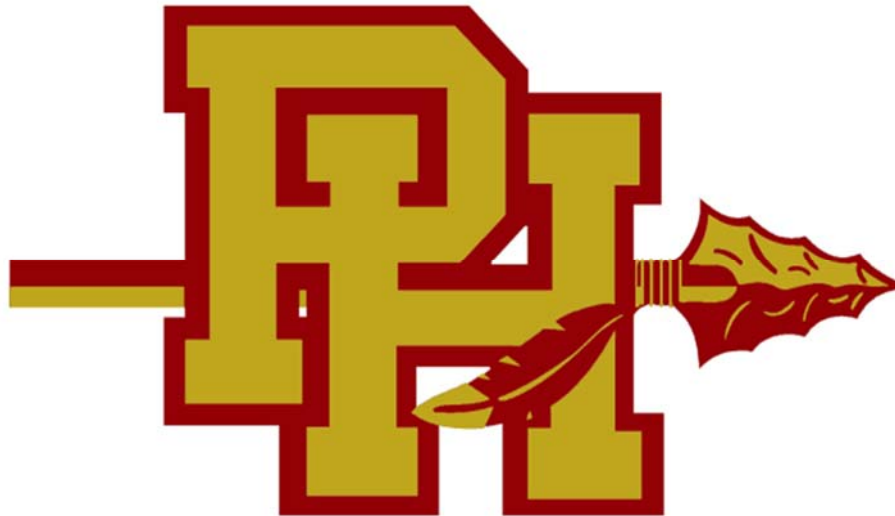


FINANCIAL RECOVERY PLAN

**PENN HILLS SCHOOL DISTRICT
ALLEGHENY COUNTY, PENNSYLVANIA**



**Prepared for the
Penn Hills School District
By**

**Chief Recovery Officer
Dr. Daniel J. Matsook**

**With the assistance of
Michael V. Lamb, CPA, CGFM
PDE Technical Consultant**

May 20, 2019

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PART I

INTRODUCTION

Financial Recovery Plan

I. Introduction/Context

It has been a decade of financial crisis for the Penn Hills School District (PHSD or the District). At the end of the 2008-2009 school year, the District was operating with a surplus of nearly two million dollars which represented the total fund balance. In February 2019, it faced an (\$8.1) million-dollar budget shortfall for 2019-2020, a negative fund balance of 12 million dollars, and a cash flow crisis putting payments for creditors, vendors, and salaried employees at risk.

In June 2017, the PHSD received notice from the Pennsylvania Department of Education (PDE) that it has been placed on the State's financial watch list. The list identifies school districts that are heading towards financial recovery status unless the districts address negative financial trends impacting their overall financial health. Along with identifying PHSD as a district on the watch list, PDE provides technical assistance to address minor issues with the business operation of the District.

Nearly eighteen months later on February 1, 2019, PHSD received notice that it was being downgraded from watch list status to moderate financial recovery status. The notification cites the reasons for the downgrade and reflects the State's lack of confidence in the PHSD to make the necessary decisions to reverse the negative trend. There was no clear long-range plan to change its narrative. This designation led to the appointment of a Chief Recovery Officer (CRO), Dr. Daniel J. Matsook on February 5, 2019. CRO Matsook was charged with developing a Financial Recovery Plan for the District. **His goal is to return the District to financial solvency while preserving the integrity of the Penn Hills School District academic program.**

Some back story: In May of 2016, the PA Auditor General's report cited egregious flaws in the business operations of the District. One month later a grand jury investigation was launched by the Allegheny County District Attorney into the business and board-level practices of the PHSD. The report was released in February of 2019. Despite the District's action to address its issues through a corrective action plan, the efforts were not rapid or far-reaching enough to stop its overall financial downward spiral. Over-burdening debt, coupled with a declining trend of student enrollment has pushed the District toward State Receivership. Requests for short-term loans to pay bills and State subsidy advancements to relieve the pressure from cash flow problems became common strategies over the past five years. These practices only resulted in short-term fixes plunging the District into deeper financial ruin. Even with two consecutive years (2017-2018 and 2018-2019) of additional state assistance (two million dollars each year), the cycle of using future monies to pay for past bills continued.

The Penn Hills School District's financial troubles were initiated by tremendous debt service from two capital projects – a new state-of-the-art high school and an elementary center housing grades PK-4. Zero tax increases during five years of planning and construction, minimal cost savings from building consolidation, overspending, overruns, administrative turnover, and poor decision-making resulted in 172 million-dollar debt. The District's annual debt service of 12 million dollars will spike to 15 million in 2022-2023. The District finds itself in a cash-strapped catastrophe. Past attempts to re-finance and/or re-structure the long-term debt provided immediate relief, only to kick the financial crisis further down the road. The problem is two-fold: 1) reigning in annual operational costs to replenish the depleted fund balance, and 2) establishing financial stability by restructuring long-term debt. Locally, the PA Auditor General's report, exacerbated by the release of the Allegheny County District Attorney's investigation, has heightened the District's negative public relations image.

The purpose of this plan is to provide a map to financial solvency. It is not intended to investigate any findings from either the PA Auditor General or Allegheny County District Attorney reports unless they are directly relevant to correcting practices that may hinder the District from operating efficiently. The plan will be developed with three premises in mind:

1. The Penn Hills School Board is responsible for providing the students with a college-and-career-ready educational experience in a safe and secure learning environment. The administration and staff are responsible for delivering that experience. The Superintendent is responsible for holding everyone accountable in the academic arena.
2. The District's revenues will dictate the level of expenditures to support the educational program. The PHSD must be cost-efficient and fiscally responsible in its duty to provide a quality academic program for its students.
3. The success of the recovery plan is contingent upon the good will of the employees and residents of the Penn Hills School District. A fair-minded approach to resolving the District's issues is essential. It is no one particular person's fault that the District is struggling, but it is everyone's civic and moral responsibility to fix it.

The Penn Hills School District must change how it does business, how it compensates its workforce, how it educates its children, and how it charges its taxpayers to do so. The District must adjust what it spends to match its current and potential revenue. Academically, the District must build upon the things it does well in order to improve student achievement across the board. The Penn Hills School District must change the narrative that feeds a negative public perception about the school district. This recovery plan and narrative are not about the past, but about the Penn Hills School District's move into a positive future. It will not be easy; there will be very difficult and unpopular decisions made along the way to recovery. However, the Penn Hills School District will emerge stronger, better, and more efficient in the end.

PART II

STATUS OF THE DISTRICT

II. The Facts: Status of the District

DEMOGRAPHICS

A. Demographic Background: Penn Hill School District (U.S. Census Bureau website)

The Penn Hills School District is located in Allegheny County, ten miles east of the City of Pittsburgh. The geographic size of the District is 19.4 square miles. It is the largest suburb in the Pittsburgh metropolitan area. The cultural, socioeconomic, racial, religious, and educational differences that exist in the PHSD make it a unique, diverse community. It is mostly residential with commercial businesses scattered throughout its sprawling hills.

Population: 42,329 (2010)
 Population: 41,291 (2017) Change: -2.5%

Race/Ethnicity (2017)	
Caucasian	55.5%
African American	37.8%
Two or More Races	4.1%
Hispanic/Latino	1.9%
Asian	.4%
Native American	.2%
Pacific Island	.1%

Age	
Under 18 Years	19.4%
Over 65 Years	19.6%

Residents Income (U.S. Census Bureau)		Residents Education (U.S. Census)	
Per Capita Income:	\$29,031 (\$35,280)	HS Graduates:	94.5% (94.1%)
Household Income:	\$52,099 (\$56,333)	Bachelor's Degree+:	31.2% (40%)
Poverty Level:	10.3% (11.2%)		

*Allegheny County in Parenthesis.

Home Values: (Keystones Collections Group)

Assessed Home Value	
\$0 - \$50,000	4,737 Homes
\$50,001 - \$75,000	7,967 Homes
\$75,001 - \$100,000	5,134 Homes
\$100,000+	2,930 Homes

*Median Assessed Value - \$74,000

B. Student Demographics (PA Future Ready Index)

District enrollment for 2018-19 is 3,360.

Race/Ethnicity	
African American	62.5%
Caucasian	28.9%
Two or More Races	5.2%
Hispanic/Latino	2.4%
Asian	.9%
Pacific Island	.1%

Additional Demographics	
Economically Disadvantaged	65.2%
English Language Learner	0.6%
Special Education	20.0%
Graduation Rate (4 Yr)	81.0%
Graduation Rate (5 Yr)	88.7%
Attendance (SY 17-18)	92.5%

Comparing community demographics with school demographics, the data show that the African American and Caucasian racial groups have exchanged percentages. With a growing trend towards more diversity, it is essential that the PHSD adjust its approach to pedagogy to be more inclusive of multicultural materials and instructional strategies that facilitate learning within racial and socioeconomic populations. The research clearly reflects that a culturally responsive delivery of services influences basic principles of learning. Priming student motivation and tapping into prior knowledge are just two underlying principles for how people learn that cannot be ignored. Instructional practices and student support services must align with these principles. The initiatives in Part III of this plan will address this issue in more detail.

ENROLLMENT

C. District Enrollment (Taken from PIMS submission on Oct. 1 of each school year)

The Ten-Year Historical Enrollment: In-House Enrollment

YEAR	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
STUDENTS	4,972	4,577	4,284	3,987	3,903	3,908	3,986	3,851	3,603	3,422	3,360
CHANGE		(395)	(293)	(297)	(84)	5	78	(135)	(248)	(181)	(62)

The chart clearly shows a decline in enrollment through the years. From 2008-2009 school year until the current school year, enrollment dropped by 1612 students. In more recent years from 2014-2015 school year until the current school year, enrollment decreased by 626 students. Three years, from 2012-2013 through 2014-2015, enrollment flattened. The High School construction was completed in January of 2012, and the Elementary School construction was completed in August of 2014. Expectations were that the students would return from charter and parochial schools once the construction was completed. That didn't happen.

In-House Enrollment by Grade Level

2018-2019 School Year

GRADE	Pre-K	K	1	2	3	4	5	6	7	8	9	10	11	12
STUDENTS	32	213	214	241	250	228	255	238	258	246	253	302	314	316
					ES	1,178			MS	997			HS	1,185
													Grand Total	3,360

This chart reflects grade-level enrollment numbers for the current school year. The numbers below the chart represent the student enrollment for the three District school buildings – the elementary school, the middle school, and the high school. Close inspection reveals that the top three grades in the high school have the highest student enrollment; the following grades show significant decreases at each grade level. Please note that these numbers were taken from enrollment reports on October 1. They do not reflect the transiency enrollment that occurs each school year which can fluctuate 1-2% during the school year.

Ten-Year Historical Enrollment: Special Education Enrollment

YEAR	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
STUDENTS	876	822	722	762	760	727	747	802	765	*873
Percentage	17.6%	18.9%	16.6%	19.3%	19.4%	18.2%	19.3%	22.2%	22.5%	26%
State Avg.	15.1%	15.2%	15.1%	15.3%	15.4%	15.6%	15.9%	16.5%	16.9%	N/A

*April 1, 2019

The State average percentage for special education population slightly increased over the past three years. The District's percentage of special education students has increased significantly over the past three years. Through the past three years, the District's number of special education students increases while simultaneously the overall District student enrollment decreases. These two opposite trends negatively impact the growing special education percentage number. Sixty additional special education students have enrolled in the PHSD since October 1, 2018.

2018-2019 School Year: In-House Special Education Enrollment by Grade Level

GRADE	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
In-House	53	63	66	52	64	58	67	52	69	75	64	65	*748
Out-Placed	3	3	8	5	8	2	3	5	6	3	5	14	*65
Gifted	4	3	3	8	6	4	11	7	8	12	13	13	92
504's	3	8	7	7	8	5	11	10	10	7	10	15	101

*Oct 1, 2018

The chart above reflects the current school year's composition of special education students and gifted students by grade level, and it separates the students into four categories: in-house special education students, outplaced special education students, gifted students, and students with section 504 plans. Students with 504 plans do not qualify for special education services; however, they qualify for adaptations and/or accommodations to assist with their learning due to a diagnosed physical, psychological, or learning challenge. Meeting the needs of the special education population can exponentially increase educational costs.

CHART A: Ten-Year Historical Enrollment: Charter Schools

YEAR	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Charter	479	483	513	627	561	623	590	653	715	670
Cyber Charter	N/A	N/A	183	181	176	190	145	126	101	163
Total	479	483	696	808	737	813	735	779	816	833

CHART B: 2018-2019 School Year: ALL Charter School Enrollment by Grade Level

GRADE	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Regular Ed.	60	56	60	61	64	54	58	68	48	41	38	38	24	670
Special Ed.	3	5	8	8	10	16	25	22	11	24	12	11	7	163
TOTAL	63	61	68	69	74	70	83	90	59	65	50	49	31	833

CHART C: 2018-2019 School Year: Cyber Charter School Enrollment by Grade Level

*These enrollment numbers are included in the chart above.

GRADE	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Regular Ed.	2	7	5	1	5	3	8	12	8	15	14	16	5	101
Special Ed.	0	0	1	0	1	4	4	6	6	9	2	5	1	39
TOTAL	2	7	6	1	6	7	12	18	14	24	16	21	6	140

The ten-year historical data in Chart A reflects a somewhat steady increase in charter school enrollment. The five years in the middle of the historical chart fluctuate to some degree. Some variation may be due to turnover in the business office or a lack of reconciliation for tuition invoices submitted by charter schools.

Enrollment by grade level in Chart B reflects decreasing total enrollment numbers moving from the elementary grades through the secondary grades. The middle school enrollment (grades 5-8) reflects the highest grade-level average of 75 total students. The elementary school is slightly lower, and the high school reflects the lowest grade-level average of total students.

Chart C reflects that student enrollment trends for cyber charter schools shows the opposite. Numbers increase as students pass through the system. Sixty-seven (67) high school level students attend cyber charters, and fifty-one (51) middle school students attend cyber charter schools.

Generally speaking, census data reflect an aging community with declining numbers of school-age students. That limited pool of school-age students is impacted by the competition from charter schools to enroll Penn Hills School District students. The District must develop strategies to draw back these students.

FINANCES

Financial History

The table below provides a high-level summary of the District's total revenue, total expenditures, surplus/(deficit) and fund balance over the last 10 years. Not only does the District need to focus on achieving a balanced budget for the current operating year, but it also needs to find a way to overcome the deficit fund balance position of (\$12.1) million at the end of 2017-2018.

10 Year Financial Summary (in \$ millions)

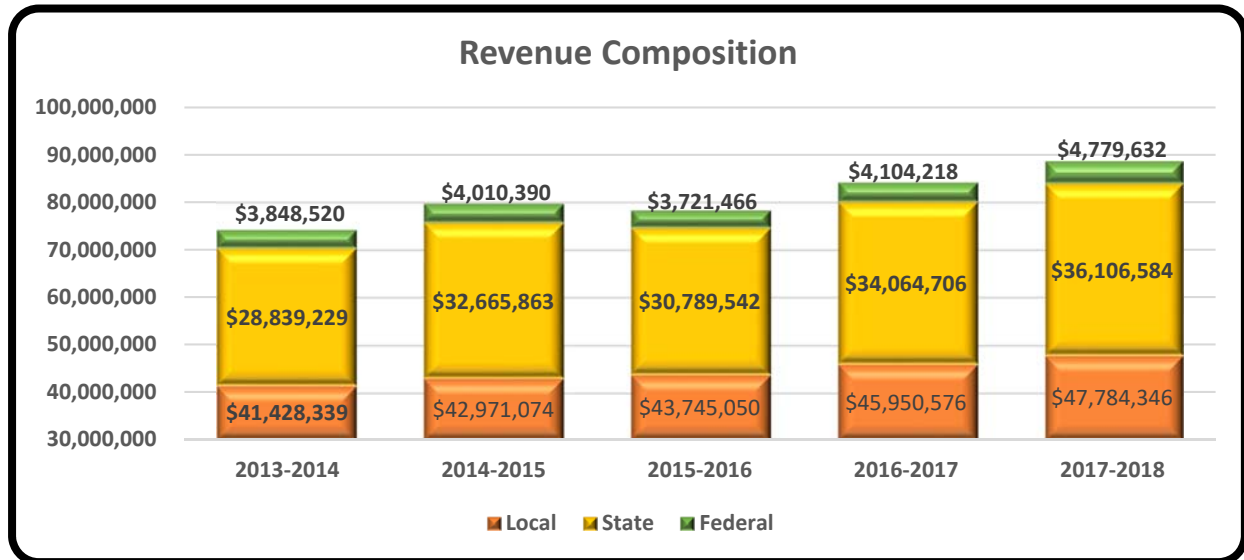
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Rev	\$79.5	\$71.3	\$75.9	\$71.8	\$74.1	\$76.6	\$ 79.7	\$100.5	\$ 84.1	\$ 88.9
Exp	77.6	72.8	74.7	72.7	77.7	85.6	90.2	88.5	88.3	90.0
Sur/(Def)	1.9	(1.5)	1.2	(0.9)	(3.6)	(9.0)	(10.5)	12.0	(4.2)	(1.1)
Prior Period Adjustment	---	3.0	---	---	---	---	0.6	---	---	---
Fund Bal	\$ 1.9	\$ 3.4	\$ 4.6	\$ 3.7	\$ 0.1	\$(8.9)	\$(18.8)	\$(6.8)	\$(11.0)	\$(12.1)

Source: Annual Financial Report data submitted to PDE

In 2015-2016, the District issued two separate General Obligation Bonds Series in 2015 totaling \$19,965,000 of which \$18,000,000 was issued specifically for the purpose of paying current General Fund operating expenses of the District. This debt issuance helped improve the District's immediate cash position for the short term, but only compounded the District's long -term financial position by increasing its debt service payments which is discussed further in subsequent sections.

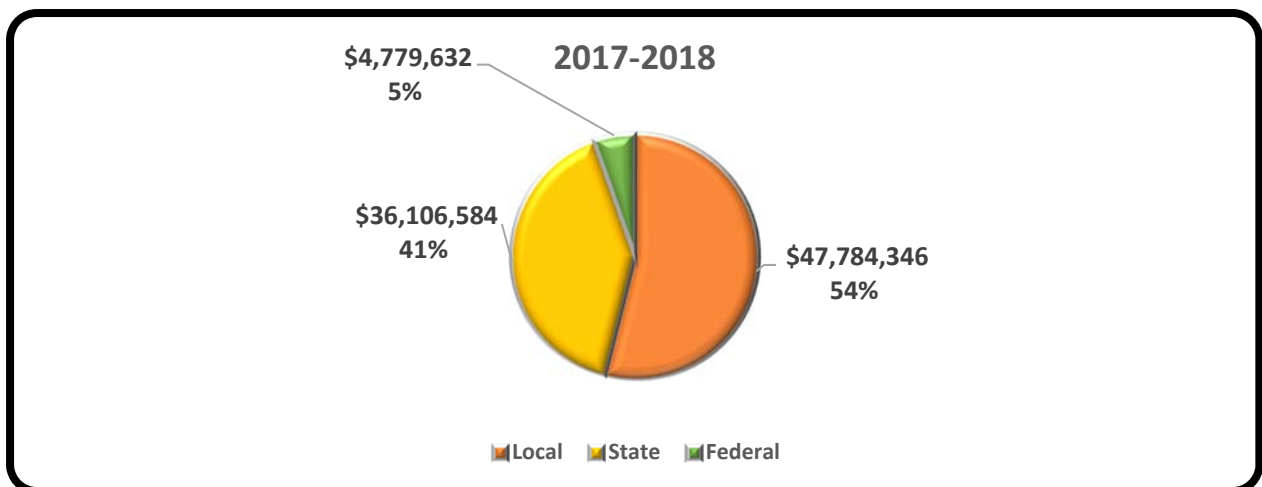
The District's annual revenue has increased from \$74 million in 2012-2013 to \$88 million in 2017-2018 which is a 20% increase over a five year period. During this time, federal revenue has remained relatively stable while the portion attributed to state and local revenue has grown.

Revenue Composition



Source: Annual AFR Data

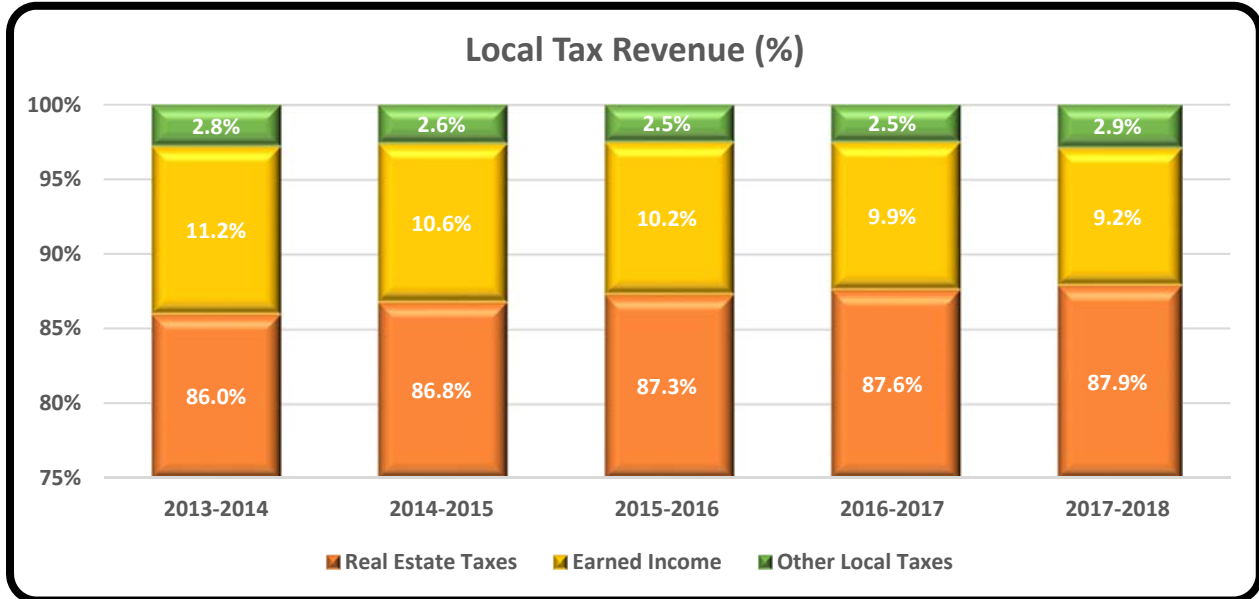
The District's revenue is broken into three (3) categories: Federal, State and Local. The federal funding received by the District represents five percent (5%) while the state subsidies represent forty-one percent (41%). The majority of federal and state revenue provides resources to subsidize the District's educational programs. The remaining fifty-four percent (54%) is the District's local revenue.



Source: Annual AFR Data

Local Tax Revenue

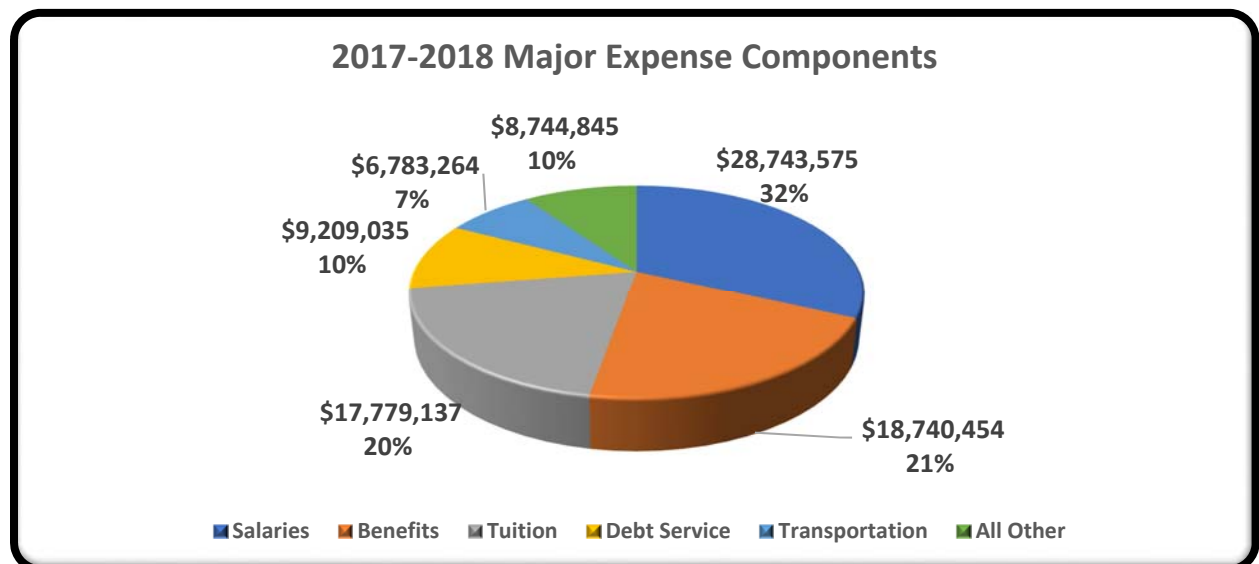
The District's local tax revenue is primarily comprised of real estate taxes and earned income taxes that are shared with other local municipalities. The graph below shows that over the last five (5) years, the District's real estate has ticked upwards due to the millage increases reducing the overall percentage received from earned income taxes and other local taxes.



Source: Annual AFR Data

Annual Operating Expenses

The District's annual operating expenses have hovered between \$88 million and \$90 million over the last four fiscal years. The largest cost drivers for the Penn Hills School District are: Salaries, Benefits, Tuition, Debt Service and Transportation. These five (5) components represent 89% of the District's expenses and leaves 11% to fund all of the other District's operations (Professional Services, Information Technology, Supplies, Capital Improvements, etc.).



Source: Appendix B.1

Current Financial Picture

History of TAN's

Date of TAN	Amount	Payback Date
July 2014	\$ 3,000,000	6/30/15
July 2017	\$ 9,000,000	12/31/17
July 2018	\$ 9,900,000	9/30/18

Source: District Business Office

A Tax Anticipation Note (TAN) is a short-term loan that school districts use to meet payroll and other obligations over the summer months before real estate tax collections are received. Under normal circumstances, financial institutions require a TAN to be repaid on or before June 30 of the following year. In the PHSD, the TAN proceeds are used primarily to pay for obligations from the previous year and payroll through the summer. As noted in the above chart, in recent years, PHSD must pay back its TAN loan sooner than other districts due to its high risk of default. The TAN is secured by anticipated real estate tax revenue that comes into the district in August and September. Unfortunately, the creditor gets first priority of the 2019-2020 budgeted real estate taxes to pay for 2018-2019 bills. Consequently, the District will feel the TAN's negative effect on cash flow again in the spring.

The District did not require a TAN in July of 2015 or July of 2016 due to the influx of cash received from the District's General Obligation Bonds Series in 2015.

History of Subsidy Advancements

Subsidy advancements are requested by Districts having cash flow issues. The District may formally request an advancement from a future Basic Education Funding (BEF) subsidy deposit in consultation with PDE. The advancement provides the necessary cash flow relief in the short term. However, in a subsequent month, the advanced amount is automatically deducted to repay PDE. As shown below, the District has relied on subsidy advances in 4 of the last 5 years.

2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Jan. & Mar.		March	March	March
\$ 4,800,000	\$ ---	\$ 2,000,000	\$ 2,500,000	\$ 1,500,000

Source: District Business Office and PDE Financial Accounting Information (FAI) system

Debt Service Assistance

In addition to utilizing tax anticipation notes and subsidy advancements to assist with cash flow shortages, the District has relied on assistance from the Commonwealth to ensure debt service payments were made timely. Under section 633 of the Pennsylvania Public School Code (School Code), 24 P.S. subsection 6-633, the Secretary of Education is authorized to "...**withhold out of any State appropriation due such school district an amount equal to the sum of the principal amount maturing or subject to mandatory redemption and interest owing by such school district, or sinking fund deposit due by such school district, and shall pay over the amount so withheld to the bank or other person acting as sinking fund depositary for such bond issue.**" As shown below, the Commonwealth has made principal and interest payments on behalf of the District, and then the Commonwealth withholds these payments out of a future subsidy.

2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 3,124,585	\$ 3,071,369	\$ 3,020,079	\$ 2,173,287	\$ 2,615,866

Source: District Business Office and PDE Financial Accounting Information (FAI) system

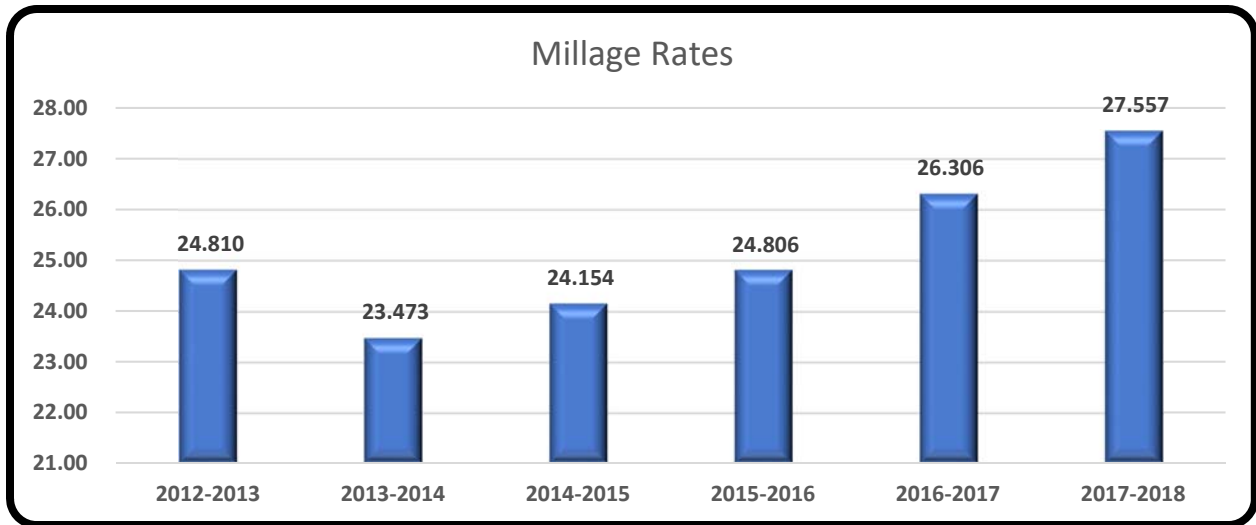
History of Tax Increases

As noted previously in this plan, the District began feasibility studies on the construction of a new elementary building and a new high school building in 2009. In anticipation of these buildings becoming operational, it would seem reasonable that gradual tax increases would be necessary. As shown below, no tax increase occurred until both buildings were fully operational and the District was feeling the overbearing stress of the increased debt service payments.

	2008 - 2009	2009- 2010	2010- 2011	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018
Sur/(Def)*	1.9	(1.5)	1.2	(0.9)	(3.6)	(9.0)	(10.5)	12.0	(4.2)	(1.1)
Fund Bal*	1.9	3.4	4.6	3.7	0.1	(8.9)	(18.8)	(6.8)	(11.0)	(12.1)
Millage	24.81	24.81	24.81	24.81	24.81	23.47	24.15	24.81	26.31	27.56
Change	0.00	0.00	0.00	0.00	0.00	(1.34)	0.68	0.66	1.50	1.25

*Amounts in (\$ millions)

Source: Annual Financial Report and Audited Financial Statements



***Note in 2013-2014, Allegheny County underwent a countywide tax reassessment. By law, upon the completion of the reassessment, millage rates must be adjusted to remain revenue neutral in the following fiscal year. Therefore, since the District's assessed values increased over the previous values, the millage rate was required to be reduced.**

Another measure that is used to evaluate the local tax base in comparison to statewide data is the Local Effort Capacity Index which is a combination of the Local Effort Index and the Local Capacity Index.

