

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

**Recovery Plan  
Quarterly Progress Report**

October 15, 2018

***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 first quarter of fiscal year 2018-2019 - July 1, 2018 through September 30, 2018. The previous quarterly progress report in the series is dated July 15, 2018.

***Executive Summary***

Several highlights from the first 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 September 2018 is 368, down five students from the June 30 numbers but an increase from 331 at the beginning of the 2017-18 school year. This is 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, unaudited, projection of year-end position is a deficit of \$1,119,786, a modest improvement from the figures projected in the July report. See the fund balance analysis in the section marked *Finance*, beginning on page 7.
- Annual tuition to be paid by Duquesne for students attending school elsewhere in 2018-2019 is projected to be \$8,365,912, up from \$8,215,894 reported on July 15. This change is due primarily to increases in charter school tuition rates for the 2018-19 school year and previously noted increases in the West Mifflin and East Allegheny tuition amounts.
- 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 five years ago.

### ***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 13)

### ***Education***

Historic and current DES enrollments are displayed on the following table. Minor changes in grade enrollments occurred since previously reported figures for June 2018, but total enrollment remained nearly the same.

Duquesne Elementary School									
Student Enrollment									
June 30, 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

The enrollment at the end of June, 2018 was the highest in recent years, and that level of enrollment was nearly equaled in September. This is encouraging as we continue efforts to bring charter and private school students back to Duquesne Elementary. Over the summer, a recruitment effort was mounted in partnership with the Communications Services Department at the Allegheny Intermediate Unit to bring students back to Duquesne. Our superintendent, Sue A. Moyer, and the Supervisor of Communications Services at the AIU, Sarah McCluan, envisioned this effort and inspired the development and implementation of activities which included teachers, support staff, and administrators. This effort included designing, creating and mailing postcards and flyers, and culminated in knocking on doors with videos available on iPads to view with parents/guardians. While it is difficult to determine the mix of influences that bring students back to Duquesne, we are confident that we brought at least eight students back to the building from the charter schools as a direct result of the recruitment effort. That is a savings of approximately \$160,000 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. As indicated in the following chart, enrollment in Duquesne Elementary can still increase somewhat 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									
September 30, 2018									
Grade >	Pre-K	K	1	2	3	4	5	6	Total
Sections	2	3	2	2	3	2	2	3	19
Average	16.0	20.0	22.5	22.0	17.67	19.0	18.5	19.67	19.3

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

As was outlined in previous quarterly reports, a Curriculum Steering Committee was created several years ago because the district did not employ a Curriculum Director to manage, develop and update curriculum. For the 2018-2019 school year, Stanley B. Whiteman III, Ed.D. was promoted to Director of Curriculum, Instruction, Assessment, Technology, Facilities and LEA and is now responsible for these areas.

Dr. Whiteman conducts monthly meetings to discuss issues of student achievement, curriculum, effective instruction, professional development, comprehensive planning and administrative support at DES. The four Instructional Coaches - Michelle Kimmell, Celeste Rudge, Jamie Schmidt and Samantha Utley - and the building principal, Jennifer Jennings are in attendance at these sessions.

In English Language Arts (ELA) and mathematics, the instructional coaches, principal and director of curriculum continue to monitor the use of Daily 5 and Daily 3 frameworks for reading and math respectively. The instructional coaches are working with teachers to strengthen these frameworks within individual classrooms.

New programs such as iLit and SuccessMaker have been implemented this year to support the ELA and math curriculums. iLit is a 45 minute ELA program for students in grades 4-6 which supports the integration of novels and reading into the ELA curriculum. This program utilizes the iPad technology that has been provided for each student. The iLit program is developed on a personalized learning platform that allows each student to choose their own learning path, based upon reading and individual level, and the program will scaffold to the students grade level. SuccessMaker is also a personalized learning tool that utilizes the iPads with students in grades K-6 in both ELA and math. Adaptive assessments within SuccessMaker were completed by all students to determine a starting point for this program. Each student will work 15-20 minutes each day in the ELA and math programs.

Finally, Samantha Utley, Academic Coach and Dean of Students, and Dr. Brooke Watterson, school psychologist, are leading the Duquesne Elementary School's Positive Behavior Interventions and Support program (PBIS). Teachers review behavior data with the school leaders and offer daily incentives for students who are following the outlined expectations.

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

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, SuccessMaker and positive behavior interventions and supports (PBIS).

