTAL</b>	<b>(435,000.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(435,000.00)</b>	<b>0.00</b>
<b>Fund 10 Totals</b>							
	<b>Total Expenditure</b>	<b>149,069,051.30</b>	<b>53,053,172.82</b>	<b>53,053,172.82</b>	<b>1,860,524.94</b>	<b>94,155,353.54</b>	<b>36.84</b>
	<b>Total Other Expenditure</b>	<b>17,399,528.00</b>	<b>4,547,947.94</b>	<b>4,547,947.94</b>	<b>0.00</b>	<b>12,851,580.06</b>	<b>26.14</b>
	<b>Total Revenue</b>	<b>(166,033,576.00)</b>	<b>(74,296,333.65)</b>	<b>(74,296,333.65)</b>	<b>0.00</b>	<b>(91,737,242.35)</b>	<b>44.75</b>
	<b>Total Other Revenue</b>	<b>(435,000.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(435,000.00)</b>	<b>0.00</b>
		<b>3.30</b>	<b>(16,695,212.89)</b>	<b>(16,695,212.89)</b>	<b>1,860,524.94</b>	<b>14,834,691.25</b>	

# Fund Balance

- Fund Balance is the difference between assets and liabilities. Fund Balance is not the same as cash balance. Fund Balances accumulate over years by the aggregation of the surpluses and deficits of the individual operating years.
- Fund Balances can be sub-divided into several categories consistent with the District's short and long-term plans.
- The District can reserve, commit or assign portions of a Fund Balance for planned future use.
- The Unassigned Fund Balance limitation is 8% or approximately \$13M.

# Fund Balance (continued)

- Reserves and Designations appear in legislation, but the terminology under generally accepted accounting principles is divided as:
  - Non-spendable - Amounts that cannot be spent because they are either in a non-spendable form, or legally or contractually required to be maintained intact such as inventory, or principal of a permanent fund.
  - Restricted - Amounts constrained to be used for a specific purpose per external parties or legislation.
  - Committed - Amounts constrained to be used for a specific purpose as per government's highest level of decision-making authority such as the school board. Note: Board Resolution required. Constraint can also be removed or changed by an equal level action.
  - Assigned - amounts that are intended for a particular purpose. Generally, balances in special revenue funds or capital project funds will be designated as assigned.
  - Unassigned - amounts available for consumption or not restricted in any manner.

# 2021-2022 PA State Budget

- The PA State Budget passed by the General Assembly on June 25, 2021 includes significant investments in Education including:
- \$300 million in basic education
  - \$200 million to be funded through the Fair Funding Formula
  - \$100 million for Level Up to provide funding for schools that have been historically inadequately funded, including the Scranton School District
- \$20 million for Ready to Learn block grants
- \$50 million for special education

# 2021-2022 PA State Budget – Impact on BEF, Equity Supplement and SEF

School District	Estimated Basic Education Funding (BEF)					Special Education Funding (SEF)		BEF + SEF
	2021-22 Estimated BEF	2020-21 Estimated BEF	BEF Formula	Equity Supplement	Total BEF Increase	2021-22 Estimated SEF	SEF Increase	2021-22 TOTAL Increase
	\$6,555,079,000	\$6,255,079,000	\$200,000,000	\$100,000,000	\$ 300,000,000	\$1,143,885,825	\$ 46,750,013	\$ 346,750,013
Scranton SD	\$51,046,411	\$ 45,796,860	\$2,911,007	\$2,338,544	\$5,249,551	\$7,357,280	\$490,751	\$5,740,302

\* Based on the \$20M increase to the Ready to Learn Block Grant Line item it appears the SSD will still receive our annual allocation of \$7.8M

# 2021-2022 PA State Budget – ARP ESSER Set Asides

- The Fiscal Code outlines how the ARP ESSER set asides will be distributed-it's about \$500 million overall. This is in addition to the \$4.5 billion in ARP ESSER funding districts are already getting.
- **Learning Loss set-aside:** There is about \$250 million in ARP ESSER set-asides for learning loss. These dollars are allocated to school districts, charter schools and cyber charter schools based on Title I allocations (just like the rest of the ARP ESSER funds).
- **After-School set-aside:** There is about \$50 million in ARP ESSER set-asides for after-school programs. These dollars are allocated to school districts, charter schools and cyber charter schools based on Title I allocations (just like the rest of the ARP ESSER funds).
- **Summer Enrichment programs set-aside:** There is about \$50 million in ARP ESSER set-asides for after-school programs. These dollars are allocated to school districts, charter schools and cyber charter schools based on Title I allocations (just like the rest of the ARP ESSER funds).

# 2021-2022 PA State Budget – ARP ESSER Set Aside – ESTIMATES only

	<b>249,847,658</b>	<b>49,969,532</b>	<b>49,969,532</b>	<b>349,786,722</b>
<b>LEA</b>	<b>Learning Loss</b>	<b>Summer Enrichment</b>	<b>After-School Programs</b>	<b>ARP ESSER PDE Set-Aside</b>
SCRANTON SCHOOL DISTRICT	<b>1,987,082</b>	<b>397,416</b>	<b>397,416</b>	<b>2,781,915</b>

PDE has 60 days from the effective date of the Fiscal Code to share with districts their allocations in each of the three set-aside buckets, and then districts will have 90 days to develop and submit a plan to PDE outlining how they anticipate using the funds in compliance with the law. PDE will then have 90 days from a district or charter's submission of the plan to approve or deny the plan.

We anticipate that there will be a lot more detail in the future as this moves to implementation.

# Recovery Plan

- What does all this money mean for the Recovery Plan? Are we done?
- The SSD faces severe operational and financial challenges that threaten the District's ability to provide stable programs to meet the needs of its students.
- The Recovery Plan provides a path forward to improve academic achievement and to achieve financial stability and sustainability without jeopardizing academic programs.
- Ultimately, the accountability for the educational program for the SSD rests with the Superintendent and the School Board.
- The Recovery Plan is intended to provide the template to guide the process of improvement, implement best practices and promote financial sustainability.

# Questions

???

---