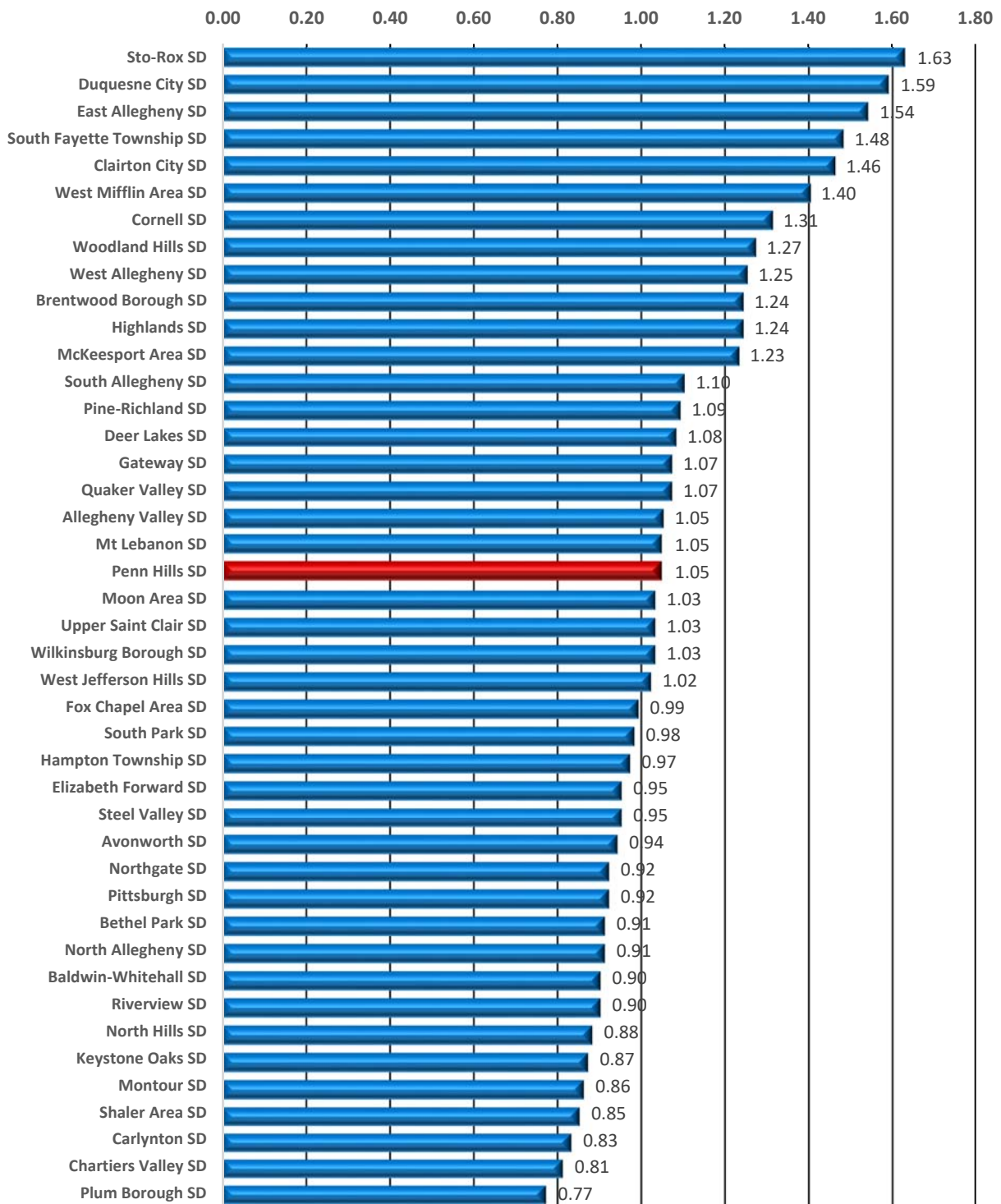
- The Local Effort Index looks at how much a district taxes its residents in comparison to the state median.
- The Local Capacity Index measures how much money a district could spend per student if it taxed its residents at the median statewide rate.

The end result produces the Local Effort Capacity Index which indicates whether or not the District's tax base is paying more than its proportionate ability to do so.

Score	Indicator	Allegheny County School Districts (#)
< 1.00	Tax base is paying <u>less</u> taxes in proportion to its ability to do so.	19
1.00	Tax base is paying taxes in proportion to its ability to do so.	
> 1.00	Tax base is paying <u>more</u> taxes in proportion to its ability to do so.	24 (Penn Hills SD)

Using the 2017-2018 Annual Financial Report data for all Allegheny County School Districts, the median Local Effort Capacity Index was 1.00 and the average was 1.08. Penn Hills School District ranked twentieth (20th) out of the forty-three (43) school districts and their index (1.05) is below the Allegheny County average.

Allegheny County School Districts Local Effort Capacity Index

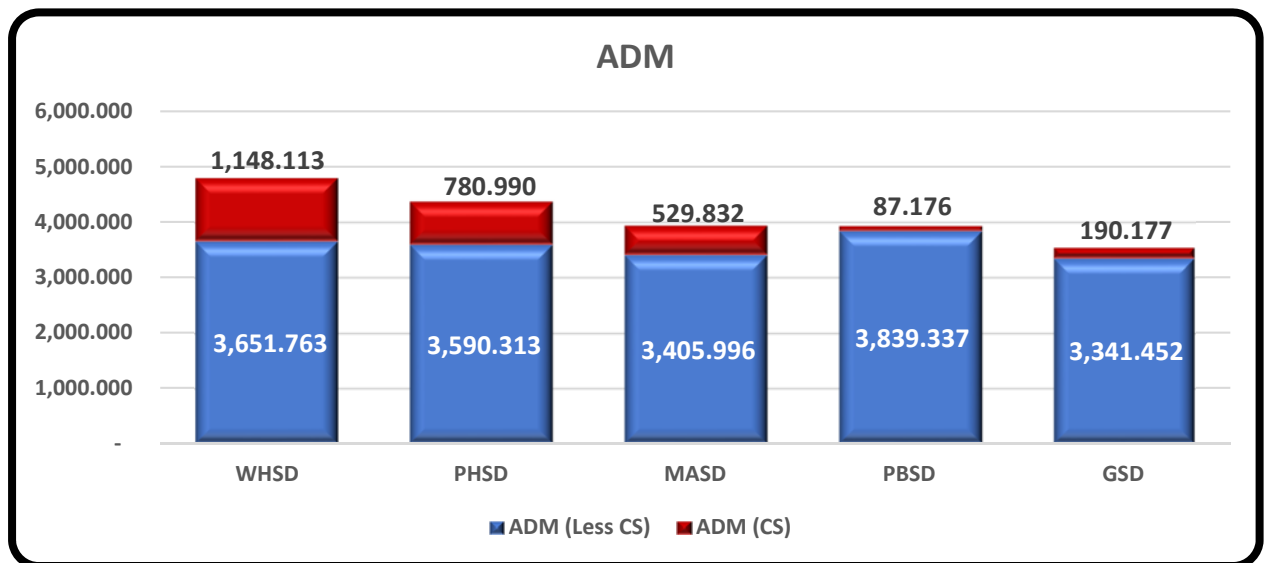


Source: 2017-2018 Local Effort Capacity Index

Benchmarking

During the last two budget cycles, the District has identified other Allegheny County school districts that are faced with similar financial challenges as the Penn Hills School District in order to further evaluate areas where Penn Hills School District is spending more than the comparison districts. In determining the comparison districts, ADM data was utilized as a starting point. The District next obtained the number of charter school students (ADM) for the same period. The following Allegheny County school districts were identified for comparison: Woodland Hills SD, McKeesport Area SD, Plum Borough SD and Gateway SD.

The graph below illustrates the ADM and Charter School ADM for each school:



Source: ADM Data submitted to PDE (rounded to nearest whole number)

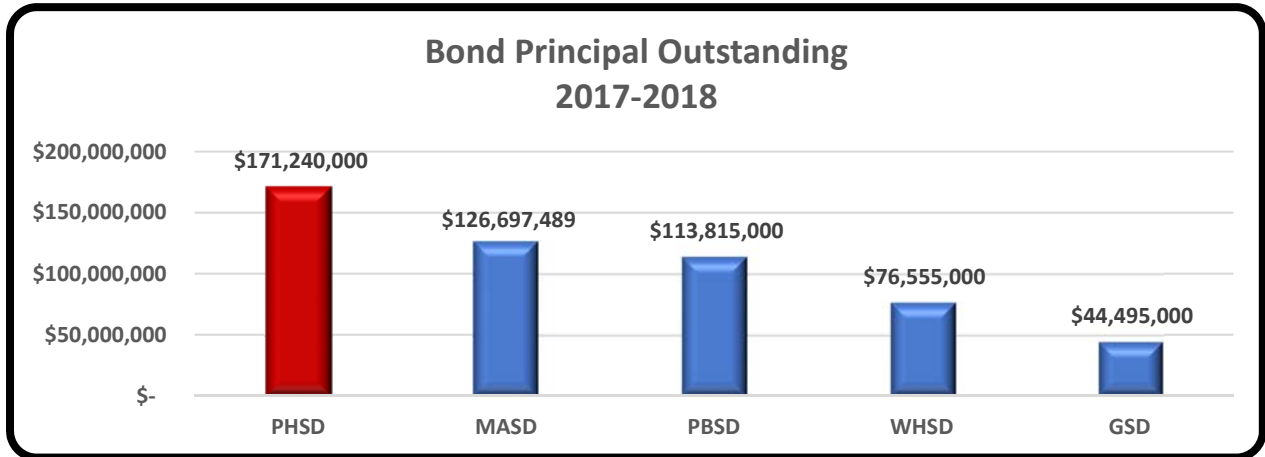
The three (3) school districts with the highest charter school ADM are Woodland Hills SD (24%), Penn Hills SD (18%) and McKeesport Area SD (13%). When comparing the total annual expenditures of these five (5) school districts based on 2017-2018 AFR data, Woodland Hills and Penn Hills rank one and two respectively.



Source: 2017-2018 AFR Data

Debt Service

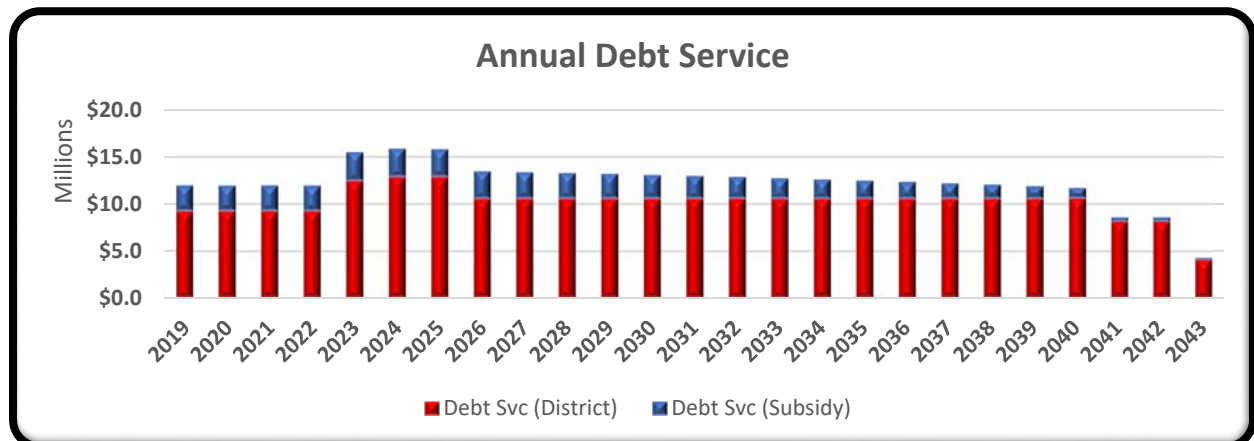
The District's total annual debt service represents 13% of the 2018-2019 budget. Overall, the District's total bonds outstanding as of June 30, 2018 amounted to \$171,240,000. The following chart shows how the District compares with other Allegheny County Districts (Woodland Hills SD, McKeesport Area SD, Plum Borough SD and Gateway SD) that share similarities with Penn Hills School District.



Source: 2017-2018 AFR Data

It is important to note the above chart only reflects the principal outstanding. In addition to the \$171 million of principal, the District owes an additional \$134 million in interest. This is important to note for cash flow purposes.

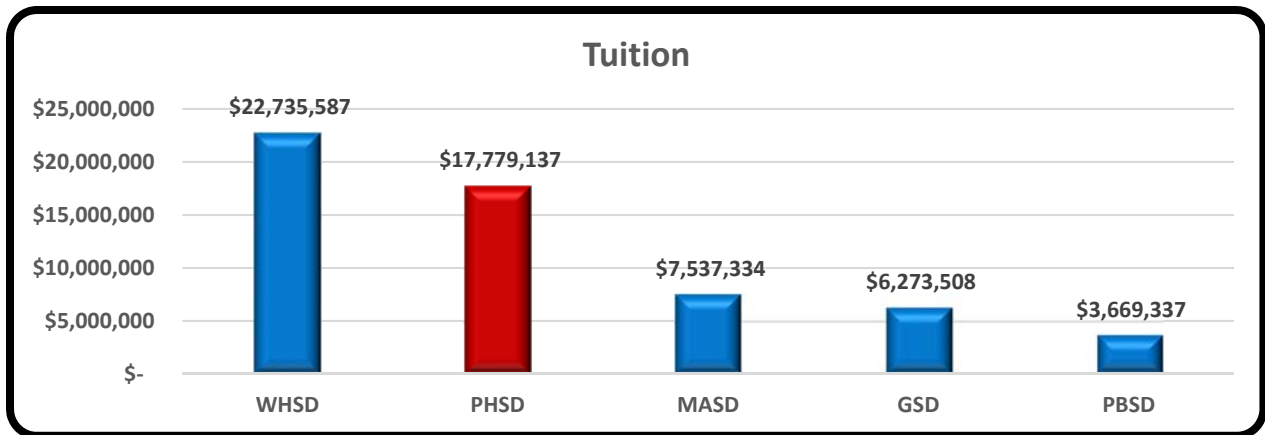
As shown below, even with receiving federal subsidies in excess of \$2 million dollars, the cost of the District's debt service is significant. The graph also reflects the impending spike in the cost to the District starting in 2022-2023 through 2024-2025. At that time, debt service will increase from just under \$12 million to \$15 million. As a part of this plan, the District will need to review all available alternatives for restructuring its debt service to smooth out these payments without extending the debt service beyond 2042-2043. Otherwise, the District risks losing any financial progress made as a result of the initiatives included in this plan.



Source: District's Bond Amortization Schedules

Tuition

As noted in previous sections, the Penn Hills School District has been adversely affected by the increased presence of charter and cyber charter schools. At the time the School Board approved the construction plans for the new high school and elementary buildings, the hope was that the District would be able to bring back those students that had decided to leave.



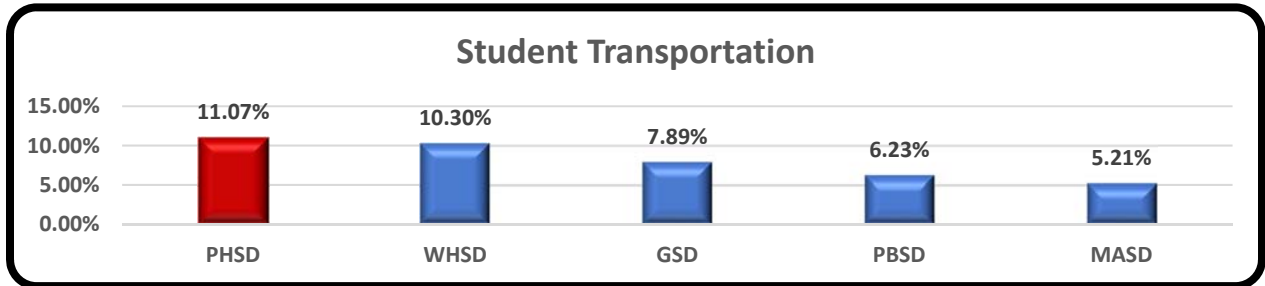
Source: 2017-2018 Annual Financial Report – Tuition Schedule (TUIT)

As illustrated above, the District pays a significant amount of tuition to Charter Schools, Cyber Charter Schools, other PA School Districts, Approved Private Schools and the Career Technical Center. The total outside tuition represents 20% of the District's operating budget compared to 24% for Woodland Hills SD, 11% for McKeesport Area SD, 9% for Gateway SD and 6% for Plum Borough SD.

The tuition rates calculated each year for charter schools and cyber charter schools are based on the District's prior year budgeted expenditures. As those expenditures increase each year, the charter school tuition rates and therefore, expenditures, could increase. The District will not begin to see a reduction in charter school expenditures until either expenditures are reduced or the District begins to actively re-recruit these students back to Penn Hills School District.

Transportation

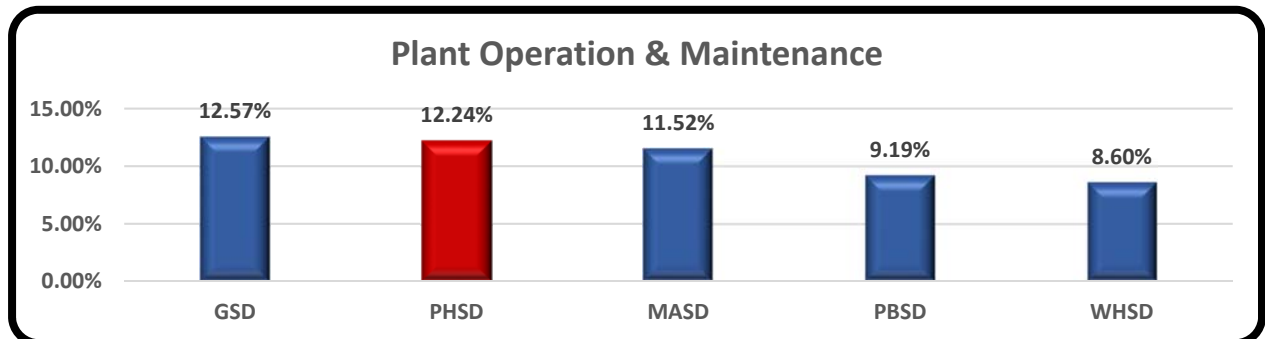
Transportation is a significant operational component to the District. Until 2010-2011, the District owned and operated its own buses to deliver transportation services to students. The District then utilized various contractors between 2011-2012 and 2014-2015. Since 2015-2016, the District began working with a new contractor. When benchmarking the individual districts, we subtracted tuition costs charged to the regular education function (1100) and special education function (1200). When comparing transportation expenditures to the total (less the tuition amounts) Penn Hills School District's transportation costs are higher than the benchmarked districts. Some variance is due to charter school and special education transportation costs.



Source: 2017-2018 AFR Data

Plant Operation & Maintenance

Another area that the District performed benchmarking analysis related to the Plant Operation and Maintenance expenditures. Penn Hills School District ranked second of the five schools with similar student populations.



Source: 2017-2018 AFR Data

It is important to note that while these expenditures are significant, Penn Hills School District has two newly constructed buildings and has the least number of buildings compared to the other districts. As the District continues to evaluate areas where it can reduce operating expenditures and look for operating efficiencies, the Plant Operation and Maintenance function plays a significant role in the recovery process.

District Comparisons: Number of Buildings

Gateway	Woodland Hills	Plum	McKeesport	Penn Hills
7	6	5	4	3

Looking Forward

Now that a baseline understanding of the District’s current financial position is in place, the current financial projections for the District’s General Fund from 2019-2020 through 2023-2024 will follow.

5 Year Financial Projection (in \$ millions)

	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024
Rev	\$ 89.8	\$ 91.4	\$ 93.3	\$ 95.3	\$ 97.0
Exp	98.0	99.2	101.2	106.2	108.1
Sur/Def	(8.2)	(7.8)	(7.9)	(10.9)	(11.1)
Fund Bal (Beg)	(14.1)	(22.3)	(30.1)	(38.0)	(48.9)
Fund Bal (End)	\$ (22.3)	\$ (30.1)	\$ (38.0)	\$ (48.9)	\$ (60.0)

Source: Appendix B.1

The 2019-2020 amounts agree with the Preliminary Budget that was board approved in February of 2019. The subsequent years are projected based on various factors and assumptions and are further outlined in Appendix B.1.

The current financial path of the District is alarming and illustrates the need for immediate action.

Enrollment Projections

School Year	PDE Projected	% Change from Previous Year	Penn Hills	(Penn Hills less PDE) Variance
2016-2017	3,603	Actual	3,603	---
2017-2018	3,422	Actual	3,422	---
2018-2019	3,588		3,360	(228)
2019-2020	3,575	-0.4%	3,348	(227)
2021-2022	3,579	0.1%	3,352	(227)
2022-2023	3,601	0.6%	3,372	(229)
2023-2024	3,644	1.2%	3,412	(232)

As shown above, there are inconsistencies between enrollment projections performed by PDE and the District’s projections. The PDE projections are based on 2015-2016 October 1st enrollment data for 2018-2019 through 2023-2024. The District’s enrollment for 2016-2017 through 2018-2019 is based on actual enrollment.

The District’s projected enrollment reflects the projected anticipated change from the prior year which was calculated by the Department of Education. As shown above, the enrollment level increases 1.6% from 2018-2019 through 2023-2024.

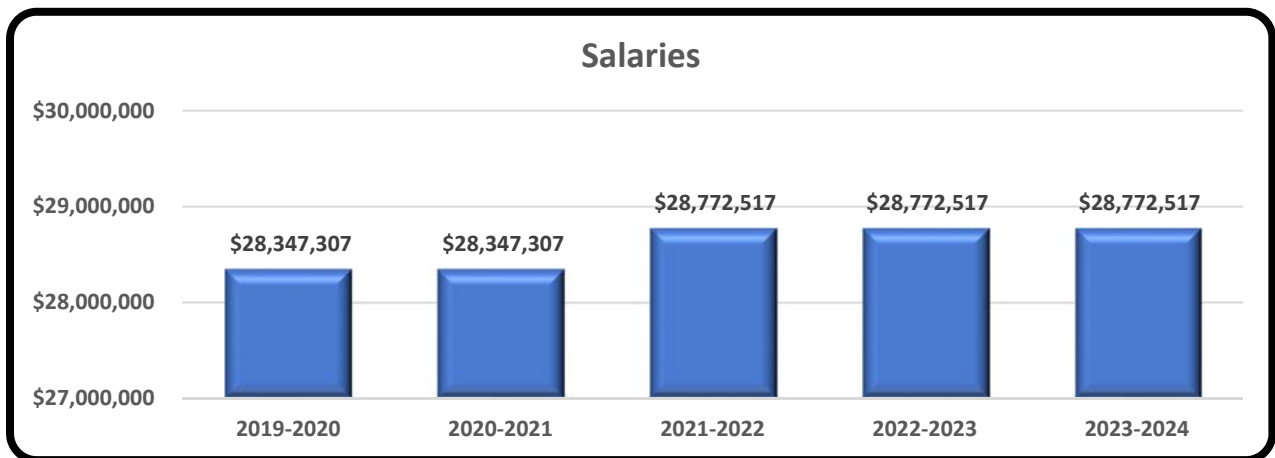
The subsequent pages will provide additional details on projected amounts for the following:

- Salaries
- Healthcare
- PSERS
- Tuition
- Transportation

The only item not discussed in subsequent pages is debt service which was previously covered and illustrated the future payments on the District's amortization schedules.

Salaries

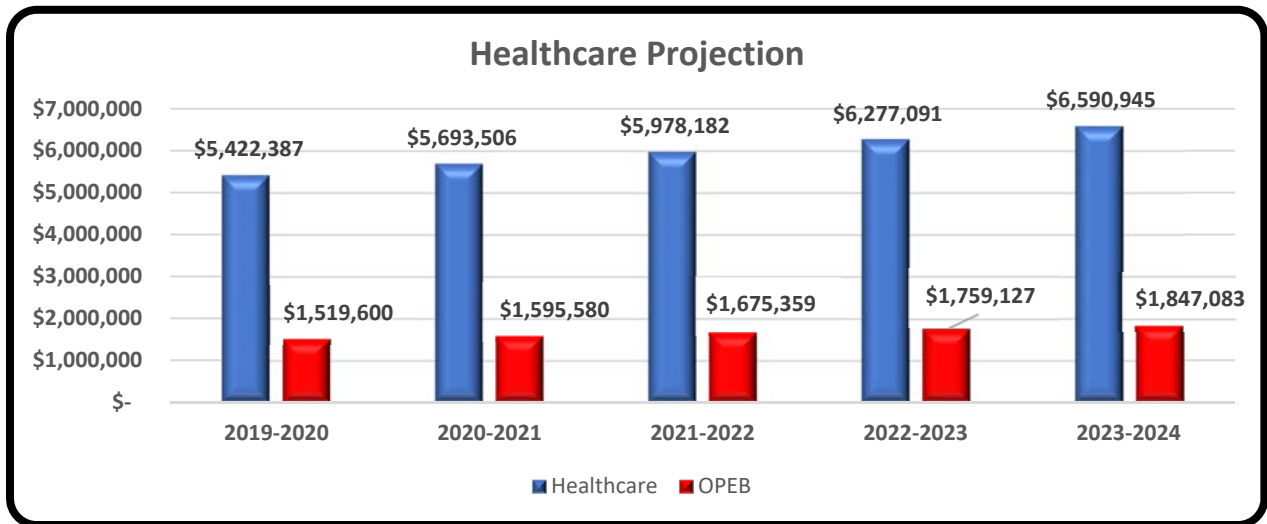
Based on the current staffing model and existing bargaining agreements, wage freezes are in place for most employees from 2018-2019 through 2020-2021. For projection purposes, it is assumed that there would be a 1.5% increase in 2021-2022. Future contracts for 2022-2023 and 2023-2024 have not been fully determined at this point in time and for projection purposes the salaries remained at this level.



Source: Appendix B.1

Healthcare

The District participates in the Allegheny County Schools Health Insurance Consortium. This allows the District to pool its financial resources with fifty-nine (59) other members to provide medical, dental and vision benefits for employees. Overall, the consortium represents over 18,000 employees and retirees. In FY18, Penn Hills School District paid \$5.3 million for insurance benefits which represents twenty-eight percent (28%) of the total benefit costs that was previously discussed. For projection purposes, the District is anticipating at least a five (5%) increase each year for its healthcare and other post-employment benefits (OPEB - retiree health insurance).



Source: Appendix B.1

PSERS increases

Every school district in Pennsylvania is statutorily required to participate in the Pennsylvania Public School Employees' Retirement System (PSERS). In 2010-2011, the PSERS employer contribution rate was 5.6% and as of the current fiscal year (2018-2019) is 33.43%. In 2017-2018, Penn Hills School District paid \$9.7 million for retirement benefits which represents fifty percent (50%) of the total benefit costs that was previously discussed.

Fiscal Year	Employer Contribution %
2010-2011	5.64%
2011-2012	8.65%
2012-2013	12.36%
2013-2014	16.93%
2014-2015	21.40%
2015-2016	25.84%
2016-2017	30.03%
2017-2018	32.57%
2018-2019	33.43%

Source: <https://www.psers.pa.gov/About/PFR/Documents/20181207%20FY%202019-2020%20ECR%20fact%20sheet%20FINAL.pdf>

Future PSERS employer contribution rates are projected as follows:

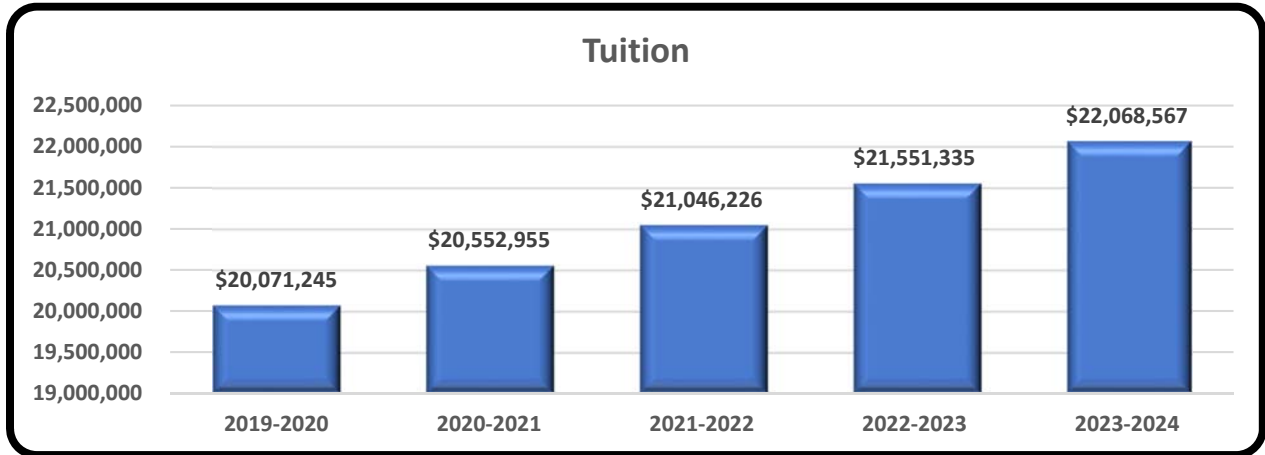
2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
34.29%	34.77%	35.19%	35.84%	36.30%

Source: Same as table above

Even with District wages projected to remain relatively flat, the District will see an increased expense for retirement as long as the contribution percentage continues to climb.

Tuition

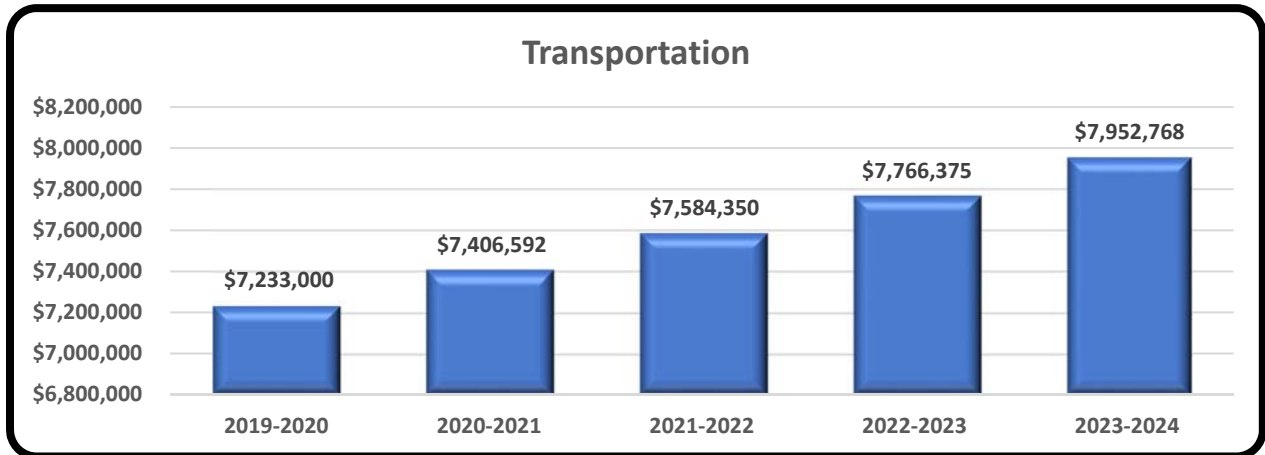
As was previously discussed, the District pays a significant amount of tuition to Charter Schools, Cyber Charter Schools, other PA School Districts, Approved Private Schools and the Career Technical Center. For projection purposes, the District assumed that charter enrollment will remain flat and tuition rates will reflect inflationary increases of 2.4% each year through 2023-2024.



Source: Appendix B.1

Transportation

The District's current transportation contract expires in 2022-2023. The current contract provides for a base contract amount and supplemental variables for other services provided for field trips, extracurricular activities, etc. For projection purposes, the District assumed that annual expenditures will reflect inflationary increases of 2.4% each year through 2023-2024.



Source: Appendix B.1

ACADEMICS

The educational program is directly impacted by the District's financial problems. Efforts and sacrifices for financial recovery must be validated by the hope, promise and implementation of a high-quality educational experience. The PHSD children deserve nothing less.

As stated in the District's comprehensive plan of 2016-2019, the state-of-the-art elementary school building opened in the Fall of 2014. The construction was the final phase of consolidation efforts to close several aging elementary buildings and house the elementary students in Grade PK-4 under one roof. In doing so, the District has been able to provide more consistency in programming and instructional delivery, as well as more efficiently utilize resources at that level. While entering the grand vestibule the initial feel of the building captures one's attention, a short walk into the corridors that house the "school within a school" concept quickly warms the senses. Small learning communities grab the attention of all our visitors as teachers and students engage in learning activities throughout the building.

The expansive Linton Middle School building houses students in Grades 5-8. Grade levels are separated into their own respective areas, and all students share common areas such as the cafeteria and the gymnasium. Research is vast on the unique needs of middle-school-age students, and appropriate programming is the key to educating students of this age. Special attention to this research is essential to a turnaround at Linton Middle School. The building can certainly function effectively with the proper mindset, services, and with programs that meet-the-kids-at-the-door approach.

The newly built high school opened in January of 2012. Another capital asset (even with its debt burden) adds to the visual attractiveness of the PHSD. It houses Grades 9-12 and offers a rich assortment of curricular and extra-curricular options.