#### ***Project Based Learning***

In July 2018, nine members of the faculty and three administrators traveled to Columbus, Ohio for PBL training at the Buck Institute. This training was financially supported by the Grable Foundation and it established a solid base for the continuing PBL professional development that will occur throughout this school year with our teaching staff. This professional development will be led by our education partner, The TeamBuilders Group. The leadership team that attended the Buck Institute will help support this initiative in our faculty training.

#### ***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 (publisher) has provided professional development for two new curricular programs, iLit and SuccessMaker. Both of these programs are individualized instruction programs. iLit supports ELA in grades 4-6 and SuccessMaker is a remediation and enrichment program for students in grades K-6 in the content areas of ELA and math.

### *STEAM*

Samantha Utley has met with teachers in grades 3-6 to discuss what curricular materials they have on hand to utilize in implementing these programs as well as what activities the students can complete in the Boiler Room (one of our STEAM labs) for the first nine weeks.

### *PBIS*

On August 16, 2018 the PBIS Facilitators, Samantha Utley and Brooke Watterson, conducted a professional development session for teachers and support staff. The purpose of the session was to present information about the PBIS initiative taking place at the school this year. Topics covered included; teacher and student benefits of adopting the framework, expectations for common meeting areas of the school, lessons dedicated to teaching the expectations, and the acknowledgement system for rewarding positive behavior exhibited by students.

### *Special Education*

As of this point in the school year, there have not yet been any monitoring visits. An updated APN was sent for approval on 7/24. The State Report per the September 2017 Superintendent's letter was sent 7/3, and copies provided to the Administrative Team.

The incidence of special needs students at DES remains in the low 30% range. Room changes have been confirmed and approved, and work continues to provide students with appropriate services. Contact has been made with West Mifflin with regard to the settlement of the lawsuit on topics such as student pendency, placement, and financial responsibility. Meetings were also scheduled with both West Mifflin and East Allegheny to discuss expansion of the transition for students moving from elementary to secondary schools

Since the start of the 2018-19 school year, the Duquesne City School District multidisciplinary team has identified 15 students to be evaluated for specially designed instruction (Chapter 14), and two students in need of an evaluation for 504 Planning (Chapter 15). Three additional students have come from out of state/out of district with significant education and life skills' needs.

When we looked into the 10 students who were receiving early intervention services as 3-5 year olds and now ready to start kindergarten, 5 needed to be evaluated for school age services; two were not in need of testing; and three students were attending other schools.

The State Superintendent Letter, usually issued in September to the Superintendent, will provide the parameters for reporting out and meeting with the State BSE Adviser for the 2018-19 school year.

***Other***

Changes which have been made for the school year include adding a third grade section and reducing a second grade section due to enrollments, and shifting the funding of one of our pre-K classes to a Pre-k Counts grant. Staffing changes include the promotion of Stanley Whiteman to Director of Curriculum, Instruction, Technology, and LEA, the transfer of Samantha Utley to Dean of Students, replacement of the building office secretary who was promoted to Central Office, and the anticipation of three maternity leaves of various lengths for which we will employ long-term substitutes.

Results of benchmarking and diagnostic assessments for the 2017-2018 school year were included in the April 15 report. Results of Pennsylvania System of School Assessments (PSSAs) administered in the spring of 2018 are presented in the charts below. In the first chart, 2018 PSSA Data, the numbers reflect the percentages of students in the Advanced and Proficient levels combined. The second, third and fourth charts, PSSA Historical Data, represent multiple years of grade level Advanced and Proficient percentages. The growth calculations should be available soon and will be presented in a later report.

2018 PSSA Data			
Grade	ELA	MATH	SCIENCE
3rd	15.80%	10.80%	
4th	24.20%	11.80%	39.40%
5th	16.70%	3.80%	
6th	12.50%	7.50%	

PSSA Historical Data

Current 6 <sup>th</sup> Graders			
	ELA	MATH	SCIENCE
2016	20.6%	5.8%	
2017	16%	3.9%	32.7%
2018	16.7%	3.8%	

Current 5 <sup>th</sup> Graders			
	ELA	MATH	SCIENCE
2017	25%	12.5%	
2018	24.2%	11.8%	39.4%

Current 4 <sup>th</sup> Graders			
	ELA	MATH	SCIENCE
2018	15.8%	10.8%	

The Education Advisory Committee (EAC), led by PDE Deputy Secretary of Education for Administration Debbie Reeves, did not meet during the first quarter due to a rescheduled session. The rescheduled meeting is set for October 16 at the AIU. The purpose of the EAC is to monitor and report on the transition and education of Duquesne secondary students who attend West Mifflin Area and East Allegheny schools.

