

**The Duquesne City School District  
300 Kennedy Avenue  
Duquesne, PA 15110**

**Recovery Plan  
Quarterly Progress Report**

January 15, 2019

***Purpose***

This report updates progress on the Duquesne City School District Recovery Plan, which was issued on February 11, 2013 and implemented on April 2, 2013. Section 672-A(b)(2) of the Public School Code of Pennsylvania requires this report. The period covered is the second quarter of fiscal year 2018-2019 - October 15, 2018 through December 31, 2018. The previous quarterly progress report in the series is dated October 15, 2018.

***Executive Summary***

Several highlights from the second quarter of fiscal year 2018-2019 follow:

- Recovery Plan implementation continued.
- The Duquesne City School District (DCSD) continues to operate pre-kindergarten through sixth grade at the Duquesne Elementary School (DES).
- Operation of DES is planned for the foreseeable future.
- Student enrollment at DES at the end of December 2018 is 363, down ten students from the June 30 numbers but an increase of eight from the 355 on the same date one year ago. This continues to be seen as a favorable trend, perhaps indicative of increased confidence of parents and guardians in DES.
- Efforts continue to improve curriculum and instruction at DES. See details in the section of this report marked *Education*, which begins on page 2.
- Due primarily to unbudgeted increases in tuition expense and human resources related expenses, an updated, audited, projection of year-end position is a deficit of \$920,446, an improvement of \$250,000 from the figures projected in the July report. See the fund balance analysis in the section marked *Finance*, beginning on page 6.
- Current secondary enrollments of Duquesne resident students at West Mifflin and East Allegheny is 323, five fewer than one year ago. See page 9.
- Annual tuition to be paid by Duquesne for students attending school elsewhere in 2018-2019 is now projected to be \$8,578,313, up from \$8,215,894 reported on October 15. This change is due primarily to increases in charter school tuition rates for the 2018-19 school year and increases in the West Mifflin and East Allegheny tuition amounts. See page 9.
- Current charter school enrollment in grades Kindergarten through 12th grade is 208, sixteen fewer than one year ago. See page 10.

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- Continued efforts are being made to bring students back to Duquesne from charter schools.
- There were no unpaid or contested invoices or debt service obligations during the quarter, and all payroll, benefit expenditures and tuition payments were made in a timely manner.
- Work continues on the Third Amendment to the Recovery Plan, which was implemented April 2, 2013. This amendment is necessary because of updated information and a significant change in the projected financial future of the district.
- Appendix A on pages 13-15 includes a summary of audited fund balance trends, charter school tuition costs as a percentage of total expenditures, and total assessed property value.

***Supplemental Information***

Please see the DCSD website, [dukecitysd.org](http://dukecitysd.org), for an historical summary of the School District's severe financial recovery status, its receivership and criteria for exiting recovery status. Quarterly Recovery Plan Progress Reports are also available there.

***Implementation Narrative***

Information on Recovery Plan implementation is set forth in the following three sections of this report:

1. Education (page 2)
2. Finance (page 6)
3. Governance and Administration (page 11)

***Education***

Historic and current DES enrollments are displayed on the following table. Minor changes in grade enrollments occurred since previously reported figures for September.

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Duquesne Elementary School									
Student Enrollment									
December 31, 2018									
Grade >	Pre-K	K	1	2	3	4	5	6	Total
Sep 2015	24	56	48	50	59	39	36	40	352
Dec 2015	24	59	45	45	62	38	36	40	349
Mar 2016	27	60	46	45	58	39	36	37	348
Jun 2016	26	57	48	43	59	41	37	39	350
Sep 2016	23	50	45	42	35	52	39	34	320
Dec 2016	26	51	43	41	33	54	42	34	324
Mar 2017	29	54	44	40	33	58	42	35	335
Jun 2017	26	53	47	40	34	57	43	36	336
Sep 2017	29	39	47	46	42	35	52	41	331
Dec 2017	29	46	51	49	39	40	56	45	355
Mar 2018	30	48	54	52	42	41	60	46	373
Jun 2018	30	48	56	53	40	42	58	46	373
Sep 2018	32	60	45	44	53	38	37	59	368
Dec 2018	31	58	43	47	52	35	37	60	363

Enrollment remained relatively stable in December, 2018. This is encouraging as we continue efforts to bring charter and private school students back to Duquesne Elementary. Our current statistics indicate that we brought at least fourteen students back to the building from the charter schools as a direct result of our recruitment effort. That is a savings of approximately \$280,000 in tuition costs per year. It is impossible to know how many students may have stayed in Duquesne because of these efforts but our recruitment will continue throughout the year. The district is still in a position to increase enrollment with only modest marginal costs.

