
Recovery Plan

Scranton School District
Lackawanna County, Pennsylvania

Prepared by the

**Chief Recovery Officer
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With the assistance of

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Introduction

The Scranton School District faces severe operational and financial challenges that threaten the District's ability to provide stable programs to meet the needs of its students. The District shares many similarities with other urban school districts in ensuring continued growth in student learning, improving student performance on assessments, and preparing students for success regardless of the paths that they take after high school. However, the acute issues in the District's operational structure and finances magnify the difficulties of providing a high-quality education to its students. Furthermore, investigations by the Commonwealth's Auditor General and Attorney General have eroded public trust in the ability of the District to provide credible oversight over its own actions. This document provides a path forward for the District to restore public trust, improve academic achievement, and achieve financial stability without jeopardizing academic programs.

In order to remain a viable school district, educators, parents, and community leaders in the Scranton School District must work together as partners to set the students on a positive path for a successful future. This will require major changes to how the Scranton School District has done business both academically and financially if the District is to succeed in the current environment with its current financial constraints. Ultimately, the accountability for the educational program for the Scranton School District rests with the Superintendent and the School Board. This Recovery Plan is intended to provide the leaders of the Scranton School District and the community with a template to guide the process of improvement and implement best practices across the District.

Statutory Basis of the Recovery Plan

The Pennsylvania Department of Education (PDE) placed the Scranton School District (SSD) on "financial watch" in June 2017, and assigned Public Financial Management (PFM) to work with the District to create a long-term plan to regain financial stability. PFM prepared an overview of the District's financial condition and outlined options for the District to consider in order to increase revenues and achieve cost savings. In addition, the Department and PFM provided additional technical support to the District, which is described further below. On February 1, 2019, PDE declared the District to be in moderate financial recovery status, and on February 5, appointed Candis Finan, Ed.D. as the Chief Recovery Officer (CRO).

Under the provisions of Act 141 of 2012, the CRO is charged with preparing and implementing a plan to improve academic performance and bring the financial stability to the Scranton School District. In the development and administration of the Recovery Plan, the CRO is supported by a technical assistance team and by an Advisory Committee whose members convene monthly. Members of the Advisory Committee are listed in Appendix A of this document. This document is the Recovery Plan required by Section 663-A of Act 141.

Historical Background

The Scranton School District (SSD) is an urban public school district in Northeastern Pennsylvania, with an enrollment of 10,154 students as of March 2019. In addition, approximately 500 students who are residents of the District were enrolled in charter schools at that time. The District has a transient population of students that fluctuates by approximately 100 students per year. Students of the Scranton School District represent 55 countries and 58 languages. Based on information from the Future Ready PA Index, the District's student population is 29.1 percent Hispanic, 12.1 percent African-American, 5.7 percent Multi-Racial, 5.7 percent Asian, 0.8 percent Native Hawaiian or other Pacific Islander, 0.2 Percent American Indian or Alaskan Native, and 46.4 percent Caucasian. Over 78 percent of students are economically disadvantaged, 16.9 percent of students are classified as special education, and 9.6 percent have English language development needs. The societal issues of chronic poverty and social stressors place an additional level of demand on the District for services such as mental health support.

The District's path to academic and financial recovery took place over a number of years. In order to meet its financial obligations, the District attempted a wide variety of measures to raise revenues and control

costs, some of which compounded its fiscal challenges. These measures included issuing debt to cover current year expenditures, offering multiple rounds of retirement incentives to employees, reducing positions through attrition and furloughs, and spending down its accumulated fund balance. In particular, the issuance of debt for current year operations is not a recommended best practice for financial management, and these borrowings increased future District debt service payments and reduced flexibility to borrow for important long-term capital needs.

The following list summarizes steps the District took to balance the annual General Fund budget from 2014 through 2019 (these items are also presented in the Revenue chapter of this Recovery Plan).

- 2014 – \$2.9 million in transfers from the Capital Fund; raised real estate taxes
- 2015 – Raised real estate taxes; refunded debt for current year savings
- 2016 – Used \$4 million in fund balance; raised real estate taxes; refunded debt for current year savings; one-time payment of over \$4 million for prior year PlanCon state debt reimbursement
- 2017 – Used \$3.3 million in transfers from the Healthcare Trust Fund and \$4 million in fund balance; refunded debt for current year savings
- 2018 – Transferred remaining \$3.3 million balance from the Healthcare Trust Fund; used \$6.6 million in fund balance; raised real estate taxes; refunded debt for current year savings; one-time payment of over \$1 million for prior year PlanCon state debt reimbursement
- 2019 – Used \$1.8 million in transfers from the Debt Service Fund; generated \$1.3 million in additional local revenue from delinquent tax collections and grant sources; raised real estate taxes

The District's challenges have brought a wide variety of oversight. In addition to an ongoing investigation by the State's Attorney General, in March 2019, Pennsylvania's Auditor General released a report with a wide variety of recommendations for improvements to the Scranton School District that could be included in this Recovery Plan. Those recommendations, ranging across issues from governance and accountability to transportation and other operations, provided important ideas for the Plan. Many of the initiatives in the following chapters address issues raised by the Auditor General, especially related to transparency, the role of the elected School Board, financial recordkeeping and reporting, and improvements to transportation.

In recent years, the District has started to improve some of its operating practices and the Administration has made a number of personnel changes that have resulted in positive improvements in the District's management. In addition, the Commonwealth's Department of Education provided technical assistance to the District to improve its processes and build internal capacity. Some of the initiatives in this Recovery Plan are continuations of the District's internal efforts, as well as additional areas identified through technical assistance provided by the Commonwealth.

In 2016, the Pennsylvania Department of Education sent PFM to serve as a technical assistance provider to the District to evaluate and report on its financial challenges. In the spring of 2017, PDE and its technical assistance team identified a federal grant through the National Resource Network to fund part of an initial review of Scranton's finances, with the remaining match provided by the Commonwealth. An initial report was provided under the grant in September 2017, and the Department continued to provide technical assistance through and after the declaration of financial watch status in June 2017. As outlined above, the District was placed in moderate financial recovery status in February 2019, and a CRO was appointed to support short-term operational and financial reforms while drafting this Recovery Plan. In addition to this provision of direct technical support and an experienced educator as CRO, the Commonwealth has also provided additional support since the initial grant:

- Provided a team from the Department's Bureau of Special Education to evaluate the District's special education programs and suggest improvements;
- Funded a federal programs expert to revamp the District's federal reporting and administration to bring it into compliance and eliminate over 40 negative citations from the federal government;

- Funded an experienced urban school district business administrator to upgrade District accounting procedures; improve procurement practices for contracted services and develop a cycle to rebid all contracts; increase the use of electronic business and human resources tools; and coach the District's newly-promoted Business Manager. Additional resources were provided to help audit and improve the District's copier contract, transportation contracts, and contracts for legal and financial advisory services;
- Completed a facilities study that identified critical building repair issues, evaluated the District's maintenance and custodial services, and served as a basis for a long-term building reconfiguration plan.
- Completed a review of the District's senior staff structure, recommending a realignment of senior positions and a narrower span of control to direct funds to needed mid-level management capacity.

In addition, the Commonwealth has substantially increased State aid to the District over the past several years. From the 2015-16 school year to 2018-19, the District has received over \$4.8 million in additional aid through the Basic Education and Special Education Funding subsidies. In addition, the District received supplemental support from the Commonwealth in 2017-18 through a \$2.0 million Empowerment Grant, and a supplemental \$6.0 million Ready to Learn Block Grant in 2018-19. In the final budget for the 2019-20 school year, the District is expected to receive an additional \$2.5 million in overall aid for the entirety of these categories. In addition, the District has also received the supplemental \$6.0 million block grant for the 2019-20 school year. Finally, rising personnel costs were partially offset by increases in reimbursement for Social Security and PSERS retirement contributions. Over a similar time period, from 2015 to 2018, the District received an additional \$5.5 million in retirement funding reimbursement from the state through these formula-based sources.

Guiding Principles

There are many factors that contribute to the Scranton School District's challenges, and the purpose of this Recovery Plan is not to describe each event in detail. Rather, the Plan is intended to provide a forward-looking path to financial stability, preserve academic programs, and generate resources to invest in student supports and other priorities outlined in this Recovery Plan. In order to address these issues, the District must change the way it does business in order to meet the needs of its students and prepare them for the future.

This Recovery Plan is guided by four principles:

- **Every student in the District can be successful and must be equipped with the skills necessary for success in the 21st century workplace**
In the current environment, identifying the resources to provide the District's students with the opportunity to succeed will require the Administration and School Board to change how they operate by adopting best practices and living with available resources.
- **Modern systems and accurate data are essential to making high-quality decisions**
The District needs to implement modern systems in the areas of business, operations and maintenance, and administration to improve efficiency and effectiveness. In addition, regular reports from the Administration are required to provide information to the School Board and the public.
- **Operations must conform to the available resources on a sustainable basis**
Under the Recovery Plan, the District will no longer borrow for operating expenditures, and all additions to programs or growth in costs must be matched with ongoing sources of revenue. In addition, significant efficiencies are planned for transportation services, and a plan for building reconfiguration is included to align enrollment with available classroom space.

- **Accountability to the academic and financial goals in this Recovery Plan is the responsibility of every member of the Scranton School District**

All stakeholders must be accountable for the success of the District, ranging from the School Board, administrators, teachers, staff, students and parents. Every member of the community must understand the goals of the District and assist the District in achieving those goals.

Implementing this Recovery Plan for the Scranton School District will require tough decisions and changes from current practices. In some cases, this Plan does not provide all the answers or a step-by-step guide to implement changes. When more information is required to act, the Recovery Plan lays out the key components of the analysis, and timelines are provided to individuals to hold the District accountable in implementing the Plan. This Recovery Plan is the starting point for the return of stability to the District and the investment in key priorities to ensure academic success.

Recovery Plan

In this Recovery Plan, three scenarios are presented to outline the financial challenges facing the Scranton School District. In the first scenario, adjustments are made to the District's 2019 budget to create a baseline that accounts for known events that have taken place since budget adoption in December and necessary long-term investments. A second scenario shows the financial impact of the fundamental initiatives of this Recovery Plan. The achievement of these goals or the completion of substantial progress toward them will be one of the key elements of the evaluation of the District's compliance with the Recovery Plan. Because the second scenario does not result in a sufficient District financial margin to allow for meaningful employee salary increases during the Plan term, a third scenario is provided with a framework to yield funding for employee salary adjustments. Under all scenarios, there is no assumption of additional extraordinary aid from the Commonwealth other than the not insubstantial amounts that can be reasonably expected from historical growth in major subsidies and improvements in operations.

For each of the scenarios, the District's 2019 budget is used as the starting point for the Recovery Plan's multi-year budget projections. Unlike most other school districts in the Commonwealth, and the State government, the Scranton School District's budget is based on the January to December calendar year. In 498 of the 500 school districts in the Commonwealth and the State government, the fiscal year begins runs from July 1 to June 30 of the following year.

In the charts below, the District's 2019 budget is shown with the baseline adjustments discussed in further detail. In all of the scenarios, the 2019 budget is adjusted to include expected one-time revenues from local sources including real estate tax collections above the budgeted amount, higher-than-anticipated revenues from the sale of delinquent real estate tax liens, and collection of outstanding delinquent business privilege taxes. In addition, the District's allocations for Basic Education Funding and Special Education Funding are taken from the May estimate published on the PDE website, which are different from the District's budgeted figures.

As of June 2019, these changes are thought to provide the District with sufficient resources to balance its calendar year budget without borrowing for current operating costs. As a result, the budgeted borrowing for operating expenditures was removed from the projections. In first two scenarios no funds are set aside for salary increases. The full list of assumptions for the baseline multi-year financial projections is included in Appendix B, and the detailed financial projections for each scenario are included in Appendices C to F.

Baseline Projections

In the baseline scenario, the District's 2019 approved budget and the adjustments described above are used to project the growth in revenues and expenditures over a five year period, through 2024. The baseline shows a status quo scenario with no changes in staffing levels and historical growth for revenue

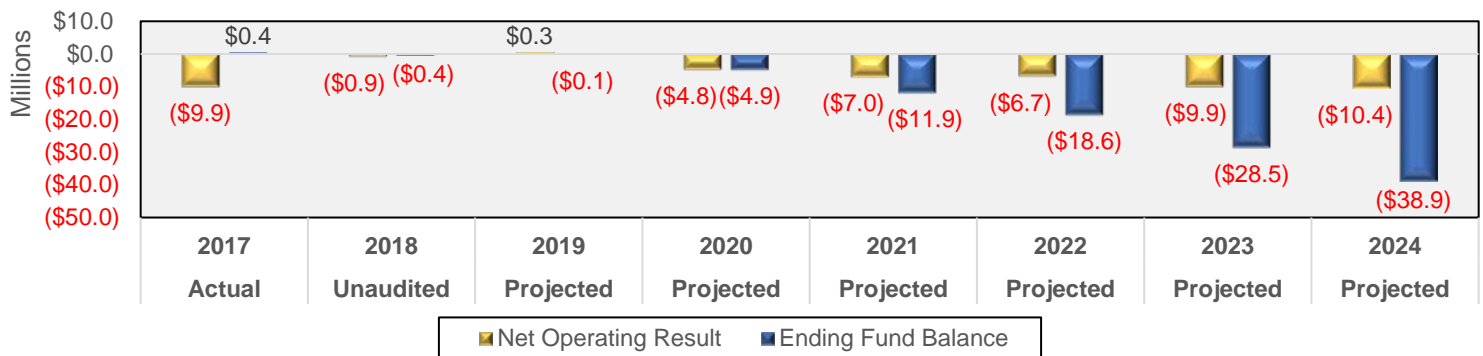
and expenditure categories. In order to balance the 2019 calendar year budget, the Recovery Plan assumes that the District uses one third of the 2019-20 supplemental Ready to Learn Block Grant in the 2019 calendar year. In the remaining projected years, the Recovery Plan assumes that the District continues to receive the supplemental block grant, and that these funds are allocated between calendar years to maintain the constant annual budgetary impact of the additional revenues. Most significantly, no salary increases are provided for any of the years in the projections. There are no tax increases in this scenario or other changes in policies or operational structures. In order to meet baseline educational needs outlined in the Academic Achievement and Facilities chapters, additional funding is included to restore basic resources for curriculum purchases and textbook updates, and debt service is increased to reflect the District's need to address nearly \$56 million in critical in capital projects identified in the recent facilities study and summarized in the Facilities chapter of this Plan.

The table and chart below show the District's five-year projections using the assumptions described above and in Appendix C.

SSD Baseline Initiatives

Initiative Name	
ACHIEVE01	Invest funds to replace curriculum and classroom technology
F02	Develop a multi-year capital plan

SSD Baseline Projections (\$ Millions)



SSD Baseline Projections (\$ Millions)

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Unaudited	Projected	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$146.2	\$153.5	\$166.3	\$163.5	\$165.8	\$168.2	\$170.6	\$173.0
Total Expenditures	\$156.1	\$154.4	\$165.9	\$168.3	\$172.8	\$174.9	\$180.5	\$183.4
Net Operating Result	(\$9.9)	(\$0.9)	\$0.3	(\$4.8)	(\$7.0)	(\$6.7)	(\$9.9)	(\$10.4)
Ending Fund Balance	\$0.4	(\$0.4)	(\$0.1)	(\$4.9)	(\$11.9)	(\$18.6)	(\$28.5)	(\$38.9)

The baseline projection is intended to be used as a diagnostic tool to show the size and nature of future deficits if the District takes no corrective action. The projections provide the Administration, the School Board, and the CRO with financial estimates to shape the strategic direction of the District. In this process, key questions include:

- Are recurring revenues sufficient to cover recurring expenditures?
- How large are projected deficits, and how much are they expected to grow in the future?
- What are the key trends in revenues and expenditures that will drive the District's financial position?

As shown in the baseline projections, the District is expected to face significant deficits beginning immediately after the 2019 calendar year. This is because one-time revenues used to balance the current

year budget are not offset by the level of revenue growth expected from historic trends, while certain costs such as healthcare continue to grow. These shortfalls will grow by \$2 to \$3 million in 2021 and 2023 due to the addition of the borrowing for capital projects in those years, and with growth in the District's basic expenditures.

Fundamental Recovery Plan Initiatives

In this Recovery Plan the Scranton School District will be required to undertake a number of fundamental initiatives to improve its operational efficiency and raise additional revenues for programs. Regardless of the designation, the District would be required to complete all of the initiatives in this Recovery Plan, however, the initiatives in this scenario were selected for the greatest financial impact on the multi-year projections. Among the initiative shown in this scenario, the most significant is the reconfiguration of school buildings addressed in the facilities study and discussed during the CRO's Advisory Committee meetings. The CRO understands that this process can be extremely disruptive for students, parents, and the local community. However, given the available capacity in the District's schools, building maintenance needs, and the financial challenges facing the District, this option remains a key component of the Plan's goal to reduce the size of future deficits.

In addition to the building reconfiguration initiative, the fundamental Recovery Plan initiatives include significant improvements in the District's transportation operations such as the reduction of the number of routes due to efficient operation, increase in the Commonwealth's transportation subsidy due to these efforts, and complete rebidding of its transportation provider contracts.

The District is also required to increase its initial successful efforts to reduce the growth in the number of students enrolled in cyber charter schools. This little-recognized dynamic has a substantial impact on the District's budget. The full list of initiatives with significant cost savings or revenues generated is summarized in the table below.

SSD Fundamental Initiatives

Initiative Name	
ACHIEVE01	Invest funds to replace curriculum and classroom technology
ACHIEVE12	Expand the District's cyber school program
T01	Complete the implementation of the District's transportation management software and improve route efficiency
T03	Rebid transportation contracts for savings
T05	Increase transportation subsidy revenues
F02	Develop a multi-year capital plan
F03	Develop and implement a comprehensive plan for the utilization of facilities
F06	Develop and implement a comprehensive plan to reduce utilities spending
R02	Raise real estate taxes annually to the Act 1 Index
R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs
R07	Increase Medicaid ACCESS revenue to support special education programs

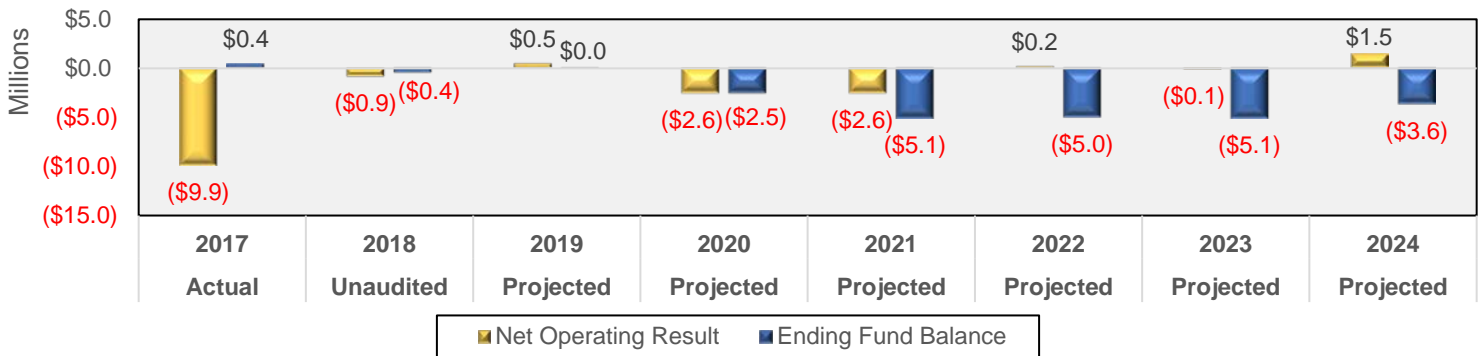
Finally, the budget projections assume that the District will raise the real estate tax rate to the Adjusted Act 1 Index in each year beginning in 2020. While raising local revenue is difficult, the District must continually invest in its staff, program, and facilities in order to make financial and academic progress. Projected future growth on the substantial increases in State aid over the past few years is not sufficient to cover expected spending by the District, and even with the reform initiatives in this Plan, spending will exceed revenues in most years. The table below shows the impact of annual local tax increases to the Act 1 index level on the median assessed value of a property for the District.

SSD Annual Tax Impact

	2019	2020	2021	2022	2023	2024
	Projected	Projected	Projected	Projected	Projected	Projected
Tax Rate	133.0949	137.6201	142.2992	147.1374	152.1401	157.3128
Median Assessed Value	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Tax Levy	\$1,331	\$1,376	\$1,423	\$1,471	\$1,521	\$1,573
Annual Increase	—	\$45	\$47	\$48	\$50	\$52

In these revised financial projections that include the Recovery Plan initiatives in the table above, the District's financial position improves significantly compared to the baseline scenario. By 2024, the revised projections show that the District would begin to produce a positive annual financial result due to additional revenues from the tax increases, and savings from reduced future growth in the number of students enrolled in charter schools, transportation revisions, and facilities consolidation. However, the District is still expected to face financial pressures in the short-term because the savings and additional revenues will take time to materialize. In 2020 and 2021, the District is projected to have deficits of approximately \$2.6 million, which would require additional cost savings or revenue generation in order to produce a balanced budget. Finally, as noted earlier, the revised scenario with the initiatives does not provide salary increases for the District's employees for any of the projected years.

SSD Fundamental Recovery Plan Initiatives (\$ Millions)



SSD Fundamental Recovery Plan Initiatives (\$ Millions)

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Unaudited	Projected	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$146.2	\$153.5	\$166.3	\$165.5	\$169.5	\$173.6	\$177.7	\$182.0
Total Expenditures	\$156.1	\$154.4	\$165.8	\$168.1	\$172.1	\$173.4	\$177.9	\$180.5
Net Operating Result	(\$9.9)	(\$0.9)	\$0.5	(\$2.6)	(\$2.6)	\$0.2	(\$0.1)	\$1.5
Ending Fund Balance	\$0.4	(\$0.4)	\$0.0	(\$2.5)	(\$5.1)	(\$5.0)	(\$5.1)	(\$3.6)

Framework for Salary Increases

Given the size of the deficits in the baseline scenario and the revised projections with the fundamental Recovery Plan initiatives, the District will have very limited resources to provide salary increases for its employees. The CRO recognizes the importance of providing competitive salaries in order to attract and retain high-quality employees to educate the District's students and provide critical support services for the classrooms and operation of the District as a whole. However, as part of the Recovery Plan, the District will need to find resources for these salary increases while meeting its other goals to avoid borrowing to fund operating expenditures and to build its fund balance. In order to integrate all of the goals of this Recovery Plan, a framework is used to allocate additional funding among all of the Plan's

priorities while still maintaining a balanced budget. Although workforce savings can be directed to provide funding for increased salaries and benefits costs, windfall revenues and savings would be divided among fund balance restoration, and investments in programs and employees referenced in this Recovery Plan. In all budget years, savings and additional revenues will be prioritized for deficit reduction before being applied to fund salary increases or other priorities of this Plan.

In the table below, the framework for the allocation of windfall revenues and savings from initiative R07 is shown.

SSD Allocation Framework

Priority	2019	2020	2021	2022	2023	2024
Budgetary Reserves	Up to 25 percent	Up to 25 percent	Up to 25 percent	Up to 15 percent	Up to 15 percent	Up to 15 percent
Academic Goals	Up to 25 percent	Up to 25 percent	Up to 25 percent	Up to 25 percent	Up to 25 percent	Up to 25 percent
Salary Increases	Up to 50 percent	Up to 50 percent	Up to 50 percent	Up to 50 percent	Up to 50 percent	Up to 50 percent
Tax Increases	Not applicable	Not applicable	Not applicable	Up to 10 percent	Up to 10 percent	Up to 10 percent

In order to provide salary increases with sustainable revenue sources, the District will need to generate additional revenues or savings beyond those in the fundamental initiatives of this Recovery Plan. Moreover, these amounts will need to cover not just the direct cost of salaries, but also the related benefit costs that are tied to employee pay.¹ In the sections below, two options to produce additional resources are presented.

Impact of Exceptions to the Act 1 Index

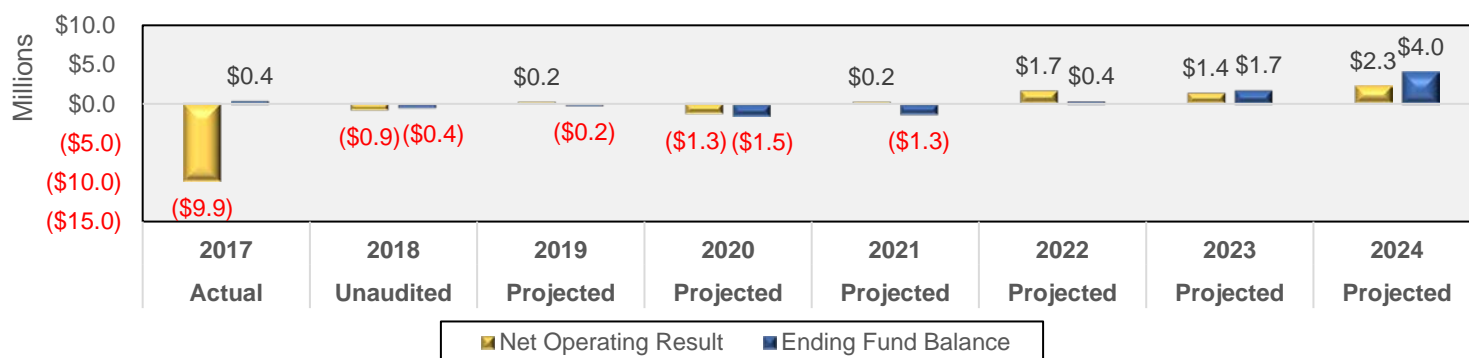
If the District does not want to use the collective bargaining process with its employees to seek savings from salaries or benefits, the District could seek exceptions to the annual Act 1 Index limit on raising property taxes. Only certain exceptions are permitted by law. The most likely exceptions for which the District would qualify would be if special education costs continued to rise faster than expected, or if the District established a millage amount for the debt service for the capital projects through a referendum. In the scenario below, it is assumed that the District receives exceptions to the Act 1 Index in 2020 and 2021. The exceptions in these years are assumed to provide an additional increase of 3.3 percent, which was the additional amounts allowable under the District's exceptions for the 2019 budget and were foregone in the final adopted budget. All additional revenues are distributed among the priorities described in the framework above.

SSD Additional Initiatives

Initiative Name	
R03	Pursue exceptions to the Act 1 Index if required to balance the annual budget
WF06	Identify funds available to provide competitive teacher salaries

¹ For example, State retirement plan contributions must be paid at 34.29 percent of any salary increase for the 2019-20 school year, and federal Social Security and Medicare contributions will be an additional 7.65 percent of any salary increase amount. Annual contributions for State retirement are projected to steadily increase under current projections published by the PSERS Board of Trustees.

SSD Act 1 Exceptions (\$ Millions)



SSD Act 1 Exceptions (\$ Millions)

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Unaudited	Projected	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$146.2	\$153.5	\$166.3	\$167.1	\$172.7	\$177.2	\$181.5	\$186.1
Total Expenditures	\$156.1	\$154.4	\$166.1	\$168.4	\$172.4	\$175.6	\$180.1	\$183.7
Net Operating Result	(\$9.9)	(\$0.9)	\$0.2	(\$1.3)	\$0.2	\$1.7	\$1.4	\$2.3
Ending Fund Balance	\$0.4	(\$0.4)	(\$0.2)	(\$1.5)	(\$1.3)	\$0.4	\$1.7	\$4.0

Long-term, the District would be able to generate enough resources to provide salary increases for its employees and to invest in the priorities of this Recovery Plan. In the table and chart above, the projected results for each year include the allocation of funding to salary increases. Beginning in 2021, the additional positive annual results would be allocated among the academic and operational priorities and the restoration of the District's fund balance. These allocations are not included in the projections above.

SSD Annual Tax Impact

	2019	2020	2021	2022	2023	2024
	Projected	Projected	Projected	Projected	Projected	Projected
Tax Rate	133.0949	142.0123	151.5271	156.6790	162.0061	167.5143
Median Assessed Value	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Tax Levy	\$1,331	\$1,420	\$1,515	\$1,567	\$1,620	\$1,675
Annual Increase	—	\$89	\$95	\$52	\$53	\$55

As shown in the projections with the fundamental Recovery Plan initiatives, the District is still expected to face short-term financial pressure after the 2019 calendar year. The \$1.3 million deficit in 2020 would need to be addressed by the District through other cost saving options.

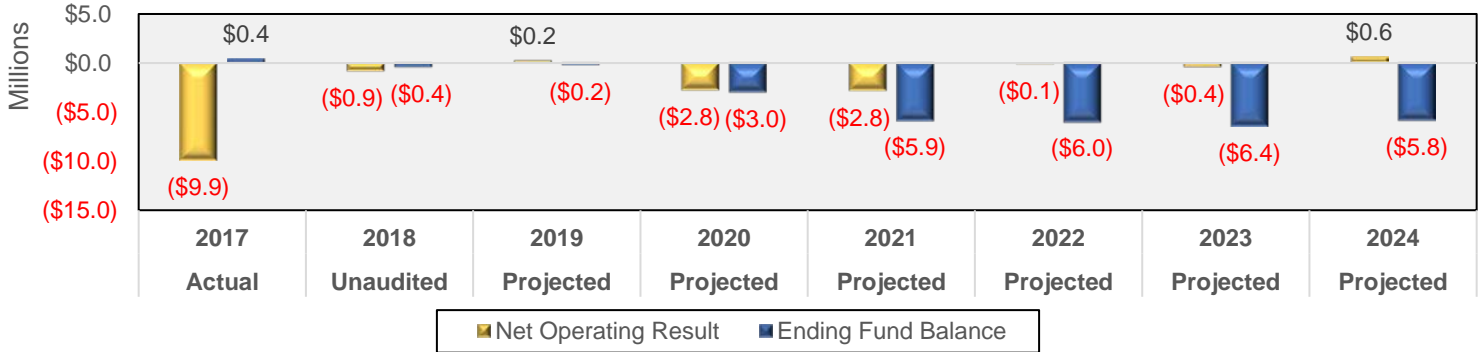
Impact of Workforce Savings

If the District would like to provide salary increases by seeking modifications to benefits and other employee costs during the bargaining process with the District's union, then all or a portion of the savings could be directed toward providing salary increases after the annual budget is balanced. In this scenario, the District would achieve some savings in its collective bargaining process beginning in the 2019 calendar year, and these savings would be used to provide salary increases. Given the size of the District's budget dedicated to salaries and benefits, this would likely be the only remaining area where the District would be able to generate significant savings. Alternatives for achieving savings in workforce costs that could be redirected to salary increases are described in the Workforce chapter of this Recovery Plan.

SSD Additional Initiatives

Initiative Name	
WF03	Identify opportunities to reduce costs of overtime and other non-salary compensation
WF04	Reduce the future growth in healthcare costs
WF05	Consider requiring secondary level teachers to teach a sixth period
WF06	Identify funds available to provide competitive teacher salaries

SSD Workforce Savings (\$ Millions)



SSD Workforce Savings (\$ Millions)

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Unaudited	Projected	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$146.2	\$153.5	\$166.3	\$165.6	\$169.7	\$173.9	\$178.2	\$182.7
Total Expenditures	\$156.1	\$154.4	\$166.1	\$168.4	\$172.5	\$174.0	\$178.6	\$182.0
Net Operating Result	(\$9.9)	(\$0.9)	\$0.2	(\$2.8)	(\$2.8)	(\$0.1)	(\$0.4)	\$0.6
Ending Fund Balance	\$0.4	(\$0.4)	(\$0.2)	(\$3.0)	(\$5.9)	(\$6.0)	(\$6.4)	(\$5.8)

As shown in the projections above, the District could not produce a balanced budget if it directs all of the workforce savings to providing salary increases for its employees. In this scenario, the District would need to find additional cost savings measures to offset the increases in costs, or additional revenues would need to be found in order to provide sustainable funding for these increases.

Act 141 Provisions

Exit Criteria

Pursuant to section 641-A(9) of Act 141, the CRO must establish specific criteria that the Scranton School District must satisfy before the Secretary of Education may terminate the District's financial recovery status. The District shall meet the following criteria in order to be released from financial recovery:

- The District has achieved financial stability by maintaining a positive fund balance of at least five percent of annual revenues for three successive years, and concluded two successive years with positive annual financial results (revenues exceed expenditures), both as reported in the District's audited annual financial statements;
- The District does not request or require an advance of its basic education subsidy;
- All employee salaries are paid when due;
- The District is not in default on any bonds, notes or lease rentals and is not subject to withholding by the Secretary under section 633 of the Public School Code;

- The District does not satisfy the criteria for determination of recovery status established in regulations promulgated under section 621-A (a) (2) of Act 141;
- The District is able to show a five-year projection approved by the CRO and the Board that forecasts annual balanced budgets for the five fiscal years after exiting financial recovery status, based on information that is known at the time including collective bargaining agreements, debt service schedules, local tax effort, and plans for capital expenditures;
- The District meets or demonstrates substantial progress in the academic performance, graduation rate, and career readiness goals outlined in the Academic Achievement chapter of this Recovery Plan.

Pursuant to Section 625-A(c) of Act 141, when the District exits from financial recovery status, the CRO and the Department of Education will continue oversight of the District until the City of Scranton is no longer under Act 47 municipal recovery status in the manner set forth in Act 141.

Powers and Duties Under Section 642-A

In this Recovery Plan, the CRO directs the Scranton School District to undertake initiatives under the powers granted by section 642-A of Act 141 in order to fulfill the duties of the CRO and achieve the goals of the Plan. The specific actions authorized in this plan pursuant to section 642-A shall include but are not limited to:

- Cancel or renegotiate contracts that are in conflict with or an impediment to timely implementation of the provisions of this plan (subsection 3);
- Increase tax levies (subsection 4);
- Appoint a special collector of delinquent taxes, subject to approval by the CRO (subsection 5);
- Dispense with the services of nonprofessional employees (subsection 6);
- Employ professional and senior management employees who do not hold State certification (subsection 9);
- Enter into agreements with for-profit or non-profit organizations to provide services (subsection 10);
- Close or reconstitute a school, including the reassignment, suspension or dismissal of professional employees (subsection 11);
- Appoint managers, administrators or for-profit or nonprofit organizations to oversee the operations of a school or group of schools (subsection 12);
- Reallocate resources, amend school procedures, develop achievement plans and implement testing or other evaluation procedures for educational purposes (subsection 13);
- Supervise and direct principals, teachers and administrators (subsection 14);
- Negotiate new collective bargaining agreements to effect needed economies (subsection 15);
- Delegate powers of the CRO (subsection 16);
- Employ entities to review financial and educational programs (subsection 17).

Academic Achievement

Overview

The Scranton School District is filled with talented students, dedicated hard-working staff members, committed parents, and interested community members. The District faces many educational challenges that are typical in urban school districts in Pennsylvania. These challenges include low performance on standardized tests, low graduation rates, and limited success in progressing to educational programs beyond graduation. Despite the District's many programs with a large number of course offerings, there is an ongoing need to improve student achievement as measured by the standardized tests administered in Pennsylvania's public schools.

The Scranton School District is comprised of eleven elementary schools, three intermediate schools, and two high schools. Annually, throughout the Commonwealth of Pennsylvania, students in grades 3-8 are administered the Pennsylvania System of School Assessment (PSSA) in English/Language Arts (ELA) and Mathematics, and students in grades 4 and 8 are administered the PSSA in Science. Keystone Examinations are administered to high school students and are end-of-course assessments designed to assess proficiency in areas of Algebra I, Literature, and Biology. In addition, the Scranton School District provides nineteen Advanced Placement courses at the high school level in which standardized exams are administered. Students also receive preparation to enter the workforce through the District's partnership with the Career Technology Center of Lackawanna County (CTC) and the District's career pathways program.

Given the financial challenges outlined in this Recovery Plan, the Scranton School District will need to ensure that its investments in academic programs are targeted to increase student achievement and prepare them for future success. In this chapter of the Recovery Plan, the District's academic performance is discussed, and targets are set to establish clear benchmarks to evaluate the District's progress toward making measurable improvement. Following the academic targets, a number of initiatives are presented to provide strategies for the District to achieve these goals.

Academic Goals

In this Recovery Plan, the District is charged with achieving or making significant progress toward four strategic academic goals: improving test scores on Statewide standardized tests, improving student growth as measured by Statewide systems¹, increasing student graduation rates, and increasing opportunities for college and career readiness.

In this chapter, student achievement data is presented for the Scranton School District and the adjacent Abington Heights School District, and compared to the Statewide averages for all Pennsylvania school districts. The purpose of these comparisons is to focus the Scranton School District on providing an educational program that equals or exceeds its peers in the region and throughout the Commonwealth. Students in Scranton deserve to attend a school district that offers world-class opportunities that prepare each one of them for success no matter their path after graduation.

Generally, the District's schools perform below the Statewide average and below peer schools within the Northeast Intermediate Unit 19 (NEIU 19) cohort. However, when compared to the Wilkes-Barre Area School District and Hazleton Area School District of Luzerne County, which are regionally-proximate school districts with similar size and demographic populations, Scranton experiences similar or higher

¹ Currently, the Commonwealth of Pennsylvania uses the Pennsylvania Value-Added Assessment System to measure growth in student achievement across time and among various subgroups. This measurement tool provides a second way to analyze student assessment data to provide educators with information to determine if students are making progress toward educational goals. If the Department of Education revises the tool or the methodology used to measure student growth during the timeframe of this Recovery Plan, then the goals outlined in this section will be revised in order to align with the new standards.

academic performance. Ultimately, the goal of this Recovery Plan is to provide the necessary structures to allow the District to improve its academic performance above these levels.

As the District gains operational stability through the other initiatives outlined in the chapters of this Recovery Plan, resources will continue to be invested in the Plan's priorities, such as the achievement of the academic goals. The CRO reserves the right to direct the investment of funds under all authority granted by Section 642-A(a) of Act 141, as well as the framework outlined in initiative R07 (Investment in priorities) of this Recovery Plan.

Goal 1: Increase the percentage of students achieving proficient and advanced on Statewide standardized tests.

The following tables present the District's academic performance on Statewide standardized tests summarized for all students in the District. Test scores are presented based on the configuration of grades in the Scranton School District. In each summary of assessment data, scores are shown for all student groups.

In the table below, the 2017-18 Pennsylvania System of School Assessment (PSSA) scores are presented for the elementary level. In all categories, the average scores in Scranton elementary schools are below both Abington Heights and the Statewide averages. In English/Language Arts, the difference between Scranton and the Statewide average is 10.5 percentage points in grade 4, while grades 3 and 5 range between 14 and 15 percentage points. In Mathematics, the average scores in Scranton range from 10.4 percentage points lower than the Statewide average in grade 5 to 17.2 percentage points in grade 4. Science scores in Scranton are 9.3 percentage points lower than the Statewide average.

Advanced Proficient (2017-18)

Below Basic (2017-18)

English/Language Arts			
Grade	Scranton	Abington Heights	Statewide Average
3	49.0	82.0	63.5
4	49.3	78.0	59.8
5	45.2	67.9	59.4

English/Language Arts			
Grade	Scranton	Abington Heights	Statewide Average
3	14.3	3.1	10.4
4	16.6	3.1	9.7
5	14.7	3.9	8.9

Mathematics			
Grade	Scranton	Abington Heights	Statewide Average
3	39.2	69.6	54.1
4	26.3	63.7	43.5
5	34.8	61.3	45.2

Mathematics			
Grade	Scranton	Abington Heights	Statewide Average
3	36.0	10.6	24.5
4	41.6	14.3	29.8
5	34.8	14.7	28.7

Science			
Grade	Scranton	Abington Heights	Statewide Average
4	66.2	87.7	75.5

Science			
Grade	Scranton	Abington Heights	Statewide Average
4	10.4	2.3	5.4

It is important to note that Scranton School District's performance varies at the building level. In Grade 3, the English/Language Arts (ELA) grade 3 results indicate that Willard and Prescott schools performed above the Statewide average, while Prescott was above the Statewide average in Mathematics. The grade 4 results for English/Language Arts and Science indicate that Willard, Kennedy and Prescott

schools were greater than the Statewide average, and the Mathematics grade 4 results indicate that Morris was above the Statewide average. In grade 5, Willard and Prescott performed above the Statewide average for English/Language Arts, and Willard, Morris, and Prescott was above the Statewide average for Mathematics.

In the tables below, the 2017-18 PSSA scores are presented for the District's intermediate schools. In English/Language Arts, the gap between the average for District students and the Statewide average was as low as 10.1 percentage points in grade 8, and as high as 13.9 percentage points in grade 6. The gap between the District and the Statewide average was higher in the mathematics scores, ranging from 16.2 percentage points in grade 7 to 18.4 percentage points in grade 6. Science scores for Scranton students were 18.0 percentage points below the Statewide average.

Advanced Proficient (2017-18)

Below Basic (2017-18)

English/Language Arts			
Grade	Scranton	Abington Heights	Statewide Average
6	48.6	73.8	62.5
7	49.2	74.1	61.9
8	51.4	77.1	61.5

English/Language Arts			
Grade	Scranton	Abington Heights	Statewide Average
6	9.2	1.2	5.3
7	4.8	2.4	2.5
8	11.9	2.8	7.8

Mathematics			
Grade	Scranton	Abington Heights	Statewide Average
6	21.2	52.0	39.6
7	22.7	54.5	38.9
8	14.8	40.0	31.1

Mathematics			
Grade	Scranton	Abington Heights	Statewide Average
6	45.2	13.5	29.7
7	54.6	19.5	37.8
8	63.4	24.7	41.1

Science			
Grade	Scranton	Abington Heights	Statewide Average
8	35.9	67.5	53.9

Science			
Grade	Scranton	Abington Heights	Statewide Average
8	34.0	11.8	22.2

At the building level, all intermediate school buildings scored below the Statewide average for all grades and all categories of tests.

In the table on the following page, the District's average performance on the Keystone assessments are presented. These grades are organized by subject areas rather than the grade-level assessments used in the previous sections. The average scores for the District's students were lower than the Statewide average for all three subject-area tests. The gap between the District average and the Statewide average for the Literature test was 12.1 percentage points, which was the smallest gap for the all three tests. The gap between the District average and the Statewide average was 17.7 percentage points for Algebra I and 17.4 percentage points for Biology.

Advanced Proficient (2017-18)

Below Basic (2017-18)

Keystone Tests			
Test	Scranton	Abington Heights	Statewide Average
Literature	60.6	95.7	72.7
Algebra I	47.5	89.3	65.2
Biology	47.0	87.3	64.4

Keystone Tests			
Test	Scranton	Abington Heights	Statewide Average
Literature	13.4	0.4	8.4
Algebra I	19.1	0.0	9.7
Biology	25.0	1.3	14.3

Building-level performance varied significantly for the District's two comprehensive high schools. Average scores for Scranton High School were below the Statewide average for all three subject-area tests. Scranton High School scores were 19.3 percentage points below the Statewide average for Literature, and the gap ranged from 23 to 24 percentage points below the Statewide average for Algebra I and Biology. In West Scranton High School, average scores on the Literature test exceeded the Statewide average by 3.0 percentage points. Algebra I scores were 5.0 percentage points below the Statewide average, and the gap was 2.6 percentage points for Biology.

Academic Assessment Goals

In the table below, the District's annual targets for average proficient and advanced test scores are presented for each of the categories of tests described above. Further analysis and clarification follow below the table.

Grade / Test	PA 2030 Goal	2030 Gap	Annual Target	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
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Language Arts PSSA – Percent Proficient and Advanced

3	81.1	32.1	2.7	49.0	51.7	54.4	57.1	59.7	62.4	65.1	67.7
4	81.1	31.8	2.6	49.3	52.0	54.6	57.3	59.9	62.6	65.2	67.9
5	81.1	35.9	3.0	45.2	48.2	51.2	54.2	57.2	60.2	63.2	66.2
6	81.1	32.5	2.7	48.6	51.3	54.1	56.8	59.5	62.2	64.9	67.6
7	81.1	31.9	2.7	49.2	51.9	54.6	57.2	59.9	62.5	65.2	67.8
8	81.1	29.7	2.5	51.4	53.9	56.4	58.8	61.3	63.8	66.3	68.7

Mathematics PSSA – Percent Proficient and Advanced

3	71.8	32.6	2.7	39.2	41.9	44.6	47.3	50.1	52.8	55.5	58.2
4	71.8	45.5	3.8	26.3	30.1	33.9	37.7	41.5	45.2	49.0	52.8
5	71.8	37.0	3.1	34.8	37.9	41.0	44.1	47.2	50.2	53.3	56.4
6	71.8	50.6	4.2	21.2	25.5	29.7	33.9	38.1	42.3	46.5	50.7
7	71.8	49.1	4.1	22.7	26.8	30.9	35.0	39.0	43.1	47.2	51.3
8	71.8	57.0	4.8	14.8	19.5	24.3	29.0	33.8	38.5	43.3	48.0

Grade / Test	PA 2030 Goal	2030 Gap	Annual Target	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
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Science PSSA – Percent Proficient and Advanced

4	81.1	14.9	1.2	66.2	67.5	68.7	70.0	71.2	72.4	73.7	74.9
8	83.0	47.1	3.9	35.9	39.8	43.7	47.7	51.6	55.5	59.4	63.4

Keystone Tests – Percent Proficient and Advanced

Literature	81.1	20.5	1.7	60.6	62.3	64.0	65.7	67.4	69.1	70.8	72.5
Algebra I	71.8	24.3	2.0	47.5	49.6	51.6	53.6	55.6	57.7	59.7	61.7
Biology	83.0	36.0	3.0	47.0	50.0	53.0	56.0	59.0	62.0	65.0	68.0

In developing the annual targets for the Scranton School District, the Commonwealth’s s2030 Goal was selected as the Recovery Plan’s measurement of annual progress for academic achievement. The 2030 Goal refers to the Commonwealth’s long-term goal as required under the federal Every Student Succeeds Act (ESSA), which was authorized in 2015. The Statewide 2030 Goals were subtracted from each of the District’s average scores for the 2017-18 school year to establish a grade-by-grade gap for performance on the assessments. In order to establish the annual targets, it was assumed that the District would make a linear progression from the 2017-18 school year to the 2029-30 school year, which is target date for the Commonwealth’s goal. After test performance data becomes available after each school year, the District’s progress toward the 2029-30 school year target will be re-calculated.

The District’s performance goals for assessments shall not conflict with the Commonwealth’s measurements of student progress and performance while the Scranton School District remains in moderate financial recovery status or any other level of State oversight. Rather, these goals will be used to assess whether the District’s investments in academic programs are making progress toward the strategic goals outlined in this Recovery Plan.

Goal 2: Increase the growth in student achievement as measured in the Pennsylvania Value-Added Assessment System (PVASS).

The Scranton School District is committed to ensuring that all students reach their ultimate potential. As such, the Scranton School District focuses not only on student achievement data, as recorded through the PSSA and Keystone Exams, but also the growth each individual student and grade level. Simply stated, a growth model measures the amount of students’ academic progress between two points in time. Recognizing that not all students will demonstrate proficiency, but should achieve growth in the measurement of key indicators from one year to the next, the goal is to ensure that the students make significant progress toward proficiency in all content areas.

In Pennsylvania, student growth is measured through the Pennsylvania Value Added Assessment System (PVAAS), and the scores for all categories are summarized in the Commonwealth’s Future Ready PA Index. The District is committed to ensure that all students make at least one year’s growth annually. By measuring students’ academic achievement and growth, schools and districts have a more complete representation of academic program efforts to raise student achievement.

In the District’s 2017-18 Future Ready PA Index reports for each school building, the three-year growth measurement showed student growth evident in English/Language Arts as the District maintained and/or showed growth in nine of the eleven schools at the elementary level. At the intermediate level, the same three-year growth measurements also showed growth in English/Language Arts, as the District

maintained and/or showed growth in two of the three intermediate schools. At the high school level, the three-year growth measure showed student growth evident in Literature for one school while the other school showed significant evidence that the school did not meet the standard for PA Academic Growth.

In Mathematics, the three-year growth measure showed student growth evident at the elementary level as the District maintained and/or showed growth in nine of the eleven elementary schools. At the intermediate level, the three-year growth measure showed significant evidence that the three intermediate schools did not meet the standard for PA Academic Growth in Mathematics. At the high school level, the three-year growth showed one high school met the standard and one high school significantly did not meet the standard for PA Academic Growth in Algebra I.

In Science, the three-year growth measure showed significant evidence that student growth exceeded the standard for PA Academic Growth in Science in seven of the nine elementary schools. In the intermediate schools, the three-year growth measure showed all three intermediate schools maintained and/or exceeded the standard for PA Academic Growth in Science. At the high school level, the three-year growth measure showed significant evidence that neither high school met the standard for PA Academic Growth in Biology.

Student Growth Goals

For the duration of time while the Scranton School District remains in moderate financial recovery status—or any other level of State oversight—the District shall meet or exceed all areas of measurement under the Future Ready PA Index. This shall apply to all measures of overall District progress as well as all school-level measurements.

The District’s performance goals for student growth shall not conflict with the Commonwealth’s assessment of the District’s overall performance and school-level performance in the Future Ready PA Index or any successor system of performance measurement. This shall be effective for the duration of time while the Scranton School District remains in moderate financial recovery status or any other level of State oversight.

Goal 3: Increase the graduation rates for Scranton High School and West Scranton High School as measured by the four-year graduation cohort.

High school graduation rates are measured in four- and five-year cohorts based on the time to receive a diploma after starting the ninth grade. Both measurements are used in this Recovery Plan to select targets for the District’s academic goals.

As shown in the table below, the Scranton School District’s 2017-18 four-year graduation rates for both high schools were lower than the Statewide average. At Scranton High School, the graduation rate was 9.9 percentage points lower than the average, however, the gap at West Scranton High School was less than 1.0 percent.

Four-Year Graduation Rate			
	Scranton	Abington Heights HS	Statewide Average
Scranton HS	76.7	97.3	86.6
West Scranton HS	85.9	97.3	86.6

The District’s performance with the five-year graduation cohort was similar to the four-year measurement, as shown in the table below. In 2017-18, the District’s five-year graduation rate was also below the Statewide average for both high schools. At Scranton High School, the graduation rate was 14.1

percentage points lower than the average, while the gap at West Scranton High School was 8.5 percentage points.

Five-Year Graduation Rate			
	Scranton	Abington Heights HS	Statewide Average
Scranton HS	75.2	97.1	89.3
West Scranton HS	80.8	97.1	89.3

Graduation Cohort Goals

In the table below, the District's annual targets for improvements in the cohort graduation rates are presented for each high school using a similar methodology to the one described above to set the academic performance targets. The annual targets for the Scranton School District were developed using the Commonwealth's Statewide 2030 Goal as the Recovery Plan's target to set the measurement of annual progress for academic achievement. The Commonwealth does not have a Statewide 2030 Goal for the five-year graduation cohort, so the four-year graduation cohort goal was used for both metrics.

The Statewide 2030 Goal was subtracted from each of the District's graduation rates for the 2017-18 school year to establish a gap for each high school. In order to establish the annual targets, it was assumed that the District would make a linear progression from the 2017-18 school year to the 2029-30 school year, which is target date for the Commonwealth's goal. After graduation rate data becomes available after each school year, the District's progress toward the 2029-30 school year target will be re-calculated.

PA 2030 Goal	2030 Gap	Annual Target	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
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Four-Year Graduation Cohort

Scranton HS	92.4	15.7	1.3	76.7	78.0	79.3	80.6	81.9	83.2	84.6	85.9
West Scranton HS	92.4	6.5	0.5	85.9	86.4	87.0	87.5	88.1	88.6	89.2	89.7

Five-Year Graduation Cohort

Scranton HS	92.4	17.2	1.4	75.2	76.6	78.1	79.5	80.9	82.4	83.8	85.2
West Scranton HS	92.4	11.6	1.0	80.8	81.8	82.7	83.7	84.7	85.6	86.6	87.6

The District's performance goals for graduation rates shall not conflict with the Commonwealth's measurements of student progress and performance while the Scranton School District remains in moderate financial recovery status or any other level of State oversight. Rather, these goals will be used to assess whether the District's investments in academic programs are making progress toward the strategic goals outlined in this Recovery Plan.

Goal 4: Increase opportunities to prepare students for success in both college and career.

This Recovery Plan recognizes that there are multiple paths for students to achieve success after the completion of their high school years. Students should finish their years with the District with a credential or skill set that prepares them for future success. In the tables below, the District's performance on various measurements of completion for college and career readiness are presented.

In the first table below, the District's test scores for the SAT in the 2017-18 school year are compared to the same results from the Abington Heights School District. As shown in the table, the District's performance in terms of the average score and the number of students participating in the test are both below Abington Heights.

SAT Scores (2017-18)			
	Scranton HS	West Scranton HS	Abington Heights HS
Average score	1,006.2	998.5	1,176.1
Number of students	230	124	484
Total Enrollment	1,770	877	1,048
Percent Taking Test	13.0%	14.1%	46.2%

In the next table, the District's performance on Advanced Placement (AP) exams are shown compared to the Statewide and national averages. In this table, performance is measured by the percentage of students who achieve a score of three or greater on the exam. As shown in the table, the District has scored below both the Commonwealth average for public schools and the national average for the past three years.

AP Scores Three or Greater (2017-18)			
	2015-16	2016-17	2017-18
Scranton SD	53.0%	48.0%	38.0%
Pennsylvania Average (Public Schools)	67.5%	66.8%	67.4%
National Average	57.9%	58.0%	59.0%

In the last table, the District's performance on various metrics of industry-based learning from the Future Ready PA Index are shown. Scores are shown for the tests provided by the National Occupational Competency Testing Institute (NOCTI) National Institute for Metalworking Skills (NIMS). In addition, the District's enrollment in the Lackawanna County CTC is shown for both high schools. Similar data was unavailable for the Abington Heights School District and the Commonwealth averages.

Industry-Based Learning (2017-18)			
	Scranton HS	West Scranton HS	Total
Number Competent/Advanced on NOCTI/NIMS	47	17	64
Number Participating	51	19	70
Passing Rate	92.2%	89.5%	91.4%

	Scranton HS	West Scranton HS	Total
Number of Students Achieving Industry-Recognized Credential	33	11	44
Number Participating	51	19	70
Completion Rate	64.7%	57.9%	62.9%

	Scranton HS	West Scranton HS	Total
Number Enrolled at CTC	131	65	196

College and Career Readiness Goals

In the table below, the District's annual targets for college and career readiness indicators are shown using a similar methodology to the one described above to set the academic performance targets. The Commonwealth's Statewide 2030 Goals do not include the level of information for these indicators, although the information for these indicators is already collected and reported to the Commonwealth and other organizations. Further description of the process used to set the goals and establish the annual targets is provided below the table.

	Goal	Gap	Annual Target	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
SAT											
Percentage Taking Test (District Average)	46.2	32.8	4.7	13.4	18.1	22.7	27.4	32.1	36.8	41.5	46.2
AP Exams											
Percentage Scoring 3+ (District Average)	67.2	29.2	4.2	38.0	42.2	46.3	50.5	54.7	58.9	63.0	67.2
Industry-Based Learning											
Pass Rate NOCTI/NIMS (District Average)	95.0	3.6	0.5	91.4	91.9	92.4	93.0	93.5	94.0	94.5	95.0

For the SAT, the average percentage of students taking the test from Abington Heights was used as the target for the Scranton School District. The target for the AP Exams was the three-year average percentage of students scoring a three or greater for Pennsylvania public schools. For industry-based learning, a goal of 95 percent was selected for the percentage of students receiving a passing grade on the NOCTI/NIMS certification tests.

In order to establish the annual targets, it was assumed that the District would make a linear progression from the 2017-18 school year to the 2029-30 school year, which is target date for the Commonwealth's goal. After test performance data becomes available after each school year, the District's progress toward the 2029-30 school year target will be recalculated.

The District's performance goals for college and career readiness shall not conflict with the Commonwealth's measurements of student performance in the Future Ready PA Index while the Scranton School District remains in moderate financial recovery status or any other level of State oversight. Rather, these goals will be used to assess whether the District's investments in academic programs are making progress toward the strategic goals outlined in this Recovery Plan.

Evaluation of Academic Goals

Under the Commonwealth's current school district accountability measurement system, the metrics used in the Future Ready PA Index or any successor measurement system shall be the main tool of accountability used by the Department of Education. Guidelines for evaluation of Districtwide and building-level performance will be determined by the requirements of legislation from the Commonwealth and the federal government. In the evaluation of progress toward achieving the goals in this Recovery Plan, measurements and data sets related to the Future Ready PA Index were selected in order to

minimize the administrative burden on the District so that it does not have to comply with another layer of academic accountability.

Ultimately, the academic goals of this Recovery Plan and subsequent amendments will be used as one tool among many to determine whether the District has implemented the initiatives with fidelity and whether the District has made sufficient progress toward achieving sufficient academic and financial progress. In regular reports to the Secretary of Education, the CRO shall update the Secretary and the Department on the Scranton School District's progress on each of the academic indicators above. These reports shall serve as information to be used by the Secretary to determine recommendations regarding changes in the status of the Commonwealth's oversight over the Scranton School District.

Initiatives

Initiative ACHIEVE01: Invest funds to replace curriculum and classroom technology	
Deadline: Align current curriculum with PA Core Standards (June 2020); increase spending on curriculum replacement (June 2020); ongoing updates thereafter	
Evaluation Measure:	Completion of curricula; Average age of textbooks; Average copyright date of textbooks
Responsible Parties:	Superintendent, Chief Academic Officer, Principals, Instructional Technology Director, Business Manager, and CRO

All of the District's courses need to be aligned with PA Core Standards in order to meet the academic goals of this Recovery Plan. During the development of the Plan, the CRO learned that the copyright dates for textbooks in the District ranged from 1982 to 2014. In order to provide the District's students with sufficient resources to learn, the District shall rewrite its curricula and increase investments in textbooks and other classroom materials.

As the first step in this process, the District shall begin by rewriting the English/language arts and mathematics curricula to align all grade levels with the PA Core Standards. This process shall take place during the 2019-20 school year, with a target date of completion by the end of June 2020. The CRO shall direct the District to make funds available to pay for teacher salaries for the time spent on curriculum development. The CRO reserves the right to direct the investment of funds under the authority granted by Section 642-A(a)(13) of Act 141, as well as the framework outlined in initiative R07 (Investment in priorities) of this Recovery Plan. In future years, the District and the CRO shall continue the process of rewriting curricula until all subject areas are complete. The cycle of curriculum develop shall begin again after all subject areas are completed, or if the Commonwealth adopts new educational standards.

In addition, the District shall develop a five-year textbook replacement and review plan to purchase new materials and provide students with standards-aligned resources. This plan shall also integrate the use of technology in each building, and timelines will be developed to provide each building with appropriate materials and technology infrastructure. The District's plan shall also include timelines and milestones to formally integrate the use of Google Classroom in all of the District's grade levels. This plan shall be updated annually as needed, and the cycle of replacement shall begin again after all subject areas are completed, or if the Commonwealth adopts new educational standards.

Expenditures for textbook replacement, classroom resources, and educational technology shall be increased in the 2020 budget year, and the CRO shall direct the District to make these investments under the authority granted by Section 642-A(a)(13) of Act 141 and the framework in initiative R07. As additional funds become available, the CRO may direct the District to increase investments in order to accelerate the completion of the first cycle of replacement.

In the table below, the financial impact of these investments in curriculum replacement and textbook purchases are shown. Costs of planning and development include the salaries and net benefits for teachers who would participate in the curriculum development. Because they are fundamental to the District's academic success, these costs are included in the assumptions for the baseline multi-year financial projections and all other scenarios shown in this Recovery Plan. To the extent possible, the District shall seek to accommodate these costs within its existing budget, however, if funds are not available, then the CRO shall direct the District to make such investments.

Financial Impact

	2019	2020	2021	2022	2023	2024	Cumulative Impact
Planning and Development	\$39,648	\$39,714	\$39,755	\$39,800	\$39,852	\$39,894	\$238,663
Textbook Replacement	\$0	\$300,000	\$306,600	\$313,345	\$320,239	\$327,284	\$1,567,468
Total Impact	\$39,648	\$339,714	\$346,355	\$353,145	\$360,091	\$367,178	\$1,806,131

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall begin curriculum writing with English/language arts and mathematics. Other subject areas shall be rewritten as time and resources are available	Begin by August 31, 2019; complete ELA/math by June 30, 2020; annually in August thereafter	Superintendent, Chief Academic Officer
District shall develop a five-year replacement and review plan for textbooks and classroom materials, and the plan shall include the integration of technology	June 30, 2020; annually in June thereafter	Superintendent, Chief Academic Officer, Principals, Instructional Technology Director, and Business Manager
Board shall adopt the textbook and technology plans	June 30, 2020; as needed with future updates	School Board; to be approved by the CRO

Initiative ACHIEVE02: Conduct an audit of curriculum to identify needs and establish priorities for investments
Deadline: Complete curriculum audit (August 2019); ongoing updates thereafter
Evaluation Measure: Completion of audit
Responsible Parties: Superintendent, Chief Academic Officer, Chief of Leadership Development, and Principals

Concurrent with the development of a plan of investment for curriculum and technology, the District shall complete an audit of its curriculum. This shall be completed by the District or external support depending on the availability of resources within the District's budget.

During the development of the Recovery Plan, the CRO met with educational leaders in the District and reviewed documents related to curriculum and instructional practices. Similar to many other school districts with financial challenges, the Scranton School District has a patchwork of curriculum and related sources with varying levels of alignment with Statewide standards. This is not uncommon in school districts that accumulate curriculum and resources from disparate sources due to a lack of inconsistent levels of funding to fully implement each program with fidelity. In order to support the goals of establishing excellence in pedagogy and practice, the District shall conduct an audit of curriculum resources and development processes and create a standardized curriculum map for all subject areas. The CRO shall direct the District to conduct this review under the authority granted by Sections 642-A(a)(14) and 642-A(a)(17) of Act 141.

In conducting the audit, the District shall incorporate all aspects of its curriculum program. The size and scope of the initial analysis may be adjusted to conform with the availability of funding and staff capacity. However, the final outcome of the process shall at least include the following elements.

- **Alignment of curriculum and related resources**
The first priority of this audit should be to align the District's curriculum with Statewide standards for all subject areas. The analysis should include a review of curriculum and resources used across the District to ensure that usage is horizontally integrated for consistency across all school buildings and similar grade levels. In addition, the progression of learning should be vertically aligned to ensure a logical continuation of learning as students move through grade levels.
- **Integration with instructional practice**
Instruction should be aligned with content standards, and lessons should reflect the use of effective, research-based strategies to meet all student needs in the classroom. Instructional strategies should be differentiated to respond to the individual needs of each student to allow each child to demonstrate their abilities.
- **Use of diagnostics and student performance data**
Assessments should be reviewed for alignment with content standards. Resources should be provided to allow teachers to make mid-course adjustments so that all students complete the year with knowledge of the content area. In addition, interventions need to be available to make sure that students have the support they need in order to perform to the best of their abilities. Finally, the data from these assessments should be incorporated into instructional planning and strategy develop for content areas.
- **Instructional leadership and sharing of practices across the District**
The review should include the use of collaboration among teachers in content areas and with colleagues and instructional teams in the grade levels. In addition, the review should include the systems used by building administrators to provide feedback to ensure that data and effective strategies are used to develop recommendations for staff.
- **Prioritization of needs**
In the review of the curriculum, the development of new resources and investments should be prioritized with clear timelines for execution.
- **Communication and dissemination of changes**
The audit should include a timeline with the communication of changes to key personnel across the District ranging from administrators to building leaders and professional staff. This effort should be integrated with the alignment of professional development with academic priorities outlined in initiatives ACHIEVE04 and SPED03. In addition, the review should also include the communication of changes and improvements to parents and students.
- **Review of policies and processes**
Finally, the review should include the review of the District's current policies and processes for curriculum develop. Concrete recommendations should be provided to institutionalize the improvements made through the audit process.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District use internal staff or external support to conduct an audit of curriculum	August 31, 2019	Superintendent, Chief Academic Officer, Chief of Leadership Development, and Principals
District shall prioritize areas for review to coincide with the re-writing of curriculum outlined in ACHIEVE01	August 31, 2019	Superintendent, Chief Academic Officer, Chief of Leadership Development, and Principals
District shall establish a process for future audits of curriculum	December 31, 2019	Superintendent, Chief Academic Officer, Chief of Leadership Development, and Principals

Initiative ACHIEVE03: Strengthen support systems to build academic skills	
Deadline: Expand summer school program for students performing below grade level (June 2020)	
Evaluation Measure:	Expansion of summer program; Elimination of social promotion policies
Responsible Parties:	Superintendent, Chief Academic Officer, Principals, Business Manager, and School Board

The Scranton School District needs to strengthen basic skills in the core subject areas of reading, English/language arts, mathematics, and science at all grade levels from kindergarten to grade 12. As part of this initiative, the District shall offer a mandatory free summer school program for students whose skills are below grade level in the subject areas of reading and mathematics. Students with an individualized education plan (IEP) specific to those subject areas would not be mandated to attend.

In addition, the District shall eliminate its policy of social promotion in grades 1 and 2, and the District shall eliminate all other policies that advance students on the basis of length of time as the sole criteria of evaluation. In the Scranton School District, no student should move in a progressive manner to the succeeding grade without having strong knowledge of basic skills.

In the table below, the financial impact of the investment in summer school programs is shown. These costs are not included in the assumptions for the baseline multi-year financial projections and all other scenarios shown in this Recovery Plan. To the extent possible, the District shall seek to accommodate these costs within its existing budget, however, if funds are not available, then the CRO shall direct the District to make such investments under the authority granted by Section 642-A(a)(13) of Act 141 and the framework in initiative R07.

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
\$18,691	\$56,093	\$56,151	\$56,214	\$56,288	\$56,347	\$299,785

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall eliminate all grade promotion policies based on length of time	September 30, 2019	School Board
District shall expand the summer school program for students performing below grade level	June 30, 2020	Superintendent, Chief Academic Officer, Principals, and Business Manager

Initiative ACHIEVE04: Align professional development opportunities with academic strategic goals outlined in this Recovery Plan	
Deadline: Align calendar of professional development with strategic goals (September 2019); annually thereafter	
Evaluation Measure:	Review of professional development calendar; change in policy for professional development
Responsible Parties:	Superintendent, Chief of Leadership Development & School Operations (Chief of Leadership Development), Business Manager, and Principals

As the District begins to refresh its curriculum and classroom materials, the District will need to align its professional development opportunities to enhance teaching strategies in areas of need. Areas identified in this Recovery Plan include reading, English/language arts, mathematics, technology integration, adaption of curriculum to meet the needs of the 21st century learner, and special education. This initiative shall include the special education professional development goals outlined in initiative SPED03. In addition, the District shall include the use of data and trend analysis to provide tools for teachers and principals to identify interventions and remediation needs for students. The District shall meet with representatives of its teachers' union and the Act 93 group, which represents the principals, in order to align all professional development opportunities with these areas.

In order to minimize the impact of professional development on the number of instructional days for students, all professional development opportunities shall be offered after school hours through the Educational Research and Dissemination program overseen by the teacher's union or any other program jointly agreed by the teachers' union, the Administration, and the CRO. Teachers shall continue to receive pay for their participation in this program. In addition, one instructor shall be paid for each class, and the stipend for the local site coordinator shall be eliminated.

In the table below, the financial impact of the changes to the professional development program is shown beginning in the 2019-20 school year. These costs are not included in the assumptions for the baseline multi-year financial projections and all other scenarios shown in this Recovery Plan. To the extent possible, the District shall seek to accommodate these costs within its existing budget, however, if funds are not available, then the CRO shall direct the District to make such investments under the authority granted by Section 642-A(a)(13) of Act 141 and the framework in initiative R07.

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
(\$14,130)	(\$42,407)	(\$42,450)	(\$42,498)	(\$42,554)	(\$42,598)	(\$226,637)

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall offer all professional development opportunities after school hours	August 31, 2019	Superintendent
District shall align all professional development opportunities with academic strategic goals in the Recovery Plan	September 30, 2019; annually thereafter	Superintendent, Chief of Leadership Development, Principals, and Business Manager

Initiative ACHIEVE05: Reassign principals based on building needs for instructional leadership, improvement of learning outcomes, and enhanced building culture	
Deadline: Evaluate staffing assignments and re-assign staff if needed (August 2019); annually thereafter	
Evaluation Measure:	Evaluation of staffing needs
Responsible Parties:	Superintendent and Chief of Leadership Development

The District's building-level administrators will be key components of implementing the new curriculum and technology plans, and are critical to providing instructional feedback for teachers. In order to support the academic goals of the Recovery Plan, the District shall evaluate the assignment of all building-level administrators to assign them based on needs for instructional leadership, improvement of learning outcomes, and enhanced building culture. If needed, the District shall assign the Chief Academic Officer or the Chief of Leadership Development to serve temporarily on-site at school buildings in order to support the implementation of academic goals. In addition, the District shall ensure that building-level administrators have sufficient supports to complete building walkthroughs and formal classroom observations. The CRO shall direct the District to reassign principals under the authority granted by Sections 642-A(a)(13) and 642-A(a)(14) of Act 141. If such positions are unfilled and individuals are not immediately available to serve in these roles, the CRO shall direct the District to temporarily employ individuals that have sufficient expertise but lack the requisite State certifications under the authority granted by Section 642-A(a)(9) of Act 141.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall evaluate the assignment of principals and make adjustments according to the academic goals in the Recovery Plan	August 31, 2019; annually thereafter	Superintendent, Chief of Leadership Development

Initiative ACHIEVE06: Implement school improvement plans with fidelity	
Deadline: Implementation of school improvement plans (August 2019); annually thereafter	
Evaluation Measure:	Implementation of plans
Responsible Parties:	Superintendent, Chief Leadership Development, and Principals

Under the Every Student Succeeds Act (ESSA), the Commonwealth of Pennsylvania implemented a new school accountability program to identify schools in need of support, to provide additional resources for those schools, and to develop plans to improve student performance. Currently, the Commonwealth's accountability system identifies two types of schools for intervention: Comprehensive Support and Improvement (CSI) and Additional Targeted Support and Improvement (A-TSI). As of June 2019, the Scranton School District had no CSI schools and four A-TSI schools: Isaac Tripp Elementary School, West Scranton Intermediate School, and Scranton High School, and West Scranton High School.

As part of the implementation of the Recovery Plan, the District shall be required to implement all components of the Commonwealth's school improvement plans with fidelity. For the 2019-20 school year, the District shall implement Schoolwide Positive Behavior Support (SWPBS) programs in all A-TSI schools.

The requirements of this initiative shall apply to all accountability systems implemented by the Commonwealth of Pennsylvania under ESSA and any successor acts or systems of school accountability.

In the table below, the financial impact of the implementation of the comprehensive plans is shown. These costs are not included in the assumptions for the baseline multi-year financial projections and all other scenarios shown in this Recovery Plan. To the extent possible, the District shall seek to accommodate these costs within its existing budget, however, if funds are not available, then the CRO shall direct the District to make such investments under the authority granted by Section 642-A(a)(13) of Act 141 and the framework in initiative R07.

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
\$5,596	\$0	\$0	\$0	\$0	\$0	\$5,596

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall implement all school improvement plans with fidelity	August 31, 2019; annually thereafter	Superintendent, Chief Leadership Development, and Principals

	Initiative ACHIEVE07: Transition to community-based partners for all Pre-Kindergarten programs as part of the building re-configuration
	Deadline: Transition to community-based partners for all Pre-Kindergarten programs (June 2020)
	Evaluation Measure: Transition of Pre-Kindergarten programs
	Responsible Parties: Superintendent, School Board, and CRO

In the development of the Recovery Plan, the CRO and the technical assistance team provided an analysis of the District’s enrollment and usage of facilities, which were summarized in a report provided to the District in December 2018 and presented to the School Board the following month. Among the chief findings of this analysis was the need to align the District’s classroom space with current enrollment levels, and to develop a comprehensive plan for building consolidation. All of the findings of this report and the related initiatives for the Recovery Plan are summarized in the Facilities chapter.

Currently, the District provides Pre-Kindergarten programs through the allocation of federal Title I funding, and the District has committed to aligning all aspects of the Pre-Kindergarten with Title I laws and regulations pursuant to findings presented by the CRO and the technical assistance team in 2019. In the 2019-20 school year the District has applied to receive a Pre-K Counts grant from the Commonwealth of Pennsylvania. If the District receives the Pre-K Counts grant or other such funding source, these funds shall offset the use of Title I funding for Pre-Kindergarten programs. Any surplus Title I funds shall be re-allocated for use to enhance K-8 interventions identified by the Superintendent in consultation with the CRO.

As outlined in the building consolidation initiative in this Recovery Plan (Initiative F03), the District shall transition to a center-based program for Pre-Kindergarten starting in the 2020-21 school year. All of the costs of this program shall be funded through grants and other non-District sources, and the District shall cease using its revenues for Pre-Kindergarten programs. All remaining Title I funds shall be re-allocated for use to enhance K-8 interventions identified by the Superintendent in consultation with the CRO.

The CRO shall direct the District to make these investments under the authority granted by Section 642-A(a)(13) of Act 141 and the framework in initiative R07.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall re-allocate Title I funding to K-8 interventions if the District receives additional funds to support Pre-Kindergarten programs in the 2018-19 school year	December 31, 2019	Superintendent, School Board, and CRO
District shall transition to center-based partners for Pre-Kindergarten programs and re-allocate remaining Title I funding to K-8 interventions	June 30, 2020	Superintendent, School Board, and CRO

Initiative ACHIEVE08: Complete transition to schoolwide allocations for Title I funding in elementary schools	
Deadline: Completion of Comprehensive plans (September 2019); ongoing thereafter	
Evaluation Measure:	Comprehensive plan developed
Responsible Parties:	Superintendent, Business Manager, Title I Coordinator, Chief Academic Officer

In the 2019-20 school year, the District will transition to schoolwide allocations for Title I funds in elementary schools. This transition will allow the District to more closely align federal funds to support the needs of individual buildings. Principals are in the process of developing needs assessments to determine which interventions may be appropriate given student performance and other relevant criteria, and then use this data to set building level goals in a comprehensive plan.

