



AMENDED RECOVERY PLAN
2021-22 PROGRESS REPORT
QUARTER 3

Harrisburg City School District



Dr. Lori A. Suski, Receiver

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1. Authority & Purpose

In accordance with the Commonwealth of Pennsylvania’s Financial Recovery Act 141 of 2012, the Harrisburg City School District executed its original financial recovery plan in April 2013 and a revised plan in May 2016. On June 17, 2019, the Honorable William T. Tully issued an order pursuant to Section 671-A of the Public School Code, placing the Harrisburg City School District under Receivership for a period of three (3) years. Former Chief Recovery Officer, Dr. Janet C. Samuels, was appointed Receiver and finalized an Amended Financial Recovery Plan for submission to the Dauphin County Court of Common Pleas on June 21, 2021. The Amended Recovery Plan was approved by Judge Tully on July 20, 2021. Implementation of the plan began in August 2021. Dr. Lori A. Suski was appointed Chief Recovery Officer in September 2021 and worked very closely with Receiver Samuels to monitor the newly adopted plan. Dr. Samuels retired on January 28, 2022, and Dr. Suski was appointed to succeed her as Receiver from January 29 – June 17, 2022.

Section 672-A (b) (2) of the Pennsylvania Public School Code requires the submission of a quarterly report to the Secretary of Education. The following report reflects the status of the Amended Recovery Plan goals from January 1 – March 31, 2022, which is the third quarter of the 2021-22 school year.

2. Executive Summary

As of March 31, 2022, the Harrisburg City School District has 6,614 students enrolled K-12 in District, with a predominantly African American and Hispanic student population. The vast majority – 92.71% percent of the total student population – is economically disadvantaged and 16.71% percent of K-12 students receive special education. 22.48% of K-12 students qualify for English Language Development (ELD) services.

The COVID-19 pandemic has impacted the School District’s progress over the past two years. Students received fully virtual instruction from March 2020 – June 2021 and learning loss has been significant as reflected in the recently issued 2021 PSSA and Keystone Exam performance scores. Continued emphasis on academic achievement and social emotional learning is critical to the post-pandemic success of the District.

The intervention of the administrative team from Montgomery County Intermediate Unit (MCIU) has proven effective in raising expectations for compliance with state and federal regulations, developing internal controls, and establishing best practices. However, momentum was reduced when the District was forced to pivot to remote learning. Consideration should also be given to the fact that the amended plan initiatives contain some aggressive timelines for completion that would be difficult to accomplish in less than a year without having key employees in place. While some progress has been noted among the three (3) guiding principles outlined in the Amended Recovery

Plan – Academic Achievement, Financial Management, and Student Stability – there is still much work to be done before the District can meet the exit criteria as outlined in the plan.

The District has focused its attention on increasing expectations for students, staff and administration, but the impact on students and staff of transitioning all students from remote learning back to brick-and-mortar simultaneously in August 2021 was grossly underestimated. Students, teachers and administrators experienced the residual effects of being away from the school facility for an extended period of time. A “reset” of expectations for students and staff was necessary by the end of the first marking period. Although some improvements were noted, culture and climate issues in some schools continue to negatively impact academic progress. The Receiver worked with the Commonwealth’s Pennsylvania Training and Technical Assistance Network for school districts (PaTTAN) to arrange for environmental scans of the secondary schools to occur this spring so that a plan for refocused attention on Positive Behavior Intervention Support (PBIS) could be developed over the summer, and the 2022-23 school year can begin with explicit expectations in place for students.

District leadership has been fully immersed in cultural proficiency training over the past two years in an effort to establish equitable practices across the District. This experience has been fruitful for principals and central office administrators, but a plan is now needed to train teachers and support staff so that all personnel can be better equipped to respect and honor one another’s differences and approach teaching and learning from a diversity, equity and inclusion lens.

The District has also experienced some changes within the administration. A new Superintendent of Schools, Mr. Eric Turman, was appointed by the former Receiver and in consultation with the School Board last summer. A first-year superintendent requires support and encouragement under normal circumstances, and the global pandemic presents a host of additional challenges for a new leader. Mr. Turman is supported in his professional and executive growth by the Receivers (past and present) as well as a designated external mentor. Dr. Samuels also requested that former Acting Superintendent Chris Celmer (MCIU employee) remain on throughout the 2021-22 school year to allow for substantial transition time with Mr. Turman. The resignation of Dr. Latrice Mumin, Director of the Office of Accountability (MCIU employee) on December 31, 2021, opened the door for Mr. Turman to transition that role to an Assistant Superintendent to support the Office of the Superintendent. Dr. Marisol Craig, a longtime administrator of Harrisburg City School District, was appointed by the new Receiver as Assistant Superintendent in February 2022. These critical, executive leadership roles (both now held by commissioned officers) are now in place to move the District forward and continue the progress that has already been made.

After conducting a regional, multi-state search, the District also hired a new Business Administrator to improve the execution of its financial operations. Dr. Marcia Stokes, the former Business Manager at Tuscarora School District in Franklin County, began her work during the last week of January 2022.

The Amended Recovery Plan anticipates annual deficits for the District through 2025-26. A surplus recorded in the year ending June 30, 2020, was due to increased managerial oversight, renegotiated contracts, and the reduced costs when the District migrated to virtual learning for the last marking period of the 2019-20 school year. A comparable situation is projected for the year ending June 30, 2021; however, audited financial statements for 2020-21 have not yet been received from the local auditor. Shortly after her arrival in the District, the new Business Administrator discovered several areas that required correction before the 2020-21 audit could be finalized. This discovery has also called into question the accuracy of the 2019-20 audited financial statements. As a result, the new Business Administrator is also reviewing the 2019-20 financial statements. To provide additional supports in making the necessary adjustments, the Receiver has hired an accounting firm, Boyer & Ritter, to execute the essential clean-up work needed to perform cash reconciliations and audit preparation at the expense of the MCIU. Under a separate contract, the Receiver also engaged the services of Boyer & Ritter to assist the new Business Administrator with performing additional accounting set-up and practices due to vacancies in the District's Business Office (the Office is operating without an Assistant Business Manager and a Senior Accountant).

