

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

**Recovery Plan
Quarterly Progress Report**

October 15, 2017

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 2017-2018, i.e. July 1, 2017 through September 30, 2017. The previous quarterly progress report in the series is dated July 15, 2017.

Executive Summary

Several highlights of interest from this report follow.

- Recovery Plan implementation has continued in the first quarter of fiscal year 2017-2018.
- The Duquesne City School District (DCSD) continues to operate pre-kindergarten through sixth grade at the Duquesne Elementary School (DES).
- Continued operation of DES is planned for the foreseeable future.
- Student enrollment at DES to date is 341, an increase compared to both the beginning and the end of the 2016-2017 school year.
- Efforts to improve curriculum and instruction at DES continue. See details in the section below titled *Education*.
- DCSD finances have been stable and are expected to be sustainable, although a year-end deficit of \$505,909 is projected, due primarily to the increased tuition rate for secondary students attending West Mifflin Area (WMA) and East Allegheny (EA) schools.
- Total enrollment of DCSD resident secondary students at WMA and EA at the beginning of the 2017-2018 school year was 229, down from 300 at the beginning of 2016-2017.
- Total charter school enrollments in kindergarten through twelfth grade at the beginning of the 2017-2018 school year was 212, down from 230 at the beginning of 2016-2017.
- Annual tuition to be paid by Duquesne for students attending school elsewhere in 2017-2018 is projected to be \$7,853,756, an increase of \$247,178 (unaudited) from 2016-2017.

Supplemental Information

Please see the DCSD website, dukecitysd.org, for an historical summary of the School District's severe financial recovery status, its receivership and criteria for exiting recovery status.

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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 5)
3. Governance and Administration (page 9)

Education

Historic DES enrollments and the 2017-2018 tenth day student enrollment at DES are displayed on the following table. It is noteworthy that DES enrollment has increased by eleven students at the beginning of 2017-2018, compared to the beginning of the previous school year. Although not depicted below, to date, DES enrollment stands at 341, an increase of 10 since the tenth day of school. That increase is attributed to late registrations and transfers.

Duquesne Elementary School Student Enrollment September 8, 2017									
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

Another look at enrollment is the following tabulation of current regular education sections and average class size at each grade.

Duquesne Elementary School Regular Education Sections September 8, 2017									
Grade >	Pre-K	K	1	2	3	4	5	6	Total
Sections	2	3	3	3	2	2	3	2	20
Average	14.5	13.0	15.7	15.3	21.0	17.5	17.3	20.5	16.6

The Curriculum Steering Committee has continued its work with implementation and oversight of educational initiatives at Duquesne. Under the leadership of Principal Jennifer Jennings, the committee meets regularly to discuss issues of student achievement, curriculum, effective

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instruction, professional development, comprehensive planning and administrative support at DES. Other members of the Steering Committee are Superintendent Barbara McDonnell, Associate Principal Stanley Whiteman, Special Education Consultant Debra Zimarowski, Federal Programs Consultant Nancy Olenik, and DES's four instructional coaches: Michelle Kimmell, Celeste Rudge, Jamie Schmidt and Samantha Utley. Furthermore, Academic Recovery Liaison (ARL) Barbara Mehalov regularly assists the Committee.

The Steering Committee met once during the quarter, on September 26, to consider social emotional curriculum to meet students' diverse needs. In consultation with School Psychologist Dr. Brooke Waterson, the committee recommended the adoption of the Second Step program, which would be phased in beginning in the 2017-2018 school year with pre-kindergarten and kindergarten. The School Level Leadership Team subsequently endorsed the Steering Committee's recommendation. Final approval for implementation at the School District level is expected in the near future.

The instructional coaches and principals have been working closely with faculty on several different topics. Implementation of Daily 5 (reading instruction) and Daily 3 (mathematics instruction) has been a major focus. Another focus has been examination of data to inform instruction, which is done every Wednesday by instructional coaches, principals and teachers. Teachers are identifying learning goals for respective grades and individual students, which are based on PSSA and benchmarking assessment results. Instruction to achieve learning goals is monitored and encouraged by frequent walk-throughs and observations by principals and instructional coaches. Simultaneously, emphasis has been placed on guided reading practices, text dependent analysis, math practices and integration of science, technology, engineering, arts and mathematics (STEAM) into everyday learning.

