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**IN THE COURT OF COMMON PLEAS OF DAUPHIN COUNTY, PENNSYLVANIA**

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IN RE: APPOINTMENT OF A RECEIVER  
FOR THE HARRISBURG SCHOOL  
DISTRICT

NO. 2019-CV-3960-MD

CIVIL ACTION-LAW

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**RULE TO SHOW CAUSE**

**AND NOW**, this \_\_\_\_ day of \_\_\_\_\_, 2023, upon Harrisburg School District and Dr. Lori A. Suski's Petition to Amend Recovery Plan, a Rule hereby is issued upon the Respondents to show cause why the Petition should not be granted.

**RULE RETURNABLE** the \_\_\_\_ day of \_\_\_\_\_, 2023, in Court Room \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

BY: \_\_\_\_\_

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FOR THE HARRISBURG SCHOOL  
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**ORDER**

**AND NOW**, this \_\_\_\_\_ day of \_\_\_\_\_, 2023, upon consideration of the Petition to Amend Recovery Plan of the Harrisburg School District and Receiver Dr. Lori A. Suski, **IT IS HEREBY ORDERED** that the Petition is **GRANTED**.

**IT IS FURTHER ORDERED** that Receiver Dr. Lori A. Suski is directed to implement the Amended Recovery Plan attached to the Petition as Exhibit A.

**BY THE COURT:**

\_\_\_\_\_  
William T. Tully, J.

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**HARRISBURG SCHOOL DISTRICT’S PETITION TO AMEND  
RECOVERY PLAN**

Harrisburg School District (“District”) and its receiver, Dr. Lori A. Suski, by and through their counsel, Fox Rothschild, LLP, hereby petition the Court to approve the Amended Recovery Plan and in support thereof aver as follows:

1. On December 12, 2012, then-Secretary of the Pennsylvania Department of Education, Ronald Tomalis, (“PDE”) issued a Declaration of Financial Recovery Status, declaring the District in Moderate Financial Recovery Status as set forth in 24 P.S. § 6-621-A.

2. Upon its designation as a district in Moderate Financial Recovery Status, the District became subject to the Financial Recovery Law, 24 P.S. § 6-601-A et. seq.

3. Gene G. Veno was appointed as the District’s first Chief Recovery Officer (CRO) as authorized under 24 P.S. § 6-631-A.

4. The Financial Recovery Law requires a CRO to “develop, implement and administer a financial recovery plan,” for its school district. 24 P.S. § 6-633-A(1).

5. Upon completion, the proposed plan must be submitted to and approved by the District’s Board of Directors (“Board”). 24 P.S. § 6-652-A(c).

6. If adopted by the Board, the CRO must then submit the proposed plan to the Secretary of PDE for approval. 24 P.S. § 6-652-A(c)(1).

7. In accordance with the Financial Recovery Law, the District's first CRO, Gene G. Veno, obtained approval from the District's Board, and Secretary of PDE for a financial recovery plan in May 2013 ("2013 Plan").

8. Approximately two years later, in July 2015, the District was appointed a new CRO, Dr. Audrey Utley.

9. Dr. Audrey Utley prepared an amended financial recovery plan, which was approved by the Board and the Secretary of PDE in June 2016. ("2016 Amended Plan").

10. In October 2018, Dr. Janet C. Samuels was appointed as the District's third CRO.

11. Pursuant to 24 P.S. § 6-671-A(a)(1), the Secretary of PDE "shall petition the court of common pleas in the county in which a school district...is located for the appointment of the individual...to serve as receiver for the school district," if any of an enumerated list of circumstances is occurring.

12. The Financial Recovery Law allows for a district's CRO to be appointed as the receiver for the district. 24 P.S. § 6-671-A(c)(2).

13. On June 3, 2019, the Secretary of PDE filed a Petition for Appointment of a Receiver for the District ("Receiver Petition") with the Court, in accordance with 24 P.S. § 6-671-A.

14. On June 17, 2019, the Honorable William T. Tully granted the Secretary's Receiver Petition, appointing Dr. Janet C. Samuels as receiver for the District for a period of three (3) years, beginning on June 17, 2019, and ordered Dr. Samuels to implement the 2016 Amended Plan.

15. Following Dr. Janet C. Samuels' term, the Secretary filed a Petition for Extension of Receivership and Reappointment of Receiver ("Reappointment of Receiver Petition") with the Court in accordance with 24 P.S. § 6-671-A(b)(1).

16. On June 17, 2022, the Honorable William T. Tully granted the Secretary's Reappointment of Receiver Petition, appointing Dr. Lori A. Suski as receiver for the District for a period of three (3) years, beginning on June 17, 2022.

17. When a receiver is appointed, the receiver assumes all powers and duties of the CRO and the Board.

18. In addition to the assumed powers and duties, the receiver is afforded other powers and duties provided by the statute. 24 P.S. § 6-672-A(b).

19. One such power and duty allows a receiver to "modify the financial recovery plan as necessary to restore the school district to financial stability by submitting a petition to the court of common pleas." 24 P.S. § 6-672-A(b)(5).

20. Receiver, Dr. Lori A. Suski, submits this Petition to Amend Recovery Plan pursuant to her power and duty under 24 P.S. § 6-672-A(b)(5).

21. The Financial Recovery Law provides that, upon receiving a submission of a receiver's proposed amendment to a school district's financial recovery plan, the "court of common pleas shall approve the modification, unless the court finds by clear and convincing evidence that the modification is arbitrary, capricious or wholly inadequate to restore the school district to financial stability." 24 P.S. § 6-672-A(b)(5).

22. In accordance with 24 P.S. § 6-672-A(b)(5), the Court must approve receiver Dr. Lori A. Suski's petition to amend the District's 2021 Amended Plan, unless the Court finds

“clear and convincing evidence that the modification is arbitrary, capricious or wholly inadequate to restore the school district to financial stability.”

23. In filing this Petition to amend the District’s financial recovery plan, receiver Dr. Lori A. Suski submits an Amended Recovery Plan, dated July 14, 2023. See, a true and correct copy of the Amended Recovery Plan attached hereto as Exhibit A.

24. The Amended Recovery Plan acknowledges the progress that has been made since the District initially entered the financial oversight program in 2012 and proposes redefined goals and initiatives to reflect this progress.

25. The proposed Amended Recovery Plan remains centered around the three (3) guiding principles of the 2021 Amended Recovery Plan: (1) academic achievement, (2) financial management, and (3) student stability. See Exhibit A, pg. 4.

26. The proposed Amended Recovery Plan contains revisions to seven (7) of the Fundamental Initiatives which focus on significant cost savings of and/or revenues generated by the District. See Exhibit A, pgs. 4-9.

27. The revisions to the Fundamental Initiatives are based on multiple different factors the District faced over the past several years and accounts for the progress that has been made as well. See Exhibit A, pgs. 4-9.


28. The proposed Amended Recovery Plan includes adjusted financial and budget projections that incorporates the newly adopted teachers’ contract, assumptions for inflation, the most current PSERS rates, and current debt service obligations. See Exhibit A, pgs. 12-13.