Another factor impacting the District's finances is the award of \$83 million in ESSER funds resulting from multiple rounds of federal legislation to help school districts cope with the impact of the COVID pandemic. These are one-time dollars that have certain restrictions and cannot be relied upon after September 30, 2024. The District has submitted plans to the Pennsylvania Department of Education on how it plans to spend these resources in the best interest of District students, and in consideration of the District's long-term financial position.

As the District's plans for how to spend ESSER funds were not finalized at the time of the submission of the Amended Recovery Plan, the projections in the approved Plan did not include these funds. The District is working with PFM to revise the projections to include the ESSER revenues and corresponding expenditures so that the projections accurately reflect the District's current ESSER plans and financial impact. It should be noted that ESSER does not address long-term structural funding inequities that still exist among the Commonwealth's poorest school districts. The addition of Level Up funding for the state's most underfunded districts in June 2021 helped to backfill the District's structural deficit, but it did not completely eliminate it. Harrisburg City School District is again identified as one of 100 school districts in Pennsylvania that is eligible to receive Level Up funding for 2022-23, but this supplemental funding is contingent upon legislative action, as is an increase in other school funding proposed by Governor Wolf.

To achieve a balanced budget in the long term and meet exit criteria, the Amended Recovery Plan includes 10 fundamental initiatives to produce significant cost savings or generate additional revenue. With the new Business Administrator in her role for only two months, and the timing of the 2022-23 budget preparations and contract negotiations taking precedence, most of these

initiatives will require additional time to achieve. The District must continue to seek alternative sources of revenue to address the structural deficit in future years.

Another strategy that has taken precedence is the return of students from cyber/charter schools and the retention of currently enrolled District students to prevent them from exiting the District to attend cyber/charter schools.

The District has effectively returned 22 students from charter and cyber charter schools to help stabilize enrollment by implementing its own virtual learning program (Harrisburg Virtual Learning Academy), with 14 of these 22 students returning during this quarter. HVLA enrollment has exceeded its intended projection for the 2021-22 school year as the effects of COVID-19 wore on and more parents continued working from home post-pandemic. HVLA now has an enrollment of 856 K-12 students, which exceeds the size of many District brick-and-mortar schools.

Overall, the District has made tremendous strides over the past three years to correct several glaring issues of concern. However, as stated in the following pages, there is a considerable amount of work that remains to be completed to successfully address all 62 initiatives of the plan. The future of the Harrisburg City School District is contingent upon full implementation of the Amended Recovery Plan initiatives, action plans, and deliverables that are not just compliance-driven, but robustly carried out with fidelity and accountability.

This quarterly report will provide a status update on the six (6) chapters of the Amended Recovery Plan: 1) Academic Performance; 2) Administration and Governance; 3) Operations; 4) Financial Management; 5) Revenue; and 6) Workforce. With receivership slated to end on June 17, 2022, the following exit criteria must be met in order to be released from financial recovery, pursuant to Section 641-A (9) of Act 141:

- 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 conclude two successive years with positive annual financial results (revenues exceed expenditures), both as reported in the District's audited annual financial statements; **Not Met**
- The District does not request or require an advance of its basic education subsidy; **Met**
- All employee salaries are paid when due; **Met**
- 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; **Met**
- 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; **Not met**
- The District can 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; ***Not met**

- The District meets or demonstrates substantial progress in the academic assessments, graduation rate, and attendance goals outlined in the Academic Performance chapter of this Recovery Plan. **Not met**

***It is possible that by the end of Quarter 4, this criterion that is not met as of March 31, may be met by June 30, 2022.**

3. Academic Performance

The District has made meaningful progress in establishing systems and processes designed to stabilize the District. Examples include holding monthly Professional Learning Communities with principals, assistant principals, instructional coaches, and interventionists. Academic performance and other relevant data are regularly reviewed with building principals and are used to inform instruction. Building school improvement plans continue to be implemented and monitored by the Pennsylvania Department of Education as required for schools with federal designations of Comprehensive Support and Improvement (CSI), Additional Targeted Support and Improvement (A-TSI) and Targeted Support and Improvement (TSI).¹ Despite effort in these areas, the District has made minimal progress in improving academic performance due, in part, to the significant learning loss brought about by the COVID-19 pandemic. As noted earlier, the full return of all Harrisburg City School District students across all grades in August 2021 following over a year of full remote learning had a negative impact on students' ability to reacclimate to the structure of the school setting. Student misbehavior manifested in secondary classrooms resulting in many unfilled professional vacancies and the need to bring in additional supports to deal with student mental health. The District contracted with Effective School Solutions (ESS) to provide clinical services (Tier 3 support) to a cadre of students at John Harris High School, Rowland Academy, Camp Curtin Academy and Marshall Math Science Academy. PA Counseling Services continues to provide counseling services in all buildings for identified students (Tier 2 support). A review of attendance, discipline and academic data has shown a troubling pattern for students in Grade 5. Therefore, at the request of the Superintendent, a plan has been swiftly developed to relocate fifth grade students to the elementary schools for the 2022-23 school year. The District will submit its request to reconfigure its middle and elementary buildings accordingly to the Pennsylvania Department of Education for final approval next month.

The Amended Recovery Plan is written with four (4) key academic goals in mind: 1) Improving test scores on statewide standardized tests; 2) Improving student growth as measured by the

¹ The federal Every Student Succeeds Act (ESSA) provides for additional intervention for those school buildings most in need of supports. In the Harrisburg School District, the Downey Elementary School, Rowland Academy and John Harris High School are designated as CSI; the Foose and Scott Elementary Schools are designated as A-TSI; and the Benjamin Franklin and Melrose Elementary Schools, Camp Curtin Academy and the Cougar Academy are designated as TSI.

Pennsylvania Valued-Added Assessment System (PVAAS); 3) Increasing student graduation rates; and 4) Improving student attendance.

Goal #1- Increase the percentage of students achieving proficient and advanced on statewide standardized tests and decrease the percentage of students scoring at basic and below basic levels.

