



**Financial Recovery Plan**

August 6th, 2025

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Dauphin County, Pennsylvania  
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## **INTRODUCTION**

The Steelton-Highspire School District (SHSD or the District) has faced operational and financial challenges over several years, which currently impacts the ability to operate 21st Century dynamic programs to meet the needs of its students. The mission of the District, together with members of the board, district staff and community, is to educate and develop the whole child to compete, produce, and lead in our ever-changing society. The Vision of the Steelton-Highspire School District is transforming to excellence in all services and for all students. To effectively implement transformative programs and services, the District shall begin the critical work as outlined in the Financial Recovery Plan. The Financial Recovery Plan document provides a path forward for the District to improve academic achievement, achieve financial stability, and restore public trust in the District's ability to provide dynamic programs to meet the needs of all students.

The Financial Recovery Plan (FRP or the Plan) demonstrates the extraordinary efforts by educators, parents, School Board members, and community leaders in the Steelton-Highspire School District to work together to set the students on a positive path for a successful future. This will require major changes to how the Steelton-Highspire School District directs its administrative, financial management, operations and academics to succeed in the current environment with its financial constraints. Ultimately, the accountability for the educational program for the District rests with the Superintendent and the School Board. The Financial Recovery Plan provides the leaders of the Steelton-Highspire School District and the community a guide for the process of continuous improvement and a plan to implement best practices across the District. The Financial Recovery Plan is designed with visionary, strategic, and operational goals, initiatives and action steps to ensure continuous improvement.

## **School District Background**

The Steelton-Highspire School District is a geographically small (approximately two square miles), urban, public school district located in Dauphin County, PA. It encompasses the boroughs of Steelton and Highspire, both industrial suburbs of the City of Harrisburg. The District serves a local population of about 9,000, making it a relatively small enrollment school district. As shown in the following table, both Steelton and Highspire Boroughs experience local economic challenges. Both boroughs reported greater poverty rates and lower median household income than the Statewide average in 2023.

**SHSD Local Characteristics<sup>1</sup>**

	<b>Steelton Borough</b>	<b>Highspire Borough</b>	<b>SHSD</b>	<b>Pennsylvania</b>
Population	6,267	2,729	<b>8,996</b>	12,986,518
Median Household Income	\$55,963	\$50,689	<b>\$53,640</b>	\$76,081
Percent Below Poverty	22.3%	14.0%	<b>19.8%</b>	11.8%

Based on October 2023 enrollment counts, 1,423 students or 85.6 percent of the District's student population attended SHSD programs with the remaining student population attending charter, cyber-charter and private school placements. Average Daily Membership (ADM) has increased steadily over the last several years, which is reflected in the enrollment and charter school ADM trends in the table below.

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<sup>1</sup> U.S. Census Bureau; 2023 American Community Survey (ACS) 5-Year Estimates.

### SHSD Enrollment and Membership Trends<sup>2</sup>

	2019-20	2020-21	2021-22	2022-23	2023-24
Adjusted ADM	1,503.2	1,556.1	1,617.6	1,660.9	1,683.7
Enrollment	1,290	1,360	1,372	1,378	1,423
Charter School ADM	155.07	213.86	220.38	239.62	239.07

For students attending SHSD programs, the District currently operates two main buildings. The Elementary School serves students in kindergarten to 6<sup>th</sup> grade, and the High School spans grades 7 to 12. As shown in the table below, growth in enrollment over time has been concentrated in the High School. Between 2019-20 and 2023-24, High School-level enrollment increased by 113 students, and Elementary School-level enrollment increased by 20 students.

### SHSD Enrollment by Building<sup>3</sup>

	2019-20	2020-21	2021-22	2022-23	2023-24
Elementary School	750	738	736	747	770
High School	540	622	636	631	653
<b>Total Enrollment</b>	<b>1,290</b>	<b>1,360</b>	<b>1,372</b>	<b>1,378</b>	<b>1,423</b>

### Historical Financial Challenges

On March 15, 2013, PDE placed SHSD into Financial Watch Status. This was a result of PDE’s Early Warning System, which identifies school districts that are experiencing financial difficulty. Financial Watch Status made the District eligible to receive technical assistance and other support from the Department.

As part of ongoing monitoring and technical assistance, PDE assigned Public Financial Management (PFM) to perform several analyses of the District and its financial and operational practices. Over the past several years, this included:

- **Proposed Transfer of Territory Analysis (2017)** – evaluated the impact of transferring the Highspire Borough portion of the Steelton-Highspire School District to the adjacent Middletown Area School District
- **Financial Review and Analysis (2023)** – evaluated historical and projected financial trends, as well as major budgetary challenges
- **Financial Review and Analysis (2025)** – evaluated current budgetary practices, cashflow challenges, and projected financial trends

As documented in the above analyses, the District has faced significant financial challenges over the past decade. Various financial trends and practices have resulted in persistent operating deficits and a currently large, growing negative fund balance. These trends include but are not limited to: rapid growth in operating expenses including contracting and staffing levels, insufficient revenue generation even in years highly supported by pandemic stimulus funds, and budgeting practices. Upon the expiration of pandemic stimulus funds, the District has continued to incorporate across-the-board budgetary increases, rather than right-

<sup>2</sup> PDE October Enrollment, ADM, and Basic Education Funding Reports.