29. The District submitted the proposed Amended Recovery Plan to PDE ahead of filing this Petition.

30. In accordance with the Financial Recovery Law, the District and Receiver, Dr. Lori A. Suski, submits this Petition to amend the District's Financial Recovery Plan.

WHEREFORE, the Harrisburg School District and Receiver, Dr. Lori A. Suski, respectfully request that the Court approve the Amended Recovery Plan attached as Exhibit A.

Fox Rothschild, LLP

By: 

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Dated: July 26, 2023

147797658.1

# Amended Recovery Plan



**Dauphin County, Pennsylvania**

Prepared by the  
Receiver and Chief Recovery Officer  
Dr. Lori A. Suski and Dr. Travis M. Waters

July 14, 2023

With the Assistance of  
Public Financial Management  
1735 Market Street, 42<sup>nd</sup> Floor  
Philadelphia, PA 19103  
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**EXHIBIT "A"**



## Table of Contents

INTRODUCTION .....	3
AMENDED RECOVERY PLAN EXIT CRITERIA .....	3
AMENDED ACADEMIC GOALS .....	4
AMENDED RECOVERY PLAN INITIATIVES .....	4
AMENDED RECOVERY PLAN FINANCIAL PROJECTIONS .....	12
MONITORING PHASE .....	13
APPENDIX .....	14

## Introduction

The Harrisburg School District (“HBGSD” or “the District”) originally entered the Commonwealth’s financial oversight program on December 13, 2012 and was designated as being in Moderate Financial Distress due to the District’s severe financial, academic, and operational challenges. In subsequent years, the District struggled to address these issues, culminating in the appointment of a Receiver by the Court of Common Pleas of Dauphin County on June 17, 2019. Since the adoption of the District’s current Amended Recovery Plan by the Court on July 20, 2021, the District has made progress towards accomplishing its initiatives. A status report on the various provisions of the current Plan has been included as an appendix to this Amended Recovery Plan.

The District’s improved financial position is represented by its ending FY2021-22 fund balance of \$24.6 million<sup>1</sup> as well as the elimination of previous audit findings, representing improved oversight and staffing in the Business Office. The District’s improved financial stability has also allowed for key investments for the benefit of students, including providing competitive staff salaries, identifying opportunities for early learning, and implementing new curriculum and improved professional development. While these are positive improvements, the District recognizes that it will take time and consistency for these investments to yield positive results in terms of student achievement.

In recognition of the District’s progress over the last several years, as well as the extraordinary circumstances that have impacted student learning during that period, the Receiver has prepared an amendment to the Harrisburg School District’s Recovery Plan. The purpose of this amendment is to clarify the goals of the Recovery Plan, reflect changed conditions, and update various initiatives to reflect progress and adjustments made by the District. Unless changed or amended by this document, all other aspects of the 2021 Amended Recovery Plan as approved by the Dauphin County Court of Common Pleas shall remain in effect.

## Amended Recovery Plan Exit Criteria

In the 2021 Amended Recovery Plan, the Receiver established criteria that the Harrisburg School District must meet before any determination by the Secretary regarding the District’s Financial Distress designation. These criteria are revised as follows:

<b>Number 1</b>	The District has achieved financial stability by maintaining a positive fund balance of at least five percent of annual revenues for three successive years, and concluding two successive years with positive annual financial results (revenues exceed expenditures), both as reported in the District’s audited annual financial statements
<b>Number 2</b>	The District does not request or require an advance of its basic education subsidy
<b>Number 3</b>	All employee salaries are paid when due
<b>Number 4</b>	The District is not in default on any bonds, notes or lease rentals and is not subject to withholding by the Secretary under section 633 of the Public School Code
<b>Number 5</b>	The District does not satisfy the criteria for determination of recovery status established in regulations promulgated under section 621-A (a) (2) of Act 141
<b>Number 6</b>	The District is able to show a financial projection that forecasts annual balanced budgets for the five fiscal years after exiting financial recovery status, based on information that is known at the time including collective bargaining agreements, debt service schedules, local tax effort, and plans for capital expenditures
<b>Number 7</b>	The District meets or demonstrates substantial progress in achieving the Academic goals as outlined in this Recovery Plan amendment

<sup>1</sup> Of the \$24.6 million fund balance at the end of 2021-22, approximately \$4.0 million is considered nonspendable, consisting of long-term receivables, prepaid expenses, and inventories. For 2018-19, about the time Receivership began, the District had a fund balance of \$15.4 million, with about \$1.1 million considered to be nonspendable.

## Amended Academic Goals

The Academic Performance chapter of the District’s 2021 Amended Recovery Plan included four goals to use to evaluate progress towards establishing the conditions for improved student achievement. In the Amended Recovery Plan, the District’s goals shall be replaced with the following:

<b>Goal 1</b>	Establish comprehensive systems and processes to improve student achievement at all grade levels, including but not limited to using data-driven decision making, implementing standardized instructional practices across the District, using a standards-aligned curriculum, and providing safe and welcoming building climates that support and promote student learning
<b>Goal 2</b>	Develop an early childhood program that focuses on early literacy and fosters partnerships with community providers and organizations in order to support early learning and school readiness
<b>Goal 3</b>	Increase opportunities to prepare students for post-graduate success including but not limited to establishing systems and processes to support the transition to post-secondary opportunities, partnerships with local higher education institutions and community organizations, development of District Pathways programs, and industry-based credentialing
<b>Goal 4</b>	Increase the graduation rates for John Harris High School and Cougar Academy and maintain the graduation rate for SciTech as measured by the four-and five-year graduation cohorts

The District’s plan to improve student academic achievement incorporates a renewed focus on early learning, including reading proficiency and kindergarten readiness as key strategies, along with an increased focus on college and career readiness, and creating systems and processes that support student success district-wide.

## Amended Recovery Plan Initiatives

Since the adoption of the 2021 Amended Recovery Plan, the District has made progress on many of the initiatives intended to improve the Plan’s three pillars of academic achievement, financial management, and student stability. While the majority of the District’s initiatives will remain as described in the 2021 Amended Recovery Plan, the following initiatives are revised with new information in this Plan. In most instances, these revised initiatives reflect the need for adjustments based on evolving circumstances over the last several years.

<b>AP09</b>	Continue to implement a standards-aligned curriculum and invest resources in curriculum	
<b>Deadline:</b> Ongoing		
	<b>Evaluation Measure:</b>	The District has a standard curriculum for all subjects and grade levels across the District that is aligned to state standards and has allocated resources toward this annually
	<b>Responsible Parties:</b>	Superintendent and Assistant to the Superintendent

Since the adoption of the 2021 Amended Recovery Plan, the District has revised and implemented standards-aligned curriculum across grade levels in several subject areas and has developed a plan to address the remaining areas. The Superintendent has also proposed that the curriculum be reviewed on a 6-year cycle moving forward.

As the District identifies adjustments to curriculum, or adjusts instructional programs or practice, it shall take steps to ensure that there is an established curriculum in place that is aligned to state standards and best practices. Examples include the planned expansion of the Pre-K program or the Career Pathways program.

As part of that process, the District will adopt an annual budget with sufficient funding for the initial revisions and the Superintendent’s stated cycle of curriculum development and replacement. In addition, any planned costs for the purchase of curriculum or technology should be reviewed to ensure they are in compliance with established state standards as well as within budgetary parameters.