The District received the results of its 2021 standardized testing during this quarter. The Pennsylvania Department of Education cautioned all school districts to refrain from comparing results from 2019 to 2021 since no tests were administered in 2020. The following chart reflects the results of the 2021 state testing. No school met the statewide average of 55% proficient/advanced in ELA, 37.3% in Math, or 63.7% in Science, with one exception – the SciTech Campus of Harrisburg High School – which exceeded the statewide average on the Algebra I Keystone Exam by over 16% with 53.7% of students proficient or advanced.

State Assessment Measures for 2020-2021												
School	ELA/ LIT Pro+Adv	Math/ ALG1 Pro+Adv	Science/ BIO Pro+Adv	ELA/ LIT PVAAS	Math/ ALG1 PVAAS	Science/ BIO PVAAS	ELA/ LIT Adv	Math/ ALG1 Adv	Science/ BIO Adv	ELA/ LIT Participation	Math/ ALG1 Participation	Science/ BIO Participation
Benjamin Franklin	10.0	2.5	19.6				0.0	0.5	2.0	76.1	72.8	70.8
Camp Curtin	5.1	0.4	5.2				0.2	0.0	0.0	75.5	73.7	66.4
Downey	8.7	1.1	42.6				0.0	0.0	0.0	74.8	73.2	74.6
Foose	6.6	3.3	18.2				0.0	0.0	0.0	81.7	81.7	77.6
Marshall	5.9	0.0	8.3				0.0	0.0	0.0	66.0	63.5	38.7
Math Science	52.6	11.1	55.4				5.2	1.8	12.3	77.5	78.3	83.3
Melrose	14.9	8.2	37.0				1.1	1.8	4.3	83.8	79.5	85.2
Rowland	9.3	2.9	12.4				1.5	1.3	1.0	65.8	64.7	64.4
Scott	10.9	4.1	28.0				0.0	0.8	2.0	78.7	74.8	69.4
Cougar Academy	11.6	2.8	23.7				0.0	0.0	5.3	79.8	78.8	79.2
John Harris	11.8	20.0	5.9				0.0	4.0	0.0	37.8	40.3	30.9
SciTech	IS	53.7	IS				IS	21.1	IS	IS	95.0	IS

Although the District’s Marshall Math Science Academy (MMSA) did not meet the statewide average of 55% proficient or advanced in ELA (coming close at 52.6%), MMSA did exceed the annual target of increasing performance 6.8% over the 2019-20 score. The John Harris Campus of Harrisburg High School also exceeded the annual target of increasing performance 9.6% as measured by the Algebra I Keystone Exam. Cougar Academy also exceeded the annual target of 10.5% increase over the prior year’s score. While these improvements are certainly cause for

celebration, there is still much work to be done to improve the academic trajectory of the Harrisburg City School District.

Goal #2 – Increase student growth in all cohorts of students as measured in the Pennsylvania Value-Added Assessment System (PVAAS).

The 2021 PVAAS report² reflects growth in PSSA Math, ELA and Science (Grades 4 – 8) in 2021 that is considered “well above” across all grade levels. “Well above” is defined as “significant evidence that the LEA exceeded the growth standard.” Conversely, the report shows “meets” (defined as “evidence that the LEA has met the growth standard”) for the Keystone Biology and Literature Exams, but “well below” for the Keystone Algebra I Exam, which means that “the District did not meet the growth standard” for Algebra I.

Local assessment data as measured by performance on STAR Reading and Math assessments from beginning of the year to the end of the year for 2021 in Grades K-8 showed “well below” growth standards. This is evidence of the significant learning loss that occurred from March 2020 – June 2021 when teaching and learning was fully virtual.

Goal #3 – Increase the Districtwide graduation rate as measured by the four-year graduation cohort.

The four-year District graduation cohort rate in 2018-19 was 68.6% which was far below the state average of 86.5%. Broken down by individual school, Cougar Academy’s 2018-19 graduation rate was 84.6%, while John Harris was at 59.4% and SciTech at 100%. Based on the new data, only Cougar Academy met its annual target goal for graduation rate by increasing its annual percentage by 0.3%. John Harris did not meet its annual threshold in 2020-21 of a 4.5% increase, and SciTech did not maintain its 100% rate but declined to 95.7%.

Goal #4 – Improve overall student attendance

The Amended Recovery Plan relies upon regular attendance as the measure of progress for this goal. The District had set a target of 90% for regular attendance starting in the 2020-21 school year. This chart³ depicts overall student attendance for both the 2020-21 school year as well as the 2021-22 school year to date.

The end-of-year attendance data shows an overall 80.45% which fell approximately 10% short of the goal for the 2020-21 school year. However, both Marshall Math Science Academy and the SciTech Campus of Harrisburg High School exceeded the District’s attendance goal for the 2020-21 school year by attaining 91.07% and 91.61% attendance rates respectively. Student attendance

² <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:4d2e4eb2-7356-3cf4-b618-73e636d3c8bc>

³ <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:d134f518-57f7-3245-b77d-5f4be26344b2>

during the third quarter of the 2021-22 school year was 75.95% in January 2022, 81.78% in February 2022, and 82.88% in March 2022. The sharp decline from December 2021 of 80.45% to 75.95% in January 2022 is directly attributable to the District's increased number of COVID-19 cases which resulted in quarantine and isolation of students.

The Academic Performance chapter of the Amended Recovery Plan contains 13 initiatives. Below each initiative is a summary of actions that have occurred this quarter to address each area:

AP01 – Take action to improve Districtwide student attendance

The following action steps have been taken to improve student attendance:

- The Child Accounting Office has been working with building principals to correct reporting errors to ensure that accurate attendance is documented in the District's student information system.
- The Superintendent has directed building principals to have teachers in Grades 5 – 12 take attendance each period of the day; not just in homeroom each morning.
- Principals are monitoring attendance and working with the Director of Student Services to ensure the accuracy of data.
- Monthly building attendance data has been made publicly available on the District website so that it can be measured against the goals of the Amended Recovery Plan.
- Board Policy #204, concerning attendance, was updated and approved by the former Receiver at the March 2021 School Board meeting.
- The District guidance counselors are collaborating with parents to develop Student Attendance Improvement Plans (SAIPs).

