Amended Recovery Plan

Harrisburg School District

Dauphin County Pennsylvania

Prepared by the

Chief Recovery Officer

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With the Assistance of

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Introduction

On December 12, 2012 the Harrisburg School District was declared to be in a state of "moderate financial recovery" under the terms of the Commonwealth of Pennsylvania's Act 141 of 2012. Under the direction of a Chief Recovery Officer (CRO) appointed by Pennsylvania's Secretary of Education, a Recovery Plan was crafted and submitted in April 2013. It was approved by the Harrisburg School Board in May 2013. The overarching goals of that Plan were to improve management of the District's finances, improve academic results, and reduce the rate of students leaving the District for charter schools. In addition to the 2013 Plan, Plan amendments in January 2014 and April 2014 further clarified the need for improved financial management and provided enhanced financial forecasts.

The current Chief Recovery Officer (CRO), Dr. Audrey Utley, was appointed in July 2015 and charged with developing a new Amended Recovery Plan that continues to stabilize the District's finances while providing for academic improvement.

This Amended Plan is based on the principle that every child in the District can be successful. Providing our children with the opportunity to succeed requires that the adults who support and operate the District think creatively, and continue to improve performance in the classroom, in the principal's office, at the Administration Building and at the School Board level. With cooperation among parents, educators, and community leaders to consistently put children first, every student in the District can be equipped with the skills not only to meet state performance standards, but to graduate and go on to college, trade school, or meaningful employment.

The Plan starts with a financial baseline, to see how much money is available to the District compared to its identified educational priorities for the next several years. These efforts are bolstered by improved operations and stable finances since the original Plan was adopted. The District has experienced moderately positive annual financial results, accumulated a substantial fund balance, and seen the number of students departing for charter schools plateau. However, academic progress has been limited, and the District will only be able to fund some of the educational initiatives it has identified as important to further educational improvement. This Plan clearly identifies areas where finances can be further improved to fund educational initiatives, and provides firm standards for academic improvement that the District must meet over the next three years.

Overview of the Harrisburg School District

The Harrisburg School District serves solely children living in the City of Harrisburg. The City of approximately 49,000 residents[1] occupies 11.4 miles along the Susquehanna River in central Pennsylvania, and is the capital of the Commonwealth of Pennsylvania, and the county seat of Dauphin County. The District is governed by a nine-member elected School Board, one of whom is selected to lead the Board as President. The Superintendent and other senior administrative officials are appointed by the Board.

The District employs approximately 900 staff members, with slightly more than one-half serving in direct instructional roles. Student enrollment in District-operated schools for the 2015-16 school year is 6,383.[2] The student population in 2014-15 was 60.7 percent African-American, 29.1 percent Hispanic and 3.3 percent Caucasian, with the remainder made up of Asian-American and other ethnic groups. The District provides education in 11 school buildings and has title to 3 closed school buildings. In addition the District owns several other small properties and parcels of land.

Over 237 District students attend the Dauphin County Vocational Technical School.[3] Approximately 817 District students also attend 14 different charter schools, including physical schools ("brick and mortar")

1 Based on 2014 American Community Survey 5-Year Estimates, U.S. Census. Due to the many state offices located in the City, it has a substantial commuter population.

2 Based on February 2, 2016 K-12 Enrollment Report from District.

3 As of March 2016.

and cyber charters.[4] Currently over 45 percent of the total charter enrollment is in cyber charters. In addition, Harrisburg school-age students attend non-public schools in and around the Harrisburg area.

The District operates on a fiscal year that runs from July 1 to June 30. The budgeted expenditures for the 2015-16 fiscal year were $136.9 million.

Statutory Basis for the Recovery Plan

On December 12, 2012, under the provisions of state legislation (Act 141 of 2012), the Commonwealth of Pennsylvania's Secretary of Education declared the Harrisburg City School District to be in a state of moderate financial recovery and appointed a Chief Recovery Officer (CRO) to improve academic performance and bring financial stability to the district. A Plan was completed in April 2013 with amendments in January 2014 and April 2014. The current CRO, Dr. Audrey Utley, was appointed in July 2015 and charged with developing this new Recovery Plan.

The CRO is responsible for taking input from the School Board and the community to develop a Recovery Plan to lead the District into financial solvency and position it for academic success. The Act requires the appointment of an Advisory Board to the Chief Recovery Officer, to meet monthly. Upon the Plan's presentation, Act 141 provides 30 days for the School's Board of Directors to review and approve the Plan.

Performance Basis for the Recovery Plan

Educational performance

Despite a significant organizational focus on school improvement and improved financial management since the April 2013 Plan, the District continues to face educational challenges including low performance on standardized tests, low graduation rates, low attendance rates, and limited success in progressing to college or vocational training.

The established District goals and priorities remain as outlined in the original 2013 Recovery Plan, but with two additional areas of emphasis to achieve academic improvement: the implementation of a standards-aligned curriculum for all subject areas offered by the District at all levels, and the establishment of coherent organizational structures and processes that promote organizational effectiveness. In addition, this Plan updates the specific educational performance results required for the District as part of its recovery.

A key indicator of District academic progress in this Amended Recovery Plan, as in the previous Plan, will be the District's improvement on the statewide Pennsylvania System of School Assessment (PSSA) and Keystone exams, on graduation rates, and on student attendance. In 2015, unfortunately, 81.4 percent of District students in grade 3 scored below proficient in reading, compared to 38.0 percent statewide. Statewide, 51.5 percent of all other students scored below proficient in math, compared to 89.6 percent of District students.[5] The District's grade 3 performance compared to all other students in the state is shown below:

PSSA Results for Harrisburg City School District, Grade 3, 2014-15
% of Students Scoring Proficient or Advanced

	English/Language Arts	Math
Harrisburg SD	18.6%	10.4%
Statewide	62.0%	48.5%

[4] Based on a February 2, 2016 Charter Enrollment Report from District.

[5] Every Pennsylvania student in grades in grades 3-8 and grade 11 is given standardized tests in reading and math. Every student in grades 5, 8 and 11 is assessed in writing, and every student in grades 4, 8 and 11 is assessed in science.

Similarly, in 2015, an average of 82.0 percent of District students in grades 4-8 scored below proficient in reading, and 93.9 percent were below proficient in math.[6] In comparison, an average of 40.4 percent of students statewide in grades 4-8 scored below proficient in reading while 62.0 percent of all other students statewide scored below proficient in math.

PSSA English/Language Arts Results for Harrisburg City School District, Grades 4-8, 2014-15
% of Students Scoring Proficient or Advanced

	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8
Harrisburg SD	17.4%	18.1%	19.8%	15.5%	19.3%
Statewide	58.6%	61.8%	60.7%	58.7%	58.0%

PSSA Math Results for Harrisburg City School District, Grades 4-8, 2014-15
% of Students Scoring Proficient or Advanced

	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8
Harrisburg SD	9.4%	6.2%	6.7%	3.7%	4.7%
Statewide	44.5%	42.8%	39.7%	33.1%	29.8%

In the 2014-15 school year, the District's 11th grade students completed the statewide Keystone Exams in three subjects: Algebra I, Biology, and Literature. Again, District performance lagged statewide averages by a large margin, as shown below:

2014-15 Grade 11 Keystone Exams
% of Students Scoring Proficient or Advanced

	Algebra I	Biology	Literature
John Harris High School[7]	18.1%	23.2%	10.9%
Statewide	64.5%	72.8%	59.0%

This Plan is predicated on the assumption that together, the students, teachers, administrators and parents in the District and will increase academic performance, demonstrated by improvement in these indicators and in other areas, such as graduation rates and attendance rates. Current District and Statewide graduations rates are shown below:

2014-15 Graduation Rates

	Graduation Rate
John Harris High School[8]	52.78%
Statewide	84.75%

2014-15 Attendance Rates

	Attendance Rate
Harrisburg SD	88.15%
Statewide	93.71%

More detail on the academic achievement goals in this Plan can be found in the Education chapter of this Plan.

[6] Every Pennsylvania student in grades in grades 3-8 and grade 11 is given the tests in reading and math. Every student in grades 5, 8 and 11 is assessed in writing, and every student in grades 4, 8 and 11 is assessed in science.

[7] Keystone scores do not include data for Harrisburg's Sci-Tech High School. Sci-Tech's scores in Algebra I and Literature are higher than the statewide average. The percent of Sci-Tech students scoring proficient or advanced in Biology is 42.1 percent, much lower than the statewide average.

[8] Graduation rates do not include data for Sci-Tech. Sci-Tech's rate is higher than the statewide rate.

Financial performance
The District has seen significant improvement in its financial performance since the April 2013 Plan, with the addition of a capable Chief Financial Officer and Business Manager and accumulation of a strong fund balance (which helped the District better navigate the recent state budget impasse). However, despite improvements, annual budgets are narrowly balanced and projections show a deficit in current and future years. In addition, if the District hopes to realize the desired staffing and program enhancements included in this Amended Plan, it will need to find additional revenues or operating efficiencies to accommodate the related costs. The District's fund balance can provide some buffer for projected deficits, but it is important to preserve as much as possible of the fund balance, since the District will need working capital to maintain operations and successfully manage future challenges.

Harrisburg School District Net Operating Results, FY2011-12 – FY2015-16

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Projected
Revenues	$132,060,393	$130,469,730	$130,561,571	$135,007,572
Expenditures	$121,276,577	$123,162,886	$126,657,851	$137,528,500
Surplus / Deficit	$10,783,817	$7,306,844	$3,903,721	($2,250,928)
Fund Balance	$22,653,632	$29,960,476	$33,864,197	$31,613,269

Student population
A major challenge for the District is related to fluctuations in student population and enrollment. The District has proposed plans to reopen closed buildings at significant cost and to make staff additions to address teacher continuity and professional development. Preliminary analysis of live birth rates indicate that the District may experience reduced enrollments as the effect of recent lower birth rates progress through grade levels. A significant piece of this Plan is focused on the District making strategic educational decisions based on projected live birth and enrollment trends, provided through independent analysis.

In addition, though the District has seen an end to the growth of students leaving for charter and cyber charter schools (growth leveled off in 2013-14), the financial impact of the increase in charter enrollments between 2008-09 and 2013-14 was so significant that the District must continue efforts to bring students back in to the District, especially through the District's successful in-house cyber program, the Cougar Academy.

Current Challenges
Even as it works to direct more resources to improved student performance, the District faces several structural financial constraints. First, the District's annual contribution to employee retirement funds through the Public School Employees' Retirement System (PSERS), while partially offset by State reimbursement, will grow by more than $3 million over the next several years as obligations increase to address the retirement system's unfunded liabilities.

In addition, the District has taken steps to reduce health care expenditures through adjustments to the structure of health benefit plans, increased employee contributions, and greater engagement with the District's health benefits consultant. However, health care costs will continue to grow, as will retiree health care commitments, even if overall District employment declines with lower student enrollment.

Next, the District's real estate tax rate in equalized mills is already high relative to other school districts in the Commonwealth reflecting the high proportion of tax-exempt property in the City. In 2013-14, the District ranked 52 out of 500 districts with equalized mills of 29.2. In addition, since the implementation of Act 32, earned income tax revenues have been volatile and there is uncertainty regarding their sustainability at a higher rate in the future.

Furthermore, the recent state budget impasse and debate regarding the school funding formula could have a significant impact on the District's state revenues in the future, and its federal revenues are projected to decrease in coming years.

Finally, after the 2013 Plan was adopted, the District hired extremely competent individuals to serve as Chief Financial Officer and Human Resources Director. When those people left the District, they were replaced by very able retirees serving on an interim basis. The District now must find equally strong replacements for both of these positions.

An Amended Recovery Plan for the Harrisburg School District

Developing the Plan

To develop the Recovery Plan, the CRO has combined consultation with the elected School Board, the Administration, the District's bargaining units, and the community, with analysis provided by a technical assistance team of finance and education experts. To meet the requirements of Act 141 and gain broad input, the CRO has also held meetings with an Advisory Committee of academic professionals and community leaders, and built a solid relationship with the elected School Board.

Model and Baseline Scenario

In order to understand the District's short- and long-term financial situation, the technical assistance team to the CRO built a multi-year budget model showing the District's current finances. This baseline view starts with the District's projected results for 2015-16, and assumes current trends and policies are continued and that known future events occur. The overall trends through the 2020-21 school year are as follows:

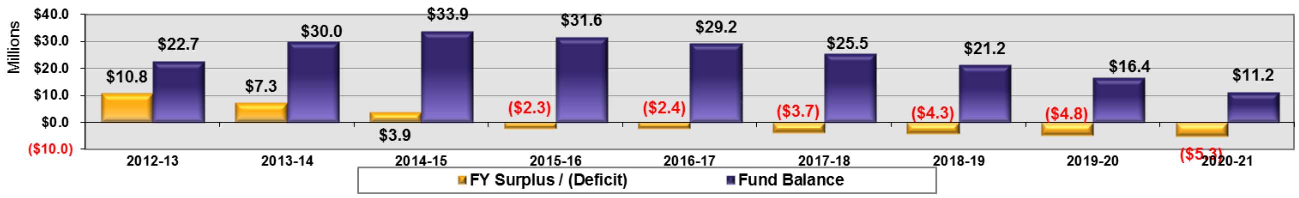
- Revenues are projected to decline slightly in 2017-18, and then grow modestly through 2020-21; over the five year Plan horizon, local and State revenues are expected to grow modestly while federal revenues are reduced by 2 percent each year; and

- Expenditures grow at recent historical rates. Health care and PSERS contributions are major cost drivers, while non-personnel expenditures increase at general inflationary rates. Salaries and charter enrollment growth are held flat.

The sum of all of these assumptions produces negative budget results in each year – a shortfall of $2.3 million in 2015-16, with a worsening deficit each subsequent year. By FY2020-21, the District would have an annual deficit of $5.3 million.

It is important to reiterate that the baseline shows the financial results if no changes are made to current policies. It does not include wage adjustments in future years. In addition, with the District engaged in contract negotiations with AFSCME and HEA, there is the potential for settlements to occur that would include wage increases for the 2015-16 school year. Any increases in 2015-16 would impact the salary and benefit expenditures in the out years and could potentially increase the budget gap shown in the baseline table below.

Baseline Projection



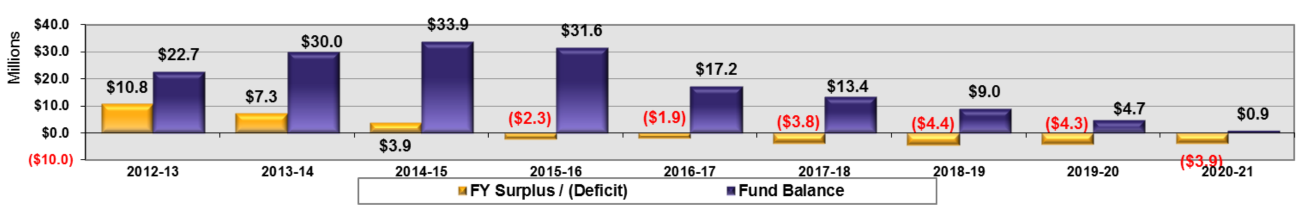
Fiscal Year Ending:	2016	2017	2018	2019	2020	2021
Revenues	$135,007,572	$137,365,605	$137,243,267	$138,948,517	$140,602,055	$141,848,717
Expenditures	$137,258,500	$139,758,041	$140,977,489	$143,231,704	$145,365,648	$147,113,161
Surplus / Deficit	($2,250,928)	($2,401,436)	($3,734,221)	($4,283,186)	($4,763,593)	($5,264,443)
Fund Balance	$31,613,269	$29,211,833	$25,477,611	$21,194,425	$16,430,832	$11,166,389

Understanding District Funding

Although the District has a strong fund balance and can absorb some negative years, it should not rely solely on the fund balance since those reserves are not recurring. Moreover, this Plan directs the District to use some of these one-time reserves for long-term investments. Instead, to address the shortfalls shown in the baseline projection, the District must use a combination of fund balance, expenditure control, and possible revenue increases to ensure long-term financial sustainability. This means that the District must continue to manage finances efficiently, increase yield from its existing revenues, and control growth in the workforce costs that make up most of its spending. Numerous initiatives in this Amended Recovery Plan address how the District can reduce costs or limit cost growth and increase revenues to succeed financially. However, even if workforce cost growth is moderate and all other efficiency measures are implemented, the District's finances will remain tenuous at current local tax rates.

The projection shown below assumes that the District implements all workforce initiatives in this Amended Recovery Plan, which include wage increases for all bargaining units, health care cost savings, and other initiatives to provide incentives for professional staff. In addition, the District is assumed to achieve all revenue and saving initiatives in the Recovery Plan, including increasing the real estate tax millage rate to the Act 1 Index amount in each year beginning in 2017-18. The projection also includes the educational priorities outlined by the CRO and a $12.5 million fund balance transfer to set aside a capital reserve and a reserve to join the Dauphin County Technical School.

Revised Projection: All Revenue, Savings, Workforce, & Priority Education Initiatives



Fiscal Year Ending:	2016	2017	2018	2019	2020	2021
Revenues	$135,007,572	$142,454,569	$143,797,247	$146,422,180	$149,174,941	$152,197,071
Expenditures	$137,258,500	$144,366,891	$147,557,139	$150,847,311	$153,425,048	$156,050,688
Surplus / Deficit	($2,250,928)	($1,912,322)	($3,779,891)	($4,444,131)	($4,250,106)	($3,853,617)
Fund Balance	$31,613,269	$17,200,947	$13,421,055	$8,976,925	$4,726,819	$873,202

The Amended Recovery Plan for the Harrisburg School District

The remainder of this document reviews each area of the District in detail, describes how the original April 2013 Plan addressed that area, identifies key challenges and opportunities, and puts forth a series of initiatives to reform and improve District academics and operations while controlling costs. Key aspects of this Recovery Plan that lead to the financial results shown above include:

Academic

- Increased academic accountability related to the Pennsylvania Common Core Standards, curriculum development and implementation, and student achievement, with specific PSSA and Keystone exam goals for the next three years;
- Implementation of a standards aligned curriculum for all subject areas offered by the District at all levels;
- Enhanced professional development Districtwide;
- Expansion of the in-District cyber school;
- A reorganization of current school buildings to avoid overcrowding, ensure space is being maximized in existing facilities, and offer optimum educational programs to all students;
- Greater coordination with parents and the community;
- The prompt implementation of a Career Pathways Program; and
- A greater focus on the growing population of English Language Learners.

Financial

- Recruiting a Chief Financial Officer and Business Manager to manage non-instructional District services;
- Maintaining a positive fund balance and developing a fund balance policy to achieve long-term stability and avoid short-term cash flow problems;
- Reducing absences among District staff;
- Completing and distributing Administrative and Staff Handbooks; and
- Finishing an independent review of long-term enrollment trends to drive decisions around staffing and building closings/re-openings.

Facilities

- Improved energy efficiency and better building management to provide quality facilities at a lower cost;
- Sale of unused facilities to generate funds for capital investment elsewhere in the District; and
- Development of a five-year facilities plan.

Revenue

- Generating additional revenue for the District by improving revenue collections, seeking additional aid from non-profits, continuing existing efforts to secure payments-in-lieu-of-taxes for properties placed in Keystone Opportunity Zones or receiving other tax abatement designations, increasing reimbursement for Medicaid Access, and other programs;
- Improving grant-writing and monitoring to secure additional federal, state, local and private funds for the District; and
- Balancing high local tax effort with the need for quality educational programs by requiring real estate tax increases after 2016-17 if the District is otherwise unable to balance its budget.

Workforce

- Setting wage growth at affordable levels while still attracting and retaining a qualified workforce;
- Continued moderation of District health care cost growth through extension of the 5 percent growth per year cap across all bargaining units; and
- Rightsizing of District staffing to match the student population.

Measurement & Success

- Requirement that the District achieve annual academic performance goals, with 2015-16, 2016-17, and 2017-18 targets in reading and mathematics at each grade level and similar improvement on Keystone Exams for 11th graders; and
- Requirements for increased graduation and attendance rates.

The Recovery Plan requires the immediate initiation of changes in the District, and includes many initiatives that will be complicated to implement and may be unpopular with some segments of the community. However, if promptly and properly implemented, these changes will provide an improved education for students and help improve the efficiency of the District's operations. It should be noted that the revised projection scenario does not provide for a balanced budget. In recent years, the District has successfully produced budgets that have produced positive operating results. If the revenue enhancement and cost savings initiatives included in the Amended Recovery Plan fail to address the projected structural gap in the budget, the District, in consultation with the CRO, will need to identify additional measures to eliminate annual deficits.

Other Provisions

Exit Criteria

Pursuant to section 641-A (9) of Act 141, the CRO must establish specific criteria that the District must satisfy before the Secretary may terminate 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 concluded 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 five-year projection approved by the CRO and the Board that forecasts annual balanced budgets for the five fiscal years after exiting financial recovery status, based on information that is known at the time;
- Meet the academic performance, graduation rate and attendance rate milestones found in initiative ED04 of this plan for the school years 2015-16, 2016-17 and 2017-18, or make adequate progress as determined by the Chief Recovery Officer.

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

Powers and Duties Under Section 642-A

Throughout this plan, the District and the CRO are directed to take actions authorized by section 642-A of Act 141, granting certain powers and duties to achieve the goals of the plan. The specific actions authorized in this plan pursuant to section 642-A shall include but are not limited to:

- Cancel or renegotiate contracts that are in conflict with or an impediment to timely implementation of the provisions of this plan (subsection 3);
- Increase tax levies (subsection 4);
- Appointment of a special collector of delinquent taxes, subject to approval by the CRO (subsection 5);

- Dispense with the services of nonprofessional employees (subsection 6);
- Employ professional and senior management employees who do not hold State certification (subsection 9);
- Enter into agreements with for-profit or non-profit organizations to provide services (subsection 10);
- Close or reconstitute a school, including the reassignment, suspension or dismissal of professional employees (subsection 11);
- 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);
- Delegate powers of the CRO (subsection 16);
- Employ entities to review financial and educational programs (subsection 17).

Education

Overview

The Harrisburg School District (HSD) is responsible for providing educational services to its students in accordance with state and federal laws and regulations. Accountability for the educational program ultimately lies with the Superintendent. There are various Central Office administrators, program coordinators and consultants who provide guidance and support to the Principals and school staff. Additionally, there is a Director of Special Education and an English Language Learner (ELL) Supervisor.

Compliance with all Pennsylvania regulations and educational standards should continue to be the focus in order to provide all students with rich learning and support services. The established District goals and priorities remain the same as outlined in the original 2013 Recovery Plan. Two additional areas of emphasis in this Amended Plan are the implementation of a standards aligned curriculum for all subject areas offered by the District at all levels and the establishment of coherent organizational structures and processes that promote organizational effectiveness. In addition, this Plan updates the educational performance required in the District as part of its recovery.

Assessment

The District continues to face educational challenges that are typical of many urban school districts in Pennsylvania and the nation. These challenges manifest themselves in low performance on standardized tests, low graduation rates, and limited success in progressing to college or vocational training. This unacceptable academic performance continues in spite of a significant organizational focus on school improvement, in part as a result of slow progress on key drivers of improvement such as development and implementation of curricula.

A key indicator of District academic progress in this Amended Recovery Plan, as in the previously Plan, will be the District's improvement on the Pennsylvania System of School Assessment and Keystone exams, on graduation rates, and on student attendance.

Key Issues/Challenges

All of the schools in the Harrisburg School District, with the exception of SciTech High School, have Priority or Focus status. The designated status comes from the United States Department of Education (USDE).

A Priority School has been identified as being among the lowest performing five percent (5%) of Title I schools in the Commonwealth over the past three years, or alternatively as a non-Title I school that would have otherwise met the same criteria. The types of Priority Schools include the lowest-performing schools and schools which are part of the School Improvement Grant (SIG) program.

A Focus School is a school that has room for improvement in areas that are specific to the school. As part of the process, Focus Schools receive targeted and tailored solutions to meet the school's unique needs. The types of Focus Schools include those with low graduation rates, largest within-school gaps and lowest subgroup performance (a Focus School must be a Title I school that has the largest gaps in achievement between subgroups within the school. This means that there is a large gap between the highest-performing group or subgroup and the lowest performing subgroup(s).Examples of subgroups are English Language Learners, economically disadvantaged students, etc.).

Both Priority and Focus Schools are required to develop and submit a Comprehensive Plan to the Pennsylvania Department of Education. The Comprehensive Plan is a year-to-year course of action that assures compliance with the 7 Principles of Turnaround Schools. Comprehensive Plans, for both Priority and Focus Schools, are tightly aligned to this Recovery Plan.

Some of the key issues and challenges that impede academic growth in the District include:

- Slow development and implementation of a standards aligned curriculum;
- A highly transient student population;
- High staff turnover;
- A high number of new teachers;
- Staff attendance issues;
- Student attendance issues;
- Effective professional development; and
- Effective organizational processes and procedures.

Introduction to Initiatives

The primary focus of the education section of this Amended Recovery Plan is based on 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 schools 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
- Providing ongoing mechanisms for family and community engagement.

Although the Harrisburg School District has made some strides in several of these areas, the District still has a long way to go in order to meet the standards that are required to function in an average to satisfactory range. The following section of this chapter provides an update on the District's progress in meeting the initiatives in the 2013 Recovery Plan, as well as amendments of those initiatives in this Amended Recovery Plan to help guide the District in meeting the goal of providing a quality instructional program for all students.

Initiatives

ED01.	**Establish Principals in All Buildings and the Superintendent as Instructional Leader**	
	Status:	**In Progress**
	Target Outcome:	Instructional and performance improvement
	Multi-Year Financial Impact:	($30,000)
	Responsible Party:	Superintendent and academic leadership team

Original Plan
The 2013 Recovery Plan required that the Superintendent and upper level Central Office staff share the direct oversight of instruction, with Central Office administrators assigned to work with specific Principals to ensure that minimum quotas for weekly walkthroughs and formal classroom observations are completed. This monitoring system required the following steps and timelines:

- The Principals give feedback to teachers using the available electronic software within three days of observing each teacher. The same day, the Principals submit that feedback to their designated central administrator using the electronic software

- By Tuesday of each week the central administrators give electronic weekly feedback to the Principals for whom they have been given oversight, and also to the Assistant Superintendent. The Assistant Superintendent provides feedback to all pertinent central administrators and simultaneously copies all feedback to the Superintendent.

Escalating consequences follow failure to comply with any of these deadlines or the submission of unsatisfactory work. For the first offense, written reprimand; for the second offense – three-day suspension without pay; for the third offense – recommendation for dismissal to the Board or other governing entity. These expectations and consequences apply to all administrators, and teachers are required to comply with their Principal's feedback or receive the same consequences.

In addition, central administrators are required to extract observation data (reports) from Eduphoria weekly for each Principal they are assigned to monitor. Central Office administrators also have to submit a concise progress report three days after each deadline to the Superintendent, or twice per month - the fifteenth (15^{th}), and the last day of the month. The Assistant Superintendent is required to provide feedback to the central administrators supervising principals as well as a report to the Superintendent. The Superintendent is required to provide written feedback to the Assistant Superintendent. Failure to do the tasks above result in the same three step escalating discipline procedure as outlined previously. In addition, the CRO must receive monthly reports from the Superintendent summarizing the data no more than five days past the last day of each month.

Update

Members of the CRO team have confirmed that the walkthroughs are an integral part of school improvement at all schools in the District. The District has recently recommitted to providing the required reports to the CRO.

Going forward, the Superintendent and upper level Central Office staff shall continue to share the direct oversight of instruction. The system of walkthroughs and observations shall continue as outlined in the original Recovery Plan. The Principals will provide detailed feedback to the teachers within three days after each walkthrough and observation. Special attention must be given to new teachers and those that are struggling. Both Principals and Central Office staff will arrange for the appropriate interventions and support for those teachers.

A designated Central Office staff person will be in place to monitor the system of walkthroughs and observations on a monthly basis. That indicated staff person will compile a report that will be submitted to the CRO and the Superintendent by the fifth day of the following month.

All Principals at HSD shall complete the Pennsylvania Inspired Leadership (PIL) program (a statewide, standards-based continuing professional education program for school and system leaders). Any Principals who are not PIL-certified will be enrolled in a cohort class to begin the summer session 2016 or no later than the fall cohort to start in September 2016. This timeline is non-negotiable.

Each Principal will be assigned a mentor/coach who will provide them the additional support they need to become stronger instructional leaders and managers. The funding for coaches will be provided through participation in the Commonwealth's SEED program.

Additionally, the Superintendent will work with a trained coach in order to more effectively lead the District and face the growing challenges that are ahead through the recovery process. The coach should be affiliated with a credible coaching organization such as the National Institute for School Leadership (NISL). This work should begin in the spring of 2016 and continue at a minimum of one session each month throughout the 2016-2017 school year. The CRO and CRO team will assist in identifying and selecting an appropriate coach and the CRO shall have final approval over the coach.

This initiative is closely aligned to Turnaround Principle #1, providing strong leadership.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
($30,000)	$0	$0	$0	$0	**($30,000)**

Deliverables	Deadline
The District shall enroll new Principals in a PIL cohort.	September 2016
A coach/mentor shall be selected and assigned for each Principal.	July 1, 2016
The Superintendent shall begin working with a NISL Coach.	Summer 2016
The District shall provide classroom observation reports to the CRO.	Monthly

ED02.	Reorganize the School Buildings	
	Status:	**In Progress**
	Target Outcome:	More focused instructional delivery
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent and Central Office

Original Plan

The 2013 Recovery Plan required the District to reorganize school buildings to improve educational outcomes, with the following considerations:

- Using existing facilities, create one to two pre-kindergarten and kindergarten centers for all students within the district at those levels;
- Establish a grade level scheme of 1st through 5th grade or 1st through 4th grade in the three elementary schools;
- Establish a grade level scheme of 6th through 8th grade or 5th through 8th grade in the three existing middle schools;
- At the high school level both the John Harris campus and SciTech campus would remain the same.

The Plan also required the District to obtain an independent evaluation of the academic soundness of the restructuring plan and further required that costs for building realignment or restructuring, if any, be drawn from existing capital funds or capital generated through other initiatives of the Plan. In addition, in order to assess the quality of learning in the Pre-K program, the District had to require Capital Area Head Start (the provider of Pre-K services to the District) to align curriculum to the SAS portal Pre-K standards. Finally, the District was required to use the Kindergarten Entry Inventory or a similar tool to make such assessments.