**Action Plan**

The District will complete its current cycle of revising and implementing standards-aligned curriculum across grade levels	Before the beginning of the 2024-25 school year	Superintendent
The District will ensure all existing and proposed curriculum meets state standards	Ongoing	Chief Recovery Officer, Superintendent and Assistant to the Superintendent
The District will adopt an annual budget with sufficient funds for planned curriculum and materials, including technology and a six-year review cycle	June 30, 2024; annually by June thereafter	Receiver <sup>2</sup>

<b>AP11</b>	Continuation of learning options for District students	
<b>Deadline:</b> Ongoing		
	<b>Evaluation Measure:</b>	Enrollment in outside charter schools
	<b>Responsible Parties:</b>	Superintendent, Director of Virtual Learning

The District currently offers two flexible learning options – an in-house blended learning school, Cougar Academy, and a District cyber program, the Harrisburg Virtual Learning Academy (HVLA). Cougar Academy started in the 2016-17 school year, while HVLA was begun in the 2020-21 school year in response to the pandemic and demand for alternative educational delivery systems. These efforts have provided comprehensive instructional options to District students that are integrated with other District offerings, help to lessen the impact of competition from cyber charter schools, and contribute to the District’s financial stability by managing the impact of charter schools on the District’s budget.

The District will continue to offer flexible learning options to students and will adopt an annual budget with sufficient funding to support this initiative, providing a robust cyber school alternative to District students, and including funding for necessary staff and equipment to operate the programs successfully.

<sup>2</sup> In this Amended Recovery Plan, individuals are identified as responsible parties for executing individual initiatives. Currently, the Harrisburg School District is in Receivership, whereby the Receiver is responsible for overall implementation of the Recovery Plan as well as for several initiatives. If the District were to exit Receivership, those initiatives would remain in force, but the overall responsibility for implementation would fall to the Chief Recovery Officer or the Board.

### Action Plan

The District will periodically evaluate staffing and program needs to support District cyber programs	Annually by February	Chief Recovery Officer, Superintendent, Director of Virtual Learning, and Principal of Cougar Academy
The District will adopt an annual budget with sufficient funds to maintain and as necessary expand the cyber school programs	Annually in June	Receiver

<b>FM03</b>	Develop a multi-year facility utilization plan	
<b>Deadline:</b> December 31, 2023		
	<b>Evaluation Measure:</b>	Adoption of a multi-year utilization plan and budget
	<b>Responsible Parties:</b>	Superintendent, Chief Financial Officer, and Chief Operations Administrator

Since the adoption of the District's 2021 Amended Recovery Plan, the District has determined to reevaluate its building configuration by transitioning 5<sup>th</sup> grade students from the middle school buildings to elementary school buildings. These efforts were aided by the District's decision to invest federal stimulus funds under the pandemic-related Elementary and Secondary School Emergency Relief (ESSER) program to the reopening of Steele Elementary School. The District is also considering its options for expansion of the Cougar Academy School, which is currently located in the Lincoln Administration Building, as well as options for the expansion of its Pre-Kindergarten program.

In order to make informed decisions about how the District's buildings and programs will be configured and how resources will be allocated in the future, the District shall develop and implement a multi-year facility utilization plan. This plan will include estimates for current and future enrollment levels, classroom capacities, potential use of existing buildings including anticipated changes to educational delivery plans, as well as necessary operating and capital costs and savings, and provisions to ensure equity and access for all students.

### Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will analyze existing enrollment data and historic enrollment trends and develop long-term enrollment projections	August 31, 2023	Assistant Superintendent, Director of Student Services, and PIMS Coordinator
The District will develop a multi-year facility plan for programs, structures and building uses including timelines for critical path actions; periodically the plan shall be reviewed and updated	December 31, 2023	Chief Recovery Officer, Superintendent, Chief Financial Officer, and Chief Operations Administrator

<b>FM04</b>	Develop and implement a multi-year capital plan	
<b>Deadline:</b> June 30, 2024		
	<b>Evaluation Measure:</b>	Adoption of a multi-year capital plan and budget
	<b>Responsible Parties:</b>	Superintendent, Chief Financial Officer <sup>3</sup> , and Chief Operations Administrator

The District’s 2021 Amended Recovery Plan identified \$21.1 million in necessary facility repairs that the District needed to undertake over the next decade. Since that time, the District has identified additional projects which were not included in that Plan, including the renovation of Steele Elementary School using federal ESSER pandemic dollars. Currently, the District has identified more than \$56 million in total capital needs and has set aside almost \$26 million in fund balance toward capital projects.<sup>4</sup> The District has also identified a vendor to provide owner’s representative and construction management services.

The District shall use the feasibility study as described in initiative FM03 to guide the development and implementation of a multi-year capital plan that will allow the District to make necessary investments in facilities in a sustainable way annually and over a period of years. Once the multi-year capital plan is established, the Board shall annually adopt a capital budget enacting the funding to execute projects for the upcoming budget year and updating the plan. This shall include prioritizing projects, continued use of a vendor to provide owner’s representative and construction management services, allocating resources, and ensuring integration between the District’s operating and capital budgets.

The capital plan may be financed through a combination of operating transfers, bond proceeds, grants, and other sources as identified by the District. The annual capital budget and capital plan update shall take into account the District’s adopted debt policy and best practices regarding capital planning as established by the Government Finance Officers’ Association and similar groups, as well as the impact on the District’s multi-year operating budget forecast.

### Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will create a multi-year schedule for all capital projects based on criteria including urgency/priority, importance to educational mission, cost savings, and building safety	January 31, 2024	Chief Recovery Officer, Superintendent, Chief Financial Officer, and Chief Operations Administrator
The District will adopt a multi-year capital budget with identified projects and financing	June 30, 2024	Receiver
The District will annually adopt a capital budget with identified financing	Annually, no later than June 30 <sup>th</sup>	Receiver

<sup>3</sup> In this Amended Recovery Plan, individuals are identified as responsible parties for executing initiatives. If titles or individuals change during the period of time that this Recovery Plan is in effect, it will be understood that the individual assuming the responsibilities of the prior title or individual will be responsible for the initiatives in the Recovery Plan.

<sup>4</sup> According to the District’s FY2021-22 independent audit, the District has almost \$25.9 million in the capital reserve fund and almost \$100,000 in the capital projects fund.

<b>R01</b>	Increase real estate taxes annually to the Act 1 Index as deemed necessary by the Receiver	
<b>Deadline:</b> Evaluate the need for exceptions (annually by January); adopt tax rates (annually before July)		
	<b>Evaluation Measure:</b>	Increased revenues generated by the District
	<b>Responsible Parties:</b>	Receiver, Superintendent, and Chief Financial Officer

Since the adoption of the 2021 Amended Recovery Plan, the District has maintained budgetary reserves and grown its fund balance, which stands at \$24.6 million as of the District’s most recent independent audit in FY2021-22. The District has been able to do this through a combination of increased revenues, due to increases in state subsidies as well as one-time ESSER funds, as well as careful management of expenditures, including elimination of vacant positions and implementation of internal policies and procedures.

