



# HARRISBURG SCHOOL DISTRICT

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## Harrisburg School District Exits State Receivership Summary Information June 3, 2025

After years of intense focus on financial recovery and commitment to strengthening and stabilizing operations, the Harrisburg School District will be released from State oversight, known as Receivership, at 11:59 p.m. on June 17, 2025. As of June 18, 2025, the School District will return to local governance with its School Board resuming authority, and with a transitional period of monitoring and support from the State.

During the next five years, the Pennsylvania Department of Education will continue to closely monitor the District's progress on its State-approved Recovery Plan, supporting the District on a path towards continued stability and improvement. The State will also provide a full-time Chief Recovery Officer, appointed by the Acting Secretary of Education, who will closely monitor the District's efforts and report monthly to the Department as well as a part-time consultant who will provide additional technical support during the monitoring phase.

The move out of Receivership after six years is a significant positive milestone for the Harrisburg School District, as we continue to make financial and operational progress. Ours becomes the first school district in the Commonwealth to be released from Receivership due to the gains we have been able to achieve. This financial recovery is an opportunity for a more intense focus on academic growth and improvement, as well as continued forward movement across the entire system.

The School District is very much looking forward to a renewed local focus on providing the best possible educational experience for every one of our students.

### **What does this change mean for the Harrisburg School District? What will be different as the District exits Receivership?**

The primary change is that the School Board of Directors will resume local governance of the District. All other operations will continue on the same path towards improvement, as the District continues to follow its approved Amended Recovery Plan.

Since 2019, a Court-Appointed Receiver has effectively acted as the School Board, signing contracts and agreements, and approving motions and actions that a local school board would normally vote to approve. Harrisburg School Board members have continued to attend Board meetings, and the Board has been permitted to offer comments during the second cycle of Receivership. The School Board will now build on its previous trainings and begin to participate in a series of intensive monthly trainings as it resumes voting and governing authority.

The Chief Recovery Officer (CRO) will be present with the Board at school board meetings but will not have voting authority nor have any direct control over operations or management.

Instead, the CRO will consistently communicate with the PA Department of Education about the District's progress, reporting monthly with updates on the Amended Recovery Plan. The CRO will be a resource to the Board and Superintendent and will report any concerns about the District's finances or operations to the Board, Superintendent, and Department of Education.

### **What is Receivership, and how does it work?**

Like many states, Pennsylvania law provides for state oversight and control of school districts that become extremely financially distressed, to ensure that a viable local public education is available for all students. The law includes an early warning system and levels of financial concern and recovery. In 2012, the Harrisburg School District entered "Moderate Financial Recovery," and in 2019 it entered Receivership, the highest level of State control, after years of increased financial, operational, and governance challenges.

The Receiver, an experienced educational leader appointed by a judge, worked with a local Advisory Committee to develop and monitor a Recovery Plan that has been amended twice since it was approved in 2021. The Receiver has continued to function as the governing authority in the school district (in place of a voting school board) and has reported regularly to the PA Department of Education regarding the District's progress on the goals of the Recovery Plan. Dr. Janet Samuels served as Receiver from June 17, 2019 – January 28, 2022 before resigning, and Dr. Lori Suski has been serving as Receiver from January 29, 2022 to the present.

### **What was Harrisburg School District required to accomplish before the State would consider moving the District out of Receivership?**

The District's Amended Recovery Plan included a list of criteria and benchmarks for the District to meet, including:

1. The District would achieve financial stability by maintaining a positive fund balance of at least five percent of annual revenues for three successive years and concluding two successive years with positive annual financial results (revenues exceed expenditures), as reported in the District's audited annual financial statements.
2. The District would not request or require an advance of its basic education subsidy from the state.
3. All employee salaries would be paid on time.
4. The District would not default on any bonds, notes, or leases.
5. The District would no longer meet the criteria for recovery status under State law.
6. The District would be able to show a financial projection for annual balanced budgets for the five fiscal years after exiting financial recovery status, based on information that is known at the time including collective bargaining agreements, debt service schedules, local tax effort, and plans for capital expenditures.
7. The District would meet or demonstrate substantial progress in achieving the academic goals outlined in the Recovery Plan.

