
Amended Recovery Plan

Harrisburg City School District
Dauphin County, Pennsylvania



Prepared by the

Receiver

Dr. Janet C. Samuels

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With the assistance of

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Introduction

The Harrisburg School District faces significant academic, operational, and financial challenges that jeopardize the District's ability to become a high-performing school district. The District shares many of the challenges facing other urban school districts academically, such as the need to improve the graduation rate and student performance on statewide assessments. However, those issues are compounded by historic issues related to the reliability of its financial reporting and a lack of oversight over District operations. Concerns around the District's operational and financial management documented in an audit conducted by Wessel and Company, commissioned by the Pennsylvania Department of Education, in addition to findings by the Pennsylvania Auditor General resulted in the appointment of a Receiver in June 2019. This Recovery Plan provides the Harrisburg School District with a strategic path forward to improve financial management, increase academic achievement, achieve student stability, and restore the public's trust.

Implementing this Recovery Plan will take the commitment and efforts of all District staff, as well as parents and community leaders working together as partners. This Amended Recovery Plan is intended to provide the administration and staff of the Harrisburg School District as well as the community with a guide to establish policies and implement best practices across the District and to allow the District to take the critical actions required at this current juncture.

Statutory Basis of the Recovery Plan

The Pennsylvania Department of Education ("PDE" or "the Department") declared the Harrisburg School District (HSD) to be in a state of moderate financial recovery under the terms of the Commonwealth of Pennsylvania's Act 141 of 2012 on December 13, 2012. The Department appointed a Chief Recovery Officer (CRO) to help guide the District and assigned Public Financial Management (PFM) to work with the CRO and District to create a long-term plan to regain financial stability. The original Recovery Plan was finalized on April 26, 2013 and an Amended Recovery Plan was completed on May 31, 2016.

On October 1, 2018, Dr. Janet C. Samuels was selected by the Department to serve as the Chief Recovery Officer for the Harrisburg School District. Dr. Samuels was subsequently appointed as the Receiver by the Dauphin County Court of Common Pleas on June 17, 2019 when the District was placed into Receivership according to Section 671-A of Act 141. Since that time, PFM has worked with the District and Department to develop this Amended Recovery Plan.

Under the provisions of Act 141 of 2012, the Receiver is charged with modifying and implementing a plan to improve the financial condition and academic performance of the Harrisburg School District. At the time of her appointment as Receiver, Dr. Samuels was already working in conjunction with the Department of Education to develop an Amended Financial Recovery Plan for the District. The Receiver was assisted in the development of the Plan through feedback received from members of the District's staff and leadership team, a technical assistance team, and by an Advisory Committee. Members of the Advisory Committee are listed in **Appendix A** of this document. This document is the Amended Recovery Plan required by Section 672-A of Act 141.

District Overview and Demographics

The Harrisburg School District is an urban public school district in the City of Harrisburg which is located in South Central Pennsylvania. The City of Harrisburg is the capital of the Commonwealth of Pennsylvania and the county seat of Dauphin County. The District offers educational programming to students in grades kindergarten to 12 and serves the City's approximate 49,209 residents, of which 6,422 students attend the Harrisburg School District.¹

¹ Based on 2019 American Community Survey (ACS) 5-year estimates located at <https://data.census.gov> and District pupil services report.

The City of Harrisburg has different demographic characteristics as compared to the Commonwealth's overall population. Almost half of the City's residents are African American, compared with 10.7 percent in the Commonwealth. Similarly, 21.8 percent of City residents are Hispanic, while 7.3 percent of Pennsylvania residents identify as Hispanic.

Harrisburg City and Commonwealth of Pennsylvania: Population by Race (By Percent) ²

	City of Harrisburg	Pennsylvania
African-American	46.7%	10.7%
White	24.1%	76.4%
Hispanic	21.8%	7.3%
Asian	4.6%	3.4%
Two or More Races	2.5%	1.9%
Other	0.3%	0.3%

The City's economic conditions also significantly differ from statewide trends. City of Harrisburg residents have lower median and mean household incomes than across the state. As shown in the table below, Commonwealth residents have a median household income of \$61,744, while residents of the City of Harrisburg have a median household income of \$39,685, which is 35.7 percent lower than that of the median household in the Commonwealth. The City also has a higher percentage of residents living in poverty compared to most municipalities in the Commonwealth. In 2019, 26.2 percent of the City's residents lived below the poverty line, almost 14 percentage points higher than the number of individuals living in poverty across the Commonwealth.

Harrisburg City and Commonwealth of Pennsylvania: Household Income and Poverty Rate ³

	City of Harrisburg	Pennsylvania
Median household income	\$39,685	\$61,744
Mean household income	\$52,794	\$84,849
Poverty Rate	26.2%	12.4%

The social and economic demographics of the City of Harrisburg mirror those of the District's students. As of April 2021 the District was comprised of 6,422 students, including pupils attending the District through Cougar Academy and the Harrisburg Virtual Learning Academy.⁴ Another 1,244 students are currently attending charter schools, including brick and mortar and cyber schools.⁵ As shown on the following page, over half of the student population (53.9 percent) in the District is African-American and 36.8 percent are Hispanic. White students comprise 3.8 percent of the total student population, another 3.2 percent are multi-racial, and 2.4 percent are Asian.⁶

² Based on 2019 American Community Survey (ACS) 5-year estimates located at <https://data.census.gov>.

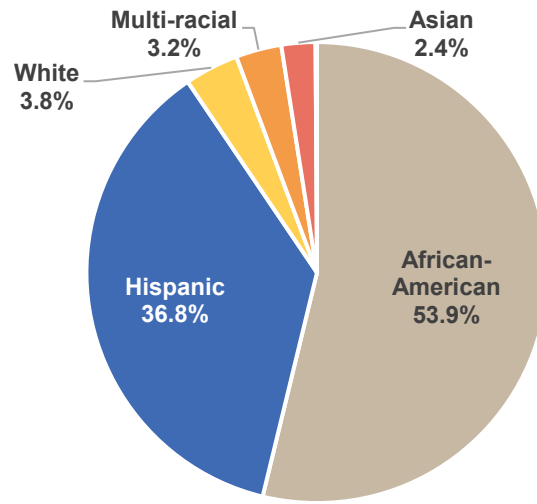
³ Based on 2019 American Community Survey (ACS) 5-year estimates located at <https://data.census.gov> for economic data.

⁴ Data does not include students attending vo-tech, out of district placements, or adjudicated youth.

⁵ Based on District data.

⁶ All student demographic data is taken from the Future Ready PA Index.

HSD Enrollment by Race and Ethnicity



Within the District, 84.5 percent of students are economically disadvantaged, and 16.8 percent are classified as students with special needs and participate in the District's special education program. The same percentage of students enrolled in the District are English Learners (EL).⁷ While the District's percentage of students identified with special education needs is close to the state average across the Commonwealth for the 2019-20 school year, the District has a higher portion of students identified with an intellectual disability and fewer students, on average, who have a speech or language impairment.⁸ Consequently, there is a need within the District for specialized services. The table below compares the categories of special education needs by type between the District and the Commonwealth for the 2019-20 year based on data collected by the Pennsylvania Department of Education.

HSD and Commonwealth of Pennsylvania: Percent of Special Education Needs by Primary Disability, 2019-20

	HSD	PA	Difference
Autism	12.8%	11.6%	1.1%
Emotional Disturbance	9.6%	8.5%	1.2%
Hearing Impairment	1.2%	0.9%	0.1%
Intellectual Disability	13.4%	6.3%	6.1%
Other Health Impairment	12.7%	17.0%	(5.0%)
Specific Learning Disability	38.0%	39.8%	2.6%
Speech or Language Impairment	11.1%	14.1%	(5.7%)
Other/Non-Specified	1.2%	1.8%	(0.4%)

The impact of the coronavirus pandemic has presented additional challenges for the District and the City's residents. In 2018, the City experienced an average unemployment rate of 6.1 percent, according to the Bureau of Labor Statistics, which is 1.8 percentage points higher than the Commonwealth's

⁷ Data from the Pennsylvania Department of Education Future Ready Index.

⁸ Data in this table is from the PennData 2019-20 Special Education Data Report: Harrisburg City SD which identifies twelve categories of special education enrollment by disability.

average unemployment rate of 4.3 percent during that same period. However, in light of the coronavirus, the unemployment rate for City of Harrisburg residents grew to 21.1 percent in July 2020 and was 13.4 percent as of March 2021.⁹ All Pennsylvania schools were closed in early March 2020 due to the continuation of the global pandemic and Act 13 of 2020, resulting in the District transitioning to a virtual learning environment for the start of the 2020-21 school year. In April 2021, the District began to gradually welcome students back to District buildings while continuing to follow federal Centers for Disease Control (CDC) guidelines.

Historical Background

The Harrisburg School District has been in some measure of oversight as outlined under the provisions of Act 141 of 2012 since the 2012-13 school year. A comprehensive audit conducted by Wessel & Company in March 2019 at the request of the Pennsylvania Department of Education identified serious financial and operational deficiencies and financial mismanagement. The findings also prompted a real-time audit of the District by the Pennsylvania Department of the Auditor General. Many of the initiatives in this Amended Recovery Plan are based on the findings of both the Wessel & Company report and recommendations from the Office of the Auditor General, including improvements in recordkeeping, financial management, and internal controls. Other recommendations are a continuation of initiatives from prior Recovery Plans that were not fully implemented.

The Pennsylvania Department of Education's petition to the Dauphin County Court of Common Pleas to place the Harrisburg School District into receivership resulted in governance of the District by a Receiver and a change in systemic operations and management, including a contract with the Montgomery County Intermediate Unit to support administrative, financial, academic, and human resource functions and the daily operations of the District. Recent updates from the Pennsylvania Department of the Auditor General have praised the improved oversight and management of the District. During this period, the Pennsylvania Department of Education has also continued to provide technical assistance to the District to establish sustainable processes and procedures and additional support.

This Plan codifies the continuation of current improvements by the current administration to ensure the District's continued progress.

Guiding Principles

While the Harrisburg School District has faced many challenges, the intention of this Amended Recovery Plan is to look to the future, and to lay the groundwork for the overall improvement of the District. The Receiver has determined that this Plan will be founded on the premise that the Harrisburg School District can and will function as a high-performing school district.

High-performing districts are focused on student achievement and recognize that all members of a district have a role to play in student success, including the teachers, administrators, support staff, and the larger community. Districts that are considered to be high-performing set demanding standards for student academic performance, ensure equity for all, utilize a curriculum that is aligned to existing standards, and monitor the effectiveness of teaching and learning through assessments and other data sources on a regular basis, while embracing cultural proficiency.

In order for a district to be high-performing, it must also be financially sustainable and maintain revenues that exceed expenditures as well as possess an established fund balance that can be used to help the district cover unexpected costs. High-performing districts also utilize internal controls to ensure that information is reliable, and the district complies with all appropriate laws, regulations, and best practices.

⁹ Based on local area unemployment statistics, published by the Bureau of Labor Statistics BLS Data Viewer located at <https://beta.bls.gov>; March 2021 data is preliminary as of May 1, 2021.

Districts that are high-performing also focus on the operational factors that influence student and district performance, such as reducing truancy and absenteeism, stabilizing the loss of students to charter schools (which impacts the district financially), and ensuring that students and teachers have the necessary supports they need to succeed. These districts use a data-informed approach to decision-making and have developed a culture of continuous improvement.

As a result, this Plan is founded on three guiding principles:

- **Academic Achievement: The District believes that every student in the District can be successful and achieve academically.**

The District will prioritize academic achievement by fostering a culture of high expectations, equity, implementing data-based decision making, developing leadership capacity, and improving academic performance.

- **Financial Management: The District will improve the management of its financial operations.**

The District will improve the planning, execution, supervision and review of its financial practices and reduce the use of fund balance to resolve budget gaps.

- **Student Stability: The District will stabilize enrollment through the recapture of students from charter schools.**

To help stabilize enrollment, the District will work to bring students back from charter and cyber charter schools by providing competitive alternative options at the District and by making the District's schools a safe and inspiring place for students to learn and thrive.

Each of these principles represents a key area of improvement for the District. These areas are interconnected, and critical components to the District functioning as a high-performing school district.

Implementing this Recovery Plan for the Harrisburg School District will require tough decisions and changes in practices. The Amended Recovery Plan is designed to serve as a framework for best practices and lays out key components of the analysis and timelines provided to individuals needed to hold District members accountable for implementing the Plan.¹⁰

Recovery Plan

The Harrisburg School District, like most districts nationwide, has experienced an unprecedented challenge in responding to the COVID-19 pandemic since March 2020, including transitioning to virtual learning for parts of the 2019-20 and 2020-21 school years.¹¹ The pandemic has also heightened circumstances that the District was already facing prior to the pandemic, including greater financial pressure due to a limited tax base to generate revenues, expenditure growth that was outpacing revenues, and the need to offer fair compensation to District staff.

As outlined later in this chapter, both the baseline and Recovery Plan scenarios anticipate annual deficits for the District through 2025-26, meaning that expenditures are projected to exceed District revenues, and decrease the District's fund balance. While the District ended the 2019-20 year with a surplus, this was primarily due to reduced expenditures caused by the pandemic. Moreover, although the District has been allocated ESSER II and III funds (which are not included in these projections), these are one-time funds that will not be available for the District to use throughout the duration of this Amended Recovery

¹⁰ In this 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.

¹¹ The District restarted in-person instruction with selected grades in April 2021.

Plan and beyond. As a result, the District will need to carefully monitor how it chooses to spend its ESSER funds, keeping them in alignment with the long-term financial position of the District, and limiting the portion of ESSER funds committed to ongoing recurring costs, such as salaries, benefits, and programs that it may not be able to fund after the termination of ESSER funds.

The COVID-19 pandemic has had a significant impact on every facet of education throughout the United States, ranging from school closings, creating innovative platforms for educating students, addressing learning loss and mental health issues and the pandemic-related loss of market share to charter schools. Districts have also been faced with the unforeseen costs of technology, personal protective equipment, HVAC, air purification systems, social distancing measures, disinfection processes and related supplies. As a result of the extraordinary effects of the pandemic Congress has provided financial support for school districts across the country, including the Harrisburg School District, through the Elementary and Secondary School Emergency Relief (ESSER) Fund. The one-time ESSER II and III funding received or allocated for use by the Harrisburg School District through the 2023-2024 school year will not be reflected in this Amended Recovery Plan but will be addressed in a separate written plan developed by the District's administrative team, subject to approval by the Receiver. The Receiver and the District's administrative team will need to exercise extreme caution and restraint to not create reoccurring cost burdens on the District when developing the ESSER plan.

In this Amended Recovery Plan, a baseline projection and revised scenario are presented to outline the financial challenges facing the Harrisburg School District. In the baseline, adjustments are made to the District's 2020-21 budget to create a financial projection that accounts for known events that have taken place since the budget adoption in June 2020 and add necessary long-term investments. The revised scenario shows the baseline adjusted to account for the financial impact of the fundamental initiatives of this Recovery Plan. The achievement of these goals or the completion of substantial progress toward them will be one of the key elements of the evaluation of the District's compliance with this Amended Recovery Plan. In both the baseline projection and revised scenario there is no assumption of additional extraordinary aid from the Commonwealth other than the amounts that can be reasonably expected from historical growth in major subsidies and improvements in operations.

In the baseline projection and the revised scenario, the District's 2020-21 budget is used as the starting point for the Recovery Plan's multi-year budget projections. In the following charts, the District's 2020-21 budget is shown with the baseline adjustments discussed in further detail. Additionally, in both the baseline and revised scenario the District's budget is adjusted to reflect new debt figures based on the District's restructuring and refunding of debt during the 2020-21 year, updated charter enrollment numbers based on 2020-21 school year enrollment data provided by the District and the impact of a new charter school opening in the 2021-22 school year, as well as anticipated offsetting operational District expenditures due to the projected increase in charter enrollment. Both the baseline projection and revised scenario also include the District's revised 2020-21 contract costs with Camelot, an alternative education provider, and the one-time impact of Elementary and Secondary School Emergency Relief Fund (ESSER I) through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was passed in March 2020.¹² Lastly, the District's Basic Education Funding and Special Education Funding from the Commonwealth are taken from the allocations in the Governor's budget published on the PDE website, which are different from the District's budgeted revenue figures.

The full list of assumptions for the baseline multi-year financial projections is included in **Appendix B**, and the detailed financial projections for the baseline and revised scenario are included in **Appendices C** and **D**.

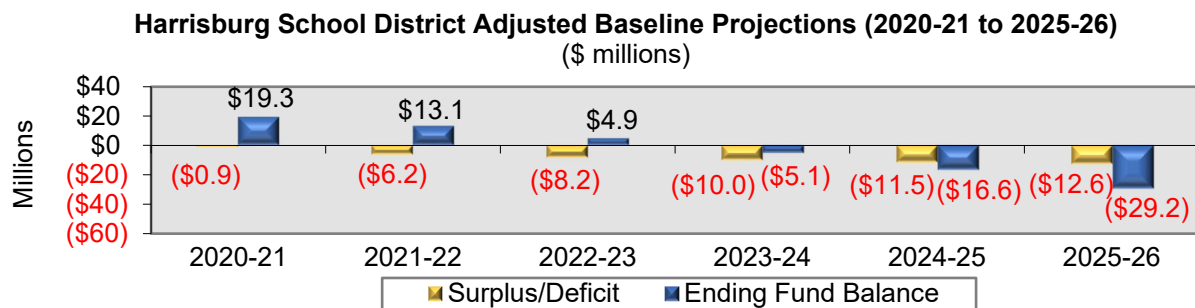
¹² The District will also receive one-time funds from ESSER II through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act which was passed in December 2020 and the American Rescue Plan Act (ARP) which was passed in March 2021. These funds are not included in the baseline or revised scenarios.

Adjusted Baseline Projections

In the baseline projection, the District's 2020-21 approved budget and the adjustments described above are used to project growth in revenues and expenditures over a five-year period, through 2025-26. The baseline shows a status quo projection based on historical growth for revenue and expenditure categories. The historical growth takes into account the District's most recent annual results for the 2019-20 school year, which was the first year where finances were impacted by the coronavirus.

Most significantly, no salary increases are provided for any of the years in the baseline projection. There are also no tax increases in this projection or other changes in policies or operational structures. Debt service is adjusted to reflect the District's debt restructuring that was completed during the 2020-21 year. The updated charter enrollment data provided after the final adoption of the 2020-21 budget and the impact of a new brick and mortar charter school opening in the 2021-22 school year are also included. Based on the projected charter enrollment, assumptions around reductions in District expenditures are assumed in the baseline scenario as well. The District's savings in 2020-21 on the Camelot contract as well as adjustments to the District's Basic Education Funding and Special Education Funding allocations based on the Governor's budget are also included in the scenario. The baseline projection also assumes a \$1.0 million annual transfer to the District's Capital Projects Fund to help the District address the almost \$21.2 million in capital projects identified in its recent facilities study.

The table and chart below show the District's five-year projections using the assumptions described above and in **Appendix B**.



	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Budget	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$158.7	\$151.8	\$154.5	\$156.7	\$158.6	\$161.4
Total Expenditures	\$159.6	\$158.0	\$162.8	\$166.7	\$170.1	\$174.0
Surplus/Deficit	(\$0.9)	(\$6.2)	(\$8.2)	(\$10.0)	(\$11.5)	(\$12.6)
Ending Fund Balance	\$19.3	\$13.1	\$4.9	(\$5.1)	(\$16.6)	(\$29.2)

The baseline projection is intended to be used as a diagnostic tool to show the size and nature of future deficits if the District takes no corrective action. The projections provide the administration, the School Board, and the Receiver with financial estimates to shape the strategic direction of the District.

In the baseline projections, the District is expected to see minimal growth in its revenues, while total expenditures continue to grow. Revenues are projected to grow by 0.3 percent annually or by \$2.8 million over the next five years, whereas expenditures will increase at an annual rate of 1.7 percent or \$14.4 million from 2020-21 to 2025-26. As shown in the baseline projection, the District is expected to face annual recurring deficits beginning in the 2020-21 school year. This is due to a variety of factors including the loss of CARES Act one-time revenue and reductions in federal carryover revenue as well as growth in expenditures such as charter tuition and healthcare.¹³ These annual shortfalls are expected to be around

¹³ The impact of one-time ESSER II and ESSER III funds are not included in the baseline projection or Recovery Plan projection.

\$6.2 million per year in 2021-22 and grow by an average of \$1.6 million annually, resulting in a negative fund balance of \$29.2 million by 2025-26.¹⁴

Fundamental Recovery Plan Initiatives

In this Recovery Plan the Harrisburg School District will be required to undertake a number of fundamental initiatives to raise additional revenues for programs and improve its operational efficiency while also meeting academic improvement targets. Regardless of the designation, the District would be required to complete all of the initiatives in this Recovery Plan; however, the initiatives in this scenario were selected to highlight those with the greatest financial impact on the multi-year projections. Among the initiatives shown in this scenario, the most significant financial impact is from the stabilization and gradual reduction in charter enrollment in **AP11** and the increase in real estate taxes to the Act 1 Index in **R01**.

The full list of initiatives with significant cost savings or revenues generated is summarized in the table below.

HSD Fundamental Initiatives

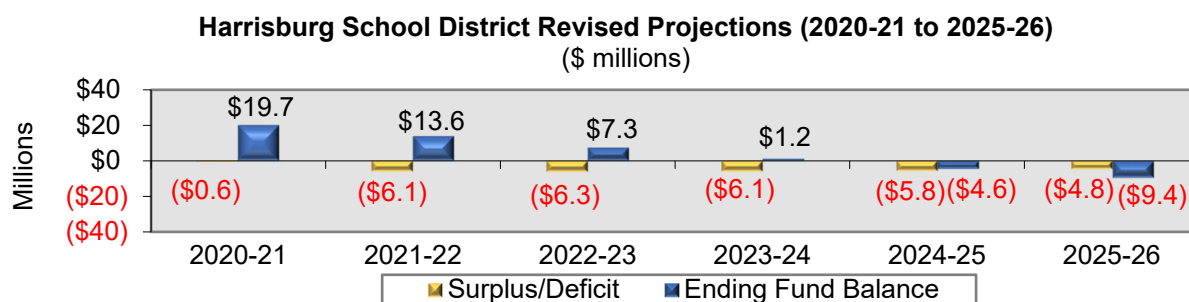
Initiative Name	
R01	Increase real estate taxes to the Act 1 Index as deemed necessary by the Receiver
R02	Improve the current year real estate tax collection rate
R03	Develop Partnerships with Tax-Exempt Entities to Generate Voluntary Payments
R04	Receive Special Education Funding contingency annually
R05	Increase reimbursement for Social Security contributions paid on behalf of employees
R06	Increase Medicaid ACCESS Revenue
AP11	Develop a continuum of learning options for District students
WF02	Reduce future growth in healthcare costs
WF03	Review and control workers compensation costs
WF04	Monitor and reduce overtime costs

Finally, the budget projections assume that the District will raise the real estate tax rate to the Adjusted Act 1 Index annually beginning in 2022-23. While raising local revenue is difficult, the District must continually invest in its staff, programs, and facilities in order to make financial and academic progress. Projected future revenue growth on top of the substantial increases in aid from the Commonwealth over the past few years is not sufficient to cover expected spending by the District, and even with the initiatives in this Plan spending will exceed revenues in all years. However, by implementing the initiatives in this Recovery Plan, the District will be able to limit shortfalls and achieve improved financial results each year, while still operating with annual deficits.¹⁵ While this Amended Recovery Plan assumes annual increases

¹⁴ The ending fund balance does not include the restricted portion of the District's fund balance.

¹⁵The revised projections also do not include the impact of one-time ESSER II and ESSER III funding to the District.

to the Act 1 Index for the District starting in 2022-23, it also includes other initiatives for the District to increase revenue, including improving the real estate tax collection rate, increasing the amount the District is reimbursed for its employees by the Commonwealth, and working with business and community partners to generate additional voluntary payments to the District.



	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Budget	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$159.0	\$152.6	\$157.6	\$162.2	\$166.5	\$171.8
Total Expenditures	\$159.6	\$158.7	\$163.8	\$168.3	\$172.2	\$176.6
Surplus/Deficit	(\$0.6)	(\$6.1)	(\$6.3)	(\$6.1)	(\$5.8)	(\$4.8)
Ending Fund Balance	\$19.7	\$13.6	\$7.3	\$1.2	(\$4.6)	(\$9.4)

In these revised financial estimates that include the Recovery Plan initiatives in the table on the previous page, the District's financial position improves significantly compared to the baseline projection. The revised projections also show a greater increase in the District's total revenues, which are expected to grow by \$12.8 million or 1.6 percent annually from 2020-21 to 2025-26, primarily due to the increase in the real estate taxes and the real estate tax collection rate. While total annual expenditures are still expected to exceed revenues (expenditures are projected to increase by a total of \$17.1 million or 2.1 percent annually), the annual operating deficits decrease starting in 2023-24 as the rate of revenue growth begins to exceed that of expenditures. By 2025-26, the revised projections show the District with an annual operating deficit of \$4.8 million and a negative fund balance of \$9.4 million.

Act 141 Provisions

Exit Criteria

Pursuant to section 641-A(9) of Act 141, the Receiver must establish specific criteria that the Harrisburg School District must satisfy before the Secretary of Education may terminate the District's financial recovery status. The District shall meet the following criteria in order to be released from financial recovery:

- The District has achieved financial stability by maintaining a positive fund balance of at least five percent of annual revenues for three 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;
- The District does not request or require an advance of its basic education subsidy;
- All employee salaries are paid when due;
- 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;
- 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;

- 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; and
- 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.

Pursuant to Section 625-A(c) of Act 141, when the District exits from financial recovery status, the Chief Recovery Officer and the Pennsylvania Department of Education will continue oversight of the District until the City of Harrisburg is no longer under Act 47 municipal recovery status.

Powers and Duties Under Section 642-A

In this Recovery Plan, the Receiver will undertake initiatives under the powers granted by section 642-A of Act 141 in order to fulfill the duties of the Receiver and achieve the goals of the Plan. The specific actions authorized in this plan pursuant to section 642-A shall include but are not limited to:

- Cancel or renegotiate contracts that are in conflict with or an impediment to timely implementation of the provisions of this plan (subsection 3);
- Increase tax levies (subsection 4);
- Dispense with the services of nonprofessional employees (subsection 6);
- Employ professional and senior management employees who do not hold State certification (subsection 9);
- Enter into agreements with for-profit or non-profit organizations to provide services (subsection 10);
- Appoint managers, administrators or for-profit or nonprofit organizations to oversee the operations of a school or group of schools (subsection 12);
- Reallocate resources, amend school procedures, develop achievement plans and implement testing or other evaluation procedures for educational purposes (subsection 13);
- Supervise and direct principals, teachers and administrators (subsection 14);
- Negotiate new collective bargaining agreements to effect needed economies (subsection 15);
- Employ entities to review financial and educational programs (subsection 17).

Academic Performance

Overview

Every member of the Harrisburg School District has a role in the academic achievement of students. It takes dedicated excellent teachers and administrators, committed and engaged parents and families, and involved and supportive community members to support all students in obtaining their goals. In high-performing school districts, each member of the staff and school community recognizes their contribution to student success and is committed to helping students succeed academically. High-performing districts have a Districtwide focus on student achievement and recognize that success requires data-driven decision making, a well-structured and well-implemented curriculum, ongoing professional learning, present and engaged teachers, and an environment steeped in respectful relationships with students.

The District faces many educational challenges that are present in urban school districts in Pennsylvania, including low graduation rates, poor performance on standardized tests, and high teacher turnover. Despite requirements to address these challenges in previous Recovery Plans, the District has struggled to make meaningful progress in improving academic performance. The Harrisburg School District continues to face many of the issues that existed in 2013 at the outset of the first Recovery Plan, one of the reasons that a Receiver and new District leadership was put in place in 2019.

Despite these challenges and those posed more recently by the pandemic, with the advent of new leadership and direction from the State and federal governments through the Every Student Succeeds Act (ESSA), opportunities exist to move the District forward educationally and help it become a high-performing school system for all students.

The appointment of a Receiver and subsequent personnel changes also present an opportunity for the District to reverse its academic trajectory and restore confidence in the District for parents, families, students, and staff. Since June 2019, the District has made meaningful progress in putting new systems and processes in place to stabilize the District, including:

- Writing a new program of studies for John Harris High School and all middle schools;
- Creating a common and equitable elementary, middle, and high school schedule;¹
- Developing a system of teacher evaluation and observations for principals to build the skills and capacity of instructional leaders;
- Implementing a 1:1 device initiative for all students;
- Writing the plan for and opening the Harrisburg Virtual Learning Academy;
- Holding Regular Professional Learning Communities (PLCs) across the District with instructional coaches, reading specialists and math interventionists; and
- Establishing a new Office of Accountability responsible for charter oversight and compliance, supporting school improvement, and federal programs

¹ The schedule is differentiated across grade levels and there are differences in the elementary, middle and high school schedules based on the needs of students.

The Harrisburg School District believes that every child in the Harrisburg School District can and should succeed and that the work of all staff members should contribute to preparing all children for future success.

This new Recovery Plan takes into consideration the 7 Turnaround Principles for public education as defined by the United States Department of Education. These are meaningful interventions to improve academic achievement of students. The 7 Turnaround Principles are:

- Providing strong leadership;
- Ensuring that teachers are effective and able to provide instruction;
- Redesigning the school day, week or year to include additional time for student learning and teacher collaboration;
- Strengthening the school’s instructional program by providing a research-based instructional program that is aligned to the State standards;
- Using data to inform instruction for continuous improvement;
- Establishing a school environment that improves school safety and discipline and addressing non-academic factors that impact student achievement; and
- Providing ongoing mechanisms for family and community engagement.

Following these principles will help the District improve both the academic environment and its overall academic performance and is critical to becoming a high-performing District.

In this chapter of the Recovery Plan, the District’s academic performance is discussed and targets are set to establish clear and measurable benchmarks to evaluate progress. Following the academic targets, several initiatives are presented to provide strategies for the District to achieve these goals.

Academic Structure

The Harrisburg School District is comprised of five elementary schools, three middle schools and one high school that serves students on two campuses.

- Elementary (K-4): Benjamin Franklin, Downey, Foose, Melrose and Scott
- Middle (5-8): Camp Curtain, Marshall Math & Science and Rowland
- High (9-12): John Harris High School, John Harris High School – Sci-Tech Campus (“Sci-Tech”)

The District also operates its own blended academy, Cougar Academy, which serves grades 1 through 12 and also provides alternative learning opportunities for youth in the Hamilton building. Beginning in the 2020-21 school year, the District offered comprehensive online learning options through the Harrisburg Virtual Learning Academy (HVLA) which is available to all students in Kindergarten through grade 12.

Annually, throughout the Commonwealth of Pennsylvania, students in grades 3-8 are administered the Pennsylvania System of School Assessment (PSSA) in English/Language Arts (ELA) and Mathematics, and students in grades 4 and 8 are administered the PSSA in Science. Keystone examinations are administered to high school students as end-of-course assessments designed to assess proficiency in areas of Algebra I, Literature, and Biology.

Academic Goals

In this Recovery Plan, the District is charged with achieving or making significant progress toward four key academic goals:

1. Improving test scores on statewide standardized tests;
2. Improving student growth as measured by statewide systems;²
3. Increasing student graduation rates; and
4. Improving student attendance

As the District gains operational stability through the other initiatives outlined in this Recovery Plan, resources will continue to be invested in the Plan's priorities, such as the achievement of the academic goals. The Receiver reserves the right to direct the investment of funds under all authority granted by Section 642-A(a) of Act 141.

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.

For the purposes of this Recovery Plan, statewide standardized tests will refer to the Pennsylvania System of School Assessment (PSSA) and Keystone examinations.³

The Harrisburg School District did not meet or outperform the state average performance in any subject area on the PSSA assessments in 2018-19.⁴ In the tables on the following page, the District's scores on the Pennsylvania System of School Assessments (PSSA) are presented for the elementary level.⁵ Scores are grouped together into advanced and proficient and basic and below basic.

In 2018-19, the District scored lower than the statewide average in all grade levels and subject areas. For grades 3 and 4, the difference between the percent of students who scored advanced or proficient in the Harrisburg School District and the statewide average for English/Language Arts (ELA) was 44.7 percentage points, while in Mathematics, the number of District students who scored advanced or proficient was 39.9 percentage points lower and was 36.0 percentage points lower than the statewide average in Science.

² Currently, the Commonwealth of Pennsylvania uses the Pennsylvania Value-Added Assessment System (PVAAS) to measure growth in student achievement across time and among various subgroups. This measurement tool provides another way to analyze student assessment data to provide educators with information to determine if students are making progress toward educational goals outside of scores on the PSSA and Keystone assessments. If the Department of Education revises the tool or the methodology used to measure student growth during the timeframe of this Recovery Plan, or updates any other measurement tools, then the targets outlined in this section will be revised in order to align with the new standards.

³ At the time of the development of this Recovery Plan, assessment data is not available for the 2019-20 year as statewide assessments were to be waived for the school year as a result of the pandemic. In April 2021, the District began conducting academic assessments for the 2020-21 school year. In addition, the District has used other assessments to evaluate student progress absent statewide assessments, including classroom diagnostic tools, DIBELS, and Start Math.

⁴ The District scores shown here are based on PSSA Group Summary data provided from eMetric to the District by the Pennsylvania Department of Education, while the statewide average comes from data published by the Pennsylvania Department of Education at: <https://www.education.pa.gov/DataAndReporting/Assessments/Pages/PSSA-Results.aspx>. Due to how data is reported, there may be differences in scores shown in the Plan in compared with data reported in the Future Ready Index.

⁵ The Harrisburg School District categorizes grades 3-4 as elementary and grades 5-8 as middle school.

Harrisburg School District Elementary School 2018-19 PSSA Assessment Results

Advanced and Proficient

English/Language Arts		
Grade	Harrisburg SD	Statewide Average
3	15.6	61.9
4	20.5	63.6

Basic and Below Basic

English/Language Arts		
Grade	Harrisburg SD	Statewide Average
3	84.4	38.1
4	79.5	36.4

Mathematics		
Grade	Harrisburg SD	Statewide Average
3	13.4	56.0
4	9.1	46.2

Mathematics		
Grade	Harrisburg SD	Statewide Average
3	86.6	44.0
4	90.9	53.8

Science		
Grade	Harrisburg SD	Statewide Average
4	41.8	77.8

Science		
Grade	Harrisburg SD	Statewide Average
4	58.2	22.2

At the middle school level for the 2018-19 school year, the gap between the District average and the statewide average for advanced and proficient scores in English/Language Arts was 36.1 percentage points. In Mathematics, the District average for advanced and proficient scores was 27.6 percentage points lower than the statewide average, while in Science, the percentage of advanced or proficient students at the District was 37.1 percentage points lower than the statewide average.

Harrisburg School District Middle School 2018-19 PSSA Assessment Results

Advanced and Proficient

English/Language Arts		
Grade	Harrisburg SD	Statewide Average
5	16.8	58.5
6	23.0	63.0
7	22.4	60.4
8	23.8	57.9

Basic and Below Basic

English/Language Arts		
Grade	Harrisburg SD	Statewide Average
5	83.2	41.5
6	77.0	37.0
7	77.6	39.6
8	76.2	42.1

Mathematics		
Grade	Harrisburg SD	Statewide Average
5	7.4	43.1
6	8.3	39.0
7	9.6	38.2
8	5.6	32.2

Mathematics		
Grade	Harrisburg SD	Statewide Average
5	92.6	56.9
6	91.7	61.0
7	90.4	61.8
8	94.4	67.8

Science		
Grade	Harrisburg SD	Statewide Average
8	21.1	58.2

Science		
Grade	Harrisburg SD	Statewide Average
8	78.9	41.8

Keystone examinations are typically only given to high school students.⁶ In the Harrisburg School District, there is a dichotomy between the scores achieved by Sci-Tech and those for John Harris and Cougar Academy. Sci-Tech regularly exceeds the state averages in all three subject areas on the Keystone examinations, while the average scores for the students at John Harris and Cougar Academy were lower than the statewide average.

The table on the following page shows the average performance of students at John Harris and Cougar Academy on the Keystone assessments only and does not include the scores from Sci-Tech. As shown in the table below, the gap between the District average and the statewide average for the Literature test was 57.7 percentage points, 57.7 percentage points for Algebra I, and 52.6 percentage points for Biology.

Harrisburg School District High School 2018-19 Keystone Assessment Results ⁷

Advanced and Proficient

Keystone Tests		
Test	Harrisburg SD	Statewide Average
Literature	13.8	71.5
Algebra I	5.6	63.3
Biology	10.6	63.2

Basic and Below Basic

Keystone Tests		
Test	Harrisburg SD	Statewide Average
Literature	86.2	28.5
Algebra I	94.4	36.7
Biology	89.4	36.8

⁶ Currently, some students from Marshall Math and Science at the District have successfully taken Algebra I and have completed the Algebra Keystone assessment.

⁷ The District scores shown here are based on Keystone Assessment data provided to the District by the Pennsylvania Department of Education, while the statewide average comes from data published by the Pennsylvania Department of Education at: <https://www.education.pa.gov/DataAndReporting/Assessments/Pages/Keystone-Exams-Results.aspx>. Due to how data is reported, there may be differences in scores shown in the Plan in compared with the Future Ready Index.

The assessment results across all subject areas indicate that there is a larger portion of the District's students who fail to demonstrate basic proficiency on annual academic assessments than those who are proficient or advanced. In many subject areas and grade levels, the District would need to double, if not triple, the number of students scoring advanced or proficient to reach the statewide average. The District is at a critical juncture and must take immediate action to improve the academic performance of its students.

Academic Assessment Goals

For this Recovery Plan, the Harrisburg School District has established academic assessment targets at the District level for the PSSA assessments and at the school level for the Keystone examinations.^{8,9} The District has set a goal of reaching the current statewide average of the percentage of students scoring as proficient and advanced on the PSSA assessment across all subject areas by 2025-26.¹⁰ As a result, the District aims to increase the percentage of students scoring as advanced or proficient on the PSSA assessment by 6.8 percentage points for ELA, 5.6 percentage points for Mathematics, and 6.0 percentage points for Science annually. In the table below, the District's annual targets for proficient and advanced test scores are presented.

After the 2025-26 school year, the District has set an annual growth target of 5.0 percentage points for all subject areas. As assessment data becomes available annually, the Receiver will assess whether future targets require adjustment or amendment to the Plan. Any adjustments to the targets must remain compliant with the goals set by the Pennsylvania Department of Education. Annual Districtwide PSSA goals through 2029-30 are shown in **Appendix E**, as are PSSA goals by school and subject.

While the District's targets are for advanced and proficient scores, the District recognizes the importance of monitoring the number of students scoring at basic and below basic levels as well.

⁸ The District is using the District Summary report developed by the Pennsylvania Department of Education to determine the PSSA scores and will use that report to measure progress. There may be some minor differences between this data and District PSSA scores as shown on the Future Ready Index.

⁹ Due to the pandemic, the Commonwealth waived statewide assessments for the 2019-20 school year, therefore scores and targets reflect the District's 2018-19 data. In 2021, the Commonwealth announced that all districts were required to test their students for the 2020-21 school year and that annual assessments must be completed by September 2021. The District began administering assessments at the end of the 2020-21 school year. The District will adjust scores and targets when assessment results for 2020-21 become available.

¹⁰ The District will use the reported statewide average scores of students scoring as proficient and advanced on the data in the District Summary report for 2018-19. While it is understood that statewide averages may change from year to year, the 2018-19 scores are used throughout the Plan.

Harrisburg School District PSSA Annual Goals

HSD Score	State Average	Gap	Annual Target	19-20	20-21	21-22	22-23	23-24	24-25	25-26
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Language Arts PSSA – Percent Proficient and Advanced

District	20.2	60.9	40.7	6.8	20.2	27.0	33.8	40.6	47.3	54.1	60.9
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Mathematics PSSA – Percent Proficient and Advanced

District	9.0	42.4	33.4	5.6	9.0	14.6	20.1	25.7	31.3	36.8	42.4
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Science PSSA – Percent Proficient and Advanced

District	32.3	68.0	35.7	6.0	32.3	38.3	44.2	50.2	56.1	62.1	68.0
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For the Keystone examinations, the Harrisburg School District has set targets at the school level that are aligned with meeting the current statewide average of students scoring as advanced or proficient by 2025-26.¹¹ As a result, as shown in the table on the table on the following page, Cougar Academy will need to improve its scores by 9.3 percentage points annually in Literature, 9.7 percentage points in Algebra I, and 10.5 percentage points in Biology. For John Harris, the District will need to improve its scores by 9.7 percentage points annually in Literature, 9.6 percentage points in Algebra I, and 8.5 percentage points for Biology. As Sci-Tech has already exceeded the statewide average in all subject areas, the District has selected annual targets for Sci-Tech of 2.0 percentage points for all subject areas. After meeting the statewide average in the 2025-26 school year, the District has set an annual growth target of 5.0 percentage points for John Harris and Cougar Academy. Sci-Tech will maintain its annual target of 2.0 percentage points after the 2025-26 school year.

As assessment data becomes available annually, the Receiver will assess whether future targets require adjustment or amendment to the Plan. Any adjustments to the targets must remain compliant with the goals set by the Pennsylvania Department of Education.

¹¹ The District will use the reported statewide average scores of students scoring as proficient and advanced as reported on the Keystone exams results from the Pennsylvania Department of Education for 2018-19, located at <https://www.education.pa.gov/DataAndReporting/Assessments/Pages/Keystone-Exams-Results.aspx>. While it is understood that statewide averages may change from year to year, the 2018-19 scores are used throughout the Plan.

Harrisburg School District Annual Keystone Goals ^{12 13}

	HSD Score	State Avg.	Gap	Annual Target	19-20	20-21	21-22	22-23	23-24	24-25	25-26
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Literature Keystone Tests – Percent Proficient and Advanced

Cougar Academy	15.8	71.5	55.7	9.3	15.8	25.1	34.4	43.7	52.9	62.2	71.5
John Harris HS	13.5	71.5	58.0	9.7	13.5	23.2	32.8	42.5	52.2	61.8	71.5
Sci-Tech	79.1	71.5	(7.6)	2.0	79.1	81.1	83.1	85.1	87.1	89.1	91.1

Algebra I Keystone Tests – Percent Proficient and Advanced

Cougar Academy	5.0	63.3	58.3	9.7	5.0	14.7	24.4	34.2	43.9	53.6	63.3
John Harris HS	5.7	63.3	57.6	9.6	5.7	15.3	24.9	34.5	44.1	53.7	63.3
Sci-Tech	72.7	63.3	(9.4)	2.0	72.7	74.7	76.7	78.7	80.7	82.7	84.7

Biology Keystone Tests – Percent Proficient and Advanced

Cougar Academy	0.0	63.2	63.2	10.5	0.0	10.5	21.1	31.6	42.1	52.7	63.2
John Harris HS	12.3	63.2	50.9	8.5	12.3	20.8	29.3	37.8	46.2	54.7	63.2
Sci-Tech	68.2	63.2	(5.0)	2.0	68.2	70.2	72.2	74.2	76.2	78.2	80.2

While the District’s targets in this Plan are based on advanced and proficient scores, the District recognizes the importance of monitoring the basic and below basic scores as well.

For the duration of time while the Harrisburg School District remains in moderate financial recovery status—or any other level of State oversight—the District’s performance goals for student achievement will not conflict with the Commonwealth’s assessment of the District’s overall performance and school-level performance in the Future Ready PA Index or any successor system of performance measurement. Annual Keystone goals through 2029-30 are shown in **Appendix E**.

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

The Harrisburg School District is committed to becoming a high-performing school district. As such, the District focuses not only on student achievement data as recorded by PSSA and Keystone exams, but

¹² Due to the pandemic, the Commonwealth waived statewide assessments for the 2019-20 school year, therefore scores reflect the District’s 2018-19 scores. In the case that the Commonwealth publishes an alternate measure for academic achievement, the District will adjust scores and targets accordingly.

¹³ In 2021, the Commonwealth announced that all districts were required to test their students for the 2020-21 school year and that annual assessments must be completed by September 2021. The District began administering assessments at the end of the 2020-21 school year. The District will adjust scores and targets when assessment results for 2020-21 become available.

also on student growth. Growth is a crucial component of demonstrating academic improvement by showing progress over time, across grades, and across subjects. By measuring both students' academic achievement and growth, schools and districts have a more complete picture to understand student advancement.

In Pennsylvania, student growth is measured through the Pennsylvania Value-Added Assessment System (PVAAS). The PVAAS growth measure is an estimate of the academic growth students have made in a grade or subject area but is not easily used to compare progress across grades, subjects or year due to variations in standard error.

In addition, PVAAS generates an Annual Growth Index (AGI) for all schools and school districts by subject area and exam based on prior and current-year scores and the average growth across all districts in Pennsylvania.¹⁴ The AGI is calculated as the PVAAS growth measure divided by standard error. Along with the numerical AGI, scores are color-coded to signify a district's overall growth in the subject area.

PVAAS Categories and Definitions

AGI < -2.0	-2.0 ≤ AGI < -1.0	-1.0 ≤ AGI < 1.0	1.0 ≤ AGI < 2.0	AGI ≥ 2.0
Significant Evidence that the District did not meet the standard for growth	Moderate Evidence that the District did not meet the standard for growth	Evidence that the District met the standard for growth	Moderate evidence that the District exceeded the standard for growth	Significant evidence that the District exceeded the standard for growth

In the table on the following page, the District's 2018-19 growth measure scores are shown as well as the District's average growth measure scores for the years 2016-17 through 2018-19. Based on 2018-19 data, the District saw significant growth in several grades and subject areas for the PSSA and Keystone examinations, including Grade 6 Mathematics, Grade 7 English Language Arts, and Keystone Biology. The District also has several areas where the District failed to see any progress, including Grades 4 and 5 Mathematics and Keystone Literature.

¹⁴ Grade 3 is not included in PVAAS calculations so there are no scores available to measure growth.

Harrisburg School District PVAAS Scores ¹⁵

Subject	Test	HSD 2018-19 Score	HSD 3 Year Average
PVAAS District - Value Added			
English Language Arts (ELA)	Keystone Literature		
	PSSA Grade 4		
	PSSA Grade 5		
	PSSA Grade 6		
	PSSA Grade 7		
	PSSA Grade 8		
Mathematics	Keystone Algebra I		
	PSSA Grade 4		
	PSSA Grade 5		
	PSSA Grade 6		
	PSSA Grade 7		
	PSSA Grade 8		
Science	Keystone Biology		
	PSSA Grade 4		
	PSSA Grade 8		

The District's average scores for the past three years show a mix of subjects in which students experienced academic growth. The District improved in the English Language Arts (ELA) PSSA examinations for Grades 4, 6, 7, and 8, but did not for PSSA examinations for Grade 5 and the Keystone Literature exam. For Mathematics, the District saw significant improvement for the PSSA examination for Grades 6 and 8 and the Keystone Algebra I examination, but minimal progress for the PSSA examination for Grades 4, 5, and 7. In Science, the District progressed for both the PSSA Grade 8 examination and the Keystone Biology examination, but failed to demonstrate growth for the PSSA Grade 4 examination.

Student Growth Goals

It is the belief of the Harrisburg School District that every child can learn and grow. As a result, the District expects to see growth every year, not regression. The District will set a target of achieving significant evidence of exceeding the standard for growth where the AGI exceeds 2.0 or above for all subjects and all grade levels annually, as noted by the dark blue color.¹⁶ This is aligned with the high expectations set for students and in recognition of the fact that simply maintaining achievement is not enough for lower-achieving schools (which the Harrisburg School District has historically been) to increase performance.¹⁷ Achieving this target will also achieve the statewide growth standard as set by the Pennsylvania Department of Education's Future Ready Index.

PVAAS scores are also a measure of teacher progress and growth. The District's PVAAS scores will also be used to better understand and evaluate teacher effectiveness and growth. While not an established target in this Recovery Plan, the District expects to see the number of teachers scoring in the red and yellow categories to decrease.

Appendix F shows PVAAS data at the school level for 2018-19 for both the growth measure and the AGI score. For that year, most of the District's schools had an annual growth index above -1.0 in all subject

¹⁵ PVAAS data is provided based on District-level data from the PVAAS launchpad.

¹⁶ The District is using the District PVAAS launchpad report developed by the Pennsylvania Department of Education to determine the District's AGI scores and will use that report to measure progress against its targets.

¹⁷ Complete Guide to Using PVAAS to Set Growth Goals and Priorities. Pennsylvania Department of Education. April 2020.

areas (green, light blue, and dark blue), which translates to meeting the standard for growth. Only three schools demonstrated significant growth or were in the dark blue range in one or more subject areas: Cougar Academy (ELA), Sci-Tech (Algebra I and Biology), and Melrose (Math).

For the duration of time while the Harrisburg School District remains in moderate financial recovery status—or any other level of State oversight—the District’s performance goals for student growth will not conflict with the Commonwealth’s assessment of the District’s overall performance and school-level performance in the Future Ready PA Index or any successor system of performance measurement.

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

High school graduation rates are measured in four and five-year cohorts, based on the time it takes for a student to receive their diploma, beginning in ninth grade. For the purpose of this Recovery Plan, the District’s four-year graduation rates for each of its three high schools were used to select targets for the District’s academic goals.

According to the District’s Pennsylvania Information Management Systems (PIMS) Report for 2018-19, the District had 439 students in its four-year cohort. As shown in the table below, in 2018-19, the District’s four-year graduation rate was 68.6 percent. Graduation rates also varied by school: Sci-Tech reported a 100.0 percent graduation rate and Cougar Academy reported a graduation rate of 84.6 percent. Contrarily, John Harris had a four-year graduation rate of only 59.4 percent, 17.9 percentage points lower than the statewide average.¹⁸

Harrisburg School District 2018-19 Four-Year Graduation Rate

School	Harrisburg SD (%)	Statewide Average (%)
Cougar Academy	84.6	86.5
John Harris	59.4	86.5
Sci-Tech	100.0	86.5
Overall District Graduation Rate	68.6	86.5

Graduation Cohort Goals¹⁹

For this Recovery Plan, the Harrisburg School District aims to have all three schools meet or exceed the current statewide average for graduation by 2025-26.²⁰ The targets assume no growth in cohort size for all three schools and assume equal annual increases.

As shown in the table on the following page, for each school to meet the current statewide average by 2025-26 different targets were established for all three schools. As John Harris has the lowest current

¹⁸ The graduation rate was based on the ACS cohort graduation report provided to the District and the District will use that report to measure progress against its targets. The statewide average was taken from the data on the Commonwealth’s Future Ready Index for 2018-19.

¹⁹ The targets use 2018-19 data as the base year due to the absence of ACS graduation data for 2019-20. If assessment data for 2019-20 is not available, all targets will shift one year so that the targets for 2020-21 will be the values shown for 2019-20.

²⁰ While it is understood that statewide averages may change from year to year, the District will continue to use the statewide average graduation rate as reported from 2018-19 throughout the Plan.

graduation rate as well as the most students, it has the highest annual target – 4.5 percentage points annually. Cougar Academy has an annual target of 0.3 percentage points and as Sci-Tech had a 100.0 percent four-year graduate rate in 2018-19, the school’s goal will be to maintain its current graduation rate during the length of this Recovery Plan. The District score shown reflects the Districtwide target based on the targets for all three schools.

Harrisburg School District Annual Graduation Rate Goals

18-19 Grad Rate	State Average	Annual Target ²¹	19-20 ²²	20-21	21-22	22-23	23-24	24-25	25-26
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Four-Year Graduation Cohort - District

District	68.6	86.5	-	68.6	72.0	75.5	78.9	82.4	85.8	89.3
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Four-Year Graduation Cohort - Individual Schools

Cougar Academy	84.6	86.5	0.3	84.6	84.9	85.2	85.6	85.9	86.2	86.5
John Harris HS	59.4	86.5	4.5	59.4	63.9	68.4	73.0	77.5	82.0	86.5
Sci-Tech	100.0	86.5	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Following the 2025-26 year, schools are expected to continue to increase their graduation rate, but at a slower rate. As shown in **Appendix G**, Cougar Academy and John Harris aim to continue to increase graduation rates by 2.0 percentage points from 2025-26 to 2029-30.

After graduation rate data becomes available after each school year, the District’s and individual schools’ annual targets may be adjusted and amendments to the Plan considered. In addition, the Commonwealth’s Future Ready Index shows graduation rate data as well as information on career standards under its College and Career Measures section. While career standards are not identified as a separate goal in this Amended Recovery Plan, the District intends to adhere to the Academic Standards for Career, Education, and Work (CEW) that have been published by the Pennsylvania Department of Education and recognizes that adherence to these standards may positively impact the graduation rate.²³

The District’s performance goals for graduation rates will not conflict with the Commonwealth’s measurements of student progress and performance in the Future Ready PA Index or any successor system of performance measurement while the Harrisburg School District remains in receivership or any other level of State oversight.

²¹ The District plans on evaluating graduation targets on an individual school basis in this Plan. At the request of the Receiver, a Districtwide annual goal was developed based on 2019-20 enrollment and the annual goals of each school. As each individual school has different targets, the District’s annual target will slightly vary and not remain consistent on a year-to-year basis. Based on the individual targets, the District is expected to have a more aggressive Districtwide target of approximately 3.5 percent from 2019-20 to 2025-26, and 1.6 percent from 2025-26 to 2029-30.

²² Scores reflect the District’s 2018-19 scores. Due to the pandemic the District has elected to use those scores as the base year for developing targets in this Plan.

²³ The District will review data related to the exposure of District students to the key standards for CEW on the Future Ready Index annually.

Goal 4: Improve overall student attendance

The Recovery Plan recognizes that there are many factors that affect student success. One of the most critical factors is that students attend class each day and are engaged in learning. Students who do not attend class regularly fall behind on coursework, and for students who are chronically absent, the risk of falling behind in school only increases.²⁴

There are two ways that the Commonwealth tracks attendance: average daily membership and regular attendance. While average daily membership represents the number of students present in at an individual school or across the District at a single point in time, regular attendance accounts for chronic absenteeism by omitting students who may have missed a significant portion of instruction throughout the school year.²⁵ Currently, students who miss more than 10.0 percent of the school year are considered chronically absent. Between the two measures, regular attendance represents how many students are regularly present in the classroom each day. Using average daily attendance may also mask which students are at risk, as the number represents which students are present on any given day, but does not track which students may be struggling and missing school.²⁶ Therefore, regular attendance will be used as the District's measure for overall student attendance and its targets.

Student Attendance Goals

The Harrisburg School District has consistently struggled with low regular attendance rates. In 2018-19, the District had an overall regular attendance rate of 55.9 percent and no school exceeded a regular attendance rate of 90.0 percent.²⁷ In 2019-20, the District's school year was cut short due to coronavirus and ended with overall regular attendance rate of 67.6 percent.²⁸ In 2019-20, only one school - Marshall Math and Science – had monthly regular attendance above 90 percent. John Harris has the lowest regular attendance at 42.0 percent for the year.

²⁴ U.S. Department of Education "Chronic Absenteeism in the Nations' Schools".
<https://www2.ed.gov/datastory/chronicabsenteeism.html>.

²⁵ Chronic Absenteeism accounts for students who miss 10.0 percent of the school year or 10 consecutive school days.

²⁶ Pennsylvania Department of Education "Guidelines for Reporting Regular Attendance and Chronic Absenteeism".
<https://www.education.pa.gov/K-12/ESSA/FutureReady/Pages/Attendance.aspx>.

²⁷ Based on eSchool Report provided by the District in September 2020.

²⁸ Attendance scores for 2019-20 are based on eSchool attendance reports developed by the Harrisburg School District as of March 3, 2020. This data may differ from attendance scores on the Future Ready Index due to several factors, including that District scores do not include outplacement attendance or the requirement for 90 days of enrollment. The District will use the eSchool reports to measure progress.

Harrisburg School District 2019-20 Regular Attendance by Month (%) ^{29 30}

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Overall
Ben Franklin	83.7	81.7	79.7	74.7	72.9	73.1	72.9	76.8
Camp Curtin	74.5	69.6	66.8	60.2	57.8	57.5	55.6	62.9
Cougar Academy	88.5	86.5	86.7	82.0	80.6	77.5	78.2	82.8
Downey	78.6	77.2	73.9	68.3	66.1	62.9	62.4	69.7
Foose	78.0	77.0	73.1	65.3	60.7	60.7	58.2	67.4
John Harris	57.0	50.2	45.2	39.5	37.0	34.3	32.8	42.0
Marshall	87.1	80.7	77.5	71.4	70.9	67.4	66.7	74.4
Math & Science	93.3	93.5	93.5	92.0	92.3	92.1	92.1	92.7
Melrose	85.6	82.7	81.0	78.2	74.4	74.7	74.7	78.7
Rowland	75.8	68.9	64.8	59.7	56.5	54.4	53.2	61.7
Scott	80.8	81.0	78.5	71.6	69.6	69.3	66.5	73.8
Sci-Tech	88.8	86.4	85.1	81.3	78.2	76.3	74.5	81.5
District	77.7	74.2	71.2	65.7	63.1	61.9	60.7	67.6

Across the District, regular attendance also decreased throughout the 2019-20 school year. While the Districtwide regular attendance rate was the highest in September 2020 at 77.7 percent, by March, it was 60.7 percent, a 17.0 percentage point decrease from the beginning of the year.

The District has identified improving attendance as a priority for all District schools and has set a Districtwide target of 90.0 percent for regular attendance starting in 2020-21, including students at the District’s Harrisburg Virtual Learning Academy. The following year, the annual growth target is reduced to 0.5 percentage points, which puts the District in line with the 2030 target as determined by the Department of Education’s Future Ready Index.

The table on the following page presents the District’s annual targets for attendance, starting with a 90.0 percent attendance goal starting in the 2020-21 school year. Although final regular attendance data for the 2020-21 school year is not yet available, as the school year is still in progress, as data becomes available annually the Receiver will assess whether targets require adjustment at the District or school level and whether amendments to the Plan are necessary.

²⁹ Attendance scores for 2020-21 are based on eSchool attendance reports developed by the Harrisburg School District as of May 19, 2021. This data may differ from attendance scores on the Future Ready Index due to several factors, including that District scores do not include outplacement attendance or the requirement for 90 days of enrollment. The District will use the eSchool reports to measure progress for this goal.

³⁰ Regular attendance accounts for chronic absenteeism, or students who are absent 10 consecutive school days or for 10.0 percent of the school year.

Harrisburg School District Attendance Goals

19-20 Attendance	2020-21 Goal	19-20 Gap	19-20	20-21 ³¹	21-22	22-23	23-24	24-25	25-26
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Elementary School

Benjamin Franklin	76.8	90.0	13.2	76.8	90.0	90.5	91.0	91.5	92.0	92.5
Downey	69.7	90.0	20.3	69.7	90.0	90.5	91.0	91.5	92.0	92.5
Foose	67.4	90.0	22.6	67.4	90.0	90.5	91.0	91.5	92.0	92.5
Melrose	78.7	90.0	11.3	78.7	90.0	90.5	91.0	91.5	92.0	92.5
Scott	73.8	90.0	16.2	73.8	90.0	90.5	91.0	91.5	92.0	92.5

Intermediate School

Camp Curtin Academy	62.9	90.0	27.1	62.9	90.0	90.5	91.0	91.5	92.0	92.5
Marshall Academy	74.4	90.0	15.6	74.4	90.0	90.5	91.0	91.5	92.0	92.5
Marshall Math Science Academy	92.7	90.0	-	92.7	93.2	93.7	94.2	94.7	95.2	95.7
Rowland Academy	61.7	90.0	28.3	61.7	90.0	90.5	91.0	91.5	92.0	92.5

High School

Cougar Academy ³²	82.8	90.0	7.2	82.8	90.0	90.5	91.0	91.5	92.0	92.5
John Harris	42.0	90.0	48.0	42.0	90.0	90.5	91.0	91.5	92.0	92.5
Sci-Tech	81.5	90.0	8.5	81.5	90.0	90.5	91.0	91.5	92.0	92.5

Evaluation of Academic Goals

Under the Commonwealth's current school district accountability measurement system, the metrics used in the Future Ready PA Index or any successor measurement system will be the main tool of accountability used by the Department of Education. Where different metrics are used to measure

³¹ The 2020-21 school year is still in progress. As the District spent a majority of the school year in a virtual learning environment, regular attendance data for the 2020-21 school year may not be comparable to prior years.

³² In this table, Cougar Academy is designated as a high school, but the percentage reflected is for all grades K-12.

progress and establish targets in this Recovery Plan, they are understood to be aligned with or to exceed the current goals established in the Future Ready Index.

Ultimately, the academic goals of this Recovery Plan and subsequent amendments will be used as one tool among many to determine whether the District has implemented the initiatives with fidelity and whether the District has made sufficient academic and financial progress. In regular reports to the Secretary of Education, the Receiver will update the Secretary and the Department on the Harrisburg School District's progress on each of the academic indicators above. The Receiver will also make regular reports to the Judge which will be used to make recommendations regarding changes in the status of the Harrisburg School District.

Additionally, responsibilities assigned to a specific individual or title in the Recovery Plan should be understood to fall to the person occupying that position in the future.

Initiatives

As discussed earlier in this chapter, the Harrisburg School District has identified four key academic goals focused on outcomes for its students, including improved scores on academic assessments and an increased graduation rate. **In order to achieve those goals, the District has identified four overarching Districtwide strategies:**

1. **Fostering a culture of high expectations;**
2. **Implementing data-based decision making;**
3. **Developing leadership capacity; and**
4. **Improving academic performance**

For each strategy, the District has identified supporting initiatives, which are outlined in the remainder of this chapter. Implementing these initiatives will be critical to accomplishing the strategies and achieving the District's broader goals. These initiatives also reflect the 7 Turnaround Principles for how to increase student academic achievement as defined by the United States Department of Education.