The 2021 Amended Recovery Plan stated that the District would need to increase taxes to the Act 1 Index annually as determined by the Receiver. This provision allowed flexibility in instances where the District may be able to regularly adopt a structurally balanced budget that does not rely on the use of fund balance without increasing taxes. However, in order to achieve the financial goals outlined in this amended plan the District will need to regularly increase the real estate tax rate in order to balance out projected expenditures for salary increases, employee benefits, charter tuition, and capital expenditures. If the District exits Receivership, the District will still need to increase taxes annually to comply with the terms of exit, with annual amounts approved by the Board based on recommendations from the Chief Recovery Officer and Chief Financial Officer. The District may continue to use fund balance for one-time non-recurring expenditures and should prioritize the use of assigned and committed fund balance for their stated purposes. The District shall meet the unassigned fund balance target of 5 to 8 percent of budgeted expenditures as described in initiative FM02 of the Amended Recovery Plan.

Any decisions regarding tax increases should be made in consultation between the Receiver, Board, Chief Financial Officer, and Superintendent in consideration of the District’s annual budget, academic priorities, and multi-year financial projections (including the requirements for exit from oversight).

#### Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events and Recovery Plan provisions	Recurring annually	Chief Financial Officer, Receiver
The District will adopt the final budget with the required tax increases and in accordance with all required statutory events and Recovery Plan provisions	Recurring annually	Chief Financial Officer, Receiver

<b>R08</b>	Repurpose vacant buildings	
<b>Deadline:</b> December 31, 2024		
	<b>Evaluation Measure:</b>	Execution of the project
	<b>Responsible Parties:</b>	Superintendent and Chief Operations Administrator

The District’s 2021 Amended Recovery Plan recognized the need for the District to develop a strategy for vacant and unneeded properties. At that time, the District’s intention was to sell the former William Penn High School, which was listed for sale. The District has since reconsidered this position, and intends to demolish the building, which is vacant, dilapidated and a substantial liability risk, but maintain ownership of the land. This gives the District increased flexibility in the future, pending the development of the forthcoming facility utilization study and capital plans as discussed in FM03 and FM04. As part of this initiative the District may also consider selling additional properties, such as the District-owned parcel on Wayne Avenue, at the discretion of the Receiver.

#### Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will demolish the William Penn property	June 30, 2024	Receiver, Superintendent, and Chief Operations Administrator
The District will determine how to repurpose the building site in the context of other long-term plans	December 31, 2024	Receiver, Chief Recovery Officer, Superintendent, and Chief Operations Administrator

<b>WF01</b>	Offer affordable and competitive salary increases to staff	
<b>Deadline:</b> Ongoing for the duration of the Recovery Plan		
	<b>Evaluation Measure:</b>	Projected future deficits after salary and benefit changes
	<b>Responsible Parties:</b>	Receiver, Superintendent, Chief Financial Officer

The 2021 Amended Recovery Plan included a 1.5 percent annual salary increase through 2025-26 for all three of the District’s unions: Act 93, HEA, and AFSCME.<sup>5</sup> These increases were developed based on the District’s financial projections and assumptions as outlined in the Plan, which did not include any projected federal stimulus (ESSER) funds, as the District’s pandemic windfall spending plans were not yet established.

In subsequent years the District’s severe human capital crisis has put it in a position where it must consider exceeding the salary limits established by the 2021 Amended Recovery Plan. This includes the need to retain qualified and certified District staff and attract and recruit new staff to the District, as well as

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<sup>5</sup> Act 93 is technically a meet and discuss group, but it is included as a union for purposes of this Plan.



recognition of the efforts of staff in supporting students under extraordinary circumstances during the pandemic. The District also recognizes the need to offer competitive salaries, as nationally more teachers and other staff members are leaving the education field, fewer numbers of teachers are entering the profession, and the number of emergency certified teachers is growing.<sup>6</sup> As a result, the District's need to exceed the salary maximum in the 2021 Plan is directly tied to its plans to improve academic achievement and outcomes for District students.

As of the date of this document, the District has entered into a multi-year agreement with the American Federation of State, County and Municipal Employees (AFSCME), the bargaining group that represents clerical, maintenance, and custodial positions, as well as staff who work in the District's Food Service department. The current agreement extends through June 30, 2025 and calls for a 2.5 percent annual increase to salaries, as well as bonuses based on years of service. The District has recently finalized an agreement with the Harrisburg Education Association (HEA) that represents teachers, and is currently in discussions with the Act 93 group. The District recognizes the need to exceed the stated maximums in the 2021 Amended Recovery Plan in order to provide competitive salary options and to recruit and retain high-quality professionals. The need to increase compensation is also supported by the results of a recent review of the District's Act 93 salaries by the Pennsylvania School Boards Association.

At the same time that the District has been evaluating the need for increased compensation for staff, it has also received revenue beyond what was anticipated in the 2021 Amended Recovery Plan through increases to the District's annual allocation of Basic Education Funding (BEF) and Special Education Funding (SEF) from the Commonwealth as well as one-time federal ESSER funding. While the projections in the 2021 Recovery Plan anticipated increases in the state subsidies for BEF and SEF, recent growth in the annual state subsidy allocations has exceeded what was established in the Plan, including the addition of Level Up funding for the 100 most disadvantaged school districts, which was introduced in the FY2021-22 fiscal year. The Governor's proposed allocations for the FY2023-24 year also exceed what was originally projected in the Amended Recovery Plan.

When the District's Amended Recovery Plan was approved in 2021, it referred to federal Elementary and Secondary School Emergency Relief (ESSER) funds provided in response to the COVID-19 pandemic. At the time of the adoption of the Recovery Plan the District had been notified that it would receive approximately \$83.9 million across all three rounds of non-recurring funding. However, since plans for how the funding would be spent by the District were not yet established, neither the corresponding revenues nor expenditures were included in the 2021 Plan's final projections. Eventually the District received almost \$84 million in one-time ESSER funds, as shown in the table below. The last ESSER funds will expire on September 30, 2024.

**HBGSD ESSER Fund Allocations <sup>7</sup>**

	Grant Expiration	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
ESSER I	September 2022			\$4,767,579		-	-
ESSER II	September 2023			\$24,873,106			-
ARP ESSER	September 2024			\$50,311,096			
ARP ESSER (Act 24)	September 2024			\$3,910,303			

<sup>6</sup> "PA issued the lowest number ever of new teaching certificates as educator shortage worsens". Kristen A. Graham. *The Philadelphia Inquirer*. April 12, 2023. <https://www.inquirer.com/news/pennsylvania-teacher-shortage-emergency-certification-ed-fuller-penn-state-20230412.html>

<sup>7</sup> ESSER allocations as reported by the Pennsylvania Department of Education.