Financially and academically, the potential for a transformation lies in the hands of the "human capital" that exists in all three buildings. This plan will provide a blueprint for success for that transformation. Let's start with the good:

In December of 2018, a curriculum consultant hired by PDE, performed an academic review of the PHSD educational services. The report noted the District's awareness of the challenge "to keep instructional costs at a minimum yet still provide a quality educational environment for its students." My observation acknowledges that the challenges that the PHSD face are similar to other districts with student populations of high economically disadvantaged and diversity levels. However, the untold, unheard story, reflects success in pockets. Time constraints limit my observations to the following:

1. Elementary Pennsylvania Value Added Assessment Scores (PVAAS)

PVAAS chart colors help districts interpret value-added growth – did the student group maintain, gain, or fall behind in terms of its achievement? The following color categories explain the PVAAS charts on pages 33 - 34:

- * DARK BLUE or LIGHT BLUE – the group of students gained ground
- * GREEN – the group of students maintained its achievement level
- * YELLOW or RED – the group of students fell behind (or "slipped")

The colors help districts know if their schools and academic programs are “adding value” to the students they teach. The PVAAS charts on pages 33 - 34 reflect dark blue, light blue, and green in fourth grade at the elementary school.

2. Penn Hills Cyber High-quality Interactive Education Fostering Success (C.H.I.E.F.S.)

As cited in the PDE report, Penn Hills’ CHIEFS Academy was successfully launched four years ago and has evolved into a high-quality cyber program. Since its inception, it has grown to 104 students for 2018-2019 and has serviced hundreds of students over the past four years. The program offers a rare K-12 delivery with NCAA clearinghouse approval, delivering a quality educational experience to elementary, middle, and high school students. This experience provides Penn Hills School District students the opportunity to attend a fulltime, on-line setting or a blended model of learning. The CHIEFS Academy offers another dimension to the District’s depth of offerings for its diverse student population. It is also a model program for school districts looking to develop their own cyber school program.

The coursework is rigorous, expansive and has full-time highly qualified teachers dedicated to working with cyber students online, via phone and face to face. Drop-In Centers are flexible with evening hours available at each school building for students to meet with their teachers and to interact with other cyber students while doing their coursework. Families of full-time students are provided with equipment for cyber studies and are required to attend a full one-on-one orientation. Students have the option of working anywhere and anytime during the calendar/school day. Students may work extra on weekends. CHIEFS provides several options for those students whose needs are not met in a traditional school setting. CHIEFS Academy students also have the option to attend Forbes Road Career and Technology Center. Many cyber students continue to participate in school activities such as band, orchestra and athletics and are still a part of the PHSD learning community. CHIEFS Academy encourages students to continue to have social interactions through coordinated activities and trips. As with all students who attend Penn Hills School District schools daily, free breakfast and lunch programs are accessible. High school students will begin receiving free meals in the 2019-2020 school year. Lastly, students who graduate while participating in the CHIEFS Academy program receive a PHSD diploma and have the opportunity to participate in all commencement activities.

A continuous challenge for the District is to bring back students who have left for the cyber or charter school experience. The District administrators are hopeful the success of this program will draw back students into the PHSD. The following chart reflects the enrollment of CHIEFS Academy by grade level for the current school year.

GRADE	K/1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Fulltime	2/4	2	2	3	3	11	9	12	6	13	16	12	95
Blended	--	--	--	--	1	--	--	--	2	--	3	3	9

3. Penn Hills' Behavior, Emotional Student Training (B.E.S.T.) Program

Another unique program offered by the District to support students requiring special education services is the B.E.S.T. Program. The program is distinctive in that it educates students with behavioral and social needs in the same building as their peers, which is the least restrictive environment. Students have access to regular education programs, if appropriate. This program enables the District to transition students with special needs or behavioral issues from outside entities or to transition students prior to placing them into an outside entity. Additionally, the program is used as an option to decrease out-of-school suspensions and address short-term behavioral needs of students. The B.E.S.T. program is operated by an outside agency that contracts with the District. There are two B.E.S.T. classrooms at the middle school (25 students) and high school (26 students) respectively. These classes are capped at 30 students in each building. The District will continue to assess the cost efficiency of all special education services including B.E.S.T. to ensure a cost-efficient and educationally effective delivery each year.

Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12
7	7	6	5	10	7	5	4

4. Advanced Placement (AP) Courses

Penn Hills High School offers thirteen AP courses. The district utilizes Title IV monies under well-rounded education to fund AP exam fees for all students taking an AP course. This eliminates any barriers due to financial limitations as the PHSD is a high poverty area, giving all students the equal opportunity and access to a college-and-career-ready path. In the 2016-2017 school year, the District partnered with the National Math Science Institute (NMSI) on a three-year partnership to grow the AP enrollment and erase barriers for students. The NMSI research shows students earning a score of two (2) on AP exams actually perform the same in college as those scoring a three (3). Success in today's global economy requires a higher level of education than ever before, but our educational system has not kept pace with the workforce demands of the 21st century. NMSI's College Readiness Program is addressing this critical gap by partnering with schools to increase the number of students taking and earning qualifying scores on Advanced Placement® math, science and English exams, while expanding access to rigorous coursework to traditionally underrepresented students.

According to its website, NMS.org, AP® exam scores of three or higher (on a five-point scale) qualify students for credit at many colleges and universities and are a prime indicator of college preparedness and success. Students who master AP courses in high school are three-times more likely to graduate from college. African-American and Hispanic students who succeed in AP courses are four-times more likely to graduate from college.

From 2014 to 2018, Penn Hills High School has made a 305% (up to 424 students) increase in number of students taking the exam and 55% (up to 112 students) increase in students earning a 3 or better on AP exams. More impressive information regarding the AP exams can be found in Appendix C.

5. Average Class Size and Student-Teacher Ratios

In Grades 1-6, the average class size is 24. Factoring in all professional staff and instructional aides into the calculation, the student: instructional staff ratio is 11:1. These numbers are very healthy and will tick up as a result of the recovery plan. Please note that the class size numbers (vs the student: instructional staff ratio) only reflects the numbers of students in each section without regard for the number of instructional aides that are assisting the classroom teacher. More details regarding these numbers follow in Part III of the recovery plan.

6. PSAT and Dual Enrollment Fees are Paid by the District

Penn Hills School District uses Ready-to-Learn funds to pay for all 10th grade students to take the PSAT and have been doing so since the implementation of the Accountability Block Grant in late 2000's. Dual Enrollment opportunities are growing at the Penn Hills High School due to a strong partnership with the Community College of Allegheny County (CCAC). Currently there are eleven dual enrollment courses available. The district uses Title IV money to pay for the 1st dual enrollment course under well-rounded education. Students must earn a "C" or better in the course; otherwise, parents are responsible for reimbursing the funds to the District, and they must sign a letter of commitment prior to the start of the course. Current enrollment is as follows:

AP European History	10	Seniors
AP Studio Art	5	Seniors
AP Psychology	53	Seniors
AP Psychology	20	Juniors
AP U.S. History	36	Juniors

7. Freshman Orientation Program – The Penn Hills Way

The Penn Hills Way is a semester course that is required for every freshman. It focuses on using a decision-making process when confronting a variety of issue-related topics that teens face every day. Discussions around how decisions are made as teens that will/can later affect their adult life. The Seven Habits of Highly Effective Teens by Steven Covey is used to guide the coursework and discussion.

8. Full Day Kindergarten

Kindergarten is not required by state law; however, the Penn Hills School District not only offers kindergarten, but it also offers a full-day kindergarten program as a critical component of its early childhood education program. Class sizes for the current school year are above the recommended standard. This will be addressed later in Part III of the recovery plan.

9. Supports for Students Who Need Additional Help

In the PHSD there is evidence of a multi-tiered system of supports. The strongest implementation of the Multi-tiered System of Supports (MTSS) model occurs at the elementary level where the three-tier process is evident in ELA, math and behavior management. They have an intervention period that is built into the daily schedule and is split, based on need, for reading and/or math. eSPARK learning is a supplemental digital-based platform that challenges every learner at his/her individualized level through a fun interactive app-based learning tool. Students work on iPads and Chromebooks three times per week for varied time periods (20-60 minutes). This building also has a strong School-Wide Positive Behavior System (SWPBS) in place. "Bee Your Best" is the theme that follows the students to every entity of the school. Bee Your Best refers to four themes that are communicated daily throughout the building: Bee Respectful, Bee Responsible, Bee Safe, and Bee Kind. Additional Tier 2 & 3 support is provided through small group meetings, one-on-one meetings with the behavior specialist, family services and the Mathilda Theiss Program which is described in more detail on page 47 of this plan.

Linton Middle School has a scheduled daily intervention period in 5th and 6th grades. Frontier learning is implemented and students are flexibly grouped to assist with skill deficits. The program is ELA based. Students that are most in need are scheduled into READ 180 classes in addition to their core ELA class.

Penn Hills High School has an Intervention/Enrichment (I/E) period daily that supports students that may be struggling. Students can visit with teachers to receive extra help/support to answer questions and work through problems or receive enrichment opportunities. Case managers also use time to meet with students without losing valuable instructional time. The Penn Hills Way motto is tied into the building SWPBS.

10. Curricular and Extra-Curricular Opportunities

Students attending Penn Hills School District (both traditional and cyber settings) have a wide selection of course offerings from which to choose. The list in Appendix D.1 totals 108 course selections available in the Penn Hills High School. Cyber offerings total 90 and include many unique and interesting options for students. Co-curricular clubs and student activities are available in the high school and middle school. Over fifty clubs and/or activities are available for students to participate with their peers during and after school. The complete list can be found in Appendix D.2. Athletics are extremely popular in the Penn Hills School District for both boys and girls. Twelve male sports and eleven female sports are offered at four different grade levels in the middle and high schools. Overall, between boys and girls sports at the varsity, junior varsity, freshmen, and 7th/8th grade levels, students are exposed to over fifty opportunities to participate in an activity of their interest. See Appendix D.3 for the complete lists of sports offered at Penn Hills School District.

Achievement Data

The PHSD offers quality programming throughout its system as described in the previous section. The flip side of this good news is that this trend does not follow the students through the middle and high schools. The transition into the middle school is not favorable. Growth has been in the red for multiple years and does not rebound until 8th grade. The high school suffers from this same level of volatile data with pockets of growth but has difficulty sustaining growth. PVAAS red zones, PSSA scores, and Keystone results reflect some alarming data. One of the ramifications of the low achievement data for these two buildings is that they have been identified by PDE as Opportunity Tax Scholarship buildings enabling eligible students, residing within the boundaries of low-achieving schools, to apply for a scholarship to attend a participating public or nonpublic school. Additionally, the high school was designated as an Additional Targeted Support & Improvement (ATSI) school under Every Student Succeeds Act (ESSA) for achievement and growth for black and special education subgroups. The school attendance rate at the high school was also cited for improvement

PVAAS SCORES (2017-2018 School Year)

PVAAS ELA

Estimated LEA/District Growth Measure							
Grade	3	4	5	6	7	8	Growth Measure over Grades Standard for PA Academic Growth
Standard for PA Academic Growth		0.0	0.0	0.0	0.0	0.0	
2016 Growth Measure		0.9 LB	-4.9 R	-2.4 R	-5.8 R	-0.8 Y	-2.6 R
Standard Error		0.8	0.8	0.8	0.7	0.7	0.4
2017 Growth Measure		1.8 DB	-4.2 R	0.4 G	-1.4 Y	3.0 DB	-0.1 G
Standard Error		0.8	0.8	0.8	0.8	0.8	0.4
2018 Growth Measure		1.5 LB	-3.6 R	-3.5 R	-0.8 G	-0.5 G	-1.4 R
Standard Error		0.9	0.8	0.8	0.8	0.8	0.4
3-Yr-Avg Growth Measure		1.4 DB	-4.2 R	-1.8 R	-2.7 R	0.6 LB	-1.3 R
Standard Error		0.5	0.5	0.5	0.5	0.4	0.2
Estimated LEA/District Avg Achievement							
Grade	3	4	5	6	7	8	
State NCE Average	50.0	50.0	50.0	50.0	50.0	50.0	
2015 Avg Achievement	42.2	42.6	41.4	40.8	35.1	38.7	
2016 Avg Achievement	38.7	43.1	37.7	39.0	34.9	34.4	
2017 Avg Achievement	38.9	40.7	38.9	38.2	37.6	37.9	
2018 Avg Achievement	42.4	40.4	37.2	35.5	37.4	37.1	

DB	Significant evidence that the district exceeded the standard for PA Academic Growth
LB	Moderate evidence that the district exceeded the standard for PA Academic Growth
G	Evidence that the district met the standard for PA Academic Growth
Y	Moderate evidence that the district did not meet the standard for PA Academic Growth
R	Significant evidence that the district did not meet the standard for PA Academic Growth

PVAAS MATH

Estimated LEA/District Growth Measure							
Grade	3	4	5	6	7	8	Growth Measure over Grades Standard for PA Academic Growth
Standard for PA Academic Growth		0.0	0.0	0.0	0.0	0.0	
2016 Growth Measure		2.3 DB	-4.7 R	-0.8 Y	-4.2 R	-1.9 R	-1.9 R
Standard Error		0.8	0.7	0.7	0.7	0.7	0.3
2017 Growth Measure		1.5 LB	-4.0 R	-1.3 Y	-3.5 R	3.5 DB	-0.8 R
Standard Error		0.8	0.7	0.7	0.7	0.7	0.3
2018 Growth Measure		0.5 G	-8.4 R	-3.7 R	-2.9 R	2.1 DB	-2.5 R
Standard Error		0.8	0.7	0.7	0.7	0.8	0.3
3-Yr-Avg Growth Measure		1.4 DB	-5.7 R	-1.9 R	-3.5 R	1.2 DB	-1.7 R
Standard Error		0.5	0.4	0.4	0.4	0.4	0.1
Estimated LEA/District Avg Achievement							
Grade	3	4	5	6	7	8	
State NCE Average	50.0	50.0	50.0	50.0	50.0	50.0	
2015 Avg Achievement	41.5	43.0	38.9	41.0	38.0	36.3	
2016 Avg Achievement	40.0	43.9	38.3	38.2	36.7	36.2	
2017 Avg Achievement	41.8	41.7	39.8	37.1	34.7	40.3	
2018 Avg Achievement	43.2	42.4	33.3	36.3	34.2	36.8	

DB	Significant evidence that the district exceeded the standard for PA Academic Growth
LB	Moderate evidence that the district exceeded the standard for PA Academic Growth
G	Evidence that the district met the standard for PA Academic Growth
Y	Moderate evidence that the district did not meet the standard for PA Academic Growth
R	Significant evidence that the district did not meet the standard for PA Academic Growth

PVAAS SCIENCE

Subject	Grade	Year	# of Students	Avg Scale Score	Avg %-ile	Avg Predicted Scale Score	Predicted Avg %-ile	Growth Measure	Standard Error
Science	4	2016	235	1379.3	40	1365.1	38	13.7 LB	7.5
		2017	236	1319.5	33	1336.2	36	-16.2 R	6.2
		2018	221	1357.5	39	1348.8	37	8.3 LB	6.5
		3-Yr-Avg	692	1351.9	37	1350.0	37	1.9 G	3.9
	8	2016	263	1154.3	26	1200.6	31	-43.8 R	6.5
		2017	224	1205.7	34	1211.8	35	-5.8 G	5.9
		2018	204	1197.0	29	1213.3	32	-14.6 R	6.4
		3-Yr-Avg	691	1183.6	27	1208.0	30	-21.4 R	3.6

DB	Significant evidence that the district exceeded the standard for PA Academic Growth
LB	Moderate evidence that the district exceeded the standard for PA Academic Growth
G	Evidence that the district met the standard for PA Academic Growth
Y	Moderate evidence that the district did not meet the standard for PA Academic Growth
R	Significant evidence that the district did not meet the standard for PA Academic Growth

PVAAS ALGEBRA I (7th Grade and Above)

Subject	Year	# of Students	Avg Scale Score	Avg %-ile	Avg Predicted Scale Score	Predicted Avg %-ile	Growth Measure	Standard Error
Algebra I	2016	421	1466.7	28	1479.9	37	-12.7 R	1.4
	2017	380	1463.3	27	1477.2	36	-11.7 R	1.4
	2018	285	1461.4	25	1476.0	34	-13.1 R	1.6
	3-Yr-Avg	1086	1464.1	27	1477.9	36	-12.5 R	0.9

DB	Significant evidence that the district exceeded the standard for PA Academic Growth
LB	Moderate evidence that the district exceeded the standard for PA Academic Growth
G	Evidence that the district met the standard for PA Academic Growth
Y	Moderate evidence that the district did not meet the standard for PA Academic Growth
R	Significant evidence that the district did not meet the standard for PA Academic Growth

PVAAS BIOLOGY (9th Grade and Above)

Subject	Year	# of Students	Avg Scale Score	Avg %-ile	Avg Predicted Scale Score	Predicted Avg %-ile	Growth Measure	Standard Error
Biology	2016	351	1478.4	31	1478.2	31	0.5 G	1.5
	2017	285	1479.1	30	1479.7	30	-0.3 G	1.6
	2018	256	1478.3	31	1482.9	34	-4.1 R	1.8
	3-Yr-Avg	892	1478.6	32	1480.0	33	-1.3 Y	0.9

DB	Significant evidence that the district exceeded the standard for PA Academic Growth
LB	Moderate evidence that the district exceeded the standard for PA Academic Growth
G	Evidence that the district met the standard for PA Academic Growth
Y	Moderate evidence that the district did not meet the standard for PA Academic Growth
R	Significant evidence that the district did not meet the standard for PA Academic Growth

PVAAS LITERATURE (10th Grade and Above)

Subject	Year	# of Students	Avg Scale Score	Avg %-ile	Avg Predicted Scale Score	Predicted Avg %-ile	Growth Measure	Standard Error
Literature	2016	305	1491.8	30	1495.5	33	-3.5 R	1.5
	2017	268	1487.2	29	1489.3	30	-2.0 Y	1.6
	2018	294	1482.0	27	1482.0	27	0.1 G	1.6
	3-Yr-Avg	867	1487.0	35	1489.0	36	-1.8 Y	0.9

DB	Significant evidence that the district exceeded the standard for PA Academic Growth
LB	Moderate evidence that the district exceeded the standard for PA Academic Growth
G	Evidence that the district met the standard for PA Academic Growth
Y	Moderate evidence that the district did not meet the standard for PA Academic Growth
R	Significant evidence that the district did not meet the standard for PA Academic Growth

PSSA SCORES (2017-2018 School Year)

The numbers inside the Chart represent the percentage (%) of students that scored either Proficient or Advanced on the PSSA Assessments.

Grade 3	ELA	Math
State Average	63.5	54.1
All	44.6	35.1
Black	39	30.1
White	50.7	43.5
Econ. Disadv.	34.6	29.4
IEP	21.2	13.5

Grade 4	ELA	Math	Science
State Average	59.8	43.5	75.5
All	35.3	28.1	63.2
Black	28	19.1	57.4
White	45.6	45.6	75
Econ. Disadv.	29.7	23	57.9
IEP	20.3	20.3	36.5

Grade 5	ELA	Math
State Average	59.4	45.2
All	29.9	10.8
Black	24.8	6.4
White	37	14.8
Econ. Disadv.	22.9	9.6
IEP	6.4	8.5

Grade 6	ELA	Math
State Average	62.5	39.6
All	31.4	11.4
Black	25.9	6.8
White	43.5	18.8
Econ. Disadv.	24.4	6.9
IEP	3.9	2

Grade 7	ELA	Math
State Average	61.9	38.8
All	38.1	11.5
Black	29.7	7.6
White	60.8	23.5
Econ. Disadv.	28.8	7.2
IEP	15.4	13.5

Grade 8	ELA	Math	Science
State Average	61.5	31.1	53.9
All	35.7	10.5	28.8
Black	28.6	5.8	20.9
White	48.4	17.2	42.9
Econ. Disadv.	32.2	9.9	26.7
IEP	11.5	8.3	11.7

KEYSTONE SCORES

Keystones	Algebra I	Biology	Literature
State Average	65.2	72.7	64.4
All	15.9	32.5	38.9
Black	12.3	17	26.7
White	21.8	61.7	63.5
Econ. Disadv.	11.7	21.7	29.3
IEP	1.8	0	6.1

All educational programming (good and poor) will be assessed more closely next year with the goal to make them even better. Factors that can be controlled in our schools, such as building climate/culture, student behavior, and staff mindset will be assessed and addressed in the initiatives, as well. These factors clearly impact student achievement and feed the negative perceptions that too often are reported via the news and social media.

The academic picture of the Penn Hill School District clearly depicts a program with both assets and liability. Much of the PSSA data is alarming, and the District should have a sense of urgency regarding academic improvement. The plan will require a delicate balance of straight-forward improvement efforts with an eye on building upon the quality programming that is offered. In order to reverse the trend of students exiting the Penn Hills School District to attend charter schools, the recovery plan includes initiatives designed to attract students back to the PHSD.

PART III

STRATEGIES, GOALS, INITIATIVES

III. The Fix: Financial Recovery Plan

Statutory Basis for Financial Recovery Status

On February 1, 2019, under the provisions of enacted state legislation (Act 141 of 2012), the Commonwealth of Pennsylvania's Secretary of Education Pedro Rivera declared the Penn Hills School District to be a moderate recovery school district and, on February 5, 2019, appointed Dr. Daniel J. Matsook to serve as Chief Recovery Officer (CRO) to develop and implement a Financial Recovery Plan to bring financial stability to the district.

The CRO is charged with taking input from the superintendent and the community, via an advisory committee, to develop a Financial Recovery Plan that restores financial stability and improved academic performance. Act 141 requires the appointment of an Advisory Committee to assist the Chief Recovery Officer with the recovery plan. Since their appointment in February, the committee met four times in March-May to provide input for the recovery plan. The CRO has met and interviewed multiple stakeholders through the first 60 days of the planning process. Conversations have occurred in person and via telephone. There have been three public board meetings to share updates, accompanied by executive sessions to solicit input from board members. Technical support has been provided by the Department of Education for particular pieces of the Financial Recovery Plan. All parties, understanding the financial dire straits of the District, have been willing and cooperative with the gathering of facts during the environmental scan by the CRO.

Act 141 provides 90 days to complete the plan, but allows for an extension with the approval of the Commonwealth's Secretary of Education. The CRO sought and received an extension of time to develop the plan from May 5, 2019 to May 20, 2019. The extension aligns with the critical path of Board decisions that must be addressed to BALANCE the 2019-2020 budget. It can be expected that either revisions or addendums will follow this version of the plan moving forward.

Powers and Duties under Section 642-A

Throughout this plan, the District and CRO are directed to take actions authorized by section 642-A of Act 141, granting them powers and duties to 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 if the cancellation or renegotiation will affect needed economies of the district (subsection 3);
- Increase tax levies, as recommended by the CRO (subsection 4);
- Appointment of a special tax 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-profits organizations to provide non-instructional services (subsection 10);

- Close or reconstitute a school, including the reassignment, suspension, or dismissal of professional employees (subsection 11);
- 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 the CRO deems necessary to implement the plan (subsection 16);
- Employ entities to review financial and educational programs (subsection 17).

Recent Progress

Wage Freezes	YEARS						
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Act 93 Administrators	X		X				
Superintendent		X	X	X	X	X	X
Business Manager				X			
HR Director				X			
Food Service				X	X		
Teachers					X	X	
Plant Service					X	X	
Support Group	TBD						

Staff Reductions:

2015-2016 Eliminated approximately 50 Crossing Guards

2016-2017 Furloughed 42 Teachers (Mostly Special Education)

2018-2019 Furloughed 12 Teachers

NOTE: Approximately 40% of the 54 furloughed teachers were called back for various reasons (i.e. resignations, special education enrollment)

Since 2015 Eliminated Positions: Assistant Superintendent, Assistant Business Manager, Assistant Plant Supervisor, Pupil Personnel Manager, Transportation Manager, Computer Programmer, Grant Writer, and PR Consultant.

***It should also be noted that some of the activities in this recovery plan have been initiated prior to the arrival of the CRO.**

2018-2019 Workforce

The workforce totals 487 positions. These positions are in the 2018-2019 budget. Some of these positions are already vacant due to circumstances that occurred through the current school year. The breakdown is as follows:

	<u># of Positions</u>	
Professional Staff:		
Teachers	226	
Guidance Counselors	10	
Home School Visitors/Social Workers	3	
Behavior Specialists	2	
Administrative Assistants	3	
Total Professional Staff:		244
Support Staff:		
Instructional Aides	67	
Secretaries	21	
Service Aides	18	
Technicians	4	
Health Room	4	
Total Support Staff:		114
Plant Services:		
Custodians	38	
Maintenance	9	
Utility	5	
Total Plant Services:		52
Food Service:		
Head Cooks	3	
Assistant Cooks	3	
Servers	17	
Dish Room	7	
Cashiers	19	
Secretary	1	
Total Food Service:		50
Act 93:		
Cafeteria Managers	3	
Building Principals	10	
Central Office	8	
Total Act 93:		21
Other:		
Superintendent	1	
Business Manager	1	
Human Resource Director	1	
Confidential Secretaries	3	
Total Act 93:		6
Grand Total of Positions:		487

Source: District Human Resource Office

Workforce Soft Landing

There are 487 positions accounted for in the 2018-2019 budget. To right-size the workforce, the plan reflects a reduction of positions across-the-board district-wide. A number of these positions will be eliminated through attrition rather than furlough, approximately thirty (30). Worst case scenario, approximately fifty (55) employees will be furloughed. These positions are spelled out in the following pages. The final number will be confirmed in September when the dust settles from activity through the summer months.

HR 1	The PHSD <u>shall</u> assist all furloughed employees with preparation to secure other employment opportunities	
	Target Date(s)	Start: May 2019; End: July 2019 Start: May 2020; End: July 2020
	Multi-Year Financial Impact	N/A
	Responsible Parties	Superintendent, School Board, Director of Human Resources (HR)

Rationale:

Without a doubt, the most difficult part of the PHSD financial recovery plan is the reduction of staff. It is extremely important that all staff receive support through these difficult times, including access to the District's Employee Assistance Program (EAP) program to address issues of anxiety, low morale, and depression. With the support of the District's Human Resources Department, the District will do its very best to assist its employees with a soft landing into the next chapter of their careers. The following assistance will be provided through the District's Human Resources Department for furloughed employees:

- Resume workshops
- Letters of recommendation
- Wellness days, including benefit workshops with providers
- Assistance with unemployment compensation claims
- Work with local districts identifying positions and scheduling interviews
- Work with private industry on job openings for career changers

Strategies / Goals / Initiatives

A sense of urgency to approve and implement the following initiatives is due largely to the District's need to balance the budget for 2019-2020. There is an 8.1 million-dollar deficit to erase before June 24, 2019 when the Board acts on the final budget. Secondly, the District is applying for another Tax Anticipation Note (TAN) for ten million dollars to pay for outstanding 2018-2019 bills. The TAN must be repaid in September, jeopardizing cash flow next spring. These two financial realities total 18.1 million dollars that the District must reconcile in the next five months; hence, the urgency for immediate action.

The goal is to immediately reign-in overspending practices and approve a budget that is balanced for the 2019-2020 school year. Subsequent years of mindful budget planning will right the ship in the short run. However, balancing the annual budget must include a plan to replenish the fund balance to stabilize the District moving forward. There can be NO resolution for recovery status without at least a three-year picture of financial stability as reflected in appropriate fund balance levels. The independent auditor's report for the 2017-2018 school year has cited indicators that MAYBE the District has hit rock bottom and is headed in the right direction. That remains to be seen. Assuming two immediate years of effective and efficient implementation of the recovery plan, progress indicators should be apparent, barring unforeseen circumstances. To re-direct and/or accelerate recovery efforts, addendums and/or revisions can be applied. The Year One financial impact is reflected in the initiative boxes with confidence because most first-year initiatives are reflected in the 2019-2020 budget. Year Two impacts are labeled TBD to allow for addendums and revisions as initiatives are implemented during the second year of recovery status. Predictions beyond the first two years will occur as the District progresses on the road to financial recovery; however, a five-year projection with successful implementation of the first-year initiatives is provided in the Financial Recovery Plan. The first year sets the path to financial recovery. Exit criteria and progress monitoring measures will be discussed in Part IV.

Academics

Before proceeding with the financial recovery plan, please remember that the goal is to return the District to financial solvency while preserving the integrity of the District's academic program. The PHSD is responsible for providing educational services to children in accordance to state and federal regulations. The PHSD is committed to providing a quality education in a safe and secure environment that fosters high expectations by highly qualified teachers. According to its mission statement: The Penn Hills School District is committed to excellence in education and improved opportunities for all, with the focus on student learning. Accountability for this statement lies with the Superintendent.

It is critical that the financial recovery plan does not lose sight of the core business of schools – learning. The financial transformation must be accompanied by an academic transformation. Financially, strategies call for a change in workforce numbers to match enrollment levels, operational efficiencies, and revenue generation. Academically, strategies begin with adopting a positive mindset that embraces the challenges of teaching in a diverse learning community. The challenge of the recovery efforts is to balance a heavy hand that reduces budgetary numbers with a mindful eye that protects the integrity of the educational program and experience. If numbers were the only concern, the Pennsylvania Department of Education could have brought in the top accountants in the state to slash numbers without regard for education. The recovery narrative will include attention to both arenas.

Nevertheless, the financial woes of the District have forced the CRO to plan with a diligent eye on efficiencies when delivering educational services in our buildings. The declining enrollment trend over the past decade clearly indicates that workforce levels MUST be adjusted. Through strategic reductions, the PHSD will look the same in some respects; and in other ways, it will deliver programming and/or instruction in a different manner. The plan does not require a Cadillac to get the District from Point A to Point B in recovery. Less than ideal doesn't mean less effective, but more efficient. The District must utilize every employee to his/her fullest potential. If student enrollment trends reverse, staffing levels should follow suit.

ALL FURLOUGHED EMPLOYEES WILL BE DETERMINED BY SENIORITY ACCORDING TO SCHOOL CODE AND/OR COLLECTIVE BARGAINING AGREEMENTS.

One goal is to maintain student: teacher ratios. Currently the ratio is 11:1. After the implementation of the recovery plan, the ratio will move to 13:1. Student: teacher ratios include all professional staff plus instructional aides. This ratio is reflective of the educational services AND necessary support services that the PHSD provides to its students. It includes all staff committed to the "whole child." This section will cover the professional workforce, instructional aides, administration, supplementals, and programs.

Professional Staff

ACA 1	The PHSD <u>shall</u> right-size the Professional Staff. [244 Staff Members Reduced to 209-218 (26-35) TBD]	
	Target Date(s)	Start: June 2019; End: August 2019 Start: June 2020; End: August 2020 (TBD)
	Multi-Year Financial Impact	First Year: Estimate (3.3) Million Second Year: TBD
	Responsible Parties	Superintendent, School Board, Director of Teaching, Learning, and Assessment (TLA), Director of Special Education, Director of Human Resources, and Building Principals

Rationale:

To successfully address staff reductions in the education arena in a manner that protects the integrity of the program involves the implementation of several strategies. The re-distribution of essential duties, the re-structuring of programming, and the alternative delivery of instructional services ensure that students are receiving a high-quality educational experience that is mostly what is has looked like in the past with little appearance of revision. Ideal is a bar that the PHSD cannot afford to reach, but also not necessary for effective educational practices to be present in all classrooms. As mentioned earlier, due to district-wide declining enrollment, the following reductions shall be implemented for the 2019-2020 school year.

No More Than:

- 26 Classroom Teachers
- 1 Special Education Teacher
- 2 Guidance Counselors
- 1 Home School Visitor/Social Worker
- 1 Behavior Specialist
- 2 Administrative Assistants
- 1 Special Program Teacher (NJROTC)
- 1 Cyber Teacher

NOTE:

All positions are subject to change (fewer furloughs) by June 30 – due to final review by CRO. Recalls from furlough can be considered at any time of the school year based upon increasing enrollment, resignations, or other related factors.

At the Elementary level, the worst-case scenario will increase the average class size from 24 to 29 students. The District may, in consultation with the classroom teacher, provide a fulltime paraprofessional (para) in any classroom (Grades 1-4) that reaches 28+ students to assist with increased class sizes. In essence, two adults will staff the larger classes, reducing the student: teacher ratio in half. All other classes will share paraprofessionals as follows: as per the direction of the building administrator, two teachers may share a para for Math and ELA blocks. To clarify, the function of all paraprofessionals is to support all learners, regular and special needs, in the classroom. It is critical that training is provided to facilitate a healthy and effective relationship between the paras and the teaching staff. Principals will collaborate with Central Administration to provide the proper training. Principals are also responsible for the evaluation of the paraprofessionals (with input from classroom teachers). Critical to their success: the teachers' and support group's CBA language cannot restrict the administration's responsibility to direct and assign the professional and support staff in the best interests of the students.