Update

The District shall reorganize the current buildings to improve educational outcomes, with the following considerations:

- Replace plans to create one to two pre-kindergarten and kindergarten centers for all students at those levels within the district with the creation of centers using existing facilities;
- Carefully consider the direction and future of the Math/Science Academy at Marshall. The District shall ensure that Marshall's space is being used effectively and that it either maintains a capacity ratio comparable to the other middle schools or alleviates crowding at the other middle schools. The District shall consider the following possibilities for Marshall:
    - Expanding enrollment at the Math/Science Academy at Marshall;
    - Adding another specialty program at Marshall to grow enrollment;
    - Restructuring attendance zones to move more students to Marshall to better balance enrollment levels at the other middle schools.
- Clearly define the relationship between the Math/Science Academy at Marshall and SciTech.

A current configuration of District buildings, their enrollment, and capacity is detailed below.

Building	Grades	Enrollment as of 2/2/16	PlanCon 85% Occupancy Recommendation	Capacity Max.*
Ben Franklin School	Pre-K, K-4	818	809	952
Camp Curtin School	5-8	698	901	1,060
Downey School	Pre-K, K-4	391	632	744
Foose School	Pre-K, K-4	486	746	878
John Harris High School	9-12	1,142	2,254	2,652
Marshall School and Math Science Academy	5-8	416	616	725
Melrose School	K-4	624	563	662
Rowland School	5-8	801	901	1,060
SciTech High School	9-12	303	446	525
Scott School	Pre-K, K-4	574	610	718
Cougar PAWS @ Hamilton School	K-5	26	510	600
Cougar Achieve Academy @ Hamilton School	6-8	72		
Cougar Excel at Hamilton School	9-12	32		

**Ben Franklin, Camp Curtin, Downey, Foose, Marshall, Melrose, Rowland, and Scott capacity numbers are based on Hayes Large Architects 2003 Master Plan calculations included in the April 2013 Plan; John Harris, SciTech, and Hamilton numbers were provided by the District.*

Costs for building reopening, realignment, or restructuring, if any, would be drawn from existing capital funds or capital generated through other initiatives in this Plan.

The District has discussed potentially reopening Steele School in 2017-18. The District shall provide rigorous justification for opening based on enrollment trends (see AF14 for information on an enrollment study), expenses related to re-opening the school building, and expenses related to staffing the School. The CRO shall have final approval regarding the decision to open the School.

In order to assess the quality of learning in the Pre-K program, the District shall require Capital Area Head Start (the provider of Pre-K services to the District) to align curriculum to the SAS portal Pre-K standards. Furthermore, the District shall use the Kindergarten Entry Inventory or a similar tool to make such assessments.

Deliverables	Deadline
The District shall formulate a plan for the Math/Science Academy and SciTech High School to present for Board approval.	June 2016
The District shall require a Capital Head Start Curriculum Agreement Letter.	July 2016
The District shall complete a kindergarten entry inventory summary report.	September 2016
The District shall complete an elementary school enrollment report.	September 2016

ED03.	Adopt New Educator Effectiveness System	
	Status:	**Completed**
	Target Outcome:	Improved teacher and principal performance
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent, Central Office, and Principals

Original Plan

The 2013 Recovery Plan required the District building level administrators to use a common set of lenses as they observe classroom instruction and student engagement to ensure that feedback to teachers is consistent and useful for improving student performance. To achieve this consistency, administrators needed to engage in professional development focused specifically on classroom instruction as well as the principles of teaching, learning, and curriculum. In order to achieve this goal, in turn, the 2013 Plan required that adequate time for professional growth and development be built into the school calendar so that teachers are capable of meeting the basic requirements of their profession.

During the 2012-13 school year only School Improvement Grant schools, Phase III Pilot schools, and Race to the Top districts were required to participate in the Pennsylvania educator effectiveness initiative.

By July 1, 2013 the District was required to develop a comprehensive plan to fully implement the Pennsylvania educator effectiveness system beginning in the 2013-14 school year. This involved establishing accountability for teacher practices associated with student achievement with the components of the Danielson Model kept at the forefront. Those components included preparation/planning, classroom environment, instruction, and professional responsibilities.

Update

By using the Danielson Model, Principals are now viewing teaching and learning through the same set of lenses. The significant components of the model that continue to be in focus are: preparation/planning, classroom environment, instruction, and professional responsibilities. The Danielson Model provides a consistent method of documentation and feedback for teachers that offers direction in areas of instruction that need attention or areas they are progressing at a satisfactory or above level. It is essential that all new building administrators are trained immediately in the use of the current instrument so that there is no loss of rigor in the system. Continuing the use of the new system with fidelity is a critical component of improving student performance. This initiative is closely aligned to Turnaround Principle #2, which ensures that teachers are effective and able to improve instruction.

Deliverables	Deadline
The District shall ensure new Principals/Assistant Principals are trained in the Danielson Model.	As needed

ED04.	Increase Academic Accountability (Formerly "Implement a Standards Based Curriculum")	
	Status:	**In Progress**
	Target Outcome:	Improved student performance
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent and Director of Curriculum

Original Plan
The 2013 Recovery Plan required all administrators and teachers to become familiar with and use the resources of the Commonwealth's Standards Aligned System (SAS) portal for professional development. The HSD Director of Curriculum and Instruction was required to contact and rely on the Capital Area Intermediate Unit (CAIU) to help develop a plan for technical assistance, using the PDE Comprehensive Planning Tool as the basis for beginning the work. Using this tool was also intended to allow the District to comply with Chapter 4 planning requirements and Title I school improvement plan requirements.

In addition, the Plan required the District's Directors of Elementary and Secondary Curriculum, the Superintendent, Assistant Superintendent, Director of Special Education, Supervisor of ELL, and the building Principals to lead the development of programs and opportunities for students to complete a standards-based curriculum and to lead professional development around analysis of student performance data to develop targets and strategies for continuous improvement.

The same corps of administrators were also required to shift toward thematic learning through small learning communities (SLCs) at the middle schools and high schools with a plan to move forward with a Harrisburg application of the SLC concept developed for Board approval by June 30, 2013.

The 2013 Recovery Plan further required that the District ensure that all students served had access to curriculum, instruction, and assessments aligned to Pennsylvania's academic standards and related exams by August 15, 2013.

In order to demonstrate success, the 2013 Recovery Plan intended for the CRO to measure the District's performance across all grades on the Pennsylvania System of School Assessment (PSSA) tests for mathematics and reading, 11th grade performance on the Keystone Exams, and improvements in the rate of graduation and overall student attendance. Finally, the District was required to monitor and publicly report on progress on these measures, SAT performance, teacher proficiency, and other measures identified by the CRO, the Superintendent, and the Board.

Update
SAS Portal
The Pennsylvania Common Core Standards are intended to provide a consistent, clear understanding of what students are expected to learn, so teachers and parents know what they need to do to help children. PDE provides substantial resources to achieve this goal through the SAS portal, found at http://www.pdesas.org.

Curricula

The District failed to meet any of the milestones in the 2013 Recovery Plan for curriculum development and implementation. In late 2014 and 2015 the District purchased curricula from Evans Newton Inc. in the areas of Mathematics, English/Language Arts, and Science. The three curricula span grade levels Kindergarten through Grade 12, and were implemented at various points in the 2014-15 and 2015-16 school years. Although these three areas are in place, the District is still well behind the timelines indicated in the original Recovery Plan for having a comprehensive K-12 curriculum. A comprehensive curriculum is essential to expose children to a well-rounded education that will match their interests and better prepare them for college or the pursuit of their career pathway.

By the start of school year 2016-2017 the District shall ensure that all students served have access to a Social Studies curriculum that is standards aligned. The Social Studies curriculum will be approved by the School Board at its regular meeting in June 2016. This timeline should help the District with budgeting and professional development for easier implementation.

By the start of the 2017-2018 school year the District will ensure that all students served have access to a complete comprehensive standards aligned curriculum in all subjects for all grade levels K-12. New curricula in remaining subject areas will be approved by the School Board at its regular meeting in May 2017.

Each year following the 2017-2018 school year the District will form a committee to upgrade, modify or change the curriculum to conform to any changes in the Pennsylvania State Standards. Those changes will be approved at the May School Board meeting each year as needed.

Small Learning Communities (SLC)

The SLC or “Pathways Program” has been in process since the inception of the original Recovery Plan. Although the District has begun to offer some components of this initiative, it is far from being fully implemented. See ED17 for more information regarding the Pathways Program.

Student Achievement

The targeted outcome for initiative ED04 is improved student performance. In order to demonstrate success the District shall achieve improved student performance across all grades on the Pennsylvania System of School Assessment (PSSA) tests for mathematics and reading as shown in Tables A-C below, using the 2014-2015 results as the baseline. The new baseline figures are a result of significant changes to the test.

- By June 2018, the Harrisburg School District shall eliminate the gap between the District’s 3rd grade ELA and Mathematics PSSA achievement scores and the current State PSSA average scores for third grade (Table A).
- By June 2018, the Harrisburg School District shall close the gap, by 50 percent of the difference between the District’s ELA and Mathematics PSSA achievement scores and the current State PSSA average scores in grades 4 through 8 (Tables B and C).

Students in the 11th grade at John Harris High School shall achieve improved performance in the Keystone Exams as shown in Table D below, using the 2014-15 results as a baseline. The new baseline figures are as a result of significant changes to the test.

- By June 2018, the Harrisburg School District’s John Harris High School, will close the gap, by 50 percent of the difference between the District’s Keystone Proficiency Rate in Algebra I, Literature and Biology and the current State Keystone achievement average (Table D).

Students in the 11th grade at Sci-Tech High School shall achieve improved performance in the Keystone Exams as shown in Table E below, using the 2014-15 results as a baseline. The new baseline figures are as a result of significant changes to the test.

- By June 2018, the Harrisburg School District's Sci-Tech High School, will close the gap between the District's Keystone Proficiency Rate in Biology and the current State Keystone achievement average (Table E).

The 11th grade students have scored significantly below the state average on the Keystone Exams. Districts are required to provide Keystone Remedial Classes for underperforming students. Although the Harrisburg School District currently offers Keystone Remedial Classes, these courses are not offered in the regular school schedule. The result has been low and inconsistent attendance.

- Beginning with the 2016-2017 school year, the District's high schools shall have Keystone Remedial Classes built into the master daytime school schedule with the appropriately certified teachers.

In addition, in order to adequately serve its students and achieve the other academic goals, the District needs to ensure that students attend school and graduate on time. HSD must achieve significant and progressive improvement in the rate of graduation and overall student attendance as noted in Tables F and G.

- By June 2018, the Harrisburg School District will eliminate the gap between the District's cohort graduation rate and the State average graduation rate (Table F).
    - Note: graduation rates do not include data for Sci-Tech High School. Sci-Tech has already met at least a 90 percent rate and is expected to meet or exceed that standard in all years covered by the Amended Recovery Plan.

- By June 2018, the Harrisburg School District will eliminate the gap between the District's attendance rate and the state average attendance rate to less than 2 percentage points difference (Table G).

Finally, the District shall monitor and publicly report progress improvement on student performance measures, including PVAAS growth for each school, SAT performance, teacher proficiency, School Performance Profiles (SPP) and other measures identified by the CRO, the Superintendent and the Board.

Table A: Minimum Performance, PSSA Grade 3, 2015-16 to 2017-18
% of Students Scoring Proficient or Advanced

School Year	ELA	Math
2014-15 PDE State Average	**62.0%**	**48.5%**
2014-15 HSD Results	18.6%	10.4%
Gap	43.4%	38.1%
Annual Growth Target (% increase per year)	14.5%	12.7%
Required Annual Score		
2015-16	33.1%	23.1%
2016-17	47.6%	35.8%
2017-18	62.0%[1]	48.5%

[1] Summing of growth rate and annual scores may appear a tenth or two-tenths of a percentage off due to rounding.

Table B: Minimum Performance by Grade, Math PSSA, 2015-16 to 2017-18
% of Students Scoring Proficient or Advanced

School Year	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8
2014-15 PDE State Average	**44.5%**	**42.8%**	**39.7%**	**33.1%**	**29.8%**
2014-15 HSD Results	9.4%	6.2%	6.7%	3.7%	4.7%
Gap	35.1%	36.6%	33.0%	29.4%	25.1%
Annual Growth Target (% increase per year)	5.9%	6.1%	5.5%	4.9%	4.2%
Required Annual Score					
2015-16	15.3%	12.3%	12.2%	8.6%	8.9%
2016-17	21.2%	18.4%	17.7%	13.5%	13.1%
2017-18	27.1%	24.5%	23.2%	18.4%	17.3%

Table C: Minimum Performance by Grade, English/Language Arts PSSA, 2015-16 to 2017-18
% of Students Scoring Proficient or Advanced

School Year	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8
2014-15 PDE State Average	**58.6%**	**61.8%**	**60.7%**	**58.7%**	**58.0%**
2014-15 HSD Results	17.4%	18.1%	19.8%	15.5%	19.3%
Gap	41.2%	43.7%	40.9%	43.2%	38.7%
Annual Target (% increase per year)	6.9%	7.3%	6.8%	7.2%	6.5%
Required Annual Score					
2015-16	24.3%	25.4%	26.6%	22.7%	25.8%
2016-17	31.2%	32.7%	33.4%	29.9%	32.3%
2017-18	38.1%	40.2%[2]	40.3%[3]	37.1%	38.8%

[2] Summing of growth rate and annual scores may appear a tenth or two-tenths of a percentage off due to rounding.

[3] Ibid.

Table D: Minimum Performance Improvement, Keystone District Target, 2015-16 to 2017-18
% of Students Scoring Proficient or Advanced – John Harris High School

School Year	Algebra I	Biology	Literature
2014-15 PDE State Average	**64.5%**	**72.8%**	**59.0%**
2014-15 HSD Results	18.1%	23.2%	10.9%
Gap	46.5%	49.6%	48.1%
Annual Target (% increase per year)	7.7%	8.3%	8.0%
Required Annual Score			
2015-16	25.8%	31.5%	18.9%
2016-17	33.5%	39.8%	26.9%
2017-18	41.2%	48.1%	34.9%

Table E: Minimum Performance Improvement, Keystone District Target, 2015-16 to 2017-18
% of Students Scoring Proficient or Advanced – Sci-Tech High School

School Year	Algebra I	Biology	Literature
2014-15 PDE State Average	**64.5%**	**72.8%**	**59.0%**
2014-15 HSD Results	71.4%	42.1%	73.7%
Gap	-6.9%	30.7%	-14.7%
Annual Target (% increase per year)	0.0%	8.3%	0.0%
Required Annual Score			
2015-16	71.4%	52.3%	73.7%
2016-17	71.4%	62.6%	73.7%
2017-18	71.4%	72.8%	73.7%

Table F: Minimum Graduation Rate, 2012-13 to 2017-18
Graduation % Rate – John Harris High School[4]

School Year	Minimum Graduation Rate
2012-13 (actual)	45.10%
2013-14 (actual)	42.69%
2014-15 (actual)	52.78%
Required Rate	
2015-16	63.44%
2016-17	74.09%
2017-18	84.75%
2014-15 PDE	**84.75%**

Table G: Minimum Attendance, 2012-13 to 2017-18
Attendance % Rate

School Year	Grades K-8	Grades 9-12	All Grades (Weighted Avg.)
2012-13 (actual)	91.45%	79.19%	87.68%
2013-14 (actual)	90.51%	80.00%	87.28%
2014-15 (actual)	90.44%	83.00%	88.15%
Required Rate			
2015-16	92.00%	84.00%	89.54%
2016-17	93.50%	85.00%	90.88%
2017-18	95.00%	86.00%	92.23%
2014-15 PDE – All Grades	93.71%		

As part of the efforts to improve scores on Keystone exams, as funding becomes available, the District shall consider hiring two additional teachers to provide Keystone Remediation Classes during school hours. The financial impact of the additional teaching staff would be approximately $150,000 per year.

If the District fails to achieve the minimum improvement shown above or show significant progress in each building towards the academic goals set forth in the Plan by the end of the 2017-18 school year, or does not implement the educational reforms described earlier in this initiative, the CRO and the Secretary

[4] Graduation rates do not include data for Sci-Tech High School. Sci-Tech has already met at least a 90 percent rate and is expected to meet or exceed that standard in all years covered by the Amended Recovery Plan.

of Education shall take the necessary steps to appoint a Receiver effective for the 2018-19 school year, and transfer District-educated students to schools under external management effective for the 2019-20 school year. Authorization is provided by section 642-A of Act 141, specifically subsections (2), (7), (11), (12), (13), (16) and (18).

Deliverables	Deadline
The District shall have a Social Studies curriculum ready for Board approval.	June 2016
The District shall have a comprehensive curriculum ready for Board approval.	May 2017
The District shall implement the Pathways Program at both high schools.	August 2016
The District shall ensure that Keystone Remedial Classes are built into master schedule at the high schools.	August 2016
The District shall meet 2015-16 PSSA, Keystone, graduation and attendance goals.	Data released late summer/early fall 2016
The District shall meet 2016-7 PSSA, Keystone, graduation and attendance goals.	Data released late summer/early fall 2016
The District shall meet 2017-18 PSSA, Keystone, graduation and attendance goals.	Data released late summer/early fall 2016
The District shall meet complete an annual curriculum review.	To begin April 2018

ED05.	**Develop a District-Wide Team-Building Initiative**		
	Status:	**Completed**	**In Progress**
	Target Outcome:	School-to-school collaboration	
	Multi-Year Financial Impact:	N/A	
	Responsible Party:	Superintendent, Central Office, Principals, and Teachers	

Original Plan

The 2013 Recovery Plan noted that team-building typically has a positive impact on group attitude and behavior, as well as on organizational change. In school districts, team-building helps staff increase communication, promotes trust, and gives teachers a sense of belonging to something larger than themselves. If used correctly, teaming can increase the productivity and adaptability of schools. The knowledge base and skills needed for team-building are not in place in most traditional school settings.

The 2013 Recovery Plan found that though there were many active working groups in the Harrisburg School District, there was a need for more effective teams with a clear vision guiding their work. These teams needed strategies that are clearly aligned to achieving goals, with benchmark measuring points and adjustments made wherever necessary.

Therefore, the Plan required that the District adopt a system to develop a spirit of learning for the learner(s), the teacher(s), and school administrator(s). This pedagogy needed to be experience-based, allowing the process to embody and model the values of compassion, consensus, and cooperation instead of competition.

By July 1, 2013 the Central Office staff in cooperation with the building Principals were required to develop a progressive plan to build professional learning communities strongly focused on team-building throughout the District. The following components were to be incorporated into that plan:

- Professional development for Central Office staff, school building administrators, teachers and support staff that will teach the dynamics of team-building and how to work collaboratively within a team;
- The application of team-building at all levels to include Central Office to Principals, Principals to teachers, teachers to students, and students to students;
- School master schedules to be analyzed and structured so that teams are able to meet and work together;
- Professional development and new structure in the building(s) to enable teaming both horizontally and vertically for grade levels in the schools;
- Scaffolded dialogue/articulation from grade level to grade level in the school, but also progressively from pre-school to elementary, elementary to middle, and middle to high school;
- A provision within the plan that at each level there would be a hard stand taken against those that are unwilling participants or low performers in the professional learning/teaming concept.

Update

This initiative is closely aligned to Turnaround Principles #3 and #5, which address redesigning school time to include additional time for student learning and teacher collaboration, and using data to inform instruction for continuous improvement. Based on recent observations, it is apparent that many working groups are active in the Harrisburg School District and that school schedules have been created that enable teams of teachers and administrators to meet and collaborate on both academic and behavioral improvement. In addition, Professional Learning Communities (PLCs) analyze data and develop action plans that will improve students' behavior and academic performance.

This initiative was started in the original Recovery Plan and shall continue to be refined in the schools. In particular, while scaffolded dialogue/articulation takes place in the schools grade level to grade level, it is important to expand the dialogue/articulation from elementary to middle and middle to high school.

Deliverables	**Deadline**
The District shall create systems to ensure dialogue and articulation take place on a school-to-school level.	August 2016

ED06.	**Plan and Structure District-Wide Professional Development Initiative**	
	Status:	**In Progress**
	Target Outcome:	Improved teaching and learning
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent and Central Office

Original Plan
The 2013 Recovery Plan required that the District improve its provision of professional development by adopting an organizational structure that facilitates "the identification, development and use of instructional resources." Examples provided in the Plan included:

- Common learning time for subject/or grade level teachers;
- Common learning time for building Principals;
- Common learning time for instructional assistants;
- Formal instructional leadership roles and organizational mechanisms that foster teacher collaboration;
- Learning from peers and communication patterns that develop a shared understanding of teaching practices that are linked to student learning.

The Plan also cited the most crucial areas where extensive professional development was needed, including:

- PIL training for Principals – in particular Courses 1 and 4. This training can be arranged with the PDE in order for the Principals to be certified (see ED01 for an updated PIL requirement);
- SAS training for Principals and teachers – the training can be arranged through the PDE and/or Capital Area Intermediate Unit (CAIU);
- Training for classroom assistants – the training can be arranged through CAIU or by using resources within the District.

Additionally, the 2013 Recovery Plan required the District to explore the development of an instructional coaching model provided by the Pennsylvania Institute for Instructional Coaching (PIIC). This model requires one to two instructional coaches in each building, preferably one for literacy and one for numeracy, with coaches hand-picked by the Superintendent and immersed one day each week in training on the best and most effective instructional practices. The other four days the coaches work in the buildings with teachers in the classrooms and during planning time to refine their skills. The Plan required that training for the coaches had to be provided by a recognized outside group or organization and training would be a two- year process.

The Plan required that the Directors of Curriculum present a comprehensive professional development plan to the Superintendent and CRO at the June 17, 2013 School Board meeting. The professional development plan had to include summer training and the strategic use of Act 80 days and scheduled in-service days throughout the 2013-14 school year.

The Plan also required that by July 15, 2013 the Principals, working with the Directors of Curriculum and Central Office staff, structure their buildings so that the professional development could occur. Restructuring included a master schedule enabling vertical and horizontal planning opportunities, regular early dismissal days, and creative schemes to provide opportunities for professional development (e.g. a schedule within a schedule to free up grade levels).

Update
One of the most critical components of this recovery initiative is a well thought out, clearly articulated, and well-implemented professional development plan across the District. The Harrisburg School District continues to have an extremely high number of teachers and administrators that are new to their positions. Many of the teachers lack the fundamental skills that are required to transform the District into an organization that functions in the average to satisfactory range.

Unfortunately, not all aspects of the original Recovery Plan professional development initiative were drafted or implemented. Therefore, in July 2016 the District Administration shall present a two-year comprehensive professional development plan to the Board of School Directors for approval. The Plan will be approved by the CRO before submission to the Board. The plan will provide professional development detail for the 2016-17 and 2017-18 school years. There will be three components to the plan: a detailed induction strategy for new teachers, a summer professional development curriculum, and in-service content for early dismissal days and Act 80 days throughout the school year.

Once the plan is submitted and approved by the Board, no changes or modifications may be made without the approval of the CRO.

In June 2016, the District shall survey the teaching staff, Principals and Assistant Principals to gain a better understanding of the professional development needs of the District in order to develop the two year plan. Areas that should receive serious consideration in developing the plan include:

- High impact instructional strategies;
- Strategies and interventions for working with ELL students in the regular classroom;
- Co-teaching for regular and special education teachers;
- Understanding the standards;
- Differentiated instruction for all teachers;
- Cultural sensitivity;
- Positive school climates.

These fundamental topics should be revisited on a regular basis and cannot be viewed as once and done. It is important to note that the staff development related to familiarization with the new curricula shall be included in the two year plan as well.

The District will, wherever possible use the resources available to them through PDE, CAIU and the Pennsylvania Training and Technical Assistance Network (PaTTAN). These resources are available free of charge or at a low cost to the District.

Given the recent growth in English Language Learner (ELL) enrollment, as additional funding becomes available the District will aim to lower the staffing ratio for ELL to between 25-1 and 35-1, thus enabling a better opportunity for the success of this subgroup. See initiative ED18 later in this chapter for more information on the creation of a full-time ELL coordinator position to support ELL staff and programs.

Research strongly indicates that a well-coordinated coaching initiative is a powerful tool in developing strong teachers and administrators, particularly in urban education. The District has a coaching initiative that is enabling teachers to improve their practice with 7 coaches serving 11 schools, including the Cougar Academy. Currently, coaches are split between schools, which is less than ideal. Given the significant number of new staff and administrators in the District each year, it is essential that the District strive to have at least one full time coach in each building. Ideally, two coaches should serve each building; one for English/Language Arts, and one for Mathematics. This expanded staffing shall be explored as funding becomes available and Federal funds may be used, as appropriate, towards this effort. The financial impact of four additional coaches (one per building) would be approximately $300,000 per year.

This initiative ED06 is closely aligned to Turnaround Principle #2 which is focused on ensuring that teachers are effective and able to improve instruction.

Deliverables	**Deadline**
The District shall conduct a professional development survey of teachers and building level administrators.	June 2016
District Administration shall present a two-year professional development plan to the Board for approval after CRO signoff.	July 2016

ED07.	Develop a District-Wide Parent Involvement Initiative	
	Status:	**In Progress**
	Target Outcome:	Increased parental involvement
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent/Building Principals

Original Plan

The 2013 Recovery Plan required each school in the District to have an organized parent group to support the schools and parents to create an environment where children can succeed academically and behaviorally.

The 2013 Recovery Plan mandated that the Principal of each school identify a parent to serve as the president of the parent organization in the school by August 1, 2013 (if there was already an active PTA/PTO, the Principal would defer to that existing leadership). Additionally, the Superintendent was required to implement a Superintendent's Advisory Committee (SAC) composed of the presidents of the school organizations to meet monthly with the Superintendent to discuss and review the progress of the parent involvement initiative.

Update

Each school in the District needs to have an organized parent group to support the schools, provide resources for parents, and to build stronger partnerships with the community. The strongest and most consistent predictors of parent involvement at school and at home are specific school programs and teacher practices that encourage parent participation in school activities and assist parents in creating a supportive learning environment at home.

Parent involvement components are required by the federal Elementary and Secondary Education Act (ESEA). Although each HSD school has a Parent Liaison, and a District Parent Engagement Coordinator was recently hired, HSD parent involvement continues to be inconsistent and requires an organized, well-orchestrated approach. Not all schools in the District have a parent involvement initiative. Additionally, the Superintendent's Advisory Committee did not come to fruition as indicated in the original Recovery Plan. Advisory meetings were held on a quarterly basis, and the District did not create a formal reporting to outline the progress of the overall parent involvement initiative.

By August 2016 the Principal of each school shall identify a parent who will serve as the president of the parent organization in the school. Some schools may already have an active PTA/PTO. The president and the Principal will work toward the development or further development of the parent organization. Additionally, the Superintendent will reconstitute the Superintendent's Advisory Committee (SAC). The Committee will be composed of the presidents of each of the individual school organizations and shall meet at least quarterly with the Superintendent to discuss and review the progress of the parent involvement initiative. Through the Committee, the organizations will become acquainted with the services that the District can offer parents in order to overcome obstacles that impede their involvement in their children's education. A regular face-to-face meeting with the Superintendent will demonstrate the District's commitment to the initiative. The Title I State Parent Advisory Council (SPAC) will provide guidance and support at little cost to the District.

This initiative is closely aligned with Turnaround Principle #7, providing on going mechanisms for family and community engagement.

Deliverables	Deadline
Each Principal shall identify a lead person for their parent organization.	August, 2016
The Superintendent shall meet monthly with the Superintendent's Advisory Committee.	Monthly starting September 2016

ED08.	District Must Comply with All Statutory Requirements	
	Status:	**Completed**
	Target Outcome:	Effective programs for all students
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent, Director of Special Education, and Principals

Original Plan
The 2013 Recovery Plan included resources to serve all students of the District, including those with special education needs, those assigned to alternative schools, and those attending vocational education or other programs. The terms of the Plan do not eliminate or modify the District's requirement to comply with all relevant statutes governing the education of children in the District.

Update
In 2014 the District received a letter from PDE indicating that all compliance areas in Special Education are in the satisfactory or above category. Under the direction of the Director of Special Education, the compliance monitoring is done regularly with fidelity. The District faces the same challenge as other districts in finding certified content level teachers at the high school level.

Deliverables	Deadline
The District shall engage in continuous compliance monitoring.	2016-17 school year

ED09.	Secure Outside Funding for Educational Enrichment and Other Programs	
	Status:	**In Progress**
	Target Outcome:	Increased academic and non-academic enrichment opportunities
	Multi-Year Financial Impact:	($466,288)
	Responsible Party:	CRO, Superintendent, and CFO

Original Plan
The 2013 Recovery Plan required District senior leadership to work with the Harrisburg Public Schools Foundation to expand its support of programs to enhance academic and non-academic offerings. These could include, but were not to be limited to music, art and language supplements; field trips and special visitors; supplemental college counseling, college access support and test preparation; after-school academic (instruction, tutoring, homework help) and non-academic opportunities (from chess to athletics);

summer academic and non-academic activities; day care support; and teacher development. Funds may also be solicited to reward student and teacher performance.[5]

In addition, the 2013 Recovery Plan required the District to undertake an aggressive program to develop, expand, and promote in-District cyber school options for its students, including, but not limited to:

- The development of a knowledge base on current and potential cyber students;
- The designation of a single person responsible for the success of the District's cyber school;
- An evaluation of the current program in relation to the assessment of needs;
- The modification or expansion of the Cougar Academy based on the needs assessment;
- The active promotion of the Cougar Academy through communication with target customers;
- Continuous outreach to cyber students and parents to assess satisfaction with the program and to identify and implement opportunities for improvement.

The goal of the 2013 Plan was to increase the number of cyber students from the District who choose to attend the Cougar Academy with a target of 100 new students in 2014-15, and 50 new students per year in 2015-16, 2016-17, and 2017-18 for an eventual total of 250 new students over 2013-14 cyber school enrollment.

Update

The District is fortunate to have the Harrisburg Public Schools Foundation to generate community support for its programs. The Foundation serves as the District's EITC conduit to solicit and allocate charitable contributions to benefit the District and its children. It also encourages a wide variety of direct and in-kind contributions to the District. While this Plan does not include specific programmatic directives or fund-raising targets for the Foundation (as it is an independent organization), the senior leadership of the District shall continue to work with the Foundation to expand its support of programs to enhance academic and non-academic offerings. The District shall annually present to the CRO a plan, developed with the Foundation, with specific areas the Foundation intends to support each school year. To the extent that the Foundation declines to fund some of the initiatives described above, the District shall identify other sources of funding.

In this regard, the District shall pursue more creative fundraising possibilities to begin, expand, and enrich the programs they provide for students. By the August 2016, the District will obtain the services of a qualified grant writer with experience in procuring funds for educational purposes. The grant writer can be a full- or part-time position with the District, or one that operates as a purchase of service on a commissioned basis. The grant writer will pursue funding opportunities that tightly align with District initiatives that can be sustained. The estimated financial impact below is based on hiring a full-time grant writer with the District. A part time or contracted person would have a smaller financial impact. See RV07 for the revenues associated with the grant writing position and ED17 with additional discussion of potential ways in which the grant writer may leverage partnerships with local and national foundations to support the Career Pathways program.