The District's 2021 Amended Recovery Plan does outline a process for increasing compensation levels beyond what was originally deemed to be allowable under the Recovery Plan. Initiative R09 of the Amended Recovery Plan includes a provision for how the District may allocate unanticipated, or windfall revenues during the period while the Plan is in force. It describes windfall revenues as occurring in the event the District delivers extraordinary savings or receives significant unanticipated revenues from sources such as a one-time increase in delinquent tax collections, unanticipated increases in funding from the State, or additional federal funding like ESSER.<sup>8</sup>

The initiative allows the District to “allocate those windfall revenues and budgetary resources among priorities outlined in the plan”. The identified priorities include the provision of salary increases above the amounts available as a result of initiative WF01, as well as among other established budgetary priorities, such as establishing and maintaining budgetary reserves, investing in academic priorities for children, and moderating required tax increases. Decisions regarding the allocation of windfall revenues are made at the discretion of the Receiver. The District has elected to use portions of both of these revenue sources (unanticipated state appropriations and one-time ESSER funds) toward staff compensation, along with other priorities, including addressing facility needs and reducing the need for tax increases.

The table below demonstrates the windfall revenues from the increases in Commonwealth BEF and SEF funding, which total between \$16.0 to \$18.5 million annually between 2022-23 and 2025-26. The BEF and SEF windfall alone would completely cover the projected annual salary increases, which represent an average of 22 percent of the windfall revenues provided by the state subsidies during that period.<sup>9</sup> Despite the salary increases, the District has also been able to transfer resources toward capital projects as well as continue to grow its fund balance, as described earlier and evidenced by the updated financial projections shown later in this amendment.

#### State Subsidy Windfall Revenue

	2022-23	2023-24	2024-25	2025-26
2021 Plan Projected State Subsidies	\$63,775,079	\$65,669,743	\$67,601,374	\$69,570,694
Adjusted Projected State Subsidies	\$79,726,133	\$82,512,421	\$85,298,709	\$88,084,997
<b>Windfall Revenue (Difference)</b>	<b>\$15,951,054</b>	<b>\$16,842,678</b>	<b>\$17,697,335</b>	<b>\$18,514,303</b>

The District has the authority to direct these windfall revenues toward salaries as determined by the Receiver based on the 2021 Recovery Plan. Until the Receiver determines that the financial position has improved to a point where this level of oversight is not necessary, all annual salary increases will be determined in accordance with this Recovery Plan and contingent on the District achieving other initiatives included in this Plan. The Receiver and Chief Recovery Officer, reserve the right to set these requirements under the authority granted by Sections 642-A(a)(13) and 642-A(a)(15) of Act 141. The requirements of this initiative will be effective for the duration of the time that the District is designated to be in moderate financial recovery or any other level of State oversight.

#### Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District will provide salary increases that are affordable given sustainable revenue sources and budget projections	Effective for the duration of the Recovery Plan	Receiver, Chief Recovery Officer, Superintendent, Chief Financial Officer, and Director of Human Resources

<sup>8</sup> 2021 Amended Recovery Plan, p. 122.

<sup>9</sup> This calculation is solely based on salaries. If benefits and associated reimbursements for PSERS and Social Security were considered, the percentages would change.

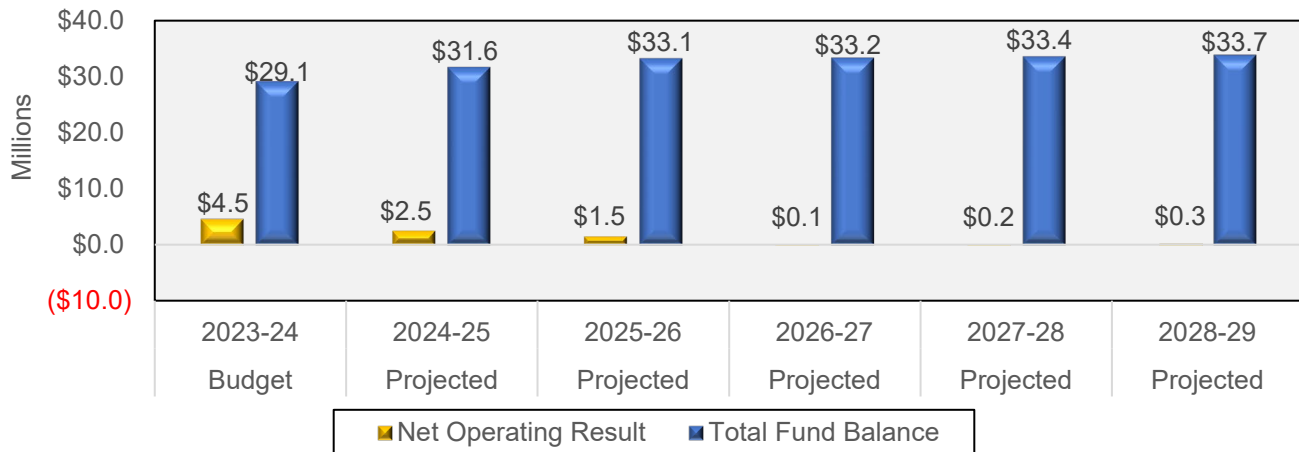
## Amended Recovery Plan Financial Projections

The following chart and table show the District's multi-year financial projection. The budget projections use the District's 2023-24 budget to project revenue and expenditure growth over the next five years. The projections include the newly adopted teachers' contract, assumptions for inflation, the most current PSERS rates, and the District's current debt service obligations. This projection also assumes an increased enrollment in brick and mortar and cyber charter schools based on current trends as well as assumes that the District will continue to fund 65 percent of budgeted ESSER III salaries and benefits starting in 2024-25. In order to balance the budget in 2028-29, these projections assume the District will increase the real estate tax rate by 3.5 percent per year beginning in 2024-25 in addition to receiving the Governor's proposed 2023-24 BEF and SEF allocations.

In this projection, the District's revenues grow by an average of almost 3.0 percent annually starting in 2025-26. There is a projected decrease in total revenue in 2024-25, which is primarily the result of the removal of federal pandemic-related ESSER funds from the budget after the 2023-24 year. The decrease in ESSER funding is offset by growth in local and State sources over the remaining years of the projection.

The District's expenditures grow at an average of 3.2 percent starting in 2025-26. There is a projected decrease in total expenditures in 2024-25, which is primarily a result of the removal of one-time ESSER expenditures, the majority of which are primarily being used for building renovations and other capital needs. Growth in future years is driven by increases in salaries and benefits related to employee contracts (and anticipated future contracts) as well as continued growth in charter school tuition costs.

**Harrisburg School District  
Amended Recovery Plan Financial Projections**



	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Budget	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$223,051,057	\$194,037,650	\$200,337,032	\$206,189,928	\$211,710,060	\$217,431,799
Total Expenditures	\$218,594,891	\$191,541,548	\$198,790,442	\$206,066,857	\$211,510,060	\$217,131,799
<b>Net Operating Result</b>	<b>\$4,456,166</b>	<b>\$2,496,102</b>	<b>\$1,546,590</b>	<b>\$123,071</b>	<b>\$200,000</b>	<b>\$300,000</b>
<b>Total Fund Balance</b>	<b>\$29,070,097</b>	<b>\$31,566,199</b>	<b>\$33,112,789</b>	<b>\$33,235,859</b>	<b>\$33,435,859</b>	<b>\$33,735,859</b>

As shown in the prior graph, the District anticipates ending each fiscal year with positive operating result, due to projected increases in State and local funding to balance out projected expenditure growth. It is important to note that despite anticipating increases in Basic Education and Special Education subsidies in 2023-24 at the levels shown in the Governor's proposed budget (and then subsequent increases based on historical growth), without local tax intervention the District would face negative operating results starting in 2025-26 that grow annually. The District would almost completely exhaust its fund balance by 2028-29. In order to preserve the District's fund balance and to continue to fund programs at current levels, it will be critical for the District to implement annual tax increases.