Strategy #1: Fostering a Culture of High Expectations

As a high-performing school district, the Harrisburg School District believes in setting high expectations for its students, as well as for all members of the staff and administration. At the core of this approach is the belief and understanding that all students are capable of achieving at high levels. Research has shown that individual student performance can be impacted by the expectations of teachers, community, and family – when those expectations are high, students will strive to meet them. All staff at the Harrisburg School District will subscribe to the belief that all children can succeed and set high expectations for all students and share responsibility for student success.

In addition to setting high expectations for students, all District employees will also be held to high standards, regardless of their position. Moving forward, the District will:

- **Publicly adopt a culture of high expectations:** The District will communicate the new culture of high expectations in all written and presented public materials, conduct trainings for principals and other staff as needed, and update existing staff handbooks and onboarding materials to communicate the expectations to all staff.
- **Operate as a customer service-oriented organization:** All members of the District, including teachers, administrators, and central office staff will be responsive to requests from students,

families, and the community, seek feedback regularly on their performance, and strive for transparency in District operations and decision-making.

- **Conduct themselves professionally and ethically:** All staff are always expected to be professional, perform the jobs as described in their job descriptions, and comply with the District's ethics policy as described in **ADMIN04**. Failure to do so will result in discipline as described in the District's administrative policies.

In addition, the District will take steps to address student attendance, staff attendance, and improving accountability, all of which will help foster the District's culture of high expectations.

AP01	Take action to improve Districtwide student attendance	
	Deadline: Expand reports for attendance and suspensions (September 2021); update attendance policies (December 2021); plan progress evaluated (July 2022); annually thereafter	
	Evaluation Measure:	Improved student attendance and decreased suspensions across all buildings
	Responsible Party:	Director of Accountability and Building Administrators

There is a direct correlation between attendance and academic performance. Students who attend school regularly have a greater opportunity to achieve academically, feel more connected to their community and their teachers, develop important social skills, and are significantly more likely to graduate from high school. When students are absent, they do not receive necessary instructional time, which can be difficult to make up later. For students who are chronically absent – defined in Pennsylvania as 18 days in a 180-day year, the lost instructional hours are irreplaceable.

In 2016-17, the Harrisburg School District began to improve internal systems for tracking absenteeism by centralizing registration and withdrawals. The District also began assigning counselors and social workers to develop and monitor Student Attendance Improvement Plans (formerly known as Truancy Elimination Plans) for individual students and collaborating with Dauphin County Children and Youth Services around these issues. However, these efforts were not sustained.

In Pennsylvania, school districts use two different measures to track overall attendance: average daily membership and regular attendance. As mentioned earlier in this chapter, the District plans to use regular attendance to measure progress in the Plan. Regular attendance is determined by the number of days a student is enrolled and accounts for chronically absent students.³³ In 2019-20, the District's school year was cut short due to coronavirus and ended with overall regular attendance rate of 67.6 percent.

Another measure of attendance is average daily membership and average daily attendance, which refers to the number of students enrolled at the District at a certain point in time. In essence, this is the average number of students in attendance or membership during the reporting period. As the calculation of average daily membership does not account for chronically absent students and does not require students to be enrolled for more than 90 days and be present for 90 percent or more of enrolled days, there can be a wide difference in the calculations between regular attendance and average daily attendance or membership.

According to data provided by the District, average daily membership attendance was 89.0 percent for the 2019-20 school year.³⁴ This data is illustrated on the table on the following page. Although this is not the

³³ A student categorized as chronically absent if they miss more than 10.0 percent of the school year. To count towards regular attendance, the student must be enrolled for more than 90 days and be present for 90 percent or more of enrolled school days. <https://www.education.pa.gov/K-12/ESSA/FutureReady/Pages/Attendance.aspx>.

³⁴ Attendance calculations for the 2019-20 school year ended as of March 12, 2020 due to the coronavirus pandemic.

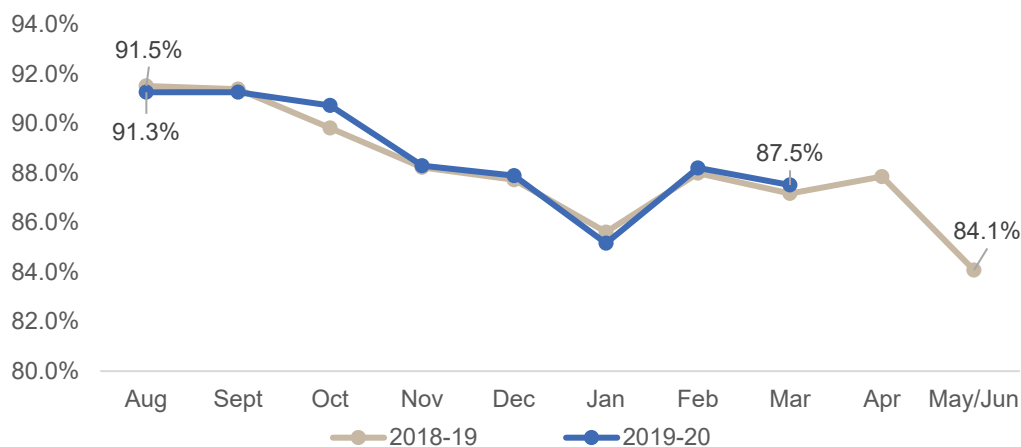
metric that will be used to measure progress in the Plan, the District will still monitor average daily membership and attendance.

HSD 2019-20 End of Year ADA/ADM ^{35 36 37}

	School	EOY Attendance (%)
Elementary	Ben Franklin	92.0%
	Downey	90.0%
	Foose	89.5%
	Melrose	92.5%
	Scott	90.7%
Middle	Camp Curtain	88.5%
	Marshall	91.8%
	Marshall Math & Science	96.0%
	Rowland	87.5%
High	Cougar Academy	92.3%
	John Harris	79.5%
	Sci-Tech	93.1%
District Wide		89.0%

The District also tracks average daily attendance by building monthly. The following graph shows monthly attendance across the District for 2018-19 and 2019-20. The data for both years shows a similar trend: attendance is highest at the start of the year and declines throughout the year.

HSD ADA/ADM by Month ^{38 39}



³⁵ Data was provided by the District. 2019-20 data is from August through March.

³⁶ The percentage shown is the number of Average Days of Attendance (ADA) divided by the Average Daily Membership (ADM) by building.

³⁷ In this table, Cougar Academy is designated as a high school, but the percentage reflected is for all grades K-12.

³⁸ The District's monthly attendance is based on average daily attendance (ADA) divided by average daily membership (ADM). ADA and ADM data do not take chronic absences into account.

³⁹ Table is based on monthly average daily attendance data reported by the District.

In order to improve student attendance, the District will undertake the following actions:

- **Improve attendance, absenteeism, and suspension reports:** The Child Accounting Office will develop daily reports by building and grade level on attendance and absenteeism. The daily report should have the ability to identify inaccuracies in attendance documentation. As suspensions can also impact overall attendance, the Child Accounting Office will also develop monthly suspension data by building and grade level. Both the attendance and suspension reports will also identify whether students are in regular or special education, and include key demographic information on students, such as race and gender, if possible.
- **Teachers in grades 5-12 will take attendance in each period:** This is in addition to taking attendance during the advisory period at the start of each day. Previously, student attendance was taken almost exclusively during the advisory period. As a result, students who were late or skipped the advisory period could be marked as absent even if they attended their classes. The District also recently updated their system to allow for students to be marked as being present for a half-day, functionality which was not included in their prior system.
- **Engage building principals to monitor attendance regularly:** Student attendance should be monitored on a daily basis. As of the time of the adoption of this Recovery Plan, the District has developed a daily attendance report that goes to all building principals. When a child is absent for three days or more, it should trigger action by the District including contacting the student's family and other interventions. In addition, at the end of each month, both the attendance and suspension reports will be shared with building principals, who will be expected to monitor building attendance, absenteeism, and suspensions regularly and develop strategies to improve their results.
- **Make attendance data publicly available:** The District will make monthly attendance data by building available to the public, as well as the current goal for student attendance established as part of this Recovery Plan in order to measure progress against the goal.
- **Update attendance policies and standardize enforcement:** Currently, District buildings may enforce attendance policies differently. This practice is currently being evaluated. The District will review and update its existing policies around attendance, truancy, and absences. Any policy changes will also document outreach to families and other interventions as determined necessary by the District. Once the new policies are adopted, the District will update staff and provide training. Building principals will be responsible for ensuring that each building is enforcing the updated attendance policies. Additional training for staff will be provided as determined necessary by the Receiver.
- **Increase communication and engagement with parents regarding attendance:** The District will engage with parents on student attendance and encourage their participation in helping the District to meet attendance goals. In addition, the District will communicate with parents to inform them of the impact of student attendance on student achievement and student outcomes.
- **Use Student Attendance Improvement Plans (SAIP):** Previously known as Truancy Elimination Plans (TEPs), a SAIP is a plan of action between the school, parent, and student that outlines strategies and supports in order to address a student's chronic absences. Each student identified as chronically absent will have an individualized SAIP, which will be supervised by a designated staff contact person. Plans should be updated and reviewed with students regularly to determine progress and parents should be invited to participate.

The District has set a target of 90.0 percent for regular student attendance starting in the 2020-21 school year. Annual targets for improvement in student attendance for each school are shown in the student attendance goals section earlier in this chapter.

On an annual basis, the District will evaluate its progress against the goals established in this Plan and identify additional strategies to improve student attendance. The District will also review data on student attendance regularly as part of the data-driven decision making described in **AP04**.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will produce monthly reports on attendance, absenteeism, and suspensions that will be shared with building principals	September 2021; ongoing	Child Accounting Office
The District will make monthly attendance data publicly available	October 2021; ongoing	Public Relations Coordinator
The District will review and update its existing attendance policies around attendance, absences, and suspensions	December 2021	Director of Accountability
The District will develop a Student Attendance Improvement Plan (SAIP) for each student with chronic absences	March 2022	Building Administrators
The District will assign a staff person to monitor each SAIP	April 2022	Building Administrators
The District will evaluate its progress in improving student attendance annually against the targets set in the Recovery Plan	July 2022	Receiver

AP02	Increase staff attendance by enforcing existing policies and improving reporting	
	Deadline: Develop staff attendance reports (October 2021); review and update existing attendance policies (August 2022)	
	Evaluation Measure:	Decreased numbers of staff absences and reduced spending on substitutes
	Responsible Party:	Director of Human Resources

In order for the Harrisburg School District to be a high-performing district, it is essential that all employees attend work on a regular basis. High-performing school districts rely on their staff to be present in the workplace in order to provide students with the best possible educational experience. Additionally, when a staff member is absent, coverage for that day is provided via substitutes, which has a significant financial impact on the District. The District's 2020-21 final budget projects spending almost \$490,000 in substitute teachers throughout the school year.⁴⁰ This number only represents the amount the District projects to spend on contracted substitutes; it does not include the additional cost for District staff who fill in when a staff member is absent.

The Harrisburg School District has made several attempts to improve staff attendance over the past few years. The District's original Recovery Plan of 2013 outlined methods for controlling and preventing excessive absenteeism, but the Plan was not followed with fidelity and consequently its effectiveness was minimized. During the 2018-19 school year, the District assembled a Staff Absenteeism Task Force in an attempt to examine staff attendance and develop a plan to address it; however, the task force stopped meeting midway through the year. In the 2019-20 school year, the District intended to reinstate the Task Force and started by reaching out to representatives from different District buildings. The District also renegotiated substitute rates to curb District costs that may result from high staff absences. However, staff absenteeism and teacher coverage in the schools remains a concern for the District. Based on data provided by the District for 2018-19, almost one-third of the recorded staff absences were for leave without pay, which occurs when the individual has already used up all of their allocated paid leave. Individuals using leave without pay should still go through the process of informing their managers, but it is not clear whether this was done properly in the District at that time.

⁴⁰ This figure was based on non-federal expenditures used with object code 329 per the Chart of Accounts for Pennsylvania Local Education Agencies.

The District implemented a new timekeeping system, Frontline, during the 2020-21 school year. This system is intended to be integrated with other existing District software and will make it easier for the District to track and report staff attendance through electronic reporting and automatic reports sent to principals and other managers.

In order to improve staff absenteeism, the District will undertake the following steps:

- **Improve attendance reports:** The Office of Human Resources will develop staff attendance data reports by building which will be shared on a weekly basis as referenced in **OP09**. These reports will show the number of staff absent each day as well as type of leave requested and the length of leave. Attendance should be tracked not only for instructional positions, but also other employees, such as maintenance and food service staff. These reports will be shared with building principals, who will be expected to monitor staff attendance for teachers and other educational support staff as well as other members of the Administration including the Receiver, Superintendent, Chief Academic Officer, Director of Accountability, and Director of Operations.
- **Update attendance policies and standardize enforcement:** Currently, District buildings may enforce attendance policies differently. The District will review and update its existing policies around staff attendance as well as policies for staff requesting vacation, sick, or personal leave. Current policies for employees taking leave without pay should also be enforced. These policies, as well as any contract provisions around attendance and leave, should be understood by all employees in the District and enforced consistently in every building along with any identified disciplinary procedures.
- **Monitor cost of substitutes by building:** When a staff member is absent, their responsibilities must be covered by another person. This may be through a substitute service or through overtime for other District personnel. In order to monitor the financial impact of staff absences, the District's Office of Business Services will share year to date actual amounts spent on substitutes and on overtime by building on a quarterly basis.
- **Continue the Staff Absenteeism Task Force:** This forum provides an opportunity to identify issues that may be impacting staff attendance or absenteeism and to develop strategies to address those issues. The task force will meet bimonthly and be led by a staff member from the Office of Human Resources. All meetings will be in accordance with processes described in any collective bargaining agreements.

The District will review data on staff attendance regularly as part of the data-driven decision making described in **AP04**.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will generate weekly and monthly staff attendance reports	October 2021; ongoing	Director of Human Resources
The District will reconvene the Staff Absenteeism Task Force to meet monthly	December 2021; ongoing	Office of Human Resources
The District will generate quarterly reports on the costs of substitutes and overtime	March 2022; ongoing	Office of Business Services
The District will review and update its existing attendance policies focusing on attendance and absences	August 2022	Director of Human Resources

AP03	Improve accountability for student performance	
Deadline: Review student performance data regularly with building leaders (October 2021); develop a differentiated professional learning plan for all staff (November 2021); finalize failure elimination plan (January 2022); incorporate student performance into principal evaluations (August 2022)		
	Evaluation Measure:	Building leaders are held accountable for student performance
	Responsible Party:	Superintendent

As part of a high-performing school district, all District employees have a role in student success and achievement. In the spring of 2019, education research firm Mass Insight completed a diagnostic of the Harrisburg School District which included interviews with teachers, administrators, and other staff. The report noted that successful school management involves the creation of "...policies, structures, and systems that create the conditions needed for school success, maintain accountability for results, and enable effective school leaders".⁴¹ Since that time, the District has begun to review its policies and systems and to look at ways to better support its school leaders, including principals. In order to help the District improve internal accountability for student results, the District will undertake the following steps:

- **Review student performance results regularly:** Student performance data on assessments, such as PSSA or PVAAS and other measures across the District and by building should be reviewed regularly by District administrators with building principals. Building leaders will be trained to better understand and interpret student performance results as outlined in **AP04**. Building principals will be expected to share the data with their staff and to develop strategies to support improved student learning and achievement in each building and improve teacher performance.
- **Develop a differentiated professional learning plan for staff:** The District will use the data on how students learned and are performing to help develop a differentiated professional learning plan for staff, which will reflect the needs of individual schools, administrators, and teachers. The District will also implement professional learning on cultural competency and on fostering a culture of high expectations for all students across the District. This plan will be linked to the District comprehensive plan.
- **Incorporate student performance in evaluations:** The District will incorporate student performance, such as PVAAS results, into the evaluations of building principals as part of the upcoming annual evaluation process outlined in **AP07**.
- **Finalize a failure elimination plan:** The District has already begun to develop a failure elimination plan, which would establish a process and protocol for all students identified as failing academically and establish a protocol of interventions the District will follow.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will review student performance data regularly with building leaders	October 2021; ongoing	Office of Academics and Office of Accountability
The District will develop a differentiated professional learning plan for staff	November 2021	Office of Academics

⁴¹ Harrisburg School District Diagnostic Spring 2019.

The District will finalize a failure elimination plan	January 2022	Office of Academics and Office of Accountability
The District will incorporate student performance into evaluations of principals	August 2022	Office of Academics and Office of Human Resources

Strategy #2: Implement Data Based Decision Making

Another characteristic of high-performing school districts is their focus on using data to guide decisions. The Harrisburg School District believes that by improving the quality of District data and using that data to inform decisions at all levels, there will be a positive impact on the District’s academic achievement, financial management, and student stability at all levels.

To ensure equity for all students, the Harrisburg School District will disaggregate all data by race and gender, specifically achievement data including PSSA, Keystone, and PVAAS, in addition to special education, graduation, and attendance. Suspension data will also be disaggregated, as research has shown that racial disparities in district and school-based disciplinary actions indicate that students of color in the United States are subject to disciplinary action at a much higher rate than other students.⁴² Increased disciplinary actions place students at risk for negative outcomes including dropping out of school and negative involvement with the criminal justice system.

As part of implementing data-based decision-making across the District, District leadership will take the following steps:

- **Publicly adopt a culture of data use and continuous improvement:** The District is committed to using data for continuous improvement at the school and classroom levels. The District will set expectations for staff regarding data use in the District. As needed, the District will update existing staff handbooks and onboarding materials to communicate this approach to all staff.
- **Empowering building principals and teachers to use data to make decisions:** District staff will be trained on how to understand and interpret data and how to use that data to make decisions that affect their students and learning. District administration will emphasize collaboration and data sharing to support the decision-making process.

AP04	Use academic data to inform instructional practices	
	Deadline: Develop and distribute data to all staff (November 2021); hold regular meetings between principals, teachers, and instructional coaches to discuss data (January 2022); make assessment data publicly available (July 2022)	
	Evaluation Measure:	District staff understand academic data and use data to make decisions and adjust practices
	Responsible Party:	Chief Academic Officer

High-performing districts understand that data is a vital tool for teachers and administrators in identifying areas where students are achieving as well where students are not meeting expectations. In these districts, data is regularly used to assist districts with the continuous improvement of instruction for students and to

⁴² Riddle, Travis and Sinclair, Stacey. *Racial disparities in school-based disciplinary actions are associated with county-level rates of racial bias*. Proceedings of the National Academy of Sciences, April 23, 2019.

ensure an equitable approach to instruction. All staff need to understand that they are responsible for understanding and using data to make decisions.

In order to effectively use data to make decisions, the District will need to complete the following steps:

- **Identify educational data sources:** School districts have access to a variety of data sources, including demographic data, assessment data, student learning data, and special education data, among others. The District will need to determine the appropriate data sources it wants to regularly review and analyze, including the identification of data the District does not currently have. The District will then need to develop a plan to collect that data.
- **Review quality of existing data:** The District will need to review the existing data to ensure that the data is accurate and up to date. This may require identifying clear processes and responsibility for ongoing data entry.
- **Select a framework to use to analyze data:** The District should select one consistent framework through which to analyze and interpret academic data. It has recently selected Data Wise, a well-established approach run through the Harvard Graduate School of Education.
- **Develop and distribute data:** To measure its progress in improving student academic achievement, the District should share key academic data with staff, including graduation rates and annual PSSA and Keystone student assessment data. In addition to monitoring student scores on statewide assessments, the District should also draw upon instructional practice data, such as pass rates, which show student progress throughout the year. The pass rate data should be shared at the end of each marking period. All annual reports should show scores from prior years to determine District progress. All quarterly reports should include prior year data as well as data from the prior quarters of the current year to determine District progress. The Receiver may identify additional academic reports to be shared with staff at their discretion.

All District results should be shared with staff electronically and in hard copy along with the methodology explaining the data. This may require working with the District's Information Technology department to reformat the data to make it easier to review. Once the reports have been developed, they will be produced and distributed by staff in the Chief Academic Officer's (CAO) office and the IT department, and copies of the reports should be shared with teachers, principals, the Superintendent, CAO, Director of Accountability, and the Receiver.

- **Train staff on how to analyze and interpret data:** In order for data to be utilized effectively, District staff need to understand how to use the data to improve their daily practices. They also need to be held accountable for understanding and using data. Principals, administrators, and staff all need to be trained on how to interpret the reports and results and how to use the results to improve student performance and adjust instructional programs or techniques as necessary. They also need to be trained on how to retrieve data from the District's existing systems. Training may include targeted professional learning around assessments and data as well as providing time for collaborations to share data and improvement strategies, such as through the professional learning communities and coaching as outlined in **AP05** and **AP06**. The District's Office of Accountability will also compile tools and guides that support the use of data.
- **Establish monthly meetings to discuss data:** On a monthly basis, each building will hold a meeting that is focused on data and will require, at a minimum, all teachers and administrators to attend. The type of data to be discussed will vary, but examples could include student absence or suspension data as discussed in **AP01**, staff absenteeism data as discussed in **AP02**, or state assessment results. In addition, District leadership will also have a monthly meeting focused on data. These meetings will help leaders make decisions based on the data and will complement the meetings involving building heads and District leadership described in **AP03**.

- **Make assessment data publicly available:** The District will make assessment data from the PSSA and Keystone statewide examinations available to the public, as well as the current goals for assessment scores established as part of this Recovery Plan in order to measure progress against the goal. This can be done through the data dashboard outlined in **ADMIN08** or through another method as determined by the Receiver.

The District believes that reviewing and analyzing data regularly will give instructional staff valuable information on their existing capacities, student needs, and highlight areas where teachers can improve their instructional techniques. Reviewing student performance data regularly allows staff to adjust teaching based on student progress and needs and to evaluate if additional changes to an instructional program are required.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will identify the key academic data sources	August 2021	Office of Academics and the Office of Accountability
The District will review the quality of the data	September 2021; ongoing	Office of Accountability
The District will select a framework to use to analyze the data	October 2021	Office of Academics and the Office of Accountability
The District will develop and distribute data to staff	November 2021; ongoing	Office of Academics and IT department
Each building will hold a monthly data meeting	January 2022; ongoing	Building Principals
District leadership will hold a monthly data meeting	January 2022; ongoing	Chief Academic Officer
The District will provide training to staff on how to interpret academic data and how to adjust practices	March 2022; ongoing	Office of Academics and the Office of Accountability
The District will make assessment data publicly available	July 2022; or when data is made available to District	Office of Academics and IT department

Strategy #3: Build Instructional Leadership Capacity

Building the leadership capacity of the District’s principals, teachers, and building leaders is vital to the District’s success. Effective leadership is critical to improving teaching and learning at the building and District level. Leadership capacity includes not only instructional capacity, but the growth and development of leadership skills. At the time that the District entered Receivership, the District’s existing leadership development program was not sufficient. Principals were not receiving regular evaluations or feedback, and often had been promoted without adequate training, which impacted their ability to lead staff effectively.

The District is committed to helping build the capacity of its building leaders through the continuation of its coaching and professional learning communities and by implementing annual evaluations for staff. These initiatives underscore the District’s belief in the connection between principal leadership and student achievement and that supporting and developing the District’s building leaders is central to the Harrisburg School District being a high-performing district.

AP05	Continue Professional Learning Communities for principals and assistant principals	
Deadline: Expand professional learning communities to assistant principals (September 2021); continue to hold PLC meetings on a monthly basis (ongoing)		
	Evaluation Measure:	Monthly Professional Learning Community meetings are held
	Responsible Party:	Chief Academic Officer

Professional Learning Communities (PLCs) serve as a framework to build teacher capacity, for collaborative teams to focus on improving learning outcomes for students and to provide continuous school improvement. In practice, PLCs are small groups that meet regularly and are led by trained teachers or facilitators. At the principal level, PLCs can help enhance personal and professional growth by allowing an opportunity for principals to reflect on their individual practices, model leadership behaviors, and to improve their skills in coaching and evaluating teachers. Ultimately, the presence of a learning community provides principals with an opportunity to share and acquire knowledge from other educators and to help make them better instructional leaders.

In order to help build leadership capacity at the building level, the District has already established PLCs for all building principals and will expand the current program to include all assistant principals in the District. This can be by having assistant principals attend the same PLC as principals or by establishing a separate PLC for assistant principals. The program may also be expanded to other instructional staff at the discretion of the Receiver.

In order to maximize the productivity of the meetings, professional learning communities will meet regularly, at a minimum on a monthly basis. The meetings should also be allocated sufficient meeting time, have a designated facilitator and an established protocol, with an agenda shared in advance. Meetings may cover different topics, such as reviewing student performance data as discussed in **AP04**, sharing issues in their buildings or across the district, or discussing new strategies or interventions the District may be adopting.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will expand the existing PLC program to include Assistant Principals	September 2021	Office of Academics and Office of Human Resources
The District will continue to hold PLC meetings on a monthly basis	Ongoing	Office of Academics and Office of Human Resources

AP06	Continue coaching programs in the District	
Deadline: August 2021		
	Evaluation Measure:	Each building has an instructional coach for reading and math
	Responsible Party:	Chief Academic Officer

Research strongly indicates that professional learning, such as well-coordinated coaching, is a powerful tool in developing strong teachers and administrators. Instructional coaches can impact both new and veteran teachers and can be effective in fostering leadership skills. Currently, every building in the District

has an assigned instructional coach for both reading and math that help to support building administrators and teachers to improve their knowledge of instructional leadership and effective practices.

In addition, the District has also begun a program of coaching at the principal level as a form of professional learning. Under this program, each principal meets regularly with an administrator from the Office of Academics to analyze data, discuss strategies, and review performance. The District will continue its current coaching program as part of its efforts to increase leadership capacity across the District and may elect to expand coaching to other groups in the future.

As the District’s 2020-21 budget assumes the cost of an instructional coach in all buildings, there are no additional costs assumed for this initiative.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will continue its instructional coaching program	August 2021; ongoing	Office of Academics

AP07	Conduct annual performance evaluations of all staff	
	Deadline: Develop a timeline and format for an annual performance review process (August 2021); Evaluations for all staff complete (May 2022)	
	Evaluation Measure:	Employees receive annual feedback on performance
	Responsible Party:	Office of Human Resources

Annual performance evaluations provide an opportunity for staff to meet with their manager in order to provide feedback on their work performance, plans for development, and accountability for results. In the past, staff reported that evaluations were either not performed, or not performed consistently, leaving staff unclear as to how they were performing at their duties or areas for improvement and opportunities for advancement.

Starting in the 2021-22 school year, the District will conduct annual evaluations of all staff, including educational, operational, and administrative positions. The District is already doing evaluations of employees where it is contractually required. The annual evaluation process will include the following steps:

- **Clearly establish timeline and format:** The District’s Office of Human Resources will determine a timeline for the annual review process, considering any upcoming changes to job descriptions as discussed in **OP12**. The Office of Human Resources, in conjunction with the Superintendent, will determine the format of the performance review and any associated scoring. For building leaders, the format will also include student performance data as outlined in **AP03**.
- **Share performance evaluations with staff:** Evaluations will be shared with all staff. Managers will meet with staff to discuss their evaluations in accordance with the collective bargaining contracts. Starting in the 2021-22 year, managers will include an assessment of individual progress from the prior year as part of the evaluation process.
- **Train staff on how to use and understand performance evaluations:** Prior to the commencement of the annual review process, the District will distribute training materials to all staff outlining the importance of the performance evaluation process. These materials will also include the timeline and format of the review as discussed above. Instructions will also be shared with all managers on how to complete the review.

- **Maintain documentation of annual performance reviews:** Once the annual performance review is complete, the Office of Human Resources will maintain copies of each employee's annual review in the employee's file.

In addition to the annual performance review process, school administrators will also use a 360-review process to design individual professional learning for staff as determined necessary by the Receiver. This process incorporates feedback from an individual's manager, colleagues, and subordinates, as well as a self-evaluation. Once established, information on the evaluation process will be included in future collective bargaining agreements as relevant.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will establish a timeline and format for annual performance review process	August 2021	Office of Human Resources
The District will develop training materials for staff on how to understand and use performance evaluations	September 2021	Office of Accountability
The District will complete annual performance evaluations for all staff	May 2022; ongoing	Office of Human Resources
The District will maintain copies of annual performance reviews in employee file	Ongoing	Office of Human Resources

AP08	Ensure high-quality staff in key leadership positions	
	Deadline: Update job descriptions and establish a statewide and national plan for advertising openings (September 2021); form an internal interview team to review applications and identify well-qualified and experienced school professionals (October 2021); the Interview team will submit recommendations for the position(s) for the Receiver to review (February 2022); all positions filled (May 2022)	
	Evaluation Measure:	Continuity of educational goals and plans
	Responsible Party:	Receiver

At the time of the adoption of this Recovery Plan, the District is led by a Receiver appointed by the Dauphin County Court of Common Pleas. The Receiver has installed a leadership team through a contract with the Montgomery County Intermediate Unit (MCIU), including the positions of Superintendent, Chief Academic Officer, and Director of the Office of Accountability. The current contract is scheduled to end in June 2022, at which time the District will need to ensure that there is a highly qualified leadership in place for after the transition as outlined in **ADMIN05**. The Receiver will reevaluate the services provided by the Montgomery County Intermediate Unit on an annual basis to determine which contracted services can continue to be provided by the MCIU and which services can be transitioned to the Harrisburg School District to enable a gradual transition over a period beyond the initial June 30, 2022 time frame. If the contract with MCIU for other positions is extended beyond June 2022, this initiative will be applicable at the termination of that contract extension. If positions are transitioned gradually, the process outlined in this initiative will still apply to the search for open positions.

For each of the open positions, the District will develop an updated job description outlining the expected qualifications and experience for the position, which will be approved by the Receiver. The District will also develop job advertisements that are consistent with the job descriptions for the positions.

The search will be managed internally by the District, however, that process must involve national and statewide advertising and outreach. The focus of the search is to identify and interview a group of well-qualified and experienced school professionals. The internal interview team for the District will include at a minimum: the Receiver, the acting Superintendent, the acting Director of the Office of Business Services, and the acting Director of the Office of Human Resources. The interview team will recommend one or more candidates for each position and the Receiver will make the final selection from among the candidate(s) recommended by the interview team. All candidates will meet the qualifications as outlined in the District’s administrative policy 304 regarding the employment of District staff. Search materials will emphasize the District’s interest in applications from individuals with diverse backgrounds.

The selected individuals will be responsible for continuing the educational goals and plans put in place by the current team and to continue the District’s academic progress.

The costs of the transition of these positions from the MCIU back to the District are incorporated into the District’s baseline financial projections, therefore no additional costs are shown below.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will establish a timetable for filling vacancies in positions currently filled by MCIU staff	August 2021 (As noted in ADMIN05)	Office of Human Resources
The District will update job descriptions and establish a statewide and national plan for advertising openings	September 2021	Office of Human Resources
The District will form an internal interview team to review applications and identify well-qualified and experienced school professionals	October 2021	Office of Human Resources
The Interview team will submit recommendations for the position(s) for the Receiver to review	February 2022	Office of Human Resources
All positions vacated by MCIU staff are filled by District employees	May 2022	Receiver

Strategy #4: Improve Academic Performance

This Recovery Plan is founded on three guiding principles – academic achievement, financial management, and student stability, all of which are critical to the future of the District as a high-performing school district.

The initiatives in this section focus on improvements in the District’s finances and academic performance, and on stabilizing District enrollment as part of a strategy to improve the District’s overall academic performance. These include adopting a standards-aligned curriculum, implementing Pennsylvania’s Multi-Tiered Systems of Supports (MTSS) in all buildings, and continuing the Harrisburg Virtual Learning Academy (HVLA) and Cougar Academy as options for students and their families.

AP09	Implement a standards-aligned curriculum across the District	
	Deadline: Establish a timetable for the completed revision of all District curriculum (September 2021); dedicate resources to update curriculum (November 2021); evaluate curriculum against student performance data annually (January 2022)	
	Evaluation Measure:	The District has adopted a standard curriculum for each grade level across the District that is aligned to state standards
	Responsible Party:	Chief Academic Officer

High-performing school districts have well-developed, thorough, and challenging curriculum for all students that aligns to existing state standards. The curriculum should provide teachers, students, and administrators with a measurable plan that identifies the learning outcomes, standards, and core competencies that students must demonstrate before advancing to the next grade level.

In order to be effective, the curriculum should be standardized across buildings and grade levels, ensuring that all students are exposed to the same material. In the past, the Harrisburg School District has struggled to implement a standard curriculum. Different buildings were using different curriculums, resulting in inconsistent instruction across schools, the use of outdated materials across the District, and an inequitable experience for students.

The Amended Recovery Plan of 2016 required the District to establish a written curriculum for all grade levels and subject areas by the start of the 2017-18 school year, which was not accomplished. However, the District began updating its curriculum to align with state standards during the 2019-20 school year so that all Districtwide curriculum is properly assessed and updated in a timely manner. In addition, the District also introduced a curriculum evaluation cycle which requires the curriculum to be reassessed and refreshed on a three-year basis to ensure that the curriculum is up-to-date and that it remains aligned with updated state standards. Curriculum need not be rewritten every three years; but the District should evaluate if elements need to be adjusted on a regular and established ongoing basis.

In order to ensure a standard curriculum across the District that is aligned with state standards, the District will undertake the following actions:

- **Establish a timetable for the completed revision of all District curriculum:** This schedule will consider any revisions that the Pennsylvania Department of Education is making to state standards. The curriculum evaluation cycle will need to be reviewed when new standards are issued.
- **Engage District staff to draft and update the curriculum:** Updates to the curriculum will be conducted internally by District staff. This will ensure that staff are actively engaged in the review of the curriculum and feel a sense of ownership over the curriculum. District staff will also be responsible for updating the curriculum as part of the curriculum evaluation cycle. The District should consider establishing a Curriculum Review Committee that meets on a regular basis.
- **Dedicate resources to support the written curriculum:** Part of the District’s commitment to having a comprehensive, standards-aligned curriculum is dedicating financial resources to support those efforts. Costs may include any overtime pay for teachers attending committee meetings, or additional payments to teachers for curriculum writing during the school year and summer. The table below shows the financial impact of these investments in curriculum replacement. To the extent possible, the District will seek to accommodate these costs within its existing budget, however, if funds are not available, then the Receiver will decide to make such investments.

- **Update curriculum management handbook and provide training to staff:** All changes to the existing curriculum or additions to the curriculum should be noted in the Curriculum Management Handbook. Additionally, the District will provide training to staff and leadership as new curriculum is introduced. As needed, classroom observations and professional learning committees as described in **AP05** can help provide additional support and opportunities for peer learning around curriculum implementation.
- **Evaluate curriculum based on district-level student performance data:** Annually, the District will review student performance data against the curriculum as outlined in **AP04**. This review will help determine any changes or modifications that may need to be made to the curriculum and to ensure an equitable approach to curriculum continues in the future. This will also provide an opportunity to evaluate student and teacher performance or the need for additional professional development or training.

The financial impact assumes six District staff assisting with curriculum development for an estimated 50 hours per year based on the amounts included in the current Harrisburg Education Association (HEA) collective bargaining agreement.

5-Year Financial Impact

2021-22	2022-23	2023-24	2024-25	2025-26
\$9,287	\$9,427	\$9,568	\$9,711	\$9,857

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will establish a timetable for the completion of standards-aligned curriculum for all grade levels	September 2021	Office of Academics
The District will identify internal stakeholders responsible for updating the curriculum	October 2021	Office of Academics
The District will dedicate resources necessary to update the curriculum	November 2021	Chief Academic Officer
The District will update the curriculum based on the timetable adopted	Ongoing	Chief Academic Officer
The District will update the Curriculum Management Handbook and provide training to staff on the new curriculum	Two months after curriculum updated	Office of Academics
The District will evaluate curriculum based on district-level student performance data annually	January 2022; ongoing annually	Office of Academics

AP10	Follow MTSS process with fidelity in all buildings	
	Deadline: Develop and deliver training to all staff on MTSS approach (November 2021); implement process in all buildings (February 2022); evaluate the MTSS program annually (July 2022)	
	Evaluation Measure:	The MTSS process is implemented and followed in all buildings
	Responsible Party:	Chief Academic Officer

The Multi-Tiered System of Supports (MTSS) is a framework that uses a series of progressively more involved interventions for students that require additional support academically or behaviorally. MTSS is a proactive approach that seeks to identify students with academic or behavioral needs through a system of

early assessment and intervention. The MTSS approach supports academic achievement as well as behavioral, social, and emotional needs.

There are three tiers to the MTSS approach. Tier 1 involves basic interventions, such as classroom management strategies and building positive relationships between students and teachers. It is expected that Tier 1 interventions are appropriate for 75.0 to 90.0 percent of all students. Per the District, if the MTSS process for Tier I is not addressing the needs of 80.0 percent of all students, then the MTSS process is not being used effectively.

Tier 2 provides additional targeted support to students struggling to meet their academic or behavioral goals where Tier 1 interventions were not enough. Tier 2 is expected to apply to the majority of students not in Tier 1, leaving Tier 3 interventions for a small subset of students that did not respond to the support in Tiers 1 and 2. Students in Tier 3 may meet with other District staff, such as counselors or specialists, to help develop more strategic interventions, and to determine if there is an exceptionality that requires special education services. The MTSS framework allows students to move between tiers as needed.

In order to create the foundation for the implementation of the MTSS framework, the District has taken the following steps:

- **Professional Development:** All District teachers who teach reading and math were trained in the use and understanding of screening and progress monitoring data;
- **Assessment Calendar:** There is now a regular assessment calendar for all students in grades K-10 that includes beginning, middle, and end of year screening data;
- **Monthly Progress Monitoring:** This occurs for all Tier 1 students; and
- **Focusing on data:** The District is having data chats with teachers as well as data-driven professional learning communities (PLCs) by team.

MTSS is established in some of the District buildings, but the practice is not followed consistently across the whole District. Starting in the 2020-21 school year, the District will implement MTSS with fidelity in all buildings, with the goal of serving 80 percent of students through Tier 1 interventions. The implementation will require the District to perform several additional tasks:

- **Training All Staff on MTSS:** All professional staff need to understand the MTSS approach as well as become trained to properly differentiate interventions for students. The District will need to develop and provide training to all staff on the new approach and processes for interventions.
- **Develop Implementation Schedule:** The District will need to determine the timeline for implementing MTSS across all buildings and any necessary training for staff, including building principals.
- **Measure Responses to Intervention:** The District will need to put systems in place to determine whether the student is responding to interventions at each Tier.
- **Evaluate MTSS implementation:** The District will evaluate whether it is implementing MTSS with fidelity in all buildings annually. Included in this evaluation will be the data from student responses to interventions, as well as assessment data and student performance data. The District will review the data as outlined in **AP04**.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will develop an implementation schedule for MTSS in all buildings	August 2021	Office of Academics
The District will develop and deliver training to all staff on MTSS approach	November 2021	Office of Academics
The District will implement MTSS in all buildings	February 2022	Office of Academics
The District will create a system to determine whether students are responding to interventions at each Tier	April 2022	Office of Academics
The District will evaluate the MTSS program annually	July 2022; Ongoing	Office of Academics

AP11	Develop a continuum of learning options for District students	
	Deadline: Monthly monitoring of charter enrollment and monthly monitoring of payments to charter schools (August 2021; ongoing); verify placements to all charter schools on a monthly basis (August 2021; ongoing) monitor progress against recapture targets monthly (August 2021; ongoing)	
	Evaluation Measure:	Reduced enrollment at charter schools
	Responsible Party:	Director of Virtual Programming

This Amended Recovery Plan is founded on three guiding principles – academic achievement, financial management, and student stability. Student stability refers to making schools safe and inspiring places for students to learn, as well as stabilizing enrollment and finances threatened by the loss of students to other educational providers. The Harrisburg School District wants to meet the educational needs of all students in the District, regardless of the form of education that students and their families select. The goal is for District-operated schools to be the schools of choice for families and students who can choose a traditional, blended, or virtual learning environment.

In 2016-17, the District began operating its own in-house cyber school, Cougar Academy. District students who apply to and are admitted to Cougar Academy take classes virtually in a blended learning environment. As the program is run by the District, per pupil expenditures for any student attending Cougar Academy are retained by the District.

The District expanded its offerings to students and families through the Harrisburg Virtual Learning Academy (HVLA), which started in the 2020-21 school year. HVLA is open to all District students, including special education students and English Learners (EL), with no application requirement. Enrolled students receive academic advising with a school counselor and are eligible to participate in District extracurricular activities. Students who graduate from HVLA will receive a diploma from the Harrisburg School District. As the educational program is delivered through the District, the District also preserves the funds it would have paid to a charter school.

Between 2016-17 and 2020-21, the number of District students attending charter schools increased from 799 students to 1,244 students, or by 55.7 percent, as shown in the table on the following page. The majority of this increase is due to the increase in cyber charter students over the last two years. This increase is primarily due to the impact of coronavirus and the related shift to virtual learning, a trend that was seen across Pennsylvania and nationally.⁴³

⁴³ <https://www.governing.com/finance/cyber-charter-schools-district-revenue-and-federal-relief-funds.html>

HSD Charter Enrollment ^{44 45}

	2016-17	2017-18	2018-19	2019-20	2020-21	Percent Increase
Cyber Charters	362	409	522	593	819	126.2%
Brick and Mortar Charters	437	433	433	429	425	(2.7%)
Total Charters	799	842	955	1,022	1,244	55.7%
Annual Percent Increase	-	5.4%	13.4%	7.0%	21.7%	

As the District's charter enrollment has increased significantly, the District's in-district enrollment has remained relatively flat, with an annual growth of 0.8 percent. As seen in the table below, from 2016-17 to 2020-21 the proportion of the District's charter enrollment relative to its overall enrollment has grown from 11.4 percent to 16.2 percent, an increase of almost 40.0 percent. The increase in the portion of charter enrollment indicates that the District is paying for a larger portion of their students to be educated outside the schools it operates, resulting in increased expenditures on charter tuition.

HSD Charter and In-District Enrollment

	2016-2017	2017-2018	2018-19	2019-20	2020-21 ⁴⁶
Total Charter Enrollment	799	842	955	1,022	1,244
Total In-District Enrollment	6,227	6,528	6,540	6,622	6,422
Charter as % of Total Enrollment	11.4%	11.4%	12.7%	13.4%	16.2%

Although the Harrisburg Virtual Learning Academy (HVLA) and Cougar Academy continue to be options for District students, their enrollment growth has not outpaced that at charter schools, particularly cyber charter schools. As of April 2021, there are 181 District students enrolled through HVLA. Additionally, the 2016 Recovery Plan set annual enrollment growth targets of 50 students per year for Cougar Academy, but the District has failed to meet those targets in recent years. The school's 2020-21 enrollment, while higher than any prior year, is only 19 students above 2017-18 enrollment.

Cougar Academy Historic Enrollment

	2016-2017	2017-2018	2018-19	2019-20	2020-21
2016 Recovery Plan Projection	235	285	335	385	435
PDE October 1 Count	208	249	205	243	268
Difference	(27)	(36)	(130)	(142)	(167)

The District also faces additional competition from new charter schools. A new brick and mortar charter school, PA STEAM, is scheduled to open in the Fall of 2021 starting with classes for grades K-2 but eventually expanding class size and grade levels through grade 8 with a projected total enrollment of over 400 students by 2025-26. As this school will be located in downtown Harrisburg, and the charter tuition from the Harrisburg School District is higher than that of surrounding districts, it is likely to be heavily marketed

⁴⁴ Data for 2016-17 through 2018-19 is based on District payments to charter schools. The 2019-20 data is based on the EOY enrollment. 2020-21 data is the average monthly charter enrollment through April 2021.

⁴⁵ According to data provided by the District, total charter enrollment at the start of the 2019-20 school year was 876 students, and enrollment continued to increase monthly throughout the year.

⁴⁶ 2020-21 data is the average monthly charter enrollment and overall District enrollment based on the District's data as of April 2021.

to District students. Another brick and mortar charter school application is pending, with a projected opening during the 2022-23 school year.

The growth in cyber charter enrollment and the impact of the new charter opening has significant financial implications for the District. Currently, the baseline projection scenario expects that total District charter enrollment could increase to more than 1,660 students by 2025-26. This could increase the amount the District is spending on charter tuition from the \$15.4 million budgeted in 2020-21 to \$28.1 million by 2025-26. If correct, this would make charter tuition the third largest expenditure in the District's budget, after salaries and benefits for District staff.

HSD Projected Charter Enrollment

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Regular Education	1,037	1,093	1,181	1,253	1,326	1,398
Special Education	207	216	230	242	253	265
Total	1,244	1,309	1,411	1,495	1,579	1,663

In order to meet the educational goals of this Plan and to maintain a balanced budget, the District must take steps to prevent further enrollment loss and to reenroll students from charter schools. This Recovery Plan calls for the District to increase enrollment by 75 students from 2020-21 to 2021-22, then 60 students annually starting in 2022-23 to 2025-26. By 2025-26, this results in 315 students returning from charter schools, as shown in the table below.

HSD Target Reenrollment Targets ^{47 48}

	2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Total
Regular Education	60	50	50	50	50	260
Special Education	15	10	10	10	10	55
Total	75	60	60	60	60	315

These targets were developed in partnership with the District and in recognition of the enrollment trends. The District also recognizes that stabilizing charter enrollment is critical to improving the District's financial position. In order to do this, the District will undertake the following steps:

- **Enhance Virtual Programming:** The District will continue to offer the HVLA program and Cougar Academy as options for K-12 students. The District has also approved HVLA monitor positions to assist students and provide support in virtual learning.
- **Eliminate the application process for Cougar Academy and expand the program:** Currently, Cougar Academy uses an application process, which acts as a barrier to enrollment. The District will work to change the process for Cougar Academy enrollment.
- **Improve marketing of District educational options:** The Receiver currently leads an internal marketing committee dedicated to implementing strategies to attract and retain students and to support the creation of a culture of high expectations at the District. The marketing committee has begun customer service training for staff, particularly those who interact with families, providing updated information to staff on HVLA and Cougar Academy, and producing materials regarding

⁴⁷ This includes students returning to Cougar Academy, HVLA, or to the District.

⁴⁸ The District's baseline financial projection assumes annual increases to charter enrollment. If the District was able to successfully reduce the projected annual growth, the reenrollment targets would be smaller in order to achieve the same financial results associated with this initiative.

options for District families in English and Spanish. The marketing committee has also focused on improving the process for kindergarten registration for District families by making it easier to submit the necessary materials and providing confirmation of enrollment.

The District also recognizes that it will need to take steps to market itself externally. It recently agreed to advertising on bus shelters and billboards within the school district. As described in **AP12**, the District will need to develop and implement a marketing plan as part of the effort to return students to the District. The marketing plan should also consider opportunities to engage with community partners around these efforts as outlined in the initiatives regarding PILOTs and grants, in **R03** and **R07**.

- **Monthly monitoring of charter enrollment:** This includes the monitoring of all District and charter placements by grade level and regular and special education designation. This report will be developed by the Child Accounting Office and shared with the administration, including principals each month. The report will also include information from prior months and years to show changes over time as described in **ADMIN06**. This will allow the District to identify trends and changes in enrollment and address them proactively.
- **Monthly monitoring of payments to charter schools:** In addition to the monthly enrollment reports, the District will also monitor payments to charter schools for District students on a monthly basis. This includes verifying the child is still attending the school and that the child still resides in the Harrisburg School District. This will be monitored through the Office of Accountability. Monitoring these payments will ensure that the District is only paying for students that meet the necessary criteria.

While the District would see reduced expenditures on charter tuition through bringing students back to the District, there are also associated costs, such additional teachers to maintain student-teacher ratios, as well as technology and supplies. The table below includes the estimated program costs for returning students to the District as well as the potential savings due to reduced charter enrollment outside the District.

5-Year Financial Impact

	2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
Charter Tuition Savings						
Charter Tuition	(\$1,107,543)	(\$2,149,732)	(\$3,206,121)	(\$4,314,225)	(\$5,480,172)	(\$16,257,793)
Personnel Costs						
Salaries	\$101,500	\$154,534	\$365,987	\$424,545	\$592,506	\$1,639,073
Benefits	\$63,553	\$100,324	\$246,198	\$295,965	\$428,428	\$1,134,467
Non-personnel Costs						
Curriculum	\$0	\$0	\$10,000	\$0	\$0	\$10,000
Technology	\$12,250	\$12,499	\$12,752	\$26,023	\$26,551	\$90,074
Other Supplies	\$0	\$0	\$5,000	\$0	\$0	\$5,000
Total	(\$930,240)	(\$1,882,376)	(\$2,566,183)	(\$3,567,692)	(\$4,432,687)	(\$13,379,178)

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will develop a monthly report of all District and charter enrollment	August 2021; ongoing	Child Accounting Office
The District will verify placements to all charter schools on a monthly basis	August 2021; ongoing	Child Accounting Office

The District will monitor progress against reenrollment targets on a monthly basis	August 2021; ongoing	Office of Accountability, Superintendent, Receiver
The District will continue the marketing committee	Ongoing	Superintendent and Receiver

AP12	Attract and retain students at HVLA and Cougar Academy	
Deadline:	Develop a database of charter school students (August 2021); begin outreach to current HVLA and Cougar Academy families (September 2021); administer exit surveys to families not returning to the District (November 2021); adopt the HSD Academies Media Plan (December 2021);	
Evaluation Measure:	Improved outreach and marketing to families and students on in-District educational options	
Responsible Party:	Director of Virtual Programming	

In order to help the District meet its enrollment targets, the District will need to actively advertise and market the Harrisburg Virtual Learning Academy (HVLA) and Cougar Academy to prospective attendees and parents, using a variety of media and techniques including written materials, commercial advertising, community outreach and meetings with parents. As discussed in **AP11**, the Receiver has assembled a marketing committee to centralize the District’s efforts to attract students back to the District and retain students.

In conjunction with its current efforts, the District will develop the HSD Academies Media Plan which will outline how the District will market both schools to current and potential students and their families. That plan will outline all communications and marketing options the District intends to pursue and will include a budget for marketing across the District. Key aspects of the plan focus on community outreach, reviewing and improving current services, and updating databases.

- **Develop a database of current charter school students:** This will include students attending both in-District and charter options. This list can be used to help develop and distribute targeted marketing materials to attract students back to the District.
- **Contact current families for feedback:** The District has begun reaching out to students and their families regarding satisfaction with Cougar Academy and HVLA. Communications should include topics such as academic rigor, student-teacher and parent-teacher dynamics, and technical support in accessing the virtual classroom. The information gathered from this process may be used to modify the program to meet the needs of students and parents, and to adapt to the changing market for cyber education. Information may be collected in the form of a survey, interviews, or public forums.
- **Engage in community outreach:** A key goal of the marketing committee is to educate the community on the impact of charter enrollment. The District believes that curbing charter enrollment growth and retaining students at schools will be a community-wide effort. The District will seek opportunities to participate in community activities, events, and forums to increase knowledge of the Academy programs. The District may also develop free and paid media options and devise other strategies to attract and retain students.
- **Begin administering exit surveys for students not returning to HVLA or Cougar Academy:** To better understand why students are not returning to in-District options, the school will begin to conduct exit surveys for all families. The survey will also request information on what schools the families are considering as an alternative to in-District options.

The financial impact includes estimated annual marketing costs for the District to advertise Cougar Academy and the Harrisburg Virtual Learning Academy.

5-Year Financial Impact

2021-22	2022-23	2023-24	2024-25	2025-26
\$24,407	\$24,902	\$25,408	\$25,924	\$26,450

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will develop and maintain a database of current charter students	August 2021; ongoing	Director of Virtual Programming
The District will begin conducting outreach to current HVLA and Cougar Academy students	September 2021; ongoing	Public Relations Coordinator
The District will begin administering exit surveys to families not returning to HVLA or Cougar Academy	November 2021; ongoing	Director of Virtual Programming
The District will develop the HSD Academies Media Plan	December 2021	Director of Virtual Programming / Public Relations Coordinator

AP13	Review Special Education program costs and placements	
Deadline: Compile a database of all special education costs (November 2021); calculate a per-pupil cost for all placements (December 2021); issue a report on special education program costs twice per year (April 2022; ongoing)		
	Evaluation Measure:	Improved oversight of special education program costs
	Responsible Party:	Director of Special Education

The District spends a significant portion of its budget each year on special education. In 2020-21, the District projects spending \$26.3 million of its \$158.2 million budget on special education, or 16.6 percent of total expenditures.

The District's total special education costs have increased by 28.6 percent between 2015-16 and 2019-20, largely due to charter tuition, and other purchased services that the District is required to provide to students educated both in-district and out-of-district. The table on the following page shows the District's total spending on its special education program since 2015-16.

HSD Special Education Costs ⁴⁹ (\$ Millions)

Budget Category	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Actual	Actual	Actual	Budget
Personnel Costs ⁵⁰	\$12.6	\$14.7	\$16.2	\$15.3	\$14.5	\$15.0
Charter Tuition	\$3.9	\$4.8	\$4.4	\$5.5	\$6.1	\$5.7
Out of District Tuition	\$3.3	\$3.4	\$4.5	\$4.3	\$4.6	\$3.6
Purchased Services ⁵¹	\$1.4	\$1.4	\$1.6	\$2.7	\$2.3	\$3.0
Operating Costs ⁵²	\$0.0	\$0.1	\$0.3	\$0.3	\$0.2	\$0.3
Total	\$21.6	\$24.8	\$27.0	\$28.3	\$27.7	\$26.3

The District has taken steps to control these costs by reviewing and renegotiating its special education contracts. At the same time, the District's total special education enrollment has increased as the result growth in the number of children being placed in schools out of the District or attending charter schools. When Harrisburg special education students attend non-district schools the District is still responsible for covering the cost of the child's placement; typically, those outside placements are more expensive.

Act 16 requires the Pennsylvania Department of Education to compile and release information on expenditures for the number of students with disabilities. These students are grouped into categories based on the amount of total expenditures. The table below shows the number of District students and the associated cost with providing services to each student based on their category as determined by PDE's Special Education subsidy file.^{53 54}

Harrisburg School District Special Education Enrollment by Category ^{55 56}

	2015-16	2016-17	2017-18	2018-19	2019-20	% Change	Per Student Cost
Category 1	1,741	1,336	1,573	1,577	1,812	4.1%	< \$26,506
Category 2	49	74	57	83	54	10.2%	\$26,506 - \$53,012
Category 3	16	16	32	24	39	143.8%	\$53,012 - \$79,518
Total	1,806	1,426	1,662	1,684	1,905	5.5%	

This data includes information on District students at charter schools and shows that the District's total number of special education students has increased by 5.5 percent between 2015-16 and 2019-20. The District has also seen higher growth among students in most expensive categories, which also tend to be for out-of-district placements and services.

⁴⁹ Figures from 2015-16 through 2019-20 were taken from independent audits provided by the District, which may differ from annual financial reports submitted to PDE.

⁵⁰ Personnel costs include total salaries and gross benefit costs before reimbursement from the Commonwealth.

⁵¹ Purchased services includes payments to the Intermediate Unit and contracted services, such as contracted speech pathologists.

⁵² Operating costs include supplies, property, and other miscellaneous costs.

⁵³ Data shown in this table is from the Commonwealth's subsidy file. The data is shown based on the year of the subsidy file; actual data is from the prior year. The 2020-21 data was not available as of the drafting of this Plan.

⁵⁴ Data shown for 2019-20 in the table is from the District's Act 16 report.

⁵⁵ This report shows the number of special education students by category, including students attending charter schools.

⁵⁶ In the District's 2019-20 Act 16 report, the District reported 76 students for category 2 and 63 students for category 3. The District did not report the number of category 1 students. The numbers reported in their 2019-20 Act 16 report will appear in the 2021-22 state subsidy file once it is released.

As a result, the District has been paying more for special education students at charter schools and for more expensive categories. At the same time, the number of special education students educated within the District (not including charter enrollment) has remained almost flat. As shown in the following table, total in-district special education enrollment has decreased by 0.2 percent since 2015-16.

Harrisburg School District In-District Special Education Enrollment⁵⁷

	2015-16	2016-17	2017-18	2018-19	2019-20	CAGR ⁵⁸
In-District Enrollment	1,215	1,153	1,193	1,249	1,206	(0.2%)

While the District’s initiatives to improve in-district enrollment as outlined in **AP11** and to implement a MTSS program in all buildings as described in **AP10** will impact the special education program positively by providing increasing interventions within the District, the District will also undertake the following steps to improve the monitoring of its special education program costs and placements:

- **Compile a database of all special education costs for services provided to students:** The database will allow for the comparison of costs for similar programs for both in-District and out-of-district placements. Costs include time in the regular education classroom on a per student basis, as well as the costs for each additional service required, such as speech therapy, personal care assistants, or transportation. The latest regulatory requirements from Act 16 of 2000, related to reporting expenditures on exceptional students, already requires most of this analysis, so some of the data may already exist. A report showing the total cost of services will be shared with the administration twice per year along with the monthly special education enrollment reports described in **ADMIN06**.
- **Review all special education programs on a total cost per student basis to maximize revenue:** This will include services provided internally as well as costs from external vendors. As described in **R04**, the District’s academic team will work with the Business Office to determine what portion of costs can be subsidized through the additional Special Education contingency annually provided through the Commonwealth. In addition, as described in **R06**, the District will actively review and update information on services being utilized and staff certifications in order to maximize ACCESS and other special education revenues and file for reimbursements accordingly.
- **Assess whether services could be provided at a lesser cost:** While state and federal laws require that districts provide services without consideration of their cost, equivalent services may be available at different costs and where students are placed can affect costs significantly. This assessment should include reviewing the comparative cost of contracted services in making placement decisions for students, identifying students who could potentially return to the District from out-of-District placements, and the potential of reducing legal liability with current or future contracts.⁵⁹ This review will be done on an annual basis and be completed three months before the contracts are renewed to allow the District to make any needed changes.
- **Review all out of District placements for special education to ensure their accuracy:** As part of the review described in **AP11** the District will confirm the residency of each student monthly to ensure that the District is not bearing the costs for children who have moved and are now residents of another district. The District will also review the number of students returning from outside

⁵⁷ Data is from the Pennsylvania Department of Education Special Education Data Reporting site. <https://penndata.hbg.psu.edu/Public-Reporting/Data-at-a-Glance>

⁵⁸ CAGR stands for Compounded Annual Growth Rate.

⁵⁹ Any decisions regarding a child’s placement must ensure the availability of services in compliance with the student’s Individualized Education Plan (IEP) and that any change would be cost-effective while providing equal or improved service for the child.

placements and the number of children referred to special education services by the school regularly.

- **Examine and Monitor Compensatory Education Costs:** The District will also regularly identify the number of compensatory education settlements reached each school year and the amount of money paid for those settlements. The Director of Business Services is already working with staff in the Special Education department to assess and verify claims.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will confirm the residency of each student on a monthly basis	September 2021	Child Accounting Office
The District will compile a database of all special education costs starting with the existing Act 16 Information and adding in additional available data (i.e. transportation costs, etc.)	November 2021	Office of Academics
The District will analyze comparable costs and identify a total per pupil cost for special education	December 2021	Office of Academics
The District will review the number of special education students returning to the District from outside placements and the number of referrals	January 2022	Office of Academics
The District will issue a report of total special education costs twice per year to be shared with the administration	April 2022; ongoing	Office of Academics
The District will assess the number of compensatory education settlements it is making on an annual basis	May 2022; ongoing	Office of Academics
The District will assess whether special education services can be provided at a lower cost on an annual basis	3 months before renewal of contracts; ongoing	Office of Academics

Related Initiatives

The District will also undertake the following efforts related to academic initiatives as outlined in other chapters of this Recovery Plan.

- As outlined in **OP08**, any new academic policy changes or training materials for staff will be included into the Employee Handbook and School Operations Resource Guide as appropriate. This includes any new policies on staff attendance, student attendance, or the multi-tiered system of support (MTSS).
- The District will provide detailed staffing reports as outlined in **OP09**.
- The District will provide required enrollment reports, including charter enrollment, as outlined in **FM10**.

Administration and Governance

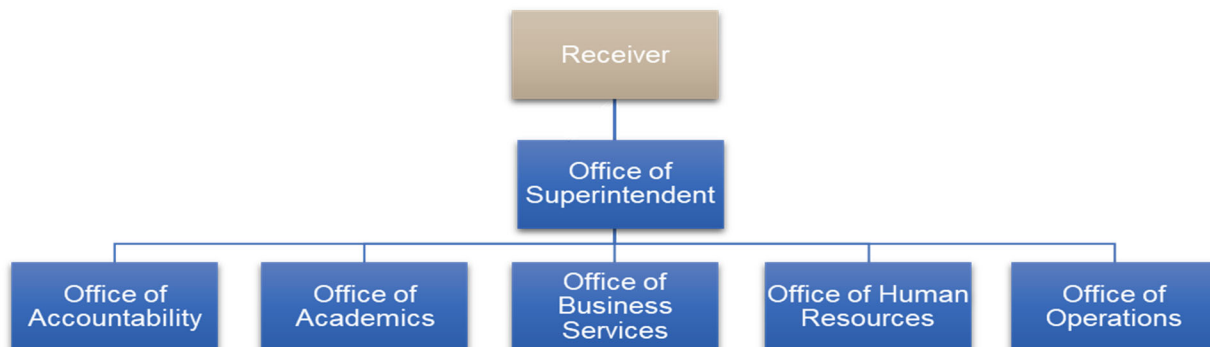
Overview

The Harrisburg School District was first declared to be in a status of moderate financial recovery in 2012. Since that time, the District has struggled with issues of financial and operational management, as evidenced by a series of audit findings, and culminating in the District's appointment of a Receiver in June 2019. These issues were compounded by a fractious Board that did not effectively govern the District, as highlighted in the Wessel and Company special audit commissioned by the Pennsylvania Department of Education, a review of the District performed by Mass Insight, and press accounts of public meetings and private actions.