The Receiver and Superintendent agree that the District must consider hiring Home and School Visitors to monitor student truancy, develop SAIPs and file official notices, freeing the counselors and social workers to spend their time working with students to provide direct services. Currently, the paperwork associated with attendance monitoring becomes a barrier to professionals spending time working directly with students. Principals and teachers need to be held accountable for accurate student attendance tracking. The level and accuracy of student attendance continues to be an ongoing concern in the Harrisburg City School District.

AP02 – Increase staff attendance by enforcing existing policies and improving reporting

Staff attendance has been a challenge in 2021-22 due to the incredible stress on teachers, support staff, and administrators in the wake of COVID-19. The shortage of human capital has drained the existing personnel to the point of exhaustion. This quarter it became necessary to compact the schedule at Rowland Academy due to 21 teaching vacancies that are unfilled in the building. The alternative was to move to a hybrid model whereby students only came to school 2.5 days per week. The Superintendent and Receiver did not support this option; therefore, the Superintendent

directed the Principal to work with the administration and teachers to devise a schedule that moved teachers' contractually required planning time and duty-free lunch period to the end of the day to ensure that students received all required minutes of instruction in core content areas. After-school clubs were established for students whose parents needed a safe place for their children until regular dismissal time.

Board Policy #318, covering staff attendance and tardiness, was updated and approved by the Receiver in January 2021. The Staff Absenteeism Task Force has not yet reconvened. The Office of Human Resources has been taxed by the considerable number of vacant positions across the District and has not been able to produce the weekly staff attendance reports noted in the Amended Recovery Plan. Yet, it should be noted that every administrator has access to Frontline, the District's tracking system for staff attendance. Principals can pull reports to monitor employee attendance and have been encouraged to address employees with poor attendance patterns.

AP03 – Improve accountability for student performance

Building leaders regularly discuss student performance data at monthly Professional Learning Community (PLC) meetings with the central office administration. The Office of Academics has developed a differentiated professional learning plan for staff.⁴ The March 18, 2022, staff development day schedule⁵ included several opportunities for teachers to engage in professional learning in accordance with the plan.

Failure elimination plans were created by building during the 2020-21 school year, and grading guidelines were created and implemented during the 2021-22 school year, which include failure elimination practices.

AP04 – Use academic data to inform instructional practices

The Office of Academics, under the direction of Dr. Susan Sneath of the MCIU, has developed an assessment calendar for the District.⁶ This calendar was recently presented at the PDE Data Summit in March 2022, as well as at the SAS Institute back in December 2021.

The District is participating in year #2 of training using DataWise. Data meetings are held with teachers at the building level monthly.

The District has created a data dashboard that is publicly accessible on the District's website. This dashboard reflects multiple years of both PSSA and Keystone Exam data.

⁴ <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:904074ec-ecf0-3d8e-8b0d-1696fe49b468>

⁵ <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:1b34591a-4cb4-39fe-9537-23c4a39102d0>

⁶ <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:7aa16c95-13f9-380b-ae2-0cdd577df93b>

While the mechanics of data collection are now in place, the proficiency levels of both principals and teachers vary in how to effectively interpret data and use it to group students for targeted instruction and intervention.

AP05 – Continue Professional Learning Communities for principals and assistant principals

The Office of Academics leads monthly Professional Learning Community (PLC) meetings with building principals and assistant principals to discuss topics related to teaching and learning.⁷ The administration has been engaged in a book study using Collaboration and Co-teaching for English Learners: A Leader’s Guide by Andrea Honigsfeld and Maria G. Dove.

AP06 – Continue coaching programs in the District

The District currently has an instructional coach assigned to each school in the District. The coach supports reading and math instructional support for teachers and principals to improve their knowledge and delivery of best practices.

AP07 – Conduct annual performance evaluations of all staff

The Superintendent met with each administrator in September 2021 to set annual goals. A mid-year goals conference was held during this quarter to monitor progress toward established goals.

AP08 – Ensure high quality staff in key leadership positions

The District has followed the process delineated in the Amended Recovery Plan to develop job descriptions for Business Administrator and Assistant Superintendent. Both positions were advertised and filled during this quarter. Dr. Marcia Stokes from the Tuscarora School District is the new Business Administrator, and Dr. Marisol Craig is the new Assistant Superintendent.

This quarter the District advertised for a Director of Human Resources due to the impending retirement of MCIU employee, Ms. Lori Lillis, on June 30, 2022. The District also hired Dr. Danielle Curzi to fill the newly created ESSER-funded position of Director of Extended Learning K-12. Dr. Curzi is responsible for planning the afterschool and summer programming for students using the federal ESSER set-aside funds for addressing learning loss.

The contract with MCIU has been extended until June 30, 2023, for the Office of Academics positions, which include the Chief Academic Officer and two Directors of Academics. The Superintendent and Receiver are developing a plan for the transition of those critical positions to the District during the fall/winter of the 2022-23 school year to allow for significant transition time between the MCIU and new hires.

⁷ <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:9a4573b0-0fdb-319b-84e2-f02468ae27ba>

AP09 – Implement a standards-aligned curriculum across the District

Standards-aligned curriculum has been revised and implemented in the following content areas: K-8 ELA, K-12 Mathematics, K-12 Health, Physical Education, Art, and Music, K-8 STEM, and Media Literacy. The Office of Academics continues to develop 9-12 ELA curriculum during the 2021-22 school year. Curriculum for K-12 Social Studies and Science have not yet been rewritten.

The Superintendent has requested that curriculum be reviewed on a 6-year cycle moving forward.

AP10 – Follow MTSS (Multi-Tiered System of Supports) process with fidelity in all buildings

This initiative is also one of the Objective Performance Standards for both the Superintendent and Assistant Superintendent. The leadership is collaborating with Effective School Solutions to develop a MTSS “playbook” for social and emotional learning tiers of support. The Office of Academics has created a framework for MTSS to address academics; however, it is not implemented with fidelity across all school buildings. This will be a critical area of focus moving into the 2022-23 school year.