### ***Finance***

Execution of the 2018-2019 General Fund Budget began routinely during the first 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.

An analysis of the current local real estate tax revenue collections reflects the following:

3 year average collection amount -		\$1,192,934
Collection percentage -		76.8%
3 year average delinquent collection amount -		\$186,000
Collection percentage – delinquent -		12%
Payments in lieu of taxes -	2016-17	\$1,817
	2017-18	\$2,900

The following fund balance analysis is based on audited year-end results for 2016-2017 and the DCSD General Fund Budget for 2017-2018, with estimates of expenditure changes due to increases in tuition expense and human resources related expenses, as well as potential revenue changes. A year-end general fund deficit of \$1,119,786 is projected, a \$50,000 improvement from the July projection.

It is anticipated that this deficit may well be further adjusted in the local audit which will result in the Annual Financial Statement. The charter school tuition numbers, which have been a point of uncertainty, have been reconciled for the audit.

Duquesne City School District		
General Fund		
Fund Balance Analysis		
June 30, 2018		
Non-spendable		
Prepays	\$ 197,288	
Other	0	
Total non-spendable		\$ 197,288
Restricted		0
Committed		
Committed for extraordinary educational needs	\$ 1,000,000	
Committed for increases in PSERS contributions	284,666	
Committed for increases in health benefit expense	934,442	
Committed for capital improvements	250,000	
Committed to refund Series 2013 Bonds when callable	2,800,000	
Total committed		5,269,108
Assigned		0
Unassigned		403,390
Total fund balance as of June 30, 2017 (audited)		5,869,786
Fund balance appropriation for the 2017-2018 budget		0
Projected surplus (deficit) for the 2017-2018 budget		(1,119,786)
Total projected fund balance as of June 30, 2018		\$4,750,000

A key component of the DCSD's financial recovery is reduction long term liabilities, most importantly interest bearing debt. A summary of bonds and notes payable is shown on the following table. The District consulted with bond bankers and bond counsel on two occasions over the last few months, and the advice from those consultants is that there is no advantage to recalling the 2013 bonds at this time. Therefore, 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.



Duquesne City School District			
Bonds and Notes Payable			
June 30, 2018			
Fiscal Year Ending  June 30	Bonds Payable	Notes Payable	Total Bonds and Notes Payable
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 September 30. There were three changes in the number of staff members in each category in comparison to the previous report. First, the number of administrators decreased by one with the contracting of the Business Manager position. Second, the number of instructional support staff increased by one because of Individual Education Plan (IEP) requirements for special needs students. Third, two teachers were added because of instructional needs.

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 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				
September 30, 2018				
Receiving Schools	Grades	Students June 30	Students September 30	Projected 2018-2019 Tuition
West Mifflin Area School District	7-12	322	296	\$3,911,415
East Allegheny School District	7-12	37	30	396,427
Charter schools, regular education	K-6	131	128	1,859,473
Charter schools, special education	K-6	16	24	831,575
Charter schools, regular education	7-12	46	43	624,667
Charter schools, special education	7-12	5	8	277,192
Special education schools	K-12	16	16	377,375
Other schools	K-12	6	6	87,789
Totals		579	557	\$8,365,912

Changes in individual tuition enrollments in the categories of receiving schools during the first quarter can be seen by comparing enrollments from June 30 to September 30 on the above table.

The annual tuition rate for Duquesne students who attend school in 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 budgeted for each regular education charter school student is \$15,210.33. For each special education student who attends a charter school, the budgeted annual tuition is \$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 above chart utilizes 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 nine fewer than the beginning of the 2017-2018 school year but is five greater than at the end of the 2017-2018 school year. The change is driven by a decrease in regular education charter enrollments and an increase in special education charter enrollments.

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

*Summary of Settlements Involving Payments  
2014 - 2018*

Although the following information was communicated in an email on September 5, 2018, it is included in this report to make the information a part of the record for Duquesne. Over the past five years, the District has been involved in a number of

settlements involving some sort of payment which are listed below. Items marked with an asterisk did not require any District contribution to the settlement.