In order to meet the academic, financial, and operational goals of this Recovery Plan, the District must restore the public's confidence in its leadership and decisions. As a priority of the Recovery Plan, the initiatives in this chapter focus on the Board and the administration restoring the public's trust so that leadership can focus on meeting the challenges facing the District, implementing the initiatives identified in this Plan, and moving the District forward academically and financially.

The appointment of a new Receiver, the election of new Board members, and the partnership with the Montgomery County Intermediate Unit (MCIU) ushered in new leadership at the District. Since that time, the District has already taken steps to address several of the administration and governance challenges outlined in this chapter, including:

- Completing a reorganization of Central staff, resulting in the current structure, as shown below;



- Utilizing BoardDocs and increased transparency at Board meetings;
- Starting a review of existing Board and District policies; and
- Establishing an Office of Accountability, created to support continuous improvement in all schools across the District

This chapter seeks to codify these early steps into future practice at the District and set the stage for additional changes to support greater public access and sustainable growth of the organization. Additionally, any responsibilities assigned to a specific individual or title in this Recovery Plan should be understood to fall to the person occupying that position in the future.

Initiatives

ADMIN01	Annual training for all School Board members	
Deadline:	Develop a training plan and training materials for the Board (September 2021); completion of training by all Board members (June 2022; ongoing)	
	Evaluation Measure:	All Board members receive annual training
	Responsible Party:	Receiver

In order to support the ongoing training and development of the School Board, each Board member will be required to complete at least ten hours of annual training in school board operations, financial management, and the role of the Board in the implementation of the Recovery Plan. The requirements of this initiative will be inclusive of the training requirements under Act 55 of 2017. All School Board members will receive ongoing training from sources including the District's solicitor, the Receiver, and professional organizations such as the Pennsylvania School Boards Association (PSBA) and the Pennsylvania Association of School Business Officials (PASBO). In accordance with this, Board members already received PSBA training in early 2020. The Receiver will prepare an expanded training program that is appropriate for new and returning members to meet the ten-hour requirement during the 2021-22 school year.

Included in this training will be an orientation on the Harrisburg School District. The orientation should include a review of the current organizational structure, the responsibilities and tasks for each office, and how each office connects to the three guiding principles of the Plan: student academic achievement, financial management, and student stability. The orientation and training will help all Board members become more familiar with governance and the Recovery Plan, as well as help better prepare the District for the end of Receivership.

All School Board members must receive prior approval from the Receiver before the training will be credited to meeting the requirements of this initiative. If determined necessary by the Receiver, additional training may occur throughout the year in accordance with any changes in the law or other District changes.

Action Plan

Supporting Deliverables	Deadline	Responsible Party
The Receiver will develop a Board training plan that will meet statutory requirements and the specific needs of the Harrisburg Board that will be administered in the 2021-22 school year	September 2021	Receiver
The Receiver will ensure that all Board members participate in training	June 2022; ongoing	Receiver

ADMIN02	Update Board policies	
Deadline:	Complete review and update Board policies (June 2022)	
	Evaluation Measure:	All Board policies are reviewed and updated regularly
	Responsible Party:	Receiver

School boards adopt policies which outline the actions they can take with regard to all aspects of District operations. In order to ensure that the District is operating responsibly, the District should review and update all of its existing Board policies to ensure that they are in compliance with established best practices and policies in effect in other districts.

To that end, the District has entered into a contract with the Pennsylvania School Boards Association (PSBA) to conduct a review of all of the District's current Board policies and to develop recommendations for policies that should be updated. Included in this review will be policies around employment, terminations, progressive discipline, and absence without leave, among others. Where PSBA has reviewed other policies referenced in this Plan, such as fund balance management (**FM02**), debt management (**FM07**) or ethics (**ADMIN04**), their recommendations will be included in the development of new or modified policies.

Any new policies or changes to existing Board policies will be approved by the Receiver. Once the new Board policies are in place, training will be held for Board members to inform them of the new policies and their responsibilities.

Action Plan

Supporting Deliverables	Deadline	Responsible Party
PSBA recommendations for updating Board policies will be shared with the Receiver and Board	February 2022	Superintendent
The District will update Board policies based on PSBA recommendations	June 2022	Receiver

ADMIN03	Improve public access to District documents	
Deadline:	Continue use of BoardDocs to upload information (ongoing)	
	Evaluation Measure:	Documents presented during Board Meetings are available to the public; increased transparency of District operations and decisions
	Responsible Party:	Board Secretary

Many school districts use an online portal to provide public access District Board documents and actions such as board meeting agendas, board meeting notes, and accompanying documents and presentations from school board meetings. In Summer 2019, the Harrisburg School District started using BoardDocs, a platform widely used by other school districts, to share all School Board policies, actions and administrative regulations.

The District will continue using BoardDocs or another similar tool to provide the public with access to all information from meetings of the Receiver and the Board. This will include meeting agendas, meeting minutes, presentations and briefing documents presented to the School Board, and the full text of any

contracts or agreements approved under Board actions. Documents deemed to be confidential by the solicitor will be exempt from this requirement.

The District will continue to upload information from school board meetings to BoardDocs, including all accompanying presentations and documents.

Action Plan

Supporting Deliverables	Deadline	Responsible Party
The District will continue to upload all relevant information from Receiver meetings to BoardDocs	Ongoing	Board Secretary

ADMIN04	Adopt an ethics policy for all District staff	
Deadline: Adopt ethics policy (December 2021)		
	Evaluation Measure:	Clear guidelines regarding ethical conduct for all District staff
	Responsible Parties:	Receiver

As a high-performing district, the Harrisburg School District must hold its leaders and staff accountable to the highest ethical standards. Although the District has several policies in place such as a code of conduct, the District lacks a unified ethics policy for Board members and District employees.

The District will review its current ethics policies and develop a new ethics policy that will be approved by the Receiver. To the extent relevant, the District will draw on existing model policies and practices available from the Pennsylvania Department of Education, the Pennsylvania School Boards Association, and other bodies.

This policy will be referenced in all Employee Handbooks and School Operations Guides, and will be available on the District’s website. It will also be included in the Office of Human Resources policy guide. All District employees will be required to sign an acknowledgement of the ethics policy, which will be maintained in the employee records managed by the Office of Human Resources. The District will also provide any necessary training to the Board and District staff on the new code of ethics or ethics policy.

Action Plan

Supporting Deliverables	Deadline	Responsible Party
The District will develop and adopt a new code of ethics or ethics policy	December 2021	Director of Human Resources, Superintendent, and Receiver
All District employees will sign an acknowledgement of the ethics policy	One month after policy is adopted	Director of Human Resources

ADMIN05	Reorganize central office staff	
Deadline: May 2022		
	Evaluation Measure:	Fill critical vacancies at the cabinet level and maintain current organizational structure
	Responsible Party:	Receiver

Historically, the Harrisburg School District has had vacancies or interim staff in critical central office and cabinet-level positions. The Receiver has filled these vacancies and adopted a new organizational structure, which includes the creation of the Office of Accountability and the Office of Operations.

Currently, each office is responsible for the following responsibilities:

- **Office of the Superintendent:** Community Relations and overall daily operations
- **Office of Accountability:** Charter School Oversight and Compliance, Non-Public School Oversight, Federal Programs, Pre-K Counts (State Program), School Improvement, Student Registration, Student Records, Student Information Systems, and Child Accounting
- **Office of Academics:** Instruction and Curriculum, Professional Learning, Special Education and Related Services, English as a Second Language, and Student Services
- **Office of Business Services:** Audits and Accounting, Insurance and ACCESS Billing, Payroll, Purchasing and Vendor Contracts
- **Office of Human Resources:** Collective Bargaining and Labor Relations, Compensation and Benefit Plans, Employee Discipline, Recruitment and Employment
- **Office of Operations:** Facilities, Food Services, Technology, and Transportation

Many of the individuals currently leading these offices are from the Montgomery County Intermediate Unit (MCIU). On June 27, 2019, a Resolution was approved by the Receiver contracting for management services with the Montgomery County Intermediate Unit No. 23 (MCIU) for the purpose of supporting the daily operations of the Harrisburg School District. The services were to commence on July 1, 2019 and end on June 30, 2022. This time period is consistent with the culmination of the three-year time frame for receivership as designated by the Dauphin County Court of Common Pleas.

The following contracted positions are included with the services provided by the MCIU:

- **Superintendent**
- **Director of Human Resources**
- **Director of Accountability**
- **Director of Business Services**
- **Chief Academic Officer**
- **Assistant Director of Academic Services (2 positions)**

To ensure continuity of services and to support the effective operation of the school district, the Receiver will reevaluate the services provided by the MCIU on an annual basis to determine which contracted services can continue to be provided by the MCIU and which services can be transitioned to the Harrisburg School District to enable a gradual transition over a period beyond the initial June 30, 2022 time frame. It is the intention of the Receiver to notify the MCIU at least 120 days in advance of any plans to transition any of the specific designated contracted positions or to modify the job descriptions of any of the positions to meet the needs of the District.

In making the determinations for transition, the Receiver will evaluate the cost efficiencies of providing services through an outside contractor versus the District directly and will also weigh the availability of highly qualified staff to fill these integral positions in the District. However, changes may need to take place over time as the District transitions out of oversight and staff from the MCIU are replaced with permanent employees.

In order for this to occur, the District will need to recruit for leadership positions, as stated in **AP08**. If the District is unable to recruit the senior positions discussed in the section below and the other initiatives in this Recovery Plan, the Receiver will have the right to approve the hiring of individuals that do not hold State certifications in accordance with Section 642-A(a)(9) of Act 141.

All position descriptions will be reviewed and updated prior to the posting of the position or the start of a national search. The search can be managed internally by the District, however, the process must involve national and statewide advertising and outreach using such sources as the Association of School Business Officials(ASBO), the Pennsylvania Association of School Business Officials(PASBO), and the Pennsylvania School Boards Association (PSBA). The internal interview team for the District will include at a minimum the Receiver, the acting Superintendent, the acting Director of the Office of Business Services, and the acting Director of Human Resources. The interview team will recommend one or more candidates, and the individual selected must be approved by the Receiver. The Receiver will have final approval authority over the content of the job description and the individual appointed to that position.

Additional detail on the process for filling each of the positions listed below is outlined in **AP08**.

- **Hire a permanent full-time Superintendent**
- **Hire a permanent full-time Chief Academic Officer**
- **Hire a permanent full-time Director of Accountability**
- **Hire a permanent full-time Director of Human Resources**
- **Hire a permanent full-time Director of Business Services**

Action Plan

Supporting Deliverables	Deadline	Responsible Party
The District will complete the reorganization of its central office staff	May 2022	Receiver

ADMIN06	Develop monthly and quarterly reports to be shared with District administration, School Board and Receiver	
Deadline: Develop templates for reports (October 2021); develop templates for each report (October 2021); share reports with Receiver and Board (October 2021, ongoing); develop report with key timelines (January 2022, ongoing)		
	Evaluation Measure:	Development of and timely regular sharing of reports with Receiver and Board
	Responsible Parties:	Superintendent

In addition to the reorganization of central office staff and functional oversight, the District will also develop financial and operational reports that will be shared with the administration, the School Board, and the Receiver. The details of these reports are summarized below with an indication of the initiative for each item:

- **Key enrollment statistics (Office of Accountability – FM10)**

The District will enhance the enrollment reports that are currently provided to the School Board and administration. Information on these reports will include building enrollment, charter school enrollment by school, education type (regular or special education), and total cost, and average daily membership. An additional sheet which shows the major category totals for each month through the year will also be completed, updated and provided each month so that trends during the year are easily viewed in one summary document.

In addition, the District will also produce reports of its special education enrollment including the total number of special education students by school (District school, charter school, or other placement) and the number and estimated cost of outstanding special education lawsuits brought before the District. Special education reports will also include a summary of current and prior year costs, as well as a description for factors that are driving changes in costs.

- **Data submission report (Office of Business Services – FM10)**

All Pennsylvania school districts are required to regularly submit a variety of information to both the Commonwealth’s Department of Education and the federal government. Although various guidelines and summaries may be found on websites, the District should have an internal tool to ensure that all required information is submitted on time, particularly for items that impact the resources that are provided to the District through subsidies such as the Basic Education Subsidy, the Special Education Subsidy, and Title funding from the federal government. Inaccurate or incomplete data can result in the delay of payment, underpayment, or overpayment that must be repaid. In conjunction with the Receiver, the District will prepare a data submission report that will be regularly presented to the School Board and the administration to manage and show the status of compliance with these critical deadlines. This report will include timelines and information to be submitted for key revenue sources from the Commonwealth and the federal government that will include the Basic Education Subsidy, Special Education Subsidy, Transportation Subsidy, retirement subsidies, PlanCon or other debt and capital subsidies, and all federal grants.

- **Current and future debt obligations (Office of Business Services – FM10)**

As part of the long-term strategy to manage the District’s outstanding debt, the District will request an annual report of its current and future debt obligations from its financial advisor, once a financial advisor is appointed as described in **FM06**.

- **Financial results (Office of Business Services – FM10)**

The School Board and the administration require frequent updates on the District’s financial results in order to manage the current year budget and make adjustments in planning or spending if significant changes are warranted. As part of the monthly presentation of financial information to

the School Board, the District will include budgeted amounts compared to any revised budgeted amounts, budgeted amounts compared to actual year-to-date amounts, budgeted amounts compared to projected year-end amounts, and cash flow projections.

- **Staffing reports (Office of Human Resources – OP09)**
After the District establishes processes and systems for position control and exit interviews, the District will prepare reports to be shared with the Receiver and School Board, including the total number of employees and the number of vacant positions including total count and by type of position. Detail will also be provided on the number of vacancies per building, and student-staff ratios for teachers and support staff by building and grade.
- **Transportation costs (Office of Operations – FM10)**
The District will develop regular reports to the School Board in order to track the financial impact of the initiatives related to the multi-year transportation plan initiative as described in **OP04**. These reports will include current routes by vendor, changes in routes in the previous quarter by vendor, year-to-date costs by vendor compared to the adopted budget, comparison of current year costs to prior year costs, and an analysis of costs covered by the Transportation Subsidy. In addition, the District and Board will provide regular updates of the meetings of the transportation advisory committee.
- **Charter and Out-of-District Placement Costs (Office of Accountability – FM10)**
In addition to the enrollment reports, the District will also prepare monthly reports on the payments the District is making to charter schools and to providers of out-of-District placements. These reports will include the number of children by school for both regular and special education as well as the payment status.
- **Contracted Services (Office of Business Services – FM10)**
The District will also provide monthly updates on the amounts spent on contracted services, such as food service, maintenance, or alternative education. The report will include the amount spent to date as well as the total contracted amount and amount remaining on the contract.

The assignment of timelines and responsible parties can be found in the initiatives for each chapter indicated above. The table below shows the action plan for the data submission report described above.

The District should also consider developing a place on the District’s website where all of these reports could be available to the public. This could be connected to the part of the site that publishes information from Board meetings, or part of the District dashboard described in **ADMIN08**. Any documents deemed confidential by the Receiver or that are not in final approved form can be excluded from the site.

Action Plan

Supporting Deliverables	Deadline	Responsible Party
The District will develop templates for each report listed in this initiative	October 2021	Superintendent, Director of Business Services, Director of Human Resources, Director of Accountability, Director of Operations
The District will present regular updates to the School Board	October 2021; ongoing	Superintendent
The District will develop a report with the key timelines and information to be submitted for key revenue sources from the Commonwealth and the federal government	January 2022; ongoing	Superintendent and Director of Business Services

ADMIN07	Establish a monthly meeting to discuss Recovery Plan progress	
Deadline: Two months after Plan adoption; provide annual status report (August 2022)		
	Evaluation Measure:	Holding monthly meetings; completion of initiatives in Recovery Plan
	Responsible Party:	Receiver

Contributing factors to the overall success of the Recovery Plan include an understanding of the Plan's requirements and a sense of District ownership of the Plan, and Board and Districtwide staff responsibility for implementing the Plan. In order to build that sense of ownership, the District will establish a monthly internal meeting to monitor the progress of initiatives within the Recovery Plan and ensure coordination on Recovery Plan implementation. This can be achieved by utilizing a portion of the existing monthly Receiver meeting or by establishing a separate meeting, at the Receiver's discretion.

In order for this meeting to be effective, responsible parties assigned to initiatives in the Recovery Plan will provide updates on the status of initiatives in advance of the meeting and be prepared to answer questions posed by the Receiver or others during the meeting.

A status report on progress on the initiatives in the Recovery Plan will be provided quarterly to the School Board. Updates should also be provided regularly to parents and the community, in a format to be determined by the Receiver.

Action Plan

Supporting Deliverables	Deadline	Responsible Party
The District will establish a monthly meeting to discuss Recovery Plan progress	Two months after Plan adoption	Superintendent and Receiver
The District will provide a status report on the progress of initiatives in the Plan on an annual basis	August 2022; ongoing	Superintendent and Receiver

ADMIN08	Develop an electronic Recovery Plan Status Dashboard	
Deadline: Two months after Plan adoption		
	Evaluation Measure:	Development of an electronic dashboard that can display the District's progress on initiatives for greater transparency with all stakeholders
	Responsible Party:	Information Technology Manager

In order to monitor the progress of the Recovery Plan, the District will develop an electronic means of tracking the status of District initiatives. The information to be included in the dashboard will be determined by the Receiver, but should include the responsible party, deadline, and current initiative status. The status of the initiatives should include distinctions for initiatives that have been completed, completed but require ongoing monitoring, those that are in progress, or not completed. The dashboard will also include detail on the status of supporting action items or deliverables included in the action plan.

Although the information will be maintained and updated electronically, the summary information should be easily able to be printed, so it can be distributed at public meetings. If determined to be appropriate by the Receiver, a link can be provided via the District's website so the public and community can access it.

Action Plan

Supporting Deliverables	Deadline	Responsible Party
The District will develop an electronic means of tracking the progress of Recovery Plan initiatives and present to Receiver for approval	Two months from Plan adoption	Information Technology Manager

Related Initiatives

The District will also undertake the following efforts related to administration and governance initiatives as outlined in other chapters of this Recovery Plan.

- The District will hire central administrative positions using the process outlined in **AP05**.
- The District will provide enrollment and financial reports to the Receiver and administration as outlined in **FM10**.
- The District will provide staff reports to the Receiver and administration as outlined in **OP09**.

Operations

Overview

Within a school district, strong operational and administrative systems are critical to ensure the effective management of resources and to support strong academic performance. Academic leaders and teachers should expect the administrative and support operations at their district to be high-performing and for staff to hold themselves to the highest standards. All members of the Harrisburg School District should view themselves as partners in the District's success.

These systems and viewpoint have not been in place at the Harrisburg School District historically. In the spring of 2019, Mass Insight conducted interviews with District staff and found that less than 25 percent of the school staff agreed that the central office was organized to support school and student success. The District has also suffered from systemic weaknesses in many key operational areas. These operational challenges have resulted in significant financial and administrative issues in the District, including ineffective and inefficient operations, the waste of District resources, poor service from contractors, inadequate communications with all internal and external stakeholders, and ultimately, poor academic performance.

With the appointment of a Receiver and the introduction of a new management team, the District is well positioned to improve the quality and reliability of its internal support systems, and to demonstrate to all stakeholders that it is building new and reliable systems based on acknowledged best practices with the goals of transparency, dependability, and responsiveness in mind.

At the direction of the Receiver, the new management team has undertaken a series of actions designed to improve the operations of the District, including resolving outstanding personnel grievances, finalizing a position control system for the District, and undertaking an extensive review of District contracts.

Building on this progress will require sustained effort from both leadership and staff in order to execute the initiatives that follow in this chapter, which includes overall recommendations for operational improvement, as well as specific recommendations for the Office of Human Resources and Food Service operations. Additionally, responsibilities assigned to a specific individual or title should be understood to fall to the person occupying that position in the future.

Initiatives

OP01	Develop a contract administration database and implement performance standards into all contracts
Deadline: Establish a contract administration database (December 2021); develop standardized contracts (January 2022); conduct quarterly meetings with contractors (February 2022)	
Evaluation Measure:	Improved oversight of District contracts and vendor performance
Responsible Party:	Director of Business Services

The Harrisburg School District contracts with external vendors for many services, including food service, transportation, alternative education, speech therapy, and specialized maintenance. Some of the services are contracted because the District does not have the necessary expertise to perform this work in-house, does not need the positions on a full-time basis, or to achieve cost savings. While some vendors have long-term contracts with the District, others are subject to a regular competitive procurement process.

Administering a large number of contracts requires a systematic organizational method. To address this, the District will undertake the following steps:

- **Develop a contract database:** This database will include the contract terms, conditions, costs, key control provisions, and the frequency with which the contractor’s performance will be evaluated. At the District’s discretion, this database could also be used to store other relevant contract information, including type of service, total cost by vendor, and performance standards (as outlined later in this initiative). These data points will be valuable to the District as it prices contracts and evaluates proposals from prospective contractors in the future. All contract files should contain a checklist to ensure that all contents are accurate, complete, and in compliance with contract requirements, and a District contract manager should be assigned for each contract. As of the date of this Recovery Plan, the District has already started compiling some of this data within its eFinance system. The District will need to evaluate whether eFinance has the functionality to include all of this information or if a separate database is required.
- **Review all current contracts to identify any existing performance standards or measures:** During the review, the District will evaluate each contract to determine whether the vendor is performing at the expected levels. If contracts do not have performance standards, the District should work to include them during the next contract renewal process.
- **Implement standardized contracts for any future contracted services:** Performance standards for each contracted service should be articulated in the Request for Proposals and contract documents, and the evaluation of performance should occur at periodic meetings between District managers and the contractor. The District should consider whether to adopt contracts with financial penalties for poor performance on unmet goals.

As part of establishing performance standards, the District will identify peer districts to compare District operations against, focusing on areas for which benchmarking information is widely available. This benchmarking information will be retrieved primarily from the Pennsylvania Association of Business Officials (PASBO) and school district comparability programs. Benchmarking ensures that the standards promoted in the District do not rely on internal decisions but are the result of practices that have been proven to get results. This will help to ensure that the District’s contracted services are cost-effective and to improve internal controls and transparency of the District’s operations.

- **Evaluate contracts against performance standards:** The District will review the vendor’s performance against the established performance standards.

Once the contract database is complete, the District should establish quarterly or more frequent meetings between the District and its largest contractors – defined as having a contract with the District valued at a minimum of \$250,000 – to discuss performance expectations and contract terms. These meetings will also allow both sides an opportunity to identify and resolve issues as they arise and work towards continuous improvement.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will establish a contract administration database	December 2021	Information Technology Manager
The District will review all current contracts and record the relevant information in the database	January 2022	Office of Business Services
The District will complete the development of standardized contracts	January 2022	Director of Business Services

The District will conduct quarterly meetings with all contractors who are paid over \$250,000 by the District	February 2022; ongoing	Director of Business Services
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OP02	Review significant District contracts every three years	
Deadline: Complete the review of four significant contracts (April 2022); summarize findings in report shared with Receiver (May 2022)		
	Evaluation Measure:	All contracted functions are reviewed regularly to ensure cost savings and high-quality services
	Responsible Party:	Director of Business Services

Districts may choose to contract with external providers to perform a variety of services. The decision of whether or not to contract for a service depends on a variety of factors including the cost of service, staffing resources, and type of service. The Harrisburg School District maintains significant contracts for food service, custodial and maintenance services, transportation, and special education. These are the contracts referenced in this initiative; additional contracts can be added to this list at the Receiver's direction.

The District has already established procedures for entering into new contracts in its Business Procedures Manual, requiring a written rationale and identification of deliverables and timelines for all contracts before approval. However, due to the size of these contracts, as well as the importance of these services, the District will establish a process for reviewing these contracts every three years, to determine whether the District is satisfied with the level of service provided as well as whether the District's needs have changed. If other contracts are determined by the Receiver as eligible for this type of review, they will be evaluated similarly.

The District has already taken measures to review and evaluate its current maintenance and food service contracts during the 2019-20 school year; the steps listed in this initiative will build on that momentum and formalize the process for reviewing these contracts periodically.

The contracts will be evaluated by an internal review team. The review team will include, at a minimum, a representative from the Office of Business Services as well as the Office of Operations (for the food service, custodial and maintenance services, and transportation contracts) or the Office of Academics (for any special education contracts). Any additional contracts reviewed would include a representative from the department who oversees that function. Additional members of the review team may be added at the Receiver's discretion. The review should take place in advance of any contract termination dates, to ensure continuity of services.

As part of that internal review, the District will undertake the following steps:

- **Evaluate the contract against any established performance metrics:** Using the contract database described in **OP01**, the District will review the current contract and identify any performance metrics or deliverables included in that contract. These could include cost savings, reimbursement or other operational efficiencies. The District will determine whether the vendor has met those criteria.
- **Review scope of services:** The District will assess whether the current scope is still appropriate or needs to be amended or reduced based on the District's current needs.
- **Adjust or identify metrics for contract:** If a contract does not have any performance metrics, the District will develop targets for the contract when it is renewed or re-bid. If the contract does include

targets or metrics, the District will determine if those targets or metrics are still applicable and develop new targets that could be included if the contract is continued or re-bid.

- **Determine whether the contract should be continued, re-bid, or if the service should be brought in-house:** During this phase, the District will review its current needs and identify whether changes need to be made to the contract, if the contract should be re-bid, or if the service should be brought in-house. The District will also consider the quality of the service being provided by the vendor as well as any other applicable criteria. If the District is considering bringing the service in-house, the full cost of the service will need to be determined and included as part of the decision-making process. Any required deliverables will also be outlined in the contract.

Recommendations for whether contracts should be continued, re-bid, or brought in-house will be presented to the Receiver for final determination. All decisions will be made with consideration of any potential cost savings or efficiencies as well as ensuring the District receives high-quality services.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will identify contract end dates for all significant contracts and establish a schedule for review in the 2021-22 school year	November 2021	Internal Review Team
The District will establish protocols for how the reviews will be conducted	December 2021	Director of Accountability
The District will complete the review of all four significant contracts following the schedule and including all steps laid out in this initiative	April 2022	Internal Review Team
The District will summarize its findings in a report it will share with the Superintendent and Receiver	May 2022	Internal Review Team
The District will repeat the analysis for each program every three years at a minimum	Ongoing; every three years	Internal Review Team

OP03	Conduct Districtwide risk assessment	
	Deadline: Risk assessment completed (March 2022)	
	Evaluation Measure:	Proactively identifying and addressing areas of risk for the District
	Responsible Party:	Superintendent

Although all school districts are legally required to undergo several external audits on a regular basis, there can also be value in reviewing an organization’s activities and level of risk at a higher level. In the past, annual independent audits have identified significant issues with the District’s financial practices and operations, as described more fully in **FM05**.

The District has already taken steps to address many of these issues through the establishment of policies and procedures, such as the Business Procedures Manual as well as by making staffing and administrative changes. While this is to the benefit of the District, it should also attempt to identify other sources of potential financial or operational risk by conducting a Districtwide risk assessment.

Districts conduct risk assessments to identify and manage risks that might impact their staff, students, or operations. While the scope of the assessment can vary, typically risk assessments evaluate programs or

processes looking for issues around internal controls, segregation of duties, complexity of regulations, and staff turnover and training to determine the amount of risk for errors, omissions, and fraud. As part of the risk assessment, the quality of internal controls, changes in management or staff, the complexity of the program and the regulatory environment are assessed, as are opportunities for improvement. Numerous examples speaking to the value of risk assessments are available, such as the 2017 report published by the Council of Great City Schools, which recommend that a detailed risk assessment be performed at a minimum of every three years.

The risk assessment can also look at other areas of risk or vulnerability, such as the current scheduled termination of the contract with Montgomery County Intermediate Unit (MCIU) in June 2022 or review the school's level of risk due to external factors such as the coronavirus or spending of allocated one-time federal ESSER funds.¹ The scope of the risk assessment will be determined by the Receiver.

The District will hire an external vendor to conduct a risk assessment of each of the six central office departments – Superintendent, Academics, Accountability, Business Services, Human Resources, and Operations to ensure an independent evaluation and in consideration of the District's current contract with Montgomery County Intermediate Unit. The contract with the vendor should include a detailed schedule of work as well as deliverables and follow all existing District contracting and procurement guidelines. The final report will be submitted to the Receiver for approval.

Once the risk assessment is complete, the District will use the findings to address any identified risks and to develop an audit plan to address those findings. Examples of risk could range from a lack of internal controls in a particular program, the retirement of an individual with specialized knowledge, or an increase in special education lawsuits. The District will also provide written guidance and training on risk management to staff.

The timing of this initiative is predicated on the termination of the contract with MCIU in June 2022. If that contract is extended, this initiative may be moved to 2022-23. The risk assessment will be completed every three years for as long as the District is in financial oversight.

5-Year Financial Impact ²

2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
\$50,000	\$0	\$0	\$53,107	\$0	\$103,107

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will issue a RFP for a vendor to conduct a Districtwide risk assessment	November 2021	Superintendent
The District will contract with a vendor to conduct a Districtwide risk assessment	January 2022	External Consultant
The risk assessment will be completed	March 2022	External Consultant
The District will provide written guidance and training on risk management	June 2022	Director of Accountability

¹ This includes ESSER I, II, and III.

² The actual financial impact will depend on the vendor and scope selected by the Receiver and a regular risk assessment will likely identify steps that will result in avoided costs greater than the cost of that vendor.

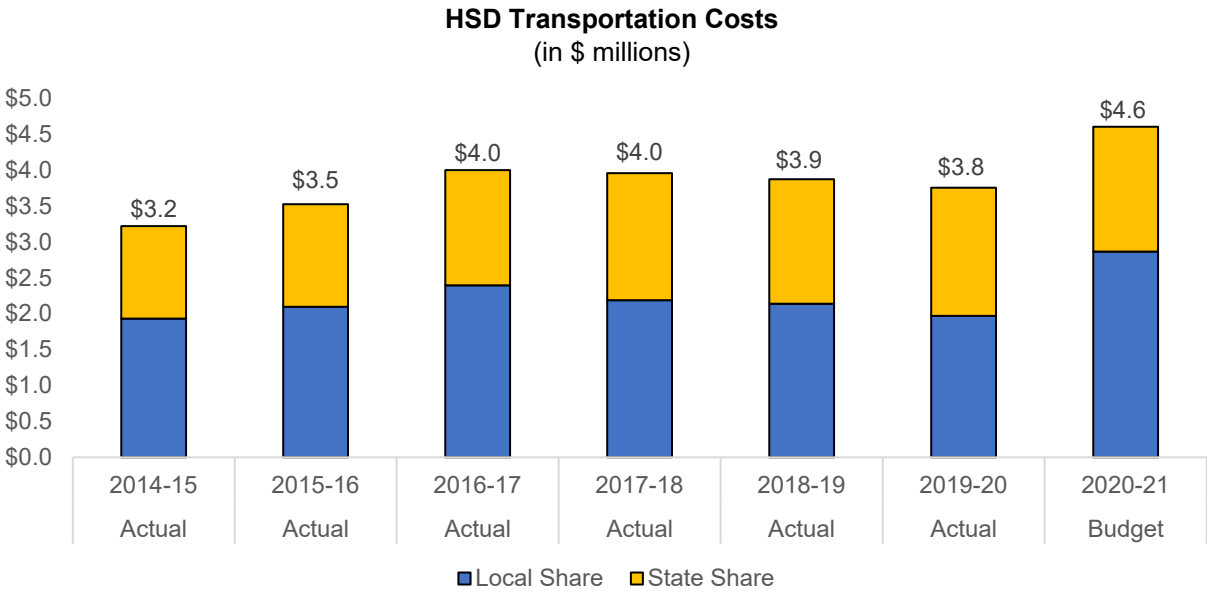
The District will repeat the risk assessment every three years	May 2024	Superintendent
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OP04	Develop and implement a multiyear transportation improvement plan	
Deadline: Complete an evaluation of the transportation system (October 2021); Develop a multiyear transportation improvement plan (February 2022)		
	Evaluation Measure:	Plan is adopted and savings are generated while maintaining quality of service
	Responsible Party:	Transportation Coordinator

During the 2019-20 school year, the Harrisburg School District was responsible for transporting 3,395 students – including 560 special education students – to and from school on 32 buses, 15 minibuses, and 44 vans each day. The District was also responsible for busing 1,068 charter and non-public school students.³ Total District expenditures on transportation have increased from \$3.2 million in 2014-15 to almost \$3.8 million in 2019-20.⁴

Although the District budgeted \$4.6 million for transportation in 2020-21, the impact of coronavirus and the resulting shift to virtual learning means that the District’s actual spending on transportation will likely be much lower than anticipated. The District also elected not to re-bid its transportation contracts and extend its existing contracts with its current providers for another year.

District transportation expenditures are partially offset through a transportation subsidy provided by the Commonwealth. The graph below shows the portion of transportation costs reimbursed by state aid and the amount spent by the District.



The table on below shows the state’s share of District transportation costs as a percentage of the total transportation costs. The state transportation subsidy is calculated based on the prior year’s transportation expenditures, resulting in a one-year delayed impact for the subsidy. Therefore, as the

³ Data provided by HSD Transportation department as of 3/11/20. Transportation data for 2019-20 is impacted by the closure of schools in March 2020 for the remainder of the school year.
⁴ Data is based on independent audit detail provided by the District.

District's expenditures increase, the District will see a delayed increase in their subsidy the following year. For example, as total District expenditures increased by \$0.5 million from 2015-16 to 2016-17, the state share of transportation costs between 2016-17 and 2017-18 also increased significantly.

The state share amount has increased from 40.0 percent in 2014-15 to 47.6 percent in 2019-20, although the actual amounts have fluctuated from year to year. Due to the expected reduced transportation costs for 2019-20 and 2020-21 due to the pandemic, the District has projected a decrease in the state share of its transportation costs in its 2020-21 budget.

HSD State Share of Transportation Costs

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
State Share	40.0%	40.5%	40.1%	44.7%	44.8%	47.6%	37.8%

It is unclear how health and safety guidelines related to the coronavirus pandemic may affect transportation costs in 2021-22 and future years. In addition, the impact of the national shortage of bus drivers is still unknown.⁵

School transportation systems can be complex and expensive, with costs varying depending on special education requirements, the number and length of routes, and charter school enrollment. Districts can control costs by increasing efficiencies in seating capacity and transportation time. Numerous school district policies and practices can also affect cost, such as decisions over which buses operate with monitors, the maximum ride time, the number of bus runs assigned to each bus each day, and the drop-off and pickup procedures at schools. State transportation reimbursement levels are based on multiple factors and metrics, including the total number of miles driven, the number of miles with students on board, and number of charter students transported.

In districts that contract out their transportation functions, many of these factors are outlined in bid and contract documents. The Harrisburg School District has had periodic discussions about whether and how to change the distance that students are expected to walk, balanced against the cost of additional bus transportation and the need to ensure student and school safety.

In order to limit costs and maximize efficiency, the District will develop and implement a multi-year transportation improvement plan. In the plan, actions should be logically sequenced to maximize impact and avoid the need to rework previously-completed elements (for example, if a district optimizes routing in one year, then redistricts attendance areas, the effort of the routing optimization will be wasted and will need to be redone). The District has already taken steps in 2019-20 to review its routes and establish metrics to evaluate progress. The District will also consider equity for students and families as part of the development of the transportation improvement plan.

The multi-year transportation plan will build upon that progress and address the following areas:

- Improved Route Efficiency:** Currently, the District uses bus routing software that includes routing optimization and modern navigation capabilities. It is critical that the staff members responsible for operating the software are properly trained and understand the functionality of the tool. In particular, regularly updated, accurate student information is critical. Routes should be reviewed and revised regularly, particularly in advance of any re-bidding of transportation contracts. Failure to update the set of routes before bidding can lock in excess costs for the life of the contract and reduce potential savings gained from re-bidding contracts. The routing software can also be used to anticipate future changes as part of the re-bidding.

⁵ <https://www.edweek.org/leadership/bus-driver-shortages-worsening-for-many-districts-as-schools-reopen/2021/05>.

- **Set Transportation Parameters:** The Receiver will set overall parameters for the transportation contract, including criteria for service (walk/bus zone), maximum ride time or performance criteria such as on-time delivery of students, seating capacity and the time available for each vehicle, or state reimbursement targets. All criteria should be determined in advance of re-bidding the contracts.
- **Re-bid Transportation Contracts:** The District will competitively bid transportation services every three to five years. The District will prepare Request for Proposals (RFPs) for both buses and vans as the current contracts expire. In developing the requests for proposals, the District will evaluate the provisions included in its current contracts to identify any potential efficiencies or needed service adjustments and will include language allowing bidders to offer potential cost-saving alternatives. The District recently extended its contracts with its current provider for an extra year, which should allow time to prepare to bid the contract for the start of the 2022-23 school year. The District may decide to extend its current contracts further based on market conditions. If the District decides to extend its current contract beyond the current timeframes any timelines listed in the action plan should be understood to apply to the year when the contract will be re-bid.
- **Communication between District Transportation Managers, Administrators, and Bus Contractors:** Establishing a solid working relationship helps to identify issues, resolve them early and increase efficiency. In addition to regular working meetings among operational personnel, the District's transportation coordinator should be in contact with the vendors on a quarterly basis, at a minimum. The District should also establish protocols to provide administrators with guidance on addressing transportation issues that may arise.
- **Increase or Maintain State Share of Transportation Subsidy:** The District will monitor the percentage of transportation costs covered by the transportation subsidy and seek to increase or maintain the percentage covered by the state. Based on reimbursement and usage levels, the District may explore other options to reduce costs and maximize its reimbursement, such as increasing the proportion of students using Capital Area Transit (CAT), as mass-transit student busing is highly reimbursed.
- **Develop Reports:** The District will develop a series of reports on its transportation costs to track the financial impact of the transportation plan as described in **FM10**. These reports will include but not be limited to current routes by vendor, changes in routes in the previous quarter by vendor, year-to-date costs by vendor compared to the adopted budget, comparison of current year costs to prior year costs, number of students taking CAT, and an analysis of costs covered by the transportation subsidy.

The District will also establish a detailed project schedule which can be monitored for progress. The project schedule will be submitted to the Receiver along with the transportation improvement plan for approval.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will complete an evaluation of the transportation system that establishes the measures of transportation efficiency	October 2021	PFM
The District will provide progress updates quarterly, including the first transportation data report	January 2022	Director of Operations and Superintendent

The District will develop a multiyear improvement plan and establish targets for efficiency and a specific timeline for improvement actions	February 2022	PFM
The District will issue a RFP for a special education bus contractor	February 2022	Director of Operations and Transportation Coordinator
The District will hire a special education bus contractor, selected from the RFP process to begin with summer (2022) program transportation	June 30, 2022	Transportation Coordinator, Director of Operations and Superintendent
The District will issue a RFP for a regular education bus contractor	February 2023	Director of Operations and Transportation Coordinator
The District will hire a regular education bus contractor, selected from the RFP process to begin with summer (2023) program transportation	June 30, 2023	Transportation Coordinator, Director of Operations and Superintendent

OP05	Develop a Districtwide communication plan	
	Deadline: Undergo a communications audit (January 2022); develop Districtwide communication plan (March 2022)	
	Evaluation Measure:	Improved Districtwide communication across all platforms
	Responsible Party:	Public Relations Coordinator

High-performing school systems recognize that strong communication helps to increase the efficacy of district operations and establish resilient relationships between District staff, students, their families, and the community. In the past, the Harrisburg School District has struggled to communicate important operational and academic information and data to its internal and external stakeholders, impeding the District’s ability to effectively manage Districtwide services and the District’s budget, as well as promote academic performance. The District’s current leadership recognizes the importance of strong communication and wants to improve communications with all stakeholders.

All District communications should be guided by a comprehensive Districtwide communication plan which outlines the strategies the District will use to communicate to all of its stakeholders. The District has begun this by engaging with an external consultant to start development of a communication plan.

As the District continues to develop its communication plan, the District will conduct a communications audit to identify the most significant communications issues in the District. This audit will include focus groups and surveys of stakeholders at all levels as well as interviews with the District’s management team. The scope of the audit should include how the District shares and promotes its overall message, the types of information parents, students, teachers and other stakeholders want and need to receive, preferred communication platforms, and issues with current communications practices. The District should consider hiring outside professionals to conduct the audit and the selected provider should also be knowledgeable about best practices in public school communications nationally.

Once the audit is complete, the results will be shared with the Receiver, Superintendent, and the School Board and the communications plan will address the issues and stakeholder priorities identified in the communication audit. This will include specific measurable objectives to improve communication. In developing this plan, the District will look to examples of other Districts with communication plans that

could be used as a template for the Harrisburg School District or to resources available through organizations like the Pennsylvania School Public Relations Association (PenSPRA). Once developed, a draft of this plan will be presented to the Superintendent and Receiver for their approval and shared with the School Board.

To encourage greater community engagement, the District will also assemble a committee to discuss possible strategies to increase communication within the District as well as with the larger community. The committee will include teachers, parents, and community members to better gauge what methods would be most effective for different groups of stakeholders. The committee will also share thoughts on whether the current plan has improved District communications, and what areas of improvement still need to be addressed.

In 2022, the District will assess the impact of the current communications plan and share the results with the Receiver and Superintendent.

5-Year Financial Impact

2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
\$0	\$0	\$4,249	\$0	\$0	\$4,249

Action Plan

Tasks and Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will undergo a communications audit	January 2022	External Consultant
The District will prepare a Districtwide communication plan and present to the Receiver and Superintendent	March 2022	External Consultant
The District will create a committee to brainstorm strategies of communicating with different groups of stakeholders	April 2022	Public Relations Coordinator
The District will undergo a second communication audit to assess the impact of the communication plan and present the results to the Receiver and Superintendent	August 2022	External Consultant and Public Relations Coordinator

Office of Human Resources

Overview

The District's Office of Human Resources is responsible for employee hiring and onboarding, maintaining employee records and benefits, establishing and transmitting employment policies, and managing the day-to-day aspects of collective bargaining agreements. The Harrisburg School District has struggled with these responsibilities, leading to an inability of the District to produce accurate headcount information, overpayments of health benefits to individuals no longer employed by the District, and outstanding personnel grievances. As a result, prior to the appointment of the Receiver, questions were raised about the reliability of information shared with the administration, School Board, employees, and trust in the office had eroded. The Office is staffed by the Human Resources Director, an Assistant Director, benefits specialist, compliance officer, and a human resources generalist and a receptionist. One staff member from the payroll office has been relocated to the Office of Human Resources due to internal restructuring but is still performing the same job responsibilities.

Under the District's new leadership, staffing and policy changes have been implemented in the Office of Human Resources, including the resolution of all outstanding grievances and the development of an accurate position control system. The District will need to work to develop and institutionalize policies and procedures through the implementation of the Recovery Plan to ensure past problems do not recur and to restore trust in the office at all levels. This section outlines the steps the District will need to take to improve operations in the Office of Human Resources.

Initiatives

OP06	Finalize and Maintain Position Control system	
	Deadline: Develop monthly reports (October 2021); review of position control system on quarterly basis (February 2022)	
	Evaluation Measure:	Accurate point in time data on all District employees
	Responsible Party:	Director of Human Resources

Position control systems maintain accurate records of the number of budgeted and filled jobs at a District. The system records information on each employee, including position title, level, salary, and building. This system also provides a means for a district to track vacant positions and see when positions are added or removed. It can also be used to assess staff distribution and track real-time staffing based on different characteristics, such as benefits, number of years of employment, and union.

The District's lack of a position control system has resulted in financial losses in the past, such as the overpayment of benefits for individuals no longer employed by the District and hiring in excess of budgeted staffing allocations. Understanding the financial implications of personnel decisions is critical, given that salaries and benefits account for more than half of the Harrisburg School District's 2020-21 final adopted budget.

The District has developed a position control system to keep track of employees and positions districtwide; that system is almost complete. Once it is finalized, the next critical step is the maintenance of the system through regular updating of information. The Office of Human Resources will be responsible for the oversight and maintenance of information in the position control system. This will require the department to coordinate with other individuals, including representatives from the Office of Business Services and building principals to verify and ensure the accuracy of the information. In addition, a review of the position control system will be done on a quarterly basis by an individual outside of the Office of Human Resources (likely from the Office of Business Services) to ensure proper internal controls.

The Office of Human Resources will send updated reports to the Receiver on a monthly basis, including the number of employees at the District and the number of vacancies as described in **ADMIN06** and **OP09**.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The Office of Human Resources staff will manage the input of data from the position control system	September 2021	Office of Human Resources
The District will use the position control system to pull reports on employee and vacancy data to submit to the Receiver on a monthly basis	October 2021	Director of Human Resources

A review of the position control system will be completed by an individual outside of the Office of Human Resources on a quarterly basis.	February 2022; ongoing quarterly	Office of Business Services
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OP07	Ensure high quality staff in the Office of Human Resources	
	Deadline: Review skills and assignments of current staff (October 2021); conduct training on systems for all Office of Human Resources staff (January 2022); ensure all employees are cross-trained (August 2022)	
	Evaluation Measure:	All Office of Human Resources staff are qualified for their positions and able to execute all assignments
	Responsible Party:	Director of Human Resources

The District's Office of Human Resources has also struggled with turnover at the leadership level. While the District's 2016 Recovery Plan called for the District to retain a permanent head for the Office of Human Resources, the District instead has had a series of short-term or interim candidates.

Although the District has now brought on external assistance to help with the management and operation of the Human Resources Office, it will be a priority for the District to institutionalize processes and professionalism to attract and retain new talent to the office. In order to accomplish this, the District will undertake the following changes in the Office of Human Resources:

- **Review skills of current staff:** The District will assess the skills and knowledge of current District staff to determine their level of expertise. In conjunction with the Receiver, the District will conduct a brief evaluation of the current staffing and expertise in the Office of Human Resources to ensure that the District is able to comply with the reporting initiatives outlined in this Recovery Plan under **ADMIN06**. During this review, the District will identify any additional training that should be provided to new or future staff, or additional tools that might be valuable to assist staff in performing their responsibilities. All future staff in the Office of Human Resources will receive sufficient training in these processes, and job descriptions will be aligned with the responsibilities and content knowledge. Individuals hired or assigned to work in the Office of Human Resources will possess appropriate skills, ability, and experience to perform the functions for which they are responsible. Regardless of any other provisions of law or contract, the District will not assign unqualified individuals to work in the Office of Human Resources.
- **Ensure that staff are cross-trained across assignments:** In addition to the review of current skills and assignments, the District will identify opportunities to provide cross-training to all current and future Office of Human Resources staff on routine processes and procedures. This will ensure that the District is able to continue to function efficiently if staff members are not present due to paid time off or unfilled vacancies. To the extent necessary, job descriptions will be modified to achieve this. All future labor agreements will allow for cross-training and cross-assignment of Office of Human Resources employees.
- **Fill key vacancies:** Where necessary, the District will hire individuals to replace vacant positions at the District. When determined to be appropriate by the Receiver, the District will begin recruitment for the position of Director of Human Resources, as the position is currently held by an individual under contract with the Montgomery County Intermediate Unit. The job advertisement will be consistent with the job description for the position, which will be approved by the Receiver. The internal interview team for each position will include, at a minimum: the Receiver, the acting or permanent Superintendent, and the acting or permanent Director of Business Services. The interview committee will recommend one or more candidates for each position and the Receiver will make the final selection from among the recommended candidates.

- Complete Training on Utilization of eFinance and Cognos Software, Position Control System and Timekeeping systems:** All staff members will receive a training on the eFinance and Cognos systems, including the full capabilities of the software packages for the District. All staff in the Office of Human Resources will also receive training on how to input information into the District's position control system and how to run reports from the system as well as how to review data entered into the District's new timekeeping system. Demonstrating proficiency in using these systems will be a requirement of each position and will be included in the job description for each position.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will review staffing assignments and potential needs for training	October 2021	Director of Human Resources
The District will conduct training on eFinance, Cognos, the position control system, and timekeeping system for all Office of Human Resources staff	January 2022	Director of Human Resources
The District will review all current job descriptions for Office of Human Resources employees and adjust where necessary	April 2022	Director of Human Resources
The District will ensure all Office of Human Resources staff are cross-trained	August 2022	Director of Human Resources
The District will ensure that any vacancies are filled with candidates possessing the qualifications outlined in updated job descriptions	Ongoing	Director of Human Resources

OP08	Document all Office of Human Resources procedures and review all Districtwide policies	
	Deadline: Document all Human Resources procedures in a single manual (November 2021); development of Employee Handbook including revised Districtwide policies (January 2022)	
	Evaluation Measure:	Updated District policies available to all staff; finalization of Employee Handbook and School Operations Resource Guide
	Responsible Party:	Director of Human Resources

Prior to Receivership, many processes within the Office of Human Resources were not carefully documented. As a result, it was not clear what procedures within the office were being adhered to or who was responsible for performing which tasks. Similarly, many Districtwide policies did not exist or were unclear, leading to a lack of understanding and enforcement.

The District will document the processes for all Office of Human Resources activities into a procedures manual that is available to all staff members, as part of their training. The manual will include how to label and store files within the District's online and physical systems. The District will incorporate any new procedures or policies into the manual and review existing processes annually. The manual should be available electronically as well as in hard copy format.

In addition, the Director of Human Resources will review all of the District's current policies related to daily operations as well as those necessary to the development of an Employee Handbook and update the policies to match best practices. The current Director of Human Resources has already developed a list of policies that need to be reviewed and evaluated. The order of which policies will be reviewed will be

determined by the Director of Human Resources, in consultation with the Receiver. When the Director of Human Resources has completed a revision to a policy, it will be presented to the Receiver for review and adoption.

The District has already started reviewing and updating policies during the 2019-20 and into the 2020-21 school years. Policies that have been updated and approved by the Receiver include those regarding behavioral supports, disciplining students with disabilities, evaluation of employees, Family Medical Leave Act (FMLA), uncompensated leave and personnel files. Many of the recent policies have focused on employees, and the District plans to review all policies at the 300 (employee) level.

Once any policy changes have been adopted by the Receiver, the revised policy will be available electronically as well as in hard copy format and will be communicated to all staff. When all policies have been reviewed, the Office of Human Resources will include and reference relevant policies into the Employee Handbook and School Operations Resource Guide. Once both documents are complete, they will be distributed to all staff and be available electronically and in hard copy. Both documents will also be included as part of the onboarding process for new hires. Any additional changes to policies will be done on an ongoing basis and incorporated into both documents. Where appropriate, changes should be reflected in collective bargaining agreements.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will document all Office of Human Resources procedures in a procedures manual	November 2021	Director of Human Resources
The District will include and reference all policies in the Employee Handbook and School Operations Resource guide	January 2022; ongoing	Director of Human Resources
The District will review Office of Human Resources procedures and incorporate changes into the procedures manual annually	Ongoing; annually	Director of Human Resources
The District will review and update policies on an ongoing basis and update the Employee Handbook and School Operations Resource guide	Ongoing	Director of Human Resources

OP09	Improve monitoring and reporting of Human Resources information in documents shared with the Receiver	
	Deadline: Develop reports (October 2021); present staffing ratio reports quarterly (December 2021); ongoing monitoring	
	Evaluation Measure:	Reports developed and shared with all parties
	Responsible Party:	Director of Human Resources

The Receiver has made it a priority to be transparent in District operations with the Board, staff, parents, students, and the public. The District will create reports that will allow all parties to understand the human resource functions at the District. The list of reports the Office of Human Resources will be responsible for submitting will include, but not be limited to the following items:

- **Staffing:** Reports from the District’s position control system will be submitted on a quarterly basis and will include the number of full-time equivalent positions by title, school, and funding sources, as well as the current number of vacancies. Reports should also include the total budgeted costs of salaries and benefits and the year to date expenditures.

When presenting positions to be approved by the Receiver, the District will provide information including the position proposed and the total cost (including salary and estimated benefits) of the proposed candidate for the unfilled position, and whether it is a replacement of a new position. The District will also confirm that the position is funded in the current year's budget.

- **Staff Attendance:** These reports will include the number of employees absent by title and building, and include unexcused absences, vacation, Family Medical Leave Act (FMLA), and sick leave. These reports will also be shared weekly with building principals and shared with the Board at the Receiver's discretion.
- **Staff Turnover:** These reports will include the total number of positions that have left the District for the prior reporting period and the total year to date. The report will include the position title and the reason for their departure from the District, based on information from exit interviews as described in **OP10**. Rates of separation will be calculated, and the information will be compared to prior years when a sufficient amount of information is available. These reports should be shared on a quarterly basis.
- **Staffing Ratios:** Reports will also be developed showing the number of vacancies by building as well as student-staff ratios for teachers and support staff by building and grade. These reports will be shared on a quarterly basis.

The Office of Human Resources will prepare the first series of reports to be shared in October 2021. Subsequently, all reports will be shared according to the timeframes outlined in this plan, unless otherwise determined by the Receiver.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will develop reports on staffing, staff attendance, and staff turnover. Staffing and staff turnover reports will be presented quarterly and staff attendance reports will be run on a weekly basis.	October 2021; ongoing	Director of Human Resources
The District will present staffing ratio reports on a quarterly basis	December 2021; ongoing	Director of Human Resources

OP10	Conduct exit interviews	
Deadline: Begin conducting exit interviews for all staff (November 2021); submit quarterly reports (June 2022)		
	Evaluation Measure:	Increased data on staff turnover
	Responsible Party:	Director of Human Resources

In recent years, the District has experienced high levels of turnover, especially among teaching positions. In order to identify why individuals may be leaving the District, the District will begin conducting exit interviews of all staff members who are leaving. Exit interviews allow the District to document and analyze information about employees' experiences and use the collected data to address areas of concern. Interviews will be conducted by Office of Human Resources staff, unless requested otherwise. If an interview cannot be conducted for some reason, a survey may be administered remotely. To the extent

necessary, language permitting and facilitating this process will be included in all future collective bargaining agreements.

Using the exit interviews, the District will generate data and reports on the causes for departures and which type of employees are leaving the District which will be shared with the administration and Receiver on a quarterly basis.

Based on the findings, the District will begin to address the reasons for departure prior to retirement.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The Office of Human Resources will begin conducting exit interviews for all departing staff	November 2021; ongoing	Office of Human Resources
The Office of Human Resources will create a database based on information collected from exit interviews	March 2022	Office of Human Resources
The District will submit quarterly reports that summarize findings from exit interviews	June 2022; ongoing	Director of Human Resources

OP11	Develop a Districtwide recruitment strategy	
Deadline: May 2022		
	Evaluation Measure:	Fewer vacant positions; vacant positions filled more quickly
	Responsible Party:	Director of Human Resources

Like many districts nationwide, the Harrisburg School District has struggled to fill vacant staff positions, with some critical jobs remaining vacant for months. The District has also faced increasing difficulty recruiting special education, math, and science teachers. In order to give the District the best chance at recruiting high-quality talent, the District will develop a comprehensive recruitment strategy. The process should include the following elements:

- **Proactively monitor vacancies:** Using the position control system, the Office of Human Resources should have the most up to date information on what positions are vacant as well as positions impacted by upcoming changes in staffing, such as retirements or medical leave. The District will work with union representatives to anticipate annual retirement numbers and retirements in specialty positions in advance of the formal deadline for filing to retire.
- **Advertising positions:** In the past, the District has posted vacancies for teaching and special education positions on online platforms and has promoted positions at regional college career fairs. The District will continue these efforts, while also looking at methods used by neighboring districts and best practices nationally, and to brainstorm alternative ways to recruit candidates. The District should also continue its efforts to partner with local colleges and universities to connect student with jobs at the District after graduation. These recruitment efforts should be happening year-round.
- **Recruiting candidates:** Once an application for a position has been received, it is important that there is a clear process through which eligible candidates are vetted and hired. The Office of Human Resources should understand the salary limitations for each position based on information from the Office of Business Services. Office of Human Resources staff should also have an internal process for application review and interviews that identify each staff members' responsibilities, including verifying certifications and references before an offer is extended. Given the demand for

individuals in certain positions, the District will make every effort to move through the recruitment process as efficiently as possible and to make offers in the same timeframe as other districts competing for the same candidates. This may require the District to make offers for the anticipated minimum number of openings earlier than in the past.

In seeking to recruit and retain candidates, the District will seek to attract a diverse workforce to support and reflect the diversity of the students of the Harrisburg School District.

The plan should also include any elements to monitor and address staff turnover as outlined in **AP02**. The plan will be presented to the Receiver for approval. The District will use the staffing reports generated as outline in **OP09** to help inform the strategy and determine if progress is being made.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will develop a recruitment strategy	May 2022	Director of Human Resources

OP12	Rewrite position descriptions for all District staff	
Deadline: April 2022		
	Evaluation Measure:	Updated job descriptions for all staff; improved understanding of roles and responsibilities
	Responsible Party:	Director of Human Resources

The District has previously taken steps to review position descriptions using standards developed by the Pennsylvania School Boards Association (PSBA). According to the 2016 Recovery Plan, the District was to update all job descriptions over time to ensure that they are compliant with the Americans with Disabilities Act (ADA). While this work was started, it has not been completed. Additionally, many descriptions remain out of date or incomplete, or do not reflect changes at the District, which has implications for the successful recruitment and retention of staff.

Office of Human Resources staff will review and update the position descriptions, working with building principals and union representatives as needed. Positions should use standard language and formatting for consistency, and any appropriate changes or modifications should be noted in collective bargaining agreements.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will review and update all position descriptions	April 2022	Office of Human Resources

Food Service

Overview

The Harrisburg School District provides free breakfast and lunch each school day for approximately 6,500 students across 12 buildings. During the 2020-21 school year, the District distributed breakfast and lunch meals to students from District buildings as well as family food boxes donated by a local food bank. Each building has a kitchen, but in some buildings, meals are transported to schools due to a lack of freezer, refrigerator, or storage facilities.

The District has a contract with Southwest Food Service Excellence (SFE) as its Food Service Management Company (FSMC), who uses a combination of District staff and SFE personnel to operate the service. The District’s original 2013 Recovery Plan proposed a hybrid structure where the Food Service operation would be staffed by a mix of both District staff and the vendor’s employees. On an attrition basis, District employees would be replaced with the vendor’s staff, and eventually, the entire staff of the food service operation would be employees of the vendor. This structure is still in place.

As of June 2021, there are 45 employees working in the food service department across all buildings. Of these, 21 are District employees and 24 are employees of SFE. Many of these employees are part-time positions, such as food service workers and cafeteria monitors. Management reports that it is continuing to follow the guidelines of the 2013 plan, where both SFE and the District provide management services on-site. Employees of the District who work in Food Service are represented for purposes of collective bargaining by the American Federation of State, County and Municipal Employees (AFSCME).

HSD Food Service Employees by Building ^{6 7}

School	District	SFE	Total
Ben Franklin	4	2	6
Camp Curtin	3	2	5
Cougar Academy	1	0	1
Downey	1	4	5
Foose	1	6	7
John Harris	4	1	5
Marshall Math & Science	1	2	3
Melrose	2	2	4
Rowland	2	3	5
SciTech	0	0	0
Scott	2	2	4
Total	21	24	45

The District’s food service operations are funded through a proprietary Food Service Fund, which accounts for the costs of providing meals to students during the school year funded by federal, state, and local operating grants and contributions, along with a small amount from charges for services. The greatest expenditures are for supplies, purchased professional services, and salaries.

As can be seen in the table below, the Food Service Fund operated with an annual surplus from 2014-15 until 2018-19, yet still has a negative fund balance. In 2014-15, the District began including its pension liability in the fund balance, which resulted in a negative adjustment of \$3.7 million, in addition to an

⁶ Data provided by the District as of June 2021. Some positions have been adjusted during 2020-21 due to the impact of COVID-19 on school operations.

⁷ In addition to the 21 District employees shown, there are also several employees currently on leave of absence (LOA).

existing negative fund balance. Since 2018-19, the District has continued to improve its financial position, and appears to be operating independently without any transfers from the District's general operating fund, although there is a receivable from the food service fund to the General Fund which is shown as nonspendable fund balance in the District's 2019-20 independent audit and described in **FM02**.

Due to the impact of the pandemic on in-person learning and food service operations, both revenues and expenditures for the food service program were lower in 2019-20 than in prior years and the District ended the year with a slight operating deficit and a negative ending fund balance of \$3.6 million. The District has engaged a consultant to review its food service operations and finances in detail; some of that progress has been delayed due to the impact of COVID-19.⁸

Harrisburg School District Food Service Fund ^{9 10 11}

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues	\$4,740,163	\$5,223,072	\$5,437,320	\$5,614,594	\$5,789,419	\$4,845,566
Expenditures	\$4,510,434	\$4,367,106	\$5,384,851	\$5,196,768	\$6,633,867	\$4,930,447
Surplus/Deficit	\$229,729	\$855,966	\$52,469	\$417,826	(\$844,448)	(\$84,881)
Ending Fund Balance	(\$4,385,601)	(\$3,529,635)	(\$2,985,488)	(\$2,675,507)	(\$3,519,955)	(\$3,604,836)

All students in the District are eligible for free meals through the Community Eligibility Provision (CEP). The CEP is a non-pricing meal service option for schools and school districts in low-income areas. CEP allows the nation's highest poverty schools and districts to serve breakfast and lunch at no cost to all enrolled students without collecting household applications. Instead, schools that adopt CEP are reimbursed using a formula based on the percentage of students categorically eligible for free meals based on their participation in other specific means-tested programs, such as the Supplemental Nutrition Assistance Program (SNAP). In order to claim that reimbursement, school personnel must accurately count, record, and claim the number of meals served to students by eligibility category (i.e. free, reduced price and paid). Adequate documentation must be on file to support the claims for free and reduced-price meals.