AP11 – Develop a continuum of learning options for District students

The Harrisburg Virtual Learning Academy (HVLA) was introduced in the 2020-21 school year as an alternative, virtual learning option for parents who did not wish to have their children participate in the traditional brick-and-mortar learning program. HVLA continued in the 2021-22 school year, but contracted Edgenuity teachers were replaced with Harrisburg City School District teachers. Enrollment in HVLA has increased steadily throughout this school year, reaching 856 students as of March 31, 2022, as many parents have opted not to send their children to school due to the ongoing pandemic.

Additionally, the Harrisburg City School District continues to operate Cougar Academy, a blended learning option for students in Grades 1-12. This school operates out of the Lincoln School location on State Street and has enrollment of over 234 students. These blended and virtual options have assisted the District in preventing the loss of significant numbers of students to outside charter and cyber charter schools, saving the District millions of additional dollars of taxpayer funds.

AP12 – Attract and retain students at HVLA and Cougar Academy

Letters were mailed in January 2022 to students who attend Premier Charter School and Sylvan Heights Charter School, with a goal of encouraging families to return their children to the Harrisburg City School District for the 2022-23 school year. A marketing campaign for both programs has been underway this quarter with materials sent out to attract students to these virtual and blended models within the District.⁸ Follow-up personal phone calls are now scheduled to connect with each family.

⁸ <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:8eb66082-5a67-3317-90a2-24cfb34d731d>

AP13 – Review Special Education program costs and placements

Special education costs were reported to be almost \$17.0 million for the 2020-21 school year. As of March 31, 2022, a total of 201 students are currently being educated in outside placements, with 83 of them having Individualized Education Plans (IEPs). It should be noted that the overall number also reflects the students enrolled in Cougar Paws (therapeutic program) and Cougar Achieve (credit recovery program) which are both housed at the Hamilton School.

The Director of Special Education, Ms. Yolanda Goodwin-Humphrey, is retiring in June 2022. A search for her replacement is currently underway. This is a critical position for the Harrisburg City School District as the District just exited corrective action status for special education after a period of seven (7) years.

4. Administration and Governance

Four (4) new Board members were seated in December 2021 as a result of the General Election in November 2021: Ms. Roslyn Copeland, Ms. Jaime Johnsen, Ms. Terricia Radcliff, and Mr. Ellis Roy. Additionally, at the reorganization meeting Mr. Brian Carter was elected President and Mr. Steven Williams was elected Vice-President.

The structure of central office contained in the Amended Recovery Plan was altered at the end of December 2021 with the resignation of Dr. Latrice Mumin, Director of the Office of Accountability. At the request of the new Superintendent, that position was collapsed and replaced with an Assistant Superintendent (Dr. Marisol Craig) who was appointed in February 2022.

The School Board, Receiver and Superintendent meet monthly prior to the scheduled School Board general business meetings to receive information. An Executive Session is scheduled only when necessary to discuss areas that are allowable outside of the Sunshine Act, such as personnel, student, or legal matters.

The Administration and Governance chapter of the Amended Recovery Plan contains eight (8) initiatives. Below each initiative is a summary of actions that have occurred this quarter to address each area:

ADMIN01 – Annual training for all School Board members

All Board members were reminded of their responsibility under Act 55 of 2017 to attend training. This quarter most members have completed the required training through PSBA. The Receiver also arranged for a special Board training on Saturday, March 26, 2022, with Ms. Tina Viletto, Esq., of MCIU. Eight of nine Board members attended this training to learn more about the role of the Board, especially in receivership. Ms. Viletto did a similar training with the Chester-Upland

School District Board (also in receivership). Ongoing training will be necessary to ensure that the School Board is able to govern effectively in the future.

The Receiver, School Board and Superintendent are interested in resuming the “committee of the whole” structure that was in place prior to the pandemic. This would allow for more dialogue between the Board/Receiver and Administration at a public meeting regarding agenda items. The General Business Meeting would be held two weeks later where the Receiver would then act on the items that were introduced at the Committee of the Whole Meeting. If adopted, this change in the Board meeting calendar would be advertised and posted to the District website to take effect in August 2022.

ADMIN02 – Update Board policies

Prior to Dr. Samuels’ departure, a comprehensive review and revision of all Board policies was completed with adoption in November 2021. The District contracts with Pennsylvania School Boards Association’s (PSBA) Policy Review Services and Policy News Network to receive recommendations for policy updates. As policies are revised and brought to the Receiver for formal approval, they are updated in BoardDocs™ and available for the public to view on the District’s website. More training for administration is recommended for all updated policies to ensure understanding and accountability for compliance.

ADMIN03 – Improve public access to District documents

The District continues to utilize BoardDocs™ to upload meeting agendas, minutes, and documents for approval so that they are readily accessible to the public. All Board policies are also accessible via the BoardDocs™ online portal.

This quarter a new Administrative Assistant to the Superintendent was hired. Ms. Jatoya Drayton will also assume the role of Board Secretary when Ms. Christine Anderson retires in June 2022.

ADMIN04 – Adopt an ethics policy for all District staff

This quarter the Receiver contacted the Pennsylvania School Boards Association (PSBA) to obtain sample ethics policies. PSBA reported that the District’s existing Board Policy #827 (Conflict of Interest) satisfies that requirement. The Receiver is working with the solicitor to decide if a separate policy should be drafted, per the Amended Recovery Plan, with all employees required to sign it, as written in the adopted plan.

ADMIN05 – Reorganize central office staff

This quarter the cabinet positions of Assistant Superintendent and Business Administrator were filled. A job description for Director of Human Resources was updated and posted. Interviews were conducted.

The Superintendent is still working on an updated organizational chart for the 2022-23 school year. It is necessary for the Superintendent to analyze the cost-benefit for any newly created positions when the District is facing a possible structural deficit.