<sup>3</sup> PDE October Enrollment Reports. Data shown includes students reported as attending “SH SD” rather than a building. Here these students are assumed to be placed in the building that correspond with their grade levels.

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sizing in the absence of sustained funding. The chart and table below depict operating results from the five most recent years where audits are available. The last completed audit was as of June 30, 2022. Additionally, no state Annual Financial Reports (AFRs) have been filed for 2022-23 and 2023-24. Based on unaudited and year-to-date trends for 2022-23, 2023-24, and 2024-25, the District's negative financial position is likely more substantial than the most recent audit reports. Completed local audits and AFR reports are: a) critical to understanding the district's financial position and practices, b) the basis for subsequent financial decisions including budgeting, c) important for establishing the district's credit rating, d) a requirement of the Pennsylvania School Code (24 PS 24-2401), and e) are a requirement of School Board Policy #619.

The mission of any governmental system of accounting is to report the results of operations and financial condition to external and internal users. This concept of accountability is the paramount objective of financial reporting according to the Governmental Accounting Standards Board (GASB). For Pennsylvania Local Educational Agencies (LEAs) there are four kinds of external users: the general public, state and federal regulators, grantor agencies and county governments.

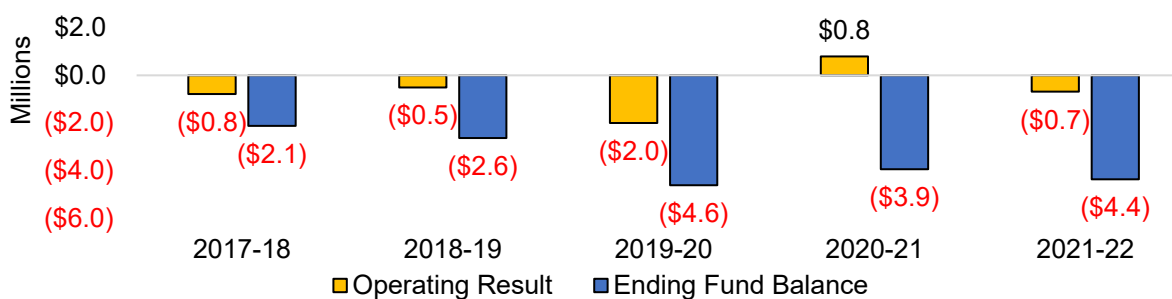
Pennsylvania law requires that LEA financial statements be audited by a firm of Certified Public Accountants locally appointed by the School Board. Certified Public Accountants are obligated to express favorable opinions only on statements prepared in accordance with generally accepted accounting principles as prescribed by GASB and all other bodies like the Department of Labor, Education, and Community Services (LECS) Comptroller's office. The essence of an audit is independent verification. LEA financial statements must be audited by a firm of independent Certified Public Accountants (CPAs). The local audit is conducted on LEA prepared financial statements to determine their compliance with generally accepted accounting principles. The audit report consists of the auditor's opinion on the LEA prepared financial statements.

The Pennsylvania annual Financial Report (AFR) is a required report to LECS and is a source of vital information for benchmarking, statistics, and even subsidy information. The AFR and the local audit work closely and effectively together to reconcile to each other.

The Office of the Budget conducts reviews within the Bureau of Audits (BOA) completing an evaluation of the internal controls put in place by the District specific to the following operational areas: 1) business office operations including budgeting, receipts, disbursements, and procurements; 2) human resources to including hiring, compensation and benefits; and 3) transportation. The response of the review includes observations and recommendations that the District receives to improve internal controls.

The last audited ending fund balance for the General Fund as of June 30, 2022 was **(\$4,366,672)**. Making any subsequent conclusions on expenses, revenues and fund balance, and making any related financial projections since June 30, 2022 is problematic given the unreliability or unavailability of financial data.

### SHSD Historical Operating Results<sup>4</sup>



	2017-18	2018-19	2019-20	2020-21	2021-22
Total Revenue	\$22,520,778	\$23,966,576	\$24,251,768	\$28,326,544	\$31,393,523
Total Expenditures	\$23,304,619	\$24,478,738	\$26,256,368	\$27,532,551	\$32,078,876
<b>Operating Result</b>	<b>(\$783,842)</b>	<b>(\$512,163)</b>	<b>(\$2,004,600)</b>	<b>\$793,993</b>	<b>(\$685,353)</b>
<b>Ending Fund Balance</b>	<b>(\$2,124,771)</b>	<b>(\$2,634,777)</b>	<b>(\$4,615,409)</b>	<b>(\$3,945,955)</b>	<b>(\$4,366,672)</b>

As discussed in the Financial Management chapter, cash management has been a notable challenge for SHSD. For several consecutive years, the District has deferred payment of current year operating expenses, creating a cycle of dependency on uncollected, future revenue. In many cases, the District has had to delay until the subsequent fiscal year payment on any expenses other than payroll and legal obligations to debt service and retirement programs. In 2024-25, the District’s outstanding liabilities totaled approximately \$10.9 million, which it covered using a combination of bond proceeds and current revenues. Despite the substantial, \$8,865,000 million bond issuance in 2024-25 which covered some of the outstanding liabilities from 2023-2024, SHSD is facing another sizable list (currently estimated at over \$3 million according to the District’s financial records) of unpaid obligations in 2025-26. These unpaid obligations are from a variety of vendors but not limited to neighboring Townships for police staffing, the area Intermediate Unit, transportation vendors, outplacement providers, and school districts providing special education services as well as other vendors.