The District has met 5 of these 7 criteria and has achieved 76% of the initiatives in its Recovery Plan. Additionally, the District continues to meet 3 of the 15 financial criteria outlined under section 621-A(a)(2) of the Public School Code of 1949. These criteria include:

- The School District's unreserved fund balance has declined for three consecutive years and is less than 5% of the School District's annual expenditures.
- The School District experiences a delinquent tax rate of more than 10%.
- The assessed valuation of taxable real estate in the School District has not increased over the previous five years.

The District will be required to intensify its focus on academic improvement, while also continuing its work on financial and operational recovery and stability. The District has made some academic gains, but overall, academic performance is not yet satisfactory. With a more stable financial structure, the Harrisburg School District is now positioned to work more closely on academic improvement and to strengthen leadership across the system.

### **What steps will the District take in order to boost academic improvement?**

Since 2023, the School District of Harrisburg has been working on four academic goals outlined in the Amended Recovery Plan and will continue to focus on these goals.

**Goal 1:** Establish comprehensive systems and processes to improve student achievement at all grade levels, including but not limited to using data-driven decision making, implementing standardized instructional practices across the District, using a standards-aligned curriculum, and providing safe and welcoming building climates that support and promote student learning.

**Goal 2:** Develop an early childhood program that focuses on early literacy and fosters partnerships with community providers and organizations in order to support early learning and school readiness.

**Goal 3:** Increase opportunities to prepare students for post-graduate success including but not limited to establishing systems and processes to support the transition to post-secondary opportunities, partnerships with local higher education institutions and community organizations, development of District Pathways programs, and industry-based credentialing.

**Goal 4:** Increase the graduation rates for John Harris High School and Cougar Academy and maintain the graduation rate for SciTech as measured by the four-and five-year graduation cohorts. Superintendent Dr. Benjamin Henry has developed a Roadmap to Success plan that complements the District Recovery Plan, providing strategies to achieve these academic goals as well as to guide the District toward increased operational efficiency and stronger community partnerships. This plan will be published on the District website.

## **How is the District’s financial and operational status today, compared to how it was before entering Receivership?**

While the District still faces numerous challenges, many of which are common to urban school systems nationwide, the Harrisburg School District has made remarkable financial strides. In 2019, the District’s fiscal health was extremely poor and its operational and leadership structures were fractured and ineffective. Since entering Receivership, the District has made numerous major improvements and is proud of many accomplishments, including:

- Balancing its annual budget without the use of fund balance (reserve funds.)
- Increasing its fund balance from \$15.4 million in 2019 to \$25.9 million in 2024
- Growing its Capital Reserve Fund from \$308,391 in 2019 to \$34.6 million in 2024.
- Completing three consecutive years of clean local audits with no findings and completing two years of federal financial monitoring related to the use of pandemic ESSER and ESSA funds.
- Creating a new leadership structure including highly qualified administrative leaders in the roles of Superintendent of Schools, Chief Academic Officer, Director of Human Resources, and Chief of Accountability.
- Conducting a facilities feasibility study and upgrading several buildings as a result of the recommended needs: 1) new roofs; 2) new HVAC systems; 3) food service equipment; 4) new building signs; 5) new LED lighting, painting, and restroom renovations.
- Conducting a risk and vulnerability assessment which led to several upgrades to safety and security throughout the District, including new security doors, new locks, and bollards.
- Fully renovating and reopening the once-shuttered Steele Elementary School using ESSER funds post-pandemic.
- Creating and successfully operating a full-time cyber program as an alternative to brick-and-mortar classrooms.
- Negotiating multi-year contracts with its local unions, improving relations with its unions, increasing teacher salaries to be competitive in the market, and making changes to health care plans to reduce costs.

## **How did the District accomplish this kind of financial and operational turnaround?**

Numerous leaders and administrators worked diligently and collaboratively over the last six years to rebuild the school district’s financial procedures and structures, and to carefully optimize finances through efficiencies and the use of best practices in budgeting and accounting. The infusion of millions of dollars in federal pandemic funding also provided an important short-term boost to the system.

## **What will the District do to ensure it doesn’t fall back into a poor financial status?**

The District will continue to implement the Recovery Plan, follow best practices in school district financial management, closely monitor its financial status and forecasts, and carefully consider revenue requirements from the local tax base.

## **How will the District ensure transparency and accountability continue?**

The District will continue to provide regular public updates at school board meetings on its progress on the Recovery Plan and will post information on its website.

*“One Harrisburg: One Vision, One Community, One Future.”*