The following tabulation reflects current regular education sections and average class size at each grade.

Duquesne Elementary School									
Regular Education Sections and Class Size									
December 31, 2018									
Grade >	Pre-K	K	1	2	3	4	5	6	Total
Sections	2	3	3	3	3	2	2	3	21
Average	16.5	19.3	14.3	15.7	17.3	17.5	18.5	20.0	17.3

### ***Curriculum, Instruction, Assessment and Technology***

The most recent meeting conducted by Dr. Stanley Whiteman featured discussion of new initiatives, including SuccessMaker, iLit, benchmark assessments and a support schedule. The four instructional coaches - Michelle Kimmell, Celeste Rudge, Jamie Schmidt and Samantha Utley - and the building principal, Jennifer Jennings, were in attendance.

Benchmark assessments are scheduled to take place in January, the results of which will be included in the next quarterly report.

There have as yet been no monitoring visits by any agency in 2018-19. PreK Counts liaison, Cindy McLearn, made her first visit to the district on November 20, 2018 to establish relationships and to ensure that the program was operating properly.

In terms of personnel we have three teachers out on maternity leave and each has been replaced by a long-term substitute.

### ***Professional Development 2018-2019 School Year, Q2***

Professional development for the staff of Duquesne City School District is occurring in multiple content areas. These areas include Project Based Learning (PBL), English Language Arts (ELA), math, science, technology, engineering, arts and math (STEAM), iLit, Success Maker and positive behavior interventions and supports (PBIS).

#### **PBL**

This professional development is being led by our education partner, The TeamBuilders Group. This PD takes place every Tuesday and the three lead project teachers have been sharing their experiences with the rest of the faculty. The leadership team that attended the Buck Institute will help support this initiative with our faculty.

#### **ELA/iLit/SuccessMaker**

Instructional coaches, Celeste Rudge and Jamie Schmidt, have provided professional development this year on iLit for grades 4-6, text dependent analysis questions for grades 4-6, and differentiated instruction and fine motor activities for Kindergarten. Also, they have begun professional development on the Resource Room in the library for all grade levels. Pearson has provided professional development for two new curricular programs, iLit and Success Maker. Both of these programs are individualized instruction programs. iLit supports ELA in grades 4-6 and Success Maker is a remediation and enrichment program for students in grades K-6 in the content areas of ELA and math. This is an ongoing professional development for our staff.

**CS in the Classroom**

Tyler Samstag, Director of the Center for Creativity at the Allegheny Intermediate Unit, conducted a two-hour professional development for our math and science teachers around incorporating computer science (CS) into the classroom. Teachers were exposed to a coding program called Scratch and had the opportunity to develop their coding and CS skills.

**Think Like a Maker**

Dr. Jacie Maslyk provided a two-hour professional development for our ELA teachers on how to incorporate “making” into their classrooms. Dr. Maslyk modeled how to use simple materials like cardboard, tape and pipe cleaners to make a model that will tie a simple creation to the story that they are reading.

**Special Education**

There were no state visits in the last quarter. The letter from the state in September stated that we no longer need the visits from the BSE Advisor nor do we need to complete semi-annual reports to the state.

**Other**

The PASA results were included in the October 15 Quarterly Report. Below are the results of the PVAAS reports received earlier in the fall.

