



Harrisburg School District Amended Recovery Plan May 9, 2016

Dr. Audrey Utley, Chief Recovery Officer

Background

- The District has completed three years of the **five-year** Act 141 Recovery Plan adopted in April 2013. The completion target date is **June 2018**. The goal of the 2016 Amended Recovery Plan is to make mid-term course corrections and include additional initiatives that address the District's current status and ongoing areas of need
- Although many of the financial goals have been achieved, before we can consider the Plan completed, several ongoing and additional initiatives must be addressed
- **A 2016 Amended Recovery Plan** was developed to assist the District in identifying and addressing areas and programs that remain in need of improvement. The amended plan:
 - Places more of a focus on education initiatives with the ultimate goal of improvement in student achievement
 - Addresses the development of organizational structures, processes, and procedures that will allow the district to undertake effective planning and more clearly communicate its expectations

Background, continued

- CRO met with District administrators, board members, bargaining unit leadership, and the CRO advisory committee members to solicit their input into appropriate amendments to the Plan
- The 2016 Amended Recovery Plan is laid out in a format that provides an overview of the original Plan, outlines key issues/challenges facing the District and the present status of initiatives, details new initiatives to encourage ongoing growth, and sets established deadlines for the completion of each task
- Within the next two years, the District must address all original initiatives and the additional initiatives included in the 2016 Amended Recovery Plan

Basics of the Plan

- The Amended Recovery Plan includes:
 - Updated educational standards requiring substantial progress toward Commonwealth averages in academics, graduation rates, and attendance by 2017-18
 - Ongoing priority areas of focus from the original Plan that have not been implemented, have not been fully implemented, or need continued focus
 - New initiatives, including
 - Pursuance of buy-in at Dauphin County Technical School
 - Implementation of a Career Pathways program
 - Incentive for teachers early in their careers and a reward for teachers later in their careers
 - Breakdown of District's baseline finances and the impact of the Plan's initiatives on finances
 - Exit criteria

Basics of the Plan, continued

- The Plan has seven focus areas in the original and 2016 Amended Recovery Plan
 1. Education
 2. Administration and Finance
 3. Facilities and Operations
 4. Food Service
 5. Revenue
 6. Debt Service
 7. Workforce
- A breakdown of the status of each focus area is included in the following slides

Status of Focus Areas - Education

1. Education

- 5 of the 16 original or amended Education initiatives have been completed
- 11 are in progress or may have been modified
- 5 new initiatives have been assigned to this area

- Ongoing priority initiatives include:
 - Establish Principals and Superintendent as Instructional Leaders
 - Increase academic accountability
 - Increase District-wide team building
 - Plan and structure professional development opportunities
 - Ensure District-wide parent involvement initiatives
 - Seek outside funding for educational enrichment programs
 - Expand the Cougar Academy Cyber Charter program
 - Discussions with Act 93 staff

- 5 new initiatives to address:
 - Improving organizational structure, processes, and procedures
 - Ensuring quality Alternative Education for Disruptive Youth
 - Promptly implementing the ROAR Career Pathways program
 - Creating a full-time ELL Coordinator position
 - Expanding special areas teaching staff

Status of Focus Areas – Administration and Finance

2. Administration and Finance

- 4 of the 13 original Administration and Finance initiatives have been completed to date
- 9 are in progress or may have been modified
- 8 new initiatives have been assigned to this area

- Ongoing priority initiatives include:
 - Retain a permanent Chief Financial Officer (CFO)
 - Develop a comprehensive plan to reduce staff absenteeism
 - Update job descriptions
 - Complete training on use of Business Office software
 - Rightsizing of Business Office and Payroll Office staff

- 8 new initiatives to address:
 - Completing PEL student enrollment study
 - Establishing a formal fund balance policy and designate existing fund balance
 - Retaining a permanent Business Manager
 - Retaining a permanent HR Director
 - Developing plans for the retention of senior management team
 - Completing DCTS buy-in or implementing alternate plan
 - Expanding bus service for elementary students living over $\frac{3}{4}$ miles from assigned school
 - Creating and implementing performance measures to meet operational goals