1. \*Federal court case – improper contact with a minor – settlement reported in the Post Gazette – District did not participate in the settlement agreement.
2. Superintendent resignation –
  - a. Settlement agreement December 5, 2017
  - b. Arrangement according to superintendent’s contract, Page 8, #9 – Early Severance
  - c. Salary settlement retroactive to November 3, 2017
    - i. One year’s salary
    - ii. Unused vacation, personal, and sick days
3. Ashli Detweiler – teacher – grievance alleging she was incorrectly overpaid in 2014-15 budget year
  - a. Settled for 50% of amount withheld from her pay
  - b. Agreed to and signed 2/25/16
4. Curriculum writing – four teachers employed during the summer of 2017 – grieved payment method
  - a. Teachers were paid the ancillary rate – claimed they should receive their daily rate
  - b. Settled for the difference – total \$11,000
  - c. Agreed to and signed November, 2017
5. Planning periods – grievance alleging violation of contractual rights
  - a. Settled for a one-time payment of \$5,500
  - b. Agreed to and signed 9/23/14
6. West Mifflin settlement - PDE
7. Sharon McIntosh – Principal – separation agreement
  - a. Irrevocable letter of resignation
  - b. FMLA (May 26 – June 30), use of all remaining sick, personal, and vacation days (July 1 – August 19), paid administrative leave (August 20 – August 31) – total cost equaled salary from May 26 through August 31, 2014 and health care coverage through August, 2014
  - c. Final document agreed to and signed 8/12/14
8. Tawnya Martin – teacher – settlement and release (this was a very lengthy process)
  - a. Irrevocable letter of resignation
  - b. Payment by the District for alleged denial of sabbatical leave - total \$47,500
  - c. Agreed to and signed 5/31/16
9. Liokareas Construction Company – contractor for plaza project
  - a. Claimed significant change order expenses made necessary by weather damages and alleged specification issues
  - b. Total claims in excess of \$100,000

- c. Final settlement and full release January, 18, 2017 in the amount of \$60,000
  - d. Included in the settlement – defense of the District in any future litigation
10. Lisa Szakelyhidi – teacher – grievance alleging District advice caused unnecessary Medicare expenses – note: clerk responsible has resigned for other reasons.
- a. Settled for repayment of documented expense - \$536.00 and any future monthly expense (estimated to be \$15/month)
  - b. Agreed to and signed September 25, 2018

Note #1: As was reported via email on September 13, 2018, a former employee reported to the District that her son was the victim of sexual misconduct when he was a student at Duquesne. Further investigation revealed that the teacher alleged to have committed the act(s) was an employee of the District from 1999-2005, and had pled to a charge in another setting in June of this year, as reported by the Post Gazette. A link to the article was included in the September 13 email. No further information is available. All reporting requirements regarding this incident have been completed.

Note #2 As was reported previously, several articles appeared in the Post Gazette as a result of information shared with the newspaper through a Right-to-Know request. The first article was about a settlement reached by the District and AIU insurance carriers and the plaintiffs/plaintiffs representatives regarding sexual misconduct of a District employee in 2011. The District was not party to the settlement discussions, and did not contribute to the settlement. The second article was about the settlement reached with the former superintendent on her resignation, but the amounts included in the settlement were identical or nearly identical to the terms of her contract had she been terminated.

### ***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 first quarter: August 28 and September 25. Attendance by school directors was respectively seven and eight.

The Receiver Advisory Council was not scheduled to meet in the first quarter. Future meetings are scheduled for November 14, February 5, March 12, April 30, and June 11.

As previously reported, the Recovery Plan was implemented over five years ago, on April 2, 2013. Portions of the Plan are out of date. Similarly, certain parts of the Second Amendment to the Recovery Plan, implemented on November 17, 2014, are no longer current. Furthermore, as addressed above, the School District's emerging financial instability needs to be addressed in the Recovery Plan. Therefore, work continues on a Third Amendment to the Recovery Plan. It is expected that the amendment will be submitted soon after the local audit is completed.

### ***Next Report***

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

### ***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. Nedene M. Gullen, Executive Assistant to the Superintendent/Board Secretary, DCSD
4. Jennifer M. Jennings, M.Ed., Principal, DES
5. Stanley B. Whiteman III, M.Ed., Associate Principal, DES
6. James E. Miller III, Technology Coordinator, DCSD
7. Debra M. Zimarowski, Special Education Consultant
8. James B. Graham, Business Consultant
9. Aaron Hassett, Business Manager, contract with AIU
10. Crystal Irdi, Executive Assistant to the Superintendent/Board Secretary, DCSD

Note: Ms. Nedene Gullen, Executive Assistant to the Superintendent and former Business Manager and Board Secretary, submitted her resignation effective October 1 and finished her last month of employment on FMLA leave using her sick and vacation days. She has been replaced as Business Manager by the aforementioned contract with the AIU in the person of Aaron Hassett and as Board Secretary by Crystal Irdi, who also replaced her as Executive Assistant to the Superintendent.