As described above, the original 2013 Recovery Plan initiative also focused specifically on improving educational outcomes through the further expansion of the District's in-house cyber school, the Cougar Academy. Since the last Plan, the District has been successful in growing Cougar Academy enrollment, though there are still opportunities for improvement. See ED10, ED11, ED12, and ED13 for more information.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
($88,261)	($91,385)	($94,452)	($95,663)	($96,527)	**($466,288)**

[5] Authorization for this initiative is provided by Section 642-A(16) of Act 141, *inter alia*.

Deliverables	Deadline
The District shall obtain the services of a qualified grant writer.	August 2016

ED10.	Development of a Database of Current and Potential Cyber School Students	
	Status:	**Completed**
	Target Outcome:	Develop a complete understanding of the factors causing Harrisburg parents and students to seek cyber education
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent and Director of Cougar Academy

Original Plan
The 2013 Recovery Plan required the District to undertake an effort to develop a complete understanding of the needs and goals of students and parents who are selecting cyber education by surveying current and prospective students through direct outreach and statistically valid surveying of the target consumers of cyber services in 2012-13 and again in 2016-17.

Update
The District has refined its database for tracking current and potential cyber school students. All Harrisburg School District students are tracked and as cyber programs close, the District is able to recruit students back to the District. The Director of the Cougar Academy is able to extract up-to-date data through the E-School system to be used for recruitment and tracking purposes. Each year beginning June 30, 2016 the Director of the Cougar Academy shall submit an annual report to the Superintendent and CRO indicating the number of Harrisburg Students that are enrolled in non-District cyber programs across the Commonwealth (including the programs in which they are enrolled), that status of outreach and recruitment initiatives, and an update on key program issues and costs. The report will also indicate which programs they attend.

Deliverables	Deadline
The Director of the Cougar Academy shall submit an annual report of the cyber school program to the Superintendent and the CRO.	June 30, 2016 and each year thereafter

ED11.	Employ a Staff Person who is Fully Dedicated to Development and Expansion of the Cougar Academy	
	Status:	**Completed**
	Target Outcome:	Create focus and accountability for the success of the Cougar Academy
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent

Original Plan

The 2013 Recovery Plan required the District (with the approval of the CRO) to select and designate a qualified person to oversee the development and success of the Cougar Academy program. This individual was to be the Director of the Cougar Academy, reporting directly to the Superintendent on a three year contract with an option for renewal based on performance. In addition, the Director's performance objectives were contingent on the growth and development of the enrollment in the Cougar Academy.

Update

The District has employed a staff person who is dedicated to the development and expansion of the Cougar Academy. This staff person also has oversight of all English Language Learner programs throughout the District. The position reports to the Superintendent.

With the growing need for greater resources for English Language Learners (ELL), the District shall reassess the role of the staff person currently leading the Cougar Academy. The District needs a full-time leader available to oversee Cougar Academy operations and expansion, one who is not splitting their time with ELL programs. Similarly, with the growth in ELL students, the District needs to build additional capacity to better serve students in the population. See ED18 for more information.

Therefore, the District will develop an appropriate title for the position held by the leader of the Cougar Academy. In addition to being able to focus attention strictly on Cougar Academy, having a staff person solely dedicated to the Academy will enable that individual to have more time to market the Cougar Academy to students who are currently attending other area cyber schools and charter schools. See initiatives ED12 and ED13 for more information.

Deliverables	Deadline
The District shall hire a full-time Cougar Academy staff person or relieve current staff person of ELL program duties.	July 2016
The District shall expand Cougar Academy marketing efforts.	January 2017

ED12.	Modification and Expansion of Cougar Academy	
	Status:	**In Progress**
	Target Outcome:	Based on user survey and other outreach, adapt the Cougar Academy to meet the needs of students and parents in order to increase participation
	Multi-Year Financial Impact:	($719,843)
	Responsible Party:	Director of the Cougar Academy

Original Plan

The 2013 Recovery Plan required that the District adapt the Cougar Academy concept with the goal of increasing enrollment in the program, based on best practices, including, but not limited to:

- The creation of hybrid in-seat and cyber education;
- The opportunity for graduation acceleration through cyber study;
- The provision of funds to parents to cover educated related costs of the cyber program;
- Complete participation in District extracurricular activities by cyber students;
- Supplemental guidance and counseling services for cyber students;
- Direct access to instructional staff for supplemental educational support.

Update

The Cougar Academy has grown to include grades 1 through 12. Part of this expansion allows for siblings to attend the same school to eliminate hardships and attendance issues.

The population of the program continues to grow toward the goals indicated in the original Recovery Plan. Every effort should be made by the Administration to maintain the Cougar Academy at its present central location and convert office spaces to classrooms wherever possible.

Growth and Expansion of Cougar Academy

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Starting Enrollment	0	45 (prior year)	130 (prior year)	188 (prior year)	235
Growth Target	50	100	50	50	50
Actual/Projected Enrollment	45 (actual)	130 (actual)	188 (estimated)	235	285

If the population of Cougar Academy grows according to the expansion plan listed above, the Academy may require additional teaching to maintain the current student-teacher ratio at approximately 27 students per teacher. In addition, various administrative and support positions were identified by the Director of the Cougar Academy, including a secretary, counselor, and part-time nurse. The financial impact table below includes the estimated program costs for these positions and potential additional savings due to reduced cyber charter enrollment.

Financial Impact

	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Program Costs	($172,596)	($331,931)	($422,318)	($427,963)	($444,198)	**($1,799,007)**
Charter Tuition Savings	$92,658	$188,610	$263,918	$266,067	$267,911	**$1,079,164**
Total Financial Impact	**($79,938)**	**($143,322)**	**($158,401)**	**($161,896)**	**($176,286)**	**($719,843)**

Deliverables	**Deadline**
The Director of Cougar Academy shall submit a student enrollment report to Superintendent and CRO.	Annually in October

ED13.	**Promotion and Communication in Relation to Cougar Academy**	
	Status:	**In Progress**
	Target Outcome:	Increase awareness of Cougar Academy among current and prospective cyber students and their parents
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Director of the Cougar Academy

Original Plan

The 2013 Recovery Plan required that the District immediately develop a program to communicate the positive qualities of the Cougar Academy to prospective attendees and parents, using a variety of media and techniques including written material, public meetings, commercial advertising and one-on-one meetings with parents and students.

Update

The competitive environment in public education requires that the District not only create a great cyber school program, but also promote that program to the current and potential consumers of the service. Currently the District uses Survey Monkey, Survey Messenger, written materials at the enrollment center, written materials distributed as needed by Guidance Counselors and signage outside of the schools. The District should better utilize the service of its Community Relations Office and a variety of media techniques for promotion and communication regarding the Cougar Academy.

Deliverables	**Deadline**
The District shall update the Cougar Academy Media Plan and Documents.	Annually in July

ED14.	**Outreach and Evaluation**	
	Status:	**In Progress**
	Target Outcome:	Continuously evaluate and revise Cougar Academy based on outreach to current and prospective students and their parents
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Director of the Cougar Academy

Original Plan

The 2013 Recovery Plan required the District to develop a comprehensive program of outreach and evaluation regarding the Cougar Academy. The information gathered from this process would be used to modify and adapt the program to meet the needs of students and parents, and to adapt to the changing market for cyber education.

Update

The District shall continue to develop a comprehensive program of outreach and evaluation regarding the Cougar Academy. The information gathered from this process will be used to modify and adapt the program to meet the needs of students and parents, and to adapt to the changing market for cyber education. The Supervisor of the Cougar Academy will be responsible for this effort and will report quarterly to the CRO on the outreach efforts and the changes to the Cougar Academy program that will be made as a result of the outreach and evaluation effort.

The staff at the Cougar Academy must have a more specialized professional development initiative due to the nature and needs of the students that are enrolled. A professional development plan for the staff at the Cougar Academy shall be developed and incorporated into the District's two-year professional development plans to be submitted to the Board of School Directors for approval at their June 2016 meeting. In order to develop the plan, the staff at the Cougar Academy will be surveyed in order to determine the professional development needs of the program. This survey will be completed in July 2016.

Given the critical role of the Cougar Academy careful attention needs to be paid to the changing need for teachers and specific types of teachers as enrollment grows. The Superintendent and the Director shall report to the CRO monthly to ensure that the Cougar Academy has the right mix and right number of teachers to begin the 2016-17 school year.

This initiative is closely aligned to Turnaround Principle #2 which is ensuring that teachers are effective and able to improve instruction.

Deliverables	Deadline
The District shall produce a Cougar Academy operational report.	Quarterly
The District shall create a professional development plan specifically for Cougar Academy.	June 2016
The District shall create a staff professional development survey for Cougar Academy.	July 2016
The Director of Cougar Academy and the Superintendent shall submit a staffing report to the CRO.	Monthly beginning July 2016

New Initiatives

ED15.	Organizational Structure	
	Status:	New
	Target Outcome:	Guidance and direction through clear communication
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent and Central Office Administrators

Organizations must establish coherent structures, processes, and policies that promote their effectiveness. The Superintendent and Central Office administrators are responsible for the creation of District regulations that communicate clear procedures, action steps, and strategies for the implementation of Board policy. Lack of clear communication and the absence of written administrative procedures contribute to a lack of consistency across the district.

Administrative regulations aligned with Board policies and procedural handbooks provide new and experienced staff with guidance, direction, and assistance in decision-making. School handbooks and department procedural manuals should be developed to ensure a systematic approach to District-wide communication, performance management, and resource alignment.

To ensure strategic alignment of policies, procedures, practices, and structures within the District, several administrative documents and procedural manuals shall be developed, coordinated, and distributed to appropriate district staff.

Deliverables	Deadline
The District shall issue a Curriculum Management Handbook.	July 2016
The District shall release a Professional Development Plan (2016-2018).	July 2016
The District shall issue an Administrative Regulations and Handbook.	August 2016
The District shall issue a Child Accounting Procedural Manual.	August 2016
The District shall release a District Data Management Plan.	September 2016
The District shall release an Educational Technology Plan.	May 2017

ED16.	Alternative Education for Disruptive Youth	
	Status:	**New**
	Target Outcome:	Providing a quality AEDY program for disruptive students
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent or Designee

Pennsylvania's Alternative Education for Disruptive Youth (AEDY) rules require a combination of intense, individual academic instruction and behavior modification counseling in an alternative setting to assist students in returning successfully to their regular classroom. Program approval is required for any Local Education Association (LEA) implementing an internal program or utilizing an approved private provider. Programs are required to meet minimum requirements in order to obtain approval. The 2013-2015 AEDY Guidelines must be followed.

Currently the Harrisburg School District provides a multi-tiered AEDY program:

- Pupils Achieving With Success (PAWS) which serves students in grades kindergarten through grade 5;
- Cougar Achieve for students in grades 6 through 12;
- Excel, a program for students in grades 9 through 12 who are overage and require credit recovery.

The District uses Camelot Education as the AEDY provider, which is approved by PDE. The programs are provided in the Hamilton building. The District shall continue to use an outside provider for these services.

The expectation is that the program will continue to function by following all AEDY guidelines and that all students will receive the mandated educational and counseling services to include special education and English Language Learners.

On a quarterly basis the Superintendent and CRO shall receive an enrollment report indicating the number of students that have been admitted to or discharged from the indicated programs, and an update on key program issues and costs.

Deliverables	Deadline
The District shall submit an Enrollment/Discharge, Issues and Financial Report on students in the program.	Quarterly, beginning August, 2016

ED17.	Promptly Implement a Career Pathways Program	
	Status:	**New**
	Target Outcome:	Increase student achievement, improve career readiness increase postsecondary attainment
	Multi-Year Financial Impact:	($3,491,040)
	Responsible Party:	College and Career Academy Program Coordinator

The 2013 Recovery Plan included a goal focused on improving instruction and achievement, and required a standards-based curriculum (see initiative ED04). To meet those goals, the Secondary Education Reform Taskforce recommended an educational reform model based on career development education. Since then, the District has developed a framework for improved career education starting in kindergarten and extending through 12th grade. The framework includes career awareness programming in grades K-4, career self-assessment and exploration opportunities in grades 5-8, and career planning and preparation activities in grades 9-12, including the ROAR College & Career Academy Program which will offer students' career oriented programs of study from 10-12th grade.

The goal of the ROAR program (high school career academy model, sometimes also referred to as "Career Pathways" or the Small Learning Communities program) is threefold:

- Increase student achievement;
- Reduce drop-out rate;
- Increase post-secondary attainment.

The Academy model will offer students career-related electives, academics integrated with career development content, and opportunities such as job shadowing and career exploration, dual enrollment in college courses, and career focused cooperative education placements or internships. The ROAR College & Career Academy's programs of study will include the following academies:

- Business, Industry, Finance & Information Technology Academy;
- Arts, Communication and Media Technology Academy;
- Health & Human Services Academy;
- STEM/STEAM Academy.

Progress on the Career Pathways project has been steady but slow. In order to meet the academic performance targets of this Plan, it is critical that the program be launched in the next school year. Therefore, by the beginning of the 2016-17 school year, the District shall ensure that ROAR is fully implemented with qualified staff and a completed curricula.

ROAR will require some new investment but will also utilize existing resources repurposed for the program. Four new teachers will need to be hired to lead new courses under the Academy structure. The District will also use current teachers to teach new courses and have current teachers continue to teach current courses that fit in to the Academy model. Many teachers have been identified as having relevant background expertise or training in the necessary career clusters, but the District shall continue to assess course scheduling needs, assess staffing, and ensure that teachers receive the necessary professional development on ROAR programs of study. In addition, the ROAR program will also require one additional counselor position to support the instructional staff.

In the initial phase of the program, the District will not need to significantly modify its current facilities. However as the ROAR program develops, the District shall revisit program needs, including the option of adding or dropping programs, and reassessing space and facility needs based on the programs being offered.

The program also requires the development of twelve new curricula. The District believes it can create curricula frameworks using existing outside resources and expertise. In addition, the District is working to integrate the program with the ongoing implementation of differentiated instruction and to provide support and programming for ELL students who will participate in the academies.

To supplement current and potential future costs of ROAR, the Distract shall explore a partnership with the Greater Harrisburg Foundation to provide a channel for local businesses to provide financial contributions to the program. The District shall also explore additional grant funding through sources such as the Bill and Melinda Gates Foundation. Additionally, a public relations campaign should be initiated so the public and particularly businesses and industry are aware of the Academies in order for them to be supportive. See ED09 and RV07 for additional information.

In addition, the District shall continue to form partnerships with local employers for both financial and program contributions. For example, a local employer may want naming rights to one of the academies for a donation, or may can help develop relevant curriculum that is targeted toward the local industry needs.

The ROAR Academy has been included in the District's 2016-17 budget. Expenditures for the program going forward are included below. The ROAR program's professional development and textbook and equipment costs will also be supplemented by the District's fund balance. See AF15 for more information.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
($860,886)	($628,187)	($649,817)	($665,787)	($686,363)	**($3,491,040)**

Deliverables	**Deadline**
The District shall complete an assessment of the required staffing compliment, course schedules, and facilities.	January/February 2016
The District shall develop a course of professional development training for Counselors and Teachers.	January 2016 (counselors); February 2016 (teachers)
The District shall begin recruitment for four teaching positions.	Start Date April 2016 - deadline of August 2016
The District shall identify and purchase equipment, supplies, and instructional materials.	May/June 2016
The District shall finalize curriculum for new and revised existing courses.	June 2016
The District shall launch ROAR College & Career Academy.	August 2016
The District shall explore additional grant and funding opportunities.	January 2017

ED18.	Create a Full-Time English Language Learner (ELL) Coordinator Position	
	Status:	**New**
	Target Outcome:	Increase ELL student achievement
	Multi-Year Financial Impact:	($527,101)
	Responsible Party:	Superintendent and ELL Coordinator

Given the growth in the population of English Language Learners (ELL) (see table below), the District shall create a full-time ELL coordinator position to focus on improving instruction of ELL students and to coordinate professional development for teachers with ELL students. In addition, a full-time ELL coordinator can support the District in its adaptation of the curriculum for ELL instruction. There is currently an ELL position budgeted on a supplemental contract, and ELL direction is provided on a part-time basis by the Director of the Cougar Academy. The District may be able to use existing Title III funds to support professional development for teachers with ELL students. This may require the District to review the current use of Title III funding and re-align spending to reflect the District's priorities for academic programs.

As funding becomes available, the District shall consider hiring additional ELL teachers to reduce the student-to-teacher ratio and enhance ELL programs. The financial impact of the additional teaching staff varies based on the number of teachers hired but to reduce the current ratio to 30:1, the District would have to add 11 ELL teachers, which would cost approximately $800,000 per year.

The District's current and historical enrollment of ELL students is listed in the table below.

School Year	ELL Enrollment Level
2012-13	680
2013-14	750
2014-15	765
2015-16	861
2016-17 Projected	950

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
($99,772)	($103,303)	($106,770)	($108,140)	($109,116)	**($527,101)**

Deliverables	Deadline
The District shall create a job description for a full-time ELL Coordinator.	July 2016
The District shall hire a full-time ELL Coordinator.	August 2016
The District shall begin to adapt the curriculum for ELL students.	September 2016

ED19.	Supplement Specialist Teaching Staff	
	Status:	**New**
	Target Outcome:	Reduced reliance on Specials teachers for classroom coverage
	Multi-Year Financial Impact:	($2,334,964)
	Responsible Party:	Superintendent and Building Principals

Issues related to absenteeism also impact the District's Special Area Teachers. Special Area Teachers are frequently removed from their classroom assignments to provide classroom coverage for absent teachers, which reduces the time available for Special Area Teachers to plan and support students. The District has already taken steps to reduce staff absenteeism and shall implement a comprehensive program focused on reducing staff absenteeism (see AF04 for more information). However, the District will require 6 additional Special Area Teachers across the District even if absenteeism is reduced to appropriate levels. The District shall hire 6 additional Special Area Teachers to begin work in the 2016-17 school year.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
($427,593)	($448,908)	($470,006)	($484,264)	($504,192)	**($2,334,964)**

Deliverables	Deadline
The District shall hire 6 Special Area Teachers.	August 2016

The following initiatives were included in the Amended 2014 Plan. One of these initiatives has been completed; the other initiative is still in progress. An update on both initiatives is included below.

ED20.	Restore Full Day Kindergarten	
	Status:	**Completed**
	Target Outcome:	Expand kindergarten to the full school day beginning in 2014-15
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Administration

2014 Amended Plan

The 2014 Amended Plan required the District to fund an additional 15 teachers and related costs to expand kindergarten to the full school day for all students beginning in the 2014-15 school year. The expansion was estimated to cost $1.25 million per year.

Update

Per the amended Act 141 Plan, the School Board approved the operation of a full day kindergarten program in the District commencing in the 2014-15 school year. The District now has approximately 630 students participating in full day kindergarten programs.

ED21.	**Improve District Education and Limit Growth in Charter School Enrollment**	
	Status:	**In Progress**
	Target Outcome:	Reduce rate of growth in charter school enrollment below baseline 13.7%
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Administration

2014 Amended Plan

The 2014 Amended Plan addressed challenges the Harrisburg School District faced in terms of the growth in local charter schools. The original Recovery Plan focused on competition from brick-and-mortar and cyber charter schools due to the rapid growth in charter school enrollment. The 2014 Plan noted how vital it is that the entire Harrisburg school community focus on improving its academic performance and presenting itself in a manner that will retain students in the face of the alternatives offered by charter schools. The 2014 Amended Plan set target growth rates for charter school enrollment with a goal of lowering the tuition payments made to charter schools.

Update

In addition to the overall improvement of the District's academic performance, the objective of this initiative was to slow the growth of charter school enrollment and to provide an in-house alternative for students and parents who wanted to become involved in cyber education.

There has clearly been a reduction in the growth of charter school enrollment, and growth targets set by this initiative have been exceeded. In fact the most recent projections show a slight decline in total charter school enrollments. To a degree these trends have been fueled by charter schools closing; however, the trends have also been impacted by the growth in enrollment in the Cougar Academy. As shown in the table below, while cyber charter enrollment has declined by 95 between 2012-13 and projected 2016-17 and total charter enrollment has decreased by 148 over the same period, Cougar Academy enrollment has increased by almost 200 students.

This trend in charter school enrollment versus Cougar academy enrollment has led to substantial savings to the District. As can be seen in the chart below, the projected 2016-17 cost per student in a charter school is $14,135 while the cost per student in Cougar Academy is projected to be only $4,149. Based on this cost per student if the 235 Cougar Academy students projected next year had instead gone to a charter school, the District's costs for 2016-17 would be approximately $3.3 million higher than now estimated.

Harrisburg School District
Enrollment and Expense Trends Charter Schools vs. Cougar Academy

Fiscal Year	Actual 2012-13	Actual 2013-14	Percent Change 12-13 to 13-14	Actual 2014-15	Percent Change 13-14 to 14-15	Projected 2015-16	Percent Change 14-15 to 15-16	Projected 2016-17	Percent Change 15-16 to 16-17
Enrollment									
Brick and Mortar Charter	202	369	82.7%	413	11.9%	445	7.7%	445	0.0%
Cyber Charter	430	429	-0.2%	404	-5.8%	368	-8.9%	335	-9.0%
Total Charter	632	798	26.3%	817	2.4%	813	-0.5%	780	-4.1%
Cougar Academy	0	45	NA	130	188.9%	188	44.6%	235	25.0%
Expenditures									
All Charter Schools	$ 8,957,658	$ 9,937,574	10.9%	$ 9,382,735	-5.6%	$ 10,225,000	9.0%	$ 11,025,000	7.8%
Cougar Academy	0	$ 91,290	NA	$ 267,680	193.2%	$ 536,500	100.4%	$ 975,000	81.7%
Exp. Per Student Charter Schools		$ 12,453.10	NA	$ 11,484.38	-7.8%	$ 12,576.88	9.5%	$ 14,134.62	12.4%
Exp. Per Student Cougar Academy		$ 2,028.67	NA	$ 2,059.08	1.5%	$ 2,853.72	38.6%	$ 4,148.94	45.4%

The District should continue to make strides in improving its overall academic performance to retain students who would otherwise go to a charter school and shall continue to promote the Cougar Academy as an alternative to other cyber schools.

In growing the Cougar Academy, the District should also carefully monitor the cost per student of the Academy. As can be seen from the chart above, the expenditure per student in the Academy is projected to increase to over $4,000 per student approximately, doubling since 2013-14. The expenditures are obviously driven by the need to expand in both teachers and technology in order to support the enrollment growth, however, one would expect to see a leveling off or decline in the expenditures per student as economies of scale are reached in the operation.

Deliverables	**Deadline**
The CFO in conjunction with the Superintendent and the Director of the Cougar Academy shall prepare a 5 year plan for the growth of the Cougar Academy which includes: enrollment projections, expenditure projections, and strategies to promote the program.	September 2016
Annually as part of the budget presentation to the BFF, the CFO shall present an analysis of the enrollment trends of Harrisburg students attending charter schools and of the cost to the District of the charter school payments. The analysis shall include a list of all the charter schools that receive Harrisburg students and the location of the schools.	Annually in January

Administration and Finance

Overview

The two key elements of the original Act 141 Recovery Plan for the Harrisburg School District were to improve academic performance and strengthen the administration and finances of the District. For the latter, the Recovery Plan contained thirteen initiatives that all dealt with improving the business and operating infrastructure of the District, with a focus on administrative leadership in the business, finance, and human resources functions.

Progress towards this goal has been documented in two updates to the original Recovery Plan. The District put in place a Chief Financial Officer (CFO) who, along with the interim Business Manager, made significant strides in improving business operations, budgeting, reporting, and planning. Additional achievements are highlighted in the Facilities, Revenue, Food Service, and Debt chapters of this Plan. Overall, the improvements have resulted in better communications with the Board, increased efficiency in operations, more accurate budgeting, and a better environment for educating students.

The District has had some setbacks in its efforts to improve the Human Resources operations. A new Human Resources Director was hired and she made strides in dealing with a variety of issues including the perception of the human resources function. Unfortunately, that individual resigned to take another position. The Human Resources office is now being overseen by a very experienced, but interim Human Resources Director. An Assistant Director has been hired and that person is expected to become the director after a period of mentorship by the interim Director.

The challenge for the future is to consolidate the gains that have been made in administration and finance and to maintain a high level of competency in the business and operational functions of the District so that it can continue to improve in these areas and continue to support needed academic progress.

Key Issues/Challenges

Many of the initiatives outlined in the Administration and Finance chapter of the 2013 Recovery Plan have been completed. As outlined below, there are several initiatives that are in progress, and there should be immediate action to bring these to a conclusion. In addition, this Plan update contains several new initiatives which are vital to continuing to improve administration and finances in the District. These initiatives are described in detail below, but in summary the key areas of focus are:

- Hire and maintain highly qualified individuals for the CFO, Business Manager and Human Resources Director positions;
- Formalize and commit to writing the District's administrative policies and procedures;
- Develop and implement a process for managing the District's fund balance;
- Focus on planning strategically for the future of the District and developing data systems to support decision-making;
- Continue to achieve operating savings to more closely match future District revenues and expenses; and
- Operate the District in a fashion that allows the Superintendent optimum time to focus on academic improvement.

Initiatives

AF01.	**Retain a Permanent Chief Financial Officer (CFO)** (this initiative formerly carried the title “Create and staff the position of Chief Executive Officer (CEO) for the District”)		
	Status:	**Completed**	**In Progress**
	Target Outcome:	Improve the overall administration of the District while implementing the initiatives of the CRO’s Recovery Plan to achieve long-term fiscal stability and academic achievement	
	Multi-Year Financial Impact:	($1,054,201)	
	Responsible Party:	Board and CRO	

Original Plan

The 2013 Recovery Plan required the District to hire a Chief Executive Officer to improve operations of the non-academic aspects of the District and to free the Superintendent to focus on academic improvement. The CEO was intended to work closely with the Superintendent of Schools in the management of the District, and non-instructional senior personnel such as the Business Manager and the head of Human Resources were to report to the CEO. A specific job description was developed, but the Recovery Plan noted that the duties of the CEO were to include, but not be limited to:

- Oversight of the implementation of the Recovery Plan;
- Development of annual budgets;
- Preparation of monthly and annual financial reports;
- Management of the District’s Human Resources department and Payroll Office;
- Make hiring and firing recommendations to the School Board in relation to any district staff;
- Management of the Business Office and the Transportation, Food Service and Facilities departments;
- Management of the federal grants;
- Liaison with the District’s foundation and other outside donors of funds and services;
- Implementation of new revenue initiatives;
- Oversight of debt and debt issuance; and
- Management of the collective bargaining process.

By the end of the third year in the position, the CEO was required to document to the School Board and CRO that she or he had attained sufficient savings in District operations to cover the total salary and benefits of the position on an annual basis.

Update and New Initiative

As a result of modifications contained in subsequent Plan updates and amendments, the position of CFO was developed and filled instead of a CEO. The CFO has broad powers in relation to the operation and finances of the District including, but not limited to:

- Development of annual budgets;
- Preparation of monthly annual financial reports;
- Management of the District’s Human Resources department and Payroll Office;
- Management of the Business Office and Transportation, Food Service and Facilities departments;
- Management of fiscal aspects of federal grants;
- Liaison with the District’s foundation and other outside donors of funds and services;
- Implementation of new revenue initiatives;
- Oversight of debt and debt issuance; and
- Management of the collective bargaining process.

The person originally hired to fill the position of CFO was successful but resigned after approximately 20 months on the job, and for the past year the position has been held by an interim CFO who is an experienced, retired school business administrator. Due to restrictions on this individual's PSERS retirement, the interim CFO may not be able to continue in this capacity beyond June 30, 2016.

The existence of the CFO position is one of the major factors that has led to the improvement in the finances, budgeting and operation of the District, as the CFO along with the Business Manager made significant strides in accomplishing many initiatives found elsewhere in this Recovery Plan. In order to continue the progress in finance, budgeting, and operations, the District shall continue to employ a CFO along with a Business Manager. The CFO shall have, at a minimum, those responsibilities outlined above from the 2013 Recovery Plan and its updates and amendments. The responsibilities of the CFO shall be the same whether there is an interim or permanent CFO. In order to continue to be relevant to the current situation in the Harrisburg School District, as well in the area of school administration, the job description for the CFO shall be reviewed and updated, and the CRO shall have final approval authority over the content of the CFO job description and the individual appointed to the position.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
($199,544)	($206,606)	($213,539)	($216,279)	($218,233)	**($1,054,201)**

Deliverables	Deadline
The interim Human Resources Director shall review the CFO job description and suggest edits to the CRO. In reviewing the job description, the Human Resources Director shall review other CFO job descriptions from other school systems and public sector positions both in Pennsylvania and nationally.	June 2016
The CRO shall review the suggested edits to the CFO job description and make any changes deemed necessary.	June 2016
The CFO job description shall be presented to the School Board for final review and approval.	June 2016

AF02.	**Recruiting Process for the CFO Position**		
	Status:	**Completed**	**In Progress**
	Target Outcome:	Fill the position of CFO as soon as possible	
	Multi-Year Financial Impact:	N/A	
	Responsible Party:	Board, Superintendent and CRO	

Original Plan

The School Board was directed to work with the CRO to immediately develop an appropriate plan for the recruitment of the CFO, employing a professional services firm to conduct the search if desired.

Update

After a search and interview process, the District hired Peggy Morningstar to fill the revised position of CFO in August 2013. Ms. Morningstar resigned from the position in April 2015. Since then, the CFO position has been filled by William Gretton on an interim basis.

Based on the assumption that Mr. Gretton will not be able to continue indefinitely as Interim CFO, the District shall undertake a national search to fill the position of CFO permanently. The CFO search can be managed internally by the District, however the process must involve national and statewide advertising and outreach using such sources as ASBO, PASBO, PSBA, and NSBA. The job advertisement shall be consistent with the job description for the position which will be approved by the CRO. The focus of the search is to identify and interview a group of well-qualified and experienced school finance and operations professionals. The internal interview team for the District shall be broad based and include at a minimum: the CRO, the Superintendent, the interim Human Resources Director, the interim CFO, and the Chairperson of the Board's BFF Committee. The interview team shall recommend one or more candidates for the CFO position to the School Board and the Board shall make the final selection from among the candidate(s) recommended by the interview team. The individual selected must be approved by the CRO.

The cost of recruitment will be minimal and will be absorbed within the 2015-16 and 2016-17 budgets.