Status of Focus Areas – Facilities and Operations, Food Service

3. Facilities and Operations

- 8 of the 12 original Facilities and Operations initiatives have been completed
- 4 are still in progress or may have been modified
- 2 new initiatives have been assigned to this area

- Ongoing priority initiatives include:
 - Sale of unused buildings and property
 - Complete building energy efficiency projects

- 2 new initiatives to address:
 - Developing a five-year facilities plan
 - Pursuing composting alternatives

4. Food Service

- 3 of the original 4 Food Service initiatives have been completed
- 1 is still in progress
- There are no new initiatives assigned to this area

- Ongoing priority initiatives include:
 - Continuing to monitor operational efficiencies

Status of Focus Areas – Revenue, Debt Service

5. Revenue

- 3 of the 9 original Revenue initiatives have been completed to date
- 4 are still in progress or may have been modified
- 2 initiatives have not been completed or addressed
- No new initiatives have been assigned to this area

- Ongoing priority initiatives include:
 - Encourage additional KOZ development with PILOT agreements
 - Generate additional voluntary payment from tax-exempt entities
 - Market the District’s vacant and unneeded properties
 - Optimize use of federal medical ACCESS program for eligible students
 - Hire a professional grant writer to seek competitive grants (not addressed to date)
 - Organize District team to seek school improvement grants for all eligible schools (not addressed to date)

6. Debt Service

- All Debt Service initiatives from the original Plan have been completed
- 1 new initiative has been assigned to this area

- New initiative to address:
 - Reducing the District’s exposure to interest rate swap agreements

Status of Focus Areas - Workforce

7. Workforce

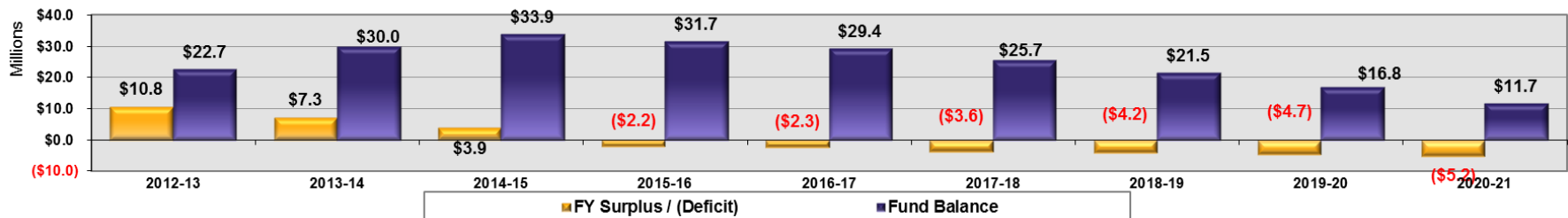
- 1 of the 7 original Workforce initiatives have been completed to date
- 5 are still in progress or may have been modified
- 1 initiative has not been completed or addressed
- 4 new initiatives have been assigned to this area

- Ongoing priority initiatives include:
 - Implement health insurance cost containment measures
 - Eliminate health insurance opt-out options
 - Complete negotiations with HEA and AFSCME
 - Finalize discussions with Act 93 staff
 - Rightsizing staff to match the student population (not addressed to date)

- 6 new initiatives to address:
 - Setting wage growth at an affordable level
 - Annually considering the disposition of funds if positive budget balance occurs
 - Creating teacher incentives to build a career in the District
 - Addressing wage patterns that impact teacher turnover
 - Regular updating of the District's position control files
 - Review of Act 93 job descriptions

District Finances and Baseline Projections

- The District has seen significant improvement in its financial performance since the April 2013 Plan. However, despite improvements, baseline projections show that annual budgets are narrowly balanced with deficits in current and future years