Also, at the Elementary level, due to a program curtailment, two positions will be eliminated. With only 32 students enrolled in Pre-K this year, it is more cost-efficient to guide these Pre-K children into early childhood programs that already exist throughout the community. **In concert with this decision, the Penn Hills Elementary School shall reach out to all its community early childhood providers and create a smooth transition into its new school building.**

At the Middle School level, reducing staffing without major impacts on class sizes will occur, as well. The District may, in consultation with the classroom teacher, provide a fulltime paraprofessional in any classroom (Grades 5-6 only) that reaches 28+ students. Scheduling is key to controlling class sizes in grades 7 and 8; however, it should be noted that bubbles of high-end class sizes (29-30) are common in all schools due to the logistics of the scheduling process. As with the elementary level, teacher: student ratios are healthy; they reflect both educational services and support services available in each building per student.

At the High School, the NJROTC program, a staple of the PHSD for many years, has not been able to reach the required enrollment numbers to maintain this military program. At least 100 student cadets are required for a full charter; the last time the PHSD had 100 cadets was during the 2016-2017 school year. The High School program was designated for Corrective Action (mandated to increase numbers) for the past two years. The High School had the opportunity to convert its program to the Navy National Defense Corp program if it could increase its numbers to fifty; however, sign-up numbers have dipped to approximately 30 students, warranting the decision to eliminate the program during these fiscally-challenging times. The conversion would be at the expense of the District (approximately \$175,000).

Shifting to student support programming and staffing, positions will be adjusted as follows: the high school counseling staff will remain status quo with three counselors; the middle school will be reduced from four to three counselors; and the elementary school counselors will be reduced from three to two counselors. It is reasonable to adjust these numbers with intentions to re-design the model to better utilize other resources to support the students. The behavior specialists will be reduced from two to one K-12 position to handle extreme cases. The Home School Visitors/Social Workers will be reduced from three to two positions to handle the District's needs. A network of student support personnel is available at all levels. It is the responsibility of the building administrative team to ensure that the support network works as a cohesive team, including a close relationship with outside social and mental health agencies, to meet the diverse needs of our students. The District has a healthy team of support personnel to assist the remaining eight

guidance counselors, and the Student Assistance Program (SAP) works to provide interventions as needed throughout the system. Behavior specialists, social workers, and probation officers are available daily in all school buildings.

At the elementary level, the Mathida Theiss Program provides mental health support services through The Cool-Down Zone which is funded through the Allegheny County Office of Behavioral Health and the Pittsburgh Penguins Foundation. Children Overcoming Obstacles and Limits (COOL) Zone provides specialized child therapists who interact with children in a safe and friendly environment. Students are referred by the elementary student assistance team if the child displays symptoms of a behavior health diagnosis. Parents must commit to a student evaluation and family counseling; and they must be approved by their insurance.

Again, the re-distribution of essential duties, the re-structuring of programming, and the alternative delivery of instructional services ensures that students are receiving a high-quality educational experience and support services. Dire financial circumstances have necessitated a scaled-back, more streamlined version of the District's academic program and support system. Lower enrollment warrants it.

ACA 2	The PHSD <u>shall</u> add Kindergarten sections as needed	
	Target Date(s)	Start: August 1, 2019; End: October 1, 2019
	Multi-Year Financial Impact	First Year: \$103,000
	Responsible Parties	Superintendent, School Board, Director of TLA, Elementary Principal

The District must assign the appropriate number of teachers to Kindergarten classes to ensure that the class-size issue that occurred this school year is addressed. Early childhood education is one of the foundation blocks for student academic success as they move through the system. As of May 1, there were 122 students pre-registered.

Action Steps	Deadline
1. District administration shall monitor enrollment across seven sections of Kindergarten students.	August 1 To October 1
2. If enrollment reaches 23 students per section, the District shall add an additional section.	
3. The District shall move three students from each of the seven sections to create the eighth section. The last-enrolled students will be moved from each section. The District shall repeat the process using eight sections increased to nine as enrollment rises.	October 1
4. District administration may, in consultation with the classroom teacher, add an instructional aide in any section that has 24+ students enrolled.	

ACA 3	The PHSD <u>shall continue</u> its use of academic coaches to support struggling teachers and expand this capacity to the administrative assistants.	
	Target Date(s)	Start: September 2019; End: June 2020
	Multi-Year Financial Impact	N/A
	Responsible Parties	Superintendent, School Board, Director of TLA, Principals

While learning is the core business of schools, research has long supported the notion that one school factor with the greatest impact on student achievement is the skillful professional teacher at the front of the room – regardless of class size, technology, or socio-economic status. For that reason, the PHSD shall maintain the academic coaches in the Elementary School and the rotating Master Teacher on Special Assignment in the Middle School. Supporting teachers with their pedagogical skills is a professional life-line needed to improve student achievement. Evidence of the positive impact of the academic coaches at the elementary level is reflected in the fourth grade PVAAS scores. In the middle school, this was the first year that the District hired an academic coach, in this case Master Teacher on Special Assignment. The Master Teacher on Special Assignment was responsible for implementing a new curriculum - Cambridge Mathematics. Students in grades 5-8 are taught a spiral-based math curriculum in which similar math concepts are repeated in each grade at a deeper level each year. Improvement efforts will be measured as the District moves forward.

An effective academic strategy impacting student achievement is the use of academic coaches to enhance the instructional skills of the teaching staff. Data driven decision-making is the foundation for improving student achievement; however, the implementation of the best instructional practices based on accurate and relevant data is the remedy for inconsistent results. When teachers are effective in their pedagogical skills, students learn. Good behavior typically follows; thus, reducing disciplinary issues in school buildings. It starts with the teacher in the classroom. To further illustrate the need for academic coaches, the CRO reviewed the teacher evaluation data in PHSD.

The Every Student Succeeds Act replaced No Child Left Behind. In 2016, states were required to define effective teachers for the purposes of educator equity. The PA's Educator stakeholder workgroup developed the following recommendation for defining "effective teachers" under ESSA:

Effective Teachers: Teachers who strive to engage all students in learning, demonstrate instructional and subject matter competence, and continuously grow and improve. The goal is to improve accuracy, reliability, and efficiency of data in both collections and calculations. In layman's terms, an ineffective teacher may have received a proficient evaluation; however, the assessment data connected to a particular teacher's classroom does not correlate with the evaluation. An effective teacher receives a proficient or distinguished evaluation AND the assessment data reflect student growth and/or achievement on State exams.

While 98.5% of the PHSD teaching staff was rated proficient or above, only 60% of the faculty received an effective rating by the new evaluation system developed by the State. The elementary school ranked the highest with 84% of its teachers being effective; again, evidence of the coaching model success at the elementary school. Then the high school followed with 54%, and the middle school with 35%. Teachers have a very difficult job to do; they need to be supported, not fixed.

“The quality of our schools will never exceed the quality of our teachers,” is a quote heard throughout the State’s Pennsylvania Inspired Leadership (PIL) program. The effective use of academic coaches works to this end.

The District has two academic coaches in the elementary school and one “Master Teacher on Special Assignment” in the middle school. Because of the effectiveness of the coaching model in the elementary school, it must be duplicated in the middle school and high school. The coaches utilize data-driven decision-making and work with struggling teachers by modeling lessons in the classroom. The work of academic coaches and the master teacher must be expanded to the administrative assistants in the middle and high schools. If grant funds become available, another academic coach should be added in the high school. Free professional development courses are offered through the PA Inspired Leadership (PIL) program, and all administrators shall be required to participate in this leadership program. The teachers’ CBA should address more time in the teacher day for collaboration amongst the staff to create a professional learning community culture in all buildings. This initiative shall be implemented with initiative ACA 5 to improve student achievement.

Action Steps	Deadline
1. The District shall re-design the job description of the administrative assistant to add academic coaching.	August 1
2. The District shall expand academic coaching responsibilities to include administrative assistants.	
3. Building assignments for all coaching positions shall be flexible, allowing for collaboration for the coaching team.	
4. The District shall identify teachers in all schools who have been rated as ineffective by the new PA teacher performance evaluation system.	
5. The elementary academic coaches shall work with the middle school coach and administrative assistants to create a schedule prioritizing teachers with the highest need for support (i.e. those teachers rated as “ineffective”)	First Three Days In-Service
6. The middle school and high school shall duplicate the successful coaching model utilized in the elementary school.	September to June
7. The coaches shall track all support activity to determine effectiveness.	On-Going

Support Staff – Paraprofessionals

ACA 4	The PHSD <u>shall</u> right-size the support staff. (includes instructional aides, service aides, and health room aides) [93 Staff Members Reduced to 63-69. (24-30)]	
	Target Date(s)	Start: June 2019; End: August 2019 Start: June 2020; End: August 2020 (TBD)
	Multi-Year Financial Impact	First Year: \$569,000 Second Year: TBD
	Responsible Parties	Superintendent, School Board, Director of TLA, Director of Special Education, and Building Principals

Rationale:

The District hires aides for the sole purpose of supervising lunch and recess. These service aide positions will be eliminated or reduced. This duty will be supported with other available staff.

Paraprofessionals (instructional aides) will be reduced to an appropriate level that will be determined by the administration. Anticipated reductions will be a minimum of ten positions. Call-backs will be based upon need. The District will maintain fulltime paras in all ES, AS, LSS classrooms, as well as grades 1-6 classrooms with 28+ students, as directed by the administration. Paras will be shared in classrooms for Math and ELA at the elementary level, as directed by the administration. Critical to maintaining an effective role in the classroom, all paras MUST be properly trained to be effective co-workers with staff as they assist with supporting learning for all students in all classrooms. Additionally, the support CBA must allow for proper direction of paras into classrooms and/or with 1:1 special education paras that best support the child as per the direction of the administration. Maximizing support skills facilitates the learning process throughout the building. Principals are responsible, with input from teachers, for evaluations of paraprofessionals.

Health room aides will be reduced from four to two. One aide will be fulltime at the Elementary School and one aide will be shared between the Middle School and High School. The administration may direct any co-operative assignment between ALL buildings as needed.

Action Steps	Deadline
1. The Director of TLA, the Director of HR, and Director of Special Education shall plan and organize training for instructional aides related to effective student support strategies.	July

Programs

ACA 5	The PHSD <u>shall</u> maximize efforts to improve student achievement. PSSA, PVAAS, Keystones	
	Target Date(s)	Start: August 2019; End: June 2020 Start: August 2020; End: June 2021
	Multi-Year Financial Impact	N/A
	Responsible Parties	Superintendent, School Board, Director of TLA, Director of Special Education, Principals

Rationale:

While the PHSD has made progress in areas of programming and opportunity, the District has been inconsistent with improving student achievement across grade levels and subject areas. A financial transformation will not guarantee an academic transformation. With proof throughout the system that some teachers deliver an effective education with a child-centered mindset, the data also reflect that there is room for improvement. As mentioned earlier in this plan, professional development must address effective pedagogical skills as they relate to teaching culturally diverse and low socio-economical student populations. Relevant, effective professional development is a must; high expectations for ALL students is a must; a passion to make a difference in ALL classrooms is a must; a mindset dedicated to facing the challenge of educating in a diverse learning community is a must. This cannot be attained without effective professional development.

Strategic use of professional development days has its benefits; however, efforts to facilitate improved achievement can be enhanced exponentially if the daily/weekly schedule includes professional time for collaboration among the staff. Data-driven instructional practices require time. The teachers' CBA must address the work day for teachers to create more professional development time for the instructional staff.

The District must explore creative strategies to build on the pockets of success that exist through the K-12 system. Fidelity of practices as students move from one grade to the other is necessary for PVAAS growth. Mirroring the best practice of the best staff members taps into the rich resources that already exist in the PHSD system. The District shall participate in the PIL curriculum courses designed to focus on the three basic principles on "How People Learn" and implement research-based instructional design principles that facilitate deeper learning. These principles must appear in all lesson planning and tie into all administrative walk-throughs and evaluations.

Action Steps	Deadline
<ol style="list-style-type: none"> 1. Grade-level leaders and department heads shall meet during first three in-service days to develop a plan to improve PSSA scores. 2. The District must require the implementation of learning principles as described in rationale. 	<p>One of first three in-service days in August</p>

<ol style="list-style-type: none">3. Through Student Learning Objective's (SLOs), teachers and building administrators shall determine a realistic goal to close the gap between the state average and the District scores in all state assessment areas.4. Progress monitoring shall occur every two weeks.5. Teachers shall utilize formative assessment practices daily to monitor student understanding. These formative assessment strategies shall be reflected in all lesson planning.6. Administration, in consultation with the academic coaching team, shall create a "look for" checklist consisting of easily observable best practice activity.7. Administration shall create a weekly walk-through schedule that will be strictly followed.8. The schedule shall include a short narrative of follow-up conversations.9. Central administration shall create and monitor weekly a tracking list of all walk-throughs.10. Building-level equity teams shall plan and organize professional development for the instructional staff that covers cultural relevance awareness.	
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ACA 6	The PHSD <u>shall</u> pay for student tests - PSAT's, AP, Dual Enrollment (outside of grants)	
	Target Date(s)	Start: September 2019; June 2020 Start: September 2020; June 2021
	Multi-Year Financial Impact	First Year: Additional cost of \$55,000 (TBD) Second Year: Additional cost of \$55,000 (TBD)
	Responsible Parties	Superintendent, School Board, Director of TLA

Rationale:

If grant money to pay for these assessments ceases to exist or decreases, the District should budget for it. This funding facilitates the equity efforts to provide opportunities for ALL students in the PHSD. These are funds that directly benefit the students. District funds cover the costs of PSAT tests (\$4000); Title IV funds cover Dual Enrollment costs (\$15,000); Title IV (\$25,000) and Ready-to-Learn (\$10,000) funds cover Advanced Placement costs. Notification of loss of grant money shall be relayed to Superintendent during budget planning window.

ACA 7	The PHSD <u>shall</u> explore and implement positive behavior models to improve Linton Middle School environment/culture. *Initiative funding contingent upon available monies, including potential funds from the Transitional Loan.	
	Target Date(s)	Start: September 2019; End: February 2020
	Multi-Year Financial Impact	TBD
	Responsible Parties	Superintendent, School Board, Director of TLA, Middle School Administration

Rationale:

Middle schools across the country must appropriately handle challenges unique to middle school-age students. The PHSD is no different. The recent increase in reported incidents of disruptive student behavior and the perceived safety issues by parents, students and the community must be addressed head-on. District and building leadership teams must collaborate and explore viable models that focus on building a positive, respectful, and safe environment in the middle school building. Anti-bullying, mentoring programs, Positive Behavior Instructional Support (PBIS), anger management, respect for others, and character education are some of the key program themes to explore. Due to school reports of excessive student suspensions and expulsions, a high number of student mediations, and feedback from staff regarding safety in the middle school, the District must also re-configure its In-School-Suspension model to align it with appropriate responses to behavior infractions. A Restorative Justice model shall include collaboration with Allegheny County Juvenile Probation officers based in the school. The model shall be expanded to include the Home School Visitor/Social Workers in the District.

In September, the District must establish a committee/team to explore effective prevention models to change the culture at Linton Middle School. The existing "Solutions Team" shall be expanded to include parents and students. Minutes from past meetings and discussions with personnel from

both the middle school and high school reflect concerns about inconsistent accountability and enforcement of policies by both the professional staff and security. Intentions to expand strategies into the High School should be a priority as well. Proper interventions and therapeutic response, RATHER than a zero-tolerance approach, is highly recommended. The District must continue to implement its mandatory mediation program that was initiated two years ago to promote problem-solving rather than aggression. Current research supports a model that creates a cohesive team of trained interventionists, such as mental health experts, behavior specialist, social workers, and probation officers, to complement the appropriate number of security personnel. This requires time, patience, and an abundance of training. A school-wide discipline plan is the foundation for an effective educational program. Fixing the environment can lead to improved achievement.

The following variables can hinder the cultivation of a safe school:

- Ineffective instruction that results in academic failure
- Failure to prime student motivation and adapt to student interests and needs
- Unclear rules and expectations regarding student behavior
- Failure to teach positive interpersonal and self-management skills
- Inconsistent enforcement of rules
- Failure to adequately monitor and supervise student behavior in classrooms and hallways
- Ignoring to implement culturally responsive interventions
- Failure to assist students from at-risk backgrounds to succeed in school environment
- Lack of training and commitment by staff to implement change

Action Steps	Deadline
1. The District shall change the In-School-Suspension model to implement a restorative justice model in the middle school. This shall be one component of the middle school environmental model described above.	PART I Target Date: July – August
2. The building administrative team shall develop a clear plan to ensure order in the building from day one. Accountability must be present for both staff and students.	
3. The District administration shall create a middle school committee or task force comprised of the following:	PART II Target Date: September 15

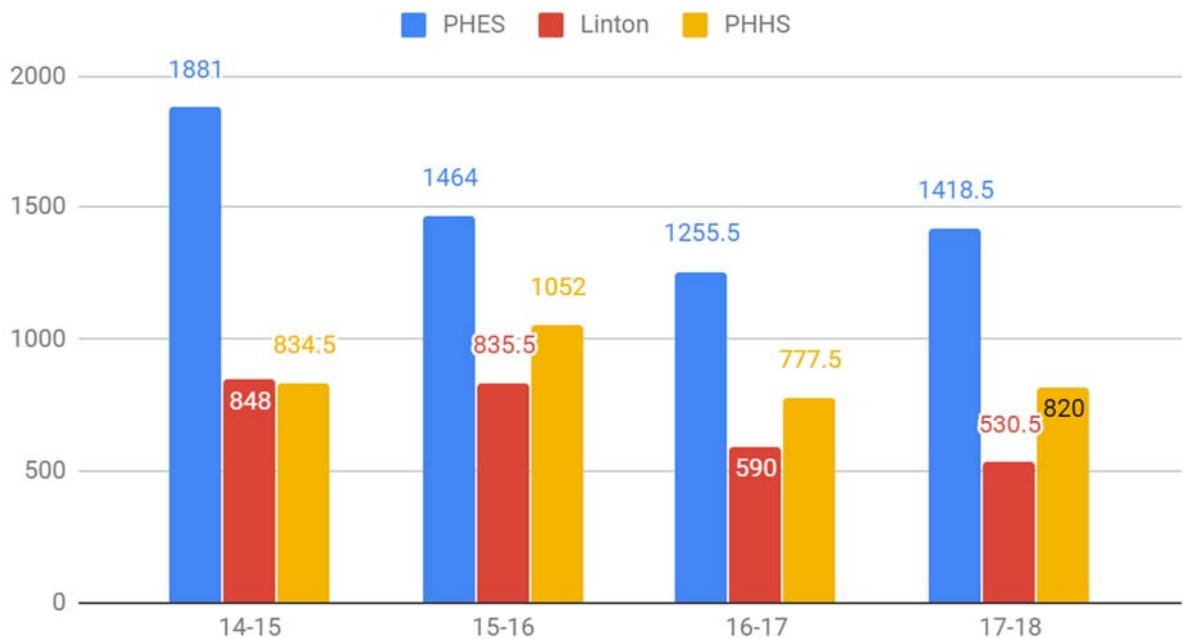
<ul style="list-style-type: none">• 2 MS admin.• 1 central office admin• 1 counselor• 4 teachers (1 per grade level)• 2 parents• 2 students <p>4. The purpose of the task force:</p> <ul style="list-style-type: none">• Explore programs and/or strategies to create a positive and safe culture/environment at the middle school.• Develop a safe-school program• Develop a respectful environment• Ensure order in the building• Create a productive learning environment• Create buy-in from ALL staff <p>5. Visit three model middle schools in area. At least two with same demographics.</p> <p>6. The committee shall create a “look for” and a “talk to” checklist to follow during each visit.</p> <p>7. The Task Force shall report to the Board through the Curriculum Committee.</p>	
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ACA 8	The PHSD <u>shall</u> explore and implement measures to reduce absenteeism among the staff districtwide. Goal: Minimum 10% improvement each year.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: September 2020; End: June 2021
	Multi-Year Financial Impact	First Year: (\$40,000) Second Year: TBD
	Responsible Parties	Superintendent, School Board, Director of Human Resources

Rationale:

Absenteeism significantly impacts operational costs, building climate, and ultimately student achievement. Loss of quality instructional time equates to loss of student learning. The District should monitor all employees on attendance patterns and utilize agreed upon Collective Bargaining Agreement measures to control abuses. The following chart clearly cites absentee numbers in all buildings that need to be addressed. Reviewing the chart below, the impact on the school budget is evident; however, the impact on student learning and achievement is equally as alarming.

PHSD Teacher Absences 2014-2018



Financial Impact:

	2014-2015	2015-2016	2016-2017	2017-2018
Absences	3,564 Days	3,352 Days	2,624 Days	2,770 Days
District Sub Cost	129.20	133.64	137.83	139.00
Total Cost	\$460,469	\$447,961	\$361,665	\$385,030

Action Steps	Deadline
<ol style="list-style-type: none"> 1. The District shall convene a special committee to address this issue. 	<p>July 2019</p>
<ol style="list-style-type: none"> 2. The committee shall be comprised of the Superintendent, Director of HR, Building Principals, and Union Leadership. 	
<ol style="list-style-type: none"> 3. Some topics/incentives may include, but not limited to, work from home privileges on clerical days, corporate-sponsored luncheons, mandatory check-ins with supervisor, etc. 	<p>Implement Day 1 of school year.</p>

ACA 9	The PHSD <u>shall</u> permit only juniors and seniors to attend Forbes Road CTC, unless it is a three-year program	
	Target Date(s)	Start: March 2019; End: February 2020 (Freshmen Only) Start: March 2020; End: February 2021 (9 th and 10 th Grade)
	Multi-Year Financial Impact	First Year: (\$155,000) Second Year: (TBD)
	Responsible Parties	Superintendent, School Board, Director of TLA, High School Administration

Rationale:

The high school administration shall eliminate CTC placements at Forbes Road for freshmen and sophomores. Currently, freshmen attend Forbes Road to explore the different vocational opportunities that are available. At the end of their freshman year, they decide which program they want to attend. This practice is an extremely expensive career exploration program. The “whole-year” career exploration practice shall be replaced with timely and cost-efficient “day-by-day” experiences throughout the school year for interested freshmen to visit Forbes Road. Sophomores enrolled in certified three-year programs are exempt from this provision. Opportunities are delayed, but not missed. There are approximately fifty (50) freshmen enrolled at Forbes Road CTC for one semester at a cost of \$2,887.00 each (half-year). The savings cited in initiative box reflects an estimate of fifty (50) freshmen not attending next year.

Action Steps	Deadline
1. During the scheduling window for the new school year, the administration shall <u>not</u> permit future 9 th graders to select Forbes Road CTC as an option.	March 2019
2. During the scheduling window for the new school year, the administration shall <u>not</u> permit 10 th graders to select Forbes Road CTC unless the CTC program requires three years to attain certification.	March 2019
3. The administration shall schedule two career exploration field trips to Forbes Road CTC for freshmen prior to scheduling window for their sophomore year.	September-February 2019-2020

ACA 10	The PHSD shall align all State-mandated plans with the initiatives cited in this recovery plan.	
	Target Date (s)	Start: July 2019; End: September 2019
	Multi-Year Financial Impact	N/A
	Responsible Parties	Superintendent, School Board, Director of TLA, Director of Special Education

Rationale:

It is essential that all District strategic planning is aligned with the Financial Recovery Plan moving forward. School districts are required to update their comprehensive planning in three-year cycles. Plans include the following: Special Education (Due May 2019), High School Improvement Plan (ATSI) (Due June 2019), Comprehensive Plan (Due November 2019), Title I Plans (Due Every Year). The District shall create a spreadsheet listing all planning documents and cross check the alignment of the major initiatives in each plan.

Action Steps	Deadline
1. The Superintendent shall create a spreadsheet listing all District strategic plans and their major initiatives for cross-referencing.	August 1
2. The administration shall address all discrepancies with appropriate revisions.	On-going
3. The cross referencing shall occur quarterly. (July, October, January, April)	September-January

Administration

ACA 11	The PHSD shall right-size Act 93 Staffing. [21 Staff Members reduced to 17. (4)]	
	Target Date(s)	Start: June 2019; End: August 2019 Start: June 2020; End: September 2020
	Multi-Year Financial Impact	First Year: (\$261,000) in the General Fund and (\$117,000) in the Cafeteria Fund. Second Year: TBD
	Responsible Parties	Superintendent, School Board

Rationale:

The position of Technology Coordinator/Transportation has been temporarily absorbed within the organization. The technology function will stay within the Technology Department. The transportation function shall be handled by the Athletic Department with assistance from the business office. See Initiative OPE 3 on page 67 for more details. More changes may come after next year’s transportation assessment by outside consultants.

The District currently employs three on-site cafeteria managers. Supporting them are corporate managers from the District’s food service provider. With two of the three cafeteria managers retiring at the end of this school year, the District shall not fill those positions. One District employee to serve as the District’s liaison for cafeteria service is sufficient. These savings will be reflected in the cafeteria fund which can be transferred into the general fund to cover allowable expenses.

The District shall reduce the Associate Principal positions District-wide by one administrator. The District shall review all building-level administrative placements to ensure the best utilization of each administrator. There shall be an annual review to ensure best utilization of strengths with building needs.

Supplementals and Athletics

ACA 12	The PHSD <u>shall</u> reduce expenditures for academic supplementals by 15-20%	
	Target Date(s)	Start: March 2019; End: September 2019 Start: March 2020; End: September 2020 (TBD)
	Multi-Year Financial Impact	First Year: (\$41,000) Second Year: TBD
	Responsible Parties	Superintendent, School Board, Director of HR, Director of TLA, and Principals

ACA 13	The PHSD <u>shall</u> reduce the athletic budget by 15-20%	
	Target Date(s)	Start: March 2019; End: September 2019 Start: March 2020; End: September 2020 (TBD)
	Multi-Year Financial Impact	First Year: (\$148,000) Second Year: TBD
	Responsible Parties	Superintendent, School Board, Athletic Director, HS Principal

Rationale:

A committee of administrators and teachers reviewed the current supplemental positions to determine which student activities have declining participation rates. The committee is also reviewing accountability procedures to monitor the regular activity of all clubs.

As with the other departments, the athletic department has reviewed its budget at the request of the CRO. The cuts are reasonable, and it is the responsibility of the Athletic Director and High School Principal to monitor this budget as the school year progresses. The goal was to maintain all sports; however, the CRO directed the Athletic Director to investigate possible cooperative agreements with neighboring schools for sports that currently have low participation numbers. Opportunities for student-athletes at all levels and both genders have remained intact. Coaching staffs have been tweaked based upon declining enrollment, and salaries have been reduced by an average of ten percent across the board. Following salaries and staff, supplies and equipment budget lines will be adjusted as well.

OPERATIONS (WORKFORCE)

Plant Services

PL 1	The PHSD <u>shall</u> Right-Size the Plant Services Workforce. [52 Staff Members Reduced to 42-44. (8-10)]	
	Target Date(s)	Start: June 2019; End: August 2019 Start: June 2020; End: September 2020
	Multi-Year Financial Impact	First Year: (\$750,000) Second Year: TBD
	Responsible Parties	Superintendent, School Board, Director of Plant Services, Director of HR

Rationale:

On May 13, 2019, the PHSD School Board approved a new four-year CBA with the Plant Services (AFSCME). This agreement enables the District to realize significant savings for the 2019-2020 budget through salary freezes and the elimination of the “no furlough” clause. The number of buildings has been reduced over the past fifteen years due to consolidation of schools. Six elementary schools, one middle school, and one high school existed in the District in 2004. All six elementary schools have been reduced to one elementary center since then. All buildings have been sold; the final one is expected to be off the books by the end of the current school year. The bus garage has been sold. The Fralic Center is an athletic facility housing locker rooms, coaches’ offices, a weight room, and a 50-yard artificial turf practice field. The staff reduction will call for a make-over on shifts, assignments, and practices. The savings do not reflect potential overtime savings. The District will conduct an audit of the Building/Grounds operation early next year (See OPSY 1).

District Comparisons: Number of Plant Employees

McKeesport SD	Woodland Hills SD	Plum SD	Gateway SD	Penn Hills SD
27	28	40	42	52

The square footage for all buildings is as follows:

Penn Hills High School	Penn Hills Middle School	Penn Hills Elementary
310,000	295,000	210,000

Secretaries

SEC 1	The PHSD shall Right-Size the Secretarial Workforce. [21 Staff Members Reduced to 16. (5)]	
	Target Date(s)	Start: June 2019; End: August 2019 Start: June 2020; End: September 2020
	Multi-Year Financial Impact	First Year: (\$260,000) Second Year: TBD
	Responsible Parties	Superintendent, School Board, Business Manager, Director of HR

Rationale:

Because the facilities and workforce will be reduced, it only makes sense to reduce the secretarial workforce. The following positions will be eliminated:

Two Pupil Personnel Office Secretaries – These positions are responsible for student registration at the central office site. Due to the bulk of registrations being completed during the summer months, their essential duties will be transferred to the building-level attendance secretaries, whose workload is reduced when school is not in session.

One Business Office Secretary – One of the essential duties of this secretary has been to reconcile charter school invoices to ensure that the students who appear on the invoices are actually Penn Hills School District residents. This duty will be moved to another employee in the business office in the same bargaining unit. The other essential duty of this secretary is to ensure that the paperwork is completed accurately and timely to maximize the District’s ACCESS reimbursement. This critical reimbursement is a significant amount of money and will be transferred to another secretarial position in the special education department and will continue to receive support from the AIU. ACCESS funds cover the cost of special education students receiving certain eligible medical services in the District.

One Transportation Secretary – These essential duties will be transferred to other employees within the same bargaining unit, potentially the athletic department that is already working with events involving transportation. Review and oversight will remain with the administration.

One Technology Assistant - These essential duties will be absorbed within the same bargaining unit.

NOTE: The District has been negatively impacted due to turnover with administrative support positions and various departments leading to lack of critical oversight and appropriate expertise. In order to maintain stability during the first two years of recovery status, the CBA should address options to identify up to two positions in the current secretarial assignments for protection from bumping rights.

Food Service

FS 1	The PHSD <u>shall</u> Right-Size the Food Service Staff. [52 Staff Members TBD]	
	Target Date(s)	Start: June 2020; End: August 2020
	Multi-Year Financial Impact	First Year: N/A Second Year: TBD
	Responsible Parties	Superintendent, School Board, Business Manager, Food Service Manager

Rationale:

Food management falls outside the umbrella of District operations. The cafeteria funds itself through income from breakfast and lunch programs within the PHSD community. Many districts must support their cafeterias with district funds because the cafeteria cannot generate enough revenue to cover operational costs. The good news for the PHSD is that the District has NOT provided financial support to the cafeteria fund for several years. Two of the District's school buildings have qualified as Community Eligibility Provision schools (CEP) schools which means that all students qualify for free and reduced lunches without actually applying for this service. Next year, the high school qualifies as a CEP school as well. This designation is not an automatic provision each year. It is based upon the community's percentage of low-income families. This designation impacts the bottom line due to the maximized number of students who eat lunch because meals are free. The immediate need to reduce the food service group is not pressing at this time; however, the District will conduct an assessment of its cafeteria operations next year. The District will attempt to streamline operational costs and workforce numbers in order to increase profits to cover allowable District expenses that support the cafeteria. For example, the food delivery van and driver can be paid with the cafeteria funds, reducing operational costs in the District budget. A percentage of utility bills can be claimed as well. The CRO will visit this initiative next year.

OPERATIONS (EFFICIENCIES)

OPE 1	The PHSD <u>shall</u> reduce costs by 15-20% for supplies across the board.	
	Target Date(s)	Start: March 2019; End: September 2019 Start: March 2020; End: September 2020 (TBD)
	Multi-Year Financial Impact	First Year: (\$325,000) Second Year: TBD
	Responsible Parties	Superintendent, School Board, Central Administration, and Principals

Rationale:

The CRO reviewed all budgetary lines relating to the purchase of supplies throughout the District. Assuming a reduction in workforce and student enrollment, it follows that supplies can be reduced as well. The majority of the savings is coming from the maintenance department. Most of the elementary supplies are paid through Title I monies. The elementary teachers have access to the Education Partnership for free school supplies because the PHSD qualifies with high poverty student demographics. Access to the Partnership is not automatic; the District must apply each year. When/If the District qualifies again, it is essential that the elementary teaching staff is notified and encouraged to participate. Reducing these budget lines will save the District a reasonable amount of money each year. Administration should monitor all paper usage throughout the District and provide monthly reports to the business manager/superintendent for potential cost savings down the road, as well.

