

Act 141 Advisory Committee
Meeting Minutes
October 12, 2023
5:00 p.m.

In Attendance:

Committee Members: Dr. Sieta Achampong, Beth Light, Eric Turman, Dr. Tamara Willis, Dr. Andria Saia, James Thompson, Melanie Cook, Dr. Marisol Craig, Dr. Marcia Stokes, Doug Thompson Leader, Michele Rolko, Laura Harding, Dr. Travis Waters, Dr. Lori Suski

- Dr. Waters welcomed everyone to the meeting. Dr. Saia announced the appointment of Ms. Laura Harding to the Act 141 Advisory Committee. Ms. Harding briefly introduced herself and then the committee members introduced themselves.
- Dr. Marcia Stokes, Chief Financial Officer, presented the initiatives that comprise the areas of her responsibility for the Amended Recovery Plan (see attached presentation). Dr. Stokes indicated that all financial initiatives are either completed or in progress. Dr. Stokes reviewed the color-coding on the power point – green for completed, yellow for in progress.
- Dr. Stokes updated the committee on the following highlights of each initiative:
 - OP01 – The District is using OnBase to track contracts.
 - OP02 – Major contracts are reviewed (most recently food service, custodial/maintenance, and transportation).
 - FM01 – Forecast 5[®] is utilized to assist with development of projections.
 - FM02 – Fund Balance and Capital Reserve have increased significantly since 2019. The District cannot borrow based on current debt service schedule. There are over \$100 million in current capital needs throughout the District. The District must also have about six months' worth of claims costs in the Internal Service Fund 60 to cover health care claims since the District is self-insured.
 - FM03 – The District's facility study was presented at a recent School Board retreat. Several smaller projects were accomplished over the summer using ESSER funds (restroom renovations; sealcoating/painting of parking lots). **Ms.**

Cook asked if the public wanted to review the projects funded by ESSER where that information could be obtained. Dr. Stokes shared that Dr. Christy Thompson does a quarterly report at the School Board meetings. Ms. Cook asked if that could be posted to the District's website home page. Ms. Harding said it would be helpful to have instructions posted on how to access BoardDocs. ®

- FM05 – The 2022-23 school year saw the first clean audit in 20 years in HBGSD. There were zero findings. Dr. Stokes shared that the local audit results and the Annual Financial Report (AFR) are posted on the District website.
- FM06 – A Request for Proposals (RFP) was prepared for a financial advisor; however, since the District cannot currently borrow money, the RFP was not yet issued. Raymond James currently advises the District at no cost.
- FM07 – A debt management policy was put into effect earlier this year.
- FM08 – There is only one (1) vacancy in the Business Office currently. Highly qualified staff have been hired in new roles such as Director of Finance, benefits accountant, and purchasing specialist.
- FM10 – Monitoring and reporting have been improved. A shared Google folder showing Forecast 5 data is available to the Receiver, CRO and Superintendent. The District continues to monitor charter schools and transportation costs.
- R01 – Although unpopular, tax increases are necessary due to the compounding effect. The District was able to allow a zero percent tax increase for 2023-24 due to strong Basic Education Funding and Level Up monies. The fair funding lawsuit is still pending. Level Up funds may not be available in the future.
- R02 – The City of Harrisburg serves as tax collector for the District at 1/3 of the cost. There has been discussion of going to Keystone Collections to improve the collection rate, but there is a desire to maintain goodwill with the City, so this has not been reviewed in earnest at this time.
- R05 – The District receives 75 cents back on every dollar paid into social security on behalf of employees.
- R09 – Windfall revenue (such as ESSER funds) has been spent on priority items such as LED lighting, metal detectors, landscaping, window tinting, carpeting, signage, exterior doors, renovation of the garden level of HVLA, and the John Harris gymnasium floor.

- WF05 – An actuarial study is being conducted on the District’s health care plan to answer questions on how the rate was conceived and to ensure adequate funding. Reconciliation monthly is critical as there was a discrepancy between Highmark’s data vs. the District’s data. ***Dr. Saia asked if the District has ever considered moving to the South-Central Trust.***
- Dr. Willis gave kudos to everyone doing the work in the District. Dr. Suski explained why tax increases are essential to exiting receivership. Dr. Waters indicated that low property values in the city drive the high tax rates. He said that districts like Cumberland Valley raise taxes to the Act 1 index annually. Ms. Harding asked where the fair funding comes in with a District with over 80% Black/Hispanic students. Ms. Cook said the District needs PILOTS (Payments in Lieu of Taxes). Ms. Harding asked if the City has been unfair. Dr. Waters said that LERTAs are tricky. Dr. Saia referenced EITC tax credits which funded \$200,000 for the CAIU’s foundation. Dr. Stokes said that the District has a PILOT with UPMC of \$1 million. Dr. Suski said that the District is working with a consultant to look at additional PILOT opportunities. Mr. Thompson said that it is important to note that the District does not have a full complement of teachers. Mr. Turman said that there are many working on emergency permits. Dr. Saia said that many paraprofessionals have college credits (toward an A.A. or B.A.) and the CAIU has embarked on a program through Blueboard with work-embedded competencies and a pathway for paras to become certified teachers. There is currently a HBGSD para in that program. Ms. Harding said that coming out with an associate degree would be a good pathway without the debt. Students need to feel supported here.
- The meeting adjourned at 6:10 p.m.
- The next meeting will be held on November 9, 2023 at 5:00 p.m.