During the quarter, there have been three major improvements to instructional technology at DES. First, 200 new iPads were obtained so every student in the school can now use an iPad during the school day. Second, a computer lab has been updated with 25 new iMacs. Third, DES received a \$16,500 grant to upgrade the school library into a media space. The renamed library, the Duquesne Media Center, will have additional desktop computers, interactive televisions and instructional devices.

A comprehensive program of professional development began for the faculty with three in-service days at the start of the 2017-2018 school year. Teachers participated in iPad training focusing on Apple Classroom and Apple Teacher Certification. Also, a new learning management system, Schoology, was introduced to the staff. It has been used on a daily basis to post classroom assignments, homework and other parent communication tools. Finally, in-service provided the instructional coaches an opportunity to give teachers exercises in Daily 5, Daily 3, STEAM learning and student data management.

There were changes during the quarter to instructional staff that may impact education. Beginning in the 2017-2018 school year, two classroom teachers began maternity leave. One of the positions was filled by a regular member of the professional staff and the other was filled by a long term substitute. The regular faculty member was moved from a kindergarten class in mid-

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September when the section was collapsed and students were reassigned to the remaining three kindergarten sections. Also, for the new school year one emotional support (ES) class was closed, which left two ES classes. Finally, at the beginning of 2017-2018, a clerical position was added to assist with improving student attendance, reducing truancy and supporting student guidance.

Dr. Linda Lane continued in her role as consultant to Principal Jennifer Jennings on matters of instructional leadership and school culture, especially in regard to implementation of the recently revised School Level Comprehensive Plan. Dr. Lane and Mrs. Jennings met on three occasions during the quarter: July 18, August 8 and August 11. The final report on her consultation was presented by Dr. Lane to the Chief Recovery Officer, Dr. Paul Rach and the Receiver, Dr. Paul Long, on September 27.

There were several assist and monitoring visits during the quarter. Academic Recovery Liaison (ARL) Mrs. Barbara Mehalov visited DES on August 25, September 7 and September 22 to meet with DES Principal Mrs. Jennifer Jennings and Associate Principal Mr. Stanley Whiteman. There were no federal programs visits during the quarter. Special education monitor, Ms. Cortney Verner, visited the DCSD on one occasion during the quarter, on September 6, to meet with Special Education Consultant Ms. Debra Zimarowski.

Summary results of the 2017 Pennsylvania System of School Assessment (PSSA) is presented below.

Duquesne Elementary School PSSA Results 2017				
Assessment & Grade	% Below Basic	% Basic	% Proficient	% Advanced
ELA				
3	38.7	38.7	22.6	0
4	40.0	44.0	14.0	2.0
5	57.6	30.3	12.1	0
6	37.9	48.3	13.8	0
Math				
3	71.0	16.1	6.5	6.5
4	74.5	21.6	2.0	2.0
5	70.6	20.6	5.9	2.9
6	72.4	20.7	6.9	0
Science				
4	23.1	44.2	28.8	3.8

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The above 2017 PSSA data may be compared to the previous year results from 2016.

Duquesne Elementary School PSSA Results 2016				
Assessment & Grade	% Below Basic	% Basic	% Proficient	% Advanced
ELA				
3	41.7	41.7	16.7	0
4	40.5	45.9	13.5	0
5	41.2	29.4	29.4	0
6	48.6	37.1	11.4	2.9
Math				
3	72.0	18.0	8.0	2.0
4	67.6	21.6	8.1	2.7
5	52.9	44.1	2.9	0
6	71.4	17.1	11.4	0
Science				
4	56.4	12.8	18.4	12.8

As previously reported, in his letter of May 11, Secretary Rivera announced the re-establishment of the Education Advisory Committee (EAC). The transition and education of Duquesne secondary students at West Mifflin and East Allegheny are to be addressed by the EAC. The first meeting of the re-established EAC was conducted at the Allegheny Intermediate Unit (AIU) on September 29. All three school districts participated. The meeting was chaired by Deputy Secretary of Education Ms. Debbie Reeves, who was assisted by AIU Executive Director Dr. Linda Hippert. Regular meetings of the EAC are expected to be held in the foreseeable future.