As part of this initiative and the institutionalization of improvements in federal programs accounting outlined in initiative B06, the District shall complete the comprehensive plans and submit them to the Department of Education by the September 2019 deadline.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall implement the building comprehensive plans as part of the transition to schoolwide Title I allocations	Initial plans submitted; awaiting State response (immediately after State response); ongoing thereafter	Superintendent, Business Manager, Title I Coordinator, and Chief Academic Officer

Initiative ACHIEVE09: Implement the arts integration grant with fidelity	
Deadline: Completion of building utilization plan (December 2019)	
Evaluation Measure:	Completion of building utilization plan
Responsible Parties:	Superintendent, Chief Academic Officer, and Business Manager

In October 2018, the Scranton School District was the recipient of a \$2.4 million grant from the Philadelphia Arts in Education Partnership. The grant is to be spent over a four-year period from 2018-19 to 2021-22, which means that the grant is effective for the District's calendar year budgets from the current 2019 year to the 2022 calendar year. The funding is spent through the Arts in Education Partnership, and the funds do not go to the District's General Fund.

In the development of the building reconfiguration plan in initiative F03, the District shall continue to implement the arts integration grant with fidelity. The District shall work with the CRO and the Commonwealth to ensure that any closures of schools shall not impact the District's receipt of this grant and its related services in the District's schools, while still achieving the building reconfiguration financial targets of this Recovery Plan.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall ensure that the arts integration grant is not impacted by the building re-configuration plan in the submission of the final plan to the School Board	December 31, 2019	Superintendent, Chief Academic Officer, and Business Manager

Initiative ACHIEVE10: Review course offerings for potential consolidation of duplicative programs	
Deadline: Evaluate course offerings for the 2019-20 school year (August 2019); ongoing thereafter	
Evaluation Measure:	Evaluation of course offerings; certification by Chief Recovery Officer
Responsible Parties:	Superintendent, Chief Academic Officer, Principals, School Board, and CRO

In order to address the District's projected deficits and to align academic programs with strategic goals, the District shall review all course offerings to eliminate obsolete programs and consolidate duplicative courses for the 2019-20 school year. The CRO shall direct the District to conduct this evaluation of courses under the authority granted by Sections 642-A(a)(13) and 642-A(a)(14) of Act 141. Any savings will be redirected to the priorities of the Recovery Plan as outlined in the framework in initiative R07 and the authority granted by Section 642-A(a)(13) of Act 141. Due to the goals of this initiative, course offerings may vary between school buildings due to the requisite numbers of students to open a new section of a course. However, the District shall make efforts to provide similar programs through the virtual school program described in further detail under ACHIEVE12.

In addition, the District shall review current schedules at the elementary, intermediate, and high school levels in an effort to improve learning and opportunities for students. Where possible, the District shall implement a schedule to include structured interventions and enrichment time for students. Finally, the District shall adopt a policy to ensure that no regular education sections are offered if fewer than ten students enrolled.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall review course offerings for potential consolidation of duplicative programs	August 31, 2019; annually thereafter	Chief Academic Officer, Principals
District shall current schedules of all school buildings to allocate time for interventions and enrichment	August 31, 2019; annually thereafter	Chief Academic Officer, Principals
The CRO shall review and approve the changes submitted by the District if it is found to be adequate	August 31, 2019	CRO
District shall adopt a policy to ensure that no regular education courses are offered with fewer than ten students enrolled	September 30, 2019	Superintendent, School Board

Initiative ACHIEVE11: Create and utilize partner educational institutions to provide additional opportunities for students	
Deadline: Completion of strategy document (October 2019)	
Evaluation Measure:	Strategy developed
Responsible Parties:	Superintendent, Chief Academic Officer, and Principals

As outlined in the payments in lieu of taxes initiative (R05), the District shall develop a comprehensive plan to approach local institutions to provide support for the District's programs. In the development of the District's strategy, the District shall identify opportunities to create partnerships with educational institutions to provide additional opportunities for students. These opportunities may include dual enrollment and early college programs, enhancement of opportunities in the District's Career Pathways program under initiative ACHIEVE13, or other opportunities identified by the District.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall integrate potential partnerships with educational institutions in the development of its strategy for payments in lieu of taxes	October 30, 2019	Superintendent, Chief Academic Officer, and Principals

Initiative ACHIEVE12: Expand the District's cyber school program	
Deadline: Expansion of cyber program to the elementary school (August 2020)	
Evaluation Measure:	Expansion of cyber program; Enrollment in District cyber program; Enrollment in charter schools
Responsible Parties:	Chief of Leadership Development, Principals, Guidance Counselors, Business Manager, and School Board

In comparison to other school districts in the Commonwealth, the Scranton School District has a relatively low percentage of students enrolled in charter schools. The table below shows the District's charter school enrollment as a percentage of the 2017-18 average daily membership (ADM). Total spending on charter school tuition was \$6.2 million in the District's adopted 2019 budget.

However, the District has experienced an increase in the number of students who are enrolled in cyber charter schools, and the baseline financial assumptions in the Recovery Plan increase this enrollment at

recent rates. Typically, a school district is able to offer an equivalent or superior cyber school experience at much lower cost than the price of charter school tuition to the district. A strong cyber school program can also help a district expand its blended learning opportunities more generally. Given these academic factors and the Scranton School District’s financial challenges, it is important for the District to provide a quality cyber school experience across all grades.

As an effort to expand the range of the programs offered to students, the District has started to expand its own cyber school program. In order to address the projected future growth in students attending cyber charter schools, the District shall expand the enrollment in its own virtual school.

SSD Charter School Enrollment

2017-18	
Actual	
Total ADM	10,392
Charter School ADM	447
% Charter School	4.3%

Currently, the District only offers the cyber school program for students in grades 6-12, and the District would need to purchase another program to be able to offer the same services to elementary school students. As of March 2019, there were 93 students who were enrolled in cyber charter schools in grades K-5, and the baseline projections assume that the District will continue to experience a loss of 30 students per year to charter schools. In order to address the future growth in charter school enrollment, the District shall expand its virtual school program to the elementary grades.

In addition to these efforts, the District shall embark on a campaign to inform parents of the Scranton School District’s virtual school program. These efforts may include open houses inviting parents to tour schools and to discuss programs with the administration, and communications from guidance counselors and teachers to share information about the District’s programs.

Finally, the District shall establish an exit interview process for families who withdraw students from District schools to attend a charter school.

The CRO shall direct the District to invest in the cyber school program under the authority granted by Sections 642-A(a)(13) and 642-A(a)(14) of Act 141.

The financial impact table below shows the impact of expanding the program to the elementary level in the 2020 calendar year. Costs are shown relative to the baseline projections, and actual costs and savings may vary from those shown in the table below. The initiative assumes that the growth in charter school enrollment will decrease from the baseline assumption of 30 students per year. The annual growth in charter school enrollment is reduced each year beginning in the 2021 calendar year until it stabilizes at ten students per year in the 2023 calendar year. Costs are included for marketing efforts, two teachers to accommodate the additional students in the District’s cyber program, and the estimated costs of purchasing an elementary level program the cyber program.

Financial Impact

	2019	2020	2021	2022	2023	2024	Cumulative Impact
Marketing Efforts	\$0	\$5,000	\$5,110	\$5,222	\$5,337	\$5,455	\$26,124
Staffing	\$0	\$22,809	\$68,869	\$93,970	\$143,416	\$146,534	\$475,598
Elementary Program	\$0	\$190,000	\$194,180	\$198,452	\$202,818	\$207,280	\$992,730
Tuition Savings	\$0	\$0	(\$90,055)	(\$301,945)	(\$613,815)	(\$945,942)	(\$1,951,758)
Total Impact	\$0	\$217,809	\$178,104	(\$4,301)	(\$262,244)	(\$586,674)	(\$457,306)

Reduction in Charter School Enrollment Growth	0	0	7	14	20	20	61
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Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall increase efforts to share information about the District's cyber program with parents	December 31, 2019	Superintendent, Chief of Leadership Development, Principals, and Guidance Counselors
District shall evaluate the costs of expanding the cyber program to the elementary school level	March 31, 2020	Superintendent, Chief of Leadership Development, and Business Manager
District shall expand the cyber program to the elementary level	August 31, 2020	Chief of Leadership Development, Business Manager, and School Board

Initiative ACHIEVE13: Develop plan to establish a Science, Technology, Engineering, Arts, and Mathematics (STEAM) academy program at West Scranton High School	
Deadline: Completion of plan (August 2022)	
Evaluation Measure:	Present plan to Board; take subsequent action if directed
Responsible Parties:	Superintendent, Chief of Leadership Development, Business Manager, and School Board

In order to expand the District's program offerings at the high school level, the District shall develop a plan to establish a STEAM academy program at West Scranton High School. In the development of this plan, the District shall incorporate any changes in building or grade configuration from the building utilization study (Initiative F03). In addition, the District shall incorporate the development of the STEAM academy with its initiatives to develop partnerships with educational institutions (ACHIEVE10) and the establishment of payments in lieu of taxes agreements with local institutions (R05).

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall create a comprehensive plan to establish a STEAM academy program at West Scranton High School	March 31, 2020	Superintendent, Chief of Leadership Development, and Business Manager
District shall present the STEAM academy plan to the Board and take subsequent action if needed	August 31, 2022	Superintendent, School Board

Initiative ACHIEVE14: Continue expansion of the District's career pathways program	
Deadline: Develop parent and student guide (March 2020)	
Evaluation Measure:	Guide developed
Responsible Parties:	Superintendent, Chief Academic Officer, Principals, and Guidance Counselors

As part of the Recovery Plan, the District shall continue with its expansion of the career pathways program to offer personalized options for students to be prepared for college and career options. This goal is aligned with the measurements of the Future Ready PA Index, and the academic targets of this Recovery Plan. In order to provide parents and students with resources to choose among the options in the program, the District shall develop a guide that provides information on course offerings and career development.

If the District has sufficient funds and staff capacity, the District shall evaluate opportunities to expand the career pathways program. All proposals for expansion shall require a needs assessment of the current program, estimated costs of expansion, and an analysis of the benefits provided to students. District staff should be encouraged to contact or visit peer school districts to see how other programs are structured. Expansion opportunities may be incorporated with the District's development of partnerships with educational institutions (ACHIEVE10).

In the table below, the financial impact of the materials for the guides is shown. These costs are not included in the assumptions for the baseline multi-year financial projections and all other scenarios shown in this Recovery Plan. To the extent possible, the District shall seek to accommodate these costs within its existing budget, however, if funds are not available, then the CRO shall direct the District to make such investments under the authority granted by Section 642-A(a)(13) of Act 141 and the framework in initiative R07.

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
\$1,000	\$1,022	\$1,044	\$1,067	\$1,091	\$1,115	\$6,340

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall develop a career pathways guide for parents and students	March 31, 2020	Superintendent, Chief Academic Officer, Principals, and Guidance Counselors
The CRO shall review and approve any proposals to expand the career pathways program submitted by the District if it is found to be adequate	As needed	CRO

Initiative ACHIEVE15: Expand opportunities for college preparation	
Deadline: Evaluation of new AP courses for 2019-20 school year (August 2019); ongoing evaluation thereafter	
Evaluation Measure:	Students participating in SAT and AP exams; student scores in SAT and AP exams
Responsible Parties:	Superintendent, Chief Academic Officer, Chief of Leadership Development, and Business Manager

In order to support the Recovery Plan's goals to improve opportunities for college and career readiness, the District shall expand college preparation programs for students. This shall include an increase in the number Advanced Placement (AP) course offerings with the goal of increasing the numbers of students in such courses, and increasing the number of students achieving a score of three or greater. Increases in the number of courses shall be contingent on the availability of funds, and adherence to the District's enrollment policy regarding the offering of courses (ACHIEVE09). Whenever possible, the District shall attempt to offer programs through the virtual school program if sufficient demand is not available to fill a classroom.

The District shall also create a college scholarship fund to provide funding for test fees and preparation materials for students interested in taking the SAT and AP courses. The District shall coordinate its efforts to develop partnerships with educational institutions (ACHIEVE10) and to establish payments in lieu of taxes agreements with local institutions (R05) to seek funding for this scholarship fund.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall provide additional AP courses through classrooms and the District's virtual school program as funding is available	August 31, 2019; annually thereafter	Superintendent, Chief Academic Officer, and Chief of Leadership Development
District shall establish a scholarship for students taking the SAT and AP exams	December 31, 2019	Superintendent, Chief Academic Officer, and Business Manager

Initiative ACHIEVE16: Expand support for industry-based learning	
Deadline: Completion of evaluation (March 2020); subsequent action if necessary	
Evaluation Measure:	Report developed; certification by Chief Recovery Officer
Responsible Parties:	Superintendent, Chief Academic Officer, Chief of Leadership and Development, and CRO

In addition to college preparation, this Recovery Plan also establishes a goal to increase opportunities for students to participate in industry-based learning programs. In order to achieve the goals in this Plan, the District shall evaluate the current structure of programs for students attending the Lackawanna CTC to identify ways to increase the number of students participating in the program.

One area identified during the development of the Recovery Plan was the ability of students to complete all of their core course requirements while at the Lackawanna CTC. Under the current agreement with the teachers' union, the District is required to provide instruction for courses such as mathematics at the District's schools, which requires students to travel between campuses in order to attend all of their

classes. In conjunction with the negotiations with the teachers' union, the District shall develop a proposal leading to an amicable solution for all parties – the District, the teachers' union, and the Lackawanna CTC – that will allow more students to more easily attend the CTC for all of their courses.

In addition, the District shall identify other areas that may affect the number of students participating in the CTC program or that may impact their academic performance. In the plan submitted to the CRO for review, the District shall identify courses of action to remediate these issues.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall evaluate opportunities to support students attending the Lackawanna CTC	March 31, 2020	Superintendent, Chief Academic Officer, and Chief of Leadership Development
The CRO shall review and approve the plan submitted by the District if it is found to be adequate	March 31, 2020	CRO

	Initiative ACHIEVE17: Create additional co-curricular clubs to meet the needs of the middle and high school students
Deadline: Completion of evaluation (June 2020); subsequent action if necessary	
Evaluation Measure:	Reports developed; Certification by Chief Recovery Officer
Responsible Parties:	Superintendent, Chief Academic Officer, Chief of Leadership Development, and CRO

Student engagement is a key component of factors impacting student attendance and performance on academic assessments. As part of the implementation of the Recovery Plan, the District shall evaluate opportunities to create additional co-curricular clubs, student activities, and athletic teams to meet the needs of the middle and high school students. District funding for these opportunities shall be contingent on the availability of funds and the District's ability to produce a balanced budget as required under initiative R01.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall evaluate opportunities to create additional co-curricular clubs at the middle and high school levels	June 30, 2020	Superintendent, Chief Academic Officer, Chief of Leadership Development, CRO
The CRO shall review and approve the plan submitted by the District if it is found to be adequate	June 30, 2020	CRO

Other Initiatives

- Evaluate costs and benefits of using District personnel to manage teacher substitutes.**
 During the development of the Recovery Plan, the CRO noted the District's difficulty in regularly identifying enough substitute teachers to fill its classrooms. Currently, the District uses a contracted vendor to call and assign substitute teachers. As part of the implementation of this Recovery Plan, the District shall evaluate the costs and benefits of using District personnel to manage the substitute teacher assignments.

- **Related initiatives in the Special Education chapter of this Recovery Plan.** Initiative SPED03 prioritizes the creation of professional development opportunities for principals and teachers, which should be integrated with the initiative to align professional development programs in ACHIEVE03. In addition, the District shall also evaluate the need for a special education audit under initiative SPED07.
- **Related initiatives in the Business Office chapter of this Recovery Plan.** The District's transition to schoolwide allocations for Title I funds will need to be compliant with the improvements in federal programs accounting under initiative B06.
- **Related initiatives in the Facilities chapter of this Recovery Plan.** Under ACHIEVE06, the District will cease to offer Pre-Kindergarten programs funded with the District's funds as part of the building re-configuration initiative in initiative F03. The arts integration grant in ACHIEVE09 will need to be taken into account as the District develops the building reconfiguration plan.
- **Related initiatives in the Information Technology chapter of this Recovery Plan.** The expansion of instructional technology, and the full implementation of all IT systems are discussed in initiatives IT03 and IT04. These initiatives will need to be considered with the District's curriculum audit and development of a curriculum and technology plan in initiatives ACHIEVE01 and ACHIEVE02. In addition, the expansion of the District's cyber program is outlined in ACHIEVE12. The implementation of Google Classroom and the District's cyber program shall be completed in accordance with initiative IT04 to implement all tools with fidelity. If the District pursues partnerships with foundations to provide low-cost internet access, these efforts shall be coordinated with the broader goals to engage with educational institutions in ACHIEVE10.
- **Related initiatives in the Revenue chapter of this Recovery Plan.** Initiative R07 allows the CRO to invest surplus resources in priority areas identified by the Recovery Plan. If the analysis of the supervisory structure requires additional personnel, the CRO may direct the District to use any surplus funds generated in future years to support the costs of these positions. In the event that surplus funds are not available, the CRO reserves the right to direct the District to provide funding for academic priorities in this chapter under the powers granted by Act 141. In addition, the District should coordinate its efforts to establish a payments in lieu of taxes program in initiative R05 with the partnerships with local educational institutions in ACHIEVE10.

Special Education

Overview

The Scranton School District has experienced a significant increase in special education costs in recent years, outpacing growth in other parts of the District’s budget. In the 2019 adjusted budget, special education costs account for \$25.6 million of the \$166 million total, or 15.4 percent. Understanding the growth in special education spending requires a multi-faceted view, and the District is not alone in facing significant budget pressures from several parts of this area of the budget. The CRO has met with key stakeholders from the District Administration as well as teachers in order to provide some context for the financial trends discussed in this chapter. The initiatives outlined here are intended to focus the District’s efforts on providing high-quality services to special education students currently in the classroom, and to direct funding from compensatory services for prior year deficiencies to preventive measures.

Key Finding 1: Special Education costs have grown faster than revenues over the period from 2012 to 2017.

School districts across the Commonwealth and throughout the nation have faced increasing budgetary pressures from a growing population of special education students and the requisite services to meet their needs. Trends in the Scranton School District have mirrored these broader movements seen elsewhere. In the table below, financial data from the District’s audited financial statements is shown for the 2012 to 2017 calendar years, the 2018 preliminary audited numbers, and the 2019 adjusted budget.

SSD Special Education Costs¹ (\$ Millions)

Budget Category	2012	2013	2014	2015	2016	2017	2018 ²	2019 ²
	Actual	Actual	Actual	Actual	Actual	Actual	Preliminary	Adj. Budget
Personnel Costs ³	\$10.8	\$12.0	\$13.4	\$15.8	\$17.4	\$18.6	\$17.9	\$18.9
TTOPS ⁴	\$1.4	\$1.6	\$1.3	\$1.2	\$1.2	\$1.7	\$3.7	\$3.8
Purchased Services ⁵	\$1.4	\$1.9	\$2.0	\$1.5	\$1.5	\$2.0	\$2.4	\$2.8
Operating Costs ⁶	\$0.1	\$0.1	\$0.2	\$0.1	\$0.3	\$0.3	\$0.2	\$0.2
Subtotal	\$13.7	\$15.5	\$16.9	\$18.6	\$20.5	\$22.5	\$24.2	\$25.6
Lawsuits ⁷	\$2.1	\$0.0	\$0.0	\$0.6	\$0.7	\$0.5	\$0.0	\$0.0
Total Costs	\$15.8	\$15.5	\$16.9	\$19.3	\$21.2	\$23.0	\$24.2	\$25.6

¹ Figures from 2012 through 2017 were taken from the audited financial statements provided by the District.

² The 2018 costs reflect the preliminary audited figures from November 2018, and the 2019 costs reflect the 2019 adjusted budget used in the baseline financial projections in this Plan.

³ Personnel costs include total salaries and gross benefit costs before reimbursement from the Commonwealth.

⁴ TTOPS refers to “Transportation, Tuition, and Other Purchased Services.” This category includes costs of tuition for out-of-District placements, charter schools, transportation, and other costs. Audited statements for 2012 to 2017 may not account for special education charter school tuition, and the increase in costs for this category for 2018 and 2019 appears to be a result of properly allocating charter school tuition to this function for those years.

⁵ Purchased services would include payments to the Intermediate Unit and contracted services, such as contracted speech pathologists.

⁶ Operating costs include supplies, property, and other miscellaneous costs.

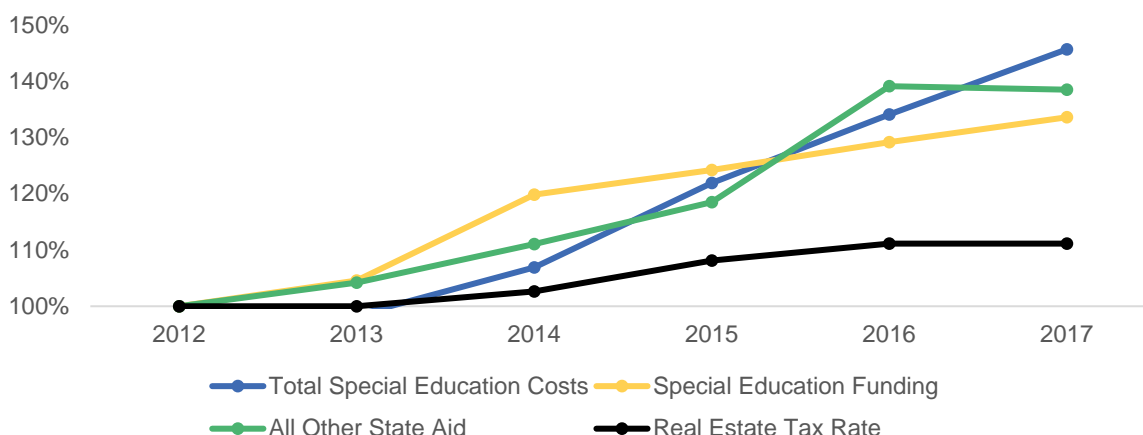
⁷ Lawsuits reflects the amounts recorded in the annual audits for transfers out of the General Fund for compensatory services. Years when there is no spending shown in this line does not necessarily mean the District did not pay to settle special education lawsuits. The Recovery Plan team is not able to calculate the impact of such payments on District insurance costs.

Due to differences in how the District reported costs in the 2018 and 2019 calendar years, financial trends are discussed for the period from 2012 to 2017. Beginning in the 2018 calendar year, the District began correctly accounting for more special education costs. As a result, the amounts for tuition include payments for charter school special education students that were reflected elsewhere in the audited statements for prior years.

Over the time from 2012 to 2017, total special education costs grew by a compound annual rate of 10.5 percent per year. When the costs of transfers out of the General Fund for compensatory education from special education lawsuits are included in the calculations, the total special education costs grew by 7.8 percent over the same period. The most recent tuition rate for Scranton students attending charter schools is \$10,176.36 per year for regular education students and \$23,168.40 annually for special education students.

In the chart below, the total cost trends (including special education lawsuits) are shown for the period from 2012 to 2017 on a percentage basis compared to the starting year. Revenues from the Commonwealth are also illustrated along with the cumulative change in the District's real estate tax rate over the same time. The chart shows that the District's special education costs have grown faster than Special Education Funding revenues and all other aid from the Commonwealth in recent years. Results from the preliminary 2018 audit and the 2019 budget indicate that this trend is expected to continue. In the 2019 budget, the District added twelve special education teachers and paraprofessional support staff in order to meet the growing needs of its students.

Special Education Trends
% of 2012



Key Finding 2: The District's special education population has grown as a share of total enrollment in its schools.

Over roughly the same period, the District's special education enrollment increased in terms of the number of students, and in terms of the percentage of the total students educated by the District. In the table below and on the following page, enrollment data from the 2011-12 school year is compared to the 2017-18 school year for the Scranton School District, and peer school districts. The methodology for selecting the peer districts is discussed in further detail in the Revenue chapter, and it is intended to capture school districts of a similar size and relative wealth as the Scranton School District. Figures in the table are ordered in descending order based on the reported percentage of enrollment for the 2017-18 school year.

Comparison of Special Education Enrollment

School District	2011-12		2017-18		Change	
	Students (#)	% of District Enrollment	Students (#)	% of District Enrollment	Students (#)	% of District Enrollment
Chester-Upland SD	752	19.8%	782	25.5%	30	5.7%
Wyoming Valley West SD	1,000	19.0%	1,136	23.1%	136	4.1%
York City SD	1,315	23.6%	1,333	22.1%	18	(1.5%)
Wilkes-Barre Area SD	1,233	17.1%	1,478	20.7%	245	3.6%
Erie City SD	2,216	17.9%	2,180	20.2%	(36)	2.3%
Altoona Area SD	1,481	18.7%	1,533	20.1%	52	1.4%
Scranton SD	1,745	18.6%	1,961	20.1%	216	1.5%
East Stroudsburg Area SD	1,500	19.4%	1,362	20.0%	(138)	0.6%
Lebanon SD	743	16.0%	1,003	19.6%	260	3.6%
Armstrong SD	1,072	18.6%	1,067	19.5%	(5)	0.9%
Pittsburgh SD	4,890	19.5%	4,294	19.3%	(596)	(0.2%)
William Penn SD	869	16.2%	948	18.8%	79	2.6%
Reading SD	3,169	17.4%	3,331	18.7%	162	1.3%
Lancaster SD	1,995	18.4%	1,943	17.9%	(52)	(0.5%)
Harrisburg City SD	1,533	22.4%	1,193	17.5%	(340)	(4.9%)
Upper Darby SD	1,972	15.9%	2,197	17.5%	225	1.6%
Allentown City SD	2,601	13.9%	2,998	17.3%	397	3.4%
Mifflin County SD	774	14.3%	724	14.6%	(50)	0.3%
Williamsport Area SD	1,016	18.6%	717	14.5%	(299)	(4.1%)
Philadelphia City SD	20,784	13.6%	19,402	14.5%	(1,382)	0.9%
Hazleton Area SD	1,173	11.3%	1,392	12.2%	219	0.9%
Median (Excluding Scranton SD)	1,398	18.2%	1,377	19.1%	—	—
Scranton SD Rank	8 of 21	9 of 21	7 of 21	6.5 of 21	—	—

As shown in the table above, the District's total enrollment increased by 216 students between the 2011-12 and 2017-18 school years, which resulted in an increase of 1.5 percentage points. The Scranton School District has the seventh highest fraction of special education students in District-operated schools. The enrollment figures in the table above do not show the share of each district's special education students attending charter schools.

Increases in special education enrollment will tend to result in higher costs to the District as new classrooms and support services are provided to the students. In turn, the District would receive additional funding through the Commonwealth's subsidy formulas, particularly from the special education funding formula as the number of students and their needs change over time. Implications of the use of classroom space will be discussed in further details in initiative SPED01 (Classroom space and staffing).

Key Finding 3: The District continues to face significant costs for the settlement of special education lawsuits.

Although the total payment costs related to special education lawsuits appears to have decreased based on information recorded in the District's audited financial statements, the District's costs of the lawsuits and the total number remain elevated compared to other school districts. One important caveat is that these figures may not reflect the total costs incurred by the District. Due to limitations in available data, the Recovery Plan team was unable to determine if there were related costs for legal services, insurance, or other areas that are not captured in the categories used in the audited financial statements and the District's other financial reports. However, based on the most recent available data, the District spent

between \$500,000 and \$800,000 per year for contributions to student funds for compensatory education from 2015 to 2017. Recently, the District hired a new Special Education Director to oversee the program, and a new firm was hired to represent the District as the special education attorney. In both instances, District stakeholders are concerned about the number and total costs of settlements, and there have been promising signs that the District has reduced the financial impact of settlements since 2017.

Based on the CRO's review of the available information, it appears that the lawsuits are largely driven by four interconnected factors:

- **Lack of research-based methodologies used in the development of individualized education plans (IEPs)**

A well-conceived IEP will include specific language detailing the types of services that will be provided to the student to address their particular needs. In some cases, IEPs in the Scranton School District may not reflect the entirety of the student's needs, and in others, IEPs may include more expansive and extensive services that are necessary. The District also faces challenges when new students arrive with existing IEPs from other districts. These issues are partially driven by the availability of professional development for District staff, and partially due to the lack of key positions, which will be discussed below. In some cases, the District's IEP documents do not reflect the entirety of the needs of the students, and these issues are brought to the forefront in the lawsuits.

- **Lack of sufficient progress monitoring to evaluate fidelity with the IEPs**

In addition to the plan of instruction in the IEP, the District often fails to fully monitor student progress in meeting the goals outlined in the documents. In some cases, faulty measures that do not properly measure growth may be used to evaluate the services provided, or the data for the measures may not be properly tracked.

- **Impact of staffing shortages for key positions**

Similar to many other school districts, the Scranton School District faces severe challenges in recruiting and retaining staff for the special education program. At the supervisory level, the District currently has two vacancies for supervisors of special education, compared to a budgeted complement of three positions. This leads to issues in the oversight of the development of the IEPs, and providing feedback and support to classroom teachers. In addition, the District also faces a shortage of staff such as school psychologists, which spreads the current staff over a large number of cases. These staffing shortages can also lead to lack of consistency in implementing and monitoring IEPs.

In the classroom, the number of available special education teachers can affect day-to-day staffing in addition to the ability to provide services on a regular basis. For example, if a special education teacher is out for paid leave, the District may only have a non-special education certified teacher available. For each of the days covered by this teacher, the students would need to be provided compensatory education. Finally, difficulties attracting and retaining personal care assistants and other paraprofessionals can limit the District's ability to provide the level of services outlined in each IEP document.

- **Limited coordination of efforts among academic leaders in school buildings**

Although the District has made strides in addressing some of the root causes of the special education lawsuits, there remains a lack of coordinated effort among all levels of instruction. This is not to point blame at any one particular group, but to highlight the difficulty in managing the delivery of essential services in the face of limited time and many competing demands.

As one concrete example of these challenges, the lack of supervisory and psychologist positions can lead to incomplete IEP documents. In some cases, the principal or school psychologist assigned to a case may be required to leave the periodic IEP monitoring meeting to attend to other responsibilities, which limits the time and ability to deliver thoughtful feedback in the drafting and implementation of the document. In order to continue to make progress in addressing these

issues, the District will be required to provide training and leadership at all levels of the instructional program ranging from the central office down to the individual schools.

The goal of the initiatives below is to guide the District in formulating a comprehensive response to address these core issues in special education. Costs related to special education will likely continue to grow in future years; however, the Recovery Plan intends to align the District’s services with the needs of its students and the available resources to provide these necessary support systems while also managing costs.

Initiatives

Initiative SPED01: Evaluate use of classroom space and current staffing model	
Deadline: Evaluate current program (Fall 2020); adopt plan with proposed changes (Winter 2020)	
Evaluation Measure:	Current program evaluation; plan with proposed changes
Responsible Parties:	Superintendent, Special Education Director, Facilities Director or Designee, and Business Manager

As noted in the analysis above, the District’s population of special education students has grown since the 2011-12 school year, and the share of special education students has grown by two percentage points. In 2016, the District began to implement a new special education plan, which transitioned the service structure from a regionally-based program to one where students would receive their services in their home school. In addition, the District also established the center-based Monticello program located with the Lincoln-Jackson alternative education program at the Electric City Academy.

Given the significant changes in attendance zones that will take place with the building reconfiguration plan outlined in initiative F03, the District will need to ensure that classroom space is available for all students. In conjunction with the development of the building reconfiguration plan, the District shall review its classroom assignments and staffing levels for all special education programs. The CRO shall direct the District to conduct this review under the authority granted by Sections 642-A(a)(13) and 642-A(a)(14) of Act 141.

In the table below, the District’s special education classrooms are shown as a percentage of the total number of available classrooms. Information for total classrooms was taken from the District’s PlanCon documents that outlined the rated pupil capacity per school used in the enrollment analysis in the Facilities chapter of this Recovery Plan. The actual percentages of classrooms assigned to special education programs may vary depending on modifications made to each building. As shown in the table below, the share of classrooms used for special education programs also differ by school building. This analysis is for illustrative purposes only to highlight the need to evaluate the use of space when aligning attendance zones with the new building configurations.

SSD Classroom Utilization

School ⁸	Total Classrooms	Special Education Classrooms	% of Total
Bancroft ES	14	1	7.1%
Charles Sumner ES	11	3	27.3%
Frances Willard ES	22	3	13.6%
Isaac Tripp ES	37	10	27.0%
John Adams ES	14	3	21.4%
John F. Kennedy ES	18	4	22.2%
McNichols Plaza ES	17	3	17.6%
Neil Armstrong ES	26	6	23.1%
Robert Morris ES	16	4	25.0%
Whittier ES ⁹	21	3	14.3%
William Prescott ES	10	3	30.0%
Northeast IS	18	7	38.9%
South Scranton IS	33	8	24.2%
West Scranton IS	28	7	25.0%
West Scranton HS	38	7	18.4%
Scranton HS	41	13	31.7%
Total	364	85	23.4%

In the District's review of its special education program, the District shall evaluate the number of students by exceptionality, the availability and certifications of professional staff and support staff, the potential impacts to transportation needs, and the availability of classroom space. The School Board shall adopt the final plan, contingent on its approval by the CRO.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall review the classroom assignments and staffing model for the special education program in conjunction with the building reconfiguration process	October 31, 2019	Superintendent, Special Education Director Facilities Director or Designee, and Business Manager
District shall prepare and present to the Board proposed changes to the special education program that is aligned with the adopted building utilization plan	December 31, 2019	Superintendent, Special Education Director, Facilities Director or Designee, and Business Manager
Board shall adopt a final plan for special education including timelines for action	February 29, 2020	School Board; to be approved by the CRO

⁸ Elementary school classroom counts show the total classrooms for full-day kindergarten and regular classroom space. Classrooms designated as half-day kindergarten are excluded because of the potential differences in size. Intermediate and high school classes only show the regular classroom spaces. The counts for these schools excludes rooms for all other purposes such as science labs, arts and music rooms, cafeterias, and other spaces.

⁹ Whittier Elementary School does not include the classrooms used at the Whittier Annex.

Initiative SPED02: Review supervisory assignments	
Deadline: Evaluate need for supervisory positions (October 2019)	
Evaluation Measure:	Evaluation of staffing needs; approval by CRO
Responsible Parties:	Superintendent, Special Education Director, and CRO

In the review of the current special education program's classroom and staffing assignments, the District shall also evaluate the supervisory structure of the program. Currently, the District has two filled special education supervisor positions and one position that was left unfilled due to budgetary pressures. Of the two filled positions, one of the staff members was on extended medical leave during the development of the Recovery Plan. In addition, the District had previously assigned five special education teachers to serve as instructional coaches in the school buildings. However, the District ended this model in recent years.

In the analysis of the supervisory structure of the special education program, the District shall include the ability to meet the strategic goals of the District and the Recovery Plan, the efficacy of the previous approach of using classroom instructional coaches for special education, and the potential costs of changes in the structure. There are limited funds available for investment in additional staff in the baseline and recommended scenarios in this Recovery Plan. Given the importance of the goals to address the needs of special education students in the District, the CRO may choose to invest additional funds in this initiative and other initiatives in this chapter as outlined in initiative R07 (Investment in priorities).

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall review the supervisory structure of the special education program	October 31, 2019	Superintendent, Special Education Director
District shall include recommendations regarding special education supervision in the proposal delivered to the School Board	December 31, 2019	Superintendent, Special Education Director
As additional funds become available, the CRO may approve investment in additional support for the special education program	Ongoing as needed	Superintendent; to be approved by the CRO

Initiative SPED03: Expand special education professional development program	
Deadline: Begin cycle of special education training (August 2019); continual training thereafter initial review (December 2019)	
Evaluation Measure:	Completion of training sessions
Responsible Parties:	Special Education Director

Beginning in 2019-20 school year the District shall expand offerings of special education professional development to all staff members. The employees included in this effort shall include central office staff, principals, special education supervisors, special education teachers, paraprofessionals, and regular education classroom teachers. The goal of the special education trainings will be to improve the development, implementation, and progress monitoring for students with IEPs. The CRO shall direct the District to expand its professional development under the authority granted by Sections 642-A(a)(13) and 642-A(a)(14) of Act 141.

The District shall promptly begin discussions with the teachers' and paraprofessionals' unions regarding the most effective way to deliver additional special education training over the summer and throughout the 2019-20 school year. Training shall cover both special education and regular education teachers in order to meet the needs of students in inclusive classroom and pull out classroom settings. To the extent possible, the District shall coordinate with its special education attorney in order to provide training that will address deficiencies identified in recent lawsuits brought against the District. This training shall be continuous, and it shall be incorporated into the ongoing calendar of professional development for all District employees. In the summer of 2020, the District shall hold an expanded special education training session with the central office staff and the principals. The CRO shall be involved in all aspects of this process, including discussions with the bargaining units.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall develop a plan to deliver high-quality special education professional development for all levels of employees	September 30, 2019	Special Education Director
District shall engage with its bargaining units to determine the best course of action to deliver special education training	September 30, 2019	Special Education Director
District shall begin training with the central office staff and the principals during the regular summer training session	Summer 2020	Special Education Director
As needed, the District shall update the special education training materials and the cycle of training sessions	Ongoing as needed	Special Education Director

Initiative SPED04: Evaluate costs and benefits of providing additional special education services with District personnel	
Deadline: Evaluate the costs and benefits of speech pathologists (December 2019)	
Evaluation Measure:	Evaluation of staffing needs
Responsible Parties:	Special Education Director

During development of the Recovery Plan, the Special Education Director noted that the District may be able to increase regularity in the availability of speech pathologist positions and decrease the costs to the District by using District personnel rather than contracted positions. The District shall complete this review, and evaluate the programmatic and budgetary impacts of the change in staffing models. If necessary, the CRO may review the proposal to determine if it delivers the intended budgetary savings.

This initiative shall also cover all future proposals that would result in significant changes in costs or programmatic structure for special education. For example, in the 2019 calendar year budget, the District planned for an increase in the number of classrooms and teachers assigned to the Monticello program at the Electric City Academy. Once the classroom spaces are completed, the District will have additional capacity to serve its students, as well as a growing number of students from other school districts that are served by Scranton. Generating incremental revenues to defray the costs of programs is generally a good practice when the District is allowable to do so by the School Code, and this initiative is to encourage the habit of conducting cost benefit analyses in the future for program evaluations.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall evaluate the costs of providing speech pathologist services with District personnel	December 31, 2019	Special Education Director

Initiative SPED05: Develop and implement a comprehensive plan to reduce settlement costs and redirect savings to classroom	
Deadline: Develop comprehensive plan to reduce lawsuits (November 2019)	
Evaluation Measure:	Development of plan; Approval by CRO
Responsible Parties:	Superintendent, Special Education Director, Solicitor, CRO

The overarching goal of the initiatives in this chapter is to meet the needs of the District’s special education students on a proactive basis to provide quality services to those students when they are due, and to control future cost growth in special education. As the final step in the process, the District shall develop a comprehensive plan to address the number of cases brought before the District and the total costs to the District. Savings generated from this strategy shall be redirected to increase the services for current special education students rather than providing compensatory education. The District shall meet with its special education attorney to devise such a plan.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall create a comprehensive plan to address the number and total costs of special education lawsuits	November 30, 2019	Superintendent, Special Education Director, and Solicitor
The CRO shall review and approve the plan submitted by the District if it is found to be adequate	December 31, 2019	CRO

Initiative SPED06: Improve reporting and monitoring of special education trends in documents shared with the Board	
Deadline: Completion of reports (October 2019); ongoing monitoring	
Evaluation Measure:	Reports developed; certification by Chief Recovery Officer
Responsible Parties:	Special Education Director and CRO

Several other chapters in this Recovery Plan outline initiatives to improve the tracking, reporting, and analysis of data shared with the School Board and the Administration. These initiatives are summarized in initiative ADMIN06 in the following chapter. Although the District has improved some aspects of its special education reports in recent years, there are still areas where the District could provide additional relevant information for decision-makers.

As part of this initiative, the District shall include the following elements in reports to the School Board and Administration:

- Student counts**
 This shall include students educated in District-operated schools, students in site-based programs such as Monticello, students educated by the IU, students educated in out-of-District placements, and students educated by charter schools. When necessary, there shall be accompanying explanation or further clarification to provide context for how these categories relate to those reported to the Commonwealth. In addition, the student count reports shall include current counts to the prior reporting period and the prior year.

- **Costs of service**
This shall include the costs of District personnel including salaries, benefits, and all other forms of compensation. In addition, this shall include the costs of contracted positions, tuition paid to other entities, transportation, and other relevant items.
- **Staffing**
This shall include a summary of all District special education personnel and contracted positions such as speech pathologists.
- **Special education lawsuits**
This shall include a presentation of total outstanding lawsuits and the estimated costs of settled lawsuits. In addition, this report shall provide estimates of the total costs of lawsuits including legal services and insurance.

The Administration shall present the initial reports to the CRO to certify that the conditions of this initiative have been met. As part of the evaluation of the District's progress toward implementing this Recovery Plan and future amendments, the CRO shall certify whether or not the District remains in compliant status for this initiative based on quarterly reports to be provided by the District.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall present special education reports to the Board	Initial report October 30, 2019; then Quarterly	Special Education Director; to be approved by the CRO

Initiative SPED07: Conduct an audit of the special education program if deemed necessary	
Deadline: Evaluate need for audit (November 2019); subsequent action if necessary	
Evaluation Measure:	Evaluation of need
Responsible Parties:	Superintendent, Special Education Director, and CRO

In order to provide structure for the District's going improvements to the special education program, the District, in conjunction with the CRO, shall evaluate its need for a special education audit. The District shall engage an external resource for this audit, which may include the Department of Education, and Intermediate Unit, or a private vendor. The audit shall include a qualitative and quantitative review of the entirety of the District's special education program including:

- Child Find activities including classroom interventions and student evaluations
- IEP development, implantation, and progress monitoring
- Continuum of services for special education students
- Professional development for administrators, professional staff, and support staff
- Procedures and processes for administration of the special education program
- Supervisory structure
- Student transportation

Based on the results of the audit, the CRO shall direct corrective action, which may include external management of special education services under the authority provided in Section 642-A of Act 141.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall evaluate need for a special education audit	November 30, 2019	Superintendent, Special Education Director
The CRO shall review the need for and approve a special education audit	December 31, 2019	CRO
The audit shall be completed and the CRO shall direct corrective action	April 30, 2020	CRO

Other Initiatives

- **Continue monitoring of implementation of recommendations provided by the Commonwealth’s 2018 review of the District’s special education program.** In 2018, the Commonwealth of Pennsylvania provided a review of the District’s special education program to provide feedback and recommendations to improve services to students. As part of this Recovery Plan, the District shall provide periodic updates to the CRO on the implementation of the recommendations of the PDE review including the implementation of multi-tiered systems of support (MTSS) and child study teams, review of evaluation procedures and staffing, and the use of training from the PDE’s Pennsylvania Training and Technical Assistance Network (PaTTAN). If deemed to be beneficial to the District, the CRO may request additional support from PDE to assist in other reviews of the District’s special education program.
- **Related initiatives in the Academic Achievement chapter of this Recovery Plan.** The District is required to conduct a curriculum audit under ACHIEVE02, and these efforts should be coordinated with the special education audit under SPED07, if necessary. In addition, the professional development goals of initiative SPED03 should be integrated with the alignment of all District professional development programs under ACHIEVE04.
- **Related initiatives in the Administration chapter of this Recovery Plan.** The full list of required reports is listed under initiative ADMIN07 (Monthly and quarterly reports).
- **Related initiatives in the Facilities chapter of this Recovery Plan.** The building reconfiguration plan in initiative F03 will require a separate analysis of the special education program in order to ensure that sufficient classroom space is available during the transition. In addition, there may be incremental costs or savings from changes to the location of special education classrooms and the number of buses required to transport the students.
- **Related initiatives in the Transportation chapter of this Recovery Plan.** Initiative T01 will require the input of the Special Education Director to determine if there are policy changes that may allow the reduction in the number of special education vehicles. Initiative T04 establishes a transportation committee, and the Special Education Director may be involved in discussions with the committee and the Intermediate Unit to identify strategies to reduce the costs of transportation for services provided by the IU.
- **Related initiatives in the Revenue chapter of this Recovery Plan.** Initiative R07 allows the CRO to invest surplus resources in priority areas identified by the Recovery Plan. If the analysis of the supervisory structure requires additional personnel, the CRO may direct the District to use any surplus funds generated in future years to support the costs of these positions. In the event that surplus funds are not available, the CRO reserves the right to direct the District to provide funding for needed special education positions under the powers granted by Act 141.

Administration and Governance

Overview

Public trust in the Scranton School District’s Board of Directors and Administration has significantly eroded over the past several years. As noted widely throughout this Recovery Plan and in other reviews of the District, employees of the District have been the subjects of law enforcement investigations, and numerous findings regarding past management practices raise serious questions about the District’s ability to address its challenges absent a change in direction. In order to meet the academic, financial, and operational goals of this Recovery Plan, the District must restore the public’s confidence in the leadership and its decisions. As a priority of the Recovery Plan, the initiatives in this chapter focus the Board and the Administration on making credible commitments towards building their capacity to meet the challenges facing the District, to implement the initiatives identified in this Plan, and to move the District toward adopting practices generally regarded as best practice among Pennsylvania school districts.

Initiatives

Initiative ADMIN01: Provide annual training for all School Board members	
Deadline: Review governance procedures (December 2019); provide training for all School Board members (March 2020); ongoing annually	
Evaluation Measure:	Completion of training
Responsible Parties:	School Board and CRO

In order to support the ongoing training and development of the School Board, each Board member shall be required to complete at least ten hours of annual training in school board operations, financial management, and the implantation of the Recovery Plan. The requirements of this initiative shall be inclusive of the annual training requirements under Act 55 of 2017. School Board members shall receive training from sources including the District’s solicitor, the CRO, and professional organizations such as the Pennsylvania School Boards Association or the Pennsylvania Association of School Business Officials. All School Board members must receive prior approval from the CRO before the training shall be credited to meeting the requirements of this initiative. This initiative shall be effective for the duration of the period when the Scranton School District is designated to be under moderate financial recovery or in any other level of State oversight.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
Board President and CRO shall review the Auditor General’s recommendations for improved governance and determine where changes can be made to implement best practices and improve transparency and accountability	December 31, 2019	School Board, CRO
Board shall complete training for all key administrative and supervisory positions on current processes and systems	March 31, 2020	School Board
CRO shall assess District progress	June 30, 2020	CRO

Initiative ADMIN02: Improve public access to District documents	
Deadline: Begin uploading all documents provided to the School Board (September 2019); complete upload of available documents for prior years (June 2020); ongoing thereafter	
Evaluation Measure:	Availability of documents
Responsible Parties:	Superintendent and School Board

Many school districts use an online portal to access documents from the school district, school board meeting agendas, school board meeting notes, and accompanying documents and presentations from school board meetings. The Scranton School District currently uses BoardDocs, a widely used tool by other school districts, to share all School Board policies and administrative regulations. However, there is limited public access to the documents used to brief the Board on important decisions, and to documents that are tied to specific Board actions.

By September 1, 2019, the District shall begin using BoardDocs or another similar tool to provide the public with access to all information from School Board meetings. This shall include meeting agendas, meeting minutes, presentations and briefing documents presented to the School Board, and the full text of any contracts or agreements approved under Board actions. Documents deemed to be confidential by the Solicitor shall be exempt from this requirement. During this same time and continuing until June 2020, the District shall upload all of the available information from the 2017 and 2018 calendar years to the same online tool.

This initiative shall be effective for the duration of the period when the Scranton School District is designated to be under moderate financial recovery or in any other level of State oversight.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall begin using BoardDocs or another similar tool to provide the public with access to all information from School Board meetings	September 1, 2019	Superintendent, Board Secretary
District shall complete the uploading of all available information from the 2017 and 2018 calendar years to BoardDocs or another similar tool	June 30, 2020	Superintendent
CRO shall assess District progress	June 30, 2020	CRO

Initiative ADMIN03: Adopt an ethics policy and establish an ethics committee	
Deadline: Adopt ethics policy (December 2019); establish ethics committee (March 2020)	
Evaluation Measure:	Adoption of ethics policy; establishment of committee
Responsible Parties:	School Board and CRO

In 2019, the City of Scranton established a new ethics code and a committee to oversee the implementation of the code. Although the Scranton School District has several policies that are related to ethical conduct, the District lacks a unified ethics code for Board members and District employees. The School Board shall review its current ethics policies and develop a new code of ethics that shall be approved by the CRO. In addition, the School Board shall establish an ethics committee composed of

members of the public who shall oversee the District's adherence to these policies. The CRO shall review the Board's proposal for the ethics committee, and the CRO shall approve the powers and duties, selection criteria, and other administrative requirements.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
Board shall develop and adopt a new ethics policy	December 31, 2019	School Board
Board shall establish an ethics committee	March 31, 2020	School Board
CRO shall assess District progress	June 30, 2020	CRO

Initiative ADMIN04: Establish a budget advisory committee	
Deadline: Establish a budget advisory committee (September 2019)	
Evaluation Measure:	Establishment of committee
Responsible Parties:	School Board

In order to provide a level of public input during the budget development process, the District shall establish a budget advisory committee for the 2020 budget process. This committee shall be comprised of members of the public and representatives from the District's collective bargaining units. The committee shall be tasked with providing non-binding input on District proposals in the annual budgeting process, soliciting feedback from members of the community who are not able to attend regular school board meetings, and communicating changes in programs determined by the School Board to the various members of the community. In addition, the committee shall collaborate with the District to prepare documents for distribution to the public to explain the budget, such as the creation of a citizen's budget guide for the District.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
Board shall establish a budget advisory committee	September 30, 2019	School Board

Initiative ADMIN05: Establish sufficient budgetary reserves	
Deadline: Establish a fund balance policy (December 2019); dedicate funds to replenish fund balance (annually in December)	
Evaluation Measure:	Fund balance levels
Responsible Parties:	Business Manager and School Board

In the final audit for the 2017 calendar year, the Scranton School District had a cumulative negative fund balance of \$422,687. As shown in the table below, this fund balance figure is comprised of a positive

amount restricted for debt service, a positive amount restricted for the health benefits trust fund, and a negative unassigned fund balance.

SSD Fund Balance

2017	
Audit	
Restricted for Debt Service	\$25,721,705
Restricted for Health Benefits	\$3,319,762
Unassigned	(\$28,618,780)
Total Fund Balance	\$422,687

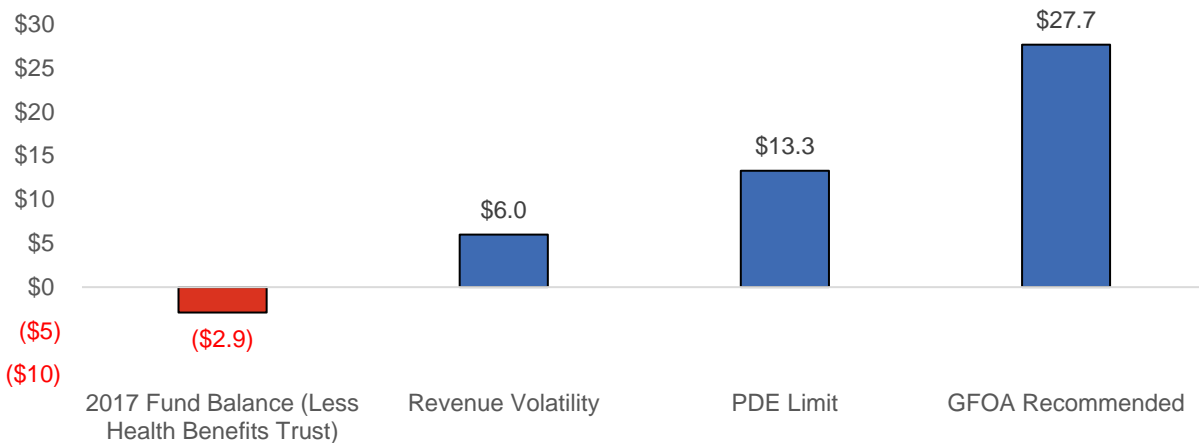
The District’s restricted fund balance represents the amount that was borrowed in 2015 to support the District’s cash flow during the Commonwealth’s budget impasse in the 2015-16 school year. The restricted fund balance does not represent cash on hand for the District because these funds were already expended in 2015. On the opposite side of the ledger, the District’s audit shows a negative fund balance amount that is comprised of the liability portion of the 2015 borrowing and the District’s cumulative negative fund balance. During each audit year, the restricted debt service and a portion of the unassigned fund balance are reduced to account for the repayment of debt from the 2015 debt issuance. The District used the remainder of the amount restricted for health benefits to close a portion of the 2018 deficit, and it will be excluded from the analysis. The amounts restricted for debt service and the negative unassigned amount represent the impact of the 2015 borrowing, and the sum total of these figures shows the District’s cumulative negative fund balance of \$2.9 million.

There are a number of direct and indirect impacts that a restored level of fund balance would have on the Scranton School District budget. One of the most significant is related to cash flow, as the District needs cash reserves (sometimes called “working capital”) to smooth the difference between its revenue and expenditure patterns. Currently, the District takes out a short-term loan at the beginning of the calendar year in order to provide working capital while tax receipts and subsidies from the Commonwealth are collected. A cash balance also provides flexibility to accommodate unexpected expenditures.

The creation and maintenance of a fund balance is a best practice for government agencies. As the Government Finance Officers Association (GFOA) of the US & Canada states, “it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. Fund balance levels are a crucial consideration, too, in long-term financial planning.” The GFOA goes on to note the importance of fund balance in preserving affordable borrowing and meeting statutory requirements.

As part of the Recovery Plan, the District shall create and annually dedicate sufficient sums to eliminate its cumulative negative fund balance and to begin to establish budgetary reserves. In the next chart, the District’s current fund balance is compared to three potential target levels, which are discussed below.

Fund Balance Comparison (\$ Millions)



- **2017 Fund Balance (Less Health Benefits Trust)**
Amount: Negative \$2.9 million, or negative 1.7 percent of the adjusted 2019 budget
- **Revenue Volatility Analysis**
Amount: \$6 million, or 3.6 percent of the adjusted 2019 budget

During the development of the multi-year financial projection, the project team analyzed the potential revenue impact of a recession. Historical trends were analyzed for the District's local taxes and the Commonwealth's BEF and SEF subsidies. Local sources were assumed to decrease for a two-year period before recovering to the baseline trend level, and the major subsidies from the Commonwealth were assumed to be flat for one year before recovering to the baseline trend level.

In this scenario, the School District may experience a revenue decrease of approximately \$3 million for two consecutive years compared to the baseline budget projections. In order to accommodate this temporary shortfall in revenues without impacting academic programs, the District would need to set aside \$6 million.

- **PDE Fund Balance Limit**
Amount: \$13.3 million, or 8.0 percent of the adjusted 2019 budget

In the School Code, school districts have statutory limits on the amount of unassigned fund balance that may be accumulated in the General Fund. For a school district with an annual budget the size of the Scranton School District, the fund balance limit would be 8.0 percent of the total budgeted expenditures. Since this is less than one month of expenditures, it may not be sufficient for the Scranton School District.

- **Government Finance Officers Association (GFOA) Recommended Level**
Amount: \$27.7 million, or 16.7 percent of the adjusted 2019 budget

The Government Finance Officers Association, a national professional association of local and state government officials, establishes guidelines and best practices for public sector financial management. The GFOA's Best Practice statement for fund balance recommends that a general multi-purpose government entity like a municipality should set aside two months of operating

revenues or expenditures.¹ In the District’s 2019 adjusted budget, this would represent approximately 16.7 percent of total expenditures.

The fund balance levels described in the analysis above will change over the duration of the Recovery Plan. As the District’s budget increases or decreases over time, the required fund balance level will shift with the size of the budget.

In the calendar year 2018 budget, the District borrowed nearly \$19.5 million in tax anticipation notes (TAN) to manage its cash flow, and interest payments were estimated to be \$555,735. If the District maintained a fund balance in line with the limit of 8.0 percent in the School Code, the District would need to borrow as much as \$13.3 million less at the beginning of the fiscal year. As an illustrative example, the following table shows the financial impact on the interest payments, assuming a proportionate impact to the reduction in the size of the borrowing. This reduction in expenditures would be permanent as long as the District would be able to maintain its fund balance reserves.

SSD Estimated Impact of TAN Borrowing

	2018	Initiative	Impact	Impact
			\$	%
Amount Borrowed	\$19,494,860	\$6,213,673	(\$13,281,187)	(68.1%)
Interest	\$555,735	\$177,132	(\$378,603)	(68.1%)
Total Repayment	\$20,050,595	\$6,390,805	(\$13,659,790)	(68.1%)

In addition to the potential savings from the reduced need for short-term borrowing, budgetary reserves would allow the District to improve its financial management. During the development of the Recovery Plan, the CRO learned that the District had delayed payments to vendors in order to manage its short-term cash flow. These practices may result in increased costs to the District depending on the amounts overdue, the length of time in arrears, and the billing policies of the District’s vendors. Over time, vendors may charge the District interest on late payments or increase the costs of future services to compensate for infrequent or late payments. Finally, the District is currently making these decisions in a relatively strong economy with growing revenues and more timely collections than in prior years. If there were a downturn in the near future, the District would have limited flexibility with its negative fund balance, and may be forced to use extraordinary measures to manage its monthly cash flow.

In order to guide the process of reestablishing budgetary reserves, the District shall adopt a more robust fund balance management policy. Although the District has a standard fund balance policy taken from the templates provided by the Pennsylvania School Board Association, the District can formalize fund balance targets and criteria to dedicate future surpluses to fund balance restoration. At the direction of the CRO, the District shall review comprehensive fund balance policies from other school districts and adopt a fund balance policy. During the annual budgeting process, the District shall identify a portion of future surpluses for the restoration of fund balance levels in accordance with the investment of windfall revenues and positive operating balances in initiative R07 (Allocate windfall revenues and positive operating results among priorities outlined in the Recovery Plan).

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall adopt a more robust fund balance management policy	December 31, 2019	Business Manager, School Board

¹ “Fund Balance Guidelines for the General Fund.” *Government Finance Officers Association* (September 2015). <https://www.gfoa.org/fund-balance-guidelines-general-fund>

Ongoing Implementation

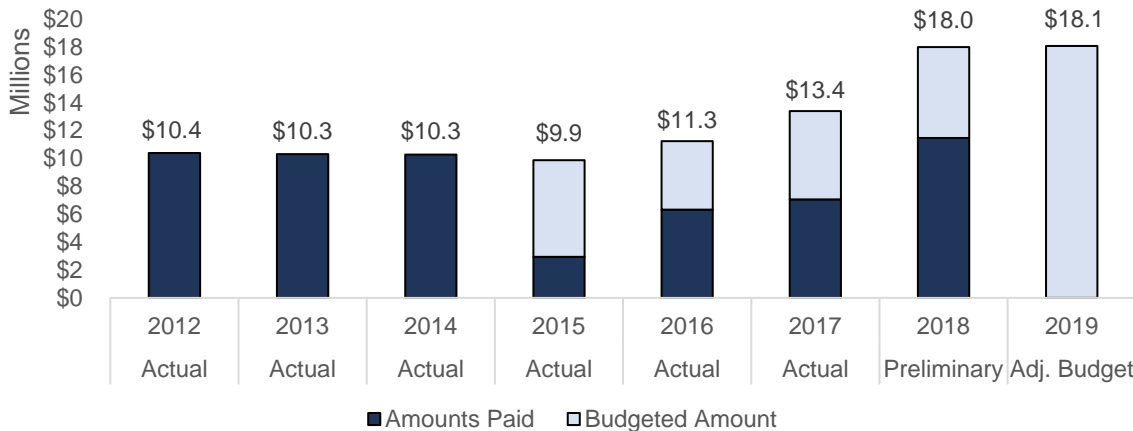
Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall dedicate surplus revenues to rebuild budgetary reserves until the requirements of the fund balance policy are met	Annually in December	Superintendent, Business Manager, and School Board

Initiative ADMIN06: Adopt a debt management policy	
Deadline: Adopt debt management policy (December 2019)	
Evaluation Measure:	Adoption of debt management policy
Responsible Parties:	Business Manager and School Board

Beginning in the 2015 calendar year, the Scranton School District started to use unfunded debt borrowings to cover operating expenditures and balance the General Fund budget. The District's use of unfunded debt borrowing, one-time revenue sources, and available fund balances are discussed in further detail in the Revenue chapter of this Recovery Plan. In the 2019 calendar year, the District expects to be able to balance the budget without the need for borrowing for the first time in five years.

In the chart below, the District's budgeted debt service payments are compared to the actual amounts for the years from 2012 to 2019. The scale of the unfunded debt borrowings can be seen in the difference between what was paid and what was budgeted from 2015-2018. In general, it is considered to be a poor financial practice to use borrowing to cover operating expenditures. While the District continued to issue debt for operations, it increased its long-term obligations for future budget years. The additional debt limited the District's budgetary flexibility to use funds for other purposes, it limited its ability to issue debt for purposes such as its capital needs, and it made future taxpayers pay for prior year operations.

SSD Debt Service Payments \$ Millions



With input from the District's independent financial advisor and the CRO, by December 2019, the District shall develop and adopt a robust debt management policy to outline its long-term goals. This policy shall be integrated with the District's capital plan and shall include debt limitations, debt structuring policies, policies on the use of derivatives and other financial products, identification of the types of assets eligible for capital funding and the minimum useful life of those assets to qualify for eligibility, and any other relevant items considered to be recommended best practices.

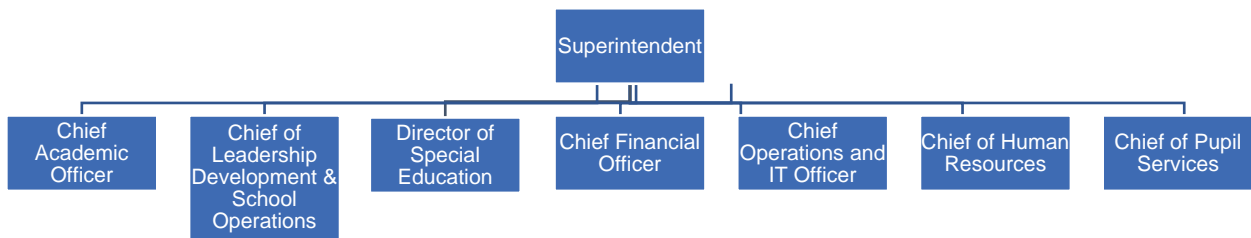
Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
Board shall develop and adopt a debt management policy	December 31, 2019	Business Manager, School Board

Initiative ADMIN07: Complete the reorganization of central office staff	
Deadline: Reorganize central office staff (June 2020)	
Evaluation Measure:	Adherence to organizational chart and initiatives in the Recovery Plan
Responsible Parties:	Superintendent and School Board

In the 2018-19 school year, the CRO and the technical assistance team provided a review of the District's current organization of central office staff and departments. In this review, a series of recommendations were provided to the District to streamline reporting to the Superintendent and other department leaders, and to identify areas where investment in additional staff or realignment of responsibilities would provide the District with additional administrative capacity to manage its day-to-day operations and take action on strategic goals outlined in the Recovery Plan and other documents. As part of this Recovery Plan, the District shall reorganize its central office staff to meet the proposed operational goals in this initiative and elsewhere in the Plan.

The most significant recommendation provided to the District was to move from the current structure of eight direct reports to the Superintendent to a condensed span of control with six direct reports. In this new structure, some positions would be combined or reassigned to other departments in order to simplify the reporting structure to the Superintendent. The organizational chart of the staff under the direct supervision of the Superintendent is included below.



Under each chief position, the functional areas would be reassigned from their current pattern to match the structure in the table on the following page. The exact titles of the positions may depend on the final decisions of the Superintendent and the School Board. However, the number of direct reports to the Superintendent and the assignment of functional responsibilities shall be made in accordance with this initiative and other initiatives in this Recovery Plan. It is preferable that any short-term issues generated by staff turnover be managed by placing staff in acting positions rather than adjusting the organizational chart. Interim and long-term changes in the organizational chart shall be approved by the CRO. The CRO's powers in relation to this initiative shall be construed broadly, under the authority granted by Section 642-A(a)(14) of Act 141.

SSD Organization Chart

Chief Academic Officer	Chief of Leadership Development & School Operations	Director of Special Education	Chief Financial Officer / Business Manager	Chief Operations and IT Officer	Chief Human Resources Officer	Chief of Pupil Services
Regular Education	Principals	Assistant Special Education Coordinator	Budget / Finance / Payroll / Accounting	Facilities	Recruitment & Staffing	Pupil Services & Child Accounting
Curriculum Coordinators	Student Health	Special Education Supervisors	Transportation	Safety & Security	Benefits Administration	Guidance & Counselling Services
Federal Program Managers	Cyber Programs	Electric City Academy (Monticello and Lincoln-Jackson Academy)	Federal Programs Accounting	Information Technology	Position Control	Athletic Programs
Access Test Coordinator	School-Based Health Centers		Food Service	System Support & Data Support	Records Management	Homeless Student Programs
English Learner Programs	Assessments & Accountability	Electric City Academy (Monticello and Lincoln-Jackson Academy)	Business & Operational Technology	A/V Communication	Electronic Timekeeping	Other Support Programs (Foster, Homeschool, etc.)
Alternative Education Programs	Professional Development		Open Records	Events		Events
		Events	Social Workers			

In addition to the changes to the reporting structure of the Superintendent, there are other recommendations related to the proposed reorganization of the central office staff, which are outlined below and summarized in other initiatives of this Recovery Plan. If the District is unable to recruit the senior positions discussed in the section below and the other initiatives in this Recovery Plan, the CRO shall have the right to approve the hiring of individuals that do not hold State certifications under the authority granted in Section 642-A(a)(9) of Act 141.

- **Hire an Assistant Business Manager (Initiative B01)**
Funds for this position are included in the adopted 2019 budget. This position would support the Business Manager in overseeing the transportation program, and assist in day-to-day operations.
- **Designate Business Office staff to be the Procurement Officer (Initiative B01 and P02)**
The District will need additional staff time dedicated to continue the institutionalization of recent improvements in the procurement process, and to provide direction for staff training.
- **Assign Business Office administrative duties to the HR Office (B01 and HR01)**
Currently the Business Office is responsible for administration of the life insurance enrollment process. In order to provide staff capacity for the Procurement Officer position, these duties shall be reassigned to the HR Office.

- Consider hiring an Assistant Human Resources Director if funds are available (HR01)**
 The HR Office may need additional administrative capacity to modernize information systems and establish a position control system. If funds become available through improved financial performance, these may be dedicated to support an Assistant Human Resources Director position.
- Hire and retain a high-quality Transportation Manager (T02)**
 The District will require a highly skilled Transportation Manager in order to meet critical milestones in improving current transportation operations (Initiatives T01, T04, and T05) and to oversee the rebidding process when the current contracts expire. In order to support these endeavors, the District will need to provide appropriate training, support, and performance goals for the Transportation Manager position.
- Hire and retain a high-quality Facilities Director (F01)**
 The District will require the leadership of a high-quality Facilities Director to support the development of a capital plan (Initiative F02) and the building re-configuration plan (Initiative F03). Therefore, the hiring of a temporary or permanent position shall be conditional on the final approval of the CRO to ensure that the staff member has the requisite skills for the operational goals of this Plan.
- Reorganize the structure of the technology department (IT01)**
 The District is planning to hire a Chief Operations Officer to fill the role of the Facilities Director and the IT Director. The current combined position will need to prioritize the planning and execution of the District's capital investments and the building reconfiguration. Ideally, the District would be able to have a separate IT Director position in order to dedicate the necessary staff time to oversee the IT investments. However, the creation of a separate IT Director position will only be possible if the District achieves sufficient cost savings or generates additional revenue to fund the position.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall complete the reorganization of its central office staff	June 30, 2020	Superintendent, School Board

Initiative ADMIN08: Develop monthly and quarterly reports to be shared with District Administration, School Board and CRO	
Deadline: Complete data submission report (December 2019); complete development of all reports (June 2020)	
Evaluation Measure:	Development of reports
Responsible Parties:	Superintendent, Business Manager, HR Manager, Federal Program Managers, and Transportation Manager

In addition to the reorganization of central office staff and functional oversight, the District shall also develop monthly and quarterly reports that shall be shared with the Administration, the School Board, and the CRO. The details of these reports are summarized below with an indication of the initiative for each item:

- Key enrollment statistics (Business Office – B05 and Special Education – SPED06)**
 The District shall enhance the enrollment reports that are currently provided to the School Board and Administration. Information on these reports shall include building enrollment, charter school

enrollment by school, education type (regular or special education), and total cost, and average daily membership.

In addition, the District shall also produce reports of its special education enrollment including the total number of special education students by school (District school, charter school, or other placement) and the number and estimated cost of outstanding special education lawsuits brought before the District. Special education reports shall also include a summary of current and prior year costs, as well as a description for factors that are driving changes in costs.

- **Data submission report (Administration – ADMIN07)**
Pennsylvania school districts are required to submit a large number of pieces of information to both the Commonwealth’s Department of Education and the federal government. Although various guidelines and summaries may be found on websites, the District should have an internal tool to ensure that information is submitted in a timely manner for items that impact the resources that are provided to the District through subsidies such as the Basic Education Subsidy, the Special Education Subsidy, and Title funding from the federal government. Inaccurate or incomplete data can result in the delay of payment, underpayment, or overpayment that must be repaid in future years. In conjunction with the CRO, the District shall prepare a data submission report that will be regularly presented to the School Board and the Administration to manage these critical deadlines.
- **Current and future debt obligations (Business Office – B03 and B05)**
As part of the long-term strategy to manage the District’s outstanding debt, the District shall request an annual report of its current and future debt obligations from its financial advisor.
- **Financial results (Business Office – B05)**
The School Board and the Administration require frequent updates on the District’s financial results in order to manage the current year budget and make adjustments in planning or spending if significant changes are warranted. As part of the regular presentation of financial information to the School Board, the District shall include budgeted amounts compared to actual amounts, budgeted amounts compared to actual year-to-date amounts, budgeted amounts compared to projected year-end amounts, and cash flow projections.
- **District assets (Procurement – P04)**
As part of the completion of the full inventory of all District-owned assets, the District shall prepare a report of current assets for the School Board.
- **Staffing reports (Human Resources Office – HR09)**
After the District establishes processes and systems for position control and exit interviews, the District shall prepare reports to be shared with the School Board.
- **Transportation costs (Business Office – B05 and Transportation – T01 and T04)**
The District shall develop regular reports to the School Board in order to track the financial impact of the initiatives to improve the efficiency of current operations, to rebid the transportation contracts, and to increase the Transportation Subsidy from the Commonwealth. These reports shall include current routes by vendor, changes in routes in the previous quarter by vendor, year-to-date costs by vendor compared to the adopted budget, comparison of current year costs to prior year costs, and an analysis of costs covered by the Transportation Subsidy. In addition, the District and Board shall provide regular updates of the meetings of the transportation advisory committee.

The assignment of timelines and responsible parties can be found in the initiatives for each chapter indicated above. The table below shows the action plan for the data submission report described above.

In conjunction with the CRO, the District shall develop a report of the timelines and information to be submitted for key revenue sources from the Commonwealth and the federal government that shall include

the Basic Education Subsidy, Special Education Subsidy, Transportation Subsidy, retirement subsidies, PlanCon or other debt and capital subsidies, and all federal grants.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall develop a data submission report with the key timelines and information to be submitted for key revenue sources from the Commonwealth and the federal government	December 31, 2019	Superintendent, Business Manager, and Federal programs Managers
District shall present regular updates on the data submission report to the School Board	Quarterly	Superintendent, Business Manager

Initiative ADMIN09: Formalize agreements with other organizations with memoranda of understanding	
Deadline: Reorganize central office staff (June 2020)	
Evaluation Measure:	Development of reports
Responsible Parties:	Superintendent, School Board, and CRO

During the development of the Recovery Plan, the CRO learned that the District maintains agreements with other entities to provide services or to receive services in-kind. Some examples of these agreements include the following:

- The District maintains fields located near the intermediate school on behalf of the City of Scranton
- District students participate in a summer basketball camp free of charge in return for the entity's free use of District facilities

By June 2020, the District shall review and provide to the Board and the CRO with a list of all current formal and informal agreements with other organizations, and the District shall draft memoranda of understanding for each of these agreements. In each memorandum of understanding, the District shall clearly delineate the responsibilities of each party, the transfer of any assets or liabilities, the transfer of any funds, and the duration of time in which the agreement shall be effective. All future agreements with external parties shall conform to the requirements of this initiative. In addition, all current and future agreements shall be posted for public inspection in accordance with initiative ADMIN02.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall formalize all current agreements with other organizations with memoranda of understanding	June 30, 2020	Superintendent, School Board
CRO shall assess District progress	June 30, 2020	CRO

Initiative ADMIN10: Cease the use of non-disclosure agreements with District staff and other parties who work with the District	
Deadline: Eliminate non-disclosure agreements (August 2019)	
Evaluation Measure:	Notification to affected parties; certification to the CRO
Responsible Parties:	Superintendent and School Board

The District has a recent history of requiring certain employees and vendors to sign non-disclosure agreements. Non-disclosure agreements undermine the trust needed between employers and employees, discourage the open dialogue needed to support change, and create potential legal exposure for the District. Upon the approval of this Plan, any such agreements are null and void, except for vendor security, intellectual property or copyright agreements entered into as part of a contract for goods or services. The District shall also immediately notify any employees, contractors, and other persons subject to such agreements that they are null and void. No new non-disclosure agreements with employees, contractors, or other persons shall be entered into, except for any vendor security, intellectual property or copyright agreements entered into as part of a contract for goods or services, which should only be in exceptional circumstances. "Non-disclosure agreement" shall be broadly defined to include any document intended to limit the rights an employee, vendor, or other person might have under the law. Safety and employee/student confidentiality should be assured without the use of non-disclosure agreements wherever possible. The District shall certify to the CRO during August 2019 that these steps have been completed.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall invalidate all current non-disclosure agreements, inform affected parties, certify to the CRO, and cease to use such agreements in the future	August 31, 2019	Superintendent; to be certified by the CRO

Initiative ADMIN11: Align use of the Stadium Fund with broader goals to improve efficiency	
Deadline: Evaluate potential uses of revenues and accumulated balance in the Stadium Fund (June 2020); evaluate dedicated purpose of the Stadium Fund (June 2020)	
Evaluation Measure:	Present report to Board; Take subsequent action if directed
Responsible Parties:	Business Manager, School Board, and CRO

The District maintains an enterprise fund outside of the General Fund that is referred to as the Stadium Fund. The main purpose of the Stadium Fund is to account for the revenues from the District's advertising agreements and other revenue-generating activities at the Scranton High School's Memorial Stadium. According to the District, the accumulated balance in the fund is intended to be used for future capital projects at Memorial Stadium, such as the replacement of the central turf field or the track surrounding it.