OPE 2	The PHSD <u>shall</u> conduct a cost- analysis study on closing Linton MS swimming pool.	
	Target Date(s)	Start: June 2019; End: September 2019
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Director of Plant Services

Rationale:

Next year, the District will conduct a cost-analysis on closing the pool at Linton Middle School. After one year, the CRO will re-assess the usage of the Middle School pool and determine whether or not to close the pool. The costs and labor to operate the pool can be significant.

Action Steps	Deadline
1. The Director of Plant Services shall complete a cost-analysis on closing Linton pool.	October 1
2. If the District elects to activate this initiative for cost-savings, the Director shall prepare a plan to do so.	TBD

OPE 3	The PHSD shall create an administrative manual for 1) Business Office, 2) Special Education ACCESS reporting, 3) Human Resources, and 4) Transportation reimbursement, detailing the responsibilities of department employees.	
	Target Date(s)	Start: September 2019; End: December 2019
	Multi-Year Financial Impact	First Year: N/A Second Year: N/A
	Responsible Parties	Superintendent, School Board, Business Manager, Director of HR, Director of Special Education

Rationale:

The District shall create an administrative manual detailing every responsibility of every employee in the business office, human resources department, transportation department, and ACCESS reporters. This manual will serve as a guide to current and newly hired employees as the District moves forward. The District learned an expensive lesson through the turbulent past ten years when there was constant turnover of the employees responsible for maintaining these detailed responsibilities. The manual should include the critical timelines for budget planning and mandatory document submissions to State and Federal government agencies. See the chart below for the listing of the positions to be included in the manual.

Business Office	Deadline	ACCESS Reporting	Deadline
1. Business Manager 2. Accounts Payable 3. Accounts Receivable 4. Accountant 5. Pay Roll	September 1	1. Superintendent 2. Director of Special Education 3. Special Education Coordinator 4. Special Education Secretary 5. Special Education Teachers 6. Special Education Aides 7. Service Providers 8. Principals 9. Transportation 10. Psychologists 11. Social Workers 12. Speech Therapists 13. OT/PT 14. Nurses 15. Business Office	September 1

Transportation	Deadline		Human Resources	Deadline
1. Superintendent 2. Transportation Carrier 3. Transportation Coordinator/AD 4. Transportation Accountant 5. Transportation/AD Secretary 6. Director of Special Education 7. Homeless Liaison 8. Foster Care Liaison	September 1		1. Director of Human Resources 2. HR Secretary 3. Plant/Attendance Secretary	September 1

OPE 4	The PHSD shall pursue all opportunities available to join consortia for purchasing, energy, etc.	
	Target Date(s)	Start: July 2019; End: June 2020
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Business Manager, Director of Plant Services

Rationale:

The District (Business Manager and Plant Supervisor) shall regularly search for opportunities to join consortia similar to the one it belongs to at the Allegheny Intermediate Unit. The PHSD is currently in the energy, natural gas, diesel gas, and electric consortium at the AIU. There shall be an annual notification calendar to perform this search in the administrative manual mentioned earlier. The District should research the use of solar energy as an option, as well.

OPE 5	The PHSD shall pursue all available opportunities to share services with neighboring districts, such as special education, transportation, food service, etc.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Business Manager, Director of HR, Director of Special Education, Transportation Department

Rationale:

The PHSD sits among a handful of neighboring school districts with similar wants and needs. Three large systems, Pittsburgh Public Schools, Woodland Hills School District, and Plum Boro School District border the PHSD. Two smaller districts, Riverview School District and Wilkinsburg School District, also touch its borders. The PHSD shall contact these neighbors about potential cost-saving opportunities in which they can share services, including available space in the summer ESY program.

Action Steps	Deadline
1. The CRO and Superintendent shall meet with Central Administration and brainstorm potential opportunities for sharing services. They shall create tracking form to capture all activity.	October 1
2. The Director of Special Education, the Transportation Coordinator, and the Food Manager shall contact neighboring Districts regarding the potential opportunities for sharing of services.	November 1
3. They shall submit tracking form monthly for review by the Superintendent.	On-going

OPE 6	The PHSD shall provide PSBA training for new and experienced Board members. *Initiative funding contingent upon available monies, including potential funds from the Transitional Loan.	
	Target Date(s)	Start: January 2020; End: June 2020 Start: September 2020; End: June 2021
	Multi-Year Financial Impact	First Year: N/A Second Year: N/A
	Responsible Parties	CRO, Superintendent, School Board

Rationale:

Over the past ten years, the Board of Education for the PHSD was responsible for making very difficult decisions regarding the future of the District. Even with the normal operations of running a school business, decision-making can be challenging. Years of experience brings wisdom, but not necessarily less difficult problems. Additionally, there needs to be a clear understanding about the role of the school board to ensure that the board does not overstep its boundaries when it comes to managing the District. To assist with the professional growth of the school board, the board shall participate in yearly board trainings. The Superintendent and Board President shall collaborate on three priority goals each school year. New and refresher topics hold value for both experienced and novice members of the board. PSBA, the AIU, and local experts on board policy are available to provide necessary training in a less costly manner. There should be a modest number in the budget - \$5000, a sound investment for a District committed to informed leadership practices. To add to the urgency of this provision is the recent development of Board member seat instability. One Board member has resigned and three of the upcoming election openings will be vacant due to lack of interest in the community to run for these public seats.

NOTE: Because the School Board must be diligent in its deliberations on District business matters, it is highly recommended that the Board consider expanding its monthly board meetings to include a working session at least 5-7 days prior to its public voting meeting. Another consideration is to vote on agenda items individually, when appropriate, rather than grouping into agenda categories for a blanket vote. This practice will serve to prevent the Board from missing necessary deliberations on important items.

Action Steps	Deadline
1. Annually, the Superintendent shall organize a professional development workshop for all school board members.	January 2020
2. Topics shall include a refresher orientation on the role of the Board, working as a team with the Superintendent, and other topics agreed upon by the Superintendent and Board president	
3. Roll shall be taken as verification of this initiative being completed or not.	

OPE 7	The PHSD shall conduct a feasibility study on closing Linton Middle School. *Initiative funding contingent upon available monies, including potential funds from the Transitional Loan.	
	Target Date(s)	Start: November 2019; End: March 2020
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board

Rationale:

With potential unknown circumstances that may impact the recovery process in a negative manner, it makes sense to research the feasibility of closing the middle school in order to save money. Concern is as much about the educational impact of this option as it is about the potential savings through consolidation. The current and long-term circumstances that the District is facing warrant a peek into this option.

Action Steps	Deadline
1. The CRO will search for entities to conduct the feasibility study.	November 1
2. The details regarding scope, costs, and timeline shall be clearly marked.	December 1
3. The actual study period shall be prior to June 1, 2020.	January-March

OPE 8	Beginning on July 1, 2019, the PHSD <u>shall</u> implement Direct Deposit for all employees. Also for efficiency purpose, all curricular supplementals will be paid twice (mid-point/end of season) and athletic supplementals will be paid once (end-of-season).	
	Target Date(s)	Start: June 2019; End: June 2020
	Multi-Year Financial Impact	First Year: (\$1,000) Second Year: N/A
	Responsible Parties	Superintendent, School Board, Business Manager

Rationale:

This initiative brings the PHSD up to par with other districts and organizations who have long ago moved away from paper payroll.

Action Steps	Deadline
1. The Business Office shall send notice to all employees who are not on direct deposit, and include a form with directions on how to do so.	June 1
2. The Business Office shall send a final notice in the June pay check.	June 30

OPE 9	The PHSD <u>shall</u> implement a new time-management system. All employee groups that receive hourly wages will be paid hourly, rather than convert to a salary pay scale. This includes holiday pay.	
	Target Date(s)	Start: March 2019; End: July 2019
	Multi-Year Financial Impact	First Year: (\$30,000) Second Year: (\$13,000)
	Responsible Parties	Superintendent, School Board, Director of HR, Business Manager, Technology Department

Rationale:

This initiative has already been approved by the School Board in February of 2019. Full implementation will begin on July 1. The purpose for utilizing a time-management system was shared with the School Board last month. The Technology Director cited several benefits of this system: monitoring staff attendance for payroll purposes provides a more efficient manner to track time rather than antiquated time sheets that were used in the past; safety is enhanced in all buildings because the system utilizes the staff's swipe cards; tracking accurate hours enables the District to monitor employment requirements related to the Affordable Care Act.

OPE 10	The PHSD <u>shall</u> complete all compliance issues cited in the PA Auditor General's report and the independent auditor's report for the 2017-2018 fiscal year.	
	Target Date(s)	Start: July 2019; End: September 2019
	Multi-Year Financial Impact	First Year: N/A
	Responsible Parties	Superintendent, School Board, Business Manager

Rationale:

The District must attain compliance and provide a checklist to track all progress on an on-going basis.

Action Steps	Deadline
1. The Superintendent shall create a checklist of all compliance issues cited in both the PA State Auditor and independent auditor's reports.	August 1
2. The checklist shall be reviewed and updated monthly.	On-going

OPE 11	The PHSD <u>shall</u> negotiate renewal rates for healthcare when appropriate. Life insurance and dental renewals were due in April, 2019. This initiative includes researching cost-comparisons for healthcare options outside the Allegheny County School Health Insurance Consortium (ACSHIC).	
	Target Date(s)	Start: April 2019; End: October 2019
	Multi-Year Financial Impact	First Year: \$30,000
	Responsible Parties	Superintendent, School Board, Director of HR

Rationale:

The District must take advantage of potential savings during renewal windows with its healthcare providers. District providers will assist the HR department with the renewal process.

OPE 12	The PHSD must revisit its fund balance policy and develop a plan to replenish its fund balances to exit recovery status.	
	Target Date(s)	Start: September 2019; End December30, 2019
	Multi-Year Financial Impact	TBD
	Responsible Parties	Superintendent, School Board, Business Manager

Rationale:

The District fund balance deficit is 12 million dollars. In order to exit recovery status, the District must erase the deficit and maintain an unassigned fund balance of at least 5% of annual expenditures. Early contributions must be modest until the financial recovery reforms are fully implemented. It is assumed that contributions will come from annual positive balances in each recovery plan year.

OPERATIONS (SYSTEM ASSESSMENTS)

During the 2019-2020 school year, the District must conduct systems assessments of all operations. Outside consultants will perform the audits, potentially providing the District with additional cost-efficient strategies. The District shall address the findings and follow the recommendations identified in each assessment, as deemed reasonable by the CRO. Expectations are that the District will see additional savings in Year Two because of these assessments. The CRO will schedule all of these audits as described in the following boxes in the order of appearance. Availability of the consultant will determine calendar dates. **NOTE: The following initiatives are contingent upon available funding sources, including potential financial transition loan proceeds.**

OPSY 1	The PHSD <u>shall</u> Complete a Systems Audit for Plant Services	
	Target Date(s)	Start: September 2019
	Multi-Year Financial Impact	First Year: Cost Not to Exceed \$5,000 Second Year: N/A
	Responsible Parties	CRO, Superintendent, School Board

OPSY 2	The PHSD <u>shall</u> Complete a Systems Audit for Transportation	
	Target Date(s)	Start: September 2019
	Multi-Year Financial Impact	First Year: Cost Not to Exceed \$5,000 Second Year: N/A
	Responsible Parties	CRO, Superintendent, School Board

OPSY 3	The PHSD <u>shall</u> Complete a Systems Audit for Food Operations	
	Target Date(s)	Start: November 2019
	Multi-Year Financial Impact	First Year: Cost Not to Exceed \$5,000 Second Year: N/A
	Responsible Parties	CRO, Superintendent, School Board

OPSY 4	The PHSD <u>shall</u> Complete a Systems Audit for Special Education to include, but not limited to program delivery model, BEST program, RTII/MDSS Process, ACCESS, and outplacements.	
	Target Date(s)	Start: Oct 2019
	Multi-Year Financial Impact	First Year: Cost Not to Exceed \$5,000 Second Year: N/A
	Responsible Parties	CRO, Superintendent, School Board

OPSY 5	The PHSD <u>shall</u> Complete a Systems Audit for Security.	
	Target Date(s)	Start: January 2020
	Multi-Year Financial Impact	First Year: Cost Not to Exceed \$5,000 Second Year: N/A
	Responsible Parties	CRO, Superintendent, School Board

OPSY 6	The PHSD <u>shall</u> Complete a Systems Audit for Technology (leasing user-support, on-line testing). Copiers will be assessed under this initiative.	
	Target Date(s)	Start: February 2020
	Multi-Year Financial Impact	First Year: Cost Not to Exceed \$5,000 Second Year: N/A
	Responsible Parties	CRO, Superintendent, School Board

OPSY 7	The PHSD <u>shall</u> Complete a Systems Audit for Insurance Coverage.	
	Target Date(s)	Start: March 2020
	Multi-Year Financial Impact	First Year: Cost Not to Exceed \$5,000 Second Year: N/A
	Responsible Parties	CRO, Superintendent, School Board

NEGOTIATIONS (CONTRACTED SERVICES)

Just recently, two reports (State Auditor General and Allegheny County Attorney General) described PHSD as a District in the worst financial condition they have ever seen. Some of the allegations and/or citings include the following descriptions: “a shocking level of mismanagement of funds and lack of oversight,” “inept decision-making rife with the appearance of impropriety,” “egregious overspending,” “concerns over ethics violations,” “inexcusable carelessness,” and “questionable conduct by board and contractors.” To ensure the taxpayers of the PHSD that the District has moved away from its questionable past practices, all contracted services shall be re-visited for the following components: a cost analysis, scope review, contractors’ effectiveness in meeting the District’s needs, and a District needs-assessment to ensure there are no gaps in service, including the length of contract. Findings and recommendations from the appropriate District assessments in the previous section shall be reflected in all new contracts as deemed reasonable by the CRO. All contracts moving forward will not include auto-renewal language. All contracts will have clear terms so that the District can measure the effectiveness of services rendered. Any current multi-year contracts will be handled through the CRO.

Request for Proposals (RFP) and new independent service quotes shall be initiated, and in all cases, **the current contractor may submit an RFP too**. It is reasonable to expect that current contractors and/or vendors could be retained after this process. This section of the recovery plan is not an indictment of any contractors or vendors. These contracts represent the lion’s share of contracted services in the budget. The intention is to ensure that the District is being responsibly diligent in all areas of business without exception. ***Initiative funding contingent upon available monies, including potential funds from the Transitional Loan.**

CON 1	The PHSD <u>shall</u> send RFP’s for Contracted Services - Garbage	
	Target Date(s)	Start: April 2019; End: May, 2019
	Multi-Year Financial Impact	First Year TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager, Director of Plant Services

CON 2	The PHSD <u>shall</u> send RFP’s for Contracted Services - Insurance	
	Target Date(s)	Start: April 2019; End: May 2019 Again Possibly, After Audit (March/April 2020)
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

CON 3	The PHSD <u>shall</u> negotiate or renegotiate Contracted Services- Security	
	Target Date(s)	Start: After Audit: February/March
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

CON 4	The PHSD <u>shall</u> send a Request for Proposal to legal firms for Contracted Services - Solicitor	
	Target Date(s)	Start: July 1, 2019; End: September 1
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

CON 5	The PHSD <u>shall</u> negotiate or renegotiate Contracted Services - Food Operations	
	Target Date(s)	Start: After independent audit: December/January
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

CON 6	The PHSD <u>shall</u> negotiate or renegotiate Contracted Services - Transportation	
	Target Date(s)	Start: After independent audit: October/November
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

CON 7	The PHSD <u>shall</u> send RFP's for Contracted Services – Technology Support Vendors	
	Target Date(s)	Start: After independent audit: February/ March
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager, Technology Department

CON 8	The PHSD <u>shall</u> send RFP's for Contracted Services – Any Vendor of Significant Cost to District (Any vendor not directly mentioned in this plan)	
	Target Date(s)	Start: As needed
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

NEGOTIATIONS (Collective Bargaining Agreements)

Collective Bargaining Agreements (CBA's)

Healthy labor-management relations is a common ingredient in successful organizations. Understanding the financial crisis that the District is facing prior to my arrival, some groups have already accepted a wage freeze (page 40). The PHSD workforce has been willing to discuss options to assist the District's effort to move out of financial recovery status. The goal is to work towards affordability for the District, yet maintain fair wages, safe working conditions, and proper benefits for the employees. Some initiatives will serve to guide collective bargaining for new or revised contracts beginning in the 2019-2020 school year. Collective Bargaining Agreements (CBA) that contain language that would hinder the District's efforts to return to solvency is the focus of any negotiation or re-negotiation with the CRO. CBA language for future discussion may include, but not limited to the following:

Financial: Wage Freeze, Wage Reduction, Outsourcing, Furlough, Overtime, Healthcare, Future Financial Commitments -bonuses, longevity, ERI's, etc.

Improvement: Managerial Rights to Direct the Workforce for the Purposes of Improving Educational or Operational Practices, Teacher Collaboration Time, Bumping Rights that Would Not Be in the Best Interests of Students or Specialized Operational Practices, etc.

Section 642-A of 141 provides the authority to implement the initiatives in this plan. In particular, section 642-A(6) authorizes the portions of these initiatives related to dispensing with the services of non-professional employees not needed for economical operation of the District; section 642-A(9) allows the appointment of professional and senior management employees to carry out these initiatives; section 642-A(10) allows the District to enter into alternative service agreements when three-year costs comparisons show savings; section 642-A(11) allows the closing or reconstituting of schools and reassignment, suspension or dismissal of employees when required by these initiatives; section 642-A(13) provides the authority to reallocate resources, amend school procedures and take other steps required by these initiatives; section 642-A(14) authorizes the District to supervise and direct professional staff when required by these initiatives; and section 642-A(15) authorizes the negotiation of new collective bargaining agreements if a new collective bargaining agreement will affect the needed economies of the District.

CBA 1	The PHSD <u>shall</u> solicit proposals for outsourcing services where appropriate. *Initiative funding contingent upon available monies, including potential funds from the Transitional Loan.	
	Target Date(s)	Start: January 2020; End: March 2020
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board

Rationale:

As with contracted services in the previous section, the District must explore all avenues to ensure the most cost-effective services are in place. However, before the District takes any action to change services, negotiations in good faith with the bargaining unit will be required in order to provide the union the chance to match services and costs.

CBA 2	The PHSD <u>shall</u> conduct meet-and-discuss sessions in January 2020 to review the status of the recovery process.	
	Target Date(s)	Start: January – February 2020
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board

Rationale:

Some language cited in the introduction above has been already addressed this year prior to the designation of “moderate financial recovery status” and the arrival of the CRO. One group is currently addressing these topics in negotiations. ALL groups will meet-and-discuss the language again in 2020 as the District moves into Year Two of financial recovery.

CBA 3	The PHSD shall Negotiate or Re-negotiate the CBA – Professional Group (PHEA) Includes Teachers, Guidance Counselors, Home School Visitors/Social Workers, Behavior Specialists, Academic Coaches, and Administrative Assistants.	
	Target Date(s)	Start: After CBA 2, if necessary
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board

Rationale:

The teacher group has agreed to a wage freeze for the next two school years (2019-2020 and 2020-2021). The District and PHEA shall meet in January 2020 for a progress report and review of any potential issues that may require a re-negotiation due to financial recovery status.

CBA 4	The PHSD shall Negotiate or Re-Negotiate the CBA – Support Group (PHESP) Includes Secretaries, Instructional Aides, Health Room Aides, Service Aides, and Technicians	
	Target Date(s)	Start: After CBA 2, if necessary
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board

Rationale:

The District is currently in negotiations with the PHESP group. Those discussions are confidential at this time. The District and PHESP shall meet in January 2020 for a progress report and review of any potential issues that may require a re-negotiation due to financial recovery status.

CBA 5	The PHSD <u>shall</u> Negotiate or Re-Negotiate the CBA – Plant Services (AFSCME) Includes Custodians, Utility, Maintenance, and Operations.	
	Target Date(s)	Start: After CBA 2, if necessary
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board

Rationale:

The PHSD and the AFSCME group recently ratified and approved a new CBA for Plant Services. New key language includes two years of salary freezes and the elimination of the “no furlough” clause. The District and AFSCME shall meet in January 2020 for a progress report and review of any potential issues that may require a re-negotiation due to financial recovery status.

CBA 6	The PHSD <u>shall</u> Negotiate or Re-Negotiate the CBA – Food Group (AFSCME) Includes site managers, cooks, general workers	
	Target Date(s)	Start: After CBA 2, if necessary
	Multi-Year Financial Impact	First Year: N/A Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board

Rationale:

This group has agreed to a wage freeze for the current year (2018-2019) and next school year (2019-2020). The District and AFSCME shall meet in January 2020 for a progress report and review of any potential issues that may require a re-negotiation due to financial recovery status.

CBA 7	The PHSD <u>shall</u> Negotiate or Re-Negotiate ACT 93 Includes Principals, Director of TLA, Director of Special Education, Food Managers, etc.	
	Target Date(s)	Start: After CBA 2, if necessary
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board

Rationale:

This group has agreed to a wage freeze for the current year (2018-2019) and next school year (2019-2020). The District and the ACT 93 group shall meet in January 2020 for a progress report and review of any potential issues that may require a re-negotiation due to financial recovery status.

CBA 8	The PHSD <u>shall</u> immediately investigate past ERI agreements to ensure that the appropriate level of coverage is provided for retirees at a minimal cost to tax-payers.	
	Target Date(s)	Start: July 2019; End: December 2019
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Director of HR

Rationale:

Nearly every organization, public or private, that offers early retirement incentives (ERI) to its employees includes language that limits employer subsidized health care benefits for retirees who have qualified for Medicare. The PHSD provides healthcare for approximately thirty Medicare-eligible retirees. In June, the District shall research legal and CBA implications for revisiting post-retirement strategies that provide similar levels of coverages at a minimal cost to the District. It is essential that this initiative is handled in a sensitive manner.

FINANCES

FIN 1	The PHSD <u>shall</u> explore out-of-the-box thinking on addressing its long-term financial health.	
	Target Date(s)	Start: September 2019; End; June 2020
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

Rationale:

The CRO will meet with a team of financial experts to brainstorm ideas to lessen the long-term financial debt of the District. The goal will be to implement a long-term fix rather than short-term adjustments. The District's debt rating from Moody is Caa2 – not conducive to pursuing financial assistance through investments or refinancing.

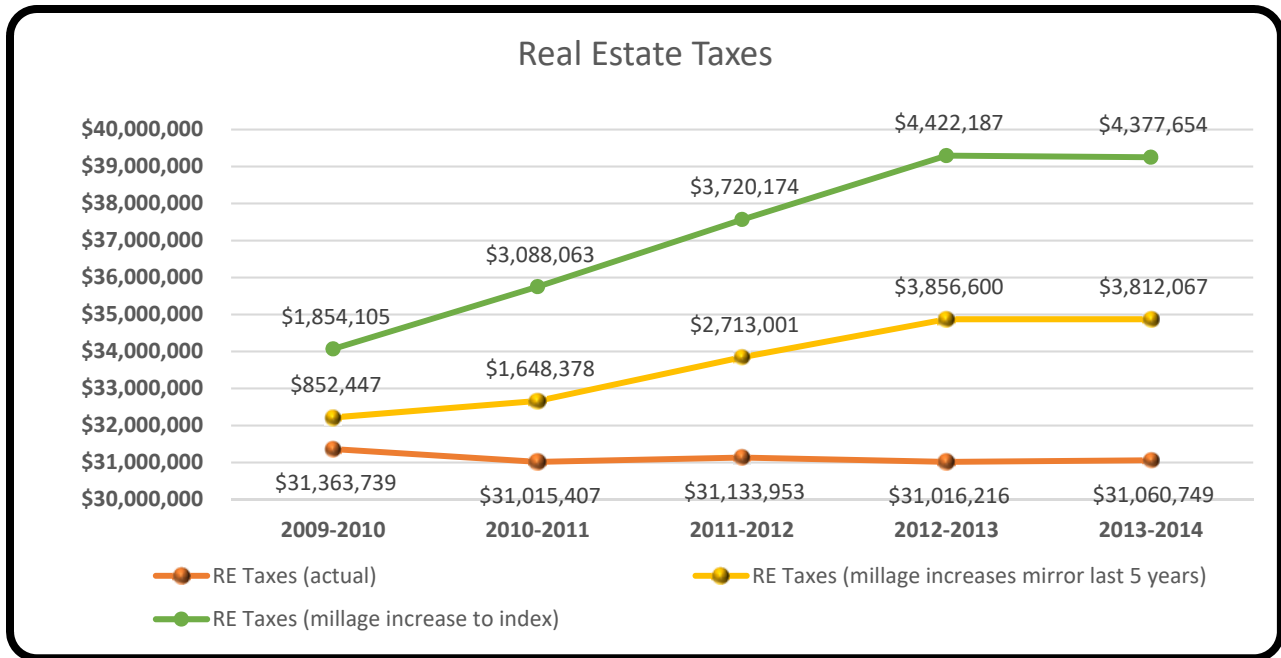
REVENUES

The PHSD cannot close its budget deficit gap for the 2019-2020 school year by only cutting costs. This section will focus on strategies to increase revenues to offset the budget deficit. The premise is simple: in the end, what is the level of spending that the District can afford? Any plans for spending more than the incoming revenue is fiscally irresponsible.

REV 1	The PHSD <u>shall</u> increase real estate taxes.	
	Target Date(s)	Start: June 2019; End: July 2019 Start: June 2020; End: July 2020
	Multi-Year Financial Impact	First Year: \$2.7 million (\$1.3 million to the index and \$1.4 million over the index to the approved exceptions) Second Year: Possible Index Only (TBD)
	Responsible Parties	CRO, School Board

Unfortunately, tax increases must be a part of the financial recovery plan. Taxpayers appreciated the six years of zero increases during the first half of this past decade (page 16). As cited in the PA Auditor General’s report in May of 2016, the District’s lack of planning for how it was going to pay for two large capital projects has led the District to this day of reckoning. The reality is that taxes must be raised for some. The plan is that these initiatives will provide enough of a savings to lessen the tax burden in future years. That has yet to be determined. Schools are a valuable asset for communities. They bring hope to future generations by preparing our children to be college-and-career-ready. They breathe life into our neighborhoods. As difficult as it may be, PHSD residents must be a positive support system in the District’s turnaround, an investment into a brighter future, but a fair investment is warranted.

The State approved up to 2.5 mils increase for exceptions; HOWEVER, in the preliminary budget, the District only approved 1.0 mil of the state-approved exceptions for the 2019-2020 budget. Also, looking at the chart below, during the five years of planning and construction, there were no tax increases. Had the District acted prudently at that time, taxpayers would have paid much more in taxes than they are now.



Source: Actual real estate taxes collected (orange); District estimate of additional real estate tax revenue using millage increases for last 5 years starting in 2009-2010 (yellow); District estimate of additional real estate tax revenue if the millage was raised to the index (green)

As shown above, if the District would have started to raise real estate taxes to the index at the beginning of the construction projects, an additional \$17.5 million dollars would have been raised over this five-year period (Green Line). If the District would have raised taxes using the millage increases for the last five years and implemented them in 2009-2010, an additional \$12.8 million dollars would have been raised (Yellow Line). Instead, during this five-year period, District taxpayers did not pay any increases and a critical opportunity to invest in the future students of the PHSD was missed. The millage increase reflected in the above chart amounts to approximately 3.5 mills.

Tax increases are only a small part of the recovery plan. While there is no means to directly track where home-owners' taxes fall in the budget, I offer a perspective to Penn Hills School District concerned tax payers to view their taxes as supporting the positive strategies in the plan rather than the debt service, charter school tuition, or PSERS payments. These taxes also support quality educational programs listed on pages 28 - 32 that reflect positive programming within the PHSD. Future consideration for tax increases will be dependent upon the performance of these initiative verses the expectations.

Another perspective: the chart below provides the more recent history of District tax increases and compares those increases to both the Consumer Price Index (CPI) and Social Security Cost-of-Living Adjustment (COLAs), the latter of which is used to provide annual increases in Social Security benefits to offset the effects of inflation for those on fixed incomes. The data shows the District's history of tax increases, having raised taxes in 4 of the last 10 years. The data shows too that while the District has in enacted some very large increases recently, the increases over the past decade average out to a 1.60 percent increase which is at the CPI and just below the Social Security COLAs over that same period.

Penn Hills School District Tax Increases: 2009-2018

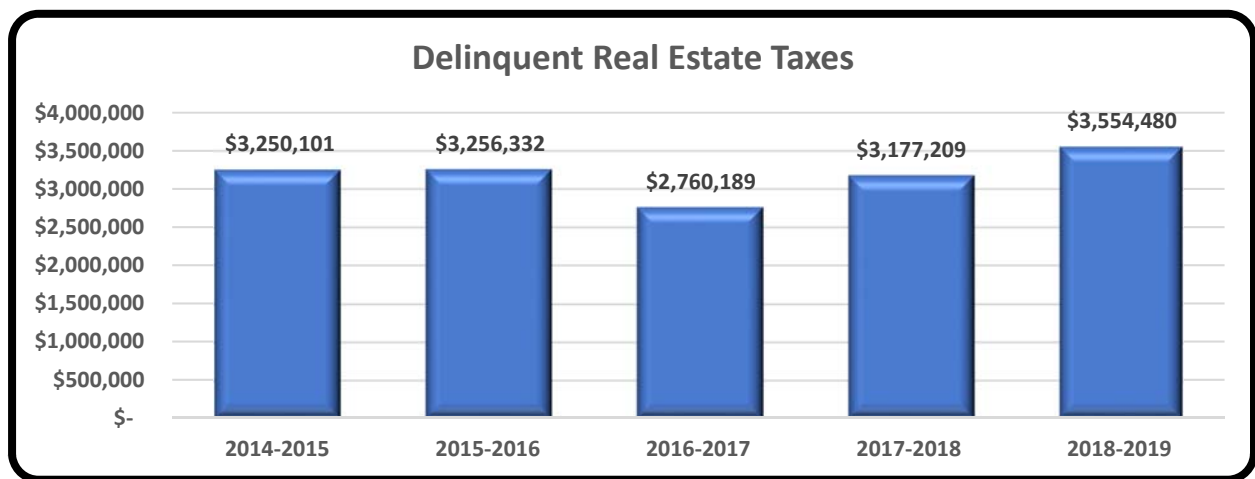
Year	CPI	Social Security COLA	Tax Increase/ (Decrease)
2009	0.2%	5.8%	0.0%
2010	2.1%	0.0%	0.0%
2011	2.1%	0.0%	0.0%
2012	2.9%	3.6%	0.0%
2013	2.0%	1.7%	0.0%
2014*	1.1%	1.5%	0.0%*
2015	0.0%	1.7%	2.9%
2016	1.0%	0.0%	2.7%
2017	2.7%	0.3%	6.0%
2018	2.2%	2.0%	4.8%
Average	1.6%	1.7%	1.6%

**2014 was the year of the county-wide assessment where millage rates were reduced, however tax revenue remained revenue neutral.*

REV 2	The PHSD <u>shall</u> improve collection of delinquent real estate taxes.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Business Manager

Rationale:

The delinquent tax collector has been successfully improving the collection rate. This current year was budgeted at 3.1 million and collections came in at 3.4 million- over \$300,000 higher than budgeted. Maintaining tax collection rates above 90% is one of the key indicators for exiting recovery status. PHSD is at 91%. The District shall continue to monitor this to ensure a stable/steady increase. The business manager shall include an update in the monthly Finance Committee Report.