## Monitoring Phase

If the District's Moderate Financial Distress status is removed, the District will enter a five-year monitoring phase as provided in Act 141. In this monitoring phase, the District's would still be responsible for implementing the District's Recovery Plan and its amendments and a Chief Recovery Officer (CRO) would remain in place to manage the oversight process for the Pennsylvania Department of Education.

As part of the monitoring phase, a Chief Recovery Officer (CRO) and the Department shall develop a plan for regular progress assessment and reporting for the District. The monitoring phase shall include, but not be limited to:

- Monthly meetings with the Department to discuss progress or potential issues
- Preparation of quarterly reports on the status of initiatives in the Recovery Plan, progress towards the stated Amended Academic Goals, cash flow reports, and periodic updates to the multi-year financial projections
- Alignment of the District with resources and systems of support from the Department to ensure that the District can continue to build strong processes to create the conditions for growth in student achievement

During the monitoring phase, the District shall continue to adhere to the initiatives and goals of the Recovery Plan and its amendments. In the monitoring phase, the District shall follow these steps in accordance with the Plan initiatives:

- Implement and periodically update the LEA Comprehensive Plan in collaboration with the Pennsylvania Department of Education
  - This includes but is not limited to any school improvement plan designation (e.g., CSI, A-TSI, TSI) for continuous improvement, accountable leadership, and enhanced teaching and learning
- Ensure that sufficient funding is available to support the positions, programs, and processes outlined in the comprehensive plans
- Maintain programmatic and financial support for curriculum updates, replacement of textbooks and classroom materials, replacement of technology, the Harrisburg Virtual Learning Academy and Cougar Academy, and any early learning, Pre-K, or Career Pathways programs the District may develop
- Maintain balanced budgets and a positive fund balance

Appendix to Amended Recovery Plan

# Harrisburg School District Recovery Plan Status Update

July 14, 2023

# Progress Summary

## Overview

- The Harrisburg School District's Recovery Plan was prepared in 2021, and subsequently submitted to the Dauphin County Court of Common Pleas.
- The Recovery Plan included three guiding principles to represent key areas of improvement for the District to restore financial stability and invest in the District's students:
  - Academic Achievement: The District believes that every student in the District can be successful and achieve academically
  - Financial Management: The District will improve the management of its financial operations
  - Student Stability: The District will stabilize enrollment through the recapture of students in charter schools
- The District's financial and operational challenges did not appear in a single year, and they will not be resolved in one year. Continued implementation of the Plan is critical to the District's success.
- This status update is intended to provide an overview of the accomplishments over the past two years, and to outline areas of focus for the District in the future.

## Fundamental Initiatives

- The Recovery Plan includes 62 initiatives to improve the District’s academic programs and operations
- Page 8 of the Plan lists 10 fundamental initiatives to focus the District’s efforts on high impact areas, with significant opportunity for cost savings or significant revenues

Initiative Number	Description	Recovery Plan Page	Status
R01	Increase real estate taxes annually to the Act 1 Index as deemed necessary by the Receiver	109	In Progress
R02	Improve the current year real estate collection rate	111	In Progress
R03	Develop partnerships with tax-exempt entities to generate voluntary payments	113	In Progress
R04	Receive Special Education Funding contingency annually	115	No Evidence/ Not Started
R05	Increase reimbursement for Social Security contributions paid on behalf of employees	116	Completed/ In Progress
R06	Increase Medicaid ACCESS revenue	118	Completed/ In Progress
AP11	Develop a continuum of learning options for District students	43	Completed
WF02	Reduce future growth in healthcare costs	132	In Progress
WF03	Review and control workers compensation costs	134	Completed/ In Progress
WF04	Monitor and reduce overtime costs	136	Completed/ In Progress



# Status Summary

## Initiative Status Summary

Status	Count	Notes
Completed	6	<p>Goals and intended outcomes from the Plan have been achieved as determined by the CRO</p> <p>In future updates to the Plan, these initiatives may be removed or replaced with initiatives targeted to complete subsequent phases</p>
Completed/ In Progress	22	<p>Some or most goals and intended outcomes have been achieved as determined by the CRO</p> <p>There may be ongoing monitoring required, or the initiative may take multiple years to complete</p> <p>In future updates to the Plan, these initiatives may receive updates to contextual information, as well as new timelines or goals</p>
In Progress	33	<p>Although the District may have taken some steps to complete the initiative, there are many outstanding goals to achieve</p>
No Evidence/ Not Started	1	<p>Although the District may be working towards the initiative, they have not made significant progress in reaching the intended outcomes as determined by the CRO</p>
<b>Total</b>	<b>62</b>	

# Initiative Update

## Academic Performance

Initiative	Description	Status	Summary
AP01	Take action to improve Districtwide student attendance	In Progress	The District is currently tracking student attendance and developing reports that are shared monthly. Human capital continues to impact this area. It's unclear if Student Attendance Improvement Plans (SAIPs) have been implemented with fidelity.
AP02	Increase staff attendance by enforcing existing policies and improving reporting	Completed/ In Progress	The District's Human Resources Director works with school principals to enforce the District's existing policies and address leave without pay. The District acknowledges that human capital continues to be an issue for the District, but is taking steps to improve staff recruitment, retention, and attendance.
AP03	Improve accountability for student performance	In Progress	The District has created Supervisor of Professional Development and Director of Schools positions to provide additional supports. Additionally, school principals are tasked with developing academic goals for their buildings and report progress at the end of the school year. Data from Imagine Learning, Acadience, Star Reading, and Math is shared between the central office staff and building principals.
AP04	Use academic data to inform instructional practices	In Progress	The District is moving forward with a framework to support instructional practices. Principals and their teams were trained in Data Wise and monthly grade and department level meetings are held regularly.
AP05	Continue Professional Learning Communities (PLC) for principals and assistant principals	Completed/ In Progress	The District's Professional Learning Communities hold monthly meetings with principals and assistant principals.
AP06	Continue coaching programs in the District	In Progress	An instructional coach has been assigned to each school building and the District is in the process of establishing a system to monitor their effectiveness.

## Academic Performance

Initiative	Description	Status	Summary
AP07	Conduct annual performance evaluations of all staff	In Progress	The School has established an evaluation process to evaluate certified staff, relying on tools such as Frontline, the PEERS system, PDE 13-2 forms, and PDE 13-1 forms. The District is working on developing an evaluation process for non-certified staff members. The District is also working with the Pennsylvania Association of School Personnel Administrators to complete an audit of the Human Resources Office.
AP08	Ensure high-quality staff in key leadership positions	Completed	The District has been actively recruiting and hiring high-quality staff members to fill leadership positions and continues to work towards filling other vacancies. For 2023-24, the District has budgeted for a Director of Early Childhood Education, Supervisor of K-12 ELA and Social Studies, Supervisor of Math and Science, Supervisor of Professional Development, and Supervisor of School Improvement.
AP09	Implement a standards-aligned curriculum across the District	In Progress	The District has completed the development and implementation of a math curriculum and is currently working on developing an ELA curriculum. Once complete, the District plans to monitor progress and effectiveness through a curriculum audit. The District has also updated the curriculum for health & physical education, media literacy, art, and music.
AP10	Follow MTSS process with fidelity in all buildings	In Progress	The District received grants to support behavioral pieces of MTSS. The District is collaborating with Effective School Solutions in the development of a MTSS playbook with the goal of implementing in the Fall of 2023. The playbook will outline procedures to support students at all tiers. The District is applying for grants to hire a MTSS coordinator as well as exploring alternative methods of funding the position in the absence of a grant. MTSS has not yet been implemented with fidelity across District buildings.