As the District begins to think strategically about ways to address its financial challenges, the use of the Stadium Fund should be included in these deliberations. The District replaced the track several years ago, and the investment should last at least ten years if it is maintained properly. Under the current staffing model, District staff are used to maintain the stadium and the track. As noted in the Facilities chapter, the District has fewer custodial and maintenance staff compared to its peer school districts. In order to support the goal of identifying additional resources for the maintenance of District-owned assets,

the District shall evaluate whether contracted services could be used to maintain the stadium and the field. As part of the analysis, the District shall consider the relative strengths and expertise of potential firms, as well as the ability of the Stadium Fund to cover the full costs of these services. In this review, there shall be no reduction in the number of custodial or maintenance positions that are currently assigned to maintain the stadium and field; however, the duties of these positions may be assigned to other areas of need.

In addition to the review of maintenance services for the Stadium Fund, the District shall also determine whether official Board action has been taken to designate a purpose for the accumulated balance in the fund. If no such purpose is found, the District shall develop a proposed designation for the Board for adoption with final approval from the CRO.

Finally, as part of the Recovery Plan, the District shall review and adjust its financial management practices for the Stadium Fund and all receipts received during athletic games. During this review, the District shall evaluate its financial controls for cash management for gate receipts including processes to secure cash, track and reconcile receipts, deposit cash in the bank, and institute standard best practices for cash management. In the development, presentation, and implementation of the annual budget, the District shall include the all gate receipts from athletic games as well as all revenues and expenditures associated with the Stadium Fund.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall review and adjust its financial management practices for the Stadium Fund and gate receipts from athletic events	December 31, 2019	Business Manager
District shall evaluate the use of contracted maintenance services for the Stadium Fund	June 30, 2020	Business Manager
District shall evaluate designated purpose of accumulated balance in the Stadium Fund	June 30, 2020	Business Manager, School Board, and CRO

Initiative ADMIN12: Consider the conversion of the calendar year budget to a July-June fiscal year	
Deadline: Evaluate legal requirements of the budget conversion (June 2020); subsequent action if necessary	
Evaluation Measure:	Evaluation of process; take subsequent action if directed
Responsible Parties:	Superintendent, Solicitor, Business Manager, and CRO

During the course of the Department of Education’s provision of technical services to the Scranton School District and the development of the Recovery Plan, the District’s Administration and members of the School Board discussed the desire to explore the conversion of the District’s calendar year budget to a July-June fiscal year. Currently, the Scranton School District and the Pittsburgh School District are the only two districts among the 500 in the Commonwealth that operate on a calendar year budget. The Commonwealth of Pennsylvania operates on a July-June fiscal year, which means that the annual allocations of subsidies from the Commonwealth do not directly align with the adoption of the Scranton and Pittsburgh school district budgets. It appears that there would be administrative benefits to such a change through the reduction of time to comply with financial reporting requirements on multiple timelines and the ease of planning academic programs to be aligned with the preparation of the budget. There would also be increased budget clarity. However, there are implications that must be addressed, such as the cash flow implication of shifting the time in the fiscal year when funds are received from local tax sources and the legal ability to make any such changes.

Currently, the District’s calendar year budget spans across two academic years with the adoption of the budget taking place after the first third of the academic year has passed, and the allocation of resources may change for the final two thirds of the year. As one example of the complications of this process, in the 2019 budget the District passed a budget with additional funding for twelve special education teachers and twelve instructional assistants to provide needed services for the District’s students. These changes took place in January, which would mean the hiring of all positions would likely not occur until the school year was nearly complete.

As part of the Recovery Plan, the District shall work with the Commonwealth’s Department of Education and its elected representatives in the Commonwealth’s legislature to continue their study of the potential for converting the Scranton School District budget to a July-June fiscal year that aligns with the budgets of the other school districts and the Commonwealth. In the evaluation of this process, the parties shall also communicate with the legislators who represent the Pittsburgh Public Schools to ensure that all entities affected by these changes are informed of the proceedings.

The completion of this initiative will potentially affect the deadlines of many of the initiatives in this Recovery Plan. If the District completes the conversion to a July-June fiscal year, then this Recovery Plan shall be reviewed and amended to align the timing of initiatives with the new budget year.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall evaluate the conversion of its budget to a July-June fiscal year	June 30, 2020	Superintendent, Solicitor, Business Manager, and CRO

Other Initiatives

- **Related initiatives in the Business Office chapter of this Recovery Plan.** The hiring of the Assistant Business Manager, the designation of the Procurement Officer, and the assignment of functions to the Human Resources Office are described under initiative B01. Monitoring of debt levels and the development of reports to the Board on reimbursement and debt obligations are outlined in initiative B03 and B04. Other Business Office reports to the Board are described above and outlined under initiative B05.
- **Related initiatives in the Procurement chapter of this Recovery Plan.** The designation of the Procurement Officer is discussed under initiative P02.
- **Related initiatives in the Human Resources chapter of this Recovery Plan.** The hiring of the Assistant Human Resources Director and the assignment of functions to the Human Resources Office are described under initiative HR01. The development of an exit interview process and other reports to the School Board are outlined in initiatives HR08 and HR09.
- **Related initiatives in the Transportation chapter of this Recovery Plan.** Initiative T02 requires the District to provide necessary training and oversight for the Transportation Manager in order to meet the critical milestones of the other initiatives in the chapter.
- **Related initiatives in the Facilities chapter of this Recovery Plan.** Under initiative F01, the CRO will approve the final hiring of the Facilities Director in order to ensure that the person hired has sufficient experience to meet the goals of the initiatives in the chapter.

Business Office

Overview

The Business Office is a key component of a school district’s administrative functions, preparing required documents and reports, managing critical support functions, and maintaining the flow financial and operational information to the Administration and School Board for decision-making. Accurate and timely information from the Business Office is essential to make informed decisions about investments in programs and the stewardship of public resources managed by the District. In the Scranton School District, the Business Office has the primary oversight for the operations of an enterprise with an annual budget of approximately \$166 million.

In recent years, the actions of the Business Office have been the subject of investigations by law enforcement and the Pennsylvania Auditor General, as well as scrutiny from the public. Although changes in staffing and policies have improved the District’s reporting and transparency, the District will need to institutionalize these efforts and ensure continued progress through the implementation of the Recovery Plan. Through the Department of Education, the District has received assistance to improve the operations of the Business Office, including a review of budgeting practices and staffing as well as recommendations to improve accounting and management of federal programs. The Board and the Superintendent have promoted a new, capable Manager to run the Business Office. This chapter of the Recovery Plan outlines the steps the District will need to take to ensure continued improvement in its financial management.

Initiatives

Initiative B01: Hire and retain high-quality staff	
Deadline: Implement all organizational changes (December 2019); CRO review (June 2020)	
Evaluation Measure:	Training completed; Certification by Chief Recovery Officer
Responsible Parties:	Superintendent, Business Manager, CRO, and School Board

Under the District’s current organizational structure, the Business Manager is the sole individual in the Business Office with oversight of the financial management of the District. Significant issues are decided in consultation with the Superintendent and the School Board. The Business Manager is supported by eight staff who perform various day-to-day activities including accounting, reporting, purchasing, payroll, and payment processing.

During a review of the Business Office completed in 2018, the Commonwealth’s technical assistance team determined that the District’s total number of staff and most assignments were appropriate given the size of the District. However, the team also found that a number of processes need to be institutionalized and some functions, strengthened to free the Business Manager to have an even greater ability to improve District management. In addition, staffing in the Business Office should be aligned with the goals in the Recovery Plan outlined in initiative ADMIN07 (Central office re-organization). To achieve these ends, by the end of the 2019-20 school year the District shall make the following changes to staffing, assignments, and processes in the Business Office:

- **Ensure that staff receive continued training on modules in the financial management system**
 The District has made improved use of modules in its financial management software, known as CSIU (as it is a widely-used system provided by the Central Susquehanna Intermediate Unit). The District shall evaluate the training received to date on the CSIU system and determine whether additional training is needed. All future staff in the Business Office shall receive sufficient training in the financial management system and District processes in a short period after beginning work in the Office, which shall be considered 60 days of time.
- **Ensure that staff have sufficient knowledge to provide guidance and expertise for all District financial and reporting functions**
 During the review of the Business Office, the technical assistance team concluded that the District's staff generally had sufficient knowledge of their content areas to handle the day-to-day operations of the Office. In conjunction with the CRO, the District shall conduct a brief evaluation of its current staffing and expertise to ensure that the District is able to comply with the reporting initiatives outlined in this Recovery Plan under ADMIN08, as well as other goals to increase operational efficiency. During this review, the District shall identify additional training that should be provided to staff, or additional reports or tools that might be needed to assist staff. All future staff in the Business Office shall receive sufficient training in these processes, and job descriptions shall be aligned with the responsibilities and content knowledge. Individuals hired or assigned to work in the Business Office shall possess appropriate skills, ability, and experience to perform the functions for which they are responsible. Regardless of any other provisions of law or contract, the District shall not assign unqualified individuals to work in the Business Office.
- **Ensure that staff are cross-trained across assignments**
 In addition to the review of current skills and assignments, the District shall identify opportunities to provide cross-training to all Business Office staff for routine processes and procedures. This will ensure that the District is able to continue to function efficiently if staff members are not present due to paid time off or unfilled vacancies. To the extent necessary, job descriptions shall be modified to achieve this. All future labor agreements shall allow for cross-training and cross-assignment of Business Office employees.
- **Hire an Assistant Business Manager if funds are available**
 In the 2019 calendar year, the District budgeted funds to fill an Assistant Business Manager position, and the District advertised the position and began conducting interviews. As the review of Business Office staff is conducted, the District shall continue its efforts to hire an Assistant Business Manager. This position shall oversee transportation and other administrative duties of the Business Office as suggested by the District Administration and the technical assistance team. If changes in salary and benefit packages are to be considered in order to recruit an Assistant Business Manager, the District shall develop a proposal to be approved by the CRO and the School Board. The CRO shall approve in advance the individual hired to fill this position.
- **Assign all administrative parts of the benefit enrollment process to the HR Office**
 During the CRO's interviews with District staff, the Administration noted that the Business Office handles some administrative parts of the benefit enrollment process. As part of the implementation of initiatives HR01 and ADMIN07, the District shall transfer these responsibilities to appropriate personnel in the HR Office. This transfer will occur in order to provide staff time to assign a Business Office staff member to be the District's Procurement Officer as outlined in initiative P02.

During the first half of the 2020 calendar year, the CRO shall lead a process to examine the staffing and operational changes to procedures completed by the District. As part of this review, the CRO shall assess the additional training required of staff and proposed changes in assignments. The CRO will prescribe remedial action if necessary.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall review staffing assignments and potential needs for training on the financial management software or other skills	January 31, 2020	Business Manager
District shall hire an Assistant Business Manager	March 30, 2020	Superintendent, School Board, and CRO
District shall document processes in a manner approved by the CRO	March 30, 2020	Business Manager
CRO shall assess District progress and additional action needed	June 30, 2020	CRO

Initiative B02: Continue participating in joint shared services committee with the City of Scranton	
Deadline: Develop proposals for consideration by committee (March 2020)	
Evaluation Measure:	Proposal completed; savings generated
Responsible Parties:	Business Manager

The Scranton School District and the City of Scranton share geographic boundaries, a revenue base, and some overlapping services. Since 2018, the District and the City have been participating in ongoing meetings to evaluate proposals for shared services and other potential opportunities for joint savings for both entities. These efforts should be commended, and as part of the Recovery Plan, the District shall continue to develop and pursue proposals for consideration by both parties to generate savings and operational efficiencies.

As needed, the CRO and the District Administration shall direct employees to develop and evaluate the operational impact and potential savings from proposals. During the first half of the 2020 calendar year, the District shall develop a list of one to five proposals to be considered and implemented by the end of the calendar year.

In addition, as described in initiative RV06, the District shall examine the potential to shift from a business privilege tax to a payroll tax in conjunction with the City.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall develop a list of proposals for implementation by the end of the calendar year	March 31, 2020	Business Manager

Initiative B03: Monitor debt levels for opportunities to reduce or limit increases in debt as a percentage of current expenditures	
Deadline: Completion of report (December 2019); ongoing monitoring	
Evaluation Measure:	Debt service expenditures as a percentage of total budgeted expenditures
Responsible Parties:	Business Manager, Financial Advisor, and School Board

As of the start of 2019 calendar year, the Scranton School District had over \$200 million in outstanding principal in general obligation bonds. In the 2019 budget, total debt service was approximately \$17.6 million, or approximately 10.6 percent of the total \$166 million expenditures in the adjusted budget for the baseline projections. Debt service as a percentage of operating expenditures is a commonly used measurement to evaluate the impact of the debt service payments on local government's financial flexibility. In general, a ratio above 10 percent is considered to be high, and debt service levels above this amount may begin to compete with other budget priorities. Unfortunately, a portion of the District's debt is related to borrowings the School Board approved to fund current operating expenses each year from 2014-2018. This means that District resources in future years will be constrained by the need to pay for operating expenses from prior years, and capacity available to pay for needed capital repairs and improvements will be reduced.

For the duration of time while the District is designated to be under moderate financial recovery or in any other level of State oversight, the District shall closely monitor its debt service levels and shall not issue any unfunded debt for operating purposes without the approval of the Chief Recovery Officer. Estimated debt service payments for the District's high priority capital projects are included in the baseline financial projections in this Plan, as they are critical for making the District's buildings suitable for children's education and must be funded. Actual debt service amounts and the structure of debt will be determined in consultation with the District's financial advisor depending on market conditions.

Under the District's current debt service schedule, payments on existing debt continue for eighteen years after the current budget year, until the final payment is made in 2037. Debt service levels are expected to decline by approximately \$100,000 in the 2020 calendar year, and two further decreases will take place in 2022 and 2026.

In the 2019 calendar year budget, the District will make its full budgeted debt service payments for the first time since 2014. These efforts should continue in order to preserve borrowing capacity and budgetary flexibility for potential future borrowings for capital projects and other needs. In the evaluation of debt scenarios, the District shall consider its current and future financial position to determine the best option for providing capital for facilities investments. As part of this process, the District shall request its financial advisor to develop a report of its current and future debt obligations to be presented to the Board on an annual basis and in conjunction with the development of the annual budget.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall develop a report of its current and future debt obligations	Initial report December 31, 2019; Then Quarterly	Business Manager, Financial Advisor, and School Board

Initiative B04: Complete outstanding PlanCon documents and maintain compliant status for all projects	
Deadline: Completion of forms (August 2019); ongoing monitoring	
Evaluation Measure:	Completion of forms; certification by Chief Recovery Officer
Responsible Parties:	Business Manager and CRO

In 2016 and 2018, the District received large one-time debt service reimbursements due from the Commonwealth. These revenues were outstanding due to the District's inability to complete the necessary forms to submit to the Commonwealth, which is discussed in further detail in the Revenue chapter of this Plan.

The District has received technical assistance from the Commonwealth to help complete all of the outstanding forms for State debt service reimbursement. The District shall complete these forms by the start of the 2019-20 school year, and the District shall remain in compliant status for all projects and bond issuances eligible for reimbursement for the duration of time while the District is designated to be under moderate financial recovery or in any other level of State oversight. As part of the evaluation of the District's progress toward implementing this Recovery Plan and future amendments, the CRO shall certify whether or not the District remains in compliant status for this initiative.

If future Commonwealth PlanCon funding is approved by the State Legislature, the District shall promptly evaluate the eligibility of its capital projects and complete required filings for reimbursement within three months of the time when forms are available.

In order to support the ongoing monitoring of the District's PlanCon funding, the District shall develop a quarterly report to be presented to the School Board. This shall include a table summarizing at least the following information: whether the debt service payment was made, whether the bond issuance is reimbursable, whether the PDE-2071 forms have been submitted, and whether reimbursement was received.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall complete necessary forms to finalize the debt service reimbursement and remain in compliant status	Completion of forms, August 31, 2019; then quarterly reports	Business Manager; to be certified by the CRO

Initiative B05: Improve reporting and monitoring of actual financial results in documents shared with the Board	
Deadline: Completion of reports (October 2019); ongoing monitoring	
Evaluation Measure:	Reports developed; Certification by Chief Recovery Officer
Responsible Parties:	Business Manager

In the development of the Recovery Plan, the CRO has provided the District with several examples of financial reports that would give the Administration, the School Board, and the general public regular summaries of the District's finances.

Beginning in the fall of the 2019 calendar year, the District shall create regular financial reports to the School Board that shall include, but not be limited to the following items:

- Building enrollment;
- Charter school enrollment and tuition payments;
- Average daily membership;
- Special education costs;
- Transportation costs and reimbursement;
- Budgeted amounts compared to actual amounts;
- Budgeted amounts compared to year-to-date amounts;
- Budgeted amounts compared to projected year-end amounts
- Debt service and reimbursement; and
- Cash flow projections.

The Administration shall present the initial reports to the CRO for final approval that the conditions of this initiative have been met. As part of the evaluation of the District's progress toward implementing this Recovery Plan and future amendments, the CRO shall certify whether or not the District remains in compliant status for this initiative.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall present financial reports to the Board	Initial report October 30, 2019; Then Monthly	Business Manager

Initiative B06: Institutionalize recent federal programs improvements	
Deadline: Completion of remaining items (June 2020); ongoing monitoring	
Evaluation Measure:	Items completed; Certification by Chief Recovery Officer
Responsible Parties:	Superintendent, Chief Academic Officer, Federal Programs Managers, and Business Manager

Beginning in 2018, the District received extensive State-funded technical assistance to address 40 citations from the District's last federal programs audit, and to create a plan with corrective actions to resolve each issue or bring the District into compliance over a short period of time. The financial implications of this review are discussed in further detail in the Revenue chapter.

As of the completion of this Recovery Plan, the District had accomplished the following items:

- Addressed 40 Title I corrective action citations;
- Created a Title I Handbook for principals, clerical staff, and central office administrative staff;
- Created or updated documents including timesheets, absentee reports, conference forms and vouchers, parent and family engagement policies, spending and purchasing guidelines, school-level budgets, and new spreadsheets with reconciliation procedures;
- Implemented an electronic purchasing process, a new approval process, and alignment of budget codes to produce necessary reports;
- Provided multiple trainings to principals, teachers, paraprofessionals, and clerical staff.

In order to remain compliant with this initiative in future amendments or evaluations of this Recovery Plan, the District shall be required to address all future federal programs corrective citations, update the Title I handbook as needed, maintain and update all administrative documents, maintain compliance with purchasing processes, and complete trainings for all staff as needed.

Over the following 2019-20 school year, the District shall complete the remaining items identified by the technical assistance team:

- **Complete transition to schoolwide Title I allocations**
As part of this transition, the District shall ensure that all teachers and paraprofessionals have the proper certifications under federal and State regulations. School-level budgets shall be aligned with building needs assessments to identify the best use of federal resources to accomplish the building goals, which may require staffing changes to assign interventionists, reading specialists, guidance counselors, or other needed positions as identified in the assessment.

- Align pre-kindergarten registration procedures to be compliant with all federal and State guidelines**
 In 2019, the District Administration and School Board committed to maintaining the pre-kindergarten program for the 2019-20 school year and to aligning registration procedures with regulations. Future offerings of pre-kindergarten programs shall be evaluated depending on the outcome of the building re-configuration plan identified under initiative F03.
- Continue the conversion from paper-based process to an electronic purchasing system**
 The District shall complete the full conversion to an electronic purchasing system as outlined in initiative P01. These efforts will support improved recordkeeping for federal programs audits. The District shall not make any exceptions for employees in using the electronic purchasing system to the extent allowable under law. If any labor grievances are raised, then the District shall address the issue, and the system shall remain in place. All labor agreements negotiated after the effective date of this Recovery Plan shall permit the use of electronic purchasing systems and subsequent innovations without any increase in compensation, adjustments to titles, or any other personnel rules or collective bargaining provisions.¹
- Ensure compliance with grant accounting under the schoolwide allocations**
 As the District transitions to the schoolwide allocation process, the District shall ensure that all school-level budgets are compliant with federal regulations and reporting requirements.
- Complete implementation of administrative procedures to support accurate recordkeeping**
 The technical assistance team identified the adoption and implementation of standard request forms for conferences and travel and reimbursement procedures as items to complete. The District shall ensure that all procedures and processes are in place to provide accurate records for program audits.
- Examine grant funding requirements to meet mandates and align spending with needs**
 In addition to the transition to schoolwide Title I allocations, the District shall evaluate the grant terms of all federal sources to identify mandated services, areas where the District could align grant revenues with needs identified during the building-level assessments, and compliance with grant terms and conditions.
- Continue to support mandatory parent committees**
 The District shall continue to ensure that the parent committees receive the required support and direction in order to remain compliant with the terms of the school-level Title I grant, which includes the Title I parent advisory councils, parent leadership schoolwide sub-committees, and additional targeted support and improvement (A-TSI) mandatory parent committees.

As part of the evaluation of the District's progress toward implementing this Recovery Plan and future amendments, the CRO shall certify whether or not the District remains in compliant status for this initiative.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall complete all remaining items identified by the technical assistance team in the evaluation of federal programs management	Completion of actions, June 30, 2020; then ongoing as needed	Superintendent, Chief Academic Officer, Federal Programs Managers, and Business Manager

¹ Any increases in compensation, changes to titles, or other adjustments to personnel rules enacted in order to move to electronic purchasing systems prior to adoption of this Plan shall become null and void upon approval of this Plan.

Other Initiatives

- **Review opportunities to increase interest revenue.** During the CRO's meetings with District staff and the technical assistance team, increased interest revenue was identified as a potential option that may provide some additional revenue for the District. In the implementation of this Recovery Plan, in conjunction with the technical assistance team, the District shall evaluate potential options to receive a higher interest rate for deposits and present the choices to the School Board and make changes if necessary.
- **Related initiatives in the Administration chapter of this Recovery Plan.** The designation of the Procurement Officer will require the District to assign functions to the Human Resources Office under the central office reorganization initiative (ADMIN07), and the full list of required reports is listed under initiative ADMIN08 (Monthly and quarterly reports).
- **Related initiatives in the Procurement chapter of this Recovery Plan.** Requirements to institutionalize the improvements in the procurement process are included under initiative P01, and designation of the Procurement Officer is discussed under initiative P02.
- **Related initiatives in the Human Resources chapter of this Recovery Plan.** The designation of the Procurement Officer will require the District to assign functions to the HR Office under the central office reorganization initiative (HR01).
- **Related initiatives in the Transportation chapter of this Recovery Plan.** Initiative T01 requires the District to develop reports of transportation costs and reimbursement, which is discussed above under initiative B05.
- **Related initiatives in the Facilities chapter of this Recovery Plan.** Under the building reconfiguration plan, the District shall move the pre-kindergarten program to other providers, and all remaining Title I revenues shall be re-directed for K-12 academic priorities (F03).

Procurement

Overview

Procurement of goods and services has been a challenge for the District and is a critical area for improvement under this Recovery Plan. Questions about contracts for fleet services and student transportation have been at the heart of investigations by law enforcement and the Pennsylvania Auditor General. Internal and external observers question whether the District regularly receives the best services and products at the best price, and whether the procurement process is fair.

Beginning in 2017, the Department of Education provided the Scranton School District with technical assistance to improve the operations of its central office functions. In addition to these efforts, the School Board and Administration also identified procurement as an area of improvement in multiple meetings with the Department's technical assistance team and during its own public meetings.

The District has made progress on a number of the initiatives suggested by the technical assistance team over the past year, most notably the development of a schedule to bid the District's major contracts, the usage of certain purchase order modules in the District's financial management software, and the solicitation of bids for copier services that generated savings for the District. However, additional improvements to the District's procurement processes are needed to reach best practice. This chapter of the Recovery Plan outlines these areas for additional improvement and requires that the District take specific steps to achieve that improvement.

Initiatives

Initiative P01: Institutionalize recent improvements in the purchase order process	
Deadline: Complete training (December 2019); implement all changes	
Evaluation Measure:	Training completed; Certification by CRO
Responsible Parties:	Business Manager, Procurement Officer, and CRO

Over the past year, the Scranton School District has started to use purchase order modules that are provided through its CSIU financial management software. During the CRO's interviews with key District personnel as part of the development of this Recovery Plan, the District's staff noted that there would be a new version of the module released by the end of the 2019 calendar year that would make it easier for staff to use the system and all of its capabilities.

Before the end of the 2019-20 school year, the District shall institutionalize all of the improvements that have been made to the procurement process. The tasks in this initiative shall be overseen by the Business Manager and executed by the Procurement Officer, the position described in initiative P02 (Procurement Officer).

As the first step in this process, all employees involved in purchasing goods and services shall complete all training in the use of the purchasing modules and any changes made to the software in the new version. This shall include employees outside the Central Office included in any purchasing activities. In addition, the District shall document its processes in a manner approved by the CRO, which may include a procedure manual, flow chart, or other such documents. As needed, the District shall ensure all key administrative positions receive continuing training for future changes in processes or updates in procurement management software.

During the first half of the 2020 calendar year, the CRO shall lead a process to examine the procedures and documentation prepared by the District, and assess the level of training and implementation of upgraded procurement processes. The CRO will prescribe remedial action if necessary.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall complete training for all key administrative and supervisory positions on current processes and systems	December 31, 2019	Business Manager, Procurement Officer
District shall review its procurement policies to implement best practices and improve accountability	December 31, 2019	Business Manager, Procurement Officer
District shall document processes in a manner approved by the CRO	June 30, 2020	Business Manager, Procurement Officer
CRO shall assess District progress	June 30, 2020	CRO

Initiative P02: Designate a Business Office employee to serve as the District's Procurement Officer	
Deadline: Appoint a Procurement Officer (December 2019)	
Evaluation Measure:	Designation of employee with appropriate skills and authority
Responsible Parties:	Superintendent and Business Manager

Requests for purchase orders are initiated by District staff, and they are advanced through a chain of approval beginning with the direct supervisor. Ultimately, the Business Office and Superintendent provide approval of all purchase orders, with the School Board serving as the sole authority that can authorize contracts through the bidding process. In order to support the institutionalization of the improvements in the District's procurement process, the District shall ensure that a qualified current staff member is designated to be the Procurement Officer and authorized to oversee and improve the procurement system.

Under a current proposal being considered by the District Administration, one of the confidential secretaries working in the Business Office would be designated as the Procurement Officer. In order to finalize this assignment, the District will need to realign responsibilities between its central office services. Currently, the Business Office handles some of the administrative parts of the benefit enrollment process. These functions will need to be assigned to the Human Resources Office in order to provide staff capacity to manage the procurement process in the Business Office.

The responsibilities of the Procurement Officer shall include the following: enforce compliance by reviewing requisitions for all purchases and recommends changes, if required; oversee staff entering data and approvals prior to the requisition converting to a purchase order; send purchase orders to the vendor with copies provided to accounts payable; and create all bid documents, advertise opportunities, and research opportunities for cooperate and bulk bids. The Procurement Officer shall be supervised by the Business Manager.

The requirements of this initiative are also be addressed under initiatives B01 (Recruit and retain high-quality Business Office staff), HR01 (Recruit and retain high-quality HR staff and modernize systems) and ADMIN07 (Central office re-organization).

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall identify and empower a Business Office employee to become the Procurement Officer	December 31, 2019	Superintendent, Business Manager

Initiative P03: Continue to execute the current cycle of soliciting requests for proposals for services provided to the District; upon reaching the end, begin the cycle again	
Deadline: Complete cycle of requests for proposals and services (January 2022)	
Evaluation Measure:	Completion of individual bid processes on time
Responsible Parties:	Business Manager, Procurement Officer, and School Board

In conjunction with the Commonwealth's technical assistance team, the District's Business Office developed a list of current contracts for services, and a timeline was developed to solicit bids. As part of this process, the District completed bidding for high-priority services including legal services (solicitor, labor attorney, and special education attorney), financial advisory services, and copying and printing in 2018 and 2019. In order to create an orderly process and avoid overburdening the Business Office, all other contracts were assigned a bid date in order over the next several years.

By the end of January 2022, the District shall complete the full cycle of the bidding timeline with the posting of a request for proposals for regular education transportation services, which is described in detail in initiative T03 (Rebid transportation contracts). All other contracts for services shall be bid by this date, and the District shall continue on the cycle of rebidding for the duration of time while the District is designated to be in moderate financial recovery.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall review the bidding timeline and make necessary adjustments if needed	December 31, 2019	Business Manager, Procurement Officer, and School Board
District shall complete the cycle of requests for proposals	January 31, 2022	Business Manager, Procurement Officer, and School Board

Initiative P04: Complete an inventory of all District assets	
Deadline: Certification of completion of IT inventory (December 2019); completion of asset inventory (June 2020)	
Evaluation Measure:	Completion of asset inventory
Responsible Parties:	Business Manager, Procurement Officer, and CRO

During the development of the Recovery Plan, the CRO learned that the District had completed some steps to improve the management of its assets, and in particular, completed a full inventory of its information technology assets in conjunction with the Northeast Intermediate Unit. However, several key milestones remain to be met. The District has used the property management module of the CSIU software to track its assets. The majority of the District's assets are recorded in that system, but entries for items such as

equipment valued under \$10,000 are incomplete or missing. In addition, the School Board does not see regular reports on the District's current assets.

If the District is not able to begin working on the completion of the asset inventory by January 31, 2020, the CRO shall direct the District to contract for the service. The District shall also investigate and adopt best practice standards for the frequency of full inventories and procedures for adding and removing items from inventory. Based on those standards, the District shall continuously update the inventory to ensure that the system contains all current assets managed by the District. By March 31, 2020, the District shall develop a quarterly report of assets to be presented to the School Board.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall provide sufficient evidence to the CRO to certify the completion of the IT inventory for all equipment in the District	December 31, 2019	Business Manager, Procurement Officer; to be certified by the CRO
District shall complete an inventory of all District assets	June 30, 2020	Business Manager, Procurement Officer

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall present a report of current assets to the Board	Initial report March 31, 2020; then Quarterly	Business Manager, Procurement Officer

Initiative P05: Consider the use of a purchasing card for potential to improve recordkeeping, reduce errors and provide a purchasing rebate	
Deadline: Report to the Board on the potential to use a purchasing card system (June 2020)	
Evaluation Measure:	Present report to Board; Take subsequent action if directed
Responsible Parties:	Business Manager, Procurement Officer, and School Board

Some school districts use a purchasing card system (P-card) as a tool to improve recordkeeping for purchase orders, and to generate savings through rebates of purchases. Because a P-card can be set to only allow certain amounts, for certain products, at certain vendors, it can also be an important tool to improve transparency and reduce the potential for fraud.

Before the end of the 2019-20 school year, the District shall evaluate potential vendors for a P-card system to determine if this would meet the District's goals of improving operational efficiency and improving safeguards for public funds. The Administration shall present a report to the School Board, and take any resulting action directed by the Board.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall review and report on the use of a purchasing card system; Board to review and possibly act	June 30, 2020	Business Manager, Procurement Officer, and School Board

Other Initiatives

- **Related initiatives in the Administration chapter of this Recovery Plan.** The designation of the Procurement Officer will require the District to assign functions to the Human Resources Office under the central office re-organization initiative (ADMIN07). The reporting requirements under asset inventory initiative (P04) are related to the initiative to develop comprehensive monthly and quarterly reports for the Administration, School Board, and the CRO (ADMIN08).
- **Related initiatives in the Human Resources chapter of this Recovery Plan.** The designation of the Procurement Officer will require the District to assign functions to the HR Office under the central office re-organization initiative (HR01).
- **Related initiatives in the Transportation chapter of this Recovery Plan.** The rebidding of the District's transportation contracts under initiative T03 will be completed in conjunction with the completion of the current cycle of soliciting requests for proposals for services (P03).
- **Related initiatives in the Information Technology chapter of this Recovery Plan.** Investments in the District's information technology program under initiatives IT03 will need to be incorporated into the District's asset inventory (P04).

Human Resources Office

Overview

The Scranton School District’s inability to consistently produce accurate and timely reports has been a theme throughout this Recovery Plan. In the Human Resources Office, there have been questions about the reliability of data shared with the Administration, School Board, employees, and the general public. Oversight of employee benefits were identified in law enforcement investigations and a review conducted by the Pennsylvania Auditor General.

The District has recently hired a new, experienced school Human Resources Director to head the HR function in Scranton. The new Director faces a number of challenges, including a large number of paper records, antiquated personnel policies, and a history of outside intervention in personnel decisions.

As part of the implementation of this Recovery Plan, the District shall continue to develop a modern Human Resources Office that meets the demands of a high functioning school district and discards outdated approaches for best practices. Many of the initiatives in this report were identified in the review of the District’s Human Resources Office by the technical assistance team, and the District has started to make progress on some of the initiatives.

Initiatives

Initiative HR01: Hire and retain high-quality staff and modernize management systems	
Deadline: Implement all organizational changes (January 2020); CRO review (June 2020)	
Evaluation Measure:	Re-assignment of staff responsibilities; Certification by Chief Recovery Officer
Responsible Parties:	Superintendent, HR Manager, CRO, and School Board

In the current staffing model for the District’s HR Office, there are five employees including the HR Director and four clerical staff. The HR Office handles employee hiring and onboarding, processing employment documentation and records management, administration of most benefit programs, employee evaluations, and the assignment of substitute paraprofessional employees. A contracted vendor is used to call substitute teachers for the District.

Administration of some benefits programs is shared with other departments in the District due to practical reasons or the continuation of past practices. For example, a clerical staff member in the maintenance department processes workers’ compensation claims because the department is the source of most claims in the District. The Business Office is responsible for life insurance open enrollment because a previous member of its clerical staff had this responsibility in prior years.

As noted in the central office re-organization initiative ADMIN07, one of the goals of the Recovery Plan is to align staffing resources in a way to better manage the span of control under the Superintendent and each of the heads of the managers of other parts of the District. By the end of the 2019-20 school year, the District shall make the following changes to staffing, assignments, and processes in the HR Office:

- Ensure staff receive continued training on modules in the HR management system**
 The Business Office chapter noted the District’s increased use of the CSIU modules CSIU as part of the District’s broader transition to the use of software programs to provide more accurate and efficient tracking of financial and employee information. The District shall evaluate the training

received to date on the CSIU system, and determine whether additional training is needed. This training assessment shall include all aspects of HR content knowledge including, but not limited to topics such as the Fair Labor Standards Act, anti-harassment training, human relations, benefits management, and relevant aspects of the School Code governing employment. All future staff in the HR Office shall receive sufficient training in the human resources management system and District processes within 60 days after beginning service in the Office.

- **Begin the full transition to the use of electronic documents for all recordkeeping**

The technical assistance team's review of the HR Office identified the extensive use of paper documents to track the District's employee information. For example, teacher certifications were largely stored and maintained in a system of notecards. Although this system may have been sufficient for most day-to-day needs of the District in the past, it leaves the District exposed to significant risk of losing the records and limits the staff's ability to quickly retrieve and summarize information. By the end of the 2019-20 school year, the District shall develop a plan to fully transition to electronic recordkeeping, and the District shall begin implementing such a plan. This shall include the entry of all new information into the electronic system, the transfer of some historical information into the new system, and the development of a storage and identification system for all paper-based documents. The ultimate goal of this initiative shall be to make full use of all of the District's existing systems. For example, the existence of a spreadsheet of staff shall not substitute for the use of a position control module in CSIU. To the extent paper records must be maintained, the District shall investigate the possibility of moving them to a secure, climate-controlled off-site location.

- **Ensure that staff have sufficient expertise to provide guidance to other staff in their subject matter**

Similarly to its findings in the review of Business Office staff, the technical assistance team found that the District's HR staff had most of the skills required for the operations of the Scranton School District. In conjunction with the CRO, the District shall conduct a brief evaluation of its current HR staffing and expertise to ensure that the District is able to comply with the reporting initiatives outlined in this Recovery Plan under ADMIN08, as well as other goals to increase operational efficiency. During this review, the District shall identify additional training that should be provided to staff or additional reports or tools that might be needed to assist staff. All future staff in the HR Office shall receive sufficient training in these processes, and job descriptions shall be aligned with the responsibilities and content knowledge. Individuals hired or assigned to work in the HR Office shall possess appropriate skills, ability and experience to perform the functions for which they are responsible. Regardless of any other provisions of law or contract, the District shall not assign unqualified individuals to work in the HR Office.

- **Ensure staff are cross trained across assignments**

In addition to the review of current skills and assignments, the District shall identify opportunities to provide cross training to all HR Office staff for routine processes and procedures. This will ensure that the District is able to continue to function efficiently if staff members are not present due to paid time off or unfilled vacancies. To the extent necessary, job descriptions shall be modified to achieve this. If needed, the District shall identify clerical staff assigned to other departments that may serve as temporary support for short-term projects in the HR Office. All future labor agreements shall allow for cross-training and cross-assignment of HR Office employees.

- **Hire an Assistant HR Manager if funds are available**

In order to achieve some of the initiatives outlined in this chapter and other parts of the Recovery Plan, the HR Director will need to be able to take a strategic role in guiding the development of the office. As part of the central office re-organization initiative ADMIN07, the District shall hire an Assistant HR Manager to provide an additional HR professional to support the operations of the office. The completion of this portion of the initiative may be postponed until the District's financial position improves and sufficient funds are identified to cover the salary and benefits. If the need for an assistant position is determined to be sufficiently urgent, the CRO shall direct the

District to re-organize the HR Office to combine positions in order to create an Assistant HR Manager position under the authority granted by Sections 642-A(a)(13) and 642-A(a)(14) of Act 141.

- Assign all administrative parts of the benefit enrollment process to the HR Office**
 As part of the implementation of initiatives B01 (Business Office staff), P02 (Procurement Officer), and ADMIN07 (Central office re-organization), the District shall transfer the responsibility for benefits administration currently assigned to the Business Office to appropriate personnel in the HR Office. This transfer will occur in order to provide staff time to assign a Business Office staff member to be the District's Procurement Officer as outlined in initiative P02.

During the first half of the 2020 calendar year, the CRO shall lead a process to examine the staffing and changes to procedures completed by the District. As part of this review, the CRO shall review and assess the additional training required of staff and proposed changes in assignments. The CRO will prescribe remedial action if necessary.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall review staffing assignments and potential needs for training on the financial management software or other skills	January 31, 2020	HR Manager
District shall hire an Assistant HR Manager if funds are available	March 30, 2020	Superintendent, School Board
District shall document processes in a manner approved by the CRO	March 30, 2020	HR Manager
CRO shall assess District progress and additional action needed	June 30, 2020	CRO

Initiative HR02: Fully implement a position control system	
Deadline: Develop a position control system (December 2020)	
Evaluation Measure:	Development of position control system; Certification by Chief Recovery Officer; Ongoing maintenance and updating of the system
Responsible Parties:	HR Manager, Business Manager, Payroll Supervisor, and CRO

A high-performing school district requires an accurate position control system to create timely reports of current budgeted and filled positions. Understanding the financial implications of staffing decisions is critical in order for a school district's administration and school board to make informed decisions about programs. Further complications can arise when multiple funding sources, such as federal grants, are used to provide funding for particular positions. In the Scranton School District, salaries and benefits account for over 70 percent of the adjusted 2019 budget used for the baseline projections in this Recovery Plan. Given the current and projected financial challenges facing the District, the management challenges of identifying sustainable funding sources for positions are magnified, which underscores the need for quality information.

As part of the implementation of the Recovery Plan, the District shall create a position control system to document and report the salary and benefits costs of all positions. By December 31, 2020, the District shall implement a position control system and record the processes for all parties responsible for maintaining the system. The development and execution of the position control system shall include the following elements:

- **Utilization of existing systems to the fullest extent possible**

Position control involves the coordination of information from financial and human resources management software, as well as the manual steps that staff must take to transfer information between the systems if automatic processes are not available. In many cases, software programs for financial and human resources management, such as CSIU, may offer a position control module. However, these programs may use different terms for position control, and there may be differences in the features and types of reports that can be generated. These concerns should be kept in mind if the District transitions to a new software system in the future.

In the development of the position control system, the District shall utilize existing systems and their features to the fullest extent possible to avoid the need for added costs for new software, and the complications and failures that often ensue when standard software is modified.

- **Creation of the position control database**

The position control database should include all of the following elements:

1. Position number
2. Budget code
3. Position title, physical location, and funding source
4. Full-time equivalent status
5. Indication of whether the position is filled or vacant
6. Annual salary and related information (bargaining unit, placement on the salary schedule, years of service with the District, years of experience credited for other educational employers, etc.)
7. Benefits costs: total costs and benefits costs by type (ex. Social Security, PSERS retirement contributions, healthcare, etc.)
8. Clear identification of special positions or status (i.e. itinerant positions, coaching supplements, probationary period)

- **Alignment of position titles and budget codes**

In the development of the position control system, the District shall review all position titles and budget codes to ensure that the information in the system is consistent with all of the District's information sources. In many cases, a school district has multiple titles for positions that have similar responsibilities. All position titles shall be rationalized and organized by the HR Office as part of the development of the position control system. These titles should be consistent across all documents used by the District including organization charts, job descriptions, instruction manuals, staffing lists and public documents and reports. In addition, the budget codes used in the position control system shall be aligned with all other codes used by the District.

- **Documentation of processes for maintenance of data**

In order to create institutional structures for the ongoing maintenance of the position control system, the District shall develop management tools such as flow charts or manuals to outline the daily, weekly, monthly and annual maintenance processes and the assignment of personnel to steps.

- **Documentation of communication with key stakeholders**

The District shall also create a tool to outline the coordination of the position control system with the budget development process, and the creation of regular reports for the Administration and School Board. In order to support the development of a balanced budget in initiative R01, the District shall use the position control system to manage and authorize all positions within the available funds provided in the annual budget. Further information on the types of reports to be generated for the Administration and the School Board are outlined in initiative HR09.

- **Use of position control system to enforce budget compliance**

Ultimately, the position control system shall be the main tool that the District's administration will use to manage the total number of personnel within the level of resources available in the budget. Beginning in the 2021 calendar year, or earlier if feasible, the District shall not retain new

personnel or reassign existing personnel unless there is a vacant position in the position control system. The position control system shall be used to develop the annual budget of positions and personnel costs, and a sustainable funding source must be identified for all positions. Each annual budget shall be developed in accordance with the structural balance requirements of initiative R01 (Adopt a structurally balanced budget).

During the second half of the 2020 calendar year, the CRO shall lead a process to review the progress made in implementing the position control system in advance of the development of the calendar year 2021 budget. The CRO will prescribe remedial action if necessary or revise the timeline if sufficient progress is made.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall begin the development of the position control database and all administrative documents	January 31, 2020	HR Manager, Business Manager, and Payroll Supervisor
District shall document processes in a manner approved by the CRO	August 31, 2020	HR Manager, Business Manager, and Payroll Supervisor
CRO shall assess District progress	October 30, 2020	CRO
District shall complete the position control database and all administrative documents	December 31, 2020	HR Manager, Business Manager, and Payroll Supervisor
Enforce budget compliance	January 1, 2021 or earlier if feasible	HR Manager, Business Manager

Initiative HR03: Review all job descriptions and employee evaluation processes	
Deadline: Conduct initial review (January 2020)	
Evaluation Measure:	Presentation of report to CRO
Responsible Parties:	HR Manager and CRO

The technical assistance team's review of the HR Office found that the District lacked robust job descriptions and employee evaluation processes for all employee groups. In conjunction with the development of the position control system the District shall review all job descriptions and employee evaluation processes to provide recommended changes to be approved by the Superintendent and CRO. If sufficient staff resources are not available to complete the review by the proposed deadline, then the District shall prioritize the rationalization of job titles referred to in initiative HR02, and the District shall develop a timeline to complete the full review and updates.

During the second half of the 2020 calendar year, the CRO shall lead a process to review the progress made in the review of job descriptions and employee evaluation processes. The CRO will prescribe remedial action if necessary or revise the timeline if sufficient progress is made.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall begin the review of all job descriptions and employee evaluation processes	January 31, 2020	HR Manager
District shall prepare recommended changes for review by the Superintendent and CRO	June 30, 2020	Superintendent, HR Manager, and CRO
CRO shall assess District progress	October 30, 2020	CRO

Initiative HR04: Use direct deposit for all salary payments and automated clearing house (ACH) for payments to vendors	
Deadline: Full transition of payment processes (December 2019)	
Evaluation Measure:	Full transition of processes; Adoption of Board policy
Responsible Parties:	HR Manager, Business Manager, Payroll Supervisor, and School Board

During the development of the Recovery Plan, the CRO learned that the District provides paper checks for some employees and vendors. In order to reduce the amount of staff time required to produce the paper checks, the District shall mandate direct deposit for all salary payments and ACH for payments to vendors. The Administration shall prepare a policy to be presented to the School Board, and the School Board shall adopt the new payment policy.

Variances with the policy may be allowed if the claimant produces three valid reasons for the requirement of payment by check, the reasons are approved by the Superintendent, and the full School Board votes in favor of granting an exception to the policy. The claimant must be present at the School Board meeting in order to receive the exception, and the claimant must present the case to the School Board for consideration.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall transition all payments to direct deposit and ACH	December 31, 2019	HR Manager, Business Manager, and Payroll Supervisor
District shall prepare a policy to be adopted by the School Board	December 31, 2019	HR Manager, Business Manager, and School Board

Initiative HR05: Create a condensed employee packet to include all benefit and policy information relevant to new hires	
Deadline: Creation of a benefits packet (June 2020)	
Evaluation Measure:	Creation of a benefits packet; Certification by Chief Recovery Officer
Responsible Parties:	HR Manager and CRO

The technical assistance team’s review of the HR Office found that the District lacked a concise package of documents that are to be presented to new hires outlining all available benefits and related policies. The District shall create such a comprehensive document that will include all benefits information including medical, prescription, dental, and vision benefits, life insurance, worker’s compensation procedures, 403(b) opportunities, and any other items deemed to be relevant. In addition, the District must have employee handbooks that state all relevant rules, regulations, and policies. If the District believes that current information is sufficient to satisfy this initiative, it shall be presented to the CRO for approval.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall create a comprehensive benefits package for new hires	June 30, 2020	HR Manager

Initiative HR06: Fully implement an electronic timekeeping system	
Deadline: Fully implement timekeeping system (December 2021)	
Evaluation Measure:	Implementation of timekeeping system
Responsible Parties:	Superintendent, HR Manager, Business Manager, and Facilities Director or Designee

The Scranton School District currently uses manual processes to track and verify hours worked for the payment of overtime and other pay in addition to base salary and wages. In order to improve recordkeeping, the District shall implement a timekeeping system for all employees and all school buildings by December 31, 2021. The CRO shall direct the District to review timekeeping systems including the costs and other relevant features. In addition, the District shall engage with each of its bargaining units to address all concerns related to the implementation of the timekeeping program in advance of its full use. The CRO shall work with the District Administration to engage and consult with each collective bargaining unit and Act 93 employees in developing the new system. All future collective bargaining agreements shall allow for the full implementation of the new system without any form of compensation to employees. No waivers shall be granted to any employees, including the District Administration.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall fully implement an electronic timekeeping system	December 31, 2021	Superintendent, HR Manager, Business Manager, and Facilities Director or Designee

Initiative HR07: Limit growth in costs of future workers' compensation claims by managing existing claims and reducing the number of new claims	
Deadline: Review costs and develop a plan to address future growth (December 2021)	
Evaluation Measure:	Development of a plan to reduce cost growth
Responsible Parties:	HR Manager, Business Manager, and Facilities Director or Designee

Total workers' compensation costs are \$928,405 in the 2019 budget, which represent approximately 0.8 percent of the total personnel costs. These costs are relatively high compared to other school districts in the Commonwealth that are in financial recovery. Costs have declined since 2017, when the District recorded \$1.5 million in workers' compensation costs. Factors contributing to the decline include improved experience in the number of claims, and the District's completion of a multi-year program to transfer funds to the self-insured Workers' Compensation Fund to restore the cash balance.

As part of the long-term plan to improve efficiency and reduce costs to the District, the CRO shall direct the District to review its workers' compensation costs and identify areas to reduce future costs. Options for this initiative may include short-term measures such as buying out high cost claims and long-term initiatives such as improved safety oversight. The District may choose to engage a high-quality outside consultant with experience in reducing public sector workers' compensation costs. In order to generate savings for the other goals of this Recovery Plan, the District shall attempt to reduce the ongoing costs of workers' compensation by at least \$100,000.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall review workers' compensation costs and develop a plan to address future growth	December 31, 2021	HR Manager, Business Manager, and Facilities Director or Designee

Initiative HR08: Develop an exit interview process and generate reports with interview data	
Deadline: Develop an exit interview template (December 2019)	
Evaluation Measure:	Creation of template
Responsible Parties:	HR Manager

During its review of the HR Office, the technical assistance team found that the District lacked a robust exit interview process. In order to improve employee retention and gather information for improvement, the District shall develop an exit interview template, assign the responsibilities to an employee in the HR Office, and begin generating reports from the interview data to be shared with the Administration and the School Board. To the extent necessary, language permitting and facilitating this process shall be included in all future collective bargaining agreements.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall develop an exit interview template and assign responsibilities to staff	December 31, 2019	HR Manager
District shall develop a report to be shared with the Administration and the School Board	December 31, 2019	HR Manager

Initiative HR09: Improve reporting and monitoring of human resources information in documents shared with the Board	
Deadline: Development of reports to the School Board (December 2020)	
Evaluation Measure:	Development of reports to the School Board
Responsible Parties:	Superintendent, HR Manager, and School Board

As outlined in initiative ADMIN07, the CRO has made it a priority to develop reports on key components of the District's operations to provide regular updates to the District's Administration and School Board. Beginning in the fall of the 2019 and continuing until the completion of the position control system, the District shall create human resources reports that shall be shared with the Administration and School Board.

These reports shall include the following items:

- **Position control**

Position control reports shall be included on a monthly basis to the full School Board, and shall include the number of full-time equivalent positions by title, location, and funding source. It shall also include the number of vacant positions, and the total costs of salaries and benefits. Period to date expenditures for salaries and benefits shall be presented along with the total budgeted amounts for the fiscal year, and the amounts from the same period of time for the prior year.

When presenting positions to be filled by the School Board, the District shall provide a report of the position proposed, the salary and benefits of the employee being replaced, and the salary and benefits of the proposed candidate for the unfilled position. The District shall also document that the position is funded in the current year's budget.

- **Exit interview data**

These reports shall include the total number of positions that have left the District for the prior reporting period and the total year to date. The positions that left shall be organized both by title and by the reason for their departure from the District. Rates of separation shall be calculated, and the information will be compared to prior years when a sufficient amount of information is available.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall develop position control and exit interview reports to be presented to the Administration and School Board	December 31, 2020	Superintendent, HR Manager, and School Board

Other Initiatives

- **Related initiatives in the Administration chapter of this Recovery Plan.** The designation of the Procurement Officer will require the District to assign functions to the Human Resources Office under the central office re-organization initiative (ADMIN07), and the full list of required reports is listed under initiative ADMIN08.
- **Related initiatives in the Business Office chapter of this Recovery Plan.** The designation of the Procurement Officer is discussed under initiative B01.
- **Related initiatives in the Procurement chapter of this Recovery Plan.** The designation of the Procurement Officer is discussed under initiative P02.
- **Related initiatives in the Transportation chapter of this Recovery Plan.** Initiative T02 requires the District to develop performance goals for the transportation manager position, and to retain a highly qualified employee in the position.
- **Related initiatives in the Information Technology chapter of this Recovery Plan.** The full implementation of the District's software systems including CSIU and the position control system are also required under initiative IT04.
- **Related initiatives in the Workforce chapter of this Recovery Plan.** The creation of health benefits summaries is also referenced under initiative WF03.

Student Transportation

Overview

In the Scranton School District, approximately 60 buses and 40 vans carry over 4,000 students to school and back home each day. Under Pennsylvania law, this service is provided to students enrolled in District-operated, non-public, special education and charter schools. Over the past several years this extensive student transportation system in Scranton has been the focus of numerous findings of deficiencies from the Commonwealth Department of Education’s technical assistance team and the Pennsylvania Auditor General, as well as criminal prosecutions. Those actions and high-profile accounts of the District’s transportation program have brought public attention to these issues.

This chapter will not recap this history in detail, but rather provide a roadmap to improve transportation services and reduce costs as part of the District's overall Recovery Plan.

SSD Budgeted Transportation Costs	
2019	
Budget	
Expenditures	
Student Transportation Vendors ¹	\$4,304,792
IU Transportation	\$523,000
Other Functions ²	\$148,287
Total Expenditures	\$4,976,079
Revenues	
Transportation Subsidy	\$1,200,000
Net Costs	\$3,776,079

In terms of improving the affordability of the transportation program, the District can work to reduce the costs of providing services for students, or to increase the subsidy provided by the Commonwealth to offset the local share of costs. As shown in the table above, approximately one-quarter of the total costs of contracted transportation costs are covered by the Commonwealth’s transportation subsidy in the 2019 budget. While transportation expenditures represent only 3.0 percent of the District’s total adopted budget for the 2019 calendar year, they represent about 10.5 percent of the District’s non-personnel budget. As one of the biggest expenditure categories, managing the transportation program efficiently and effectively is one of the District’s most significant opportunities to generate more funding to instructional programs, student support services, and other District priorities.

Other reports and analyses have documented the growth in the District’s transportation costs over time. For the purposes of this Recovery Plan, recent trends connected to the initiatives in this chapter will be highlighted to reinforce the need to continue making improvements in transportation efficiency.

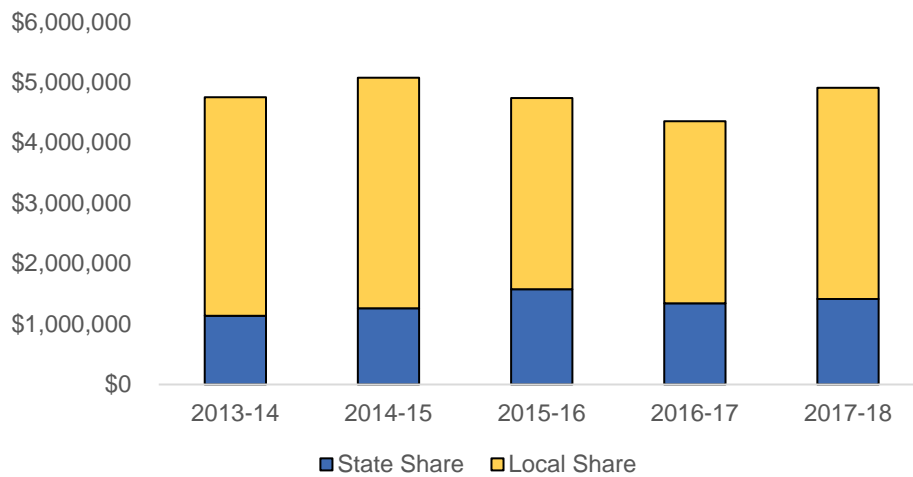
¹ Student transportation includes the costs of the District’s main transportation vendors (DeNaples and Red Top), and various smaller vendors. Costs of the transportation manager are excluded from the figure above.

² These costs are mostly comprised of transportation for student activities, and some residual costs budgeted under the regular education and special education functions.

Key Finding 1: The District's local share of transportation costs remains relatively high despite recent cost reductions.

As shown in the chart below, the District made some progress in reducing the total costs of transportation in 2015-16 and 2016-17. These events coincided with the District's efforts to seek concessions from its transportation vendors to reduce the cost per vehicle and the total number of vehicles. In 2017-18, the costs continued to rise due in large part to the contractual increase provisions in the District's transportation agreements.

SSD Transportation Costs



In the table below, the State's share of SSD transportation costs is shown as a percentage of the total costs. Although there was improvement in the State's share of total transportation costs in 2015-16, that progress started to erode over the next two years. Although urban school districts are somewhat disadvantaged by the factors in the State's transportation subsidy formula, there are key elements that are in the control of the District, such as the number of students assigned to each school bus. An important goal of the initiatives in this Recovery Plan is to improve the efficiency of the District's transportation operations and reduce the District's share of costs covered by local taxes and other sources.

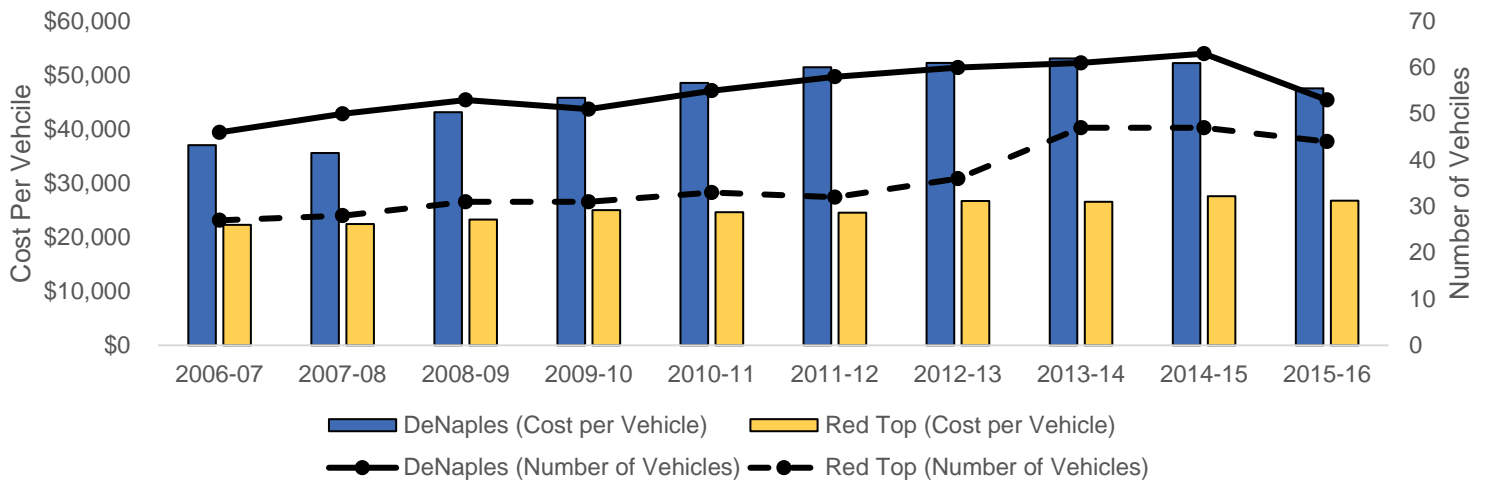
SSD State Share of Transportation Costs

	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Actual	Actual	Actual	Actual
State Share	24%	25%	33%	31%	29%

Key Finding 2: The District's costs and reimbursement are linked to the total number of vehicles and the cost per vehicle.

As shown in the chart on the following page, both the number of District vehicles and the costs per vehicle have grown over the past decade. The reduction in costs noted in 2015-16 in the section above are related to the decline in the number of vehicles and average costs for that year in the chart below.

SSD Cost per Vehicle and Number of Vehicles



This Recovery Plan outlines a multi-year transportation improvement strategy to coordinate and sequence key actions in a logical way to maximize the operational and financial impacts of the changes and avoid rework. When undertaken in isolation, some nominally priority actions may confound larger strategic goals or reduce the desired level of optimization, requiring additional work. Therefore, each step in this transportation improvement strategy is integrated with other transportation actions, and with the other initiatives required in the Recovery Plan (for example, the reconfiguration of school buildings and attendance areas, which is discussed in more detail in the Facilities chapter of this Plan, will affect the required number of bus routes for student transportation).

Furthermore, in order to maximize the potential savings from the re-bidding of the transportation contracts, the District will need to ensure that its current system of routes is optimized to avoid carrying these inefficiencies into a new contract. The transportation strategy includes a project schedule which can be monitored for progress and ensure that the District achieves important milestones for rerouting and rebalancing in a timely manner. Finally, as part of the transportation strategy the CRO has begun to direct the District administration to make short-term improvements for immediate savings and operational improvements.

Initiatives

Initiative T01: Complete the implementation of the District's transportation management software and improve route efficiency	
Deadline: Initial implementation (Summer 2019); ongoing procedures (June 2020)	
Evaluation Measure:	Savings generated
Responsible Parties:	Superintendent, Special Education Supervisor, Business Manager, and Transportation Manager

The Scranton School District has received technical assistance from the Department of Education to develop and implement a multi-year transportation improvement strategy. As the first step in the process, the strategy requires the District to fully implement the transportation management software purchased in calendar year 2018 with the goal of improving the efficiency of routes under the current vendor contracts. Bidding without an efficient set of routes can lock in excess costs for the life of the contract.

In high-performing school districts, administrators use transportation software that combines large relational databases of student information with external information such as GPS data from navigation systems. Once fully implemented, the transportation software maintains all data, provides routine reports, and allows for analysis of efficiency factors. It can be used to develop new routes, and create new routes based on adjustments to school district policies, run sheets, and school attendance zones.

Scranton School District has signed a change order for the current contract with Transfinder, the vendor providing the transportation management software, to use the remaining amount of the current contract to complete the setup of the program. The District shall implement the software and begin planning to improve route efficiency to achieve savings at the start of the 2019-20 school year.

In most cases, transportation costs are mainly governed by efficient use of seating capacity and travel times to school buildings, however, numerous school district policies, guidelines, and practices affect cost. In coordination with the CRO, the District shall evaluate these policies and procedures in the spring and summer of 2019 to include the following:

- Delineation of walking zones
- Unloading practices at school buildings
- Use of door-side only stops
- Maximum run time guidelines
- Allocation of bus monitors
- Use of a central drop off point for very young students and for special education students whose parents are not at stops
- Assignment of special education students to vehicles within current IEP guidelines
- Information flows from the special education office to the transportation office

Further adjustments will take place in the fall of the 2019-20 school year to align routes with the needs of individual school buildings. In addition, the District shall coordinate with the CRO through the fall of the 2019-20 school year to evaluate the impact of the building reconfiguration plans on the transportation program. This will be completed in conjunction with the development of a request for proposals (RFP) for a special education transportation vendor, which will be issued in winter of 2020. (See initiative T03 for further detail).

In the spring of 2020, the District shall explore opportunities for further route efficiencies to be reviewed with the members of the transportation advisory committee (See initiative T04 for further detail). These opportunities may include:

- Further calibration of information used in mapping software
- Study school bell times to determine whether minor adjustments will allow the District to assign multiple runs for each vehicle route
- Evaluate ability to expand walking zones or to make improvements at walkable schools
- Evaluate opportunities to establish a shuttle and transfer system for non-public and charter school students to walk to the nearest public school from which they will be taken directly to their non-public or charter school
- Streamline information flow with other school entities for students attending non-public and charter schools

In the table below, cost savings are shown compared to the current contract, assuming a reduction of four routes per vendor in the 2019-20 school year and an additional two routes per vendor in the 2020-21 school year for a total of twelve vehicles.

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
(\$130,462)	(\$402,173)	(\$508,485)	(\$515,232)	(\$526,619)	(\$538,257)	(\$2,621,228)

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall complete the implementation of the transportation management software	June 30, 2019	Transportation Manager
District shall document and streamline information flows from the special education office to the transportation office	June 30, 2019	Special Education Supervisor, Business Manager
District shall complete vehicle routing as outlined in the transportation strategy developed in Spring 2019	July 19, 2019	Business Manager, Transportation Department
District shall review bus runs to ensure accuracy of all available information	July 31, 2019	Business Manager, Transportation Department
District shall communicate bus runs to vendors for implementation	August 6, 2019	Business Manager, Transportation Department
District shall notify parents of changes to bus stops and route assignments	August 23, 2019	Business Manager, Transportation Department
District shall evaluate routes and plan for mid-year changes if necessary	October 15, 2019	Business Manager, Transportation Manager
District shall evaluate transportation implications of proposed building reconfiguration plans	December 31, 2019	Superintendent, Business Manager, and Transportation Manager
District shall evaluate additional opportunities for further route efficiencies outlined above	March 31, 2020	Superintendent, Business Manager, and Transportation Manager

Once the initial steps of this initiative have been completed, the District shall establish policies and procedures to institutionalize the improvements made as part of the Recovery Plan. The table below includes the required procedures to be implemented by the end of the 2019-20 school year.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall develop quarterly reports to the School Board including the following information: <ul style="list-style-type: none"> • Current routes by vendor • Change in routes in the previous quarter by vendor • Year-to-date costs by vendor compared to the adopted budget • Comparison of current year costs to prior year costs • Review of amount covered by the Transportation Subsidy 	Quarterly	Business Manager, Transportation Manager
District shall conduct quarterly surveys of ridership levels by route to be included in maintenance of data for the transportation management software	Quarterly	Business Manager, Transportation Manager
District shall complete an evaluation of route efficiencies and propose changes for the following school year	Annually by July	Superintendent, Business Manager, and Transportation Manager
District shall complete an evaluation of current year routes and propose current year adjustments if needed	Annually by November	Superintendent, Business Manager, and Transportation Manager

Initiative T02: Retain an experienced, qualified transportation manager	
Deadline: Hiring completed (October 2019); performance evaluation (annually)	
Evaluation Measure:	Performance goals achieved in annual employee evaluation
Responsible Parties:	Business Manager, HR Manager, and Transportation Manager

School transportation is delivered in a complex, expensive system with many opportunities for improvement. However, achieving these savings is contingent upon having accurate data and the internal capacity to analyze trends in the data to identify areas of improvement.

The District currently has a transportation manager who manages the day-to-day operations of the office, and the District has discussed hiring an assistant business manager to oversee the overall management and strategic direction of the transportation program. (See initiative B01 in the Business Office chapter for further detail).

Regardless of the staffing configuration chosen, the District shall ensure that high-quality staff are in place to manage the transportation program. Assuming the current staffing model of one transportation manager and no assistant business manager, the District shall work with its current transportation manager to establish performance goals, outline a schedule of training, and conduct regular evaluations as part of the annual review process. If sufficient progress is not made towards the completion of the initiatives outlined in this Recovery Plan and subsequent amendments, then the District shall be required to transfer this individual to a role more suitable to his or her qualifications.

In order to achieve the operational performance and net cost reduction goals of this Recovery Plan, the District shall establish specific performance goals for the transportation manager to meet. These goals will be evaluated during the annual review process conducted by the HR Manager and the transportation manager's supervisor. In conjunction with the CRO, the District shall review the current job description for the transportation manager and add performance goals including:

- Completion of ongoing professional development and training offered by the transportation software vendor or other parties
- Continuous adherence to data upload policies to ensure proper maintenance of databases
- Satisfactory and timely completion of ridership surveys and other data gathering procedures

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall review the current job description	August 15, 2019	HR Manager
District shall retain a an experienced, qualified transportation manager	October 31, 2019	HR Manager

Once the initial steps of this initiative have been completed, the District shall establish policies and procedures to institutionalize the improvements achieved as part of the Recovery Plan. The table below includes the required procedures to be implemented by the end of the 2019-20 school year.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall review the achievement of performance goals and other measures completed by the transportation manager	Annually by June 30	HR Manager, Business Manager, and Transportation Manager

Initiative T03: Rebid transportation contracts for savings	
Deadline: Van and small bus vendor (January 2020); large bus vendor (January 2022)	
Evaluation Measure:	Savings generated
Responsible Parties:	Superintendent, Business Manager, Transportation Manager, and School Board

As a general best practice, transportation services should be competitively bid every three to five years, and the request for proposals should be based on an efficient set of vehicle routes. As noted previously in this chapter, developing a request for proposals without optimizing the current route assignments will not generate the desired savings through the bidding process.

In conjunction with the route optimization strategy outlined in initiative T01, the District shall prepare RFPs for the vendor of special education vehicles and the vendor of regular education buses as the current contracts expire. The District's current contract with Red Top, the special education vendor, is valid through the end of the 2019-20 school year. Therefore, it is imperative that the route optimization program is completed in a timely fashion in order to ensure that an efficient system of routes is included in the RFP for special education vehicles.

In the Recovery Plan, it is assumed that the District will complete the cycle of development and award of requests for proposals in accordance with the current contract expiration dates, which are shown below. If deemed necessary by the CRO, the timeline for seeking requests for proposals for the large bus contract may be accelerated.³

SSD Transportation Contracts

Current Vendor	Service	Expiration of Contract
Red Top	Special education buses and vans	June 30, 2020
DeNaples	Regular education buses	June 30, 2022

In developing the requests for proposals, the District shall evaluate the provisions included in its current contracts for the effect on vehicle prices. In conjunction with the CRO, the District shall include the following items in its review of its current contracts, and in the evaluation of proposals from new vendors:

- Price differentials depending on the size of vehicles
- Hours per day-fixed price or fixed hours and payment for overage
- Fuel provided by the District or vendor
- Vehicle age provisions for average age and maximum age
- Responsibility for routing of buses
- Achievement of efficiency measures related to the Commonwealth's Transportation Subsidy formula

³ The CRO may unilaterally choose to exercise the power to cancel and require the District to rebid the contracts at any time in the administration of this Recovery Plan pursuant to the language in Section 642-A of Act 141.

In the table below, cost savings are shown assuming a savings of 8.5 percent for vehicle rates based on PFM's review of daily rates for nearby school districts gathered by the District in the 2017-18 school year. These daily rates were adjusted for inflation and differentials for the size of vehicles in the District's current vendor contracts. Cost savings are shown inclusive of savings outlined in initiative T01, and the figures below represent additional savings achieved by re-bidding the vendor contracts.

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
\$0	(\$43,277)	(\$112,240)	(\$230,265)	(\$416,923)	(\$426,137)	(\$1,228,841)

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall prepare a request for proposals for special education vehicles in accordance with its optimized routes	December 31, 2019	Business Manager, Transportation Manager
District shall post the request for proposals for special education vehicles in multiple media outlets	January 31, 2020	Business Manager
District shall evaluate bids submitted for special education vehicles and prepare a recommendation for the School Board	April 30, 2020	Business Manager, Transportation Manager
District shall award a contract to a vendor in accordance with its procurement policy	April 30, 2020	School Board
District shall prepare a request for proposals for large buses in accordance with its optimized routes	December 31, 2021	Business Manager, Transportation Manager
District shall post the request for proposals for special education vehicles in multiple media outlets	January 31, 2022	Business Manager
District shall evaluate bids submitted for special education vehicles and prepare a recommendation for the School Board	April 30, 2022	Business Manager, Transportation Manager
District shall award a contract to a vendor in accordance with its procurement policy	April 30, 2022	School Board

Once the initial steps of this initiative have been completed, the District shall establish policies and procedures to institutionalize the improvements made as part of the Recovery Plan. The table below includes the required procedures to be implemented for the duration of time while the District is in financial recovery status.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall rebid contracts every three to five years according to its procurement policy	Every three to five years	Superintendent, Business Manager, Transportation Manager, and School Board

Initiative T04: Establish a transportation advisory committee	
Deadline: Initial establishment (December 2019); regular meetings (Ongoing)	
Evaluation Measure:	Savings generated
Responsible Parties:	Superintendent, Business Manager, Transportation Manager, and School Board

In order to achieve the full range of savings for all potential initiatives, the District will need to coordinate with stakeholders in the District and other school entities. A good working relationship will be required between the District's internal staff, including the superintendent, transportation manager, business manager, special education supervisor and individual building principals. In addition, these people will be required to coordinate and work with staff from local non-public schools, charter schools, the Northeastern Educational Intermediate Unit (NEIU), and the District's bus contractors.

The District shall establish a transportation committee to review opportunities for collaboration and to implement best practices in school transportation. These members shall include the following members, and the committee shall meet on a quarterly basis:

- Superintendent or designee
- Business manager or designee
- Transportation manager
- One SSD school principal
- Representatives from all local non-public and charter schools
- Representatives from the District's transportation vendors
- A member of the school board designated by the Committee of the Whole

As needed, the District's special education supervisor and a representative from the NEIU will be invited to the committee to discuss the impact of special education assignments on the District's IU transportation costs, and to identify areas for potential savings.

Representatives from the District's vendors shall be replaced as the District rebids its contracts over time.

One board member shall be designated by the Committee of the Whole to attend the transportation advisory meetings, and this member shall report back to the full School Board. The Board member shall be required to attend at least 75 percent of all annual meetings, and if this obligation is not met, the Board shall immediately designate an alternative member as a replacement.

The District shall be required to establish the transportation advisory committee by December 31, 2019. The table below includes the required procedure to be implemented by the end of the 2019-20 school year.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall convene the transportation advisory committee quarterly	Quarterly	Superintendent, Business Manager, Transportation Manager, and School Board

Initiative T05: Increase transportation subsidy revenues	
Deadline: Increase subsidy reimbursement (Annually by June)	
Evaluation Measure:	Increase in revenues; Percent local share of costs
Responsible Parties:	Business Manager and Transportation Manager

As noted in the 2017 analyses of the District's finances from the Commonwealth's fiscal watch team and the Auditor General, a relatively low proportion of the Scranton School District's total transportation costs are covered by the Commonwealth's transportation subsidy. Various operational factors impact the

transportation subsidy received by a school district, and some of these factors are not favorable to an urban school transportation system such as the one in Scranton. However, there are a number of factors that the District can control directly or indirectly such as vehicle capacity, number of unloaded miles, and the age of vehicles.

In conjunction with the route optimization and contract rebidding initiatives described above, the District shall increase the percentage of its transportation operating costs covered by the subsidy. The table below shows the amount of its costs of contracted vendors currently covered by the transportation subsidy.

SSD Transportation Reimbursement	
2019	
Budget	
Student Transportation Vendors	\$4,304,792
Transportation Subsidy	\$1,200,000
% Reimbursement	27.9%

For the purposes of the Recovery Plan, it is assumed that the reimbursement percentage will increase to 35 percent in the 2019-20 operating year, and then increase by 2.5 percentage points annually until it reaches 45 percent in the 2023-24 operating year. Transportation subsidy payments are made the year after they are incurred, which means that the initiative would begin to have an impact on the District's budget beginning in the last quarter of the 2020 calendar year. The table below shows the impact of the increased transportation subsidy with the route optimization, and the rebidding of the vendor contracts.

Financial Impact						
2019	2020	2021	2022	2023	2024	Cumulative Impact
\$0	\$116,728	\$213,643	\$271,531	\$319,970	\$390,346	\$1,312,218

As noted in T01, the District shall include a quarterly report of the State and local share of transportation costs in its quarterly report to the School Board.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall increase the share of transportation costs covered by the Transportation Subsidy over the duration of this Recovery Plan	Annually by June 30	Business Manager and Transportation Manager

Other Initiatives

- **Related initiatives in the Administration chapter of this Recovery Plan.** The full list of required reports is listed under initiative ADMIN08.
- **Related initiatives in the Procurement chapter of this Recovery Plan.** The District will be required to continue the cycle of rebidding its transportation contracts in accordance with the requirements of the overall effort to regularly rebid contracts under initiative P03.
- **Related initiatives in the Facilities chapter of this Recovery Plan.** The District's ability to reduce the number of routes will be impacted by the changes to the transportation system in the building reconfiguration process under initiative F03.
- **Related initiatives in the Information Technology chapter of this Recovery Plan.** The full implementation of the District's Transfinder software system is also required under initiative IT04.