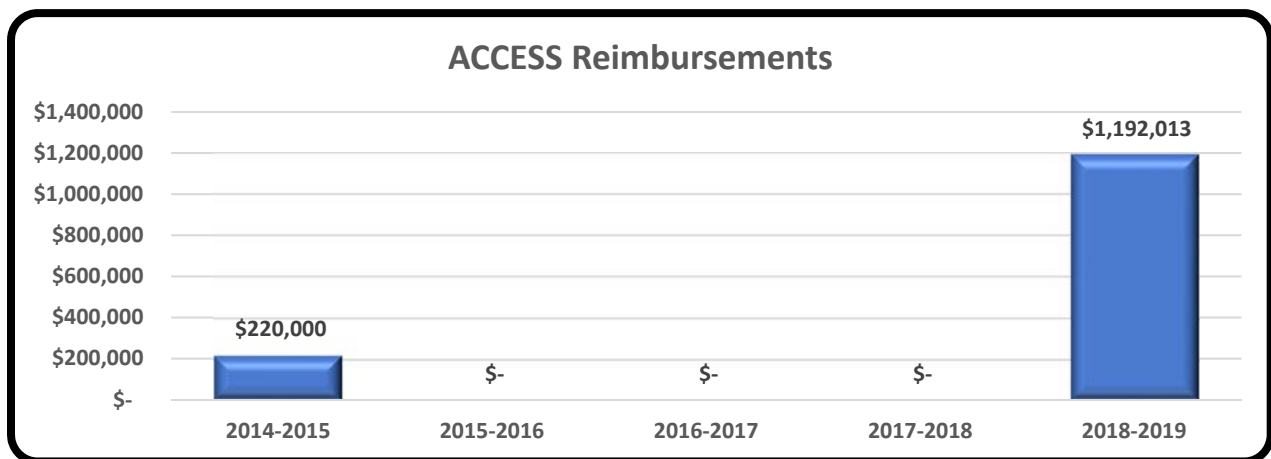
Source: Annual Financial Report Data

REV 3	The PHSD <u>shall</u> maximize collections of all local taxes (i.e. earned income, mercantile).	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Business Manager

Rationale:

Our current collector does a great job. They agree to on-site collections which has been beneficial to our residents. The District shall continue to monitor this to ensure a stable/steady increase. The business manager shall include an update in the monthly Finance Committee Report.

REV 4	PHSD <u>shall</u> improve collections of ACCESS reimbursement.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: \$600,000 Second Year: TBD
	Responsible Parties	Superintendent, School Board, Director of Special Education



Source: Annual AFR Data

Rationale:

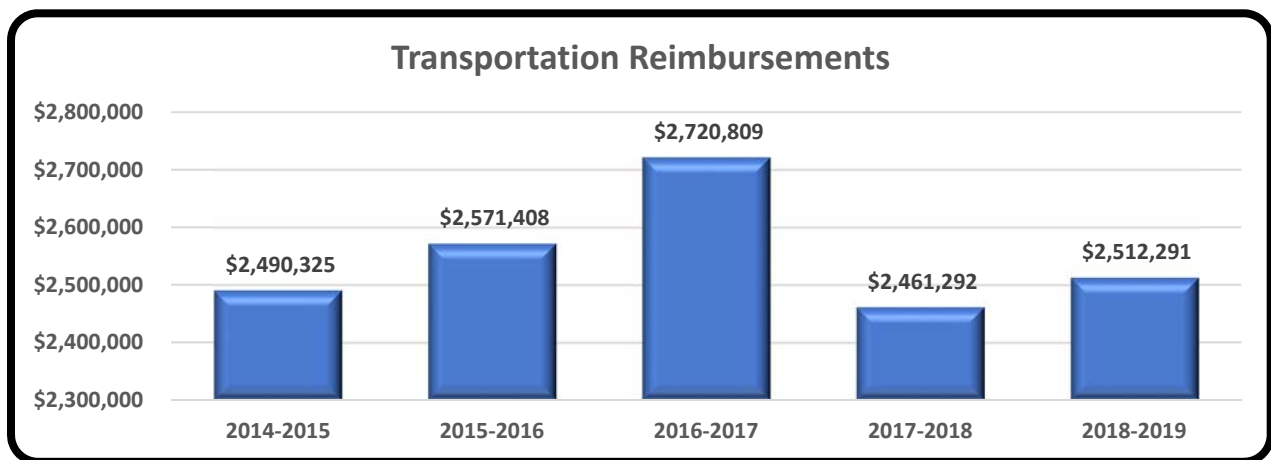
A common area of less-than-ideal collections of entitled funds is the ACCESS fund. The District can recoup some of the cost of certain eligible services received by students with Individualized Education Plans (I.E.P.) and a medical assistance card. The chart on page 90 reflects the District's current efforts to maximize the reimbursement of these funds. The low, nearly non-existent level of reimbursement is unacceptable and must be addressed immediately. For three years, the District was negligent in its responsibility to apply for and receive any ACCESS funds. The 2018-2019 year reflects the District's efforts to capture past funds; however, a district can only go back six months for past claims. See the administrative manual under OPE 3 on page 67 for more details. The business manager shall include an update in the monthly Finance Committee Report.

Action Steps	Deadline
1. The District shall submit claims for previously unclaimed eligible services.	Immediately
2. The District shall obtain parental consent for current eligible students.	
3. The District shall provide proper training for employees and providers.	
4. The District shall maintain and submit daily logs in a timely fashion.	
5. The District shall ensure that ALL eligible services are billed. Some students receive more than one service.	
6. The District shall compare efforts with similar districts and statewide averages.	
7. The District shall create a manual of duties for all personnel responsible for collecting ACCESS funds. See OPE 3 on page 67.	
8. The District shall maintain a CURRENT list of students and providers at all times.	

REV 5	The PHSD <u>shall</u> improve its collection of transportation reimbursement.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: \$100,000 Second Year: TBD
	Responsible Parties	Superintendent, School Board, Transportation Department

Rationale:

Another common area of incomplete collections of entitled reimbursement lies with transportation services. Often, districts leave money on the table that could have been claimed through proper documentation and completing paperwork. The District is getting a head start on claiming these funds this school year with assistance from its carrier because the transportation department is in transition at this time due to the resignation of its director. Responsibilities for important components of the reimbursement process must be addressed. A full assessment of the transportation operations will be conducted next year by outside experts. It is not unusual for districts to recover additional reimbursements by taking a concentrated look at how transportation costs are being reported to the State. See the administrative manual under OPE 3 on page 67 for more details. The business manager shall include an update in the monthly Finance Committee Report.



Source: Annual AFR Data

REV 6	The PHSD <u>shall</u> improve income revenue for food operations for the Cafeteria Fund.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: \$60,000 Second Year: TBD
	Responsible Parties	Superintendent, School Board, Business Manager, Food Service Manager

Rationale:

One of the major success stories in the PHSD is its food operations. Most districts must subsidize their food operations to help them survive. PHSD food service operates in the black, allowing it to utilize funds to support allowable expenses from its cafeteria fund. Revenues will increase due to the addition of the high school to the CEP program. The food operations contract goes out to bid next year. The recovery plan calls for an assessment of these operations in order to squeeze even more funding to cover related operational costs. There may be opportunities to solicit business from other nonpublic schools and charter schools. The business manager shall include an update in the monthly Finance Committee Report.

REV 7	The PHSD <u>shall</u> raise rates for events, rentals, and leases.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Business Manager Athletic Director, Director of Plant Services

Rationale:

The PHSD has state-of-the-art facilities. It also has a tremendous number of outside groups using its facilities. The District recently raised the rates and should monitor them yearly. The Athletic Director shall submit a report by June 1 each year with analysis of rental fees. The business manager shall include an update in the monthly Finance Committee Report.

REV 8	The PHSD shall explore opportunities to recruit outside students into its CHIEFS cyber school program.	
	Target Date(s)	Start: May 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Cyber School Coordinator, Central and Building-Level Administrators

Rationale:

Four years ago, the PHSD committed resources to create its own cyber program. The end result is a high-quality cyber program available to all PHSD students. The District has and currently does attempt to attract students back from cyber and regular charter schools. It should enhance these efforts moving forward. This initiative can be combined with the District’s efforts to improve its public image as discussed in initiative REV 11. The district should pursue strategies to attract students from other districts as well, even if it means re-visiting license agreements with cyber vendors. Another avenue to explore would be the possibility of placing special education teachers or mental health specialists into the drop-in center to meet the needs of students enrolled in our cyber academy.

Questionnaires completed by parents who take their children out of the PHSD, reflect a mixed bag of opinions. Many express positive feelings towards the District citing teachers who care; other opinions focus on perceived safety issues within the schools. The negative perceptions and/or realities are addressed through many of the initiatives in this recovery plan. The CHIEFS Coordinator shall submit a report monthly to the Superintendent.

Action Steps	Deadline
1. The District shall convene a team to brainstorm ideas to attract students back into its CHIEFS academy.	August 1
2. The Public Relations person (see REV 11) shall participate on this team.	

REV 9	The PHSD shall explore opportunities to return outplaced special education students into the B.E.S.T. program or other in-house programs as seats may come available. If seats are available, the District should also recruit students from neighboring school districts. This includes the summer ESY Program if space is available.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Director of Special Education

Rationale:

The PHSD B.E.S.T. program is in place to provide an in-house option for least restrictive environment requirements under the special education umbrella. The program benefits the students who are placed in the same building as their peers rather than be placed in outside entities. From a financial standpoint, The B.E.S.T. program enables the District to save on costs associated with sending students to approved private schools. Outside approved private schools provide the appropriate level of support for all students attending; however, there are some students who may be appropriately placed in the District's B.E.S.T. program, ES, AS, and LSS classrooms. These decisions are contingent upon each student's individual education program (IEP) and should only be pursued in the best interests of the child. Pursuing students from neighboring districts to fill available seats can result in significant revenue for the District. It should be noted that the District will recuperate only 40% of the tuition rate for students returning to PHSD from outside placements; the State pays for 60% of those costs. The Director of Special Education shall submit a report monthly to Superintendent.

Action Steps	Deadline
<ol style="list-style-type: none"> 1. The Director of Special Education, along with the Special education coordinator shall meet and discuss monthly opportunities to meet this initiative. 2. They shall report to the Superintendent at administrative meetings. 	

REV 10	The PHSD <u>shall</u> pursue opportunities for grant writing to support programming	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Central administration, Building-level Administration, All Employees

Rationale:

Grant-writing opportunities are released every school year for schools to pursue. PHSD must be a part of these opportunities. Efforts shall include compensation for grant-writers in the grant narrative to create an incentive for employees to pursue these funds. However, it is critical that all grant-writing ideas are first approved by the administration and superintendent. Aligning creative grant opportunities to the common mission of the school will support the recovery effort. Otherwise, the grant pulls personnel away from the main focus of the school. Forethought about what happens when the grant funds go away is necessary too. The District cannot afford to pick up the pieces in these circumstances. The District shall explore the PSBA grant-writing program.

REV 11	The PHSD shall develop a public relations campaign to attract students from charter and parochial schools. *Initiative funding contingent upon available monies, including potential funds from the Transitional Loan.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, TBD

Rationale:

One of the factors that results in parents sending their children to charter schools is the District's negative image. The past decade has been filled with negative press and social media comments that feed negative perceptions about both the board and the schools. As described in earlier sections, there are many positive pockets of good news; it often gets overlooked due to negativism. Student achievement data may contribute to the exodus to charter schools, but changes described in this plan to address this issue may serve to stop or slow down the exodus. These funds should be used to hire a part-time PR person to help change the narrative. The strategy must include the use of Facebook and other social media programs, as well as the Chamber of Commerce. Weekly reports of all PR activity shall be provided to the Superintendent and/or appropriate personnel.

Action Steps	Deadline
1. The District shall explore affordable options to spread the good news about the PHSD.	
2. The District shall hire a part-time PR consultant to carry out this initiative.	
3. The District shall identify deliverables required through this position.	

REV 12	The PHSD shall explore the availability of potential financial transitional loan proceeds from PDE for \$3.3 million.	
	Target Date(s)	Start: July 2019; End: June 2020
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board

Rationale:

A small amount of the transitional loan would be used for paying for the audits that are cited in the plan, the District’s public relations strategy, its Middle School building-climate goal, and the feasibility study on the middle school consolidation. These initiatives are estimated to cost \$295,000. The additional three million would be used to offset tuition payments for charter schools, enabling the District to avoid charter school billings going to subsidy for payment.

NOTE: The transitional loan fund has been depleted, so it is unknown how much the District may receive if the plan is approved.

Initiative	Estimated Cost
ACA 7	\$ 30,000
OPE 6	10,000
OPE 7	25,000
OPSY 1 through 7	35,000
CON 1 through 8	80,000
CBA 1	5,000
CBA 2	20,000
REV 11	90,000
REV 12	3,000,000
TOTAL	\$ 3,295,000

NOTE: At the end of this current school year, the District will secure another Tax Anticipation Note (TAN) loan for ten million dollars to carry it through the summer months, paying salaries and back bills that were held during the last three months of the 2018-2019 fiscal year. Unfortunately, a TAN must be paid back quickly, typically by the end of September. This transaction places the District behind financially because it is using 2019-2020 cash to pay 2018-2019 bills. The problem compounds the issue of cash flow which dries up in the spring each year. If the District can secure enough transitional loan money or some assistance from the “distressed district” fund, it can offset repayment of the TAN. Otherwise many of the initiatives that will be implemented next year will be **MINIMIZED**. Chasing a ten-million dollar cash shortage will begin all over again. If the District can pay back the TAN without using its own resources, it could **MAXIMIZE** its recovery efforts. The problem cannot be fixed overnight, but this particular strategy will have a major impact on the timeline to recovery. Wish list: A one-time financial assist to cover the cost of the TAN.

REV 13	The PHSD <u>shall</u> pursue support for additional sustainable revenue for their state subsidy	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

Rationale:

An increase in state subsidy will facilitate the District’s efforts to replenish its 12 million-dollar fund balance deficit. This financial boost would also serve to alleviate cash flow issues for the District. PA Auditor General DePasquale publicly announced that the PHSD cannot tax its way out of this problem. The past five years and the upcoming year will include tax increases as a way to get out in front of this financial crisis. This effort is significant. A subsidy adjustment (3-5 million) would serve to alleviate residents’ tax burden to a significant degree. NOTE: Furloughs are tied to enrollment decline, so right-sizing the District will remain the main strategy to move towards solvency.

While one-time assistance from the State legislators is extremely helpful, it is easier to plan ahead when it is known what the revenue will be each year. The District needs a sustainable revenue source with a bump in the amount the District has received in the past. The PHSD’s current efforts to right the ship through recovery should serve to facilitate a favorable response from Harrisburg. These potential additional and perennial funds will alleviate cash flow pressure and support a strategy to replenish a deficit fund balance. Otherwise the District will continue to spin its wheels trying to get out of its fiscal rut. An increase in subsidy accelerates district’s progress towards solvency and enhance its efforts to help itself. Wish List: A 3-5 million dollar increase in subsidy.

REV 14	The PHSD <u>shall</u> negotiate Charter school and Cyber-Charter school tuition rates with individual charter schools. AT LEAST IN THE SHORT TERM.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

Rationale:

The challenge here is to craft a strategy that does not put charter schools at risk for requests from other public school to attempt the same. A common-sense approach would create restrictive language pertaining only to financial recovery schools. An example would be a five-year term front-loaded the first two years at a mutually agreed upon rate, followed by a three-year sliding scale return to the norm. Realistically, there are only few charters that have the financial stability to enter into such agreements; nevertheless, it may be a viable strategy.

Action Steps	Deadline
1. The CRO shall identify potential charter schools capable of handling an adjustment to a tuition rate without negatively impacting their cash flow.	September 1
2. The CRO shall craft a letter and phone narrative to contact potential partners.	

REV 15	The PHSD <u>shall</u> communicate with local legislators its concerns about unfair and inconsistent tuition rates for charter and cyber charter schools.	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

Rationale:

The 363 form is used by Districts to determine the yearly tuition rate for students attending charter schools. There are flaws in the calculation formulas. Legislators, in concert with traditional school districts and charter schools, should collaborate on alternative tuition calculations regardless of district of residency. Currently, lawmakers are proposing Senate Bill No. 34 which alleviates District's from paying for cyber charter school tuition if the district has an in-house cyber program already. Another option is that legislators should explore alternative calculations for cyber charter schools tuition; cyber charter schools are fundamentally different than any other public/charter school in the Commonwealth.

REV 16	The PHSD shall investigate renegotiation of existing KOZ, LERTA, and PILOT agreements	
	Target Date(s)	Start: July 2019; End: June 2020 Start: July 2020; End: June 2021
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	CRO, Superintendent, School Board, Business Manager

Rationale:

The PHSD should research whether or not there are any tax-exempt agreements existing in the municipality. There is potential for revenue depending upon the logistics of any agreements in place.

REV 17	The PHSD shall partner with the Penn Hills Education Foundation (PHEF) to explore financial opportunities for supporting programs and/or students, including the Earned Income Tax Credits (EITC) Program.	
	Target Date(s)	Start: September 2019; End: June 2020
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Central Administration

Rationale:

The Penn Hills Education Foundation has the potential to provide funding for creative school programs through teacher grants. These initiatives would reinforce a positive image for the school as well as enhance opportunities for learning for students. Additionally, their efforts could pave the way for scholarship opportunities for seniors. If registered as a 501c(3) entity, funds could be directed towards the foundation through the state's EITC program.

REV 18	The PHSD <u>shall</u> explore opportunities to partner with non-profits for educational donations	
	Target Date(s)	Start: September 2019; End: June 2020
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Central Administration

Rationale:

The PHSD should review its tax rolls and note all entities that do not pay taxes. There may be some non-profits interested in assisting the District out of financial recovery status in the short term.

REV 19	The PHSD <u>shall</u> explore opportunities to lease available space within its buildings to other educational programming and/or entities.	
	Target Date(s)	Start: July 2019; End: June 2020
	Multi-Year Financial Impact	First Year: TBD Second Year: TBD
	Responsible Parties	Superintendent, School Board, Central Administration

Rationale:

With shrinking enrollment, space is available in all buildings to explore opportunities for creating revenue through leasing space. There are plenty of school-related programs that may be interested in this particular initiative (i.e. early childhood education programs, alternative education programs, Life Skills training for IEP students who are 18-21 years of age).

Updated 5 Year Projection (with Initiatives)

As discussed previously, the District’s five-year financial projection based on its current path leads the District into deeper financial distress. The projection below has been updated to reflect any additional costs or cost savings from the first year of successful implementation of the initiatives.

5 Year Financial Projection (in \$ millions)

	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024
Rev	\$ 90.2	\$ 92.3	\$ 94.1	\$ 96.1	\$ 97.7
Exp	90.2	90.9	92.8	97.7	99.5
Sur/(Def)	0.0	1.4	1.3	(1.7)	(1.8)
Fund Bal (Beg)	(12.8)	(12.8)	(11.4)	(10.1)	(11.8)
Fund Bal (End)	\$ (12.8)	\$ (11.4)	\$ (10.1)	\$ (11.8)	\$ (13.6)

Source: Appendix B.3

While the initiatives in this plan require difficult decisions to be made and significant changes to the District’s operating model, it does provide a path to a balanced budget for 2019-2020. The projection offers the potential for operating surpluses which can reduce the District’s negative fund balance.

Additional measures need to be explored to address the increased debt service that occurs in 2022-2023 through 2024-2025. As shown above, the increased debt service spike nearly eliminates the progress that can be achieved in the first three years.

NOTE: A balanced budget serves several purposes aside from compliance with state law.

1. Gains the confidence of the District’s bond insurers that it is on the path to financial recovery.
2. Gains the confidence of the District’s creditor for a TAN loan.
3. Affects the District’s credit rating in a positive manner.

These factors impact the District’s approach to resolving its long-term debt service problem. The right-sizing of the District and the raising of real estate taxes are very difficult decisions, but are necessary to fix the “big picture” of the Penn Hills School District. The District cannot lose sight of this extra-ordinary challenge.

PART IV

EXIT CRITERIA

IV. Terminating Recovery Status

Pursuant to section 641-A (9) of Act 141, the CRO must establish specific criteria that the District must satisfy before the Secretary of Education may terminate financial recovery status. The District shall meet at least 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 consecutive years, as reported in the District's annual independent audit.
- The District has concluded three consecutive years with positive annual financial results, as reported in the District's annual independent audit.
- The District does not request OR require an advance of its basis education subsidy for three consecutive years.
- The District does not 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.
- All employee salaries are paid when due.
- The District does not require a TAN to meet financial responsibilities during the last 3-4 months of a fiscal year.
- The District's tax collection rate is above 90%
- The District completes and/or addresses to the CRO satisfaction at least 90% of the initiatives listed in this recovery plan, including and revisions or addendums.
- The District has resolved all citations from past audits.

Should the District fail to meet the requirements (academically and/or financially) included in the plan during the 2019-2020 and 2020-2021 school years, this plan also authorizes the imposition of alternative educational delivery systems as described in subsections 2 (relating to converting school buildings to charter schools); 3 (relating to canceling or renegotiating contracts that are in conflict with or an impediment to timely implementation of the provisions of this plan); 4 (relating to increasing tax levies); 6 (relating to the dispensing with the services of nonprofessional employees); 7 (relating to entering agreements with persons for-profit or nonprofit organizations to operate one or more schools); 10 (relating to entering into agreements with for-profit or nonprofit organizations to provide services); 11 (relating to closing or reconstituting a school, including the reassignment, suspension, or dismissal of professional employees); 13 (relating to reallocating resources, amending school procedures, develop achievement plans and implementing testing or other evaluation procedures for educational purposes); 14 (relating to supervising and directing principals, teachers, and administrators); and 15 (relating to negotiating new collective bargaining agreements to affect needed economies).

Triggering Receivership

Act 141, Section 671 – A Appointment of a Receiver

The secretary shall petition the court of common pleas in the county in which a school district or the largest part in area of the school district is located for the appointment of the individual named in the petition to serve as receiver for the school district upon the occurrence of any of the following conditions:

- (i) A failure by the board of school directors to approve a financial recovery plan under section 652-A (c) or 663-A (c).
- (ii) A failure by the board of school directors to comply with directives issued by the chief recovery officer under section 653-A (a) (2) or 664-A (a) (2).
- (iii) A failure by the board of school directors to satisfy the objectives stated in the financial recovery plan under section 641-A (9) during the transition period under section 625-A.
- (iv) A vote by the board of school directors to proceed with the appointment of a receiver under section 662-A (2).

PART V

APPENDICES

V. Appendix A

Acknowledgements

Appendix B

Projections - Support

- **B.1 - 5 Year Financial Projection (No initiatives)**
- **B.2 - 2018-2019 Final Budget vs. Projection**
- **B.3 - Year Financial Projection (With Initiatives)**

Appendix C

Advanced Placement Scores

Appendix D

- **D.1 Course List**
- **D.2 Clubs and Activities**
- **D.3 Sports**

Appendix E

Initiative Scorecard (Chronological Order by Deadlines)

Advisory Committee

1. Dr. Nancy Hines, Penn Hills School District - Superintendent
2. Ms. Eileen Navish, Penn Hills School District - Business Manager
3. Mr. Robert Marra, Penn Hills School District – Board Member
4. Mr. Yusef Thompson, Penn Hills School District – Board Member
5. Ms. Kristin Brown, Penn Hills School District – Elementary Principal
6. Ms. Rodlyn Checchio-Kunsa – Penn Hills School District – Teacher Representative
7. Mr. Joseph Lucarelli, Allegheny Intermediate Unit Representative
8. Mr. Charles Daane, Charter School Representative (Propel)
9. Ms. Donna Westbrook-Martin, Special Education Advocate
10. Mr. John Zahorchak, Adjoining School District Representative (Plum Borough SD)
11. Mr. Corey Young, Penn Hills Resident
12. Ms. Adeshewa Metzger, Penn Hills Resident

Chief Recovery Officer / Technical Assistance Team

Chief Recovery Officer: Dr. Daniel J. Matsook

Other Team Members: Michael Lamb, CPA

The CRO and the Technical Assistance Team gratefully acknowledge the assistance of Dr. Nancy Hines, Mrs. Eileen Navish, the Penn Hills Board of Directors and other staff members of the Penn Hill School District, as well as the Secretary, Deputy Secretary and staff at the Pennsylvania Department of Education.

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
GENERAL FUND
EXECUTIVE SUMMARY**

	(1)	(2)	(3)	(4)	(4)	(4)	
	Actual	Final Budget	Prelim. Budget	Projected	Projected	Projected	
	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
REVENUES	\$ 88,917,360	\$ 91,158,445	\$ 89,775,062	\$ 91,420,281	\$ 93,247,159	\$ 95,331,993	\$ 97,052,105
EXPENDITURES	90,000,310	93,158,048	98,031,461	99,141,311	101,167,883	106,228,722	108,124,740
SURPLUS/(DEFICIT)	<u>(1,082,950)</u>	<u>(1,999,603)</u>	<u>(8,256,399)</u>	<u>(7,721,031)</u>	<u>(7,920,724)</u>	<u>(10,896,729)</u>	<u>(11,072,635)</u>
FUND BALANCE - BEG	<u>(11,009,543)</u>	<u>(12,092,493)</u>	<u>(14,092,096)</u>	<u>(22,348,495)</u>	<u>(30,069,526)</u>	<u>(37,990,250)</u>	<u>(48,886,979)</u>
FUND BALANCE - END	<u>\$ (12,092,493)</u>	<u>\$ (14,092,096)</u>	<u>\$ (22,348,495)</u>	<u>\$ (30,069,526)</u>	<u>\$ (37,990,250)</u>	<u>\$ (48,886,979)</u>	<u>\$ (59,959,614)</u>

(1) Based on District's Annual Financial Report (AFR)

(2) Based on District 2018-2019 board approved final budget.

(3) Based on Board approved preliminary budget (February 2019)

(4) Projected balances are based on various assumptions noted on subsequent pages

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
GENERAL FUND
REVENUE**

	Actual 2017-2018	Final Budget 2018-2019	Prelim. Budget 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024
Revenue from Local Sources	\$ 37,173,136	\$ 39,713,528	\$ 42,399,967	\$ 43,399,967	\$ 44,399,967	\$ 45,399,967	\$ 46,399,967
Current Real Estate Taxes	43,350	-	44,659	44,659	44,659	44,659	44,659
Public Utility Reality Tax	16,685	-	16,685	16,685	16,685	16,685	16,685
Payments in Lieu of Current Taxes/State & Local	37,957	37,575	37,957	37,957	37,957	37,957	37,957
Current Act 511 Tax - Flat Rate Assessments	5,273,517	5,246,301	5,273,517	5,378,987	5,486,567	5,596,298	5,708,224
Current Act 511 Tax - Proportional Assessments	3,358,246	3,134,225	3,217,209	3,317,209	3,417,209	3,517,209	3,617,209
Deliq. on Taxes Levied/Assessed by the LEA	69,659	25,000	50,000	61,000	61,000	61,000	61,000
Earnings on Investments	34,055	34,054	36,529	34,402	34,402	34,402	34,402
Revenue from Student Activities	89,189	-	3,445	8,428	8,428	8,428	8,428
Federal Rev. Rcvd. From Other PA Public Schools	914,725	846,978	841,791	841,791	841,791	841,791	841,791
Federal IDEA Pass Through Revenue	523,855	28,019	53,983	99,357	99,357	99,357	99,357
Rentals	52,108	52,000	52,000	10,000	10,000	10,000	10,000
Contributions & Donations from Private Sources	39,732	-	-	-	-	-	-
Summer School Tuition	26,315	-	26,315	26,315	26,315	26,315	26,315
Refunds of Prior Years Expenditures	131,817	200,000	184,718	20,000	20,000	20,000	20,000
All Other Local Revenues Not Specified	47,784,346	49,317,680	52,238,775	53,296,757	54,504,337	55,714,068	56,925,994
Total	16,499,430	16,756,726	16,756,726	17,091,861	17,433,698	17,782,372	18,138,019
Revenue from State Sources	4,473	4,473	4,473	4,500	4,500	4,500	4,500
Basic Education Funding (Gross)	2,000,000	2,000,000	-	-	-	-	-
Tuition - Orphans & Children Placed in Priv. Homes	3,319,969	3,354,611	3,354,611	3,421,703	3,490,137	3,559,940	3,631,139
School Improvement Grants	56	-	-	-	-	-	-
Special Education Funding for School Aged Pupils	2,225,699	2,404,210	2,225,699	2,270,213	2,315,617	2,361,930	2,409,168
Pre-K Counts	235,593	-	436,205	444,929	453,828	462,904	472,162
Transportation (Regular & Additional)	736,009	632,244	632,244	634,837	634,440	821,572	821,572
Nonpublic Pupil Transportation	73,587	73,587	67,843	69,200	70,584	71,996	73,435
Rental & Sinking Fund Payments	2,359,927	2,359,166	2,359,166	2,406,349	2,454,476	2,503,566	2,553,637
Health Services	11,980	-	-	-	-	-	-
State Property Tax Reduction Allocation	850,686	850,686	850,686	850,686	850,686	850,686	850,686
Safe Schools	1,299,280	1,107,687	1,105,524	1,218,934	1,237,218	1,237,218	1,237,218
Ready to Learn Grant	6,489,895	4,840,522	5,391,257	5,797,024	5,883,980	5,883,980	5,883,980
Revenue for Social Security Payments	36,106,584	34,383,912	33,184,434	34,210,236	34,829,164	35,540,663	36,075,571
Revenue for Retirement Payments							
Total	36,106,584	34,383,912	33,184,434	34,210,236	34,829,164	35,540,663	36,075,571

Revenue from Federal Sources													
Unrstct. Fed. Grants-in-Aid Direct - Fed.Govt.	29,517	-	-	-	-	-	-	-	-	-	-	-	-
NCLB Title I - Imprv. Acad. Ach. (Disadvantaged)	1,979,949	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550
NCLB Title II - Prep/Trng/Recruit. HQ Tchrs/Prin	244,884	197,851	197,851	197,851	197,851	197,851	197,851	197,851	197,851	197,851	197,851	197,851	197,851
NCLB Title IV - 21st Century Schools	392,388	105,261	105,261	105,261	105,261	105,261	105,261	105,261	105,261	105,261	105,261	105,261	105,261
Schl Based ACCESS Med Reimb Prog	-	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Medical Asst Reimb for Admin Claiming	25,313	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
ARRA- Build America Bonds	2,107,581	2,104,191	2,104,191	2,065,625	2,065,625	2,065,625	2,065,625	2,065,625	2,065,625	2,065,625	2,065,625	2,065,625	2,065,625
Total	4,779,632	4,456,853	4,351,853	3,913,287	3,913,287	3,913,658	4,077,262	4,077,262	4,077,262	4,077,262	4,077,262	4,077,262	4,050,594
Other Financing Sources													
Bond Premiums	41,708	-	-	-	-	-	-	-	-	-	-	-	-
Sale of/or Compensation for Loss	205,090	3,000,000	-	-	-	-	-	-	-	-	-	-	-
Total	246,798	3,000,000	-	-	-	-	-	-	-	-	-	-	-
Grand Total	\$ 88,917,360	\$ 91,158,445	\$ 89,775,062	\$ 91,420,281	\$ 93,247,159	\$ 95,331,993	\$ 97,052,105	\$ 97,052,105	\$ 97,052,105	\$ 97,052,105	\$ 97,052,105	\$ 97,052,105	\$ 97,052,105
Change YR to YR		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
% Change YR to YR			(1,383,383)	1,645,219	1,826,878	2,084,834	2,084,834	2,084,834	2,084,834	2,084,834	2,084,834	2,084,834	1,720,112
			-1.52%	1.83%	2.00%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	1.80%

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
GENERAL FUND
EXPENDITURE SUMMARY**

	Actual 2017-2018	Final Budget 2018-2019	Prelim. Budget 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024
Salaries	\$ 28,743,575	\$ 28,062,360	\$ 28,347,307	\$ 28,347,307	\$ 28,772,517	\$ 28,772,517	\$ 28,772,517
Benefits	18,740,454	19,080,187	20,118,310	20,388,683	21,081,198	21,675,503	22,232,929
Purchased Services	3,456,984	3,797,208	3,364,004	3,444,740	3,527,414	3,612,072	3,698,762
Transportation	6,783,264	7,005,011	7,233,000	7,406,592	7,584,350	7,766,375	7,952,768
Debt Service	9,209,035	12,022,254	12,019,252	12,023,422	12,015,912	15,560,082	15,955,766
Tuition	17,779,137	17,251,299	20,071,245	20,552,955	21,046,226	21,551,335	22,068,567
Maintenance	2,147,053	2,617,088	2,679,329	2,743,633	2,809,480	2,876,908	2,945,953
Supplies & Dues	1,155,830	1,301,058	1,426,763	1,461,005	1,496,069	1,531,975	1,568,743
Central Office	662,756	562,284	1,087,714	1,113,819	1,140,551	1,167,924	1,195,954
Athletics	924,049	1,073,723	1,235,107	1,242,170	1,267,942	1,282,652	1,296,525
Technology	398,173	385,576	449,430	416,986	426,224	431,381	436,258
Total Expenditures	\$ 90,000,310	\$ 93,158,048	\$ 98,031,461	\$ 99,141,311	\$ 101,167,883	\$ 106,228,722	\$ 108,124,740

Change YR to YR	3,157,738	4,873,413	1,109,850	2,026,572	5,060,839	1,896,018
% Change YR to YR	3.51%	5.23%	1.13%	2.04%	5.00%	1.78%

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
SALARIES**

	Actual 2017-2018	Final Budget 2018-2019	Prelim. Budget 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024
Salaries							
Teachers	\$ 20,432,463	\$ 20,048,716	\$ 18,439,083	\$ 18,439,083	\$ 18,715,669	\$ 18,715,669	\$ 18,715,669
Administrators (Act 93)	2,439,194	1,699,176	3,938,538	3,938,538	3,997,616	3,997,616	3,997,616
Secretaries	839,476	777,963	848,094	848,094	860,815	860,815	860,815
Aides							
Instructional	1,761,929	2,160,208	1,707,694	1,707,694	1,733,309	1,733,309	1,733,309
Service	3,574	-	12,467	12,467	12,654	12,654	12,654
Health Room	159,554	135,000	142,366	142,366	144,501	144,501	144,501
Tech Aides	28,528	-	162,269	162,269	164,703	164,703	164,703
Maintenance	182,299	164,217					
Transportation	4,082	27,401	30,006	30,006	30,456	30,456	30,456
Custodians	2,386,933	2,467,410	2,766,790	2,766,790	2,808,292	2,808,292	2,808,292
Overtime	505,543	582,269	300,000	300,000	304,500	304,500	304,500
Total Expenditures	\$ 28,743,575	\$ 28,062,360	\$ 28,347,307	\$ 28,347,307	\$ 28,772,517	\$ 28,772,517	\$ 28,772,517

Assumptions:

- 2020-2021 wages are frozen across the board
- 2021-2022 wages increased by 1.5%, frozen next two years.

