

RECOVERY PLAN UPDATE AND NEXT STEPS

ACT 141 FINANCIAL RECOVERY PLAN HARRISBURG SCHOOL DISTRICT

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Advisory Committee Meeting December 10, 2013

Harrisburg School District & Act 141

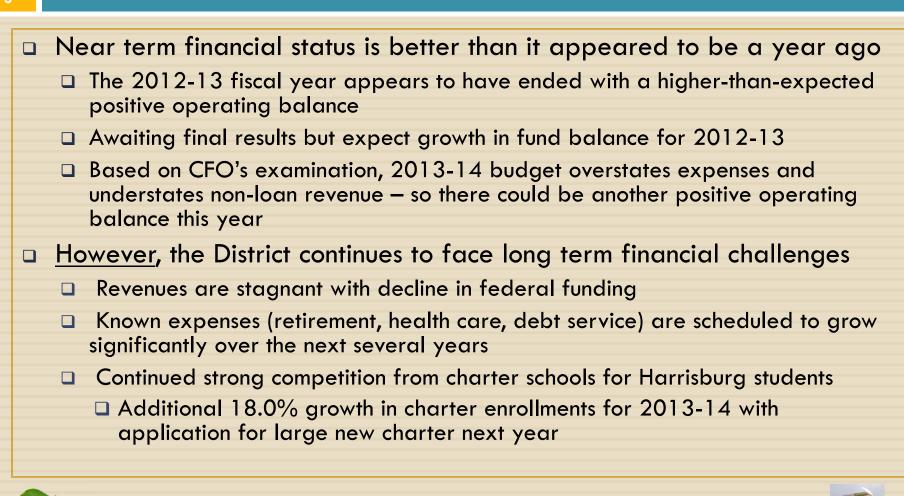
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- One year anniversary of CRO appointment
 - Goal to grow and foster excellent education in the context of financial recovery that is sustainable over a period of years
 - Outreach to community, teachers and staff, and others, convened Advisory Committee for additional input
- Recovery plan presented April 2013
 - Focused on long term financial challenges
 - Limited growth in revenue
 - Large increases in costs for health care and retirement
 - Challenges to compete with charter schools for students
- Academic performance
 - Harrisburg ranked among the lowest performing districts in the state
 - □ Both financial and academic improvement required by the plan





What We Know Now





Key Issues to be Addressed in Revised Act 141 Plan

- Gradual draw-down of one-time fund balance to appropriate levels
- Improvements in annual operating budgets that produce positive annual balances
- Successful competition with charter schools for student enrollment
- Review of 2013-14 and 2014-15 salary reductions
- Improved efficiency across all district operations, including affordable growth in employee wages and benefits
- Review need for annual Act 1 tax increases
- Potential to withdraw request for Act 141 transitional loan





Additional Issues

- The Board and Administration must continue to act with fidelity to implement the academic improvement plan and must regularly report on measurable progress in improving the academic advancement of students
- CFO and business manager must provide a detailed report on District finances to the School Board on a monthly basis
- The District must establish reasonable requirements for establishing and maintaining reserves to accommodate unexpected budget variances
- The Board and Administrations must improve the district's budgeting process so as to restore credibility with all stakeholders in the District wild swings in finances have to be corrected





Additional Issues

- Absenteeism, although there are signs of improvement, continues to be a significant issue and must be addressed for both academic and operational reasons
- Administrative processes related to books and supplies that support the educational process must be improved
- The District must move diligently and with due haste through a process to deal with vacant buildings
- The Administration must continue to improve enrollment and offerings at the Cougar Academy, including high school curriculum, in order to compete with cyber charters





Next Steps

- Confirm 2012-13 fund balance through the audit process; finalize updated financial projections based on these results
- CRO to develop an amended Act 141 plan that meets criteria for eventual exit from oversight – including gradual draw-down of onetime fund balance to appropriate levels; improvement in annual operating budgets that produces positive annual balances; and successful competition with charter schools for student enrollment
- Provide the Amended Recovery Plan to the School Board for consideration and action
- Assuming the School Board approves the Plan, present the Plan to the Secretary of Education for consideration per Act 141