Deliverables	**Deadline**
The CRO and Superintendent shall identify the District interview team for the position of CFO.	June 2016
Using the CFO position description and other resources the interview team shall develop a position advertisement and a list of places to circulate the advertisement.	June 2016
Using the job description and other resources the interview team shall develop an interview process for CFO candidates including rating criteria and priorities.	June 2016
The interview team shall advertise for the CFO position.	July 1, 2016
The interview team shall conduct interviews.	August 1, 2016
The interview team shall recommend a finalist for the CFO position to the School Board.	September 1, 2016
The School Board shall select a new CFO.	September 15, 2016

AF03.	**Assess Absences Among District Staff and Develop an Action Plan**	
	Status:	**In Progress**
	Target Outcome:	Document the number and type of absences by staff member for both instructional and non-instructional staff
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Human Resources Director and CFO

Original Plan

During the drafting of the 2013 Recovery Plan, excessive absences among both instructional and non-instructional staff was identified as an issue for the District. Based on the examination of available records, the study team saw multi-year evidence of high absenteeism District-wide, but with concentrations in certain buildings. From the 2009-10 school year through March of the 2012-13 school year, there were over 80,000 absences, averaging 118 per school day. Based on prevailing staffing at the time of the 2013 Recovery Plan, this implied that the average number of days of absence per staff person in 2012-13 was 24. Year to date when the Plan was drafted, approximately 12 percent of the staff was absent on any given school day.

The 2013 Recovery Plan noted that absenteeism at this level has a number of negative impacts on the organization:

- It hurts the overall productivity of the District and creates bad morale among the staff who have to pick up an extra workload;
- It has a negative impact on students and their education, in that short-term substitutes have limited ability to quickly adapt to the curriculum and lesson plans in order to have a productive class session;
- It provides a poor model for students who observe the accepted pattern of frequent absence; and
- It creates fiscal impacts due to the need to fund substitutes and overtime.

In addressing this issue with the District Administration, there did not appear to be a high level of recognition of the severity of the problem. In fact, the Administration did not seem to think they had reliable data on absenteeism. Therefore, the Plan directed the District to immediately establish a reliable and sustainable data system to record staff absences and create a series of daily and monthly reports that could be used by management to monitor and track staff absences. The monthly reports were to be presented to the School Board and the CRO.

Update

Although some concerns remain regarding the frequency of absences by professional and non-academic staff, the District has taken some steps to implement corrective action after little progress during the first year of recovery. Under the direction of the interim Human Resources Director, the District has made recording and tracking absences a priority of the administration.

Beginning in the 2014-15 school year, the District developed reporting functions to track absence data for instructional and non-instructional staff. Human Resources personnel corrected data entered into the E-Finance system and received training with the Aesop system (which manages and tracks absences and alerts substitutes). However, the District continues to encounter issues with data quality because Aesop is not fully integrated with the E-Finance system. These issues are discussed in more detail in Initiative AF04.

Beginning on March 14, 2016, all supervisors were required to use the Aesop system to record employee absences and indicate whether or not the position would require the District to hire a substitute to fill the position for the duration of the absence. The current Human Resources Director provided training to employees on this system in each building. Employees are required to report any usage of paid leave by entering requests into the Aesop system, and professional staff absence reporting is tied to the substitute calling service. Also, as of that date the HSD required building administrators to review absences at the start of each school day.

In addition, the District has attempted to improve the schedules for activities that fall during the work day (for example, IEP team meetings, full/half day meetings for one child, etc.) to help reduce absenteeism due to these other commitments. The District has also made changes to the professional development schedule, moving from half-day to full day professional development sessions.

In order to build on this progress, the District shall develop an absentee action plan that includes building-level targets to continue to track and reduce absenteeism, which will be tied to specific initiatives and concrete deadlines. The action plan should include the following, by building, as well as District-wide:

- Generation of monthly reports by building;
- Review of monthly absence reports with building administrators;
- Objectives/plans for reducing absenteeism by building;
- Absence reduction goals by building; and
- Absence reduction goals District-wide.

This initiative will be supported by AF09 and ED15, which include the development of Administrative and Staff Handbooks. In these Handbooks, the District shall develop and state all policies related to the use of paid and unpaid leave. Having these rules in writing will allow administrators to consistently enforce policy and reduce instances where staff members believe specific individuals are being targeted by random enforcement.

Deliverables	Deadline
The District shall establish a regular meeting with the CRO to review the District absence report.	July 2016
The District shall develop policies for the usage of paid and unpaid leave to be incorporated in the administrative and staff handbooks.	July 2016
The District shall develop an action plan with building targets and deadlines designed to track and reduce absences District-wide and by building.	July 2016

AF04.	Develop a Comprehensive Program to Reduce Staff Absenteeism with a Focus on Cost Savings and Academic Improvement	
	Status:	**In Progress**
	Target Outcome:	Decrease absenteeism through establishing policies, processes and accountability for tracking and dealing with unwarranted levels of absenteeism
	Multi-Year Financial Impact:	$500,000
	Responsible Party:	Superintendent, Human Resources Director, and CFO

Original Plan

In the 2013 Plan, the District was tasked with using the information gathered through the creation of the absenteeism database and reports to develop a comprehensive plan to address absenteeism using best practices, including, but not limited to the following:

- Developing and distributing to all staff the District's policy on absences, one that includes specific consequences for abuse of leave;
- Addressing issues of absences with union leadership and appropriately modifying work rule provisions of contracts;
- Providing daily and monthly staff absence reports to supervisors and principals;
- Requiring staff taking unscheduled leave to directly contact their supervisor;
- Requiring written physician documentation for medical leave beyond three days;
- Requiring supervisors to discuss each instance of unscheduled leave with staff; and
- Developing an appropriate incentive program to reduce absenteeism that might involve additional credited sick leave for those staff that do not use sick leave for a defined period.

Update

The District is in the process of implementing best practices and policies to reduce the frequency of staff absences under the leadership of the interim Human Resources Director. The Director has regularly reviewed the absence reports in order to compare the District's progress to the previous year. Building principals have received training from Human Resources staff members on the District's rights and responsibilities in ensuring that staff complies with attendance policies and procedures. Though building principals have been receptive to the support from the Human Resources department, these efforts will need to be ongoing in order to reinforce understanding of the District's policies and procedures and to make sure the policies are clearly communicated to all employees. The completion of the Administrative and Staff Handbooks, as outlined in AF09 and ED15, will support the communication of the District's attendance policies and procedures for enforcement. When the Administration identifies staff members who are abusing leave time, the cases are handled through the District's disciplinary process.

During the tenure of the previous Chief Financial Officer and the Human Resources Director, the Administration met with representatives of the non-instructional union to discuss vacancy issues and contract provisions. As with the absentee training program provided to building principals, the District should continue meeting with representatives of the collective bargaining units to engage all employees in the process of addressing the negative operational impact of excessive absences.

Although the District has made progress in developing effective systems to report on absence data, the District continues to experience difficulties integrating the Aesop and E-Finance systems. Under the current configuration of the systems, staff members must manually enter absence data into the E-Finance system. The interim Human Resources Director is aware of these issues, and he has taken steps to put controls in place. Staff members have received training on both systems, and processes have been developed to ensure data is entered accurately. Seamless integration between Aesop and E-Finance may require the investment of additional resources, and the District may want to consider such a project in order to improve staff efficiency and the timely production of absence reports.

In addition to the changes noted above, the District has also taken the following steps to address absences, including:

- Reducing the number of staff absences related to in-service days through improvements to the organization of the professional development calendar;
- Improving the quality of District facilities:
  - Camp Curtin – improved building controls;
  - Scott – mitigated building flooding;
  - Sci/Tech – fixed steam leak;
  - Roland – issues with chillers to be addressed in Summer 2016;
  - John Harris – facility renovations to be completed through ESCO project.

The District shall also review the amount of leave without pay taken by employees. In addition, the District shall continue to negotiate with HEA regarding a sick leave incentive program. In previous bargaining sessions with HEA, representatives of the bargaining unit expressed reservations about such a structure because they felt that varying building conditions could make the program uneven and unfair across the employee base. Since the District has taken steps to improve the quality of facilities, the District may want to consider revisiting the proposal in future bargaining sessions.

All of the improvements noted above, in combination with the further development of a strong management system to address the absence issues, will be supported by an effective attendance reporting system and a building-by-building action plan described in AF03.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$100,000	$100,000	$100,000	$100,000	$100,000	**$500,000**

Deliverables	Deadline
The District shall formally adopt interim policies governing data management for Aesop and E-Finance.	July 2016
The District shall establish a timeline to conduct ongoing meetings with collective bargaining representatives.	July 2016
The District shall develop an ongoing training and outreach program to inform building principals of absence management policies and procedures.	August 2016
The District shall review employee leave without pay time.	August 2016

AF05.	Act 141 Financial Transition Recovery Loan	
	Status:	**N/A**
	Target Outcome:	Borrow $6.44 million from the Act 141 Transitional Loan Fund and repay the funds over a ten year period
	Multi-Year Financial Impact:	N/A
	Responsible Party:	N/A

Original Plan

Act 141 established a Financial Recovery School District Transitional Loan Fund to be used by school districts in financial recovery status. The funds are borrowed interest-free from the fund and repaid over time. Transitional Loan funds are only available if they are included in the Recovery Plan and the Plan is adopted by the School Board and subsequently approved by the Secretary of Education.

The 2013 Recovery Plan for the Harrisburg School District included borrowing $6,435,153 from the Act 141 Financial Recovery School District Transitional Loan Fund to help achieve several key initiatives described elsewhere in the plan, including:

- Retention and three years of salary for a Chief Executive Officer (see AF01 and AF02 for more detail);
- Survey, staffing and promotion for the Cougar Academy (see ED10, ED11, ED12, and ED13 for more detail); and
- Transitional funding for the increased transportation required to reorganize school buildings and upgrade early childhood programs. This amount was intended to cover the one-year lag between the beginning of higher transportation costs and their partial reimbursement by the Commonwealth (see ED02 for more detail).

Update

The District determined that borrowing from the Transitional Loan Fund was not necessary and funding for the priorities listed above could be covered within the District's regular budget.

Business Services

The District's Business Services office manages a variety of important non-instructional areas including budgeting, financial reporting, payroll, accounts payable, grants, food service, facilities and maintenance, and transportation. In the 2013 Recovery Plan, the project team's interaction with Business Services identified that it had an appropriate infrastructure to serve the District and had acceptable software and systems to support its operations, but that there was "significant room for improvement." The most significant concern that the review team cited was the lack of experience and institutional knowledge in the office, in part because of overly strong central control of the office that limited the staff's development and initiative. The District had a succession of business administrators, with three in the prior decade. However, the Business Manager in place at the time was found to be capable and dedicated, but new to the position and relatively new to the District.

As a result of these facts and the complexity of the financial and operational issues of the Harrisburg School District, the mentorship and direction of an experienced Chief Executive Officer was required by the Plan to allow the Business Manager and Business Services to focus more effectively on core services.

Update
The project team continues to believe that the Business Services office has an appropriate infrastructure, including acceptable software and systems to support its operation. Currently the office is led by an executive who is concurrently filling the Business Manager and CFO positions. The Business Manager and CFO is supported by an Assistant Business Administrator who was appointed in the 2015-16 school year.

The full implementation of the initiatives included in this Recovery Plan will require the leadership of an experienced school business administrator supported by a team that can resolve financial and operational issues facing the District. Although the interim Business Manager and CFO brings a depth of experience to the position, the project team remains concerned about the lack of institutional knowledge in the office. As noted in the 2013 Recovery Plan, the District had experienced significant turnover in the business administrator position during the past decade. The Business Services office may benefit from the addition of skilled staff members, particularly in the finance functions of the office. When coupled with a comprehensive succession plan for the Business Administrator and CFO positions, the additional investments in Business Services staff will position the office to focus on delivering core services.

Human Resources Department

The 2013 Recovery Plan identified concerns about staff downsizing, restructuring, school building closures, and staff reassignments, all of which had put a severe strain on the time and efforts of Human Resources (HR) staff. In addition, the District's collective bargaining agreements contained benefits and past practices that complicated the recruitment, hiring, and placement of staff, and required significant attention from HR personnel. Recent rounds of layoffs had resulted in bumping and the enforcement of the terms of collective bargaining agreements affecting employee benefits, work ethics, time reporting, absences, and other areas as the Human Resources Director enforced policies, rules, and contracts that were not adhered to in the past.

These changes in staff and leadership, new policies and procedures, layoffs, staff assignments and negotiations generated additional supervisory and clerical work in the department. The Human Resources Director and staff at the time appeared to be managing these transitions and the increased workload, and had good working relationships with most administrators, other department heads, and building staff. In addition, the rapport between the Payroll office and the Human Resources department had improved significantly.

The previous Plan also identified the need to modify the revolving door intrusive type of entry to the Human Resources office, and the need to complete an administrative handbook, and the completion of training and greater utilization of the E-Finance and Cognos computer software.

Update
The operational components of the Human Resources department include but are not limited to organization and management; policies and procedures; recruitment/employment; compensation and benefits; employee/labor relations including collective bargaining; staff development through human resources programs; employee support and management of an employee assistance program; development and maintenance of a personnel handbook; records management; and oversight and

training for the District's security personnel and crossing guards. The department currently has six employees, including one Human Resources Director, one Assistant Human Resources Director, one Human Resources Manager, two Human Resources Administrative Assistants, and one Secretary Assistant. The department is one of the primary users of the District's E-Finance and Cognos software for finance, budgeting, accounting and human resources. The project team believes the department should continue to improve its financial management practices by focusing on knowledge and use of these software packages by HR staff.

Prior to the development of the 2013 Recovery Plan, the series of operational changes experienced by the District reduced the number of Human Resources staff and strained the resources available to remaining staff members. In particular, the changes generated supervisory and clerical work in the department which further reduced staff capacity to manage competing priorities. Furthermore, the department shifted to a new approach that focused on the enforcement of policies, rules, and contracts that were not adhered to in the past.

Since the 2014-15 school year, the Human Resources department has recruited strong leaders and started the process of realigning the skills of its staff members. The interim Human Resources Director brought a depth of experience to the Department, including knowledge of industry best practices, and the Human Resources Manager continues to focus on improving the department's communication with stakeholders. Staff members have been cross-trained in the policies and systems used across the department. Despite these improvements in staff capacity, a number of critical items remain in the process of completion. These tasks include completing an Administrative Handbook, updating ADA-specific position descriptions, and full utilization of the E-Finance and Cognos computer software.

Initiatives

The following initiatives shall be completed by the Human Resources Director, his staff and others.

AF06.	**Complete Training On and Utilization of the E-Finance and Cognos Software**	
	Status:	**In Progress**
	Target Outcome:	Complete expert training on the E-Finance and Cognos software for all Human Resources staff including the Human Resources Director
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Human Resources Director and IT Department Staff

Original Plan
The 2013 Recovery Plan found that the Human Resources and Payroll staff were not fully trained on or fully utilizing the E-Finance or Cognos computer software and the District's IT department was investigating alternative administrative software packages to replace the E-Finance and Cognos software.

Update
Since the development of the 2013 Recovery Plan, the District determined that alternative software would not be pursued immediately, and Human Resources staff members have received training in the E-Finance and Cognos systems. However, it remains to be seen whether all staff are fully trained and using the systems regularly.

The District should continue to make progress to ensure current staff members and new hires receive the proper training to make full use of the capabilities of the software packages. In addition, the District shall develop a formal plan to incorporate the functions of the software into its financial management practices, including position control, federal program administration, and program budgeting for grant-funded programs. See WF11 for recommendations regarding position control.

Deliverables	Deadline
The District shall establish an ongoing training program for current staff members and new hires.	July 2016
The District shall develop a list of routine reports.	July 2016
The District shall create a plan to fully utilize all of the functions available through Cognos.	August 2016

AF07.	Consider a Complete Rightsizing Study for the Human Resources Department	
	Status:	**In Progress**
	Target Outcome:	Proper staffing of the Department; better utilization of staff and better service to District Staff
	Multi-Year Financial Impact:	($192,222)
	Responsible Party:	Superintendent, Board, and Human Resources Director

Original Plan

In 2013, the review team found that the Human Resources department had lacked stability for several years due to downsizing, furloughs, resignations and transfers. The new Human Resources Director consolidated the essential duties and responsibilities among the remaining positions, with the goal of adding one additional Act 93 staff position to the department. The 2013 Recovery Plan also recommended that as District finances improved, the District should consider whether a comprehensive evaluation of the Human Resources department could result in further efficiencies and improved performance with a different staffing configuration.

Update

Since the development of the 2013 Recovery Plan, the Human Resources department has taken steps to fill key leadership positions and to realign the skills of existing staff members. The department hired an interim Human Resources Director and a permanent Human Resources Manager in the 2014-15 school year. Under the leadership of the Director and Manager, the department has begun to realign position duties and to require cross-training between positions. Current staffing levels include one Human Resources Director, one Assistant Human Resources Director, one Human Resources Manager, two Human Resources Administrative Assistants and one Secretary Assistant.

The department Director and manager have sought an additional secretary position (associated costs included below in Financial Impact) to perform key functions that are outside of the job description of the current Human Resources Secretary due to confidentiality requirements and the need to have a position assigned to the front desk. In addition, the department faces new responsibilities to implement new laws that came into effect in 2015 requiring the department to begin tracking new clearances for all staff members every three years, and to provide other districts with information on employees who transfer to or from the HSD. The department should continue to review staffing levels and the capacity to manage workloads. In the meantime, this Plan includes the cost of an additional secretary, as shown below.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
($36,132)	($37,594)	($39,046)	($39,547)	($39,904)	**($192,222)**

Deliverables	Deadline
The District shall meet with the CRO team to discuss staffing levels.	July 2016
The HR Director shall hire an additional secretary if the position is deemed necessary.	August 2016

AF08.	**Transfer the Oversight and Training of the Security and Crossing Guards to the Facilities or Transportation Department**	
	Status:	**Completed**
	Target Outcome:	To place the responsibility for this service within the proper department
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Board, Superintendent, Human Resources Director, Director of Facilities, Supervisor of Transportation, and Student Services Supervisor

Original Plan
The Human Resources Director assumed the responsibility for the security staff and school crossing guards during the downsizing and furloughing process because no other department stepped up to take on their supervision. However, this service function did not belong in the Human Resources department and the 2013 Recovery Plan directed that the position be moved to a more appropriate department.

Update
Responsibility for crossing guards has been transferred to the Transportation department. Responsibility for security has been transferred to the Student Services Supervisor.

AF09.	**Create and Distribute an Administrative Handbook and a Staff Handbook**	
	Status:	**In Progress**
	Target Outcome:	To provide Administrative personnel and all staff with an instructional guide to the policies, requirements, forms and procedures in Human Resources within the District
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Human Resources Director

Original Plan
An Administrative Handbook had been partially developed in 2012 by a Principal on sabbatical leave, the Payroll Supervisor and Human Resources Director. However, the document was never completed, approved, or distributed to employees.

Update
The District has made partial progress toward completing the Administrative Handbook and the Staff Handbooks. The Superintendent's cabinet members have assumed the lead in developing sections of the Administrative Handbook based on their area of expertise. At the end of January 2016, the District was about halfway through completing a prioritized list of Board policies and administrative regulations as well as the curriculum management sections of the Handbook.

At the time of the completion of this Amended Recovery Plan, the custodial services and food services sections of the Staff Handbook had been completed, and the safety and security monitor section was in progress. The District has a targeted completion data for the remainder of the Handbook of June 30, 2016. Once the Administrative Handbook is completed, the District will also create a Staff Handbook that will draw from the administrative regulations included in the Administrative Handbook.

The target date for completing the Staff Handbook is August 15, 2016 so that it is in place in time for 2016-17 staff induction and in-service days that start the week of August 21, 2016. The District should prioritize the completion of the Handbooks to reduce staff confusion regarding policies and administrative regulations, as well as improving process management.

Deliverables	**Deadline**
The District shall complete development of the Administrative Handbook.	June 2016
The District shall formally adopt an update calendar for the Handbooks.	July 2016
The District shall complete development of the Staff Handbook.	August 2016

AF10.	**All Position Descriptions Should Be Reviewed and Updated and be ADA Compliant**	
	Status:	**In Progress**
	Target Outcome:	Position Descriptions will be current and ADA compliant
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Human Resources Director and Human Resources Manager

Original Plan
Many of the District's older position descriptions had not been updated and were not compliant with the Americans with Disabilities Act (ADA). The 2013 Recovery Plan directed that the Human Resources Director draft new uniform ADA-specific position descriptions or consider hiring an outside Human Resources consultant to assist with the development of District-wide uniform ADA-specific position descriptions.

Update
Although the Human Resources department missed an internal deadline to complete the review of the position descriptions during the summer of 2015, the staff continues to complete the requirements of this initiative. Human Resources staff members have reviewed and updated the position descriptions for compliance as the District has reopened positions for hiring; however, limited staffing capacity and competing priorities have limited the progress of completing the full review and update.

In addition, the District may want to consider contracting with PSBA to conduct a review of the positions covered by Act 93 and to compare the District's compensation levels with surrounding school districts. See WF11 for more information.

Deliverables	Deadline
The Human Resources Department shall continue to review and update job descriptions as positions come open.	Ongoing
The Human Resources Department shall update non-open position descriptions as staff time becomes available.	Ongoing

AF11.	Communications and Access to Human Resources Staff at All Levels Must be Improved	
	Status:	**Completed**
	Target Outcome:	Improved access to the Human Resources office and staff; Improved Communication at all levels
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Human Resources Director and Director of Facilities

Original Plan

The 2013 Recovery Plan found that the department's strict policy of appointments and the design of the Human Resources office created a perception that it was difficult to reach the Human Resources Director and staff. The Plan recommended that the door to the Human Resources office be replaced with clear glass and that one of the spare offices be renovated into a waiting room/lounge for staff and others who had arrived to meet with the Human Resources Director, Human Resources Manager or either of the two Administrative Assistants. In addition, it was directed that one of the Administrative Assistants should meet visitors in the outside lobby of the building and bring them into the Human Resources lounge.

Update

Although there has been turnover in the position of Human Resources Director, there has been progress in improving the perception of the Human Resources office among the District employees. The move of the District's administrative offices has allowed changes in the physical appearance of the Human Resources office which make it appear more open and welcoming. In addition, the operating mode of the office has changed and it is now perceived more as a service agency to the employees of the District.

The Human Resources department has also improved the level of engagement with District staff members under the direction of the interim Human Resources Director and his predecessor. Department leaders have emphasized the importance of customer service, and the Human Resources Director has maintained an open door policy for all visitors to the department. In addition, the Human Resources Manager has supported these efforts by monitoring the timeliness of responses. The department has listed the job responsibilities of each department staff member to facilitate connections with the appropriate contact. In the past, a significant backlog of grievances was the source of tension with the District's bargaining units. The Human Resources Director took initial steps to improve labor relations by offering standing weekly or bi-weekly meetings with the HEA President and frequent communication with AFSCME representatives. In order to improve the process of addressing new grievances, the Human Resources Director enlisted an AFSCME "grievance chair" to assess the grievances prior to submission to the Department. Since the arrival of the interim Human Resources Director in the 2014-15 school year, the backlog of grievances has decreased, and the department continues to make progress to address the remaining grievances.

Payroll Office

As noted earlier, at the time of the 2013 Recovery Plan, the District had recently gone through a period of staff downsizing, restructuring, school building closures, and staff reassignments due to budget restraints. This process occurred as the staff in the Payroll office had been working to accurately set up and maintain position controls. At the time, the Assistant Payroll Officer and Payroll Secretary were both fairly new and experiencing the learning curve typical of employees in new positions. However, under the leadership of the Payroll Supervisor, the office was meeting and surpassing expectations.

The 2013 Recovery Plan also noted that though the Payroll office appeared to have a strong working relationship with most administrators, department heads, and building staff, there were some disgruntled employees as the Payroll office staff members were enforcing policies and procedures that were ignored in the past. The Plan found that the rapport and cooperation between the Payroll office and the Human Resources department had improved significantly since the hiring of the new Human Resources Director, and a trustful relationship existed between these operational offices.

Update

The operational purpose of Harrisburg School District's Payroll office is the timely and accurate payment of wages and salary; income tax withholding, retirement plan withholding, reporting and filing including Public School Employee Retirement System and 403(b) tax shelter annuity plans; reconciliation of payroll accounts to the general ledger; reconciliation of all payroll bank/financial accounts; and the development and maintenance of payroll policies and procedures. The Payroll office currently has three employees, including one Payroll Supervisor, one Assistant Payroll Officer, and one Payroll Secretary. Along with the Human Resources Department, the Payroll office is one of the primary users of the District's E-Finance and Cognos software for finance, budgeting, accounting and payroll. Although all Payroll staff have received training in the E-Finance and Cognos systems, the office should continue to provide ongoing training to make use of new updates and features for the systems and to properly prepare new hires.

Prior to the development of the 2013 Recovery Plan, the series of operational changes experienced by the District reduced the number of Payroll staff and strained the resources available to remaining staff members. The Assistant Payroll Officer and Payroll Secretary have become familiar with the responsibilities, procedures, and systems of the positions since they were assigned to their roles. Under the leadership of the Payroll Supervisor, the office has focused on performing key functions effectively and building rapport with other administrators, department heads and building staff. Staff members have endeavored to ensure that payroll policies and procedures are fair and consistent. The Payroll office has developed a strong relationship with the Human Resources department, which has facilitated cooperation between the offices.

In 2012, the Payroll Supervisor completed an initial draft of the District's Administrative Handbook, which included a compilation of the administrative policies and regulations that apply to the Human Resources department and the Payroll office. Although the District has completed several portions of the Handbook, the final product has yet to be completed, approved, and distributed as required in the 2013 Recovery Plan. See AF09 for more information.

Initiatives

The following initiatives shall be addressed by the Payroll Supervisor, her staff and others.

AF12.	**Complete Training On and Utilization of the E-Finance and Cognos Software**	
	Status:	**In Progress**
	Target Outcome:	Complete expert training on the E-Finance and Cognos software for all Payroll office staff including the Payroll Supervisor
	Multi-Year Financial Impact:	N/A
	Responsible Party:	CFO, Payroll Supervisor, and IT department Staff

Original Plan

At the time of the 2013 Recovery Plan, the Payroll office Staff was not fully trained on or fully utilizing the E-Finance or Cognos computer software. The Payroll office had also experienced recent downsizing, furloughs, resignations and transfers. Many administrators felt that another person was needed in this office to properly carry out its operational responsibilities. The review team concluded that once the two new employees in this office had more experience in their respective positions, no additional staff would be needed.

Update

All current employees of the Payroll office have received training in the E-Finance and Cognos systems. As mentioned in AF06, the District should continue to ensure that future training sessions are scheduled to provide proper training to newly hired employees. A change was made in staffing to remove a secretary position and replace it with an accounting position. The Payroll office is currently fully staffed and operating as expected with current staffing levels, and employees are trained on key systems like E-Finance and Cognos. Plans are in place to continuously train and cross train staff so that the full capabilities of the systems can be utilized.

Deliverables	**Deadline**
The District shall establish an ongoing training program for current staff members and new hires.	July 2016
The District shall develop a list of routine reports.	July 2016
The District shall create a plan to fully utilize all of the functions available through Cognos.	August 2016

AF13.	**Consider a Rightsizing Study for the Payroll Office**	
	Status:	**Completed**
	Target Outcome:	Proper staffing of the office; better utilization of staff and better service to District staff
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent, Board, Human Resources Director, CFO, and Payroll Supervisor

Original Plan

As noted above in initiative AF12, at the time of the 2013 Recovery Plan the Payroll office had experienced downsizing, furloughs, resignations and transfers, but the review team concluded that once the two new employees in the office gained experience in their respective positions no additional staff would be needed.

Update

A change was made in staffing to remove a secretary position and replace it with an accounting position. The Payroll office is currently fully staffed and operating as expected with current staffing levels, and employees are trained on key systems like E-Finance and Cognos. Plans are in place to continuously train and cross train staff so that the full capabilities of the systems can be utilized.

New Initiatives

AF14.	Complete an Enrollment Study	
	Status:	**New**
	Target Outcome:	Obtain a professionally prepared study of District enrollment trends as to numbers and composition
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent, CFO and Board

The District faces a number of key decisions regarding its operation, staffing and physical make up. There are plans to reopen closed buildings at significant costs. There are staffing additions being made to address current class room size issues. There are assumptions being made regarding the source and location of new enrollments to the District and the continuation of those trends into the future. However the District does not have any independent analysis of its student enrollment and the likely trends of student enrollment and composition into the future, nor does it have a student census process or system. In order to inform these key decisions it is imperative that the District immediately obtain an independent professional analysis of its student enrollment. The analysis should include: count of current enrollment by class level and other relevant characteristics; use of live birth, cohort survival and immigration trends to project enrollment for a 10 year period. The enrollment study should also create maps of the residence of current students and forecasts of student residences into the future. The cost of this enrollment study ($16,000) is being absorbed into the 2015-16 budget.

Deliverables	Deadline
CFO developed an RFP for the enrollment study and the School Board approved a contract for the recommended provider.	Winter 2016
The BFF shall receive the enrollment report from the provider and ultimately participate in a presentation of the results to the full Board.	Spring 2016
The CFO shall develop a recommended process to conduct an annual student census for the District and recommend a policy on student census to the School Board.	July 1, 2016
The School Board shall adopt a policy on conducting an annual student census.	September 2016

AF15.	Establish a Formal Fund Balance Policy and Designate Existing Fund Balance	
	Status:	**New**
	Target Outcome:	Develop a comprehensive policy governing the establishment and use of the District's fund balance
	Multi-Year Financial Impact:	Reductions to Fund Balance
	Responsible Party:	Board, CFO

A strong fund balance policy can help school boards emphasize to the community the importance of an appropriate financial reserve, manage District funds to maintain that reserve, and provide assurance to the Commonwealth, creditors and bond rating agencies that the District will be able to meet its obligations. Without a strong policy and consistent enforcement of the policy, school districts are vulnerable to economic pressure that can have a negative impact on educational programs. In particular, the fund balance provides liquidity, as in 2015-16 when the fund balance has been essential to the District in managing the impact of the State budget crisis.

The District has accumulated a substantial fund balance and the efficient and effective management of that fund balance is a critical challenge going forward. In particular, the District needs to make sure to use the fund balance for one-time investments, and not rely on it to support ongoing operating expenses, which will not be supportable in future years.