## Academic Performance

Initiative	Description	Status	Summary
AP11	Develop a continuum of learning options for District students	Completed	Cougar Academy and Harrisburg Virtual Learning Academy (HVLA) serve as options for the District's students in addition to career pathways opportunities at the high school level. Examples include a pre-apprenticeship opportunity with ABC Network and with Hamilton Health and UPMC for healthcare opportunities. The Director of Virtual Learning has continued to support the expansion of the HVLA program. The District is working on developing a marketing strategy to bring students back to the District. The District hired a College and Career Coordinator and has established dual enrollment programs with Harrisburg University, Temple University, and HACC.
AP12	Attract and retain students at HVLA and Cougar Academy	In Progress	Attendance at both Cougar and HVLA has increased, and as of March 2023, Cougar Academy and HVLA enrollment was 390 and 681 students respectively. The District would like to identify funding options to continue to sustain the continuation of both programs after the expiration of ESSER funding.
AP13	Review Special Education program costs and placements	In Progress	The District has hired a new Director of Special Education and is in the process of reviewing the special education plan.

## Administration and Governance

Initiative	Description	Status	Summary
ADMIN01	Annual training for all School Board members	Completed/ In Progress	School Board members completed their annual training for the 2022-23 school year and will need to do so for 2023-24 after the upcoming election this fall. The Receiver has provided additional supports by reviewing different topics with the Board. A Board retreat is planned for fall of 2023.
ADMIN02	Update Board policies	Completed/ In Progress	The District provides policy updates to the Board and policies are approved by the Receiver at the business meetings.
ADMIN03	Improve public access to District documents	Completed/ In Progress	All contracts, agendas, and agreements are uploaded to Board Docs for public access.
ADMIN04	Adopt an ethics policy for all district staff	Completed	The District, in conjunction with PSBA, has noted the District's current conflict of interest policy (827) meets this standard.
ADMIN05	Reorganize central office staff	In Progress	An internal draft of the organizational chart has been developed by the Superintendent and shared with the Receiver, Chief Recovery Officer, and the School Board.
ADMIN06	Develop monthly and quarterly reports to be shared with District Administration, School Board and Receiver	In Progress	A weekly board and leadership team report is shared with the Receiver, the Chief Financial Officer (CFO) shares a quarterly report with the Receiver, and the Superintendent updates the School Board at the monthly meetings. The CFO's report includes topics such as updates on revenues and expenditures, projections, contracted transportation costs, and charter costs.
ADMIN07	Establish a monthly meeting to discuss Recovery Progress	In Progress	The Chief Recovery Officer and Superintendent collaborate to review and update the Recovery plan initiatives monthly and the Superintendent will provide monthly updates to the School Board. The District previously used Act 141 meetings to monitor progress and since the appointment of a Chief Recovery Officer, meetings with responsible parties are conducted monthly.
ADMIN08	Develop an electronic Recovery Plan Status Dashboard	Completed	The District has developed an electronic dashboard.

## Operations

Initiative	Description	Status	Summary
OP01	Develop a contract administration database and implement performance standards into all contracts	In Progress	The District has hired a senior administration staff member who supports finance and operations. The staff member is in the process of entering contracts into the District's contract management software (OnBase). The District has added approximately 765 (412 new) contracts in the database.
OP02	Review significant District contracts every three years	In Progress	The District has reviewed their food services, transportation, and custodial contracts. The District has developed an accountability tool for ESSER funded contracts and hired an administrator to track expenditures and ensure the law is being accurately followed.
OP03	Conduct Districtwide risk assessment	In Progress	The District worked with Vulnerability Solutions Group to conduct a risk assessment for every District building. The Chief Operations Administrator is utilizing the recommendations for next steps.
OP04	Develop and implement a multiyear transportation improvement plan	Completed	An analysis on transportation was completed in 2022 and the recommendations are being implemented. The District has re-engaged partners to further refine areas of transportation such as flow of traffic, walking zones, special education eligibility, maximizing use of seating capacity, and implementing transportation software.
OP05	Develop a Districtwide communication plan	In Progress	A communications assessment plan was completed in 2020 and the District is continuing to work on finalizing a Districtwide communications plan. The District has contracted Trapani Communications to support crisis communications.
OP06	Finalize and Maintain Position Control system	Completed/ In Progress	The HR Office has developed a staffing tracker in the eFinance system and the tracker is updated monthly.
OP07	Ensure high quality staff in the Office of Human Resources	In Progress	The District has worked with the Pennsylvania Association of School Personnel Administrators (PASPA) to complete an audit of the HR office. The District is in the process of reviewing and implementing the PASPA recommendations.



## Operations

Initiative	Description	Status	Summary
OP08	Document all Office of Human Resources processes and review all Districtwide policies	Completed/ In Progress	In addition to implementing the PASPA recommendations, the District is working with the Pennsylvania School Boards Association (PSBA) to conduct a review of the District's policies.
OP09	Improve monitoring and reporting of Human Resources information in documents shared with the Receiver and the Board	In Progress	The District's previous HR Director left and a new hire has transitioned into the role as of June 2022. The new Director is working on improving monitoring/reporting in conjunction with the PASPA audit of the HR office.
OP10	Conduct exit interviews	Completed/ In Progress	The District is conducting exit interviews for staff members who leave and storing the responses.
OP11	Develop a Districtwide recruitment strategy	Completed/ In Progress	The District is working with Color and Culture to conduct a nationwide search to assist the District in recruiting teachers and filling difficult positions. A new collective bargaining agreement was approved by the Receiver with raises to make the District more competitive with surrounding school districts. Additionally, the District attends job fairs to further recruiting efforts.
OP12	Rewrite position descriptions for all District staff	In Progress	The District has reviewed and updated the position descriptions for AFSCME and Act 93 employees as part of the recent negotiation process and will complete HEA updates as well.
OP13	Clarify roles and responsibilities between District and contracted Food Service staff	In Progress	The District has updated the job description for Coordinator of Food Services and provided multiple training sessions to food service employees throughout the school year.
OP14	Improve District oversight of Food Service Management Company	Completed/ In Progress	The Coordinator of Food Services and the food service management company (FSMC) meet weekly to review different areas and provide oversight. The Coordinator also performs an annual onsite review of all campuses in addition to the FSMC's monthly onsite visits.

## Operations

Initiative	Description	Status	Summary
OP15	Monitor Point of Sale system to ensure accurate counts for reimbursement	In Progress	The District has implemented a daily procedure to monitor their Point of Sale system and ensure accurate counts.