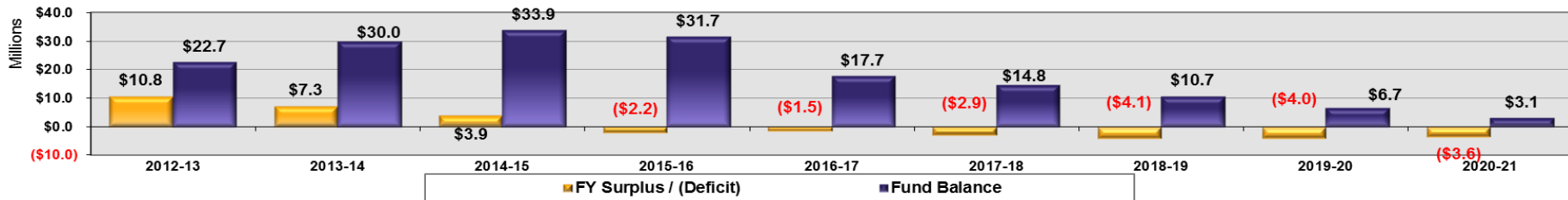


	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Anticipated	2016-17 Projected	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected
Revenues	\$132,060,393	\$130,469,730	\$130,561,571	\$135,007,572	\$137,341,985	\$137,227,823	\$138,932,569	\$140,585,725	\$141,832,670
Expenditures	\$121,276,577	\$123,162,886	\$126,657,851	\$137,192,335	\$139,660,788	\$140,875,700	\$143,128,707	\$145,262,018	\$147,010,034
Surplus/Deficit	\$10,783,817	\$7,306,844	\$3,903,721	(\$2,184,763)	(\$2,318,803)	(\$3,647,877)	(\$4,196,138)	(\$4,676,293)	(\$5,177,364)
Fund Balance	\$22,653,632	\$29,960,476	\$33,864,197	\$31,679,434	\$29,360,631	\$25,712,753	\$21,516,615	\$16,840,322	\$11,662,958

- If the District hopes to realize the desired staffing and educational program enhancements as included in this Plan, it will need to find additional revenues or operating efficiencies to accommodate the related costs

District Finances – Revised Projection

- Significant initiatives include:
 - Increased real estate tax millage to the Act 1 Index in all years beginning in 2017-18
 - Increased voluntary payments from KOZ development and PILOT agreements
 - Energy savings from contract renegotiation and efficiency upgrades
 - HSD wage proposals for HEA and AFSCME; estimated Act 93 salary increases
 - HEA health care growth capped at 5%
 - Elimination of HEA health care opt-out payment
 - Hiring of four teachers and one counselor for the Career Pathways program
 - Creation of a full-time ELL coordinator position
 - Hiring of six special area staff



	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Anticipated	2016-17 Projected	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected
Revenues	\$132,060,393	\$130,469,730	\$130,561,571	\$135,007,572	\$142,407,519	\$143,680,569	\$146,420,860	\$149,174,842	\$152,209,565
Expenditures	\$121,276,577	\$123,162,886	\$126,657,851	\$137,192,335	\$143,857,557	\$146,624,841	\$150,512,765	\$153,131,721	\$155,821,877
Surplus/Deficit	\$10,783,817	\$7,306,844	\$3,903,721	(\$2,184,763)	(\$1,450,038)	(\$2,944,272)	(\$4,091,905)	(\$3,956,879)	(\$3,612,312)
Fund Balance	\$22,653,632	\$29,960,476	\$33,864,197	\$31,679,434	\$17,729,396	\$14,785,124	\$10,693,219	\$6,736,340	\$3,124,028

Educational Standards and Goals

- The District continues to face educational challenges including low performance on standardized tests, low graduation rates, and low attendance rates. **This Plan provides updated minimum growth standards that the District must meet by June 2018**