As part of the long-range planning process for the District, and in consultation with the CRO, the Board and Administration shall immediately develop and adopt a comprehensive fund balance policy that at a minimum addresses the size of the fund balance, the uses of fund balance, designation of portions of the fund balance and the necessary analysis and justification required in order to spend the fund balance. In developing this policy, the Board and Administration should refer to the numerous model policies available from sources such as PASBO, PSBA, ASBO and GFOA. The Board shall also be required to approve any dollars being set aside as a committed reserve.[1]

As part of this Plan, the Board shall designate funding for the following items from the fund balance, reserving at least 8.0 percent of budgeted annual expenditures as a committed reserve, and transferring $6.5 million to the District's Capital Reserve account to match expected spending, $1.0 million to an OPEB trust fund, and $5.0 million towards the buy-in contribution to the Dauphin County Technical School.

Fund Balance Allocation		
Description	**Amount**	**Designation**
Transfer to Capital Fund	$6,500,000	Transferred
OPEB Trust Fund	$1,000,000	Transferred
Buy-In Contribution to County AVTS	$5,000,000	Transferred
Working Capital Fund (Rainy Day Fund)	$11,200,000	Committed
Veteran Teacher One-Time Payment Incentive*	$200,000	Committed
Teacher Retention Pilot Program*	$1,000,000	Committed
ESCO	$2,000,000	Assigned
Technology Upgrades	$1,500,000	Assigned
Professional Development**	$500,000	Assigned
Textbook and Equipment Replacement**	$500,000	Assigned
Unassigned	$4,284,200	Unassigned
Total 2014-15 Fund Balance	**$33,684,200**[2]	

**See WF08 for more information regarding a pilot program to incentivize new teachers to stay in the District beyond five years. Refer to WF09 for more information on a one-time payment incentive for veteran teachers.*
***Professional development and textbook and equipment replacement related to the development and implementation of the Career Pathways program is included in these totals.*

[1] Accounting rules require that fund balance be designated as non-spendable (items such as inventories or pre-paid rent), restricted (sources that are governed by external rules, such as those imposed by constitution, creditors or laws and regulations of non-local governments), committed (self-imposed limitations set by formal action of the Board), assigned (designations made by the administration to indicate intended use of resources) and unassigned (the remaining resources after funds have been identified in the first four categories).

[2] The 2014-15 fund balance was taken from the District's independently audited financial statements. Any differences between this figure and the 2014-15 fund balance shown elsewhere in the Plan is due to rounding.

Revised Fund Balance	
Starting Fund Balance	**$33,684,200**[3]
Transferred to Other Funds	($12,500,000)
Remaining Fund Balance	**$21,284,200**
Committed Fund Balance	$12,400,000
Assigned Fund Balance	$4,500,000
Unassigned Fund Balance	$4,284,200
Total	**$21,284,200**

Deliverables	Deadline
The CFO shall develop a draft policy on fund balance for the BFF Committee.	July 15, 2016
The BFF shall analyze and recommend to the full School Board a fund balance policy.	July 30, 2016
The CFO shall annually prepare a report for the BFF, in conjunction with the preparation of the District's annual budget, a report on the District's fund balance and adherence to the fund balance policy.	Each January
The School Board shall designate funds in the 2014-15 fund balance as committed and restricted to achieve the objectives in the Fund Balance Policy.	August 2016
The School Board shall revise the Fund Balance Policy to reflect the objectives established in the commitment and restrictions of the 2014-15 fund balance.	August 2016

AF16.	**Retain a Permanent Business Manager**	
	Status:	**New**
	Target Outcome:	Employ an appropriately trained and experienced business manager to fulfill oversight of business and operational functions of the District
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Board, Superintendent, CFO, and CRO

The District has made strides in improving its business, financial and operating functions. These improvements have been driven by the employment of professionally-trained and experienced individuals who have put in place processes and procedures found in high-functioning school districts. However, the District has lost its permanent CFO and has an interim CFO in place. The interim CFO, who is exceptionally well-qualified to perform his duties, is a retiree and may face limitations on his service based on PSERS rules. It is imperative that the District continue to have well-trained and experienced individuals in the business and operational functions. Harrisburg School District is a large and complex urban school system that needs a seasoned individual in the business manager position, especially given past financial issues which contributed to the District's distressed designation. The position shall be held by a person who has substantial prior experience and success as a school business manager or administrator at a smaller or similar-sized district. The District shall undertake a professional search for

[3] Ibid.

the person to become the permanent business administrator and only hire an individual who possesses a successful, documented track record of overseeing a similar school business operation. The CRO shall approve the Board's selected candidate for business administrator.

Deliverables	Deadline
The CRO, Superintendent and CFO shall develop a job description for the position of Business Manager which shall be written after consultation with state and national organizations who provide models for such job descriptions. The job description shall be written in a way as to require the individuals who apply to have direct and relevant experience as a Business Manager or administrator in a school system that is of similar size to Harrisburg. The job description shall require at least five years of experience in such a position.	September 1, 2016
A group including the Chair of the BFF committee, the Superintendent, the CFO, the interim Human Resources Director and the CRO shall conduct interviews and take other steps to identify qualified candidates.	October 1, 2016
The group listed in the preceding deliverable shall identify one or more candidates for the position and recommend that person to the full School Board provided.	November 1, 2016
The School Board shall approve the new Business Manager for the District.	January 1, 2017

AF17.	**Retain a Permanent HR Director**	
	Status:	**New**
	Target Outcome:	Install a permanent Human Resources Director who is properly prepared to perform all the duties of a school district human resources director
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Board, Superintendent, CFO, and CRO

After a previous Human Resources Director resigned to take another position, the District engaged an interim Director to oversee the Human Resources department. The interim Human Resources Director can perform in this capacity for a period of time under contract with an outside agency but ultimately the District must have a Human Resources Director who is an employee for the District. The District has hired an individual who will eventually take the position of Human Resources Director. This individual, although experienced in human resources in the private sector, has no experience in school district human resource functions. The Administration has a plan for the Human Resources Director designee to be mentored by the interim Director and eventually assume the position.

The plan for placing a permanent Human Resources Director has merit and can be pursued. However, for a District of the size and complexity of Harrisburg, the Board, Administration and CRO must be assured that the Human Resources Director is fully trained and educated on the specific laws, regulations and requirements for human resource management in Pennsylvania schools. The training must include School Code requirements, collective bargaining requirements and limitations, certification requirements, requirements related to student safety and access by adults, and specific provisions of school employee benefits including retirement benefits.

The individual being groomed to assume the position of Human Resources Director should only take the position when the Board, the Superintendent and the CRO are satisfied that the individual has completed a course of training necessary to perform the role. Therefore, this initiative deals largely with the process for training and development of the Human Resources Director designee.

Deliverables	Deadline
The interim Human Resources Director shall develop and present to the Superintendent and CRO a written professional development plan for the Human Resources Director designee. The written plan should outline specific activities the Director-elect should undertake to learn the position and a timeline for process. In addition, the written plan should contain a list of specific skills that must be mastered to assume the Human Resources Director position.	July, 2016
The professional development plan shall contain both on-the-job activities and outside professional development activities provided by higher education organizations, professional associations such at PASBO or PSBA and other appropriate workshops, conferences or training sessions.	July, 2016
Upon the completion of the professional development plan, the Human Resources Director designee shall be interviewed by a panel of people and the panel shall agree that the individual is ready to assume the position of Human Resources Director. The interview panel shall consist of: the interim Director; the CFO; the Superintendent; the CRO; and at least one additional District human resources professional who has at least five years of experience as a Pennsylvania school district Human Resources Director.	Based on final date of professional development plan for Human Resources Director

AF18.	**Retention of Senior Management Team Members**	
	Status:	**New**
	Target Outcome:	Undertake a series of actions designed to develop a strong District management team and to retain team members
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent and CRO

The Harrisburg School District is a large and complex enterprise. This complexity is amplified by the academic, financial and operational issues facing the District, as well as its location in the capital of the Commonwealth. Turning around a large urban school system is a challenge and it requires a strong, motivated, and consistent leadership team.

The Harrisburg School District has experienced considerable turnover in its leadership team both in academic and operational areas. A certain amount of turnover is natural in any school district, but it is vital to the continued progress of the District and its students that it achieves a high degree of consistency and continuity in the leadership team. Achieving this consistency and continuity is no easy task and it requires a multi-pronged approach. A stable leadership team will be the result of the right combination of hiring the experienced professionals, developing internal candidates to fill key positions, providing clear and consistent direction, conducting regular evaluations and providing feedback, offering competitive compensation, and creating a strong and real sense of team, shared responsibility, and accountability for the organization’s success. In addition, this team must be committed to urban education reform, embrace accountability, be willing to work collaboratively, have a sense of urgency, and have the ability to create enthusiasm throughout the organization.

Ultimately in a school system, it is the Superintendent's responsibility to build and lead the senior management team. The work of the Superintendent in this regard must be supported by the School Board.

The purpose of this initiative is to create an ongoing process for the development and retention of the District's senior leadership team and to set accountability for retention of the senior leadership team.

Deliverables	Deadline
The Superintendent shall designate the positions in the District that comprise the senior leadership team.	July 2016
The Superintendent, in conjunction with the CRO, shall develop a multiyear plan for the development and retention of the senior leadership team. The multiyear plan shall include at a minimum: an assessment of the reasons for turnover among senior leadership; a specific set of actions to be taken to reduce turnover with a designation of responsible persons or organizations; the specific and measurable goal(s) for retention; a temporary succession and permanent replacement plan for any vacancies that do occur; and specific timelines for each step in the multiyear plan.	July 2016
The Superintendent shall meet with the CRO annually to review the status of the plan and present specific information regarding action steps in the plan and progress toward retention goals.	Annually
The Superintendent shall establish a process for conducting an exit interview with every departing member of the senior leadership team. The exit interview process shall be approved by the CRO. The result of the exit interview shall be shared with the CRO and the Chairperson of a designated committee of the School Board.	April 31, 2016

AF19.	**Continue to Pursue Buy-In for Dauphin County Technical School**	
	Status:	**New**
	Target Outcome:	Continued partnership with Dauphin County Technical School
	Multi-Year Financial Impact:	See AF15
	Responsible Party:	Superintendent and CFO

The District has seen an increase in the number of students attending Dauphin County Technical School (DCTS), with continued interest from students with the recent addition of a dental program. In 2014-15, HSD paid $4.08 million in tuition to DCTS for an average daily membership of approximately 248 students. This was a noticeable increase from 2013-14, when HSD paid $3.19 million in tuition to DCTS for an average daily membership of approximately 196 students. The DCTS' 2013-14 audited financial statements indicate that outside tuition was $3.26 million while member contributions were $9.04 million, indicating that a substantial portion of DCTS' local income was generated from tuition paid by HSD.

Currently, the Harrisburg School District is not a member of the DCTS consortium. Rather, the District pays an annual tuition rate to DCTS for each student who attends. This rate is higher than that of member districts, since those districts invested up front in the DCTS building and various other assets of the consortium. If the Harrisburg School District were to make a membership contribution and join the DCTS consortium, it would be eligible for lower, member per pupil rates.[4] Such a contribution may well save HSD money in the long term, with the amortized value of the one-time contribution balanced against lower annual per student tuition.

The District has had preliminary conversations with the DCTS about this process, but because the District has fund balance resources right now, this is the time for it to make such an investment. The District shall move toward reaching a conclusion in its discussions with DCTS, with resources from the fund balance as a source of the substantial capital contribution to DCTS that will be needed (see initiative AF15 for related information). It is most preferable for HSD students to attend DCTS. However, if DCTS is not willing to let HSD join the consortium, or cannot make a decision by the end of calendar 2016, HSD shall consider sending some or all of its students to other career and technical students in the region.[5]

Deliverables	Deadline
The District shall pursue a buy-in with the Dauphin County Technical School	July 2016
The District shall pursue alternatives to sending students to DCTS	January 2017

AF20.	Consider Providing Busing to Students Living 3/4 of a Mile or More From Their School	
	Status:	**New**
	Target Outcome:	Reduce commuting burden on students and their families
	Multi-Year Financial Impact:	($3,447,156)
	Responsible Party:	Superintendent, CFO, Supervisor of Transportation

The District currently provides busing for students living 1.5 miles or more from their school. As funding becomes available, the District shall consider reducing the mileage to 0.75 miles to reduce the walking distance for students or commuting burden for families. The cost of providing this additional bus service, net reimbursement, is approximately $700,000 per year. Therefore, this change may not be affordable fo the District given educational priorities and limited funding.

Deliverables	Deadline
The District shall consider providing busing to students living 0.75 miles or more from their school	School Year 2016-17 or 2017-18

[4] Note that the member school rate would probably rise somewhat if Harrisburg joined the consortium, since Harrisburg's students allow lower rates for students for member districts, reflecting their up front and ongoing investments in the facilities and other assets.

[5] One possibility would be to issue an RFP to multiple career and technical schools in the area that might be able to accommodate some or all of the HSD vocational education students, and determine which offers the most competitive tuition and programming.

AF21.	Create and Implement Performance Measures to Meet Operational Goals	
	Status:	**New**
	Target Outcome:	Ensuring the District meets targets and holds staff and contractors accountable
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent and Central Office Administrators

To complement the District's efforts in improving educational results and organizational structure (see ED04 and ED15), the District shall develop performance measures for the Administration, for operations, and for consultants who work with the District. The District shall identify targeted outcomes based on these measures and develop a rubric and timeline for ensuring it meets these goals.

As part of this process, the District shall also reduce its reliance on consultants, with a goal of consulting projects lasting no more than 2 years. The District shall do bi-annual assessments of consultant work to ensure they are on track to complete the project in the estimated timeframe. In addition, the District shall ensure that consultants are not providing overlapping services and also see if there are ways to connect consultants to one another to enhance collaboration and project outcomes. This could be done through quarterly provider meetings or through individual or provider subgroup discussions.

Deliverables	Deadline
The District shall develop performance measures for the Administration and operations.	August 2016
The District shall develop performance measures for consultants.	August 2016
The District shall review current District consulting contract work and determine if there are any overlaps	August 2016
The District shall review the progress of consultants toward completing the objectives and deliverables outlined in engagement agreements.	At least bi-annually
The District shall provide a report to the Board on overall Administration and operations performance goals and results.	Annually

Facilities and Operations

Overview

The District has made significant progress in addressing the facility issues that it faced when it originally entered Act 141 status. Schools and classrooms have been reorganized to make more efficient use of buildings and to align the use of buildings with the current academic structure. The District vacated a leased facility that housed its administration and moved to a vacant academic building; this not only saved money on a recurring basis but also better used an existing asset. Although delayed by bidding and contractual issues, the District has undertaken projects to improve energy efficiency in its buildings and to create a better physical environment for students and staff. Outsourcing the oversight of maintenance and custodial services has improved the cleanliness and function of facilities.

Key Issues/Challenges

The District continues to face challenges both in maintaining the buildings it uses and in determining the best disposition for unused or underutilized buildings. The ESCO process that the District began two years ago has completed Phase I, however not all buildings have been upgraded in terms of energy efficiency. In addition the District continues to face failures in HVAC systems and other systems that are critical to the smooth operation of the educational process.

A second major challenge for the District is the lack of a comprehensive plan for the utilization of its facilities. There appear to be *ad hoc* decisions being made regarding reopening closed schools, reopening portions of closed schools, and determining what facilities will be used for various functions. Although there may be legitimate arguments for the decisions being made on facility utilization, there is clearly no long term data-based plan that is being followed. A major concern is that the District will waste resources in reopening schools when long term there is no need for the additional space and better alternatives for dealing with short-term enrollment changes or educational priorities are available.

Initiatives

FA01.	**Consolidate buildings**	
	Status:	**Completed**
	Target Outcome:	Rightsize the District in terms of enrollment and reduce building operating costs while potentially obtaining one-time revenue from building sales
	Multi-Year Financial Impact:	N/A (sale proceeds to capital; operating savings reflected elsewhere in the Plan)
	Responsible Party:	CFO, Superintendent, and Board

Original Plan

The 2013 Recovery Plan considered building consolidation in conjunction with an educational initiative (ED02) to realign the District's educational program, creating kindergarten and pre-kindergarten centers and grouping early grades and middle grades in separate locations.

Renovations & additions: The 2013 Recovery Plan noted that the District had completed a series of building renovations and additions in the 2000 to 2005 period at Ben Franklin, Downey, Camp Curtin, Foose, John Harris, Lincoln, Marshall, Melrose, Scott, and SciTech schools. These renovations and subsequent school closings affected the District's Facilities Department; these buildings became easier to clean and maintain, required less custodial and maintenance effort, and consumed less energy.

The 2013 Plan found that the schools that remained open were generally in good physical condition, with some poorer conditions in the older non-renovated facilities. A handful of important roof, control, and chiller projects were identified as potential projects in the bond financing that had recently closed. The Plan also identified a number of other minor facilities issues.

Closed schools: The 2013 Plan noted that the District's closed, inactive facilities were in widely-varying condition. It noted that the William Penn High School was in very poor condition and was zoned Open Space Recreational (OSR), which would be very restrictive for other potential uses. The Woodward School was also found to be in very poor condition and zoned Residential (R5) which would also be restrictive to alternative uses. The other inactive schools - Hamilton, Lincoln, Shimmell and Steele - were in relatively good condition and were being maintained at a reduced heat level to preserve interior conditions.

Update

The District completed the reorganization of its schools and moved the administrative offices from a leased facility to the Lincoln School; thus better utilizing the available space. In addition, the District sold the Shimmell School and reopened the Hamilton School as an alternative education site. However, the District needs to continue to transition supplies and furniture from closed buildings, as time allows with other priorities. In addition the District continues to face challenges in both disposing of unused facilities and in making decisions about reopening certain closed buildings. These issues are covered in initiative FA13. Finally, several properties remain unsold, and are discussed in initiative FA02.

FA02.	**Sell unused buildings**[1]	
	Status:	**In Progress**
	Target Outcome:	Obtain one-time revenue from building sales
	Multi-Year Financial Impact:	N/A (sale proceeds to capital; operating savings reflected elsewhere in the Plan)
	Responsible Party:	CFO, Superintendent, and Board

Update

The District has engaged a realtor to assist it in assessing and marketing unused buildings. The Shimmell School has been sold but there have been false starts on certain other sales. The sales process has been hampered by a lack of decisiveness in making determinations about how and if certain vacant buildings will be used. There is an argument that some of the most valuable District real estate has not been marketed because of a lack of firm decisions on its use. The completion of this initiative is dependent on the completion of initiative FA13.

Remaining properties that could be marketed include the William Penn High School, the Woodward School, and several houses near Rowland School. Land the District owns on Cameron Street is being sold, but the revenues will not offset related legal fees. The District also controls property in Susquehanna Township, but it is owned by the Commonwealth of Pennsylvania and cannot be sold. Although it is desirable to market all remaining property if appropriate offers are forthcoming, this Amended Plan does not assume any revenue from further sales. Proceed from any sales that do occur shall be deposited in the District's Capital Reserve account.

[1] Authorization for this initiative is provided by Section 642-A(11) of Act 141, *inter alia*.

FA03.	Terminate Lease on Administration Building and Relocate Administrative Offices	
	Status:	**Completed**
	Target Outcome:	Terminate lease on administrative office and relocate administration to vacant space in a District-owned building in order to reduce costs
	Multi-Year Financial Impact:	Net savings of $1.38 million
	Responsible Party:	CFO, Superintendent, and Board

Original Plan
The 2013 Recovery Plan directed that the District advance its plan to move its administrative offices from a rental property to one of the empty schools for recurring savings of over $375,000 per year in rental costs.

Update
The District moved its administrative offices to the former Lincoln Elementary School, achieving the annual lease savings with minimal renovation costs. The Board and Administration should be commended for the seamless and businesslike fashion in which this significant initiative was accomplished.

FA04.	Achieve Cost Reduction by Renegotiating Energy Contracts	
	Status:	**Completed**
	Target Outcome:	Renegotiate Electric and Gas Purchase Contracts
	Multi-Year Financial Impact:	$259,834
	Responsible Party:	CFO, Superintendent, and Board

Original Plan
The 2013 Recovery Plan proposed to reduce the District's annual energy expenditures by renegotiating the electric and gas purchase contracts, which were expiring at that time. The District had engaged an energy consulting firm to conduct a preliminary purchasing analysis to estimate the potential savings that would accrue to the District, and the consultants found the District could save approximately $150,000 on the electric and a minimum of $50,000 on the gas purchasing contracts. In addition, it appeared that the District had over budgeted for energy.

Update
In July 2013 the District achieved the expected savings, signing three-year contracts for energy with a new vendor in July 2013 with the option to renew for a two-year extension. Public Financial Management (PFM) conducted a review of the savings during the completion of the February 2015 Recovery Plan Update and found that they were expected to continue for the duration of the implementation of the Recovery Plan. The electricity contract was renewed recently for a two year period with further expected savings. The District shall review and possibly rebid its gas contract in July 2016.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$48,348	$50,093	$51,901	$53,775	$55,717	**$259,834**

FA05.	Increase Building Energy Efficiency	
	Status:	**In Progress**
	Target Outcome:	Reduce cost of building energy by employing energy saving techniques using the NRG digital building control systems
	Multi-Year Financial Impact:	$433,056
	Responsible Party:	CFO, Superintendent, and Board

Original Plan
The 2013 Recovery Plan analyzed electric and gas usage at District buildings and estimated that energy usage savings of approximately $130,000 per year were achievable by better existing building control systems and prioritizing energy management within the Facilities Department.

Update
In the 2014-15 school year, the District engaged an energy service company (ESCO) to take a series of actions over two years to achieve energy savings at various buildings. Although the process for engaging the ESCO was unnecessarily long and complicated, the project has reached the second phase. Phase 1 consisted of maintenance to the building envelop and energy efficiency improvements for lighting and water systems for 5 out of the 11 District schools in operation, as well as the completion of a study to determine the projects for Phase 2. In order to fund the project, the District transferred $3 million from fund balance to the Capital Fund.

The contractor selected for Phase 1 of the project presented the findings of the study to the School Board in February 2015. During the presentation, the representative of the contractor used vivid language to describe the dire condition of the systems maintaining air quality in several District schools. Members of the School Board, administrators, and several community members believed the language of the report did not accurately reflect the condition of the schools. The contractor issued an apology to the District and conducted follow-up air quality tests. The results of the tests did not indicate serious air quality issues in the District schools, and the contractor remediated any instances of moldy tiles discovered in classrooms. Among the other findings noted in the study, the contractor found that the District lacked a routine maintenance schedule, which in some cases resulted in the poor quality of equipment.

In April 2015, the District selected a contractor to begin Phase 2 of the project, although work did not begin until August due to several delays in the engagement process. Phase 2 of the project includes the completion of the building envelope and lighting and water improvements for the remaining District buildings as well as additional upgrades to all of the buildings, including improvements to the HVAC systems. Progress has continued through the remainder of the 2015-16 school year, albeit at a slower pace than originally planned.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$80,580	$83,488	$86,501	$89,625	$92,861	**$433,056**

Deliverables	Deadline
The District shall complete Phase II of the ESCO project.	December 2016

FA06.	Reduce Energy Consumption by Upgrading Selected Lighting Systems	
	Status:	**In Progress**
	Target Outcome:	Install energy saving lighting in gym and high ceiling areas of the District
	Multi-Year Financial Impact:	N/A
	Responsible Party:	CFO, Superintendent, and Board

Original Plan
The 2013 Recovery Plan identified various potential savings by upgrading lighting in the schools and trading the cost of the initial capital investment for the upgrades for multiyear operating savings.

Update
This initiative is linked to the ongoing improvements to District facilities provided by the ESCO contractor, and should be read in conjunction with FA05. The contractor completed the installation of lighting fixtures in 5 of the 11 District schools during Phase 1 of the project. The remaining buildings will receive lighting improvements in Phase 2 of the project. Refer to FA05 for Deliverables and Timelines.

FA07.	Improve Daily Management of Automated Building Control Systems	
	Status:	**In Progress**
	Target Outcome:	Realize better customer comfort and reduce energy costs by properly using existing equipment
	Multi-Year Financial Impact:	N/A
	Responsible Party:	CFO, Superintendent, and Board

Original Plan
There were multiple elements to initiative FA07 in the 2013 Recovery Plan, including a description of the District's recently-completed $2.2 million building controls upgrade, The Plan noted that properly operated control systems are a key component of any energy efficiency program and are critical to the comfort conditions in school buildings, further pointing out that it is not unusual for a school district to have a mechanic trained as an operator/monitor/troubleshooter of the system who is fully dedicated to the job. The benefit of this approach is both financial (energy savings) and educational (reduced comfort complaints allowing staff and students to focus on education). FA07 recommended that the District dedicate more time the daily management of the automated building control systems.

FA07 also reviewed the structure of the Facilities Department, the results of a customer satisfaction survey of facilities maintenance and custodial service, and a summary of facilities and maintenance expenditures.

Update
This initiative is linked to the ongoing improvements to District facilities provided by the ESCO contractor, and should be read in conjunction with FA05. Phase 2 of the project will include upgrades to the HVAC systems in the District schools.

The District will maintain its energy use and cost information in the Energy Star Portfolio Manager system, a national energy benchmarking system that provides the ability to determine energy efficiency in comparison with high performing schools. The District shall consider a student engagement program to promote the energy management initiatives. These programs have proven that student participation can lead to higher performance more quickly as well as providing opportunities for student leadership development and STEM training.

The District will need to coordinate with supervisors in the Facilities Management Department to ensure all maintenance staff members are fully trained in the operation of the building control systems, and the District will need to adopt formal energy management policies to set clear guidelines for the operation and use of District building controls. Refer to FA05 for Deliverables and Timelines.

FA08.	**Reinstate Position of Supervisor of Custodians**	
	Status:	**Completed**
	Target Outcome:	Improve the quality of building upkeep and reduce involvement of building principals in routine maintenance and operations issues
	Multi-Year Financial Impact:	($552,563)
	Responsible Party:	CFO, Superintendent, and Board

Original Plan
The 2013 Recovery Plan recommended the Supervisor of Custodians position be filled with someone very experienced in custodial methods and materials, and most importantly, with relevant experience in employee relations/supervision. The new supervisor's work schedule was to be primarily directed towards second shift management, with the position held by a non-union "working supervisor." The new head was expected to revise job descriptions and assignments based on industry-standards, and revised custodial staffing as described in initiative FA09.

Update
The Supervisor of Custodians has been restored through the Aramark contract working a 12:00 p.m. to 9:00 p.m. shift. This position reports to the Director of Facilities who also has a Supervisor of Maintenance. The Management Rights Provision, Article 31, of the existing AFSCME contract shall be reviewed and revised so as not to restrict the capability to outsource these management positions. In addition, the District shall ensure continued quality through a customer satisfaction survey of building leadership.

Deliverables	**Deadline**
The District shall compare District cleaning area assignments with industry standards.	July 2016
The District shall complete a customer satisfaction survey of building Principals.	Annually in January

FA09.	Reduce Custodial Staffing	
	Status:	**Completed**
	Target Outcome:	Reduce the cost of custodial operations by bringing staffing in line with standards
	Multi-Year Financial Impact:	$1.1 million
	Responsible Party:	CFO, Superintendent, and Board

Original Plan

In a 2001 review of District facilities there were 68 custodians in the District covering 15 schools, an average of 19,438 square feet per custodian. The 2001 review used several formulas to determine appropriate custodial staffing levels for each school and recommended a reduction of three custodians overall, which would have yielded 20,443 square feet per custodian. With school closings and budget constraints since 2001, at the time of the 2013 Recovery Plan the District had 59 custodians covering 10 schools at a lower square foot per custodian.

Based on a comparison of District custodial staffing with the PASBO benchmarking report, the Plan directed the District to reduce four additional custodial positions. These changes to the custodial work force were expected to require significant redistribution of work areas on day, evening, and night work shifts and save over $200,000 per year. The Plan noted that while custodial salaries were below those in the PASBO survey, fringe benefit costs were very high compared to typical Pennsylvania school district levels.

Update

The District reduced custodial staff per the recommendations of the initial recovery plan. In addition, the District has outsourced the management of the custodial staff to Aramark which has responsibility for providing high quality custodial services on an ongoing basis and for managing staff accordingly.

FA10.	Evaluate Contracting out Custodial Services	
	Status:	**Completed**
	Target Outcome:	Evaluate the pros and cons of contracting out custodial services by conducting a formal RFP process among qualified bidders
	Multi-Year Financial Impact:	N/A
	Responsible Party:	CFO, Superintendent, and Board

Original Plan

Based on prior contractor proposals and the analysis of District custodial costs, the 2013 Recovery Plan suggested that the District investigate contracted cleaning services as an alternative to continued use of District employees on the night shift.

Update

The District entered into a contractual agreement with Aramark to manage custodial services for the District. In December of 2014, based on an interpretation of the governing labor contract, Aramark was granted permission by the District to replace district employed custodial staff with Aramark employed staff as there is attrition in District employed custodial staff. This will eventually result in the complete transfer of staff from District employees to employees for the management company, effectively accomplishing the intent of this initiative.

Deliverables	Deadline
The Business Manager shall prepare an annual report to the School Board discussing the status of the custodial services in the District. The report should include the following information: the number of total staff; the employment status of employees in terms of District employment versus employment by the management company; the cost of custodial services including the cost of the management contract; and the evaluation of the quality of custodial service by the faculty and staff.	Annually by June 30

FA11.	Reduce Maintenance Staff	
	Status:	**Completed**
	Target Outcome:	Eliminate a net of four positions in the maintenance area to bring staffing in line with standards
	Multi-Year Financial Impact:	$1.3 million
	Responsible Party:	CFO, Superintendent, and Board

Original Plan

The 2001 review of HSD facilities identified 24 FTE (full time equivalent) building and grounds maintenance staff employed in the District. At the time of the 2013 Recovery Plan, two supervisors and 17 staff remained, consisting of eight building maintenance staff (two HVAC, one electrician, and five building maintenance personnel), three painters, and six grounds crew (including two foremen). The lower levels since 2001 were a result of building closures and budget constraints.

Using the PASBO survey parameters for comparison with other Pennsylvania school districts, the 2013 project team found that salaries in the District were generally below typical school district rates, but not for the skilled trade positions, and that the District was comparatively well below the median benchmark in supervision and in contracted services. The Plan concluded that the District was shortchanging more technical contracted maintenance on building HVAC and control systems. The benchmarks were also found to indicate excessive staffing in some areas of the department, particularly painters and ground positions. The Plan noted that other districts had combined grounds with other duties such as painting, general building maintenance, and warehouse support, and had allocated trimming and hand mowing around schools to the Head Custodians (thus leaving machine mowing and athletic field preparations to the grounds staff, and freeing up their time for other central maintenance work). Other school systems had eliminated full time painter positions in favor of summer painting only, either through the use of reassigned staff or temporary help.