Capital Planning and Facilities Management

Overview

The Scranton School District faces substantial capital costs to maintain its facilities, and this Recovery Plan seeks to provide the District with a strategy to address its most immediate needs over the next several years. The District cannot evaluate its true financial and operational condition without adopting and implementing a multi-year plan that includes funding for its capital needs.

In December 2018, PFM provided a report on the Scranton School District's facilities and building maintenance and operations to the District administration, and the findings from this report were presented to the Board in January 2019. The facilities review identified nearly \$144 million in total costs of renovations for the District's buildings, which include nearly \$53 million of critically-needed renovations and improvements that the District should undertake over the next five to seven years, and \$7.3 million in projects that should be completed urgently to keep buildings in their current operating condition. The key findings from the facilities study are summarized below.

Although the Board has approved limited capital expenditures for emergency capital projects, the District has no long-term capital plan for its facilities. As part of the development of a long-term capital plan through PDE's technical assistance and the oversight of the CRO, the District shall review its current enrollment and instructional needs to align its building configuration with available capacity. Furthermore, the District needs to develop this plan in conjunction with an evaluation of required staffing levels, and to incorporate potential changes in building configuration into the transportation improvement strategies outlined elsewhere in the Recovery Plan. The initiatives listed in this chapter are intended to directly address the findings of the PFM study and guide the District in creating a long-term capital plan.

Key Finding 1: The District has capital needs that exceed its current ability to finance them, particularly given the District's financial challenges.

In the recent facilities study, the project team reviewed the District's 2012 Feasibility Study completed by Palumbo & Baker Architects, and a list of critical facility needs prepared by the former Chief Operations Officer. Given the time elapsed since 2012, the District should contract with an architect or other appropriate professional to develop more accurate cost estimates for projects before proceeding with its investment in facilities. This is addressed in further detail below in initiative F02 (Capital plan).

- **Total cost of renovations: \$143.8 million**
In total, \$143.8 million for complete renovation of all buildings were identified by the facilities study. These projects would make needed investments in the District's buildings to keep them operational. The estimated costs do not include additional investments to bring the District's buildings up to current academic standards.
- **Critical projects: \$7.3 million**
Within the list of total projects, \$7.3 million in capital projects were identified that need to be completed over the next one to three years. These include roof replacements, structural repairs for walls, repairs to steps and sidewalks, HVAC system replacement, and investments in safety for fire alarm systems, entryways, and phone systems.
- **High-priority projects: \$53 to \$56 million**
In order to assist the District in prioritizing its capital needs, the project team developed a list of projects to be completed over a five to seven year timeframe. This list of projects includes the list of critical projects described above, as well as other investments that should be completed in the

short-term. These projects are needed to preserve basic operations in the next five to seven years.

For the purposes of illustrating the financial impact on the baseline projections, the Recovery Plan assumes that the District will issue \$55.6 million in debt to complete the projects in the sample capital plan from the facilities study. The debt was assumed to be issued in two phases, in June 2020 and June 2022.

Key Finding 2: Based on the current configuration, the District has excess capacity in its school buildings.

The Scranton School District currently owns and operates 17 school facilities and leases space in two additional buildings. Whittier Annex is a rented space owned by the St. John Neumann Parish, and the District uses this facility to provide additional classroom space for the Whittier Elementary School. The Lincoln-Jackson Academy and the Monticello School are co-located at a rental space called the Electric City Academy. Sixteen of the 17 buildings are used for instruction, with one of the buildings serving as the administrative office. There are 11 elementary schools for grades K-5, three intermediate schools for grades 6-8, and two high schools for grades 9-12.

Although there have been renovations to a number of buildings, the average age of original construction for the buildings is 1953. The newest buildings were completed in 2001 (Scranton High School), 2010 (Whittier Elementary School) and 2011 (Isaac Tripp Elementary School).

Based on the 2012 facility study, the instructional buildings in the District have a rated pupil capacity of 12,812 (note that this figure excludes the capacity of the rented facilities, Whittier Annex and Electric City Academy). In the March 1 enrollment count for the 2018-19 school year, the District reported a total student count of 10,154.

In the table on the next page, the reported capacity levels are compared to the March 1, 2019 enrollment count for each of the District's school buildings. For each of the elementary schools, the 422 students enrolled in the pre-kindergarten program were multiplied by a factor of 0.5 to account for the half-day structure of the program. In addition to this adjustment the enrollment figure of 9,518 does not include the 425 students who are educated in other facilities and would not affect the capacity of the District's school buildings. These facilities include the Whittier Annex, the Electric City Academy, and the Lackawanna County Prison. This analysis is also summarized in the table below.

Summary of SSD Facility Capacity

School	Grades	Capacity	2018-19		
			Adj. Pre-K	# Students	% of Total
District-Owned Buildings by Type					
Elementary Schools	K-5	5,575	4,564	1,011	81.9%
Intermediate Schools	6-8	3,756	2,245	1,511	59.8%
High Schools	9-12	3,481	2,709	772	77.8%
Subtotal		12,812	9,518	3,294	74.3%

Based on the March 2019 enrollment, the District had an excess capacity of 3,294 students or approximately 25.7 percent. The District's three intermediate schools account for 45.6 percent of the excess capacity, and the eleven elementary schools account for an additional 30.7 percent of the total figure. Although rated pupil capacity numbers do not always translate directly into usable classroom spaces, the capacity identified in this analysis shows that the District would likely have opportunities to reorganize its use of classroom space. Several potential options for building consolidation were presented by the CRO at the April 3, 2019 Advisory Committee Meeting. After consultation with the District and other stakeholders, this Recovery Plan presents an alternative consolidation scenario in the building reconfiguration process under initiative F03.

SSD Facility Capacity

School	Area	Construction Year	Grades	Capacity	2018-19	Capacity	
	(Sq. ft.)	(Improvements)			Adj. Pre-K	# Students	% of Total

District-Owned Buildings							
Bancroft ES	24,740	1928 (1960s)	K-5	300	234	66	78.0%
Charles Sumner ES	34,080	1968	K-5	325	290	36	89.1%
Frances Willard ES	45,920	1928 (1960)	K-5	550	450	100	81.8%
Isaac Tripp ES	92,602	2011	K-5	1,000	738	263	73.8%
John Adams ES	40,380	1931 (mid 1960s)	K-5	400	327	74	81.6%
John F. Kennedy ES	41,350	1964 (1983 and 2008)	K-5	500	434	66	86.8%
McNichols Plaza ES	49,685	1977	K-5	475	409	66	86.1%
Neil Armstrong ES	77,750	1969	K-5	750	595	155	79.3%
Robert Morris ES	43,600	1895 (1966)	K-5	450	315	135	70.0%
Whittier ES	44,391	2010	K-5	525	454	71	86.5%
William Prescott ES	28,056	1966	K-5	300	320	(20)	106.5%
Northeast IS	206,121	1904 (1930 and 1999)	6-8	1,439	835	604	58.0%
South Scranton IS	182,734	1937	6-8	1,130	622	508	55.0%
West Scranton IS	174,166	1975	6-8	1,187	788	399	66.4%
West Scranton HS	255,000	1927 (1932)	9-12	1,637	987	650	60.3%
Scranton HS	293,092	2001	9-12	1,844	1,722	122	93.4%
Subtotal				12,812	9,518	3,294	74.3%

Students in Other Buildings							
Lackawanna County Prison	N/A	N/A	N/A	N/A	23	—	—
Lincoln-Jackson Academy	N/A	N/A	6-12	N/A	58	—	—
Monticello	N/A	N/A	K-12	N/A	135	—	—
Whittier Annex	N/A	N/A	4-5	N/A	209	—	—
Subtotal					425		

Total Enrollment					9,943		
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District-Owned Buildings by Type							
Elementary Schools	—	—	K-5	5,575	4,564	1,011	81.9%
Intermediate Schools	—	—	6-8	3,756	2,245	1,511	59.8%
High Schools	—	—	9-12	3,481	2,709	772	77.8%
Subtotal				12,812	9,518	3,294	74.3%

Key Finding 3: Actual savings from the District's Guaranteed Energy Savings Act (GESA) may be lower than originally estimated due to data quality and capacity for ongoing monitoring.

Over the past several years, the District has made two significant investments in energy savings for its buildings through the Guaranteed Energy Savings Act (GESA) program. The most recent project was completed in the 2017-18 school year, and included \$12.3 million in projects financed by bonds issued by

the District.¹ The agreement with Constellation, the vendor contracted for the projects, stipulated a guaranteed savings in year one of \$690,797, of which \$79,000 are considered "soft" savings and may not necessarily fully translate to budget line item savings. Initiative F05 (GESA Project) summarizes the operational constraints facing the District that may affect the actual savings experienced over time. However, these issues can be summarized as follows:

- **Baseline estimates used to verify utility savings may be higher than actual usage**
Utility consumption data from the 2014 and 2015 calendar years was used as the basis for verifying the savings for the agreement. The facility study noted that the parameters used to determine the lighting energy savings may not have been aligned with actual usage of the District's buildings. Accounting for the building usage may reduce the expected savings by approximately \$8,000.

The 2019 calendar year will be the first full year of savings under the GESA agreement, and the District will need to clarify data and implement corrections in the testing phase.

- **District needs to closely monitor the results of pre- and post-project testing**
The energy efficiency projects were completed in 2018, and the 2019 calendar year will be the first year when the District can expect the full impact of the energy savings. Analysis of the reports will require specialized content knowledge to ensure that guaranteed savings are generated.

As the District enters the monitoring phase of the project, it will need sufficient expertise to monitor the results. The District's recently-retired Chief Operations Officer was the only senior administrator with substantial knowledge of the systems and the existing conditions of buildings. As addressed in initiative F01 (Facilities staff), the District will need to retain high-quality staff in the form of a chief operations officer or a contracted position in order to meet critical milestones for the initiatives in this chapter and to achieve some of the savings it anticipated in the original agreement.

- **District needs to conduct measurement and verification for the duration of the agreement**
Under the current agreement, Constellation has the responsibility to monitor the performance of the equipment installed, and to produce annual reports to document savings. The District will need to ensure it has the expertise to verify the savings Constellation reports in the first several years of the agreement, and to continue the monitoring and evaluation for the lifetime of the agreement.

As detailed further below in initiative F06 (Additional energy savings), the District's energy costs per square reduce costs; however, there are additional opportunities to narrow the gap in energy costs between the foot for buildings is \$1.35 while the Statewide median cost is \$1.17. In other words, the Scranton School District pays approximately about 15 percent more per square foot for energy than the median school district in the Commonwealth even after the Constellation GESA. The District has undertaken energy savings projects to Scranton School District and other districts in the State.

Key Finding 4: Buildings custodial and maintenance staffing levels are lower than Statewide benchmarks.

In the facilities study, the project team found that the District's building were generally maintained at an adequate level given the District's maintenance and custodial staffing. In the table on the following page the District's current staffing levels for custodians and maintenance staff are compared to the 2016-17 benchmarking report from the Pennsylvania Association of School Business Officers (PASBO).

¹ The District's first GESA project was completed approximately eight years ago. Although it is estimated to have generated savings for the District, it was not included in the evaluation for the facilities study or the Recovery Plan.

SSD Custodial and Maintenance Benchmarking

	Scranton SD	Statewide Median	Difference (#)	Difference (%)
Custodians per Square Foot	32,323	21,670	(10,653)	(33.0%)
Maintenance Staff per Square Foot	226,821	129,069	(97,752)	(43.1%)

The District needs to ensure that it has enough staff to maintain its buildings and equipment to avoid unnecessary and costly degradation of buildings and systems. Failure to properly maintain equipment will also jeopardize the potential savings from the GESA project. Although the District's current contract with the maintenance union allows for the reduction of positions in the 2020 calendar year, and initiative F03 (Building reconfiguration) reduces the number of school buildings in operation, the CRO determined that reducing maintenance staff would have a negative impact on the District's operational goals. In order to meet the objectives of the Recovery Plan, all scenarios considered in the Plan assume that there are no changes in the District's staffing levels for custodians and maintenance positions in order to maintain basic building service and cleanliness levels.

Initiatives

Initiative F01: Retain an experienced, qualified Facilities Director	
Deadline: Hire a facilities director (September 2019); CRO approval of future hiring (as needed)	
Evaluation Measure:	Position filled
Responsible Parties:	Superintendent and School Board

All of the initiatives outlined in this chapter are contingent on the District's recruitment and retention of a talented high-quality Facilities Director with schools experience to oversee all aspects of its building infrastructure. During the development of the Recovery Plan, the District's Chief Operations Officer retired, and the District began the process of hiring a replacement.

In conjunction with the operational goals outlined in initiative ADMIN07 (Central office re-organization), the District shall retain an experienced Facilities Director. For the duration of the period when the Scranton School District is designated to be under moderate financial recovery or in any other level of State oversight, the hiring of any temporary or permanent Facilities Director will be conditional on the final approval of the CRO. If the District is not able to hire a Facilities Director by July 1, 2019, the CRO shall direct the District to contract for the position until a suitable candidate is hired. If necessary, the CRO may direct the District to seek the services of an individual who does not hold State certifications to fill this role on a temporary basis until such certifications can be obtained under the authority granted by Section 642-A(a)(9) of Act 141.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall hire a high-quality Facilities Director or engage a contracted position	September 30, 2019	Superintendent, School Board

Initiative F02: Develop a multi-year capital plan	
Deadline: Develop a capital plan (June 2020); update the capital plan (annually in July or as needed)	
Evaluation Measure:	Adoption of a multi-year capital plan and budget in conjunction with the 2020 operating budget
Responsible Parties:	Superintendent, Business Manager, Facilities Director or Designee, and School Board

The facilities study recommended that the District develop a multi-year capital budget with District staff or contracted resources. In addition, the study also provided the template for a capital budget to guide the District as it develops a comprehensive multi-year plan to address its facility needs. The template, which includes information about the type and estimated cost of capital projects is included in Appendix G of this Recovery Plan.

The key elements of the capital planning process are as follows:

1. Develop Goals and Objectives for a Capital Plan
 - a. Identify the universe of capital projects based on both existing capital inventory and new needs for a five year time horizon.
 - b. Create a ranking for projects based on factors such as urgency, cost, feasibility, implementation schedule and other factors.
2. Create a Multi- year Capital Plan
 - a. The plan horizon will cover at least five years.
 - b. The plan will use the inventory and prioritization created in Step 1.
3. Evaluate Capital Projects and Acquisition Alternatives
 - a. From Steps 1 and 2, develop an annual capital budget and priority list for consideration by the Board.
 - b. Outline the funding requirements for the annual capital budget and alternatives for financing the requirement.
4. Decide on Capital Projects and Acquisitions Alternatives
 - a. Based on the capital budget proposal, the Board will take action on funding capital projects including acquisition alternatives.
 - b. Decisions by the Board on the capital budget will be made on the same calendar and timeline as the operating budget so that overall District needs and priorities can be balanced with available resources.
5. Annually Reevaluate Capital Plan and Project List
 - a. The administration will annually report on the status of approved and funded capital projects.
 - b. The administration will update the list of existing resources and new capital project needs.
 - c. The Board will reevaluate the capital project plan and the funding source for each project.

The District shall complete the development of a multi-year capital plan by June 30, 2020 so that it may be integrated with the budget planning process for the 2021 calendar year budget. To the extent possible, the District shall use internal resources to complete the capital plan. However, the CRO may direct the District to engage outside resources, such as architects or engineers, to support the development of the plan if needed.

In the table on the following page, the estimated financial impact is shown for borrowing money to cover the \$55.6 million in high-priority capital needs identified in the facilities study. These costs are included in the baseline financial projections and all other scenarios in this Recovery Plan.

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
\$0	\$1,671,667	\$1,254,750	\$3,393,833	\$2,859,750	\$2,859,250	\$12,039,250

The multi-year capital plan should include buildings and other capital items such as vehicles or technology that can appropriately be capitalized on a basis that reflects their actual useful life. The technology items may require the separate development of a multi-year technology plan for the District in order to ensure that technology expenditures are aligned with the educational and administrative plans. These issues are discussed in further detail in the initiatives in the Information Technology chapter of this Recovery Plan.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall develop a comprehensive list of capital needs and estimated costs	October 31, 2019	Facilities Director or Designee
District shall create a five to seven year schedule for the capital projects identified based on criteria including urgency, important to educational mission, cost savings, etc.	December 31, 2019	Superintendent, Facilities Director or Designee
District shall develop a financing plan for capital needs through a combination of operating funds and bond proceeds	March 31, 2020	Business Manager
Based on the financing plan and the schedule of priority projects, the District shall adopt a capital budget for authorized capital expenditures	June 30, 2020	Business Manager, Facilities Manager, and School Board

The requirements of this initiative will be effective for the duration of the time while the Scranton School District is designated to be under moderate financial recovery or in any other level of State oversight. The table below includes the required procedures as part of the annual budget development process.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall complete annual updates to the financial plan and the schedule of priority projects	Annually by June 30	Superintendent, Business Manager, Facilities Director or Designee, and School Board

Initiative F03: Develop and implement a comprehensive plan for the utilization of facilities	
Deadline: Develop a facilities reconfiguration plan (2019-2020); implementation of plan (ongoing)	
Evaluation Measure:	Adoption of a comprehensive plan for utilization of facilities by January 2020
Responsible Parties:	Superintendent, Business Manager, Facilities Director or Designee, Child Accounting Supervisor, and School Board

As noted in the key findings from the facilities study described above, the Scranton School District has excess capacity in its school buildings. As part of the Recovery Plan, the District shall develop a comprehensive plan for the utilization of facilities that focuses on student enrollment projections and education program needs, while maximizing savings in facility operating and capital expenditures.

Some excess building capacity in a school district is generally advisable so that the District Administration can retain flexibility for periodic shifts in student enrollment and allow for alternative uses of classroom space based on changes in educational standards. However, the excess capacity in the Scranton School

District is beyond these necessary levels and has serious financial consequences for the District as it attempts to establish financial stability. The District cannot afford to operate, maintain, or renovate buildings that it does not need to meet its academic goals and expected current enrollment levels.

The facilities study identified an estimated total cost of all renovations of \$143.8 million for all current buildings, and a list of high-priority projects totaling \$53 to \$56 million. The baseline projections for the Recovery Plan assume that the District will issue \$55.6 million in debt to complete the projects in the sample capital plan from the facilities study, which is also included in Appendix G. Any savings in capital costs generated by this initiative are included in the financial impact estimates below.

As part of the development of the Recovery Plan, the CRO has held discussions with the District, stakeholders, and the technical assistance team in order to develop a recommended option for building reconfiguration. This option is subject to further discussion to ensure that the final building reconfiguration plan adopted by the District is aligned with academic, financial, and community goals. However, the cost savings in the version discussed in this initiative represent minimum targets that any alternative proposals must meet in order to be considered for adoption. This initiative affects multiple parts of the Recovery Plan, and the timelines for the development and execution of the recommended reconfiguration plan shall not change unless deemed necessary by the CRO.

In order to facilitate the development and implementation of the final building reconfiguration plan, the District shall establish an advisory committee to provide broad-based community input. Because decisions about the consolidation and use of school buildings are controversial, it is imperative for the District to conduct this process in an open and transparent fashion. The advisory group for the building reconfiguration plan shall include representatives from the District’s School Board, Administration, teachers, support personnel, and parents as well as representatives from the local business community and municipal government. In addition, the advisory group shall solicit community input through public meetings that shall be established by the School Board and approved by the CRO. The advisory meetings shall present the issues and options involved in determining the use of District buildings and allow for public comment and discussion. However, the CRO shall have final approval on the specifics of reconfiguration.

Timeline for Reconfiguration of Scranton School District Facilities

School Year	Action
2019-20	<ul style="list-style-type: none"> • Pre-K remains in the same buildings as in 2018-2019, but will be compliant with Title I laws and regulations • District shall apply for a Pre-K Counts Grant for assistance with funding the program • Any Title I dollars offset by Pre-K Counts will be used for K-8 interventions
2020-21	<ul style="list-style-type: none"> • Pre-K program shall move to a center-based program (for example Electric City Academy) with partners • All program costs shall be funded from the Pre-K Counts grant, Head Start funds, and other funding sources identified through community-based organizations • All remaining District Title I funds shall be used for K-8 interventions in reading and math programs • District shall move all 5th grade classrooms to the intermediate schools • District shall close Whittier Annex, McNichols Education Plaza Elementary School, and make enrollment boundary adjustments as needed to balance school enrollments
2021-22	<ul style="list-style-type: none"> • District shall close Adams Elementary School and Charles Sumner Elementary School • District shall make enrollment boundary adjustments as needed to balance school enrollments • District shall make necessary modifications to the McNichols Education Plaza or another location approved by the CRO to serve as administrative offices

Timeline for Reconfiguration of Scranton School District Facilities

School Year	Action
2022-23	<ul style="list-style-type: none"> District shall close the administration building and sell or lease the facility to another entity² District shall move all administrative offices to the remodeled McNichols Education Plaza or another location approved by the CRO to serve as administrative offices If necessary to align with the goals of this Recovery Plan in initiative ACHIEVE05, the CRO may approve the location of some administrative positions at other sites in the District in order to achieve academic or operational goals

The building reconfiguration option detailed in this chapter of the Recovery Plan will generate substantial net savings to the District over the long-term. The largest component of the savings will be from the reduction in the number of classroom teachers and administrative positions required with the consolidation of buildings. In addition, there will be some avoidance of operating and capital costs for the closed buildings, related General Fund budgetary impact from reduced borrowing costs, and potential one-time revenue from the sale of unoccupied properties. In order to minimize the impact on District personnel, the staff reductions will be made through retirements or unfilled positions to the extent possible. The current assumptions for the savings and additional costs for the plan outlined above is shown in the table below. Although the costs and savings will be phased in over a number of years, they are presented in 2019 to show the total impact as if they all occurred in the same year.

Building Reconfiguration Assumptions

Item	Description	General Fund Impact (2019 Costs)
Teachers	<ul style="list-style-type: none"> 3 teachers in 2020-21 with closure of McNichols Plaza 3 teachers in 2021-22 with closure of Adams and Sumner 6 staff net costs of \$65,000 	(\$390,000)
Administrators	<ul style="list-style-type: none"> 1 administrator in 2020-21 with closure of McNichols Plaza 2 administrators in 2021-22 with closure of Adams and Sumner 3 staff x net costs of \$112,000 	(\$336,000)
Maintenance	<ul style="list-style-type: none"> No change in staffing Positions reassigned to other buildings or reallocated to other functions (for example Custodian replaced with HVAC technician) 	\$0
Operational Costs	<ul style="list-style-type: none"> Savings from electricity, gas, and water bills, phased in as schools are closed Full year savings: Adams (\$35,000); Administration (\$45,000); Sumner (\$26,000) Savings from Whittier Annex lease (\$36,000) 	(\$160,000)
Transportation	<ul style="list-style-type: none"> 7 buses added in 2020-21 to accommodate 5th grade students and transfer of McNichols students Buses from Adams and Sumner rerouted for boundary changes 	\$200,000
Capital and Debt	<ul style="list-style-type: none"> Total capital savings of \$6,129,392 Savings of \$5,829,392 in capital costs for 2022 borrowing Additional savings of \$300,000 for sale of Adams and Sumner Reduced amount of second phase of borrowing in 2022 	(\$310,000)
Total Impact		(\$996,000)

The multi-year impact of the building reconfiguration is shown in the table below using the cost assumptions in the baseline projections and the impact of the timing on the realization of savings. These cost projections would change if alternative assumptions are used for salary and benefit growth rates,

² During the development of the Recovery Plan, the CRO learned that Lackawanna College may have an agreement with the District providing the College with the first right to purchase or lease the Administration Building. Any such agreements shall be reviewed and verified before finalizing the building reconfiguration plan.

which are discussed in the Workforce chapter. The impact of the transportation changes are shown net of reimbursement, and they include the impact of all initiatives in the Transportation chapter of the Plan.

The costs outlined in this initiative shall serve as a targeted savings number that the District shall attempt to achieve through the planning process for the building-reconfiguration. Given the number of years until the closure of school buildings, the District shall make all efforts to minimize the impact to staffing levels through the use of retirements and unfilled positions in order to avoid the impact to the District's teachers.

Financial Impact

	2019	2020	2021	2022	2023	2024	Cumulative Impact
Teachers	\$0	(\$68,426)	(\$276,370)	(\$421,417)	(\$430,248)	(\$439,602)	(\$1,636,064)
Administrators	\$0	(\$38,728)	(\$195,004)	(\$354,186)	(\$358,791)	(\$363,617)	(\$1,310,326)
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
One-Time Unemployment Costs	\$0	\$39,397	\$133,677	\$109,766	\$0	\$0	\$282,840
Operational Costs	\$0	(\$12,408)	(\$58,401)	(\$79,236)	(\$139,270)	(\$176,964)	(\$466,280)
Transportation	\$0	\$150,762	\$307,681	\$223,343	\$203,428	\$206,378	\$1,091,592
Capital and Debt	\$0	\$0	\$52,666	\$39,500	(\$428,833)	(\$311,750)	(\$648,417)
Total Impact	\$0	\$70,597	(\$35,751)	(\$482,231)	(\$1,153,714)	(\$1,085,555)	(\$2,686,654)

As noted in ACHIEVE09, the District has received an arts integration grant that supports some of the programs in its elementary schools. In order to achieve the cost savings goals in this Recovery Plan, the building reconfiguration shall attempt to minimize the impact of the services provided by the arts integration grant. However, if deemed necessary by the CRO as a key component of the Recovery Plan, the CRO may direct the District to continue with the reconfiguration of buildings regardless of the impact on the arts integration grant under the authority granted by Sections 642-A(a)(3) and 642-A(a)(13) of Act 141. If possible, the District and the CRO shall seek out other grant sources to provide the arts programs for the students in the buildings after the reconfiguration has taken place.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall confirm the enrollment assumptions in the school reconfiguration using resources such as the Davis enrollment study	August 31, 2019	Superintendent, Facilities Director or Designee, and Child Accounting Supervisor
District shall establish a building reconfiguration advisory committee	September 30, 2019	Superintendent, School Board
District shall prepare and present to the Board the building utilization plan presented here or a detailed alternative plan that includes equivalent savings	December 31, 2019	Superintendent, Business Manager, Facilities Director or Designee, and Child Accounting Supervisor
Board shall adopt a final building utilization plan including timelines for action	January 31, 2020	School Board; Approved by the CRO

As necessary, the District shall make amendments to the building utilization plan and present a revised summary of actions and timelines to the Board for adoption and the CRO for approval.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall amend the building utilization plan as needed based on the most recent information available	Annually by June 30	Superintendent, Business Manager, Facilities Director or Designee, Child Accounting Supervisor, and School Board

Initiative F04: Sell unused facilities and dedicate the proceeds to capital needs	
Deadline: Sell currently unused buildings (June 2020); sell unused buildings from building utilization plan (June 2023)	
Evaluation Measure:	Sale of buildings and transfer of proceeds to the Capital Projects Fund
Responsible Parties:	Solicitor, Business Manager, and School Board

As part of the Recovery Plan, the District shall attempt to sell all current and future unused school buildings and use the proceeds for capital projects. The table below shows the Scranton School District's current unused facilities, which consist of a vacant school building and one lot that is the site of a former school building. Pursuant to initiative F03, the District will have three additional vacant school buildings by the 2023 calendar year, and there will still be substantial capital projects that will need to be addressed throughout the District.

SSD Unused Properties

School Building	Year Closed	Year Demolished
Lincoln-Jackson Elementary School	2011	—
Samuel Morse Elementary School	1964	1977

In the recent past, the District has had some success in selling school buildings that have been repurposed for other uses. In 2012, the District sold the John Marshall Elementary School to a local developer, and the site was converted to an apartment complex. The Audubon Elementary School was sold to Geisinger Community Medical Center in 2012, and the building was demolished in 2015 to be maintained as green space. However, in 2017 the Lincoln-Jackson and Morse sites were offered on auction, and both buildings failed to be sold.

In the building reconfiguration initiative F03, modest proceeds of \$300,000 are assumed for the sale of Charles Sumner and John Adams elementary schools. These proceeds are used to reduce the total costs of the borrowing, and they are factored into the change in debt service payments in the financial impact of initiative F03.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall solicit bids for both Lincoln-Jackson and Morse elementary schools and divest itself of these assets	June 30, 2020	Solicitor, Business Manager, and School Board
District shall transfer the proceeds from the building sales to the Capital Projects Fund	June 30, 2020	Business Manager, School Board
District shall complete sale of buildings impacted by the reconfiguration and transfer the proceeds the Capital Projects Fund	June 30, 2020	Business Manager, School Board

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall sell the buildings closed as part of the building utilization plan within one year of closure	Annually by June 30	Solicitor, Business Manager, and School Board
District shall transfer the proceeds from the building sales to the Capital Projects Fund	Annually by June 30	Business Manager, School Board

Initiative F05: Develop and implement a plan to document and obtain the maximum energy savings available from the recently-completed GESA projects	
Deadline: Develop plan and assign responsibilities (September 2019); monitoring (ongoing)	
Evaluation Measure:	Documentation of actual GESA energy savings versus the anticipated savings per the GESA contract.
Responsible Parties:	Superintendent, Business Manager, Facilities Director or Designee, and School Board

During the 2017-2018 year the Scranton School District completed a \$12.3M Guaranteed Energy Savings Act (GESA) project with Constellation, an Exelon Company. This project resulted in lighting upgrades in 19 buildings, upgraded or new HVAC system controls in 17 buildings, air quality improvements (duct cleaning) in 3 buildings, added insulation and building envelope improvements in all buildings, new windows in 5 buildings, water conservation upgrades in 18 buildings, steam heating system repairs/upgrades/new controls in 7 buildings, and significant HVAC system upgrades to West Scranton Intermediate School, South Scranton Intermediate School and McNichols Plaza.

These building system improvements will result in better physical conditions, more efficient operation, and energy savings. In total, the projects are intended to deliver \$611,797 in energy savings in the first full year of operation (2019), according to the terms of the Constellation Agreement. The total Constellation GESA project costs were \$12,275,170 pursuant to the Agreement, which was financed by a bond issue. The Agreement Year 1 guaranteed savings were \$690,797, which is comprised of energy savings of \$611,797 and operational savings of \$79,000. The bulk of the operations and maintenance savings are projected to come from reduced maintenance on the boilers and hot water heaters replaced in the GESA project, plus savings from replacing fluorescent lighting tubes and ballasts with long-life LED lights.

The operations and maintenance savings were agreed to by the SSD with acceptance of the Constellation Agreement, and hence are a stipulated amount under the guarantee. The operational savings are "soft" savings and may not necessarily fully translate to budget line item savings.

The District has already received some energy cost savings during the installation period of the contract, which occurred in the 2017 and 2018 calendar years. These are apparent in the tables provided in Appendix H which compare 2016, 2017, and 2018 actual utility costs with the GESA baseline year amounts to show the partial savings as the improvements were completed. This comparison is for illustrative purposes only, and the comparison will not be part of the Year 1 savings guarantee in the calendar 2019 year. The project team's analysis shows that the District's actual savings may fall short of the amounts in the guarantee. The major areas of concern can be summarized as follows:

- **Verify data for the savings guarantee**

In order to maximize the savings from the GESA projects, the District will need to clarify data and correct variances. The individual baseline utility use data (electric, gas, water/sewer) for the active buildings are shown on the tables in Appendix H from the Constellation proposal. The consumption data was taken by Constellation during the 2014 and 2015 calendar years, and it was accepted by the District as the basis for verifying the resulting savings. The measurement

and verification (M&V) portion of the project commenced in the 2019 calendar year, and will continue until the firm receives notice from the District to cancel the agreement.

The agreement with Constellation allows construction savings to be used in future years to offset any guaranteed savings shortfall, and thus reduce any monies due to the District for any shortfalls.

- **Review variances such as discrepancies between baseline and actual usage of lighting**

The recent facilities study questioned the parameters used to determine the lighting energy savings to the District because the calculated savings were based on the use of 1,907 hours as the “on” time for lighting of interior rooms. The project team believed that this parameter is high based on the actual occupancy schedules in the District’s buildings, primarily during the school year. Using actual “on” time would reduce the expected Year 1 lighting energy savings by \$8,000. Therefore, the expected Year 1 savings are expected to be no more than \$603,797, assuming 100 percent performance as estimated.

The District should ensure that the methodologies used to calculate the baseline savings are reflective of the District’s actual usage of school buildings.

- **Monitor maintenance of equipment installed as part of the GESA project**

Under the agreement with the Constellation, the District is required to properly operate and maintain the equipment and systems installed under the GESA project for the life of the agreement. The District will need to ensure that it has sufficient management expertise to oversee the verification process, and the staff and vendors used to maintain the equipment.

As noted in the findings at the beginning of this chapter, the District’s former Chief Operations Officer was the only senior administrator with substantial knowledge of the systems and the existing conditions of buildings.

- **Verify pre and post testing results**

Based on the methodology used for calculating savings in the energy guarantee agreement, the project team raised uncertainty that the full guaranteed savings will result. The bulk of the energy savings will be verified under the contract by pre- and post-project measurement of key parameters on the equipment and systems involved in the various energy conservation measures, with some parameters stipulated at the onset.

Some determinations are straightforward, while others are bit more complicated. In all cases, the District should review the pre- and post-project testing to confirm results because the estimated savings in the original agreement for these types of projects may not materialize as anticipated.

- **Evaluate options for measurement and verification services**

Constellation has ongoing responsibilities to monitor the performance of the equipment installed under the contract, including producing an annual report documenting the savings. The firm is to be paid an M&V fee of \$22,978 at the end of Year 1 for this service. The M&V services continue year to year with an annual 3 percent increase in the fee.

In addition, the District must notify Constellation of any material changes in energy-consuming equipment or systems in the range of plus or minus 5 percent variance from the baseline estimates. If the District fails to meet these requirements, the District could face reductions to the guaranteed savings. Exceptional weather could also lead to guarantee adjustments.

After several years of M&V proving that the savings guarantee are met, the District may elect to cancel the remainder of the M&V part of the project and save the annual fee. In some cases, school districts choose to contract with a vendor to act as a third party to conduct the ongoing M&V process. Once the guaranteed savings have been verified for two or three years, or in the event there is a guaranteed savings shortfall and a full settlement of monies owed to the District

by Constellation is agreed, the District should consider cancelling the ongoing M&V contract and identify internal or external support to manage the M&V process.

The District will see energy cost savings from the GESA project facility improvements. However, the annual amount of the savings indicated in the project guarantee may not fully materialize. The District will need to conform to the requirements of the agreement with Constellation, and ensure that it has proper expertise on its side to review the reports. If the guaranteed savings do not materialize, the District will need to take appropriate action under the agreement to recoup lost savings. In addition, the issues identified above, the District shall also evaluate the potential impact of the building reconfiguration (Initiative F03) on the energy savings from the GESA projects.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall secure the necessary expertise to represent the District in ensuring it is receiving the appropriate guaranteed savings under the Constellation GESA contract through a highly qualified Facilities Director or a contracted position	September 30, 2019	Business Manager, School Board
District shall evaluate baseline data and utilities savings to verify amounts used for the GESA contract	October 15, 2019	Facilities Director or Designee
District shall evaluate the contract with Constellation and determine which party will be responsible for ongoing M&V	December 31, 2021	Facilities Director or Designee, Business Manager, and School Board

Initiative F06: Develop and implement a comprehensive plan to reduce utilities spending	
Deadline: Development of utilities plan (June 2020); implementation of plan (ongoing)	
Evaluation Measure:	Adoption of a comprehensive plan to reduce utilities costs by June 2020
Responsible Parties:	Business Manager and Facilities Director or Designee

As noted in the summary of findings from the facilities study in the section above, the Scranton School District has relatively high utility costs compared to its peers. In the analysis below, the District's utilities costs and staffing levels are compared to the most recent PASBO Benchmarking Report, which reflects data from the 2016-17 school year. The Scranton School District was compared to the PASBO Region 5, which includes 20 reporting school districts in the Northeastern and East Central parts of the Commonwealth. The table below is reproduced from the facilities study.

SSD Operation and Maintenance Data Benchmarking

Measurement Element	SSD	PASBO Region 5 Median	PASBO Statewide Median
A. Total Facilities Budget (2600) as a % of 2016-17 Expenditures	7.95%	8.00%	N/A
B. Total Facilities Expenditures (2600) per Student	\$1,268	\$2,058	\$1,885
C. Facilities Expenditures per Square Foot	\$8.12	\$10.12	\$9.14
D. Total Energy Expenditures per Square Foot 3	\$1.35	\$1.17	\$1.05
E. Students per Custodial FTE	196	127	N/A
F. Square Feet of Buildings per Custodian Staff FTE	32,323	21,670	29,275

SSD Operation and Maintenance Data Benchmarking

Measurement Element	SSD	PASBO Region 5 Median	PASBO Statewide Median
G. Students per Maintenance Staff FTE	1,453	557	N/A
H. Square Feet of Building per Maintenance Staff FTE	226,821	129,069	148,867
I. Students per Maintenance and Custodian Supervisory FTE	3,391	2,381	N/A
J. Square Feet of Building per Maint. and Custodial Supervisory	529,249	356,633	N/A
K. Average Custodian Salary	\$49,000 or \$23.55/hour	\$40,676 or \$19.56/hour	\$33,768 or \$16.23/hour
L. Average Maintenance Salary	\$50,000 or 24.00/hour	\$35,029 or \$16.84/hour	\$45,679 or \$21.96/hour
M. Contracted Maintenance Services per Square Foot	\$0.33	\$0.50	\$0.61

- Notes:
1. All comparisons are for District owned buildings only.
 2. Total Facilities Expenditure for SSD (Object 2600) = \$12,893,228
 3. Total SSD Energy Expenditures= \$2,322,100
 4. Total SSD Contracted Service for Maintenance = \$530,000

The comparisons in the analysis resulted in the following conclusions:

1. SSD Total 2600 budget = \$12,893,228, which is 7.95 percent of the total SSD expenditure budget versus the PASBO Median = 8.00 percent.

Conclusion: SSD total facilities expenditures are consistent with the region.

2. SSD Facilities expenditures per square foot = \$8.12 vs. the PASBO Median = \$10.12 /square foot

Conclusion: SSD total facilities expenditures per square foot are 80 percent of the regional median.

3. SSD square foot per maintenance FTE = 226,821 vs. the PASBO Median = 129,069.

Conclusion: SSD maintenance staffing in terms of square foot per employee is 76 percent higher than the PASBO regional median.

4. SSD square foot per supervisory FTE - 529,249 vs. the PASBO Median = 356,633.

Conclusion: SSD maintenance supervisory staffing, square foot per employee, is 48 percent above the PASBO regional median.

5. SSD Energy expenditures per square foot = \$1.46 vs. the PASBO Median = \$1.17

Conclusion: SSD total energy expenditures per square foot are 25 percent above the regional median.

The GESA project alone will not lower the energy usage and costs to be within the range of the regional benchmark median. Additional energy savings measures should be considered by the District over the next several years. As part of the Recovery Plan, the District shall develop a comprehensive plan to reduce energy costs that may include elements such as:

- **Upgrade or replace HVAC systems**

Existing HVAC systems in most District schools are old and inefficient, and many of the systems are not compliant with current building code ventilation requirements. Moreover, there may be additional

issues related to the condition of and potential for leaks and failures with older HVAC systems. In general, feedback from District staff indicated that there is a sense that steam systems are not appropriate in schools. As capital funds become available, the District should consider replacing these HVAC systems.

The measures used in the GESA projects could be carried over with further improvements to District HVAC systems. In some cases measures may need to be revised. For example, if ceiling heights are lowered to create a plenum above for pipe runs in the new HVAC systems, this would also reduce the volume of conditioned space. In many older school buildings, there is excess volume with the existing high ceilings that would no longer need to be heated and/or cooled with modern systems. Importantly, any renovations to HVAC systems would likely make the schools more efficient, unless the District decides to add central air conditioning, which may increase energy usage.

- **Replace roofing and insulation**

During the completion of the facilities study, roofs in poor condition or in need of replacement in the short-term were identified at several schools. At the time of replacement additional insulation can be added to the roofing systems to meet current building codes, which will lower building heating and cooling energy usage and costs.

- **Complete upgrade to LED lighting**

The recent GESA project upgraded some lighting fixtures to LED systems in high use and hard-to-reach areas. In parts of many school buildings the District has a significant number of older interior and exterior light fixtures. As the District completes renovations in school buildings these fixtures should be upgraded to LED technology.

- **Evaluate options to reduce costs through procurement**

The District still can implement options that were identified as part of PFM's 2017 financial analysis including joint purchasing with other school districts in Lackawanna County, or with the City of Scranton. In addition, the District could explore the purchase of utilities through a consortium, or use a reverse auction for electricity and gas.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall develop a comprehensive plan to reduce energy costs	June 30, 2020	Business Manager, Facilities Director or Designee

Initiative F07: Complete inventory of vehicles and fleet maintenance program	
Deadline: Review vehicles and fleet maintenance (June 2020)	
Evaluation Measure:	Savings generated
Responsible Parties:	Business Manager and Facilities Director or Designee

During the development of the Recovery Plan, the CRO was provided with a list of 28 vehicles owned and operated by the District. Three of the vehicles were identified for sale, and the School Board agreed to dispose of the vehicles at a spring Board Meeting. At the direction of the CRO, the District shall review its fleet to see if there are opportunities to further reduce the number of vehicles, or to reduce operating and maintenance costs. Wherever possible, the District should consider opportunities to share vehicles across departments. In addition, the District should review its policy for managing any take-home vehicles to determine if there are instances where a different arrangement (like a personal mileage reimbursement policy) would cost less while still meeting operating needs.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall complete inventory of vehicles and fleet maintenance program	June 30, 2020	Business Manager, Facilities Director or Designee

Other Initiatives

- **Review maintenance agreements with other entities.** The District has a number of formal and informal agreements in place to maintain facilities for other entities, such as City fields it uses near the intermediate schools. At the direction of the CRO, the District shall conduct a full review of all such agreements, make a list and the details of all such agreements public, and formalize all agreements with a memorandum of understanding if one is not in place.
- **Evaluate staffing levels to meet objectives for building maintenance.** In the review for the facilities study the District noted that there were several areas where the District experienced high costs for building maintenance services, such as HVAC. The District shall review its current complement of maintenance employees and contracted services to determine if there are opportunities to reduce costs through either option. The District shall not increase its headcount of maintenance staff by implementing this initiative.
- **Related initiatives in the Academic Achievement chapter of this Recovery Plan.** The District has received an arts integration grant, which is described in ACHIEVE09, which will need to be evaluated in conjunction with the building reconfiguration process in initiative F03.
- **Related initiatives in the Special Education chapter of this Recovery Plan.** As noted in SPED01, the District will need to evaluate the use of classroom space for special education programs in conjunction with the development of the building reconfiguration plan in order to ensure that sufficient capacity is available in all of its buildings while these changes take place.
- **Related initiatives in the Administration chapter of this Recovery Plan.** The Facilities Director position in initiative F01 will be a key leader in overseeing the implementation of many of the initiatives in this chapter and elsewhere in this Recovery Plan, and the position is included in the overall re-structuring of central office positions in initiative ADMIN07.
- **Related initiatives in the Transportation chapter of this Recovery Plan.** Cost estimates under the building reconfiguration initiative F03 will be affected by the savings generated through the transportation initiatives to increase route efficiency (T01), rebid transportation contracts (T03), and increase reimbursement through the subsidy formula (T05).
- **Related initiatives in the Information Technology chapter of this Recovery Plan.** The chief operations officer may serve as both the Facilities Director and IT Director until sufficient funds are available to support separate positions as outlined in initiative IT01.
- **Related initiatives in the Revenue chapter of this Recovery Plan.** The debt for capital projects assumed under the baseline projections in initiative F02 and the building reconfiguration initiative F03 may be paid for through exceptions to the Act 1 Index outlined in initiative R03.
- **Related initiatives in the Workforce chapter of this Recovery Plan** Cost estimates for the savings under the building reconfiguration initiative F03 will be impacted by growth in salaries under initiative WF05 and health benefits under initiative WF03.

Information Technology

Overview

Similar to other urban school districts, the Scranton School District has encountered issues in fully implementing key components of its information technology infrastructure due to factors including lack of staffing and limited funds which reduce its ability to purchase systems and compound the staffing issues. Furthermore, in the Auditor General’s 2017 performance audit of the District, a number of deficiencies were found in the District’s information technology department.

Following the release of the report, the District contracted with the Northeast Intermediate Unit to provide temporary staffing to replace its retired IT Director and to build the District’s internal capacity through efforts such as an IT asset inventory. In addition, the Commonwealth’s Department of Education provided resources to conduct a review of the District’s technology department. The initiatives in this chapter outline the preliminary findings of this analysis, and the initiatives offer a strategic direction to guide the District’s continued efforts to improve internal controls and invest in its infrastructure.

Initiatives

Initiative IT01: Reorganize the structure of the technology department	
Deadline: Hire a Chief Operations Officer(August 2019); CRO approval of future hiring (as needed); review department structure (March 2020)	
Evaluation Measure:	Position filled; Organizational review
Responsible Parties:	Superintendent, Chief Operations Officer, and CRO

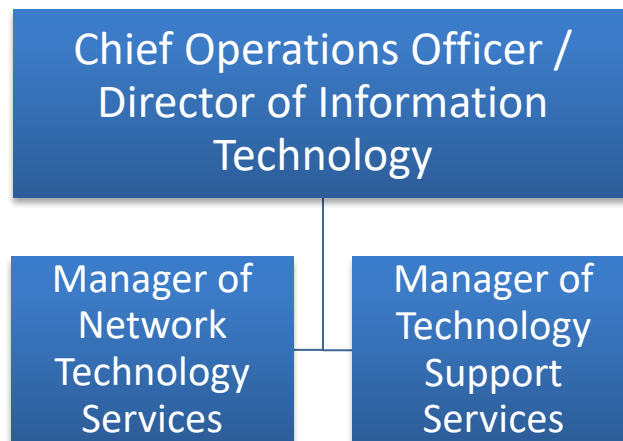
Although the departure of the District’s IT Director in 2018 created some challenges in managing the day-to-day operations of the department and identifying a permanent replacement, the change presents an opportunity to revisit the roles and responsibilities of administrative positions. The full details of the central office reorganization are outlined in initiative ADMIN07. Under the current proposal for the central office staff, the position of the IT Director is combined with the Facilities Director under the role of a Chief Operations Officer.

In conjunction with the operational goals outlined in initiatives ADMIN07 and F01 (Retain an experienced, qualified Facilities Director), the District shall retain an experienced, qualified individual to serve as the Chief Operations Officer. For the duration of the period when the Scranton School District is designated to be under moderate financial recovery or in any other level of State oversight, the hiring of any temporary or permanent position will be conditional on the final approval of the CRO. If the District is not able to hire a Chief Operations Officer by July 1, 2019, the CRO shall direct the District to contract for the position until a suitable candidate is hired.

If sufficient funds are available through savings in this Recovery Plan or the reorganization of the technology department, the District may consider additional staff to provide District IT support. In particular, the District may need to fill an IT Director position to manage the District’s IT resources and implement the initiatives of this Recovery Plan. In the meantime, combining the functions of Facilities Director and IT Director in the Chief Operations Officer role will require the District to prioritize the implementation of Recovery Plan initiatives such as the development and implementation of the building reconfiguration plan in initiative F03.

Regardless of the structure chosen, the District will need to recruit a technology leader to research, implement, and monitor key initiatives that are critical to the academic and operational success of the initiatives in this Recovery Plan. In addition, the District will also need to streamline roles and responsibilities for the rest of the department that allow for upward mobility and accountability in key areas such as networking and support services.

In the chart below, the proposed structure for the technology department is shown. While this chart shows the combined Chief Operations Officer position, with sufficient funding as described above, the IT Director would be under the supervision of the COO. The leader of the technology department will provide strategic, technical and budgetary guidance on key initiatives. Currently, the District has two experienced technology team members who are providing core services to manage the District's IT infrastructure. Under the current structure, the positions are handling similar responsibilities by managing some of the internal network support services along with the day-to-day technology support for schools. In addition, school-level support (identified as Tier 2 or 3) is provided by school technicians.



The District should clearly define the roles of its technology team members to divide the responsibilities between a manager of network technology services and a manager of technology support services. The former position will oversee all infrastructure, VOIP, and relationships with network vendors and the Intermediate Unit. The manager of technology support services will focus on daily operations for the schools, and help manage the position serving in a help desk function to respond to requests and questions from District staff. The current technology team members are capable of filling these positions with their current skills, and the titles and responsibilities would change in this adjustment.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall complete the hiring of the Chief Operations Officer position	August 31, 2019	Superintendent, CRO
District shall review available resources and departmental needs to restructure the technology department as needed	March 30, 2020	Superintendent, Chief Operations Officer, and CRO

Initiative IT02: Secure the central network operations center (NOC) located at South Scranton Intermediate School	
Deadline: Complete improvements to NOC (December 2019)	
Evaluation Measure:	Completion of improvements
Responsible Parties:	IT Director or Designee

The District has worked over the last few years to increase network speeds and bandwidth for the district by leveraging funds from the E-Rate federal program as well as the relationship with the Intermediate Unit to scale infrastructure projects. As part of these improvements, the District has created a central network operations center (NOC) at the South Scranton Intermediate School. This location houses servers and other equipment that provide bandwidth and telecommunications services for the District.

In order to mitigate potential risks, the District must address a variety of issues at the NOC to lower the potential of a network outage that would affect the ability of staff and students to access the District's IT resources. Specific recommendations to improve the location include:

- Complete the implementation of the power backup and generator solution (currently in progress)
- Improve security
- Replace or upgrade HVAC system to provide adequate and consistent cooling for equipment

In the table below, the estimated costs of the improvements are for the current 2019 calendar year budget. If sufficient funds are not available in the General Fund or Capital Fund to complete these projects this year, the timeline to implement these projects may be deferred to early 2020. However, as part of this Plan the CRO may use the authority granted by Section 642-A(a)(13) of Act 141 to reprogram resources to complete this work in 2019.

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
\$45,000	\$0	\$0	\$0	\$0	\$0	\$45,000

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall complete the recommended improvements at the NOC	December 31, 2019	IT Director or Designee

Initiative IT03: Expand instructional technology tools	
Deadline: Cancel unused Canvas licenses (December 2019); pursue partnerships to increase student internet access (March 2020)	
Evaluation Measure:	Cancellation of licenses; Establishment of partnerships
Responsible Parties:	Chief Academic Officer, Chief of Leadership Development, and IT Director or Designee

Over the past several years, the District has begun to use new IT resources to improve student learning, such as the District's cyber school program. Online instructional tools can help school districts to personalize content for students, streamline differentiated approaches, and to promote student led learning and agency. In order to facilitate the expansion of the District's cyber school program outlined in

ACHIEVE12 and to meet the academic goals of this Recovery Plan, the District shall invest resources in its instructional technology program as funds become available.

The District's virtual school program is a key component of the savings initiatives outlined in this Recovery Plan, and the District has had recent success in increasing enrollment and providing services such as the summer school program. The District's cyber school program can be a lower-cost option to provide rigorous academic programs and provide supplemental support for students who prefer a blended learning program. The cyber school program also may be an alternative option for some families affected by the building reconfiguration process, and this program may offer a solution to ease the impact of the changes while continuing to offer a connection to all of the support services offered by the District.

In addition, the District will be initiating a review of curriculum and technology resources as described in initiatives ACHIEVE01 and ACHIEVE02. These investments may result in changes to instructional delivery, classroom materials and textbooks, and IT resources in the classrooms. Increasing use of technology in instruction will provide additional tools for personalized learning, the use of small groups for learning, and the differentiation of strategies for learners. There are many tools available to the District that may help teachers to increase with students such as Newsela, I-Ready, SchoolPace, and Big Universe. These tools allow teachers to use strategies such as leveled reading, and the data generated through the programs allows teachers to target interventions to student needs. Many high-performing districts are finding ways to engage their students with these types of new tools while controlling costs.

Funds for this initiative shall be directed through the investments in curriculum and technology in ACHIEVE01 and the expansion of the District's virtual school program in ACHIEVE12. Important goals of these investments are to increase enrollment in the District's cyber school program, augment curriculum and textbooks with digital resources, and expand students' access to internet for instructional purposes. In order to achieve the last goal, there are options available to the District such as pursuing partnerships with organizations such as Comcast or other internet providers to provide low-cost home access to internet, and the use of the District's popular mobile science lab. The pursuit of external partnerships should be aligned with the District's broader establishment of partnerships with educational institutions in ACHIEVE10.

The District may have opportunities to streamline its instructional technology tools. For example, during the development of the Recovery Plan, the District planned to transition from Canvas to Google Classroom with additional support from the District's virtual school program. The District shall continue with this transition and redirect any savings for further improvements in its instructional technology.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall continue with the transition from Canvas to Google Classroom and other instructional technology tools	December 2, 2019	IT Director or Designee
District shall pursue partnerships with foundations such as the Comcast Foundation to provide low-cost internet access to families	March 30, 2020	Chief Academic Officer, Chief of Leadership Development, and IT Director or Designee
District shall redeploy the mobile science lab to support instructional programs if sufficient staff and funds are available	March 30, 2020	Chief Academic Officer, Chief of Leadership Development, and IT Director or Designee

Initiative IT04: Fully implement key operational systems	
Deadline: Ongoing for duration of Recovery Plan	
Evaluation Measure:	Implementation of systems with fidelity
Responsible Parties:	IT Director or Designee and CRO

In initiatives throughout this Recovery Plan the District is required to fully transition to operational systems such as the CSIU position control system in HR02 and the Transfinder system to improve transportation efficiency in T01. The use of these tools and other systems in the District will be integral to improving internal operations and achieving cost savings. Other important investments identified by the District include the transition to a new student information management system, which will be evaluated if the District has sufficient funds and the system is aligned with the goals of this Recovery Plan. As part of this initiative, the CRO shall approve of any significant investments in educational or operational systems, such as the student information system.

In addition, the District shall implement with fidelity the transition to Google Classroom (ACHIEVE01), position control system (HR02), and the Transfinder software as (T01). Investments in instructional technology shall be made in accordance with the priorities of this Recovery Plan outlined in the investment in instructional resources in ACHIEVE01 and the framework for investing in priorities in R07. The CRO has the power to approve these investments under the authority granted by Section 642-A(a)(13) of Act 141. Furthermore, all future purchases of IT resources shall be implemented with fidelity in order to achieve the purposes of their functions. As needed, the CRO shall review the District's progress in implementing these systems.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall implement all operational systems with fidelity	Effective for duration of Recovery Plan	IT Director or Designee; Periodic evaluation by the CRO as needed

Other Initiatives

- **Review and reconfigure wire management in all central network closets.** The wire management in the central NOC needs to be fully rewired and labeled to allow for better visibility of key network systems and wiring to support their connections. This can be done with existing staff. Once the NOC is complete all school closets where technology wiring exist should be completed. This will allow for a network map to be created that will assist with the District's work with external vendors, and it will help with the maintaining of institutional knowledge retention in case of future changes in the technology department's leadership or staffing.
- **Review child accounting systems.** During the development of the Recovery Plan, the CRO identified several areas for potential review to improve the management and data entry for the District's child accounting systems. As part of the implementation of the Recovery Plan, the District shall conduct a more thorough analysis of its systems and processes in order to adopt best practices and ensure data accuracy.
- **Related initiatives in the Academic Achievement chapter of this Recovery Plan.** The use of new instructional technology will be affected by the District's curriculum audit and development of a curriculum and technology plan in initiatives ACHIEVE01 and ACHIEVE02. In addition, the expansion of the District's cyber program is outlined in ACHIEVE12. The implementation of

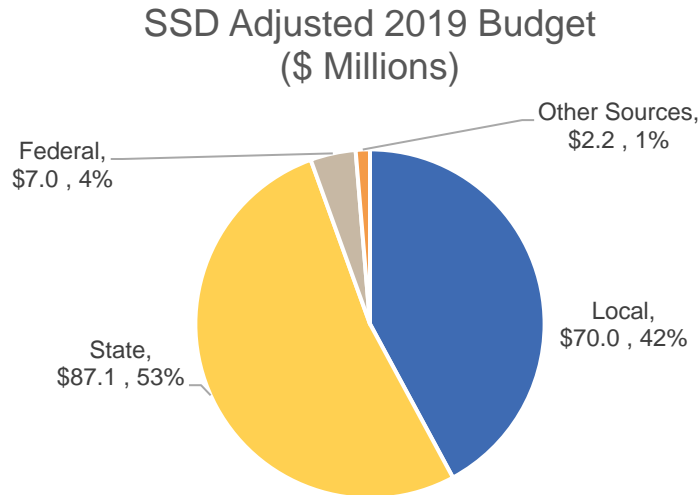
Google Classroom and the District's cyber program shall be completed in accordance with initiative IT04 to implement all tools with fidelity. If the District pursues partnerships with foundations to provide low-cost internet access, these efforts shall be coordinated with the broader goals to engage with educational institutions in ACHIEVE10.

- **Related initiatives in the Administration chapter of this Recovery Plan.** The IT Director position is currently combined with the Facilities Director position under the current central office reorganization in ADMIN07.
- **Related initiatives in the Procurement chapter of this Recovery Plan.** Investments in the District's information technology program will need to be incorporated into the District's asset inventory in initiative P04.
- **Related initiatives in the Human Resources chapter of this Recovery Plan.** The implementation of the position control system in HR02 will fall under initiative IT04 to fully implement all operational systems required in this chapter.
- **Related initiatives in the Transportation chapter of this Recovery Plan.** The implementation of the Transfinder software in T02 will fall under initiative IT04 to fully implement all operational systems required in this chapter.
- **Related initiatives in the Facilities chapter of this Recovery Plan.** The chief operations officer may serve as both the Facilities Director and IT Director until sufficient funds are available to support separate positions as outlined in initiative IT01.

Revenue

Overview

The Scranton School District's revenues come predominantly from the Commonwealth of Pennsylvania and from local sources. As shown in the chart below, nearly 95 percent of the District's total budgeted revenues of \$166.3 million in 2019 are expected to be derived from State and local sources.¹ The primary drivers of revenue growth are increases in subsidies from the Commonwealth, which are largely determined by formulas and student demographics, and increases in local tax millage rates.



Over the past six budget years, from 2014 through 2019, both current real estate tax revenues and total State aid have grown over 30 percent. The District has raised real estate taxes in five out of those six years, and the State has increased Basic Education Funding in all of those years. Total State aid has increased in each year from 2014 to 2019 with the exception of 2017, which was approximately \$100,000 lower than the prior year. As a result, the District estimates that in 2019 it will receive about \$31.0 million more from these two revenue sources than it did in 2014. State aid alone will be almost \$26.0 million higher in 2019 than six years ago.

However, since costs have also risen steadily over this period, the District has taken a variety of other steps to attempt to raise revenue, including issuing debt to pay current year costs, offering retirement incentives to employees, reducing positions through attrition and furloughs, and spending down its accumulated fund balances.

Key Finding 1: In addition to growth in State aid and real estate tax millage, the District relied on one-time revenue sources to balance its annual budget every year from 2014 to 2019.

It is widely agreed to be poor financial practice to borrow money to cover an annual budget shortfall. However, the Scranton School District felt compelled to do this each year from 2014 to 2018, borrowing millions of dollars to balance the budget, and committing the District to repay those borrowings with interest for years to come. A significant but undetermined portion of the District's annual debt service expenditure of over \$18.0 million is related to paying back those borrowings.

¹ Figures for the 2019 budget include adjustments that were made for events that occurred after the adoption of the annual budget.

At the same time, the District drew down balances it had accumulated in other funds to balance its General Fund, as well as reducing the General Fund balance itself over time. While these sources were available to the District, they are not sustainable over time.

The revenue options exercised to help balance the budget from 2014 through 2019 included:

- 2014 – \$2.9 million in transfers from the Capital Fund; raised real estate taxes
- 2015 – Raised real estate taxes; refunded debt for current year savings
- 2016 – Used \$4 million in fund balance; raised real estate taxes; refunded debt for current year savings; one-time payment of over \$4 million for prior year PlanCon State debt reimbursement
- 2017 – Used \$3.3 million in transfers from the Healthcare Trust Fund and \$4 million in fund balance; refunded debt for current year savings
- 2018 – Used remaining \$3.3 million in transfers from the Healthcare Trust Fund; used \$6.6 million in fund balance; raised real estate taxes; refunded debt for current year savings; one-time payment of over \$1 million for prior year PlanCon State debt reimbursement
- 2019 – Used \$1.8 million in transfers from the Debt Service Fund; generated \$1.3 million in additional local revenue from delinquent tax collections and grant sources; raised real estate taxes

As shown in the table below, using a one-time revenue source creates a significant challenge in preparing a balanced budget the following year. When combined with the one-time portion of State aid increases in 2018 and 2019, the \$9.1 million in one-time revenues from the 2019 budget will not be replaced with revenue growth from other sources in 2020. In addition, the baseline projections in the Plan assume that the District uses a portion of the \$6.0 million 2019-20 supplemental Ready to Learn Block grant to produce a balanced budget. This provides a one-time increase in revenues to avoid borrowing for operating costs in the 2019 calendar year. In future years, it is assumed that the District continues to allocate the supplemental block grant funds between calendar years to maintain the constant annual budgetary impact of the additional revenues.

SSD Revenue Summary

	2019	2020	Difference
	Adjusted	Projected	\$
Local Sources	\$70,025,128	\$69,021,755	(\$1,003,373)
State Sources	\$87,056,246	\$87,043,919	(\$12,328)
Federal Sources	\$6,982,000	\$6,982,000	\$0
Other Sources	\$2,187,746	\$445,000	(\$1,742,746)
Total	\$166,251,120	\$163,492,674	(\$2,758,446)

This Recovery Plan seeks to move the District away from unsustainable one-time revenue increases, so that future budgets can be reliably balanced.

Key Finding 2: District actions have delayed or jeopardized receipt of revenues from the State and federal governments.

The examples above for the one-time payments of outstanding PlanCon reimbursement are particularly disheartening examples of the District’s lack of oversight over basic reporting requirements that have delayed payments of subsidies from the Commonwealth that should have been received many years ago. PlanCon refers to the Commonwealth’s Planning and Construction Workbook, which is the collection of documents prepared by school districts to receive reimbursement for approved construction projects. School districts generate and submit forms throughout the planning and construction process, and costs are reconciled to determine the final reimbursement rate from the Commonwealth.

In Scranton, the outstanding reimbursements were due to documents from the construction of Scranton High School (2001), Isaac Tripp Elementary School (2011), Whittier Elementary School (2010), and an addition at the John F. Kennedy Elementary School (2008). There are two significant issues related to the District's PlanCon reimbursement:

- Documents were not filed to complete the process for the original projects**
 As of June 2019, the District was in the last stages of filing the PlanCon forms with PDE to receive the District's final reimbursement rates for the projects in the table below. The District is estimated to complete these forms in June 2019 with the technical assistance provided by the Department.

PlanCon Projects

Project	First Form Approved	Construction Completed	Final Form Completed
Scranton High School	September 1997	2001	Estimated June 2019
Isaac Tripp Elementary School	October 2007	2011	
John F. Kennedy Elementary School		2008	
Wittier Elementary School		2010	

In the PlanCon process, a school district can begin to receive reimbursement for projects before the final phase is completed. The last step is important to reconcile actual costs to the information submitted to the Department. At several junctures in the past, the District completed the parts necessary to begin receiving reimbursement, however, the final reconciliation was not completed.

- Multiple refundings for interest rate savings and budget relief complicated the process**
 In the PlanCon process, a school district will receive the estimated reimbursement before the final rate is determined at the end of the process. When the original bonds that funded the projects are refunded, the District must resubmit information to the Department in order to receive reimbursement for the appropriate portions of the new debt service.

In the Scranton School District, these forms were not filed in a timely manner, which delayed the payments. As the District made payments on the debt service, the reimbursement accumulated in an account payable to the District when the outstanding steps were completed in 2016 and 2018. This resulted in the large one-time payments for prior year reimbursement, and the continuation of reimbursement to the present day.

Another more recent example is related to federal aid to the District. Technical assistance from the Commonwealth over the past year identified 40 citations from the District's last federal programs audit, and the Commonwealth supported corrective actions to resolve each issue or create a plan to bring the District into compliance over a short period of time. The largest issue identified was the selection criteria for the pre-kindergarten program, which the Board and Administration altered to be compliant with regulations and guidance from the federal government. The District's entire federal funding allocation for the Title programs of nearly \$7 million could have been jeopardized if the District had failed to make these changes.

The purpose of these examples is not to apportion blame to individuals in the District, but rather to highlight the progress that has been made and the need to consistently focus attention on competently and consistently executing the basic functions of a school district. Although the District has made changes in personnel and procedures to prevent these issues from occurring in the future, the initiatives in the Recovery Plan are intended to provide additional oversight and ensure that similar problems do not recur. These are not best practice recommendations for a high performing school district, but rather basic requirements of reporting and being in compliance with regulations. Over time, these practices will become ingrained in the culture of the Scranton School District to do the right thing the right way on the first try.

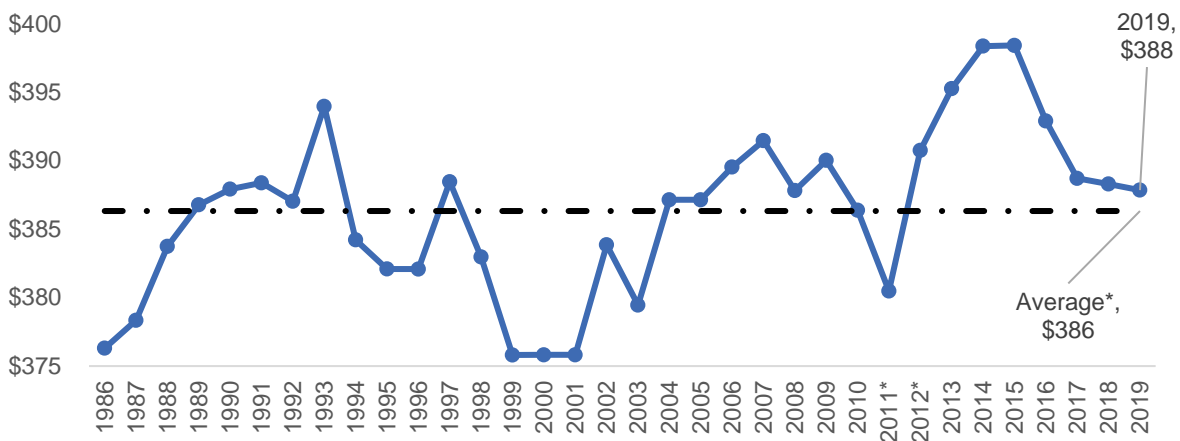
Key Finding 3: Real estate tax revenues, which account for almost 27.5 percent of the 2019 budget, are generally flat unless the District increases taxes.

Most local governments in Pennsylvania rely on real estate taxes for a significant proportion of their operating revenues. Real estate taxes are levied on the taxable assessed value of property, and many types of properties may be exempt from taxes, such as those owned by government or non-profit organizations. Property values are determined based on the most recent assessment valuation rather than market values; Lackawanna County's last assessment occurred in 1968.

A revaluation of taxable assessed properties in Lackawanna County will not necessarily increase revenues for the Scranton School District. In general, countywide reassessments are intended to be revenue neutral, with the real estate tax rate being adjusted to ensure revenue at the new rates does not significantly exceed the prior year's revenue under the old rates. In adjusting the tax rate to match the new assessment, a School Board may adopt a resolution to capture some of the increase in value. However, the most significant benefit from the revaluation of properties is to more equitably distribute the tax burden to reflect changes in the tax base that have occurred since the prior assessment.

As shown in the chart below, the taxable assessed value of properties in the Scranton School District has varied over the years, however it remains between \$375 million and \$400 million. Changes in assessed value are mostly driven by new construction or assessment appeals of the property valuation, with a major round of appeals reflected in the valuation after the recession in the late 2000s.

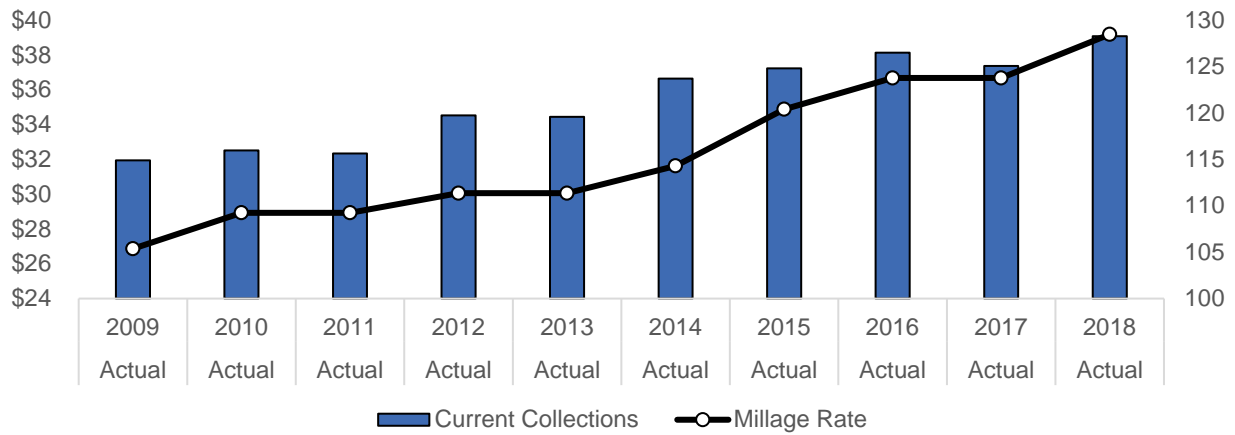
Assessed Value from 1986 to 2019
(\$ Millions)



Note: Data reported in District's official statements showed significant variance in assessed value for 2011 and 2012, with a difference of nearly \$40 million from 2010. Average shown in the chart above excludes these years. Data from the State Tax Equalization Board (STEB) is shown to illustrate the annual trends for those years.

As shown in the chart on the following page, the District's real estate tax revenues are mostly flat or declining absent increases in the real estate tax rate. The District has raised the real estate tax rate in seven of the eleven years since 2009, and the District raised taxes to its full Act 1 Adjusted Index in the 2018 and 2019 calendar years.

SSD Real Estate Tax Current Collections (\$ Millions) vs. Rate



The revenue a school district actually receives from the property tax is also affected by the collection rate. The Scranton School District collection rates shown in the table below are calculated using information from the District's financial disclosures to bondholders, and the collection rates are adjusted for the impact of the property tax reduction revenues from Special Session Act 1 of 2006. Note that depending on the amount of prior year delinquent real estate tax collections, the total collection rate in any given year may be greater than the amount of current real estate tax billed, yielding a collection rate greater than 100 percent.

SSD Real Estate Tax Collection Rates

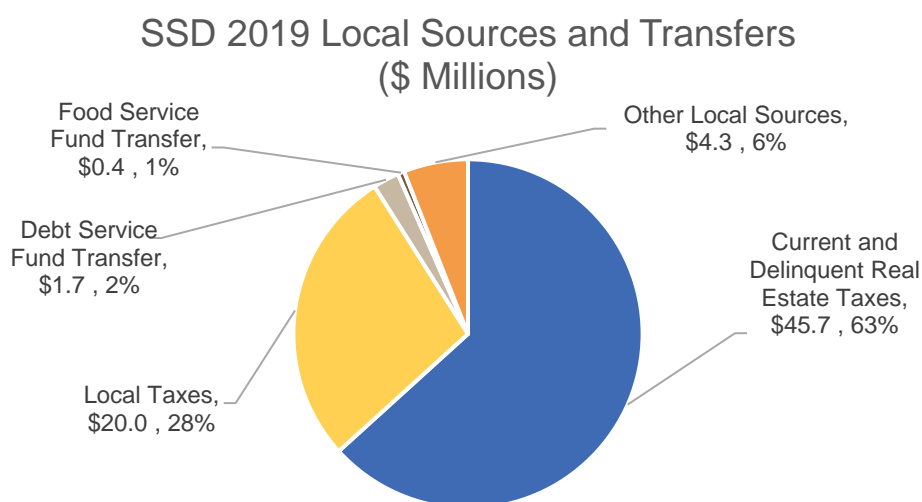
	Current Collection Rate	Total Collection Rate
2004	82.5%	94.7%
2005	72.2%	91.0%
2006	85.0%	94.6%
2007	86.1%	93.4%
2008	92.0%	100.8%
2009	86.9%	96.8%
2010	85.9%	95.9%
2011*	86.9%	97.0%
2012*	88.2%	97.4%
2013	86.8%	96.8%
2014	89.0%	94.5%
2015	85.4%	94.3%
2016	86.1%	96.2%
2017	85.4%	95.3%
2018	85.8%	95.4%
5-Year Average	86.4%	95.1%
10-Year Average	86.6%	96.0%
15-Year Average	85.6%	95.6%

Note: Data reported in District's official statements showed significant variance in assessed value for 2011 and 2012, with a difference of nearly \$40 million from 2010. Data from the STEB is shown to illustrate the annual trends for those years. Average shown in the chart above include STEB data for these years.

Since 2015, the District's current real estate tax collection rate has remained between approximately 85 and 86 percent, which is in the range of the District's 10-year, and 15-year averages. The District's 2019 budget assumes a collection rate of 86.9 percent, over one percentage point higher than the previous year. An increase of one percentage point in the District's collection rate for the current 2019 budget year would raise current real estate tax revenues by approximately \$470,000.

Key Finding 4: The District has limited ability to raise revenues from other sources but can improve its tax collection performance.

The Scranton School District has limited control over its revenue sources. The District has the greatest ability to affect revenues from local and other sources, which represent approximately 43.4 percent of the District's total 2019 revenue budget of \$166 million. The pie chart below summarizes the local revenues and transfers included under these categories in the 2019 budget.



Real estate taxes comprise the largest portion of these revenues. Local taxes include earned income taxes, as well as the District's Act 511 taxes, which are the occupation, real estate transfer, business privilege, and mercantile taxes. Business privilege and mercantile taxes account for \$8.2 million, or over 40 percent of the other local taxes in the chart above. Revenues from the District's other local taxes largely track the performance of the broader economy over time. In the past, the District has used opportunities for one-time increases by pursuing outstanding delinquent collections, and the adjusted 2019 budget used for the technical assistance team's financial projections include nearly \$1.1 million in one-time revenues for the collection of delinquent business privilege and real estate taxes. After these revenues are collected, the projections assume that they will continue to follow their long-term historical trends.