The described financial and cash management challenges have been impacted by limited administrative and reporting capacity, as well as data availability issues. The District has not completed an audit since 2021-22, leaving it with two outstanding audits to-date which are due to the Department. This, in addition to both limited and delayed reporting, has made it difficult to estimate the District’s current financial position. These issues compromise the ability of the District to accomplish its academic and strategic goals, therefore necessitating the ongoing financial intervention and monitoring outlined in this Plan.

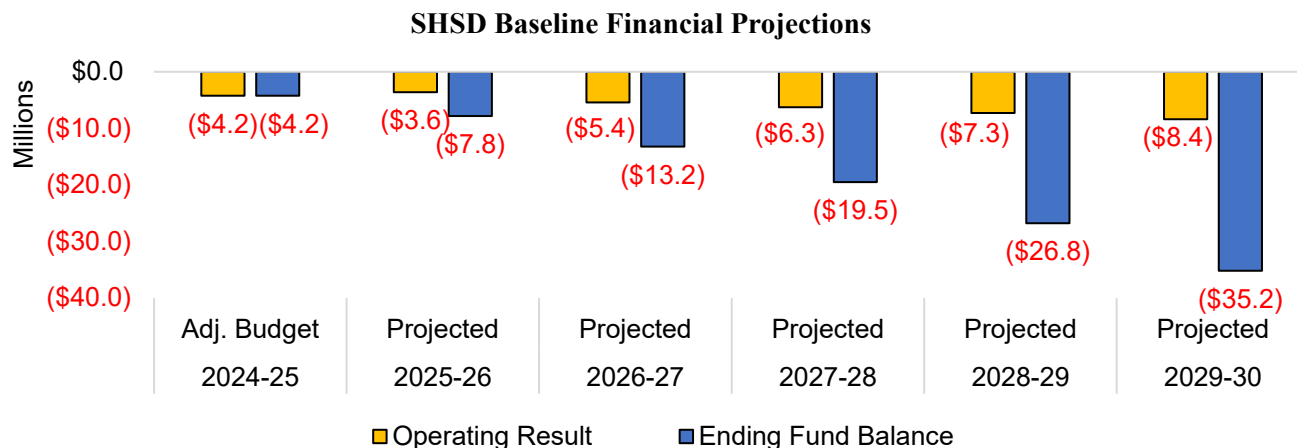
### **Baseline Financial Projections**

In addition to the identified historical challenges, the District’s baseline financial projections reiterate concerns about budgeting practices and financial sustainability in the years ahead. For the purpose of this Plan, baseline financial projections refer to a “status quo” scenario where revenue and expenditures are grown based on historical increases, with no major corrective action such as a tax increase or programming change. Baseline projections typically highlight the underlying structural imbalance of a school district’s financial position, as expenditure growth usually outpaces revenue generation in the absence of corrective action.

The following chart and table reflect SHSD’s baseline financial projections. The 2024-25 budget was used as a base year, and all major revenue and expenditure areas in the budget are assigned growth assumptions

<sup>4</sup> Revenue, expenditures, and operating results are based on Annual Financial Report (AFR) data, while ending fund balances are based on the District’s audits.

which are described in Appendix D. Projected revenue trends are driven by inflationary growth in earned income taxes, continued historical increases in State education funding, and no increases are assumed in Federal funding. Expenditure growth is tied to contractual terms for cost areas like salaries, benefits, debt service, and transportation, inflation for certain operating costs, and detailed enrollment and tuition rate projections for charter school tuition costs. As shown below, the baseline scenario projects continued negative operating results that grow in magnitude over time, which is attributable to expenditure growth that outpaces revenue generation. Total operating expenditures are projected to grow by \$1.4 to \$1.8 million per year and based on this baseline scenario, the District is not projected to generate adequate revenue to cover both the level of expenditures and the costs in growth. Negative, consecutive operating results will increase the size of the District’s negative fund balance over time (see note below).