As a result, the Plan directed the District to eliminate the three full-time painter positions and two grounds positions**,** with hand mowing/trimming duties reassigned to Head Custodians at each school. One of the five eliminated positions was to be retained so that the District could hire a skilled maintenance mechanic dedicated to the monitoring and management of building controls, energy management, and preventive maintenance. The total annual savings for the elimination of four positions was estimated at $235,000 to $267,000 based on then-current wage rates and fringe costs.

Update

The maintenance staff was reduced in August of 2013, and District maintenance is now managed by Aramark. In 2014, the District provided an opinion regarding the pertinent labor agreement that the management company could under certain conditions replace District employed staff with staff that are employed by the management company.

FA12.	Acquire an Automated System to Manage Building Maintenance Issues	
	Status:	**Completed**
	Target Outcome:	Acquire the "School Dude" system to manage work order systems and improve communications on building maintenance issues
	Multi-Year Financial Impact:	($29,600)
	Responsible Party:	CFO, Superintendent, and Board

Original Plan
At the time of the 2013 Recovery Plan the Buildings and Ground Department used an in-house automated maintenance work order system. The system provided automated transmittal of maintenance requests and periodic reports generated by the Coordinator. However, it did not have a preventive maintenance (PM) function, and little documented PM was being accomplished by the Department. The existing software also appeared to lack the ability to effectively track individual maintenance worker productivity and to provide on line access to work order status, and employees used cell phones rather than the work order system. The Plan identified an inexpensive, integrated and comprehensive alternative automated maintenance management system with full management capability, used by thousands of schools internationally. It was recommended that the District consider this system to better document, track, report, and evaluate maintenance work, and to provide a documented PM program.

Update
The District ultimately developed its own maintenance management system using in house programming staff to meet the objectives of this initiative. To date, the District has not conducted a customer satisfaction survey to determine if reporting timing and maintenance has improved. However, the District CFO plans to survey school Principals to do so and shall continue to survey Principals annually.

Deliverables	Deadline
The District shall survey Principals regarding maintenance satisfaction	Annually in January

New Initiatives

FA13.	Develop a Five-Year Facilities Plan	
	Status:	**New**
	Target Outcome:	Development of a multi-year plan to guide the Board and Administration on the best use of district facilities to meet educational and financial goals
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Superintendent, CFO, and BFF

The District has a very uneven history in its use of facilities. At the turn of the century the District went through a period when it undertook substantial capital improvements to its buildings. The capital improvements not only addressed deferred maintenance, but also anticipated enrollment growth. Subsequently the District went through a period of major budget and staff reductions, which resulted in mothballing some of the recently renovated buildings. The cut backs and staff reductions were driven by both financial concerns and a decline in student enrollment.

The 2013 Recovery Plan called for the disposal of unneeded buildings, but there has been limited action in this regard. The Shimmell School has been sold. The District's administrative offices were moved to the previously mothballed Lincoln Elementary, resulting in substantial savings from terminating the lease for private space for District administration while also providing a home for the Cougar Academy. The Hamilton School has been partially reopened to house alternative education programs. More recently there have been discussions regarding reopening the Steele School and concerns about the need to relocate Cougar Academy because of its growth. In the meantime, the need for the maintenance of existing buildings creates ongoing expenditures, expenditures that will grow as the buildings age.

In order to avoid the types of costly capital expenditure mistakes made in the past, the District must develop a Five-Year Facility Plan to guide the Board and Administration in decisions about building utilization and capital expenditures. The Plan should be driven by factors such as enrollment projections (addressed in AF14), educational delivery plans, capital maintenance assessments and the overall financial condition of the District. The Plan should specifically identify the current and projected uses of each district building, and any costs related to maintaining them in current condition or adapting them to new uses.

Once completed, the Facility Plan shall be reviewed and formally adopted by the School Board as the official Facility Plan of the District. The Plan shall be updated on a five-year cycle. During the Plan period, changes to use of facilities or capital expenditures to facilities that are inconsistent with the Plan will require board action to change the plan.

Deliverables	**Deadline**
The District shall complete the enrollment projection per AF14.	Spring 2016
The CFO shall compile information about all the existing building facilities including: current status and usage; rated pupil capacity; assessment of physical condition; estimate of capital cost to maintain the building.	August 2016
The CFO in conjunction with the District's realtor shall prepare a market assessment of all District buildings.	September 2016
The Superintendent shall develop, based on the enrollment projection and academic plans, a five year plan for grade structures and building uses.	December 2016
The BFF shall hold two public hearings on the Five-Year Plan for the use of District buildings.	February 2017
The BFF will provide a recommended Five-Year Facility Plan to the School Board and the Board shall take formal action to adopt it.	April 2017
Changes to individual building use during the five-year term of the Plan shall require Board action.	As needed
The School Board shall review the Facility Plan every five years. At each five year interval the Administration shall review and update the existing Plan and present the updated Plan to the BFF. The BFF shall hold two public hearings on the Plan and make a recommendation to the School Board.	2021

FA14.	Pursue Composting Alternatives	
	Status:	**New**
	Target Outcome:	Continued reductions to trash collection and disposal costs
	Multi-Year Financial Impact:	N/A
	Responsible Party:	CFO and Building Level Administrators

The District's laudable recent efforts towards increasing recycling and minimizing trash volume in its buildings has led to significant cost savings to partially offset the spike in trash disposal charges from the City of Harrisburg. To continue to sustain these cost savings, the District shall continue its examination of the feasibility of composting. In doing so, the District should work with the contracted food service providers to ensure that structures are in place to compost and promote composting efforts in each building, as well as the potential for a District-wide composting site. In addition, the District should work with existing staff resources already engaged in the recycling program, and explore engaging students in the promotion process and in the actual process of composting, potentially tying it in with the Career Pathways program in ED17.

Deliverables	Deadline
The District shall evaluate the feasibility of expanding the composting program.	December 2016

Food Service

Overview

The District provides breakfast and lunch each school day for approximately 6,400 students in 11 buildings. The Food Service department is managed for the District by The Nutrition Group (TNG). TNG uses a combination of district staff and TNG personnel to operate the service. There are approximately 70 staff people involved in the food service operation and the unit has an operating budget in excess of $6 million. The food service operation has had a history of operating deficits for nearly a decade. Actions by the Board and the Administration including engaging TNG in 2012 have helped to eliminate the annual shortfalls. In the 2014-15 school year, the food service program generated a positive operating result of approximately $250,000. The District has developed a three-year plan to eliminate an accumulated Food Service Fund debt to the General Fund. The remaining debt at the end of the 2014-15 was approximately $600,000.

Key Issues/Challenges

The District is continuing to convert the management and operation of the Food Service department to a private entity. Using an RFP process, the District selected TNG to manage the program in 2012, shortly after the original Act 141 plan was adopted. In 2014, the District determined that under its ASFCME labor agreement that food service staff employed by the District could be replaced by TNG staff on an attrition basis. In order to achieve and maintain an efficient and effective food service operation, the District must continue to convert staffing to TNG, maintain adequate fees for food service and adopt management improvements offered by TNG while maintaining high levels of customer service.

Initiatives

FS01.	**Rightsize the Food Service Operation and Repay Prior Subsidy**	
	Status:	**Completed**
	Target Outcome:	Reduce number of labor hours at three schools and repay debt to General Fund
	Multi-Year Financial Impact:	$400,000
	Responsible Party:	CFO, Human Resources Director, and Food Service Director

Original Plan
The 2013 Recovery Plan directed the District to rightsize the food service operation in SciTech High School, John Harris High School, and Rowland Middle School. A detailed analysis identified the three schools as being overstaffed given enrollment, number of meals served, and programs offered. Reductions in the number of hours worked by employees were projected to eliminate annual deficits in the Food Service Fund (and resulting General Fund subsidy) and to ultimately repay a portion of prior General Fund subsidies.

Update
In 2012, the District hired TNG to oversee the food service operation, and subsequently reduced food service staff which included moving some staff from a full-time to part-time status. In 2014, TNG was authorized by the District to replace food service staff who were District employees with staff who work for the Nutrition Group on an attrition basis. Eventually, the entire staff of the food service operation will work for TNG.

In addition to this staffing change, the District in conjunction with TNG have made significant improvements to the efficiency of the food service operation, with the food service program generating an operating surplus in the 2014-15 school year. There is a three-year plan to eliminate a $600,000 debt that the Food Service Fund owes the District's General Fund. Now that staff has been realigned and there is a competent food service management program in place, the ultimate measure of efficiency in the food service operation is the ability to produce a balanced food service budget on an annual basis. The secondary objective is to eliminate the Food Service Fund's debt to the District's General Fund that resulted from prior year Food Service Fund deficits.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$200,000	$200,000	$0	$0	$0	**$400,000**

Deliverables	Deadline
On an annual basis, the CFO and the food service management company shall take the necessary action to produce a positive operating result from the food service operation.	June 30 of each year
The CFO shall develop a multi-year plan to identify and capture in the Food Service Fund all appropriate costs of operation related to the food service program.	June 30, 2016
The District shall use any positive operating result from the Food Service Fund to eliminate prior year debts to the General Fund.	June 30, 2018

FS02.	**Increase Paid Meal Price to Comply with Healthy Hunger Free Kids Act**[1]	
	Status:	**Completed**
	Target Outcome:	Increase lunch price
	Multi-Year Financial Impact:	$22,483
	Responsible Party:	CFO, Human Resources Director, and Food Service Director

Original Plan

The 2013 Recovery Plan required that the District perform a paid meal equity calculation each year to determine if the paid lunch price needs to be increased. In the graph below, the calculation used for the first five years is the formula for the 2013-14 school year, which is 2.00 percent plus 2.93 percent. Using this formula, the paid meal lunch price was expected to increase by $0.10 each year. This figure was expected to change each year, along with the paid lunch participation.

[1] Paid Lunch Equity: School Year 2013-2014 Calculations and Tool, USDA

School Year	K-8 Price	9-12 Price	Annual Impact
2012-2013	$1.75	$1.90	Current
2013-2014	$1.85	$2.00	$4,683
2014-2015	$1.95	$2.10	$4,600
2015-2016	$2.05	$2.20	$4,500
2016-2017	$2.15	$2.30	$4,400
2017-2018	$2.25	$2.40	$4,300
TOTAL (cumulative)			$22,483

Update

The District has adjusted prices for meals and has instituted universal free breakfast and lunch for students. In addition, the District has added technology to the food service operation to better account for meals served and to improve the quality and efficiency of reporting to various government agencies.

Deliverables	Deadline
The District shall calculate and publish a report of paid meal factors.	May 30 of Each Year

FS03.	**Operating Efficiencies**	
	Status:	**In Progress**
	Target Outcome:	Align job descriptions to reflect proper personnel responsibilities
	Multi-Year Financial Impact:	N/A
	Responsible Party:	CFO, Human Resources Director, and Food Service Director

Original Plan

The District was directed in the 2013 Recovery Plan to revise prevailing job descriptions for the entire Food Service Department. Cafeteria manager responsibilities were to be increased and the Assistant Manager position was to be considered for elimination, as the volume in the cafeterias did not necessitate the position. The Director was performing duties that should have been the responsibility of a cafeteria manager, such as preparing food orders and compiling production records. Some of those tasks were to be shifted to the Cafeteria Managers so that the Food Service Director would have the ability to spend more time effectively managing and assessing the financial performance of the operation.

Update

The District in conjunction with its food service management company, TNG, has realigned staffing and management responsibilities. TNG has assumed responsibility for the day-to-day operations of the District kitchens, which has allowed the Food Service Director to focus on the management of the program. The District has maintained the Assistant Manager position at John Harris High School to oversee operations at the school, which are more complex than the management of a kitchen in a smaller school.

FS04.	Outsourcing Analysis	
	Status:	**Completed**
	Target Outcome:	Management company proposal on operating food service program
	Multi-Year Financial Impact:	N/A
	Responsible Party:	CFO and Food Service Director

Original Plan
The District was directed in the 2013 Recovery Plan to commission an outsourcing analysis to determine the level of potential cost savings to the District from private operation, with a management company charging the District a fee to run the entire food service program (a District employee would still be needed to process free and reduced applications, submit claims to the state, and complete other state reporting requirements).

Update
In 2012 the District used an RFP process to select a management company to run the food service operation. Along with the management company and based on the Act 141 Recovery Plan, the District has taken actions to rightsize the food service operation, realign full and part-time staff, upgrade the point of sale system and reprice meals pursuant to federal regulations. In addition, the District has authorized the food service management company to replace Harrisburg employees in the food service program with employees of the management company on an attrition basis. As a result, over time, the operation of the food service program will be fully operated by a private management company using employees of the management company. As required by Federal and State regulations, the District shall continue to employ a food service manager to represent the District in certain functions including interaction with the management company. The actions taken by the District to date and the eventual transition of all food service positions to the management company will achieve the objective outlined in the initiative.

Deliverables	Deadline
The CFO, along with the Food Service Director, shall report to the Board on the makeup and operation of the food service operation. The report shall include both the financial status of the program and the staffing of the operation (listing the positions held by District employees and management company employees).	June 30 each year

Revenue

Overview

In the 2014-15 fiscal year, the Harrisburg School District had approximately $130.6 million in total revenue. Of this amount roughly $50.6 million, or almost 40 percent, came from local sources. About $67.4 million, more than 50 percent, was from the Commonwealth of Pennsylvania. The remainder came primarily from the Federal government.

Harrisburg School District, 2014-15 Revenues ($000)

Source	Amount	%
Local	50,603	38.8
State	67,361	51.6
Federal	11,917	9.1
Other	687	0.5
Total	**130,562**	**100.0**

The District faces challenges in generating local revenue to support the school system. The local tax base is not growing significantly and there is a substantial amount of tax-exempt property in the District as it is a seat of local, county, and state government. State and Federal aid is determined by the state or federal legislature, so the revenue source where the District can have the greatest impact is local revenue, including revenue that comes in the form of grants or donations.

A major portion of local revenue is local taxes. Although the school board has some ability to raise local taxes, it must be sensitive to the impact of school taxes on local taxpayers and the competitiveness of the local economy. In the past several years the District has maintained a stable property tax rate and focused on delinquent taxes in order to improve its local tax revenue collection rate. There have been changes in both delinquent real estate and earned income based taxes, and the District should continue to pay close attention to trends in these categories.

Key Issues/Challenges

The District faces challenges in several areas in relation to local revenue sources:

- There has been little or no progress in improving the process for seeking and securing grant or foundation funding for District initiatives;
- Federal ACCESS funding, which provides reimbursement for certain Medicare eligible student services, needs to continue to improve;
- The District needs to become an active partner with other local governments in developing and evaluating various tax incentive programs such as KOZs or LERTAs;
- With one exception, the District has made little progress in securing PILOTS from the large tax-exempt segment in the city.

Since the District gets a large portion of its revenue from the Commonwealth, uncertainty around the timing and amount of state revenue in 2015-16 has posed difficulties, especially for planning new initiatives and estimating current year and future financial results.

Finally, while the District has successfully secured a new round of Federal School Improvement Grants in 2015-16, overall Federal funding is expected to slowly decline over time.

Initiatives

RV01.	Delinquent Real Estate Tax Collection	
	Status:	**Completed**
	Target Outcome:	Increase revenue by performing a thorough evaluation of the sale of delinquent taxes versus the traditional method of utilizing the Tax Claim Bureau, or subjecting the sale of taxes to a bid or RFP process if that approach appears to be advantageous
	Multi-Year Financial Impact:	$5,000,000
	Responsible Party:	CFO

Original Plan
At the time of the 2013 Recovery Plan, the District had utilized a tax lien monetization program provided by Municipal Revenue Services (MRS) since 2004. While the program enhanced cash flow to the District and provided a degree of predictability in annual revenue, it was expensive and complex. The costs of the program were 6.0 percent of the amount advanced to the District, almost $500,000. The District did not have a cash flow problem and the accelerated delinquent tax proceeds are not as valuable in the prevailing extremely low interest rate market as they would have been if the District could have invested the proceeds and earned significant investment interest.

It was established that the District could end the contract with MRS without a penalty or settlement cost to the District. Therefore, the 2013 Recovery Plan directed the District to seek competitive proposals from MRS and other parties which might be interested in purchasing the District's future delinquent real estate taxes, and to compare the responses to that request to the costs and benefits of having the Dauphin County Tax Claim Bureau collect the delinquent taxes in a traditional format without a tax lien monetization component. The District was to select and immediately implement the option providing the greatest economic value to the District.

Update
In the 2014-15 school year, the District completed the phase-out of the Municipal Revenue Service (MRS) delinquent tax arrangement. By phasing out the MRS agreement, the District has saved money by eliminating the fees it paid MRS for a tax anticipation loan which was a part of the agreement, and it has also created the opportunity to pursue other approaches to monetizing delinquent real estate taxes.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	**$5,000,000**

RV02.	Delinquent Earned Income (EIT) Tax Collection	
	Status:	**Completed**
	Target Outcome:	Increase revenue by performing a thorough evaluation of the current effort provided by Capital Area Tax Bureau (CATB) and consider transferring that work to Keystone Collections Group, awarding it through a competitive process, or altering the compensation arrangement with CATB
	Multi-Year Financial Impact:	$3,062,500
	Responsible Party:	CFO

Original Plan
When the municipalities and school districts in Dauphin County appointed Keystone Collections Group as the Act 32 tax collector, the District decided to retain its former earned income tax collector, Capital Area Tax Bureau, as the delinquent earned income tax collector for taxes due prior to January 2012. Since then, delinquent EIT revenues to the District have been nominal. It was difficult for the project team to compare the prevailing level of delinquent EIT revenue to prior years, since the District did not distinguish between current and delinquent EIT revenue when Capital Area collected both. However, the current level of delinquent EIT revenue did not appear to be appropriate or typical given the size of the District.

The 2013 Recovery Plan directed the District to immediately seek competitive proposals from tax collection firms to collect the District's delinquent earned income taxes. This included a specific evaluation of the merits of having Keystone Collections Group collect both the current and delinquent EIT to capture the inherit advantages and efficiencies of sharing information about the same taxpayers across multiple years. The Plan also required the District to take steps to quantify potential EIT delinquencies and match those projections against the performance of the EIT collector on a monthly basis.

Update
In the 2014-15 fiscal year, the District completed the shift in delinquent earned income tax collections to the Keystone Collections Group. All relevant records regarding delinquencies have been shifted to Keystone. The 2015-16 fiscal year is expected to see improved results in delinquent collections.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$612,500	$612,500	$612,500	$612,500	$612,500	**$3,062,500**

RV03.	Encourage Additional KOZ Development with Associated PILOT Agreements		
	Status:	**In Progress**	**Not Completed**
	Target Outcome:	Increase revenue by attracting further economic development within the District's boundaries	
	Multi-Year Financial Impact:	$1,100,000	
	Responsible Party:	Board, Superintendent, and CFO	

Original Plan
At the time of the 2013 Recovery Plan, prevailing law authorizing the establishment of Keystone Opportunity Zones (KOZ) was set to expire, and new applications by developers were due to the

Harrisburg Regional Chamber and Capital Regional Economic Development Corporation (CREDC) in subsequent months. The Plan urged the District to encourage KOZ development as long as it did not need to forego the revenue associated with these properties, using payments in lieu of taxes (PILOTs) as it had in the past.

The Plan recognized that KOZ development not only provides the District with an additional source of revenue from the renovation and construction of buildings that are not contributing much assessed value to the tax rolls, but has the potential to create new jobs and additional earned income which is subject to taxation. The "ripple" effect of developers' contactors and the new businesses' employees' spending money in already-established nearby businesses provides yet another potential source of tax revenue.

The District was directed to immediately coordinate and attend monthly meetings with representatives from city government, county government, the Chamber, and other appropriate parties to develop a joint strategy for using the KOZ program to generate development interest, to facilitate discussions with potential developers, and to maximize use of the program to generate tax revenues and improve the quality of life for citizens of the City, the School District, and the surrounding area. The District was also to immediately contact the Pennsylvania Department of Community & Economic Development to ascertain what programs and resources exist to support the District's efforts to spur development and increase its future tax base while generating PILOT revenues in the meantime.

These efforts were conservatively expected to generate $100,000 by 2017-18 and $250,000 annually in subsequent years.

Update

Although there have been periodic community discussions of the broad issues of land use and zoning including related discussions of KOZ and LERTA, the District has not been an active participant in these discussions. The District has not taken a leadership role in developing and presenting information related to its interests in these matters.

The District should define its role and position on the full range of economic development options as well as other land use matters. These matters include whether to participate in KOZ or LERTA initiatives, and also the zoning and land use planning implications of reusing District school buildings and properties that are no longer needed. Issues related to tax assessments and appeals might also be included. Once these decisions are made, the District should inform other local government agencies of its position and seek a process to work jointly where possible and desirable.

Given the possible negative or positive revenue impact on the District, the Administration and School Board need to make it a priority to assign responsibility for these matters at the staff and Board level, and make it a priority to include land use and zoning issues in its long term planning and annual operating decisions.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$100,000	$250,000	$250,000	$250,000	$250,000	**$1,100,000**

Deliverables	Deadline
The Board shall charge the BFF Committee with responsibility for examining and making recommendations on issues of zoning, land use and economic development.	July 2016
The BFF, working with the CFO and Superintendent, shall undertake a study of city and regional plans and initiatives related to land use, zoning, and economic development and identify the District's issues, opportunities, and priorities in relation to the plans and initiatives.	December 2016
The chair of the BFF (or a designee) along with the CFO shall actively participate in all appropriate meetings and discussions of zoning, land use and economic development that occur in the City or regionally.	Ongoing

RV04.	**Develop Partnerships with Tax-Exempt Entities to Generate Voluntary Payments**	
	Status:	**In Progress**
	Target Outcome:	Increase revenue by attracting voluntary payments from tax-exempt organizations in return for public recognition and reward programs
	Multi-Year Financial Impact:	$1,500,000
	Responsible Party:	Board, Superintendent, and CFO

Original Plan

The District is in the unenviable position of having close to 50 percent of its real estate tax base declared tax-exempt. In addition to the usual array of religious structures, non-profit medical facilities, and other tax-exempt properties that almost every community hosts, the District is the state capital and the county seat. Moreover, some federal government offices are located in the District's boundaries for the same reason.

As a result, only slightly more than half of the District's property owners pay substantial real estate tax amounts for the benefit of the public school system. As indicated previously, the District has the highest real estate tax rate of all school districts in Dauphin County. At the time of the 2013 Recovery Plan, the District's real estate tax rate of 26.965 mills was more than 25 percent higher than that of 10 of the other 11 school districts and more than 50 percent higher than six of the eleven.

Other than to encourage development by tax-paying property owners through the use of tax incentive programs and the sale of one or more of its vacant buildings, the District can do very little to change this situation. However, the 2013 Recovery Plan urged the school leaders to become a driving force behind a District-public-private partnership encouraging tax-exempt organizations to make payments to the District and recognize and reward them for doing so. The Plan noted that other government entities in the Commonwealth had been successful in generating non-profit contributions, and that the District could be as well.

As a result, the Plan directed the District to coordinate and attend regular meetings with representatives from city government, county government, the Chamber of Commerce, The Greater Harrisburg Foundation, and a broad spectrum of non-profit organizations to spur discussion about how the non-profit sector can financially assist the District with cash payments or in-kind services. The District was also to contact state and national government officials to seek funding or other resources available to promote such partnerships and to research partnerships that exist elsewhere to identify best practices.

Although it was anticipated that it would take some time for such an impact to have a major financial impact, it was projected that it would generate $100,000 by 2017-18 and an additional $100,000 each year thereafter.

Update

Based largely on the efforts of the Districts prior CFO, the District was successful in negotiating a PILOT with one large non-profit. Despite this indication of the potential of this strategy, however, there has been no additional progress in relation to this initiative (it should be noted that the interim CFO has taken action to question a non-profit that has recently taken over previously-taxable property, and that such important efforts should continue). Securing PILOT payments is without question difficult; however the District must make this a priority and allocate resources to identify tax-exempt properties and to develop strategies to pursue payments. Models exist both within Pennsylvania and nationally regarding strategies for pursuing PILOTS.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$100,000	$200,000	$300,000	$400,000	$500,000	**$1,500,000**

Deliverables	Deadline
The Board shall assign the BFF Committee the responsibility for expanding PILOTs for the District.	July 2016
The BFF in conjunction with the CFO and solicitor shall prepare a report for the BFF that includes the current status of PILOT payments, a list of all tax-exempt property in the District and its potential taxable value, and a summary of state and national approaches to generating PILOT payments for government entities.	September 2016
The BFF shall prepare report to the full Board regarding PILOT payments. The report shall include recommendations regarding: revisions to District policies on PILOTS; designation of a person responsible for negotiating PILOTS; and a long term plan and goals for increasing revenue from PILOTS.	December 2016

RV05.	Develop a Strategy for Marketing the District's Vacant and Unneeded Properties and Maximizing Short-Term (sales proceeds) and Long-Term (real estate tax) Revenues.	
	Status:	**In Progress**
	Target Outcome:	Generate immediate sales proceeds and ongoing real estate tax revenue and avoid costs of maintaining the properties.
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Board, Superintendent, and CFO

Original Plan

At the time of the 2013 Recovery Plan, the District had multiple properties that were not being used. In addition, projections based on live births and other available information suggested that the District would continue to lose student enrollment over the following five years. The Recovery Plan directed the District to complete a feasibility study and enrollment projection to determine the future building needs for the District, identify the buildings which best serve those needs, evaluate the marketability of the excess buildings, and set out a plan for disposing of those facilities based on district needs and market values.

The plan was to take into consideration ongoing economic development initiatives being undertaken by the City and Chamber.

While it noted that the financial impact of this process could vary widely depending on the buildings sold, market conditions, and timing, the Plan estimated proceeds of up to $4.0 million over five years.

Update
The District has sold one building, still has one building on the market, and has reprogrammed two buildings for new District use. See initiative FA02 for additional details.

RV06.	Optimize Utilization of the Federal Medical Assistance (ACCESS) Program	
	Status:	**In Progress**
	Target Outcome:	Increase federal revenues and partially offset the need for local funds to support special education costs
	Multi-Year Financial Impact:	$592,500
	Responsible Party:	Superintendent, CFO, Director of Special Education, ACCESS Coordinator, and Building Level Administrators

Original Plan
At the time of the 2013 Recovery Plan, the level of ACCESS revenues received by the District had dropped sharply over several years. Although some of the decline was attributable to lower enrollment, changes in the program, and a loss of reimbursable staff, the majority of the drop appeared related to a failure to use the program successfully. The initiative in the 2013 Recovery Plan detailed multiple issues with the District's ACCESS program, and noted that some of the problems were related to insufficient training and staffing.

The Plan directed the District to conduct a thorough analysis of the issues to determine what needed to be done in order to effectively utilize the ACCESS program, and required the Superintendent to hold the Director of Special Education, ACCESS Coordinator, and building-level administrators accountable to ensure that each staff member performs his or her duties in an accurate and timely manner and to ensure that the program is optimized. The Plan also allowed for an additional staff person if it was deemed necessary. With these changes, the Plan projected increased revenues of $250,000 per year, growing to $350,000 annually.

Update
After several years of difficulty due in part to program changes resulting from a federal audit of the Commonwealth's operation of the program Statewide, the transition at the State level is nearing completion. The District's results over three prior years were received in late 2015, and it appears that the District has recovered from prior deficiencies and received satisfactory levels of reimbursement in most service categories. Some of this improvement resulted from a series of meetings that were held with District staff involved in the ACCESS program and officials of the Commonwealth's program administrator, Public Consulting Group (PCG). These meetings identified very specific opportunities to increase reimbursement, for example increasing the number of speech therapists eligible for reimbursement and faster CPR training for new personal care assistants. These meetings between District staff and state administrators shall be scheduled routinely, focusing solely on the District's experience and not the more generalized training frequently offered. A tracking report shall be developed that monitors compliance by all service providers on a monthly basis. This report shall be reviewed with the Administration and School Board regularly.

The Superintendent shall continue to hold the Director of Special Education, ACCESS Coordinator, and building-level administrators accountable to ensure that each staff member performs his or her duties in an accurate and timely manner and to ensure that the program is optimized. Should the analysis reveal that the current staffing pattern is not adequate to optimize the ACCESS program, the District shall add up to one additional full-time secretarial person who reports to the ACCESS Coordinator and whose only responsibility is to assist in maximizing the program. It should be noted that the additional full-time secretary position would reduce the positive net financial impact to the budget.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$39,500	$79,000	$118,500	$158,000	$197,500	**$592,500**

Deliverables	**Deadline**
The District shall develop a tracking report to monitor compliance with program requirements by all service providers.	June 2016
The tracking report shall be reviewed monthly by the Administration and Board.	Monthly

RV07.	**Engage Professional Contracted Grant-Writing Services to Seek Additional Funding from Competitive Grants and Non-Traditional Sources**	
	Status:	**Not Completed**
	Target Outcome:	Increase revenues and partially offset the anticipated loss of federal funding
	Multi-Year Financial Impact:	$750,000
	Responsible Party:	Board, Superintendent, and CFO

Original Plan

The 2013 Recovery Plan noted that despite a close working relationship with state education officials related to maximizing federal and state grant dollars that automatically come to the District, with the exception of School Improvement Grants, there was little evidence of the District seeking competitive grants or exploring non-traditional sources of additional funding from private foundations, corporations, or philanthropists.

The Plan directed the District to identify skilled professional grant-writers and engage one or more on a contract and contingency basis. The District was also to seek outside financial assistance from the Greater Harrisburg Foundation and other parties to provide funding for the grant-writer(s) so as to not reduce the money that is generated from the competitive grants and non-traditional sources.

It was estimated that this initiative would generate increasing amounts each year, beginning at $150,000 and rising to $500,000 by the fifth Plan year.

Update

The District has made little progress in this area. The District shall develop a comprehensive approach to grant writing, implementation and oversight, beginning with noting all steps in the grant writing process and identifying existing or new employees or contractors to perform all tasks. The stages of the process include:

- Identifying grant funding opportunities;
- Developing case statements applicable to important needs the District faces:
- Drafting grant applications including budgets;
- Submitting grant applications; and

- Implementing awarded grants.

Although many individuals across the District should be involved in the process, it is important that one person be designated and empowered to lead the process.