Finance

Execution of the 2016-2017 General Fund Budget continued routinely during the first quarter. As previously reported, tuition invoices for Duquesne resident students attending West Mifflin Area (WMA) schools were contested until the dispute was resolved by a Release and Settlement Agreement on September 12, 2017 between PDE, WMA and Duquesne. Other than the WMA resolved dispute, there have been no unpaid or contested invoices or debt service obligations during the quarter. Furthermore, all payroll, benefits and tuition payments have been made on time.

As previously reported, Duquesne's 2017-2018 General Fund Budget was approved on June 27 and adopted on July 1. The budget, balanced at \$18,154,290, is expected to support all approved curriculum, programs, services and staffing. An appropriation from fund balance was not expected to be necessary to balance the budget. However, for two main reasons, and several lesser ones, fund balance is expected to be used to complete the fiscal year. First, the Release and Settlement Agreement with WMA increases the per student annual tuition rate from \$11,474.33, which was budgeted, to \$12,718.23. The estimated impact of the increase is expected to be

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\$372,524 if current WMA tuition enrollment remains unchanged. The actual impact will depend on the number of students who eventually attend WMA this year and whether a similar tuition increase will apply to students who attend EA. The net increase in all tuition expenditures for the school year is projected to increase by \$247,178. The second main reason for potential use of fund balance is whether actual revenue from state sources will meet budgeted levels. To date, the 2017-2018 Commonwealth Budget remains incomplete for lack of a revenue budget. If the Commonwealth Budget is not balanced at its current level, subsidies and reimbursements to Duquesne could fall short of budgeted amounts, and it may become necessary to use fund balance.

The following fund balance analysis is based on un-audited year-end results for 2016-2017 and the DCSD General Fund Budget for 2016-2017, with estimates of expenditure changes due to increased tuition expense, retirement contributions and staffing changes, as well as potential revenue reductions.

Duquesne City School District General Fund Fund Balance Analysis September 30, 2017		
Non-spendable		
Prepays	\$ 190,000	
Accrued debt service subsidy	0	
Total non-spendable		\$ 190,000
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	1,420,000	
Total committed		3,889,108
Assigned		0
Unassigned		920,892
Fund balance appropriation for the 2016-2017 budget		0
Projected surplus (deficit) for the 2016-2017 budget		0
Total projected fund balance as of June 30, 2017 (unaudited)		5,000,000
Fund balance appropriation for the 2017-2018 budget		0
Projected surplus (deficit) for the 2017-2018 budget		(505,909)
Total projected fund balance as of June 30, 2018		\$4,494,091

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.

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Duquesne City School District Bonds and Notes Payable September 30, 2017			
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

* Audited financial statements

** Projected

The Series 2013 bonds are callable in January 2019. It is the intention of the DCSD to call some or all of the 2013 bonds at that time. Cash to liquidate 2013 bonds will be from fund balance committed for that purpose and the proceeds of an interest free loan from PDE's Transition Loan Program, if transition loan funds are available and a loan is approved by PDE.

As in almost all school districts, the paramount aspect of finance at Duquesne is management of salary and benefit expenses. The following chart presents a summary of staffing at the DCSD as of September 1.

Duquesne City School District 2016-2017 Staffing Summary September 1, 2017			
Professional staff	39	Administrators *	4
Instructional support staff	20	Coordinators and supervisors*	4
Other support staff	12	Confidential exempt staff	2

* In addition to DCSD staff, part time consultants have been utilized to assist in the following areas: instructional leadership and school culture (Dr. Linda Lane), special education administration (Ms. Debra Zimarowski), business administration (Mr. James Graham), federal programs administration (Ms. Nancy Olenik) and communications coordination (Ms. Sarah McCluan). Additionally, the part time Academic Recovery Liaison (ARL), Mrs. Barbara Mehalov, who is compensated by PDE, provides consultative services for curriculum and instruction administration. Also, the part time Chief Recovery Officer (CRO), Dr. Paul J. Rach, and the full time Receiver, Dr. Paul B. Long, both compensated by PDE, participate in administration and governance of the DCSD.