	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Adj. Budget	Projected	Projected	Projected	Projected	Projected
Total Revenue	\$41,424,477	\$31,578,218	\$32,228,680	\$32,935,818	\$33,379,046	\$34,079,822
Total Expenditures	\$45,642,646	\$36,177,371	\$37,634,790	\$39,217,355	\$40,670,668	\$42,478,018
<b>Operating Result</b>	<b>(\$4,218,169)</b>	<b>(\$4,599,152)</b>	<b>(\$5,406,110)</b>	<b>(\$6,281,537)</b>	<b>(\$7,291,622)</b>	<b>(\$8,398,196)</b>
<b>Ending Fund Balance</b>	<b>(\$4,218,169)</b>	<b>(\$8,817,322)</b>	<b>(\$14,223,432)</b>	<b>(\$20,504,969)</b>	<b>(\$27,796,591)</b>	<b>(\$36,194,787)</b>

*Note: Because the District’s most recent audit is from the 2021-22 school year, it is not possible to calculate an accurate ending fund balance. To avoid a significant underestimation, the projections above begin with an ending fund balance of \$0 in 2023-24. Any changes in fund balance shown in these projections should be considered in addition to the latest available audited results.*

The baseline projections illustrate that the SHSD’s 2024-25 budget will not be sustainable over time at the District’s current funding level. As outlined in the Financial Management chapter of this Plan, the District will need to meticulously confront its budgeting practices to correct this.

The initiatives in this Plan support the District’s goal of achieving financial stability, ultimately enabling it to fulfill its programmatic mission and goals. As detailed in the Recovery Plan Financial Projections chapter, successful implementation of the initiatives will improve the District’s financial position and ensure internal capacity to practice strategic financial management in the future.

## **Guiding Principles**

Several, and in some cases inter-related, factors have contributed to SHSD's challenges. This Plan does not intend to describe each event or factor in detail but rather lays out the initiatives necessary to strengthen the District's administration, operations, financial management, and academics. They focus on the path forward to achieving financial stability, preserving programs, improving academic outcomes, and to developing the capacity to make future investments in students, staff, facilities, and programs. The organizing framework for the initiatives is designed to align with the following guiding principles:

- **Efficient and effective data management and accurate and timely data are crucial to daily and required functions.**
  - The District will use streamlined systems to collect and manage information, and to better adhere to required financial and operational data reporting timelines.
- **Standard procedures ensure consistency and completion of responsibilities.**
  - In all departments and areas, the District will align operations with standardized procedures and policies.
- **Operations must align with sustainable resources.**
  - The District will cover current-year operating expenditures with the current year's recurring revenues. SHSD will ensure that new investments are funded with sustainable resources, and it will right-size operations when necessary to align with available resources.
- **Every student in the District can be successful and must be equipped with the skills necessary for success in the 21<sup>st</sup> century workforce. Maintaining students in SHSD programs must be prioritized.**
  - The District will use available resources to implement quality, expansive programs and services, as well as student retention and re-engagement plans.

## **Act 141 Provisions and Exit Criteria**

Pursuant to 24 PS 6-641-A(9), the CRO must define certain criteria that the Steelton-Highspire School District must satisfy in order for the Secretary of Education to terminate its Financial Recovery Status. The following criteria shall be met by SHSD in order to exit from Financial Recovery:

- (i) The financial recovery school district does not request an advance of its basic education subsidy.
- (ii) All teacher and other employee salaries are paid when due.
- (iii) The financial recovery school district is not in default on any bonds, notes or lease rentals and is not subject to withholding by the secretary under section 633.
- (iv) The financial recovery school district does not satisfy the criteria stated in regulations promulgated under section 621-A(a)(2), 24 P.S. § 6-621-A.
- (v) The financial recovery school district is making progress toward financial stability.
  - (a) The District has achieved financial stability by maintaining a positive fund balance of at least five percent of annual revenues for three successive years, and concluded two successive years with positive annual financial results (revenues exceed expenditures), both as reported in the District's audited annual financial statements;

(vi) The District is able to show a five-year projection approved by the CRO and the Board that forecasts 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;

(vii) The District meets or demonstrates substantial progress in the academic performance, graduation rate, and career readiness goals outlined in the Academic Achievement chapter of this Recovery Plan;

## **Chapter 18 Provisions**

On March 24, 2025 and after sustained financial and operational challenges, the Acting Secretary of Education at PDE placed the District into Moderate Financial Recovery Status. The designation came over a decade after the declaration of Financial Watch Status, which occurred on March 15, 2013. This shift in designation signified a greater need to provide the District with more supportive oversight, training, and technical assistance. The shift in status was based on an evaluation into the District's financial condition and practices and based on the PA School Code 24 PS §6-621(A)(a)2.

### **§ 18.5. Issuance of declaration under section 621-A(a)(2) of the School Code.**

(a) Consistent with section 621-A(a)(2)(i) of the School Code (24 P.S. § 6-621-A(a)(2)(i)), the Secretary may consider the following criteria when determining whether to issue a declaration that a school district is in financial recovery status:

- (1) The school district receives at least 85% of its per pupil funding from the Commonwealth and collects less than 50% of local taxes levied to fund the school district.
- (2) The school district's unreserved fund balance has declined for 3 consecutive years and is less than 5% of the school district's annual expenditures. As used in this paragraph, a school district's unreserved fund balance means the school district's unassigned fund balance.
- (3) The school district's fixed costs are at least 30% of the school district's total annual expenditures.
- (4) The school district's total outstanding debt is greater than the school district's total annual expenditures.
- (5) The salaries of teachers or other employees of the school district are unpaid at least 15 days after payment is due.
- (6) The school district is subject to withholding of its State appropriation under section 633 of the School Code (24 P.S. § 6-633).
- (7) The school district is subject to withholding of its State appropriation under section 785 of the School Code (24 P.S. § 7-785).
- (8) The school district is subject to withholding of its State appropriation under 53 Pa.C.S. § 8283(c) (relating to remedies).
- (9) The school district has defaulted on the payment of a debt due to a school district, intermediate unit or charter school that remains unpaid on or after January 1 of the year following the school year it was due and there is not a dispute regarding the validity or amount of the claim.