Over time the District may be able to collect a significant portion of its real estate tax levies when they are overdue. However, a higher current year collection rate ensures that the District has revenues on hand when the tax bills are levied, and that there is a more equitable distribution of the tax burden and a perception of fairness on the part of taxpayers. Delinquent tax collections may sometimes generate fees and fines that exceed the original principal, but this is unreliable and also undermines confidence in the tax system.

Transfers from other funds are typically one-time sources of revenues, such as the debt service fund transfer in the 2019 calendar year budget and the other fund transfers noted in the section above. The

District's food service fund transfer is an ongoing revenue source that is used to reimburse the General Fund for expenses from the transportation of food.

Absent increases in the real estate tax rate, the District has limited opportunities to generate recurring revenues from its local sources and transfers. School code and other Commonwealth Statutes prevent or limit the District's ability to raise tax rates for the District's other local taxes. Transfers are unavailable for future budget years after they are used, and accounting regulations provide strict guidelines for the use of transfers from the food service fund to cover General Fund expenditures.

There are a wide variety of ways the District can increase marginal revenues, and the total impact of those changes can be meaningful. At various places in this Recovery Plan, opportunities to increase or stabilize State transportation reimbursement, State capital reimbursements, and tuition and reimbursement for special education are presented. With strong support from the Commonwealth, the District also has made major progress in correcting federal program citations that threatened its federal revenue; this Plan requires improved collection of federal Medicaid Access revenues and reorganization of its pre-Kindergarten program to make federal revenues available for K-12 programs. Finally, while this chapter cautions against reliance on one-time revenues, the school consolidation program included in this report will generate some potential revenue from the sale of properties.

Initiatives

Initiative R01: Adopt a structurally balanced budget on an annual basis	
Deadline: Adopt a structurally balanced budget (annually in December)	
Evaluation Measure:	Adoption of a structurally balanced budget without one-time revenue sources or unfunded debt borrowings
Responsible Parties:	Superintendent, Business Manager, and School Board

From 2014 to 2019, the Scranton School District has relied on one-time measures to produce a balanced budget including the use of fund balance, transfers from other funds and other one-time revenues, and unfunded debt borrowings. Although these measures are within the parameters of the Commonwealth's statutory obligation to produce a balanced budget, they are not considered best practices in public sector financial management.

For the duration of time while the District is designated to be under moderate financial recovery, the District shall annually adopt a structurally balanced budget. A structurally balanced budget will have sufficient recurring revenues to cover recurring expenditures unless a multi-year plan is prepared that addresses these deficiencies over time. The District shall not borrow for current operating expenses or restructure debt in order to reduce current year obligations unless the transaction is a refunding for savings. The District may continue to use short-term tax and revenue anticipation notes (TRANS) for cash flow management. The table below includes the required procedures as part of the annual budget development process.

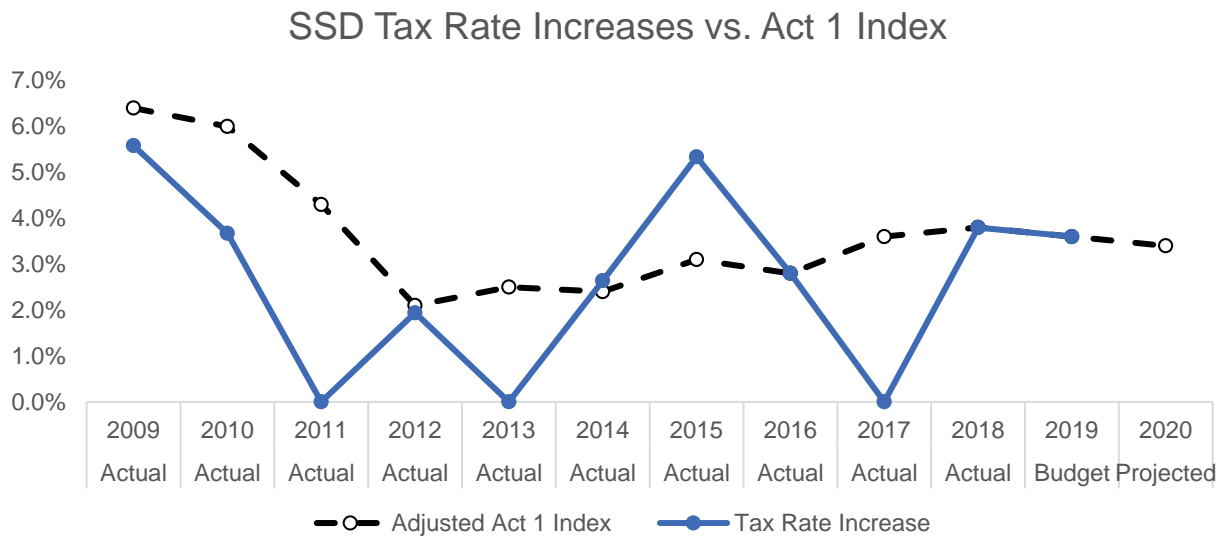
Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall develop a structurally balanced budget that does not rely on one-time revenues or unfunded debt borrowing	Annually by December	Superintendent, Business Manager, and School Board

Initiative R02: Raise real estate taxes annually to the Act 1 Index	
Deadline: Evaluate the need for exceptions (annually in July); adopt tax rates (annually in August, December)	
Evaluation Measure:	Revenues generated
Responsible Parties:	Superintendent, Business Manager, and School Board

As noted in the analysis above, the Scranton School District has raised the real estate tax rate in eight of the eleven calendar years from 2009 to 2019. These actions by the School Board have provided the District with additional revenue to support the growing costs of operating the District.

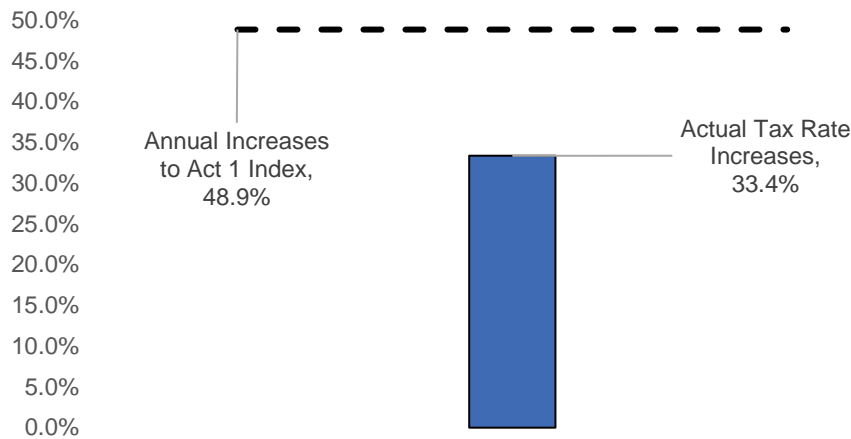
The chart below compares the District's annual tax rate increases to the Adjusted Act 1 Index² rate, which represents the amount by which the District could have increased taxes without seeking exceptions or going to a referendum. In 2014 and 2015, the secured exceptions to District increase tax rates above the Act 1 Index to generate additional revenues. In all other years the District raised taxes at or below the Act 1 permitted amount.



Over the period from 2008 to 2019, the District's real estate tax rate grew by a compound annual rate of 2.7 percent per year. Had the District increased the tax rate to the Adjusted Act 1 Index in each year, the compound annual growth rate over the same period would have been 3.7 percent. In the current 2019 calendar year budget, the District's millage rate would be approximately 148.5527, which is nearly 15 mills higher than the District's current millage rate of 133.0949. Under the assessed value and collection rate assumptions in the District's 2019 budget, the counterfactual scenario with annual increases to the Act 1 Index limit would have generated an additional \$5.2 million, which is almost \$1.2 million greater than the projected 2020 deficit in the baseline multi-year projections. The chart on the following page shows the cumulative impact of the District's actual increases in the real estate tax rate compared to the amounts allowable under the Act 1 Index.

² School Districts with a market value / personal income ratio above 0.4000 receive an adjusted Act 1 Index that allows for tax increase above the Statewide Act 1 Index.

Cumulative Impact of Tax Increases 2008 to 2019



In order to address the projected annual deficits in the baseline multi-year projections, the District shall annually raise the real estate tax rate to at least the Adjusted Act 1 Index amount. If the revenues generated from other sources reduce the amount of revenue required to produce a balanced budget and build the required financial reserve, the CRO may allow the District to raise the real estate tax rate by a lower amount than the Act 1 Index.

The table below shows the annual real estate tax rates and the additional revenues from annual increases to the Adjusted Act 1 Index. The calculations for the table below assume the District raises its real estate tax rate annually by 3.4 percent, which is the District's Adjusted Act 1 Index for the 2020 calendar year. This rate is also equal to the District's average Adjusted Act 1 Index for the five year period from 2016 to 2020. The actual amount of the Adjusted Act 1 Index each year will vary somewhat from these estimates.

Financial Impact

	2019	2020	2021	2022	2023	2024	Cumulative Impact
Millage Rate	133.0949	137.6201	142.2992	147.1374	152.1401	157.3128	—
Annual Impact	\$0	\$1,522,830	\$3,092,653	\$4,710,997	\$6,379,436	\$8,099,598	\$23,805,513

The requirements of this initiative will be effective for the duration of the time while the Scranton School District is designated to be under moderate financial recovery. The table below includes the required procedures as part of the annual budget development process.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall develop a proposed preliminary budget in accordance with all required statutory events	Annually by July	Business Manager
District shall adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events	Annually by August	School Board
District shall complete estimates of referendum exceptions and seek approval from the Department of Education	Annually by August	Superintendent and Business Manager
District shall develop a proposed final budget in accordance with all required statutory events	Annually by December 1	Superintendent, Business Manager
District shall adopt the final proposed budget with the required tax increases and in accordance with all required statutory events	Annually by December 31	School Board

Initiative R03: Pursue exceptions to the Act 1 Index if required to balance the annual budget	
Deadline: Evaluate need for exceptions (Annually in July); adopt tax rates (annually in August, December)	
Evaluation Measure:	Revenues generated
Responsible Parties:	Superintendent, Business Manager, and School Board

During the implementation of the Recovery Plan, the Scranton School District will be required to identify recurring revenue sources to cover the costs of its recurring expenditures. In the annual budget process, the District shall evaluate the increase in its operating budget, and identify exceptions to the Adjusted Act 1 Index that may be used to provide additional real estate tax revenues. Under Special Session Act 1 of 2006, these exceptions include:

- Grandfathered debt
- Electoral debt
- Special education expenditures
- Retirement contributions

Over the five year period in the Recovery Plan, the most immediate opportunities for exceptions to the Act 1 Index would be to support the increased debt service for the capital plan (see initiative F02 in the Facilities chapter), and future increases in special education costs. If revenue sources cannot be identified for building reconfiguration and the capital plan, the District may need to hold a referendum to dedicate real estate tax mills to cover the costs of the annual debt service.

In the development of the 2019 budget, the District identified a potential real estate tax increase of up to 6.9 percent, which included the District's 3.6 percent Adjusted Act 1 Index and an additional 3.3 percent for exceptions to the Index. The exceptions would have allowed for a millage rate increase of approximately 4.2395, which would generate nearly \$1.4 million in additional revenue assuming no changes to the assessed value or collection rate assumptions in the budget.

In the final adopted budget, the District added twelve special education teachers and twelve instructional assistants to meet the needs of its students. These additional positions added approximately \$1.2 million in recurring costs to the District's budget, and the District's proposed borrowing of \$3.7 million would have covered these additional costs for one year. The District would have generated enough revenues to support these new positions in future budget years had the District included the exceptions to the Act 1 Index in its final tax rate for 2019. When evaluating increases in costs to support academic programs or operations, the District shall be required to identify sustainable revenue sources to eliminate the District's need to borrow money for current year operations, as described in initiative R01, above.

The requirements of this initiative will be effective for the duration of the Scranton School District's designation as a moderate financial recovery district. The ongoing implementation table in initiative R02 shall outline the timeline for this initiative as part of the annual budget development process.

Initiative R04: Increase the current year real estate tax collection rate	
Deadline: Meet with City and Single Tax Office (December 2019)	
Evaluation Measure:	Revenues generated
Responsible Parties:	Superintendent and Business Manager

As noted in the analysis of key revenue trends, the Scranton School District's collection rate has consistently been in the range of 85 to 87 percent over the past fifteen years. Compared to its peer school districts, Scranton has a relatively low collection rate for real estate taxes. In the table below, the Scranton School District is compared to other school districts with a market value-personal income (MV/PI) ratio greater than 0.6 and an average daily membership greater than 5,000. The MV/PI ratio is a measure of the relative wealth of a school district in Pennsylvania, and it is often used as part of the calculation of major subsidies from the Commonwealth. Collection rates were calculated using the STEB assessed value report for 2017, and real estate tax rates and current collections reported to PDE in the 2017-18 school year. These collection rates may vary from the actual rates calculated by the school districts because they would have access to more accurate assessed value and collection data. This comparison is for illustrative purposes using the most recent available information.

Comparison of 2017-18 Collection Rates

School District	Collection Rate
Philadelphia City SD ³	96.8%
Lancaster SD	94.1%
Lebanon SD	94.1%
Pittsburgh SD ⁴	93.8%
Upper Darby SD	93.0%
York City SD	92.4%
Mifflin County SD	92.0%
Altoona Area SD	91.9%
Williamsport Area SD	91.6%
Wilkes-Barre Area SD	91.4%
Hazleton Area SD	91.4%
Wyoming Valley West SD	90.9%
William Penn SD	89.7%
Allentown City SD	88.9%
Reading SD	87.1%
Scranton SD	86.2%
Erie City SD	85.8%
Harrisburg City SD	85.2%
Armstrong SD	83.7%
East Stroudsburg Area SD	82.6%
Median (Excluding Scranton SD)	91.4%
Scranton SD Rank	16 of 20

³ Philadelphia School District's real estate taxes are collected by the City of Philadelphia. The collection rate reported in the table above was taken from the collection rates for 2017-18 estimated in the City's five year financial plan for fiscal years 2020 to 2024.

⁴ Pittsburgh School District was included in the table above despite having a MV/PI ratio of 0.3293 in 2017-18. Pittsburgh was selected for the comparison because of the relative size of the school district and consistency with the approach in the benchmark comparison for the payment in lieu of taxes initiative R05.

The comparison with the peer school districts shows that Scranton School District's real estate tax collection rate is in the bottom third. In the table on the following page, the financial impact for current real estate taxes is shown for scenarios where the District's current year collection rate reaches the median value, and where the collection rate is increased by one percentage point. Over time, the increase in current year collections would be offset by a reduction in delinquent tax collections. Based on PFM's analysis of collections, the District collects approximately 70 percent of its uncollected revenues through delinquencies in a typical calendar year.

SSD Real Estate Tax Revenue Estimate

2019	
Baseline	
Revenue	\$41,058,768

Incremental Revenue

Median Peer School Districts	\$2,126,561
One Percentage Point Increase	\$472,856

Total Initiative Revenue

Median Peer School Districts	\$43,185,329
One Percentage Point Increase	\$41,531,624

In the table below, the cumulative impact is shown for the increase in current year collections by one percentage point. Actual revenues would vary from these estimates based on the assessed value, tax rates, and the relative health of Scranton's economy.

Financial Impact

	2019	2020	2021	2022	2023	2024	Cumulative Impact
Collection Rate	86.9%	87.9%	87.9%	87.9%	87.9%	87.9%	—
Current Year Taxes	\$0	\$472,856	\$472,856	\$472,856	\$472,856	\$472,856	\$2,364,279
Delinquent Taxes	\$0	\$0	(\$110,333)	(\$220,666)	(\$330,999)	(\$330,999)	(\$992,997)
Cumulative Impact	\$0	\$472,856	\$362,523	\$252,190	\$141,857	\$141,857	\$1,371,282

In order to improve the current year real estate tax collections, the District shall work with the City and the Single Tax Office to evaluate potential opportunities to increase the collection rate. Increasing the collection rate for taxes can have a large impact on short-term revenues, and these partners should make all efforts at their disposals to increase the available resources to support needed programs. Discussions between the taxing bodies should focus on data analysis rather than anecdotal reports. Areas of focus should include the following questions, as well as other areas identified by the partners:

- How frequent are property owners delinquent on the same property in consecutive years?
- Are delinquent properties typically commercial or residential properties?
- Is there a small number of accounts with relatively large delinquencies? Or are the delinquencies spread across a large number of small accounts?

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall meet with the City and Single Tax Office to determine options to increase the real estate tax collection rate	December 31, 2019	Superintendent, Business Manager

Initiative R05: Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	
Deadline: Initial implementation (2019); Ongoing procedures (2020)	
Evaluation Measure:	Revenues generated; Programs supported
Responsible Parties:	Superintendent, Business Manager, and School Board

In the 2017-18 school year, the Scranton School District received \$70,390 in payments in lieu of taxes (PILOTs), or less than one-tenth of one percent of total reported revenues of over \$150 million. Taken in isolation, PILOTs will not completely solve all of the financial pressures for the District, however, they may be used as part of a broader strategy to identify recurring revenue sources to support academic programs.

PILOTs are voluntary payments made by non-profit organizations and other tax exempt institutions to government entities. These payments can be cash contributions to cover the costs of services provided by the government entities, or they can be delivered as in-kind services that benefit the people served by the government. Typically these contributions are governed by a formal agreement between the government entity and the organization, and they can range from multi-year contracts to one-time contributions for a specific program. Nationwide, Boston is considered to be one of the leading examples of a city government that has developed a robust PILOT program to support city services.

According to a 2016 report from the Lincoln Institute of Land Policy, direct provision of services such as police or fire services are often used as the basis to establish the appropriate funding level for a PILOT.⁵ In many cases, cities and other general purpose governments are more successful at negotiating PILOT agreements than school districts. In a 2012 survey of PILOT agreements, the Lincoln Institute found that only 3.2 percent of the total jurisdictions surveyed were school districts.⁶

In Pennsylvania, total PILOT revenues for all school districts were \$34.8 million in the 2017-18 annual financial report data (AFR) reported to the Department of Education, or 0.1 percent of all total school district revenues. Of the Commonwealth's 500 school districts, 397 reported some PILOT revenue in the same school year. The median school district received PILOT revenues of \$19,306, which represented 0.1 percent of total revenues and 0.2 percent of current real estate tax collections. In the table below, the Scranton School District is compared to other school districts in the Commonwealth using the criteria in the benchmarking for the real estate tax collection rates in Initiative R04 (MV/PI ratio greater than 0.6 and an average daily membership greater than 5,000).

Comparison of 2017-18 AFR Data

School District	PILOT Revenue	% of Total Revenue	% of Current Real Estate Taxes
Harrisburg City SD	\$1,936,583	1.3%	5.4%
Lancaster SD	\$1,617,596	0.7%	2.4%
Erie City SD	\$1,595,206	0.8%	4.0%
Allentown City SD	\$1,013,331	0.3%	1.3%

⁵ Daphne A. Kenyon and Adam H. Langley, "Nonprofit PILOTs (Payments in Lieu of Taxes)." *Lincoln Institute of Land Policy* (November 2016): 3, <https://www.lincolninst.edu/publications/policy-briefs/nonprofit-pilots-payments-lieu-taxes>.

⁶ Adam H. Langley, Daphne A. Kenyon, and Patricia C. Bailin, "Payments in Lieu of Taxes by Nonprofits: Which Nonprofits Make PILOTs and Which Localities Receive Them?" *Lincoln Institute of Land Policy* (September 2012): 8, <https://www.lincolninst.edu/publications/working-papers/payments-lieu-taxes-nonprofits>.

Comparison of 2017-18 AFR Data

School District	PILOT Revenue	% of Total Revenue	% of Current Real Estate Taxes
Pittsburgh SD ⁷	\$707,893	0.1%	0.4%
Altoona Area SD	\$540,042	0.5%	3.5%
Mifflin County SD	\$301,066	0.4%	1.3%
Reading SD	\$136,184	0.1%	0.7%
Wilkes-Barre Area SD	\$118,395	0.1%	0.2%
Williamsport Area SD	\$115,657	0.1%	0.6%
York City SD	\$115,177	0.1%	0.4%
East Stroudsburg Area SD	\$108,685	0.1%	0.1%
Lebanon SD	\$93,653	0.1%	0.6%
Scranton SD	\$70,390	0.0%	0.2%
Wyoming Valley West SD	\$63,616	0.1%	0.2%
Armstrong SD	\$44,804	0.0%	0.2%
Philadelphia City SD	\$9,239	0.0%	0.0%
Hazleton Area SD	\$5,829	0.0%	0.0%
Median (Excluding Scranton SD)	\$118,395	0.1%	0.6%
Scranton SD Rank	14 of 18	15 of 18	14 of 18

In the table on the following page, revenue estimates are shown based on the Scranton School District's adjusted 2019 budget used in the baseline multi-year financial projections. Revenue estimates are based on the median percentage of revenue and percentage of current real estate taxes from the table above.

SSD PILOT Revenue Estimate

2019	
Baseline	
Revenue	\$65,000

Incremental Revenue

% of Total Revenue	\$112,354
% of Current Real Estate Taxes	\$162,989

Total Initiative Revenue

% of Total Revenue	\$177,354
% of Current Real Estate Taxes	\$227,989

The table below shows the annual financial impact if the Scranton School District achieved additional PILOT revenues equal to 0.1 percent of the adjusted 2019 budget.

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
\$112,373	\$112,373	\$112,373	\$112,373	\$112,373	\$112,373	\$674,240

Negotiations for PILOT agreements tend to be more successful if there is a coordinated effort among all levels of government participating in the discussions. In Scranton, this means identifying representatives

⁷ Pittsburgh School District was included in the table above despite having a MV/PI ratio of 0.3293 in 2017-18. Pittsburgh was selected for the comparison because of factors such as the relative size of the school district, the revenues generated through the PILOT program, and the length of time that the program has been in place in the city.

from the District to develop a strategy, and coordinate with any efforts currently underway in either the City of Scranton or Lackawanna County.

Prior to the adoption of the 2019 budget, various members of the School Board publicly stated that they would request voluntary contributions from local institutions through an appeal from the Board of Directors. Although this effort should be commended for its intent, the District must work as a single organization in this process. As part of the Recovery Plan, the District shall designate a three-person working group to lead the effort to establish PILOT agreements. This group shall consist of the Superintendent, the Board President, and an additional Board member nominated by the Committee of the Whole. The Chief Recovery Officer shall serve as an advisor to the group.

Initially, the working group shall develop a strategy that will consist of the following elements:

- **Develop a targeted request for tax exempt organizations**

As an entity separate from the City of Scranton and Lackawanna County, the Scranton School District will need to create a request for support that will be seen as reasonable by tax exempt organizations. The first part of this process will be to identify programs that are in need of support from local tax exempt organizations. Ideally these programs will align with the mission of each organization. For example, an educational institution may be asked to support a literacy program in an elementary school located nearby.

In conjunction with the CRO, the District shall develop a list of organizations that will be part of the first campaign for agreements.

- **Establish clear benchmarks for reporting contributions from organizations**

The District currently receives support from several tax exempt organizations in the form of cash contributions and in-kind services. Records of these agreements shall be made available to the public, and future agreements with these organizations shall comply with all aspects of the Recovery Plan.

On a quarterly basis, the District shall report to the Board's Committee of the Whole the status of the current PILOT program, and provide a summary report with at least the following elements based on similar reports from the City of Boston:⁸ requested PILOT, cash amount contributed, value of in-kind services, and percent of request provided. All current agreements currently in effect shall be included in this report.

A requested level of support shall be established using an objective measure of the financial impact. The City of Boston uses 25 percent of the expected value of real estate taxes if the properties were taxable.⁹ In Pennsylvania, the Erie School District establishes a payment based on 50 percent of the expected taxable value.¹⁰ The Scranton School District shall choose a measure of the financial impact of the request based on the examples cited above, and other relevant information approved by the CRO.

- **Coordinate with the City of Scranton and Lackawanna County**

Before establishing the first meeting with tax exempt organizations, the District shall meet with the City and County to discuss current efforts to request support from tax exempt organizations. If the parties agree that it would be mutually beneficial, the District shall include representatives from the City and the County in meetings with tax exempt organizations to make a unified pitch for support.

⁸ City of Boston PILOT Task Force, "Fiscal Year 2018 Community Benefits Report." https://www.boston.gov/sites/default/files/imce-uploads/2018-11/fy18_pilot_contributions_revised_on_november_30_2018_final_print.pdf

⁹ City of Boston PILOT Task Force, "About the PILOT Task Force." <https://www.boston.gov/departments/assessing/payment-lieu-tax-pilot-program#about-the-task-force>.

¹⁰ PFM review of Erie School District PILOT agreements while serving as technical assistance provided through the Department of Education.

- **Meet with initial list of tax exempt organizations**

As the final step in the process, the Scranton School District shall organize meetings with representatives of each entity on the initial list of tax exempt organizations. The District shall develop a reasonable timeline to complete meetings with all tax exempt organizations by the end of the 2020 calendar year.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall develop a list of tax exempt organizations from which to request support, and prioritize the list of requests	October 31, 2019	Superintendent, School Board
District shall develop a financial report to the Board that will consist of the following elements: requested PILOT, cash amount contributed, value of in-kind services, and percent of request provided. All current agreements currently in effect shall be included in this report.	October 31, 2019	Business Manager
District shall complete the development of its strategy and the requested ask for each tax exempt organization	October 31, 2019	Superintendent, School Board
District shall meet with the City of Scranton and Lackawanna County to discuss PILOT efforts currently underway	December 31, 2019	Superintendent, School Board
District shall complete meetings with the initial list of organizations targeted as part of the campaign	March 31, 2020	Superintendent, School Board
District shall complete meetings with all of the tax exempt organizations identified as part of the program	December 31, 2020	Superintendent, School Board

Prior to the completion of the meetings with all of the tax exempt organizations identified as part of the effort, the District shall establish ongoing procedures and processes for evaluating requests and reporting this information to the School Board and the general public.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall provide a report on the current status of the PILOT program, and a financial report of the program to the Board	Quarterly	Superintendent, Business Manager
As needed, the District shall revise its strategy for the PILOT program including the targeted request and the organizations to contact for contributions	Annually by July	Superintendent, School Board

	Initiative R06: Explore the transition to a payroll preparation tax, eliminating business privilege and mercantile taxes
Deadline: Determine feasibility of transition (December 2019)	
Evaluation Measure:	Completion of evaluation and possible transition to new tax
Responsible Parties:	Business Manager, Solicitor, and School Board

As part of the City of Scranton's plan to leave the Act 47 municipal financial oversight program, the City is preparing to transition from the collection of business privilege and mercantile taxes to a payroll preparation tax. This option is available to jurisdictions that are in the process of exiting the Commonwealth's distressed municipality program as a way to restructure the types of taxes levied. Pennsylvania statutes also allow school districts to make the same transition after the city provides notice that it will begin to levy a payroll tax. The transition to the new tax is to be revenue neutral under the language of the statutes.

To date, only the City of Pittsburgh replaced its business privilege and mercantile taxes with a payroll tax, which occurred in 2005. In that case the Pittsburgh Public Schools did not levy either tax, so there was no change in the revenue base for the school district. As a result, there is no school district in the Commonwealth of Pennsylvania that has yet moved to a payroll tax.

Proponents of the payroll tax suggest that it has several advantages over the business privilege and mercantile taxes. The collection of payroll taxes may be more efficient than the current taxes as there is relatively strong infrastructure in place to calculate and collect payroll taxes since businesses already report wages and payroll for the collection of local, State, and federal income taxes. Although the incidence of the tax will shift depending on the types of businesses located in Scranton, payroll levels tend to be more resistant to declines during recessions compared to business receipts and grow more steadily over time.

As part of the Recovery Plan, the Scranton School District shall determine whether a transition to the payroll tax is feasible. This analysis shall include the following elements:

- **Impact of all relevant statutes on the District's ability to levy a payroll tax**

The District shall engage its solicitor to review all relevant statutes that may affect the payroll tax including but not limited to the following: Public School Code of 1949, Act 511 of 1965, and Special Session Act 1 of 2006. This review shall include the District's legal authority to levy a payroll tax, and the potential implications of conflicting language among the various statutes. In particular, the solicitor shall provide guidance on whether the District must obtain voter approval for a shift to a payroll tax, pursuant to the provisions of Act 1 of 2006.

- **Tax base required to replace the taxes for both the City and the District**

The transition to the payroll preparation tax will be revenue neutral, and it will replace all of the revenues collected by the City and District from the business privilege and mercantile taxes. The District shall coordinate with the City to analyze the tax base necessary to replace the taxes for both entities.

- **Stakeholder concerns**

Of particular focus shall be the substantially higher amount of money collected by the District than the City under the current taxes. In 2019, the School District budgeted \$7.3 million from business privilege and mercantile taxes, and an additional unbudgeted amount of approximately \$900,000 due to remaining outstanding delinquent collections from the District's contracted collector. The City expects to collect only \$3.6 million in its 2019 operating budget.

In the development of the City's exit plan for the Act 47 distressed municipality oversight program, estimates have been developed to determine the tax base that would be used for the payroll tax. The CRO has not reviewed these estimates to determine their potential impact on the revenues for the District. In total, the District and the City would need to replace approximately \$10.8 million of revenue from the mercantile and business taxes assuming the collections included in their operating budgets for 2019. The District receives approximately \$11 million from the earned income tax, which is levied at a rate of one percent for the District's share. If the tax bases for the District's earned income tax and the payroll tax are roughly equivalent, then both entities would need to levy a combined payroll tax of 0.98 percent with a levy of 0.65 percent for the District and 0.33 percent for the City.

Although the current and proposed taxes broadly apply to the same businesses in Scranton, the effect on those that are more employee-intensive can be significant. The District shall work with the City, the Chamber of Commerce, elected representatives and others to address any disproportionate impacts to local business from the proposed shift.

- **Impact on operations of the Single Tax Office**

Regardless of whether or not the District levies a payroll tax, there will be an impact on the number of staff required at the Single Tax Office. Currently, the office collects the business

privilege and mercantile taxes for both the City and the District. Upon receiving notification of the City's intent to adopt a payroll tax, the District shall begin discussions with the Single Tax Office and the City regarding the necessary number of employees for the collection of District taxes, and the equitable allocation of costs among the taxing entities.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall review the relevant statutes for the payroll tax	October 15, 2019	Business Manager, Solicitor
District shall determine the necessary tax base required to replace all business privilege and mercantile taxes collected by the City and District	October 15, 2019	Business Manager
District shall determine whether or not to impose the payroll tax	December 31, 2019	School Board
District shall determine equitable allocation of Single Tax Office costs	December 31, 2019	Business Manager

Initiative R07: Increase Medicaid ACCESS revenue to support special education programs	
Deadline: Evaluate ability to increase revenues (July 2020)	
Evaluation Measure:	Revenues generated
Responsible Parties:	Superintendent, Business Manager, Special Education Supervisor, and Federal Programs Managers

School districts may be reimbursed for the costs of services provided for Medicaid-eligible children through the Commonwealth's School Based Access Medicaid Reimbursement Program (ACCESS). Examples of reimbursable costs include transportation or mental health services and behavioral counseling. In the 2017-18 school year, the Scranton School District received \$856,831 in ACCESS funding. In the table on the following page, the Scranton School District is compared to other school districts in the Commonwealth using the criteria in the benchmarking for the ACCESS revenues in initiative R03 (MV/PI ratio greater than 0.6 and an average daily membership greater than 5,000).

SSD Medicaid ACCESS Revenues

School District	2017-18 Total ACCESS Revenue	5-Year Average	2017-18 Special Education Enrollment	2017-18 per Student	Average per Student
Allentown City SD	\$4,806,877	\$1,634,460	2,998	\$1,603	\$545
Reading SD	\$2,878,896	\$1,519,777	3,331	\$864	\$456
Pittsburgh SD	\$2,665,275	\$2,270,502	4,294	\$621	\$529
Lancaster SD	\$1,851,988	\$997,075	1,943	\$953	\$513
Altoona Area SD	\$1,651,598	\$1,178,917	1,533	\$1,077	\$769
Hazleton Area SD	\$1,585,486	\$908,408	1,392	\$1,139	\$653
Upper Darby SD	\$1,013,214	\$850,039	2,197	\$461	\$387
Williamsport Area SD	\$958,464	\$559,384	717	\$1,337	\$780
Scranton SD	\$856,831	\$418,421	1,961	\$437	\$213
Harrisburg City SD	\$524,007	\$257,538	1,193	\$439	\$216
York City SD	\$519,873	\$221,690	1,333	\$390	\$166
William Penn SD	\$517,311	\$328,665	948	\$546	\$347

SSD Medicaid ACCESS Revenues

School District	2017-18 Total ACCESS Revenue	5-Year Average	2017-18 Special Education Enrollment	2017-18 per Student	Average per Student
Chester-Upland SD	\$458,140	\$300,682	782	\$586	\$385
East Stroudsburg Area SD	\$387,299	\$454,525	1,362	\$284	\$334
Erie City SD	\$365,634	\$533,529	2,180	\$168	\$245
Armstrong SD	\$333,123	\$535,252	1,067	\$312	\$502
Lebanon SD	\$192,822	\$234,201	1,003	\$192	\$234
Wilkes-Barre Area SD	\$178,356	\$199,856	1,478	\$121	\$135
Mifflin County SD	\$173,285	\$124,459	724	\$239	\$172
Wyoming Valley West SD	\$149,358	\$180,549	1,136	\$131	\$159
Philadelphia City SD	\$0	\$573,099	19,402	\$0	\$30
Median (Excluding Scranton SD)	\$518,592	\$534,391	1,377	\$450	\$366
Scranton SD Rank	9 of 21	13 of 21	7 of 21	12 of 21	16 of 21

Scranton School District's 2017-18 reported Medicaid ACCESS revenue is nearly 97 percent of the median identified for the group of peer school districts. The District's 2019 budgeted revenue is \$750,000 based on the available balance for reimbursement reported to the District by the Commonwealth. As part of the Recovery Plan, the District shall evaluate potential opportunities to expand the services billed through the Medicaid ACCESS program.

The District shall survey the eight school districts with the highest revenue from the table above (Allentown, Reading, Pittsburgh, Lancaster, Altoona, Hazleton, Upper Darby, and Williamsport). In this survey, the District shall compare the services reimbursed in the Scranton School District to its peers to determine if there are opportunities to expand the range of services that receive reimbursement.

In some school districts, Medicaid ACCESS billing is low due to school district billing practices and the difficulty of maintaining proper certifications for staff members providing services. This does not appear to be a significant issue with the Scranton School District. However, the District shall also include these elements in the survey of its peers to determine if there are best practices that can be brought to the District to improve these areas of operation.

In the table below, the District's 2019 budgeted Medicaid ACCESS revenue is compared to the 2017-18 Medicaid ACCESS revenue and the five-year average revenue for the eight peer school districts with the highest revenue. The financial impact of this initiative is shown for the second option, which assumes that the District can reach the five year average reimbursement per student for its current population of special education students.

SSD Medicaid ACCESS Revenue Estimate

2019	
Baseline	
Revenue	\$750,000

Incremental Revenue

2017-18 ACCESS Revenue	\$1,240,927
Average ACCESS Revenue	\$303,003

Total Initiative Revenue

2017-18 ACCESS Revenue	\$1,990,927
Average ACCESS Revenue	\$1,053,003

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
\$0	\$303,003	\$303,003	\$303,003	\$303,003	\$303,003	\$1,515,015

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall conduct a survey of its peer school districts using the criteria outlined in this initiative	July 31, 2020	Business Manager
District shall determine if there are adjustments in the District's policies or provision of services that need to be changed in order to increase Medicaid ACCESS revenue	July 31, 2020	Superintendent, Business Manager, Special Education Supervisor, and Federal Programs Managers

Initiative R08: Allocate windfall revenues and budgetary resources among priorities outlined in the Recovery Plan	
Deadline: Ongoing for duration of Recovery Plan	
Evaluation Measure:	Allocation of revenues to priorities in Recovery Plan
Responsible Parties:	Superintendent, Business Manager, School Board, and CRO

One of the overarching goals of this Recovery Plan is to create long-term budget stability for the Scranton School District to preserve current academic programs and invest in key priorities for student success. Despite the range of initiatives presented in this Recovery Plan, the long-term financial projections for the District indicate that there will continue to be years of focus and dedication needed to bring stability to the District. Periodically the Recovery Plan will be amended to reflect changes in the CRO's priorities and the circumstances of the District. During the years in which the Recovery Plan is in effect, there shall be a shared savings approach to windfall revenues and budgetary resources that are received by the District. The CRO shall direct the District to make these investments under the authority granted by Section 642-A(a)(13) of Act 141.

For the purposes of this initiative, windfall revenues for the District would be events which deliver savings or revenues that are above a reasonable amount allowing for natural growth in the underlying factors of the particular source. For example, if the enrollment in charter schools is significantly lower than the case presented in ACHIEVE12, then the additional savings would be considered under this initiative. In terms of revenue, examples would include a one-time increase in delinquent tax collections or an unanticipated increase in funding from the Commonwealth.

The purpose of this initiative is not to undermine the District's authority to allocate resources under the normal budgeting process. Rather, the intention is to recognize that there are various competing priorities that will be identified by the Recovery Plan, the School Board, the Administration, and all of the stakeholders in the Scranton School District. The ultimate goal of this initiative and initiative R01 are to instill the discipline of developing a structurally balanced budget for the long term rather than using one-time resources to solve an annual shortfall that will then re-appear in later years. The CRO shall work as a partner with the Administration and the Board to ensure that all of the academic and financial goals of this Recovery Plan are met in the development of the annual budget.

As additional funding comes available under this initiative, the District shall allocate portions of the funds to the following priorities:

- Elimination of the District’s negative fund balance and establishment of budgetary reserves
- Investment in academic priorities including curriculum, technology, and school facilities
- Provision of salary increases above amounts available as a result of initiative WF05
- Elimination or moderation of required tax increases

SSD Allocation Framework

Priority	2019	2020	2021	2022	2023	2024
Budgetary Reserves	Up to 25 percent	Up to 25 percent	Up to 25 percent	Up to 15 percent	Up to 15 percent	Up to 15 percent
Academic Goals	Up to 25 percent	Up to 25 percent	Up to 25 percent	Up to 25 percent	Up to 25 percent	Up to 25 percent
Salary Increases	Up to 50 percent	Up to 50 percent	Up to 50 percent	Up to 50 percent	Up to 50 percent	Up to 50 percent
Tax Increases	Not applicable	Not applicable	Not applicable	Up to 10 percent	Up to 10 percent	Up to 10 percent

If the District is projected to report a negative fund balance in the following year due to any of the changes from the investments in these priorities, then the investments in the priority areas shall be for the duration of a single year. Furthermore, the elimination of a potential annual deficit in the current operating budget shall be the first step in the process of allocating funds. After the budget has been balanced, then the remaining funds shall be allocated according to this process.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall allocate windfall revenues and available budgetary resources to priority areas subject to approval by the CRO	Annually by December	Superintendent, Business Manager, School Board, and CRO

Initiative R09: Eliminate the double discount period for real estate taxes	
Deadline: Eliminate double discount (September 2019)	
Evaluation Measure:	Elimination of double discounts
Responsible Parties:	Superintendent and School Board (if needed)

During the development of the Recovery Plan, the CRO learned that the District offers two discount periods for the payment of real estate taxes to the Single Tax Office. This practice is highly unusual for local governments in Pennsylvania, and the Scranton School District may be the only school district in the Commonwealth with such a structure. Providing an additional discount opportunity may reduce some of the revenue collected for the District by the Single Tax Office.

The District has discussed the issue with the City of Scranton, which has the same structure (although changing the City practice may require City Council action), and with the Single Tax Office. There is broad agreement to shift to a traditional single discount structure. In order to be aligned with the practices of other school districts, the District shall eliminate its double discount period for the collection of real estate taxes, and move to a single 2.0 percent discount for taxes paid before the 60 day deadline.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall direct the Single Tax Office to cease offering two discount periods for the collection of real estate taxes	September 15, 2019	Superintendent and School Board
District shall provide the City of Scranton with advance notice of its intent to eliminate the double discount period so that the City can incorporate any changes prior to the adoption of its annual budget	September 15, 2019	Superintendent

Other Initiatives

- **Complete collection of outstanding business privilege and mercantile taxes.** The District has engaged eCollect+, a firm based in Conshohocken, to collect outstanding business privilege and mercantile taxes from prior years. The firm has been notified that the current agreement will not be renewed, and that the service will be rebid in accordance with the District’s procurement policy and the cycle of requests for proposals outlined in initiative P03. Prior to the end of the contract on September 15, 2019, the District shall review any outstanding audits from eCollect+ and take necessary actions to ensure that the revenues are collected in the 2019 calendar year. In this review, the District shall evaluate whether the receipts are expected to be near the estimated amount of \$900,000, which is included in the baseline projections for the Recovery Plan. If the revenues are projected to be less than expected, the District shall take necessary steps to produce a balanced budget for the current year.
- **Review the taxable status of all significant tax exempt properties.** Some Pennsylvania school districts have been successful in reviewing the taxable status of properties to ensure that tax exempt status is granted in accordance with the Commonwealth’s statutes and court precedents. At the direction of the CRO, the District shall contact peer school districts which have been successful in these endeavors, and the District shall develop a plan to begin the review of tax exempt properties in Scranton. If deemed to be necessary, the District shall coordinate its efforts with the City and County to align the strategy across all local taxing bodies.
- **Pursue opportunities for federal impact aid.** In some cases, the federal government provides impact aid to local jurisdictions to compensate for the of tax base from federally owned properties. In conjunction with CRO, the District shall review federally owned properties in Scranton, prepare all necessary paperwork to apply for impact aid, and inform its federal legislative delegation of its efforts.
- **Evaluate opportunities to increase the General Fund reimbursement for costs incurred from the Food Service Fund.** During the development of the Recovery Plan, the District noted that there may be limited opportunities to allocate costs incurred by the General Fund to receive reimbursement from the Food Service Fund. The Business Manager shall work with the District’s auditors to review its cost allocation policies, and make adjustments accordingly if the level of reimbursement can be increased. All proposed changes from the District shall be reviewed with PDE to ensure compliance with the Commonwealth’s regulations and guidelines.
- **Consider eliminating the sale of tax liens if the District establishes sufficient budgetary reserves to accommodate the short-term decline in revenue collection.** If the District achieves a positive fund balance over the course of the Recovery Plan, the District shall evaluate options to end the process of selling tax liens for delinquent real estate taxes. Similar to other school districts with financial pressure, the Scranton School District sells its delinquent real estate tax liens. In return the District receives a lump sum payment of cash while the firm collects on the delinquent accounts. In general, the District could expect to receive a slight increase in delinquent real estate tax revenue if the District returns to using Lackawanna County as the delinquent tax collector.

- **Related initiatives in the Facilities chapter of this Plan.** Initiatives in the Facilities chapter will impact total projected revenues, including initiatives to sell unused buildings and lots (F04).
- **Related initiatives in the Transportation chapter of this Plan.** Initiatives in the Transportation chapter will impact total projected revenues, including initiatives to increase route efficiency (T01), rebid transportation contracts (T03), and increase reimbursement through the subsidy formula (T05).
- **Related initiatives in the Workforce chapter of this Plan.** Initiatives in the Workforce chapter will impact total projected revenues, including growth in salaries under WF05 and the related increases in reimbursement for Social Security and PSERS.

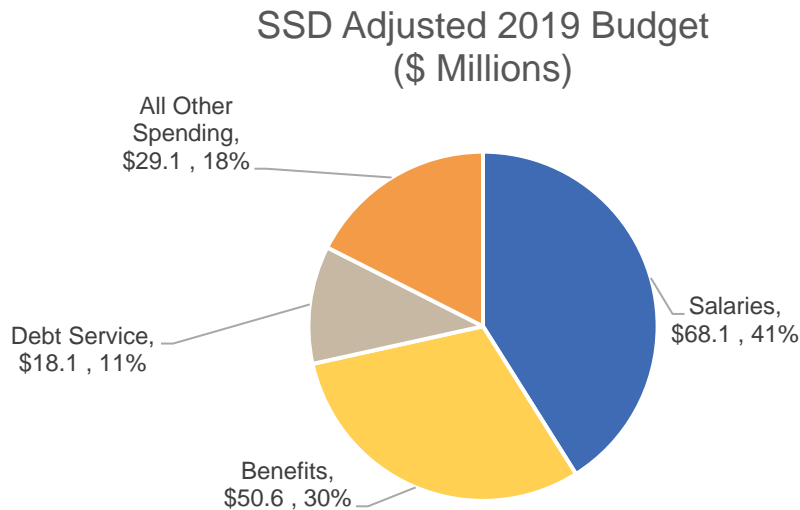
Workforce

Overview

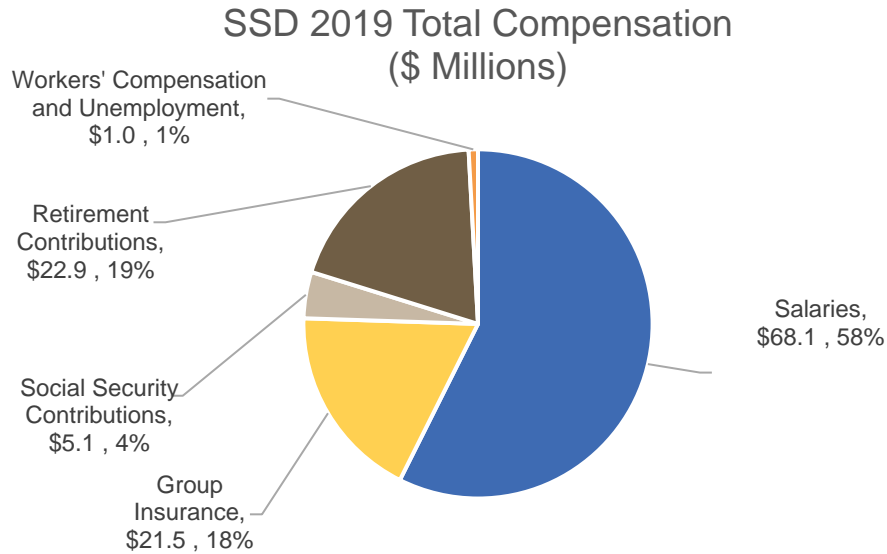
In the baseline financial projections for this Recovery Plan, there are no increases in salaries above the amounts in the 2019 adjusted budget. This Recovery Plan recognizes the importance of providing salaries and benefits to attract and retain high-quality staff. While the District faces significant financial challenges, offering no salary increases for employees over the next five years is not a realistic scenario, particularly given the District's recent history of salary freezes and the expiration of the teachers' contract in 2017. This will be a challenge because of the deficits shown in the baseline projections and the scenario that includes all of the fundamental revenue and cost savings initiatives in this Recovery Plan. In addition, there are no salary increases included in the District's 2019 budget, and the District remains in negotiations with its teachers' union as of the filing date of this Recovery Plan. The initiatives in this chapter are intended to create a framework for the District to identify cost savings in order to provide sustainable increases in salaries and to control projected growth in benefit costs.

Key Finding 1: Salary and benefit costs comprise the majority of spending in the District's 2019 budget.

School district budgets, like those of many local governments, are largely comprised of employee salaries and benefits. In the Scranton School District, salaries and benefits for the District's 1,100 employees comprise 71 percent of the total expenditures in the adjusted 2019 budget used in the baseline projections. Since debt service is an additional 11 percent of the total budget and is largely inflexible, balancing the District's budget over the long-term is impossible without addressing growth in personnel-related costs.



The District's total 2019 budget for personnel, which includes all salaries and benefits, is approximately \$119 million. The following chart shows the different components of this budget. Within the total personnel category, salaries account for 58 percent. The next greatest categories of spending are PSERS contributions (which are partially offset by State revenue) and healthcare costs (group insurance).



Key Finding 2: The District's total personnel costs have grown faster than total revenues from 2012 to the current 2019 budget.

Over the past seven years, the District has experienced significant growth in salaries and benefits. In the table below, the District's financial data from the District's audited financial statements is shown for the 2012 to 2017 calendar years, the 2018 preliminary audited numbers, and the 2019 adjusted budget.

SSD Total Personnel Costs¹ (\$ Millions)

Budget Category	2012	2013	2014	2015	2016	2017	2018 ²	2019 ²
	Actual	Actual	Actual	Actual	Actual	Actual	Preliminary	Adj. Budget
Salaries	\$64.9	\$67.3	\$69.9	\$70.6	\$71.8	\$73.5	\$68.8	\$68.1
Benefits	\$25.0	\$27.4	\$33.4	\$41.1	\$45.3	\$49.6	\$49.6	\$50.6
Total	\$89.9	\$94.7	\$103.3	\$111.6	\$117.1	\$123.0	\$118.3	\$118.7

Annual Growth

Salaries	—	3.7%	3.8%	1.0%	1.7%	2.3%	(6.4%)	(0.9%)
Benefits	—	9.6%	22.0%	23.0%	10.2%	9.5%	0.1%	2.0%
Total	—	5.3%	9.1%	8.1%	4.8%	5.1%	(3.8%)	0.3%

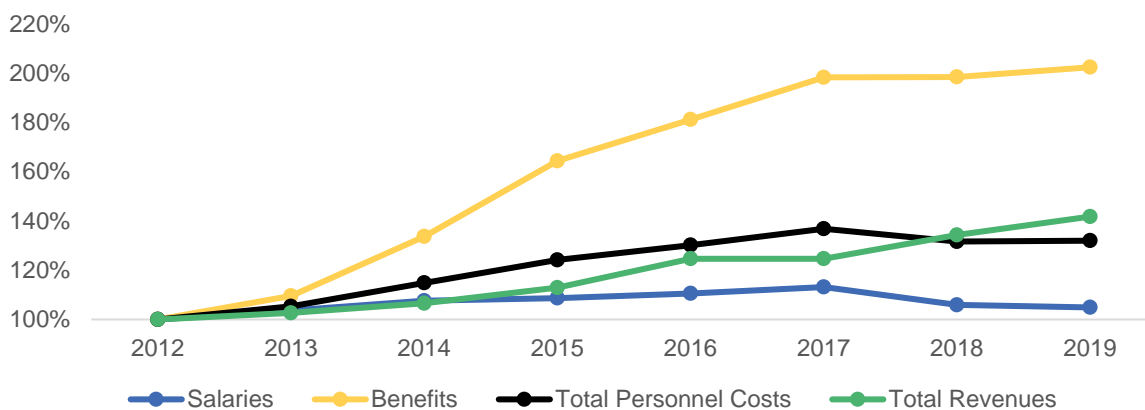
Over the period from 2012 to 2018, the District's total personnel costs grew by a compound annual growth rate of 4.7 percent per year. However, this growth was not evenly distributed: District salary expenditures grew at a compound rate of 1.0 percent over the same time period, and benefits grew by 12.1 percent compounded. As shown in the annual growth section of the table above, the District experienced increases in benefit costs of over 20.0 percent per year in 2014 and 2015, with increases of nearly 10.0 percent in 2013, 2016, and 2017. In contrast, salary cost growth was below 2.0 percent in 2015 and 2016. Although total salaries were higher than 2012, the District's costs decreased in 2018 and the 2019 budget.

¹ Figures from 2012 through 2017 were taken from the audited financial statements provided by the District.

² The 2018 costs reflect the preliminary audited figures from November 2018, and the 2019 costs reflect the 2019 adjusted budget used in the baseline financial projections in this Recovery Plan.

In the chart below, the District's personnel cost trends are shown for the period from 2012 to 2019 on a percentage basis compared to the starting year. In addition, total revenues are shown to illustrate the growth in total resources that must be allocated among all of the District's cost areas. As indicated in the chart, the District's 2019 budgeted benefit costs are over twice the amount of actual spending in 2012. Growth in total personnel costs outpaced growth in total revenues from 2012 to 2017, and preliminary results from 2018 and 2019 indicate that revenues will grow slightly faster than total personnel costs. Finally, total spending on salaries in the 2019 budget is only five percentage points greater than 2012.

Total Personnel Cost Trends
% of 2012



Key Finding 3: Scranton's growth in benefit costs was driven by healthcare, and these costs are relatively high compared to peer school districts.

In the analysis above, the District's growth in total benefits costs are largely driven by costs of healthcare and PSERS contributions. PSERS contribution rates have grown significantly since the early part of the millennium. Current contribution rates are 34.29 percent for the 2019-20 school year, and the greatest increases in retirement costs took place beginning after 2010 due to changes in the Commonwealth's pension funding policies. However, all school districts receive reimbursement from the Commonwealth for these payments, and the District's local share of retirement costs is offset by these payments. In the 2019 budget, the District's local share of costs was approximately 27.7 percent of the total amount.

Of the \$13.4 million increase in total benefits costs between 2012 and 2017, \$8.2 million was due to increases in healthcare costs, or 61.3 percent of the total increase, while \$4.2 million was due to increases in PSERS costs net of reimbursement from the Commonwealth. The remaining increases in benefits costs came from other categories of benefits.

In the table below, data from the District's financial system was used to provide further detail on the trends in benefit costs. Sufficient level of detail was unavailable for the 2016 and 2018 calendar year budgets.

SSD Net Benefits Costs³

Budget Category	2012	2013	2014	2015	2016	2017	2018	2019
	Actual	Actual	Actual	Actual	Actual	Actual	Preliminary	Adj. Budget
Healthcare	\$14.0	\$13.5	\$15.6	\$21.2	—	\$22.2	—	\$21.5
Net PSERS ⁴	\$2.1	\$3.1	\$4.0	\$4.4	—	\$6.3	—	\$6.4
Net Social Security ⁴	\$1.9	\$2.0	\$1.5	\$1.5	—	\$1.6	—	\$1.4
Other Benefits	\$0.3	\$0.2	\$0.3	\$0.2	—	\$1.5	—	\$1.0
Total	\$18.3	\$18.7	\$21.4	\$27.4	—	\$31.7	—	\$30.3

Actual spending on benefits was \$13.4 million higher in 2017 compared to 2012, with 61.3 percent of the increase due to healthcare and 31.3 percent due to increases in net PSERS costs. In terms of annual growth, healthcare costs grew by a compound annual rate of 9.7 per year. Total spending on benefits is lower in the adjusted 2019 budget compared to 2017, the most recent year for which there is data, with the current budgeted amount at 95.6 percent of the actual spending two years ago. Data in this analysis does not account for reimbursement that the District would have received from its stop loss reimbursement. This information was not clear in the financial data, so the healthcare costs are presented on a gross basis. The lack of clarity in the historical financial data highlights the District’s need for accurate data.

In comparison to other school districts in the Commonwealth, the Scranton School District appears to have relatively high healthcare costs. In the technical assistance team’s analysis of salaries and benefits for the 2017-18 school year, the District’s healthcare costs were higher than the median school district in the Commonwealth.

Key Finding 4: Comparison of Scranton’s health benefits to other local governments and the Commonwealth of Pennsylvania offer potential options to control growth in healthcare costs.

The current trajectory of the SSD’s healthcare benefits cost growth is unsustainable, and it threatens the ability of the District to maintain its current structure of programs. Employers nationwide must contend with the rising cost of healthcare, which often increases at faster rates than general inflation or revenue growth. The Scranton School District is no exception.

Between 2012 and 2019, SSD healthcare benefits costs – inclusive of medical, prescription drug, and dental – have grown from \$14.0 million to \$21.5 million, an average annual increase of approximately 6.3 percent. By contrast over the same period, total revenues grew by 5.1 percent and changes in consumer prices as measured by the Northeast Regional CPI-U rose 1.3 percent.⁵ Healthcare benefits now comprise approximately 12.9 percent of the total SSD budget, up from 11.4 percent in 2012. Without corrective action, SSD benefits costs are projected to grow to \$30.4 million in 2024 in the baseline projections, and these costs will comprise approximately 16.5 percent of the District’s total budget.

Accordingly, the SSD must promptly embrace a comprehensive strategy to slow the growth of healthcare expenditures. This may entail alterations to levels of coverage, or a combination of changes in administrative cost controls, plan design, plan offerings, and/or employee cost sharing.

³ Data in this tables differs from the previous table, which used the audited financial statements to identify trends. In this table, the District’s detailed financial data from the District’s accounting system was used to provide sufficient detail to identify spending by category. This level of information was unavailable for 2016 and 2018.

⁴ PSERS and Social Security costs are shown net of the reimbursement received from the Commonwealth.

⁵ The regional CPI-U is considered an “upper bound” indicator for changes in consumer prices. The Bureau of Labor Statistics (BLS) considers the Chained CPI-U (C-CPI-U), a national index, as the most accurate estimate of changes in consumer prices, but regional C-CPI-U indices are not published by the BLS. The national C-CPI-U index grew a total of 6.2 percent, or 0.9 percent annually on average, between December 2011 and December 2018.

Benefits Overview

The SSD offers a self-insured Preferred Provider Organization (PPO) health plan to all active employees. Prescription drug and dental coverage are provided through separate carve-outs, though included in monthly employee healthcare premium contributions. SSD employees have the option to purchase vision insurance by contributing 100 percent of the premium.⁶

Employees contribute a fixed dollar amount for medical, prescription drug, and dental coverage. The SSD covers approximately 1,150 employees through five tiers of dependent coverage. Approximately 32 percent of employees are enrolled in single coverage, with the balance (approximately 68 percent) selecting some form of employee plus dependent coverage. Employee contributions vary slightly by employee group, resulting in small variances in premium splits between teachers and administrators, and maintenance, clerical, and paraprofessional employees.

The SSD also allows employees to continue health coverage in retirement until they are Medicare eligible. Retirees who decide to continue coverage must pay the full cost of health insurance premiums. Retirees can apply their retirement incentive – up to \$10,000 per year for seven years – towards the cost of retiree health coverage.

As illustrated in the table that follows, the District is projected to pay premium costs of \$28,473 for each teacher and administrator enrolled in family coverage in 2019. The total annual premium cost for family coverage, including employee contributions, is in excess of \$30,500 per year per employee.

SSD 2019 Annual Healthcare Premiums
Inclusive of Medical, Prescription Drug, and Dental Coverage

	Employee (\$ Amount)	Employer (\$ Amount)	Employee (% of Premium)	Employer (% of Premium)
Teachers and Administrators				
Employee Only	\$1,300	\$8,591	13.1%	86.9%
Employee + Child	\$1,690	\$16,031	9.5%	90.5%
Employee + Spouse	\$1,560	\$22,847	6.4%	93.6%
Employee + Children	\$1,690	\$21,653	7.2%	92.8%
Family	\$2,080	\$28,473	6.8%	93.2%
Maintenance, Clerical, and Paraprofessional				
Employee Only	\$1,170	\$8,426	12.2%	87.8%
Employee + Child	\$1,560	\$15,134	9.3%	90.7%
Employee + Spouse	\$1,430	\$21,949	6.1%	93.9%
Employee + Children	\$1,560	\$20,756	7.0%	93.0%
Family	\$1,950	\$27,576	6.6%	93.4%

Note – Figures assume single dental coverage or employee only, and family dental coverage for all dependent coverage

Because employee premium contributions are based on a fixed dollar amount formula, 100 percent of premium cost increases are borne by the SSD. This arrangement has contributed to the 53.6 percent aggregate increase in District healthcare expenditures between 2012 and 2019.

Regional Benchmarking

The SSD offers a competitive health benefits package relative to other employers. SSD employer and employee costs for healthcare coverage are similar to the City of Scranton, but far above the Commonwealth of Pennsylvania and private sector employers. The table that follows compares SSD employer contributions for the highest enrolled PPO plan among regional public sector employers, as well as the statewide private sector average for Pennsylvania. The highest enrolled plans in the City of Scranton

⁶ Monthly medical and prescription drug premiums are the same across employee groups. Monthly dental premium costs for teachers/administrators total \$45.14 and \$132.88 for single and family coverage, respectively, while monthly dental premium costs for maintenance, clerical, and paraprofessional employees total \$20.53 and \$47.28 for single and family coverage, respectively.

and Commonwealth of Pennsylvania are PPO plans – as is the case with the SSD – while Lackawanna County only provides HMO plan options to employees. The statewide average includes all plan types.

Employer Healthcare Premium Contributions, Highest Enrolled PPO Health Plan
Inclusive of Medical, Prescription Drug, and Dental Coverage, Unless Otherwise Noted⁷

	Monthly \$ Amount	% of Premium	Monthly \$ Amount	% of Premium
	<i>Single Coverage</i>		<i>Family Coverage</i>	
Scranton School District (Teachers/Administrators)	\$716	86.9%	\$2,373	93.2%
City of Scranton (Clerical/Management)	\$817	83.1%	\$2,587	93.4%
Lackawanna County (SEIU)	<i>No PPO Plan Offered</i>			
Commonwealth of Pennsylvania (PEBTF)*	\$1,053	N/A	\$1,053	N/A
Pennsylvania Private Sector Average**	\$415	76.3%	\$1,101	71.1%

* Commonwealth figures reflect contributions of \$486 per employee per pay period into Pennsylvania Employee Benefits Trust Fund (PEBTF). Contribution amounts to the PEBTF are made on a per employee basis, and do not vary with level of dependent coverage selected.

** Medical only; average includes all plan types

As detailed in the table above, SSD employer healthcare contributions are among the highest among the comparison group – both as a percentage of premium and monthly dollar amount. As illustrated in the table below, employee contributions are among the lowest in the comparison group.

Employee Healthcare Premium Contributions, Highest Enrolled PPO Plans
Inclusive of Medical, Prescription Drug, and Dental Coverage, Unless Otherwise Noted⁸

	Monthly \$ Amount	% of Premium	Monthly \$ Amount	% of Premium
	<i>Single Coverage</i>		<i>Family Coverage</i>	
Scranton School District (Teachers/Administrators)	\$108	13.1%	\$173	6.8%
City of Scranton (DPW)	\$138	16.9%	\$170	6.6%
Lackawanna County (SEIU)	<i>No PPO Plan Offered</i>			
Commonwealth of Pennsylvania (PEBTF)*	\$153	24.7%	\$194	12.2%
Pennsylvania Private Sector Average**	\$129	23.7%	\$448	28.9%

* Employees contribute 2.5 percent of salary for health coverage; assumes average teacher salary of \$61,028.59. Percentage of premium expressed as a percentage of COBRA rate, less 2 percent administrative fee

**Medical only; average includes all plan types

Further, the Scranton School District PPO provides competitive plan design features relative to regional employers. As detailed in the table that follows, deductibles, co-insurance levels, and co-pays (physician and prescription drug), compare favorably with other regional employers and national private sector averages.

⁷ Sources: Plan documents from local jurisdictions, as well as, U.S. Department of Health and Human Services Agency for Healthcare Research and Quality, *Medical Expenditure Panel Survey* (2017).

Plan Design Comparisons, Highest Enrolled PPO and Prescription Drug Plans⁸

	In-Network Deductible (Single/Family)	In-Network Coinsurance	Physician Co-Pays		Prescription Drug Co-Pays		
			Primary Care	Specialist	Generic	Preferred	Non-Preferred
Scranton School District (Teachers/Administrators)	\$500*	0%	\$10	\$15	\$8	\$18	\$38
City of Scranton (Clerical/Management)	\$0	0%	\$25	\$25	\$10	\$20	\$15
Lackawanna County (SEIU)	<i>No PPO Plan Offered</i>				\$5	\$15	\$25
Commonwealth of Pennsylvania (PEBTF)	\$400/\$800	0%	\$20	\$45	\$15	\$40	\$80
U.S. Private Sector Average**	\$1,500/\$3,000	20%	\$26	\$41	\$11	\$33	\$59

* \$500 deductible applies regardless of number of eligible dependents

**Average includes all plan types

The combination of comparatively high employer costs, low employee contributions, and rich benefits suggest healthcare cost savings could be achieved through a mix of administrative cost controls, plan design modifications, and employee costing sharing – while concomitantly continuing to provide a strong, competitive benefits package to employees.

Even after instituting the other cost-saving and revenue-generating initiatives in this Recovery Plan, the District's annual budget results are narrowly positive or even negative. The District needs to achieve additional cost savings in order to reach financial stability, and also to pay for needed salary increases for its employees. The goal of the initiatives below is to provide a roadmap for the District to generate these additional savings to create annual balanced budgets and a source of funds for salary and benefit growth during the Plan period.

Initiatives

Initiative WF01: Monitor the full cost of compensation and related benefits over a multi-year period when evaluating proposals for collective bargaining negotiations	
Deadline: Ongoing for duration of Recovery Plan	
Evaluation Measure:	Projected future net operating results after salary and benefit changes
Responsible Parties:	Superintendent, Business Manager, CRO, and School Board

With annual financial shortfalls or very small positive balances in both the baseline financial projections and the revised scenario after the implementation of all the significant revenue and cost savings initiatives in the Recovery Plan, the District does not have sufficient resources remaining to provide salary increases. In order to identify sustainable funding sources for the District's costs as required under initiative R01, the District shall evaluate the full cost of all proposed changes in salaries and benefits over a multi-year period while negotiating with its collective bargaining units.

Until the District's financial position improves, the District shall only be able to provide salary increases that can be sustained with recurring revenue sources over the timeline considered by this Recovery Plan

⁸ Sources: Plan documents from local jurisdictions, as well as, U.S. Bureau of Labor Statistics, *National Compensation Survey (2017)* and Kaiser Family Foundation, *Employer Health Benefits Annual Survey – 2018*.

and any successor amendments. The CRO reserves the right to set these requirements under the authority granted by Sections 642-A(a)(13), 642-A(a)(15) and 643-A of Act 141.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall provide salary increases that are affordable given sustainable revenue sources	Effective for duration of Recovery Plan	Superintendent, Business Manager, CRO, and School Board

Initiative WF02: Monitor the full cost of retirement incentives when evaluating proposals	
Deadline: Ongoing for duration of Recovery Plan	
Evaluation Measure:	Savings generated
Responsible Parties:	Superintendent, Business Manager, CRO, and School Board

As identified by the Auditor General in the District's 2017 performance audit, the District will need to closely monitor the financial impact of retirement incentives offered to employees. While retirement incentives are a seemingly attractive way to reduce District costs, they often fail to generate the anticipated savings. For the duration of time while the District is under moderate financial recovery status, or any other level of State oversight, the District shall conduct full cost analyses of any retirement incentive proposals offered to employees. This initiative shall include all compensation or benefits to be provided to administrators upon retirement or separation with the District.

As part of this analysis, the District shall include the savings generated through the replacement of positions, the projected future growth in salaries for new positions, and the future growth of benefits offered if this is offered as an option in lieu of cash compensation. In particular, if health benefits are offered to retirees under any future proposals, the District shall evaluate the impact of these liabilities on its financial position. The District's calculations shall be reviewed and approved by the CRO before any retirement incentives can be offered or become effective.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall monitor the full cost of retirement incentives when evaluating proposals	Effective for duration of Recovery Plan	Superintendent, Business Manager, CRO, and School Board

Initiative WF03: Identify opportunities to reduce costs of overtime and other non-salary compensation	
Deadline: Identify opportunities to reduce non-salary costs (December 2019)	
Evaluation Measure:	Savings generated
Responsible Parties:	Superintendent, Business Manager, and CRO

During the development of the Recovery Plan, the District identified spending on overtime and other non-salary compensation as a potential area that could provide savings. In the 2019 adjusted budget, the District expects to pay approximately \$1.5 million in extra duty pay for teachers, which is approximately 3.0 percent of the total budget for all instructional staff salaries. The District's extra duty pay includes the

hourly pay that teachers receive for activities such as class coverage, participation in professional development, and travel between school buildings. Due to inconsistencies in the District's accounting system, a comparison to amounts in previous years is unavailable. In addition to these costs, the District also provides extra duty pay to principals and administrators, as well as overtime for maintenance and clerical staff who work beyond their contractual number of hours.

In order to generate additional savings to be used for salary increases, the District shall evaluate proposals to reduce the costs of overtime. In the table below, the financial impact is shown if the District could reduce spending on teacher extra pay by 35.0 percent, the full elimination of extra pay for principals and administrators, and a savings target of 25.0 percent for clerical and maintenance staff starting in the 2019-20 school year. The smaller number in 2019 reflects a partial year savings given the District's calendar year budget.

Financial Impact

	2019	2020	2021	2022	2023	2024	Cumulative Impact
Teachers	(\$196,148)	(\$589,504)	(\$590,168)	(\$590,885)	(\$591,732)	(\$592,402)	(\$3,150,839)
Maintenance and Clerical	(\$5,192)	(\$15,603)	(\$15,620)	(\$15,639)	(\$15,662)	(\$15,679)	(\$83,394)
Principals and Administrators	(\$19,975)	(\$60,024)	(\$60,090)	(\$60,169)	(\$60,250)	(\$60,319)	(\$320,826)
Total Impact	(\$221,315)	(\$665,130)	(\$665,878)	(\$666,693)	(\$667,644)	(\$668,399)	(\$3,555,059)

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall develop a list of proposals to reduce the costs of overtime and other non-salary compensation	December 31, 2019	Superintendent, Business Manager, and CRO

Initiative WF04: Reduce the future growth in healthcare costs	
Deadline: Identify opportunities to reduce growth in healthcare costs (December 2019)	
Evaluation Measure:	Savings generated (health care spending compared to baseline projection)
Responsible Parties:	Superintendent, Business Manager, Third Party Administrator, and CRO

As noted in the analysis at the beginning of this chapter, recent SSD healthcare cost trends are unsustainable. The Recovery Plan assumes a 7.2 percent annual growth in healthcare costs based on national trends, which is below the rate of healthcare cost growth in the District from 2012 to 2017. In order to achieve financial sustainability and free funding to direct to other key District's priorities, including enhanced salaries, this Recovery Plan requires the District to undertake changes to reduce the annual healthcare cost growth rate by one percentage point to 6.2 percent.

One simple, effective solution would be to eliminate dependent coverage for medical, prescription drug, and dental benefits. In 2016, the District's third party administrator (TPA) estimated the cost savings of such an approach to be 18 percent – or approximately \$4.0 million at the time. While dramatic, such an approach would generate sufficient savings to bend the District's healthcare cost curve, and free funds for other key priorities, such as wage increases.

Alternatively, the District may consider a "targeted savings" labor-management initiative to achieve similar levels of cost savings, based on a successful model implemented in New York City in recent years. The New York City approach established specific dollar savings goals relative to a baseline set of assumptions, and a joint, multi-union labor-management coalition was charged with identifying specific

measures to meet these savings goals (inclusive of plan design, vendor contract rebids, eligibility audits, and health management programs). Had savings not been met, a dispute-resolution process was established that provided for a “failsafe” of increased employee cost-sharing.

This approach has the potential to achieve the cost savings required by the Recovery Plan, while simultaneously, preserving a strong, market-competitive benefits package for SSD employees. Achieving the cost growth reduction target identified by the labor-management coalition for a prior twelve-month period each year would be the trigger for the following year’s salary increases.

Below is a menu of actions that could be considered as part of such a targeted savings labor-management initiative. Where available, preliminary cost savings estimates are presented as calculated by the District’s TPA. This list is not exhaustive. Rather, it is designed to serve as a starting point to identify the combination of specific measures that can achieve the Recovery Plan’s cost savings target. In order to meet that target, it is anticipated that a mix of administrative cost controls, plan offering modifications, plan design changes, and increased employee cost-sharing will be necessary.

Administrative Cost Controls

- *Rebid all benefits-related vendor contracts* – In order to ensure that the District is receiving market competitive rates, and has exposure to new and emerging best practices, all benefits-related vendor contracts should be rebid on regular, predetermined schedules. Wherever possible the District should work to engage vendors who support, and have capacity, to provide healthcare analytics that can identify claims trends, drive down costs, improve health outcomes and take advantages of innovations in treatment.
- *Change pharmacy benefits managers* – The District’s TPA has identified a savings opportunity by switching the District’s pharmacy benefit manager (PBM). Network savings (approximately \$300,000), rebates (approximately \$600,000), and a co-pay assistance program that targets members with high-cost prescriptions (approximately \$300,000) are estimated to generate approximately \$1.2 million in annual cost savings. This opportunity highlights the importance and value of regularly evaluating and bidding vendor contracts.
- *Dependent and retiree eligibility audits* – Ensure that all dependents covered by the SSD health and supplemental plans have proper documentation and are eligible for coverage; ensure that retired employees receiving benefits are both eligible and current with any premium payments owed to the District. Such audits should be conducted at regular intervals. The District’s TPA reports that a dependent eligibility audit is likely to generate meaningful cost savings.
- *Third-party medical claims audit* – The U.S. Department of Health and Human Services estimates that approximately 9.5 percent of Medicare fee-for-service claims were improperly billed in FY 2017, suggesting that billing errors may be a source of cost recovery in most large self-insured health plans.⁹ While there is no guarantee that an audit will pay for itself, cost recoveries typically range from 1 percent to 2 percent of claims.¹⁰ Examples of avenues for cost recovery/avoidance include recoveries of duplicate charges, overpayments, examination of high-cost outliers, compliance with plan limits, and correction of systemic billing and reimbursement errors. Medical claims audits should be performed at regular intervals (e.g., annually or biannually).
- *Introduce step therapy and quantity limits on prescription drugs* – Step therapy is a prescription drug cost containment approach where less expensive prescription drug options are used first, before “stepping up” to more expensive drugs. The District’s TPA had previously estimated that cost savings from such a program may yield cost savings of approximately \$500,000 for the SSD.

⁹ U.S. Department and Health and Human Services, *2017 Medicare Fee-for-Service Supplemental Improper Payment Data*.

¹⁰ David Cusick and Brian Anderson, “Do Not Overlook the Value of Claims Auditing,” *Employee Benefits News*, June 4, 2014.

Plan Offerings Modifications

- *Consider referenced-based pricing solutions* – Referenced-based pricing (RBP) models pay a percentage above the Medicare-negotiated price in place of network costs or “discounts” offered through health insurance carriers. RBP vendors work with employers to ensure that providers are charging rates more closely aligned with the actual cost of delivery, and limiting excessive mark-ups. RBP vendors often establish direct contracts with health care providers, and provide services to help manage appeals and instances of balance billing.

The District’s TPA has explored one such opportunity with an RBP vendor, where the vendor’s actuarial analysis suggests potential cost savings in excess of \$4 million. These estimates have not been validated by the Recovery Plan team, and have encountered skepticism from some in the District, but nevertheless warrant further investigation and consideration from District staff.