**PVAAS Analysis for the 2017-18 School Year**

Key – These colors indicate the level of academic growth as measured by the PA Academic Growth Standard:

- Dark blue – indicates strong evidence of exceeding the growth standard
- Light blue – indicates moderate evidence of exceeding the growth standard
- Green – indicates evidence of meeting the growth standard
- Yellow – indicates moderate evidence that the school did not meet the growth standard

**MATH**

GRADE	4	5	6
	2.0	5.9	1.8

The graph above shows by color the growth level for PA Academic Growth in mathematics in grades 4-6. Students in grade 4 displayed evidence that they met the standard for PA Academic Growth as indicated by green. Students in grade 5 displayed strong evidence that they exceeded the standard for PA Academic Growth as indicated by

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dark blue. Finally, students in grade 6 displayed moderate evidence that they exceeded the standard for PA Academic Growth as indicated by light blue.

ELA

GRADE	4	5	6
	.7	1.8	.9

The graph above shows by color the growth level for PA Academic Growth in English Language Arts (ELA) in grades 4-6. Students in grade 4 displayed evidence that they met the standard for PA Academic Growth as indicated by green. Students in grade 5 displayed moderate evidence that they exceeded the standard for PA Academic Growth as indicated by light blue. Finally, students in grade 6 displayed evidence that they met the standard for PA Academic Growth as indicated by green.

SCIENCE

GRADE	4
	-20.4

The graph above shows by color the growth level for PA Academic Growth in Science in grade 4. Students in grade 4 displayed moderate evidence that they did not meet the standard for PA Academic Growth as indicated by yellow. Ironically, our percentage of Advanced and Proficient students was the highest in this category.

***Finance***

The implementation of the 2018-2019 General Fund Budget has continued through the second quarter. There have been no unpaid or contested invoices or debt service obligations during the quarter. Furthermore, all payroll, benefit expenditures and tuition payments have been made on time.

The following fund balance analysis is based on audited year-end results for 2017-2018 and the DCSD General Fund Budget for 2018-2019. The audited year-end general fund deficit was \$920,446, which is an improvement of \$250,000 from the original estimate and \$200,000 better than the October projection.

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Duquesne City School District		
General Fund		
Fund Balance Analysis		
June 30, 2018		
Non-spendable		
Prepays	\$ 285,000	
Other	0	
Total non-spendable		\$ 285,000
Restricted		0
Committed for extraordinary educational needs	\$ 1,000,000	
Committed for increases in PSERS contributions	152,560	
Committed for increases in health benefit expense	910,7482	
Committed for capital improvements	250,000	
Committed to refund Series 2013 Bonds when callable	1,420,000	
Total committed		53,733,308
Assigned		0
Unassigned		931,034
Total fund balance as of June 30, 2018 (audited)		4,949,342
Fund balance appropriation for the 2018-2019 budget		(1,521,141)
Projected surplus (deficit) for the 2018-2019 budget		0
Total projected fund balance as of June 30, 2019		\$3,428,201

***Bonds and Notes Payable***

A summary of bonds and notes payable is shown on the following table. There is no change from the July 2018 projection in the Bonds and Notes Payable chart illustrated below. It is included for convenience in having all of the financial information readily available in this report.

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Duquesne City School District			
Bonds and Notes Payable			
June 30, 2018			
Fiscal Year Ending	Bonds Payable	Notes Payable	Total Bonds and Notes Payable
June 30			
2012*	\$14,124,167	0	\$14,124,167
2013*	13,173,333	0	13,173,333
2014*	9,272,501	\$1,000,000	10,272,501
2015*	6,616,667	2,335,000	8,951,667
2016*	6,110,833	1,500,000	7,610,833
2017*	5,590,000	1,000,000	6,590,000
2018**	5,054,167	1,000,000	6,054,167
2019**	\$4,503,333	\$ 850,000	\$5,353,333

\* Audited financial statements

\*\* Projected

The following chart presents a summary of staffing at the DCSD as of December 31. There are no changes from the October 15 Quarterly Report.