Prior audit findings cited poor operational and financial management of the District's cafeteria operations. The District had to repay the Pennsylvania Department of Education (PDE) due to errors in meal reporting. However, the recent audit from Wessel and Company found that the financial condition and management oversight of the District's Food Service operation appear to have been significantly improved, citing the District's implementation of a new Point of Service (POS) software system as a particular improvement. The District's 2018-19 independent audit noted that a prior finding related to errors in meal reporting is now resolved and there were no findings regarding meal reporting in the most recent 2019-20 independent audit.

Recently, the District entered into a contract with a consultant to evaluate the operations, management, and finances of the food service program. Relevant recommendations from that report should be adopted by the District at the discretion of the Receiver. It will be important that all decisions regarding the District's food service operations be focused on meeting student nutrition standards in compliance with state and federal requirements and further reducing the fund balance deficit. The following initiatives are intended to help meet these goals.

⁸ Recommendations from this review were not available at the time of the adoption of this Recovery Plan.

⁹ The growth in expenditures in 2018-19 was driven by an increase of \$1.0 million in the category of Other Purchased Services. It is believed that this is also related to the District's net PSERS liability for food service employees.

¹⁰ This table does not include any prior period adjustments.

¹¹ Data taken from independent audits.

Initiatives

OP13	Clarify roles and responsibilities between District and contracted food service staff	
Deadline: Update job description for District Food Service Supervisor (September 2021); update job descriptions for District Food Service staff (November 2021); develop training materials for District Food Service employees (January 2022)		
	Evaluation Measure:	Revised job descriptions that accurately reflect roles and responsibilities in the food service operation
	Responsible Party:	Director of Operations

Currently, District Food Service operations are split between District employees and contracted employees provided through Southwest Food Service Excellence. This includes employees at the managerial level: both the District and provider have a manager to supervise staff. The District noted that this dual-manager structure has caused some confusion for staff and has been working with the provider to address this over the last year.

In order to ensure that all Food Service staff understand the current structure, the District will:

- **Clarify roles and responsibilities for all Food Service staff:** The District will work with the provider to ensure that all staff understand the current supervisory structure as well as the job responsibilities associated with each position. All clarifications will be addressed and modified in when the contract is updated.
- **Rewrite the job description for the District Food Service Supervisor:** The current job description does not reflect the existing operational structure of the District's Food Service operation, which has responsibilities split between the District and contracted staff. The job description will be rewritten to identify those responsibilities including meeting regularly with the provider's Food Service supervisor.
- **Rewrite the job description for the District Food Service positions:** If it is determined that the current structure does not adequately reflect the job responsibilities of current staff, those job descriptions will be rewritten. Any adjustments to job descriptions will also be noted as part of the collective bargaining process.
- **Develop training materials for Food Service Staff:** Based on the updated job descriptions and clarification of roles and responsibilities, the District will develop training materials for all District Food Service employees.
- **Review the financial performance and service delivery of the current Food Service Management Company:** As mentioned earlier in the chapter, the District is currently undergoing a review of its food service operations and finances by an external consultant. The food service contract is one that should be reviewed regularly as outlined in **OP02**, although this contract may be renewed annually due to its current contract provisions. The District will regularly evaluate the contract against any performance metrics, establish or revise existing performance metrics, and determine whether the contract should be continued, re-bid, or if the service should be brought in-house. As part of this evaluation, the District will seek to ensure that the District is maximizing revenues and controlling costs while continuing to provide a high level of service to students.

In addition, the District should review the prior contract and analyze further the degree to which any cost savings as outlined in the contract have been achieved. If the analysis shows that the District is owed funds from its provider, it should pursue all necessary actions in order to receive those funds.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will clarify roles and responsibilities for all District and contracted Food Service staff	August 2021	Director of Operations
The District will rewrite the job description for the District Food Service Supervisor	September 2021	Director of Operations and Office of Human Resources
The District will update the job descriptions for District Food Service positions as needed	November 2021	Director of Operations and Office of Human Resources
The District will develop training materials for all District Food Service employees	January 2022	Director of Operations and Food Service Supervisor
The District will update the contract to reflect these changes at part of its annual renewal, if not earlier	At time of contract adoption or renewal	Superintendent and Director of Operations
The District will evaluate its food service contract annually prior to renewal	June 2022	Director of Operations

OP14	Improve District oversight of Food Service management company	
	Deadline: Complete staff offer vs. serve (OVS) toolbox training (August 2021; ongoing annually); establish biweekly meetings (September 2021; ongoing); begin weekly site visits at all District cafeterias (October 2021; ongoing)	
	Evaluation Measure:	Review of Contract; completion of site visit checklist
	Responsible Party:	Food Service Supervisor

Although the Harrisburg School District contracts with an external provider to help it manage its Food Service operation, the District remains ultimately responsible for ensuring that all regulations, requirements, policies, and procedures related to child nutrition programs are followed properly. Currently, the District participates in the following child nutrition programs:

- School Breakfast Program (SBP);
- National School Lunch Program (NSLP);
- Afterschool Snack Program; and
- Summer Food Program.

Schools participating in the NSLP and SBP are required to identify, near or at the beginning of serving lines, what foods constitute reimbursable meals. During the 2018-19 school year, Offer vs. Serve (OVS) was implemented in all buildings, allowing the students to choose between different meal components

and decline some components if they choose.¹² Schools using OVS must also identify what a student must select in order to have a reimbursable meal. During a site visit in 2019, it was observed that the cafeteria staff was not following the proper procedures of OVS in two areas:

- At one elementary school, students in the lunch line were given a tray with the breakfast items on it, not allowing them to choose between items or easily decline items if the student did not want a particular offering.
- Not all schools across the District had required signage identifying what a student must select in order to qualify for a reimbursable meal under OVS, and at several of the schools, signage was out of date or inconsistent. The US Department of Agriculture (USDA) has created OVS posters that schools can use. Sample posters are included in **Appendix H**.

In order to ensure that Food Service operations are in compliance with all regulations, the District’s Food Service Supervisor and the external Food Service Management Company (FSMC) Director should have biweekly meetings. It is essential that there is consistent messaging and any issues are discussed promptly. The District’s Food Service Supervisor should also conduct weekly site visits. A site visit checklist should be completed at each visit and reviewed with the supervisor on duty as well as reviewed during the biweekly meeting with the FSMC Director.

Other Food Service operational issues to be addressed include:

- **Ensuring all District Food Service staff complete the OVS Module in the School Nutrition Toolbox prior to the first day of school:** The module is available at www.schoolnutritiontoolbox.org.
- **Reviewing all District cafeteria signage to ensure compliance with regulations:** The District Food Service Supervisor and the FSMC Director should plan which signs will be posted in each school cafeteria and where those signs will be posted for customer view.
- **Updating the District’s Food Service website:** The current information on the website is outdated. For example, the Overview link on the website references the USDA’s “My Pyramid” graphic. On June 2, 2011, the USDA replaced the “My Pyramid” guide with the current “My Plate” guide, as seen at www.choosemyplate.gov.¹³
- **Review the PDE Update for Child Nutrition Programs and Complete the Annual Checklist for Food Service Managers:** These tasks should be done annually prior to the start of the school year.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will ensure that all staff complete OVS toolbox training	August 2021; ongoing annually	Food Service Supervisor
The District will establish biweekly management meetings with FSMC	September 2021; ongoing	Food Service Supervisor
The District will begin weekly site visits at all District cafeterias	October 2021; ongoing	Food Service Supervisor

¹² A reimbursable lunch must offer five meal components, (Meat/Meat Alternate, Fruit, Vegetable, Grain, and Milk) and a reimbursable breakfast must offer four components, (Grain, Grain/Meat or Meat Alternate, Fruit or Vegetable, Milk).

¹³ The District’s food service website can be found at http://www.hbgds.k12.pa.us/student_and_families/food_service.

The District will review and update the District Food Service website	March 2022	Food Service Supervisor
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OP15	Monitor Point of Sale system to ensure accurate counts for reimbursement	
Deadline: Identification of method of exchange (August 2021); all schools utilizing new system (September 2021)		
	Evaluation Measure:	Accurate and timely completion of on-site monitoring form
	Responsible Party:	Food Service Supervisor

In Pennsylvania, federal and state reimbursement is available to Districts for school meals served to eligible students, provided that the District meets program requirements. Although all students in the Harrisburg School District qualify for reimbursement due to the District's participation in the Community Eligibility Provision (CEP) program, in order to be reimbursed the District must accurately count and record the number of meals served and maintain documentation to support any claims made.

All meal counting and claiming systems require an accurate count at the point of service, or the point in the serving line where it can be determined that a reimbursable meal is being served. Food service staff must collect a medium of exchange to provide that meal to the student, such as cash or any type of ticket, token, ID, name, or number that students exchange to obtain a meal. If a student cannot physically come to the lunch line and their meals are delivered to a classroom, their meal must be counted (i.e. by roster) at the point of service (when the meal is delivered to the student).

The District has struggled consistently with proper procedures for meal counting and claiming over the two school years prior to the pandemic, especially for meals delivered in classrooms. An unannounced visit by the Pennsylvania Department of Education (PDE) in December 2018 found that teachers were not marking meal counts at the point of service or monitoring what students were selecting to confirm that the meal met the standard for a reimbursable meal. PDE is required by federal regulations to recover any funds which were paid improperly, and fiscal action was taken resulting in the District having to repay approximately \$137,000 for claims in the 2016-17 and 2017-18 school years, as shown in the table below.

Harrisburg School District Food Service Repayments

	2016-2017	2017-2018	Total
National School Lunch Program	\$65,329	\$2,712	\$68,041
School Breakfast Program	\$37,762	\$31,650	\$69,412
Total Disallowance	\$103,091	\$34,362	\$137,453

In order to properly account for all reimbursable meals served and produce accurate claims for reimbursement, the District should implement a system that positively identifies each student at the Point of Sale (POS) terminal for breakfast and lunch meal service. The District has implemented a POS system, PrimeroEdge, however, there is no exchange of information between the student and the staff member operating the POS to verify student counts. A verification system would help the District record proper number of reimbursable meals served and ensure that each student is only receiving one reimbursable meal per meal period.

Examples of methods that could be used by the District include:

- **Bar Code/Magnetic Strip ID Card:** At the POS terminal, students would swipe or scan their student ID card, and the data would be recorded by the District.
- **Student ID:** Under this system, each student would enter their own student ID number into a Pin pad at the POS terminal, which would then be recorded.
- **Biometrics:** Students would place their finger on a biometrics scanner at the POS terminal. This option is less preferable with the current circumstances presented by the coronavirus.

The District will select whichever option of verifying student information best meets its needs. Regardless of which method the District selects, as part of this new process the cashier will also need to visually identify if the student has a reimbursable meal on their tray or not, to ensure that the meals being claimed for reimbursement are compliant with the federal and state reimbursement requirements.

The District will ensure that all schools have a system to verify student information in place by the start of school for the 2021-22 school year. Implementation plans and schedules should be discussed with the Receiver, Superintendent, and building principals.

Once implemented, this new system should be monitored by the Harrisburg Food Service Supervisor who is also responsible for completing the on-site monitoring form, which is submitted as part of the District’s foodservice records. This form is due to PDE by February 1st of each year.^{14 15}

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will identify which method of exchange of information will be implemented	August 2021	Director of Operations and Food Service Supervisor
The District will implement an exchange of information system at all schools	September 2021	Director of Operations
The District will monitor the new system and identify any changes or improvements	Ongoing	Director of Operations

Related Initiatives

The District will also undertake the following efforts related to administration and governance initiatives as outlined in other chapters of this Recovery Plan.

- The District will provide staffing reports to the Receiver as outlined in **ADMIN06** which will impact the reports delivered by the Office of Human Resources.
- The District will provide updates on contracted services as outlined in **FM10**.

¹⁴ If a school has more than one cafeteria, the school must complete a monitoring form for every cafeteria at lunch and 50 percent of the cafeterias for breakfast.

¹⁵ For any site operating afterschool snack, monitoring is also required to be completed within the first week of operation of the program each School Year.

Financial Management

Overview

The Harrisburg School District's Recovery Plan is built on three guiding principles – academic achievement, financial management, and student stability. Each pillar must be strong in order to ensure the District's success. Of these pillars, financial management refers to the proper planning, execution, supervision, and review of an organization's financial activities. The financial condition of an organization is evaluated by outcomes, such as annual positive financial results and maintaining an appropriate level of fund balance in the long run, as well as by reviewing financial planning documents such as annual budgets, multi-year plans, and cash flow projections. External evaluations, such as bond ratings and annual audits can also provide useful perspective, and all financial projections and results should also be compared to an organization's strategic plan.

Over the past several years, the Harrisburg School District has struggled to balance its annual budget, provide appropriate stewardship of public resources, and effectively direct spending to benefit students. Recent audit findings have identified shortcomings in the District's financial practices and the ability of prior staff to correctly account for and record District finances. As a result, the District's finances in recent years have been structurally unbalanced, with expenditures exceeding revenues, and the District has regularly used fund balance to balance its budget.

With the advent of Receivership and the appointment of an experienced new leadership team, the District has had an opportunity to improve its financial management and fiscal health, and to demonstrate to the general public, the Department of Education and other public officials that it is fully capable of managing its finances and presenting an accurate picture of the financial status of the District.

At the direction of the Receiver, the new leadership team has taken immediate action to address the financial situation of the District including the following:

- Creating a 2020-21 district budget focused on equity across the District;
- Restructuring debt in the 2019-20 year as described in **FM07**;
- Establishing the District's position control system (see **OP06** for details); and
- Creating a Business Procedures Manual

Building on these initial steps and improving the District's finances will require a variety of actions as described in the initiatives that follow. These initiatives reflect best practices in financial management as well as recommendations for the Office of Business Services. The key goal of the initiatives in this section is to place the reforms currently being implemented within a legal framework that will require their execution in coming years, regardless of personnel changes. Therefore, some initiatives already in process may be included – with a reference to progress so far – in order to institutionalize the changes. Additionally, responsibilities assigned to a specific individual or title should be understood to fall to the person occupying that position in the future.

Initiatives

FM01	Utilize a multi-year financial projection to guide budget decisions	
Deadline: Begin using a multi-year budget to develop the annual operating budget and evaluate revenue and expenditure decisions (February 2022); develop an inventory of potential revenue and expenditure initiatives (April 2022); adopt a structurally balanced budget (June 2022)		
	Evaluation Measure:	A multi-year financial projection model will be used for the development of the 2022-23 budget.
	Responsible Party:	Director of Business Services

Multi-year financial projections are a tool that organizations use to determine whether their revenues and expenditures are in balance beyond a single year, and help to determine what can be done to remain structurally balanced, so that expenditures do not exceed revenues in the future. An initial baseline projection is based on the current financial data and estimates the organization's future financial situation absent any changes. Initiatives that may impact revenues and expenditures are then layered onto the baseline projection to determine their financial impact.

One advantage of making multi-year financial projections is that they allow the District to forecast annual revenues and expenses and test the impact of planned changes to programs and individual areas of revenues or expenses. Working with the Receiver, the leadership team, and outside technical support, the District will regularly review and update the baseline projection provided as part of this Recovery Plan as it has done with the creation of this Plan. The District will also take specific steps annually to use the multi-year plan, in conjunction with the budget process, to monitor and improve the financial health of the District, and to meet the financial goals set out in this Amended Recovery Plan.

These include:

- **Developing and annually reviewing strategies for revenue increases and expenditure control:** The District will maintain a comprehensive list of options to increase revenues and decrease costs. These options should be evaluated regularly in consideration of the District's current financial situation and to understand the financial impact of implementation. At least once a year, during the annual budget process, elected and appointed District leadership will review the current financial projections and options to improve revenues and control cost growth.
- **Considering the cost of program changes:** As part of the process of proposing any program change or initiative, District leaders and program managers will be required to submit an analysis of the cost the change and an explanation of the source of funding that will be used to cover the cost. This practice, when applied during the budget process and also for any mid-year adjustments, will help ensure that the District is making all decisions with the short and long-term financial stability of the District in mind.
- **Presenting a structurally balanced budget to the Receiver for approval:** The District is legally required to present a budget for approval prior to the start of the following fiscal year. Using the tools mentioned in this chapter, the District will present a balanced budget for approval each year that reflects the full cost of any changes or programs the District has elected to enact. The budget will not include the use of fund balance as a revenue except as permitted in the District's fund balance policy (see **FM02**).

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will begin using a multi-year projection to develop its annual budget and to evaluate revenue and spending decisions	February 2022; Ongoing	Office of Business Services
The District will develop a detailed inventory of potential revenue enhancement and expenditure control initiatives for the 2021-22 budget and future years to assess the financial impact of implementation	April 2022; Ongoing	Office of Business Services
The District will determine whether revenue enhancement initiatives may be needed to balance the 2021-22 budget and adopt any required resolutions	April 2022	Director of Business Services
The District will prepare a structurally balanced budget for presentation to the Receiver	May 2022; Ongoing	Director of Business Services
The District will adopt a balanced budget for 2021-22, and approve revenue increases, if necessary	June 2022; Ongoing	Director of Business Services

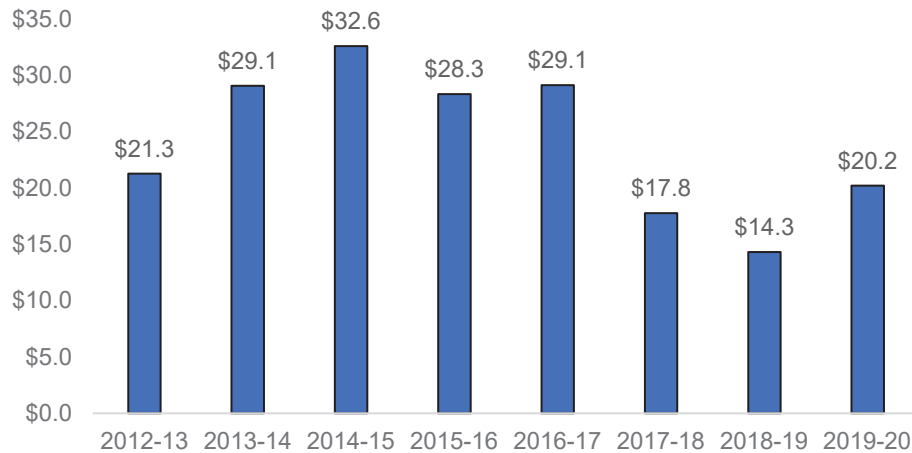
FM02	Adhere to existing fund balance policy	
	Deadline: Annual fund balance report to Receiver and Board (May 2022; ongoing annually); comply with fund balance policy (ongoing)	
	Evaluation Measure:	District follows the established policy
	Responsible Party:	Director of Business Services

It is critical for Districts to maintain financial reserves in order to achieve long-term financial stability and to address shorter-term cyclical fluctuations and unexpected variances in revenues and expenditures. As a measure of these contingency reserves, best practice in school district finance requires that Districts have a plan for developing and maintaining a fund balance that is approved by the Board policy, is understood by the Board and senior District management, and is followed by District leadership. The size of the required fund balance among districts can vary and may be supplemented by designated and committed reserves for specific expenses.¹

The Harrisburg School District has been able to establish substantial fund balance reserves. In 2014, the District's existing fund balance policy (Section 620) was adopted, outlining how the components of fund balance and other reserves should be designated and used. However, prior District leadership failed to develop a long-term plan for maintaining and appropriately using the fund balance and the degree to which the policy was followed is unclear. During this time, the District used its reserves in order to balance its annual budget, which depleted the fund balance from \$32.6 million in 2014-15 to \$14.3 million in 2018-19, as displayed in the table on the following page. At the end of 2019-20, the District had a positive operating result of \$6.4 million, bringing the fund balance to \$20.2 million.

¹ The Government Finance Officers Association (GFOA) states that best practice for general purpose governments is a minimum fund balance of at least two months of revenues or expenditures, with more if circumstances require.

Harrisburg School District Ending Fund Balance ^{2 3}
(\$ millions)



Of the District's 2019-20 total ending fund balance of \$21.8 million, \$10.7 million is unassigned, \$9.0 million is assigned and \$500,000 is committed. The District's committed fund balance is for athletics and band reserve. The majority of the assigned fund balance - \$7.0 million – is for capital improvements and another \$1.0 million each is assigned for the health care reserve and enrollment stabilization. The District also has over \$1.6 million in restricted (nonspendable) fund balance, dedicated to long-term receivables, prepaid expenses, and inventories.

The table below shows the amounts designated to the fund balance categories.

Harrisburg School District General Fund Balance FY2019-20 ⁴
(in \$ millions)

Type of Fund Balance	Amount
Unassigned	\$10.7
Assigned	\$9.0
Nonspendable ⁵	\$1.6
Committed	\$0.5
Total GF Fund Balance	\$21.8

According to the 2019-20 independent audit, the District's total General Fund balance (including nonspendable fund balance) was approximately 15.1 percent of total expenditures, slightly below the

² Excludes the portion of the District's fund balance that is categorized as non-spendable. Fund balance information is from the District's annual independent audits.

³ Data for 2012-13 to 2018-19 is from the District's independent audits and audit conducted by Wessel & Company. 2019-20 data is from the District's independent audit, completed in April 2021.

⁴ The District's fund balance is based on data from the 2019-20 independent audit to reflect the District's final year-end fund balance and may differ from the annual financial report submitted to PDE.

⁵ The non-spendable portion is omitted from the fund balance in some reporting of the District's budget projections.

threshold described by the Government Finance Officers Association (GFOA).⁶ The District's unassigned fund balance was 7.4 percent of total expenditures.

In order to preserve the District's remaining fund balance, the District will continue to follow its existing policy on fund balance management. The policy includes:

- A target for the unassigned fund balance of between 5 to 8 percent of budgeted expenditures;
- A requirement to raise taxes or reduce expenditures in order to establish or maintain the required fund balance; and
- Outlining a process for how committed and assigned fund balance should be determined and used.

Adherence to the policy will enable the District to reduce its reliance on fund balance as a means of balancing its annual operating budget and to build reserves to help the District face financial challenges in the future.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will prepare an annual fund balance report for the Receiver in conjunction with the preparation of the District's annual budget	May 2022; ongoing annually	Director of Business Services
The District will comply with existing fund balance policy	Ongoing	Director of Business Services, Receiver and Board

FM03	Develop a five-year facility utilization plan	
Deadline: Analyze existing enrollment data and historic enrollment trends that may impact building utilization (October 2021); complete a long-term enrollment analysis (January 2022); complete an assessment of all facilities (February 2022); create a five-year plan for facilities use (March 2022); Receiver adopts plan (April 2022)		
	Evaluation Measure:	Approval of the multi-year facility plan
	Responsible Party:	Superintendent and Director of Operations

The Harrisburg School District must use its facilities optimally in order to carry out its academic mission while effectively managing its financial resources. In recent years, due to poor long-term planning, the District invested in renovating several buildings which were subsequently closed. Under the new Receiver there have been discussions regarding the future capital needs of the District, the potential sale of existing properties as discussed in **R08**, and the overall condition of District buildings. In addition, the District will be receiving ESSER II and ESSER III funds, which can be used for school facility repairs and projects to update air quality in facilities.⁷ As the District considers its capital needs, it should invest its capital funds strategically, based on an established long-term plan for the District's facilities

⁶ The Government Finance Officers Association (GFOA) states that best practice for general purpose governments is a minimum fund balance of at least two months of revenues or expenditures, with more if circumstances require.

⁷ The third and last set of ESSER funds must be used by September 2024, and funds are provided to the District on a reimbursement basis.

In order to inform decisions around where to expend capital resources, the District will develop a five-year facility utilization plan. This facility utilization plan will look beyond existing capital needs and take into account long-term changes that may impact how the District’s buildings are used. The plan will look at several key areas:

- **Long-term enrollment trends for the District:** Factors such as overall growing, declining, or flat enrollment can impact a long-term strategy for District buildings. The District should also look at enrollment trends by grade level starting with kindergarten, by region within the City, and should also consider information such as local or regional birth rates, which will impact enrollment in future years.
- **Anticipated changes to educational delivery plans:** This could include the impact of expanding enrollment at virtual programs such as the Harrisburg Virtual Learning Academy (HVLA) and Cougar Academy, or other associated upgrades required with the District’s new 1:1 device system. Other anticipated programmatic changes or changes in how classrooms may be structured or used should also be considered as part of the facility utilization plan. Current and future staffing ratios for each building should also be included as part of this plan.
- **Building maintenance assessments:** This includes the current overall condition of the District buildings as well as the cost of maintenance items that do not rise to the level of capital expenditure. The District will consider the routine cost of maintaining its current building assets. If individual buildings have additional maintenance costs, such as elevator maintenance or field maintenance, this should be documented so the District has a complete picture of the current cost of each building.
- **Equity and access for all students:** An inherent part of the long-term facility utilization plan is to ensure an equitable experience for all District students in all District buildings and grounds.

The facility plan, which will be adopted by the Receiver and reviewed by the Board, will align with and inform the District’s capital plan. To ensure the facility plan remains current, the facility plan will also be updated every three years.

Once the facility plan is adopted, any changes or amendments, including changes to the use of facilities or capital expenditures on facilities that are inconsistent with the plan, will also require the approval of the Superintendent and Receiver.

Action Plan

Tasks and Deliverables	Deadline	Responsible Party
The District will analyze existing enrollment data and historic enrollment trends that may impact building utilization	October 2021	Director of Accountability
The District will compile information on anticipated changes to educational delivery plans, including impact of virtual learning on long-term facility use	December 2021	Superintendent
The District will develop long-term enrollment projections, using information on current enrollment, birth rates, and other pertinent information	January 2022	Director of Accountability
The District will compile information about all the existing building facilities including an assessment of the physical condition and annual maintenance costs per building	February 2022	Director of Operations

The District will develop a five-year plan for structures and building uses based on the enrollment projection, academic plans, and current condition of District buildings	March 2022	Superintendent and Director of Operations
The Receiver will approve the five-year facility plan	April 2022	Receiver
The District will review the five-year facility plan at a minimum every three years and present findings to the Receiver	April 2025	Superintendent and Director of Operations

FM04	Develop a multi-year capital planning and budgeting process	
Deadline: Create a five-year schedule (October 2021); create a financing plan (January 2022); adopt the first year of a multi-year capital budget (March 2022)		
	Evaluation Measure:	Adoption of a multi-year capital plan and execution of projects
	Responsible Party:	Superintendent

The facility utilization plan will highlight challenges the District faces with regard to its capital needs. In the past, the District made attempts to catalog its capital needs and to identify spending annually to address some of its most critical and pressing capital items, but funds were never committed to the projects. As a result, the District deferred its capital needs, resulting in the deterioration of District facilities and an increased number and cost of capital projects.

The Harrisburg School District must develop a multi-year capital planning process and annual capital budget that addresses all of the District's capital needs. The District has recently taken the first step in this process by commissioning a facilities condition assessment cataloging all of the needed facility upgrades and repairs for the District, which showed an estimated \$21.1 million in necessary repairs over the next ten years. The majority of these items – more than half - are costs for deferred maintenance where items have not been repaired or replaced on a normal cycle. This includes roof replacement and HVAC repairs in several buildings.

The next step is for the District to develop its own capital plan. As the District begins to establish its own capital budget process, there are numerous available templates related to capital planning and budgets available through such organizations such as the Pennsylvania Association of School Business Officials (PASBO), the Association of School Business Officials (ASBO) and the Government Finance Officers Association (GFOA).

The District's multi-year capital plan will include all necessary repairs and upgrades to District buildings and facilities but also other capital items, such as vehicles and technology.

The key elements of the capital planning process are as follows:

- **Develop Goals and Objectives for a Capital Plan:** This should be based on existing capital inventory and new needs over a five- or six-year time horizon. Potential projects should be ranked based on factors such as cost, legal requirements, life cycle, safety, feasibility, and implementation schedule.
- **Create and Fund a Multi-year Capital Plan:** The capital plan should cover at least five years, and include the items and priorities identified in the previous stage and identify specific funding sources. Once the multi-year capital plan is established, the Board should annually adopt a one-

year capital budget enacting the funding to execute projects designated for the upcoming budget year. Decisions by the Receiver on the capital budget should be made on the same calendar and timeline as the operating budget so that overall District needs and priorities can be balanced with available resources.

- **Annually Re-evaluate Capital Plan and Project List:** The administration should annually report on capital projects that have been approved and funded and update the list of existing resources and new capital project needs. The Receiver should reevaluate the capital project plan and the funding of specific projects in the plan each year in advance of the budget process.

The District has several sources of available revenue to fund capital projects. Approximately \$7.0 million of the District’s current fund balance is assigned for capital improvements. The baseline projection also assumes that the District transfers \$1.0 million annually out of the General Fund and into the Capital Projects Fund in order to fund anticipated capital needs. This revenue is coming from the debt restructuring the District undertook in the 2020-21 school year. In addition, the District also plans on committing a portion of ESSER funds to various capital needs.⁸ Lastly, the District will dedicate the revenue from the sale of any school buildings to District capital improvements as discussed in **R08**.

This revenue is an important first step but will not be sufficient to cover all of the District’s currently known capital needs as well as meet unexpected or unanticipated needs in the future. Based on the updated facilities assessment, the District will need to work with their Financial Advisor as described in **FM06** to explore additional debt restructuring or taking on additional bonds to cover the cost of capital projects. The financial impact shown below shows an estimate \$10.0 million bond issuance that the District will undertake at the end of the 2024-25 year which will be available for the District to use in 2025-26.⁹

Once the plan is adopted, the District will monitor and report on the status of the capital budget annually.

5-Year Financial Impact

2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
-	-	-	-	\$100,000	\$100,000

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will create a five-year schedule for all of the capital projects identified based on criteria including urgency, importance to educational mission, cost savings, and building safety	October 2021	Superintendent and Director of Operations
The District will develop a multi-year financing plan for capital needs	January 2022	Superintendent and Director of Business Services

⁸ The third and last set of ESSER funds must be used by September 2024, and funds are provided to the District on a reimbursement basis.

⁹ While the District’s debt service payment for a new bond issuance in 2025-26 is projected to be \$100,000, the annual total debt service payments are expected to increase to approximately \$845,000 in 2027-28 and decreasing to approximately \$683,000 from 2031-32 through 2046-47.

The District will adopt a capital budget for authorized capital expenditures based on the financing plan and the schedule of priority projects on an annual basis	March 2022	Superintendent, Director of Business Services and Receiver
The District will update the Receiver on the status of the capital plan annually	June 2022; ongoing annually	Superintendent and Director of Business Services

FM05	Develop a comprehensive action plan for addressing and correcting audit findings from annual independent audits	
	Deadline: Prepare a plan and present for approval Receiver (October 2021), review plan every six months (March 2022)	
	Evaluation Measure:	The absence of significant deficiencies or material weaknesses in future audits
	Responsible Party:	Director of Business Services

All school districts are required to undergo an annual audit of their finances by an external source. The annual school district audit is an important evaluative tool that serves as a basis for many parties to understand and assess the financial soundness of a district. The Harrisburg School District's recent audits have contained multiple repeated findings that highlight significant deficiencies and material weaknesses around the District's overall financial management, including issues around internal controls and the District's ability to accurately prepare for and report on the financial status of the District. The table below shows a summary of audit findings in recent years.

Harrisburg School District Audit Findings 2012-2020¹⁰

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Office of Business Services	0	3	2	2	2	3	2	4	3
Food Service	2	3	2	2	2	1	1	0	0
Grants	2	3	1	1	2	3	3	1	1
Total	4	9	5	5	6	7	6	5	4

The findings relate to a variety of issues, including the preparation and reporting of the District's financial statements and the management of federal programs. Many findings reoccur in consecutive annual audits, and over time auditors have upgraded some findings from significant deficiencies to material weaknesses due to unaddressed and worsening situations.¹¹ The existence and repetition of these types of audit findings must be eliminated so the District can improve its financial operations and give confidence in the District's financial status and reporting to the public, overseers, and investors.

¹⁰ This table shows both significant deficiencies and material weaknesses for each year as identified in the independent audits.

¹¹ In an audit, a significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

In order to effectively address the findings, the District will review all identified issues with the auditors and develop an action plan to ensure proper internal controls are in place and move toward best practice in each case. The plan should identify all resources needed to resolve the audit findings, including necessary staffing, staff training, and any associated costs. It should also include a list of all process and procedural changes that are needed and define a person responsible for making the change to the process or procedure.

The audit correction plan will be submitted to the Receiver and Superintendent for approval and the District will report on the status of the audit action plan on a biannual basis. To the extent that audit findings from other entities remain open and relevant, they will be included in this process. This initiative will be considered to be completed when the District has no current or historical audit findings, but should be resumed if new findings are identified in subsequent audits.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will develop an audit correction plan to address all audit findings and submit to the Receiver	October 2021	Director of Business Services
The District will report on the progress of the plan to the Receiver every six months, as needed	March 2022; ongoing	Director of Business Services

FM06	Contract with an independent financial advisory firm	
	Deadline: Issue Request for Proposals (December 2021); approve independent financial advisor (March 2022)	
	Evaluation Measure:	Contracting with an independent financial advisor
	Responsible Party:	Director of Business Services

Many districts use an independent financial advisor to provide financial advice, develop financing plans, conduct debt refunding analysis, and assist with management of bond sales. Depending on the District's needs, they may also provide additional services such as financial planning, impact analysis, lease financing, and credit rating review and analysis. Over the years, the District has used an independent financial advisor, but does not currently have one.

Working with an independent financial advisory firm is a financial best practice that provides the District with additional expertise regarding debt financing as part of an overall strategy of financial management and planning. The Government Finance Officers Association recommends that issuers select advisors through a competitive process and that those relationships should be periodically evaluated. The District will draft a Request for Proposals (RFP) for financial advisory services and select a firm to serve as their independent financial advisor. During the selection process, the District will follow all existing District procurement policies. At the end of the contract term, the District will evaluate the contract and determine whether a continuation of the contract is appropriate or if they should use a competitive process to select a new firm.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will issue a Request for Proposals for financial advisory services	December 2021	Director of Business Services
The District will review proposals and select candidate(s) to present to the Receiver	February 2022	Director of Business Services
The Receiver will approve an independent financial advisor for the District	March 2022	Receiver
At the termination of the contract, the District will evaluate the financial advisor and determine whether to renew the contract or select a new firm.	At end of contract term	Receiver, Board, and Director of Business Services

FM07	Review existing debt management policy	
	Deadline: Review and update policy (March 2022); adopt new policy (April 2022)	
	Evaluation Measure:	Adoption of a debt management policy
	Responsible Party:	Director of Business Services, Superintendent and Receiver

School districts take on debt to help them finance capital projects, such as purchasing, renovating, and upgrading aging school facilities. The Harrisburg School District did this in the early 2000s, when they entered into several bonds for facility repairs. At the time of the 2016 Recovery Plan, the District owed more than \$260 million in principal for its outstanding debt.

During the 2020-21 school year, the District restructured its debt by refunding existing bonds in efforts to level their debt service and create funds for the District's capital projects. As of October 2020, the District has \$224.4 million in outstanding principal.

As a result of the refunding, the District estimates saving \$2.2 million in debt service each year based on the difference between the previous and adjusted debt service schedules. The District's new gross debt service is approximately \$18.9 million annually.

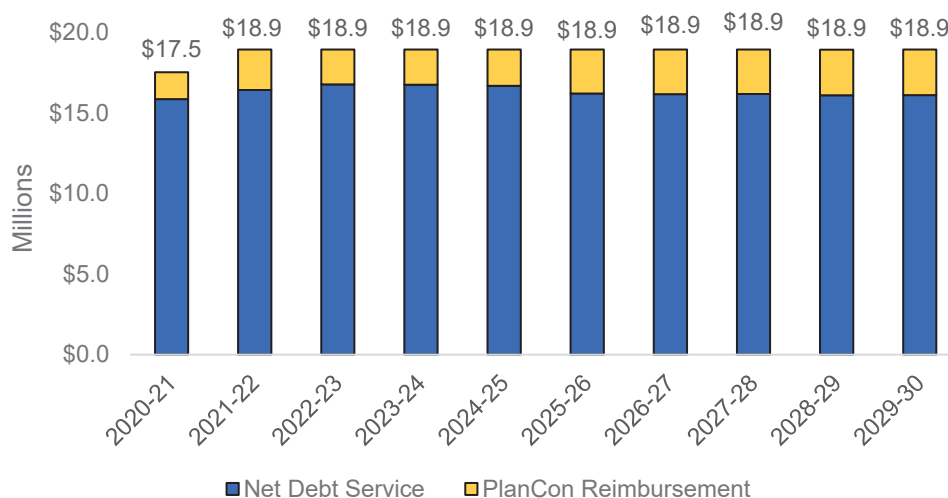
In addition, the District receives reimbursement from the Commonwealth for building or renovation costs on many of its school buildings through the state-sponsored PlanCon program. PlanCon revenues fluctuate by year, but based on current estimates, the District will receive an average of \$2.6 million annually through 2029-30. The District also receives an annual Qualified School Construction Bond (QSCB) subsidy of \$444,000 which is calculated into its overall payments before the District's PlanCon reimbursement. The District's QSCB subsidy is projected to end in 2027-28 when it completes payments for its State Public School Building Authority (SPSBA) 2010A bond.

Once these revenues are taken into account, the District's net debt service in the coming years will range from about \$16.4 million to \$16.8 million from 2021-22 through 2024-25. The debt will then settle into a range close to \$16.2 million for the following nine years. The District's final debt service payment is due in FY2036-37.¹²

¹² All numbers are on a local effort basis.

Total projected District debt service payments are shown in the graph below.

Harrisburg SD Projected Debt Payments, 2020-21 to 2029-30 ^{13 14}



The District will likely need to take on some additional debt to fund repairs to District facilities. In November 2020, the technical assistance team explored potential options for new money to provide the District with additional funds to support capital projects as mentioned in **FM04**. The new Series 2026 would total around \$14.5 million and increase the District’s total debt by \$1.7 million from 2025-26 to 2029-30. The new bond would increase the District’s annual net debt service payments by \$100,000 in 2025-26 and approximately \$845,000 starting in 2026-27. Below is the total projected impact to the District of the new bond issuance with a level structure.

Impact of New Series 2026 Debt¹⁵
(Net Debt Service)

	2025-26	2026-27	2027-28	2028-29	2029-30
Current Local Effort	\$16,206,817	\$16,171,076	\$16,183,007	\$16,102,731	\$16,105,725
New Money	\$100,000	\$845,000	\$847,200	\$843,600	\$844,400
Adjusted Local Effort	\$16,306,817	\$17,016,076	\$17,030,207	\$16,946,331	\$16,950,125

In April 2015, the Harrisburg School Board adopted its most recent debt service policy (Policy 630) that included the following provisions:

- A goal of limiting debt service costs to no more than 20 percent of operating revenues;
- All projects selected for debt financing must be supported by an achievable financial plan;
- A requirement that refundings of outstanding bonds will have net present value savings of at least 3.0 percent of the principal amount of the refunded debt; and
- Procedures for monitoring ongoing debt levels.

¹³ The projected debt payments extend beyond the length of this Recovery Plan.

¹⁴ Any potential new debt is not reflected in the graph.

¹⁵ Debt is based on level structure new money option provided by PFM Financial Advisors.

It is not known the degree to which this policy has been reviewed and followed in recent years. With input from the District's independent financial advisor and the Director of Business Services, the District will review and update the District's debt management policy to ensure its alignment with the District's long-term goals. This policy will be integrated with the District's capital plan and will include debt limitations, debt structuring policies, policies on the use of derivatives and other financial products, identification of the types of assets eligible for capital funding and the minimum useful life of those assets to qualify for eligibility, and any other relevant items. In particular, the District should consider significantly lowering the very high level permitted for debt services as a percent of operating revenues.

The policy will be presented to the Receiver for their approval. Once adopted, all decisions regarding the District's debt in the future should be in compliance with the current debt service policy. In addition, any future debt bond offerings or plans to restructure existing debt should be done in such a way as to not impact PlanCon reimbursement. In the event that the District sells or leases any of its excess buildings, its state reimbursement could be impacted. The District will coordinate its plans in relation to buildings with the Department of Education so as to minimize the impact on reimbursement. The policy will be reviewed every three years.

The estimated annual cost for an independent financial advisor as well as the additional debt service in 2025-26 (**FM04**) is shown below.

5-Year Financial Impact

	2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
Financial Advisor	\$50,000	\$51,015	\$52,051	\$53,107	\$54,185	\$260,358
New Money	-	-	-	-	\$100,000	\$100,000
Total Impact	\$50,000	\$51,015	\$52,051	\$53,107	\$154,185	\$360,358

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will review and update the existing debt service policy	March 2022	Director of Business Services and Financial Advisor
The District will adopt a new debt service policy	April 2022	Receiver
The District will review the debt service policy and make updates every three years	March 2025; ongoing	Receiver, Director of Business Services, and Financial Advisor

Office of Business Services

Overview

The District’s Office of Business Services is responsible for the development and management of the budget, managing the District’s finances, and maintaining the flow of information to the administration, School Board, and the public. Accurate and timely information from the Office of Business Services is critical to making appropriate academic and financial decisions for the District. In the Harrisburg School District, the Office of Business Services has oversight of the operations of an organization with an annual budget of \$158.2 million in 2020-21, as well as recent one-time federal pandemic relief funding of \$76.1 million.¹⁶ The staff currently consists of a Director of Business Services, Senior Accountant, Federal Programs Accountant, Grants/Payroll Accountant, Payroll Coordinator, Development Coordinator, and an employee responsible for coordinating the school’s Medicaid ACCESS program. One payroll employee has been moved to the Human Resources Office but retains some of their same job functions.

Prior to Receivership, the Office of Business Services had come under scrutiny due to a series of unfavorable audits by external reviewers, including Wessel & Company, as well as adverse press coverage and negative perception from the public. Recent staffing changes have been implemented to address this, but the District will need to work to develop and institutionalize policies and procedures through the implementation of the Recovery Plan to ensure these issues do not take place again and to restore trust in the office. This section outlines the steps the District will need to take to improve operations in its Office of Business Services.

Initiatives

FM08	Ensure highly qualified staff in the Office of Business Services	
	Deadline: Review staffing assignments and needs of current staff (December 2021); conduct training on eFinance and Cognos for all Office of Business Services staff (January 2022); ensure all employees are cross-trained (August 2022)	
	Evaluation Measure:	All staff in the Office of Business Services are qualified for their positions and able to execute all assignments
	Responsible Party:	Director of Business Services

The District’s Office of Business Services has struggled with vacancies in critical positions. The District’s first Recovery Plan in 2013 called for the creation of a Chief Financial Officer (CFO) who would be responsible for the oversight and management of the Office of Business Services as well as some of the responsibilities now covered by other offices, such as human resources, transportation, and facilities. Since that time, the District had several interim CFOs, but was not able to find an individual to fill this position on a permanent, full-time basis. While the District did have a Business Manager during this period, recent external audits noted that this individual lacked the qualifications to serve in the role, particularly in the absence of a qualified Chief Financial Officer.

The District has now restructured its organization, allowing the Director of Business Services (who is acting in the Chief Financial Officer role) to focus solely on the activities of its office, which include Audits and Accounting, Insurance and ACCESS Billing, Payroll, Purchasing and Vendor Contracts. As a result,

¹⁶ Of the \$76.1 million in one-time ESSER II and ESSER III federal funding, the District must spend \$25.8 million (ESSER II) by September 30, 2023, and the remaining \$50.3 million by September 30, 2024.

the District no longer feels the need to have both a full-time Chief Financial Officer and Business Manager.

Although the District has also brought on capable external assistance to help with the management and operation of the Office of Business Services, it will be a priority for the District to institutionalize professionalism and good practices to attract and retain new talent to the office.

In order to accomplish this, the District will undertake the following changes in the Office of Business Services:

- **Review skills of current staff:** The District will assess the skills and knowledge of current District staff to determine their level of expertise and potential for growth. In conjunction with the Receiver, the District will conduct a brief evaluation of the current staffing and expertise in the Office of Business Services to ensure that the District is able to comply with the reporting initiatives outlined in this Recovery Plan under **ADMIN06**, and all other statutory requirements. During this review, the District will identify any additional training that should be provided to new or future staff, and additional tools that might be valuable to assist staff in performing their responsibilities. All future staff in the Office of Business Services will receive sufficient training in these processes, and job descriptions will be aligned with the responsibilities and content knowledge required for each position. Individuals hired or assigned to work in the Office of Business Services will possess appropriate skills, ability, and experience to perform the functions for which they are responsible. Regardless of any other provisions of law or contract, the District will not assign unqualified individuals to work in the Office of Business Services.
- **Ensure that staff are cross-trained across assignments:** In addition to the review of current skills and assignments, the District will identify opportunities to provide cross-training to all current and future Office of Business Services staff for routine processes and procedures. This will ensure that the District is able to continue to function efficiently if staff members are not present due to paid or unpaid time off or unfilled vacancies. To the extent necessary, job descriptions will be modified to achieve this. All future collective bargaining agreements will allow for cross-training and cross-assignment of Office of Business Services employees.
- **Fill key vacancies:** Where necessary, the District will hire individuals to fill vacant positions at the District. When determined to be appropriate by the Receiver, the District will begin recruitment for the positions of Assistant Business Manager and Director of Accountability, who oversees federal programs. The District will use national and statewide advertising and outreach using such state and local education sources as ASBO, PASBO, the Pennsylvania School Boards Association (PSBA), and the National School Boards Association (NSBA).¹⁷ The job advertisement will be consistent with the job description for the position which will be approved by the Receiver. The internal interview team for each position will include, at a minimum: the Receiver, the acting or permanent Superintendent, the acting or permanent Director of Business Services and the acting or permanent Director of Human Resources. The interview committee will recommend one or more candidates for each position and the Receiver will make the final selection from among the recommended candidates for as long as the District is in receivership.
- **Complete Training on and Utilization of eFinance and Cognos Software:** All staff members in the Office of Business Services will receive training on the eFinance and Cognos systems, including the full capabilities of the software packages for the District's financial management. Demonstrating proficiency in using these systems will be a requirement of each position and will be included in the job description for each position as needed as outlined in **OP12**.

¹⁷ Estimated costs for filling the positions are included in the Plan's baseline projection so no additional costs are shown here.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will review staffing assignments and potential needs for training	December 2021	Director of Business Services
The District will conduct training on eFinance and Cognos for all Office of Business Services staff	January 2022	Director of Business Services
The District will review all current job descriptions for Office of Business Services employees and adjust where necessary	April 2022	Director of Business Services
The District will ensure all Office of Business Services staff are cross-trained	August 2022	Director of Business Services
The District will ensure that any vacancies are filled with candidates possessing the qualifications outlined in updated job descriptions	Ongoing	Director of Business Services

FM09	Document all Office of Business Services processes and implement a policy around document retention	
	Deadline: Adopt document retention policy (December 2021); document all Office of Business Services procedures into a procedures manual (January 2022)	
	Evaluation Measure:	Updated business procedures manual available to all staff
	Responsible Party:	Director of Business Services

Prior to Receivership, many processes within the Office of Business Services were not carefully documented. As a result, it was not clear what the proper procedures within the office were, whether they were being adhered to, or who was responsible for performing which tasks.

The District's new leadership has already documented the processes for all Office of Business Services activities, including accounting, payroll, budgeting, accounts payable, and grants into an Office of Business Services procedures manual that is available to all staff members as part of their training. The District will incorporate any new procedures or policies into the manual and review existing processes annually. The manual is available electronically as well as in hard copy format.

The District will also document the processes for the Office of Business Services activities into an internal procedures manual that is available to all Office of Business Services staff members as part of their training. The manual will include how to access and report data using the District's online and physical systems. The manual should be available electronically as well as in hard copy format.

The District will also undertake the development of a document retention policy that includes supporting documentation for grants. Some documents are legally required to be kept for a set number of years for audit purposes, while supporting documentation for other activities, such as federal grants and ACCESS billing, is required to support the granted funds. The District will collect, save, and store all relevant supporting documentation required by any state, local, or federal grant awards.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will adopt a document retention policy	December 2021	Director of Business Services
The District will document all Office of Business Services procedures into an internal procedures manual	January 2022	Director of Business Services
The District will update and review processes for all Office of Business Services activities annually	Ongoing; annually	Director of Business Services

FM10	Improve monitoring and reporting of financial information in documents shared with the Receiver	
	Deadline: Completion of enrollment reports (October 2021); completion of financial reports (December 2021); completion of transportation reports (June 2022); ongoing monitoring	
	Evaluation Measure:	Reports developed and shared with all parties
	Responsible Party:	Director of Business Services

Business offices in high-performing districts submit clear and accurate reports regularly to the administration, the School Board, and the Receiver that allow all parties to understand the financial picture of the District. The list of reports the Office of Business Services will be responsible for submitting will include, but not be limited to the following items:

- **Enrollment:** The District will develop a report that will include the following items: building-level and total enrollment, including special education enrollment, cyber enrollment and assignments to Dauphin County Technical School, out of district placements, and other categories on a monthly basis. The enrollment data will be provided to the Office of Business Services by the Child Accounting Office. The report should also include average daily membership as it becomes available. An additional sheet which shows the major category totals for each month through the year will also be completed, updated and provided each month so that trends during the year are easily viewed in one summary document.
- **Data Submission:** This report will show all annual submission deadlines for the Commonwealth's Department of Education, federal agencies, and any other relevant government entities. This report would include submission deadlines for any information relevant to annual subsidies, like Basic Education Subsidy or Special Education Subsidy, or Title I funding, as well as information relevant to retirement subsidies, PlanCon, or other debt or capital subsidies. The data submission report will be updated annually.
- **Budgeted v. Actual projections (YTD):** The District will submit any budget adjustments, as well as an analysis of budget versus actual spending, budget versus year-to-date spending, and budget versus projected year-end spending on a monthly basis.
- **Cash flow:** The Office of Business Services will submit monthly reports to the Receiver and Board with year-to-date cash flow.
- **Capital/Debt Service:** The District will provide an annual report on current and projected debt service spending. Once a capital budget has been adopted, the District will include budgeted and year-to-date expenditures, by project, on any capital projects on a quarterly basis.
- **Transportation:** The District will report on transportation costs and reimbursement biannually, including the financial impact of the multi-year transportation plan initiative as shown in **OP04**.

These reports will include current routes by vendor, changes in routes in the previous quarter by vendor, year-to-date costs by vendor compared to the adopted budget, comparison of current year costs to prior year costs, and an analysis of costs covered by the Transportation Subsidy.

- **Contracted Services:** The District will provide monthly updates of the amounts spent on contracted services including alternative education, custodial and maintenance services, and food service. The report will include the amount spent to date as well as the total contracted amount and amount remaining on the contract.

The Office of Business Services will prepare the first series of reports to be shared by October 2021. Subsequently, all reports will be shared according to the timeframes outlined in this plan, unless otherwise determined by the Receiver.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will develop templates for each report listed in this initiative	September 2021	Superintendent, Director of Business Services, Director of Human Resources, Director of Accountability, and Director of Operations
The District will present enrollment reports to the Receiver and administration on a monthly basis, including charter, special education and out-of-District placement costs	October 2021; ongoing	Director of Accountability
The District will present financial reports to the Receiver on a monthly and quarterly basis	December 2021; ongoing	Director of Business Services
The District will develop a data submission report with the key timelines and information to be submitted for key revenue sources from the Commonwealth and the federal government	January 2022; ongoing annually	Superintendent and Director of Business Services
The District will present transportation reports to the Receiver on a biannual basis	June 2022; ongoing	Director of Operations

Related Initiatives

The District will also undertake the following efforts related to financial management initiatives as outlined in other chapters of this Recovery Plan.

- The District will direct the proceeds of the sale of District buildings to the Capital Projects Fund as outlined in **R09**.
- The District will implement a multi-year transportation improvement plan as outlined in **OP04** which will impact the financial reports delivered by the Office of Business Services.
- The District will provide enrollment and financial reports to the Receiver and administration as outlined in **ADMIN06**.

Revenue

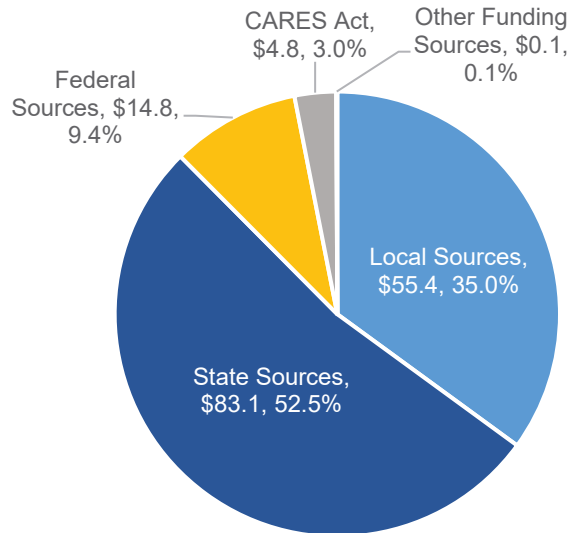
Overview

Consistently growing revenues are an important element of becoming a high-performing school district. The District needs to closely monitor and manage existing revenue streams while identifying additional sources of revenue to continue to fund the increasing cost of teachers, supports and facilities needed to provide high-quality educational services to District students.

The District's revenues come predominantly from local sources and the Commonwealth of Pennsylvania. As shown in the chart below, in the 2020-21 school year over 87.5 percent of the District's total budgeted revenues of \$158.2 million are expected to come from State and local sources. The primary potential drivers of revenue growth are increases in the annual state subsidies from the Commonwealth, which are largely determined by formulas, student demographics and state appropriation levels, and real estate tax collections, which are driven by increases in millage rates and collection rates.

The remainder of District funds come from federal sources, which comprise 12.4 percent of total revenues in 2020-21 but are expected to decline substantially in future years. The decrease is due in part to the fact that the 2020-21 estimate includes federal CARES Act funds that were provided to help schools address the impact of coronavirus on their operations. Subsequent rounds of non-recurring federal funding through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and American Rescue Plan Act (ARP) are not included in the projections. As a result, the base level of federal funding will be lower in the future, declining to less than 6.0 percent of total revenues annually.

Harrisburg School District FY2020-21 Total Revenues¹
(\$ Millions)



Since the District first entered financial recovery status in the 2012-13 school year, overall revenues have grown from \$132.1 million to \$158.2 million, or 19.8 percent.² The majority of that growth was driven by increases in State aid. Total State aid through Basic Education Funding (BEF) and Special Education Funding (SEF) subsidies have increased almost every year through this period, although funding was held flat for the 2020-21 year. Since 2012-13, the amount the District has received from the

¹ Revenues are based on the District's 2020-21 final budget. Detailed budget data was provided by the District in July 2020.

² Without the one-time CARES Act funds, the growth would be 16.2 percent.

Commonwealth has increased by \$19.4 million, a 30.5 percent increase which accounts for 90.8 percent of the total growth in District revenues (not including the one-time CARES Act funds). Basic and Special Education Funding alone have grown by \$11.1 million from 2012-13 to 2020-21. A majority of the District's revenue is projected to be provided by the Commonwealth in all baseline projection years.³

The District has also seen growth in real estate tax collections, but it has been slower than the State aid growth. Since 2012-13, total current real estate tax collections have increased by 12.8 percent. The District only increased property taxes three times during that period – in 2013-14, 2018-19, and in 2019-20. At the same time, total District expenditures have grown from \$121.3 million to \$158.2 million, an increase of 30.5 percent.⁴ In years where expenditures exceeded revenues, the District largely relied upon spending down its accumulated fund balance rather than raising property taxes, as discussed further below.

Key Finding 1: The District used fund balance as a revenue in order to balance its budget in recent years

Prior Recovery Plans outlined various initiatives aimed at improving the District's financial management and increasing the District's overall revenues. As noted above, the District relied primarily on state appropriation increases to grow revenue, and the District continued to struggle with weak data management and poor record-keeping which led to a lack of clarity on the District's financial position.

In addition, the District regularly underspent federal revenues, which led to significant amounts of annual carryover in its School Improvement Grant (SIG) and Title funds. According to the 2020-21 budget, 17.0 percent of the District's total federal revenues are now carryover. Improper record-keeping prior to the appointment of the Receiver also jeopardized federal grant revenues, culminating in the loss of federal funds due to missing financial records.

Compounding the issues regarding federal revenues were inconsistencies in how the budget was developed and managed. Regularly, the District's annual financial results did not match the budgeted amounts adopted by the School Board, resulting in significant swings between the budget and actual results. Poor budgeting practices resulted in larger portions of unplanned expenditures and a greater reliance on fund balance to fill revenue shortfalls. The practice of using fund balance as a resource to close the District's budget gap has resulted in unchecked expenditures, exacerbating the District's growing annual deficits.

In June 2019, the accounting firm Wessel & Company released an audit of the District's finances from July 1, 2015 to June 30, 2018. The audit reported that the District's total fund balance during that period dropped from \$30.2 million to \$19.1 million, a 36.5 percent decrease.⁵ Since 2012-13, a portion of the District's fund balance has been considered nonspendable; as of 2019-20, this amount was approximately \$1.6 million. As shown in the table on the following page, the District's spendable fund balance decreased between 2012-13 to 2018-19 by \$7.0 million, or a compounded rate of 6.4 percent a year. However, this masks a much larger drop. From 2014-15 to 2018-19, the spendable fund balance decreased by \$18.3 million. In 2019-20, due to the COVID-19 pandemic, the District saw a sharp decrease in its expenditures, which resulted in an operating surplus and an ending spendable fund balance of \$20.2 million.⁶

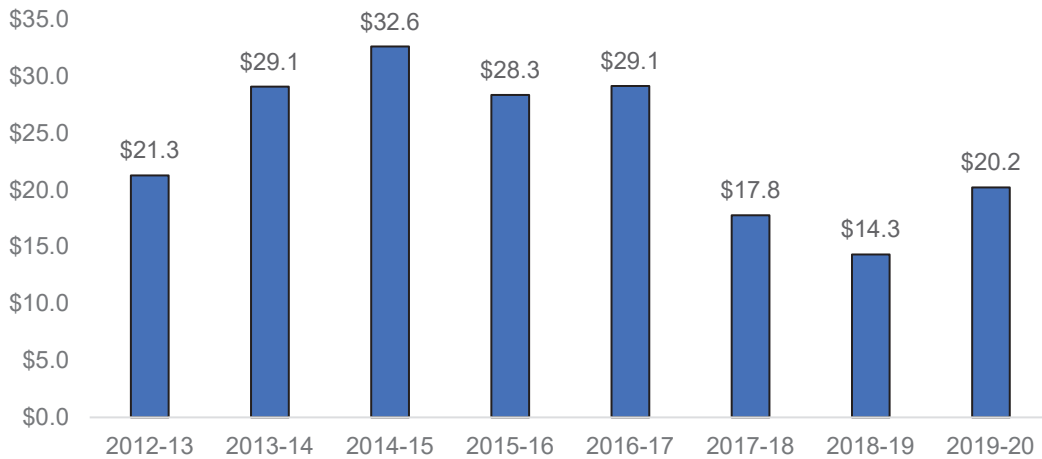
³This Recovery Plan assumes continued increases in BEF and SEF based on historical averages.

⁴Based on District's 2020-21 adopted budget.

⁵Includes total fund balance, including nonspendable fund balance.

⁶2019-20 data is based on the District's independent audit, which was completed in April 2021.

Harrisburg School District Ending Fund Balance ^{7 8}
(\$ millions)



That same month that the Wessel & Company audit was released, the District was put under the supervision of a Receiver, who brought in the Montgomery County Intermediate Unit (MCIU) to provide operational, financial management and technical support, including addressing the findings from the Wessel audit. Under the leadership of the Receiver, the District has established and implemented financial policies and procedures, enhanced monitoring of financial data, and improved record-keeping. As a result, the District has been able to take key steps to improve its long-term financial situation and reduce reliance on fund balance to address the structural deficit. The District’s final adopted 2020-21 budget projects no use of fund balance.

The use of fund balance as a revenue source is financially unsustainable. Fund balance is designed to help districts manage cash flow, unexpected expenditures and financial emergencies, not as a revenue to cure poor financial management. Without the changes adopted under the current administration, the District was expected to fully expend its fund balance by 2023-24.