The current collective bargaining agreement between the DCSD and the Duquesne Education Association (DEA) expired on June 30, 2017. Negotiations for a new contract began on February 21, 2017 and are continuing. Until a new contract is fully ratified, the previous contract remains in effect as the status quo.

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The current collective bargaining agreement between the DCSD and the Duquesne Educational Support Professionals Association (DESPA) runs until June 30, 2018. However, para-educators and personal care assistants, who had not been members of DESPA, voted to join the bargaining unit. Collective bargaining in regard to their inclusion in the bargaining unit began on February 21, 2017 and is continuing.

Administrators, supervisors and confidential-exempt staff were given a 1.7% cost of living pay raise effective July 1. A second increment of pay raise, to be based on Pennsylvania School Performance Profile (PSPP) improvement, will be considered in the autumn.

On April 10, a regular audit by the Department of the Auditor General began. The audit will cover 2012-2013 and forward. To date, field work has been completed and the exit interview is awaited. As many as four findings are expected.

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, 2017				
Receiving Schools	Grades	Students June 1	Students September 1	Projected 2017-2018 Tuition
West Mifflin Area School District	7-12	306	299	\$3,802,751
East Allegheny School District	7-12	47	30	381,547
Charter schools, regular education	K-6	127	143	1,871,571
Charter schools, special education	K-6	18	17	544,324
Charter schools, regular education	7-12	46	38	497,341
Charter schools, special education	7-12	12	14	448,266
Special education schools	K-12	13	13	223,571
Other schools	K-12	9	7	84,385
Totals		578	561	\$7,853,756

Changes in individual tuition enrollment categories between the end of the 2016-2017 school year and the beginning of the 2017-2018 school year can be seen by comparing enrollments from June to September on the above table. Enrollment of Duquesne resident secondary students at both WMA and EA decreased by 24. Charter school enrollment increased by nine. The total number of tuition students declined by 17 students, however, projected overall tuition increased by \$247,178.

The annual tuition rate for Duquesne students who attend school in WMA will be \$12,718.23, as required by the recently executed Release and Settlement Agreement. This rate of tuition may also apply to Duquesne students attending EA, but to date, that is not clear. In both cases a rate of \$11,472.33 was budgeted. On the above chart, the larger tuition rate, \$12,718.23, is used to calculate the projected tuition for both WMA and EA. As in the past, the same rate is paid for

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both regular education students and special education students. PDE is expected to make future adjustments to the tuition rate.

Charter school tuition rates are normally set and regularly adjusted by PDE. The current annual tuition for each regular education student charter school student is \$13,087.91. For each special education student who attends a charter school, the current annual tuition is \$32,019.05.

Enrollments of Duquesne students in charter schools at key months over the last several years are depicted below.

Duquesne City School District Charter School Enrollments September 30, 2017				
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

Governance and Administration

The Superintendent of the DCSD is Barbara E. McDonnell, M.Ed. She is supervised by Chief Recovery Officer Paul J. Rach, Ed.D. Both Ms. McDonnell and Dr. Rach report to the Receiver, Paul B. Long, Ed.D., who 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. Long 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. Long 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 Theresa Thomas

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Members of the Duquesne City Board of School Directors participated in two receiver business meetings in the first quarter. Five school directors attended on August 8, and five attended on September 26. An executive session was held prior to each of the business meetings. The next series of meetings for the School Board is scheduled for October 24

The Receiver Advisory Council did not meet during the first quarter. The Council did meet on October 10.

Next Report

The next quarterly Recovery Plan Progress Report will cover the second quarter of fiscal year 2017-2018, i.e. October 1 through December 31, 2017. That report is expected to be filed in January.

Acknowledgements

The following individuals, all affiliated with the Duquesne City School District, contributed to this report.

1. Paul J. Rach, Ed.D., Chief Recovery Officer
2. Barbara E. McDonnell, M.Ed., Superintendent
3. Nedene M. Gullen, Business Manager
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
7. Debra M. Zimarowski, Special Education Consultant
8. James B. Graham, Business Consultant