Duquesne City School District			
2018-2019 Staffing Summary			
September 30, 2018			
Professional staff	41	Administrators*	3
Instructional support staff	22	Coordinators and supervisors*	4
Other support staff	13	Confidential exempt staff	2

\* In addition to DCSD staff, part time consultants have been utilized to assist in the following areas: special education administration (Debra Zimarowski), business administration (James Graham), federal programs administration (Nancy Olenik) and communications coordination (Sarah McCluan). Also, the full time Receiver, Paul J. Rach, Ed.D. who is compensated by PDE, participated in administration and governance of the DCSD. One additional change has been a contractual agreement with



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the Allegheny Intermediate Unit to provide business management services to the district. This plan was implemented July 1, 2018, and includes an annual opt-out provision should either entity find the situation untenable.

A major aspect of financial management at Duquesne is tuition for students attending school elsewhere. Current tuition enrollments are tabulated below.

Duquesne City School District				
Tuition Enrollments				
December 31, 2018				
Receiving Schools	Grades	Students September 30	Students December 31	Projected 2018-2019 Tuition
West Mifflin Area School District	7-12	296	293	\$3,871,772
East Allegheny School District	7-12	30	30	396,427
Charter schools, regular education	K-6	128	129	1,874,000
Charter schools, special education	K-6	24	27	935,522
Charter schools, regular education	7-12	43	43	624,667
Charter schools, special education	7-12	8	9	311,841
Special education schools	K-12	16	19	465,125
Other schools	K-12	6	6	98,959
Totals		551	556	\$8,578,313

Changes in individual tuition enrollments in the categories of receiving schools during the second quarter can be seen by comparing enrollments from September 30 to December 31 on the above table. Of note is this table includes Allegheny Intermediate Unit special education classroom tuition, whereas the tuition schedule on the Annual Financial Report does not include those costs.

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The annual tuition rate for Duquesne students who attend school at West Mifflin Area and East Allegheny is \$13,214.24 for the 2018-19 school year. Charter school tuition rates were formerly set and regularly adjusted by PDE. Currently, the school district calculates tuition rates using the PDE 363 form.

The annual tuition rate originally budgeted for each regular education charter school student for 2018-19 was \$15,210.33. For each special education student who attends a charter school, the original budgeted annual tuition was \$37,207.42. Updated rates, calculated locally, have reset those amounts to \$14,527.13 for regular education students and \$34,648.95 for special education students. The preceding chart reflects these updated rates.

Enrollments of Duquesne students in charter schools at key months over the last several years are depicted below. It is noteworthy that charter school enrollment is 16 fewer than the same month in the previous year but has increased by five since the beginning of the current school year. Overall enrollment has had relatively minor variance over the previous nine months.

Duquesne City School District				
Charter School Enrollments				
September 30, 2018				
Month	Year	Elementary	Secondary	Total Enrollment
September	2015	132	54	186
March	2016	129	60	189
June	2016	131	61	192
September	2016	172	58	230
March	2017	145	62	207
June	2017	145	58	203
September	2017	160	52	212
December	2017	162	62	224
March	2018	158	54	212
June	2018	147	51	198
September	2018	152	51	203
December	2018	156	52	208

### ***Governance and Administration***

The DCSD Superintendent of Schools is Sue A. Moyer. She is supervised by Receiver Paul J. Rach, Ed.D. Both Ms. Moyer and Dr. Rach took their respective offices on March 1, 2018. Dr. Rach reports to the Duquesne City Board of School Directors, the Pennsylvania Department of Education (PDE) and the Allegheny County Court of Common Pleas (ACCCP). At PDE, Dr. Rach reports to Secretary of Education Pedro A. Rivera via Executive Deputy Secretary of Education David W. Volkman, D.Ed. and Deputy Secretary of Education for Administration Debbie Reeves. At the ACCCP, Dr. Rach reports to Senior Judge Judith L.A. Friedman.

The Duquesne City Board of School Directors consists of the following members.

1. Board President DeWayne Tucker
2. Board Vice President Calvin Harris
3. School Director Sonya Gooden
4. School Director Burton Comensky
5. School Director Laura Elmore
6. School Director Christine Matsko
7. School Director Rosia Reid
8. School Director Cedric Robertson
9. School Director Maxine Thomas

Members of the Duquesne City Board of School Directors participated in two Receiver Business Meetings in the second quarter: October 30 and December 4. Attendance by school directors was eight and nine, respectively. During a recess in the Receivers' Business Meeting on December 4, the board conducted their annual reorganization meeting, retaining the leadership from the previous year.