- (10) The school district's assigned and unassigned total fund balance is less than zero in the school district's general fund.
- (11) The school district's assigned and unassigned total fund balance in the school district's general fund as a percentage of total expenditures is less than 3%.
- (12) The school district experiences a delinquent tax rate of more than 10%.
- (13) The assessed valuation of taxable real estate in the school district, as certified by the State Tax Equalization Board, has not increased over the previous 5 years.
- (14) An amount due a joint board of school directors under a joint board agreement remains unpaid beyond the due date specific in the joint board's articles of agreement.
- (15) The school district has contracted a loan not authorized by law.
- (16) The school district has accumulated and operated with a deficit equal to at least 2% of the assessed valuation of the taxable real estate within the school district for 2 successive school years.
- (17) The school district experiences a deficit of 3% or more for 3 consecutive school years resulting in a reduction of unassigned fund balance each year.
- (18) A new, merged or union school district has been formed and one or more of the former school districts which compose the merged or union school district was a distressed school district under section 691 of the School Code (24 P.S. § 6-691) or a financial recovery school district under Article VI-A of the School Code (24 P.S. § § 6-601-A—6-693-A) at the time of the formation of the new, merged or union school district.

### **Statutory Basis of the Recovery Plan**

When the Acting Secretary of Education at PDE placed the District into Moderate Financial Recovery Status it marked a turning point for the District. This shift in designation of a greater need from PDE marked the moment the Department began to provide the District with more supportive oversight, training, and technical assistance. The District was found to have met the following specific criteria pursuant to Section 6-621-A(a)(2) of Pennsylvania Public School Code:

- The District's unreserved fund balance has declined for three consecutive years and is less than five percent of the District's annual expenditures.
- The District's assigned and unassigned total fund balance is less than zero in the school district's general fund.
- The District's assigned and unassigned total fund balance in the school district's general fund as a percentage of total expenditures is less than three percent.
- The District experienced a deficit of three percent or more for three consecutive school years, resulting in a reduction of unassigned fund balance each year.
- The assessed valuation of taxable real estate in the school district, as certified by the State Tax Equalization Board, has not increased over the previous 5 years.

Subsequent to the Declaration of Financial Recovery Status, the Department appointed Harry Mathias as the Chief Recovery Officer (CRO). Under the provisions of Act 141 of 2012, the CRO is charged with preparing and implementing a plan for the delivery of effective educational services and financial stability. As required by State statute, the CRO is supported by a technical assistance team and by an Advisory

Committee. This document is the Financial Recovery Plan required by Section 652-A of Act 141, 24 P.S. § 6-652-A .

Through the Financial Recovery status, PDE will support the Steelton-Highspire School District with training and technical assistance to improve their current condition. To that end, the Financial Recovery Plan is designed to strengthen the existing school system for financial stability, academic performance, and commit to the District's Vision of transforming to excellence in all services and for all students.

The proceeding Financial Recovery Plan demonstrates the extraordinary efforts necessary to strengthen the current school system. The next chapters will present the academic, administrative, financial, and operational improvements needed to maintain the Steelton-Highspire School District as the center of the community.

The financial difficulties necessitating this Recovery Plan are multifaceted, stemming from factors such as persistent structural budget imbalances, increasing service demands, and limitations in the District's operational efficiency.

Addressing these will require extraordinary efforts by the District and community stakeholders to strengthen the existing school system.

The ultimate vision is for the SHSD to re-emerge from Financial Recovery as a resilient, fiscally sound, and high-performing educational institution that serves as the center of the Steelton-Highspire communities.

### **Powers and Duties Under the Chief Recovery Officer**

As designated in Section 633-A of Act 141, 24 P.S. § 6-633-A, the Chief Recovery Officer shall deliver specific actions in financial recovery which include but are not limited to:

- (1) With the assistance of the department, develop, implement and administer a financial recovery plan in accordance with Subdivision (iii).
- (2) Coordinate the department's provision of technical assistance to the financial recovery school district under section 626-A.
- (3) Maintain oversight of the financial recovery school district during the transition period under section 625-A.
- (4) Attend regular and executive sessions of the board of school directors.
- (5) When a receiver is appointed to oversee the management of the financial recovery school district under Subdivision (vi), serve as an advisor to the receiver.
- (6) Where an advisory committee is established under section 654-A, meet at least monthly with the advisory committee.
- (7) In a financial recovery school district to which section 654-A does not apply, conduct at least four public forums on the basis for the financial recovery declaration and the development and implementation of a financial recovery plan.