Urban school districts are eligible for many grants to improve both instruction and operations. These grants can provide many valuable and motivational programs that are beyond the ability to fund from local sources. While grant funds can be significant, they must be spent on specific initiatives. Nevertheless, a well-planned program provides potential to offset normal expenses. It is estimated that this initiative would generate approximately $100,000 per year to cover the cost of existing programs.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2019-20	Total
$100,000	$125,000	$150,000	$175,000	$200,000	**$750,000**

Deliverables	Deadline
The District shall document the grant writing process as it currently operates and as proposed for the future.	July 2016
The District shall develop a tracking report for grant writing activity and success.	July 2016
The District shall review the report regularly with the administration and school board.	Ongoing

RV08.	**Utilize a Combination of District Personnel and Professional Contracted Grant-Writing Services to Seek School Improvement Grant (SIG) Funds for Buildings that Have Not Already Been Awarded SIG grants**	
	Status:	**Not Completed**
	Target Outcome:	Increase revenues and partially offset the need for local funds to support certain expenses that were previously covered by expiring federal programs
	Multi-Year Financial Impact:	$0
	Responsible Party:	Board, Superintendent, and CFO

Original Plan

At the time of the 2013 Recovery Plan, the District was facing the loss of existing School Improvement Grants (SIGs) at several buildings as a result of the lapse of the three-year funding cycle. However, it had the opportunity to offset or partially offset the loss of those funds by seeking similar funding for the remaining buildings not then in the SIG program. SIG grants are building-specific and they require a strong commitment to changing and improving education in covered buildings. The Plan directed the District to seek funding for the eligible buildings to begin a new three-year cycle. It was estimated that the positive impact on the District's finances would be about $2.0 million over several years.

Update

In 2015 two District buildings received new SIG funding of approximately $860k each, which reduces annually to approximately $670k per school in 2019-20. SIG funding presents an opportunity to support the expansion of educational programs in District schools. Considering the significant funding levels of the SIG program, the District should maintain multi-year funding plans to apply continually for funds to replace expiring grants and meet emerging needs. The District shall develop a plan to reapply for SIG funding for all District buildings as they become re-eligible in coming years and expects to receive approximately $1.7 million in SIG funding in the next application for off-cycle schools, starting in 2020-21.

Financial Impact

	2016-17	2017-18	2018-19	2019-20	2020-21	Total
SIG Revenues	$1,658,800	$1,702,400	$1,567,800	$1,345,800	$1,700,000	$7,974,800
SIG Expenditures	($1,658,800)	($1,702,400)	($1,567,800)	($1,345,800)	($1,700,000)	($7,974,800)
Total Financial Impact	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Deliverables	Deadline
The CFO shall identify and provide to the Board and CRO a list of each eligible District school, when it has had or will have SIG funding from 2010 through 2020, and how much for each school.	September 2016
The District shall develop a plan and assign responsibility for the earliest possible SIG reapplications for schools not currently receiving SIGs.	December 2016

RV09.	**Increase Property Tax to Act 1 Index in 2016-17 and 2017-18 and as Deemed Necessary by the School Board** (this initiative formerly carried the title “The severity of the District’s financial condition is such that annual tax increases will be necessary each year to close the gap between expenditures and revenues”)	
	Status:	**Completed**
	Target Outcome:	Increase revenues to support the costs of operating the District and providing a quality education to all students
	Multi-Year Financial Impact:	$8,539,000
	Responsible Party:	Board

Original Plan

The 2013 Recovery Plan anticipated the need for annual real estate tax increases to maintain District programs. Commonwealth school districts are allowed to raise property taxes each year by a percentage amount known as the “Act 1 index.” Districts like Harrisburg are provided with a modified index which is intended to reflect a low level of wealth per capita. For example, the Act 1 index for the 2013-14 year was 1.7 percent and the District’s modified Act 1 index was 2.5 percent. Under certain Act 1 exceptions, districts are also allowed to increase real estate taxes at a level above the Act 1 index.

Update

After 2013-14, the District has not needed additional real estate tax millage increases, and the Amended Act 141 Plan dated April 2014 included a new initiative entitled “Increase Property Tax to Act 1 Index in 2016-17 and 2017-18 and as Deemed Necessary by the School Board.” The initiative allowed the School Board to raise District real estate tax millage to the Act 1 index limit in 2016-17 and 2017-18 fiscal years unless offset by better-than-projected financial performance. For the 2016-17 preliminary budget, the Board has adopted a resolution not to raise taxes above the index.

According to the baseline projections of the Amended Recovery Plan, the District is projected to have a budget gap of approximately $5.2 million by 2020-21. This budget gap reflects a structural deficit, where the District’s recurring expenditures are growing faster than recurring revenues. Local revenue sources, comprised mostly of real estate and Act 511 taxes, are projected to grow at relatively low rates. Commonwealth funding, while projected to increase, will grow at a level at or below the growth in expenditures. Those expenditures will be driven by increased personnel costs, particularly by increases in PSERS contribution rates and healthcare.

As a result, baseline revenues may not be sufficient for the School Board to fully fund all of its desired and necessary initiatives to enhance educational programs and provide wage increases to employees. The Board will have a choice of reducing costs elsewhere to fund desired programs, or raising taxes to fund those programs, or some combination of both. This initiative is included in the Plan to permit the Board to raise property taxes if it so chooses, given conditions that exist in 2017-18 and subsequent years. The initiative also provides the Board with information on the likely allowable amount of any Act 1 Index increase.

At the time of the completion of this Amended Recovery Plan, the exact amount of the allowable millage increases each year is unknown because future limitations under the Act 1 Index will depend on changes in the economic indicators used to determine the statewide base index and adjustments to the index based on local factors. For illustrative purposes, the table below shows the potential financial impact if the real estate tax millage rate is increased to the Act 1 Index in each year beginning with the 2017-18 budget and the District's Act 1 Adjusted Index averages 3.0 percent in the projected years. If future revenue performance is higher than projected, then the tax increases shown below may be lower than estimated. Alternatively, the School Board may seek to exceed the Act 1 Index under the allowable exemptions.

Financial Impact

	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Real Estate Tax Rate	27.9156	28.7531	29.6157	30.5041	31.4193	—
Current Collections	$0	$718,000	$1,444,000	$2,180,000	$2,924,000	**$7,266,000**
Prior Collections	$0	$0	$124,000	$379,000	$770,000	**$1,273,000**
Total Financial Impact	**$0**	**$718,000**	**$1,568,000**	**$2,559,000**	**$3,694,000**	**$8,539,000**

Deliverables	**Deadline**
The School Board shall consider raising the real estate tax millage rate to the Act 1 Index based upon an evaluation of annual revenue performance, growth in expenditures, proposed funding needs for new initiatives, and other factors.	Annually

Debt

Overview

Over the past two decades Harrisburg School District has undertaken numerous capital projects in order to maintain and upgrade its facilities. The principal amount of outstanding debt currently exceeds $260 million. The outstanding debt consists of both fixed and variable rate bonds, and interest rate swaps are in place for some of the debt.

In the past several years the District has taken steps to refund and restructure its debt and as a result has achieved some annual savings on debt service payments. Additional refunding or restructuring of debt is possible depending on market conditions, although significant savings are not achievable for approximately three years with the exception of the swap termination described in DS05. Presently, the total debt outstanding is high but stable and manageable for the District, and at the same time the buildings in the District are in reasonably good condition and there are no immediate major capital needs.

Key Issues/Challenges

The District has taken steps to manage its outstanding debt and reduce annual debt service payments. The District administration is monitoring its debt along with its financial advisors, and has a plan for doing further restructuring. The challenge for the District going forward is to continue to monitor its debt and to create a long term plan to meet its capital needs. Although its debt as a percentage of total expenditures is not out of proportion to other urban school systems, the District should carefully review future capital projects in relation to the debt impact and its ability to pay new debt service. Given the District's current positive financial position, it should fund capital projects without issuing new debt whenever possible. In order to reach this objective, the District shall develop and fund a Capital Reserve account that is related to a long-term Facilities Plan referenced in initiative FA13. In addition, initiative AF15 requires a transfer from the District's current fund balance to the Capital Fund.

Initiatives

DS01.	**Advance Refunding of 2009B Bonds**	
	Status:	**Completed**
	Target Outcome:	Perform ongoing debt analysis and refund or refinance debt as market conditions allow.
	Multi-Year Financial Impact:	$1,500,000
	Responsible Party:	CFO and Superintendent

Original Plan
The 2013 Recovery Plan directed the District to pursue the known refunding option in the 2013-14 fiscal year and, if economically feasible, execute the refunding. The transaction was estimated to reduce debt service by $200,000 in 2013-14 and subsequent fiscal years, and $700,000 in 2017-18.

Update
The 2009B bonds were refunded in November 2013 and achieved annual debt service payments commensurate with market conditions at the time.

DS02.	Monitor Refunding Opportunities for 2009A Bonds	
	Status:	**Completed**
	Target Outcome:	Perform ongoing debt analysis and refund or refinance debt as market conditions allow.
	Multi-Year Financial Impact:	N/A
	Responsible Party:	CFO and Financial Advisor

The 2013 Recovery Plan directed the District to monitor refunding opportunities for the 2009A bonds, and, if economically feasible, execute the refunding. Since the bonds were not able to be refunded for savings at the time, no financial impact was assumed.

Update

The District has refunded portions of the 2009A bond by using bank qualified loans. Further refunding is planned for the first quarter of 2016. The actions to refund the 2009A bonds have resulted in debt service savings.

DS03.	PLANCON Reimbursement for SciTech Construction	
	Status:	**Completed**
	Target Outcome:	Finalize reimbursement percentage for SciTech building costs and secure payments from Commonwealth for period for which debt service payments have been made
	Multi-Year Financial Impact:	$2,449,000
	Responsible Party:	CFO and Financial Advisor

The Commonwealth of Pennsylvania's PLANCON process provides reimbursement to school districts for a portion of the annual debt service cost for approved building projects. Harrisburg's SciTech facility qualifies for such reimbursement; however, at the time of the 2013 Recovery Plan the District had not finalized the necessary paper work to secure reimbursement. When approved, the District is expected to receive reimbursement from the State back to the date of the initial debt service payment on bonds related to the purchase and renovation of the SciTech building. The total estimated reimbursement through the life of the debt service is estimated to be $3.0 million, with annual payments of $143,000 per year. The District was directed to immediately pursue the submission of final reimbursement information and establish annual reimbursement payment amounts including reimbursement for debt service payments made prior to 2012-13.

Update

The District has filed the necessary paperwork to obtain the outstanding reimbursement for the SciTech Building debt service, but it has not been approved by the Commonwealth. At present, the Commonwealth has a moratorium on reimbursement for PLANCON subsidies which impacts this project's funding and prior PLANCON amounts. In expectation of reimbursement for previously funded projects, the District included $2.5 million in PLANCON revenue in its 2015-16 budget. If the District receives approval for the application to receive reimbursement for the SciTech construction, the District believes that annual PLANCON reimbursement will increase less than $500,000, which would bring the total PLANCON revenue above $3.0 million.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$489,800	$489,800	$489,800	$489,800	$489,800	**$2,449,000**

DS04.	Establish Debt Service Policies	
	Status:	**Completed**
	Target Outcome:	Provide objective guidelines to be used by the District in incurring and managing debt for capital projects
	Multi-Year Financial Impact:	N/A
	Responsible Party:	CFO and Financial Advisor

The 2013 Recovery Plan directed the District to create a debt management and capital funding policy that included, but was not limited to, the following elements:

- A requirement that refundings of outstanding bonds generate present value debt service savings of 2.0 percent or greater;
- A policy detailing the conditions under which the District may enter into swaps and derivative products;
- The establishment of a long-term pay-as-you-go capital funding policy identifying a source and annual amount/percentage of operating funds to be dedicated to capital expenditures (this policy would work in concert with the establishment of criteria for projects eligible for capital funding;
- The adoption of debt ratio targets, including the amount of General Fund-supported debt service as a percentage of General Fund revenues or expenditures, the amount of General Fund-supported debt as a percentage of assessed valuation, and the target for paying down debt principal.

Update

The School Board adopted a debt service policy in April 2014. The policy contains the components outlined in the initiative and is written in a fashion that is consistent with best practices for school districts. When the Five Year Facilities Plan is developed pursuant to initiative FA13 of this amended Plan, the District shall also develop a long-term pay-as-you-go capital funding plan.

DS05.	Reduce Swap Exposure	
	Status:	**New**
	Target Outcome:	Reduced debt service payments
	Multi-Year Financial Impact:	$2,686,212
	Responsible Party:	CFO

The District has an opportunity to realize significant debt service savings and reduce its swap exposure through a partial or full swap termination. The District shall determine which option to pursue (partial or full) and move forward with the swap by July 2016.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$615,824	$517,683	$517,800	$516,166	$518,739	**$2,686,212**

Deliverables	Deadline
The CFO shall propose partial or full swap termination to the Board.	June 2016
The Board shall approve a decision to continue with a partial or full swap termination.	July 2016

Workforce

Overview

The employees of the Harrisburg School District are the key to students' academic success, and workforce costs are a key factor in the District's financial future. The District employs more than 900 people; over 500 teachers, with the remainder serving in various administrative and support functions. In 2014-15, workforce salaries and benefits comprise about 52 percent of the total budget of the school district or some $65 million.[1]

Setting salaries and benefits for the workforce is a complex matter. A majority of District employees are members of one of two bargaining units: the Harrisburg Education Association (HEA) and the American Federation of State, County and Municipal Employees, District Council 90, Local 2093 (AFSCME). In addition, certain administrators (including building principals) are members of an Act 93 meet and discuss group.

The District has had long periods in which salaries and benefits were frozen and contracts were not re-negotiated. The original Act 141 Recovery Plan for the District contained a series of actions requiring reduced salaries and benefits costs. Ultimately, the salary and benefit reductions that occurred were reversed based on revised financial projections and amendments to the Act 141 Plan. The District has made some progress in discussions for new agreements with AFSCME and Act 93 employees. Discussions with HEA on a new contract are ongoing. A major breakthrough in the AFSCME and Act 93 agreements resulting from the 2013 Recovery Plan was to alter the cost sharing arrangements for benefits.

Key Issues/Challenges

In order to keep the overall finances of the District in balance, employee salary and benefit changes must be carefully managed. In coming months, the District must conclude current negotiations with HEA to reach a new agreement on salaries, benefits, and work rules, and make plans to regularly renegotiate contracts. Objectives for the HEA negotiations include staffing levels, managing health care costs, eliminating health care opt-out payments, addressing turnover of teaching staff, and making District teaching salaries more regionally competitive in the first nine years of a teacher's career. For the other bargaining units, the District must address issues of outsourcing certain District services.

Initiatives

WF01.	**Set Wage Growth at Affordable Levels While Attracting and Retaining a Qualified Workforce** (this initiative formerly carried the title "Reduce Wages in 2013-14; Wage Freeze Until 2016-17")		
	Status:	**Completed**	**New Initiative 2016**
	Target Outcome:	Affordable competitive employee wages and salaries	
	Multi-Year Financial Impact:	2013: $26.5 million. 2016 Plan: $19.5 million	
	Responsible Party:	Board, Administration, and Human Resources Director	

[1] Since salaries and benefits are a major component of other District budget line items ranging from charter school tuition to transportation costs to food service and maintenance, the actual proportion of total District spending on human capital is well over the 53 percent of budget lines for the direct salaries, wages or benefits of District employees.

Original Plan
At the time the 2013 Recovery Plan was prepared, the District was projected to face significant deficits, therefore the Plan required five percent employee wage reductions in 2013-14 and 2014-15, and a wage freeze in 2015-16. With financial results equal to or better than projections, the Plan provided a specific lump sum amount for wage increases for each bargaining unit in 2016-17 and 2017-18. The amounts were provided and described in initiative WF03. In order to limit the impact on students and employees, the 2013 Plan included provisions to maintain student/teacher ratios and to allow achievement of the wage savings with other measures such as retirements with or without position backfilling, mandatory days off, or short-term furloughs. If no agreement was reached to achieve the savings, the District was directed to reduce employee headcount to yield the wage and benefit savings shown in initiatives WF01 and WF02. The Chief Recovery Officer was required to validate the savings from whatever wage and benefit reduction package was adopted. Savings were expected to total $26.5 million from 2013-14 to 2017-18.

Update
The District and its bargaining units reached an agreement for a five percent salary reduction for the 2013-14 school year. Based on revised financial projections and amendments to the Act 141 Recovery Plan, the five percent reduction was subsequently returned to staff and a planned salary reduction for the 2014-15 school year was not instituted.

New Provisions
In order to attract and retain a highly qualified workforce while setting wage growth at affordable levels, this Amended Recovery Plan sets specific annual maximums for wage increases, inclusive of both changes to the salary schedule and step movement, for each bargaining unit and for professional employees during the Plan period. The maximum annual wage increases shown in the table below shall be distributed among HEA, AFSCME, and Act 93. It should be noted that the maximum increases shown in WF01 do not include the expenditures associated with employee compensation in other initiatives in this chapter, such as WF09. The compensation expenditures noted in other initiatives shall not be included in the calculation of the maximum annual increases. Finally, the timing of the final settlement reached with the bargaining units may impact the distribution of the annual increases shown below. If the final settlements include salary increases scheduled to take effect in January, the full financial impact of the increase would be spread between two school years. Furthermore, if the final settlements include retroactive wage increases for the 2015-16 school year, the amounts shown in the table below would be reduced and the expenditures would be incorporated into the baseline projections discussed in the Introduction chapter.

Maximum Annual Increase

	2015-16[2]	2016-17	2017-18	2018-19	2019-20[3]	2020-21[4]	Total
Act 93	$0	$92,665	$94,518	$96,409	$0	$0	**$283,592**
AFSCME	$0	$267,883	$164,528	$168,642	$0	$0	**$601,053**
HEA	$66,165	$1,069,366	$1,180,400	$537,353	$521,562	$552,316	**$3,860,996**
Total Annual Increase	**$66,165**	**$1,429,914**	**$1,439,446**	**$802,403**	**$521,562**	**$552,316**	**$4,745,641**

The maximum annual increases will approximately impact salaries and retirement contributions relative to the baseline projections as shown in the financial impact table below.

Financial Impact

	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Salaries	($1,429,914)	($2,869,360)	($3,671,763)	($4,193,325)	($4,745,641)	**($16,910,004)**
Retirement	($204,741)	($432,763)	($570,944)	($666,865)	($742,256)	**($2,617,569)**
Total Financial Impact	**($1,634,655)**	**($3,302,123)**	**($4,242,708)**	**($4,860,190)**	**($5,487,897)**	**($19,527,572)**

[2] The 2015-16 HEA allocation represents the expenditures in excess of the funds currently budgeted for salary increases.

[3] Due to Act 93 and AFSCME pay structures, there are no additional increases in 2019-20 and 2020-21.

[4] Ibid.

Deliverables	Deadline
The District shall complete the negotiation of a contract with HEA with conditions that set wage growth at affordable levels.	June 30, 2016

WF02.	Flexible Health Insurance Cost Containment	
	Status:	**In Progress**
	Target Outcome:	Reduce workforce expenditures to affordable levels
	Multi-Year Financial Impact:	2013: $24.8 million. 2016: $2.6 million
	Responsible Party:	Board, Administration, and Human Resources Director

Original Plan

The 2013 Recovery Plan found that the District's premium rates for employee medical insurance had increased by more than 66 percent since 2008-09, an average annual rate of 13.6 percent. Budgeted 2012-13 health insurance expenditures were $16.8 million, more than 12 percent of the total General Fund budget.

As these amounts were financially unsustainable, the 2013 Recovery Plan directed the District in 2013-14 to reduce its medical premium costs by an amount equal to a 5 percent reduction in per-employee premium costs. Savings were to be achieved by increasing employee contributions and/or plan design changes if an agreement with the bargaining units could be reached prior to the start of the 2013-14 fiscal year. If an agreement could not be reached, the District was to reduce employee headcount to yield the level of savings required.

In subsequent Plan years, 2014-15 through 2017-18, the District's per-employee contribution for healthcare was limited to growth of five percent per year. Annual increases in excess of 5 percent were to be paid by employees through premium contributions and/or adjustments to plan design.

Update

The District has taken actions to change health care plans and manage overall growth in health care costs. In early January 2015 the District approved agreements with its AFSCME bargaining unit and the Act 93 administrative employees' group to provide for new, more affordable health care plans; adjust employee contribution levels; and increase contributions for spousal benefits. The agreements also instituted the Act 141 Plan requirement to limit the District's cost of health care to a 5 percent growth per year with higher amounts mitigated by increased employee contributions or health care plan redesign. Negotiations with HEA are ongoing, but issues of shared health care costs are part of the District's negotiating position. In addition, the District shall continue to review other options for reducing health care costs, including, but not limited, to exploring carve outs for prescription drugs, and looking closely at the actuarial values of the District's health plans.

New Provisions

The Act 141 Plan requirement to limit the District's cost of health care to a 10 percent growth per year cap in 2016-17, and the 5 percent growth per year cap shall take effect beginning in 2017-18. The difference between HEA's current projected baseline group insurance expenditures as compared to expenditures at a 5 percent cap would provide the District with nearly $2.6 million in savings over the next five years.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$0	$232,752	$495,297	$790,539	$1,121,641	**$2,640,229**

Deliverables	**Deadline**
The District shall complete the negotiation of a contract with HEA with conditions that meet the requirement of the Act 141 Plan.	June 30, 2016
The District shall complete negotiations of a contract with AFSCME with conditions that meet the requirement of the Act 141 Plan.	June 30, 2016
The District shall complete discussions with the Act 93 group and put in place an agreement that meets the requirement of the Act 141 Plan.	June 30, 2016

WF03.	**Compensation Flexibility**		
	Status:	**Not Completed**	**New Initiative 2016**
	Target Outcome:	Allow some growth in employee compensation in the out years of the Plan, assuming all other initiatives implemented	
	Multi-Year Financial Impact:	2013: ($3.1 million). 2016: Variable	
	Responsible Party:	Human Resources Director and Administration	

Original Plan

The 2013 Recovery Plan included a provision that if all other initiatives were implemented successfully, the District would allow limited compensation growth of up to $3.1 million in the final two years of the Plan (2016-17 and 2017-18). The Plan included a specific capped amount that AFSCME, HEA and Act 93/non-represented employees could receive. Since the District did not successfully implement all other Plan provisions, this initiative never went into effect.

Update/Amended Plan

The April 2014 Amended Recovery Plan included a new initiative that allowed for shared savings if the District had better-than-expected financial performance. Under certain circumstances, if the District's audited results were better than Plan projections, funds over the projection could be used to enhance educational goals, eliminate any expected tax increases, enhance employee wages, and for other designated purposes. Although the District has avoided tax increases and also has been able to dedicate some funds to new educational initiatives, the workforce portions of shared savings were never incorporated into any collective bargaining agreements. The shared services provisions are now superseded by this new Amended Plan.

New Provisions

Given the likelihood that District annual financial results will occasionally be better than projected, after each annual audit is received the Board should formally consider what it will do with any windfall received due to revenues exceeding expenditures. Since these are by definition non-recurring funds, the default position should be to allow them to accumulate in fund balance or be transferred to the Capital Reserve account to offset long-term costs. However, the Board may wish to designate them in fund balance or apply them to a one-time project. This should be the result of a formal discussion, and should take into account the fund balance designations described in initiative AF15, including the minimum fund balance amount.

Deliverables	Deadline
Annually, the Board shall discuss the audited financial results and consider the appropriate disposition of any positive operating result.	December 2016 and each succeeding December

WF04.	Rightsize District Staffing to Match the Student Population	
	Status:	**Not Completed**
	Target Outcome:	Maintain current student to teacher ratios, reducing headcount as enrollment declines
	Multi-Year Financial Impact:	Included in baseline
	Responsible Party:	Human Resources Director and Administration

Original Plan
The 2013 Recovery Plan directed the District to maintain its prevailing student/teacher ratios (approximately 26 to 1 in elementary and middle schools, and approximately 30 to 1 in high schools) as projected enrollment declines took place. Class sizes could not be decreased unless the District's financial condition improved and reduced class sizes became affordable, or unless the cost of such decreases could be offset with other savings initiatives.

Update
A preliminary review of live birth rates indicates that the District may experience reduced enrollments as lower birth rates progress through the grade levels. The birth rates in the District have followed national and historic trends related to the uncertainties of the Great Recession. As shown in the table below, birth rates in the four years prior to the Great Recession exceeded birth rates in the most recent four years by approximately 150 children.

While birth rates may rebound in future years, these low birth rates provide at least a short-term opportunity to reduce costs by adjusting staffing levels as well as other costs driven by enrollment. The District is completing an enrollment study to help plan for class size and building use in coming years (see AF14 for more information regarding the enrollment study). The District shall use the results of the enrollment study to drive decisions around the reopening of Steele School and the use of other facilities, as well as staffing based on grade-level enrollment projections and the corresponding targeted student-to-teacher ratios. In addition, the District shall explore potential use of GIS software to better track demographic, enrollment, and other data that can impact student distribution and staging and program needs.

Harrisburg School District Birth Rates 2002-2014

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
849	860	1,016	1,038	1,116	1,058	1,089	1,030	1,048	967	1,009	989	939

Deliverables	Deadline
The District shall incorporate the results of the enrollment study into staffing and building plans.	October 2016
The District shall explore the use of GIS software (internally or through an external contractor).	December 2016

WF05.	Eliminate the Health Insurance Opt-Out	
	Status:	**In Progress**
	Target Outcome:	Eliminate excessive cost
	Multi-Year Financial Impact:	$2,500,000
	Responsible Party:	Human Resources Director and Administration

Original Plan
The 2013 Recovery Plan noted generous payments to employees who opted to not use District health benefit coverage. HEA members who opted out of coverage received half of the annual premium savings to the District. AFSCME members received $50 per month for each consecutive month the employee waived coverage. The Plan estimated a five-year savings of approximately $1.7 million if this benefit was eliminated.

Update
The District has been successful in removing the health care opt-out payments from the AFSCME and Act 93 agreements. However, the bulk of the cost of this benefit stems from the HEA agreement that is still under negotiation.

New Provision
The District shall continue to work to eliminate remaining opt-out payments; no future collective bargaining agreements concluded under this Recovery Plan shall include health care opt-out payments. Savings from eliminating the health insurance opt-out from the HEA agreement provide a source for funds described elsewhere in this Plan as available for salary increases in this cycle of negotiations.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
$500,000	$500,000	$500,000	$500,000	$500,000	**$2,500,000**

Deliverables	Deadline
The District shall complete the negotiation of a contract with HEA with conditions that meet the requirements of the Act 141 plan.	June 30, 2016

WF06.	Remove Impediments to Outsourcing from Collective Bargaining Agreements	
	Status:	**Completed**
	Target Outcome:	Allow for the outsourcing of certain operations if the District cannot afford to maintain service in-house
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Human Resources Director and Administration

Original Plan
The District was directed in the 2013 Recovery Plan to remove impediments to outsourcing from collective bargaining agreements for cafeteria and custodial services workers.

Update
The AFSCME contract now allows the contracted management company to hire staff to replace District staff on an attrition basis. Actions taken by the District to date and the eventual transition of positions to the management company will achieve the objective outlined in the initiative. The District shall continue to operate custodial, food service, and AEDY using external providers if it chooses to do so. Refer to FS04 for more information regarding the outsourcing of the food service program.

WF07.	Other Changes to Collective Bargaining Agreements	
	Status:	**In Progress**
	Target Outcome:	Maximize instructional time and productivity, enhance ability to implement Plan initiatives
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Human Resources Director and Administration

Original Plan
The 2013 Plan directed the District and its unions to negotiate around issues that may impact the amount of classroom instructional time, worker productivity, and quality of work, including but not limited to:

- Establishment of Management Rights clause, including recognizance of the District's unilateral authority in the field of educational policy and development and the right to manage all operations including the direction of the work force except as modified by agreement;
- Rights of assignment after furloughs and downsizing; and
- Time permitted to union officials for conducting union business (currently 50 days per year).

New Provision
The District and its bargaining units shall continue to work to find and implement ways to increase classroom instructional time and productivity. In the current teachers' contract, the first two school closures for snow or other weather-related events are counted toward the eight required professional development days. Most years have at least two snow events, which means teachers typically only report to the District for 187 out of the 189 paid days. Given the well-documented need for and interest in enhanced professional development in the District, this provision shall be eliminated to effectively increase professional development days by 33 percent.

Deliverables	Deadline
The District shall modify relevant language in HEA contract.	June 30, 2016
The District shall develop professional development curriculum for additional days.	June 30, 2016

New Initiatives

WF08.	Create Incentives for Teachers to Build Careers at HSD	
	Status:	**New**
	Target Outcome:	Reduce high rates of teacher turnover
	Multi-Year Financial Impact:	($1,000,000)
	Responsible Party:	Human Resources Director and CFO

High teacher turnover has an adverse impact on instruction and is expensive. National research indicates that the costs of hiring replacement teachers range from $10,000 to $20,000, and that there is substantial turnover in urban school districts.

Analysis of HEA separations from the District from 2010-11 through 2014-15 shows that staff in their first 0-3 years of service had the highest rates of separation from the District, making up (on average) over 30 percent of the separations. Staff with 6-10 years of service had the next highest level of separations (on average), over 20 percent.

Percentage (%) of Employees with End Dates Per Year							
YOS	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**Avg. 2011-2015**	**Avg. Excl. 2011-12**
0-3	29%	60%	31%	34%	36%	38%	33%
4-5	5%	8%	16%	18%	9%	11%	12%
6-10	16%	11%	28%	31%	22%	22%	24%
11-15	9%	5%	1%	13%	12%	8%	9%
16-20	10%	1%	10%	0%	2%	4%	5%
21-25	10%	5%	6%	2%	9%	6%	7%
26+	22%	10%	8%	2%	10%	11%	11%

In order to improve teacher retention, the District shall develop and implement a comprehensive program to address high turnover. The program shall include a recruiting effort to new teachers committed to urban education reform. Recruiting incentives could include subsidized moving expenses, signing bonuses, home finding assistance, mortgage assistance, and student loan forgiveness (some of these elements may already exist but could be adjusted).

In addition, a program shall be developed specifically to retain teachers in years three to ten, when many teachers are currently leaving for other school districts as they finish urban teaching obligations. This program could be a combination of incentives and disincentives. These could include required repayment of tuition reimbursement for leaving soon after receiving payment for additional credits, for example. A career ladder could be established to provide opportunities to experienced teachers to take roles as instructional trainers or leaders as well as moving into administrative positions. The compensation system could also reward longevity in this experience range.

In order to help with this effort, the District shall create a pilot incentive program for new teachers to live in the District. New teachers would be eligible to receive a loan of up to $10,000 for a down payment on a home purchase. If the teacher stays in the District beyond five years, at year six, $2,000 would be waived; at year seven, $4,000, etc. By year 10, the teacher would no longer owe anything on a $10,000 loan. Teachers who leave prior to the five year mark would be responsible for reimbursing the District for the entire loan. Depending on practical details, it may be possible to extend this to rental housing within the District, and or to extend the offer to teachers after their first year.