Educational Standards and Goals

- **Assessments**

- **Goals:**

- Eliminate the gap between the District's 2014-15 3rd grade average English/ Language Arts (ELA) and average Mathematics PSSA scores and the 2014-15 State average PSSA scores for grade 3; and close the gap, by 50 percent of the difference between the District's average ELA and Mathematics PSSA scores for grades 4-8
 - Close the gap, by 50 percent of the difference between John Harris High School's 2014-15 average Keystone Proficiency Rates in Algebra I, Literature, and Biology, and the average 2014-15 State Keystone scores; and close the gap between Sci-Tech High School's average 2014-15 Keystone Proficiency scores in Biology and the average 2014-15 State Keystone scores for grade 11

- **Current Rates:**

- Grade 3: District ELA = 18.6%; Statewide ELA = 62.0%
 - Average Across Grades 4-8: District ELA = 18.0%; Statewide ELA = 59.6%
 - Average Across Grades 4-8: District Math = 6.1%; Statewide Math = 38.0%
 - Average Across Subjects Keystones 11th Grade: John Harris HS = 17.4%; Statewide = 65.4%
 - Keystone Biology 11th Grade: Sci-Tech HS = 42.1%; Statewide = 72.8%

Educational Standards and Goals

- **Graduation and Attendance**

- **Goals**

- Eliminate the gap between the District's 2014-15 cohort graduation rate and the 2014-15 State average graduation rate
 - Eliminate the gap between the District's attendance rate and the State average attendance rate to less than 2 percentage points difference

- **Current Rates:**

- Graduation: District = 52.78%; Statewide = 84.75%
 - Attendance: District = 88.15%; Statewide = 93.71%

Educational Goals – PSSAs Grade 3

- Minimum Performance Requirements, PSSA Grade 3, 2015-16 to 2017-18, Percentage of Students Scoring Proficient or Advanced

School Year	English/Language Arts	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%	48.5%

Educational Goals – Math PSSAs Grades 4-8

- Minimum Performance Requirements, Math PSSA Grades 4-8, 2015-16 to 2017-18, Percentage 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%

Educational Goals – ELA PSSAs Grades 4-8

- Minimum Performance Requirements, English/Language Arts PSSA Grades 4-8, 2015-16 to 2017-18, Percentage 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 Growth 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%	40.3%	37.1%	38.8%

Educational Goals – Keystones, 11th Grade, John Harris High School

- Minimum Performance Requirements, Keystone Exams, John Harris High School. Grade 11, 2015-16 to 2017-18, Percentage of Students Scoring Proficient or Advanced

School Year	Algebra 1	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 Growth 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%

Educational Goals – keystones, 11th Grade, Sci-Tech High School

- Minimum Performance Requirements, Keystone Exams, Sci-Tech High School. Grade 11, 2015-16 to 2017-18, Percentage of Students Scoring Proficient or Advanced

School Year	Algebra 1	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 Growth 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%

Educational Goals – Graduation Rate

- Minimum Graduation Requirements, 2015-16 to 2017-18, John Harris High School

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 Statewide Rate	84.75%

Educational Goals – Attendance Rate

- Minimum Attendance Requirements, 2015-16 to 2017-18

School Year	Grades K-8	Grades 9-12
2012-13 (actual)	91.45%	79.19%
2013-14 (actual)	90.51%	80.00%
2014-15 (actual)	90.44%	83.00%
Required Rate		
2015-16	92.00%	84.00%
2016-17	93.50%	85.00%
2017-18	95.00%	86.00%
2014-15 PDE Statewide Rate	93.71%	

Next Steps

- The process to amend the Act 141 Recovery Plan is quite extensive
- Additional steps:
 - Public may view the Amended Plan on the District's website
 - Email comments to recoveryplan2016@hbgasd.us
 - Board approval of the Amended Plan requested at the Board meeting on Monday, May 16
 - Final consideration by the Secretary of Education