

Recovery Plan



SCRANTON SCHOOL DISTRICT
JUNE 5, 2019

Build To Where You Want To Go

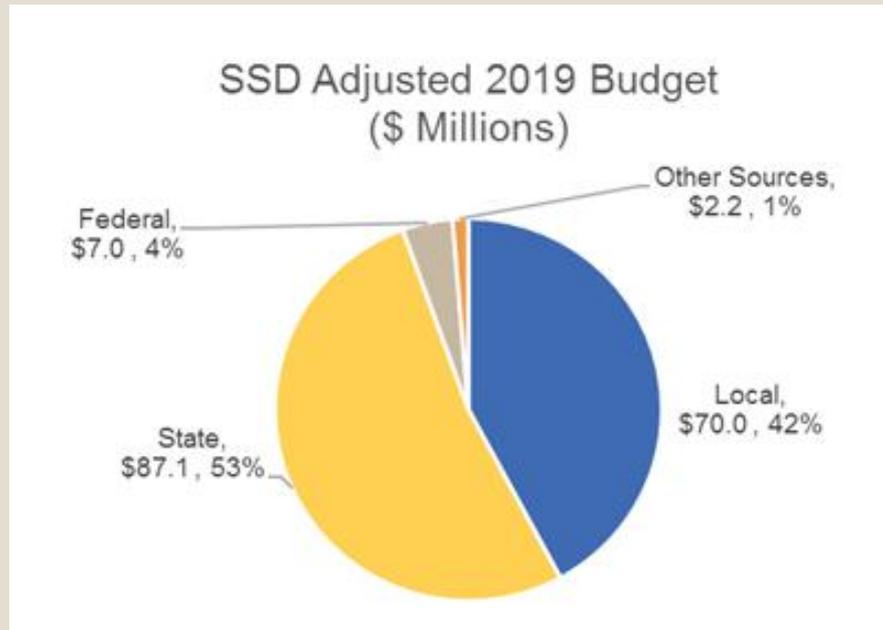


- Recovery
- Solvency
- Sustainability
- Resiliency

Recovery



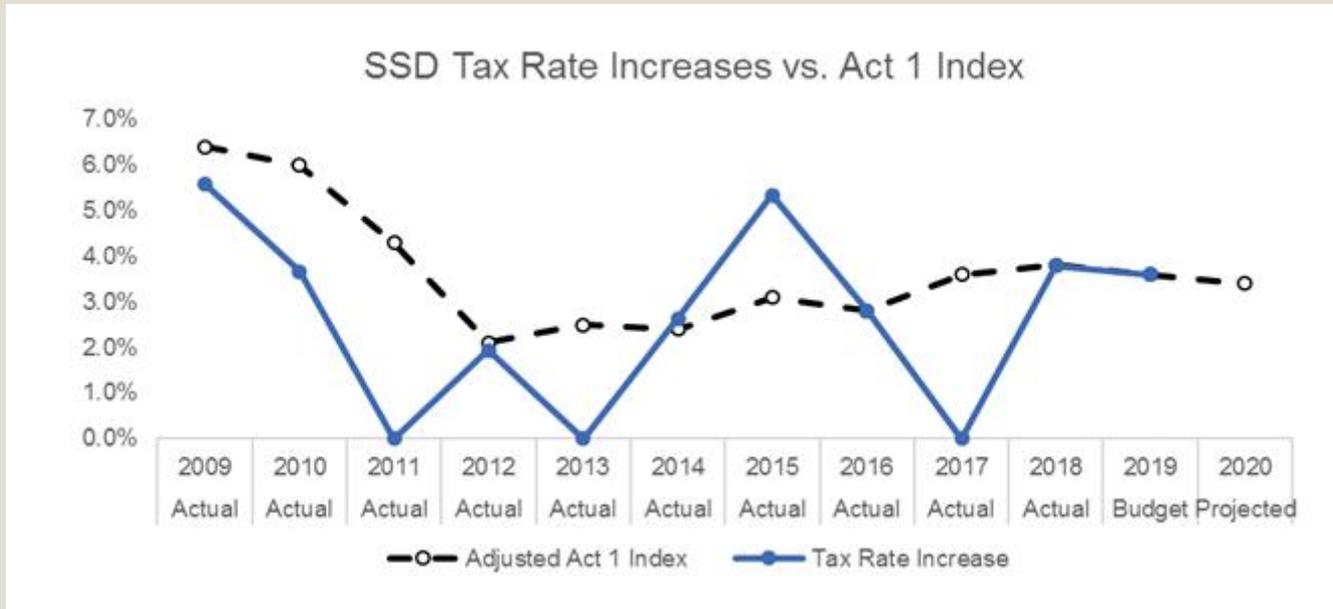
- Finances
 - Revenues



Recovery



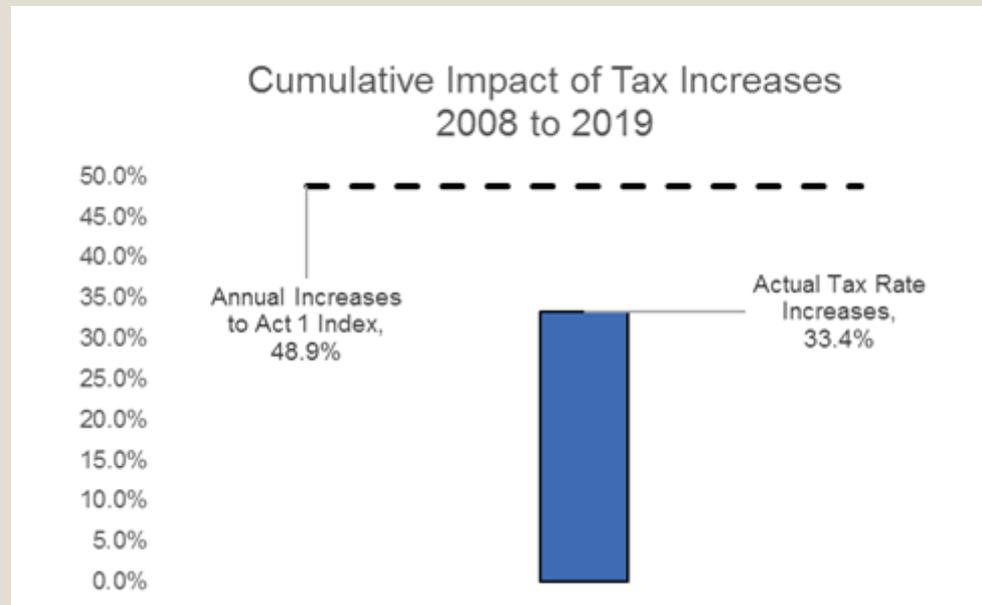
- SSD Tax Rate vs. Act 1 Index



Recovery



- Cumulative Impact of Tax Increases 2008-2019



Recovery



- Financial Impact

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	\$1,384,304	\$1,431,512	\$1,480,246	\$1,530,555	\$1,582,491	\$7,409,108

Recovery



○ Collection Rates

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

Recovery



- Medicaid ACCESS Revenues

Finances



- Review taxable status
- Opportunities for federal impact aid
- Opportunities to increase General Fund
- Eliminate the sale of tax liens once have sufficient budgetary reserves

Capital Planning & Facilities Management



- Facility Capacity
- Development of multi-year capital plan by 6/30/2020
- Boundary Adjustments
- Financial Impact
- Transportation

Business Office



- Continued training on financial management system modules
- Cross training of personnel
- Reassignment of Human Resource functions to HR Office
- Continue joint shared services committee with the City of Scranton
- Add an Assistant Business Manager if funds permit

Business Office



- Monitor debt levels for opportunities to reduce or limit increases in debt as a percentage of current expenditures
 - January 2019 over \$200 million in outstanding principal in general obligation bonds
 - 2019 Budget the total debt service was \$17.6 million or 10.6% of the total \$166 million expenditures in the adjust budget

Business Office



- Debt service as a percentage of operating expenditures in the adjusted budget is a way to measure a district's financial flexibility
- In general a ratio above 10% is considered to be high
- Unfortunately a portion of the District's debt is related to borrowings to fund current operating expenses from 2014-2018

Business Office



- Improvement reporting and monitoring of actual financial results
- 2019 the District will make its full budgeted debt service payments for the first time since 2014
- Reports on debt will be made to the Board on a quarterly basis
- Institutionalize recent federal program improvements

Human Resources



- Align staffing resources
- Ensure staff receives continued training on HR management system modules
- Ensure cross training across all assignments
- Implement position control
- Transition to direct deposit and ACH
- Creation of benefits package
- Electronic Timekeeping system

Human Resources



- Review workers' compensation costs
- Develop exit interview template
- Hire an Assistant Human Resource Officer if funds permit
- Develop position control and exit interview reports for Administration and School Board