- *Migrate all employees to an HMO plan* – The District may decide that providing PPO coverage is too expensive given its current fiscal situation. Migrating employees to a HMO plan would generate cost savings, while still providing a strong medical benefit – albeit with limited out-of-network coverage. Regionally, Lackawanna County provides employees with a choice of HMO and EPO plans – no PPO or POS option is provided.

Should the SSD decide to preserve a PPO plan offering, it could be offered on a “buy-up” basis – where employees pay 100% of the incremental difference between a base HMO plan and a PPO plan that mirrors the current PPO plan offering.

- *Limit coverage for working spouses* – Currently, working spouses of District employees can elect coverage under the District’s health plan, even though their place of employment may offer health insurance coverage. The District should consider a provision requiring spouses of recent hires to select coverage at their own place of employment, if health coverage is offered there.

Plan Design Changes

- *Implement separate in-network medical deductibles for dependent coverage* – The current in-network deductible is \$500, regardless of number of dependents. Consider implementing a tiered in-network deductible with higher amounts for dependent coverage, for example: \$500 for single coverage, \$750 for employee + 1 coverage, and \$1,000 for family coverage.
- *Implement coinsurance for in-network services* – Levying 10 percent coinsurance for in-network services would be consistent with private sector practices.
- *Raise physician copays* – SSD employees enjoy primary care and specialist copays that are the lowest among the comparison jurisdiction surveyed, and well below national private sector averages. Raising primary care/specialist copays from \$10/\$15 to \$20/\$35 would still provide SSD employees with copay levels that are competitive relative to regional public sector and national public sector employers. Other copays, including those for emergency room and urgent care, may be evaluated as well.
- *Increase out-of-network benefit costs* – Raising out-of-network deductibles and coinsurance levels would create incentives for employees to use lower-cost in-network services, as well as increase cost recovery. The District’s out-of-network deductible of \$400/\$800 (single/family) is half that of than the Commonwealth of Pennsylvania (\$800/\$1,600); SSD’s out-of-network coinsurance of 20% is also lower than the Commonwealth (30%).
- *Institute a prescription drug deductible, coinsurance, and/or raise co-pays* – SSD prescription drug copays are among the lowest in the comparison group. Additionally, among large public and

private employers, prescription drug deductibles are gaining increased traction in recent years. Multiple large governments nationally, including Prince George's County, Maryland, have implemented prescription drug deductibles.

Premium Cost Sharing

- *Align teacher and administrative employee dental benefits with maintenance, clerical, and paraprofessional employees* – Monthly dental premium costs for teachers/administrators total \$45.14 and \$132.88 for single and family coverage, respectively, while monthly dental premium costs for maintenance, clerical, and paraprofessional employees total \$20.53 and \$47.28 for single and family coverage, respectively. The SSD should offer the same, lower-cost dental plan to all employee groups, and consider offering the more expensive dental plan as a “buy-up” where the employee pays 100% of the incremental cost difference from the lower cost plan.
- *Increase employee contributions to health premiums* – On a percentage of premium basis, particularly for dependent coverage, SSD employee contributions to health benefits are low relative to regional public employers and statewide private sector employers for PPO coverage. Accordingly, employee contributions should be raised to more closely mirror private sector contribution levels.
- *Implement costing sharing on a percent of premium basis* – Employee cost-sharing should be based on a percentage of premium, not a fixed dollar amount, to ensure that increases in healthcare cost inflation are shared between the employer and employees. This is common practice in among multiple public sector employers nationwide.

Relatedly, employee contributions for dependent coverage should be higher – on a percentage of premium basis – than single coverage, to recoup a greater proportion of costs associated with dependent coverage. More than two-thirds of covered District employees are enrolled in dependent coverage, with a disproportionate cost burden falling on the SSD. A three-tier contribution structure – for example: 10% for single coverage, 15% for employee + 1 coverage, and 20% for family coverage – would compare favorably with statewide private sector employers.

- *Implement a surcharge for tobacco use* – Over the course of a lifetime, tobacco users generally incur higher medical costs. Many large public employers, including the City of Houston, Texas, implement an additional charge on tobacco users to incentivize tobacco cessation, thereby improving health outcomes and reducing healthcare costs. A surcharge may be coupled with a tobacco cessation initiative – whereby employees are given access to lower-cost or free counseling services and/or tobacco cessation medications.
- *Offer a health management plan linked with financial incentives for participation* – The District may establish an active and comprehensive health management program that includes risk assessments, disease management, and coaching as well as conventional wellness promotion. The program should contain a financial incentive for participation. The Commonwealth of Pennsylvania's “Get Healthy” program represents a best practice in this area. Employees who participate in a health risk assessment, and are screened for chronic conditions. Participating employees contribute 2.5% of salary to healthcare premiums. Employees who do not participate in the program pay a biweekly surcharge of \$66.16 in addition to 2.5% of salary.

Low-Cost Initiatives

- *Institute quarterly meetings to review healthcare costs and potential cost containment strategies* – Given the importance of containing healthcare costs in the Recovery plan, District leadership should convene quarterly meetings with Human Resources and the District's TPA to review trends, review vendor performance, and evaluate potential programmatic changes and emerging best practices. As part of these meetings, a dashboard should be created tracking the key metrics

to be monitored regularly and vendor contracts that are up for renewal. The Superintendent, Business, Manager and CRO shall attend these meetings.

- *Publish an open enrollment booklet or comprehensive summary of benefits document* – Most large public employers publish an open enrollment booklet each year summarizing health and supplemental benefits offerings so that employees may make informed, cost-conscious decisions around their benefits selections. The SSD does not currently publish such a document because most benefits offerings are not elective (e.g., there is only one medical plan offered).

If the District decides to implement elective benefits offerings, it will be necessary to compose, publish, and distribute an open enrollment booklet. Publishing and distribution could be done electronically (e.g., posting on internet) in order to save printing costs. In some cases healthcare vendors offer electronic information. In the event that elective offerings are not provided, the District should still create a benefits summary – and update it on an as needed basis – so that employees possess clear understanding of their benefits, the related costs, and plan limitations and restrictions.

- *Review Plan usage for potential cost savings* – Some public sector agencies have found that employees were using more expensive services (such as emergency rooms) when they were not necessary, driving up costs. Joint information campaigns with bargaining units were successful in improving employees' cost-effective use of health care.
- *Offer free screening or early detection services for employees* – Some organizations have started to offer free screening services for employees in order to encourage the use of preventative care in managing healthcare costs.

In the table below, the financial impact is shown for each one percentage point reduction in the District's annual growth in healthcare costs (e.g., from the 7.2 percent assumed in the baseline projections by one percentage point to 6.2 percent). The table also shows the potential cost savings if the District further reduces the growth rate in healthcare costs to illustrate the potential impact of these changes on the multiyear projections. The District shall work with its collective bargaining units to develop and implement healthcare cost savings designed to reach the Recovery Plan target through labor-management "targeted savings" initiative, or eliminate dependent healthcare coverage in the 2020 plan year. Savings achieved shall go first to ensuring annual budget balance and then toward negotiated salary increases. The CRO shall play an active role in structuring and ensuring the success of the labor-management initiative to achieve savings.

Financial Impact

	2019	2020	2021	2022	2023	2024	Cumulative Impact
Reduce Growth by 1.0 Percentage Point							
Healthcare Growth Rate	—	6.2%	6.2%	6.2%	6.2%	6.2%	—
Financial Impact	\$0	(\$214,559)	(\$457,869)	(\$732,825)	(\$1,042,580)	(\$1,390,572)	(\$3,838,405)
Reduce Growth by 1.5 Percentage Points							
Healthcare Growth Rate	—	5.7%	5.7%	5.7%	5.7%	5.7%	—
Financial Impact	\$0	(\$321,839)	(\$685,194)	(\$1,094,102)	(\$1,552,947)	(\$2,066,492)	(\$5,720,574)
Reduce Growth by 2.0 Percentage Points							
Healthcare Growth Rate	—	5.2%	5.2%	5.2%	5.2%	5.2%	—
Financial Impact	\$0	(\$429,118)	(\$911,447)	(\$1,451,977)	(\$2,056,122)	(\$2,729,743)	(\$7,578,407)

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District shall implement healthcare cost savings changes designed to reach the Recovery Plan target through labor-management “targeted savings” initiative, or eliminate dependent healthcare coverage in the 2020 plan year.	December 31, 2019	Superintendent, Business Manager, TPA, and CRO

Initiative WF05: Consider requiring secondary level teachers to teach a sixth period	
Deadline: Evaluate full cost of proposal (December 2019)	
Evaluation Measure:	Completion of evaluation
Responsible Parties:	Superintendent; Business Manager; CRO

During the development of the Recovery Plan, the District identified requiring all secondary teachers to take on a sixth period as a potential opportunity to generate savings. Currently, the teachers in the Scranton School District teach five periods at the secondary level, which is from grades 7-12. Teachers with additional duties such as department heads or those who teach AP courses have a teaching load below five classes

In order to generate additional savings to be used for salary increases, the District shall evaluate proposals to require the teaching of a sixth period for all secondary teachers. In the table below, the financial impact is shown if the District could reduce staffing at the high schools by 25 teachers based on an analysis completed by the District. Savings are assumed to begin in the 2020-21 school year, and one-time unemployment costs for reductions in force are included. If reductions in staff are implemented on an incremental basis over a number of years through retirement or replacement of teachers, then the savings would be significantly lower than those shown in the table.

Financial Impact

2019	2020	2021	2022	2023	2024	Cumulative Impact
\$0	(\$297,854)	(\$1,019,829)	(\$1,397,412)	(\$1,704,368)	(\$1,831,674)	(\$6,251,136)

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall evaluate full cost of proposal to require teaching a sixth period at the secondary level	December 31, 2019	Superintendent, Business Manager, CRO

Initiative WF06: Identify funds available to provide competitive teacher salaries	
Deadline: Ongoing for duration of Recovery Plan	
Evaluation Measure:	Projected future deficits after salary and benefit changes
Responsible Parties:	Superintendent, Business Manager, School Board, and CRO

Until the District's financial position improves, there will be limited funds available to provide salary increases for the District's employees. As part of this initiative and initiative WF01, the District shall only offer increases in salaries that allow the District to maintain a structurally balanced budget. Until the CRO determines that the financial position has improved to a level where strict oversight is not necessary, all annual salary increases shall be determined in accordance with the initiatives in this Recovery Plan. The CRO reserves the right to set these requirements under the authority granted by Sections 642-A(a)(13) and 642-A(a)(15) of Act 141.

In the table below, the projected operating results and cumulative fund balance are shown for the Recovery Plan scenario with all of the fundamental revenue and cost savings initiatives. As shown in the table, there are minimal savings available in any given year to provide salary increases, and in most years additional savings must be found in order to produce a balanced budget.

SSD Fundamental Recovery Plan Initiatives

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Unaudited	Projected	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$146.2	\$153.5	\$166.3	\$165.5	\$169.5	\$173.6	\$177.7	\$182.0
Total Expenditures	\$156.1	\$154.4	\$165.8	\$168.1	\$172.1	\$173.4	\$177.9	\$180.5
Net Operating Result	(\$9.9)	(\$0.9)	\$0.5	(\$2.6)	(\$2.6)	\$0.2	(\$0.1)	\$1.5
Ending Fund Balance	\$0.4	(\$0.4)	\$0.0	(\$2.5)	(\$5.1)	(\$5.0)	(\$5.1)	(\$3.6)

Salary Scenario 1: Fundamental Recovery Plan initiatives and real estate tax increases above the Act 1 Index in 2020 and 2021.

One of the few remaining options available to the District will be to seek increases in the real estate tax rate above the Act 1 Index as outlined in initiative R03. In the table below, the estimated financial impact of real estate tax increases of 6.7 percent are shown for the 2020 and 2021 school years. In these years, the District's annual Act 1 Index is assumed to be comprised of the 3.4 percent for the Adjusted Index and an additional 3.3 percent based on the impact of the foregone exceptions from the 2019 calendar year. In order to meet this requirement, the District would need to seek exceptions through options outlined in initiative R03 such as cost increases for special education or a referendum to establish a millage amount for the debt service on the bonds issued for the capital projects in the baseline projections.

Under this scenario, salary increases would be provided on an annual basis depending on the funds available to the District. The annual change in salaries and net contributions for Social Security, PSERS, and other related benefits is shown in the table below. If the District is expected to face substantial shortfalls in the year following a salary increase, then the District would need to offer a salary freeze and find additional savings to fill the gap in the following year. For example in the table below, the salary allocations in 2020 and 2023 are flat compared to the prior year due to the projected deficit for that budget year. This impact is shown in the second table, which shows the per employee allocations. In the first table showing the total impact to the District's budget, the costs increase due to changes in the PSERS contribution rates.

Costs in the table are cumulative because the baseline projections do not include salary increases for employees. For example, the allowable salary increase in 2024 would be approximately \$0.9 million, which is the incremental increase from 2023 to 2024.

SSD Salary Scenario 1 – Financial Impact

	2019	2020	2021	2022	2023	2024
	Projected	Projected	Projected	Projected	Projected	Projected
SFT	\$169,307	\$169,612	\$184,812	\$1,191,913	\$1,193,622	\$1,727,948
Paraprofessionals	\$14,308	\$14,333	\$15,618	\$100,725	\$100,869	\$146,024
SEIU 1201	\$38,154	\$38,222	\$41,648	\$268,600	\$268,985	\$389,397
Others	\$16,692	\$16,722	\$18,221	\$117,513	\$117,681	\$170,361
Total	\$238,461	\$238,890	\$260,298	\$1,678,750	\$1,681,157	\$2,433,729

Per employee salary allocations allowable on an annual basis are shown in the table below. The estimates in this table do not show the additional costs for Social Security or PSERS.

SSD Salary Scenario 1 – Estimated Annual Per Employee Allocations

	2019	2020	2021	2022	2023	2024
	Projected	Projected	Projected	Projected	Projected	Projected
SFT	\$206	\$206	\$224	\$1,443	\$1,443	\$2,087
Paraprofessionals	\$90	\$90	\$98	\$634	\$634	\$917
SEIU 1201	\$163	\$163	\$177	\$1,143	\$1,143	\$1,653
Others	\$224	\$224	\$244	\$1,569	\$1,569	\$2,268

In the table below, the projected operating results and cumulative fund balance are shown for the Recovery Plan scenario with the financial impact of the salary increases for this scenario.

SSD Act 1 Exceptions

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Unaudited	Projected	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$146.2	\$153.5	\$166.3	\$167.1	\$172.7	\$177.2	\$181.5	\$186.1
Total Expenditures	\$156.1	\$154.4	\$166.1	\$168.4	\$172.4	\$175.6	\$180.1	\$183.7
Net Operating Result	(\$9.9)	(\$0.9)	\$0.2	(\$1.3)	\$0.2	\$1.7	\$1.4	\$2.3
Ending Fund Balance	\$0.4	(\$0.4)	(\$0.2)	(\$1.5)	(\$1.3)	\$0.4	\$1.7	\$4.0

Salary Scenario 2: Fundamental Recovery Plan initiatives and workforce savings initiatives.

In order to identify additional funds to balance annual budgets and provide salary increases, the District may need to seek savings in its workforce costs. In this scenario, the District is assumed to achieve the savings in the following initiatives in addition to the fundamental Recovery Plan initiatives:

- Overtime and extra pay (WF03)
- Healthcare cost growth at 6.2 percent (WF04)
- Savings from sixth period at the secondary level (WF05)

Under this scenario, salary increases would be provided on an annual basis depending on the funds available to the District. If the District can achieve all of the savings in WF03, WF04 and WF05, it would have sufficient resources available after balancing the budget to fund the annual change in salaries and net contributions for Social Security and PSERS shown in the table below. Costs in the table are cumulative because the baseline projections do not include salary increases for employees. For example, the allowable salary increase in 2024 would be approximately \$850,000 million, which is the incremental increase in salaries from 2023 to 2024. Total costs increase by approximately \$970,000

between 2023 and 2024 in the first increase due to the impact of benefits costs that are related to salaries.

SSD Salary Scenario 2 – Financial Impact

	2019	2020	2021	2022	2023	2024
	Projected	Projected	Projected	Projected	Projected	Projected
SFT	\$365,455	\$1,204,277	\$2,099,079	\$2,671,853	\$3,197,278	\$3,921,501
Paraprofessionals	\$14,308	\$26,921	\$41,833	\$58,741	\$77,921	\$128,859
SEIU 1201	\$58,129	\$131,814	\$171,645	\$216,811	\$268,038	\$403,942
Others	\$21,884	\$47,011	\$64,425	\$84,170	\$106,569	\$166,015
Total	\$459,776	\$1,410,023	\$2,376,983	\$3,031,576	\$3,649,806	\$4,620,317

Per employee salary allocations allowable on an annual basis are shown in the table below. The estimates in this table do not show the additional costs for Social Security or PSERS.

SSD Salary Scenario 1 – Estimated Per Employee Allocations

	2019	2020	2021	2022	2023	2024
	Projected	Projected	Projected	Projected	Projected	Projected
SFT	\$444	\$1,461	\$2,598	\$3,303	\$4,003	\$4,904
Paraprofessionals	\$90	\$170	\$264	\$370	\$490	\$809
SEIU 1201	\$248	\$562	\$731	\$923	\$1,139	\$1,715
Others	\$293	\$629	\$861	\$1,124	\$1,421	\$2,211

In the table below, the projected operating results and cumulative fund balance are shown for the Recovery Plan scenario with the financial impact of the salary increases for this scenario.

SSD Workforce Savings

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Unaudited	Projected	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$146.2	\$153.5	\$166.3	\$165.6	\$169.7	\$173.9	\$178.2	\$182.7
Total Expenditures	\$156.1	\$154.4	\$166.1	\$168.4	\$172.5	\$174.0	\$178.6	\$182.0
Net Operating Result	(\$9.9)	(\$0.9)	\$0.2	(\$2.8)	(\$2.8)	(\$0.1)	(\$0.4)	\$0.6
Ending Fund Balance	\$0.4	(\$0.4)	(\$0.2)	(\$3.0)	(\$5.9)	(\$6.0)	(\$6.4)	(\$5.8)

The requirements of this initiative shall be effective for the duration of the time that the District is designated to be in moderate financial recovery or any other level of State oversight. In the preparation of the annual budget, the District shall convene a working group consisting of the Administration, representatives from the District's bargaining units, the CRO, and the technical assistance team in order to identify annual allocations for cost increases in the following year. This requirement shall remain in effect until the CRO determines that the District has achieved enough budget stability to resume regular negotiations with its bargaining units that could accommodate typical salary increases from patterns of increases such as step movement.

Ongoing Implementation

Tasks and Supporting Deliverables	Deadline	Responsible Parties
District shall provide salary increases that are affordable given sustainable revenue sources	Effective for duration of Recovery Plan	Superintendent, Business Manager, CRO, and School Board

Other Initiatives

- **Evaluate opportunities to establish class size ranges.** Currently, the District's class sizes are set in the collective bargaining agreement. In the expired teachers' contract, class sizes are 27 for grades Pre-Kindergarten to 3, 28 for grades 4 and 5, and 30 for all other grades. The CRO believes that there is an educational benefit to maintaining small class sizes in order to provide effective instruction for students. Furthermore, the CRO believes that the limits set in the collective bargaining agreements are close to the maximum levels that would be acceptable in other school districts without severely impacting academic performance.

However, these hard limitations create a financial burden on the District if enrollment increases in a building requiring the opening of a new section. In order to meet the savings goals of this Recovery Plan, the CRO shall work to develop proposals to allow some flexibility in the class size limitations that is agreeable to both the District and the teachers' union. Among other alternatives, a hard cap on total enrollment in certain subjects may be considered so that no additional students will be permitted to enroll in a class if it will cause the District to exceed the limits, which is discussed in further detail in initiative ACHIEVE10. In some instances, the CRO may approve the opening of a class with fewer than the enrollment cap if there is sufficient academic merit in providing the class.

- **Related initiatives in the Facilities chapter of this Recovery Plan.** Savings generated in the building-reconfiguration plan under initiative F03 will vary depending on the growth in salaries and benefits from the initiatives in this chapter.

Appendix A

**Scranton School District
Chief Recovery Officer
Advisory Committee**

Under the terms of Act 141, an Advisory Committee to the Chief Recovery Officer must be appointed, with certain ex officio appointments and others nominated by the School District and the Intermediate Unit. Members of the Advisory Committee for the Scranton School District are:

Barbara Dixon, President, Scranton School Board
Gregory Popil, Vice President, Scranton School Board
Dr. Alexis Kirijan, Superintendent, Scranton School District
Patrick Laffey, Business Manager, Scranton School District
Albert O'Donnel, Principal, Scranton School District
Rosemary Boland, President, Scranton Federation of Teachers
Dr. Michael Mahon, Superintendent, Abington Heights School District
Robert McTiernan, Executive Director, Northeastern Educational Intermediate Unit
Roseanne Polishan, Special Education Advocate, Resident
Charles Wallinger, Business Manager, Howard Gardner Multiple Intelligence Charter School
Gus Fahey, Resident
Pedro Anes, Scranton Human Relations Commission, Resident

Appendix B

Scranton School District Assumptions for Baseline Multiyear Financial Projections

The following is a description of the data sources and the assumptions used to develop the baseline budget projections for the Scranton School District.

Revenue Projections

- Local Sources
 - Current real estate taxes
 - Assessed value is reduced by approximately 0.2 percent based on the five-year compound annual growth from 2013 to 2018
 - No changes in the millage rate or collection rate were assumed after 2019
 - Increase to the Act 1 Index (3.4 percent in 2020) would generate approximately \$1.5 to \$1.6 million per year
 - Delinquent real estate taxes are reduced by approximately 0.2 percent per year to reflect changes in the assessed value
 - \$180,000 in one-time revenues are added to 2019 to reflect the quote received by the District for the sale of real estate tax liens that was higher than budgeted
 - Earned income taxes grow at 2.0 percent based on the five-year compound annual growth in Scranton School District's personal income from 2011 to 2016
 - Real estate transfer taxes
 - 2019 budgeted amount is nearly equal to the eight-year average collections for 2011 to 2018
 - Revenues grow at 1.5 percent assuming continued growth in the Scranton School District's real estate market for the projection period
 - Revenues in the final projected year are approximately 85 percent of the highest amount in the years from 2011 to 2018
 - Business privilege and mercantile taxes grow at 2.2 percent based on headline CPI projections
 - \$900,000 in one-time revenues are added to 2019 to reflect the estimated outstanding delinquent payments to be collected by the District's collector
 - Moses Taylor grant
 - Approximately \$260,000 in revenues were added to 2019 to reflect the estimated amount remaining in the grant
 - Grant revenue and costs for budgeted social workers were removed after 2019
 - Stop loss reimbursement was increased by the same rate as healthcare expenditures
 - Budgeted borrowing of approximately \$3.7 million and the related interest expenditures are removed in 2019 because the budget is balanced in the current projections
 - All other local sources were held flat in the projected years
- State Sources
 - Basic Education Funding (BEF) and Special Education Funding (SEF)
 - 2019 budget is adjusted to reflect the District's allocations in the Commonwealth's adopted 2019-20 budget
 - Projections were made on the July-June fiscal year adopted by the Commonwealth and most school districts
 - Projections were then converted to the Scranton School District calendar year based on the timing of subsidy transfers from the Department of Education
 - Projections were based on the Department of Education's allocation spreadsheet for the adopted 2019-20 budget
 - BEF and SEF estimates were calculated using the District's share of funding provided by the student-weighted funding formulae, and increases in funding amounts based on the 5-year CAGR for the total Statewide allocations:
 - BEF Growth – Approximately 3.4 percent per year after 2020
 - SEF Growth – Approximately 2.3 percent per year after 2020

- Transportation Subsidy
 - Held flat to reflect limited growth in total Statewide allocations in recent school years and the District's current operational practices
 - Ready to Learn Block Grant
 - Regular allocation of approximately \$1.8 million is held flat in each year
 - \$6.0 million supplemental grant is assumed to continue after 2019-20
 - \$2.0 million of the 2019-20 allocation is assumed to be used to balance the calendar year 2019 budget, which provides a one-time annual impact
 - Future allocations are assumed to be split between calendar years in order to maintain a total budgetary impact of \$7.8 million
 - Rental and Sinking Fund Payments (PlanCon) revenues are based on the budgeted amount in 2019 and the debt service estimates provided by PFM Financial Advisors LLC
 - Reimbursements for Social Security and PSERS
 - Reimbursement rates for Social Security and PSERS are assumed to be 72.3 percent based on the amounts in the 2019 budget
 - Reimbursement revenues for Social Security and PSERS contributions were based on changes in expenditures
 - All other state sources were held flat in the projected years
- All federal sources were held flat in the projected years
 - Other Sources
 - Transfers from the debt service fund were removed after 2019
 - Transfers from the food service fund are held flat in the projected years

Expenditure Projections

- Personnel
 - Budgeted 2019 salaries were used as the base year for the projections
 - All salaries are held flat for the projection period
 - Savings are included in the baseline projections after removing the social workers covered by the Moses Taylor grant in 2020
 - No other staffing changes were made in the baseline projections
 - Negotiated reduction in 1201 employee count was not included in 2020
- Employee Benefits
 - Health insurance costs grow at 7.2 percent based on national trends in the 2019 Health Plan Cost Trend Survey from Segal Consulting
 - Social Security, workers compensation, and unemployment insurance change with projected salaries
 - One-time unemployment costs are included for the social workers covered by the Moses Taylor grant
 - PSERS contribution rates increase at projected rates, and with changes in salaries
- Charter Tuition Payments
 - Enrollment
 - Enrollment in the District's brick and mortar charter school was held flat
 - Enrollment in cyber charter schools was assumed to increase based on the trend observed in enrollment increase from 2010-11 to 2015-16:
 - Regular education – 20 students per year
 - Special education – 10 students per year
 - Charter school tuition rates were projected using the calculations in the PDE-363 form

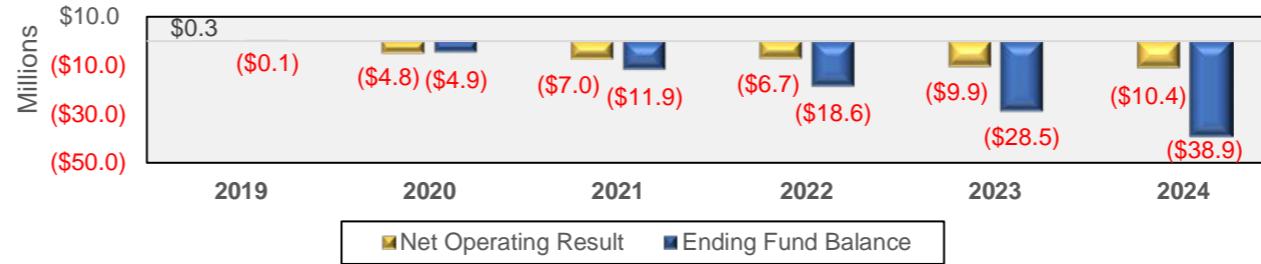
- Transportation Services
 - Vehicle counts were taken from the assumptions in the 2019 budget
 - Costs per vehicle were increased using the DeNaples and Red Top contracts
 - DeNaples Contract – Expires in 2021-22 (2022 calendar year)
 - Red Top Contract – Expires in 2019-20 (2020 calendar year)
 - Vehicle costs grow at the general inflationary rate after the expiration of the contracts
 - Costs for student activities transportation and other miscellaneous categories grow at the inflationary rate
 - Transportation costs from the Northeastern Educational Intermediate Unit were taken from the 2019 budget and grow at the inflationary rate

- Other Non-Personnel Expenditures
 - BEF deduction from the adjustments made due to the Auditor General's report are held flat based on the payment schedule from the Department of Education
 - Deduction is reduced by 50 percent in 2024 to reflect the final year of the repayment, which is made on a July-June fiscal year basis
 - General inflationary rate was applied to all non-personnel related expenditures (except for Other Objects and Other Use of Funds) based on headline CPI projections from the Survey of Professional Forecasters
 - Debt service payments were based on the District's debt schedule provided by PFM Financial Advisors LLC

Appendix C

Scranton School District

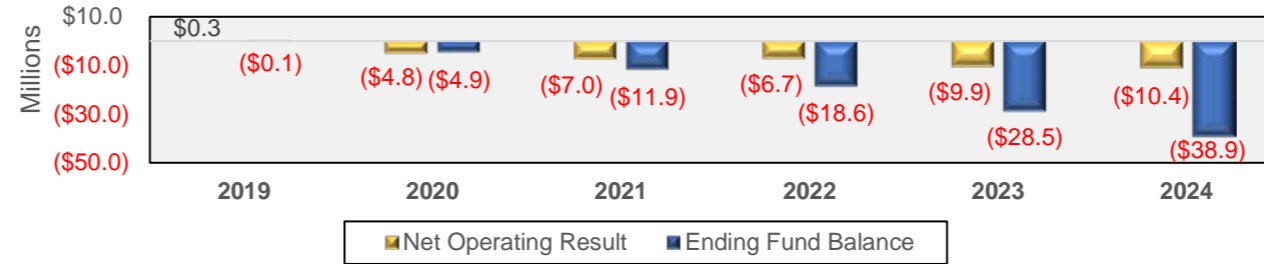
Baseline Budget Projections



		2019	2020	2021	2022	2023	2024	CAGR
		Projected	Projected	Projected	Projected	Projected	Projected	
REVENUE SUMMARY								
6111/6411	Real Estate Taxes (Current and Delinquent)	\$45,688,768	\$45,430,605	\$45,352,568	\$45,274,654	\$45,196,865	\$45,119,200	(0.3%)
6151	Earned Income Tax	\$11,000,000	\$11,220,000	\$11,444,400	\$11,673,288	\$11,906,754	\$12,144,889	2.0%
6155/6157	Mercantile and Business Privilege Taxes	\$8,200,000	\$7,460,600	\$7,624,733	\$7,792,477	\$7,963,912	\$8,139,118	(0.1%)
	Other Sources	\$5,136,360	\$4,910,550	\$4,951,320	\$4,994,461	\$5,040,136	\$5,088,518	(0.2%)
	Local Sources	\$70,025,128	\$69,021,755	\$69,373,021	\$69,734,881	\$70,107,667	\$70,491,725	0.1%
7110	Basic Education Funding	\$44,452,206	\$46,501,939	\$48,081,784	\$49,693,226	\$51,336,897	\$53,013,441	3.6%
7271	Special Education Funding	\$6,204,996	\$6,273,107	\$6,419,885	\$6,569,599	\$6,722,307	\$6,878,069	2.1%
7810	Retirement Reimbursement	\$20,259,806	\$20,125,331	\$20,343,419	\$20,581,251	\$20,858,483	\$21,078,716	0.8%
	Other Sources	\$16,139,239	\$14,143,543	\$14,145,220	\$14,147,798	\$14,149,703	\$14,151,689	(2.6%)
	State Sources	\$87,056,246	\$87,043,919	\$88,990,307	\$90,991,874	\$93,067,390	\$95,121,915	1.8%
	Federal Sources	\$6,982,000	\$6,982,000	\$6,982,000	\$6,982,000	\$6,982,000	\$6,982,000	0.0%
	Other Funding Sources	\$2,187,746	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	(27.3%)
	Total Revenues	\$166,251,120	\$163,492,674	\$165,790,327	\$168,153,754	\$170,602,057	\$173,040,640	0.8%
EXPENDITURE SUMMARY								
100	Salaries	\$68,115,068	\$67,883,068	\$67,883,068	\$67,883,068	\$67,883,068	\$67,883,068	(0.1%)
200	Employee Benefits	\$50,578,088	\$51,991,650	\$53,826,541	\$55,930,952	\$58,217,706	\$60,562,606	3.7%
300	Professional and Technical Services	\$5,298,975	\$5,415,552	\$5,534,695	\$5,656,458	\$5,780,900	\$5,908,080	2.2%
400	Purchased Property Services	\$2,978,081	\$3,043,599	\$3,110,558	\$3,178,990	\$3,248,928	\$3,320,404	2.2%
562	Charter School Tuition	\$6,200,000	\$6,768,585	\$7,350,598	\$7,970,143	\$8,629,388	\$9,326,392	8.5%
500	All Other Tuition and Purchased Services	\$10,444,511	\$10,649,465	\$10,815,523	\$11,011,769	\$11,254,028	\$11,501,616	1.9%
600	Supplies	\$3,125,904	\$3,494,674	\$3,571,557	\$3,650,131	\$3,730,434	\$3,812,503	4.1%
700	Property	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
830/910	Debt Service	\$18,102,836	\$17,953,988	\$19,619,919	\$18,508,828	\$20,636,990	\$20,117,578	2.1%
800	Other Objects	\$426,215	\$426,215	\$426,215	\$426,215	\$426,215	\$291,215	(7.3%)
900	Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	—
	Total Expenditures	\$165,904,661	\$168,275,749	\$172,801,904	\$174,894,374	\$180,500,390	\$183,431,435	2.0%
	Net Operating Result	\$346,459	(\$4,783,075)	(\$7,011,576)	(\$6,740,620)	(\$9,898,333)	(\$10,390,795)	(297.4%)
	Ending Fund Balance	(\$98,605)	(\$4,881,680)	(\$11,893,256)	(\$18,633,876)	(\$28,532,209)	(\$38,923,004)	230.6%
REVENUES								
Revenues From Local Sources								
6111	Current Real Estate Taxes	\$41,058,768	\$40,989,505	\$40,920,350	\$40,851,301	\$40,782,359	\$40,713,523	(0.2%)
6113	Public Utility Realty Tax	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	0.0%
6114	PILOT's	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	0.0%
6142	Occupation Taxes	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	0.0%
6151	Earned Income Taxes	\$11,000,000	\$11,220,000	\$11,444,400	\$11,673,288	\$11,906,754	\$12,144,889	2.0%
6153	Real Estate Transfer Taxes	\$650,000	\$659,750	\$669,646	\$679,691	\$689,886	\$700,235	1.5%
6155	Business Privilege Taxes	\$6,900,000	\$6,132,000	\$6,266,904	\$6,404,776	\$6,545,681	\$6,689,686	(0.6%)
6157	Mercantile Taxes	\$1,300,000	\$1,328,600	\$1,357,829	\$1,387,701	\$1,418,231	\$1,449,432	2.2%
6411	Delinquent Real Estate Taxes	\$4,630,000	\$4,441,100	\$4,432,218	\$4,423,353	\$4,414,507	\$4,405,678	(1.0%)
6510	Interest	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
6832	Federal IDEA Pass Through	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	0.0%
6910	Rentals	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	0.0%
6940	Tuition Payments	\$822,000	\$822,000	\$822,000	\$822,000	\$822,000	\$822,000	0.0%
6990	Miscellaneous Revenue	\$539,360	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	(12.6%)
6999	Stop Loss Reimbursement	\$400,000	\$428,800	\$459,674	\$492,770	\$528,250	\$566,284	7.2%
	Subtotal	\$70,025,128	\$69,021,755	\$69,373,021	\$69,734,881	\$70,107,667	\$70,491,725	0.1%
Revenue From State Sources								
7110	Basic Education Funding	\$44,452,206	\$46,501,939	\$48,081,784	\$49,693,226	\$51,336,897	\$53,013,441	3.6%
7271	Special Education Funding	\$6,204,996	\$6,273,107	\$6,419,885	\$6,569,599	\$6,722,307	\$6,878,069	2.1%
7310	Transportation Subsidy	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	0.0%
7320	PlanCon	\$430,000	\$434,304	\$435,981	\$438,559	\$440,464	\$442,450	0.6%
7341	State Property Tax Reduction Allocation	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	0.0%
7505	Ready to Learn Block Grant	\$9,836,814	\$7,836,814	\$7,836,814	\$7,836,814	\$7,836,814	\$7,836,814	(4.4%)
7810	Social Security Reimbursement	\$3,684,421	\$3,752,609	\$3,752,609	\$3,752,609	\$3,752,609	\$3,752,609	0.4%
7820	PSERS Reimbursement	\$16,575,385	\$16,372,722	\$16,590,810	\$16,828,642	\$17,105,875	\$17,326,107	0.9%
7000	Other State Grants	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	0.0%
	Subtotal	\$87,056,246	\$87,043,919	\$88,990,307	\$90,991,874	\$93,067,390	\$95,121,915	1.8%
Revenues From Federal Sources								
8514	Title I Funding	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	0.0%
8515	Title II Funding	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	0.0%
8516	Title III Funding	\$223,000	\$223,000	\$223,000	\$223,000	\$223,000	\$223,000	0.0%
8517	Title IV Funding	\$359,000	\$359,000	\$359,000	\$359,000	\$359,000	\$359,000	0.0%
8800	Medicaid ACCESS Reimbursement	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	0.0%
8390	Other Federal Grants	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
	Subtotal	\$6,982,000	\$6,982,000	\$6,982,000	\$6,982,000	\$6,982,000	\$6,982,000	0.0%
Revenues From Other Sources								
9340	Debt Service Fund Transfer	\$1,742,746	\$0	\$0	\$0	\$0	\$0	(100.0%)
9351	Food Service Fund Transfer	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	0.0%
	Subtotal	\$2,187,746	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	(27.3%)
	Total Revenues	\$166,251,120	\$163,492,674	\$165,790,327	\$168,153,754	\$170,602,057	\$173,040,640	0.8%

Scranton School District

Baseline Budget Projections

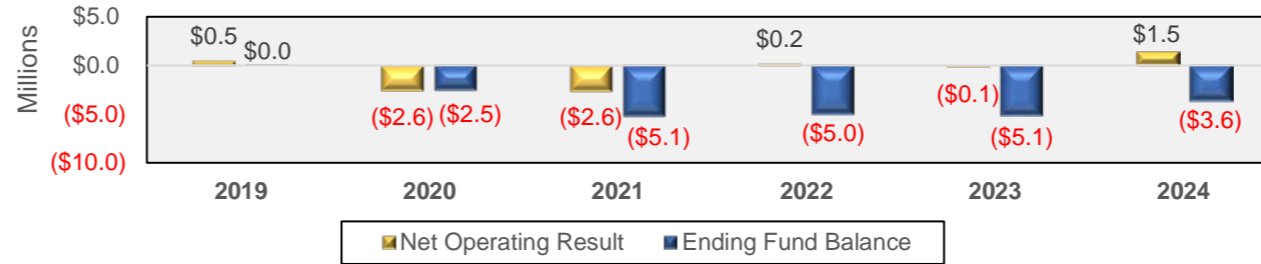


	2019	2020	2021	2022	2023	2024	CAGR
	Projected	Projected	Projected	Projected	Projected	Projected	
EXPENDITURES							
Personnel							
110 Official / Administrative	\$3,852,458	\$3,620,458	\$3,620,458	\$3,620,458	\$3,620,458	\$3,620,458	(1.2%)
120 Instructional	\$49,306,879	\$49,306,879	\$49,306,879	\$49,306,879	\$49,306,879	\$49,306,879	0.0%
130 Other Professional	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	0.0%
140 Technical	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	0.0%
150 Office / Clerical	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	0.0%
160 Crafts and Trades	\$490,885	\$490,885	\$490,885	\$490,885	\$490,885	\$490,885	0.0%
170 Operative and Laborer	\$698,630	\$698,630	\$698,630	\$698,630	\$698,630	\$698,630	0.0%
180 Service Work	\$3,631,257	\$3,631,257	\$3,631,257	\$3,631,257	\$3,631,257	\$3,631,257	0.0%
190 Instructional Assistant	\$3,951,123	\$3,951,123	\$3,951,123	\$3,951,123	\$3,951,123	\$3,951,123	0.0%
Subtotal	\$68,115,068	\$67,883,068	\$67,883,068	\$67,883,068	\$67,883,068	\$67,883,068	(0.1%)
Employee Benefits							
210 Group Insurance	\$21,520,419	\$23,000,726	\$24,656,778	\$26,432,066	\$28,335,175	\$30,375,308	7.1%
220 Social Security Contributions	\$5,098,691	\$5,193,055	\$5,193,055	\$5,193,055	\$5,193,055	\$5,193,055	0.4%
230 Retirement Contributions	\$22,937,720	\$22,657,252	\$22,959,051	\$23,288,174	\$23,671,819	\$23,976,586	0.9%
250 Unemployment Compensation	\$94,063	\$216,676	\$93,716	\$93,716	\$93,716	\$93,716	(0.1%)
260 Workers' Compensation	\$927,195	\$923,942	\$923,942	\$923,942	\$923,942	\$923,942	(0.1%)
Subtotal	\$50,578,088	\$51,991,650	\$53,826,541	\$55,930,952	\$58,217,706	\$60,562,606	3.7%
Purchased Professional and Technical Services							
300 Professional and Technical Services	\$1,618,893	\$1,654,509	\$1,690,908	\$1,728,108	\$1,766,126	\$1,804,981	2.2%
320 Educational Services	\$3,185,582	\$3,255,665	\$3,327,289	\$3,400,490	\$3,475,301	\$3,551,757	2.2%
330 Other Professional Services	\$222,000	\$226,884	\$231,875	\$236,977	\$242,190	\$247,518	2.2%
340 Technical Services	\$20,000	\$20,440	\$20,890	\$21,349	\$21,819	\$22,299	2.2%
350 Security / Safety Services	\$252,500	\$258,055	\$263,732	\$269,534	\$275,464	\$281,524	2.2%
Subtotal	\$5,298,975	\$5,415,552	\$5,534,695	\$5,656,458	\$5,780,900	\$5,908,080	2.2%
Purchased Property Services							
420 Utility Services	\$1,537,100	\$1,570,916	\$1,605,476	\$1,640,797	\$1,676,894	\$1,713,786	2.2%
430 Repairs and Maintenance	\$749,276	\$765,760	\$782,607	\$799,824	\$817,420	\$835,404	2.2%
440 Rentals	\$691,605	\$706,820	\$722,370	\$738,263	\$754,504	\$771,103	2.2%
490 Other Purchased Property Services	\$100	\$102	\$104	\$107	\$109	\$111	2.2%
Subtotal	\$2,978,081	\$3,043,599	\$3,110,558	\$3,178,990	\$3,248,928	\$3,320,404	2.2%
Other Purchased Services							
Tuition							
561 Tuition to Other School Districts	\$490,000	\$500,780	\$511,797	\$523,057	\$534,564	\$546,324	2.2%
562 Tuition to Charter Schools	\$6,200,000	\$6,768,585	\$7,350,598	\$7,970,143	\$8,629,388	\$9,326,392	8.5%
564 Lackawanna County CTC	\$2,060,376	\$2,105,704	\$2,152,030	\$2,199,374	\$2,247,761	\$2,297,211	2.2%
560 Other Tuition	\$1,761,500	\$1,800,253	\$1,839,859	\$1,880,335	\$1,921,703	\$1,963,980	2.2%
510 Student Transportation	\$4,976,079	\$5,060,727	\$5,103,834	\$5,174,422	\$5,288,259	\$5,404,601	1.7%
520 Insurance - General	\$545,146	\$557,139	\$569,396	\$581,923	\$594,725	\$607,809	2.2%
530 Communications	\$378,115	\$386,434	\$394,935	\$403,624	\$412,503	\$421,578	2.2%
540 Advertising	\$17,000	\$17,374	\$17,756	\$18,147	\$18,546	\$18,954	2.2%
550 Printing and Binding	\$10,250	\$10,476	\$10,706	\$10,941	\$11,182	\$11,428	2.2%
580 Travel	\$73,945	\$75,572	\$77,234	\$78,934	\$80,670	\$82,445	2.2%
590 IU Services	\$132,100	\$135,006	\$137,976	\$141,012	\$144,114	\$147,285	2.2%
Subtotal	\$16,644,511	\$17,418,050	\$18,166,122	\$18,981,912	\$19,883,416	\$20,828,008	4.6%
Supplies							
610 Supplies	\$1,927,830	\$1,970,242	\$2,013,588	\$2,057,887	\$2,103,160	\$2,149,430	2.2%
620 Energy	\$650,000	\$664,300	\$678,915	\$693,851	\$709,115	\$724,716	2.2%
640 Books and Periodicals	\$548,074	\$860,132	\$879,055	\$898,394	\$918,158	\$938,358	11.4%
Subtotal	\$3,125,904	\$3,494,674	\$3,571,557	\$3,650,131	\$3,730,434	\$3,812,503	4.1%
Property							
Equipment	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
Subtotal	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
Other Objects							
800 Other Objects	\$36,400	\$36,400	\$36,400	\$36,400	\$36,400	\$36,400	0.0%
810 Dues and Fees	\$52,426	\$52,426	\$52,426	\$52,426	\$52,426	\$52,426	0.0%
830 Interest	\$9,857,836	\$9,478,988	\$9,063,252	\$8,639,078	\$8,208,157	\$7,757,828	(4.7%)
880 Refunds for PY Receipts	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$135,000	(12.9%)
890 Miscellaneous Expenditures	\$67,389	\$67,389	\$67,389	\$67,389	\$67,389	\$67,389	0.0%
Subtotal	\$10,284,051	\$9,905,203	\$9,489,467	\$9,065,293	\$8,634,372	\$8,049,043	(4.8%)
Other Use of Funds							
911 Principal Payments	\$8,245,000	\$8,475,000	\$10,556,667	\$9,869,750	\$12,428,833	\$12,359,750	8.4%
Subtotal	\$8,245,000	\$8,475,000	\$10,556,667	\$9,869,750	\$12,428,833	\$12,359,750	8.4%
Total Expenditures	\$165,904,661	\$168,275,749	\$172,801,904	\$174,894,374	\$180,500,390	\$183,431,435	2.0%
Net Operating Result	\$346,459	(\$4,783,075)	(\$7,011,576)	(\$6,740,620)	(\$9,898,333)	(\$10,390,795)	(297.4%)
Ending Fund Balance	(\$98,605)	(\$4,881,680)	(\$11,893,256)	(\$18,633,876)	(\$28,532,209)	(\$38,923,004)	230.6%

Appendix D

Scranton School District

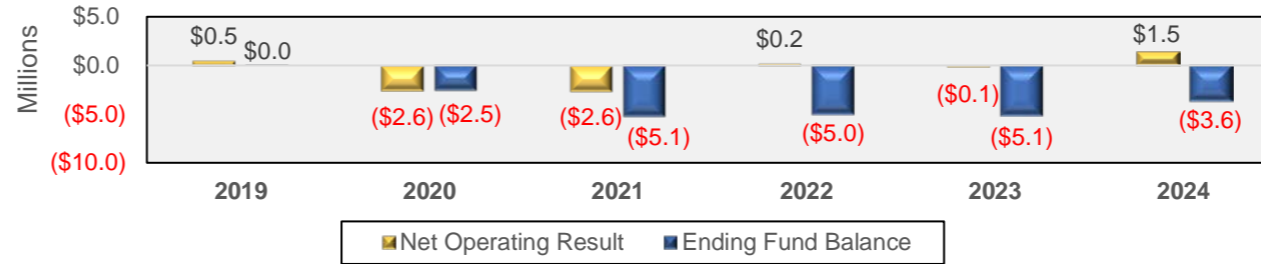
Fundamental Recovery Plan Initiatives



		2019	2020	2021	2022	2023	2024	CAGR
		Projected	Projected	Projected	Projected	Projected	Projected	
REVENUE SUMMARY								
6111/6411	Real Estate Taxes (Current and Delinquent)	\$45,688,768	\$46,953,435	\$48,445,221	\$49,985,651	\$51,576,301	\$53,218,798	3.1%
6151	Earned Income Tax	\$11,000,000	\$11,220,000	\$11,444,400	\$11,673,288	\$11,906,754	\$12,144,889	2.0%
6155/6157	Mercantile and Business Privilege Taxes	\$8,200,000	\$7,460,600	\$7,624,733	\$7,792,477	\$7,963,912	\$8,139,118	(0.1%)
	Other Sources	\$5,136,360	\$5,022,923	\$5,063,693	\$5,106,834	\$5,152,509	\$5,200,891	0.3%
	Local Sources	\$70,025,128	\$70,656,958	\$72,578,047	\$74,558,250	\$76,599,476	\$78,703,697	2.4%
7110	Basic Education Funding	\$44,452,206	\$46,501,939	\$48,081,784	\$49,693,226	\$51,336,897	\$53,013,441	3.6%
7271	Special Education Funding	\$6,204,996	\$6,273,107	\$6,419,885	\$6,569,599	\$6,722,307	\$6,878,069	2.1%
7810	Retirement Reimbursement	\$20,259,806	\$20,106,531	\$20,253,678	\$20,428,923	\$20,713,841	\$20,932,538	0.7%
	Other Sources	\$16,139,239	\$14,260,271	\$14,438,859	\$14,570,110	\$14,622,385	\$14,699,564	(1.9%)
	State Sources	\$87,056,246	\$87,141,848	\$89,194,205	\$91,261,857	\$93,395,429	\$95,523,611	1.9%
	Federal Sources	\$6,982,000	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	0.9%
	Other Funding Sources	\$2,187,746	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	(27.3%)
	Total Revenues	\$166,251,120	\$165,528,809	\$169,502,255	\$173,550,111	\$177,724,908	\$181,957,311	1.8%
EXPENDITURE SUMMARY								
100	Salaries	\$68,115,068	\$67,823,772	\$67,601,628	\$67,409,562	\$67,439,639	\$67,439,639	(0.2%)
200	Employee Benefits	\$50,578,088	\$51,987,198	\$53,749,413	\$55,680,262	\$57,870,870	\$60,203,172	3.5%
300	Professional and Technical Services	\$5,298,975	\$5,605,552	\$5,728,875	\$5,854,910	\$5,983,718	\$6,115,360	2.9%
400	Purchased Property Services	\$2,978,081	\$3,031,190	\$2,900,584	\$2,949,079	\$2,981,544	\$3,022,426	0.3%
562	Charter School Tuition	\$6,200,000	\$6,768,585	\$7,255,546	\$7,630,266	\$7,953,413	\$8,306,660	6.0%
500	All Other Tuition and Purchased Services	\$10,314,049	\$10,359,897	\$10,583,521	\$10,642,526	\$10,658,917	\$10,893,413	1.1%
600	Supplies	\$3,125,904	\$3,494,674	\$3,500,630	\$3,574,680	\$3,642,339	\$3,716,015	3.5%
700	Property	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
830/910	Debt Service	\$18,102,836	\$17,953,988	\$19,672,585	\$18,548,328	\$20,208,157	\$19,805,828	1.8%
800	Other Objects	\$426,215	\$426,215	\$426,215	\$426,215	\$426,215	\$291,215	(7.3%)
900	Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	—
	Total Expenditures	\$165,774,199	\$168,100,025	\$172,082,227	\$173,393,648	\$177,857,545	\$180,501,701	1.7%
	Net Operating Result	\$476,922	(\$2,571,215)	(\$2,579,972)	\$156,463	(\$132,637)	\$1,455,610	25.0%
	Ending Fund Balance	\$31,858	(\$2,539,358)	(\$5,119,330)	(\$4,962,867)	(\$5,095,503)	(\$3,639,893)	(358.0%)
REVENUES								
Revenues From Local Sources								
6111	Current Real Estate Taxes	\$41,058,768	\$42,512,335	\$44,013,003	\$45,562,297	\$47,161,794	\$48,813,121	3.5%
6113	Public Utility Realty Tax	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	0.0%
6114	PILOT's	\$65,000	\$177,373	\$177,373	\$177,373	\$177,373	\$177,373	22.2%
6142	Occupation Taxes	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	0.0%
6151	Earned Income Taxes	\$11,000,000	\$11,220,000	\$11,444,400	\$11,673,288	\$11,906,754	\$12,144,889	2.0%
6153	Real Estate Transfer Taxes	\$650,000	\$659,750	\$669,646	\$679,691	\$689,886	\$700,235	1.5%
6155	Business Privilege Taxes	\$6,900,000	\$6,132,000	\$6,266,904	\$6,404,776	\$6,545,681	\$6,689,686	(0.6%)
6157	Mercantile Taxes	\$1,300,000	\$1,328,600	\$1,357,829	\$1,387,701	\$1,418,231	\$1,449,432	2.2%
6411	Delinquent Real Estate Taxes	\$4,630,000	\$4,441,100	\$4,432,218	\$4,423,353	\$4,414,507	\$4,405,678	(1.0%)
6510	Interest	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
6832	Federal IDEA Pass Through	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	0.0%
6910	Rentals	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	0.0%
6940	Tuition Payments	\$822,000	\$822,000	\$822,000	\$822,000	\$822,000	\$822,000	0.0%
6990	Miscellaneous Revenue	\$539,360	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	(12.6%)
6999	Stop Loss Reimbursement	\$400,000	\$428,800	\$459,674	\$492,770	\$528,250	\$566,284	7.2%
	Subtotal	\$70,025,128	\$70,656,958	\$72,578,047	\$74,558,250	\$76,599,476	\$78,703,697	2.4%
Revenue From State Sources								
7110	Basic Education Funding	\$44,452,206	\$46,501,939	\$48,081,784	\$49,693,226	\$51,336,897	\$53,013,441	3.6%
7271	Special Education Funding	\$6,204,996	\$6,273,107	\$6,419,885	\$6,569,599	\$6,722,307	\$6,878,069	2.1%
7310	Transportation Subsidy	\$1,200,000	\$1,316,728	\$1,493,639	\$1,622,312	\$1,672,682	\$1,747,875	7.8%
7320	PlanCon	\$430,000	\$434,304	\$435,981	\$438,559	\$440,464	\$442,450	0.6%
7341	State Property Tax Reduction Allocation	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	0.0%
7505	Ready to Learn Block Grant	\$9,836,814	\$7,836,814	\$7,836,814	\$7,836,814	\$7,836,814	\$7,836,814	(4.4%)
7810	Social Security Reimbursement	\$3,684,421	\$3,749,219	\$3,736,517	\$3,725,536	\$3,727,255	\$3,727,255	0.2%
7820	PSERS Reimbursement	\$16,575,385	\$16,357,312	\$16,517,160	\$16,703,387	\$16,986,586	\$17,205,283	0.7%
7000	Other State Grants	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	0.0%
	Subtotal	\$87,056,246	\$87,141,848	\$89,194,205	\$91,261,857	\$93,395,429	\$95,523,611	1.9%
Revenues From Federal Sources								
8514	Title I Funding	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	0.0%
8515	Title II Funding	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	0.0%
8516	Title III Funding	\$223,000	\$223,000	\$223,000	\$223,000	\$223,000	\$223,000	0.0%
8517	Title IV Funding	\$359,000	\$359,000	\$359,000	\$359,000	\$359,000	\$359,000	0.0%
8800	Medicaid ACCESS Reimbursement	\$750,000	\$1,053,003	\$1,053,003	\$1,053,003	\$1,053,003	\$1,053,003	7.0%
8390	Other Federal Grants	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
	Subtotal	\$6,982,000	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	0.9%
Revenues From Other Sources								
9340	Debt Service Fund Transfer	\$1,742,746	\$0	\$0	\$0	\$0	\$0	(100.0%)
9351	Food Service Fund Transfer	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	0.0%
	Subtotal	\$2,187,746	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	(27.3%)
	Total Revenues	\$166,251,120	\$165,528,809	\$169,502,255	\$173,550,111	\$177,724,908	\$181,957,311	1.8%

Scranton School District

Fundamental Recovery Plan Initiatives

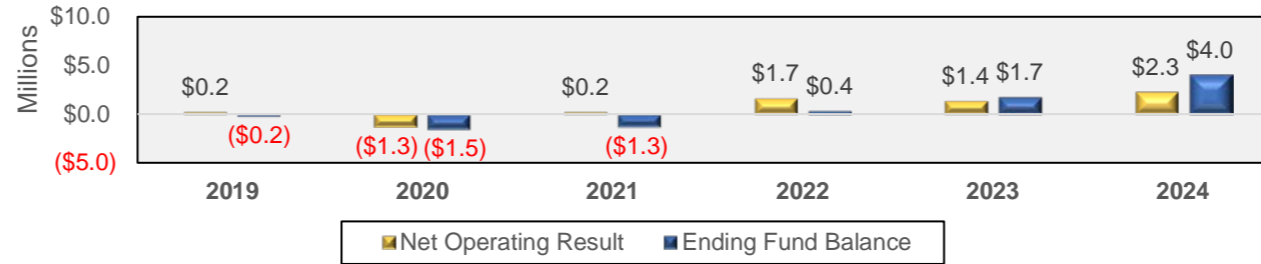


	2019	2020	2021	2022	2023	2024	CAGR
	Projected	Projected	Projected	Projected	Projected	Projected	
EXPENDITURES							
Personnel							
110 Official / Administrative	\$3,852,458	\$3,591,240	\$3,474,366	\$3,357,493	\$3,357,493	\$3,357,493	(2.7%)
120 Instructional	\$49,306,879	\$49,276,802	\$49,171,531	\$49,096,338	\$49,126,415	\$49,126,415	(0.1%)
130 Other Professional	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	0.0%
140 Technical	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	0.0%
150 Office / Clerical	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	0.0%
160 Crafts and Trades	\$490,885	\$490,885	\$490,885	\$490,885	\$490,885	\$490,885	0.0%
170 Operative and Laborer	\$698,630	\$698,630	\$698,630	\$698,630	\$698,630	\$698,630	0.0%
180 Service Work	\$3,631,257	\$3,631,257	\$3,631,257	\$3,631,257	\$3,631,257	\$3,631,257	0.0%
190 Instructional Assistant	\$3,951,123	\$3,951,123	\$3,951,123	\$3,951,123	\$3,951,123	\$3,951,123	0.0%
Subtotal	\$68,115,068	\$67,823,772	\$67,601,628	\$67,409,562	\$67,439,639	\$67,439,639	(0.2%)
Employee Benefits							
210 Group Insurance	\$21,520,419	\$22,982,950	\$24,570,411	\$26,282,771	\$28,188,749	\$30,218,339	7.0%
220 Social Security Contributions	\$5,098,691	\$5,188,519	\$5,171,525	\$5,156,831	\$5,159,132	\$5,159,132	0.2%
230 Retirement Contributions	\$22,937,720	\$22,636,635	\$22,860,511	\$23,120,586	\$23,512,215	\$23,814,927	0.8%
250 Unemployment Compensation	\$94,063	\$255,984	\$226,971	\$202,772	\$93,051	\$93,051	(0.2%)
260 Workers' Compensation	\$927,195	\$923,110	\$919,995	\$917,301	\$917,723	\$917,723	(0.2%)
Subtotal	\$50,578,088	\$51,987,198	\$53,749,413	\$55,680,262	\$57,870,870	\$60,203,172	3.5%
Purchased Professional and Technical Services							
300 Professional and Technical Services	\$1,618,893	\$1,844,509	\$1,885,088	\$1,926,560	\$1,968,944	\$2,012,261	4.4%
320 Educational Services	\$3,185,582	\$3,255,665	\$3,327,289	\$3,400,490	\$3,475,301	\$3,551,757	2.2%
330 Other Professional Services	\$222,000	\$226,884	\$231,875	\$236,977	\$242,190	\$247,518	2.2%
340 Technical Services	\$20,000	\$20,440	\$20,890	\$21,349	\$21,819	\$22,299	2.2%
350 Security / Safety Services	\$252,500	\$258,055	\$263,732	\$269,534	\$275,464	\$281,524	2.2%
Subtotal	\$5,298,975	\$5,605,552	\$5,728,875	\$5,854,910	\$5,983,718	\$6,115,360	2.9%
Purchased Property Services							
420 Utility Services	\$1,537,100	\$1,570,916	\$1,433,931	\$1,450,159	\$1,449,649	\$1,456,829	(1.1%)
430 Repairs and Maintenance	\$749,276	\$765,760	\$782,607	\$799,824	\$817,420	\$835,404	2.2%
440 Rentals	\$691,605	\$694,412	\$683,942	\$698,988	\$714,366	\$730,082	1.1%
490 Other Purchased Property Services	\$100	\$102	\$104	\$107	\$109	\$111	2.2%
Subtotal	\$2,978,081	\$3,031,190	\$2,900,584	\$2,949,079	\$2,981,544	\$3,022,426	0.3%
Other Purchased Services							
Tuition							
561 Tuition to Other School Districts	\$490,000	\$500,780	\$511,797	\$523,057	\$534,564	\$546,324	2.2%
562 Tuition to Charter Schools	\$6,200,000	\$6,768,585	\$7,255,546	\$7,630,266	\$7,953,413	\$8,306,660	6.0%
564 Lackawanna County CTC	\$2,060,376	\$2,105,704	\$2,152,030	\$2,199,374	\$2,247,761	\$2,297,211	2.2%
560 Other Tuition	\$1,761,500	\$1,800,253	\$1,839,859	\$1,880,335	\$1,921,703	\$1,963,980	2.2%
510 Student Transportation	\$4,845,617	\$4,766,159	\$4,871,102	\$4,803,670	\$4,701,677	\$4,805,114	(0.2%)
520 Insurance - General	\$545,146	\$557,139	\$569,396	\$581,923	\$594,725	\$607,809	2.2%
530 Communications	\$378,115	\$386,434	\$390,554	\$399,911	\$398,637	\$407,407	1.5%
540 Advertising	\$17,000	\$22,374	\$22,866	\$23,369	\$23,883	\$24,409	7.5%
550 Printing and Binding	\$10,250	\$10,476	\$10,706	\$10,941	\$11,182	\$11,428	2.2%
580 Travel	\$73,945	\$75,572	\$77,234	\$78,934	\$80,670	\$82,445	2.2%
590 IU Services	\$132,100	\$135,006	\$137,976	\$141,012	\$144,114	\$147,285	2.2%
Subtotal	\$16,514,049	\$17,128,482	\$17,839,067	\$18,272,792	\$18,612,330	\$19,200,073	3.1%
Supplies							
610 Supplies	\$1,927,830	\$1,970,242	\$2,013,588	\$2,057,887	\$2,103,160	\$2,149,430	2.2%
620 Energy	\$650,000	\$664,300	\$607,988	\$618,400	\$621,020	\$628,228	(0.7%)
640 Books and Periodicals	\$548,074	\$860,132	\$879,055	\$898,394	\$918,158	\$938,358	11.4%
Subtotal	\$3,125,904	\$3,494,674	\$3,500,630	\$3,574,680	\$3,642,339	\$3,716,015	3.5%
Property							
Equipment	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
Subtotal	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
Other Objects							
800 Other Objects	\$36,400	\$36,400	\$36,400	\$36,400	\$36,400	\$36,400	0.0%
810 Dues and Fees	\$52,426	\$52,426	\$52,426	\$52,426	\$52,426	\$52,426	0.0%
830 Interest	\$9,857,836	\$9,478,988	\$9,063,252	\$8,639,078	\$8,208,157	\$7,757,828	(4.7%)
880 Refunds for PY Receipts	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$135,000	(12.9%)
890 Miscellaneous Expenditures	\$67,389	\$67,389	\$67,389	\$67,389	\$67,389	\$67,389	0.0%
Subtotal	\$10,284,051	\$9,905,203	\$9,489,467	\$9,065,293	\$8,634,372	\$8,049,043	(4.8%)
Other Use of Funds							
911 Principal Payments	\$8,245,000	\$8,475,000	\$10,609,333	\$9,909,250	\$12,000,000	\$12,048,000	7.9%
Subtotal	\$8,245,000	\$8,475,000	\$10,609,333	\$9,909,250	\$12,000,000	\$12,048,000	7.9%
Total Expenditures	\$165,774,199	\$168,100,025	\$172,082,227	\$173,393,648	\$177,857,545	\$180,501,701	1.7%
Net Operating Result	\$476,922	(\$2,571,215)	(\$2,579,972)	\$156,463	(\$132,637)	\$1,455,610	25.0%
Ending Fund Balance	\$31,858	(\$2,539,358)	(\$5,119,330)	(\$4,962,867)	(\$5,095,503)	(\$3,639,893)	(358.0%)

Appendix E

Scranton School District

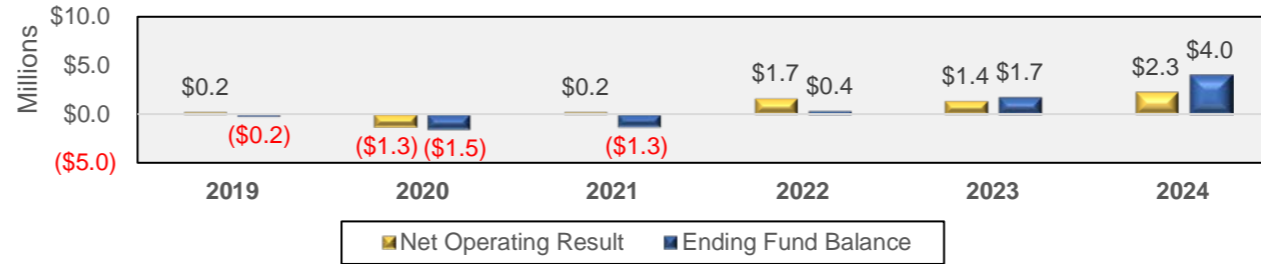
Act 1 Exceptions and Salary Increases



		2019	2020	2021	2022	2023	2024	CAGR
		Projected	Projected	Projected	Projected	Projected	Projected	
REVENUE SUMMARY								
6111/6411	Real Estate Taxes (Current and Delinquent)	\$45,688,768	\$48,431,476	\$51,545,789	\$53,186,688	\$54,881,064	\$56,630,647	4.4%
6151	Earned Income Tax	\$11,000,000	\$11,220,000	\$11,444,400	\$11,673,288	\$11,906,754	\$12,144,889	2.0%
6155/6157	Mercantile and Business Privilege Taxes	\$8,200,000	\$7,460,600	\$7,624,733	\$7,792,477	\$7,963,912	\$8,139,118	(0.1%)
	Other Sources	\$5,136,360	\$5,022,923	\$5,063,693	\$5,106,834	\$5,152,509	\$5,200,891	0.3%
	Local Sources	\$70,025,128	\$72,134,999	\$75,678,615	\$77,759,288	\$79,904,238	\$82,115,545	3.2%
7110	Basic Education Funding	\$44,452,206	\$46,501,939	\$48,081,784	\$49,693,226	\$51,336,897	\$53,013,441	3.6%
7271	Special Education Funding	\$6,204,996	\$6,273,107	\$6,419,885	\$6,569,599	\$6,722,307	\$6,878,069	2.1%
7810	Retirement Reimbursement	\$20,322,871	\$20,170,714	\$20,324,297	\$20,889,127	\$21,180,316	\$21,614,229	1.2%
	Other Sources	\$16,139,239	\$14,260,271	\$14,438,859	\$14,570,110	\$14,622,385	\$14,699,564	(1.9%)
	State Sources	\$87,119,312	\$87,206,031	\$89,264,825	\$91,722,062	\$93,861,904	\$96,205,302	2.0%
	Federal Sources	\$6,982,000	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	0.9%
	Other Funding Sources	\$2,187,746	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	(27.3%)
	Total Revenues	\$166,314,186	\$167,071,033	\$172,673,443	\$177,211,353	\$181,496,146	\$186,050,850	2.3%
EXPENDITURE SUMMARY								
100	Salaries	\$68,326,044	\$68,034,749	\$67,831,253	\$68,888,688	\$68,918,765	\$69,578,479	0.4%
200	Employee Benefits	\$50,668,637	\$52,079,294	\$53,850,705	\$56,340,083	\$58,539,369	\$61,179,742	3.8%
300	Professional and Technical Services	\$5,298,975	\$5,605,552	\$5,728,875	\$5,854,910	\$5,983,718	\$6,115,360	2.9%
400	Purchased Property Services	\$2,978,081	\$3,031,190	\$2,900,584	\$2,949,079	\$2,981,544	\$3,022,426	0.3%
562	Charter School Tuition	\$6,200,000	\$6,768,585	\$7,271,319	\$7,648,866	\$8,071,036	\$8,432,603	6.3%
500	All Other Tuition and Purchased Services	\$10,314,049	\$10,359,897	\$10,583,521	\$10,642,526	\$10,658,917	\$10,893,413	1.1%
600	Supplies	\$3,125,904	\$3,494,674	\$3,500,630	\$3,574,680	\$3,642,339	\$3,716,015	3.5%
700	Property	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
830/910	Debt Service	\$18,102,836	\$17,953,988	\$19,672,585	\$18,548,328	\$20,208,157	\$19,805,828	1.8%
800	Other Objects	\$426,215	\$426,215	\$426,215	\$426,215	\$426,215	\$291,215	(7.3%)
900	Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	—
	Total Expenditures	\$166,075,724	\$168,403,097	\$172,428,916	\$175,551,194	\$180,122,792	\$183,743,053	2.0%
	Net Operating Result	\$238,462	(\$1,332,064)	\$244,527	\$1,660,158	\$1,373,353	\$2,307,798	57.5%
	Ending Fund Balance	(\$206,602)	(\$1,538,666)	(\$1,294,139)	\$366,019	\$1,739,372	\$4,047,170	(281.3%)
REVENUES								
Revenues From Local Sources								
6111	Current Real Estate Taxes	\$41,058,768	\$43,990,376	\$47,113,571	\$48,763,335	\$50,466,557	\$52,224,969	4.9%
6113	Public Utility Realty Tax	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	0.0%
6114	PILOT's	\$65,000	\$177,373	\$177,373	\$177,373	\$177,373	\$177,373	22.2%
6142	Occupation Taxes	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	0.0%
6151	Earned Income Taxes	\$11,000,000	\$11,220,000	\$11,444,400	\$11,673,288	\$11,906,754	\$12,144,889	2.0%
6153	Real Estate Transfer Taxes	\$650,000	\$659,750	\$669,646	\$679,691	\$689,886	\$700,235	1.5%
6155	Business Privilege Taxes	\$6,900,000	\$6,132,000	\$6,266,904	\$6,404,776	\$6,545,681	\$6,689,686	(0.6%)
6157	Mercantile Taxes	\$1,300,000	\$1,328,600	\$1,357,829	\$1,387,701	\$1,418,231	\$1,449,432	2.2%
6411	Delinquent Real Estate Taxes	\$4,630,000	\$4,441,100	\$4,432,218	\$4,423,353	\$4,414,507	\$4,405,678	(1.0%)
6510	Interest	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
6832	Federal IDEA Pass Through	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	0.0%
6910	Rentals	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	0.0%
6940	Tuition Payments	\$822,000	\$822,000	\$822,000	\$822,000	\$822,000	\$822,000	0.0%
6990	Miscellaneous Revenue	\$539,360	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	(12.6%)
6999	Stop Loss Reimbursement	\$400,000	\$428,800	\$459,674	\$492,770	\$528,250	\$566,284	7.2%
	Subtotal	\$70,025,128	\$72,134,999	\$75,678,615	\$77,759,288	\$79,904,238	\$82,115,545	3.2%
Revenue From State Sources								
7110	Basic Education Funding	\$44,452,206	\$46,501,939	\$48,081,784	\$49,693,226	\$51,336,897	\$53,013,441	3.6%
7271	Special Education Funding	\$6,204,996	\$6,273,107	\$6,419,885	\$6,569,599	\$6,722,307	\$6,878,069	2.1%
7310	Transportation Subsidy	\$1,200,000	\$1,316,728	\$1,493,639	\$1,622,312	\$1,672,682	\$1,747,875	7.8%
7320	PlanCon	\$430,000	\$434,304	\$435,981	\$438,559	\$440,464	\$442,450	0.6%
7341	State Property Tax Reduction Allocation	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	0.0%
7505	Ready to Learn Block Grant	\$9,836,814	\$7,836,814	\$7,836,814	\$7,836,814	\$7,836,814	\$7,836,814	(4.4%)
7810	Social Security Reimbursement	\$3,696,084	\$3,760,881	\$3,749,211	\$3,807,301	\$3,809,021	\$3,845,489	0.8%
7820	PSERS Reimbursement	\$16,626,787	\$16,409,833	\$16,575,086	\$17,081,826	\$17,371,295	\$17,768,740	1.3%
7000	Other State Grants	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	0.0%
	Subtotal	\$87,119,312	\$87,206,031	\$89,264,825	\$91,722,062	\$93,861,904	\$96,205,302	2.0%
Revenues From Federal Sources								
8514	Title I Funding	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	0.0%
8515	Title II Funding	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	0.0%
8516	Title III Funding	\$223,000	\$223,000	\$223,000	\$223,000	\$223,000	\$223,000	0.0%
8517	Title IV Funding	\$359,000	\$359,000	\$359,000	\$359,000	\$359,000	\$359,000	0.0%
8800	Medicaid ACCESS Reimbursement	\$750,000	\$1,053,003	\$1,053,003	\$1,053,003	\$1,053,003	\$1,053,003	7.0%
8390	Other Federal Grants	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
	Subtotal	\$6,982,000	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	0.9%
Revenues From Other Sources								
9340	Debt Service Fund Transfer	\$1,742,746	\$0	\$0	\$0	\$0	\$0	(100.0%)
9351	Food Service Fund Transfer	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	0.0%
	Subtotal	\$2,187,746	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	(27.3%)
	Total Revenues	\$166,314,186	\$167,071,033	\$172,673,443	\$177,211,353	\$181,496,146	\$186,050,850	2.3%