ADMIN06 – Develop monthly and quarterly reports to be shared with the District administration, School Board and Receiver

The Superintendent was tasked with developing a template for these reports; however, the reports have not been provided to the School Board or Receiver on a monthly or quarterly basis. This is due, in part, to the Superintendent prioritizing the day-to-day operations of the District. More time will need to be devoted to this area in Quarter 4 with a specific plan for carrying out this initiative, which will bring together enrollment, state reporting, financial, and other information.

ADMIN07 – Establish a monthly meeting to discuss Recovery Plan progress

The Act 141 Advisory Committee meets monthly on the second Thursday from 5:00 – 6:00 p.m. This quarter the meetings continued to be held virtually. The committee supplies feedback on data presented by the administrative team relative to recovery plan goals.

A meeting is also held on the fourth Monday of each month with the leadership team and representatives from PFM and PDE to review data and supply updates on various initiatives of the plan.

ADMIN08 – Develop an electronic Recovery Plan Status Dashboard

The District’s Director of Technology, Mr. Adam Nornhold, created an electronic dashboard that lists the initiatives of the Amended Recovery Plan by chapter. The dashboard was made “live” this quarter. The Receiver populates the dashboard with notes following each monthly monitoring meeting so that the public can follow the progress via the District website.

5. Operations

This area continues to be a challenge for the Harrisburg City School District because of the Business Office being understaffed. The quality and reliability of various systems to support the needs of school buildings requires added attention as safety, security and cleanliness are paramount to parents’ comfort level in having their children attend brick-and-mortar schools.

There are 15 initiatives contained in the Operations chapter of the Amended Recovery Plan. Below each initiative is a summary of actions that have occurred this quarter to address each area:

OP01 – Develop a contract administration database and implement performance standards into all contracts

This has not yet been done due to the timing of hiring the new Business Administrator and the need for her to focus on the 2022-23 budget preparation and contract negotiations.

OP02 – Review significant District contracts every three years

During this quarter, the Administration reviewed some of the costliest agreements currently in effect: transportation (general education and special education) and food service. These contracts were evaluated for cost effectiveness and deliverables. The schedule for Request for Proposal (RFP) was reviewed by the Administration and a recommendation will be made to the Receiver in Quarter 4.

OP03 – Conduct Districtwide risk assessment

The timing of this initiative is predicated on the termination of the contract with MCIU. Since the contract was extended until June 30, 2023, the risk assessment will be performed during the 2022-23 school year.

OP04 – Develop and implement a multiyear transportation improvement plan

The District has worked with PFM over the last five months to complete an evaluation of the transportation system that establishes the measures of transportation efficiency. Consultant Bob Schoch presented the evaluation⁹ to the District’s administrative team this quarter during a scheduled Act 141 meeting. Some additional real-time data is being collected in the coming weeks in order to finalize the improvement plan.

Given the volatility of the market, the District is seeking a one-year extension on its current contract with Boyo for the transportation of Special Education students. An RFP may be issued for both the general education and special education transportation contractors in the fall of 2022.

OP05 – Develop a Districtwide communication plan

The District is working with Beth Trapani Communications to audit communication practices. A communications plan was started prior to the pandemic but was put on hold. This will be a focus in Quarter 4.

OP06 – Finalize and maintain position control system

The District has established a position control system to account for all positions. The Director of Human Resources is responsible to update the position control system on a regular basis as

⁹ <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:f8535e7e-043a-39ec-aba2-4c58908a9caa>

resignations are received and new hires added. This is an ongoing, important task for the Office of Human Resources to ensure an exact accounting of employees for payroll purposes.

The new Business Administrator has reviewed the position control system this quarter as she prepares the personnel budget for 2022-23.

OP07 – Ensure high quality staff in the Office of Human Resources

Recruitment for a permanent District employee to serve in the role of Director of Human Resources occurred this quarter. Ms. Lori Lillis, contracted Director of Human Resources (MCIU), is slated to retire in June 2022. Finding a qualified Director with experience in this critical role is paramount to the success of the District’s recruitment and retention of employees. Benefits administration, background clearances, reference checks, labor relations, and the hiring/onboarding process are extremely crucial functions of the Office of Human Resources. Cross-training of the five staff members in the Office of Human Resources will be an important task for the new Director to build redundancy and capacity within the department.

OP08 – Document all Office of Human Resources procedures and review all Districtwide policies

All Board policies in the 300 series (related to employees) were updated as part of the comprehensive policy review conducted in November 2021. A procedures manual for the Office of Human Resources has been developed by Ms. Lillis and will be finished prior to her departure in June 2022.

OP09 – Improve monitoring and reporting of Human Resources information in documents shared with the Receiver

The District continues to experience high turnover, especially among professional employees. This has put a tremendous burden on the Office of Human Resources. Although there is regular communication between the Director of Human Resources, Superintendent and Receiver, the formal reports listed in the Amended Recovery Plan have not been developed. This will be a focus for the fourth quarter of the school year as the District prepares to transition a new hire into the Office of Human Resources. It will be essential for the new Director to delegate this reporting task within the office.

OP10 – Conduct exit interviews

Ms. Vina Milligan, Assistant Director of Human Resources, has been tasked with conducting exit interviews for those individuals who resign from Harrisburg City School District. The reasons for departure noted this quarter continue to be climate and culture concerns in schools, higher compensation at neighboring school districts, and student misbehavior that has not been addressed to the satisfaction of teachers.

OP11 – Develop a Districtwide recruitment strategy

The timeline for this initiative will occur in Quarter 4; however, Ms. Vina Milligan has visited several job fairs to promote teaching opportunities in the Harrisburg City School District.

OP12 – Rewrite position descriptions for all District staff

This work has been ongoing. Job descriptions continue to be updated as positions become available and are then formally approved by the Receiver at public Board meetings before positions are posted.

OP13 – Clarify roles and responsibilities between District and contracted food service staff

The job description for the District Food Service Supervisor was updated. The job descriptions of the District Food Service staff were also updated. These were accomplished prior to the approval of the Amended Recovery Plan.