### **Scenario-Based Financial Projections**

Financial projections are a tool that allows the District, the CRO, and the Department to understand the short and long-term sustainability of SHSD's budget. Projected revenue and expenditure trends may support

the District in making financial decisions, as they depict the financial stability and position of the District with or without corrective action. Using the following financial projections, SHSD can proactively address future pressure points like rising costs, funding gaps, and programming needs.

These scenario-based financial projections are based on the 2024-25 budget, which is adjusted to reflect year-to-date trends or other updated information provided by the District. Each of the major revenue and expenditure areas in the budget are assigned growth assumptions, which are carried forward for five years until 2029-2030. These assumptions are listed in Appendix D. Whereas the baseline financial projections reflect a status quo scenario that carries forward historical revenue and expenditure trends without any corrective action, these scenario-based financial projections incorporate a combination of revenue-generating and cost saving initiatives that have been explored throughout this Plan. While the following scenario projections incorporate the estimated financial impact of six specific initiatives, numerous other recommended initiatives, whose direct fiscal effects could not be quantified for this analysis, are nonetheless vital for fostering operational improvements expected to bolster the District's overall financial health. These six initiatives, summarized below, reflect a subset of extraordinary financial changes that would support the District's Financial Recovery efforts.

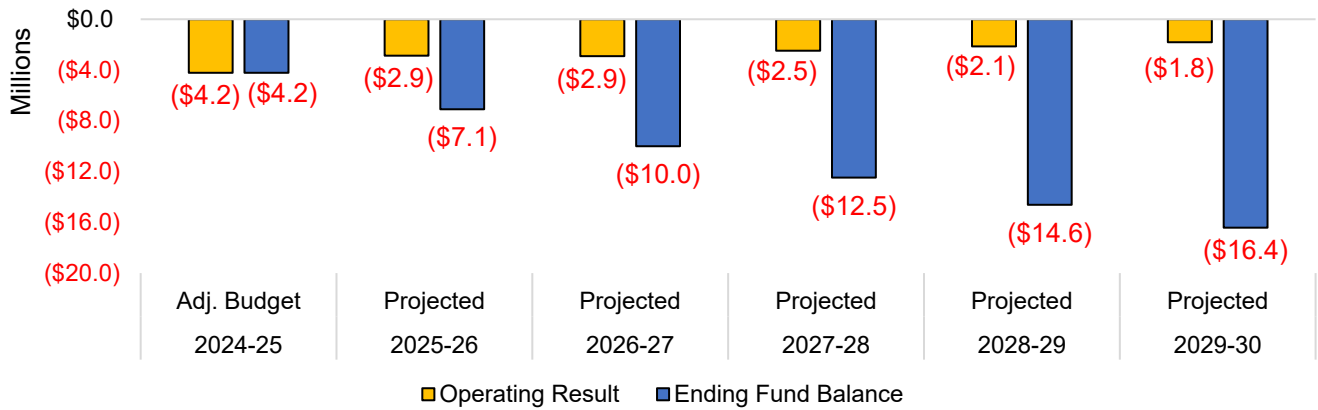
***Recovery Plan Initiatives used for Scenario-Based Financial Projections:***

- **Initiative AC9:** Charter school enrollment is held flat at 230 students to reflect student retention efforts, rather than assuming continued historical growth.
- **Initiative FM2:** The School Board and District will consider raising its real estate tax rate by the Act 1 Index annually.
- **Initiative FM4:** The District will negotiate contracts with affordable salary increases and benefit packages.
- **Initiative FM5:** The District will analyze its healthcare costs and contributions to improve affordability as part of staff negotiations and competitive rate bidding.
- **Initiative FM6:** The District will right-size its workforce to align more closely with staffing ratio averages in other comparable school districts.
- **Initiative FM9:** The District will limit growth in special education spending to align more closely with average per-pupil spending in other comparable school districts.

The following chart and table summarize the resulting multi-year Recovery Plan Scenario-Based Financial Projections for SHSD. As shown below, the District is expected to face continued financial pressure over time. Even when accounting for the revenue generating and cost saving measures, the projections do not indicate that the District might achieve a structurally balanced budget in the next several years. Cost-containing initiatives that impact personnel and spending on charter school tuition and special education help to slow down total cost growth, and consecutive tax increases help to improve the District's revenue generation. These efforts are projected to reduce the size of shortfalls over time, but SHSD will need significant budgetary changes to achieve stability in the near-term.