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
BENEFITS**

	Actual <u>2017-2018</u>	Final Budget <u>2018-2019</u>	Prelim. Budget <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Health Care	\$ 4,886,702	\$ 5,023,059	\$ 5,006,296	\$ 5,256,611	\$ 5,519,441	\$ 5,795,413	\$ 6,085,184
Medical	303,984	253,404	376,297	395,112	414,867	435,611	457,391
Dental	46,131	44,477	39,794	41,784	43,873	46,067	48,370
Life	2,151,658	2,186,483	2,160,121	2,168,569	2,201,098	2,201,098	2,201,098
Social Security	9,385,122	9,639,361	10,281,478	10,178,670	10,456,146	10,649,283	10,785,965
PSERS	(2,025)	59,753	300,000	307,200	314,573	322,123	329,853
Unemployment Compensation	361,952	405,827	409,724	419,557	429,627	439,938	450,496
Workers Compensation	1,586,765	1,450,000	1,519,600	1,595,580	1,675,359	1,759,127	1,847,083
Other Post Employment Benefits (OPEB)	20,165	17,823	25,000	25,600	26,214	26,844	27,488
Uniforms (Maintenance)							
Total Expenditures	\$ 18,740,454	\$ 19,080,187	\$ 20,118,310	\$ 20,388,683	\$ 21,081,198	\$ 21,675,503	\$ 22,232,929

Assumptions:

- For 2020-2021 through 2023-2024:
 - Health Care & OPEB insurance projected 5% increase over prior year
 - Social Security projected at 7.65% of wages for each year
- PSERS Increases
 - 2020-2021 increased to 34.77%
 - 2021-2022 increased to 35.19%
 - 2022-2023 increased to 35.84%
 - 2023-2024 increased to 36.30%
- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for:
 - Unemployment Compensation
 - Workers Compensation
 - Uniforms

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
PURCHASED SERVICES**

	Actual <u>2017-2018</u>	Final Budget <u>2018-2019</u>	Prelim. Budget <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Purchased Services							
Security	\$ 726,368	\$ 774,048	\$ 775,000	\$ 793,600	\$ 812,646	\$ 832,150	\$ 852,122
Intermediate Unit	835,917	839,290	620,474	635,366	650,615	666,229	682,219
Substitution Services	320,015	326,415	332,816	340,803	348,982	357,358	365,935
Solicitor/Special Counsel	221,820	310,000	240,000	245,760	251,658	257,698	263,883
Delinquent Tax	34,300	34,986	35,686	36,542	37,419	38,317	39,237
Copiers	350,461	185,315	190,644	195,219	199,905	204,702	209,615
Other Miscellaneous Purchased Services	33,849	-	44,000	45,056	46,137	47,245	48,379
Other Professional Education Services	385,414	636,538	604,737	619,251	634,113	649,331	664,915
Other Professional Services	548,840	690,616	520,647	533,143	545,938	559,041	572,458
Total Expenditures	\$ 3,456,984	\$ 3,797,208	\$ 3,364,004	\$ 3,444,740	\$ 3,527,414	\$ 3,612,072	\$ 3,698,762

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
TRANSPORTATION**

	Actual <u>2017-2018</u>	Final Budget <u>2018-2019</u>	Prelim. Budget <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Transportation							
Contracted Carriers	\$ 6,783,264	\$ 7,005,011	\$ 7,233,000	\$ 7,406,592	\$ 7,584,350	\$ 7,766,375	\$ 7,952,768
Total Expenditures	\$ 6,783,264	\$ 7,005,011	\$ 7,233,000	\$ 7,406,592	\$ 7,584,350	\$ 7,766,375	\$ 7,952,768

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
DEBT SERVICE**

	Actual <u>2017-2018</u>	Final Budget <u>2018-2019</u>	Prelim. Budget <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Debt Service							
Principal	\$ 220,000	\$ 2,430,000	\$ 2,545,000	\$ 2,660,000	\$ 2,775,000	\$ 2,890,000	\$ 3,005,000
Interest	8,955,983	9,493,501	9,374,252	9,263,422	9,140,912	12,570,082	12,850,766
Other	33,052	98,753	100,000	100,000	100,000	100,000	100,000
Total Expenditures	\$ 9,209,035	\$ 12,022,254	\$ 12,019,252	\$ 12,023,422	\$ 12,015,912	\$ 15,560,082	\$ 15,955,766

Assumptions:

- Principal and interest payments are based on debt amortization schedules
- Other line item represents interest expense associated with the TAN. Assumes District continues to obtain \$9.9 million TAN at 4%

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
OUTSIDE TUITION**

	Actual <u>2017-2018</u>	Final Budget <u>2018-2019</u>	Prelim. Budget <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Tuition							
Other School Districts in PA	\$ 653,630	\$ 666,050	\$ 691,000	\$ 707,584	\$ 724,566	\$ 741,956	\$ 759,763
Pennsylvania Charter Schools	14,306,483	13,902,702	15,882,758	16,263,944	16,654,279	17,053,982	17,463,277
Nonpublic Schools	819,448	180,000	1,000,000	1,024,000	1,048,576	1,073,742	1,099,512
Institutions of Higher Education	15,813	22,487	22,487	23,027	23,579	24,145	24,725
Career and Technology Centers	905,145	1,384,060	1,200,000	1,228,800	1,258,291	1,288,490	1,319,414
Approved Private Schools	831,256	700,000	900,000	921,600	943,718	966,368	989,560
Private Residential Rehabilitative Institutions	247,362	396,000	375,000	384,000	393,216	402,653	412,317
Total Expenditures	\$ 17,779,137	\$ 17,251,299	\$ 20,071,245	\$ 20,552,955	\$ 21,046,226	\$ 21,551,335	\$ 22,068,567

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
MAINTENANCE / UTILITIES**

	Actual <u>2017-2018</u>	Final Budget <u>2018-2019</u>	Prelim. Budget <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Maintenance / Utilities							
Electric	\$ 820,957	\$ 807,675	\$ 877,775	\$ 898,842	\$ 920,414	\$ 942,504	\$ 965,124
Water / Sewage	142,280	142,449	154,000	157,696	161,481	165,356	169,325
Equipment	275,831	722,352	474,732	486,126	497,793	509,740	521,973
Natural Gas	372,729	396,770	408,200	417,997	428,029	438,301	448,821
Gasoline (District Vehicles)	11,580	-	20,000	20,480	20,972	21,475	21,990
Gasoline (Transportation)	320,242	320,000	500,000	512,000	524,288	536,871	549,756
Repairs and Maintenance	203,434	227,842	244,622	250,493	256,505	262,661	268,965
Total Expenditures	<u>\$ 2,147,053</u>	<u>\$ 2,617,088</u>	<u>\$ 2,679,329</u>	<u>\$ 2,743,633</u>	<u>\$ 2,809,480</u>	<u>\$ 2,876,908</u>	<u>\$ 2,945,953</u>

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
SUPPLIES & DUES**

	Actual <u>2017-2018</u>	Final Budget <u>2018-2019</u>	Prelim. Budget <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Buildings (Principals)	\$ 1,108,191	\$ 1,267,492	\$ 1,349,577	\$ 1,381,967	\$ 1,415,134	\$ 1,449,097	\$ 1,483,876
Supplies	47,639	33,566	77,186	79,038	80,935	82,878	84,867
Dues / Fees							
Total Expenditures	\$ 1,155,830	\$ 1,301,058	\$ 1,426,763	\$ 1,461,005	\$ 1,496,069	\$ 1,531,975	\$ 1,568,743

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
CENTRAL OFFICE**

	Actual <u>2017-2018</u>	Final Budget <u>2018-2019</u>	Prelim. Budget <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Central Office							
Insurance	\$ 197,248	\$ 215,000	\$ 242,000	\$ 247,808	\$ 253,755	\$ 259,846	\$ 266,082
Advertising	3,630	-	3,600	3,686	3,775	3,865	3,958
Telephones	56,837	83,807	63,972	65,507	67,080	68,689	70,338
Administrative Services	77,855	135,000	84,400	86,426	88,500	90,624	92,799
Professional Development	99,402	6,418	11,420	11,694	11,975	12,262	12,556
Other	227,784	122,059	682,322	698,698	715,466	732,638	750,221
Total Expenditures	\$ 662,756	\$ 562,284	\$ 1,087,714	\$ 1,113,819	\$ 1,140,551	\$ 1,167,924	\$ 1,195,954

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
ATHLETICS**

	Actual <u>2017-2018</u>	Final Budget <u>2018-2019</u>	Prelim. Budget <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Athletics							
Athletic Director	\$ 85,862	\$ 81,200	\$ 86,275	\$ 86,275	\$ 87,569	\$ 87,569	\$ 87,569
Coaches, Clerical, Inst. Asst	403,672	463,930	511,069	511,069	518,735	518,735	518,735
Benefits	19,546	20,455	39,197	41,157	43,215	45,375	47,644
Social Security	38,059	48,872	45,697	45,697	46,382	46,382	46,382
PSERS	113,989	120,000	210,803	207,697	213,358	217,299	220,088
Dues/Fees	2,700	-	1,800	1,843	1,887	1,933	1,979
Officials	175,019	193,640	193,640	198,287	203,046	207,919	212,909
Insurance	13,792	13,792	13,792	14,123	14,462	14,809	15,164
Transportation	5,660	26,769	26,769	27,411	28,069	28,743	29,433
Equipment	65,750	105,065	106,065	108,611	111,217	113,886	116,620
Total Expenditures	\$ 924,049	\$ 1,073,723	\$ 1,235,107	\$ 1,242,170	\$ 1,267,942	\$ 1,282,652	\$ 1,296,525

Assumptions:

- 2020-2021 wages are frozen across the board
- 2021-2022 wages increased by 1.5%, frozen next two years.
- For 2020-2021 through 2023-2024:
 - Health Care insurance projected 5% increase over prior year
 - Social Security projected at 7.65% of wages for each year
 - PSERS Increases
 - 2020-2021 increased to 34.77%
 - 2021-2022 increased to 35.19%
 - 2022-2023 increased to 35.84%
 - 2023-2024 increased to 36.30%
- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all other line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (NO INITIATIVES)
TECHNOLOGY**

	Actual <u>2017-2018</u>	Final Budget <u>2018-2019</u>	Prelim. Budget <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Technology							
Salaries	\$ 214,679	\$ 211,342	\$ 221,956	\$ 221,956	\$ 225,285	\$ 225,285	\$ 225,285
Group Insurance	44,813	44,807	41,381	43,450	45,623	47,904	50,299
Social Security	16,167	17,522	16,979	16,980	17,234	17,234	17,234
PSERS	68,030	73,387	113,034	77,174	79,278	80,742	81,779
Unemployment Compensation	72	3,071	-	-	-	-	-
Workers Compensation	3,755	3,742	3,580	3,666	3,754	3,844	3,936
Repairs & Maintenance	14,588	20,600	16,000	16,384	16,777	17,180	17,592
Supplies	2,014	6,105	2,500	2,560	2,621	2,684	2,749
Replacement Equipment	34,055	5,000	34,000	34,816	35,652	36,507	37,383
Total Expenditures	\$ 398,173	\$ 385,576	\$ 449,430	\$ 416,986	\$ 426,224	\$ 431,381	\$ 436,258

Assumptions:

- 2020-2021 wages are frozen
- 2021-2022 wages increased by 1.5%, frozen next two years.
- For 2020-2021 through 2023-2024:
Health Care insurance projected 5% increase over prior year
Social Security projected at 7.65% of wages for each year
- PSERS Increases
2020-2021 increased to 34.77%
2021-2022 increased to 35.19%
2022-2023 increased to 35.84%
2023-2024 increased to 36.30%
- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all other line items

**PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
GENERAL FUND
EXECUTIVE SUMMARY**

	(1)	(2)
	Final Budget <u>2018-2019</u>	Projection <u>2018-2019</u>
REVENUES	\$ 91,158,445	\$ 91,852,142
EXPENDITURES	93,158,048	92,538,657
SURPLUS/(DEFICIT)	<u>(1,999,603)</u>	<u>(686,515)</u>
FUND BALANCE - BEG	<u>(12,092,492)</u>	<u>(12,092,492)</u>
FUND BALANCE - END	<u>\$ (14,092,095)</u>	<u>\$ (12,779,007)</u>

(1) Board approved final budget for 2018-2019 (June 2018)

(2) Projection based on actual numbers through March 2019.

PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
GENERAL FUND
REVENUE

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Revenue from Local Sources				
Current Real Estate Taxes	\$ 39,713,528	\$ 39,045,797	\$ (667,731)	-1.68%
Current Act 511 Tax - Flat Rate Assessments	37,575	37,575	-	0.00%
Current Act 511 Tax - Proportional Assessments	5,246,301	5,290,368	44,067	0.84%
Deliq. on Taxes Levied/Assessed by the LEA	3,134,225	3,607,419	473,194	15.10%
Earnings on Investments	25,000	100,333	75,333	301.33%
Revenue from Student Activities	34,054	41,750	7,696	22.60%
Reveue from IU	846,978	846,978	-	0.00%
Rentals	28,019	110,000	81,981	292.59%
Contributions & Donations from Private Sources	52,000	5,000	(47,000)	-90.38%
All Other Local Revenues Not Specified	200,000	530,689	330,689	165.34%
Total	<u>49,317,680</u>	<u>49,615,909</u>	<u>298,229</u>	<u>0.60%</u>
Revenue from State Sources				
Basic Education Funding (Gross)	16,756,726	16,756,726	-	0.00%
Tuition - Orphans & Children Placed in Priv. Homes	4,473	4,473	-	0.00%
School Improvement Grants	2,000,000	2,000,000	-	0.00%
Special Education Funding for School Aged Pupils	3,354,611	3,365,149	10,538	0.31%
Other Programs Subsidies	-	3,106	3,106	100.00%
Transportation (Regular & Additional)	2,404,210	2,512,291	108,081	4.50%
Rental & Sinking Fund Payments	632,244	557,225	(75,019)	-11.87%
Health Services	73,587	73,587	-	0.00%
State Property Tax Reduction Allocation	2,359,166	2,359,166	-	0.00%
Safe Schools	-	25,000	25,000	100.00%
Ready to Learn Grant	850,686	850,686	-	0.00%
Revenue for Social Security Payments	1,107,687	953,124	(154,563)	-13.95%
Revenue for Retirement Payments	4,840,522	4,564,940	(275,582)	-5.69%
Total	<u>34,383,912</u>	<u>34,025,473</u>	<u>(358,439)</u>	<u>-1.04%</u>
Revenue from Federal Sources				
Elementary & Secondary Education Act Revenue	2,022,662	1,914,372	(108,290)	-5.35%
Schl Based ACCESS Med Reimb Prog	300,000	1,192,013	892,013	297.34%
Medical Asst Reimb for Admin Claiming	30,000	34,363	4,363	14.54%
ARRA- Build America Bonds	2,104,191	2,115,492	11,301	0.54%
Total	<u>4,456,853</u>	<u>5,256,240</u>	<u>799,387</u>	<u>17.94%</u>
Other Financing Sources				
Sale of/or Compensation for Loss	3,000,000	2,954,520	(45,480)	-1.52%
Total	<u>3,000,000</u>	<u>2,954,520</u>	<u>(45,480)</u>	<u>-1.52%</u>
Grand Total	<u>\$ 91,158,445</u>	<u>\$ 91,852,142</u>	<u>\$ 693,697</u>	<u>0.76%</u>

**PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
GENERAL FUND
EXPENDITURE SUMMARY**

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Salaries	\$ 28,062,360	\$ 27,309,502	\$ (752,858)	-2.68%
Benefits	19,080,187	19,603,281	523,094	2.74%
Purchased Services	3,797,208	3,189,200	(608,008)	-16.01%
Transportation	7,005,011	7,461,057	456,046	6.51%
Debt Service	12,022,254	12,022,951	697	0.01%
Tuition	17,251,299	17,943,098	691,799	4.01%
Maintenance	2,617,088	2,049,654	(567,434)	-21.68%
Supplies & Dues	1,301,058	967,300	(333,758)	-25.65%
Central Office	562,284	509,400	(52,884)	-9.41%
Athletics	1,073,723	1,094,612	20,889	1.95%
Technology	385,576	388,602	3,026	0.78%
Total Expenditures	<u>\$ 93,158,048</u>	<u>\$ 92,538,657</u>	<u>\$ (619,391)</u>	<u>-0.66%</u>

PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
SALARIES

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Salaries				
Teachers	\$ 20,048,716	\$ 20,150,210	\$ 101,494	0.51%
Administrators (Act 93)	1,699,176	1,730,583	31,407	1.85%
Secretaries	777,963	800,423	22,460	2.89%
Aides				
Instructional	2,160,208	1,320,760	(839,448)	-38.86%
Health Room	135,000	115,100	(19,900)	-14.74%
Maintenance	164,217	180,333	16,116	9.81%
Transportation	27,401	28,435	1,034	3.77%
Custodians	2,467,410	2,715,408	247,998	10.05%
Overtime	582,269	268,250	(314,019)	-53.93%
Total Expenditures	<u>\$ 28,062,360</u>	<u>\$ 27,309,502</u>	<u>\$ (752,858)</u>	<u>-2.68%</u>

PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
BENEFITS

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Benefits				
Health Care				
Medical	\$ 5,023,059	\$ 5,182,847	\$ 159,788	3.18%
Dental	253,404	287,211	33,807	13.34%
Life	44,477	20,485	(23,992)	-53.94%
Social Security	2,186,483	2,269,528	83,045	3.80%
PSERS	9,639,361	9,933,742	294,381	3.05%
Unemployment Compensation	59,753	7,343	(52,410)	-87.71%
Workers Compensation	405,827	480,500	74,673	18.40%
Other Post Employment Benefits (OPEB)	1,450,000	1,400,000	(50,000)	-3.45%
Uniforms (Maintenance)	17,823	21,625	3,802	21.33%
Total Expenditures	<u>\$ 19,080,187</u>	<u>\$ 19,603,281</u>	<u>\$ 523,094</u>	<u>2.74%</u>

PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
PURCHASED SERVICES

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Purchased Services				
Security	\$ 774,048	\$ 700,000	\$ (74,048)	-9.57%
Intermediate Unit	839,290	780,000	(59,290)	-7.06%
Substitution Services	326,415	300,000	(26,415)	-8.09%
Solicitor/Special Counsel	310,000	221,200	(88,800)	-28.65%
Copiers	185,315	188,000	2,685	1.45%
Other Professional Education Services	636,538	500,000	(136,538)	-21.45%
Other Professional Services	725,602	500,000	(225,602)	-31.09%
Total Expenditures	<u>\$ 3,797,208</u>	<u>\$ 3,189,200</u>	<u>\$ (608,008)</u>	<u>-16.01%</u>

**PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
TRANSPORTATION**

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Transportation				
Contracted Carriers	\$ 7,005,011	\$ 7,461,057	\$ 456,046	6.51%
Total Expenditures	<u>\$ 7,005,011</u>	<u>\$ 7,461,057</u>	<u>\$ 456,046</u>	<u>6.51%</u>

PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
DEBT SERVICE

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Debt Service				
Principal	\$ 2,430,000	\$ 2,430,000	\$ -	0.00%
Interest	9,493,501	9,493,587	86	0.00%
Other	98,753	99,364	611	0.62%
Total Expenditures	<u>\$ 12,022,254</u>	<u>\$ 12,022,951</u>	<u>\$ 697</u>	<u>0.01%</u>

PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
TUITION

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Tuition				
Other School Districts in PA	\$ 666,050	\$ 296,408	\$ (369,642)	-55.50%
Pennsylvania Charter Schools	13,902,702	14,310,224	407,522	2.93%
Nonpublic Schools	180,000	919,912	739,912	411.06%
Institutions of Higher Education	22,487	20,000	(2,487)	-11.06%
Career and Technology Centers	1,384,060	1,000,000	(384,060)	-27.75%
Approved Private Schools	700,000	802,507	102,507	14.64%
Private Residential Rehabilitative Institutions	396,000	594,047	198,047	50.01%
Total Expenditures	<u>\$ 17,251,299</u>	<u>\$ 17,943,098</u>	<u>\$ 691,799</u>	<u>4.01%</u>

**PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
MAINTENANCE / UTILITIES**

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Maintenance / Utilities				
Electric	\$ 807,675	\$ 775,193	\$ (32,482)	-4.02%
Water / Sewage	142,449	145,300	2,851	2.00%
Equipment	722,352	150,000	(572,352)	-79.23%
Natural Gas	396,770	312,625	(84,145)	-21.21%
Gasoline (Transportation)	320,000	471,536	151,536	47.36%
Repairs and Maintenance	227,842	195,000	(32,842)	-14.41%
Total Expenditures	<u>\$ 2,617,088</u>	<u>\$ 2,049,654</u>	<u>\$ (567,434)</u>	<u>-21.68%</u>

PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
SUPPLIES & DUES

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Buildings (Principals)				
Supplies	\$ 1,267,492	\$ 925,000	\$ (342,492)	-27.02%
Dues / Fees	33,566	42,300	8,734	26.02%
Total Expenditures	<u>\$ 1,301,058</u>	<u>\$ 967,300</u>	<u>\$ (333,758)</u>	<u>-25.65%</u>

PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
CENTRAL OFFICE

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Central Office				
Insurance	\$ 215,000	\$ 238,000	\$ 23,000	10.70%
Advertising	-	3,000	3,000	100.00%
Telephones	83,807	88,900	5,093	6.08%
Administrative Services	135,000	79,500	(55,500)	-41.11%
Professional Development	6,418	15,000	8,582	133.72%
Other	122,059	85,000	(37,059)	-30.36%
Total Expenditures	<u>\$ 562,284</u>	<u>\$ 509,400</u>	<u>\$ (52,884)</u>	<u>-9.41%</u>

PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
ATHLETICS

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Athletics				
Athletic Director	\$ 81,200	\$ 83,415	\$ 2,215	2.73%
Coaches, Clerical, Inst. Asst	463,930	489,411	25,481	5.49%
Benefits	20,455	29,601	9,146	44.71%
Social Security	48,872	43,821	(5,051)	-10.33%
PSERS	120,000	191,496	71,496	59.58%
Officials	193,640	165,000	(28,640)	-14.79%
Insurance	13,792	13,792	-	0.00%
Transportation	26,769	13,076	(13,693)	-51.15%
Equipment	105,065	65,000	(40,065)	-38.13%
Total Expenditures	<u>\$ 1,073,723</u>	<u>\$ 1,094,612</u>	<u>\$ 20,889</u>	<u>1.95%</u>

PENN HILLS SCHOOL DISTRICT
2018-2019 FINANCIAL PROJECTION
TECHNOLOGY

	Final Budget <u>2018-2019</u>	Projected <u>2018-2019</u>	Over/(Under) <u>Budget</u>	<u>Change %</u>
Technology				
Salaries	\$ 211,342	\$ 230,881	\$ 19,539	9.25%
Group Insurance	44,807	48,295	3,488	7.78%
Social Security	17,522	17,662	140	0.80%
PSERS	73,387	77,184	3,797	5.17%
Unemployment Compensation	3,071	-	(3,071)	-100.00%
Workers Compensation	3,742	3,580	(162)	-4.33%
Repairs & Maintenance	20,600	1,000	(19,600)	-95.15%
Supplies	6,105	8,000	1,895	31.04%
Replacement Equipment	5,000	2,000	(3,000)	-60.00%
Total Expenditures	<u>\$ 385,576</u>	<u>\$ 388,602</u>	<u>\$ 3,026</u>	<u>0.78%</u>

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
GENERAL FUND
EXECUTIVE SUMMARY**

	(1)	(2)	(3)	(4)	(4)	(4)	(4)
	Actual	Projected	Projected	Projected	Projected	Projected	Projected
	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
REVENUES	\$ 88,917,360	\$ 91,852,142	\$ 90,215,164	\$ 92,343,323	\$ 94,083,817	\$ 96,095,242	\$ 97,742,476
EXPENDITURES	90,000,310	92,538,657	90,215,164	90,969,900	92,810,110	97,747,855	99,524,476
SURPLUS/(DEFICIT)	(1,082,950)	(686,515)	-	1,373,423	1,273,707	(1,652,613)	(1,782,000)
FUND BALANCE - BEG	(11,009,543)	(12,092,493)	(12,779,008)	(12,779,008)	(11,405,585)	(10,131,878)	(11,784,491)
FUND BALANCE - END	(12,092,493)	(12,779,008)	(12,779,008)	(11,405,585)	(10,131,878)	(11,784,491)	(13,566,491)

(1) Based on District's Annual Financial Report (AFR)

(2) Based on Projection from Appendix B.2

(3) Based on combining the Board approved preliminary budget (February 2019) and the implementation of CRO Initiatives.

(4) Projected balances are based on various assumptions noted on subsequent pages

PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
GENERAL FUND
REVENUE

	Actual 2017-2018	Projected 2018-2019	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024
Revenue from Local Sources							
Current Real Estate Taxes	\$ 37,173,136	\$ 39,045,797	\$ 42,051,090	\$ 43,051,090	\$ 44,051,090	\$ 45,051,090	\$ 46,051,090
Public Utility Reality Tax	43,350	-	44,659	44,659	44,659	44,659	44,659
Payments in Lieu of Current Taxes/State & Local	16,685	-	16,685	16,685	16,685	16,685	16,685
Current Act 511 Tax - Flat Rate Assessments	37,957	37,575	37,957	37,957	37,957	37,957	37,957
Current Act 511 Tax - Proportional Assessments	5,273,517	5,290,368	5,163,077	5,266,339	5,371,665	5,479,099	5,588,681
Deliq. on Taxes Levied/Assessed by the LEA	3,358,246	3,607,419	3,581,222	3,581,222	3,581,222	3,581,222	3,581,222
Earnings on Investments	69,659	100,333	61,000	61,000	61,000	61,000	61,000
Revenue from Student Activities	34,055	41,750	34,402	35,000	35,000	35,000	35,000
Federal Rev. Rcvd. From Other PA Public Schools	89,189	-	-	-	-	-	-
Federal IDEA Pass Through Revenue	914,725	846,978	850,219	850,000	850,000	850,000	850,000
Rentals	523,855	110,000	109,666	100,000	100,000	100,000	100,000
Contributions & Donations from Private Sources	52,108	5,000	5,000	5,000	5,000	5,000	5,000
Summer School Tuition	39,732	-	-	-	-	-	-
Refunds of Prior Years Expenditures	26,315	-	-	-	-	-	-
All Other Local Revenues Not Specified	131,817	530,689	85,000	85,000	85,000	85,000	85,000
Total	47,784,346	49,615,909	52,039,977	53,133,952	54,239,278	55,346,712	56,456,294
Revenue from State Sources							
Basic Education Funding (Gross)	16,499,430	16,756,726	17,851,775	18,208,811	18,572,987	18,944,446	19,323,335
Tuition - Orphans & Children Placed in Priv. Homes	4,473	4,473	4,473	4,500	4,500	4,500	4,500
School Improvement Grants	2,000,000	2,000,000	-	-	-	-	-
Special Education Funding for School Aged Pupils	3,319,969	3,365,149	3,538,943	3,609,722	3,681,916	3,755,555	3,830,666
Pre-K Counts	56	3,106	-	-	-	-	-
Transportation (Regular & Additional)	2,225,699	2,073,206	2,225,699	2,270,213	2,315,617	2,361,930	2,409,168
Nonpublic Pupil Transportation	235,593	439,085	544,775	555,671	566,784	578,120	589,682
Rental & Sinking Fund Payments	736,009	557,225	632,244	634,837	634,440	821,572	821,572
Health Services	73,587	73,587	67,843	69,200	70,584	71,996	73,435
State Property Tax Reduction Allocation	2,359,927	2,359,166	2,359,561	2,406,752	2,454,887	2,503,985	2,554,065
Safe Schools	11,980	25,000	-	-	-	-	-
Ready to Learn Grant	850,686	850,686	850,686	850,686	850,686	850,686	850,686
Revenue for Social Security Payments	1,299,280	953,124	978,773	1,074,686	1,090,807	1,090,807	1,090,807
Revenue for Retirement Payments	6,489,895	4,564,940	4,668,562	5,111,008	5,187,673	5,187,673	5,187,673
Total	36,106,584	34,025,473	33,723,334	34,796,085	35,430,881	36,171,269	36,735,589

Revenue from Federal Sources										
Unrstct. Fed. Grants-in-Aid Direct - Fed.Govt.	29,517	-	-	-	-	-	-	-	-	-
NCLB Title I - Imprv. Acad. Ach. (Disadvantaged)	1,979,949	1,542,858	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550	1,419,550
NCLB Title II - Prep/Trng/Recruit. HQ Tchrs/Prin	244,884	171,471	197,851	197,851	197,851	197,851	197,851	197,851	197,851	197,851
NCLB Title IV - 21st Century Schools	392,388	200,043	105,261	105,261	105,261	105,261	105,261	105,261	105,261	105,261
Schl Based ACCESS Med Reimb Prog	-	1,192,013	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Medical Asst Reimb for Admin Claiming	25,313	34,363	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
ARRA- Build America Bonds	2,107,581	2,115,492	2,104,191	2,065,625	2,065,996	2,229,600	2,229,600	2,202,932	2,202,932	2,202,932
Total	4,779,632	5,256,240	4,451,853	4,413,287	4,413,658	4,577,262	4,577,262	4,550,594	4,550,594	4,550,594
Other Financing Sources										
Bond Premiums	41,708	-	-	-	-	-	-	-	-	-
Sale of/or Compensation for Loss	205,090	2,954,520	-	-	-	-	-	-	-	-
Total	246,798	2,954,520	-	-	-	-	-	-	-	-
Grand Total	\$ 88,917,360	\$ 91,852,142	\$ 90,215,164	\$ 92,343,323	\$ 94,083,817	\$ 96,095,242	\$ 96,095,242	\$ 97,742,476	\$ 97,742,476	\$ 97,742,476
Change YR to YR		\$	\$	\$	\$	\$	\$	\$	\$	\$
% Change YR to YR			(-1.78%)	2.36%	1.88%	2.14%	1.88%	2.14%	1.71%	1.71%

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
GENERAL FUND
EXPENDITURE SUMMARY**

	Actual 2017-2018	Projected 2018-2019	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024
Salaries	\$ 28,743,575	\$ 27,309,502	\$ 24,992,703	\$ 24,992,703	\$ 25,367,594	\$ 25,367,594	\$ 25,367,594
Benefits	18,740,454	19,603,281	17,946,223	17,867,559	18,478,193	19,002,713	19,495,104
Purchased Services	3,456,984	3,189,200	3,054,807	3,128,122	3,203,197	3,280,074	3,358,796
Transportation	6,783,264	7,461,057	7,363,000	7,539,712	7,720,665	7,905,961	8,095,704
Debt Service	9,209,035	12,022,951	12,019,252	12,023,422	12,015,912	15,560,082	15,955,766
Outside Tuition	17,779,137	17,943,098	18,946,337	19,401,049	19,866,674	20,343,474	20,831,718
Maintenance	2,147,053	2,049,654	2,511,725	2,572,006	2,633,735	2,696,944	2,761,671
Supplies & Dues	1,155,830	967,300	979,016	1,002,512	1,026,573	1,051,210	1,076,439
Central Office	662,756	509,400	956,357	979,310	1,002,813	1,026,881	1,051,526
Athletics	924,049	1,094,612	1,038,797	1,052,090	1,074,205	1,087,235	1,099,607
Technology	398,173	388,602	406,947	411,415	420,550	425,687	430,552
Total Expenditures	90,000,310	92,538,657	90,215,164	90,969,900	92,810,110	97,747,855	99,524,476
Change YR to YR		2,538,347	(2,323,493)	754,736	1,840,209	4,937,745	1,776,621
% Change YR to YR		2.82%	-2.51%	0.84%	2.02%	5.32%	1.82%

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
SALARIES**

	Actual 2017-2018	Projected 2018-2019	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024
Teachers	\$ 20,432,463	\$ 20,150,210	\$ 18,394,211	\$ 18,394,211	\$ 18,670,124	\$ 18,670,124	\$ 18,670,124
Administrators (Act 93)	2,439,194	1,730,583	1,656,846	1,656,846	1,681,699	1,681,699	1,681,699
Secretaries	839,476	800,423	761,022	761,022	772,437	772,437	772,437
Aides							
Instructional	1,761,929	1,320,760	1,301,872	1,301,872	1,321,400	1,321,400	1,321,400
Service	3,574	-	-	-	-	-	-
Health Room	159,554	115,100	78,079	78,079	79,250	79,250	79,250
Tech Aides	28,528	-	-	-	-	-	-
Maintenance	182,299	180,333	120,000	120,000	121,800	121,800	121,800
Transportation	4,082	28,435	29,158	29,158	29,595	29,595	29,595
Custodians	2,386,933	2,715,408	2,351,515	2,351,515	2,386,788	2,386,788	2,386,788
Overtime	505,543	268,250	300,000	300,000	304,500	304,500	304,500
Total Expenditures	28,743,575	27,309,502	24,992,703	24,992,703	25,367,594	25,367,594	25,367,594

Assumptions:

- 2020-2021 wages are frozen across the board
- 2021-2022 wages increased by 1.5%, frozen next two years.