Key Finding 2: Real estate tax revenues, which account for almost 28 percent of the District’s total revenues for 2020-21, are flat absent tax increases

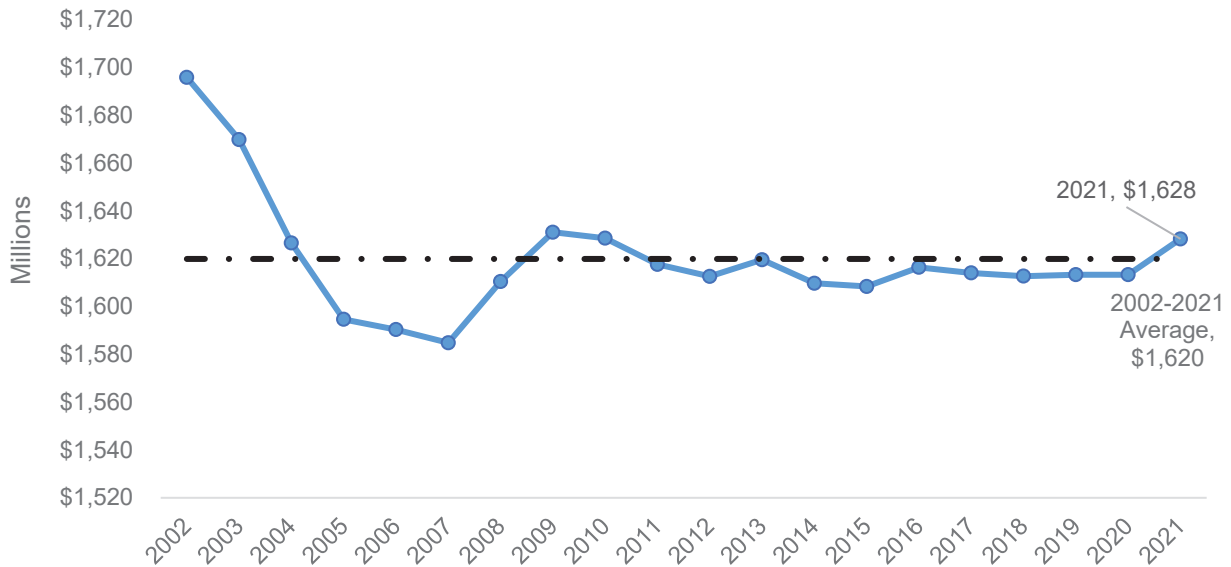
Most Pennsylvania local governments and school districts rely heavily on real estate taxes for a significant proportion of total revenues. Real estate taxes are levied on the taxable assessed value of property in a district’s geographic area, as certain properties may be tax-exempt, such as those owned by government entities and non-profit organizations. Property values are based on the most recent countywide valuation, and Dauphin County’s last assessment was almost two decades ago in 2001. The total amount of property tax collected depends on three primary factors: assessed value, collection rate, and millage rate.

As shown in the chart on the following page, the taxable assessed value of properties in the Harrisburg School District has been relatively flat at between \$1.58 billion and \$1.63 billion from 2008 to 2021. Changes in assessed value are largely driven by either new construction or assessment appeals. The District’s 2020-21 budget assumes an increase of 0.9 percent to the District’s assessed value.

⁷ Excludes the portion of the District’s fund balance that is categorized as nonspendable.

⁸ Data for 2012-13 to 2018-19 is from the District’s independent audits and audit conducted by Wessel & Company. 2019-20 data is from the District’s independent audit, completed in April 2021.

Harrisburg School District Historical Assessed Value ⁹
(\$ Millions)



One factor in the District’s flat assessed value is its location. As Harrisburg is Pennsylvania’s state capital, and also a county seat, the District has a larger proportion of tax-exempt properties than most other jurisdictions in the Commonwealth. Tax exempt state properties are estimated to comprise 42 percent of the City of Harrisburg’s total land area, which places additional pressure on the remaining properties to make up the difference.¹⁰

The District is also facing several appeals to current property tax assessments that could reduce the District’s total assessed value in future years: one from the Norfolk Southern Railroad and another from ESL, Incorporated.¹¹ These appeals are not included in the projections, as the potential timeline of the appeal and potential period of impact are not yet finalized. However, if either appeal is successful, the District would see a reduction in assessed value which will have a negative impact on the District’s real estate tax collection. The District may also face an increased number of property appeals from commercial properties as more individuals are working from home as a result of coronavirus. These appeals are also not factored into the projections but would affect the District’s overall assessed value if they occurred and were successful.

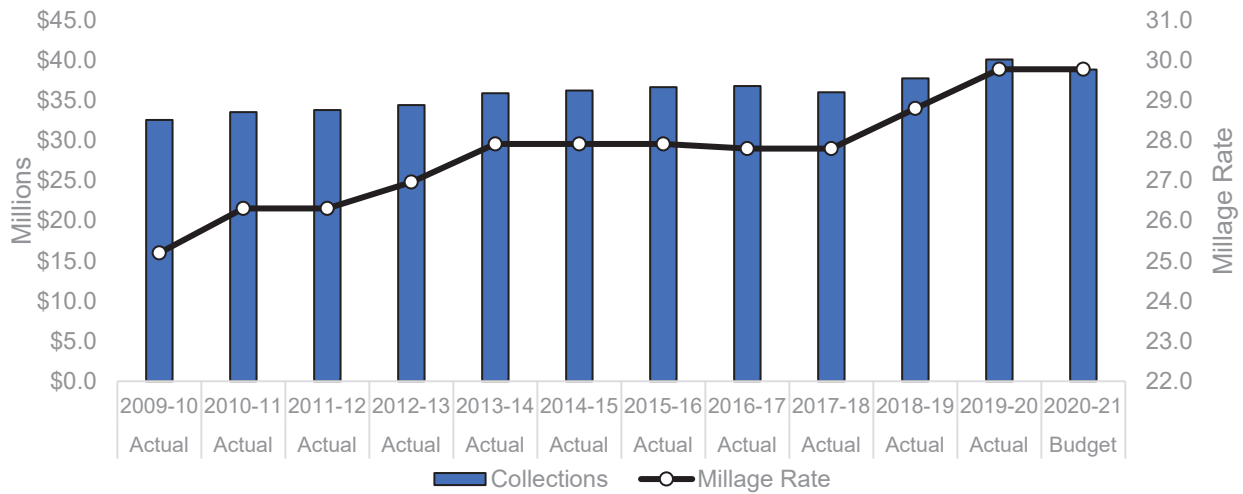
As shown in the chart on the following page, the District’s total real estate tax revenues are flat or declining, absent increases in the millage rate. For example, between 2013-14 and 2017-18, the District did not increase the real estate tax rate and total collections were relatively flat. However, the District saw an increase in their current real estate tax collections of \$1.7 million in 2018-19 when the District raised taxes and an increase in collections by \$2.4 million after the District raised taxes to the Act 1 Index again in 2019-20.

⁹ The historic assessed value is based on information reported on the District’s 2017 and 2020 Operating Statements.

¹⁰ https://www.pennlive.com/news/2017/03/harrisburg_property_tax_revenu.html. March 17, 2017.

¹¹ ESL, Incorporated is an organization listed as the appellant on the assessment appeal.

Harrisburg School District Historical Real Estate Tax Collections ¹²
 Current Collections vs. Millage Rate



As mentioned previously, total real estate tax revenues are also impacted by the collection rate. As seen in the chart below, there has been some fluctuation in the District’s collection rates from year-to-year.¹³ The District’s current real estate tax collection rate has averaged 86.3 percent between 2008-09 and 2019-20. Between 2018-19 and 2019-20, the District’s collection rate increased by over 2 percentage points, from 86.5 percent to 88.6 percent, due to improved oversight and management from the District’s Office of Business Services. From 2008-09 to 2019-20, the District’s combined collection rate, which includes both current and delinquent real estate tax collections, has averaged 98.4 percent.

Harrisburg School District Historical Collection Rates
 (Current and Total)^{14 15}

	Current Collection Rate	Total Collection Rate
2008-09	88.3%	98.3%
2009-10	86.7%	98.7%
2010-11	85.5%	98.7%
2011-12	86.7%	98.2%
2012-13	86.3%	98.3%
2013-14	85.4%	98.3%
2014-15	87.7%	91.5%
2015-16	81.5%	93.7%
2016-17	86.3%	113.5%
2017-18	85.6%	92.9%
2018-19	86.5%	98.0%
2019-20	88.6%	100.7%
Average	86.3%	98.4%

¹² Data for current real estate tax collections from 2008-09 to 2018-19 is from the Annual Financial Reports (AFR) for local revenues published by PDE. 2019-20 data is from audited actuals provided by the District and 2020-21 is based on the District’s 2020-21 PDE-2028 form. Real estate rates are reported by PDE at <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/FinancialDataElements/Pages/default.aspx>.

¹³ The data comes from the 2017 and 2020 Operating Statements and the District’s 2019-20 independent audit.

¹⁴ Total collection rate includes both current and delinquent real estate tax collections.

¹⁵ The data is based on an analysis of the District’s current and delinquent real estate tax collections, based on information for assessed value on the District’s 2017 and 2020 Operating Statements, real estate tax collections as reported by PDE on annual financial reports (AFR) for local revenue, and collections for 2019-20 are reported by the District.

In its 2020-21 budget, the District has reduced the anticipated current year real estate collection rate to 85.0 percent in light of the impact of coronavirus and the associated economic impact. The District has also budgeted for a delinquent tax collection rate of 11.5 percent, which is approximately the District's average delinquent collection rate from 2010-11 to 2019-20.

The combination of flat assessed values and a relatively low collection rate makes it difficult for the District to increase its real estate tax revenues without raising the District's millage rate. A variety of alternative ways to increase District revenues and improve the District's overall financial position are outlined in this chapter and elsewhere in this Recovery Plan. The initiatives in this chapter are intended to help the District improve on the progress it has recently made, continue to promote financial best practices, identify and capture additional revenues for the District, and preserve the District's existing fund balance. Additionally, responsibilities assigned to a specific individual or title should be understood to fall to the person occupying that position in the future.

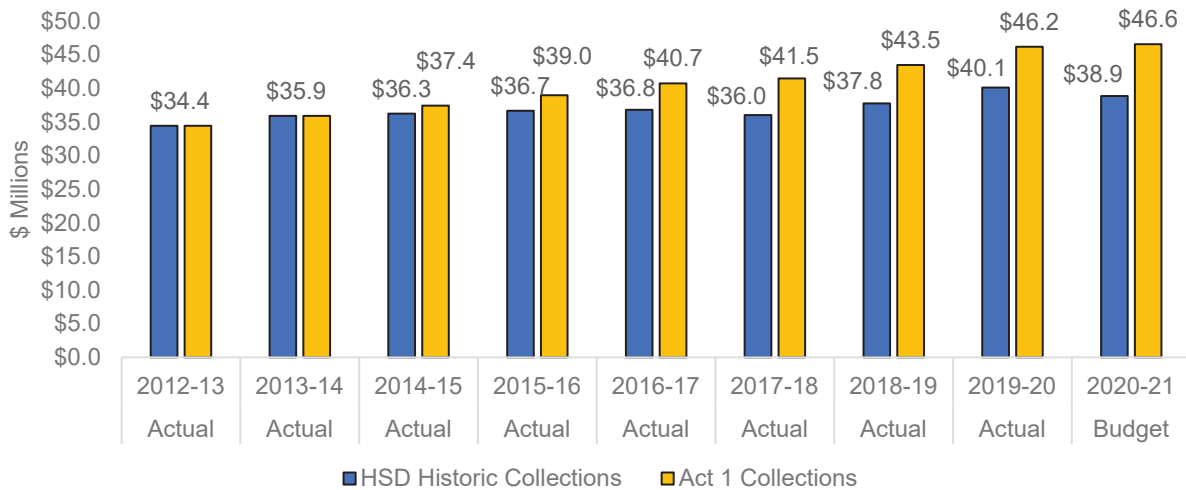
Initiatives

R01	Increase real estate taxes annually to the Act 1 index as deemed necessary by the Receiver	
Deadline: Adopt final 2021-22 budget (June 2021); adopt proposed preliminary budget (May 2022; annually); adopt final budget (June 2022; annually)		
	Evaluation Measure:	Increased revenues generated by District
	Responsible Parties:	Receiver

The Harrisburg School District has raised the real estate tax rate in only three of the years since 2012-13: in 2013-14, 2018-19, and 2019-20. In all other years, the District did not increase local property taxes. As a result, over the period from 2012-13 to 2020-21, the District's millage rate grew at a compound annual rate of 1.2 percent. If the District had increased the tax rate to the Act 1 Index each year, the compound annual growth rate over the same period would have been 3.4 percent.

The District's 2020-21 budget has a millage rate of 29.78; if the District had increased taxes annually since 2012-13 the millage for the 2020-21 year would be 35.344, more than 18.0 percent higher. In this alternative scenario, with the same collection rates the District would have received an average of an additional \$4.0 million in revenue annually during that period; by this year the District would have an additional \$7.7 million in revenue. The chart on the following page shows the difference in the amount of real estate tax revenue collected by the District and the amounts generated had the District adopted an annual property tax increase to the Act 1 Index amount.

Harrisburg School District Historic Real Estate Tax Collections v. Act 1 Index ^{16 17}
(in \$ millions)



In order to address the projected annual deficits in the baseline multi-year projections, the District will need to regularly increase the real estate tax rate. However, if the District can balance its budget based on revenues generated from other sources or other reductions, such as windfall revenues outlined in **R09**, the Receiver may decide in any specific year not to increase property taxes to the Act 1 Index.¹⁸ In that case, the Receiver may elect to keep property taxes flat or determine an alternative appropriate tax increase, while maintaining the required fund balance reserves as described in **FM02**.

The District has elected not to raise taxes and has not included a property tax increase in its proposed 2021-22 budget. Starting in 2022-23, the District will raise the real estate tax rate to at least the Adjusted Act 1 Index annually.

The table below shows the annual real estate tax rates and the additional revenues from annual increases to the estimated Adjusted Act 1 Index. The calculations for the table below assume the District raises its real estate tax rate annually by 3.6 percent, which is the District's average Adjusted Act 1 Index from 2016-17 to 2020-21. The actual amount of the Adjusted Act 1 Index each year will vary from these estimates.

5-Year Impact

	2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
Millage Rate	29.78	30.86	31.98	33.13	34.33	-
Current RET Impact	\$0	\$1,514,221	\$3,096,818	\$4,750,451	\$6,477,883	\$15,839,373
Delinquent RET Impact ¹⁹	\$0	\$189,059	\$370,194	\$542,909	\$706,678	\$1,808,840
Total Annual Impact (\$)	\$0	\$1,703,280	\$3,467,013	\$5,293,360	\$7,184,561	\$17,648,213

¹⁶ The District's historical collections are based on the District's independent audits and annual financial report (AFR) data for local revenue published by PDE.

¹⁷ Historical Act 1 index is based on Act 1 History published by PDE.

¹⁸ In 2021-22, the Receiver has elected not to increase property taxes due to the District's allocation of one-time federal ESSER II and ESSER III funds. The District was allocated \$26.1 million in ESSER II funds and \$50.3 million in ESSER III funds.

¹⁹ Impact of delinquent taxes assumes that the percent collected of the remaining levy remains the same.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will adopt the final 2021-22 proposed budget with the required tax increases and in accordance with all required statutory events	No later than June 30, 2021; recurring annually	Receiver and Board
The District will adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events	May 2022; recurring annually	Director of Business Services
The District will adopt the final proposed budget with the required tax increases and in accordance with all required statutory events	June 30, 2022; recurring annually	Receiver and Board

R02	Improve the current year real estate collection rate	
Deadline: May 2022; ongoing		
	Evaluation Measure:	Increased revenues generated by District
	Responsible Parties:	Director of Business Services

The Harrisburg School District has had an average current year real estate collection rate of 86.3 percent over the last twelve years, meaning that it collected 86.3 percent of what was billed each year.²⁰ In comparison with its peer school districts, Harrisburg has had a relatively low collection rate for real estate taxes. In the table on the following page, the Harrisburg School District's current real estate tax collection rate is compared to other districts that had a market value-personal income (MV/PI) ratio greater than 0.6, had an average daily membership greater than 5,000, and were designated as a city based on locale codes from the National Center for Education Statistics for the 2019-20 year.^{21,22} The MV/PI ratio is a measure of the relative wealth of a school district in Pennsylvania, and it is often used as part of the calculation of major school district subsidies from the Commonwealth.

²⁰ Based on current real estate collection rates from 2008-09 to 2019-20. The collection rates from 2008-09 to 2018-19 are based on the District's 2017 and 2020 Operating Statements and 2019-20 is based on the District's independent audited actuals.

²¹ The MV/PI ratio is from the 2020-21 aid ratios available on PDE's website: <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/FinancialDataElements/Pages/default.aspx>

²² As opposed to the Commonwealth's classification of cities. Data available on PDE's website: <https://www.education.pa.gov/DataAndReporting/SchoolLocale/Pages/default.aspx>.

Comparison of 2019-20 Current Real Estate Tax Collection Rates ^{23 24 25}

School District	Collection Rate
Philadelphia City SD ²⁶	96.5%
Allentown City SD	95.5%
Lebanon SD	94.4%
Lancaster SD	94.1%
York City SD	92.0%
Pittsburgh SD ²⁷	91.8%
Altoona Area SD	90.9%
Erie City SD	89.8%
Harrisburg City SD	88.6%
Wilkes-Barre Area SD	88.4%
Scranton SD	87.5%
Reading SD	86.9%
Median (Excluding Harrisburg SD)	91.8%
Harrisburg SD Rank	9 of 12

The comparison shows that Harrisburg ranks 9 out of 12 peer districts in real estate tax collection rate. In 2019-20, the District reported a collection rate of 88.6 percent, which is more than two percentage points higher than their collection rate of 86.5 percent the previous year, but still below the median current year collection rate for peer districts.

In order to improve the District’s current year real estate tax collections, the District will work closely with the City of Harrisburg to monitor and collect taxes. The District has already taken steps to establish a joint approach with the City regarding real estate tax collection, including sending out bills at the same time. The District has also identified areas where increased District oversight over the collection process would result in improvements to the collection rate, such as the District absorbing the cost of transaction fees for payments made by credit card. The City and the District should also collaborate on property tax exemption reviews, reverse appeals, and defense of appeals. In some cases, Dauphin County should be included as well.

The District has set a target of increasing the current year real estate collection rate to 90 percent by 2025-26. In the table on the following page, the financial impact for current real estate taxes is shown by estimating a one percentage point increase annually between 2021-22 and 2025-26 based on the 2020-21 budgeted collection rate of 85.0 percent. Over time, the increase in current year collections will mostly be offset by reductions in delinquent collections in the subsequent year.

²³ The collection rates are based on an analysis of AFR data published by PDE for local and state revenues, RET rates as reported by PDE, and market value data from General Fund Budget data reported by PDE.

²⁴ Collection rate calculations do not include delinquent real estate tax collections.

²⁵ The Pittsburgh and Scranton School Districts operate on a calendar year, instead of the Commonwealth’s July to June fiscal year. Therefore, the millage rates that were used are for their 2019 calendar year and the assessed value from Scranton and Pittsburgh are from the Pennsylvania Department of Community and Economic Development:

https://dced.pa.gov/library/?wpdmc2=market_value_data

²⁶ The Philadelphia School District’s real estate taxes are collected by the City of Philadelphia. The collection rate reported in the table above was taken from the collection rates for 2019-20 target on page 278 of the City’s five-year financial plan for fiscal years 2020 to 2024.

²⁷ Pittsburgh School District was included in the table above despite having a MV/PI ratio of 0.2833 in 2020-21. Pittsburgh was selected for the comparison because of the relative size of the school district and consistency with the approach in the benchmark comparison for the payment in lieu of taxes initiative **R03**.

5-Year Financial Impact

No Millage Rate Increase ²⁸

	2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
Millage Rate	29.78	29.78	29.78	29.78	29.78	-
Collection Rate	86.0%	87.0%	88.0%	89.0%	90.0%	-
Current RET Impact	\$0	\$227,928	\$455,192	\$681,792	\$907,731	\$2,272,644
Delinquent RET Impact ²⁹	\$0	(\$182,342)	(\$364,153)	(\$545,434)	(\$726,185)	(\$1,818,115)
Total Annual Impact (\$)	\$0	\$45,586	\$91,038	\$136,358	\$181,546	\$454,529

w/ Act 1 Increase ^{30 31}

	2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
Millage Rate	29.78	30.86	31.98	33.13	34.33	-
Collection Rate	86.0%	87.0%	88.0%	89.0%	90.0%	-
Current RET Impact	\$0	\$236,681	\$490,787	\$763,229	\$1,054,956	\$2,545,653
Delinquent RET Impact ³²	\$0	(\$189,345)	(\$392,630)	(\$610,583)	(\$843,965)	(\$2,036,522)
Total Annual Impact (\$)	\$0	\$47,336	\$98,157	\$152,646	\$210,991	\$509,131

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will continue to work with the City to work to improve the real estate tax collection rate	May 2022; ongoing	Director of Business Services

R03	Develop Partnerships with Tax-Exempt Entities to Generate Voluntary Payments	
	Deadline: Document all existing PILOT agreements (August 2021); develop list of tax-exempt organizations (December 2021); seek additional voluntary payments (July 2023)	
	Evaluation Measure:	Increased revenues generated by District; improved relationships between the District and the community
	Responsible Parties:	Superintendent

²⁸ As current real estate tax collections improve, the increase in current year real estate tax collections are expected to be partially offset by a loss in delinquent real estate tax collections.

²⁹ Impact of delinquent taxes assumes that the percent collected of the remaining levy remains the same.

³⁰ In this scenario, as the millage rate increases and the current year real estate tax collections increase, the increase in current year real estate tax collections are expected to be partially offset by a loss in delinquent real estate tax collections.

³¹ The calculations assume that the base levy includes a millage increase to the Act 1 Index and represent additional changes to revenues from increasing collection rates.

³² Impact of delinquent taxes assumes that the percent collected of the remaining levy remains the same.

Due to the presence of the State Capitol complex, the Farm Show complex and other state, county and local government facilities, the District's territory includes a wide variety of government properties that are tax-exempt, meaning that the District cannot collect any real estate tax revenues from them. As noted earlier in this chapter, over 42.0 percent of the City of Harrisburg's land area is estimated to be tax exempt. One strategy that school districts can use to address this untaxed property is to negotiate payments in lieu of taxes (PILOTs), voluntary agreements with non-profit and other tax-exempt organizations. The amount of the PILOT can vary by agreement. In 2020-21, Harrisburg has budgeted approximately \$1.5 million for PILOT revenues, primarily due to an existing PILOT agreement for \$1.25 million with Pinnacle Health. This is equal to 1.0 percent of the District's total revenues for 2020-21.

In Pennsylvania, total PILOT revenues for all school districts in 2019-20 were \$35.4 million, according to annual financial report data (AFR) reported to the Department of Education. Compared to its peers, Harrisburg has the largest portion of PILOT revenues as a percentage of the District's total revenues, has the second largest portion of PILOT revenues as a percentage of real estate tax revenues and the third largest amount of total PILOT revenues overall.

Comparison of 2019-20 PILOT Revenues ^{33 34}

School District	PILOT Revenue	PILOTs as % of Total Revenue	PILOTs as % of Real Estate Taxes
Lancaster SD	\$1,630,311	0.7%	2.3%
Erie City SD	\$1,506,745	0.7%	3.5%
Harrisburg City SD	\$1,262,750	0.8%	3.1%
Pittsburgh SD	\$347,123	0.0%	0.2%
Altoona Area SD	\$304,708	0.3%	1.8%
Wilkes-Barre Area SD	\$228,094	0.2%	0.4%
Allentown City SD	\$189,670	0.1%	0.2%
York City SD	\$172,195	0.1%	0.6%
Lebanon SD	\$179,744	0.2%	1.1%
Reading SD	\$138,055	0.0%	0.7%
Scranton SD	\$65,914	0.0%	0.2%
Philadelphia City SD	\$4,619	0.0%	0.0%
Median (Excluding Harrisburg SD)	\$189,670	0.10%	0.61%
Harrisburg SD Rank	3 of 12	1 of 12	2 of 12

With the District's current PILOTs, the District relies heavily on its agreement with Pinnacle Health. In order to build on its current progress with regard to PILOT revenue, the District will seek to continue its existing PILOT agreements and seek to enter into new PILOT agreements by developing a list of likely tax exempt and non-profit organizations that the Receiver and senior District officials can meet with. The District will also seek to engage with the community to build relationships that may lead to PILOTs or additional in-kind services. The District will also explore the potential benefits of establishing a public service foundation under the terms of Act 55 of 1997, and how that might differ from the structure and operations of its existing foundation. The financial impact modeled below shows the impact of adding a new PILOT worth \$150,000 in 2023-24, which is equivalent to a 10.0 percent increase of its budgeted 2020-21 PILOT revenues.

³³ Criteria for peer school districts include the following: districts that had a market value-personal income (MV/PI) ratio greater than 0.6, had an average daily membership greater than 5,000, and were designated as a city based on locale codes from the National Center for Education Statistics for the 2019-20 year.

³⁴ Data based on 2019-20 AFR data reported to the Pennsylvania Department of Education (PDE).

5-Year Financial Impact

2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
\$0	\$0	\$150,000	\$150,000	\$150,000	\$450,000

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will document all existing PILOT agreements including expiration dates	August 2021	Director of Business Services
The District will develop a financial report for the Receiver and Board noting the PILOT agreements and amount received	September 2021; ongoing annually	Director of Business Services
The District will develop a list of tax-exempt organizations from which to request support	December 2021	Receiver and Superintendent
The District will complete meetings with all of the tax-exempt organizations identified, and consider the responses, as well as the role of its existing foundation and a public service foundation under the terms of Act 55	July 2022	Receiver and Superintendent
The District will build community relationships to maintain partnerships and seek additional voluntary payments	July 2023; ongoing	Superintendent

R04	Receive Special Education Funding contingency annually
Deadline: January 2022; ongoing annually	
Evaluation Measure:	District receives revenues annually
Responsible Parties:	Director of Business Services

As noted earlier, the Harrisburg School District receives over 52.5 percent of its total 2020-21 budgeted revenues from the Commonwealth. This funding is primarily delivered through the Basic Education and Special Education subsidy. Both subsidies are comprised of two parts: a base allocation and a student-weighted allocation. While a District’s base allocation remains flat, the student-weighted allocation is subject to change, based on the District’s average daily membership and demographics of its students.

In addition to the subsidy amounts allocated in the Governor’s budget and approved by the General Assembly annually, districts which meet certain criteria can apply for additional special education contingency revenues provided by the Department of Education. These revenues are designed to help assist with “extraordinary expenses” for students with significant disabilities who may require a highly specialized program or services.³⁵ The level of funding is determined based on the number and type of high-cost special education students at the District. As of 2019-20, the District reported 39 students with annual costs of \$53,012 to \$79,518 per student as described in **AP13**.

The District applied for these special education contingency funds in the 2020-21 year, relying on the prior experience of the District’s current Director of Business Services. The District will continue to apply for these funds annually and comply with all regulatory requirements. The District’s Director of Business Services will work with the District’s current grant writer to oversee the application process and the

³⁵ Pennsylvania Department of Education. Contingency Fund Guidelines. August 2020.

development of any compliance-related materials. The financial impact below estimates a receipt of \$125,000 annually in special education contingency revenues.

5-Year Financial Impact

2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will apply for special education contingency funds annually	January 2022; ongoing annually	Director of Business Services and Grant Writer

R05	Increase reimbursement for Social Security contributions paid on behalf of employees	
	Deadline: The District will review its reimbursement process (November 2021); budget for and receive the appropriate amount of reimbursement (April 2022)	
	Evaluation Measure:	Increased reimbursement from the Commonwealth for District employees
	Responsible Parties:	Director of Business Services

Pennsylvania school districts are reimbursed by the Commonwealth for a portion of their expenditures for Social Security and retirement (PSERS) contributions paid on behalf of their employees. Reimbursement for Social Security expenditures is different depending on the year the employee was hired. For employees hired at any district prior to 1994 the State applies a reimbursement rate of 50.0 percent. However, for all other employees the Commonwealth utilizes the District's market value-personal income (MV/PI) aid ratio to determine the reimbursement rates.³⁶ This amount is typically higher than 50.0 percent for districts like the Harrisburg School District.

The reimbursement amounts are calculated based on the above formulas and the numbers reported by individual districts. From 2014-15 to 2020-21, the District's MV/PI ratio has consistently exceeded 0.70, as seen in the following table.

Harrisburg School District Historical MV/PI Ratio ³⁷

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
MV/PI Ratio	0.7123	0.7221	0.7457	0.7507	0.7496	0.7573	0.7665
Annual % Change	0.9%	1.4%	3.3%	0.7%	(0.1%)	1.0%	1.2%

³⁶ Pennsylvania Department of Education. Reimbursement of Social Security and Medicare Tax Contributions. <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/SS-Medicare-Tax/Pages/default.aspx>.

³⁷ MV/PI Ratios are reported by PDE taken from <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/FinancialDataElements/Pages/default.aspx>.

While Social Security and PSERS reimbursements utilize the same formula to calculate the portion of reimbursable expenditures, Social Security reimbursements should exclude federal expenditures when reporting District data.

In recent years, the District has budgeted for Social Security rates that are lower than their MV/PI ratio. Based on the amounts indicated in the District's independent financial audits from 2013-14 to 2018-19, the District had an average reimbursement rate for Social Security expenditures of 57.0 percent despite averaging an MV/PI of over 70.0 percent during that same period. In comparison, the District's PSERS reimbursement rate has averaged 67.7 percent, much closer to the District's MV/PI ratio.

As shown in the table below, in 2018-19, the District received a reimbursement of 54.1 percent, over 5.0 percentage points lower than reimbursement rates from the two previous years. Additionally, in 2019-20 and 2020-21, the District used the assumption of 50.0 percent for their Social Security reimbursement rates. However, based on the District's independent audited actuals for 2019-20, the District received a Social Security reimbursement of 58.6 percent, 8.6 percentage points higher than their budgeted reimbursement proportion.

HSD Historic Social Security Reimbursement ³⁸

	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Actual	Actual	Budget
Salaries	\$46,890,746	\$49,493,741	\$45,999,856	\$45,406,691	\$46,919,185
Social Security Expenditures	\$3,539,424	\$3,707,262	\$3,428,326	\$3,374,357	\$3,589,320
Social Security Reimbursement	\$2,106,025	\$2,259,739	\$1,855,754	\$1,976,549	\$1,794,660
<i>Anticipated Reimbursement %</i>	59.5%	61.0%	54.1%	58.6%	50.0%

Based on historical actuals and the District's MV/PI ratio, the technical team believes that District should be averaging a reimbursement rate above 60.0 percent. As the cause for the lower reimbursement rate is not known, the District will undertake the following steps to improve its Social Security reimbursement rate:

- The District will undertake a review of how it currently invoices the Commonwealth for the reimbursement of Social Security expenses, including a review of employees hired before 1994, those hired after 1994, and all federal expenditures. The review will also ensure staff are categorized appropriately, that reimbursement amounts in the budget are estimated and calculated appropriately, and that all systems, including the District's budget and position control systems, are accurate and maintained properly.
- Depending on the outcome of that review, the District will train Business Office staff on how to improve processes and procedures around invoicing for Social Security reimbursement.
- The District's improved oversight over federal programs, including the decision not to fund staff positions through federal revenues that have expired, and the planned reduction in federal carryover expected will also assist the District in this assessment and improving its reimbursement percentage as the proportion of federally-funded positions eventually declines.

As a result of these improvements, the District should aim to improve their reimbursement rate by a percentage point annually until it reaches a Social Security reimbursement rate of 65.0 percent, which is closer to their annual MV/PI Ratio.

³⁸ Data for 2016-17 to 2019-20 are based on the District's independent audit detail. The 2020-21 budget detail was provided by the District in July 2020.

HSD Projected Social Security Reimbursement

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
SS Budgeted Reimbursement Rate	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Anticipated SS Reimbursement Rate	60.0%	61.0%	62.0%	63.0%	64.0%	65.0%

The District will regularly evaluate revenues and reimbursement rates and update numbers based on changing personnel. Under the discretion of the Director of Business Services and the Receiver, the District will adjust goals as needed. The financial impact shown below is based on the projected reimbursement rates in the table above.

5-Year Financial Impact ^{39 40}

2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
\$402,262	\$453,753	\$498,939	\$542,505	\$589,974	\$2,846,366

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will undertake a review of its current Social Security reimbursement process to identify issues	November 2021	Director of Business Services and the Director of Human Resources
The District will establish a training process for Business Office staff on monitoring and reporting reimbursement information to the Commonwealth	February 2022	Director of Business Services
Based on the findings of the review, the District will budget for and receive the correct reimbursement rate for both Social Security and PSERS to ensure a full annual reimbursement	April 2022	Director of Business Services

R06	Increase Medicaid ACCESS revenue	
	Deadline: Evaluate ability to increase revenues (December 2021)	
	Evaluation Measure:	Increased revenues generated by District
	Responsible Parties:	Director of Business Services

School districts may be reimbursed for the costs of services provided for Medicaid-eligible children through the Commonwealth's School Based Access Medicaid Reimbursement Program (ACCESS). Examples of reimbursable costs include mental health services or behavioral counseling. As shown in the table on the following page, in the 2018-19 school year the Harrisburg School District received almost \$1.3 million in ACCESS funding, more than double the amount the District had received the previous

³⁹ The District may also see additional revenues from an increased reimbursement rate in 2020-21, which is not reflected in this financial impact chart but are included in the District's Recovery Plan projections (**Appendix D**).

⁴⁰ Reflects savings from increased reimbursement rate after a 1.5% salary increase (**WF01**). It does not include reimbursement for salaries for additional staff as the District begins to attract and retain students from charter stabilization initiative (**AP12**).

year. However, the District only received \$154,374 in ACCESS funds for 2019-20, a loss of \$1.1 million or an 87.8 percent decrease, in part due to the pandemic and the change to virtual learning.⁴¹

Harrisburg School District Historical ACCESS Revenues

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Actual	Actual	Actual	Actual	Actual	Actual
ACCESS Revenues	\$292,254	\$169,303	\$147,784	\$524,007	\$1,265,746	\$154,374

In the following table, the Harrisburg School District is compared to other school districts in the Commonwealth using the criteria in the benchmarking for the ACCESS revenues (MV/PI ratio greater than 0.6 and an average daily membership greater than 5,000). The data shown is for 2019-20 (the most recent year for which data was available).

2019-20 Medicaid ACCESS Revenues ⁴²

School District	2019-20 Total ACCESS Revenue	5-Year Average	2019-20 Special Education Enrollment	2019-20 per Student	Average per Student
Pittsburgh SD	\$4,879,629	\$3,004,382	4,445	\$1,098	\$676
Lancaster SD	\$2,701,573	\$1,591,207	1,913	\$1,412	\$832
Philadelphia City SD ⁴³	\$2,000,000	\$537,840	20,471	\$98	\$26
Reading SD	\$1,686,826	\$1,815,780	3,967	\$425	\$458
Scranton SD	\$1,248,494	\$727,493	2,056	\$607	\$354
Allentown City SD	\$1,174,502	\$1,979,921	3,106	\$378	\$637
Altoona Area SD	\$1,021,647	\$1,334,768	1,607	\$636	\$831
Erie City SD	\$674,713	\$659,744	2,357	\$286	\$280
Lebanon SD	\$532,927	\$352,420	1,030	\$517	\$342
York City SD	\$422,322	\$333,712	1,353	\$312	\$247
Wilkes-Barre Area SD	\$162,761	\$197,533	1,538	\$106	\$128
Harrisburg City SD	\$154,374	\$452,243	1,206	\$128	\$375
Median (Excluding Harrisburg SD)	\$1,174,502	\$727,493	\$2,056	\$425	\$354
Harrisburg SD Rank	12 of 12	9 of 12	11 of 12	10 of 12	6 of 12

In comparison to the peer districts, the District ranked last in ACCESS revenue collected in 2019-20. The Harrisburg School District's 2019-20 reported Medicaid ACCESS revenue is around 13.1 percent of the median identified for the group of peer school districts. From 2015-16 to 2019-20, the District averaged around \$452,000 in ACCESS revenue, ranking it 9 out of 12 districts.

During the 2019-20 school year and for the majority of the 2020-21 school year, the District shifted to a virtual learning environment for all students. As a result, the District effectively halted most of their special education programs that would normally be reimbursable under the Medicaid ACCESS program. As a result, the District expects to limited growth in ACCESS revenues in 2020-21.

As part of the Recovery Plan, the District will evaluate potential opportunities to expand the services billed through the Medicaid ACCESS program as it returns to in-person instruction and by reviewing its special

⁴¹ 2019-20 numbers are based on the District's independent audit.

⁴² 2019-20 ACCESS revenue is from the AFR Federal Revenue Detail reported by PDE and includes ACCESS revenues reported under the 8810 and 8820 object codes. The 2019-20 Special Education Enrollment is from each district's Data at a Glance Report, published by the Pennsylvania Department of Education Bureau of Special Education.

⁴³ Philadelphia did not report ACCESS revenues for the 2016-17, 2017-18, and 2018-19 school year, based on AFR data published by PDE.

education programs and costs as described in **AP13**. The District has already tasked an individual with monitoring ACCESS revenues and helping to improve compliance. In order to receive reimbursement for ACCESS funds, districts must maintain proper certifications for staff providing services, as well as proper documentation of effort and supporting materials, including Individual Education Plans (IEPs). The District will review its internal processes to see if there are areas of improvement regarding documentation and billing practices.

With improved oversight and a staff person dedicated to compliance, the District will be able to able to increase its ACCESS revenues over the next few years. The financial impact of this initiative shown below an additional \$150,000 annually starting in 2021-22, to reflect an accelerated return to normal operations.

5-Year Financial Impact

2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
\$0	\$150,000	\$300,000	\$450,000	\$600,000	\$1,500,000

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will review its ACCESS billing policies and procedures and determine if changes are required in order to increase Medicaid ACCESS revenue	December 2021	Director of Business Services

R07	Continue to support grant-writing professional	
	Deadline: Submit an annual report on the costs of the grant writer, the timeline of current grants, and the amount accrued (March 2022)	
	Evaluation Measure:	Increased revenues generated by District
	Responsible Parties:	Director of Business Services

Prior Recovery Plans for the Harrisburg School District included initiatives requiring the District to engage with a skilled professional grant-writer on a contract or full-time basis. These individuals were intended to focus on bringing additional revenues to the District by applying for grants from the federal government and other sources. However, for many years the District did not take any action to hire a consultant for this position or to develop a robust in-house capacity for grant writing.

Under the guidance of the Receiver and with the support of the new administration at the District, a grant-writer was hired at the end of the 2019-20 school year as a District employee. The hired individual was able to generate significant revenue for the District, including grants from the Foundation for Enhancing Communities, Aldi, Walmart, and Dollar General. The grants provided support for education technology, literacy programs, and health and wellness education. This position also assisted with the award and compliance of federal CARES Act funds. During the 2020-21 school year, the individual stepped down from the position, but agreed to work with the District on a contracted basis to assist in the management of ESSER II and ESSER III funds. The District is planning on filling the grant-writer position in the 2021-22 school year.

The District has budgeted \$1.0 million in revenue from the grant-writer for the 2020-21 school year. Given the economic impact of coronavirus and the personnel transition, the amount of this revenue is reduced by half for the 2021-22 school year but increases by \$100,000 annually in the baseline projection. These figures are net of the cost of the employee.

The District will continue its efforts to support this position throughout the length of this Recovery Plan. The grant-writer will be responsible for identifying funding opportunities, drafting and submitting grant applications, and implementing awarded grants, including compliance-related activities. The grant professional will also work closely with the Director of the Office of Business Services and other leadership to identify opportunities for additional resources.

The District will provide a report to the Receiver at a minimum annually outlining the grants that the District has applied for and received and not received. In the case that the Receiver determines the grant writing position to be more costly to the District than financially beneficial, the Receiver may elect to remove the position and outsource the responsibilities to an external organization or party.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will submit an annual report on the costs of the grant writer, the timeline of current grants, and the amount accrued	March 2022	Director of Business Services

R08	Sell vacant District buildings	
	Deadline: Sell William Penn property (June 2023)	
	Evaluation Measure:	Increased revenue from sale of building; reduced District liability
	Responsible Parties:	Superintendent and Receiver

Prior Recovery Plans noted the need for the District to develop a strategy for the District’s vacant and unneeded properties with the recognition that these properties could provide a significant one-time revenue to the District, as well as reduced expenditures for maintaining safety and security at District-owned properties that are not in use.

Under the new administration the District has taken steps to address this issue and to sell properties that the District does not use. The District placed the vacant Woodward property lot for sale during the 2019-20 school year and has just relisted it at a price of \$259,000. As of the date of this Recovery Plan, the District has one additional property on the market: the former William Penn High School, which is listed on the market at a price of \$2.5 million. In April 2021, the Receiver accepted a proposal to conduct a real estate appraisal for the William Penn campus. The appraisal report is expected to be completed by the end of the 2020-21 school year.

While the property has been on the market for over a year, the District remains hopeful that they will be able to find an appropriate buyer. The current economic uncertainty makes predicting the future commercial real estate market difficult, so the financial impact shown below estimates a reduction in the listing price of 20 percent and the sale of the building in the 2022-23 school year.

Moving forward, the District will use the updated enrollment projections and multi-year facility utilization plan outlined in **FM03** to help determine if there are other facilities that can be repurposed or sold.

Notwithstanding the provisions of initiative **R09**, or any other provision of this Plan, the proceeds from the sale of District facilities (including the Woodward property) will be deposited in the District's Capital Projects Fund and used for capital purposes. The District will adjust their multi-year capital plan and capital budget accordingly based on proceeds generated from the sale of facilities, as outlined in **FM04**.

5-Year Financial Impact

2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
-	\$2,000,000	-	-	-	\$2,000,000

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will sell the William Penn property	June 2023	Superintendent and Receiver

R09	Allocate windfall revenues and budgetary resources among priorities outlined in the Recovery Plan	
	Deadline: Ongoing for duration of Recovery Plan	
	Evaluation Measure:	Allocation of revenues to priorities in Recovery Plan
	Responsible Parties:	Receiver and Superintendent

The overarching goals of this Recovery Plan are to improve the Harrisburg School District's academic achievement, financial management, and student stability. During the years in which the Recovery Plan is in effect, there will be a shared savings approach to windfall revenues and budgetary resources that are received by the District. The Receiver will direct the District to make these investments under the authority granted by Section 642-A(a)(13) of Act 141.

For the purposes of this initiative, windfall revenues for the District would be events which deliver savings or revenues that are above a reasonable amount allowing for natural growth in the underlying factors of the particular source (with the exception of sales of District property, which will be dedicated to the Capital Projects Fund as described in initiative **R08** above). For example, if the enrollment in charter schools is significantly lower than the case presented in **AP12**, then the additional savings would be considered under this initiative. In terms of revenue, examples would include a one-time increase in delinquent tax collections, an unanticipated increase in funding from the Commonwealth, or upcoming federal funding for K-12 schools through ESSER II and ESSER III.^{44 45}

The purpose of this initiative is not to undermine the District's authority to allocate resources under the normal budgeting process. Rather, the intention is to recognize that there are various competing priorities that will be identified by the Recovery Plan, the Receiver, the administration, and all of the stakeholders in the Harrisburg School District.

⁴⁴ The District was allocated \$26,100,000 in ESSER II funds and \$50,275,316 in ESSER III funds. The District must spend down ESSER II funds by September 30, 2023 and ESSER III funds by September 30, 2024.

⁴⁵ 20 percent of ESSER funding must be spent on learning loss, and the District must adhere the guidelines on allowable uses set by the federal government. The District is also currently planning on using ESSER funds to ensure continuity of existing operations.

As additional funding comes available under this initiative, the District may allocate portions of the funds to the following priorities:

- Establishment of budgetary reserves;
- Investment in academic priorities including curriculum, technology, and school facilities;
- Provision of salary increases above amounts available as a result of initiative **WF01**; and
- Elimination or moderation of required tax increases

If the District is projected to report a negative fund balance in the following year due to any of the changes from the investments in these priorities, then the investments in the priority areas will be for the duration of a single year. All allocation determinations will be made by the Receiver.

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will annually determine the total amount of windfall revenues and additional savings that the District has using projected year-end actuals or audited numbers	Ongoing	Director of Business Services
The District will submit a report to the Receiver on total amount of revenues and provide recommendations for how revenues and savings should be allocated	Ongoing	Director of Business Services, Superintendent, and Receiver

Related Initiatives

The District will also undertake the following efforts related to revenue initiatives as outlined in other chapters of this Recovery Plan.

- Initiatives in the Workforce chapter will impact total projected revenues, including growth in salaries under **WF01** and the related increases in reimbursement for Social Security and PSERS.
- Initiatives in the Financial Management chapter regarding the development of a multiyear budget and annually reviewing strategies for revenue increases and expenditure control as described in **R01**.

Workforce

Overview

The primary expenditure driver of school district budgets, like those of many governments, is personnel costs, including salaries and benefits for employees. Over the last few years, the District has struggled with recruitment and retention. Under the current administration, the District recognizes that providing competitive salaries and benefits to attract and retain high-quality staff is a tool for addressing recruitment and retention overall. A diagnostic of the District from the Spring of 2019 found that average teacher salaries in the District are comparatively close to most local districts, except for teachers with between 5 and 10 years of experience.

The District currently has three unions¹:

- **Act 93:** This group includes employees that are generally categorized as Administrators. Positions included within this union include Principals and Supervisors as well as selected positions in the District's Administrative offices including Human Resources and Business Services. The District currently has a one-year contract in place with the Act 93 employees which expires on June 30, 2021.
- **American Federation of State, County and Municipal Employees (AFSCME):** This includes clerical, maintenance, and custodial positions, as well as staff who work in the District's Food Service department. The most recent contract with AFSCME employees was from July 1, 2016 through June 30, 2019 and has expired.
- **Harrisburg Education Association (HEA):** This union includes the majority of the instructional positions in the District and is the District's largest union. Positions included are certificated professional employees as well as health service professionals, vocational and technical teachers. The District currently has a one-year contract in place with the HEA employees which expires on June 30, 2021.

The baseline financial projection for this Recovery Plan includes no salary increases for existing staff above the amounts in the 2020-21 final budget. While the District faces annual deficits and uncertainty due to the impact of coronavirus and its associated economic effects, it is important as part of the Recovery Plan to find ways to support improved compensation for employees over the next five years. Although the District is scheduled to receive additional federal supports through ESSER II and III, these are one-time funds that will not be available for the District to use throughout the duration of this Recovery Plan. As a result, the District will need to exercise extreme caution and restraint to not create reoccurring cost burdens on the District when developing the ESSER plan, including any elements related to workforce costs. The District is currently determining how to spend ESSER II and III which will be addressed in a separate written plan developed by the District's administrative team, subject to approval by the Receiver. The initiatives in this chapter are intended to create a framework for the District to identify cost savings in order to provide sustainable increases in salaries and to control projected growth in benefit costs.

Key Finding 1: Salary and benefit costs for District employees comprise more than half of spending in the District's 2020-21 budget.

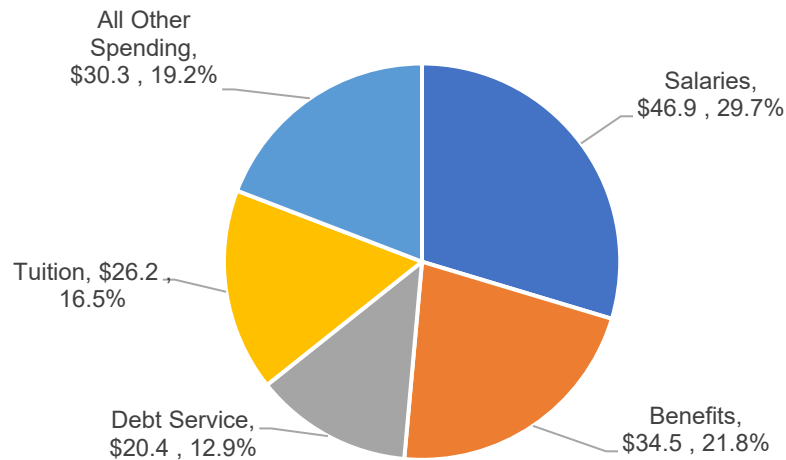
In the Harrisburg School District, salaries and benefits for the District's employees comprise 51.4 percent of the \$158.2 million in total expenditures in the District's 2020-21 budget used in the baseline projection.²

¹ Act 93 is technically a meet and discuss group, but it is included as a union for purposes of this Plan.

² Costs also includes salaries and benefits for an undetermined number of vacancies.

Tuition, which includes charter tuition, tuition to other LEAs, community colleges, and vo-tech schools is another 16.5 percent of the District’s budget. Debt service is a further 12.9 percent of the total budget and is largely inflexible. The pie chart below shows the composition of the District’s 2020-21 budget according to its major categories, highlighting that salaries and benefits, tuition and debt service comprise over 80 percent of the District’s annual spending.

Harrisburg School District 2020-21 Budget ^{3 4}
(in \$ millions)



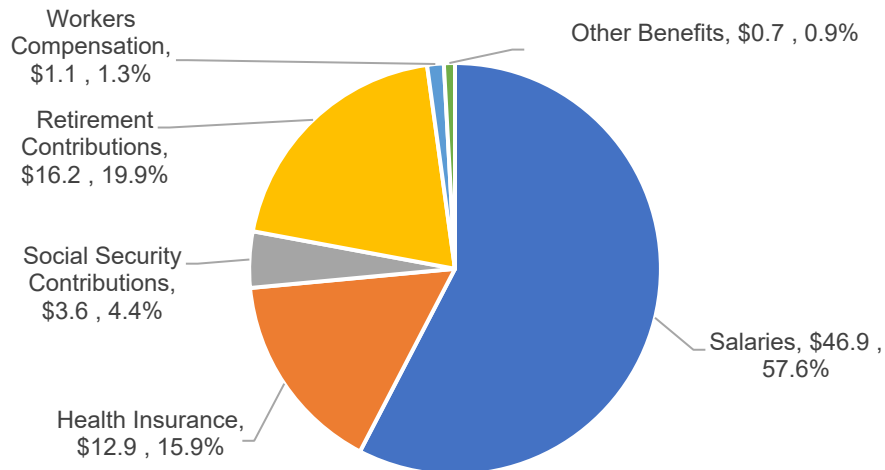
The District’s total 2020-21 budget for personnel, which includes all salaries and benefits, is approximately \$81.4 million. The chart on the following page shows the different components of this budget. Within the total personnel category, salaries account for 57.6 percent. The next greatest categories of spending are retirement contributions, or PSERS (which is partially offset by reimbursement from the Commonwealth) and health insurance. The District also contributes to Social Security on behalf of employees and pays costs for workers compensation and other benefits.⁵

³ The debt service figure shown does not reflect the new restructured debt which occurred during the 2020-21 school year.

⁴ Based on 2021-21 budget data from District.

⁵ Other benefits include tuition reimbursement, unemployment, and life insurance.

Harrisburg School District 2020-21 Total Compensation ⁶
(in \$ millions)



Key Finding 2: The Harrisburg School District's benefit costs have grown faster than total revenues from 2013-14 through 2019-20.

Between 2013-14 and 2019-20, the District's spending on total salaries and benefits has increased by approximately \$15.1 million, with two thirds of the growth - almost 10 million - coming from benefits. The table below shows the District's personnel costs from 2013-14 to 2020-21. Information from 2013-14 to 2019-20 is based on the District's audited financial statements and the 2020-21 numbers are based on the District's final adopted budget.

HSD Total Personnel Costs ^{7 8}
(in \$ millions)

Budget Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget
Salaries	\$40.3	\$42.1	\$43.2	\$46.9	\$49.5	\$46.0	\$45.4	\$46.9
Benefits	\$21.3	\$23.7	\$29.3	\$30.7	\$34.5	\$35.4	\$31.2	\$34.5
Subtotal	\$61.5	\$65.8	\$72.5	\$77.6	\$84.0	\$81.4	\$76.6	\$81.4

Annual Growth

Salaries	(6.0%)	4.6%	2.7%	8.4%	5.6%	(7.1%)	(1.3%)	3.3%
Benefits	(10.1%)	11.6%	23.3%	4.9%	12.3%	2.6%	(11.7%)	10.4%
Subtotal	(7.4%)	7.0%	10.1%	7.0%	8.2%	(3.1%)	(5.8%)	6.2%

Over the period from 2013-14 to 2019-20 (the most recent year for which an independent audit is available), the District's total personnel costs grew at a compound annual growth rate of 3.7 percent per year. However, the growth was not consistent among all personnel cost categories. Total District salaries

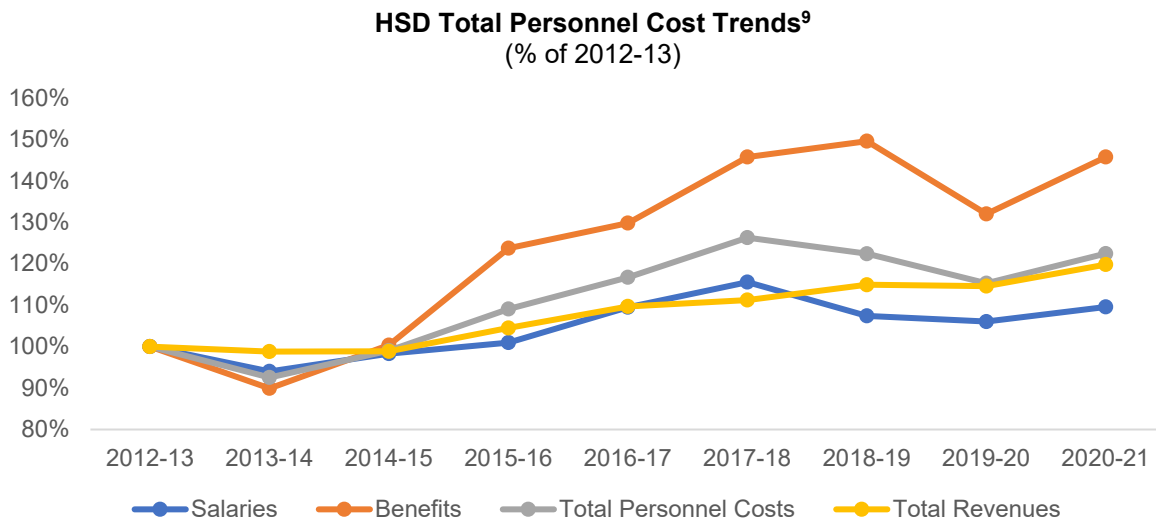
⁶ Based on 2021-21 budget data from District.

⁷ This table includes the total amount spent for PSERS and Social Security absent the reimbursement from the Commonwealth.

⁸ 2013-14 to 2019-20 is based on independent audit data and 2021-21 budget data was provided by the District in July 2020.

during that period grew by 2.0 percent while benefits grew by 6.6 percent compounded. In one of the years alone, 2015-16, total benefit costs grew by 23.3 percent. The total 2020-21 budgeted amount for personnel is equal to the 2018-19 results, although salaries have grown, and benefits decreased. The change in salaries between 2018-19 and 2020-21 is largely due to the salary increases negotiated as part of the Act 93 and HEA agreements and does not reflect significant additions of positions.

The graph on the following page shows the District’s total personnel cost trends for the period 2012-13 through 2020-21. The chart shows the percentage change in salaries, benefits, and total personnel costs for each year relative to 2012-13. The District’s growth in total revenues for the same period is included for comparison to show the total amount of revenues that need to be distributed among all categories, not just salaries and benefits. As shown in the chart, the District’s benefits costs have outpaced total revenues since 2014-15.



Key Finding 3: Most of the increase in Harrisburg School District’s total benefits expenditures was due to increases in health care costs and PSERS.

After accounting for state reimbursements for social security and PSERS, the net cost of benefits for the Harrisburg School District increased from \$18.7 million in 2012-13 to \$22.6 million in 2018-19. Most of the District’s growth in total benefits is due to increases in healthcare and PSERS contributions – during this period health care costs grew by \$2.3 million while net PSERS contributions grew by almost \$2.2 million. Reductions in other benefit areas, such as workers compensation, offset some of these costs.

Total benefits expenditures decreased by \$4.2 million between 2018-19 and 2019-20, largely as a result of decreased expenditures on health care. This reduction is believed to be the result of unfilled positions as well as a reduced health care use due to the pandemic.

The table on the following page shows the historic trends in benefits costs based on data from the District’s independent audits and financial data.

⁹ Data for 2014-15 to 2019-20 is based on independent audit data and 2021-21 budget data was provided by the District in July 2020.

HSD Net Benefits Costs ¹⁰
(in \$ millions)

Budget Category	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget
Healthcare	\$12.6	\$10.4	\$10.8	\$13.4	\$11.8	\$13.2	\$14.9	\$11.1	\$12.9
Net PSERS	\$2.1	\$2.1	\$2.9	\$4.1	\$4.2	\$4.9	\$4.3	\$4.5	\$4.9
Net Social Security	\$1.4	\$1.3	\$1.4	\$1.4	\$1.4	\$1.5	\$1.6	\$1.4	\$1.8
Workers Compensation	\$1.6	\$1.2	\$0.7	\$0.7	\$0.8	\$0.9	\$1.0	\$0.7	\$1.1
Other Benefits	\$0.8	\$0.3	\$0.4	\$0.4	\$0.6	\$0.5	\$0.8	\$0.7	\$0.6
Total	\$18.7	\$15.5	\$16.3	\$20.1	\$19.0	\$21.1	\$22.6	\$18.4	\$21.4

All school districts in Pennsylvania pay an annual required mandatory contribution rate for PSERS, the retirement system for Pennsylvania school employees. District contribution rates for PSERS have grown significantly in recent years, and the estimated contribution for 2020-21 is 34.51 percent of each employee's salary. To help offset these costs, districts also receive reimbursement from the Commonwealth. In the 2020-21 budget, the District's net local share of PSERS costs after reimbursement was 30.0 percent of the total amount.

Based on actual spending between 2012-13 and 2018-19, health care grew by a compound annual growth rate of 2.8 percent each year, while net PSERS costs grew by a compound annual growth rate of 12.2 percent. Total spending on benefits in the District's 2020-21 budget is higher than 2019-20, but still lower than 2018-19. Most of the difference is due to changes the District has made in managing its health care program, including eliminating the health insurance opt-out and partnering with a new third-party administrator (TPA) to assist the District in its health care coverage.

Benefits Overview

The Harrisburg School District offers a self-insured Preferred Provider Organization (PPO) health plan to all employees. Employees contribute a fixed dollar amount for medical and prescription coverage as well as dental and vision. The District covers approximately 800 current and retired employees through its plans. Approximately 45.5 percent of the District's employees are enrolled in a single coverage plan, 21.5 percent are enrolled in two-party coverage, and 33.0 percent are enrolled in a family coverage plan.¹¹

Of the District's three collective bargaining units, the District has current one-year contracts with its teachers and administrators which included negotiated changes to the health care program that expire on June 30, 2021. Employees within each of these groups can select from a higher cost PPO program or lower cost (high deductible) PPO program. Employees who select the higher cost PPO program pay 11.0 percent of the total premium coverage, while those in the high-deductible program pay 5.0 percent of the total premium coverage. The District also charges an additional spousal surcharge in both programs equivalent to 15.0 percent of the additional premium; that amount is not reflected in the chart on the following page.

¹⁰ PSERS and Social Security costs are shown net of the reimbursement received from the Commonwealth.

¹¹ Information provided by the District as of August 2020.

HSD Act 93 and HEA Medical and Prescription Monthly Premium Rates 2020-21

	Employee	Employer	Employee	Employer
	(\$ Amount)	(\$ Amount)	(% of Premium)	(% of Premium)
Teachers and Administrators - High Plan				
Employee Only	\$84.44	\$683.24	11.0%	89.0%
Two Party	\$176.45	\$1,427.66	11.0%	89.0%
Family	\$242.36	\$1,960.91	11.0%	89.0%
Teachers and Administrators - Low Plan				
Employee Only	\$36.51	\$730.13	5.0%	95.0%
Two Party	\$76.30	\$1,525.95	5.0%	95.0%
Family	\$104.77	\$2,095.43	5.0%	95.0%

Employees in the AFSCME union have a contract that expired in June 2019 and health care coverage for all employees remains as outlined in the existing agreement. AFSCME employees have the option of selecting from a PPO High, PPO Mid, or PPO Value plan. For each level of coverage, the employee contributes a percentage of their basic wage toward the cost of the premium as well as an additional percentage if there is a spousal surcharge. For all plans, premium deductions are made from the employee's bi-weekly pay.

HSD AFSCME Medical and Prescription Premiums

	PPO High	PPO Mid	PPO Value
Employee Only	2.5%	1.5%	1.0%
Spousal Surcharge	2.5%	2.0%	2.0%

Because the baseline multi-year financial projection for the District shows annual negative budget results, the initiatives in this Plan are designed to help increase revenues, control costs, and preserve the District's existing fund balance. The goal is for the initiatives in this chapter is to create resources to offset a portion of possible salary increases for District employees. The initiatives outline a way for the District to offer increased salaries and stable benefits to staff while continuing to preserve the District's long-term financial stability. Additionally, responsibilities assigned to a specific individual or title should be understood to fall to the person occupying that position in the future.

Initiatives

WF01	Offer affordable salary increases to staff
Deadline: Ongoing for duration of Recovery Plan	
Evaluation Measure:	Projected future deficits after salary and benefit changes
Responsible Parties:	Receiver, Superintendent, and Director of Business Services

The Harrisburg School District recognizes that its staff are one of its most critical assets and a key element of the District operating as a high-performing district. However, the District continues to face annual deficits as shown in the baseline projection, so any increases to salaries need to be offset with revenue enhancements and expenditure reductions or controls.

The following table shows the projected salary growth in the baseline projection, which does not include any additional salary increases. Under the baseline scenario, the primary factors causing adjustments in the District's total salary spending are the addition of District positions transitioning back from the Montgomery County Intermediate Unit (MCIU) at the end of the contract, the elimination of salaries paid by the 21st Century Grant when it ends in 2024-25, and an adjustment for staffing levels based on increasing charter enrollment.¹² During the plan period, the new leadership salaries should be largely offset by reductions in the MCIU contract, and grant-funded salaries are not projected to be replaced.