**SHSD Financial Recovery Scenario-Based Financial Projections:**

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	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	<b>Adj. Budget</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
Total Revenue	\$41,424,477	\$31,924,906	\$32,698,407	\$33,672,349	\$34,348,901	\$35,289,464
Total Expenditures	\$45,642,646	\$35,793,778	\$35,612,123	\$36,145,786	\$36,488,066	\$37,100,398
<b>Operating Result</b>	<b>(\$4,218,169)</b>	<b>(\$3,868,872)</b>	<b>(\$2,913,715)</b>	<b>(\$2,473,437)</b>	<b>(\$2,139,165)</b>	<b>(\$1,810,934)</b>
<b>Ending Fund Balance*</b>	<b>(\$4,218,169)</b>	<b>(\$8,087,041)</b>	<b>(\$11,000,756)</b>	<b>(\$13,474,193)</b>	<b>(\$15,613,358)</b>	<b>(\$17,424,292)</b>

*Note: Because the District's most recent audit is from the 2021-22 school year, it is not possible to calculate an accurate ending fund balance. To avoid a significant underestimation, the projections above begin with an ending fund balance of \$0 in 2023-24. Any changes in fund balance shown in these projections should be considered in addition to the latest available audited results.*

## **FINANCIAL RECOVERY PLAN INITIATIVES AND ACTION STEPS**

The following section outlines, by major area of school district operations, the set of initiatives that will guide the District towards financial stability, academic and programmatic improvement, and administrative and procedural success. The initiatives and their corresponding action steps are a product of identified challenges and weaknesses across the District, many of which are inter-related. As a result, the initiatives require regular, collaborative efforts to ensure progress and improvements are made.

### **Academic Programs and Performance (AC)**

The Steelton-Highspire School District is filled with talented students, dedicated hard-working staff members, committed parents, and interested community members. The District faces many educational challenges that are typical in urban school districts in Pennsylvania. These challenges include basic or below basic performance on standardized tests, low graduation rates, and limited success progressing educational programs beyond graduation. Despite the District’s talented staff and students, there is an ongoing need to improve student achievement as measured by the standardized tests administered in Pennsylvania’s public schools.

SHSD monitors academic outcomes using a combination of local assessments and State standardized tests including the Pennsylvania System of School Assessment (PSSA) and Keystone Examinations. Students in grades 3-8 are administered the PSSA in English/Language Arts (ELA) and Mathematics, and students in grades 4 and 8 are administered the PSSA in Science. Keystone Exams are administered to high school students, and they are designed to assess proficiency in areas of Algebra I, Literature, and Biology. The tables below summarize the District’s recent performance on the PSSA and Keystone exams. As shown below, students in SHSD have performed well below Statewide average proficiency levels in all subjects and at all grade levels (see Appendix B for the grade level details). On both exams, SHSD proficiency levels were less than half of the Statewide average in each of the last five years where exams were administered.

#### **SHSD PSSA Results – Percent of Students Scoring Proficient or Advanced<sup>5</sup>**

	2018-19	2020-21	2021-22	2022-23	2023-24
<b>Steelton-Highspire SD</b>					
ELA	19.3%	8.9%	13.5%	17.3%	19.2%
Math	4.0%	0.8%	2.9%	4.3%	6.9%
Science	27.6%	11.1%	16.3%	30.2%	31.6%
<b>Statewide Average</b>					
ELA	60.9%	55.5%	54.6%	53.7%	53.0%
Math	42.4%	32.8%	34.4%	39.4%	40.4%
Science	68.0%	63.8%	62.2%	65.5%	65.8%
<b>Difference</b>					
ELA	-41.6%	-46.6%	-41.1%	-36.4%	-33.8%
Math	-38.4%	-32.0%	-31.5%	-35.1%	-33.5%
Science	-40.4%	-52.7%	-45.9%	-35.3%	-34.2%

<sup>5</sup> PDE District-Level and State-Level PSSA Reports (All Students). Exams were not administered in 2019-20 due to the COVID-19 pandemic.

### SHSD Keystone Exam Results – Percent of Students Scoring Proficient or Advanced<sup>6</sup>

	2018-19	2020-21	2021-22	2022-23	2023-24
<b>Steelton-Highspire SD</b>					
Algebra I	29.2%	14.3%	5.3%	5.7%	6.3%
Biology	14.6%	N/A	8.8%	7.7%	10.0%
Literature	31.3%	N/A	19.4%	11.8%	19.6%
<b>Statewide Average</b>					
Algebra I	63.3%	62.4%	63.9%	34.2%	41.6%
Biology	63.2%	67.6%	41.9%	50.7%	50.5%
Literature	71.5%	49.6%	64.9%	65.3%	63.2%
<b>Difference</b>					
Algebra I	-34.1%	-48.1%	-58.6%	-28.5%	-35.3%
Biology	-48.6%	N/A	-33.1%	-43.0%	-40.5%
Literature	-40.2%	N/A	-45.5%	-53.5%	-43.6%

*\*In 2020-21, the District did not meet the minimum student count necessary to calculate the average proficiency levels for Biology and Literature*

In addition to the subjects assessed on PSSA and Keystone exams, the District provides several career and workforce-oriented programs. In its own programs, SHSD is required to provide certain career readiness instruction as defined by PA Public School Code. The District must demonstrate through the Career Standards Benchmark that students, at grades 5, 8, and 11, fulfill Statewide standards for career readiness. The District also works with the Dauphin County Technical School (DCTS) which provides specific programs for students to receive workforce training and technical skills. Students attending the DCTS are assessed (as applicable) through Industry-Based Learning standards such as the National Occupational Competency Testing Institute (NOCTI), the National Institute of Metalworking Skills (NIMS), and other credentialing measures.