Scranton School District

Act 1 Exceptions and Salary Increases

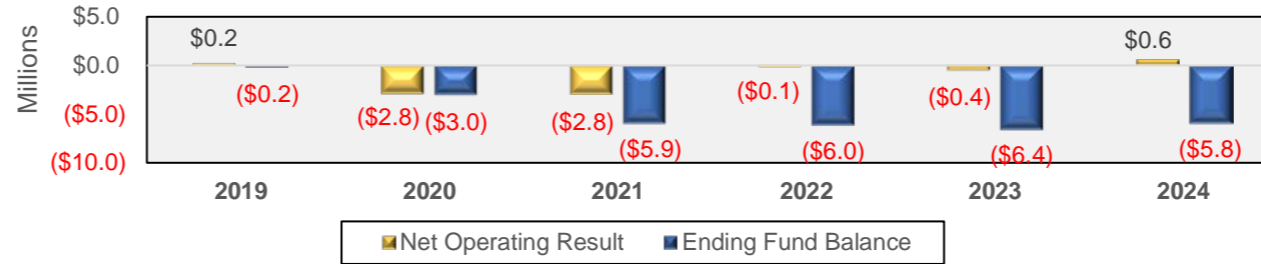


	2019	2020	2021	2022	2023	2024	CAGR
	Projected	Projected	Projected	Projected	Projected	Projected	
EXPENDITURES							
Personnel							
110 Official / Administrative	\$3,867,226	\$3,606,008	\$3,490,440	\$3,461,032	\$3,461,032	\$3,507,212	(1.9%)
120 Instructional	\$49,456,672	\$49,426,595	\$49,334,564	\$50,146,517	\$50,176,595	\$50,644,991	0.5%
130 Other Professional	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	0.0%
140 Technical	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	0.0%
150 Office / Clerical	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	0.0%
160 Crafts and Trades	\$490,885	\$490,885	\$490,885	\$490,885	\$490,885	\$490,885	0.0%
170 Operative and Laborer	\$698,630	\$698,630	\$698,630	\$698,630	\$698,630	\$698,630	0.0%
180 Service Work	\$3,665,013	\$3,665,013	\$3,667,997	\$3,867,917	\$3,867,917	\$3,973,471	1.6%
190 Instructional Assistant	\$3,963,782	\$3,963,782	\$3,964,900	\$4,039,871	\$4,039,871	\$4,079,453	0.6%
Subtotal	\$68,326,044	\$68,034,749	\$67,831,253	\$68,888,688	\$68,918,765	\$69,578,479	0.4%
Employee Benefits							
210 Group Insurance	\$21,520,419	\$22,982,950	\$24,570,411	\$26,282,771	\$28,188,749	\$30,218,339	7.0%
220 Social Security Contributions	\$5,114,831	\$5,204,658	\$5,189,091	\$5,269,985	\$5,272,286	\$5,322,754	0.8%
230 Retirement Contributions	\$23,008,854	\$22,709,316	\$22,940,673	\$23,644,296	\$24,044,601	\$24,594,676	1.3%
250 Unemployment Compensation	\$94,379	\$256,300	\$227,315	\$204,988	\$95,267	\$96,255	0.4%
260 Workers' Compensation	\$930,154	\$926,069	\$923,215	\$938,045	\$938,466	\$947,718	0.4%
Subtotal	\$50,668,637	\$52,079,294	\$53,850,705	\$56,340,083	\$58,539,369	\$61,179,742	3.8%
Purchased Professional and Technical Services							
300 Professional and Technical Services	\$1,618,893	\$1,844,509	\$1,885,088	\$1,926,560	\$1,968,944	\$2,012,261	4.4%
320 Educational Services	\$3,185,582	\$3,255,665	\$3,327,289	\$3,400,490	\$3,475,301	\$3,551,757	2.2%
330 Other Professional Services	\$222,000	\$226,884	\$231,875	\$236,977	\$242,190	\$247,518	2.2%
340 Technical Services	\$20,000	\$20,440	\$20,890	\$21,349	\$21,819	\$22,299	2.2%
350 Security / Safety Services	\$252,500	\$258,055	\$263,732	\$269,534	\$275,464	\$281,524	2.2%
Subtotal	\$5,298,975	\$5,605,552	\$5,728,875	\$5,854,910	\$5,983,718	\$6,115,360	2.9%
Purchased Property Services							
420 Utility Services	\$1,537,100	\$1,570,916	\$1,433,931	\$1,450,159	\$1,449,649	\$1,456,829	(1.1%)
430 Repairs and Maintenance	\$749,276	\$765,760	\$782,607	\$799,824	\$817,420	\$835,404	2.2%
440 Rentals	\$691,605	\$694,412	\$683,942	\$698,988	\$714,366	\$730,082	1.1%
490 Other Purchased Property Services	\$100	\$102	\$104	\$107	\$109	\$111	2.2%
Subtotal	\$2,978,081	\$3,031,190	\$2,900,584	\$2,949,079	\$2,981,544	\$3,022,426	0.3%
Other Purchased Services							
Tuition							
561 Tuition to Other School Districts	\$490,000	\$500,780	\$511,797	\$523,057	\$534,564	\$546,324	2.2%
562 Tuition to Charter Schools	\$6,200,000	\$6,768,585	\$7,271,319	\$7,648,866	\$8,071,036	\$8,432,603	6.3%
564 Lackawanna County CTC	\$2,060,376	\$2,105,704	\$2,152,030	\$2,199,374	\$2,247,761	\$2,297,211	2.2%
560 Other Tuition	\$1,761,500	\$1,800,253	\$1,839,859	\$1,880,335	\$1,921,703	\$1,963,980	2.2%
510 Student Transportation	\$4,845,617	\$4,766,159	\$4,871,102	\$4,803,670	\$4,701,677	\$4,805,114	(0.2%)
520 Insurance - General	\$545,146	\$557,139	\$569,396	\$581,923	\$594,725	\$607,809	2.2%
530 Communications	\$378,115	\$386,434	\$390,554	\$399,911	\$398,637	\$407,407	1.5%
540 Advertising	\$17,000	\$22,374	\$22,866	\$23,369	\$23,883	\$24,409	7.5%
550 Printing and Binding	\$10,250	\$10,476	\$10,706	\$10,941	\$11,182	\$11,428	2.2%
580 Travel	\$73,945	\$75,572	\$77,234	\$78,934	\$80,670	\$82,445	2.2%
590 IU Services	\$132,100	\$135,006	\$137,976	\$141,012	\$144,114	\$147,285	2.2%
Subtotal	\$16,514,049	\$17,128,482	\$17,854,840	\$18,291,392	\$18,729,953	\$19,326,016	3.2%
Supplies							
610 Supplies	\$1,927,830	\$1,970,242	\$2,013,588	\$2,057,887	\$2,103,160	\$2,149,430	2.2%
620 Energy	\$650,000	\$664,300	\$607,988	\$618,400	\$621,020	\$628,228	(0.7%)
640 Books and Periodicals	\$548,074	\$860,132	\$879,055	\$898,394	\$918,158	\$938,358	11.4%
Subtotal	\$3,125,904	\$3,494,674	\$3,500,630	\$3,574,680	\$3,642,339	\$3,716,015	3.5%
Property							
Equipment	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
Subtotal	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
Other Objects							
800 Other Objects	\$36,400	\$36,400	\$36,400	\$36,400	\$36,400	\$36,400	0.0%
810 Dues and Fees	\$52,426	\$52,426	\$52,426	\$52,426	\$52,426	\$52,426	0.0%
830 Interest	\$9,857,836	\$9,478,988	\$9,063,252	\$8,639,078	\$8,208,157	\$7,757,828	(4.7%)
880 Refunds for PY Receipts	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$135,000	(12.9%)
890 Miscellaneous Expenditures	\$67,389	\$67,389	\$67,389	\$67,389	\$67,389	\$67,389	0.0%
Subtotal	\$10,284,051	\$9,905,203	\$9,489,467	\$9,065,293	\$8,634,372	\$8,049,043	(4.8%)
Other Use of Funds							
911 Principal Payments	\$8,245,000	\$8,475,000	\$10,609,333	\$9,909,250	\$12,000,000	\$12,048,000	7.9%
Subtotal	\$8,245,000	\$8,475,000	\$10,609,333	\$9,909,250	\$12,000,000	\$12,048,000	7.9%
Total Expenditures	\$166,075,724	\$168,403,097	\$172,428,916	\$175,551,194	\$180,122,792	\$183,743,053	2.0%
Net Operating Result	\$238,462	(\$1,332,064)	\$244,527	\$1,660,158	\$1,373,353	\$2,307,798	57.5%
Ending Fund Balance	(\$206,602)	(\$1,538,666)	(\$1,294,139)	\$366,019	\$1,739,372	\$4,047,170	(281.3%)

Appendix F

Scranton School District

Workforce Savings and Salary Increases



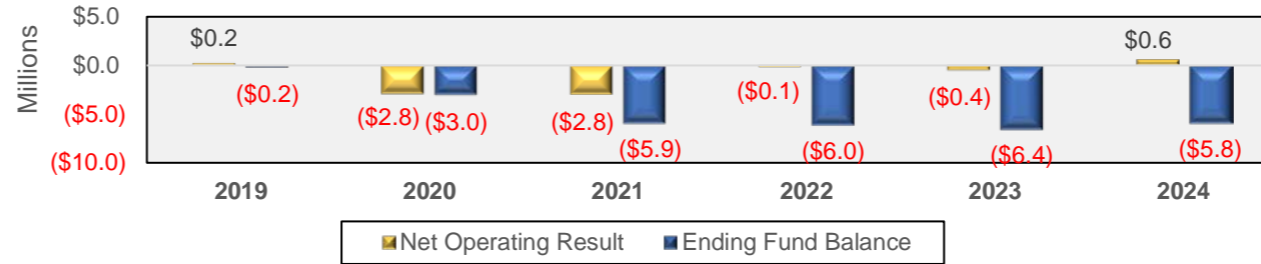
	2019	2020	2021	2022	2023	2024	CAGR
	Projected	Projected	Projected	Projected	Projected	Projected	
REVENUE SUMMARY							
6111/6411 Real Estate Taxes (Current and Delinquent)	\$45,688,768	\$46,953,435	\$48,445,221	\$49,985,651	\$51,576,301	\$53,218,798	3.1%
6151 Earned Income Tax	\$11,000,000	\$11,220,000	\$11,444,400	\$11,673,288	\$11,906,754	\$12,144,889	2.0%
6155/6157 Mercantile and Business Privilege Taxes	\$8,200,000	\$7,460,600	\$7,624,733	\$7,792,477	\$7,963,912	\$8,139,118	(0.1%)
Other Sources	\$5,136,360	\$5,018,923	\$5,055,157	\$5,093,172	\$5,133,072	\$5,174,967	0.1%
Local Sources	\$70,025,128	\$70,652,958	\$72,569,511	\$74,544,588	\$76,580,039	\$78,677,772	2.4%
7110 Basic Education Funding	\$44,452,206	\$46,501,939	\$48,081,784	\$49,693,226	\$51,336,897	\$53,013,441	3.6%
7271 Special Education Funding	\$6,204,996	\$6,273,107	\$6,419,885	\$6,569,599	\$6,722,307	\$6,878,069	2.1%
7810 Retirement Reimbursement	\$20,322,854	\$20,213,856	\$20,438,859	\$20,767,582	\$21,173,372	\$21,667,632	1.3%
Other Sources	\$16,139,239	\$14,260,271	\$14,438,859	\$14,570,110	\$14,622,385	\$14,699,564	(1.9%)
State Sources	\$87,119,295	\$87,249,173	\$89,379,153	\$91,600,517	\$93,854,960	\$96,258,706	2.0%
Federal Sources	\$6,982,000	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	0.9%
Other Funding Sources	\$2,187,746	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	(27.3%)
Total Revenues	\$166,314,169	\$165,632,134	\$169,678,667	\$173,875,108	\$178,165,002	\$182,666,481	1.9%

	2019	2020	2021	2022	2023	2024	CAGR
	Projected	Projected	Projected	Projected	Projected	Projected	
EXPENDITURE SUMMARY							
100 Salaries	\$68,326,050	\$68,189,001	\$68,233,200	\$68,532,009	\$68,935,530	\$69,784,819	0.4%
200 Employee Benefits	\$50,668,614	\$51,963,749	\$53,544,195	\$55,147,226	\$57,096,435	\$59,357,816	3.2%
300 Professional and Technical Services	\$5,298,975	\$5,605,552	\$5,728,875	\$5,854,910	\$5,983,718	\$6,115,360	2.9%
400 Purchased Property Services	\$2,978,081	\$3,031,190	\$2,900,584	\$2,949,079	\$2,981,544	\$3,022,426	0.3%
562 Charter School Tuition	\$6,200,000	\$6,768,585	\$7,272,989	\$7,653,152	\$7,985,093	\$8,345,631	6.1%
500 All Other Tuition and Purchased Services	\$10,314,049	\$10,359,897	\$10,583,521	\$10,642,526	\$10,658,917	\$10,893,413	1.1%
600 Supplies	\$3,125,904	\$3,494,674	\$3,500,630	\$3,574,680	\$3,642,339	\$3,716,015	3.5%
700 Property	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
830/910 Debt Service	\$18,102,836	\$17,953,988	\$19,672,585	\$18,548,328	\$20,208,157	\$19,805,828	1.8%
800 Other Objects	\$426,215	\$426,215	\$426,215	\$426,215	\$426,215	\$291,215	(7.3%)
900 Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	—
Total Expenditures	\$166,075,706	\$168,441,804	\$172,526,025	\$174,005,944	\$178,610,681	\$182,040,496	1.9%
Net Operating Result	\$238,463	(\$2,809,670)	(\$2,847,358)	(\$130,836)	(\$445,678)	\$625,985	21.3%
Ending Fund Balance	(\$206,601)	(\$3,016,271)	(\$5,863,629)	(\$5,994,466)	(\$6,440,144)	(\$5,814,159)	94.9%

REVENUES							
Revenues From Local Sources							
6111 Current Real Estate Taxes	\$41,058,768	\$42,512,335	\$44,013,003	\$45,562,297	\$47,161,794	\$48,813,121	3.5%
6113 Public Utility Realty Tax	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	0.0%
6114 PILOT's	\$65,000	\$177,373	\$177,373	\$177,373	\$177,373	\$177,373	22.2%
6142 Occupation Taxes	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	0.0%
6151 Earned Income Taxes	\$11,000,000	\$11,220,000	\$11,444,400	\$11,673,288	\$11,906,754	\$12,144,889	2.0%
6153 Real Estate Transfer Taxes	\$650,000	\$659,750	\$669,646	\$679,691	\$689,886	\$700,235	1.5%
6155 Business Privilege Taxes	\$6,900,000	\$6,132,000	\$6,266,904	\$6,404,776	\$6,545,681	\$6,689,686	(0.6%)
6157 Mercantile Taxes	\$1,300,000	\$1,328,600	\$1,357,829	\$1,387,701	\$1,418,231	\$1,449,432	2.2%
6411 Delinquent Real Estate Taxes	\$4,630,000	\$4,441,100	\$4,432,218	\$4,423,353	\$4,414,507	\$4,405,678	(1.0%)
6510 Interest	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
6832 Federal IDEA Pass Through	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000	0.0%
6910 Rentals	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	0.0%
6940 Tuition Payments	\$822,000	\$822,000	\$822,000	\$822,000	\$822,000	\$822,000	0.0%
6990 Miscellaneous Revenue	\$539,360	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	(12.6%)
6999 Stop Loss Reimbursement	\$400,000	\$424,800	\$451,138	\$479,108	\$508,813	\$540,359	6.2%
Subtotal	\$70,025,128	\$70,652,958	\$72,569,511	\$74,544,588	\$76,580,039	\$78,677,772	2.4%
Revenue From State Sources							
7110 Basic Education Funding	\$44,452,206	\$46,501,939	\$48,081,784	\$49,693,226	\$51,336,897	\$53,013,441	3.6%
7271 Special Education Funding	\$6,204,996	\$6,273,107	\$6,419,885	\$6,569,599	\$6,722,307	\$6,878,069	2.1%
7310 Transportation Subsidy	\$1,200,000	\$1,316,728	\$1,493,639	\$1,622,312	\$1,672,682	\$1,747,875	7.8%
7320 PlanCon	\$430,000	\$434,304	\$435,981	\$438,559	\$440,464	\$442,450	0.6%
7341 State Property Tax Reduction Allocation	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	\$4,372,425	0.0%
7505 Ready to Learn Block Grant	\$9,836,814	\$7,836,814	\$7,836,814	\$7,836,814	\$7,836,814	\$7,836,814	(4.4%)
7810 Social Security Reimbursement	\$3,696,084	\$3,768,853	\$3,769,765	\$3,785,761	\$3,807,808	\$3,854,757	0.8%
7820 PSERS Reimbursement	\$16,626,770	\$16,445,003	\$16,668,860	\$16,981,821	\$17,365,564	\$17,812,876	1.4%
7000 Other State Grants	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	0.0%
Subtotal	\$87,119,295	\$87,249,173	\$89,379,153	\$91,600,517	\$93,854,960	\$96,258,706	2.0%
Revenues From Federal Sources							
8514 Title I Funding	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	\$4,900,000	0.0%
8515 Title II Funding	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	0.0%
8516 Title III Funding	\$223,000	\$223,000	\$223,000	\$223,000	\$223,000	\$223,000	0.0%
8517 Title IV Funding	\$359,000	\$359,000	\$359,000	\$359,000	\$359,000	\$359,000	0.0%
8800 Medicaid ACCESS Reimbursement	\$750,000	\$1,053,003	\$1,053,003	\$1,053,003	\$1,053,003	\$1,053,003	7.0%
8390 Other Federal Grants	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
Subtotal	\$6,982,000	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	\$7,285,003	0.9%
Revenues From Other Sources							
9340 Debt Service Fund Transfer	\$1,742,746	\$0	\$0	\$0	\$0	\$0	(100.0%)
9351 Food Service Fund Transfer	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	0.0%
Subtotal	\$2,187,746	\$445,000	\$445,000	\$445,000	\$445,000	\$445,000	(27.3%)
Total Revenues	\$166,314,169	\$165,632,134	\$169,678,667	\$173,875,108	\$178,165,002	\$182,666,481	1.9%

Scranton School District

Workforce Savings and Salary Increases



	2019	2020	2021	2022	2023	2024	CAGR
	Projected	Projected	Projected	Projected	Projected	Projected	
EXPENDITURES							
Personnel							
110 Official / Administrative	\$3,867,226	\$3,618,978	\$3,517,420	\$3,417,875	\$3,437,476	\$3,489,613	(2.0%)
120 Instructional	\$49,456,671	\$49,527,105	\$49,624,728	\$49,968,617	\$50,290,940	\$50,924,232	0.6%
130 Other Professional	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	\$1,324,886	0.0%
140 Technical	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	\$1,128,131	0.0%
150 Office / Clerical	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	\$3,730,819	0.0%
160 Crafts and Trades	\$490,885	\$490,885	\$490,885	\$490,885	\$490,885	\$490,885	0.0%
170 Operative and Laborer	\$680,963	\$645,630	\$645,630	\$645,630	\$645,630	\$645,630	(1.1%)
180 Service Work	\$3,682,686	\$3,747,669	\$3,782,675	\$3,822,287	\$3,867,084	\$3,986,255	1.6%
190 Instructional Assistant	\$3,963,782	\$3,974,899	\$3,988,026	\$4,002,879	\$4,019,680	\$4,064,368	0.5%
Subtotal	\$68,326,050	\$68,189,001	\$68,233,200	\$68,532,009	\$68,935,530	\$69,784,819	0.4%
Employee Benefits							
210 Group Insurance	\$21,520,419	\$22,681,492	\$23,847,516	\$25,205,275	\$26,649,946	\$28,302,242	5.6%
220 Social Security Contributions	\$5,114,831	\$5,216,459	\$5,219,840	\$5,242,699	\$5,273,568	\$5,338,539	0.9%
230 Retirement Contributions	\$23,008,830	\$22,761,478	\$23,080,955	\$23,517,589	\$24,050,595	\$24,669,860	1.4%
250 Unemployment Compensation	\$94,379	\$376,088	\$467,032	\$248,620	\$183,625	\$96,564	0.5%
260 Workers' Compensation	\$930,154	\$928,232	\$928,852	\$933,043	\$938,702	\$950,612	0.4%
Subtotal	\$50,668,614	\$51,963,749	\$53,544,195	\$55,147,226	\$57,096,435	\$59,357,816	3.2%
Purchased Professional and Technical Services							
300 Professional and Technical Services	\$1,618,893	\$1,844,509	\$1,885,088	\$1,926,560	\$1,968,944	\$2,012,261	4.4%
320 Educational Services	\$3,185,582	\$3,255,665	\$3,327,289	\$3,400,490	\$3,475,301	\$3,551,757	2.2%
330 Other Professional Services	\$222,000	\$226,884	\$231,875	\$236,977	\$242,190	\$247,518	2.2%
340 Technical Services	\$20,000	\$20,440	\$20,890	\$21,349	\$21,819	\$22,299	2.2%
350 Security / Safety Services	\$252,500	\$258,055	\$263,732	\$269,534	\$275,464	\$281,524	2.2%
Subtotal	\$5,298,975	\$5,605,552	\$5,728,875	\$5,854,910	\$5,983,718	\$6,115,360	2.9%
Purchased Property Services							
420 Utility Services	\$1,537,100	\$1,570,916	\$1,433,931	\$1,450,159	\$1,449,649	\$1,456,829	(1.1%)
430 Repairs and Maintenance	\$749,276	\$765,760	\$782,607	\$799,824	\$817,420	\$835,404	2.2%
440 Rentals	\$691,605	\$694,412	\$683,942	\$698,988	\$714,366	\$730,082	1.1%
490 Other Purchased Property Services	\$100	\$102	\$104	\$107	\$109	\$111	2.2%
Subtotal	\$2,978,081	\$3,031,190	\$2,900,584	\$2,949,079	\$2,981,544	\$3,022,426	0.3%
Other Purchased Services							
Tuition							
561 Tuition to Other School Districts	\$490,000	\$500,780	\$511,797	\$523,057	\$534,564	\$546,324	2.2%
562 Tuition to Charter Schools	\$6,200,000	\$6,768,585	\$7,272,989	\$7,653,152	\$7,985,093	\$8,345,631	6.1%
564 Lackawanna County CTC	\$2,060,376	\$2,105,704	\$2,152,030	\$2,199,374	\$2,247,761	\$2,297,211	2.2%
560 Other Tuition	\$1,761,500	\$1,800,253	\$1,839,859	\$1,880,335	\$1,921,703	\$1,963,980	2.2%
510 Student Transportation	\$4,845,617	\$4,766,159	\$4,871,102	\$4,803,670	\$4,701,677	\$4,805,114	(0.2%)
520 Insurance - General	\$545,146	\$557,139	\$569,396	\$581,923	\$594,725	\$607,809	2.2%
530 Communications	\$378,115	\$386,434	\$390,554	\$399,911	\$398,637	\$407,407	1.5%
540 Advertising	\$17,000	\$22,374	\$22,866	\$23,369	\$23,883	\$24,409	7.5%
550 Printing and Binding	\$10,250	\$10,476	\$10,706	\$10,941	\$11,182	\$11,428	2.2%
580 Travel	\$73,945	\$75,572	\$77,234	\$78,934	\$80,670	\$82,445	2.2%
590 IU Services	\$132,100	\$135,006	\$137,976	\$141,012	\$144,114	\$147,285	2.2%
Subtotal	\$16,514,049	\$17,128,482	\$17,856,511	\$18,295,678	\$18,644,010	\$19,239,044	3.1%
Supplies							
610 Supplies	\$1,927,830	\$1,970,242	\$2,013,588	\$2,057,887	\$2,103,160	\$2,149,430	2.2%
620 Energy	\$650,000	\$664,300	\$607,988	\$618,400	\$621,020	\$628,228	(0.7%)
640 Books and Periodicals	\$548,074	\$860,132	\$879,055	\$898,394	\$918,158	\$938,358	11.4%
Subtotal	\$3,125,904	\$3,494,674	\$3,500,630	\$3,574,680	\$3,642,339	\$3,716,015	3.5%
Property							
Equipment	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
Subtotal	\$634,983	\$648,953	\$663,230	\$677,821	\$692,733	\$707,973	2.2%
Other Objects							
800 Other Objects	\$36,400	\$36,400	\$36,400	\$36,400	\$36,400	\$36,400	0.0%
810 Dues and Fees	\$52,426	\$52,426	\$52,426	\$52,426	\$52,426	\$52,426	0.0%
830 Interest	\$9,857,836	\$9,478,988	\$9,063,252	\$8,639,078	\$8,208,157	\$7,757,828	(4.7%)
880 Refunds for PY Receipts	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$135,000	(12.9%)
890 Miscellaneous Expenditures	\$67,389	\$67,389	\$67,389	\$67,389	\$67,389	\$67,389	0.0%
Subtotal	\$10,284,051	\$9,905,203	\$9,489,467	\$9,065,293	\$8,634,372	\$8,049,043	(4.8%)
Other Use of Funds							
911 Principal Payments	\$8,245,000	\$8,475,000	\$10,609,333	\$9,909,250	\$12,000,000	\$12,048,000	7.9%
Subtotal	\$8,245,000	\$8,475,000	\$10,609,333	\$9,909,250	\$12,000,000	\$12,048,000	7.9%
Total Expenditures	\$166,075,706	\$168,441,804	\$172,526,025	\$174,005,944	\$178,610,681	\$182,040,496	1.9%
Net Operating Result	\$238,463	(\$2,809,670)	(\$2,847,358)	(\$130,836)	(\$445,678)	\$625,985	21.3%
Ending Fund Balance	(\$206,601)	(\$3,016,271)	(\$5,863,629)	(\$5,994,466)	(\$6,440,144)	(\$5,814,159)	94.9%

Appendix G

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Bancroft	K-5	FS 2012	ADA	5	Elevator & Vestibule	\$257,400	\$308,880								
Bancroft	K-5	FS 2012	ADA	5	Provide gate to parking area	\$5,850	\$7,020								
Bancroft	K-5	FS 2012	ADA	5	Provide accessible stalls (4)	\$19,656	\$23,587								
Bancroft	K-5	FS 2012	ADA	5	Provide accessible toilet in kindergarten	\$8,424	\$10,109								
Bancroft	K-5	FS 2012	Interior Code	4	Fire Rating- doors	\$50,778	\$60,934								
Bancroft	K-5	FS 2012	Interior Code	4	Fire Rating- stairto wers	\$88,920	\$106,704								
Bancroft	K-5	FS 2012	Interior Code	4	Fire Rating- boiler room	\$2,223	\$2,668								
Bancroft	K-5	FS 2012	Interior Code	4	Fire Rating- columns in boiler room	\$11,700	\$14,040								
Bancroft	K-5	FS 2012	Interior Code	4	Replace stair handrails	\$9,477	\$11,372								
Bancroft	K-5	FS 2012	GBM-Exterior	7	Replace chain link fence fabric	\$11,700	\$14,040								
Bancroft	K-5	FS 2012	GBM-Exterior	4	Abate lead paint in fence	\$30,406	\$36,487								
Bancroft	K-5	FS 2012	GBM-Exterior	3	Repair foundation cracks	\$40,950	\$49,140								
Bancroft	K-5	FS 2012	GBM-Exterior	7	Provide AC20 Sealant to perimeter	\$1,989	\$2,387								
Bancroft	K-5	FS 2012	GBM-Interior	6	Wall & Ceiling Repair	\$11,700	\$14,040								
Bancroft	K-5	FS 2012	GBM-Interior	6	Renovate all toilet rooms - <i>Less amount below</i>	\$52,650	\$38,180								
Bancroft	K-5	FS 2012	GBM-Interior	5	Replace access door to roof	\$1,638	\$1,966								
Bancroft	K-5	FS 2012	GBM-Interior	7	Replace w ater damage to BR ceiling	\$702	\$842								
Bancroft	K-5	FS 2012	GBM-Interior	8	Refinish w ood floors	\$78,206	\$93,847								
Bancroft	K-5	FS 2012	GBM-Interior	8	Replace carpet	\$10,425	\$12,510								
Bancroft	K-5	FS 2012	GBM-Interior	8	Replace chalkboards	\$40,436	\$48,523								
Bancroft	K-5	FS 2012	Engineering - A	9		\$67,860	\$81,432								
Bancroft	K-5	FS 2012	Engineering - C	9		\$533,581	\$640,297								
Bancroft	K-5	FS 2012	Engineering - G	9		\$153,310	\$183,972								
Bancroft	K-5	FS 2012	Engineering - P	9		\$75,476	\$90,571								
Bancroft	K-5	J Brazil	GBM-Exterior	1	Repair front Steps	\$20,000	\$20,000								
Bancroft	K-5	J Brazil	GBM-Interior	3	Upgrade Cafeteria	\$25,000	\$25,000								
Bancroft	K-5	J Brazil	GBM-Interior	3	Replace B/R stalls -	\$25,000	\$25,000								
Bancroft	K-5	J Brazil	HVAC	3	Dehumidification System	\$10,000	\$10,000								
Bancroft	K-5	J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$16,492	\$16,492								
Bancroft - Total								\$1,950,040							

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Sumner	K-5	FS 2012	ADA	5	Elevator & Vestibule	\$386,100	\$463,320								
Sumner		FS 2012	ADA	5	Concrete ramp	\$41,857	\$50,228								
Sumner		FS 2012	ADA	5	Install new uni-sex BR's	\$19,656	\$23,587								
Sumner		FS 2012	ADA	5	Install barrier free doors	\$24,570	\$29,484								
Sumner		FS 2012	ADA	5	Install barrier free doors (in masonry walls)	\$19,656	\$23,587								
Sumner		FS 2012	ADA	5	New stair tower enclosures	\$22,230	\$26,676								
Sumner		FS 2012	ADA	5	New exit enclosures	\$21,060	\$25,272								
Sumner		FS 2012	ADA	5	New handrails	\$12,110	\$14,532								
Sumner		FS 2012	ADA	5	New stair guards	\$10,530	\$12,636								
Sumner		FS 2012	ADA	5	Cut back millwork	\$878	\$1,054								
Sumner		FS 2012	Exterior Code	10	Replace windows - <i>Replaced per ESCO</i>	\$59,963	\$0								
Sumner		FS 2012	Exterior Code	10	Replace curtain wall windows - <i>Replaced per ESCO</i>	\$642,096	\$0								
Sumner		FS 2012	Interior Code	4	Add CMU partition to enclosure under bsmt stairs	\$1,638	\$1,966								
Sumner		FS 2012	Interior Code	4	Install fire rated door assemblies	\$26,208	\$31,450								
Sumner		FS 2012	Interior Code	4	Replace wood paneling at corridors with CMU partitions	\$12,695	\$15,234								
Sumner		FS 2012	GBM-Exterior	6	Replace bituminous pave & Piers	\$39,312	\$47,174								
Sumner		FS 2012	GBM-Exterior	6	Repair iron fence in rear	\$33,930	\$40,716								
Sumner		FS 2012	GBM-Exterior	6	Paint CL fence	\$2,925	\$3,510								
Sumner		FS 2012	Roof	10	Replace roofing - <i>New since report</i>	\$228,735	\$0								
Sumner		FS 2012	Engineering - A	9		\$24,200	\$29,040								
Sumner		FS 2012	Engineering - C	9		\$257,499	\$308,999								
Sumner		FS 2012	Engineering - G	9		\$166,959	\$200,351								
Sumner		FS 2012	Engineering - P	9		\$44,866	\$53,839								
Sumner		J Brazil	Fire-Life-Safety	1	Fire Protection; strobes	\$85,000	\$85,000								
Sumner		J Brazil	Interior	3	Upgrade Bathroom	\$75,000	\$75,000								
Sumner		J Brazil	Interior	1.5	Upgrade Intercom Sys.	\$15,000	\$15,000								
Sumner		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$22,719	\$22,719								
Sumner - Total								\$1,600,374							

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Adams	K-5	FS 2012	ADA	5	Parking lines	\$585	\$702								
Adams		FS 2012	ADA	5	New concrete ramp	\$26,325	\$31,590								
Adams		FS 2012	ADA	5	Replace ext doors & frames	\$2,925	\$3,510								
Adams		FS 2012	ADA	5	Wheelchair lift in gym,	\$58,500	\$70,200								
Adams		FS 2012	ADA	5	Install elevator	\$140,400	\$168,480								
Adams		FS 2012	ADA	5	Change locating of stair doors	\$24,710	\$29,652								
Adams		FS 2012	ADA	5	Modify BR's	\$14,040	\$16,848								
Adams		FS 2012	ADA	5	Relocate door openings	\$32,760	\$39,312								
Adams		FS 2012	Exterior Code	4	Replace steps	\$20,121	\$24,145								
Adams		FS 2012	Interior Code	4	Replace stair tower doors with rated	\$19,890	\$23,868								
Adams		FS 2012	Interior Code	4	New handrails	\$3,861	\$4,633								
Adams		FS 2012	Interior Code	4	Replace handrails in stair towers	\$14,040	\$16,848								
Adams		FS 2012	Interior Code	4	Non-slip nosing on stairs	\$5,031	\$6,037								
Adams		FS 2012	Interior Code	4	Add rated wall	\$351	\$421								
Adams		FS 2012	Interior Code	4	Install fire rated ceiling system	\$8,190	\$9,828								
Adams		FS 2012	Interior Code	4	Renovate BR's - less amount below	\$83,070	\$24,684								
Adams		FS 2012	GBM-Exterior	6	Replace doors	\$46,800	\$56,160								
Adams		FS 2012	GBM-Exterior	6	Replace walkway	\$1,755	\$2,106								
Adams		FS 2012	GBM-Exterior	6	Patch foundation wall	\$1,170	\$1,404								
Adams		FS 2012	GBM-Exterior	6	Repair/repaint W Iron fence	\$40,950	\$49,140								
Adams		FS 2012	GBM-Exterior	6	Replace chain link fence fabric	\$5,850	\$7,020								
Adams		FS 2012	GBM-Exterior	4	Repoint chimney	\$5,265	\$6,318								
Adams		FS 2012	GBM-Exterior	6	Replace basement windows	\$33,930	\$40,716								
Adams		FS 2012	Roof	10	Replace roofing - New since report	\$124,020	\$0								
Adams		FS 2012	GBM-Interior	6	Replace carpet	\$5,440	\$6,528								
Adams		FS 2012	GBM-Interior	6	Patch walls	\$20,358	\$24,430								
Adams		FS 2012	GBM-Interior	6	Refinish HW floors	\$25,681	\$30,817								
Adams		FS 2012	Engineering - A	9		\$37,440	\$44,928								
Adams		FS 2012	Engineering - C	9		\$647,730	\$777,276								
Adams		FS 2012	Engineering - G	9		\$424,242	\$509,090								
Adams		FS 2012	Engineering - P	9		\$110,941	\$133,129								
Adams		J Brazil	GBM-Exterior	1	Upgrade Sidewalk	\$15,000	\$15,000								
Adams		J Brazil	GBM-Interior	3	Bathroom Upgrade	\$75,000	\$75,000								
Adams		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$29,198	\$29,198								
Adams - Total								\$2,279,018							

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Willard	K-5	FS 2012	ADA	5	Concrete ramp	\$13,163	\$15,796								
Willard		FS 2012	ADA	5	Parking lines	\$585	\$702								
Willard		FS 2012	ADA	5	Curb cut	\$1,170	\$1,404								
Willard		FS 2012	ADA	5	Install w wheelchair lift	\$68,445	\$82,134								
Willard		FS 2012	ADA	5	Elevator & Vestibule	\$374,400	\$449,280								
Willard		FS 2012	ADA	5	Non-slip nosing on stairs	\$4,680	\$5,616								
Willard		FS 2012	ADA	5	New B/R fixtures	\$17,550	\$21,060								
Willard		FS 2012	ADA	5	Replace doors	\$65,520	\$78,624								
Willard		FS 2012	ADA	5	Move doors in stair towers	\$18,720	\$22,464								
Willard		FS 2012	Exterior Code	4	New main entrance concrete stairs	\$14,040	\$16,848								
Willard		FS 2012	Exterior Code	4	New side concrete stairs	\$63,180	\$75,816								
Willard		FS 2012	Exterior Code	10	New windows - Replaced per ESCO	\$526,500	\$0								
Willard		FS 2012	Exterior Code	4	New stairs at back	\$4,914	\$5,897								
Willard		FS 2012	Exterior Code	4	New handrails at multi-purpose room	\$1,580	\$1,896								
Willard		FS 2012	Exterior Code	4	Replace ext. doors & frames	\$95,940	\$115,128								
Willard		FS 2012	Interior Code	4	Replace handrails in stair towers	\$52,650	\$63,180								
Willard		FS 2012	Interior Code	4	Replace stair tower doors with rated	\$39,312	\$47,174								
Willard		FS 2012	Interior Code	4	New BR partitions and fixtures	\$198,900	\$238,680								
Willard		FS 2012	Interior Code	4	Close off bottom of exit stairs at LL	\$4,680	\$5,616								
Willard		FS 2012	GBM-Exterior	4	Replace joints w / silicon	\$1,463	\$1,756								
Willard		FS 2012	GBM-Exterior	6	Repair/paint W iron fence	\$5,850	\$7,020								
Willard		FS 2012	GBM-Exterior	6	Paint CL fence	\$21,294	\$25,553								
Willard		FS 2012	GBM-Exterior	6	Replace curb at fence posts	\$4,388	\$5,266								
Willard		FS 2012	GBM-Interior	6	New carpet in speech therapy	\$1,170	\$1,404								
Willard		FS 2012	GBM-Interior	6	Repair plaster	\$3,510	\$4,212								
Willard		FS 2012	GBM-Interior	6	Repair/replace terrazzo floor in corridors	\$5,616	\$6,739								
Willard		FS 2012	GBM-Interior	6	New chalkboards	\$7,020	\$8,424								
Willard		FS 2012	GBM-Interior	3	Seal crack in brick wall in stair tower (bsmt)	\$2,340	\$2,808								
Willard		FS 2012	GBM-Interior	6	Plaster panel in girls BR	\$351	\$421								
Willard		FS 2012	GBM-Interior	6	Refinish hw floors	\$70,200	\$84,240								
Willard		J Brazil	Roof	1	Repair/replace roof	\$430,000	\$430,000								
Willard		J Brazil	GBM-Exterior	1.5	Playground resurface	\$25,000	\$25,000								
Willard		J Brazil	GBM-Interior	3	Upgrade B/R	\$45,000	\$45,000								
Willard		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$30,611	\$30,611								
Willard - Total								\$1,925,769							

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Morris	K-5	FS 2012	ADA	5	Add 2 curb cuts	\$2,340	\$2,808								
Morris		FS 2012	ADA	5	Ramp at main entrance	\$52,650	\$63,180								
Morris		FS 2012	ADA	5	Elevator & Vestibule - in multi-purpose rm	\$140,400	\$168,480								
Morris		FS 2012	ADA	5	Relocate classroom doors	\$39,312	\$47,174								
Morris		FS 2012	ADA	5	Reconstruct Bsmt BR to make uni-sex accessible See below	\$11,700	\$0								
Morris		FS 2012	ADA	5	Wheelchair lift in storage area	\$58,500	\$70,200								
Morris		FS 2012	ADA	5	Convert BR to be accessible - 1st flr	\$11,700	\$14,040								
Morris		FS 2012	ADA	5	New uni-sex BR at 4th grade classroom	\$11,700	\$14,040								
Morris		FS 2012	ADA	5	Move stair doors	\$22,464	\$26,957								
Morris		FS 2012	ADA	5	Reconstruct toilet in med rm	\$11,700	\$14,040								
Morris		FS 2012	Exterior Code	4	Replace ext doors	\$99,450	\$119,340								
Morris		FS 2012	Exterior Code	10	Replace window s - Replaced per ESCO	\$280,976	\$0								
Morris		FS 2012	Interior Code	4	Replace stair tower handrails	\$25,272	\$30,326								
Morris		FS 2012	Interior Code	4	New handrails leading to multi-purpose rm	\$1,580	\$1,896								
Morris		FS 2012	Interior Code	4	Replace doors at main stairs w/ rated	\$14,040	\$16,848								
Morris		FS 2012	Interior Code	4	New guard rails in stairs	\$1,755	\$2,106								
Morris		FS 2012	Interior Code	4	Close off bottom of stairs w/ masonry	\$1,170	\$1,404								
Morris		FS 2012	GBM-Exterior	6	Repave walk at main entrance	\$4,476	\$5,371								
Morris		FS 2012	GBM-Exterior	6	Repave sidewalk on Columbia st	\$7,371	\$8,845								
Morris		FS 2012	GBM-Exterior	6	Repair bituminous pave in playground	\$9,360	\$11,232								
Morris		FS 2012	GBM-Exterior	6	Repair pave in parking area	\$4,476	\$5,371								
Morris		FS 2012	GBM-Exterior	6	Replace CL fence	\$8,190	\$9,828								
Morris		FS 2012	GBM-Exterior	3	Repoint masonry in façade	\$5,850	\$7,020								
Morris		FS 2012	GBM-Exterior	6	Replace stair leading to boiler room	\$17,550	\$21,060								
Morris		FS 2012	GBM-Interior	6	Remove wood stairs leading to access door - music rm	\$585	\$702								
Morris		FS 2012	GBM-Interior	6	Replace carpet in IST rm	\$1,170	\$1,404								
Morris		FS 2012	GBM-Interior	6	Replace BR partitions	\$9,360	\$11,232								
Morris		FS 2012	GBM-Interior	6	Repair plaster	\$4,680	\$5,616								
Morris		FS 2012	GBM-Interior	6	Replace ceiling tiles	\$1,170	\$1,404								
Morris		FS 2012	Engineering - A	9		\$87,066	\$104,479								
Morris		FS 2012	Engineering - C	9		\$643,661	\$772,393								
Morris		FS 2012	Engineering - G	9		\$205,189	\$246,227								
Morris		FS 2012	Engineering - P	9		\$93,592	\$112,310								
Morris		J Brazil	GBM-Interior	1	Repair/replace collapsing wall	\$100,000	\$100,000								
Morris		J Brazil	GBM-Interior	3	Basement BR remodel	\$50,000	\$50,000								
Morris		J Brazil	Roof	2	Replace roofing	\$375,000	\$375,000								
Morris		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$29,065	\$29,065								
Morris - Total								\$2,471,398							

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Prescott	K-5	FS 2012	ADA	5	Remove walkway/reinstall new concrete ramps w/ handrails	\$16,848	\$20,218								
Prescott		FS 2012	ADA	5	Install elevator & enclosure	\$386,100	\$463,320								
Prescott		FS 2012	ADA	5	Install wheelchair lift to Basement Floor.	\$58,500	\$70,200								
Prescott		FS 2012	ADA	5	Install Barrier Free unisex toilet room	\$22,464	\$26,957								
Prescott		FS 2012	ADA	5	Fire rated- door and wall construction	\$32,760	\$39,312								
Prescott		FS 2012	ADA	5	Remove stair tower enclosure and install new enclosure	\$25,272	\$30,326								
Prescott		FS 2012	Exterior Code	4	Remove concrete walk/install new steps & handrails	\$21,938	\$26,326								
Prescott		FS 2012	Exterior Code	4	Remove 2 sets of stairs at front of school/replace with new.	\$23,166	\$27,799								
Prescott		FS 2012	Exterior Code	10	Remove curtain window/replace with insulating glass-ESCO	\$711,360	\$0								
Prescott		FS 2012	Exterior Code	4	Remove concrete walk/install new concrete walk	\$878	\$1,054								
Prescott		FS 2012	Interior Code	4	Fire rated- door and wall construction	\$3,417	\$4,100								
Prescott		FS 2012	Interior Code	4	Install new 1-1/2 o.d. handrails with req. extensions	\$7,793	\$9,352								
Prescott		FS 2012	Interior Code	4	Fire rated-hollow metal doors & frames	\$19,656	\$23,587								
Prescott		FS 2012	GBM-Exterior	10	Remove roof and replace with new roof+insulat - New	\$105,417	\$0								
Prescott		FS 2012	GBM-Exterior	6	Repaint wrought iron fence	\$5,967	\$7,160								
Prescott		FS 2012	Engineering - A	9		\$81,462	\$97,754								
Prescott		FS 2012	Engineering - C	9		\$438,101	\$525,721								
Prescott		FS 2012	Engineering - G	9		\$124,137	\$148,964								
Prescott		FS 2012	Engineering - P	9		\$64,370	\$77,244								
Prescott	J Brazil	GBM-Interior		3	Wrapping/frosting of front entrance window	\$2,000	\$2,000								
Prescott	J Brazil	GBM-Interior		3	Repair basement steps	\$7,500	\$7,500								
Prescott	J Brazil	GBM-Exterior		3	Resurface playground	\$25,000	\$25,000								
Prescott	J Brazil	GBM-Exterior		1.5	Enclosure of front entrance / Control	\$50,000	\$50,000								
Prescott	J Brazil	Fire-Life-Safety		2	District wide allocation	\$18,703	\$18,703								
Prescott - Total								\$1,702,597							

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Armstrong	K-5	FS 2012	ADA	5	Install concrete ramp in courtyard	\$506	\$607								
Armstrong		FS 2012	ADA	5	Install elevator & enclosure	\$152,100	\$182,520								
Armstrong		FS 2012	ADA	5	Install w heelchair lift to stage; multi-purpose room	\$29,250	\$35,100								
Armstrong		FS 2012	ADA	5	Install barrier-free unisex toilet room	\$22,464	\$26,957								
Armstrong		FS 2012	ADA	5	Install new barrier-free door assemblies	\$75,348	\$90,418								
Armstrong		FS 2012	ADA	5	Remove exterior hollow metal doors/install barrier-free door	\$26,208	\$31,450								
Armstrong		FS 2012	Exterior Code	4	Install new handrails in courtyard stair	\$5,265	\$6,318								
Armstrong		FS 2012	Interior Code	4	Remove stair handrail/replace with 1-1/2" o.d. handrails	\$5,792	\$6,950								
Armstrong		FS 2012	GBM-Exterior	6	Remove deteriorated pave panels/replace with new pave	\$103,304	\$123,965								
Armstrong		FS 2012	GBM-Exterior	6	Repair/repaint w rought iron fence	\$7,371	\$8,845								
Armstrong		FS 2012	GBM-Exterior	6	Paint CL fence and post	\$6,669	\$8,003								
Armstrong		FS 2012	GBM-Exterior	6	Replace concrete curb and walk	\$1,434	\$1,721								
Armstrong		FS 2012	GBM-Exterior	6	Remove deteriorated CL fence/install new CL fence	\$35,100	\$42,120								
Armstrong		FS 2012	GBM-Exterior	6	Repoint existing stone wall	\$37,440	\$44,928								
Armstrong		FS 2012	Engineering - A	9		\$123,052	\$147,662								
Armstrong		FS 2012	Engineering - C	9		\$984,043	\$1,180,852								
Armstrong		FS 2012	Engineering - G	9		\$541,944	\$650,333								
Armstrong		FS 2012	Engineering - P	9		\$164,904	\$197,885								
Armstrong		J Brazil	GBM-Interior	3	Replace carpeting	\$50,000	\$50,000								
Armstrong		J Brazil	GBM-Exterior	3	Replace front/rear doors	\$25,000	\$25,000								
Armstrong		J Brazil	Interior Code	3	Upgrade Bathrooms	\$40,000	\$40,000								
Armstrong		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$51,830	\$51,830								
Armstrong - Total								\$2,953,464							

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Mc Nichols	K-5	FS 2012	ADA	5	Install handicapped curb cut at bus entry	\$2,800	\$3,360								
Mc Nichols		FS 2012	ADA	5	Provide ramp to building at bus entry	\$2,100	\$2,520								
Mc Nichols		FS 2012	ADA	5	Provide ramp to exterior toilets at playground side of build.	\$2,700	\$3,240								
Mc Nichols		FS 2012	ADA	5	Upgrade toilet rooms to ADA standards	\$53,000	\$63,600								
Mc Nichols		FS 2012	ADA	5	Install new handicapped accessible door hardware	\$14,000	\$16,800								
Mc Nichols		FS 2012	ADA	5	Move doors to comply with ADA requirements	\$8,200	\$9,840								
Mc Nichols		FS 2012	ADA	5	Provide handicapped signage	\$2,500	\$3,000								
Mc Nichols		FS 2012	ADA	5	Provide handicapped sink in the Art Room	\$1,200	\$1,440								
Mc Nichols		FS 2012	Exterior Code	4	Replace site stairs and handrails	\$87,750	\$105,300								
Mc Nichols		FS 2012	Interior Code	4	Fire rated-doors and frames install	\$8,775	\$10,530								
Mc Nichols		FS 2012	GBM-Exterior	6	Window replacement	\$120,000	\$144,000								
Mc Nichols		FS 2012	GBM-Exterior	7	Pave parking and driveways	\$346,500	\$415,800								
Mc Nichols		FS 2012	GBM-Exterior	7	Site drainage improvements	\$50,000	\$60,000								
Mc Nichols		FS 2012	GBM-Exterior	6	Replace exterior doors	\$35,400	\$42,480								
Mc Nichols		FS 2012	GBM-Interior	6	Refinish gym floor	\$30,888	\$37,066								
Mc Nichols		FS 2012	GBM-Interior	6	Replace carpet	\$100,000	\$120,000								
Mc Nichols		FS 2012	GBM-Interior	6	Provide movable ramp into side booth	\$1,170	\$1,404								
Mc Nichols		FS 2012	Engineering - A	9		\$114,437	\$137,324								
Mc Nichols		FS 2012	Engineering - C	9		\$263,180	\$315,816								
Mc Nichols		FS 2012	Engineering - G	9		\$202,118	\$242,542								
Mc Nichols		FS 2012	Engineering - P	9		\$60,314	\$72,377								
Mc Nichols		J Brazil	GBM-Exterior	1	Step replacement	\$100,000	\$100,000								
Mc Nichols		J Brazil	Interior Code	1.5	(Fire) complete system upgrade	\$100,000	\$100,000								
Mc Nichols		J Brazil	GBM-Interior	3	Replace carpet	\$75,000	\$75,000								
Mc Nichols		J Brazil	GBM-Interior	3	Triguard Security Access Control to Lobby	\$3,710	\$3,710								
Mc Nichols		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$33,121	\$33,121								
Mc Nichols - Total								\$2,120,270							

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
S Scranton	6th-8	FS 2012	ADA	5	Provide new elevator cab & controls	\$93,600	\$112,320								
S Scranton		FS 2012	ADA	5	Install w heelchair lift from auditorium to stage	\$29,250	\$35,100								
S Scranton		FS 2012	ADA	5	Remove toilet partitions/replace with barrier-free unisex toil.	\$20,475	\$24,570								
S Scranton		FS 2012	ADA	5	Install barrier-free fire rated door and w all construction	\$393,120	\$471,744								
S Scranton		FS 2012	ADA	5	Install basement ramp from café to main level	\$72,394	\$86,873								
S Scranton		FS 2012	ADA	5	Install barrier-free seating in auditorium	\$2,925	\$3,510								
S Scranton		FS 2012	ADA	5	Install hearing impaired FM loop system in Auditorium	\$4,095	\$4,914								
S Scranton		FS 2012	ADA	5	Renovate existing show ers in locker rooms and gym offices	\$18,720	\$22,464								
S Scranton		FS 2012	ADA	5	Renovate existing lockers in locker rooms	\$2,340	\$2,808								
S Scranton		FS 2012	Exterior Code	4	Remove 8 sets of stairs/replace w ith new concrete steps/rails	\$68,621	\$82,345								
S Scranton		FS 2012	Exterior Code	6	Gut w indow frames/install aluminum frames, insulating glass	\$1,134,374	\$1,361,249								
S Scranton		FS 2012	Exterior Code	4	Remove existing stair handrail/replace w ith 1-1/2" o.d.	\$5,792	\$6,950								
S Scranton		FS 2012	Interior Code	4	Provide CMU partition to enclose underside of stairs	\$2,253	\$2,704								
S Scranton		FS 2012	Interior Code	4	Remove existing stair handrail/replace w ith 1-1/2" o.d.	\$79,502	\$95,402								
S Scranton		FS 2012	GBM-Exterior	6	Remove/replace existing deteriorated bituminous paving	\$9,951	\$11,941								
S Scranton		FS 2012	GBM-Exterior	6	Remove/replace deteriorated chain link fence & posts	\$14,625	\$17,550								
S Scranton		FS 2012	GBM-Exterior	4	Repair/rebuild stone retaining w all	\$37,440	\$44,928								
S Scranton		FS 2012	GBM-Exterior	6	Remove/replace deteriorated concrete w alks	\$33,977	\$40,772								
S Scranton		FS 2012	GBM-Exterior	6	Remove/replace deteriorated concrete stair landings	\$28,665	\$34,398								
S Scranton		FS 2012	GBM-Exterior	4	Repoint existing brick w alls	\$32,058	\$38,470								
S Scranton		FS 2012	GBM-Exterior	4	Cut and caulk existing open joints in limestone copings	\$35,100	\$42,120								
S Scranton		FS 2012	Engineering - A	9		\$261,378	\$313,654								
S Scranton		FS 2012	Engineering - C	9		\$817,414	\$980,897								
S Scranton		FS 2012	Engineering - G	9		\$1,985,783	\$2,382,940								
S Scranton		FS 2012	Engineering - P	9		\$306,457	\$367,748								
S Scranton		J Brazil	GBM-Interior	1	Emergency Backup generator	\$100,000	\$100,000								
S Scranton		J Brazil	GBM-Exterior	3	Upgrade parking lot access + repair the parking deck	\$45,000	\$45,000								
S Scranton		J Brazil	Exterior Code	1	Repair sidew alk	\$75,000	\$75,000								
S Scranton		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$121,815	\$121,815								
S Scranton - Total								\$6,930,186							

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
W Scranton Int	6th-8	FS 2012	ADA	5	Replace interior doors to meet current ADA reqs	\$105,300	\$126,360								
W Scranton Int		FS 2012	ADA	5	Upgrade existing toilet rooms to meet current ADA reqs	\$222,300	\$266,760								
W Scranton Int		FS 2012	ADA	5	Remove seats in theatre/provide handicapped seating	\$11,700	\$14,040								
W Scranton Int		FS 2012	ADA	5	Provide space in pool seating for handicapped seating	\$7,020	\$8,424								
W Scranton Int		FS 2012	ADA	5	Install handicapped accessible hardware on exterior doors	\$5,265	\$6,318								
W Scranton Int		FS 2012	ADA	5	Remove/replace concrete slab-on-grade ramp, Exit Corridor 6	\$28,080	\$33,696								
W Scranton Int		FS 2012	ADA	5	Remove/replace portions of slab-on-grade ramps, various loc.	\$84,240	\$101,088								
W Scranton Int		FS 2012	Exterior Code	4	Replace handrail & guardrail at exterior stairs	\$4,680	\$5,616								
W Scranton Int		FS 2012	Exterior Code	4	Remove/replace deteriorated concrete walkway	\$29,250	\$35,100								
W Scranton Int		FS 2012	Interior Code	4	Remove/replace stair handrails	\$10,530	\$12,636								
W Scranton Int		FS 2012	Interior Code	4	Replace pipe railing at top of seating area at pool	\$5,265	\$6,318								
W Scranton Int		FS 2012	Interior Code	4	Provide 42" high guard at bottom of aisle stairs at pool area	\$3,510	\$4,212								
W Scranton Int		FS 2012	Interior Code	4	Replace handrail guards in stairs	\$1,170	\$1,404								
W Scranton Int		FS 2012	Interior Code	5	Replace ceiling at pool area	\$21,060	\$25,272								
W Scranton Int		FS 2012	GBM-Exterior	6	Exterior paint, various location	\$11,700	\$14,040								
W Scranton Int		FS 2012	GBM-Exterior	6	Remove/replace paving in parking area, various areas	\$4,680	\$5,616								
W Scranton Int		FS 2012	GBM-Exterior	4	Repair/replace deteriorated vertical control joints in CMU ven.	\$5,850	\$7,020								
W Scranton Int		FS 2012	GBM-Exterior	4	Replace missing/deteriorated exterior door w weather-stripping	\$6,903	\$8,284								
W Scranton Int		FS 2012	GBM-Interior	4	Replace carpet in main office	\$2,340	\$2,808								
W Scranton Int		FS 2012	GBM-Interior	4	Replace damaged or stained ceiling tiles, various areas	\$5,850	\$7,020								
W Scranton Int		FS 2012	GBM-Interior	10	Replace carpet in various locations -See Below	\$23,400	\$0								
W Scranton Int		FS 2012	GBM-Interior	3	Repair vertical wall cracks in CMU Walls throughout school	\$5,850	\$7,020								
W Scranton Int		FS 2012	GBM-Interior	4	Repair cracks in main gym floor	\$17,550	\$21,060								
W Scranton Int		FS 2012	Engineering - A	9		\$146,484	\$175,781								
W Scranton Int		FS 2012	Engineering - C	9		\$658,195	\$789,834								
W Scranton Int		FS 2012	Engineering - G	9		\$466,631	\$559,957								
W Scranton Int		FS 2012	Engineering - P	9		\$137,131	\$164,557								
W Scranton Int		J Brazil	GBM-Exterior	1	Upgrade windows for front of building	\$200,000	\$200,000								
W Scranton Int		J Brazil	GBM-Exterior	3	Repair/seal parking lot	\$30,000	\$30,000								
W Scranton Int		J Brazil	GBM-Exterior	3	Replace carpet	\$75,000	\$75,000								
W Scranton Int		J Brazil	GBM-Exterior	3	Repair roof/parapet	\$200,000	\$200,000								
W Scranton Int		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$116,103	\$116,103								
W Scranton Int								\$3,031,344							

Annual Funding Allocation

School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Admin Bldg		Misc.	Roof	2	Repair/Replace	\$250,000	\$250,000								
Admin Bldg		Misc.	GBM-Interior	1	Entrance Control	\$50,000	\$50,000								
Admin Bldg		Misc.	HVAC	3	New HVAC System	\$1,300,000	\$1,300,000								
Admin Bldg		Misc.	ADA	3	Modifications	\$350,000	\$350,000								
Admin Bldg - Total								\$1,950,000							
School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Tripp	K-5	J Brazil	GBM-Exterior	3	Parking lot crack/seal repair	\$25,000	\$25,000								
Tripp		J Brazil	GBM-Exterior	3	Triguard, CCTV	\$4,122	\$4,122								
Tripp		J Brazil	Fire-Life-Safety	3	District Wide Allocation	\$0	\$0								
Tripp - Total								\$29,122							
School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Whittier	K-5	J Brazil	GBM-Exterior	1.5	Upgrade playground/soft surface	\$75,000	\$75,000								
Whittier		J Brazil	GBM-Exterior	3	Seal parking lot crack	\$10,000	\$10,000								
Whittier		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$0	\$0								
Whittier								\$85,000							
School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Kennedy	K-5	J Brazil	GBM-Exterior	3	Repair and seal parking lot crack	\$15,000	\$15,000								
Kennedy		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$27,565	\$27,565								
Kennedy - Total								\$42,565							
School	Grades	Source	Category	Priority Level	Items	Original Cost	Current Cost	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Scranton HS	9th-12	J Brazil	GBM-Interior	1.5	Install Chillers	\$400,000	\$400,000								
Scranton HS		J Brazil	GBM-Exterior	3	Seal parking lot crack	\$40,000	\$40,000								
Scranton HS		J Brazil	GBM-Interior	3	Replace carpeting in auditorium/hallways	\$25,000	\$25,000								
Scranton HS		J Brazil	Fire-Life-Safety	2	District Wide Allocation	\$195,382	\$195,382								
Scranton HS - Total								\$660,382							

Appendix H

SCRANTON SD 2014-2018 TOTAL UTILITY COSTS * vs GESA PROJECT BASELINE**

PHM, 3/28/19

Line	Year	Electric	Gas	Water/Sewer	Total E, G, W/S	Actual Cost Less Baseline Cost - E	Actual Cost Less Baseline Cost - G	Actual Cost Less Baseline Cost - W/S	Actual Total Cost Less Baseline Total	Actual Savings Vs. Guarantee
1	2014 Actual Costs	\$1,438,482	\$673,500	\$301,638	\$2,413,620					
2	2015 Actual Costs	\$1,393,604	\$469,807	\$300,411	\$2,163,822					
3	2014/2015 avg.	\$1,416,043	\$571,654	\$301,025	\$2,288,721					
4	GESA Baseline	\$1,391,032	\$548,740	\$157,756	\$2,097,528	\$25,011	\$22,914	\$143,269	\$191,193	
	Comments on Baseline accuracy					Baseline 1.8% low	Baseline 4.0% low	Baseline 48% low	Baseline 8.4% low	
5	2016 Actual Costs	\$1,374,788	\$559,129	\$329,721	\$2,263,638	-\$16,244	\$10,389	\$171,965	\$166,110	N.A.
6	2017 Actual Costs	\$1,267,827	\$587,540	\$308,599	\$2,163,966	-\$123,205	\$38,800	\$150,843	\$66,438	N.A.
7	2018 Actual Costs	\$1,007,513	\$727,133	\$305,628	\$2,040,274	-\$383,519	\$178,393	\$147,872	-\$57,254	\$554,543 Preliminary
8	2019 Actual Costs	TBD	TBD	TBD	TBD	TBD SAVINGS	TBD SHORTFALL	TBD	TBD	TBD

- Notes:
- *Total actual calendar year electric + gas + water/sewer utility costs for 17 active buildings (1,673,667 s.f.) Data from SSD Flex Report, Act Code Expenditures by Fund Source
 - **GESA Baseline year utility costs determined with "substantial data taken from calendar year 2014-2015" by Constellation.
 - Individual bldg water/sewer data varies substantially from year to year for many bldgs. GESA Baseline seems very low - Further study needed
 - McNichols and WSIS had major heating systems converted from electric to gas in 2017, but gas use data for new systems is not shown in 2017 & 2018??
 - Constellation's Yr. 1 Energy Cost Saving Guarantee = \$611,797 (Yr. 1 for M&V = 2019 calendar year) Actual "preliminary" savings to date are well short of the guarantee

3.4 Utility Summary Tables and Baseline Figures

Detailed Baseline Data used for Weather-related ECMs

Tables 7, 8, and 9 illustrate SSD's overall utility consumption and cost patterns for the included buildings. Table 7 is based on one (1) year period with substantial data taken from calendar year 2014-15. In addition to showing consumption and cost the tables calculate BTU/yr values for each building by month.

Table 7: Electricity Usage for SSD Facilities

School	Bldg. Area (sf)	Electricity								
		Yearly Average kWh	Yearly Average Usage Cost	Usage Cost \$/kWh	Yearly Maximum Demand (kW)	Yearly Maximum Demand Cost	Demand Cost \$/kW	Yearly Average Total Cost	Total Cost \$/kWh	kWh/SF
McNichols Elem	49,685	1,189,800	\$ 104,129.36	\$ 0.0875	439	\$ 2,099.04	\$ 4.78	\$ 125,959.36	\$ 0.105	23.95
W. Scranton Inter	174,166	4,239,000	\$ 252,843.67	\$ 0.0596	1,484	\$ 6,220.93	\$ 4.19	\$ 341,593.21	\$ 0.081	24.34
Scranton High	293,092	5,429,750	\$ 308,221.42	\$ 0.0568	1,184	\$ 4,963.33	\$ 4.19	\$ 416,473.90	\$ 0.077	18.53
Kennedy Elem	41,350	420,240	\$ 37,565.75	\$ 0.0894	177	\$ 741.98	\$ 4.19	\$ 46,916.38	\$ 0.112	10.16
John Whittier Elem	44,391	454,320	\$ 40,071.33	\$ 0.0882	233	\$ 1,193.82	\$ 5.12	\$ 48,020.51	\$ 0.106	10.23
Isaac Tripp Elem	92,602	914,000	\$ 79,161.21	\$ 0.0866	471	\$ 2,185.10	\$ 4.64	\$ 96,030.05	\$ 0.105	9.87
George Bancroft Elem	24,740	93,600	\$ 8,495.92	\$ 0.0908	39	\$ -	\$ -	\$ 10,838.09	\$ 0.116	3.78
Neil Armstrong Elem	77,750	584,160	\$ 52,820.46	\$ 0.0904	317	\$ 1,644.26	\$ 5.19	\$ 61,285.94	\$ 0.105	7.51
Admin	40,000	217,800	\$ 12,986.36	\$ 0.0596	94	\$ 394.05	\$ 4.19	\$ 18,593.25	\$ 0.085	5.45
William Prescott	28,056	135,120	\$ 8,048.76	\$ 0.0596	51	\$ 213.79	\$ 4.19	\$ 11,327.96	\$ 0.084	4.82
John Adams Elem	40,380	111,660	\$ 6,644.07	\$ 0.0595	41	\$ 171.87	\$ 4.19	\$ 9,937.24	\$ 0.089	2.77
Frances Williard	44,391	139,300	\$ 8,249.66	\$ 0.0592	64	\$ 268.29	\$ 4.19	\$ 12,653.04	\$ 0.091	3.14
W. Scranton High	229,150	729,960	\$ 43,448.45	\$ 0.0595	262	\$ 1,098.30	\$ 4.19	\$ 60,860.87	\$ 0.083	3.19
Robert Morris Elem	43,600	146,520	\$ 8,712.77	\$ 0.0595	48	\$ 201.22	\$ 4.19	\$ 12,662.96	\$ 0.086	3.36
S. Scranton Inter	182,734	718,480	\$ 42,749.19	\$ 0.0595	278	\$ 1,165.38	\$ 4.19	\$ 60,731.46	\$ 0.085	3.93
Charles Sumner Elem (1)	34,080	139,560	\$ 8,264.48	\$ 0.0592	53	\$ 222.18	\$ 4.19	\$ 12,149.07	\$ 0.087	4.10

1,346,032

Table 8: Natural Gas Usage for SSD Facilities

School	Natural Gas				TOTAL	
	Yearly Average mmBtu	Yearly Average Cost	\$/mmBtu	kBtu/SF	EUI (kBtu/SF)	\$/SF
McNichols Elem	-	\$ 358.78	#DIV/0!	-	\$1.7101	\$ 2.5424
W. Scranton Inter	Electric Only	Electric Only	Electric Only	Electric On	83.0476	\$ 1.9613
Scranton High	26,233.36	\$ 150,006.35	\$ 5.7182	89.5055	152.7180	\$ 1.9328
Kennedy Elem	2,362.39	\$ 18,112.76	\$ 7.6671	57.1315	91.8091	\$ 1.5727
John Whittier Elem	1,319.01	\$ 10,020.02	\$ 7.5966	29.7135	64.6351	\$ 1.3075
Isaac Tripp Elem	4,753.73	\$ 22,828.16	\$ 4.8022	51.3351	85.0136	\$ 1.2835
George Bancroft Elem	2,313.49	\$ 18,082.97	\$ 7.8163	93.5120	106.4214	\$ 1.1690
Neil Armstrong Elem	4,566.36	\$ 29,211.96	\$ 6.3972	58.7313	84.3678	\$ 1.1640
Admin	2,678.20	\$ 20,949.01	\$ 7.8221	66.9550	85.5341	\$ 0.9886
William Prescott	1,908.59	\$ 15,042.98	\$ 7.8817	68.0279	84.4610	\$ 0.9399
John Adams Elem	3,248.73	\$ 24,872.04	\$ 7.6559	80.4538	89.8892	\$ 0.8620
Frances Williard	3,268.16	\$ 23,687.66	\$ 7.2480	73.6221	84.3295	\$ 0.8187
W. Scranton High	17,232.34	\$ 105,109.77	\$ 6.0996	75.2011	86.0705	\$ 0.7243
Robert Morris Elem	2,203.85	\$ 16,870.97	\$ 7.6552	50.5470	62.0136	\$ 0.6774
S. Scranton Inter	8,899.02	\$ 61,131.22	\$ 6.8694	48.6993	62.1153	\$ 0.6669
Charles Sumner Elem (1)	2,656.00	\$ 17,677.07	\$ 6.6555	77.9343	91.9072	\$ 0.8752
Northeast Inter	2,115.43	\$ 15,136.60	\$ 7.1553	10.2631	19.2784	\$ 0.2900

548,740

Table 9: Water and Sewer Usage for SSD Facilities

School	Water and Sewer	
	Yearly Average kgal	Yearly Average Cost
McNichols Elementary	609,400	\$ 6,490.43
W. Scranton Intermediate	2,006,500	\$ 19,422.48
Scranton High School	4,835,000	\$ 47,796.14
Kennedy Elementary	305,100	\$ 5,488.67
John Whittier Elementary	398,300	\$ 6,173.95
Isaac Tripp Elementary	1,190,600	\$ 13,641.33
George Bancroft Elementary	231,900	\$ 2,637.54
Neil Armstrong Elementary	787,000	\$ 7,938.39
Administration Bldg	117,000	\$ 1,620.13
William Prescott Elementary	278,900	\$ 3,017.40
John Adams Elementary	355,300	\$ 3,644.70
Frances Williard Elementary	513,200	\$ 5,245.39
W. Scranton High School	906,100	\$ 10,624.87
Robert Morris Elementary	355,600	\$ 4,382.85
S. Scranton Intermediate	962,500	\$ 9,369.25
Charles Sumner Elementary	272,500	\$ 2,972.96
Northeast Intermediate	747,700	\$ 7,291.42

\$ 157,956

Appendix I

**Scranton School District Recovery Plan Initiative List
Initiatives by Order in Plan**

Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Academic Achievement	ACHIEVE01	Invest funds to replace curriculum and classroom technology	District shall begin curriculum writing with English/language arts and mathematics by August 31, 2019 and complete by June 30, 2020. Other subject areas shall be rewritten as time and resources are available	August 31, 2019	Superintendent, Chief Academic Officer	Annually in August thereafter
Academic Achievement	ACHIEVE01	Invest funds to replace curriculum and classroom technology	District shall develop a five-year replacement plan for textbooks and classroom materials, and the plan shall include the integration of technology	June 30, 2020	Superintendent, Chief Academic Officer, Principals, Instructional Technology Director, and Business Manager	Annually in June thereafter
Academic Achievement	ACHIEVE01	Invest funds to replace curriculum and classroom technology	Board shall adopt the textbook and technology plans	June 30, 2020	School Board: to be approved by the CRO	As needed with future updates
Academic Achievement	ACHIEVE02	Conduct an audit of curriculum to identify needs and establish priorities for investments	District use internal staff or external support to conduct an audit of curriculum	August 31, 2019	Chief Academic Officer, Chief of Leadership Development, and Principals	
Academic Achievement	ACHIEVE02	Conduct an audit of curriculum to identify needs and establish priorities for investments	District shall prioritize areas for review to coincide with the re-writing of curriculum outlined in ACHIEVE01	August 31, 2019	Superintendent, Chief Academic Officer, Chief of Leadership Development, and Principals	
Academic Achievement	ACHIEVE02	Conduct an audit of curriculum to identify needs and establish priorities for investments	District shall establish a process for future audits of curriculum	December 31, 2019	Superintendent, Chief Academic Officer, Chief of Leadership Development, and Principals	
Academic Achievement	ACHIEVE03	Strengthen support systems to build academic skills	District shall eliminate all grade promotion policies based on length of time	September 30, 2019	School Board	
Academic Achievement	ACHIEVE03	Strengthen support systems to build academic skills	District shall expand the summer school program for students performing below grade level	June 30, 2020	Superintendent, Chief Academic Officer, Principals, and Business Manager	
Academic Achievement	ACHIEVE04	Align professional development opportunities with academic strategic goals outlined in this Recovery Plan	District shall offer all professional development opportunities after school hours	August 31, 2019	Superintendent	
Academic Achievement	ACHIEVE04	Align professional development opportunities with academic strategic goals outlined in this Recovery Plan	District shall align all professional development opportunities with academic strategic goals in the Recovery Plan	September 30, 2019	Superintendent, Chief of Leadership Development, Principals, and Business Manager	
Academic Achievement	ACHIEVE05	Reassign principals based on building needs for instructional leadership, improvement of learning outcomes, and enhanced building culture	District shall evaluate the assignment of principals and make adjustments according to the academic goals in the Recovery Plan	August 31, 2019	Superintendent, Chief of Leadership Development	Annually thereafter
Academic Achievement	ACHIEVE06	Implement school improvement plans with fidelity	District shall implement all school improvement plans with fidelity	August 31, 2019	Superintendent, Chief Leadership Development, and Principals	Annually thereafter
Academic Achievement	ACHIEVE07	Transition to community-based partners for all Pre-Kindergarten programs as part of the building re-configuration	District shall re-allocate Title I funding to K-8 interventions if the District receives additional funds to support Pre-Kindergarten programs in the 2018-19 school year	December 31, 2019	Superintendent, School Board, and CRO	
Academic Achievement	ACHIEVE07	Transition to community-based partners for all Pre-Kindergarten programs as part of the building re-configuration	District shall transition to center-based partners for Pre-Kindergarten programs and re-allocate remaining Title I funding to K-8 interventions	June 30, 2020	Superintendent, School Board, and CRO	
Academic Achievement	ACHIEVE08	Complete transition to schoolwide allocations for Title I funding in elementary schools	District shall complete the building comprehensive plans as part of the transition to schoolwide Title I allocations	Immediately upon response of State to submitted plans	Superintendent, Business Manager, Title I Coordinator, and Chief Academic Officer	Initial deadline of 9/1/19; ongoing thereafter
Academic Achievement	ACHIEVE09	Implement the arts integration grant with fidelity	District shall ensure that the arts integration grant is not impacted by the building re-configuration plan in the submission of the final plan to the School Board	December 31, 2019	Superintendent, Chief Academic Officer, and Business Manager	
Academic Achievement	ACHIEVE10	Review course offerings for potential consolidation of duplicative programs	District shall review course offerings for potential consolidation of duplicative programs	August 31, 2019	Chief Academic Officer, Principals	Annually thereafter
Academic Achievement	ACHIEVE10	Review course offerings for potential consolidation of duplicative programs	District shall current schedules of all school buildings to allocate time for interventions and enrichment	August 31, 2019	Chief Academic Officer, Principals	Annually thereafter
Academic Achievement	ACHIEVE10	Review course offerings for potential consolidation of duplicative programs	The CRO shall review and approve the changes submitted by the District if it is found to be adequate	August 31, 2019	CRO	
Academic Achievement	ACHIEVE10	Review course offerings for potential consolidation of duplicative programs	District shall adopt a policy to ensure that no regular education courses are offered with fewer than ten students enrolled	September 30, 2019	Superintendent, School Board	
Academic Achievement	ACHIEVE11	Create and utilize partner educational institutions to provide additional opportunities for students	District shall integrate potential partnerships with educational institutions in the development of its strategy for payments in lieu of taxes	October 30, 2019	Superintendent, Chief Academic Officer, and Principals	
Academic Achievement	ACHIEVE12	Expand the District's cyber school program	District shall increase efforts to share information about the District's cyber program with parents	December 31, 2019	Superintendent, Chief of Leadership Development, Principals, and Guidance Counselors	
Academic Achievement	ACHIEVE12	Expand the District's cyber school program	District shall evaluate the costs of expanding the cyber program to the elementary school level	March 31, 2020	Superintendent, Chief of Leadership Development, and Business Manager	
Academic Achievement	ACHIEVE12	Expand the District's cyber school program	District shall expand the cyber program to the elementary level	August 31, 2020	Chief of Leadership Development, Business Manager, and School Board	
Academic Achievement	ACHIEVE13	Develop plan to establish a Science, Technology, Engineering, Arts, and Mathematics (STEAM) academy program at West Scranton High School	District shall create a comprehensive plan to establish a STEAM academy program at West Scranton High School	March 31, 2020	Superintendent, Chief of Leadership Development, and Business Manager	
Academic Achievement	ACHIEVE13	Develop plan to establish a Science, Technology, Engineering, Arts, and Mathematics (STEAM) academy program at West Scranton High School	District shall present the STEAM academy plan to the Board and take subsequent action if needed	August 31, 2022	Superintendent, School Board	
Academic Achievement	ACHIEVE14	Continue expansion of the District's career pathways program	District shall develop a career pathways guide for parents and students	March 31, 2020	Superintendent, Chief Academic Officer, Principals, and Guidance Counselors	
Academic Achievement	ACHIEVE14	Continue expansion of the District's career pathways program	The CRO shall review and approve any proposals to expand the career pathways program submitted by the District if it is found to be adequate	As needed	CRO	
Academic Achievement	ACHIEVE15	Expand opportunities for college preparation	District shall provide additional AP courses through classrooms and the District's virtual school program as funding is available	August 31, 2019	Superintendent, Chief Academic Officer, and Chief of Leadership Development	Annually thereafter