Training materials for Food Service staff were also developed. The following trainings have been put into effect:

- District Food Service Director - All trainings required by PDE including - Administrative training, Annual training, FFVP training all located School nutrition toolbox. (12 hours yearly)
- Southwest Food Excellence (SFE) Directors - Annual training, FFVP training all located School nutrition toolbox (12 hours yearly)
- All staff - Annual Food Service training: Civil Rights including nondiscrimination training, Offer vs Serve, ServSafe, Meal Counting & Claiming, Production Records, Standardized Recipe and Recipe Utilization, Customer Service, Team Building and FFVP training. Other trainings may be added based on department need. (Food service training hours are specific to the food service department – Leads = 10 hours yearly; P/T Staff = 6 hours yearly; P/T staff with less than 20 hours per week = 4 hours yearly).
- All Staff- Districtwide - Child Abuse and Mandatory Reporting, Youth Suicide Awareness, Prevention and Postvention (Pennsylvania Act 71), Educator Discipline Act, Sexual Misconduct and Maintaining Professional Boundaries.

OP14 – Improve District oversight of Food Service management company

The District supervisor meets biweekly with management of Southwest Food Excellence (SFE) and visits sites weekly to monitor cafeterias.

OP15 – Monitor Point of Sale system to ensure correct counts for reimbursement

The District implemented PrimeroEdge as its Point of Sale (POS) system at the beginning of the school year. Since the District operates under a Community Eligibility Provision (CEP), all

students are deemed eligible for free breakfast and lunch. The District counts student meals as students enter the cafeteria line by tracking the number of meals served on an iPad.

6. Financial Management

The District has made some strides in the effective management of its finances during the past three years. Fund balance has grown, due in part to the surplus which resulted from the shift to virtual learning for over a year, but the transitions in the Business Office have slowed progress in certain areas. For example, the 2020-21 audited financial statements still have not been finalized by the local auditor. Most school districts have their finalized audit by December. The delay was caused by the discovery by the new Business Administrator of cash reconciliations that have not occurred over the past years, which resulted in the need to perform this accounting prior to the completion of the audit. There was also an issue recently discovered by the new Business Administrator which involved a delinquent payment to the IRS for payroll taxes resulting in a substantial penalty. The District has been able to correct this issue and is now working with the IRS to abate the penalty and interest. Upon learning of these concerns, the Receiver took immediate action to notify the Pennsylvania Department of Education and to engage the services of accounting firm, Boyer & Ritter, to work with staff to correct errors from prior years and to lend support to the new Business Administrator since the positions of both Assistant Business Manager and Senior Accountant remain vacant in the District. The delays in processing data, vacant positions, and lack of a finalized 2020-21 audit has delayed the development of updated projections and the 2022-23 budget.

The Financial Management chapter of the Amended Recovery Plan has 10 initiatives. Below each initiative is a summary of actions that have occurred this quarter to address each area:

FM01 – Utilize a multi-year financial projection to guide budget decisions

PFM has been charged with developing updated five-year projections for the District. This cannot be completed until the outcome of the 2020-21 audit is known. In the meantime, as discussed earlier in this report, the District is working with PFM to add ESSER funds to the projections and PFM will update the projections when the 2020-21 audit is finalized, 2021-22 year-end projections are updated, and the 2022-23 budget is approved.

FM02 – Adhere to existing fund balance policy

The timeline for this initiative will be Quarter 4.

FM03 – Develop a five-year facility utilization plan

The District received a draft of its Pennsylvania Economy League enrollment study this quarter.¹⁰

¹⁰ <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:43eca314-de6c-356e-9cf5-ce9c3261ea1c>

An assessment of the physical condition of buildings was performed by Fedevia (construction managers and consultants) in the fall of 2021. A feasibility study will now be conducted using this data.

FM04 – Develop a multi-year capital planning and budgeting process

A five-year schedule was created because of Fedevia’s study; however, the District was awaiting the results of the Pennsylvania Economy League’s (PEL) enrollment projection study before moving forward to develop the capital improvement plan.

FM05 – Develop a comprehensive action plan for addressing and correcting audit findings from annual independent audits

The District is still awaiting the results of the 2020-21 annual local audit.

FM06 – Contract with an independent financial advisory firm

This initiative was tabled until the new Business Administrator was hired. A meeting was held this quarter to discuss the Request for Proposal (RFP) process, but the RFP has not yet been issued.

FM07 – Review existing debt management policy

Board Policy # 630 was originally adopted by the School Board in April 2015. PSBA’s Policy Review Services recommended the deletion of this existing policy as it is more of an administrative procedure. The Receiver believes a policy is necessary and is currently reviewing other policy samples on this topic with the intention of adopting a new policy in June 2022.

FM08 – Ensure highly qualified staff in the Office of Business Services

This continues to be a struggle for the Harrisburg City School District. The District was extremely fortunate to attract Dr. Marcia Stokes as the new Business Administrator. The leadership she has shown in her first quarter on the job has been unparalleled. The District has faith in Dr. Stokes to correct many of the deficiencies that have existed within the Business Office to ensure that individuals in business services positions are trained in the Chart of Accounts and eFinance system. Once a full complement of staff is hired, cross training will be the next focus.

FM09 – Document all Office of Business Services processes and implement a policy around document retention

Board Policy #800 was adopted by the Receiver in November 2021.

The MCIU team created an initial procedures manual for the Office of Business Services in 2019-20; however, the manual did not include some of the basic accounting principles that are a function of those positions. Boyer & Ritter is assisting the District with the further development of these procedures.

FM10 – Improve monitoring and reporting of financial information in documents shared with the Receiver

Monthly reports are provided to the Receiver from the Child Accounting Office. These reports reflect current enrollment, attendance, student discipline, special education, and outside placements. Charter school enrollment is also supplied monthly.

The Receiver reviews the monthly Treasurer’s Report before approving it at the School Board meeting. This includes a detailed review of all check registers and ACH payments as presented to the Receiver by the Business Office. There are ongoing efforts by the Business Office staff with support from Boyer and Ritter to ensure that reporting is accurate and complete using correct accounting procedures and the updated Pennsylvania Chart of Accounts codes.