Procurement



- Institutionalize recent improvements in the purchase order process
- Create a procedure manual documenting process and flow chart
- Assign a District Procurement Officer
- Reorganize functions between the Business Office and the Human Resource Office
- Continue to execute the current cycle of soliciting requests for proposals

Procurement



- Complete an inventory of all assets by January 2020
- Investigate the potential use of a purchasing card by January 2020

Academics



- Improve academic performance on the PSSA tests
- Improve student growth as evidenced in the PVASS
- Improve graduation rates
- Improve opportunities for college and career readiness

Special Education



- Special Education costs have grown faster than revenues from 2012 to 2017
- Districts across the nation have faced increasing budgetary pressures from a growing population of special education students and the requisite services to meet their needs
- District continues to face significant costs for the settlement of special education lawsuits

Special Education



- Evaluate use of classroom space and current staffing model
- Review supervisory assignments
- Expand special education professional development program
- Evaluate costs and benefits of providing additional special education services with District personnel

Special Education



- Develop a comprehensive plan to reduce lawsuits
- Improve reporting and monitoring of special education trends with the School Board

Transportation



- SSD has 60 buses and 40 vans carry over 4000 to and from school every day
- Complete implementation of the District's transportation management software and improve route efficiency
- Assuming a reduction of 4 routes/vendor in the 2019-20 school year and an additional two routes/vendor in 2021 for a total of 12 vehicles the cumulative impact from 2019-2024 would be \$2,621,228.00

Transportation



- Retain a qualified transportation manager
- Rebid transportation contracts for savings
 - Van and small bus January 2020
 - Large bus vendor January 2022
 - Rebid contracts every 3-5 year
 - Establish a transportation advisory committee
 - Increase transportation subsidy revenues

Workforce



- Monitor cost of compensation and related benefits for collective bargaining negotiations
- Identify funds available for competitive salaries and benefits
- Develop strategies to reduce growth in healthcare costs
- Provide opportunities for professional growth and development

Communication and Governance



- Provide the required School Board training
- Establish a budget advisory committee
- Pursue shared service opportunities with local governments
- Reorganization of central office staff
- Provide monthly and quarterly reports with district administration, board and CRO
- Restructuring central office staff to build middle management positions