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
BENEFITS**

	Actual <u>2017-2018</u>	Projected <u>2018-2019</u>	Projected <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Health Care							
Medical	4,886,702	5,182,847	4,393,447	\$ 4,613,119	\$ 4,843,775	\$ 5,085,964	\$ 5,340,262
Dental	303,984	287,211	337,097	353,952	371,649	390,232	409,744
Life	46,131	20,485	32,608	34,238	35,950	37,748	39,635
Social Security	2,151,658	2,269,528	1,903,559	1,911,942	1,940,621	1,940,621	1,940,621
PSERS	9,385,122	9,933,742	9,095,131	8,936,752	9,180,373	9,349,945	9,469,950
Unemployment Compensation	(2,025)	7,343	300,000	50,000	51,200	52,429	53,687
Workers Compensation	361,952	480,500	404,781	414,496	424,444	434,630	445,061
Other Post Employment Benefits (OPEB)	1,586,765	1,400,000	1,459,600	1,532,580	1,609,209	1,689,669	1,774,153
Uniforms (Maintenance)	20,165	21,625	20,000	20,480	20,972	21,475	21,990
Total Expenditures	18,740,454	19,603,281	17,946,223	17,867,559	18,478,193	19,002,713	19,495,104

Assumptions:

- For 2020-2021 through 2023-2024:
 - Health Care & OPEB insurance projected 5% increase over prior year
 - Social Security projected at 7.65% of wages for each year
- PSERS Increases
 - 2020-2021 increased to 34.77%
 - 2021-2022 increased to 35.19%
 - 2022-2023 increased to 35.84%
 - 2023-2024 increased to 36.30%
- Workers Compensation
 - 2019-2020 reflects projected increase based on staffing initiatives.
 - 2020-2021 decreased to support any additional staffing changes
 - 2021-2022 through 2023-2024 reflect inflationary increase of 2.4%
- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for:
 - Tuition Reimbursement
 - Unemployment Compensation
 - Uniforms

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
PURCHASED SERVICES**

	Actual <u>2017-2018</u>	Projected <u>2018-2019</u>	Projected <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Purchased Services							
Security	\$ 726,368	\$ 700,000	\$ 775,000	\$ 793,600	\$ 812,646	\$ 832,150	\$ 852,122
Intermediate Unit	835,917	780,000	641,714	657,116	672,886	689,036	705,572
Substitution Services	320,015	300,000	332,816	340,803	348,982	357,358	365,935
Solicitor/Special Counsel	256,120	221,200	190,000	194,560	199,229	204,011	208,907
Copiers	350,461	188,000	190,644	195,219	199,905	204,702	209,615
Other Miscellaneous Purchased Services	33,849	-	-	-	-	-	-
Other Professional Education Services	385,414	500,000	343,200	351,437	359,871	368,508	377,352
Other Professional Services	548,840	500,000	581,433	595,387	609,677	624,309	639,292
Total Expenditures	3,456,984	3,189,200	3,054,807	3,128,122	3,203,197	3,280,074	3,358,796

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
TRANSPORTATION**

	Actual <u>2017-2018</u>	Projected <u>2018-2019</u>	Projected <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Transportation							
Contracted Carriers	\$ 6,783,264	\$ 7,461,057	\$ 7,363,000	\$ 7,539,712	\$ 7,720,665	\$ 7,905,961	\$ 8,095,704
Total Expenditures	6,783,264	7,461,057	7,363,000	7,539,712	7,720,665	7,905,961	8,095,704

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
DEBT SERVICE**

	Actual <u>2017-2018</u>	Projected <u>2018-2019</u>	Projected <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Debt Service							
Principal	\$ 220,000	\$ 2,430,000	\$ 2,545,000	\$ 2,660,000	\$ 2,775,000	\$ 2,890,000	\$ 3,005,000
Interest	8,955,983	9,493,587	9,374,252	9,263,422	9,140,912	12,570,082	12,850,766
Other	33,052	99,364	100,000	100,000	100,000	100,000	100,000
Total Expenditures	9,209,035	12,022,951	12,019,252	12,023,422	12,015,912	15,560,082	15,955,766

Assumptions:

- Principal and interest payments are based on debt amortization schedules
- Other line item represents interest expense associated with the TAN. Assumes District continues to obtain \$9.9 million TAN at 4%

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
OUTSIDE TUITION**

Tuition	Actual	Projected	Projected	Projected	Projected	Projected	Projected
	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
	\$ 653,630	\$ 296,408	\$ 435,500	\$ 445,952	\$ 456,655	\$ 467,615	\$ 478,837
Other School Districts in PA	14,306,483	14,310,224	15,305,963	15,673,306	16,049,465	16,434,653	16,829,084
Pennsylvania Charter Schools	819,448	919,912	900,000	921,600	943,718	966,368	989,560
Nonpublic Schools	15,813	20,000	22,487	23,027	23,579	24,145	24,725
Institutions of Higher Education	905,145	1,000,000	935,546	957,999	980,991	1,004,535	1,028,644
Career and Technology Centers	831,256	802,507	801,841	821,085	840,791	860,970	881,634
Approved Private Schools	247,362	594,047	545,000	558,080	571,474	585,189	599,234
Private Residential Rehabilitative Institutions	17,779,137	17,943,098	18,946,337	19,401,049	19,866,674	20,343,474	20,831,718
Total Expenditures							

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
MAINTENANCE / UTILITIES**

	Actual <u>2017-2018</u>	Projected <u>2018-2019</u>	Projected <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Maintenance / Utilities							
Electric	\$ 820,957	\$ 775,193	\$ 770,675	\$ 789,171	\$ 808,111	\$ 827,506	\$ 847,366
Water / Sewage	142,280	145,300	117,000	119,808	122,683	125,628	128,643
Equipment	275,831	150,000	370,600	379,494	388,602	397,929	407,479
Natural Gas	372,729	312,625	356,200	364,749	373,503	382,467	391,646
Gasoline (District Vehicles)	11,580	-	12,000	12,288	12,583	12,885	13,194
Gasoline (Transportation)	320,242	471,536	392,000	401,408	411,042	420,907	431,009
Repairs and Maintenance	203,434	195,000	493,250	505,088	517,210	529,623	542,334
Total Expenditures	2,147,053	2,049,654	2,511,725	2,572,006	2,633,735	2,696,944	2,761,671

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
SUPPLIES & DUES**

	Actual <u>2017-2018</u>	Projected <u>2018-2019</u>	Projected <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Buildings (Principals)	\$ 1,108,191	\$ 925,000	\$ 903,716	\$ 925,405	\$ 947,615	\$ 970,358	\$ 993,646
Supplies	47,639	42,300	75,300	77,107	78,958	80,853	82,793
Dues / Fees							
Total Expenditures	1,155,830	967,300	979,016	1,002,512	1,026,573	1,051,210	1,076,439

Assumptions:

- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
CENTRAL OFFICE**

	Actual <u>2017-2018</u>	Projected <u>2018-2019</u>	Projected <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Central Office							
Insurance	\$ 197,248	\$ 238,000	\$ 193,000	\$ 197,632	\$ 202,375	\$ 207,232	\$ 212,206
Advertising	3,630	3,000	3,600	3,686	3,775	3,865	3,958
Telephones	56,837	88,900	74,400	76,186	78,014	79,886	81,804
Administrative Services	77,855	79,500	82,000	83,968	85,983	88,047	90,160
Professional Development	99,402	15,000	12,020	12,308	12,604	12,906	13,216
Other	227,784	85,000	591,337	605,529	620,062	634,943	650,182
Total Expenditures	662,756	509,400	956,357	979,310	1,002,813	1,026,881	1,051,526

Assumptions:

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
ATHLETICS**

	Actual <u>2017-2018</u>	Projected <u>2018-2019</u>	Projected <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Athletics							
Athletic Director	\$ 85,862	\$ 83,415	\$ 86,275	\$ 86,275	\$ 87,569	\$ 87,569	\$ 87,569
Coaches, Clerical, Inst. Asst	403,672	489,411	405,966	405,966	412,055	412,055	412,055
Benefits	19,546	29,601	39,405	41,375	43,444	45,616	47,897
Social Security	38,059	43,821	37,345	37,656	38,221	38,221	38,221
PSERS	113,989	191,496	167,399	171,152	175,818	179,065	181,364
Dues/Fees	2,700	-	2,800	2,867	2,936	3,006	3,079
Officials	175,019	165,000	178,711	183,000	187,392	191,889	196,495
Insurance	13,792	13,792	13,792	14,123	14,462	14,809	15,164
Transportation	5,660	13,076	19,967	20,446	20,937	21,439	21,954
Equipment	65,750	65,000	87,137	89,228	91,370	93,563	95,808
Total Expenditures	924,049	1,094,612	1,038,797	1,052,090	1,074,205	1,087,235	1,099,607

Assumptions:

- 2020-2021 wages are frozen across the board
- 2021-2022 wages increased by 1.5%, frozen next two years.
- For 2020-2021 through 2023-2024:
Health Care insurance projected 5% increase over prior year
Social Security projected at 7.65% of wages for each year
- PSERS Increases
2020-2021 increased to 34.77%
2021-2022 increased to 35.19%
2022-2023 increased to 35.84%
2023-2024 increased to 36.30%
- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all other line items

**PENN HILLS SCHOOL DISTRICT
FINANCIAL PROJECTION (WITH INITIATIVES)
TECHNOLOGY**

	Actual <u>2017-2018</u>	Projected <u>2018-2019</u>	Projected <u>2019-2020</u>	Projected <u>2020-2021</u>	Projected <u>2021-2022</u>	Projected <u>2022-2023</u>	Projected <u>2023-2024</u>
Technology							
Salaries	\$ 214,679	\$ 230,881	\$ 217,536	\$ 217,536	\$ 220,799	\$ 220,799	\$ 220,799
Group Insurance	44,813	48,295	41,100	43,155	45,313	47,578	49,957
Social Security	16,167	17,662	16,642	16,642	16,891	16,891	16,891
PSERS	68,030	77,184	74,594	75,637	77,699	79,134	80,150
Unemployment Compensation	72	-	-	-	-	-	-
Workers Compensation	3,755	3,580	3,575	3,661	3,749	3,839	3,931
Repairs & Maintenance	14,588	1,000	16,000	16,384	16,777	17,180	17,592
Supplies	2,014	8,000	3,500	3,584	3,670	3,758	3,848
Replacement Equipment	34,055	2,000	34,000	34,816	35,652	36,507	37,383
Total Expenditures	398,173	388,602	406,947	411,415	420,550	425,687	430,552

Assumptions:

- 2020-2021 wages are frozen
- 2021-2022 wages increased by 1.5%, frozen next two years.
- For 2020-2021 through 2023-2024:
Health Care insurance projected 5% increase over prior year
Social Security projected at 7.65% of wages for each year
- PSERS Increases
2020-2021 increased to 34.77%
2021-2022 increased to 35.19%
2022-2023 increased to 35.84%
2023-2024 increased to 36.30%
- Used inflationary increase of 2.4% for 2020-2021 through 2023-2024 for all other line items

**PENN HILLS SCHOOL DISTRICT
AP ENROLLMENT DATA**

Test Data	5 Year History							
	2011	2012	2013	2014	2015	2016	2017	2018
Number of Exams Taken	100	104	123	139	200	276	396	424
AP Students with Scores 3+	29	41	46	62	81	83	128	112
% Students with Scores 3+	29%	40%	37%	45%	40%	30%	32%	26%

2013-14

	Studio Arts	English Lang	English Lit	Europe History	Psych	US History	Calc AB	Calc BC	Stats	Bio	Chem	Physics	Germ	Span	World History	TOTAL
# of Exams	5	24	16	3	32	23	13	1	1	10	9	0	1	1	na	139
# of Students w/ score of ≥ 3	4	14	10	3	10	5	9	1	1	2	2	0	1	0	na	62
% of students w/ score of ≥ 3	80%	58%	63%	100%	31%	22%	69%	100%	100%	20%	22%	na	100%	0%	na	45%
Average Score	3	2.7	2.9	3	2.1	2.1	3.2	3	5	1.9	2.2	na	3	2	na	2.8

2014-15	Studio Arts	English Lang	English Lit	Europe History	Psych	US History	Calc AB	Calc BC	Stats	Bio	Chem	Physics	Germ	Span	World History	TOTAL
# of Exams	4	23	13	2	32	65	9	9	1	24	11	3	na	4	na	200
# of Students w/ score of ≥ 3	0	14	10	1	22	11	4	7	1	5	1	3	na	2	na	81
% of students w/ score of ≥ 3	0%	61%	77%	50%	69%	17%	44%	78%	100%	21%	9%	100%	na	50%	na	41%
Average Score	2	2.8	2.9	2.5	2.8	1.7	2.6	2.8	5	1.9	1.6	3	na	2.5	na	2.6

2015-16	Studio Arts	English Lang	English Lit	Europe History	Psych	US History	Calc AB	Calc BC	Stats	Bio	Chem	Physics	Germ	Span	World History	TOTAL
# of Exams	1	38	11	4	38	64	25	5	3	5	30	3	na	na	49	276
# of Students w/ score of ≥ 3	1	15	5	1	19	8	13	4	3	0	2	3	na	na	9	83
% of students w/ score of ≥ 3	100%	39%	45%	25%	50%	13%	52%	80%	100%	0%	7%	100%	na	na	18%	30%
Average Score	3	2.4	2.6	2	2.6	1.6	2.4	3.4	3.3	1.6	1.5	3.7	na	na	1.9	2.1

2016-17	Studio Arts	English Lang	English Lit	Europe History	Psych	US History	Calc AB	Calc BC	Stata	Bio	Chem	Physics	Germ	Span	World History	TOTAL
# of Exams	9	66	44	8	57	42	30	18	na	55	33	7	na	na	27	396
# of Students w/ score of ≥ 3	6	20	17	5	22	9	7	10	na	12	3	1	na	na	16	128
% of students w/ score of ≥ 3	67%	30%	39%	63%	39%	21%	23%	56%	na	22%	9%	14%	na	na	59%	32%
Average Score	2.9	2.3	2.4	2.9	2.2	1.8	2	2.7	na	1.9	1.3	1.8	na	na	2.9	2.26

2017-18	Studio Arts	English Lang	English Lit	Europe History	Psych	US History	Cal AB	Cal BC	Stats	Bio	Chem	Physics	Germ	Span	World History	TOTAL
# of Exams	4	127	70	3	31	19	28	13	34	25	35	15	na	na	20	424
# of Students w/ score of ≥ 3	4	12	18	2	14	7	14	7	17	2	2	7	na	na	6	112
% of students w/ score of ≥ 3	100%	9%	26%	67%	45%	37%	50%	54%	50%	8%	6%	47%	na	na	30%	26%
Average Score	3.8	1.6	2.1	3.3	2.5	2.1	2.7	2.7	2.6	1.8	1.4	2.4	na	na	2.2	2.40

Penn Hills High School Courses 2018-19

Language Arts

- | | |
|----------------------|------------------------------------|
| 1. English I | 7. AP English Literature |
| 2. English II | 8. AP English Language |
| 3. English III | 9. English as a Second Language |
| 4. English IV | 10. Contemporary Global Literature |
| 5. Honors English I | 11. Creative Writing |
| 6. Honors English II | 12. Journalism |

Social Studies

- | | |
|------------------------------------|-------------------------|
| 1. Civics | 8. Psychology |
| 2. Honors Civics | 9. Sociology |
| 3. World History | 10. Societal Law |
| 4. Honors World History | 11. AP World History |
| 5. United States History | 12. AP US History |
| 6. Modern American US History | 13. AP European History |
| 7. African American/Ethnic Studies | 14. AP Psychology |

Mathematics

- | | |
|--------------------------------|---------------------------------------|
| 1. Algebra I | 7. Honors Trigonometry & Pre-Calculus |
| 2. Geometry | 8. AP Calculus (AB) |
| 3. Honors Geometry | 9. AP Calculus (BC) |
| 4. Algebra II | 10. Intro to Calculus |
| 5. Honors Algebra II | 11. AP Statistics |
| 6. Trigonometry & Pre-Calculus | 12. AP Computer Science |

Science

- | | |
|---------------------------|--------------------------------|
| 1. Life Science | 8. Physics |
| 2. Honors Biology | 9. Science in Engineering |
| 3. Chemistry | 10. Human Anatomy & Physiology |
| 4. Academic Chemistry | 11. AP Biology |
| 5. Honors Chemistry | 12. AP Chemistry |
| 6. Applied Chemistry | 13. AP Physics |
| 7. Health Related Science | |

Penn Hills High School Courses 2018-19

World Language

- | | |
|----------------|---------------|
| 1. Spanish I | 5. German I |
| 2. Spanish II | 6. German II |
| 3. Spanish III | 7. German III |
| 4. Spanish IV | |

Art Department

- | | |
|--------------------------------|------------------|
| 1. Art I | 4. AP Studio Art |
| 2. Art II | 5. Ceramics |
| 3. Advanced Drawing & Painting | |

Music Department

- | | |
|---------------|--------------------|
| 1. Band | 4. Piano Lab |
| 2. Orchestra | 5. Concert Choir |
| 3. Show Choir | 6. Cantabile Choir |
| | 7. Guitar Lab |

Family and Consumer Science

- | | |
|-----------------|-------------------------|
| 1. Teen Cuisine | 3. Child Development |
| 2. On Your Own | 4. History of Education |

Technology/Business

- | | |
|-------------------------|----------------------------------|
| 1. Robotics I | 11. Video Production I |
| 2. Robotics II | 12. Video Production II |
| 3. Robotics III | 13. Advanced Studio Broadcasting |
| 4. 3D Modeling | 14. Accounting |
| 5. Intro to Engineering | 15. Business Management |
| 6. Advanced Engineering | 16. Business Law |
| 7. STEM Coding I | 17. Small Business Development |
| 8. STEM Coding II | 18. Computer Design & Production |
| 9. STEM Coding III | 19. Sports Management I |
| 10. Digital Photography | 20. Sports Management II |

Penn Hills High School Courses 2018-19

Naval Science

1. Naval Science I
2. Naval Science II
3. Naval Science III
4. Naval Science IV

Physical Education/Health

1. Physical Education +
 - 9th Grade: Penn Hills Way
 - 10th Grade: Financial Literacy
 - 11th Grade: Career Pathways
 - 12th Grade: Foods for You
2. Cyber Physical Education
3. Adaptive Physical Education
4. Health
5. Cyber Health

Life Skills Education

1. Life Skills English
2. Life Skills Consumer Science
3. Life Skills Consumer Math
4. Social Skills
5. Life Skills Computer Science
6. Life Skills Applications

Penn Hills High School Courses 2018-19

Chief's Academy - Cyber Education

Language Arts

- | | |
|------------------|------------------|
| 1. ELA 9 | 5. ELA 11 |
| 2. Honors ELA 9 | 6. Honors ELA 11 |
| 3. ELA 10 | 7. ELA 12 |
| 4. Honors ELA 10 | 8. Honors ELA 12 |

Science

- | | |
|-------------------|---------------------|
| 1. Life Science | 4. Honors Chemistry |
| 2. Honors Biology | 5. Physics |
| 3. Chemistry | 6. Honors Physics |

Social Studies

- | | |
|--------------------------|----------------------------|
| 1. Civics and Government | 6. Honors US History |
| 2. Honors US Government | 7. Modern American History |
| 3. World History | 8. Psychology |
| 4. Honors World History | 9. Sociology |
| 5. US History | |

Math

- | | |
|--------------------|------------------------|
| 1. Algebra I | 5. Honors Algebra II |
| 2. Geometry | 6. Trig-Pre Calculus |
| 3. Honors Geometry | 7. Honors Pre-Calculus |
| 4. Algebra II | 8. Statistics |

Electives w/PHSD Cyber Teacher (Social Studies)

1. Honors Economics

Electives w/PHSD Cyber Teacher (Science)

1. Environmental Science

Penn Hills High School Courses 2018-19

Chief's Academy - Cyber Education

Electives via Cyber Program

World Languages

- | | |
|----------------|----------------|
| 1. Spanish I | 7. German I |
| 2. Spanish II | 8. German II |
| 3. Spanish III | 9. Chinese I |
| 4. French I | 10. Chinese II |
| 5. French II | 11. Latin I |
| 6. French III | 12. Latin II |

Family Consumer Science Electives

- | | |
|------------------------------------|-----------------------------|
| 1. Career Planning and Development | 5. National Security |
| 2. Careers in Criminal Justice | 6. Peer Counseling |
| 3. Early Childhood Education | 7. Real World Parenting |
| 4. Fashion and Interior Design | 8. Theater, Cinema and Film |

Science electives

- | | |
|--|---|
| 1. Anatomy and Physiology | 6. Health Science II |
| 2. Medical Terminology | 7. Veterinary Science |
| 3. Forensic Science I: Secrets of the Dead | 8. Environmental Science w/ PHSD
Cyber teacher |
| 4. Forensic Science II | 9. Keystone Biology |
| 5. Health Science I | |

Technology/ Business Electives

- | | |
|------------------------------------|---|
| 1. Intro to Business | 8. Engineering Design I |
| 2. Advertising and Sales Promotion | 9. Engineering Design II |
| 3. 2-D Animation | 10. Intro to Entrepreneurship I |
| 4. Audio Engineering | 11. Intro to Entrepreneurship II |
| 5. Business Information Systems | 12. Introduction to Coding |
| 6. Digital Arts I | 13. Sports and Entertainment
Marketing |
| 7. Digital Arts II | |

Penn Hills High School Courses 2018-19

Chief's Academy - Cyber Education

Electives via Cyber Program

Social Studies Electives

1. Anthropology I
2. Anthropology II
3. Criminology: Inside the Criminal Mind
4. World Religions
5. Economics Micro
6. Economics Macro
7. Honors Economics w/ PHSD cyber teacher

Art

1. Art in World Cultures
2. Intro to Art
3. Art History
4. Fundamentals of Art Appreciation
5. Fundamentals of Art History

Music

1. Music theory

Math electives

1. Finite Math
2. Keystone Math

PENN HILLS SCHOOL DISTRICT
STUDENT CLUBS & ACTIVITIES

SADD	Newspaper Club
Marching Band Director	Computer Club
Concert/Orchestra/Stage Band	6th Grade Choir
9th Grade Orchestra	8th Grade Choir
9th Grade Band	5th Grade Choir
Color Guard	7th Grade Choir
Rhythmettes	Just Say No
Elementary Instrumental-Orchestra	Bible Club
Elementary Instrumental -Band	Student Council/Class
High School Stage Crew	Student Assistance Program
German Club	Spring Musical
Key Club	8th Grade Band
Interact Club	Jazz Band
Student Council	6th Grade Band
Odyssey Mind	7th Grade Band
Yearbook	5th Grade Band
Video Production Club	Theater Stage Crew
Computer Club	Penn Hills Pals
8th Grade Orchestra	Elementary Choral
7th Grade Orchestra	National Honor Society
6 th Grade Orchestra	Fall Theater Production
5th Grade Orchestra	
Career Club	
ANIME Club	
Garden Club	
Invention Convention	
FBLA	
Spanish Club	
NJROTC Afterschool	
Black Student Union	
NAACP Club	
Coalition Against Violence Club	
Black Women for Positive Change Club	
World Affairs Council of Pittsburgh	
Model UN Club	

PENN HILLS SCHOOL DISTRICT**SPORTS**

SPORT	MALE	FEMALE
Football	V, JV, FR, 7/8	
Soccer	V, JV, 7/8	V, JV, 7/8
Volleyball	V	V, JV, 7/8
Cross Country	V	V
Swim and Dive	V, 7/8	V, 7/8
Basketball	V, JV, FR, 7/8	V, JV, FR, 7/8
Bowling	V	V
Track and Field	V, 7/8	V, 7/8
Baseball	V, JV, 7/8	
Softball		V, JV, 7/8
Golf	V	
Tennis		V
Wrestling	V	
Cheerleading		V, JV, 7/8
Fitness	V	V

V = VARSITY **JV = JUNIOR** **FR =**
VAR. **FRESHMEN**

Initiatives in Chronological Order by Deadlines (Subject to Change)

	START DATE	DEADLINES	INITIATIVE	TOPIC	STATUS
1.	April 1, 2019	May 31, 2019	CON 1	Garbage Contract	
2.	April 1, 2019	May 31, 2019	CON 2	Insurance Broker	
3.	March 1, 2019	June 30, 2019	OPE 1	Supplies	
4.	March 1, 2019	June 30, 2019	ACA 12	Supplementals	
5.	March 1, 2019	June 30, 2019	ACA 13	Athletics	
6.	May 1, 2019	June 30, 2019	REV 1	Real Estate Taxes	
7.	May 1, 2019	June 30, 2019	REV 12	Transitional Loan	
8.	March 1, 2019	July 31, 2019	OPE 9	Time Mgt. System	
9.	May 2019	July 31, 2019	HR 1	Resume Assistance	
10.	June 1, 2019	July 31, 2019	OPE 8	Direct Deposit	
11.	July 1, 2019	August 31, 2019	ACA 7 (Pt. 1)	Middle School Model	
12.	July 1, 2019	Sept. 30, 2019	ACA 10	District Program Plans	
13.	July 1, 2019	Sept. 30, 2019	OPE 10	Auditor General Report	
14.	July 1, 2019	Sept. 30, 2019	CON 4	Solicitor Contract	
15.	August 1, 2019	Oct. 1, 2019	ACA 2	Kindergarten Sections	
16.	March 1, 2019	Oct. 31, 2019	OPE 11	Health Care Programs	
17.	Sept. 1, 2019	Nov. 30, 2019	OPSY 1	Buildings and Grounds Audit	
18.	Sept. 1, 2019	Nov. 30, 2019	OPSY 2	Transportation Audit	
19.	Oct. 1, 2019	Nov. 30, 2019	CON 6	Transportation Contract	
20.	July 1, 2019	Dec. 31, 2019	CBA 8	Early Retirement Incentive	
21.	Sept. 1, 2019	Dec. 31, 2019	OPE 3	Administrative Manuals	
22.	Sept. 1, 2019	Dec. 31, 2019	OPE 12	Fund Balance Policy	
23.	Oct. 1, 2019	Dec. 31, 2019	OPSY 3	Cafeteria Audit	
24.	Oct. 1, 2019	Dec. 31, 2019	OPSY 4	Special Education Audit	
25.	Dec. 1, 2019	January 2020	CON 5	Cafeteria Contract	
26.	March 1, 2019	Feb. 29, 2020	ACA 9	Forbes Road CTC	
27.	Sept. 1, 2019	Feb. 29, 2020	ACA 7 (Pt. 2)	Middle School Climate	
28.	January 2020	February 2020	CBA 2	Meet & Discuss	
29.	January 2020	February 2020	OPE 2	Close Middle School Pool	
30.	Nov. 1, 2019	March 2020	OPE 7	Close Middle School	
31.	January 1, 2020	March 31, 2020	OPSY 5	Security Audit	
32.	January 1, 2020	March 31, 2020	OPSY 6	Technology Audit	
33.	January 2020	March 2020	CBA 1	Outsource Options	
34.	March 2020	April 2020	CON 3	Security Contract	
35.	March 2020	April 2020	CON 7	Technology Contracts	
36.	March 1, 2020	May 31, 2020	OPSY 7	Insurance Audit	
37.	March 2020	May 2020	CBA 3	Teachers Contract	
38.	March 2020	May 2020	CBA 4	Support Contract	
39.	March 2020	May 2020	CBA 5	Custodians Contract	
40.	March 2020	May 2020	CBA 6	Cafeteria Contract	
41.	March 2020	May 2020	CBA 7	Administrators Contract	
42.	April 2020	May 2020	CON 8	Vendors Contracts	
43.	May 1, 2019	June 30, 2020	ACA 1	Teacher Furloughs	
44.	May 1, 2019	June 30, 2020	ACA 4	Paraprofessional Furloughs	
45.	May 1, 2019	June 2020	ACA 11	Administration Furloughs	

Initiatives in Chronological Order by Deadlines (Subject to Change)

46.	May 1, 2019	June 30, 2020	PL 1	Custodians Furloughs	
47.	May 1, 2019	June 30, 2020	SEC 1	Secretaries Furloughs	
48.	July 1, 2019	June 30, 2020	FS 1	Cafeteria Furloughs	
49.	July 1, 2019	June 30, 2020	ACA 8	Staff Absenteeism	
50.	July 1, 2019	June 30, 2020	OPE 4	Consortium Options	
51.	July 1, 2019	June 30, 2020	OPE 5	Shared Services	
52.	July 1, 2019	June 30, 2020	REV 2	Delinquent Taxes	
53.	July 1, 2019	June 30, 2020	REV 3	Earned Income Tax	
54.	July 1, 2019	June 30, 2020	REV 4	ACCESS Reimbursement	
55.	July 1, 2019	June 30, 2020	REV 5	Bussing Reimbursement	
56.	July 1, 2019	June 30, 2020	REV 6	Cafeteria Revenue	
57.	July 1, 2019	June 30, 2020	REV 7	Event Rates	
58.	July 1, 2019	June 30, 2020	REV 8	Chiefs Academy	
59.	July 1, 2019	June 30, 2020	REV 9	Special Education Programs	
60.	July 1, 2019	June 30, 2020	REV 10	Grant Writing	
61.	July 1, 2019	June 30, 2020	REV 11	Public Relations	
62.	July 1, 2019	June 30, 2020	REV 13	Subsidy Increase	
63.	July 1, 2019	June 30, 2020	REV 14	Charter School Tuition	
64.	July 1, 2019	June 30, 2020	REV 15	Legislation Topics	
65.	July 1, 2019	June 30, 2020	REV 16	KOZ Zones	
66.	July 1, 2019	June 30, 2020	REV 17	Education Foundation	
67.	July 1, 2019	June 30, 2020	REV 18	Non-Profit Ideas	
68.	July 1, 2019	June 30, 2020	REV 19	Leasing Opportunities	
69.	August 1, 2019	June 30, 2020	ACA 3	Academic Coaches	
70.	August 1, 2019	June 30, 2020	ACA 5	Achievement Ideas	
71.	Sept. 1, 2019	June 30, 2020	ACA 6	Testing Options	
72.	Sept. 1, 2019	June 30, 2020	FIN 1	Debt Service	
73.	January 2020	June 2020	OPE 6	Board Training	