HSD Baseline Projection Salaries

		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Act 93	District Act 93 Salaries	\$4,744,580	\$4,744,580	\$4,744,580	\$4,744,580	\$4,744,580	\$4,744,580
	Leadership Transition Salaries	\$0	\$180,000	\$1,075,000	\$1,075,000	\$1,075,000	\$1,075,000
AFSCME	District AFSCME Salaries	\$6,992,225	\$6,992,225	\$6,992,225	\$6,992,225	\$6,992,225	\$6,992,225
	21st Century Grant Salaries	\$60,910	\$60,910	\$60,910	\$60,910	\$0	\$0
	Enrollment Adjustment	\$0	\$0	(\$22,300)	(\$22,300)	(\$44,600)	(\$44,600)
HEA	District HEA Salaries	\$34,929,550	\$34,929,550	\$34,929,550	\$34,929,550	\$34,929,550	\$34,929,550
	21st Century Grant Salaries	\$191,920	\$191,920	\$191,920	\$191,920	\$0	\$0
	Enrollment Adjustment	\$0	(\$169,000)	(\$388,000)	(\$548,000)	(\$717,000)	(\$936,000)
Total		\$46,919,185	\$46,930,185	\$47,583,885	\$47,423,885	\$46,979,755	\$46,760,755

In order to attract and retain a highly qualified workforce, while setting wage growth at affordable levels, this initiative shows the effect of a 1.5 percent across-the-board annual salary increase for all bargaining units based on the District's current salary schedules for all three groups: Act 93, HEA, and AFSCME.^{13,14}

The table on the following page shows the annual financial impact of the 1.5 percent salary increase by bargaining group. The 1.5 percent is based on the salary amounts in the District's 2020-21 budget, which assumes no vacancies. Annual percentages also consider the transition of MCIU positions back to the District at the end of the contract, adjustment of District personnel due to projected increases in charter

¹² The District's 2020-21 budget assumes the filling of all positions. The baseline projection assumes an increase in charter enrollment during the Plan period due to the opening of a new charter school and based on historic trends but does not assume any reenrollment of District students. Due to the increase in projected charter enrollment, the baseline projection assumes reductions in staffing levels. Any decisions on staffing levels adjustments will be made by the Receiver.

¹³ The District also has staff that are non-represented.

¹⁴ Act 93 is technically a meet and discuss group, but it is included as a union for purposes of this Plan.

enrollment, and the elimination of positions due to the termination of the 21st Century Grant in 2024-25.¹⁵

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HSD 1.5 Percent Annual Salary Increase Impact ¹⁷

		2021-22	2022-23	2023-24	2024-25	2025-26
Act 93	District Act 93 Salaries	\$71,169	\$143,405	\$216,725	\$291,144	\$366,680
	Leadership Transition Salaries	\$0	\$16,125	\$32,492	\$49,104	\$65,966
AFSCME	District AFSCME Salaries	\$104,883	\$211,340	\$319,393	\$429,068	\$540,387
	21st Century Grant Salaries	\$914	\$1,841	\$2,782	\$0	\$0
	Enrollment Adjustment ¹⁸	\$0	(\$674)	(\$1,019)	(\$2,737)	(\$3,447)
HEA	District HEA Salaries	\$523,943	\$1,055,746	\$1,595,525	\$2,143,401	\$2,699,495
	21st Century Grant Salaries	\$2,879	\$5,801	\$8,767	\$0	\$0
	Enrollment Adjustment	(\$2,535)	(\$11,727)	(\$25,032)	(\$43,998)	(\$72,338)
Total		\$701,253	\$1,421,856	\$2,149,634	\$2,865,983	\$3,596,744

The totals above are the maximum the District is allocated in each year by this Recovery Plan. While the baseline may change over time due to fluctuations in the number of positions, the total overall annual dollar increase in costs will not exceed the numbers shown for each bargaining group in the table above. Any additional positions added by the District would have to be accommodated within and included in these maximums. At the discretion of the Receiver and in consultation with the bargaining units, a portion of these allowable increases could be allocated to other pay options, such as step and column movement, but the amount shown is the maximum available annually.

The District may also elect to use ESSER funds to offer additional increases for bargaining unit members in select positions that are determined to not currently be offered at market competitive wages at the determination of the Receiver and in compliance with all federal guidelines regarding the use of ESSER II and III funds. If the District elects this option, it will be documented in the forthcoming ESSER 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 reserves 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

¹⁵ This scenario assumes the termination of the current contract with the Montgomery County Intermediate Unit at the end of the 2021-22 school year. The Superintendent position is included in the MCIU contract and is expected to be filled in the 2021-22 school year so the salary is included in the baseline starting in 2021-22. At the time of the Recovery Plan, the District expects to hire the Superintendent in advance of the 2021-22 school year, so the Superintendent salary is included in the baseline starting in 2021-22. If the MCIU contract is extended, these numbers would need to be adjusted accordingly.

¹⁶ The District's 2020-21 budget assumes the filling of all positions. The impact assumes an increase in charter enrollment during the Plan period due to the opening of a new charter school and based on historic trends but does not assume any reenrollment of District students. Due to the increase in projected charter enrollment, the baseline projection assumes reductions in staffing levels. Any decisions on staffing levels adjustments will be made by the Receiver.

¹⁷ The negative values indicate savings from the baseline assumption of reduction in staffing levels taking into account the increase to salaries of 1.5 percent each year.

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 duration of Recovery Plan	Receiver, Superintendent, and Director of Business Services

WF02	Reduce future growth in healthcare costs	
	Deadline: Identify opportunities to reduce growth in health care costs (ongoing for duration of Recovery Plan); undergo a healthcare eligibility audit every three years (June 2023)	
	Evaluation Measure:	Savings generated (health care spending compared to baseline projection)
	Responsible Parties:	Receiver, Superintendent, Director of Business Services

As noted in the analysis at the beginning of this chapter, the District’s health care costs have seen significant variation from year to year due to improper oversight and a lack of a position control file to help the District accurately project costs or changes to headcount. As a result, as noted in the Wessel & Company forensic audit, terminated employees continued to receive health insurance coverage from the District. The baseline projection of this Recovery Plan assumes a rate of 7.0 percent annual growth in health care costs based on national trends and information provided by the District’s health benefits consultant, Gallagher Benefits Services, Inc. and noted in the proposals included as **Appendix I**.¹⁹ In order to achieve financial sustainability and to use funds toward other District objectives, including potentially enhanced salaries, this Recovery Plan requires the District to undertake changes to limit future health care cost growth to no more than 6.0 percent annually.

Under the new administration, the District has already taken initial steps to control the growth of health care costs by following the recommendations of their health benefits consultant, including increasing the employee share of premiums and spousal surcharge and the elimination of the health insurance opt-out (where the District paid employees who elected not to use the District’s health care program). In order to continue to control costs and stay within the mandate of this Recovery Plan initiative to keep future health care spending growth to 6.0 percent per year or less, the District will consider recommendations from their health benefits consultant and can select from a variety of options including the following:

Plan Design changes

- **Educate and transition employees to the existing lower cost plan:** As mentioned earlier in this chapter, the District currently offers two PPO plans to its Act 93 and HEA employees including a higher cost plan and a lower cost plan. For Act 93 employees, the lower cost plan also comes with the option of participating in a Flexible Spending Account (FSA) program. The primary difference in the programs is that the FSA program has a higher annual deductible which can be offset based on the employee and employer contributions to the FSA account; there are no significant changes in the coverage. FSA programs allow for pre-tax contributions to assist with out-of-pocket health care costs. The District will educate employees on the relative terms of both plans.

¹⁹ This rate is below the historical growth of health care in the District from 2014-15 through 2018-19. As mentioned elsewhere in the chapter, District expenditures on health care declined in 2019-20, but the District expects a return to health care expenditures that align more closely with national averages in the future.

- **Implement wellness program:** Prior collective bargaining agreements for HEA and Act 93 offered a reduction in employee plan contributions for providing evidence of participation in a wellness program and appropriate documentation. In the District’s current one-year agreements with HEA and Act 93 for the 2020-21 school year, the premium discount was removed. The current expired AFSCME agreement also references the wellness program as well. The District plans to design a new wellness program for the District but it is not ready for implementation as of the date of this Recovery Plan.
- **Limit or eliminate coverage for working spouses:** Currently, working spouses of District employees can elect coverage under the District’s health care plan, although their current place of employment may also offer health insurance coverage. The District can consider requiring that spouses of employees select coverage through their place of employment if health care coverage is offered there.

Administrative controls

- **Dependent and retiree eligibility audits:** The Wessel & Company forensic audit from 2019 noted that the District had continued to pay health care benefits for terminated employees, costing the District more than \$800,000. Under the current administration, the District has improved its claims management, and the District will undergo a healthcare eligibility audit every three years to ensure that all individuals receiving benefits are eligible for coverage with the District and have appropriate documentation.
- **Third-party medical claims audit:** The District may decide to review its medical claims periodically to ensure there are not duplicate charges or overpayments, as well as reviewing billing or reimbursement errors.

This list is not intended to be exhaustive and the District may consider options not listed here in order to control health care cost growth at no more than 6.0 percent per year in partnership with their health benefits consultant. In the table below, the financial impact is shown for limiting the District’s annual health care growth to 6.0 percent compared to the baseline assumption. The baseline projection and associated projected savings are based on the District’s 2020-21 budget which assumes all vacant positions are filled. While the baseline may change over time due to fluctuations in the number of positions, any savings from a changing number of positions will not be considered to be available for additional increases beyond what is outlined in this Recovery Plan. If the District is able to achieve savings from health care adjustments beyond the financial impact shown below, those savings will be redirected to the District as part of the General Fund balance. The District will work with its collective bargaining units and in accordance with the recommendations from their health benefits consultant to develop and implement healthcare cost savings designed to reach the Recovery Plan target.

5-Year Financial Impact

	2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
Reduce Growth to 6.0 Percent						
Healthcare Growth Rate	6.0%	6.0%	6.0%	6.0%	6.0%	—
Financial Impact	(\$123,074)	(\$261,218)	(\$416,002)	(\$586,969)	(\$775,992)	(\$2,163,255)

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will implement healthcare cost savings changes designed to reach the Recovery Plan target annually	Effective for duration of Recovery Plan	Receiver, Superintendent, and Director of Business Services
The District will undergo a health care eligibility audit every three years at a minimum	June 2023; ongoing every three years	Director of Business Services

WF03	Review and control workers compensation costs	
Deadline: July 2022		
	Evaluation Measure:	Decreased expenditures on workers compensation
	Responsible Parties:	Superintendent and Director of Business Services

The District provides workers' compensation to District employees that are injured as a result of their employment. Compensation can include wage replacement as well as covering the medical costs of the employee.

The District has seen increasing expenditures on workers compensation in recent years, as shown in the table below. Total costs have increased by a compound annual growth rate of 10.6 percent between 2015-16 and 2018-19. In 2019-20, the District's total workers' compensation costs returned to 2015-16 levels, as many facilities were left empty for a portion of the year due to the pandemic. For its 2020-21 budget, however, the District estimated workers' compensation expenditures at slightly less than \$1.1 million, which is the highest amount over the past five years.

HSD Workers' Compensation Costs 2015-16 through 2020-21 ²⁰

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	CAGR
	Actual	Actual	Actual	Actual	Actual	Budget	3-Year
Workers Compensation	\$735,443	\$793,690	\$870,625	\$994,520	748,881	\$1,060,000	10.6%

Traditionally, workers' compensation costs are based on the number of employees as well as the cost and number of prior claims, in addition to any costs for the vendor that are included in the contract. Part of the contract includes an experience modifier, which compares the organization's prior claims to the average claims of other employers in the same business. The modifier is typically based on a three-year window and each year a new year of experience is added and the oldest year drops off.

The District is already taking steps to reduce its expenditures through improved oversight and vendor management. It implemented a Workplace Safety Committee which led the District to receive a discount of approximately \$30,000 on its workers compensation policy in 2020-21. In April 2021 the District determined that it will be self-insured program for workers' compensation claims and entered into a three-year agreement with a new third-party administrator, PMA Management Corporation, as well as new legal counsel to assist the District on workers' compensation claims.

²⁰ Data for 2015-16 to 2019-20 is based on independent audit data and 2021-21 budget data was provided by the District in July 2020.

As the District improves its oversight and claims management of the workers compensation program, it should also explore opportunities to reduce workers' compensation claims by providing better return to work options (such as light duty transitional jobs), education of staff, and making necessary safety improvements.

In addition, the District may want to take the following actions:

- **Ensure “light-duty’ transitional jobs for employees returning to work:** Employees may return to work when cleared by a medical professional but may still require additional restrictions. In order to facilitate the transition back to work, the District needs to have options for employees that do not require physical exertion. The goal should be to have injured employees back at work within 30 days when possible.
- **Create a culture of safety:** All staff should be educated around their rights regarding workers' compensation. In addition, providing education and training around best practices may help to reduce the number of accidents and injuries. In collaboration with the Workplace Safety Committee, the District may wish to focus education and training efforts on locations and job classifications that have had higher-than-average numbers of claims in recent years.
- **Claims Management:** Working with their third-party administrator the District should implement a quarterly workers' compensation claims review. This would include action plans and timelines for managing existing claims as well as reviewing older claims. Among many options, the review group should consider cases where permanently settling claims is the best option for all parties.
- **Establish a self-insurance fund for workers' compensation:** As the District transitions to a self-funded insurance program, the District will create and annually contribute to a self-insurance fund to help the District respond to any unexpected future costs and reduce potential financial risks that may exist in a self-insured model.

The financial impact shown on the following page assumes workers' compensation fund transfers stay at the level in the 2020-21 budget throughout the projection window and assumes a five percent reduction in current workers compensation spending throughout the projection period. Certain changes in workers' compensation policies and benefits may need to be addressed during collective bargaining negotiations.

5-Year Financial Impact

	2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
Reduce Workers' Compensation costs	(\$53,000)	(\$53,000)	(\$53,000)	(\$53,000)	(\$53,000)	(\$265,000)
Self-Insurance Fund Transfer	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Total	\$197,000	\$197,000	\$197,000	\$197,000	\$197,000	\$985,000

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will implement workers' compensation savings changes designed to meet or exceed the Recovery Plan target	July 2022; ongoing annually	Superintendent and Director of Business Services

WF04	Monitor and reduce overtime costs	
Deadline: Ongoing		
	Evaluation Measure:	Savings generated
	Responsible Parties:	Superintendent and Director of Business Services

The District's 2020-21 budget shows a significant reduction in the amount spent on overtime and non-salary compensation over prior years. Between 2014-15 and 2018-19, total overtime paid by the District to staff increased by 40.0 percent, while other forms of non-salary compensation, including the sick reimbursement and the health insurance opt-out payment stayed flat or declined. However, in 2019-20, the District began to implement new time management policies to curb overtime and sick reimbursement which resulted in a decrease in overtime expenditures by 63.3 percent over 2018-19 levels.

HSD Overtime and Non-Salary Compensation 2014-15 to 2020-21 ²¹
(in \$ millions)

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Actual	Actual	Actual	Actual	Budget
Overtime	\$1.6	\$1.9	\$2.4	\$1.9	\$2.3	\$0.8	\$0.7
Sick Reimbursement	\$0.2	\$0.1	\$0.2	\$0.0	\$0.2	\$0.2	\$0.0
Health Insurance Opt-Out	\$0.6	\$0.3	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$2.4	\$2.3	\$2.9	\$2.0	\$2.5	\$1.0	\$0.7

As shown in the table above, the District has significantly decreased the amount it is spending on overtime. The District's 2020-21 budget calls for approximately \$700,000 for in overtime costs and has eliminated sick reimbursement and the health insurance opt-out. This represents a 69.8 percent reduction in overtime alone over 2018-19 levels.

The reduction in overtime spending has helped the District to decrease overtime and non-salary compensation as a percentage of total salaries. As shown in the table on the following page, between 2014-15 and 2018-19, the District decreased the percentage of spending on these items from 5.7 percent to 5.3 percent, largely due to the elimination of the health insurance opt-out payment to staff. Under the new administration, the District has been able to reduce the total amount of overtime and non-salary compensation as a percentage of total salaries to 2.2 percent of 2019-20 salaries and 1.5 percent in the 2020-21 budget.

²¹ Data for 2014-15 to 2019-20 is based on independent audit data and 2021-21 budget data was provided by the District in July 2020.

HSD Overtime and Non-Salary Compensation, Relative to Total District Salaries 2014-15 to 2020-21²²
(in \$ millions)

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Actual	Actual	Actual	Actual	Budget
Overtime and Non-Salary Compensation	\$2.4	\$2.3	\$2.9	\$2.0	\$2.5	\$1.0	\$0.7
Total Salaries	\$42.1	\$43.2	\$46.9	\$49.5	\$46.0	\$45.4	\$46.9
Overtime and Non-Salary Compensation as % of Salaries	5.7%	5.3%	6.2%	4.0%	5.3%	2.2%	1.5%

The District has been able to decrease overtime costs largely through improved oversight and management by District leadership and the Office of Business Services, as well as the effect of the pandemic. The District will continue to monitor the use of overtime for all staff and continue to require supervisory approval in advance for the use of staff overtime. The financial impact below assumes the District can reduce overtime to \$500,000 annually.

5-Year Financial Impact

2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
(\$201,751)	(\$212,277)	(\$222,961)	(\$233,806)	(\$244,813)	(\$1,115,607)

As mentioned in **WF01**, as unadjusted overtime is included in the estimates for salary increases for District staff, failure to control these costs will limit the amount available for annual increases.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
District will continue to monitor the costs of overtime	Ongoing	Director of Business Services

WF05	Contribute to health care reserves	
Deadline: Transfer funds from the District's General Fund to the health insurance internal service fund each year (June 2022; ongoing annually)		
	Evaluation Measure:	Increased health insurance reserves
	Responsible Parties:	Director of Business Services

²² Data for 2014-15 to 2019-20 is based on independent audit data and 2021-21 budget data was provided by the District in July 2020.

The Harrisburg School District operates a self-insured medical and prescription drug program, meaning that the employer pays for each claim as it is filed rather than paying a fixed premium to an insurance carrier. Self-insured plans can help districts to customize their plans to meet specific employee needs, improve cash flow, and maintain control over any reserves, including interest income that may be generated by the account. However, self-insured plans are also vulnerable to risk, particularly if there are catastrophic claims. Most districts purchase “stop-loss” insurance coverage to protect against this possibility.

In November 2019, District noted that there were no reserves in its health insurance fund and that the reserve should be at least two months of the average monthly expenditures.²³ The District took steps to establish an internal service fund for health care and authorized the transfer of \$250,000 toward that fund. In 2019-20, the District transferred an additional \$750,000 to the fund, increasing the total healthcare reserve to \$1 million.²⁴

In order to further build its reserves to reach the target of \$2.4 million, the District will make an annual transfer of \$250,000 from the General Fund to the health care internal service fund. The five-year impact of those transfers is shown below.

5-Year Financial Impact

2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative Impact
\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will make an annual transfer from the General Fund to the health insurance service fund to build reserves	June 30, 2022; ongoing annually	Director of Business Services

WF06	Evaluate all staff positions	
	Deadline: Ongoing	
	Evaluation Measure:	Completion of evaluation
	Responsible Parties:	Receiver, Superintendent, and Director of Human Resources

For many years, the District did not have a properly functioning position control system that could account for all current positions and vacancies, which resulted in an inability to manage staffing levels, health care overpayments and furloughs of staff. The District currently has a position control system in place that it is required to monitor and maintain according to the terms of this Recovery Plan (**OP06**), and the District's 2020-21 budget included a full accounting of every position in the District. These are significant improvements.

²³ In November 2019, the District's presentation noted that the reserve should be \$2.4 million.

²⁴ The District's total healthcare reserve is noted in the 2019-20 audit. The District's healthcare reserve is categorized under the assigned portion of the District's total fund balance.

In order to continue to build on these successes and improve the District's overall efficiency, the District will undertake the following steps to evaluate and make decisions regarding its current and future:

- As positions are vacated due to retirements or other departures, the District will evaluate whether those functions can be performed by other individuals while remaining in compliance with all current collective bargaining agreements.
- The District will review positions that have been vacant for over one year to determine whether those positions are still necessary. The District should consider whether those positions can be eliminated, contracted out, or whether alternative recruitment strategies need to be employed; and
- As part of the facility utilization study (**FM03**), the District will regularly review the impact on overall staffing changes to the instructional program, building usage, or other factors which may impact total class size or staffing ratios as well as non-instructional positions and administrative staffing ratios.

The District's 2020-21 final budget projects the filling of all vacancies; therefore, at this time there is no financial impact associated with this initiative.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will regularly evaluate its current positions to identify organizational improvements and efficiencies, and maintain its position control system to support personnel decisions	Ongoing	Receiver, Superintendent, and Director of Human Resources

WF07	Explore managed competition for cafeteria and custodial functions	
	Deadline: Ongoing	
	Evaluation Measure:	Completion of evaluation
	Responsible Parties:	Superintendent and Director of Business Services

Currently, the District operates with a blended system, where custodial and cafeteria functions are provided by a mix of District staff (who are included in the AFSCME union) and contracted employees. According to the current system as prescribed in the District's 2013 Recovery Plan, and included in the AFSCME contract, contracted management companies may hire staff to replace food service and custodial services staff on an attrition basis.

As the District evaluates its current contracts, it may choose to implement a process of managed competition in its bidding process. Managed competition allows government employees to bid on these contracts based on price and quality of service.

Public sector employees, when given the opportunity and incentive to compete, can effectively do so. District employees have several advantages, including a trained and experienced workforce and no need to factor a profit into their bid. Contrarily, there may be services where the private sector has a competitive advantage with regard to pricing and level of service. Implementing a managed competition process can help to award contracts based on an objective review of criteria, with the goal of providing the best service at best cost for the District.

If the District decides to implement managed competition for these services, it will need to explicitly state the criteria under which bids will be evaluated. For example, if the evaluation is solely based on financial savings, the District would need to submit a proposal that matched or exceeded the savings proposed by any private vendors. However, the criteria could include factors other than cost at the District's discretion.

It can be difficult to project cost estimates on the impact of managed competition, so no financial estimates are included in this Plan.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District will consider whether to implement managed competition into its bidding process for custodial and/or cafeteria services	Ongoing	Superintendent and Director of Business Services

Related Initiatives

The District will also undertake the following efforts related to workforce initiatives as outlined in other chapters of this Recovery Plan.

- All meetings of the Staff Absenteeism Task Force will be held in accordance with processes described in collective bargaining agreements as mentioned in **AP02**.
- Any annual performance evaluations of staff will be conducted in accordance with the process laid out in the collective bargaining contracts. Any adjustments to the annual evaluations will be included in future collective bargaining agreements as described in **AP07**.
- As outlined in **FM08**, to ensure high-quality staff, all future labor agreements will include language allowing for cross-training and cross-assignment of staff in the Office of Business Services.
- As outlined in **OP07** to ensure high-quality staff, all future labor agreements will include language allowing for cross-training and cross-assignment of staff in the Office of Human Resources.
- The District will also document any changes to the Employee Handbook and School Operations Resource Guide in any future collective bargaining agreements as appropriate as described in **OP08**.
- The District will begin conducting exit interviews to analyze and document employees' experiences and effectively address areas of concern as described in **OP10**. If necessary, to facilitate this process, the District will consider including language to formalize the exit interview process in all future collective bargaining agreements.
- The District will continue the process of reviewing and updating position descriptions for all staff as outlined in **OP12**. Any appropriate changes or modifications should be noted in collective bargaining agreements.
- Any adjustments to the job descriptions for Food Service positions as described in **OP13** should also be included in any future collective bargaining agreements.

Appendix A

**Harrisburg City School District
Receiver
Advisory Committee**

Under the terms of Act 141, an Advisory Committee to the Receiver must be appointed, with certain ex officio appointments and others nominated by the School District and the Intermediate Unit. Members of the Advisory Committee for the Harrisburg School District are:

Dr. Janet Samuels, Receiver of Harrisburg School District

Dr. Sieta Achampong, Director of High Schools, Harrisburg School District

Chris Celmer, Acting Superintendent, Harrisburg School District

Melanie Cook, Lawyer

Dr. Marisol Craig, Director of Virtual Programming, Harrisburg School District

Beth Light, Special Education Advocate, Arc of Dauphin County

Dr. Latrice Mumin, Director of Accountability, Harrisburg School District

Judd Pittman, Board Member, Harrisburg School Board

Michele Rolko, President, Harrisburg Education Association

Dr. Andria Saia, Executive Director, Capital Area Intermediate Unit

Dr. Susan Sneath, Chief Academic Officer, Harrisburg School District

Dr. Lori Suski, Superintendent, Middletown Area School District

Doug Thompson Leader, Board Member, Harrisburg School Board

Timothy Wendling, Chief Executive Officer and Principal, Capital Area School for the Arts

Appendix B



Baseline Model Assumptions

The following is a description of the data sources and the assumptions used to develop the baseline budget projections for the Harrisburg School District.

The District provided PFM with their draft 2020-21 budget in May 2020 and updated final 2020-21 budget on July 9, 2020. The District completed their 2019-20 audit in April 2021 and provided item-level detailed actuals for the 2019-20 school year to PFM on May 6, 2021.

Note: There is some general uncertainty with the assumptions due to the impact of COVID-19.

General Notes

- Fund Balance
 - All fund balance assumptions are taken from District's independent audits.
 - The District's starting fund balance is \$20.2 million based on their 2019-20 ending fund balance. The fund balance does not include the nonspendable portion of the District's fund balance, which is approximately \$1.6 million.
 - The fund balance does include unassigned, assigned, and committed fund balance. As of the 2019-20 independent audit, the District has the following fund balance levels:
 - **Committed:** The District has \$0.5 million in committed fund balance for the District's athletics and band reserve.
 - **Assigned:** \$9.0 million of the District's fund balance is assigned, with \$7.0 million set aside for capital improvements, \$1.0 million for the District's healthcare reserve, and \$1.0 million for enrollment stabilization.
 - **Unassigned:** The District has over \$10.7 million in unassigned fund balance.
 - **Nonspendable:** The District has almost \$1.6 million in nonspendable fund balance.

Revenue Projections

- Local Sources
 - Current real estate taxes
 - Assessed value
 - Assessed value is expected to decrease over time. By 2025-26, the assessed value is expected to return to slightly above \$1.6 billion, the District's historical average from 2008-09 to 2020-21. This results in an annual decline of -0.1 percent in the District's assessed value.
 - The District currently has two outstanding real estate assessment appeals: Norfolk Railroad and ESL. The baseline projection does not account for the impact of either potential appeal.
 - Collection rate
 - A collection rate of 85.0 percent for current real estate tax collections is used for the 2020-21 year, which matches the District's assumption in their 2020-21 budget book.
 - The current real estate collection rate is projected to increase by 1 percent in 2021-22 to 86.0 percent, followed by annual increases of 0.5 percent to reach an 88.0 percent collection rate by 2025-26
 - Millage Rate
 - No increase to the Act 1 Index is assumed in the baseline.



- Delinquent real estate taxes
 - Projections assume that the District will collect 80 percent of their remaining levy after annual current collections. Delinquent taxes are adjusted accordingly.
- Act 511
 - For their 2020-21 budget, the District adjusted their Act 511 taxes to reflect the economic impacts of COVID. The District assumed a 10 percent reduction for all Act 511 taxes in 2020-21 over 2019-20 projections.
 - Earned income tax
 - The District estimated that earned income tax would drop to \$2.79 million in 2020-21.
 - Earned income taxes are projected to return to the District's historical 4-year average of \$3.9 million in 2021-22, or a 39.8 percent increase. In the following years, the District is expected to see a 5.7 percent in 2022-23, and then grow by inflation in and after 2023-24 to reflect a return to normal growth and economic activity in the region.
 - After 2023-24, earned income tax grows annually by inflation, based on CPI Headline Projections from the August 2020 report of the Survey of Professional Forecasters.
 - Occupation Taxes are increased to \$700,000 in 2021-22, then increased by \$30,000 annually or approximately 4.0 percent.
 - Local services taxes are expected to increase by \$15,000 annually or around 7.0 percent for two years, and then held flat.
 - Mercantile taxes are held flat through 2022-23, then grown by 1.0 percent annually based on an 8-year historical CAGR from 2011-12 to 2019-20.
 - Real estate transfer taxes are increased to \$650,000 in 2021-22, and then held flat.
 - Amusement taxes are held flat based at the 2020-21 budgeted amount throughout the projection.
 - Delinquent occupation taxes are increased by \$50,000 for two years to reflect recent collections, and returns to the 2020-21 budgeted amount of \$445,000 in 2023-24, and then held flat.
 - All other delinquent taxes are held flat at 2020-21 levels throughout the projection.
- Interest on Investment is decreasing in proportion to declining fund balance.
- Local contributions include grants secured by the District's grant writer. The contributions are lowered to \$500,000 in 2021-22 to reflect the economic impacts of COVID, and then, increased by \$100,000 annually to reflect a return to normal economy activity in the region.
- All other local sources were held flat in the projected years.
- State Sources
 - Basic Education Funding ("BEF") and Special Education Funding ("SEF")
 - Estimates for 2020-21 were based on the Department of Education's allocation from the Commonwealth's final 2020-21 budget and growth rates were adjusted for 2021-22 accordingly (3.1 percent for BEF, 4.4 percent for SEF).
 - After 2021-22, BEF and SEF estimates were calculated using the District's share of funding provided by the student-weighted funding formulae, and increases in funding amounts based on the 5-year CAGR for the total Statewide allocations:
 - BEF is projected to grow at approximately 3.0 percent after 2020-21
 - SEF is projected to grow at approximately 2.7 percent after 2020-21
 - Rental & Sinking Fund Payments ("PlanCon") revenues
 - PlanCon revenues are based on debt service schedule provided by PFM Financial Advisory in October 2020 and the difference after state reimbursement.



- The Transportation Subsidy is reduced by 25.0 percent in 2021-22 to reflect lower transportation costs in 2020-21 based on assumptions provided by the District, then returned to the 2020-21 budgeted amount and reflects the additional transportation costs for students attending PA STEAM in 2022-23. From 2023-24, the subsidy is projected to grow at 1.5 percent annually, which is half the rate of growth of transportation expenditures.
- The School Health and Safety Grant is a part of the CARES Act funding and is removed after 2020-21.
- Reimbursements for Social Security and PSERS
 - The reimbursement rate for Social Security is assumed to be 50.0 percent based on the District's calculations in the 2020-21 budget.
 - The reimbursement rate for PSERS is assumed to be 70.0 percent based on the District's calculations in the 2020-21 budget.
 - Reimbursement revenues for Social Security and PSERS contributions are based on changes in projected salaries and corresponding social security and PSERS expenditures.
- Miscellaneous state revenues, which includes smaller one-time grants, is reduced from \$1,275,000 to approximately \$1,000,000 in 2021-22 and then held flat.
- All other state sources were held flat in the projected years.
- Federal Sources
 - All Title funds are held flat in projected years.
 - A majority of the District's Title fund carryover is removed after 2020-21. Associated expenditures based on corresponding account codes are removed in 2020-21 once the revenue is removed.
 - The District is projected to maintain an annual amount of approximately \$1.1 million or 15 percent of their total Title I funds as carryover. The amount of carryover is subtracted from the District's Title I funds starting in 2021-22 to reflect the District's spending trends.
 - All SIG carryover is removed after 2020-21. Associated expenditures based on corresponding account codes are removed in 2020-21 once the revenue is removed.
 - The 21st Century grant is removed after 2023-24 as it is the final year of the cohort. Associated expenditures based on corresponding account codes are removed in 2020-21 once the revenue is removed.
 - The QSCB Subsidy is calculated based on the District's 2010 SPSBA bond in the detailed debt service schedule provided by PFM Financial Advisory in October 2020.
 - In the debt service schedule, the QSCB subsidy is included in the total cost of the 2010 SPSBA bond. Therefore, there may be slight differences between in the debt service schedule and the totals shown in the model.
 - All CARES Act (ESSER I) funding is treated as a one-time payment and removed after 2020-21.
 - The projections do not include ESSER II or ESSER III revenues or corresponding expenditures.
 - ACCESS funding is decreased to \$450,000 to reflect the District's historical average and held flat.
 - All remaining federal sources were held flat in the projected years.
- Other Sources
 - Fund Transfers are held flat.



Expenditure Projections

- Personnel
 - The District's budgeted 2020-21 salaries were used as the base year for the projections.
 - Salaries are held flat at 2020-21 levels in the projection and no increases are assumed.
 - The District's 2020-21 budget includes the full cost of filling all vacancies.
 - In 2021-22, the District is expected to fill the Superintendent position initially budgeted under their contract with the Montgomery County Intermediate Unit (MCIU). The Superintendent's salary and benefits are included in 2021-22 reflecting the District's progress in filling the position.
 - All other salaries and benefits for administrative positions currently employed through the District's contract with the Montgomery County Intermediate Unit (MCIU) are added to the District's budget in 2022-23, after the MCIU contract expires in June 2022.
 - The following assumptions were made about the salaries included in the MCIU contract:
 - Chief Academic Officer: \$150,000
 - 2 Program Directors: \$240,000
 - Superintendent: \$180,000
 - ACCESS Specialist: \$25,000
 - Staff/Payroll Accountant: \$60,000
 - Chief Financial Officer: \$150,000
 - Director of Human Resources: \$140,000
 - Director of Accountability: \$130,000
 - All salaries from the MCIU contract are expected to remain flat following 2022-23, to align with growth in Act 93 salaries.
 - Salaries previously funded by federal carryover are expected to transition to District salaries starting in 2021-22.
 - 21st Century salaries are removed after 2023-24.
 - Sick Reimbursement and Overtime change with projected growth in HEA and AFSCME salaries, as employees under Act 93 are not eligible for overtime.
- Employee Benefits
 - Health insurance costs grow at 7.0 percent, based on the trend factor suggested by the District's healthcare consultant, Gallagher Benefit Services, Inc.
 - Prescription costs are also grown at 7.0 percent, based on the trend factor suggested by the District's healthcare consultant, Gallagher Benefit Services, Inc.
 - Dental Insurance costs grow at 2.9 percent, based on the 2021 Segal Health Plan Cost Trend Survey.
 - Vision Insurance costs grow at 2.1 percent, based on the 2021 Segal Health Plan Cost Trend Survey.
 - Social Security expenditures change with projected salaries.
 - PSERS contribution rates increase at projected rates published by PSERS in December 2020, and with changes in projected salaries.
 - Workers' compensation is held flat at the District's 2020-21 budgeted amount.
 - Other benefits consist of life insurance, unemployment compensation and tuition reimbursement.
 - Life insurance is based on the 2020-21 budgeted number and projected to grow by inflation.
 - Tuition reimbursement is based on the 2020-21 budgeted number and grows based on inflation.
Unemployment compensation is projected to change based on projected salaries.
- Charter and Other Tuition Payments



- Charter school tuition rates were projected using the calculations in the preliminary 2020-21 PDE-363 form prepared in September 2020 by the District
 - The total expenditures and Ready to Learn Grant deduction were adjusted in the model by PFM to reflect correct budget figures, while other amounts were based on the most recent version of the PDE-363 form provided by the District.
 - Tuition rates for 2021-22 are based on the District's 2020-21 final budgeted expenditures and do not include proposed adjustments included in the adjusted baseline projection.
 - Tuition rates for the following years are based on projections, inclusive of any changes proposed to the baseline projection.
- Charter Enrollment
 - From July 2020 to March 2021, the District reported an average enrollment of 1,037 regular education students and 207 special education students in charter schools for a total of 1244 students.
 - The charter tuition for 2020-21 is adjusted to reflect the increased charter enrollment for the 2020-21 school year.
 - In 2020-21, the charter for a new brick and mortar charter in downtown Harrisburg, PA STEAM, was approved. The School is expected to open in 2021-22, starting with K-2 and adding one grade level and additional classes every year until reaching a maximum of 440 students.
 - It is expected that it will take PA STEAM 2 years to reach capacity for each grade level and 90 percent of its students are expected to be from the Harrisburg School District.
 - The number of classes and enrollment is based on the charter application submitted by PA STEAM according to the District.
 - Based on the above assumptions and the historic portion of regular and special education students at charters, charter enrollment for PA STEAM is as follows:
 - 2021-22: 47 regular education students, 7 special education students
 - 2022-23: 126 regular education students, 18 special education students
 - 2023-24: 188 regular education students, 28 special education students
 - 2024-25: 251 regular education students, 37 special education students
 - 2025-26: 313 regular education students, 47 special education students
 - Based on historical trends and the opening of a new charter school, the District's charter school enrollment in the baseline projection is expected to grow by the following number of students each year:
 - 2021-22: 65 students (56 regular education, 9 special education)
 - 2022-23: 102 students (88 regular education, 14 special education)
 - 2023-24: 84 students (72 regular education, 12 special education)
 - 2024-25: 84 students (73 regular education, 11 special education)
 - 2025-26: 84 students (72 regular education, 12 special education)
 - Regular and Special Education enrollment ratios are based on the breakdown of regular education and special education students in 2020-21.
- Operational Adjustments
 - Based on growth in charter enrollment at PA STEAM and other charter schools, operational adjustments are made to salaries, benefits, transportation, and other non-personnel costs:
 - Salaries and benefits:



- For every 35 regular education students who leave the District, it is projected that the District will have to remove 1 teaching position.
 - With current enrollment assumptions, the District is expected to reduce current staffing in the baseline projection by 10 regular teaching positions from 2020-21 to 2025-26.
- For every 100 regular education students who leave the District, it is projected that the District will have to remove 1 administrative/support staff position.
 - With current assumptions, the District is expected to reduce current staffing in the baseline projection by 3 positions from 2020-21 to 2025-26.
- For every 15 special education students who leave the District, the District will have to reduce their teaching staff by 1 position.
 - With current assumptions, the District is expected to reduce current staffing in the baseline projection by 4 special education teaching positions from 2020-21 to 2025-26.
- For every 20 special education students who leave the District, the District will have to reduce their paraprofessional staff by 1 position.
 - With current assumptions, the District is expected to reduce current staffing in the baseline projection by 2 paraprofessional positions from 2020-21 to 2025-26.
- Healthcare, social security, and PSERS are proportionally adjusted by the number of positions removed and total adjusted salaries, using assumptions listed above.
- Transportation
 - Transportation costs are based on the number of buses needed to transport PA STEAM students.
 - Based on the District's current ridership, it is assumed that the District will need to provide additional transportation to two-thirds of the District students enrolled at PA STEAM
 - The District is expected to need one bus for every 60 students and every bus is assumed to cost around \$65,000
 - Costs are projected to increase by 3 percent a year, the projected growth for all other transportation costs
 - The adjusted transportation subsidy is calculated based on the District's historical reimbursement percentage of 44.8 percent, and the impact of the subsidy is delayed by one year based on the subsidy payment schedule from PDE.
- Supplies
 - The cost per student is based on the District's historical spending on instructional supplies from 2016-17 to 2019-20, excluding technology costs and the District's enrollment, as of April 2021.
 - Supplies cost per student is expected to grow with inflation.
 - The total adjustment for supplies costs are based on the cumulative change in charter enrollment.
- Technology
 - The cost per student is \$350, based on the District's estimates.
 - Technology cost per student is projected to grow with inflation.



- Technology costs are based on the annual change in charter enrollment.
 - Technology is assumed to be replaced every 3 years.
 - Tuition payments to other LEAs for special education services (561) are expected to grow at 3.5 percent or around \$100,000 per year, based on historical growth.
 - Payments for Camelot and other alternative education services are adjusted based on the District's new contract with Camelot for 2020-21. After the one-time adjustment in 2020-21, the tuition costs for alternative education are projected to grow by inflation.
 - Other tuition payments, including tuition payments to Dauphin County Vocational Technical Centers and other LEAs, are projected to grow by inflation.
 - Other Non-Personnel Expenditures
 - Costs for the MCIU contract (390) were pulled from the IU Services line item (322) and shown as a separate line item under non-personnel expenditures.
 - School Reopening and COVID-19
 - The District adjusted its 2020-21 budget to account for operational changes as a result of COVID-19 and virtual learning.
 - The model assumes that the District will fully reopen by the 2022-23 school year and certain non-personnel costs are adjusted to historical actuals to reflect operational changes that the District will make once students return to buildings:
 - Substitute costs (329) are increased in 2022-23 by \$150,000 to reflect the return to in-person instruction. Costs are then grown by inflation in following years.
 - In 2020-21, the District reported that they recategorized several non-personnel and other property costs to the 430 category (Repairs and Maintenance). In 2022-23, repairs and maintenance (430) are adjusted to around \$1.4 million from \$733,000 to reflect historical costs in repairs and property costs, and then grown by inflation.
 - Repairs and maintenance in the 2020-21 budget include facilities (\$191,100), maintenance services (\$454,660), and IT repairs (\$20,406)
 - Other property services (4XX) continues to grow with inflation based on 2020-21 levels.
 - Other property services includes \$2.2 million for the District's current contract with AFSCME Cleaning Services which includes Aramark employees.
 - Supplies (610) are reduced from 2020-21 levels by around \$700,000 for two years, decreasing from \$2.6 million to \$1.2 million, and then grown by inflation.
 - The decrease is due to the reduction in CARES Act expenditures which was included in the 2020-21 budget.
 - A large portion is for general Title I supplies and instructional supplies in the 2020-21 budget.
 - Property (700) continues to grow with inflation based on 2020-21 levels.
 - Property saw a significant reduction of federal capital tech costs and other changes due to recategorization of expenditures. Costs in the 2020-21 budget were shifted to repairs and maintenance costs (430).
 - Transportation costs are expected to grow slightly above inflation at 3.0 percent, to align with general transportation cost trends seen in other PA districts.
 - 21st Century non-personnel costs are adjusted based on growing personnel expenditures and remaining grant revenue. To align with the grant expiration, all expenditures are removed in 2024-25.

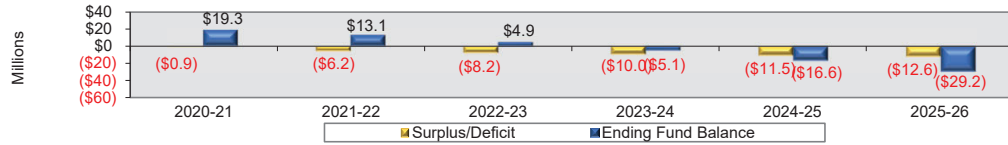


- The following categories are currently grown by inflation, which is based on the headline CPI projections from the Survey of Professional Forecasters from August 2020:
 - Professional services
 - IU services
 - Utilities
 - Other Purchased Services
 - Books, Tech, and Food
- Other Objects and Financing Uses
 - Debt Service
 - Debt service payments were based on the debt service schedule provided by PFM Financial Advisory in in October 2020.
 - The new debt service schedule reflects the District's refinancing and includes three new bonds
 - The baseline projection assumes an annual transfer of \$1.0 million to the District's capital fund from savings.
 - Dues and fees are held flat at 2020-21 levels through the projection window.
 - Budgetary reserve is eliminated after 2020-21.
 - Pass-through funds are held flat at 2020-21 levels through the projection window.
 - Other objects and indirect costs are held flat at 2020-21 levels through the projection window.

Appendix C

Harrisburg School District

Baseline Budget Projections



	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR
	Budget	Projected	Projected	Projected	Projected	Projected	
REVENUE SUMMARY							
Real Estate Taxes (Current and Del.)	\$44,110,950	\$44,373,883	\$44,354,801	\$44,335,676	\$44,316,506	\$44,297,293	0.1%
Act 511 Taxes	\$6,512,100	\$8,010,085	\$8,325,678	\$8,356,836	\$8,489,868	\$8,624,809	5.8%
Other Sources	\$4,819,382	\$4,317,124	\$4,401,826	\$4,481,422	\$4,581,422	\$4,681,422	(0.6%)
Local Sources	\$55,442,432	\$56,701,092	\$57,082,305	\$57,173,934	\$57,387,796	\$57,603,524	0.8%
Basic Education Funding	\$53,792,273	\$55,444,028	\$57,127,947	\$58,844,657	\$60,594,797	\$62,379,017	3.0%
Special Education Funding	\$6,301,565	\$6,472,648	\$6,647,132	\$6,825,086	\$7,006,577	\$7,191,677	2.7%
State Reimbursements	\$13,128,928	\$13,273,265	\$13,684,651	\$13,804,620	\$13,833,190	\$13,974,920	1.3%
All Other State	\$10,254,052	\$9,752,089	\$9,869,924	\$9,946,173	\$10,069,934	\$10,617,270	0.7%
State Sources	\$83,476,817	\$84,942,030	\$87,329,654	\$89,420,536	\$91,504,498	\$94,162,883	2.4%
Title I	\$7,182,091	\$6,104,777	\$6,104,777	\$6,104,777	\$6,104,777	\$6,104,777	(3.2%)
Title II	\$611,403	\$611,403	\$611,403	\$611,403	\$611,403	\$611,403	0.0%
Title III	\$217,015	\$217,015	\$217,015	\$217,015	\$217,015	\$217,015	0.0%
Title IV	\$442,735	\$442,735	\$442,735	\$442,735	\$442,735	\$442,735	0.0%
Federal Carryover	\$4,366,695	\$1,077,314	\$1,077,314	\$1,077,314	\$1,077,314	\$1,077,314	(24.4%)
All Other Federal	\$6,803,674	\$1,546,095	\$1,546,095	\$1,546,095	\$1,096,095	\$1,096,095	(30.6%)
Federal Sources	\$19,623,613	\$9,999,339	\$9,999,339	\$9,999,339	\$9,549,339	\$9,549,339	(13.4%)
Other Funding Sources	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	0.0%
Total Revenues	\$158,674,140	\$151,773,738	\$154,542,575	\$156,725,086	\$158,572,911	\$161,447,024	0.3%
EXPENDITURE SUMMARY							
100 Salaries	\$46,919,185	\$46,930,185	\$47,583,885	\$47,423,885	\$46,979,755	\$46,760,755	(0.1%)
200 Employee Benefits	\$34,480,080	\$35,527,263	\$37,142,661	\$38,241,239	\$39,230,103	\$40,442,738	3.2%
300 Purchased Professional & Technical Services	\$9,075,491	\$9,226,837	\$7,901,213	\$8,061,608	\$8,225,259	\$8,392,232	(1.6%)
420/610 Utilities	\$2,221,030	\$2,266,117	\$2,312,119	\$2,359,055	\$2,406,944	\$2,455,805	2.0%
400 Purchased Property Services	\$3,568,860	\$3,641,308	\$4,366,432	\$4,455,070	\$4,545,508	\$4,637,782	5.4%
510 Transportation	\$4,255,775	\$4,450,398	\$4,652,869	\$4,863,482	\$5,082,545	\$5,235,021	4.2%
562 Charter School Tuition	\$18,287,938	\$18,450,030	\$21,792,269	\$23,942,385	\$25,982,780	\$28,105,097	9.0%
500 All Other Tuition and Purchased Services	\$12,025,930	\$12,323,025	\$12,628,004	\$12,941,093	\$13,262,524	\$13,592,536	2.5%
600 Supplies	\$3,554,525	\$2,826,408	\$2,098,476	\$2,127,565	\$2,126,115	\$2,134,349	(9.7%)
700 Property	\$155,000	\$158,147	\$161,357	\$164,632	\$167,974	\$171,384	2.0%
Federal Carryover/21st Century Costs	\$2,750,570	\$83,890	\$80,120	\$78,836	\$0	\$0	(100.0%)
830/910 Debt Service	\$17,928,843	\$19,383,303	\$19,380,385	\$19,379,468	\$19,382,046	\$19,383,249	1.6%
800/900 Other Objects / Other Financing Uses	\$4,363,888	\$2,691,515	\$2,691,515	\$2,691,515	\$2,691,515	\$2,691,515	(9.2%)
Total Expenditures	\$159,587,115	\$157,958,425	\$162,791,305	\$166,729,833	\$170,083,068	\$174,002,464	1.7%
Surplus/Deficit	(\$912,975)	(\$6,184,687)	(\$8,248,730)	(\$10,004,747)	(\$11,510,157)	(\$12,555,441)	68.9%
Ending Fund Balance	\$19,300,882	\$13,116,194	\$4,867,464	(\$5,137,283)	(\$16,647,440)	(\$29,202,881)	(208.6%)

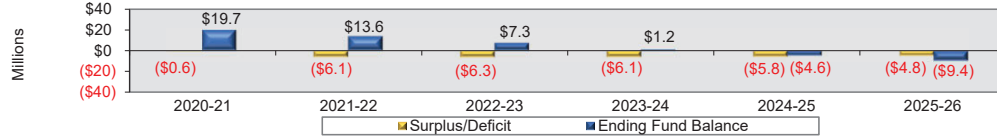
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR	
	Budget	Projected	Projected	Projected	Projected	Projected		
REVENUES								
Revenue From Local Sources								
6111	Current Real Estate Taxes	\$38,860,950	\$39,260,843	\$39,431,555	\$39,601,682	\$39,771,224	\$39,940,182	0.5%
6114	PILOTs	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	0.0%
6142	Occupation Taxes	\$535,500	\$700,000	\$730,000	\$760,000	\$790,000	\$820,000	8.9%
6143	Local Services Tax	\$200,530	\$215,530	\$230,530	\$230,530	\$230,530	\$230,530	2.8%
6151	Earned Income Tax	\$2,790,000	\$3,900,000	\$4,120,593	\$4,204,241	\$4,289,587	\$4,376,665	9.4%
6153	Real Estate Transfer Tax	\$491,515	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	5.7%
6154	Amusement Tax	\$256,500	\$256,500	\$256,500	\$256,500	\$256,500	\$256,500	0.0%
6157	Mercantile Tax	\$1,751,055	\$1,751,055	\$1,751,055	\$1,768,566	\$1,786,251	\$1,804,114	0.6%
6411	Delinquent Real Estate Taxes	\$5,250,000	\$5,113,040	\$4,923,246	\$4,733,994	\$4,545,283	\$4,357,111	(3.7%)
6431	Delinquent Earned Income Taxes	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	0.0%
6442	Delinquent Occupation Taxes	\$445,000	\$495,000	\$545,000	\$445,000	\$445,000	\$445,000	0.0%
6500	Interest	\$50,000	\$47,742	\$32,444	\$12,040	\$12,040	\$12,040	(24.8%)
6832	IDEA Pass Through	\$1,376,382	\$1,376,382	\$1,376,382	\$1,376,382	\$1,376,382	\$1,376,382	0.0%
6910	Rentals	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	0.0%
6920	Local Contributions	\$1,000,000	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000	(2.1%)
6XXX	Other Local Revenue	\$806,000	\$806,000	\$806,000	\$806,000	\$806,000	\$806,000	0.0%
	Subtotal	\$55,442,432	\$56,701,092	\$57,082,305	\$57,173,934	\$57,387,796	\$57,603,524	0.8%
Revenue From State Sources								
7110	Basic Education Subsidy	\$53,792,273	\$55,444,028	\$57,127,947	\$58,844,657	\$60,594,797	\$62,379,017	3.0%
7271	Special Education Subsidy	\$6,301,565	\$6,472,648	\$6,647,132	\$6,825,086	\$7,006,577	\$7,191,677	2.7%
7292	Pre-K Counts	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000	0.0%
7310	Transportation	\$1,740,000	\$1,305,000	\$1,770,019	\$1,827,939	\$1,888,132	\$1,950,689	2.3%
7320	PlanCon	\$1,664,373	\$2,512,871	\$2,165,687	\$2,184,016	\$2,247,584	\$2,732,362	10.4%
7340	Property Tax Reduction	\$2,771,967	\$2,771,967	\$2,771,967	\$2,771,967	\$2,771,967	\$2,771,967	0.0%
7505	Ready to Learn Grant	\$1,807,251	\$1,807,251	\$1,807,251	\$1,807,251	\$1,807,251	\$1,807,251	0.0%
7521	School Health and Safety Grant	\$640,461	\$0	\$0	\$0	\$0	\$0	(100.0%)
7810	State Social Security Reimbursement	\$1,794,660	\$1,795,080	\$1,820,084	\$1,813,964	\$1,796,976	\$1,788,599	(0.1%)
7820	State Retirement Reimbursement	\$11,334,268	\$11,478,186	\$11,864,567	\$11,990,656	\$12,036,214	\$12,186,321	1.5%
7XXX	Other State Revenue	\$1,475,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	(4.0%)
	Subtotal	\$83,476,817	\$84,942,030	\$87,329,654	\$89,420,536	\$91,504,498	\$94,162,883	2.4%
Revenue From Federal Sources								
8514	Title I	\$7,182,091	\$6,104,777	\$6,104,777	\$6,104,777	\$6,104,777	\$6,104,777	(3.2%)
8704	School Improvement Grants	\$0	\$0	\$0	\$0	\$0	\$0	—
8514A	SIG - Camp Curtin	\$431,920	\$0	\$0	\$0	\$0	\$0	(100.0%)
8514B	SIG - John Harris	\$0	\$0	\$0	\$0	\$0	\$0	—
8514C	SIG - Rowland	\$594,775	\$0	\$0	\$0	\$0	\$0	(100.0%)
8515	Title II	\$611,403	\$611,403	\$611,403	\$611,403	\$611,403	\$611,403	0.0%
8516	Title III	\$217,015	\$217,015	\$217,015	\$217,015	\$217,015	\$217,015	0.0%
8517	Title IV	\$442,735	\$442,735	\$442,735	\$442,735	\$442,735	\$442,735	0.0%
85XX	Federal Carryover	\$3,340,000	\$1,077,314	\$1,077,314	\$1,077,314	\$1,077,314	\$1,077,314	(20.3%)
8690	21st Century Grant	\$450,000	\$450,000	\$450,000	\$450,000	\$0	\$0	(100.0%)
8732	QSCB Subsidy	\$444,070	\$444,070	\$444,070	\$444,070	\$444,070	\$444,070	0.0%
8741	ESSERS Grant	\$4,767,579	\$0	\$0	\$0	\$0	\$0	(99.7%)
8800	Medicaid ACCESS	\$940,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	(13.7%)
8XXX	Other Federal Revenue	\$202,025	\$202,025	\$202,025	\$202,025	\$202,025	\$202,025	0.0%
	Subtotal	\$19,623,613	\$9,999,339	\$9,999,339	\$9,999,339	\$9,549,339	\$9,549,339	(13.4%)
Revenue From Federal Sources								
9200	Swap Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	—
9300	Fund Transfers	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	0.0%
9XXX	Other Financing Sources	\$0	\$0	\$0	\$0	\$0	\$0	—
	Subtotal	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	0.0%
	Total Revenues	\$158,674,140	\$151,773,738	\$154,542,575	\$156,725,086	\$158,572,911	\$161,447,024	0.3%

		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR
		Budget	Projected	Projected	Projected	Projected	Projected	
EXPENDITURES								
Personnel								
	Salaries	\$46,919,185	\$46,930,185	\$47,583,885	\$47,423,885	\$46,979,755	\$46,760,755	(0.1%)
110	Administrators	\$4,239,350	\$4,239,350	\$4,239,350	\$4,239,350	\$4,239,350	\$4,239,350	0.0%
110A	MCIU Administrators	\$0	\$180,000	\$1,075,000	\$1,075,000	\$1,075,000	\$1,075,000	—
120	Teachers	\$29,843,200	\$29,674,200	\$29,505,200	\$29,395,200	\$29,226,200	\$29,057,200	(0.5%)
130	Professional	\$4,417,435	\$4,417,435	\$4,367,435	\$4,317,435	\$4,317,435	\$4,267,435	(0.7%)
140	Technical	\$971,010	\$971,010	\$971,010	\$971,010	\$971,010	\$971,010	0.0%
150 SEC	Clerical- AFSCME	\$908,785	\$908,785	\$908,785	\$908,785	\$908,785	\$908,785	0.0%
150 ADM	Clerical- Act 93	\$419,480	\$419,480	\$419,480	\$419,480	\$419,480	\$419,480	0.0%
160	Groundsmen	\$139,470	\$139,470	\$139,470	\$139,470	\$139,470	\$139,470	0.0%
170	Maintenance	\$151,215	\$151,215	\$151,215	\$151,215	\$151,215	\$151,215	0.0%
180	Labor/Service Workers	\$1,373,400	\$1,373,400	\$1,373,400	\$1,373,400	\$1,373,400	\$1,373,400	0.0%
190	Instructional Assistants	\$3,221,345	\$3,221,345	\$3,199,045	\$3,199,045	\$3,176,745	\$3,176,745	(0.3%)
1XX FG	Sick Reimbursement and Overtime	\$691,380	\$691,380	\$691,380	\$691,380	\$691,380	\$691,380	0.0%
1XX FG	Federal Carryover Salaries	\$290,285	\$290,285	\$290,285	\$290,285	\$290,285	\$290,285	0.0%
1XX 21C	21st Century Salaries	\$252,830	\$252,830	\$252,830	\$252,830	\$0	\$0	(100.0%)
Benefits								
210/270	Health Insurance	\$10,344,760	\$11,018,537	\$11,850,451	\$12,593,503	\$13,351,672	\$14,154,275	6.5%
276	Prescriptions	\$2,009,700	\$2,150,379	\$2,300,906	\$2,461,969	\$2,634,307	\$2,818,708	7.0%
212	Dental Insurance	\$509,310	\$524,080	\$539,278	\$554,917	\$571,010	\$587,569	2.9%
275	Vision Insurance	\$63,770	\$65,109	\$66,476	\$67,872	\$69,298	\$70,753	2.1%
220	Social Security	\$3,589,320	\$3,590,159	\$3,640,167	\$3,627,927	\$3,593,951	\$3,577,198	(0.1%)
230	PSERS	\$16,191,810	\$16,397,407	\$16,949,380	\$17,129,507	\$17,194,590	\$17,409,029	1.5%
260	Worker's Compensation	\$1,060,000	\$1,060,000	\$1,060,000	\$1,060,000	\$1,060,000	\$1,060,000	0.0%
2XX	Other Benefits	\$711,410	\$721,592	\$736,003	\$745,542	\$755,275	\$765,206	1.5%
Personnel Services Subtotal		\$81,399,265	\$82,457,448	\$84,726,546	\$85,665,124	\$86,209,858	\$87,203,493	1.4%
Tuition								
561	Tuition to Other LEAs- Special Ed	\$3,603,280	\$3,729,395	\$3,859,924	\$3,995,021	\$4,134,847	\$4,279,566	3.5%
561 C	Alternative Ed (incl. Camelot)	\$2,197,870	\$2,242,487	\$2,288,009	\$2,334,456	\$2,381,845	\$2,430,197	2.0%
562	Charter Tuition	\$18,287,938	\$18,450,030	\$21,792,269	\$23,942,385	\$25,982,780	\$28,105,097	9.0%
564	Tuition to Vo-Tech	\$4,178,305	\$4,263,125	\$4,349,666	\$4,437,964	\$4,528,055	\$4,619,974	2.0%
560	Other Tuition (Community College, APS)	\$675,000	\$688,703	\$702,683	\$716,948	\$731,502	\$746,351	2.0%
Tuition Subtotal		\$28,942,393	\$29,373,738	\$32,992,551	\$35,426,774	\$37,759,029	\$40,181,186	6.8%
Non-Personnel								
390	MCIU Contract	\$1,620,000	\$1,620,000	\$0	\$0	\$0	\$0	(100.0%)
3XX	Purchased Services	\$5,314,616	\$5,422,503	\$5,532,580	\$5,644,891	\$5,759,482	\$5,876,400	2.0%
322	IU Services	\$1,656,000	\$1,689,617	\$1,723,916	\$1,758,912	\$1,794,617	\$1,831,048	2.0%
329	Substitutes	\$484,875	\$494,718	\$644,718	\$657,806	\$671,159	\$684,784	
420/620	Utilities	\$2,221,030	\$2,266,117	\$2,312,119	\$2,359,055	\$2,406,944	\$2,455,805	2.0%
430	Repairs and Maintenance	\$732,760	\$747,635	\$1,414,017	\$1,442,722	\$1,472,009	\$1,501,891	15.4%
4XX	Property Services	\$2,836,100	\$2,893,673	\$2,952,414	\$3,012,348	\$3,073,499	\$3,135,891	2.0%
510	Transportation	\$4,255,775	\$4,450,398	\$4,652,869	\$4,863,482	\$5,082,545	\$5,235,021	4.2%
5XX	Other Purchased Services	\$1,371,475	\$1,399,316	\$1,427,722	\$1,456,705	\$1,486,276	\$1,516,447	2.0%
610	Supplies	\$2,636,740	\$1,904,910	\$1,182,154	\$1,212,711	\$1,213,165	\$1,223,758	(14.2%)
6XX	Books, Tech, and Food	\$917,785	\$921,499	\$916,321	\$914,854	\$912,950	\$910,591	(0.2%)
700	Property	\$155,000	\$158,147	\$161,357	\$164,632	\$167,974	\$171,384	2.0%
3XX-7XX FG	Federal Grant Carryover- Operating Costs	\$2,635,570	\$0	\$0	\$0	\$0	\$0	(100.0%)
3XX-7XX 21C	21st Century Operating Costs	\$115,000	\$83,890	\$80,120	\$78,836	\$0	\$0	(100.0%)
Non-Personnel Costs Subtotal		\$26,952,726	\$24,052,421	\$23,000,307	\$23,566,953	\$24,040,620	\$24,543,020	(1.9%)
Other Objects and Financing Uses								
800/900	Debt Service	\$17,928,843	\$19,383,303	\$19,380,385	\$19,379,468	\$19,382,046	\$19,383,249	1.6%
810	Dues and Fees	\$76,545	\$76,545	\$76,545	\$76,545	\$76,545	\$76,545	0.0%
840	Budgetary Reserve	\$1,672,373	\$0	\$0	\$0	\$0	\$0	(100.0%)
890	Pass Thru Funds	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	0.0%
8XX	Other Objects	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	0.0%
939	Transfers	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	(0.0%)
9XX	Indirect Costs	\$134,970	\$134,970	\$134,970	\$134,970	\$134,970	\$134,970	0.0%
Subtotal		\$22,292,931	\$22,074,818	\$22,071,900	\$22,070,983	\$22,073,561	\$22,074,764	(0.2%)
Total Expenditures		\$159,587,115	\$157,958,425	\$162,791,305	\$166,729,833	\$170,083,068	\$174,002,464	1.7%
Surplus/Deficit		(\$912,975)	(\$6,184,687)	(\$8,248,730)	(\$10,004,747)	(\$11,510,157)	(\$12,555,441)	68.9%
Ending Fund Balance		\$19,300,882	\$13,116,194	\$4,867,464	(\$5,137,283)	(\$16,647,440)	(\$29,202,881)	(208.6%)