7. Revenue

The District has received substantial ESSER dollars, but the use of these one-time funds creates a sustainability issue over time. The ongoing concern is the impending fiscal “cliff,” caused by the expiration of funds in September 2024, and how to avoid it by being very judicious and strategic in the use of ESSER dollars.

The Revenue chapter of the Amended Recovery Plan encompasses nine (9) initiatives. Below each initiative is a summary of actions that have occurred this quarter to address each area:

R01 – Increase real estate taxes annually to the Act 1 index as deemed necessary by the Receiver

The final 2021-22 budget was adopted in June 2021 with no tax increase. This decision can be attributed to the Level Up funding authorized by the Commonwealth of Pennsylvania that Harrisburg School District received in late June 2021 that helped to close the 2021-22 structural deficit. The Amended Recovery Plan calls for an annual tax increase to the Act 1 index which is 5.1% for 2022-23. The former Receiver adopted a resolution at the January 2022 School Board meeting to not raise taxes above the index. The current Receiver is awaiting a draft of the preliminary 2022-23 budget so that discussions with the elected School Board about the potential levy of property taxes can occur.

R02 – Improve the current year real estate tax collection rate

This initiative will be addressed in Quarter 4.

R03 – Develop partnerships with tax-exempt entities to generate voluntary payments

The only existing PILOT agreement is with UPMC. Mr. Celmer, MCIU-contracted Chief Operations Officer, is currently working to compile a list of tax-exempt entities to pursue for voluntary payments during Quarter 4.

R04 – Receive Special Education funding contingency annually

The District applied for contingency funding in December 2021 for three (3) Special Education students whose individual annual costs to the District exceed \$99,000 each. Funding received will exceed the estimate of \$125,000 for this year.

R05 – Increase reimbursement for Social Security contributions paid on behalf of employees

The Business Administrator has confirmed that the District invoices the Commonwealth for Social Security reimbursement based on the date of hire with employees hired prior to 1994 at 50% reimbursement rate and those hired after 1994 at a rate of 72.5%.

R06 – Increase Medicaid ACCESS Revenue

A new ACCESS Accountant was hired to help coordinate the District's claims and reimbursement. There are currently five (5) Speech/Language Clinician vacancies across the District. The Special Education Department is working with various agencies to hire clinicians to increase ACCESS revenue.

R07 – Continue to support grant-writing professional

The District continues to contract with Davenport Communications (Morgan Horton) to provide contracted grant-writing services. Ms. Horton was instrumental in writing the narratives for the ESSER grant applications.

R08 – Sell vacant District buildings

The District received a few offers on the William Penn property in the fall of 2021, but the prior Receiver and Board opted to not accept any offers and took the property off the market. The Woodward property remains on the market at an asking price of \$250,000. The District is also engaged in discussing the sale of a rowhome property behind Scott Elementary School that the District owns.

R09 – Allocate windfall revenues and budgetary resources among priorities outlined in the Recovery Plan

The District's ESSER III application outlining the use of funds was conditionally approved by the Pennsylvania Department of Education this quarter. The District plans to renovate Steele Elementary School with a considerable portion of ESSER III money. This proposed plan would spread elementary students out to allow for social distancing, return students to neighborhood schools, reduce the number of students walking to Ben Franklin Elementary School through highly traveled areas, and allow sufficient space to offer a Pre-K Counts program in each elementary building. Quality early childhood education is essential to students' long-term academic success.

8. Workforce

This is an area that continues to present ongoing challenges for the District. Currently, 70 of the 571 budgeted professional positions across the District remain vacant, and 27 of 220 budgeted support staff positions are unfilled. Salaries and benefits comprise approximately 51% of the District's total budget. Contracts with Harrisburg Education Association (HEA), AFSCME, and Act 93 employees expire on June 30, 2022. Collective bargaining with HEA has commenced this quarter.

The Workforce chapter of the Amended Recovery Plan contains seven (7) initiatives. Below each initiative is a summary of actions that have occurred this quarter to address each area:

WF01 – Offer affordable salary increases to staff

The Amended Recovery Plan assumes a flat salary increase of 1.5% each year to all employees. However, staffing deficiencies across the District will require consideration of higher increases to address several years of step freezes for professional employees in prior years. The Administration and Receiver seek to offer a competitive wage increase for 2022-23 within the context of compensation cap limits in the Amended Recovery Plan. This is currently in the collective bargaining phase; therefore, no further information can be shared at this time.

WF02 – Reduce future growth in healthcare costs

The District is currently negotiating its healthcare renewal rate for 2022-23. Dr. Stokes is budgeting for a potential 5% increase from Highmark, but the actual cost is not yet known.

WF03 – Review and control workers' compensation costs

The District's paid workers' compensation claims and the cost to administer a self-insured program as of March 31, 2022, is almost \$179,000; well below the budget of \$500,000 and significantly below what the District was paying previously under a fully insured plan (approximately

\$900,000). This reflects the District’s efforts to increase oversight over workers’ compensation costs internally and in partnership with their vendor.

WF04 – Monitor and reduce overtime costs

Overtime costs are monitored by the administration and have been paid out as follows as of March 31, 2022:

- AFSCME \$301,467.39
- HEA \$377,088.15

WF05 – Contribute to healthcare reserves

Budgetary transfers will occur at the end of the fiscal year. The current balance in the healthcare reserve fund is \$1,000,079.31.

WF06 – Evaluate all staff positions

The District continues to evaluate every position as vacancies occur to determine if replacement is necessary. As the 2022-23 budget preparations are underway, the administrative team is looking at significant vacant positions that have not been filled during the 2021-22 school year to determine if those positions can be collapsed, especially if new positions are being recommended moving forward.

WF07 – Explore managed competition for cafeteria and custodial functions

The food service contract with Southwest Food Excellence (SFE) is in its fifth and final year. It will be necessary to issue a Request for Proposal (RFP) in the fall for the 2023-24 school year.

It is also recommended that an RFP be issued in the fall of 2022 for operational support services currently provided by Aramark.