Funding for this effort and other incentives should come from a dedicated fund of $1.0 million committed from the District's fund balance. See AF15 regarding fund balance priorities.

Financial Impact

2016-17 Committed Fund Balance
($1,000,000)

Deliverables	Deadline
The District shall develop a program to reduce high rates of teacher turnover.	August 2016
The District shall implement elements of the program.	September 2016

WF09.	**Address Low Teacher Wage Pattern in Years 0-9; Address Incentives for Veteran Teachers**	
	Status:	**New**
	Target Outcome:	Reduce high rates of teacher turnover
	Multi-Year Financial Impact:	($117,748)
	Responsible Party:	Human Resources Director and CFO

Compared to other school districts in the region, Harrisburg teachers are paid less in the early years of their careers, but salaries are more competitive after approximately ten years with Harrisburg Schools. In addition, the pay difference between teachers early in their careers and those later in their careers is significant. This contributes to teacher turnover as teachers seek jobs in higher-paying school systems. The District shall explore some combination of salary increases and one-time payments or incentives and then take action to close the gap in pay in coming years, to help increase early career teacher retention. Income opportunities could also be created to pay teachers taking on additional duties such as professional development, curriculum writing, or other instructional activities. Research on teacher retention and motivation should be used in designing a comprehensive program (see WF01 regarding information on teacher salary changes and WF08 regarding a potential pilot program to retain teachers after their first five years). The District should also survey teachers to determine the reasons for high turnover to ensure that cost effective solutions are selected and implemented. Exit interviews should be conducted with teachers who leave the District.

In addition to the above, any new collective bargaining agreement between the District and HEA shall not widen the pay differential between those teachers at or below Step 10 on the salary schedule, compared to those who are above Step 10.

Finally, in conjunction with addressing the needs of teachers earlier in their careers, the District shall also consider a one-time payment for veteran teachers given the salary constraints that have existed in the District for the past several years. Funding for this effort should come from dedicated funding committed from the District's fund balance. See AF15 regarding fund balance priorities.

Financial Impact – Veteran Teacher One-Time Payment

2016-17 Committed Fund Balance
($117,748)

Deliverables	Deadline
The District shall explore a one-time payment for veteran teachers in the 2016-2017 school year.	July 1, 2016
The District shall explore a combination of salary increases and/or one-time payments for teachers within the first ten steps of the salary schedule to increase the retention of early career teachers.	July 1, 2016
The District shall complete the negotiation of a contract with HEA during the spring of 2016 and shall make partial adjustments to salaries to address this issue in 2016-17 with full compliance in 2017-18.	July 1, 2016
The District shall ensure that future collecting bargaining agreements with HEA do not widen the pay differential between those teachers at or below Step 10 on the salary schedule, compared to those who are above Step 10.	Ongoing

WF10.	Maintain and Regularly Update Position Control File	
	Status:	**New**
	Target Outcome:	Ensure District staffing records are up to date for financial planning purposes
	Multi-Year Financial Impact:	N/A
	Responsible Party:	Human Resources Director and CFO

In order to plan for future staffing changes, wage increases, or other significant costs related to staffing or staff reorganization, the District shall maintain a regularly updated position control file. The District has maintained position control files in the past so there are data systems in place to support this initiative. However, the District must ensure that the file is updated on a regular basis.

In addition to maintaining a position control database, the District shall document the position control process and how it relates to budget development, staffing decision making, payroll and personnel recordkeeping, and school board authorization of positions.

Deliverables	Deadline
The District shall make monthly or quarterly updates to the position control file.	Monthly/Quarterly
The District shall conduct regular reviews of the position control file.	Ongoing

WF11.	Review Act 93 Job Descriptions	
	Status:	**New**
	Target Outcome:	Transparency in and independent review of Act 93 job descriptions and compensation
	Multi-Year Financial Impact:	($20,000)
	Responsible Party:	Human Resources Director and CFO

The District shall work with the Pennsylvania School Board Association (PSBA) or an alternative organization to review all Act 93 job descriptions including the scope of the job, responsibilities, its impact on the District, and the level of liability associated with the position, and evaluate those job requirements and qualifications against the offered compensation for the role, and against other like roles within, and outside of the District.

Financial Impact

2016-17	2017-18	2018-19	2019-20	2020-21	Total
($20,000)	$0	$0	$0	$0	**($20,000)**

Deliverables	Deadline
The District shall contract with an organization to review Act 93 job descriptions.	December 2016

Appendix

Baseline Projection Detail

REVENUES		*2016-17*	*2017-18*	*2018-19*	*2019-20*	*2020-21*
Revenues From Local Sources		**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
6111	Current Real Estate Taxes	38,155,780	38,537,338	38,922,711	39,311,938	39,705,058
6113	Public Utility Realty Tax	49,250	49,250	49,250	49,250	49,250
6114	Payments in Lieu of Current Taxes/State & Local	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000
6142	Current Act 511 Occupation Taxes-Flat Rate	527,927	530,566	533,219	535,885	538,564
6143	Current Act 511 Local Services Taxes	241,200	242,406	243,618	244,836	246,060
6151	Current Act 511 Earned Income Taxes	3,467,250	3,484,586	3,502,009	3,519,519	3,537,117
6153	Current Act 511 Real Estate Transfer Taxes	643,200	646,416	649,648	652,896	656,161
6154	Current Act 511 Amusement Taxes	241,200	242,406	243,618	244,836	246,060
6157	Current Act 511 Mercantile Taxes	1,758,750	1,767,544	1,776,381	1,785,263	1,794,190
6411	Delinquent Real Estate Taxes	3,232,000	3,264,320	3,296,963	3,329,933	3,363,232
6412	Other Delinquent Taxes	389,438	391,385	393,342	395,308	397,285
6510	Interest on Investments and Interest-Bearing Checking Accounts	90,000	90,000	90,000	90,000	90,000
6530	Gains or Losses on Sale of Investments	0	0	0	0	0
6693	Ben Frank. Reduced Lunch	25,000	25,000	25,000	25,000	25,000
6700	Revenue From District Activities	42,000	42,000	42,000	42,000	42,000
6821	State Revenue From Other Public Schools	0	0	0	0	0
6832	Federal IDEA Revenue Received as Pass Through	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000
6839	Federal Revenue Received from Other Sources	0	0	0	0	0
6910	Rentals	150,000	150,000	150,000	150,000	150,000
6920	Contributions and Donations From Private Sources I Capital Contributions	557,044	557,044	557,044	557,044	557,044
6941	Regular Day School Tuition	2,500	2,500	2,500	2,500	2,500
6942	Summer School Tuition	0	0	0	0	0
6944	Receipts from Other LEAs in PA - Education	350,000	350,000	350,000	350,000	350,000
6960	Services Provided Other Local Governmental Units/LEAs	30,000	30,000	30,000	30,000	30,000
6990	Refunds and Other Miscellaneous Revenue	220,000	220,000	220,000	220,000	220,000
6991	Refunds of a Prior Year Expenditure	50,000	50,000	50,000	50,000	50,000
6999	Other Revenues Not Specified Elsewhere	10,000	10,000	10,000	10,000	10,000
	Revenues From Local Sources Subtotal	**53,072,538**	**53,522,761**	**53,977,304**	**54,436,210**	**54,899,521**
Revenue From State Sources						
7110	Basic Ed	46,272,750	47,198,205	48,142,169	49,105,012	50,087,113
7160	Tuition for Orphans & Children Placed in Private Homes	90,000	90,000	90,000	90,000	90,000
7170	School Improvement Grants	10,047	10,248	10,453	10,662	10,875
7220	Vocational Education	0	0	0	0	0
7250	Migratory Children	0	0	0	0	0
7271	Special Education Funding for School Aged Pupils	6,566,250	6,697,575	6,831,527	6,968,157	7,107,520
7290	Other Program Subsidies	0	0	0	0	0
7292	Pre-K Counts	75,000	75,000	75,000	75,000	75,000
7299	Program Revenues not Listed Previously	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000
7310	Transportation (Regular and Additional)	1,325,000	1,325,000	1,325,000	1,325,000	1,325,000
7320	Rental & Sinking Fund Payments / Building Reimbursement Subsidy	2,510,200	2,510,200	2,510,200	2,510,200	2,510,200
7330	Health Services (Medical, Dental, Nurse, Act 25)	125,000	125,000	125,000	125,000	125,000
7340	State Property Tax Reduction Allocation	2,744,668	2,744,668	2,744,668	2,744,668	2,744,668

7501	PA Accountability Grants	0	0	0	0	0
7505	Ready to Learn Grant	1,912,020	1,912,020	1,912,020	1,912,020	1,912,020
7599	Other State revenue not listed elsewhere	13,065	13,065	13,065	13,065	13,065
7810	State Share of Social Security & Medicare Taxes	1,999,070	1,999,070	1,999,070	1,999,070	1,999,070
7820	State Share of Retirement Contributions	8,089,312	8,630,754	8,962,084	9,212,603	9,026,734
	Revenues From State Sources Subtotal	**73,882,382**	**75,480,805**	**76,890,256**	**78,240,457**	**79,176,265**
Revenues From Federal Sources						
8110	Payments for Federally Impacted Areas	70,340	68,933	67,554	66,203	64,879
8391	ROTC	53,900	52,822	51,766	50,730	49,716
8514	NCLB, Title I - Improving the Academic Achievement of the Disadvantaged	7,178,500	7,034,930	6,894,231	6,756,347	6,621,220
8515	NCLB, Title II - Preparing, Training and Recruiting High Quality Teachers and Principals	233,926	229,247	224,663	220,169	215,766
8516	NCLB, Title III - Language Instruction for Limited English Proficient and Immigrant Students	219,520	215,130	210,827	206,610	202,478
8690	Other Restricted Federal Grants-in-Aid Through the Commonwealth of PA	343,000	336,140	329,417	322,829	316,372
8704	ARRA -Title I, School Improvement	0	0	0	0	0
8732	ARRA – Qualified School Construction Bonds (QSCB)	0	0	0	0	0
8810	Medical Assistance Reimbursements (ACCESS)	42,500	42,500	42,500	42,500	42,500
8820	Medical Assistance Reimbursement for Health Related Transportation and Administrative Costs - Title 19	260,000	260,000	260,000	260,000	260,000
	Revenues From Federal Sources Subtotal	**8,401,686**	**8,239,702**	**8,080,958**	**7,925,389**	**7,772,931**
Revenues From Other Sources						
9330	Capital Projects Fund Transfers	2,000,000	0	0	0	0
9370	Fund Transfers	0	0	0	0	0
9400	Sale or Compensation for Loss of Fixed Assets	0	0	0	0	0
	Revenues From Other Sources Subtotal	**2,000,000**	**0**	**0**	**0**	**0**
	Total Revenues	***$137,356,605***	***$137,243,267***	***$138,948,517***	***$140,602,055***	***$141,848,717***
EXPENDITURES		***2016-17***	***2017-18***	***2018-19***	***2019-20***	***2020-21***
Personnel Services - Salaries & Wages		**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
105	Sick Reimbursement	185,000	185,000	185,000	185,000	185,000
106	Health Insurance Opt Out	500,000	500,000	500,000	500,000	500,000
110	Official / Administrative	4,633,250	4,633,250	4,633,250	4,633,250	4,633,250
120	Professional - Instructional Staff	28,470,325	28,470,325	28,470,325	28,470,325	28,470,325
130	Professional - Other	3,345,650	3,345,650	3,345,650	3,345,650	3,345,650
140	Technical	1,175,550	1,175,550	1,175,550	1,175,550	1,175,550
150	Office / Clerical	1,135,200	1,135,200	1,135,200	1,135,200	1,135,200
160	Crafts and Trades	162,000	162,000	162,000	162,000	162,000
170	Operative and Laborer	200,000	200,000	200,000	200,000	200,000
180	Service Work	2,090,000	2,090,000	2,090,000	2,090,000	2,090,000
190	Instructional Assistant	1,550,500	1,550,500	1,550,500	1,550,500	1,550,500
	Personnel Services Subtotal	**43,447,475**	**43,447,475**	**43,447,475**	**43,447,475**	**43,447,475**
Employee Benefits						
210	Group Insurance	11,771,397	12,585,448	13,455,794	14,386,330	15,381,217
213	Life Insurance	80,000	80,000	80,000	80,000	80,000
219	Other Group Insurance	3,700	3,700	3,700	3,700	3,700

220	Social Security Contributions	3,224,306	3,224,306	3,224,306	3,224,306	3,224,306
230	Retirement Contributions	13,047,277	13,920,571	14,454,975	14,859,036	14,559,249
240	Tuition Reimbursement	210,000	210,000	210,000	210,000	210,000
250	Unemployment Compensation	375,000	375,000	375,000	375,000	375,000
260	Workers' Compensation	668,500	668,500	668,500	668,500	668,500
290	Other Employee Benefits	5,000	5,000	5,000	5,000	5,000
	Employee Benefits Subtotal	**29,385,180**	**31,072,525**	**32,477,276**	**33,811,873**	**34,506,972**
Purchased Professional and Technical Services						
320	Professional - Educational Services	3,254,820	3,319,916	3,386,315	3,454,041	3,523,122
330	Other Professional Services	2,983,500	3,043,170	3,104,033	3,166,114	3,229,436
340	Technical Services	566,100	577,422	588,970	600,750	612,765
390	Other Purchased Prof & Tech	126,480	129,010	131,590	134,222	136,906
	Purchased Professional and Technical Services	**6,930,900**	**7,069,518**	**7,210,908**	**7,355,127**	**7,502,229**
Purchased Property Services						
410	Cleaning Services	418,564	426,935	435,474	444,183	453,067
420	Utility Services	1,296,249	1,344,230	1,394,010	1,445,654	1,499,235
430	Repairs and Maintenance	1,040,400	1,061,208	1,082,432	1,104,081	1,126,162
440	Rentals	137,700	140,454	143,263	146,128	149,051
460	Extermination	15,300	15,606	15,918	16,236	16,561
	Purchased Property Services	**2,908,213**	**2,988,434**	**3,071,097**	**3,156,284**	**3,244,077**
Other Purchased Services						
	Tuition	**22,407,019**	**22,835,909**	**23,196,106**	**23,520,809**	**23,836,508**
561	*Tuition to Other School Districts*	5,186,700	5,290,434	5,396,243	5,504,168	5,614,251
562	*Tuition to PA Charter Schools*	11,365,009	11,573,059	11,707,998	11,802,939	11,884,282
560	*Tuition to Other Non Publics & Other Costs*	5,855,310	5,972,416	6,091,865	6,213,702	6,337,976
510	Student Transportation	3,340,500	3,407,310	3,475,456	3,544,965	3,615,865
520	Insurance - General	433,500	442,170	451,013	460,034	469,234
530	Communications	124,950	127,449	129,998	132,598	135,250
540	Advertising	8,670	8,843	9,020	9,201	9,385
550	Printing and Binding	727,770	742,325	757,172	772,315	787,762
580	Travel	107,610	109,762	111,957	114,197	116,481
590	Services Purchased Locally	214,649	218,942	223,321	227,787	232,343
	Other Purchased Services	**27,364,668**	**27,892,711**	**28,354,043**	**28,781,905**	**29,202,827**
Supplies						
610	Other Supplies	1,356,957	1,384,096	1,411,778	1,440,014	1,468,814
620	Energy	924,654	976,577	1,031,429	1,089,377	1,150,601
630	Food	38,964	39,743	40,538	41,349	42,176
640	Books and Periodicals	734,400	749,088	764,070	779,351	794,938
648	Educational Software	142,800	145,656	148,569	151,541	154,571
650	Supplies & Fees - Tech Related	304,776	310,872	317,089	323,431	329,899
	Supplies	**3,502,551**	**3,606,032**	**3,713,473**	**3,825,062**	**3,941,000**
Property						
750	Equipment - Original & Additional	688,500	702,270	716,315	730,642	745,255
760	Equipment - Replacement	714,000	728,280	742,846	757,703	772,857

	Property Subtotal	**1,402,500**	**1,430,550**	**1,459,161**	**1,488,344**	**1,518,111**
Other Objects						
810	Dues and Fees	89,000	89,000	89,000	89,000	89,000
820	Claims & Judgements Against LEA	75,000	75,000	75,000	75,000	75,000
830	Interest	60,000	60,000	60,000	60,000	60,000
880	Refunds for PY Receipts	175,000	175,000	175,000	175,000	175,000
890	Misc. Expenditures	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
	Other Objects Subtotal	**2,199,000**	**2,199,000**	**2,199,000**	**2,199,000**	**2,199,000**
Other Use of Funds						
930	Fund Transfers	22,617,554	21,271,244	21,299,271	21,300,578	21,551,470
	Other Use of Funds Subtotal	**22,617,554**	**21,271,244**	**21,299,271**	**21,300,578**	**21,551,470**
	Total Expenditures	***$139,758,041***	***$140,977,489***	***$143,231,704***	***$145,365,648***	***$147,113,161***
	Surplus/Deficit	***($2,401,436)***	***($3,734,221)***	***($4,283,186)***	***($4,763,593)***	***($5,264,443)***
	Fund Balance Transfers	***$0***	***$0***	***$0***	***$0***	***$0***
	Fund Balance	***$29,211,833***	***$25,477,611***	***$21,194,425***	***$16,430,832***	***$11,166,389***

Revised Projection Detail

REVENUES		2016-17	2017-18	2018-19	2019-20	2020-21
Revenues From Local Sources		**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
6111	Current Real Estate Taxes	38,155,780	39,255,338	40,366,711	41,491,938	42,629,058
6113	Public Utility Realty Tax	49,250	49,250	49,250	49,250	49,250
6114	Payments in Lieu of Current Taxes/State & Local	1,950,000	2,200,000	2,300,000	2,400,000	2,500,000
6142	Current Act 511 Occupation Taxes-Flat Rate	527,927	530,566	533,219	535,885	538,564
6143	Current Act 511 Local Services Taxes	241,200	242,406	243,618	244,836	246,060
6151	Current Act 511 Earned Income Taxes	3,467,250	3,484,586	3,502,009	3,519,519	3,537,117
6153	Current Act 511 Real Estate Transfer Taxes	643,200	646,416	649,648	652,896	656,161
6154	Current Act 511 Amusement Taxes	241,200	242,406	243,618	244,836	246,060
6157	Current Act 511 Mercantile Taxes	1,758,750	1,767,544	1,776,381	1,785,263	1,794,190
6411	Delinquent Real Estate Taxes	4,232,000	4,274,320	4,431,063	4,719,134	5,143,535
6412	Other Delinquent Taxes	1,001,938	1,006,947	1,008,919	1,010,902	1,012,894
6510	Interest on Investments and Interest-Bearing Checking Accounts	90,000	90,000	90,000	90,000	90,000
6530	Gains or Losses on Sale of Investments	0	0	0	0	0
6693	Ben Frank. Reduced Lunch	25,000	25,000	25,000	25,000	25,000
6700	Revenue From District Activities	42,000	42,000	42,000	42,000	42,000
6821	State Revenue From Other Public Schools	0	0	0	0	0
6832	Federal IDEA Revenue Received as Pass Through	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000
6839	Federal Revenue Received from Other Sources	0	0	0	0	0
6910	Rentals	150,000	150,000	150,000	150,000	150,000
6920	Contributions and Donations From Private Sources I Capital Contributions	557,044	557,044	557,044	557,044	557,044
6941	Regular Day School Tuition	2,500	2,500	2,500	2,500	2,500
6942	Summer School Tuition	0	0	0	0	0
6944	Receipts from Other LEAs in PA - Education	350,000	350,000	350,000	350,000	350,000
6960	Services Provided Other Local Governmental Units/LEAs	30,000	30,000	30,000	30,000	30,000
6990	Refunds and Other Miscellaneous Revenue	220,000	220,000	220,000	220,000	220,000
6991	Refunds of a Prior Year Expenditure	50,000	50,000	50,000	50,000	50,000
6999	Other Revenues Not Specified Elsewhere	10,000	10,000	10,000	10,000	10,000
	Revenues From Local Sources Subtotal	**54,885,038**	**56,316,323**	**57,720,982**	**59,271,004**	**60,969,433**
Revenue From State Sources						
7110	Basic Ed	46,272,750	47,198,205	48,142,169	49,105,012	50,087,113
7160	Tuition for Orphans & Children Placed in Private Homes	90,000	90,000	90,000	90,000	90,000
7170	School Improvement Grants	10,047	10,248	10,453	10,662	10,875
7220	Vocational Education	0	0	0	0	0
7250	Migratory Children	0	0	0	0	0
7271	Special Education Funding for School Aged Pupils	6,566,250	6,697,575	6,831,527	6,968,157	7,107,520
7290	Other Program Subsidies	100,000	125,000	150,000	175,000	200,000
7292	Pre-K Counts	75,000	75,000	75,000	75,000	75,000
7299	Program Revenues not Listed Previously	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000
7310	Transportation (Regular and Additional)	1,325,000	1,325,000	1,325,000	1,325,000	1,325,000
7320	Rental & Sinking Fund Payments / Building Reimbursement Subsidy	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
7330	Health Services (Medical, Dental, Nurse, Act 25)	125,000	125,000	125,000	125,000	125,000
7340	State Property Tax Reduction Allocation	2,744,668	2,744,668	2,744,668	2,744,668	2,744,668
7501	PA Accountability Grants	0	0	0	0	0
7505	Ready to Learn Grant	1,912,020	1,912,020	1,912,020	1,912,020	1,912,020

7599	Other State revenue not listed elsewhere	13,065	13,065	13,065	13,065	13,065
7810	State Share of Social Security & Medicare Taxes	2,159,428	2,222,001	2,260,011	2,284,476	2,310,764
7820	State Share of Retirement Contributions	8,726,317	9,572,040	10,105,029	10,496,689	10,406,182
	Revenues From State Sources Subtotal	**75,269,545**	**77,259,822**	**78,933,941**	**80,474,749**	**81,557,208**
Revenues From Federal Sources						
8110	Payments for Federally Impacted Areas	70,340	68,933	67,554	66,203	64,879
8391	ROTC	53,900	52,822	51,766	50,730	49,716
8514	NCLB, Title I - Improving the Academic Achievement of the Disadvantaged	7,178,500	7,034,930	6,894,231	6,756,347	6,621,220
8515	NCLB, Title II - Preparing, Training and Recruiting High Quality Teachers and Principals	233,926	229,247	224,663	220,169	215,766
8516	NCLB, Title III - Language Instruction for Limited English Proficient and Immigrant Students	219,520	215,130	210,827	206,610	202,478
8690	Other Restricted Federal Grants-in-Aid Through the Commonwealth of PA	343,000	336,140	329,417	322,829	316,372
8704	ARRA -Title I, School Improvement	0	0	0	0	0
8732	ARRA – Qualified School Construction Bonds (QSCB)	0	0	0	0	0
8810	Medical Assistance Reimbursements (ACCESS)	82,000	121,500	161,000	200,500	240,000
8820	Medical Assistance Reimbursement for Health Related Transportation and Administrative Costs - Title 19	260,000	260,000	260,000	260,000	260,000
	Revenues From Federal Sources Subtotal	**8,441,186**	**8,318,702**	**8,199,458**	**8,083,389**	**7,970,431**
Revenues From Other Sources						
9330	Capital Projects Fund Transfers	2,000,000	0	0	0	0
9370	Fund Transfers	200,000	200,000	0	0	0
9400	Sale or Compensation for Loss of Fixed Assets	0	0	0	0	0
	Revenues From Other Sources Subtotal	**2,200,000**	**200,000**	**0**	**0**	**0**
	Total Revenues	***$142,454,569***	***$143,797,247***	***$146,422,180***	***$149,174,941***	***$152,197,071***
EXPENDITURES		***2016-17***	***2017-18***	***2018-19***	***2019-20***	***2020-21***
Personnel Services - Salaries & Wages		**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
105	Sick Reimbursement	185,000	185,000	185,000	185,000	185,000
106	Health Insurance Opt Out	0	0	0	0	0
110	Official / Administrative	4,787,839	4,883,596	4,981,268	4,981,268	4,981,268
120	Professional - Instructional Staff	30,862,904	31,841,826	32,345,137	32,823,777	33,338,164
130	Professional - Other	3,652,937	3,773,046	3,828,866	3,881,946	3,938,908
140	Technical	1,261,431	1,292,067	1,323,468	1,323,468	1,323,468
150	Office / Clerical	1,208,719	1,238,937	1,269,910	1,269,910	1,269,910
160	Crafts and Trades	168,874	173,096	177,423	177,423	177,423
170	Operative and Laborer	208,486	213,699	219,041	219,041	219,041
180	Service Work	2,178,683	2,233,150	2,288,978	2,288,978	2,288,978
190	Instructional Assistant	1,671,291	1,711,698	1,753,115	1,753,115	1,753,115
	Personnel Services Subtotal	**46,186,163**	**47,546,113**	**48,372,207**	**48,903,927**	**49,475,276**
Employee Benefits						
210	Group Insurance	12,122,936	12,720,988	13,348,886	14,003,176	14,692,845
213	Life Insurance	96,000	96,000	96,000	96,000	96,000
219	Other Group Insurance	3,700	3,700	3,700	3,700	3,700
220	Social Security Contributions	3,482,949	3,583,873	3,645,179	3,684,638	3,727,039
230	Retirement Contributions	14,074,705	15,438,775	16,298,433	16,930,143	16,784,165

240	Tuition Reimbursement	210,000	210,000	210,000	210,000	210,000
250	Unemployment Compensation	381,760	381,760	381,760	381,760	381,760
260	Workers' Compensation	679,415	679,415	679,415	679,415	679,415
290	Other Employee Benefits	5,000	5,000	5,000	5,000	5,000
	Employee Benefits Subtotal	**31,056,464**	**33,119,511**	**34,668,372**	**35,993,832**	**36,579,924**
Purchased Professional and Technical Services						
320	Professional - Educational Services	3,276,820	3,339,916	3,406,275	3,473,960	3,542,999
330	Other Professional Services	3,380,500	3,422,850	3,486,447	3,551,316	3,617,482
340	Technical Services	566,100	577,422	588,970	600,750	612,765
390	Other Purchased Prof & Tech	126,480	129,010	131,590	134,222	136,906
	Purchased Professional and Technical Services	**7,349,900**	**7,469,198**	**7,613,282**	**7,760,248**	**7,910,153**
Purchased Property Services						
410	Cleaning Services	418,564	426,935	435,474	444,183	453,067
420	Utility Services	1,198,220	1,242,477	1,288,389	1,336,020	1,385,435
430	Repairs and Maintenance	1,040,400	1,061,208	1,082,432	1,104,081	1,126,162
440	Rentals	137,700	140,454	143,263	146,128	149,051
460	Extermination	15,300	15,606	15,918	16,236	16,561
	Purchased Property Services	**2,810,184**	**2,886,680**	**2,965,477**	**3,046,650**	**3,130,277**
Other Purchased Services						
	Tuition	**22,407,019**	**23,226,678**	**23,787,310**	**24,235,653**	**24,616,679**
561	*Tuition to Other School Districts*	5,186,700	5,290,434	5,396,243	5,504,168	5,614,251
562	*Tuition to PA Charter Schools*	11,365,009	11,963,828	12,299,202	12,517,784	12,664,452
560	*Tuition to Other Non Publics & Other Costs*	5,855,310	5,972,416	6,091,865	6,213,702	6,337,976
510	Student Transportation	3,345,500	3,412,410	3,480,658	3,550,271	3,621,277
520	Insurance - General	433,500	442,170	451,013	460,034	469,234
530	Communications	134,950	137,649	140,402	143,210	146,074
540	Advertising	8,670	8,843	9,020	9,201	9,385
550	Printing and Binding	727,770	742,325	757,172	772,315	787,762
580	Travel	127,610	129,962	132,361	134,809	137,305
590	Services Purchased Locally	222,649	227,102	231,644	236,277	241,002
	Other Purchased Services	**27,407,668**	**28,327,140**	**28,989,581**	**29,541,769**	**30,028,717**
Supplies						
610	Other Supplies	1,470,957	1,498,576	1,526,748	1,555,483	1,584,792
620	Energy	893,754	944,750	998,647	1,055,612	1,115,823
630	Food	38,964	39,743	40,538	41,349	42,176
640	Books and Periodicals	834,400	829,088	844,070	859,351	874,938
648	Educational Software	185,330	153,656	156,569	159,541	162,571
650	Supplies & Fees - Tech Related	304,776	310,872	317,089	323,431	329,899
	Supplies	**3,728,181**	**3,776,685**	**3,883,661**	**3,994,766**	**4,110,200**
Property						
750	Equipment - Original & Additional	908,500	765,870	645,315	437,642	806,455
760	Equipment - Replacement	714,000	728,280	742,846	757,703	772,857
	Property Subtotal	**1,622,500**	**1,494,150**	**1,388,161**	**1,195,344**	**1,579,311**

Other Objects						
810	Dues and Fees	94,100	94,100	94,100	94,100	94,100
820	Claims & Judgements Against LEA	75,000	75,000	75,000	75,000	75,000
830	Interest	60,000	60,000	60,000	60,000	60,000
880	Refunds for PY Receipts	175,000	175,000	175,000	175,000	175,000
890	Misc. Expenditures	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
	Other Objects Subtotal	**2,204,100**	**2,204,100**	**2,204,100**	**2,204,100**	**2,204,100**
Other Use of Funds						
930	Fund Transfers	22,001,730	20,753,561	20,781,471	20,784,412	21,032,731
	Other Use of Funds Subtotal	**22,001,730**	**20,753,561**	**20,781,471**	**20,784,412**	**21,032,731**
	Total Expenditures	***$144,366,891***	***$147,577,139***	***$150,866,311***	***$153,425,048***	***$156,050,688***
	Surplus/Deficit	***($1,912,322)***	***($3,779,891)***	***($4,444,131)***	***($4,250,106)***	***($3,853,617)***
	Fund Balance Transfers	***($12,500,000)***	***$0***	***$0***	***$0***	***$0***
	Fund Balance	***$17,200,947***	***$13,421,055***	***$8,976,925***	***$4,726,819***	***$873,202***

Chief Recovery Officer/Technical Assistance Team

Chief Recovery Officer: Dr. Audrey Utley

Public Financial Management: Kelli Bowers, Catherine Flaming, Dean Kaplan, Marissa Litman, Stanislav Lyubarskiy, David Sallack, Ian Tyson

Other Team Members: Vijay Kapoor, J. Drue Miles, Robert Schoch

The CRO and the Technical Assistance Team gratefully acknowledge the assistance of Dr. Sybil Knight-Burney, William Gretton, Dr. Carlinda Purcell, the School Board and other staff of the Harrisburg School District and their outside professional advisors, as well as the Secretary and staff of the Pennsylvania Department of Education.