Appendix D

Harrisburg School District

Recovery Plan Initiatives



	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR
	Budget	Projected	Projected	Projected	Projected	Projected	
REVENUE SUMMARY							
Real Estate Taxes (Current and Del.)	\$44,110,950	\$44,373,883	\$46,105,417	\$47,900,846	\$49,762,512	\$51,692,845	3.2%
Act 511 Taxes	\$6,512,100	\$8,010,085	\$8,325,678	\$8,356,836	\$8,489,868	\$8,624,809	5.8%
Other Sources	\$4,819,382	\$4,318,012	\$4,402,931	\$4,637,431	\$4,722,331	\$4,822,331	0.0%
Local Sources	\$55,442,432	\$56,701,980	\$58,834,026	\$60,895,113	\$62,974,711	\$65,139,985	3.3%
Basic Education Funding	\$53,792,273	\$55,444,028	\$57,127,947	\$58,844,657	\$60,594,797	\$62,379,017	3.0%
Special Education Funding	\$6,301,565	\$6,597,648	\$6,772,132	\$6,950,086	\$7,131,577	\$7,316,677	3.0%
State Reimbursements	\$13,487,860	\$13,951,939	\$14,697,925	\$15,178,436	\$15,551,525	\$16,067,526	3.6%
All Other State	\$10,254,052	\$9,752,089	\$9,869,924	\$9,946,173	\$10,069,934	\$10,617,270	0.7%
State Sources	\$83,835,749	\$85,745,704	\$88,467,928	\$90,919,352	\$93,347,833	\$96,380,489	2.8%
Title I	\$7,182,091	\$6,104,777	\$6,104,777	\$6,104,777	\$6,104,777	\$6,104,777	(3.2%)
Title II	\$611,403	\$611,403	\$611,403	\$611,403	\$611,403	\$611,403	0.0%
Title III	\$217,015	\$217,015	\$217,015	\$217,015	\$217,015	\$217,015	0.0%
Title IV	\$442,735	\$442,735	\$442,735	\$442,735	\$442,735	\$442,735	0.0%
Federal Carryover	\$4,366,695	\$1,077,314	\$1,077,314	\$1,077,314	\$1,077,314	\$1,077,314	(24.4%)
All Other Federal	\$6,803,674	\$1,546,095	\$1,696,095	\$1,846,095	\$1,546,095	\$1,696,095	(24.3%)
Federal Sources	\$19,623,613	\$9,999,339	\$10,149,339	\$10,299,339	\$9,999,339	\$10,149,339	(12.4%)
Other Funding Sources	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	0.0%
Total Revenues	\$159,033,072	\$152,578,300	\$157,582,571	\$162,245,081	\$166,453,160	\$171,801,090	1.6%
EXPENDITURE SUMMARY							
100 Salaries	\$46,919,185	\$47,712,009	\$49,323,463	\$50,207,439	\$50,737,774	\$51,539,818	1.9%
200 Employee Benefits	\$34,480,080	\$35,894,752	\$37,941,275	\$39,544,471	\$40,992,303	\$42,703,236	4.4%
300 Purchased Professional & Technical Services	\$9,075,491	\$9,326,837	\$7,952,228	\$8,123,659	\$8,331,473	\$8,446,417	(1.4%)
420/610 Utilities	\$2,221,030	\$2,266,117	\$2,312,119	\$2,359,055	\$2,406,944	\$2,455,805	2.0%
400 Purchased Property Services	\$3,568,860	\$3,641,308	\$4,366,432	\$4,455,070	\$4,545,508	\$4,637,782	5.4%
510 Transportation	\$4,255,775	\$4,450,398	\$4,652,869	\$4,863,482	\$5,082,545	\$5,235,021	4.2%
562 Charter School Tuition	\$18,287,938	\$17,342,487	\$19,681,325	\$20,814,201	\$21,835,547	\$22,877,751	4.6%
500 All Other Tuition and Purchased Services	\$12,025,930	\$12,347,432	\$12,652,907	\$12,970,750	\$13,288,448	\$13,618,986	2.5%
600 Supplies	\$3,554,525	\$2,882,121	\$2,164,012	\$2,213,766	\$2,264,482	\$2,284,759	(8.5%)
700 Property	\$155,000	\$158,147	\$161,357	\$164,632	\$167,974	\$171,384	2.0%
Federal Carryover/21st Century Costs	\$2,750,570	\$78,502	\$69,174	\$62,217	\$0	\$0	(100.0%)
830/910 Debt Service	\$17,928,843	\$19,383,303	\$19,380,385	\$19,379,468	\$19,382,046	\$19,483,249	1.7%
800/900 Other Objects / Other Financing Uses	\$4,363,888	\$3,191,515	\$3,191,515	\$3,191,515	\$3,191,515	\$3,191,515	(6.1%)
Total Expenditures	\$159,587,115	\$158,674,927	\$163,849,061	\$168,349,725	\$172,226,560	\$176,645,724	2.1%
Surplus/Deficit	(\$554,043)	(\$6,096,627)	(\$6,266,490)	(\$6,104,644)	(\$5,773,399)	(\$4,844,634)	54.3%
Ending Fund Balance	\$19,659,814	\$13,563,187	\$7,296,696	\$1,192,053	(\$4,581,347)	(\$9,425,981)	(186.3%)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR	
	Budget	Projected	Projected	Projected	Projected	Projected		
REVENUES								
Revenue From Local Sources								
6111	Current Real Estate Taxes	\$38,860,950	\$39,260,843	\$41,182,457	\$43,189,287	\$45,284,904	\$47,473,021	4.1%
6114	PILOTs	\$1,552,000	\$1,552,000	\$1,552,000	\$1,702,000	\$1,702,000	\$1,702,000	1.9%
6142	Occupation Taxes	\$535,500	\$700,000	\$730,000	\$760,000	\$790,000	\$820,000	8.9%
6143	Local Services Tax	\$200,530	\$215,530	\$230,530	\$230,530	\$230,530	\$230,530	2.8%
6151	Earned Income Tax	\$2,790,000	\$3,900,000	\$4,120,593	\$4,204,241	\$4,289,587	\$4,376,665	9.4%
6153	Real Estate Transfer Tax	\$491,515	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	5.7%
6154	Amusement Tax	\$256,500	\$256,500	\$256,500	\$256,500	\$256,500	\$256,500	0.0%
6157	Mercantile Tax	\$1,751,055	\$1,751,055	\$1,751,055	\$1,768,566	\$1,786,251	\$1,804,114	0.6%
6411	Delinquent Real Estate Taxes	\$5,250,000	\$5,113,040	\$4,922,960	\$4,711,559	\$4,477,608	\$4,219,824	(4.3%)
6431	Delinquent Earned Income Taxes	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	0.0%
6442	Delinquent Occupation Taxes	\$445,000	\$495,000	\$545,000	\$445,000	\$445,000	\$445,000	0.0%
6500	Interest	\$50,000	\$48,630	\$33,549	\$18,049	\$2,949	\$2,949	(43.2%)
6832	IDEA Pass Through	\$1,376,382	\$1,376,382	\$1,376,382	\$1,376,382	\$1,376,382	\$1,376,382	0.0%
6910	Rentals	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	0.0%
6920	Local Contributions	\$1,000,000	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000	(2.1%)
6XXX	Other Local Revenue	\$806,000	\$806,000	\$806,000	\$806,000	\$806,000	\$806,000	0.0%
	Subtotal	\$55,442,432	\$56,701,980	\$58,834,026	\$60,895,113	\$62,974,711	\$65,139,985	3.3%
Revenue From State Sources								
7110	Basic Education Subsidy	\$53,792,273	\$55,444,028	\$57,127,947	\$58,844,657	\$60,594,797	\$62,379,017	3.0%
7271	Special Education Subsidy	\$6,301,565	\$6,597,648	\$6,772,132	\$6,950,086	\$7,131,577	\$7,316,677	3.0%
7292	Pre-K Counts	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000	0.0%
7310	Transportation	\$1,740,000	\$1,305,000	\$1,770,019	\$1,827,939	\$1,888,132	\$1,950,689	2.3%
7320	PlanCon	\$1,664,373	\$2,512,871	\$2,165,687	\$2,184,016	\$2,247,584	\$2,732,362	10.4%
7340	Property Tax Reduction	\$2,771,967	\$2,771,967	\$2,771,967	\$2,771,967	\$2,771,967	\$2,771,967	0.0%
7505	Ready to Learn Grant	\$1,807,251	\$1,807,251	\$1,807,251	\$1,807,251	\$1,807,251	\$1,807,251	0.0%
7521	School Health and Safety Grant	\$640,461	\$0	\$0	\$0	\$0	\$0	(100.0%)
7810	State Social Security Reimbursement	\$2,153,592	\$2,235,462	\$2,349,033	\$2,430,032	\$2,495,093	\$2,574,501	3.6%
7820	State Retirement Reimbursement	\$11,334,268	\$11,716,477	\$12,348,892	\$12,748,404	\$13,056,432	\$13,493,025	3.5%
7XXX	Other State Revenue	\$1,475,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	(4.0%)
	Subtotal	\$83,835,749	\$85,745,704	\$88,467,928	\$90,919,352	\$93,347,833	\$96,380,489	2.8%
Revenue From Federal Sources								
8514	Title I	\$7,182,091	\$6,104,777	\$6,104,777	\$6,104,777	\$6,104,777	\$6,104,777	(3.2%)
8704	School Improvement Grants	\$0	\$0	\$0	\$0	\$0	\$0	—
8514A	SIG - Camp Curtin	\$431,920	\$0	\$0	\$0	\$0	\$0	(100.0%)
8514B	SIG - John Harris	\$0	\$0	\$0	\$0	\$0	\$0	—
8514C	SIG - Rowland	\$594,775	\$0	\$0	\$0	\$0	\$0	(100.0%)
8515	Title II	\$611,403	\$611,403	\$611,403	\$611,403	\$611,403	\$611,403	0.0%
8516	Title III	\$217,015	\$217,015	\$217,015	\$217,015	\$217,015	\$217,015	0.0%
8517	Title IV	\$442,735	\$442,735	\$442,735	\$442,735	\$442,735	\$442,735	0.0%
85XX	Federal Carryover	\$3,340,000	\$1,077,314	\$1,077,314	\$1,077,314	\$1,077,314	\$1,077,314	(20.3%)
8690	21st Century Grant	\$450,000	\$450,000	\$450,000	\$450,000	\$0	\$0	(100.0%)
8732	QSCB Subsidy	\$444,070	\$444,070	\$444,070	\$444,070	\$444,070	\$444,070	0.0%
8741	ESSERS Grant	\$4,767,579	\$0	\$0	\$0	\$0	\$0	(99.7%)
8800	Medicaid ACCESS	\$940,000	\$450,000	\$600,000	\$750,000	\$900,000	\$1,050,000	2.2%
8XXX	Other Federal Revenue	\$202,025	\$202,025	\$202,025	\$202,025	\$202,025	\$202,025	0.0%
	Subtotal	\$19,623,613	\$9,999,339	\$10,149,339	\$10,299,339	\$9,999,339	\$10,149,339	(12.4%)
Revenue From Federal Sources								
9200	Swap Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	—
9300	Fund Transfers	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	0.0%
9XXX	Other Financing Sources	\$0	\$0	\$0	\$0	\$0	\$0	—
	Subtotal	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	\$131,277	0.0%
	Total Revenues	\$159,033,072	\$152,578,300	\$157,582,571	\$162,245,081	\$166,453,160	\$171,801,090	1.6%

		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR
		Budget	Projected	Projected	Projected	Projected	Projected	
EXPENDITURES								
Personnel								
	Salaries	\$46,919,185	\$47,712,009	\$49,323,463	\$50,207,439	\$50,737,774	\$51,539,818	1.9%
110	Administrators	\$4,239,350	\$4,302,940	\$4,367,484	\$4,432,997	\$4,499,492	\$4,566,984	1.5%
110A	MCIU Administrators	\$0	\$180,000	\$1,091,125	\$1,107,492	\$1,124,104	\$1,140,966	—
120	Teachers	\$29,843,200	\$30,401,635	\$30,852,509	\$31,362,352	\$31,885,855	\$32,358,757	1.6%
130	Professional	\$4,417,435	\$4,483,697	\$4,550,952	\$4,723,784	\$4,794,641	\$4,920,425	2.2%
140	Technical	\$971,010	\$985,575	\$1,000,359	\$1,015,364	\$1,030,595	\$1,046,054	1.5%
150 SEC	Clerical- AFSCME	\$908,785	\$922,417	\$936,253	\$950,297	\$964,551	\$979,020	1.5%
150 ADM	Clerical- Act 93	\$419,480	\$425,772	\$432,159	\$438,641	\$445,221	\$451,899	1.5%
160	Groundsmen	\$139,470	\$141,562	\$143,685	\$145,841	\$148,028	\$150,249	1.5%
170	Maintenance	\$151,215	\$153,483	\$155,785	\$158,122	\$160,494	\$162,902	1.5%
180	Labor/Service Workers	\$1,373,400	\$1,394,001	\$1,414,911	\$1,436,135	\$1,457,677	\$1,479,542	1.5%
190	Instructional Assistants	\$3,221,345	\$3,269,665	\$3,318,710	\$3,368,491	\$3,419,018	\$3,470,303	1.5%
1XX	Sick Reimbursement and Overtime	\$691,380	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	(6.3%)
1XX FG	Federal Carryover Salaries	\$290,285	\$294,639	\$299,059	\$303,545	\$308,098	\$312,719	1.5%
1XX 21C	21st Century Salaries	\$252,830	\$256,622	\$260,472	\$264,379	\$0	\$0	(100.0%)
Benefits								
210/270	Health Insurance	\$10,344,760	\$11,020,177	\$11,853,627	\$12,625,912	\$13,388,555	\$14,197,015	6.5%
276	Prescriptions	\$2,009,700	\$2,150,379	\$2,300,906	\$2,461,969	\$2,634,307	\$2,818,708	7.0%
212	Dental Insurance	\$509,310	\$524,080	\$539,278	\$554,917	\$571,010	\$587,569	2.9%
275	Vision Insurance	\$63,770	\$65,109	\$66,476	\$67,872	\$69,298	\$70,753	2.1%
220	Social Security	\$3,589,320	\$3,664,692	\$3,788,763	\$3,857,194	\$3,898,583	\$3,960,770	2.0%
230	PSERS	\$16,191,810	\$16,737,823	\$17,641,273	\$18,212,004	\$18,652,044	\$19,275,748	3.5%
260	Worker's Compensation	\$1,060,000	\$1,007,000	\$1,007,000	\$1,007,000	\$1,007,000	\$1,007,000	(1.0%)
2XX	Other Benefits	\$711,410	\$725,492	\$743,952	\$757,602	\$771,507	\$785,673	2.0%
Personnel Services Subtotal		\$81,399,265	\$83,606,761	\$87,264,739	\$89,751,910	\$91,730,077	\$94,243,055	3.0%
Tuition								
561	Tuition to Other LEAs- Special Ed	\$3,603,280	\$3,729,395	\$3,859,924	\$3,995,021	\$4,134,847	\$4,279,566	3.5%
561 C	Alternative Ed (incl. Camelot)	\$2,197,870	\$2,242,487	\$2,288,009	\$2,334,456	\$2,381,845	\$2,430,197	2.0%
562	Charter Tuition	\$18,287,938	\$17,342,487	\$19,681,325	\$20,814,201	\$21,835,547	\$22,877,751	4.6%
564	Tuition to Vo-Tech	\$4,178,305	\$4,263,125	\$4,349,666	\$4,437,964	\$4,528,055	\$4,619,974	2.0%
560	Other Tuition (Community College, APS)	\$675,000	\$688,703	\$702,683	\$716,948	\$731,502	\$746,351	2.0%
Tuition Subtotal		\$28,942,393	\$28,266,196	\$30,881,607	\$32,298,590	\$33,611,796	\$34,953,840	3.8%
Non-Personnel								
390	MCIU Contract	\$1,620,000	\$1,620,000	\$0	\$0	\$0	\$0	(100.0%)
3XX	Purchased Services	\$5,314,616	\$5,522,503	\$5,583,595	\$5,706,941	\$5,865,697	\$5,930,585	2.2%
322	IU Services	\$1,656,000	\$1,689,617	\$1,723,916	\$1,758,912	\$1,794,617	\$1,831,048	2.0%
329	Substitutes	\$484,875	\$494,718	\$644,718	\$657,806	\$671,159	\$684,784	2.0%
420/620	Utilities	\$2,221,030	\$2,266,117	\$2,312,119	\$2,359,055	\$2,406,944	\$2,455,805	2.0%
430	Repairs and Maintenance	\$732,760	\$747,635	\$1,414,017	\$1,442,722	\$1,472,009	\$1,501,891	15.4%
4XX	Property Services	\$2,836,100	\$2,893,673	\$2,952,414	\$3,012,348	\$3,073,499	\$3,135,891	2.0%
510	Transportation	\$4,255,775	\$4,450,398	\$4,652,869	\$4,863,482	\$5,082,545	\$5,235,021	4.2%
5XX	Other Purchased Services	\$1,371,475	\$1,423,723	\$1,452,625	\$1,486,361	\$1,512,200	\$1,542,897	2.4%
610	Supplies	\$2,636,740	\$1,931,160	\$1,203,581	\$1,239,572	\$1,263,351	\$1,269,274	(13.6%)
6XX	Books, Tech, and Food	\$917,785	\$950,961	\$960,431	\$974,194	\$1,001,131	\$1,015,485	2.0%
700	Property	\$155,000	\$158,147	\$161,357	\$164,632	\$167,974	\$171,384	2.0%
3XX-7XX FG	Federal Grant Carryover- Operating Costs	\$2,635,570	\$0	\$0	\$0	\$0	\$0	(100.0%)
3XX-7XX 21C	21st Century Operating Costs	\$115,000	\$78,502	\$69,174	\$62,217	\$0	\$0	(100.0%)
Non-Personnel Costs Subtotal		\$26,952,726	\$24,227,152	\$23,130,815	\$23,728,243	\$24,311,126	\$24,774,065	(1.7%)
Other Objects and Financing Uses								
800/900	Debt Service	\$17,928,843	\$19,383,303	\$19,380,385	\$19,379,468	\$19,382,046	\$19,483,249	1.7%
810	Dues and Fees	\$76,545	\$76,545	\$76,545	\$76,545	\$76,545	\$76,545	0.0%
840	Budgetary Reserve	\$1,672,373	\$0	\$0	\$0	\$0	\$0	(100.0%)
890	Pass Thru Funds	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	0.0%
8XX	Other Objects	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	0.0%
939	Transfers	\$1,000,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	8.4%
9XX	Indirect Costs	\$134,970	\$134,970	\$134,970	\$134,970	\$134,970	\$134,970	0.0%
Subtotal		\$22,292,731	\$22,574,818	\$22,571,900	\$22,570,983	\$22,573,561	\$22,674,764	0.3%
Total Expenditures		\$159,587,115	\$158,674,927	\$163,849,061	\$168,349,725	\$172,226,560	\$176,645,724	2.1%
Surplus/Deficit		(\$554,043)	(\$6,096,627)	(\$6,266,490)	(\$6,104,644)	(\$5,773,399)	(\$4,844,634)	54.3%
Ending Fund Balance		\$19,659,814	\$13,563,187	\$7,296,696	\$1,192,053	(\$4,581,347)	(\$9,425,981)	(186.3%)

Appendix E

Harrisburg School District PSSA Annual Goals

HSD Score	State Average	Gap	Annual Target	19-20 ¹	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	
Language Arts PSSA – Percent Proficient and Advanced															
District	20.2	60.9	40.7	6.8	20.2	27.0	33.8	40.6	47.3	54.1	60.9	65.9	70.9	75.9	80.9
Mathematics PSSA – Percent Proficient and Advanced															
District	9.0	42.4	33.4	5.6	9.0	14.6	20.1	25.7	31.3	36.8	42.4	47.4	52.4	57.4	62.4
Science PSSA – Percent Proficient and Advanced															
District	32.3	68.0	35.7	6.0	32.3	38.3	44.2	50.2	56.1	62.1	68.0	73.0	78.0	83.0	88.0

¹ Due to the pandemic, the Commonwealth waived statewide assessments for the 2019-20 school year, therefore scores reflect the District's 2018-19 scores. The District conducted assessments at the end of the 2020-21 school year. When updated achievement scores are available for 2020-21, the District will adjust targets accordingly.

Harrisburg School District Language Arts PSSA Annual Goals by School ²

HSD Score	State Average	Gap	Annual Target	19-20 ³	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
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Language Arts PSSA – Percent Proficient and Advanced

Ben Franklin	16.3	60.9	44.6	7.4	16.3	23.7	31.2	38.6	46.0	53.5	60.9	65.9	70.9	75.9	80.9
Camp Curtin	11.0	60.9	49.9	8.3	11.0	19.3	27.6	36.0	44.3	52.6	60.9	65.9	70.9	75.9	80.9
Cougar Academy	19.0	60.9	41.9	7.0	19.0	26.0	33.0	40.0	46.9	53.9	60.9	65.9	70.9	75.9	80.9
Downey	8.3	60.9	52.6	8.8	8.3	17.1	25.8	34.6	43.4	52.1	60.9	65.9	70.9	75.9	80.9
Foose	18.9	60.9	42.0	7.0	18.9	25.9	32.9	39.9	46.9	53.9	60.9	65.9	70.9	75.9	80.9
Marshall	9.3	60.9	51.6	8.6	9.3	17.9	26.5	35.1	43.7	52.3	60.9	65.9	70.9	75.9	80.9
Math & Science	68.4	60.9	(7.5)	3.0	68.4	71.4	74.4	77.4	80.4	83.4	86.4	89.4	92.4	95.4	98.4
Melrose	22.4	60.9	38.5	6.4	22.4	28.8	35.2	41.7	48.1	54.5	60.9	65.9	70.9	75.9	80.9
Rowland	11.7	60.9	49.2	8.2	11.7	19.9	28.1	36.3	44.5	52.7	60.9	65.9	70.9	75.9	80.9
Scott	24.4	60.9	36.5	6.1	24.4	30.5	36.6	42.7	48.7	54.8	60.9	65.9	70.9	75.9	80.9

² Data by School was taken from PSSA School Summary report data sent to the District by the Pennsylvania Department of Education.

³ Due to the pandemic, the Commonwealth waived statewide assessments for the 2019-20 school year, therefore scores reflect the District's 2018-19 scores. The District conducted assessments at the end of the 2020-21 school year. When updated achievement scores are available for 2020-21, the District will adjust targets accordingly.

Harrisburg School District Mathematics PSSA Annual Goals by School ⁴

HSD Score	PA Average	Gap	Annual Target	19-20 ⁵	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
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Mathematics PSSA – Percent Proficient and Advanced

Ben Franklin	7.9	42.4	34.5	5.8	7.9	13.7	19.4	25.2	30.9	36.7	42.4	47.4	52.4	57.4	62.4
Camp Curtin	1.3	42.4	41.1	6.9	1.3	8.2	15.0	21.9	28.7	35.6	42.4	47.4	52.4	57.4	62.4
Cougar Academy	1.0	42.4	41.4	6.9	1.0	7.9	14.8	21.7	28.6	35.5	42.4	47.4	52.4	57.4	62.4
Downey	6.7	42.4	35.7	6.0	6.7	12.7	18.6	24.6	30.5	36.5	42.4	47.4	52.4	57.4	62.4
Foose	14.6	42.4	27.8	4.6	14.6	19.2	23.9	28.5	33.1	37.8	42.4	47.4	52.4	57.4	62.4
Marshall	2.5	42.4	39.9	6.7	2.5	9.2	15.8	22.5	29.1	35.8	42.4	47.4	52.4	57.4	62.4
Math & Science	36.9	42.4	5.5	5.0	36.9	41.9	46.9	51.9	56.9	61.9	66.9	71.9	76.9	81.9	86.9
Melrose	15.1	42.4	27.3	4.6	15.1	19.7	24.2	28.8	33.3	37.9	42.4	47.4	52.4	57.4	62.4
Rowland	1.2	42.4	41.2	6.9	1.2	8.1	14.9	21.8	28.7	35.5	42.4	47.4	52.4	57.4	62.4
Scott	15.1	42.4	27.3	4.6	15.1	19.7	24.2	28.8	33.3	37.9	42.4	47.4	52.4	57.4	62.4

⁴ Data by School was taken from PSSA School Summary report data sent to the District by the Pennsylvania Department of Education.

⁵ Due to the pandemic, the Commonwealth waived statewide assessments for the 2019-20 school year, therefore scores reflect the District's 2018-19 scores. The District conducted assessments at the end of the 2020-21 school year. When updated achievement scores are available for 2020-21, the District will adjust targets accordingly.

Harrisburg School District Science PSSA Annual Goals by School ⁶

HSD Score	PA Average	Gap	Annual Target	19-20 ⁷	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
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Science PSSA – Percent Proficient and Advanced

Ben Franklin	42.3	68.0	25.7	4.3	42.3	46.6	50.9	55.2	59.4	63.7	68.0	73.0	78.0	83.0	88.0
Camp Curtin	16.7	68.0	51.3	8.6	16.7	25.3	33.8	42.4	50.9	59.5	68.0	73.0	78.0	83.0	88.0
Cougar Academy	22.2	68.0	45.8	7.6	22.2	29.8	37.5	45.1	52.7	60.4	68.0	73.0	78.0	83.0	88.0
Downey	38.2	68.0	29.8	5.0	38.2	43.2	48.1	53.1	58.1	63.0	68.0	73.0	78.0	83.0	88.0
Foose	35.7	68.0	32.3	5.4	35.7	41.1	46.5	51.9	57.2	62.6	68.0	73.0	78.0	83.0	88.0
Marshall	20.0	68.0	48.0	8.0	20.0	28.0	36.0	44.0	52.0	60.0	68.0	73.0	78.0	83.0	88.0
Math & Science	68.6	68.0	(0.6)	3.0	68.6	71.6	74.6	77.6	80.6	83.6	86.6	89.6	92.6	95.6	98.6
Melrose	52.9	68.0	15.1	2.5	52.9	55.4	57.9	60.5	63.0	65.5	68.0	73.0	78.0	83.0	88.0
Rowland	9.1	68.0	58.9	9.8	9.1	18.9	28.7	38.6	48.4	58.2	68.0	73.0	78.0	83.0	88.0
Scott	38.5	68.0	29.5	4.9	38.5	43.4	48.3	53.3	58.2	63.1	68.0	73.0	78.0	83.0	88.0

⁶ Data by School was taken from PSSA School Summary report data sent to the District by the Pennsylvania Department of Education.

⁷ Due to the pandemic, the Commonwealth waived statewide assessments for the 2019-20 school year, therefore scores reflect the District's 2018-19 scores. The District conducted assessments at the end of the 2020-21 school year. When updated achievement scores are available for 2020-21, the District will adjust targets accordingly.

Harrisburg School District Keystone Goals by School and Subject

HSD Score	PA Average	Gap	Annual Target	19-20 ⁸	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
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Literature Keystone – Percent Proficient and Advanced

Cougar Academy	15.8	71.5	55.7	9.3	15.8	25.1	34.4	43.7	52.9	62.2	71.5	76.5	81.5	86.5	91.5
John Harris HS	13.5	71.5	58.0	9.7	13.5	23.2	32.8	42.5	52.2	61.8	71.5	76.5	81.5	86.5	91.5
Sci-Tech	79.1	71.5	(7.6)	2.0	79.1	81.1	83.1	85.1	87.1	89.1	91.1	93.1	95.1	97.1	99.1

Algebra I Keystone – Percent Proficient and Advanced

Cougar Academy	5.0	63.3	58.3	9.7	5.0	14.7	24.4	34.2	43.9	53.6	63.3	68.3	73.3	78.3	83.3
John Harris HS	5.7	63.3	57.6	9.6	5.7	15.3	24.9	34.5	44.1	53.7	63.3	68.3	73.3	78.3	83.3
Sci-Tech	72.7	63.3	(9.4)	2.0	72.7	74.7	76.7	78.7	80.7	82.7	84.7	86.7	88.7	90.7	92.7

Biology Keystone – Percent Proficient and Advanced

Cougar Academy	0.0	63.2	63.2	10.5	0.0	10.5	21.1	31.6	42.1	52.7	63.2	68.2	73.2	78.2	83.2
John Harris HS	12.3	63.2	50.9	8.5	12.3	20.8	29.3	37.8	46.2	54.7	63.2	68.2	73.2	78.2	83.2
Sci-Tech	68.2	63.2	(5.0)	2.0	68.2	70.2	72.2	74.2	76.2	78.2	80.2	82.2	84.2	86.2	88.2

⁸ Due to the pandemic, the Commonwealth waived statewide assessments for the 2019-20 school year, therefore scores reflect the District's 2018-19 scores. The District conducted assessments at the end of the 2020-21 school year. When updated achievement scores are available for 2020-21, the District will adjust targets accordingly.

Appendix F

Harrisburg School District PVAAS Growth Measure by School, 2018-19 ¹

School	Examination	Subject	Growth Measure
Ben Franklin	PSSA	Math	0.5
Ben Franklin	PSSA	ELA	-0.91
Camp Curtin	PSSA	Math	0.5
Camp Curtin	PSSA	ELA	0.6
Cougar Academy	PSSA	Math	1.4
Cougar Academy	PSSA	ELA	4.00
Cougar Academy	Keystone	Algebra 1	-3.3
Downey	PSSA	Math	1.2
Downey	PSSA	ELA	1.3
Foose	PSSA	Math	1.3
Foose	PSSA	ELA	2.8
John Harris	Keystone	Algebra 1	-4.5
John Harris	Keystone	Literature	-7.5
John Harris	Keystone	Biology	3.1
Marshall	PSSA	Math	16.0
Marshall	PSSA	ELA	2.1
Marshall M&S	PSSA	Math	7.5
Marshall M&S	PSSA	ELA	0.8
Marshall M&S	Keystone	Algebra 1	1.2
Melrose	PSSA	Math	0.5
Melrose	PSSA	ELA	0.3
Rowland	PSSA	Math	2.2
Rowland	PSSA	ELA	3.2
Scott	PSSA	Math	2.4
Scott	PSSA	ELA	-0.4
Sci-Tech	Keystone	Algebra 1	0.5
Sci-Tech	Keystone	Literature	-5.8
Sci-Tech	Keystone	Biology	1.4

¹ Data taken from individual school data as reported on PVAAS' public site: <https://pvaas.sas.com/welcome.html?as=L&aj=L>

Harrisburg School District PVAAS Annual Growth Index by School, 2018-19 ²

School	Examination	Subject	AGI
Ben Franklin	PSSA	Math	0.39
Ben Franklin	PSSA	ELA	-0.71
Camp Curtin	PSSA	Math	0.94
Camp Curtin	PSSA	ELA	1.14
Cougar Academy	PSSA	Math	1.13
Cougar Academy	PSSA	ELA	3.00
Cougar Academy	Keystone	Algebra 1	-0.50
Downey	PSSA	Math	0.74
Downey	PSSA	ELA	0.73
Foose	PSSA	Math	0.54
Foose	PSSA	ELA	1.91
John Harris	Keystone	Algebra 1	-1.62
John Harris	Keystone	Literature	-2.85
John Harris	Keystone	Biology	1.34
Marshall	PSSA	Math	0.72
Marshall	PSSA	ELA	1.02
Marshall M&S	PSSA	Math	0.94
Marshall M&S	PSSA	ELA	0.52
Marshall M&S	Keystone	Algebra 1	0.68
Melrose	PSSA	Math	2.79
Melrose	PSSA	ELA	1.93
Rowland	PSSA	Math	-0.88
Rowland	PSSA	ELA	0.97
Scott	PSSA	Math	-4.08
Scott	PSSA	ELA	0.90
Sci-Tech	Keystone	Algebra 1	5.56
Sci-Tech	Keystone	Literature	0.71
Sci-Tech	Keystone	Biology	2.85

² Data taken from individual school data as reported on PVAAS' public site: <https://pvaas.sas.com/welcome.html?as=L&aj=L>

Appendix G

Harrisburg School District 4-Year Cohort Graduation Rate

HSD Rate	PA Average	Gap	Annual ¹ Target	19-20 ²	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
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Four-Year Cohort Graduation Rate – District

District	68.6	86.5	17.9	-	68.6	72.0	75.5	78.9	82.4	85.8	89.3	90.9	92.5	94.1	95.6
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HSD Rate	PA Average	Gap	Annual Target	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
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Four-Year Cohort Graduation Rate – Individual School

Cougar Academy	84.6	86.5	1.9	0.3	84.6	84.9	85.2	85.6	85.9	86.2	86.5	88.5	90.5	92.5	94.5
John Harris HS	59.4	86.5	27.1	4.5	59.4	63.9	68.4	73.0	77.5	82.0	86.5	88.5	90.5	92.5	94.5
Sci Tech	100.0	86.5	(13.5)	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ The District plans on evaluating graduation targets on an individual school basis in this Plan. At the request of the Receiver, a Districtwide annual goal was developed based on 2019-20 enrollment and the annual goals of each school. As each individual school has different targets, the District's annual target will slightly vary and not remain consistent on a year-to-year basis. Based on the individual targets, the District is expected to have a more aggressive Districtwide target of approximately 3.5 percent from 2019-20 to 2025-26, and 1.6 percent from 2025-26 to 2029-30.

² Due to the pandemic, the District closed schools in the middle of the 2019-20 school year in March 2020; consequently, students completed the school year virtually. The District has elected to use 2018-19 scores as the base year for developing targets in the Plan; these are shown as 2019-20 graduation rates in the table. In the case that the Commonwealth publishes an alternate measure for graduation rates, the District shall adjust scores and targets accordingly.

Appendix H



United States Department of Agriculture

Food and Nutrition Service

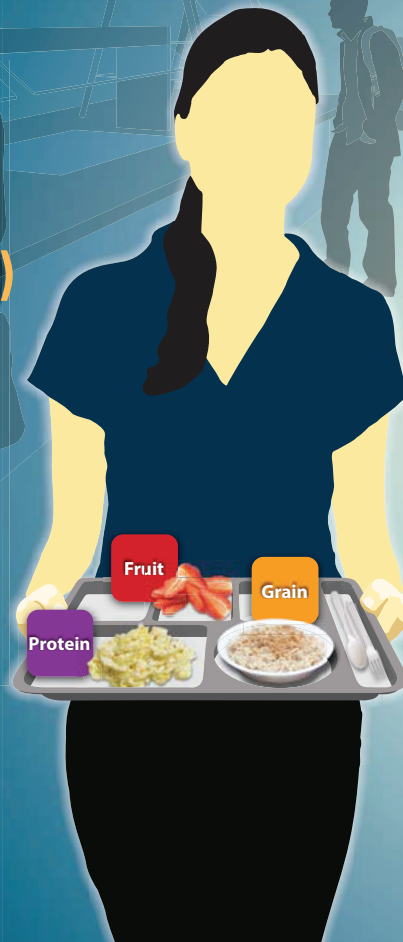


FUEL UP @ BREAKFAST



► **Choose**
at least 3 items
(4 for maximum fuel)

► **Take**
1/2 cup fruit
and/or
vegetable





United States Department of Agriculture

Food and Nutrition Service

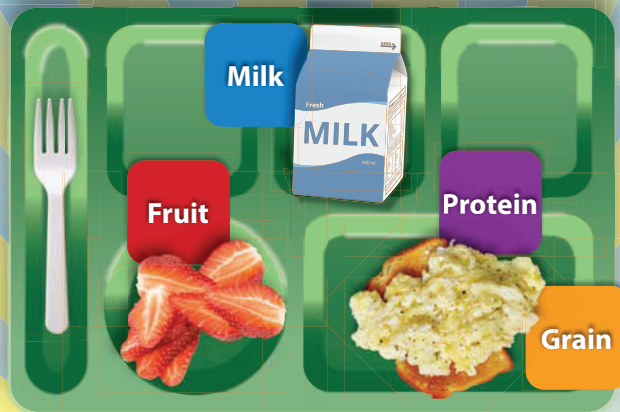
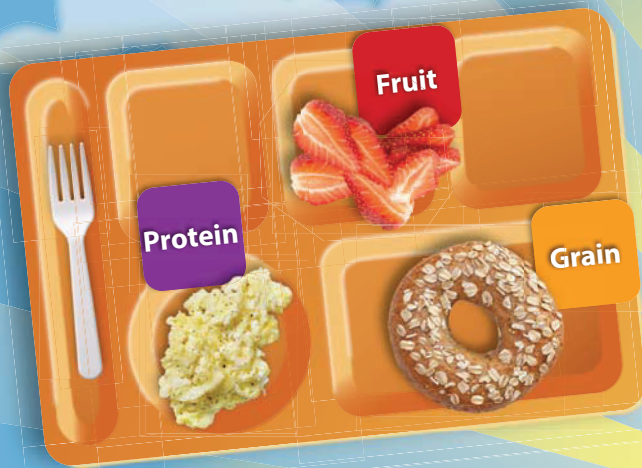
BUILD A **POWER FUELED** BREAKFAST



CHOOSE AT LEAST 3 ITEMS



TAKE 1/2 CUP FRUIT OR VEGETABLE



4 items



Appendix I



Harrisburg School District

HEA Healthcare Proposal

July 1, 2021 – June 30, 2024

Presented by
Gallagher Benefit Services
March 25, 2021

K-12 Scholastic Niche



Gallagher

Insurance | Risk Management | Consulting

Agenda



Gallagher

Insurance | Risk Management | Consulting

- I. Proposal Summary
- II. Financial Summary
- III. Plan Comparison
- IV. Medical Plan Alternatives - Choice Blue Programs
- V. Prescription Drug Programs
 - Opioid Management
 - Exclusive Specialty
 - Saveon SP
- I. Payroll Contributions
- VI. Privacy Notice & Disclaimers

Proposal Overview

Executive Summary



Insurance | Risk Management | Consulting

Year	Medical Plans	Rx Plans & Programs	Employee Cost Share %
Current: PY 2020-21	Low Plan: Blue Sharing 90%/70% High Plan: Blue Sharing 100%/80%	\$10/\$35/\$50 National Preferred Formulary Clinical Programs (ST, PA, DQM)	Low Plan: 5% High Plan: 11%
Year 1: PY 2021-22	Low Plan: Blue Sharing 80%/60% High Plan: Blue Sharing 100%/80% Add Enhanced Network Tier	\$10/\$35/\$50 National Preferred Formulary Clinical Programs (ST, PA, DQM) Add Opioid Management Program	Low Plan: 5% High Plan: 12%
Year 2: PY 2022-23	Low Plan: Blue Sharing 80%/60% High Plan: Blue Sharing 90%/70% with Enhanced Network Tier	\$10/\$35/\$50 National Preferred Formulary Clinical Programs (ST, PA, DQM) Opioid Management Program Add Exclusive Specialty Program Add SaveON SP Add Mandatory Mail Order	Low Plan: 5% High Plan: 13%
Year 3: 2023-24	Low Plan: Blue Sharing 80%/60% Specialist Copayments: \$40 OON Ded: \$5,000/\$10,000 High Plan: Blue Sharing 90%/70% IN Ded: 500/\$1,000 OON Ded: \$2,000/\$4,000 with Enhanced Network Tier	\$10/\$35/\$50/\$100 National Preferred Formulary Clinical Programs (ST, PA, DQM) Opioid Management Program Exclusive Specialty Program SaveON SP Mandatory Mail Order	Low Plan: 5% High Plan: 14%

Financial Summary

Executive Summary



Insurance | Risk Management | Consulting

Plan Year	Total Premium w/o Plan Changes	Total Premium w/ plan changes	Δ \$	Δ %	Avg. Cost Share	EE Cost Share	Δ \$	Net District Cost	Δ \$	Δ %
Current: 2020-21	\$8,968,495	\$8,968,495	N/A	N/A	10.9%	\$974,149	N/A	\$7,994,346	N/A	N/A
Year 1: 2021-22	\$9,596,290	\$9,308,401	\$339,906	3.8%	11.8%	\$1,102,017	\$127,868	\$8,206,384	\$212,038	2.7%
Year 2: 2022-23	\$10,268,030	\$9,662,900	\$354,499	3.8%	12.8%	\$1,234,248	\$132,231	\$8,428,652	\$222,268	2.7%
Year 3: 2023-24	\$10,986,792	\$10,029,385	\$366,485	3.8%	13.4%	\$1,347,143	\$112,895	\$8,682,243	\$253,590	3.0%

Plan Year	Total Premium w/o Plan Changes	Total Premium w/ plan changes	Cost Avoidance
Year 1: 2021-22	\$9,596,290	\$9,308,401	\$287,889
Year 2: 2022-23	\$10,268,030	\$9,662,900	\$605,130
Year 3: 2023-24	\$10,986,792	\$10,029,385	\$957,407
Total 3 Year Cost Avoidance			\$1,850,425

The medical and rx costs are based on a 7% trend factor applied to each plan year.

Plan Comparison

Highmark Choice Blue Products



Insurance | Risk Management | Consulting

- The proposed plans each offer three levels of benefits
- The below outlines the proposed Year 1 Benefits:
 - ✓ **In Network Enhanced Value Tier *NEW***
 - If members see this select group of doctors, they pay a lower cost than currently.
 - For example, if a member goes to Penn State Health St. Josephs Medical Center, the cost is 100% covered in the High Plan (instead of subject to the \$250/\$500 deductible that members are currently responsible for in the High Plan).
 - ✓ **In Network Standard Value Tier** – Members can continue to see their current in network provider with no change to their copayments
 - ✓ **Out of Network Tier** – Members should use the out of network benefits as a last resort as this provides the least amount of coverage

Plan Comparison

Year 1: July 1, 2021 - June 30, 2022



Insurance | Risk Management | Consulting

Plan	Current Low Plan	Current High Plan	Alternative Low Plan		Alternative High Plan	
	PPO Blue Sharing 90%/70% (\$1,000/\$2,000)	PPO Blue Sharing 100%/80%	PPO Blue Sharing 80%/60%		PPO Blue Sharing 100%/80%	
	In Network	In Network	In Network (Enhanced)	In Network (Standard)	In Network (Enhanced)	In Network (Standard)
Referrals & PCP Selection	Not required	Not required	Not required	Not required	Not required	Not required
Deductible	\$1,000/\$2,000	\$250/\$500	\$250/\$500	\$1,000/\$2,000	None	\$250/\$500
Coinsurance	90%	100%	100%	80%	100%	100%
Office Visits	\$20 Copay	\$20 Copay	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Specialist Visits	\$20 Copay	\$20 Copay	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Hospital Inpatient	90% after deductible	100% after deductible	100% after deductible	80% after deductible	100% covered	100% after deductible
Emergency Room	\$200 (Waived if Admitted)	\$200 (Waived if Admitted)	\$200 (Waived if Admitted)		\$200 (Waived if Admitted)	
Urgent Care	\$20 Copay	\$20 Copay	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Retail Clinic	\$20 Copay	\$20 Copay	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Telemedicine	\$20 Copay	\$20 Copay	\$20 Copay	\$20 Copay	\$20 Copay	\$20 Copay
Laboratory	90% after deductible	100% after deductible	100% after deductible	80% after deductible	100% covered	100% after deductible
Outpatient Surgery	90% after deductible	100% after deductible	100% after deductible	80% after deductible	100% covered	100% after deductible
Physical, Occupational & Speech Therapy	\$20 Copay	\$20 Copay	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Spinal Manipulation	\$20 Copay	\$20 Copay	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Durable Medical Equipment	90% after deductible	100% after deductible	100% after deductible	80% after deductible	100% covered	100% after deductible
	Out of Network	Out of Network	Out of Network		Out of Network	
Deductible	\$2,000/\$4,000	\$1,000/\$2,000	\$2,000/\$4,000		\$1,000/\$2,000	
Coinsurance	70%	80%	70%		80%	
	Prescription Drug	Prescription Drug	Prescription Drug		Prescription Drug	
Tier 1, 2, 3 (Retail/Mail Order) Formulary	\$10/\$35/\$50 (MO 2 x) National Preferred	\$10/\$35/\$50 (MO 2 x) National Preferred	\$10/\$35/\$50 (MO 2 x) National Preferred		\$10/\$35/\$50 (MO 2 x) National Preferred	
Clinical Programs	ST, DQM, PA	ST, DQM, PA	ST, DQM, PA & Opioid Management		ST, DQM, PA & Opioid Management	
Actuarial Value	86.4%	92.7%	85.1%		93.0%	

Plan Comparison

Year 2: July 1, 2022 - June 30, 2023



Insurance | Risk Management | Consulting

Plan	Alternative Low Plan		Alternative High Plan	
	PPO Blue Sharing 80%/60%		PPO Blue Sharing 90%/70%	
	In Network (Enhanced)	In Network (Standard)	In Network (Enhanced)	In Network (Standard)
Referrals & PCP Selection	Not required	Not required	Not required	Not required
Deductible	\$250/\$500	\$1,000/\$2,000	None	\$250/\$500
Coinsurance	100%	80%	100%	90%
Office Visits	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Specialist Visits	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Hospital Inpatient	100% after deductible	80% after deductible	100% covered	90% after deductible
Emergency Room	\$200 (Waived if Admitted)		\$200 (Waived if Admitted)	
Urgent Care	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Retail Clinic	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Telemedicine	\$20 Copay	\$20 Copay	\$20 Copay	\$20 Copay
Laboratory	100% after deductible	80% after deductible	100% covered	90% after deductible
Outpatient Surgery	100% after deductible	80% after deductible	100% covered	90% after deductible
Physical, Occupational & Speech Therapy	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Spinal Manipulation	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Durable Medical Equipment	100% after deductible	80% after deductible	100% covered	90% after deductible
	Out of Network		Out of Network	
Deductible	\$2,000/\$4,000		\$1,000/\$2,000	
Coinsurance	60%		70%	
	Prescription Drug		Prescription Drug	
Tier 1, 2, 3 (Retail/Mail Order) Formulary	\$10/\$35/\$50 (MO 2 x) National Preferred		\$10/\$35/\$50 (MO 2 x) National Preferred	
Clinical Programs	ST, DQM, PA & Opioid Management Exclusive Specialty Program, SaveON SP & Mandatory Mail Order		ST, DQM, PA & Opioid Management Exclusive Specialty Program, SaveON SP & Mandatory Mail Order	
Actuarial Value	85.1%		91.9%	

Plan Comparison

Year 3: July 1, 2023 - June 30, 2024



Insurance | Risk Management | Consulting

Plan	Alternative Low Plan		Alternative High Plan	
	PPO Blue Sharing 80%/60%		PPO Blue Sharing 90%/70%	
	In Network (Enhanced)	In Network (Standard)	In Network (Enhanced)	In Network (Standard)
Referrals & PCP Selection	Not required	Not required	Not required	Not required
Deductible	\$250/\$500	\$1,000/\$2,000	None	\$500/\$1,000
Coinsurance	100%	80%	100%	90%
Office Visits	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Specialist Visits	\$10 Copay	\$40 Copay	\$10 Copay	\$20 Copay
Hospital Inpatient	100% after deductible	80% after deductible	100% covered	90% after deductible
Emergency Room	\$200 (Waived if Admitted)		\$200 (Waived if Admitted)	
Urgent Care	\$10 Copay	\$40 Copay	\$10 Copay	\$20 Copay
Retail Clinic	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Telemedicine	\$20 Copay	\$20 Copay	\$20 Copay	\$20 Copay
Laboratory	100% after deductible	80% after deductible	100% covered	90% after deductible
Outpatient Surgery	100% after deductible	80% after deductible	100% covered	90% after deductible
Physical, Occupational & Speech Therapy	\$10 Copay	\$40 Copay	\$10 Copay	\$20 Copay
Spinal Manipulation	\$10 Copay	\$40 Copay	\$10 Copay	\$20 Copay
Durable Medical Equipment	100% after deductible	80% after deductible	100% covered	90% after deductible
	Out of Network		Out of Network	
Deductible	\$5,000/\$10,000		\$2,000/\$4,000	
Coinsurance	60%		70%	
	Prescription Drug		Prescription Drug	
Tier 1, 2, 3 (Retail/Mail Order) Formulary	\$10/\$35/\$50/ \$100 (MO 2 x) National Preferred		\$10/\$35/\$50/ \$100 (MO 2 x) National Preferred	
Clinical Programs	ST, DQM, PA & Opioid Management Exclusive Specialty Program, SaveON SP & Mandatory Mail Order		ST, DQM, PA & Opioid Management Exclusive Specialty Program, SaveON SP & Mandatory Mail Order	
Actuarial Value	84.2%		91.1%	

Medical Plan Alternatives

Highmark Choice Blue Products



Insurance | Risk Management | Consulting

Advantages to the District	Advantages to Members
Innovated, tiered network design	More control over managing health care costs
More value for your health care dollar	Access to world-class providers
Affordable, convenience, high-quality care for your employees	Access to providers at the Enhanced Value Network, including Penn State Health, WellSpan Health, Lancaster General Health & others

In-Network Access



Choose
Enhanced Value
for lowest out-of-pocket costs from participating network providers

Members Pays \$

High-Quality Care ✓



Choose
Standard Value
for additional network provider options

Members Pays \$\$

High-Quality Care ✓

Out of Network (PPO plans only)



Members generally pay the most for non-emergency care from out-of-network providers

Medical Plan Alternatives

Highmark Choice Blue Products



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County	 Enhanced Value Level	 Standard Value Level
Berks	Penn State Health St. Joseph Medical Center	Reading Hospital & Medical Center
Dauphin	Penn State Health Milton S. Hershey Medical Center Penn State Children’s Hospital	UPMC Pinnacle Community Osteopathic UPMC Pinnacle Harrisburg
Adams	WellSpan Gettysburg Hospital	
Lancaster	WellSpan Ephrata Community Hospital Lancaster General Hospital	UPMC Pinnacle Lititz
Lebanon	WellSpan Good Samaritan Hospital	
York	WellSpan York Hospital	UPMC Pinnacle Memorial UPMC Pinnacle Hanover
Cumberland	Geisinger Holy Spirit Hospital	UPMC Pinnacle Carlisle UPMC Pinnacle West Shore
Franklin	WellSpan Chambersburg Hospital WellSpan Waynesboro Hospital	

Prescription Drug Programs

Opioid Management Program



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- The program limits the day supply of certain pain medication
 - ✓ Seven-day supply limit for adults initiating opioid therapy
 - ✓ Three-day supply limit for children initiating opioid therapy
 - ✓ Prior authorization required for members starting opioids who accumulate > 90 MME
 - ✓ Prior authorization required for members who accumulate > 200MME
 - ✓ Prior authorization on first fill of a long-acting opioid to encourage a safe start
 - ✓ Safer fentanyl utilization initiatives
 - ✓ Opioid adjacent therapy quantity limits

MME: morphine milligram equivalents

Prescription Drug Programs

Exclusive Specialty



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- Exclusive Specialty through ESI's Accredo Pharmacy is an exclusive network for members taking specialty medications by providing the following:
 - ✓ Experienced clinical support for better member adherence and safety
 - ✓ Consistent pricing to better control specialty trend
 - ✓ Easier clinical and financial oversight



Member Experience

- Specialty prescriptions are submitted to one of the ESI's specialty mail pharmacies
- Members will receive telephonic clinical support from ESI's specialty pharmacy Team
- Members medications are delivered to the location of their choice

Prescription Drug Programs

Saveon SP



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- SafeonSP is a savings program that provides copayment assistance to members and reduces member out of pocket costs to \$0 while providing savings to the district



About the Program

- Utilizes Affordable Care Act (ACA) state benchmark to **change client plan design**
- Select drugs designated as **Non-Essential Health Benefits**
- Copays set to **maximize manufacturer assistance dollars**
- Targets **150+** specialty drugs in **19** therapy classes
- Reduces patient's responsibility to **zero**

Highest Utilized Therapy Classes	Average Assistance/Fill
Hepatitis C	\$7,500
Cystic Fibrosis	\$2,300
Multiple Sclerosis	\$2,000
Inflammatory	\$1,666
Hemophilia	\$1,666
Oncology	\$1,250
Pulmonary Arterial Hypertension	\$1,200
Blood Cell Deficiency	\$1,000
Hereditary Angioedema	\$1,000
Asthma & Allergy	\$850

Payroll Contributions

Monthly & Annual Plan Costs



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- The below chart provides the proposed estimated monthly and annual cost for each plan for each year of the contract

Low Plan (Monthly)	Current	Year 1	Year 2	Year 3
Single	\$36.51	\$37.89	\$39.93	\$39.31
Two Party	\$76.30	\$79.19	\$83.46	\$82.16
Family	\$104.77	\$108.74	\$114.61	\$112.82

Low Plan (Annual)	Current	Year 1	Year 2	Year 3
Single	\$438.12	\$454.68	\$479.16	\$471.72
Two Party	\$915.60	\$950.28	\$1,001.52	\$985.92
Family	\$1,257.24	\$1,304.88	\$1,375.32	\$1,353.84

High Plan (Monthly)	Current	Year 1	Year 2	Year 3
Single	\$84.44	\$95.61	\$107.51	\$120.78
Two Party	\$176.45	\$199.79	\$224.64	\$252.38
Family	\$242.36	\$274.41	\$308.55	\$346.65

High Plan (Annual)	Current	Year 1	Year 2	Year 3
Single	\$1,013.28	\$1,147.32	\$1,290.12	\$1,449.36
Two Party	\$2,117.40	\$2,397.48	\$2,695.68	\$3,028.56
Family	\$2,908.32	\$3,292.92	\$3,702.60	\$4,159.80

The medical and rx costs are based on a 7% trend factor applied to each plan year. The final rates may vary.



Gallagher

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Privacy Notice & Disclaimers



Privacy Notice



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Applicable law requires GBS to provide our clients with a copy of our Privacy Policy which is enclosed. This policy does not apply to our efforts to market our products and services to you, so you may receive information from us regarding products that may suit your needs.

GBS has always been mindful of our clients' privacy. We maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to guard your nonpublic personal financial and health information and that of your employees.

Thank you for choosing Gallagher Benefit Services, Inc. We appreciate your business and value our relationship.

This **Privacy Policy Disclosure** outlines our information sharing practices to help you understand how we protect your privacy and that of your employees when we collect and use information about you and your employees, and the measures we take to safeguard that information.

Information We Collect. We collect nonpublic personal financial and health information about you and your employees as required by the insurance companies including:

- Information we receive from you and your employees on applications or questionnaires, such as occupation, current employer and social security number;
- Information about your transactions with us, our affiliates, or previous insurers; such as your policy coverage, claim information, premiums and payment history;
- Information we receive from consumer-reporting agencies such as Equifax that is obtained for the purpose of ascertaining credit histories. These reports are obtained as underwriting tools to determine bill paying habits and credit worthiness for certain individual, personal insurance products. These reports are not subject to race, gender or income.

Information We Disclose. We do not disclose any nonpublic personal financial and health information about our clients or former clients to anyone, except for the purposes of placing your insurance coverage(s) and as otherwise permitted by law. For example, we may disclose nonpublic personal financial and/or health information about you and your employees to market your insurance coverage directly with insurers and providers.

Information Security. We restrict access to nonpublic personal financial and health information about you and your employees to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to guard your nonpublic personal financial and health information and that of your employees.

Disclaimers



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- Solvency** While GBS does not guarantee the financial viability of any health insurance carrier or market, it is an area we recommend that clients closely scrutinize when selecting a health insurance carrier. There are a number of rating agencies that can be referred to including, A.M. Best, Fitch, Moody's, Standard & Poor's, and Weiss Ratings (TheStreet.com). Generally, agencies that provide ratings of Health Insurers, including traditional insurance companies and other managed care organizations, reflect their opinion based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.
- Coverage** **IMPORTANT:** This proposal [analysis, report, etc.] is an outline of the coverages proposed by the carrier(s), based on information provided by your company. It does not include all of the terms, coverages, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy forms for your reference will be made available upon request.
- Renewal/Financial** This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.
- Legal** The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It does not necessarily fully address all of your specific issues. It should not be construed as, nor is it intended to provide, legal advice. Questions regarding specific issues should be addressed by your general counsel or an attorney who specializes in this practice area.
- Network Discount Analysis (applies to Self Funded Only)** Network discount analysis is based on a representative basket of 'goods and services' an employer's health plan(s) could expect to see over the course of a year. It is in no way intended to imply a direct correlation to an employer's actual claim experience. This analysis is designed to approximate a differential in reimbursement rates among various networks in order to assess efficiency and does not in any way represent a guarantee of savings.



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Thank you!