**Scranton School District Recovery Plan Initiative List
Initiatives by Order in Plan**

Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Academic Achievement	ACHIEVE15	Expand opportunities for college preparation	District shall establish a scholarship for students taking the SAT and AP exams	December 31, 2019	Superintendent, Chief Academic Officer, and Business Manager	
Academic Achievement	ACHIEVE16	Expand support for industry-based learning	District shall evaluate opportunities to support students attending the Lackawanna CTC	March 31, 2020	Superintendent, Chief Academic Officer, Chief of Leadership Development	
Academic Achievement	ACHIEVE16	Expand support for industry-based learning	The CRO shall review and approve the plan submitted by the District if it is found to be adequate	March 31, 2020	CRO	
Academic Achievement	ACHIEVE17	Create additional co-curricular clubs to meet the needs of the middle and high school students	District shall evaluate opportunities to create additional co-curricular clubs at the middle and high school levels	June 30, 2020	Superintendent, Chief Academic Officer, Chief of Leadership Development, CRO	
Academic Achievement	ACHIEVE17	Create additional co-curricular clubs to meet the needs of the middle and high school students	The CRO shall review and approve the plan submitted by the District if it is found to be adequate	June 30, 2020	CRO	
Academic Achievement	ACHIEVE18	Evaluate costs and benefits of using District personnel to manage teacher substitutes	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Administration and Governance	ADMIN01	Provide annual training for all School Board members	Board President and CRO shall review the Auditor General's recommendations for improved governance and determine where changes can be made to implement best practices and improve transparency and accountability	December 31, 2019	School Board, CRO	
Administration and Governance	ADMIN01	Provide annual training for all School Board members	Board shall complete training for all key administrative and supervisory positions on current processes and systems	March 31, 2020	School Board	
Administration and Governance	ADMIN01	Provide annual training for all School Board members	CRO shall assess District progress	June 30, 2020	CRO	
Administration and Governance	ADMIN02	Improve public access to District documents	District shall begin using BoardDocs or another similar tool to provide the public with access to all information from School Board meetings	September 1, 2019	Superintendent, Board Secretary	
Administration and Governance	ADMIN02	Improve public access to District documents	District shall complete the uploading of all available information from the 2017 and 2018 calendar years to BoardDocs or another similar tool	June 30, 2020	Superintendent	
Administration and Governance	ADMIN02	Improve public access to District documents	CRO shall assess District progress	June 30, 2020	CRO	
Administration and Governance	ADMIN03	Adopt an ethics policy and establish an ethics committee	Board shall develop and adopt a new ethics policy	December 31, 2019	School Board	
Administration and Governance	ADMIN03	Adopt an ethics policy and establish an ethics committee	Board shall establish an ethics committee	March 31, 2020	School Board	
Administration and Governance	ADMIN03	Adopt an ethics policy and establish an ethics committee	CRO shall assess District progress	June 30, 2020	CRO	
Administration and Governance	ADMIN04	Establish a budget advisory committee	Board shall establish a budget advisory committee	September 30, 2019	School Board	
Administration and Governance	ADMIN05	Establish sufficient budgetary reserves	District shall adopt a more robust fund balance management policy	December 31, 2019	Business Manager, School Board	
Administration and Governance	ADMIN05	Establish sufficient budgetary reserves	District shall dedicate surplus revenues to rebuild budgetary reserves until the requirements of the fund balance policy are met	Annually in December	Superintendent, Business Manager, and School Board	
Administration and Governance	ADMIN06	Adopt a debt management policy	Board shall develop and adopt a debt management policy	December 31, 2019	Business Manager, School Board	
Administration and Governance	ADMIN07	Complete the reorganization of central office staff	District shall complete the reorganization of its central office staff	June 30, 2020	Superintendent, School Board	
Administration and Governance	ADMIN08	Develop monthly and quarterly reports to be shared with District Administration, School Board and CRO	District shall develop a data submission report with the key timelines and information to be submitted for key revenue sources from the Commonwealth and the federal government	December 31, 2019	Superintendent, Business Manager, and Federal programs Managers	
Administration and Governance	ADMIN08	Develop monthly and quarterly reports to be shared with District Administration, School Board and CRO	District shall present regular updates on the data submission report to the School Board	Quarterly	Superintendent, Business Manager	
Administration and Governance	ADMIN09	Formalize agreements with other organizations with memoranda of understanding	District shall formalize all current agreements with other organizations with memoranda of understanding	June 30, 2020	Superintendent, School Board	
Administration and Governance	ADMIN09	Formalize agreements with other organizations with memoranda of understanding	CRO shall assess District progress	June 30, 2020	CRO	
Administration and Governance	ADMIN10	Cease the use of non-disclosure agreements with District staff and other parties who work with the District	District shall invalidate all current non-disclosure agreements, inform affected parties, certify to the CRO, and cease to use such agreements in the future	August 31, 2019	Superintendent; to be certified by the CRO	
Administration and Governance	ADMIN11	Align use of the Stadium Fund with broader goals to improve efficiency	District shall review and adjust its financial management practices for the Stadium Fund and gate receipts from athletic events	December 31, 2019	Business Manager	
Administration and Governance	ADMIN11	Align use of the Stadium Fund with broader goals to improve efficiency	District shall evaluate the use of contracted maintenance services for the Stadium Fund	June 30, 2020	Business Manager	
Administration and Governance	ADMIN11	Align use of the Stadium Fund with broader goals to improve efficiency	District shall evaluate designated purpose of accumulated balance in the Stadium Fund	June 30, 2020	Business Manager, School Board, and CRO	
Administration and Governance	ADMIN12	Consider the conversion of the calendar year budget to a July-June fiscal year	District shall evaluate the conversion of its budget to a July-June fiscal year	June 30, 2020	Superintendent, Solicitor, Business Manager, and CRO	
Business Office	B01	Hire and retain high-quality staff	District shall review staffing assignments and potential needs for training on the financial management software or other skills	January 31, 2020	Business Manager	
Business Office	B01	Hire and retain high-quality staff	District shall hire an Assistant Business Manager	March 30, 2020	Superintendent, School Board, and CRO	
Business Office	B01	Hire and retain high-quality staff	District shall document processes in a manner approved by the CRO	March 30, 2020	Business Manager	
Business Office	B01	Hire and retain high-quality staff	CRO shall assess District progress and additional action needed	June 30, 2020	CRO	
Business Office	B02	Continue participating in joint shared services committee with the City of Scranton	District shall develop a list of proposals for implementation by the end of the calendar year	March 31, 2020	Business Manager	
Business Office	B03	Monitor debt levels for opportunities to reduce or limit increases in debt as a percentage of current expenditures	District shall develop a report of its current and future debt obligations	December 31, 2019	Business Manager, Financial Advisor, and School Board	Initial report December 31, 2019; Then Quarterly
Business Office	B04	Complete outstanding PlanCon documents and maintain compliant status for all projects	District shall complete necessary forms to finalize the debt service reimbursement and remain in compliant status	August 31, 2019	Business Manager; to be certified by the CRO	Completion of forms, August 31, 2019; then Quarterly reports
Business Office	B05	Improve reporting and monitoring of actual financial results in documents shared with the Board	District shall present financial reports to the Board	October 30, 2019	Business Manager	Initial report October 30, 2019; Then Monthly

**Scranton School District Recovery Plan Initiative List
Initiatives by Order in Plan**

Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Business Office	B06	Institutionalize recent federal programs improvements	District shall complete all remaining items identified by the technical assistance team in the evaluation of federal programs management	June 30, 2020	Superintendent, Chief Academic Officer, Federal Programs Managers, and Business Manager	Completion of actions, June 30, 2020; then ongoing as needed
Business Office	B07	Review opportunities to increase interest revenue	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Capital Planning and Facilities Management	F01	Retain an experienced, qualified Facilities Director	District shall hire a high-quality Facilities Director or engage a contracted position	September 30, 2019	Superintendent, School Board	
Capital Planning and Facilities Management	F02	Develop a multi-year capital plan	District shall develop a comprehensive list of capital needs and estimated costs	October 31, 2019	Facilities Director or Designee	
Capital Planning and Facilities Management	F02	Develop a multi-year capital plan	District shall create a five to seven year schedule for the capital projects identified based on criteria including urgency, important to educational mission, cost savings, etc.	December 31, 2019	Superintendent, Facilities Director or Designee	
Capital Planning and Facilities Management	F02	Develop a multi-year capital plan	District shall develop a financing plan for capital needs through a combination of operating funds and bond proceeds	March 31, 2020	Business Manager	
Capital Planning and Facilities Management	F02	Develop a multi-year capital plan	Based on the financing plan and the schedule of priority projects, the District shall adopt a capital budget for authorized capital expenditures	June 30, 2020	Business Manager, Facilities Manager, and School Board	
Capital Planning and Facilities Management	F02	Develop a multi-year capital plan	District shall complete annual updates to the financial plan and the schedule of priority projects	Annually by June 30	Superintendent, Business Manager, Facilities Director or Designee, and School Board	
Capital Planning and Facilities Management	F03	Develop and implement a comprehensive plan for the utilization of facilities	District shall confirm the enrollment assumptions in the school reconfiguration using resources such as the Davis enrollment study	August 31, 2019	Superintendent, Facilities Director or Designee, and Child Accounting Supervisor	
Capital Planning and Facilities Management	F03	Develop and implement a comprehensive plan for the utilization of facilities	District shall establish a building reconfiguration advisory committee	September 30, 2019	Superintendent, School Board	
Capital Planning and Facilities Management	F03	Develop and implement a comprehensive plan for the utilization of facilities	District shall prepare and present to the Board the building utilization plan presented here or a detailed alternative plan that includes equivalent savings	December 31, 2019	Superintendent, Business Manager, Facilities Director or Designee, and Child Accounting Supervisor	
Capital Planning and Facilities Management	F03	Develop and implement a comprehensive plan for the utilization of facilities	Board shall adopt a final building utilization plan including timelines for action	January 31, 2020	School Board; Approved by the CRO	
Capital Planning and Facilities Management	F03	Develop and implement a comprehensive plan for the utilization of facilities	District shall amend the building utilization plan as needed based on the most recent information available	Annually by June 30	Superintendent, Business Manager, Facilities Director or Designee, Child Accounting Supervisor, and School Board	
Capital Planning and Facilities Management	F04	Sell unused facilities and dedicate the proceeds to capital needs	District shall solicit bids for both Lincoln-Jackson and Morse elementary schools and divest itself of these assets	June 30, 2020	Solicitor, Business Manager, and School Board	
Capital Planning and Facilities Management	F04	Sell unused facilities and dedicate the proceeds to capital needs	District shall transfer the proceeds from the building sales to the Capital Projects Fund	June 30, 2020	Business Manager, School Board	
Capital Planning and Facilities Management	F04	Sell unused facilities and dedicate the proceeds to capital needs	District shall complete sale of buildings impacted by the reconfiguration and transfer the proceeds the Capital Projects Fund	June 30, 2020	Business Manager, School Board	
Capital Planning and Facilities Management	F04	Sell unused facilities and dedicate the proceeds to capital needs	District shall sell the buildings closed as part of the building utilization plan within one year of closure	Annually by June 30	Solicitor, Business Manager, and School Board	
Capital Planning and Facilities Management	F04	Sell unused facilities and dedicate the proceeds to capital needs	District shall transfer the proceeds from the building sales to the Capital Projects Fund	Annually by June 30	Business Manager, School Board	
Capital Planning and Facilities Management	F05	Develop and implement a plan to document and obtain the maximum energy savings available from the recently-completed GESA projects	District shall secure the necessary expertise to represent the District in ensuring it is receiving the appropriate guaranteed savings under the Constellation GESA contract through a highly qualified Facilities Director or a contracted position	September 30, 2019	Business Manager, School Board	
Capital Planning and Facilities Management	F05	Develop and implement a plan to document and obtain the maximum energy savings available from the recently-completed GESA projects	District shall evaluate baseline data and utilities savings to verify amounts used for the GESA contract	October 15, 2019	Facilities Director or Designee	
Capital Planning and Facilities Management	F05	Develop and implement a plan to document and obtain the maximum energy savings available from the recently-completed GESA projects	District shall evaluate the contract with Constellation and determine which party will be responsible for ongoing M&V	December 31, 2021	Facilities Director or Designee, Business Manager, and School Board	
Capital Planning and Facilities Management	F06	Develop and implement a comprehensive plan to reduce utilities spending	District shall develop a comprehensive plan to reduce energy costs	June 30, 2020	Business Manager, Facilities Director or Designee	
Capital Planning and Facilities Management	F07	Complete inventory of vehicles and fleet maintenance program	District shall complete inventory of vehicles and fleet maintenance program	June 30, 2020	Business Manager, Facilities Director or Designee	
Capital Planning and Facilities Management	F08	Review maintenance agreements with other entities	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Capital Planning and Facilities Management	F09	Evaluate staffing levels to meet objectives for building maintenance	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Human Resources Office	HR01	Hire and retain high-quality staff and modernize management systems	District shall review staffing assignments and potential needs for training on the financial management software or other skills	January 31, 2020	HR Manager	
Human Resources Office	HR01	Hire and retain high-quality staff and modernize management systems	District shall hire an Assistant HR Manager if funds are available	March 30, 2020	Superintendent, School Board	

**Scranton School District Recovery Plan Initiative List
Initiatives by Order in Plan**

Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Human Resources Office	HR01	Hire and retain high-quality staff and modernize management systems	District shall document processes in a manner approved by the CRO	March 30, 2020	HR Manager	
Human Resources Office	HR01	Hire and retain high-quality staff and modernize management systems	CRO shall assess District progress and additional action needed	June 30, 2020	CRO	
Human Resources Office	HR02	Fully implement a position control system	District shall begin the development of the position control database and all administrative documents	January 31, 2020	HR Manager, Business Manager, and Payroll Supervisor	
Human Resources Office	HR02	Fully implement a position control system	District shall document processes in a manner approved by the CRO	August 31, 2020	HR Manager, Business Manager, and Payroll Supervisor	
Human Resources Office	HR02	Fully implement a position control system	CRO shall assess District progress	October 30, 2020	CRO	
Human Resources Office	HR02	Fully implement a position control system	District shall complete the position control database and all administrative documents	December 31, 2020	HR Manager, Business Manager, and Payroll Supervisor	
Human Resources Office	HR02	Fully implement a position control system	Enforce budget compliance	January 1, 2021	HR Manager, Business Manager	January 1, 2021 or earlier if feasible
Human Resources Office	HR03	Review all job descriptions and employee evaluation processes	District shall begin the review of all job descriptions and employee evaluation processes	January 31, 2020	HR Manager	
Human Resources Office	HR03	Review all job descriptions and employee evaluation processes	District shall prepare recommended changes for review by the Superintendent and CRO	June 30, 2020	Superintendent, HR Manager, and CRO	
Human Resources Office	HR03	Review all job descriptions and employee evaluation processes	CRO shall assess District progress	October 30, 2020	CRO	
Human Resources Office	HR04	Use direct deposit for all salary payments and automated clearing house (ACH) for payments to vendors	District shall transition all payments to direct deposit and ACH	December 31, 2019	HR Manager, Business Manager, and Payroll Supervisor	
Human Resources Office	HR04	Use direct deposit for all salary payments and automated clearing house (ACH) for payments to vendors	District shall prepare a policy to be adopted by the School Board	December 31, 2019	HR Manager, Business Manager, and School Board	
Human Resources Office	HR05	Create a condensed employee packet to include all benefit and policy information relevant to new hires	District shall create a comprehensive benefits package for new hires	June 30, 2020	HR Manager	
Human Resources Office	HR06	Fully implement an electronic timekeeping system	District shall fully implement an electronic timekeeping system	December 31, 2021	Superintendent, HR Manager, Business Manager, and Facilities Director or Designee	
Human Resources Office	HR07	Limit growth in costs of future workers' compensation claims by managing existing claims and reducing the number of new claims	District shall review workers' compensation costs and develop a plan to address future growth	December 31, 2021	HR Manager, Business Manager, and Facilities Director or Designee	
Human Resources Office	HR08	Develop an exit interview process and generate reports with interview data	District shall develop an exit interview template and assign responsibilities to staff	December 31, 2019	HR Manager	
Human Resources Office	HR08	Develop an exit interview process and generate reports with interview data	District shall develop a report to be shared with the Administration and the School Board	December 31, 2019	HR Manager	
Human Resources Office	HR09	Improve reporting and monitoring of human resources information in documents shared with the Board	District shall develop position control and exit interview reports to be presented to the Administration and School Board	December 31, 2020	Superintendent, HR Manager, and School Board	
Information Technology	IT01	Reorganize the structure of the technology department	District shall complete the hiring of the Chief Operations Officer position	August 31, 2019	Superintendent, CRO	
Information Technology	IT01	Reorganize the structure of the technology department	District shall review available resources and departmental needs to restructure the technology department as needed	March 30, 2020	Superintendent, Chief Operations Officer, and CRO	
Information Technology	IT02	Secure the central network operations center (NOC) located at South Scranton Intermediate School	District shall complete the recommended improvements at the NOC	December 31, 2019	IT Director or Designee	
Information Technology	IT03	Expand instructional technology tools	District shall continue with the transition from Canvas to Google Classroom and other instructional technology tools	December 2, 2019	IT Director or Designee	
Information Technology	IT03	Expand instructional technology tools	District shall pursue partnerships with foundations such as the Comcast Foundation to provide low-cost internet access to families	March 30, 2020	Chief Academic Officer, Chief of Leadership Development, and IT Director or Designee	
Information Technology	IT03	Expand instructional technology tools	District shall redeploy the mobile science lab to support instructional programs if sufficient staff and funds are available	March 30, 2020	Chief Academic Officer, Chief of Leadership Development, and IT Director or Designee	
Information Technology	IT04	Fully implement key operational systems	District shall implement all operational systems with fidelity	Effective for duration of Recovery Plan	IT Director or Designee; Periodic evaluation by the CRO as needed	
Information Technology	IT05	Review and reconfigure wire management in all central network closets	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Information Technology	IT06	Review child accounting systems	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Procurement	P01	Institutionalize recent improvements in the purchase order process	District shall complete training for all key administrative and supervisory positions on current processes and systems	December 31, 2019	Business Manager, Procurement Officer	
Procurement	P01	Institutionalize recent improvements in the purchase order process	District shall review its procurement policies to implement best practices and improve accountability	December 31, 2019	Business Manager, Procurement Officer	
Procurement	P01	Institutionalize recent improvements in the purchase order process	District shall document processes in a manner approved by the CRO	June 30, 2020	Business Manager, Procurement Officer	
Procurement	P01	Institutionalize recent improvements in the purchase order process	CRO shall assess District progress	June 30, 2020	CRO	
Procurement	P02	Designate a Business Office employee to serve as the District's Procurement Officer	District shall identify and empower a Business Office employee to become the Procurement Officer	December 31, 2019	Superintendent, Business Manager	
Procurement	P03	Continue to execute the current cycle of soliciting requests for proposals for services provided to the District; upon reaching the end, begin the cycle again	District shall review the bidding timeline and make necessary adjustments if needed	December 31, 2019	Business Manager, Procurement Officer, and School Board	
Procurement	P03	Continue to execute the current cycle of soliciting requests for proposals for services provided to the District; upon reaching the end, begin the cycle again	District shall complete the cycle of requests for proposals	January 31, 2022	Business Manager, Procurement Officer, and School Board	
Procurement	P04	Complete an inventory of all District assets	District shall provide sufficient evidence to the CRO to certify the completion of the IT inventory for all equipment in the District	December 31, 2019	Business Manager, Procurement Officer; to be certified by the CRO	
Procurement	P04	Complete an inventory of all District assets	District shall complete an inventory of all District assets	June 30, 2020	Business Manager, Procurement Officer	

**Scranton School District Recovery Plan Initiative List
Initiatives by Order in Plan**

Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Procurement	P04	Complete an inventory of all District assets	District shall present a report of current assets to the Board	March 31, 2020	Business Manager, Procurement Officer	Initial report March 31, 2020; Then Quarterly
Procurement	P05	Consider the use of a purchasing card for potential to improve recordkeeping, reduce errors and provide a purchasing rebate	District shall review and report on the use of a purchasing card system; Board to review and possibly act	June 30, 2020	Business Manager, Procurement Officer, and School Board	
Revenue	R01	Adopt a structurally balanced budget on an annual basis	District shall develop a structurally balanced budget that does not rely on one-time revenues or unfunded debt borrowing	Annually by December	Superintendent, Business Manager, and School Board	
Revenue	R02	Raise real estate taxes annually to the Act 1 Index	District shall develop a proposed preliminary budget in accordance with all required statutory events	Annually by July	Business Manager	
Revenue	R02	Raise real estate taxes annually to the Act 1 Index	District shall adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events	Annually by August	School Board	
Revenue	R02	Raise real estate taxes annually to the Act 1 Index	District shall complete estimates of referendum exceptions and seek approval from the Department of Education	Annually by August	Superintendent, Business Manager	
Revenue	R02	Raise real estate taxes annually to the Act 1 Index	District shall develop a proposed final budget in accordance with all required statutory events	Annually by December 1	Superintendent, Business Manager	
Revenue	R02	Raise real estate taxes annually to the Act 1 Index	District shall adopt the final proposed budget with the required tax increases and in accordance with all required statutory events	Annually by December 31	School Board	
Revenue	R03	Pursue exceptions to the Act 1 Index if required to balance the annual budget	N/A (Tied to R2)	N/A (Tied to R2)	N/A (Tied to R2)	
Revenue	R04	Increase the current year real estate tax collection rate	District shall meet with the City and Single Tax Office to determine options to increase the real estate tax collection rate	December 31, 2019	Superintendent, Business Manager	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall develop a list of tax exempt organizations from which to request support, and prioritize the list of requests	October 31, 2019	Superintendent, School Board	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall develop a financial report to the Board that will consist of the following elements: requested PILOT, cash amount contributed, value of in-kind services, and percent of request provided. All current agreements currently in effect shall be included in this report.	October 31, 2019	Business Manager	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall complete the development of its strategy and the requested ask for each tax exempt organization	October 31, 2019	Superintendent, School Board	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall meet with the City of Scranton and Lackawanna County to discuss PILOT efforts currently underway	December 31, 2019	Superintendent, School Board	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall complete meetings with the initial list of organizations targeted as part of the campaign	March 31, 2020	Superintendent, School Board	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall complete meetings with all of the tax exempt organizations identified as part of the program	December 31, 2020	Superintendent, School Board	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall provide a report on the current status of the PILOT program, and a financial report of the program to the Board	Quarterly	Superintendent, Business Manager	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	As needed, the District shall revise its strategy for the PILOT program including the targeted request and the organizations to contact for contributions	Annually by July	Superintendent, School Board	
Revenue	R06	Explore the transition to a payroll preparation tax, eliminating business privilege and mercantile taxes	District shall review the relevant statutes for the payroll tax	October 15, 2019	Business Manager, Solicitor	
Revenue	R06	Explore the transition to a payroll preparation tax, eliminating business privilege and mercantile taxes	District shall determine the necessary tax base required to replace all business privilege and mercantile taxes collected by the City and District	October 15, 2019	Business Manager	
Revenue	R06	Explore the transition to a payroll preparation tax, eliminating business privilege and mercantile taxes	District shall determine whether or not to impose the payroll tax	December 31, 2019	School Board	
Revenue	R06	Explore the transition to a payroll preparation tax, eliminating business privilege and mercantile taxes	District shall determine equitable allocation of Single Tax Office costs	December 31, 2019	Business Manager	
Revenue	R07	Increase Medicaid ACCESS revenue to support special education programs	District shall conduct a survey of its peer school districts using the criteria outlined in this initiative	July 31, 2020	Business Manager	
Revenue	R07	Increase Medicaid ACCESS revenue to support special education programs	District shall determine if there are adjustments in the District's policies or provision of services that need to be changed in order to increase Medicaid ACCESS revenue	July 31, 2020	Superintendent, Business Manager, Special Education Supervisor, and Federal Programs Managers	
Revenue	R08	Allocate windfall revenues and budgetary resources among priorities outlined in the Recovery Plan	District shall allocate windfall revenues and available budgetary resources to priority areas subject to approval by the CRO	Annually by December	Superintendent, Business Manager, School Board, and CRO	
Revenue	R09	Eliminate the double discount period for real estate taxes	District shall direct the Single Tax Office to cease offering two discount periods for the collection of real estate taxes	September 15, 2019	Superintendent, School Board	
Revenue	R09	Eliminate the double discount period for real estate taxes	District shall provide the City of Scranton with advance notice of its intent to eliminate the double discount period so that the City can incorporate any changes prior to the adoption of its annual budget	September 15, 2019	Superintendent	
Revenue	R10	Complete collection of outstanding business privilege and mercantile taxes	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Revenue	R11	Review the taxable status of all significant tax exempt properties	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Revenue	R12	Pursue opportunities for federal impact aid	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Revenue	R13	Evaluate opportunities to increase the General Fund reimbursement for costs incurred from the Food Service Fund	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Revenue	R14	Consider eliminating the sale of tax liens if the District establishes sufficient budgetary reserves to accommodate the short-term decline in revenue collection	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	

**Scranton School District Recovery Plan Initiative List
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Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Special Education	SPED01	Evaluate use of classroom space and current staffing model	District shall review the classroom assignments and staffing model for the special education program in conjunction with the building reconfiguration process	October 31, 2019	Superintendent, Special Education Director Facilities Director or Designee, and Business Manager	
Special Education	SPED01	Evaluate use of classroom space and current staffing model	District shall prepare and present to the Board proposed changes to the special education program that is aligned with the adopted building utilization plan	December 31, 2019	Superintendent, Special Education Director, Facilities Director or Designee, and Business Manager	
Special Education	SPED01	Evaluate use of classroom space and current staffing model	Board shall adopt a final plan for special education including timelines for action	February 29, 2020	School Board; to be approved by the CRO	
Special Education	SPED02	Review supervisory assignments	District shall review the supervisory structure of the special education program	October 31, 2019	Superintendent, Special Education Director	
Special Education	SPED02	Review supervisory assignments	District shall include recommendations regarding special education supervision in the proposal delivered to the School Board	December 31, 2019	Superintendent, Special Education Director	
Special Education	SPED02	Review supervisory assignments	As additional funds become available, the CRO may approve investment in additional support for the special education program	Ongoing as needed	Superintendent; to be approved by the CRO	
Special Education	SPED03	Expand special education professional development program	District shall develop a plan to deliver high-quality special education professional development for all levels of employees	September 30, 2019	Special Education Director	
Special Education	SPED03	Expand special education professional development program	District shall engage with its bargaining units to determine the best course of action to deliver special education training	September 30, 2019	Special Education Director	
Special Education	SPED03	Expand special education professional development program	District shall begin training with the central office staff and the principals during the regular summer training session	Summer 2020	Special Education Director	
Special Education	SPED03	Expand special education professional development program	As needed, the District shall update the special education training materials and the cycle of training sessions	Ongoing as needed	Special Education Director	
Special Education	SPED04	Evaluate costs and benefits of providing additional special education services with District personnel	District shall evaluate the costs of providing speech pathologist services with District personnel	December 31, 2019	Special Education Director	
Special Education	SPED05	Develop and implement a comprehensive plan to reduce settlement costs and redirect savings to classroom	District shall create a comprehensive plan to address the number and total costs of special education lawsuits	November 30, 2019	Superintendent, Special Education Director, and Solicitor	
Special Education	SPED05	Develop and implement a comprehensive plan to reduce settlement costs and redirect savings to classroom	The CRO shall review and approve the plan submitted by the District if it is found to be adequate	December 31, 2019	CRO	
Special Education	SPED06	Improve reporting and monitoring of special education trends in documents shared with the Board	District shall present special education reports to the Board	October 30, 2019	Special Education Director; to be approved by the CRO	Monthly thereafter
Special Education	SPED07	Conduct an audit of the special education program if deemed necessary	District shall evaluate need for a special education audit	November 30, 2019	Superintendent, Special Education Director	
Special Education	SPED07	Conduct an audit of the special education program if deemed necessary	The CRO shall review and approve the need for a special education submitted by the District if it is found to be adequate	December 31, 2019	CRO	
Special Education	SPED07	Conduct an audit of the special education program if deemed necessary	The audit shall be completed and the CRO shall direct corrective action	April 30, 2020	CRO	
Special Education	SPED08	Continue monitoring of implementation of recommendations provided by the Commonwealth's 2018 review of the District's special education program	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall complete the implementation of the transportation management software	June 30, 2019	Transportation Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall document and streamline information flows from the special education office to the transportation office	June 30, 2019	Special Education Supervisor, Business Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall complete vehicle routing as outlined in the transportation strategy developed in Spring 2019	July 19, 2019	Business Manager, Transportation Department	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall review bus runs to ensure accuracy of all available information	July 31, 2019	Business Manager, Transportation Department	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall communicate bus runs to vendors for implementation	August 6, 2019	Business Manager, Transportation Department	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall notify parents of changes to bus stops and route assignments	August 23, 2019	Business Manager, Transportation Department	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall evaluate routes and plan for mid-year changes if necessary	October 15, 2019	Business Manager, Transportation Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall evaluate transportation implications of proposed building reconfiguration plans	December 31, 2019	Superintendent, Business Manager, and Transportation Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall evaluate additional opportunities for further route efficiencies outlined above	March 31, 2020	Superintendent, Business Manager, and Transportation Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall develop quarterly reports to the School Board	Quarterly	Business Manager, Transportation Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall conduct quarterly surveys of ridership levels by route to be included in maintenance of data for the transportation management software	Quarterly	Business Manager, Transportation Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall complete an evaluation of route efficiencies and propose changes for the following school year	Annually by July	Superintendent, Business Manager, and Transportation Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall complete an evaluation of current year routes and propose current year adjustments if needed	Annually by November	Superintendent, Business Manager, and Transportation Manager	

**Scranton School District Recovery Plan Initiative List
Initiatives by Order in Plan**

Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Student Transportation	T02	Retain an experienced, qualified transportation manager	District shall review the current job description	August 15, 2019	HR Manager	
Student Transportation	T02	Retain an experienced, qualified transportation manager	District shall retain an experienced, qualified transportation manager	October 31, 2019	HR Manager	
Student Transportation	T02	Retain an experienced, qualified transportation manager	District shall review the achievement of performance goals and other measures completed by the transportation manager	Annually by June 30	HR Manager, Business Manager, and Transportation Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall prepare a request for proposals for special education vehicles in accordance with its optimized routes	December 31, 2019	Business Manager, Transportation Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall post the request for proposals for special education vehicles in multiple media outlets	January 31, 2020	Business Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall evaluate bids submitted for special education vehicles and prepare a recommendation for the School Board	April 30, 2020	Business Manager, Transportation Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall award a contract to a vendor in accordance with its procurement policy	April 30, 2020	School Board	
Student Transportation	T03	Rebid transportation contracts for savings	District shall prepare a request for proposals for large buses in accordance with its optimized routes	December 31, 2021	Business Manager, Transportation Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall post the request for proposals for special education vehicles in multiple media outlets	January 31, 2022	Business Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall evaluate bids submitted for special education vehicles and prepare a recommendation for the School Board	April 30, 2022	Business Manager, Transportation Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall award a contract to a vendor in accordance with its procurement policy	April 30, 2022	School Board	
Student Transportation	T03	Rebid transportation contracts for savings	District shall rebid contracts every three to five years according to its procurement policy	Every three to five years	Superintendent, Business Manager, Transportation Manager, and School Board	
Student Transportation	T04	Establish a transportation advisory committee	District shall convene the transportation advisory committee quarterly	Quarterly	Superintendent, Business Manager, Transportation Manager, and School Board	
Student Transportation	T05	Increase transportation subsidy revenues	District shall increase the share of transportation costs covered by the Transportation Subsidy over the duration of this Recovery Plan	Annually by June 30	Business Manager, Transportation Manager	
Workforce	WF01	Monitor the full cost of compensation and related benefits over a multi-year period when evaluating proposals for collective bargaining negotiations	District shall provide salary increases that are affordable given sustainable revenue sources	Effective for duration of Recovery Plan	Superintendent, Business Manager, CRO, and School Board	
Workforce	WF02	Monitor the full cost of retirement incentives when evaluating proposals	District shall monitor the full cost of retirement incentives when evaluating proposals	Effective for duration of Recovery Plan	Superintendent, Business Manager, CRO, and School Board	
Workforce	WF03	Identify opportunities to reduce costs of overtime and other non-salary compensation	District shall develop a list of proposals to reduce the costs of overtime and other non-salary compensation	December 31, 2019	Superintendent, Business Manager, and CRO	
Workforce	WF04	Reduce the future growth in healthcare costs	District shall implement healthcare cost savings changes designed to reach the Recovery Plan target through labor-management "targeted savings" initiative, or eliminate dependent healthcare coverage in the 2020 plan year.	December 31, 2019	Superintendent, Business Manager, TPA, and CRO	
Workforce	WF05	Consider requiring secondary level teachers to teach a sixth period	District shall evaluate full cost of proposal to require teaching a sixth period at the secondary level	December 31, 2019	Superintendent, Business Manager, CRO	
Workforce	WF06	Identify funds available to provide competitive teacher salaries	District shall provide salary increases that are affordable given sustainable revenue sources	Effective for duration of Recovery Plan	Superintendent, Business Manager, CRO, and School Board	
Workforce	WF07	Evaluate opportunities to establish class size ranges	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	

**Scranton School District Recovery Plan Initiative List
Initiatives by Date**

Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall complete the implementation of the transportation management software	June 30, 2019	Transportation Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall document and streamline information flows from the special education office to the transportation office	June 30, 2019	Special Education Supervisor, Business Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall complete vehicle routing as outlined in the transportation strategy developed in Spring 2019	July 19, 2019	Business Manager, Transportation Department	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall review bus runs to ensure accuracy of all available information	July 31, 2019	Business Manager, Transportation Department	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall communicate bus runs to vendors for implementation	August 6, 2019	Business Manager, Transportation Department	
Student Transportation	T02	Retain an experienced, qualified transportation manager	District shall review the current job description	August 15, 2019	HR Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall notify parents of changes to bus stops and route assignments	August 23, 2019	Business Manager, Transportation Department	
Academic Achievement	ACHIEVE01	Invest funds to replace curriculum and classroom technology	District shall begin curriculum writing with English/language arts and mathematics by August 31, 2019 and complete by June 30, 2020. Other subject areas shall be rewritten as time and resources are available	August 31, 2019	Superintendent, Chief Academic Officer	Annually in August thereafter
Academic Achievement	ACHIEVE02	Conduct an audit of curriculum to identify needs and establish priorities for investments	District use internal staff or external support to conduct an audit of curriculum	August 31, 2019	Chief Academic Officer, Chief of Leadership Development, and Principals	
Academic Achievement	ACHIEVE02	Conduct an audit of curriculum to identify needs and establish priorities for investments	District shall prioritize areas for review to coincide with the re-writing of curriculum outlined in ACHIEVE01	August 31, 2019	Superintendent, Chief Academic Officer, Chief of Leadership Development, and Principals	
Academic Achievement	ACHIEVE04	Align professional development opportunities with academic strategic goals outlined in this Recovery Plan	District shall offer all professional development opportunities after school hours	August 31, 2019	Superintendent	
Academic Achievement	ACHIEVE05	Reassign principals based on building needs for instructional leadership, improvement of learning outcomes, and enhanced building culture	District shall evaluate the assignment of principals and make adjustments according to the academic goals in the Recovery Plan	August 31, 2019	Superintendent, Chief of Leadership Development	Annually thereafter
Academic Achievement	ACHIEVE06	Implement school improvement plans with fidelity	District shall implement all school improvement plans with fidelity	August 31, 2019	Superintendent, Chief Leadership Development, and Principals	Annually thereafter
Academic Achievement	ACHIEVE10	Review course offerings for potential consolidation of duplicative programs	District shall review course offerings for potential consolidation of duplicative programs	August 31, 2019	Chief Academic Officer, Principals	Annually thereafter
Academic Achievement	ACHIEVE10	Review course offerings for potential consolidation of duplicative programs	District shall current schedules of all school buildings to allocate time for interventions and enrichment	August 31, 2019	Chief Academic Officer, Principals	Annually thereafter
Academic Achievement	ACHIEVE10	Review course offerings for potential consolidation of duplicative programs	The CRO shall review and approve the changes submitted by the District if it is found to be adequate	August 31, 2019	CRO	
Academic Achievement	ACHIEVE15	Expand opportunities for college preparation	District shall provide additional AP courses through classrooms and the District's virtual school program as funding is available	August 31, 2019	Superintendent, Chief Academic Officer, and Chief of Leadership Development	Annually thereafter
Administration and Governance	ADMIN10	Cease the use of non-disclosure agreements with District staff and other parties who work with the District	District shall invalidate all current non-disclosure agreements, inform affected parties, certify to the CRO, and cease to use such agreements in the future	August 31, 2019	Superintendent; to be certified by the CRO	
Business Office	B04	Complete outstanding PlanCon documents and maintain compliant status for all projects	District shall complete necessary forms to finalize the debt service reimbursement and remain in compliant status	August 31, 2019	Business Manager; to be certified by the CRO	Completion of forms, August 31, 2019; then Quarterly reports
Capital Planning and Facilities Management	F03	Develop and implement a comprehensive plan for the utilization of facilities	District shall confirm the enrollment assumptions in the school reconfiguration using resources such as the Davis enrollment study	August 31, 2019	Superintendent, Facilities Director or Designee, and Child Accounting Supervisor	
Information Technology	IT01	Reorganize the structure of the technology department	District shall complete the hiring of the Chief Operations Officer position	August 31, 2019	Superintendent, CRO	
Administration and Governance	ADMIN02	Improve public access to District documents	District shall begin using BoardDocs or another similar tool to provide the public with access to all information from School Board meetings	September 1, 2019	Superintendent, Board Secretary	
Revenue	R09	Eliminate the double discount period for real estate taxes	District shall direct the Single Tax Office to cease offering two discount periods for the collection of real estate taxes	September 15, 2019	Superintendent, School Board	
Revenue	R09	Eliminate the double discount period for real estate taxes	District shall provide the City of Scranton with advance notice of its intent to eliminate the double discount period so that the City can incorporate any changes prior to the adoption of its annual budget	September 15, 2019	Superintendent	
Academic Achievement	ACHIEVE03	Strengthen support systems to build academic skills	District shall eliminate all grade promotion policies based on length of time	September 30, 2019	School Board	
Academic Achievement	ACHIEVE04	Align professional development opportunities with academic strategic goals outlined in this Recovery Plan	District shall align all professional development opportunities with academic strategic goals in the Recovery Plan	September 30, 2019	Superintendent, Chief of Leadership Development, Principals, and Business Manager	
Academic Achievement	ACHIEVE10	Review course offerings for potential consolidation of duplicative programs	District shall adopt a policy to ensure that no regular education courses are offered with fewer than ten students enrolled	September 30, 2019	Superintendent, School Board	
Capital Planning and Facilities Management	F01	Retain an experienced, qualified Facilities Director	District shall hire a high-quality Facilities Director or engage a contracted position	September 30, 2019	Superintendent, School Board	
Capital Planning and Facilities Management	F03	Develop and implement a comprehensive plan for the utilization of facilities	District shall establish a building reconfiguration advisory committee	September 30, 2019	Superintendent, School Board	
Capital Planning and Facilities Management	F05	Develop and implement a plan to document and obtain the maximum energy savings available from the recently-completed GESA projects	District shall secure the necessary expertise to represent the District in ensuring it is receiving the appropriate guaranteed savings under the Constellation GESA contract through a highly qualified Facilities Director or a contracted position	September 30, 2019	Business Manager, School Board	

**Scranton School District Recovery Plan Initiative List
Initiatives by Date**

Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Special Education	SPED03	Expand special education professional development program	District shall develop a plan to deliver high-quality special education professional development for all levels of employees	September 30, 2019	Special Education Director	
Special Education	SPED03	Expand special education professional development program	District shall engage with its bargaining units to determine the best course of action to deliver special education training	September 30, 2019	Special Education Director	
Capital Planning and Facilities Management	F05	Develop and implement a plan to document and obtain the maximum energy savings available from the recently-completed GESA projects	District shall evaluate baseline data and utilities savings to verify amounts used for the GESA contract	October 15, 2019	Facilities Director or Designee	
Revenue	R06	Explore the transition to a payroll preparation tax, eliminating business privilege and mercantile taxes	District shall review the relevant statutes for the payroll tax	October 15, 2019	Business Manager, Solicitor	
Revenue	R06	Explore the transition to a payroll preparation tax, eliminating business privilege and mercantile taxes	District shall determine the necessary tax base required to replace all business privilege and mercantile taxes collected by the City and District	October 15, 2019	Business Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall evaluate routes and plan for mid-year changes if necessary	October 15, 2019	Business Manager, Transportation Manager	
Academic Achievement	ACHIEVE11	Create and utilize partner educational institutions to provide additional opportunities for students	District shall integrate potential partnerships with educational institutions in the development of its strategy for payments in lieu of taxes	October 30, 2019	Superintendent, Chief Academic Officer, and Principals	
Business Office	B05	Improve reporting and monitoring of actual financial results in documents shared with the Board	District shall present financial reports to the Board	October 30, 2019	Business Manager	Initial report October 30, 2019; Then Monthly
Special Education	SPED06	Improve reporting and monitoring of special education trends in documents shared with the Board	District shall present special education reports to the Board	October 30, 2019	Special Education Director; to be approved by the CRO	Monthly thereafter
Capital Planning and Facilities Management	F02	Develop a multi-year capital plan	District shall develop a comprehensive list of capital needs and estimated costs	October 31, 2019	Facilities Director or Designee	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall develop a list of tax exempt organizations from which to request support, and prioritize the list of requests	October 31, 2019	Superintendent, School Board	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall develop a financial report to the Board that will consist of the following elements: requested PILOT, cash amount contributed, value of in-kind services, and percent of request provided. All current agreements currently in effect shall be included in this report.	October 31, 2019	Business Manager	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall complete the development of its strategy and the requested ask for each tax exempt organization	October 31, 2019	Superintendent, School Board	
Special Education	SPED01	Evaluate use of classroom space and current staffing model	District shall review the classroom assignments and staffing model for the special education program in conjunction with the building reconfiguration process	October 31, 2019	Superintendent, Special Education Director Facilities Director or Designee, and Business Manager	
Special Education	SPED02	Review supervisory assignments	District shall review the supervisory structure of the special education program	October 31, 2019	Superintendent, Special Education Director	
Student Transportation	T02	Retain an experienced, qualified transportation manager	District shall retain an experienced, qualified transportation manager	October 31, 2019	HR Manager	
Special Education	SPED05	Develop and implement a comprehensive plan to reduce settlement costs and redirect savings to classroom	District shall create a comprehensive plan to address the number and total costs of special education lawsuits	November 30, 2019	Superintendent, Special Education Director, and Solicitor	
Special Education	SPED07	Conduct an audit of the special education program if deemed necessary	District shall evaluate need for a special education audit	November 30, 2019	Superintendent, Special Education Director	
Information Technology	IT03	Expand instructional technology tools	District shall continue with the transition from Canvas to Google Classroom and other instructional technology tools	December 2, 2019	IT Director or Designee	
Academic Achievement	ACHIEVE02	Conduct an audit of curriculum to identify needs and establish priorities for investments	District shall establish a process for future audits of curriculum	December 31, 2019	Superintendent, Chief Academic Officer, Chief of Leadership Development, and Principals	
Academic Achievement	ACHIEVE07	Transition to community-based partners for all Pre-Kindergarten programs as part of the building re-configuration	District shall re-allocate Title I funding to K-8 interventions if the District receives additional funds to support Pre-Kindergarten programs in the 2018-19 school year	December 31, 2019	Superintendent, School Board, and CRO	
Academic Achievement	ACHIEVE09	Implement the arts integration grant with fidelity	District shall ensure that the arts integration grant is not impacted by the building re-configuration plan in the submission of the final plan to the School Board	December 31, 2019	Superintendent, Chief Academic Officer, and Business Manager	
Academic Achievement	ACHIEVE12	Expand the District's cyber school program	District shall increase efforts to share information about the District's cyber program with parents	December 31, 2019	Superintendent, Chief of Leadership Development, Principals, and Guidance Counselors	
Academic Achievement	ACHIEVE15	Expand opportunities for college preparation	District shall establish a scholarship for students taking the SAT and AP exams	December 31, 2019	Superintendent, Chief Academic Officer, and Business Manager	
Administration and Governance	ADMIN01	Provide annual training for all School Board members	Board President and CRO shall review the Auditor General's recommendations for improved governance and determine where changes can be made to implement best practices and improve transparency and accountability	December 31, 2019	School Board, CRO	
Administration and Governance	ADMIN03	Adopt an ethics policy and establish an ethics committee	Board shall develop and adopt a new ethics policy	December 31, 2019	School Board	
Administration and Governance	ADMIN05	Establish sufficient budgetary reserves	District shall adopt a more robust fund balance management policy	December 31, 2019	Business Manager, School Board	
Administration and Governance	ADMIN06	Adopt a debt management policy	Board shall develop and adopt a debt management policy	December 31, 2019	Business Manager, School Board	
Administration and Governance	ADMIN08	Develop monthly and quarterly reports to be shared with District Administration, School Board and CRO	District shall develop a data submission report with the key timelines and information to be submitted for key revenue sources from the Commonwealth and the federal government	December 31, 2019	Superintendent, Business Manager, and Federal programs Managers	
Administration and Governance	ADMIN11	Align use of the Stadium Fund with broader goals to improve efficiency	District shall review and adjust its financial management practices for the Stadium Fund and gate receipts from athletic events	December 31, 2019	Business Manager	
Business Office	B03	Monitor debt levels for opportunities to reduce or limit increases in debt as a percentage of current expenditures	District shall develop a report of its current and future debt obligations	December 31, 2019	Business Manager, Financial Advisor, and School Board	Initial report December 31, 2019; Then Quarterly
Capital Planning and Facilities Management	F02	Develop a multi-year capital plan	District shall create a five to seven year schedule for the capital projects identified based on criteria including urgency, important to educational mission, cost savings, etc.	December 31, 2019	Superintendent, Facilities Director or Designee	

**Scranton School District Recovery Plan Initiative List
Initiatives by Date**

Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Capital Planning and Facilities Management	F03	Develop and implement a comprehensive plan for the utilization of facilities	District shall prepare and present to the Board the building utilization plan presented here or a detailed alternative plan that includes equivalent savings	December 31, 2019	Superintendent, Business Manager, Facilities Director or Designee, and Child Accounting Supervisor	
Human Resources Office	HR04	Use direct deposit for all salary payments and automated clearing house (ACH) for payments to vendors	District shall transition all payments to direct deposit and ACH	December 31, 2019	HR Manager, Business Manager, and Payroll Supervisor	
Human Resources Office	HR04	Use direct deposit for all salary payments and automated clearing house (ACH) for payments to vendors	District shall prepare a policy to be adopted by the School Board	December 31, 2019	HR Manager, Business Manager, and School Board	
Human Resources Office	HR08	Develop an exit interview process and generate reports with interview data	District shall develop an exit interview template and assign responsibilities to staff	December 31, 2019	HR Manager	
Human Resources Office	HR08	Develop an exit interview process and generate reports with interview data	District shall develop a report to be shared with the Administration and the School Board	December 31, 2019	HR Manager	
Information Technology	IT02	Secure the central network operations center (NOC) located at South Scranton Intermediate School	District shall complete the recommended improvements at the NOC	December 31, 2019	IT Director or Designee	
Procurement	P01	Institutionalize recent improvements in the purchase order process	District shall complete training for all key administrative and supervisory positions on current processes and systems	December 31, 2019	Business Manager, Procurement Officer	
Procurement	P01	Institutionalize recent improvements in the purchase order process	District shall review its procurement policies to implement best practices and improve accountability	December 31, 2019	Business Manager, Procurement Officer	
Procurement	P02	Designate a Business Office employee to serve as the District's Procurement Officer	District shall identify and empower a Business Office employee to become the Procurement Officer	December 31, 2019	Superintendent, Business Manager	
Procurement	P03	Continue to execute the current cycle of soliciting requests for proposals for services provided to the District; upon reaching the end, begin the cycle again	District shall review the bidding timeline and make necessary adjustments if needed	December 31, 2019	Business Manager, Procurement Officer, and School Board	
Procurement	P04	Complete an inventory of all District assets	District shall provide sufficient evidence to the CRO to certify the completion of the IT inventory for all equipment in the District	December 31, 2019	Business Manager, Procurement Officer; to be certified by the CRO	
Revenue	R04	Increase the current year real estate tax collection rate	District shall meet with the City and Single Tax Office to determine options to increase the real estate tax collection rate	December 31, 2019	Superintendent, Business Manager	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall meet with the City of Scranton and Lackawanna County to discuss PILOT efforts currently underway	December 31, 2019	Superintendent, School Board	
Revenue	R06	Explore the transition to a payroll preparation tax, eliminating business privilege and mercantile taxes	District shall determine whether or not to impose the payroll tax	December 31, 2019	School Board	
Revenue	R06	Explore the transition to a payroll preparation tax, eliminating business privilege and mercantile taxes	District shall determine equitable allocation of Single Tax Office costs	December 31, 2019	Business Manager	
Special Education	SPED01	Evaluate use of classroom space and current staffing model	District shall prepare and present to the Board proposed changes to the special education program that is aligned with the adopted building utilization plan	December 31, 2019	Superintendent, Special Education Director, Facilities Director or Designee, and Business Manager	
Special Education	SPED02	Review supervisory assignments	District shall include recommendations regarding special education supervision in the proposal delivered to the School Board	December 31, 2019	Superintendent, Special Education Director	
Special Education	SPED04	Evaluate costs and benefits of providing additional special education services with District personnel	District shall evaluate the costs of providing speech pathologist services with District personnel	December 31, 2019	Special Education Director	
Special Education	SPED05	Develop and implement a comprehensive plan to reduce settlement costs and redirect savings to classroom	The CRO shall review and approve the plan submitted by the District if it is found to be adequate	December 31, 2019	CRO	
Special Education	SPED07	Conduct an audit of the special education program if deemed necessary	The CRO shall review and approve the need for a special education submitted by the District if it is found to be adequate	December 31, 2019	CRO	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall evaluate transportation implications of proposed building reconfiguration plans	December 31, 2019	Superintendent, Business Manager, and Transportation Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall prepare a request for proposals for special education vehicles in accordance with its optimized routes	December 31, 2019	Business Manager, Transportation Manager	
Workforce	WF03	Identify opportunities to reduce costs of overtime and other non-salary compensation	District shall develop a list of proposals to reduce the costs of overtime and other non-salary compensation	December 31, 2019	Superintendent, Business Manager, and CRO	
Workforce	WF04	Reduce the future growth in healthcare costs	District shall implement healthcare cost savings changes designed to reach the Recovery Plan target through labor-management "targeted savings" initiative, or eliminate dependent healthcare coverage in the 2020 plan year.	December 31, 2019	Superintendent, Business Manager, TPA, and CRO	
Workforce	WF05	Consider requiring secondary level teachers to teach a sixth period	District shall evaluate full cost of proposal to require teaching a sixth period at the secondary level	December 31, 2019	Superintendent, Business Manager, CRO	
Business Office	B01	Hire and retain high-quality staff	District shall review staffing assignments and potential needs for training on the financial management software or other skills	January 31, 2020	Business Manager	
Capital Planning and Facilities Management	F03	Develop and implement a comprehensive plan for the utilization of facilities	Board shall adopt a final building utilization plan including timelines for action	January 31, 2020	School Board; Approved by the CRO	
Human Resources Office	HR01	Hire and retain high-quality staff and modernize management systems	District shall review staffing assignments and potential needs for training on the financial management software or other skills	January 31, 2020	HR Manager	
Human Resources Office	HR02	Fully implement a position control system	District shall begin the development of the position control database and all administrative documents	January 31, 2020	HR Manager, Business Manager, and Payroll Supervisor	
Human Resources Office	HR03	Review all job descriptions and employee evaluation processes	District shall begin the review of all job descriptions and employee evaluation processes	January 31, 2020	HR Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall post the request for proposals for special education vehicles in multiple media outlets	January 31, 2020	Business Manager	
Special Education	SPED01	Evaluate use of classroom space and current staffing model	Board shall adopt a final plan for special education including timelines for action	February 29, 2020	School Board; to be approved by the CRO	
Business Office	B01	Hire and retain high-quality staff	District shall hire an Assistant Business Manager	March 30, 2020	Superintendent, School Board, and CRO	
Business Office	B01	Hire and retain high-quality staff	District shall document processes in a manner approved by the CRO	March 30, 2020	Business Manager	
Human Resources Office	HR01	Hire and retain high-quality staff and modernize management systems	District shall hire an Assistant HR Manager if funds are available	March 30, 2020	Superintendent, School Board	
Human Resources Office	HR01	Hire and retain high-quality staff and modernize management systems	District shall document processes in a manner approved by the CRO	March 30, 2020	HR Manager	

**Scranton School District Recovery Plan Initiative List
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Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Information Technology	IT01	Reorganize the structure of the technology department	District shall review available resources and departmental needs to restructure the technology department as needed	March 30, 2020	Superintendent, Chief Operations Officer, and CRO	
Information Technology	IT03	Expand instructional technology tools	District shall pursue partnerships with foundations such as the Comcast Foundation to provide low-cost internet access to families	March 30, 2020	Chief Academic Officer, Chief of Leadership Development, and IT Director or Designee	
Information Technology	IT03	Expand instructional technology tools	District shall redeploy the mobile science lab to support instructional programs if sufficient staff and funds are available	March 30, 2020	Chief Academic Officer, Chief of Leadership Development, and IT Director or Designee	
Academic Achievement	ACHIEVE12	Expand the District's cyber school program	District shall evaluate the costs of expanding the cyber program to the elementary school level	March 31, 2020	Superintendent, Chief of Leadership Development, and Business Manager	
Academic Achievement	ACHIEVE13	Develop plan to establish a Science, Technology, Engineering, Arts, and Mathematics (STEAM) academy program at West Scranton High School	District shall create a comprehensive plan to establish a STEAM academy program at West Scranton High School	March 31, 2020	Superintendent, Chief of Leadership Development, and Business Manager	
Academic Achievement	ACHIEVE14	Continue expansion of the District's career pathways program	District shall develop a career pathways guide for parents and students	March 31, 2020	Superintendent, Chief Academic Officer, Principals, and Guidance Counselors	
Academic Achievement	ACHIEVE16	Expand support for industry-based learning	District shall evaluate opportunities to support students attending the Lackawanna CTC	March 31, 2020	Superintendent, Chief Academic Officer, Chief of Leadership Development	
Academic Achievement	ACHIEVE16	Expand support for industry-based learning	The CRO shall review and approve the plan submitted by the District if it is found to be adequate	March 31, 2020	CRO	
Administration and Governance	ADMIN01	Provide annual training for all School Board members	Board shall complete training for all key administrative and supervisory positions on current processes and systems	March 31, 2020	School Board	
Administration and Governance	ADMIN03	Adopt an ethics policy and establish an ethics committee	Board shall establish an ethics committee	March 31, 2020	School Board	
Business Office	B02	Continue participating in joint shared services committee with the City of Scranton	District shall develop a list of proposals for implementation by the end of the calendar year	March 31, 2020	Business Manager	
Capital Planning and Facilities Management	F02	Develop a multi-year capital plan	District shall develop a financing plan for capital needs through a combination of operating funds and bond proceeds	March 31, 2020	Business Manager	
Procurement	P04	Complete an inventory of all District assets	District shall present a report of current assets to the Board	March 31, 2020	Business Manager, Procurement Officer	Initial report March 31, 2020; Then Quarterly
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall complete meetings with the initial list of organizations targeted as part of the campaign	March 31, 2020	Superintendent, School Board	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall evaluate additional opportunities for further route efficiencies outlined above	March 31, 2020	Superintendent, Business Manager, and Transportation Manager	
Special Education	SPED07	Conduct an audit of the special education program if deemed necessary	The audit shall be completed and the CRO shall direct corrective action	April 30, 2020	CRO	
Student Transportation	T03	Rebid transportation contracts for savings	District shall evaluate bids submitted for special education vehicles and prepare a recommendation for the School Board	April 30, 2020	Business Manager, Transportation Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall award a contract to a vendor in accordance with its procurement policy	April 30, 2020	School Board	
Academic Achievement	ACHIEVE01	Invest funds to replace curriculum and classroom technology	District shall develop a five-year replacement plan for textbooks and classroom materials, and the plan shall include the integration of technology	June 30, 2020	Superintendent, Chief Academic Officer, Principals, Instructional Technology Director, and Business Manager	Annually in June thereafter
Academic Achievement	ACHIEVE01	Invest funds to replace curriculum and classroom technology	Board shall adopt the textbook and technology plans	June 30, 2020	School Board: to be approved by the CRO	As needed with future updates
Academic Achievement	ACHIEVE03	Strengthen support systems to build academic skills	District shall expand the summer school program for students performing below grade level	June 30, 2020	Superintendent, Chief Academic Officer, Principals, and Business Manager	
Academic Achievement	ACHIEVE07	Transition to community-based partners for all Pre-Kindergarten programs as part of the building re-configuration	District shall transition to center-based partners for Pre-Kindergarten programs and re-allocate remaining Title I funding to K-8 interventions	June 30, 2020	Superintendent, School Board, and CRO	
Academic Achievement	ACHIEVE17	Create additional co-curricular clubs to meet the needs of the middle and high school students	District shall evaluate opportunities to create additional co-curricular clubs at the middle and high school levels	June 30, 2020	Superintendent, Chief Academic Officer, Chief of Leadership Development, CRO	
Academic Achievement	ACHIEVE17	Create additional co-curricular clubs to meet the needs of the middle and high school students	The CRO shall review and approve the plan submitted by the District if it is found to be adequate	June 30, 2020	CRO	
Administration and Governance	ADMIN01	Provide annual training for all School Board members	CRO shall assess District progress	June 30, 2020	CRO	
Administration and Governance	ADMIN02	Improve public access to District documents	District shall complete the uploading of all available information from the 2017 and 2018 calendar years to BoardDocs or another similar tool	June 30, 2020	Superintendent	
Administration and Governance	ADMIN02	Improve public access to District documents	CRO shall assess District progress	June 30, 2020	CRO	
Administration and Governance	ADMIN03	Adopt an ethics policy and establish an ethics committee	CRO shall assess District progress	June 30, 2020	CRO	
Administration and Governance	ADMIN04	Establish a budget advisory committee	Board shall establish a budget advisory committee	September 30, 2019	School Board	
Administration and Governance	ADMIN07	Complete the reorganization of central office staff	District shall complete the reorganization of its central office staff	June 30, 2020	Superintendent, School Board	
Administration and Governance	ADMIN09	Formalize agreements with other organizations with memoranda of understanding	District shall formalize all current agreements with other organizations with memoranda of understanding	June 30, 2020	Superintendent, School Board	
Administration and Governance	ADMIN09	Formalize agreements with other organizations with memoranda of understanding	CRO shall assess District progress	June 30, 2020	CRO	

**Scranton School District Recovery Plan Initiative List
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Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Administration and Governance	ADMIN11	Align use of the Stadium Fund with broader goals to improve efficiency	District shall evaluate the use of contracted maintenance services for the Stadium Fund	June 30, 2020	Business Manager	
Administration and Governance	ADMIN11	Align use of the Stadium Fund with broader goals to improve efficiency	District shall evaluate designated purpose of accumulated balance in the Stadium Fund	June 30, 2020	Business Manager, School Board, and CRO	
Administration and Governance	ADMIN12	Consider the conversion of the calendar year budget to a July-June fiscal year	District shall evaluate the conversion of its budget to a July-June fiscal year	June 30, 2020	Superintendent, Solicitor, Business Manager, and CRO	
Business Office	B01	Hire and retain high-quality staff	CRO shall assess District progress and additional action needed	June 30, 2020	CRO	
Business Office	B06	Institutionalize recent federal programs improvements	District shall complete all remaining items identified by the technical assistance team in the evaluation of federal programs management	June 30, 2020	Superintendent, Chief Academic Officer, Federal Programs Managers, and Business Manager	Completion of actions, June 30, 2020; then ongoing as needed
Capital Planning and Facilities Management	F02	Develop a multi-year capital plan	Based on the financing plan and the schedule of priority projects, the District shall adopt a capital budget for authorized capital expenditures	June 30, 2020	Business Manager, Facilities Manager, and School Board	
Capital Planning and Facilities Management	F04	Sell unused facilities and dedicate the proceeds to capital needs	District shall solicit bids for both Lincoln-Jackson and Morse elementary schools and divest itself of these assets	June 30, 2020	Solicitor, Business Manager, and School Board	
Capital Planning and Facilities Management	F04	Sell unused facilities and dedicate the proceeds to capital needs	District shall transfer the proceeds from the building sales to the Capital Projects Fund	June 30, 2020	Business Manager, School Board	
Capital Planning and Facilities Management	F04	Sell unused facilities and dedicate the proceeds to capital needs	District shall complete sale of buildings impacted by the reconfiguration and transfer the proceeds the Capital Projects Fund	June 30, 2020	Business Manager, School Board	
Capital Planning and Facilities Management	F06	Develop and implement a comprehensive plan to reduce utilities spending	District shall develop a comprehensive plan to reduce energy costs	June 30, 2020	Business Manager, Facilities Director or Designee	
Capital Planning and Facilities Management	F07	Complete inventory of vehicles and fleet maintenance program	District shall complete inventory of vehicles and fleet maintenance program	June 30, 2020	Business Manager, Facilities Director or Designee	
Human Resources Office	HR01	Hire and retain high-quality staff and modernize management systems	CRO shall assess District progress and additional action needed	June 30, 2020	CRO	
Human Resources Office	HR03	Review all job descriptions and employee evaluation processes	District shall prepare recommended changes for review by the Superintendent and CRO	June 30, 2020	Superintendent, HR Manager, and CRO	
Human Resources Office	HR05	Create a condensed employee packet to include all benefit and policy information relevant to new hires	District shall create a comprehensive benefits package for new hires	June 30, 2020	HR Manager	
Procurement	P01	Institutionalize recent improvements in the purchase order process	District shall document processes in a manner approved by the CRO	June 30, 2020	Business Manager, Procurement Officer	
Procurement	P01	Institutionalize recent improvements in the purchase order process	CRO shall assess District progress	June 30, 2020	CRO	
Procurement	P04	Complete an inventory of all District assets	District shall complete an inventory of all District assets	June 30, 2020	Business Manager, Procurement Officer	
Procurement	P05	Consider the use of a purchasing card for potential to improve recordkeeping, reduce errors and provide a purchasing rebate	District shall review and report on the use of a purchasing card system; Board to review and possibly act	June 30, 2020	Business Manager, Procurement Officer, and School Board	
Special Education	SPED03	Expand special education professional development program	District shall begin training with the central office staff and the principals during the regular summer training session	Summer 2020	Special Education Director	
Revenue	R07	Increase Medicaid ACCESS revenue to support special education programs	District shall conduct a survey of its peer school districts using the criteria outlined in this initiative	July 31, 2020	Business Manager	
Revenue	R07	Increase Medicaid ACCESS revenue to support special education programs	District shall determine if there are adjustments in the District's policies or provision of services that need to be changed in order to increase Medicaid ACCESS revenue	July 31, 2020	Superintendent, Business Manager, Special Education Supervisor, and Federal Programs Managers	
Academic Achievement	ACHIEVE12	Expand the District's cyber school program	District shall expand the cyber program to the elementary level	August 31, 2020	Chief of Leadership Development, Business Manager, and School Board	
Human Resources Office	HR02	Fully implement a position control system	District shall document processes in a manner approved by the CRO	August 31, 2020	HR Manager, Business Manager, and Payroll Supervisor	
Human Resources Office	HR02	Fully implement a position control system	CRO shall assess District progress	October 30, 2020	CRO	
Human Resources Office	HR03	Review all job descriptions and employee evaluation processes	CRO shall assess District progress	October 30, 2020	CRO	
Human Resources Office	HR02	Fully implement a position control system	District shall complete the position control database and all administrative documents	December 31, 2020	HR Manager, Business Manager, and Payroll Supervisor	
Human Resources Office	HR09	Improve reporting and monitoring of human resources information in documents shared with the Board	District shall develop position control and exit interview reports to be presented to the Administration and School Board	December 31, 2020	Superintendent, HR Manager, and School Board	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall complete meetings with all of the tax exempt organizations identified as part of the program	December 31, 2020	Superintendent, School Board	
Human Resources Office	HR02	Fully implement a position control system	Enforce budget compliance	January 1, 2021	HR Manager, Business Manager	January 1, 2021 or earlier if feasible
Capital Planning and Facilities Management	F05	Develop and implement a plan to document and obtain the maximum energy savings available from the recently-completed GESA projects	District shall evaluate the contract with Constellation and determine which party will be responsible for ongoing M&V	December 31, 2021	Facilities Director or Designee, Business Manager, and School Board	
Human Resources Office	HR06	Fully implement an electronic timekeeping system	District shall fully implement an electronic timekeeping system	December 31, 2021	Superintendent, HR Manager, Business Manager, and Facilities Director or Designee	
Human Resources Office	HR07	Limit growth in costs of future workers' compensation claims by managing existing claims and reducing the number of new claims	District shall review workers' compensation costs and develop a plan to address future growth	December 31, 2021	HR Manager, Business Manager, and Facilities Director or Designee	

**Scranton School District Recovery Plan Initiative List
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Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Student Transportation	T03	Rebid transportation contracts for savings	District shall prepare a request for proposals for large buses in accordance with its optimized routes	December 31, 2021	Business Manager, Transportation Manager	
Procurement	P03	Continue to execute the current cycle of soliciting requests for proposals for services provided to the District; upon reaching the end, begin the cycle again	District shall complete the cycle of requests for proposals	January 31, 2022	Business Manager, Procurement Officer, and School Board	
Student Transportation	T03	Rebid transportation contracts for savings	District shall post the request for proposals for special education vehicles in multiple media outlets	January 31, 2022	Business Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall evaluate bids submitted for special education vehicles and prepare a recommendation for the School Board	April 30, 2022	Business Manager, Transportation Manager	
Student Transportation	T03	Rebid transportation contracts for savings	District shall award a contract to a vendor in accordance with its procurement policy	April 30, 2022	School Board	
Academic Achievement	ACHIEVE13	Develop plan to establish a Science, Technology, Engineering, Arts, and Mathematics (STEAM) academy program at West Scranton High School	District shall present the STEAM academy plan to the Board and take subsequent action if needed	August 31, 2022	Superintendent, School Board	
Administration and Governance	ADMIN08	Develop monthly and quarterly reports to be shared with District Administration, School Board and CRO	District shall present regular updates on the data submission report to the School Board	Quarterly	Superintendent, Business Manager	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	District shall provide a report on the current status of the PILOT program, and a financial report of the program to the Board	Quarterly	Superintendent, Business Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall develop quarterly reports to the School Board	Quarterly	Business Manager, Transportation Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall conduct quarterly surveys of ridership levels by route to be included in maintenance of data for the transportation management software	Quarterly	Business Manager, Transportation Manager	
Student Transportation	T04	Establish a transportation advisory committee	District shall convene the transportation advisory committee quarterly	Quarterly	Superintendent, Business Manager, Transportation Manager, and School Board	
Capital Planning and Facilities Management	F02	Develop a multi-year capital plan	District shall complete annual updates to the financial plan and the schedule of priority projects	Annually by June 30	Superintendent, Business Manager, Facilities Director or Designee, and School Board	
Capital Planning and Facilities Management	F03	Develop and implement a comprehensive plan for the utilization of facilities	District shall amend the building utilization plan as needed based on the most recent information available	Annually by June 30	Superintendent, Business Manager, Facilities Director or Designee, Child Accounting Supervisor, and School Board	
Capital Planning and Facilities Management	F04	Sell unused facilities and dedicate the proceeds to capital needs	District shall sell the buildings closed as part of the building utilization plan within one year of closure	Annually by June 30	Solicitor, Business Manager, and School Board	
Capital Planning and Facilities Management	F04	Sell unused facilities and dedicate the proceeds to capital needs	District shall transfer the proceeds from the building sales to the Capital Projects Fund	Annually by June 30	Business Manager, School Board	
Student Transportation	T02	Retain an experienced, qualified transportation manager	District shall review the achievement of performance goals and other measures completed by the transportation manager	Annually by June 30	HR Manager, Business Manager, and Transportation Manager	
Student Transportation	T05	Increase transportation subsidy revenues	District shall increase the share of transportation costs covered by the Transportation Subsidy over the duration of this Recovery Plan	Annually by June 30	Business Manager, Transportation Manager	
Revenue	R02	Raise real estate taxes annually to the Act 1 Index	District shall develop a proposed preliminary budget in accordance with all required statutory events	Annually by July	Business Manager	
Revenue	R05	Develop payments in lieu of taxes agreements with tax exempt organizations to support District academic programs	As needed, the District shall revise its strategy for the PILOT program including the targeted request and the organizations to contact for contributions	Annually by July	Superintendent, School Board	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall complete an evaluation of route efficiencies and propose changes for the following school year	Annually by July	Superintendent, Business Manager, and Transportation Manager	
Revenue	R02	Raise real estate taxes annually to the Act 1 Index	District shall adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events	Annually by August	School Board	
Revenue	R02	Raise real estate taxes annually to the Act 1 Index	District shall complete estimates of referendum exceptions and seek approval from the Department of Education	Annually by August	Superintendent, Business Manager	
Student Transportation	T01	Complete the implementation of the District's transportation management software and improve route efficiency	District shall complete an evaluation of current year routes and propose current year adjustments if needed	Annually by November	Superintendent, Business Manager, and Transportation Manager	
Administration and Governance	ADMIN05	Establish sufficient budgetary reserves	District shall dedicate surplus revenues to rebuild budgetary reserves until the requirements of the fund balance policy are met	Annually in December	Superintendent, Business Manager, and School Board	
Revenue	R08	Allocate windfall revenues and budgetary resources among priorities outlined in the Recovery Plan	District shall allocate windfall revenues and available budgetary resources to priority areas subject to approval by the CRO	Annually by December	Superintendent, Business Manager, School Board, and CRO	
Revenue	R01	Adopt a structurally balanced budget on an annual basis	District shall develop a structurally balanced budget that does not rely on one-time revenues or unfunded debt borrowing	Annually by December	Superintendent, Business Manager, and School Board	
Revenue	R02	Raise real estate taxes annually to the Act 1 Index	District shall develop a proposed final budget in accordance with all required statutory events	Annually by December 1	Superintendent, Business Manager	
Revenue	R02	Raise real estate taxes annually to the Act 1 Index	District shall adopt the final proposed budget with the required tax increases and in accordance with all required statutory events	Annually by December 31	School Board	
Academic Achievement	ACHIEVE14	Continue expansion of the District's career pathways program	The CRO shall review and approve any proposals to expand the career pathways program submitted by the District if it is found to be adequate	As needed	CRO	
Special Education	SPED02	Review supervisory assignments	As additional funds become available, the CRO may approve investment in additional support for the special education program	Ongoing as needed	Superintendent; to be approved by the CRO	
Special Education	SPED03	Expand special education professional development program	As needed, the District shall update the special education training materials and the cycle of training sessions	Ongoing as needed	Special Education Director	
Information Technology	IT04	Fully implement key operational systems	District shall implement all operational systems with fidelity	Effective for duration of Recovery Plan	IT Director or Designee; Periodic evaluation by the CRO as needed	

**Scranton School District Recovery Plan Initiative List
Initiatives by Date**

Chapter	Initiative Number	Description	Task	Deadline	Responsible Party	Note
Workforce	WF01	Monitor the full cost of compensation and related benefits over a multi-year period when evaluating proposals for collective bargaining negotiations	District shall provide salary increases that are affordable given sustainable revenue sources	Effective for duration of Recovery Plan	Superintendent, Business Manager, CRO, and School Board	
Workforce	WF02	Monitor the full cost of retirement incentives when evaluating proposals	District shall monitor the full cost of retirement incentives when evaluating proposals	Effective for duration of Recovery Plan	Superintendent, Business Manager, CRO, and School Board	
Workforce	WF06	Identify funds available to provide competitive teacher salaries	District shall provide salary increases that are affordable given sustainable revenue sources	Effective for duration of Recovery Plan	Superintendent, Business Manager, CRO, and School Board	
Student Transportation	T03	Rebid transportation contracts for savings	District shall rebid contracts every three to five years according to its procurement policy	Every three to five years	Superintendent, Business Manager, Transportation Manager, and School Board	
Academic Achievement	ACHIEVE08	Complete transition to schoolwide allocations for Title I funding in elementary schools	District shall complete the building comprehensive plans as part of the transition to schoolwide Title I allocations	Immediately upon response of State to submitted plans	Superintendent, Business Manager, Title I Coordinator, and Chief Academic Officer	Initial deadline of 9/1/19; ongoing thereafter
Academic Achievement	ACHIEVE18	Evaluate costs and benefits of using District personnel to manage teacher substitutes	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Business Office	B07	Review opportunities to increase interest revenue	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Capital Planning and Facilities Management	F08	Review maintenance agreements with other entities	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Capital Planning and Facilities Management	F09	Evaluate staffing levels to meet objectives for building maintenance	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Information Technology	IT05	Review and reconfigure wire management in all central network closets	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Information Technology	IT06	Review child accounting systems	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Revenue	R10	Complete collection of outstanding business privilege and mercantile taxes	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Revenue	R11	Review the taxable status of all significant tax exempt properties	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Revenue	R12	Pursue opportunities for federal impact aid	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Revenue	R13	Evaluate opportunities to increase the General Fund reimbursement for costs incurred from the Food Service Fund	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Revenue	R14	Consider eliminating the sale of tax liens if the District establishes sufficient budgetary reserves to accommodate the short-term decline in revenue collection	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Special Education	SPED08	Continue monitoring of implementation of recommendations provided by the Commonwealth's 2018 review of the District's special education program	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Workforce	WF07	Evaluate opportunities to establish class size ranges	N/A (Minor Initiative)	N/A (Minor Initiative)	N/A (Minor Initiative)	
Revenue	R03	Pursue exceptions to the Act 1 Index if required to balance the annual budget	N/A (Tied to R2)	N/A (Tied to R2)	N/A (Tied to R2)	

Chief Recovery Officer/Technical Assistance Team

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