The Receiver Advisory Council met on November 14. The agenda included reports by the central office staff and included a tour of the technology spaces. Future meetings are scheduled for February 5, March 12, April 30, and June 11.

Also on November 14, 2018, the Duquesne City School District hosted the Board of Directors of the Grable Foundation for their quarterly meeting. Following their meeting, the Board visited multiple innovative learning environments that Grable has funded through grants such as Creation Station, The Boiler Room, Duquesne Media Central and The CAB LAB. Feedback from the group was very positive.

As was previously reported, the Recovery Plan is in need of updated financial information. The local audit was completed in late December and the Annual Financial Report was filed December 28. As soon as we receive an updated five-year projection based on our audit results, the third amendment will be completed and submitted to the Department of Education for review before submission to Senior Judge Judith L. A. Friedman, Allegheny County Court of Common Pleas.

***Next Report***

The next quarterly Recovery Plan Progress Report will cover the third quarter of fiscal year 2018-2019 – January 1 through March 31, 2019. That report is expected to be filed in April.

***Acknowledgements***

The following individuals contributed to this report.

1. Paul J. Rach, Ed.D., Receiver, DCSD
2. Sue A. Moyer, M.Ed., Superintendent of Schools, DCSD
3. Stanley B. Whiteman III, Ed.D., Director of Curriculum and Instruction, DES
4. Jennifer M. Jennings, M.Ed., Principal, DES
5. James E. Miller III, Technology Coordinator, DCSD
6. Debra M. Zimarowski, Special Education Consultant
7. James B. Graham, Business Consultant
8. Aaron Hassett, Business Manager, contract with AIU
9. Crystal Irdi, Executive Assistant to the Superintendent/Board Secretary, DCSD

## Appendix A

### *Financial Trend Analyses*

The following financial benchmark charts are presented to help explain the financial position of the DCSD.

The General Fund Balance chart below reflects a decline in the reserve funds. It is anticipated that the June 2019 fund balance will again reflect a reduction since the budget includes the use of approximately \$1,500,000 of reserve funds to balance the budget.

General Fund Balance	
<u>Year End June 30</u>	<u>General Fund Balance</u>
2006	\$ (4,279,031)
2007	(1,584,181)
2008	1,334,796
2009	1,665,100
2010	1,583,312
2011	1,392,488
2012	1,883,442
2013	1,534,845
2014	3,048,877
2015	4,008,831
2016	4,690,525
2017	5,869,787
2018	\$4,949,342

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The annual charter school tuition costs as a percentage of expenditures are shown in the following chart.

Charter School Cost (as a percentage of total expenditures)					
<u>Year End June 30</u>	<u>Tuition Paid to Charters</u>	$\div$	<u>Total District Expenditures</u>	$=$	<u>Charter School Costs/ Total Costs</u>
2007	\$ 1,379,007		\$13,936,333		9.90%
2008	1,476,574		13,574,451		10.88%
2009	2,785,111		15,140,887		18.39%
2010	1,863,289		15,772,628		11.81%
2011	1,950,093		16,436,377		11.86%
2012	2,139,954		14,843,385		14.42%
2013	1,868,754		14,424,637		12.96%
2014	2,249,336		18,992,283		11.84%
2015	2,838,775		18,363,649		15.46%
2016	2,932,728		17,312,902		16.94%
2017	3,349,409		18,068,214		18.54%
2018	\$3,661,581		\$19,091,214		19.18%

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Total assessed property value as reported to the district by Allegheny County reflects a modest increase for 2018.

Total Assessed Property Value	
<u>Year End</u> <u>June 30</u>	<u>Total Assessed</u> <u>Property Value</u>
2007	\$ 94,053,575
2008	93,000,000
2009	93,000,000
2010	93,527,290
2011	79,561,840
2012	79,706,490
2013	75,439,340
2014	93,051,439*
2015	91,423,422**
2016	87,860,522**
2017	88,018,197**
2018	\$90,080,290

\* General reassessment  
 \*\* Corrected from previous reports