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Harrisburg School District

AFSCME Healthcare Negotiations

Presented by

Christine Brown, Area Vice President, Public Entity Team Leader

Kristin Kotz, Area Vice President

April 27, 2021

K-12 Scholastic Niche



Gallagher

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Agenda

- Proposal Summary
- Financial Summary
- Plan Comparison
- Medical Plan Alternatives - Choice Blue Programs
- Prescription Drug Programs
 - Opioid Management
 - Exclusive Specialty
 - Saveon SP
- Payroll Contributions
- Privacy Notice & Disclaimers

Proposal Summary

Executive Summary



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Year	Medical Plans	Rx Plans & Programs	Employee Contributions
Current: PY 2020-21	Low/Value Plan: Blue Sharing 80%/60% Mid Plan: Blue Sharing 90%/70% High Plan: Blue Sharing 100%	\$10/\$35/\$50 National Preferred Formulary Clinical Programs (ST, PA, DQM)	Low/Value Plan: 1% of Salary Mid Plan: 1.5% of Salary High Plan: 2.5% of Salary
Year 1: PY 2021-22	Low Plan: Blue Sharing 80%/60% High Plan: Blue Sharing 100%/80% IN Ded \$250/\$500 OON Ded \$1,000/\$2,000 Add Enhanced Network Tier	\$10/\$35/\$50 National Preferred Formulary Clinical Programs (ST, PA, DQM) Add Opioid Management Program	Low Plan: 2% of Rates High Plan: 6% of Rates
Year 2: PY 2022-23	Low Plan: Blue Sharing 80%/60% High Plan: Blue Sharing 90%/70% IN Ded \$250/\$500 OON Ded \$1,000/\$2,000 with Enhanced Network Tier	\$10/\$35/\$50 National Preferred Formulary Clinical Programs (ST, PA, DQM) Opioid Management Program Add Exclusive Specialty Program Add SaveON SP Add Mandatory Mail Order	Low Plan: 2% of Rates High Plan: 7% of Rates
Year 3: 2023-24	Low Plan: Blue Sharing 80%/60% Specialist Copayments: \$40 OON Ded: \$5,000/\$10,000 High Plan: Blue Sharing 90%/70% IN Ded: 500/\$1,000 OON Ded: \$2,000/\$4,000 with Enhanced Network Tier	\$10/\$35/\$50/ \$100 National Preferred Formulary Clinical Programs (ST, PA, DQM) Opioid Management Program Exclusive Specialty Program SaveON SP Mandatory Mail Order	Low Plan: 2% of Rates High Plan: 8% of Rates

Financial Summary

Executive Summary



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Plan Year	Total Premium w/o Plan Changes	Total Premium w/ plan changes	Δ \$	Δ %	Avg. Cost Share	EE Cost Share	Δ \$	Net District Cost	Δ \$	Δ %
Current: 2020-21	\$2,681,709	\$2,681,709	N/A	N/A	3.4%	\$90,188	N/A	\$2,591,521	N/A	N/A
Year 1: 2021-22	\$2,869,429	\$2,551,428	-\$130,281	-4.9%	5.7%	\$145,217	\$55,028	\$2,406,211	-\$185,310	-7.2%
Year 2: 2022-23	\$3,039,293	\$2,645,666	\$94,238	3.7%	5.8%	\$153,383	\$8,166	\$2,492,283	\$86,072	3.6%
Year 3: 2023-24	\$3,285,209	\$2,704,958	\$59,291	2.2%	5.7%	\$154,020	\$637	\$2,550,937	\$58,654	2.4%

Plan Year	Total Premium w/o Plan Changes	Total Premium w/ plan changes	Cost Avoidance
Year 1: 2021-22	\$2,869,429	\$2,551,428	\$318,001
Year 2: 2022-23	\$3,039,293	\$2,645,666	\$393,627
Year 3: 2023-24	\$3,285,209	\$2,704,958	\$580,252
Total 3 Year Cost Avoidance			\$1,291,879

The medical and rx costs are based on a 7% trend factor applied to each plan year. Enrollment Assumptions are as follows:

Year 1: Low Plan 10%/High Plan 90%

Year 2: Low Plan 25%/High Plan 75%

Year 3: Low Plan 40%/High Plan 60%

Plan Comparison

Highmark Choice Blue Products



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- The proposed plans each offer three levels of benefits
- The below outlines the proposed Year 1 Benefits:
 - ✓ **In Network Enhanced Value Tier *NEW***
 - If members see this select group of doctors, they pay a lower cost than currently.
 - For example, if a member goes to Penn State Health St. Josephs Medical Center, the cost is 100% covered in the High Plan (instead of subject to the \$250/\$500 deductible that members are currently responsible for in the High Plan).
 - In Network Standard Value Tier – Members can continue to see their current in network provider with no change to their copayments
 - Out of Network Tier – Members should use the out of network benefits as a last resort as this provides the least amount of coverage

Plan Comparison

Current Plans



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	Current Low/Value Plan		Current Mid Plan		Current High Plan	
Plan	PPO Blue Sharing 80%/60% (\$2,000/\$4,000)		PPO Blue Sharing 90%/70% (\$1,000/\$2,000)		PPO Blue Sharing 100% Plan	
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Referrals & PCP Selection	Not required	N/A	Not required	N/A	Not required	N/A
Deductible	\$2,000/\$4,000	\$4,000/\$8,000	\$1,000/\$2,000	\$2,000/\$4,000	None	\$250/\$500
Coinsurance	80%	60%	90%	70%	100%	80%
Office Visits	\$20 Copay	60% after deductible	\$20 Copay	70% after deductible	\$20 Copay	80% after deductible
Specialist Visits	\$20 Copay	60% after deductible	\$20 Copay	70% after deductible	\$20 Copay	80% after deductible
Hospital Inpatient	80% after deductible	60% after deductible	90% after deductible	70% after deductible	100% after deductible	80% after deductible
Emergency Room	\$50 (Waived if Admitted)		\$50 (Waived if Admitted)		\$100 (Waived if Admitted)	
Urgent Care	\$20 Copay	60% after deductible	\$20 Copay	70% after deductible	\$20 Copay	80% after deductible
Retail Clinic	\$20 Copay	60% after deductible	\$20 Copay	70% after deductible	\$20 Copay	80% after deductible
Telemedicine	\$20 Copay	Not Covered	\$20 Copay	Not Covered	\$20 Copay	Not Covered
Laboratory	80% after deductible	60% after deductible	90% after deductible	70% after deductible	100% after deductible	80% after deductible
Outpatient Surgery	80% after deductible	60% after deductible	90% after deductible	70% after deductible	100% after deductible	80% after deductible
Physical, Occupational & Speech Therapy	\$20 Copay limit: 12 visits/benefit period	60% after deductible	\$20 Copay limit: 12 visits/benefit period	70% after deductible	\$20 Copay limit: 12 visits/benefit period	80% after deductible
Spinal Manipulation	\$20 Copay limit: 12 visits/benefit period	60% after deductible	\$20 Copay limit: 12 visits/benefit period	70% after deductible	\$20 Copay limit: 12 visits/benefit period	80% after deductible
Durable Medical Equipment	80% after deductible	60% after deductible	90% after deductible	70% after deductible	100% after deductible	80% after deductible
	Prescription Drug		Prescription Drug		Prescription Drug	
Tier 1, 2, 3 (Retail/Mail Order)	\$10/\$35/\$50 (MO 2 x)		\$10/\$35/\$50 (MO 2 x)		\$10/\$35/\$50 (MO 2 x)	
Formulary	National Preferred		National Preferred		National Preferred	
Clinical Programs	ST, DQM, PA		ST, DQM, PA		ST, DQM, PA	
Actuarial Value	81.7%		86.4%		96.2%	

Plan Comparison

Year 1: July 1, 2021 – June 30, 2022



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Plan	Alternative Low Plan		Alternative High Plan	
	PPO Blue Sharing 80%/60%		PPO Blue Sharing 100%/80%	
	In Network (Enhanced)	In Network (Standard)	In Network (Enhanced)	In Network (Standard)
Referrals & PCP Selection	Not required	Not required	Not required	Not required
Deductible	\$250/\$500	\$2,000/\$4,000	None	\$250/\$500
Coinsurance	100%	80%	100%	100%
Office Visits	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Specialist Visits	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Hospital Inpatient	100% after deductible	80% after deductible	100% covered	100% after deductible
Emergency Room	\$200 (Waived if Admitted)		\$200 (Waived if Admitted)	
Urgent Care	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Retail Clinic	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Telemedicine	\$20 Copay	\$20 Copay	\$20 Copay	\$20 Copay
Laboratory	100% after deductible	80% after deductible	100% covered	100% after deductible
Outpatient Surgery	100% after deductible	80% after deductible	100% covered	100% after deductible
Physical, Occupational & Speech Therapy	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Spinal Manipulation	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Durable Medical Equipment	100% after deductible	80% after deductible	100% covered	100% after deductible
	Out of Network		Out of Network	
Deductible	\$4,000/\$8,000		\$1,000/\$2,000	
Coinsurance	60%		80%	
	Prescription Drug		Prescription Drug	
Tier 1, 2, 3 (Retail/Mail Order)	\$10/\$35/\$50 (MO 2 x)		\$10/\$35/\$50 (MO 2 x)	
Formulary	National Preferred		National Preferred	
Clinical Programs	ST, DQM, PA & Opioid Management		ST, DQM, PA & Opioid Management	
Actuarial Value	82.1%		93.0%	

Plan Comparison

Year 2: July 1, 2022 – June 30, 2023



Insurance | Risk Management | Consulting

Plan	Alternative Low Plan		Alternative High Plan	
	PPO Blue Sharing 80%/60%		PPO Blue Sharing 90%/70%	
	In Network (Enhanced)	In Network (Standard)	In Network (Enhanced)	In Network (Standard)
Referrals & PCP Selection	Not required	Not required	Not required	Not required
Deductible	\$250/\$500	\$2,000/\$4,000	None	\$250/\$500
Coinsurance	100%	80%	100%	90%
Office Visits	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Specialist Visits	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Hospital Inpatient	100% after deductible	80% after deductible	100% covered	90% after deductible
Emergency Room	\$200 (Waived if Admitted)		\$200 (Waived if Admitted)	
Urgent Care	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Retail Clinic	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Telemedicine	\$20 Copay	\$20 Copay	\$20 Copay	\$20 Copay
Laboratory	100% after deductible	80% after deductible	100% covered	90% after deductible
Outpatient Surgery	100% after deductible	80% after deductible	100% covered	90% after deductible
Physical, Occupational & Speech Therapy	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Spinal Manipulation	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Durable Medical Equipment	100% after deductible	80% after deductible	100% covered	90% after deductible
	Out of Network		Out of Network	
Deductible	\$2,000/\$4,000		\$1,000/\$2,000	
Coinsurance	60%		70%	
	Prescription Drug		Prescription Drug	
Tier 1, 2, 3 (Retail/Mail Order)	\$10/\$35/\$50 (MO 2 x)		\$10/\$35/\$50 (MO 2 x)	
Formulary	National Preferred		National Preferred	
Clinical Programs	ST, DQM, PA & Opioid Management Exclusive Specialty Program, SaveON SP & Mandatory Mail Order		ST, DQM, PA & Opioid Management Exclusive Specialty Program, SaveON SP & Mandatory Mail Order	
Actuarial Value	81.7%		91.9%	

Plan Comparison

Year 3: July 1, 2023 – June 30, 2024



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Plan	Alternative Low Plan		Alternative High Plan	
	PPO Blue Sharing 80%/60%		PPO Blue Sharing 90%/70%	
	In Network (Enhanced)	In Network (Standard)	In Network (Enhanced)	In Network (Standard)
Referrals & PCP Selection	Not required	Not required	Not required	Not required
Deductible	\$250/\$500	\$2,000/\$4,000	None	\$500/\$1,000
Coinsurance	100%	80%	100%	90%
Office Visits	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Specialist Visits	\$10 Copay	\$40 Copay	\$10 Copay	\$20 Copay
Hospital Inpatient	100% after deductible	80% after deductible	100% covered	90% after deductible
Emergency Room	\$200 (Waived if Admitted)		\$200 (Waived if Admitted)	
Urgent Care	\$10 Copay	\$40 Copay	\$10 Copay	\$20 Copay
Retail Clinic	\$10 Copay	\$20 Copay	\$10 Copay	\$20 Copay
Telemedicine	\$20 Copay	\$20 Copay	\$20 Copay	\$20 Copay
Laboratory	100% after deductible	80% after deductible	100% covered	90% after deductible
Outpatient Surgery	100% after deductible	80% after deductible	100% covered	90% after deductible
Physical, Occupational & Speech Therapy	\$10 Copay	\$40 Copay	\$10 Copay	\$20 Copay
Spinal Manipulation	\$10 Copay	\$40 Copay	\$10 Copay	\$20 Copay
Durable Medical Equipment	100% after deductible	80% after deductible	100% covered	90% after deductible
	Out of Network		Out of Network	
Deductible	\$5,000/\$10,000		\$2,000/\$4,000	
Coinsurance	60%		70%	
	Prescription Drug		Prescription Drug	
Tier 1, 2, 3 (Retail/Mail Order)	\$10/\$35/\$50/ \$100 (MO 2 x)		\$10/\$35/\$50/ \$100 (MO 2 x)	
Formulary	National Preferred		National Preferred	
Clinical Programs	ST, DQM, PA & Opioid Management Exclusive Specialty Program, SaveON SP & Mandatory Mail Order		ST, DQM, PA & Opioid Management Exclusive Specialty Program, SaveON SP & Mandatory Mail Order	
Actuarial Value	80.1%		91.1%	

Plan Alternatives

Highmark Choice Blue Products



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Advantages to the District	Advantages to Members
Innovated, tiered network design	More control over managing health care costs
More value for your health care dollar	Access to world-class providers
Affordable, convenience, high-quality care for your employees	Access to providers at the Enhanced Value Network, including Penn State Health, WellSpan Health, Lancaster General Health & others

In-Network Access



Choose
Enhanced Value
 for lowest out-of-pocket costs from participating network providers

Members Pays \$

High-Quality Care ✓



Choose
Standard Value
 for additional network provider options

Members Pays \$\$

High-Quality Care ✓

Out of Network (PPO plans only)



Members generally pay the most for non-emergency care from out-of-network providers

Plan Alternatives

Highmark Choice Blue Products



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County	 Enhanced Value Level	 Standard Value Level
Berks	Penn State Health St. Joseph Medical Center	Reading Hospital & Medical Center
Dauphin	Penn State Health Milton S. Hershey Medical Center Penn State Children's Hospital	UPMC Pinnacle Community Osteopathic UPMC Pinnacle Harrisburg
Adams	WellSpan Gettysburg Hospital	
Lancaster	WellSpan Ephrata Community Hospital Lancaster General Hospital	UPMC Pinnacle Lititz
Lebanon	WellSpan Good Samaritan Hospital	
York	WellSpan York Hospital	UPMC Pinnacle Memorial UPMC Pinnacle Hanover
Cumberland	Geisinger Holy Spirit Hospital	UPMC Pinnacle Carlisle UPMC Pinnacle West Shore
Franklin	WellSpan Chambersburg Hospital WellSpan Waynesboro Hospital	

Prescription Drug Programs

Opioid Management Programs



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- The program limits the day supply of certain pain medication
 - ✓ Seven-day supply limit for adults initiating opioid therapy
 - ✓ Three-day supply limit for children initiating opioid therapy
 - ✓ Prior authorization required for members starting opioids who accumulate > 90 MME
 - ✓ Prior authorization required for members who accumulate > 200MME
 - ✓ Prior authorization on first fill of a long-acting opioid to encourage a safe start
 - ✓ Safer fentanyl utilization initiatives
 - ✓ Opioid adjacent therapy quantity limits

MME: morphine milligram equivalents

Prescription Drug Programs

Exclusive Specialty



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- Exclusive Specialty through ESI's Accredo Pharmacy is an exclusive network for members taking specialty medications by providing the following:
 - ✓ Experienced clinical support for better member adherence and safety
 - ✓ Consistent pricing to better control specialty trend
 - ✓ Easier clinical and financial oversight

Member Experience



- Specialty prescriptions are submitted to one of the ESI's specialty mail pharmacies
- Members will receive telephonic clinical support from ESI's specialty pharmacy Team
- Members medications are delivered to the location of their choice

Prescription Drug Programs

SaveonSP



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- SaveonSP is a savings program that provides copayment assistance to members and reduces member out of pocket costs to \$0 while providing savings to the district



About the Program

- Utilizes Affordable Care Act (ACA) state benchmark to **change client plan design**
- Select drugs designated as **Non-Essential Health Benefits**
- Copays set to **maximize manufacturer assistance dollars**
- Targets **150+** specialty drugs in **19** therapy classes
- Reduces patient's responsibility to **zero**

Highest Utilized Therapy Classes	Average Assistance/Fill
Hepatitis C	\$7,500
Cystic Fibrosis	\$2,300
Multiple Sclerosis	\$2,000
Inflammatory	\$1,666
Hemophilia	\$1,666
Oncology	\$1,250
Pulmonary Arterial Hypertension	\$1,200
Blood Cell Deficiency	\$1,000
Hereditary Angioedema	\$1,000
Asthma & Allergy	\$850



Payroll Contributions

Monthly & Annual Plan Costs

- The below chart provides the proposed estimated monthly and annual cost for each plan for each year of the contract

Low Plan (Monthly)	Current	Year 1	Year 2	Year 3
Single	\$22.49	\$14.27	\$15.03	\$15.72
Two Party	\$23.81	\$29.81	\$31.42	\$32.86
Family	\$25.14	\$43.50	\$45.84	\$45.13

Low Plan (Annual)	Current	Year 1	Year 2	Year 3
Single	\$269.88	\$171.24	\$180.36	\$188.64
Two Party	\$285.77	\$357.72	\$377.04	\$394.32
Family	\$301.67	\$522.00	\$550.08	\$541.56

High Plan (Monthly)	Current	Year 1	Year 2	Year 3
Single	\$50.14	\$47.81	\$57.89	\$69.02
Two Party	\$59.00	\$99.89	\$120.96	\$144.22
Family	\$53.44	\$137.21	\$166.14	\$198.09

High Plan (Annual)	Current	Year 1	Year 2	Year 3
Single	\$601.71	\$573.72	\$694.68	\$828.24
Two Party	\$708.00	\$1,198.68	\$1,451.52	\$1,730.64
Family	\$641.33	\$1,646.52	\$1,993.68	\$2,377.08

The current contributions are based on an average of the employee cost since the cost varies by individual. The medical and rx costs are based on a 7% trend factor applied to each plan year and the recommended plan changes. The final rates may vary.



Gallagher

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Privacy Notice & Disclaimers



Privacy Notice



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Gallagher Benefit Services, Inc. (GBS) treats your personal privacy with care and respect. Because we value our client relationships, we do not disclose a client's nonpublic personal financial and health information with third parties, except for the purposes of placing your insurance coverage(s), and as otherwise permitted by law.

Applicable law requires GBS to provide our clients with a copy of our Privacy Policy which is enclosed. This policy does not apply to our efforts to market our products and services to you, so you may receive information from us regarding products that may suit your needs.

GBS has always been mindful of our clients' privacy. We maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to guard your nonpublic personal financial and health information and that of your employees.

Thank you for choosing Gallagher Benefit Services, Inc. We appreciate your business and value our relationship.

This **Privacy Policy Disclosure** outlines our information sharing practices to help you understand how we protect your privacy and that of your employees when we collect and use information about you and your employees, and the measures we take to safeguard that information.

Information We Collect. We collect nonpublic personal financial and health information about you and your employees as required by the insurance companies including:

- Information we receive from you and your employees on applications or questionnaires, such as occupation, current employer and social security number;
- Information about your transactions with us, our affiliates, or previous insurers; such as your policy coverage, claim information, premiums and payment history;
- Information we receive from consumer-reporting agencies such as Equifax that is obtained for the purpose of ascertaining credit histories. These reports are obtained as underwriting tools to determine bill paying habits and credit worthiness for certain individual, personal insurance products. These reports are not subject to race, gender or income.

Information We Disclose. We do not disclose any nonpublic personal financial and health information about our clients or former clients to anyone, except for the purposes of placing your insurance coverage(s) and as otherwise permitted by law. For example, we may disclose nonpublic personal financial and/or health information about you and your employees to market your insurance coverage directly with insurers and providers.

Information Security. We restrict access to nonpublic personal financial and health information about you and your employees to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to guard your nonpublic personal financial and health information and that of your employees.

Disclaimers



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Solvency While GBS does not guarantee the financial viability of any health insurance carrier or market, it is an area we recommend that clients closely scrutinize when selecting a health insurance carrier. There are a number of rating agencies that can be referred to including, A.M. Best, Fitch, Moody's, Standard & Poor's, and Weiss Ratings (TheStreet.com). Generally, agencies that provide ratings of Health Insurers, including traditional insurance companies and other managed care organizations, reflect their opinion based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.

Coverage IMPORTANT: This proposal [analysis, report, etc.] is an outline of the coverages proposed by the carrier(s), based on information provided by your company. It does not include all of the terms, coverages, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy forms for your reference will be made available upon request.

Renewal/Financial This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Legal The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It does not necessarily fully address all of your specific issues. It should not be construed as, nor is it intended to provide, legal advice. Questions regarding specific issues should be addressed by your general counsel or an attorney who specializes in this practice area.

Network Discount Analysis Network discount analysis is based on a representative basket of 'goods and services' an employer's health plan(s) could expect to see over the course of a year. It is in no way intended to imply a direct correlation to an employer's actual claim experience. This analysis is designed to approximate a differential in reimbursement rates among various networks in order to assess efficiency and does not in any way represent a guarantee of savings.



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Thank you!

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Appendix J

Harrisburg School District Recovery Plan Initiative List
Initiatives by Order in Plan

Chapter	Initiative Number	Description	Task	Deadline	Main Party	Additional Parties
Academic Performance	AP01	Take action to improve Districtwide student attendance	The District will produce monthly reports on attendance, absenteeism, and suspensions that will be shared with building principals; make monthly attendance data publicly available; review and update its existing attendance policies around attendance, absence, and suspensions; develop a Student Attendance Improvement Plan (SAIP) for each student with chronic absences; assign a staff person to monitor each SAIP; and evaluate its progress in improving student attendance annually against the targets set in the Recovery Plan	July 2022	Director of Accountability	Building administrators, Child Accounting Office, Public Relations Coordinator
Academic Performance	AP02	Increase staff attendance by enforcing existing policies and improving reporting	The district will generate weekly and monthly staff attendance reports; reconvene the Staff Absenteeism Task Force to meet monthly; generate quarterly reports on the costs of substitutes and overtime; and will review and update its existing attendance policies focusing on attendance and absences	August 2022	Director of Human Resources	Office of Business Services, Office of Human Resources
Academic Performance	AP03	Improve accountability for student performance	The District will review student performance data regularly with building leaders; develop a differentiated professional learning plan for staff; finalize a failure elimination plan; and incorporate student performance into evaluations of principals.	August 2022	Superintendent	Building leaders, Office of Academics, Office of Accountability, Office of Human Resources
Academic Performance	AP04	Use academic data to inform instructional practices	The District will identify the key academic data sources; review the quality of the data; select a framework to use to analyze the data; develop and distribute data to staff; each building will hold a monthly data meeting; provide training to staff on how to interpret academic data and how to adjust practices; and make assessment data publicly available	July 2022	Chief Academic Officer	District staff and building leaders, Office of Accountability, IT Department, Office of Academics
Academic Performance	AP05	Continue Professional Learning Communities (PLC) for principals and assistant principals	The District will expand the existing PLC program to include assistant principals; continue to hold PLC meetings on a monthly basis	September 2021	Chief Academic Officer	Office of Human Resources
Academic Performance	AP06	Continue coaching programs in the District	The District will continue its instructional coaching program	August 2021	Chief Academic Officer	Office of Academics
Academic Performance	AP07	Conduct annual performance evaluations of all staff	The District will establish a timeline and format for an annual performance review process; develop training materials for staff on how to understand and use performance evaluations; complete annual performance evaluations for all staff; and maintain copies of annual performance reviews in employee files	May 2022	Office of Human Resources	Office of Academics, Office of Accountability
Academic Performance	AP08	Ensure high-quality staff in key leadership positions	The District will establish a timetable for filling vacancies in positions currently filled by MCIU staff; update job descriptions and establish a statewide and national plan for advertising openings; form an internal interview team to review applications and identify well-qualified and experienced school professionals; the interview team will submit recommendations for the position(s) for the Receiver to review; and all positions vacated by the MCIU staff are filled by District employees	May 2022	Receiver	Office of Human Resources, Office of Business Services
Academic Performance	AP09	Implement a standards-aligned curriculum across the District	The District will establish a timetable for the completion of standards-aligned curriculum for all grade levels; identify internal stakeholders responsible for updating the curriculum; dedicate resources necessary to update the curriculum; update the curriculum based on the timetable adopted; update the Curriculum Management Handbook and provide training to staff on the new curriculum	January 2022	Chief Academic Officer	Office of Accountability
Academic Performance	AP10	Follow MTSS process with fidelity in all buildings	The District will develop an implementation schedule for MTSS in all buildings; develop and deliver training to all staff on MTSS approach; implement MTSS in all buildings; create a system to determine whether students are responding to interventions at each Tier; and evaluate the MTSS program annually	February 2022	Chief Academic Officer	Office of Accountability
Academic Performance	AP11	Develop a continuum of learning options for District students	The District will develop a monthly report of all District and charter enrollment; verify placements to all charter schools on a monthly basis; monitor progress against reenrollment targets on a monthly basis; and continue the marketing committee	Ongoing	Director of Virtual Programming	Child Accounting Office, Office of Accountability, District administration
Academic Performance	AP12	Attract and retain students at HVLA and Cougar Academy	The District will develop and maintain a database of current charter students; begin conducting outreach to current HVLA and Cougar Academy students; begin administering exit surveys to families not returning to HVLA or Cougar Academy; and develop the HSD Academies Media Plan	December 2021	Director of Virtual Programming	Public Relations Coordinator
Academic Performance	AP13	Review Special Education program costs and placements	The District will confirm the residency of each student on a monthly basis; compile a database of all special education costs starting with the existing Act 16 information and adding in additional available data (i.e. transportation costs, etc.); analyze comparable costs and identify a total per pupil cost for special education; review the number of special education students returning to the District from outside placements and the number of referrals; issue a report of total special education costs twice per year to be shared with the administration; assess the number of compensatory education settlements it is making on an annual basis; and assess whether special education services can be provided at a lower cost on an annual basis	April 2022	Director of Special Education	Child Accounting Office, Office of Academics, District administration
Administration	ADMIN01	Annual training for all School Board members	The Receiver will develop a Board training plan that will meet statutory requirements and the specific needs of the Harrisburg Board that will be administered in the 2021-22 school year and ensure that all Board members participate in training	June 2022	Receiver	School Board
Administration	ADMIN02	Update Board policies	PSBA recommendations for updating Board policies will be shared with the Receiver and Board and the District will update Board policies based on PSBA recommendations	June 2022	Receiver	PSBA, Board President, Superintendent
Administration	ADMIN03	Improve public access to District documents	The District will continue to upload all relevant information from Board meetings to BoardDocs	Ongoing	Board Secretary	Receiver, Superintendent
Administration	ADMIN04	Adopt an ethics policy for all district staff	The District will develop and adopt a new code of ethics or ethics policy and all District employees will sign an acknowledgement of the ethics policy	December 2021	Receiver	Superintendent, Director of Human Resources
Administration	ADMIN05	Reorganize central office staff	The District shall complete the reorganization of its central office staff	May 2022	Receiver	Office of Human Resources
Administration	ADMIN06	Develop monthly and quarterly reports to be shared with District Administration, School Board and Receiver	The District will develop templates for each report listed in this initiative; present regular updates to the School Board; and develop a report with key timelines and information to be submitted for key revenue sources from the Commonwealth and the federal government.	January 2022	Superintendent	Office of Business Services, Office of Human Services, Office of Accountability, Office of Operations
Administration	ADMIN07	Establish a monthly meeting to discuss Recovery Progress	The District will establish a monthly meeting to discuss Recovery Plan progress and provide a status report on the progress of initiatives in the Plan on an annual basis	August 2022	Receiver	Superintendent
Administration	ADMIN08	Develop an electronic Recovery Plan Status Dashboard	The District will develop an electronic means of tracking the progress of Recovery Plan initiatives and present to Receiver for approval	Two months after adoption	Information Technology Manager	Receiver
Operations	OP01	Develop a contract administration database and implement performance standards into all contracts	The District will establish a contract administration database; review all current contracts and record the relevant information in the database; complete the development of standardized contracts; and conduct quarterly meetings with all contractors who are paid over \$250,000 by the District	February 2022	Director of Business Services	IT Department
Operations	OP02	Review significant District contracts every three years	The District will identify contract end dates for all significant contracts and establish a schedule for review in the 2021-22 school year; establish protocols for how the reviews will be conducted; complete the review of all four significant contracts following the schedule and including all steps laid out in this initiative; summarize its findings in a report it will share with the Superintendent and Receiver; and repeat the analysis for each program every three years at a minimum	May 2022	Director of Business Services	Internal Review Team, Office of Accountability
Operations	OP03	Conduct Districtwide risk assessment	The District will issue a RFP for a vendor to conduct a Districtwide risk assessment; contract with a vendor to conduct a Districtwide risk assessment; the risk assessment will be completed; the District will provide written guidance and training on risk management; and repeat the risk assessment every three years	March 2022	Superintendent	Office of Accountability, External Consultant
Operations	OP04	Develop and implement a multiyear transportation improvement plan	The District will complete an evaluation of the transportation system that establishes the measure of transportation efficiency; provide progress updates quarterly, including the first transportation data report; develop a multiyear improvement plan and establish targets for efficiency and a specific timeline for improvement actions; issue a RFP for a special education bus contractor; hire a special education bus contractor, selected from the RFP process to begin with summer (2022) program transportation; issue a RFP for a regular education bus contractor; and hire a regular education bus contractor, selected from the RFP process to begin with summer (2023) program transportation	January 2022	Transportation Coordinator	Director of Operations, Superintendent, PFM Consultant
Operations	OP05	Develop a Districtwide communication plan	The District will undergo a communications audit; prepare a Districtwide communication plan and present to the Receiver and Superintendent; create a committee to brainstorm strategies of communicating with different groups of stakeholders; undergo a second communication audit to assess the impact of the communication plan and present the results to the Receiver and Superintendent	March 2022	Public Relations Coordinator	External Consultant

**Harrisburg School District Recovery Plan Initiative List
Initiatives by Order in Plan**

Chapter	Initiative Number	Description	Task	Deadline	Main Party	Additional Parties
Operations	OP06	Finalize and Maintain Position Control system	The Office of Human Resources staff will manage the input of data from the position control system; the District will use the position control system to pull reports on employee and vacancy data to submit to the Receiver on a monthly basis; and a review of the position control system will be completed by an individual outside of the Office of Human Resources on a quarterly basis	February 2022	Director of Human Resources	Office of Human Resources, Office of Business Services
Operations	OP07	Ensure high quality staff in the Office of Human Resources	The District will review staffing assignments and potential needs for training; conduct training on E-Finance, Cognos, the position control system, and timekeeping system for all Office of Human Resources staff; review all current job descriptions for Office of Human Resources employees and adjust where necessary; ensure all Office of Human Resources staff are cross-trained; and ensure that any vacancies are filled with candidates possessing the qualifications outlined in updated job descriptions	August 2022	Director of Human Resources	Office of Human Resources
Operations	OP08	Document all Office of Human Resources processes and review all Districtwide policies	The District will document all Office of Human Resources procedures in a procedures manual; include and reference all policies in the Employee Handbook and School Operations Resource guide; review Office of Human Resources procedures and incorporate changes into the procedures manual annually; and review and update policies on an ongoing basis and update the Employee Handbook and School Operations Resource guide	January 2022	Director of Human Resources	Office of Human Resources
Operations	OP09	Improve monitoring and reporting of Human Resources information in documents shared with the Receiver and the Board	The District will develop reports on staffing, staff attendance, and staff turnover. Staffing and staff turnover reports will be presented quarterly, and staff attendance reports will be run on a weekly basis. The District will present staffing ratio reports on a quarterly basis	December 2021	Director of Human Resources	Office of Human Resources
Operations	OP10	Conduct exit interviews	The Office of Human Resources will begin conducting exit interviews for all departing staff; create a database based on information collected from exit interviews; and submit quarterly reports that summarize findings from exit interviews	June 2022	Director of Human Resources	Office of Human Resources
Operations	OP11	Develop a Districtwide recruitment strategy	The District will develop a recruitment strategy	May 2022	Director of Human Resources	Office of Human Resources
Operations	OP12	Rewrite position descriptions for all District staff	The District will review and update all position descriptions	April 2022	Director of Human Resources	Office of Human Resources
Operations	OP13	Clarify roles and responsibilities between District and contracted Food Service staff	The District will clarify roles and responsibilities for all District and contracted food service staff; rewrite the job description for the District Food Service Supervisor; update the job descriptions for District Food Service positions as needed; develop training materials for all District Food Service employees; update the contract to reflect these changes as part of its annual renewal, if not earlier; and evaluate its food service contract annually prior to renewal	January 2022	Director of Operations	Superintendent, Office of Human Resources, Food Service Supervisor
Operations	OP14	Improve District oversight of Food Service Management Company	The District will ensure that all staff complete OVS toolbox training; establish biweekly management meetings with FSMC; begin weekly site visits at all District cafeterias; and review and update District Food Service website	October 2021	Food Service Supervisor	Director of Operations
Operations	OP15	Monitor Point of Sale system to ensure accurate counts for reimbursement	The District will identify which method of exchange of information will be implemented; implement an exchange of information system at all schools; and monitor the new system and identify any changes or improvements	September 2021	Food Service Supervisor	Director of Operations
Financial Management	FM01	Utilize a multi-year financial projection to guide budget decisions	The District will begin using a multi-year projection to develop its annual budget and to evaluate revenue and spending decisions; develop an detailed inventory of potential revenue enhancement and expenditure control initiatives for the 2021-22 budget and future years to assess the financial impact of implementation; determine whether revenue enhancement may be needed to balance the 2021-22 budget and adopt any required resolutions; prepare a structurally balanced budget for presentation to the Board; and adopt a balanced budget for 2021-22, and approve revenue increases, if necessary	June 2022	Director of Business Services	Office of Business Services
Financial Management	FM02	Adhere to existing fund balance policy	The District will prepare an annual fund balance report for the Receiver in conjunction with the preparation of the District's annual budget and comply with existing fund balance policy	May 2022	Director of Business Services	Receiver, School Board
Financial Management	FM03	Develop a five-year facility utilization plan	The District will analyze existing enrollment data and historic enrollment trends that may impact building utilization; compile information on anticipated changes to educational delivery plans, including impact of virtual learning on long-term facility use; develop long-term enrollment projections, using information on current enrollment, birth rates, and other pertinent information; compile information about all the existing building facilities including an assessment of the physical condition and annual maintenance costs per building; develop a five-year plan for structures and building uses based on the enrollment projection, academic plans, and current condition of District buildings; the Receiver will approve the five-year facility plan and the District will review the five-year facility plan at a minimum every three years and present findings to the Receiver	April 2022	Superintendent, Director of Operations	Office of Accountability, Receiver
Financial Management	FM04	Develop a multi-year capital planning and budgeting process	The District will create a five-year schedule for all of the capital projects identified based on criteria including urgency, importance to educational mission, cost savings, and building safety; develop a multi-year financing plan for capital needs; adopt a capital budget for authorized capital expenditures based on the financing plan and the schedule of priority projects on an annual basis; and update the Receiver on the status of the capital plan annually	March 2022	Superintendent	Director of Operations, Office of Business Services, Receiver
Financial Management	FM05	Develop a comprehensive action plan for addressing and correcting audit findings from annual independent audits	The District will develop an audit correction plan to address all audit findings and submit to the Receiver; and the District will report on the progress of the plan to the Receiver every six months, as needed	March 2022	Director of Business Services	Receiver, Superintendent
Financial Management	FM06	Contract with an independent financial advisory firm	The District will issue a Request for Proposals for financial advisory services; review proposals and select candidate(s) to present to the Receiver; the Receiver will approve an independent financial advisor for the District; and at the termination of the contract, the District will evaluate the financial advisor and determine whether to renew the contract or select a new firm	March 2022	Director of Business Services	Receiver
Financial Management	FM07	Review existing debt management policy	The District will review and update the existing debt service policy; adopt a new debt service policy; and review the debt service policy and make updates every three years	April 2022	Director of Business Services	Superintendent, Receiver, Financial Advisor
Financial Management	FM08	Ensure highly qualified staff in the Office of Business Services	The District will review staffing assignments and potential needs for training; conduct training on eFinance and Cognos for all Office of Business Services staff; review all current job descriptions for Office of Business Services employees and adjust where necessary; ensure all Office of Business Services staff are cross-trained; and ensure that any vacancies are filled with candidates possessing the qualifications outlined in updated job descriptions	August 2022	Director of Business Services	
Financial Management	FM09	Document all Office of Business Services processes and implement a policy around document retention	The District will adopt a document retention policy; document all Office of Business Services procedures into an internal procedures manual; and update and review processes for all Office of Business Services activities annually	January 2022	Director of Business Services	
Financial Management	FM10	Improve monitoring and reporting of financial information in documents shared with the board	The District will develop templates for each report listed in this initiative; present enrollment reports to the Receiver and administration on a monthly basis, including charter, special education, and out-of-District placement costs; present financial reports to the Receiver on a monthly and quarterly basis; develop a data submission report with the key timelines and information to be submitted for key revenue sources from the Commonwealth and the federal government; and present transportation reports to the Receiver on a biannual basis	June 2022	Director of Business Services	Office of Accountability
Revenue	R01	Increase real estate taxes annually to the Act 1 Index as deemed necessary by the Receiver	The District will adopt the final proposed 2021-22 budget with the required tax increases and in accordance with all required statutory events; adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events; and adopt the final proposed budget with the required tax increases and in accordance with all required statutory events	June 2022	Director of Business Services	Receiver
Revenue	R02	Improve the current year real estate collection rate	The District will continue to work with the City to work to improve the real estate tax collection rate	May 2022	Director of Business Services	
Revenue	R03	Develop partnerships with tax-exempt entities to generate voluntary payments	The District will document all existing PILOT agreements and expiration dates; develop a financial report for the Receiver and Board, noting the PILOT agreements and amount received; develop a list of tax-exempt organizations from which to request support; complete meetings with all of the tax-exempt organizations identified and consider the responses, as well as the role of its existing foundation and a public service foundation under the terms of Act 55; and build community relationships to maintain partnerships and seek additional voluntary payments	July 2023	Superintendent	Office of Business Services, Receiver
Revenue	R04	Receive Special Education Funding contingency annually	The District will apply for special education contingency funds annually	January 2022	Director of Business Services	Director of Special Education, Office of Academics, Grant Writer
Revenue	R05	Increase reimbursement for Social Security contributions paid on behalf of employees	The District will undertake a review of its current Social Security reimbursement process to identify issues; establish a training process for Business Office staff on monitoring and reporting reimbursement information to the Commonwealth; and based on the findings of the review, the District will budget for and receive the correct reimbursement rate for both Social Security and PSERS to ensure a full annual reimbursement	April 2022	Director of Business Services	Office of Human Resources
Revenue	R06	Increase Medicaid ACCESS revenue	The District will review its ACCESS billing policies and procedures and determine if changes are required in order to increase Medicaid ACCESS revenue	December 2021	Director of Business Services	
Revenue	R07	Continue to support grant-writing professional	The District will submit an annual report on the costs of the grant writer, the timeline of current grants, and the amount accrued.	March 2022	Director of Business Services	Grant Writer
Revenue	R08	Sell vacant District buildings	The District will sell the William Penn property	June 2023	Superintendent	Office of Business Services, Receiver

**Harrisburg School District Recovery Plan Initiative List
Initiatives by Order in Plan**

Chapter	Initiative Number	Description	Task	Deadline	Main Party	Additional Parties
Revenue	R09	Allocate windfall revenues and budgetary resources among priorities outlined in the Recovery Plan	The District will annually determine the total amount of windfall revenues and additional savings that the District has, using projected year-end actuals or audited numbers, and submit a report to the Receiver on total amount of revenues and provide recommendations for how revenues and savings should be allocated.	Ongoing	Director of Business Services	Receiver
Workforce	WF01	Offer affordable salary increases to staff	The District will provide salary increases that are affordable given sustainable revenue sources and budget projections	Effective during duration of Plan	Receiver	Superintendent, Office of Business Services
Workforce	WF02	Reduce future growth in healthcare costs	The District will implement healthcare cost savings changes designed to reach the Recovery Plan target annually and undergo a healthcare eligibility audit every three years at a minimum	June 2023	Receiver	Superintendent, Office of Business Services
Workforce	WF03	Review and control workers compensation costs	The District will implement workers' compensation savings changes designed to meet or exceed the Recovery Plan target	July 2022	Superintendent	Receiver, Office of Business Services
Workforce	WF04	Monitor and reduce overtime costs	The District will continue to monitor the costs of overtime	Ongoing	Director of Business Services	Office of Human Resources
Workforce	WF05	Contribute to health care reserves	The District will make an annual transfer from the General Fund to the health insurance service fund to build reserves	June 2022	Director of Business Services	
Workforce	WF06	Evaluate all staff positions	The District will regularly evaluate its current positions to identify organizational improvements and efficiencies, and maintain its position control system to support personnel decisions	Ongoing	Director of Human Resources	Receiver, Superintendent
Workforce	WF07	Explore managed competition for cafeteria and custodial functions	The District will consider whether to implement managed competition into its bidding process for custodial and/or cafeteria services	Ongoing	Superintendent	Office of Business Services

Harrisburg School District Recovery Plan Initiative List
Initiatives by Date

Chapter	Initiative Number	Description	Task	Deadline	Main Party	Additional Parties
Academic Performance	AP06	Continue coaching programs in the District	The District will continue its instructional coaching program	August 2021	Chief Academic Officer	Office of Academics
Administration	ADMIN08	Develop an electronic Recovery Plan Status Dashboard	The District will develop an electronic means of tracking the progress of Recovery Plan initiatives and present to Receiver for approval	Two months after adoption	Information Technology Manager	Receiver
Academic Performance	AP05	Continue Professional Learning Communities (PLC) for principals and assistant principals	The District will expand the existing PLC program to include assistant principals; continue to hold PLC meetings on a monthly basis	September 2021	Chief Academic Officer	Office of Human Resources
Operations	OP15	Monitor Point of Sale system to ensure accurate counts for reimbursement	The District will identify which method of exchange of information will be implemented; implement an exchange of information system at all schools; and monitor the new system and identify any changes or improvements	September 2021	Food Service Supervisor	Director of Operations
Operations	OP14	Improve District oversight of Food Service Management Company	The District will ensure that all staff complete OVS toolbox training; establish biweekly management meetings with FSMC; begin weekly site visits at all District cafeterias; and review and update District Food Service website	October 2021	Food Service Supervisor	Director of Operations
Academic Performance	AP12	Attract and retain students at HVLA and Cougar Academy	The District will develop and maintain a database of current charter students; begin conducting outreach to current HVLA and Cougar Academy students; begin administering exit surveys to families not returning to HVLA or Cougar Academy; and develop the HSD Academics Media Plan	December 2021	Director of Virtual Programming	Public Relations Coordinator
Administration	ADMIN04	Adopt an ethics policy for all district staff	The District will develop and adopt a new code of ethics or ethics policy and all District employees will sign an acknowledgement of the ethics policy	December 2021	Receiver	Superintendent, Director of Human Resources
Operations	OP09	Improve monitoring and reporting of Human Resources information in documents shared with the Receiver and the Board	The District will develop reports on staffing, staff attendance, and staff turnover. Staffing and staff turnover reports will be presented quarterly, and staff attendance reports will be run on a weekly basis. The District will present staffing ratio reports on a quarterly basis	December 2021	Director of Human Resources	Office of Human Resources
Revenue	R06	Increase Medicaid ACCESS revenue	The District will review its ACCESS billing policies and procedures and determine if changes are required in order to increase Medicaid ACCESS revenue	December 2021	Director of Business Services	
Academic Performance	AP09	Implement a standards-aligned curriculum across the District	The District will establish a timetable for the completion of standards-aligned curriculum for all grade levels; identify internal stakeholders responsible for updating the curriculum; dedicate resources necessary to update the curriculum; update the curriculum based on the timetable adopted; update the Curriculum Management Handbook and provide training to staff on the new curriculum	January 2022	Chief Academic Officer	Office of Accountability
Administration	ADMIN06	Develop monthly and quarterly reports to be shared with District Administration, School Board and Receiver	The District will develop templates for each report listed in this initiative; present regular updates to the School Board; and develop a report with key timelines and information to be submitted for key revenue sources from the Commonwealth and the federal government.	January 2022	Superintendent	Office of Business Services, Office of Human Services, Office of Accountability, Office of Operations
Operations	OP04	Develop and implement a multiyear transportation improvement plan	The District will complete an evaluation of the transportation system that establishes the measure of transportation efficiency; provide progress updates quarterly, including the first transportation data report; develop a multiyear improvement plan and establish targets for efficiency and a specific timeline for improvement actions; issue a RFP for a special education bus contractor; hire a special education bus contractor, selected from the RFP process to begin with summer (2022) program transportation; issue a RFP for a regular education bus contractor; and hire a regular education bus contractor, selected from the RFP process to begin with summer (2023) program transportation	January 2022	Transportation Coordinator	Director of Operations, Superintendent, PFM Consultant
Operations	OP08	Document all Office of Human Resources processes and review all Districtwide policies	The District will document all Office of Human Resources procedures in a procedures manual; include and reference all policies in the Employee Handbook and School Operations Resource guide; review Office of Human Resources procedures and incorporate changes into the procedures manual annually; and review and update policies on an ongoing basis and update the Employee Handbook and School Operations Resource	January 2022	Director of Human Resources	Office of Human Resources
Operations	OP13	Clarify roles and responsibilities between District and contracted Food Service staff	The District will clarify roles and responsibilities for all District and contracted food service staff; rewrite the job description for the District Food Service Supervisor; update the job descriptions for District Food Service positions as needed; develop training materials for all District Food Service employees; update the contract to reflect these changes at part of its annual renewal, if not earlier; and evaluate its food service contract annually prior to renewal	January 2022	Director of Operations	Superintendent, Office of Human Resources, Food Service Supervisor
Financial Management	FM09	Document all Office of Business Services processes and implement a policy around document retention	The District will adopt a document retention policy; document all Office of Business Services procedures into an internal procedures manual; and update and review processes for all Office of Business Services activities annually	January 2022	Director of Business Services	
Revenue	R04	Receive Special Education Funding contingency annually	The District will apply for special education contingency funds annually	January 2022	Director of Business Services	Director of Special Education, Office of Academics, Grant Writer
Academic Performance	AP10	Follow MTSS process with fidelity in all buildings	The District will develop an implementation schedule for MTSS in all buildings; develop and deliver training to all staff on MTSS approach; implement MTSS in all buildings; create a system to determine whether students are responding to interventions at each Tier; and evaluate the	February 2022	Chief Academic Officer	Office of Accountability
Operations	OP01	Develop a contract administration database and implement performance standards into all contracts	The District will establish a contract administration database; review all current contracts and record the relevant information in the database; complete the development of standardized contracts; and conduct quarterly meetings with all contractors who are paid over \$250,000 by the District	February 2022	Director of Business Services	IT Department
Operations	OP06	Finalize and Maintain Position Control system	The Office of Human Resources staff will manage the input of data from the position control system; the District will use the position control system to pull reports on employee and vacancy data to submit to the Receiver on a monthly basis; and a review of the position control system will be completed by an individual outside of the Office of Human Resources on a quarterly basis	February 2022	Director of Human Resources	Office of Human Resources, Office of Business Services
Operations	OP03	Conduct Districtwide risk assessment	The District will issue a RFP for a vendor to conduct a Districtwide risk assessment; contract with a vendor to conduct a Districtwide risk assessment; the risk assessment will be completed; the District will provide written guidance and training on risk management; and repeat the risk assessment every three years	March 2022	Superintendent	Office of Accountability, External Consultant
Operations	OP05	Develop a Districtwide communication plan	The District will undergo a communications audit; prepare a Districtwide communication plan and present to the Receiver and Superintendent; create a committee to brainstorm strategies of communicating with different groups of stakeholders; undergo a second communication audit to assess the impact of the communication plan and present the results to the Receiver and Superintendent	March 2022	Public Relations Coordinator	External Consultant
Financial Management	FM04	Develop a multi-year capital planning and budgeting process	The District will create a five-year schedule for all of the capital projects identified based on criteria including urgency, importance to educational mission, cost savings, and building safety; develop a multi-year financing plan for capital needs; adopt a capital budget for authorized capital expenditures based on the financing plan and the schedule of priority projects on an annual basis; and update the Receiver on the status of the capital plan annually	March 2022	Superintendent	Director of Operations, Office of Business Services, Receiver
Financial Management	FM05	Develop a comprehensive action plan for addressing and correcting audit findings from annual independent audits	The District will develop an audit correction plan to address all audit findings and submit to the Receiver; and the District will report on the progress of the plan to the Receiver every six months, as needed	March 2022	Director of Business Services	Receiver, Superintendent
Financial Management	FM06	Contract with an independent financial advisory firm	The District will issue a Request for Proposals for financial advisory services; review proposals and select candidate(s) to present to the Receiver; the Receiver will approve an independent financial advisor for the District; and at the termination of the contract, the District will evaluate the financial advisor and determine whether to renew the contract or select a new firm	March 2022	Director of Business Services	Receiver
Revenue	R07	Continue to support grant-writing professional	The District will submit an annual report on the costs of the grant writer, the timeline of current grants, and the amount accrued.	March 2022	Director of Business Services	Grant Writer
Academic Performance	AP13	Review Special Education program costs and placements	The District will confirm the residency of each student on a monthly basis; compile a database of all special education costs starting with the existing Act 16 information and adding in additional available data (i.e. transportation costs, etc.); analyze comparable costs and identify a total per pupil cost for special education; review the number of special education students returning to the District from outside placements and the number of referrals; issue a report of total special education costs twice per year to be shared with the administration; assess the number of compensatory education settlements it is making on an annual basis; and assess whether special education services can be provided at a lower cost on an annual basis	April 2022	Director of Special Education	Child Accounting Office, Office of Academics, District administration
Operations	OP12	Rewrite position descriptions for all District staff	The District will review and update all position descriptions	April 2022	Director of Human Resources	Office of Human Resources
Financial Management	FM03	Develop a five-year facility utilization plan	The District will analyze existing enrollment data and historic enrollment trends that may impact building utilization; compile information on anticipated changes to educational delivery plans, including impact of virtual learning on long-term facility use; develop long-term enrollment projections, using information on current enrollment, birth rates, and other pertinent information; compile information about all the existing building facilities including an assessment of the physical condition and annual maintenance costs per building; develop a five-year plan for structures and building uses based on the enrollment projection, academic plans, and current condition of District buildings; the Receiver will approve the five-year facility plan and the District will review the five-year facility plan at a minimum every three years and present findings to the Receiver	April 2022	Superintendent, Director of Operations	Office of Accountability, Receiver

Harrisburg School District Recovery Plan Initiative List
Initiatives by Date

Chapter	Initiative Number	Description	Task	Deadline	Main Party	Additional Parties
Financial Management	FM07	Review existing debt management policy	The District will review and update the existing debt service policy; adopt a new debt service policy; and review the debt service policy and make updates every three years.	April 2022	Director of Business Services	Superintendent, Receiver, Financial Advisor
Revenue	R05	Increase reimbursement for Social Security contributions paid on behalf of employees	The District will undertake a review of its current Social Security reimbursement process to identify issues; establish a training process for Business Office staff on monitoring and reporting reimbursement information to the Commonwealth; and based on the findings of the review, the District will budget for and receive the correct reimbursement rate for both Social Security and PSERS to ensure a full annual reimbursement	April 2022	Director of Business Services	Office of Human Resources
Academic Performance	AP07	Conduct annual performance evaluations of all staff	The District will establish a timeline and format for an annual performance review process; develop training materials for staff on how to understand and use performance evaluations; complete annual performance evaluations for all staff; and maintain copies of annual performance reviews in employee files	May 2022	Office of Human Resources	Office of Academics, Office of Accountability
Academic Performance	AP08	Ensure high-quality staff in key leadership positions	The District will establish a timetable for filling vacancies in positions currently filled by MCIU staff; update job descriptions and establish a statewide and national plan for advertising openings; form an internal interview team to review applications and identify well-qualified and experienced school professionals; the interview team will submit recommendations for the position(s) for the Receiver to review; and all positions vacated by the MCIU staff are filled by District employees	May 2022	Receiver	Office of Human Resources, Office of Business Services
Administration	ADMIN05	Reorganize central office staff	The District shall complete the reorganization of its central office staff	May 2022	Receiver	Office of Human Resources
Operations	OP02	Review significant District contracts every three years	The District will identify contract end dates for all significant contracts and establish a schedule for review in the 2021-22 school year; establish protocols for how the reviews will be conducted; complete the review of all four significant contracts following the schedule and including all steps laid out in this initiative; summarize its findings in a report it will share with the Superintendent and Receiver; and repeat the analysis for each program every three years at a minimum	May 2022	Director of Business Services	Internal Review Team, Office of Accountability
Operations	OP11	Develop a Districtwide recruitment strategy	The District will develop a recruitment strategy	May 2022	Director of Human Resources	Office of Human Resources
Financial Management	FM02	Adhere to existing fund balance policy	The District will prepare an annual fund balance report for the Receiver in conjunction with the preparation of the District's annual budget and comply with existing fund balance policy	May 2022	Director of Business Services	Receiver, School Board
Revenue	R02	Improve the current year real estate collection rate	The District will continue to work with the City to work to improve the real estate tax collection rate	May 2022	Director of Business Services	
Administration	ADMIN01	Annual training for all School Board members	The Receiver will develop a Board training plan that will meet statutory requirements and the specific needs of the Harrisburg Board that will be administered in the 2021-22 school year and ensure that all Board members participate in training	June 2022	Receiver	School Board
Administration	ADMIN02	Update Board policies	PSBA recommendations for updating Board policies will be shared with the Receiver and Board and the District will update Board policies based on PSBA recommendations	June 2022	Receiver	PSBA, Board President, Superintendent
Operations	OP10	Conduct exit interviews	The Office of Human Resources will begin conducting exit interviews for all departing staff; create a database based on information collected from exit interviews; and submit quarterly reports that summarize findings from exit interviews	June 2022	Director of Human Resources	Office of Human Resources
Financial Management	FM01	Utilize a multi-year financial projection to guide budget decisions	The District will begin using a multi-year projection to develop its annual budget and to evaluate revenue and spending decisions; develop an detailed inventory of potential revenue enhancement and expenditure control initiatives for the 2021-22 budget and future years to assess the financial impact of implementation; determine whether revenue enhancement may be needed to balance the 2021-22 budget and adopt any required resolutions; prepare a structurally balanced budget for presentation to the Board; and adopt a balanced budget for 2021-22, and approve revenue increases, if necessary	June 2022	Director of Business Services	Office of Business Services
Financial Management	FM10	Improve monitoring and reporting of financial information in documents shared with the board	The District will develop templates for each report listed in this initiative; present enrollment reports to the Receiver and administration on a monthly basis, including charter, special education, and out-of-District placement costs; present financial reports to the Receiver on a monthly and quarterly basis; develop a data submission report with the key timelines and information to the submitted for key revenue sources from the Commonwealth and the federal government; and present transportation reports to the Receiver on a biannual basis	June 2022	Director of Business Services	Office of Accountability
Revenue	R01	Increase real estate taxes annually to the Act 1 Index as deemed necessary by the Receiver	The District will adopt the final proposed 2021-22 budget with the required tax increases and in accordance with all required statutory events; adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events; and adopt the final proposed budget with the required tax increases and in accordance with all required statutory events	June 2022	Director of Business Services	Receiver
Workforce	WF05	Contribute to health care reserves	The District will make an annual transfer from the General Fund to the health insurance service fund to build reserves	June 2022	Director of Business Services	
Academic Performance	AP01	Take action to improve Districtwide student attendance	The District will produce monthly reports on attendance, absenteeism, and suspensions that will be shared with building principals; make monthly attendance data publicly available; review and update its existing attendance policies around attendance, absence, and suspensions; develop a Student Attendance Improvement Plan (SAIP) for each student with chronic absences; assign a staff person to monitor each SAIP; and evaluate its progress in improving student attendance annually against the targets set in the Recovery Plan	July 2022	Director of Accountability	Building administrators, Child Accounting Office, Public Relations Coordinator
Academic Performance	AP04	Use academic data to inform instructional practices	The District will identify the key academic data sources; review the quality of the data; select a framework to use to analyze the data; develop and distribute data to staff; each building will hold a monthly data meeting; provide training to staff on how to interpret academic data and how to adjust practices; and make assessment data publicly available	July 2022	Chief Academic Officer	District staff and building leaders, Office of Accountability, IT Department, Office of Academics
Workforce	WF03	Review and control workers compensation costs	The District will implement workers' compensation savings changes designed to meet or exceed the Recovery Plan target	July 2022	Superintendent	Receiver, Office of Business Services
Academic Performance	AP02	Increase staff attendance by enforcing existing policies and improving reporting	The district will generate weekly and monthly staff attendance reports; reconvene the Staff Absenteeism Task Force to meet monthly; generate quarterly reports on the costs of substitutes and overtime; and will review and update its existing attendance policies focusing on attendance and absences	August 2022	Director of Human Resources	Office of Business Services, Office of Human Resources
Academic Performance	AP03	Improve accountability for student performance	The District will review student performance data regularly with building leaders; develop a differentiated professional learning plan for staff; finalize a failure elimination plan; and incorporate student performance into evaluations of principals.	August 2022	Superintendent	Building leaders, Office of Academics, Office of Accountability, Office of Human Resources
Administration	ADMIN07	Establish a monthly meeting to discuss Recovery Progress	The District will establish a monthly meeting to discuss Recovery Plan progress and provide a status report on the progress of initiatives in the Plan on an annual basis	August 2022	Receiver	Superintendent
Operations	OP07	Ensure high quality staff in the Office of Human Resources	The District will review staffing assignments and potential needs for training; conduct training on E-Finance, Cognos, the position control system, and timekeeping system for all Office of Human Resources staff; review all current job descriptions for Office of Human Resources employees and adjust where necessary; ensure all Office of Human Resources staff are cross-trained; and ensure that any vacancies are filled with candidates possessing the qualifications outlined in updated job descriptions	August 2022	Director of Human Resources	Office of Human Resources
Financial Management	FM08	Ensure highly qualified staff in the Office of Business Services	The District will review staffing assignments and potential needs for training; conduct training on eFinance and Cognos for all Office of Business Services staff; review all current job descriptions for Office of Business Services employees and adjust where necessary; ensure all Office of Business Services staff are cross-trained; and ensure that any vacancies are filled with candidates possessing the qualifications outlined in updated job descriptions	August 2022	Director of Business Services	
Revenue	R08	Sell vacant District buildings	The District will sell the William Penn property	June 2023	Superintendent	Office of Business Services, Receiver
Workforce	WF02	Reduce future growth in healthcare costs	The District will implement healthcare cost savings changes designed to reach the Recovery Plan target annually and undergo a healthcare eligibility audit every three years at a minimum	June 2023	Receiver	Superintendent, Office of Business Services
Revenue	R03	Develop partnerships with tax-exempt entities to generate voluntary payments	The District will document all existing PILOT agreements and expiration dates; develop a financial report for the Receiver and Board, noting the PILOT agreements and amount received; develop a list of tax-exempted organizations from which to request support; complete meetings with all of the tax-exempt organizations identified and consider the responses, as well as the role of its existing foundation and a public service foundation under the terms of Act 55; and build community relationships to maintain partnerships and seek additional voluntary payments	July 2023	Superintendent	Office of Business Services, Receiver
Workforce	WF01	Offer affordable salary increases to staff	The District will provide salary increases that are affordable given sustainable revenue sources and budget projections	Effective during duration of Plan	Receiver	Superintendent, Office of Business Services

Harrisburg School District Recovery Plan Initiative List
Initiatives by Date

Chapter	Initiative Number	Description	Task	Deadline	Main Party	Additional Parties
Academic Performance	AP11	Develop a continuum of learning options for District students	The District will develop a monthly report of all District and charter enrollment; verify placements to all charter schools on a monthly basis; monitor progress against reenrollment targets on a monthly basis; and continue the marketing committee	Ongoing	Director of Virtual Programming	Child Accounting Office, Office of Accountability, District administration
Administration	ADMIN03	Improve public access to District documents	The District will continue to upload all relevant information from Board meetings to BoardDocs	Ongoing	Board Secretary	Receiver, Superintendent
Revenue	R09	Allocate windfall revenues and budgetary resources among priorities outlined in the Recovery Plan	The District will annually determine the total amount of windfall revenues and additional savings that the District has, using projected year-end actuals or audited numbers, and submit a report to the Receiver on total amount of revenues and provide recommendations for how revenues and savings should be allocated.	Ongoing	Director of Business Services	Receiver
Workforce	WF04	Monitor and reduce overtime costs	The District will continue to monitor the costs of overtime	Ongoing	Director of Business Services	Office of Human Resources
Workforce	WF06	Evaluate all staff positions	The District will regularly evaluate its current positions to identify organizational improvements and efficiencies, and maintain its position control system to support personnel decisions	Ongoing	Director of Human Resources	Receiver, Superintendent
Workforce	WF07	Explore managed competition for cafeteria and custodial functions	The District will consider whether to implement managed competition into its bidding process for custodial and/or cafeteria services	Ongoing	Superintendent	Office of Business Services

Appendix K

Recovery Plan Glossary
(in order by Plan)

PDE: Pennsylvania Department of Education (also referred to as “the Department”)

HSD: Harrisburg School District (also referred to as “the District”)

CRO: Chief Recovery Officer

PFM: Public Financial Management

ACS: American Community Survey annually published by the U.S. Census Bureau

EL: English Learners

BLS: Bureau of Labor Statistics

CDC: Centers for Disease Control

ESSER: Elementary and Secondary School Emergency Relief Fund

CARES Act: Coronavirus Aid, Relief, and Economic Security Act, the first round of ESSER funding that was passed in March 2020

PLC: Professional Learning Communities

HVLA: Harrisburg Virtual Learning Academy, an on-line learning option available to all District students from Kindergarten to grade 12

ESSA: Every Student Succeeds Act

PSSA: Pennsylvania System of School Assessment, an annual statewide assessment which is required to be administered to all students from grades 3-8

ELA: English/Language Arts

PVAAS: Pennsylvania Value-Added Assessment System

AGI: Annual Growth Index, a growth measure that is calculated by dividing the PVAAS growth measure by standard error

PIMS: Pennsylvania Information Management Systems, a statewide system that is used to track District data, such as regular attendance and graduation

CEW: Career, Education, and Work academic standards, which are career standards published by the Pennsylvania Department of Education that may positively impact the District’s graduation rate

ADM: Average daily membership

ADA: Average days of attendance

SAIP: Student Attendance Improvement Plans—formerly known as Truancy Elimination Plans—which are plans developed by the District between the school, parent, and student that outline strategies and supports to improve attendance for chronically absent students

TEP: Truancy Elimination Plans, now known as Student Attendance Improvement Plans

CAO: Chief Academic Officer

MCIU: Montgomery County Intermediate Unit

MTSS: Multi-Tiered Systems of Supports

ACCESS: The Commonwealth’s School Based Access Medicaid Reimbursement Program

PSBA: Pennsylvania School Business Association

ASBO: Association of School Business Officials

PASBO: Pennsylvania Association of School Business Officials

RFP: Request for Proposals

CAT: Capital Area Transit, local mass transit in the City of Harrisburg

PenSPRA: Pennsylvania School Public Relations Association

FMLA: Family Medical Leave Act

ADA: Americans with Disabilities Act

SFE: Southwest Food Service Excellence

FSMC: Food Service Management Company

AFSCME: American Federation of State, County, and Municipal Employees, trade union that represents public employees

CEP: Community Eligibility Provision

SNAP: Supplemental Nutrition Assistance Program

POS: Point of Serve system, a system used to identify which students are eligible for breakfast and lunch meal service

OVS: Offer v. Serve, a food service program that allows students to choose between different meal components and decline others if they choose at participating schools

SBP: School Breakfast Program

NSLP: National School Lunch Program

USDA: The US Department of Agriculture

GFOA: Government Finance Officers Association

SPSBA: State Public School Building Authority

CFO: Chief Financial Officer

NSBA: National School Boards Association

YTD: Year-To-Date, for current year financial estimates

CRRSA: Coronavirus Response and Relief Supplemental Appropriations Act, a second round of non-recurring federal ESSER funding passed in December 2020

ARP: American Rescue Plan Act, a third round of non-recurring federal funding that included ESSER funds, passed in March 2021

BEF: Basic Education Funding

SEF: Special Education Funding

SIG: School Improvement Grants

RET: Real estate taxes

MV/PI: A ratio indicating market value divided by personal income, which is annually published by PDE

PILOT: Payments in Lieu of Taxes, negotiated payments from untaxed properties

AFR: Annual financial reports, official District-reported financial data annually submitted to PDE

PSERS: Public School Employees' Retirement System, a Pennsylvania government agency

HEA: Harrisburg Education Association; local union that represents teachers, social workers, nurses, and other instructional professionals

TPA: Third-party administrator

PPO: Preferred Provider Organization

FSA: Flexible spending account, a healthcare plan that has a higher annual deductible and allows pre-tax contributions to assist with out-of-pocket healthcare costs for employees

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