## Financial Management

Initiative	Description	Status	Summary
FM01	Utilize a multi-year financial projection to guide budget decisions	In Progress	The District works with a contractor, Public Financial Management (PFM), on multi-year financial projections but does not currently develop projections internally. The last projections were used to inform the 2023-24 budget.
FM02	Adhere to existing fund balance policy	Completed/ In Progress	The District has successfully adhered to the policy and will continue to do so in future years. The CFO prepares an annual fund balance report and shares it with the Superintendent, CRO, and Receiver.
FM03	Develop a five-year facility utilization plan	In Progress	The District is working with Crabtree, Rohrbaugh, & Associates to complete a ten-year facility utilization plan. The Superintendent developed a facility usage plan that is being evaluated internally.
FM04	Develop a multi-year capital planning and budgeting process	In Progress	The District is in the process of completing a ten-year facility plan. At this time, the District has approximately \$99 million in identified capital needs over the next 10-years and the capital reserve fund stands at \$19 million. The District cannot borrow new money (FM07) and is therefore working on identifying a prioritization plan to address its capital needs.
FM05	Develop a comprehensive action plan for addressing and correcting audit findings from annual independent audits	Completed/ In Progress	As of the FY2021-22 Independent Audit, the District had no new findings and all prior year findings were no longer applicable.
FM06	Contract with an independent financial advisory firm	In Progress	The District has drafted an RFP for financial advisory services but cannot currently release it because the District is unable to borrow money due to a current policy (630).
FM07	Review existing debt management policy	Completed/ In Progress	A policy (630) has been adopted as of February 2023. The policy limits the Districts debt service costs to no more than 10 percent of operating revenues and limits outstanding debt to no more than 10 percent of the full assessed valuation of the District.

## Financial Management

Initiative	Description	Status	Summary
FM08	Ensure highly qualified staff in the Office of Business Services	Completed	The District has hired a high quality Chief Financial Officer, Director of Finance, and Chief Operations Officer. The District is working to fill four vacancies in the Business Office.
FM09	Document all Office of Business Services processes and implement a policy around document retention	In Progress	The District has partnered with Boyer & Ritter and 425 Consulting to develop desktop procedures to document processes and procedures. The District has completed the desktop procedures for the payroll specialist and is continuing to work on finalizing other procedures.
FM10	Improve monitoring and reporting of financial information in documents shared with the Receiver	Completed/ In Progress	The Chief Financial Officer provides a monthly financial update to the Receiver including information on budget vs actuals, cash flow, transportation cost, and charter school tuition.

## Revenues

Initiative	Description	Status	Summary
R01	Increase real estate taxes annually to the Act 1 Index as deemed necessary by the Receiver	In Progress	The District's millage rate remained flat from 2019-20 to 2021-22. The District raised taxes below the Act 1 Index in 2022-23 and has proposed no tax increase in the 2023-24 budget. Taxes will continue to be raised as deemed necessary by the CFO and the Receiver.
R02	Improve the current year real estate collection rate	In Progress	The District has connected with the City's treasurer's office to work on tax bills and improve collection. The District's 2021-22 collection rate was approximately 89 percent which is a small increase over the previous year.
R03	Develop partnerships with tax-exempt entities to generate voluntary payments	In Progress	The District has performed an analysis of potential organizations that may be interested in entering into voluntary or shared services agreements with the District. The District then intends to do outreach to those organizations.
R04	Receive Special Education Funding contingency annually	No Evidence/ Not Started	The District has applied for special education contingency funding for the 2021-22 and 2022-23 school years and did not receive the funding.
R05	Increase reimbursement for Social Security contributions paid on behalf of employees	Completed/ In Progress	The District has corrected prior deficiencies and is currently fully collecting social security reimbursements.
R06	Increase Medicaid ACCESS revenue	Completed/ In Progress	The District has hired a full-time staff member who will be dedicated to processing ACCESS claims.
R07	Continue to support grant-writing professional	Completed/ In Progress	The District has contracted an employee through Community Centered Consulting to serve as a grant writer. This staff member is actively working on several grants (such as the Renew America Energy grant) that could possibly bring significant revenues to the District. The District has successfully obtained a dual enrollment grant.

## Revenues

Initiative	Description	Status	Summary
R08	Sell vacant District buildings	In Progress	The District is working towards renovating the Steele building; negotiating deals for the sale of the land where the Woodward building was located; selling a small rowhome on Kensington Street; demolishing the William Penn building and developing a plan for the use of the land; and conducting a review of other vacant properties.
R09	Allocate windfall revenues and budgetary resources among priorities outlined in the Recovery Plan	Completed/ In Progress	This policy allows the Receiver to assign any excess revenues over expenditures in each budget cycle toward items needed, such as salary increases or improving fund balance. The District and the Receiver will continue to evaluate savings opportunities and apply funds as needed. The District has been able to build on its Capital Reserve Fund and establish the Internal Service Fund for health insurance claims.

## Workforce

Initiative	Description	Status	Summary
WF01	Offer affordable salary increases to staff	In Progress	The District has finalized multi-year agreements with AFSCME and HEA and is currently working on finalizing the agreement with Act 93. PSBA completed a salary study for Act 93 and contracted employees and some Act 93 and contracted employees have received a salary increase because of the study's findings.
WF02	Reduce future growth in healthcare costs	In Progress	The District is exploring options to reduce future healthcare costs through membership in a healthcare consortium and during negotiations with their collective bargaining groups. The District is currently working on completing a dependent verification audit.
WF03	Review and control workers compensation costs	Completed/ In Progress	The District has established a Workplace Safety committee that meets monthly. The committee reviews claims, trends, and makes safety related recommendations. The District is now self-funded for workers compensation.
WF04	Monitor and reduce overtime costs	Completed/ In Progress	The District has worked to eliminate the payment of double time in their AFSCME agreement. The HR Director has created procedures to ensure overtime is being processed based on rules established in the appropriate collective bargaining agreements.
WF05	Contribute to health care reserves	Completed/ In Progress	The District has established a self-insurance fund for health care costs. During FY2021-22, the District contributed approximately \$4.5 million to the fund.
WF06	Evaluate all staff positions	Completed/ In Progress	The HR Director monitors the staff tracking system and ensures the District has a vacancy available before hiring a new staff member. The CFO has recently completed a review of current and unfilled positions and eliminated vacant positions as part of the 2023-24 budget process. The District will continue reviewing staffing needs with building and department leaders as part of the budget process.
WF07	Explore managed competition for cafeteria and custodial functions	In Progress	The District has entered into a multi-year contract with its custodial and food service providers after an RFP and review process was conducted by the District.

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**IN THE COURT OF COMMON PLEAS OF DAUPHIN COUNTY, PENNSYLVANIA**

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IN RE: APPOINTMENT OF A RECEIVER  
FOR THE HARRISBURG SCHOOL  
DISTRICT

NO. 2019-CV-3960-MD

CIVIL ACTION-LAW

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**CERTIFICATE OF SERVICE**


I, Jeffrey T. Sultanik, Esquire, do hereby certify that on this day, I served, or caused to be served a true and correct copy of the foregoing Petition for Amend Recovery Plan upon the following by email:

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Dated: July 26, 2023

  
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