The table below depicts the District’s performance on the Career Standards Benchmark and Industry-Based Learning standards. As shown below and in each of the last five years where fulfillment of career standards was monitored, the District had a lower percentage of students successfully complete the standards for each measure, compared to the Statewide average percentage in a given year. The District had notably low performance on the Industry-Based Learning standards. Over the five years shown below, the District had no students score as competent or advanced on a NOCTI or NIMS examination, and very few students achieved industry credentials or qualifying work-based learning experiences.

### SHSD Career Readiness Standards – Percent of Students Meeting Required Standards<sup>7</sup>

	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Career Standards Benchmark</b>					
Steelton-Highspire SD	1.2%	39.4%	53.2%	66.3%	61.5%
Statewide Average	89.8%	86.2%	88.3%	89.6%	91.4%
<b>Difference</b>	<b>-88.6%</b>	<b>-46.8%</b>	<b>-35.1%</b>	<b>-23.3%</b>	<b>-29.9%</b>
<b>Industry-Based Learning</b>					
Steelton-Highspire SD	2.5%	1.8%	1.9%	5.4%	1.1%
Statewide Average	29.1%	26.8%	28.8%	32.8%	39.2%
<b>Difference</b>	<b>-26.6</b>	<b>-25.0%</b>	<b>-26.9%</b>	<b>-27.4%</b>	<b>-38.1%</b>

<sup>6</sup> PDE School-Level and State-Level Keystone Reports (All Students). Exams were not administered in 2019-20 due to the COVID-19 pandemic.

<sup>7</sup> Future Ready PA College and Career Measures Data Files.

As discussed, the District also faces low graduation rates. Over the last five school years, the District has reported four- and five-year graduation rates that fell below the Statewide average. As shown in the table below, the District’s four-year graduation rate improved in 2022-23 and 2023-24 by at least 10 percentage points per year, bringing it significantly closer to the Statewide average in 2023-24. Five-year graduation rates have also improved over time, though marginally.

### SHSD Graduation Rates<sup>8</sup>

	2019-20	2020-21	2021-22	2022-23	2023-24
<b>4-Year Cohort</b>					
Steelton-Highspire SD	62.7%	63.8%	63.0%	74.2%	84.5%
Statewide Average	87.4%	86.7%	87.0%	87.6%	88.0%
<b>Difference</b>	<b>-24.7%</b>	<b>-22.9%</b>	<b>-24.0%</b>	<b>-13.4%</b>	<b>-3.4%</b>
<b>5-Year Cohort</b>					
Steelton-Highspire SD	74.0%	74.1%	75.0%	76.1%	79.8%
Statewide Average	89.5%	89.8%	89.7%	90.0%	90.5%
<b>Difference</b>	<b>-15.6%</b>	<b>-15.7%</b>	<b>-14.7%</b>	<b>-14.0%</b>	<b>-10.7%</b>

In an effort to improve academic outcomes, SHSD shall improve low academic achievement and low regular attendance rates. Proficiency below the statewide average indicates that students struggle to meet expected comprehension levels at the assessed grade levels, which is impacted by low regular attendance. The District reported a four-year graduation rate in 2023-24 which was slightly lower but comparable to the Statewide average that year. This contradicts trends in student achievement and attendance, and it should be evaluated as part of Districtwide improvement efforts.

Given the financial challenges outlined in this Recovery Plan, the Steelton-Highspire School District needs to ensure that its investments in academic programs are targeted to improve student achievement and other academic indicators so that it can fulfill its mission of providing the educational experiences necessary to educate, develop, and prepare its students for the world ahead of them. This section of the Recovery Plan details the initiatives and action steps that the District shall undertake to improve the SHSD academic experiences and to achieve its academic goals.

### Academic Programs and Performance Goals

#### Goal 1: Strengthen Core Academic Achievement Across All Grade Levels

- Steelton-Highspire School District will improve academic outcomes in English-Language Arts, mathematics, and science by embedding evidence-based instruction, updating curricula to align with Pennsylvania Academic Standards, and ensuring access to high-quality teaching and materials across all grade levels.

#### Goal 2: Improve Graduation Rate

- Steelton-Highspire High School will improve the graduation rate of its 4- and 5- year cohorts through course completion and Keystone Examination proficiency measures by updating curricula to align with Pennsylvania Academic Standards, ensuring high-quality teaching and materials across grade levels and providing additional opportunities for attaining proficiency to students showing need.

<sup>8</sup> PDE Four- and Five-Year Cohort Graduation Rate Reports. Percentage reflects the number of students who graduated in a given year divided by the total number of students who entered ninth grade four or five years ago, respectively.

**Goal 3: Improve Student Achievement in the PA Career Education and Work Standards as measured by the Future Ready Index.**

- Steelton-Highspire School District will improve student attainment of Career Education and Work Standards by analyzing student achievement data and evidence, aligning curriculum to include PA Career Ed and Work Standards, implementing and monitoring effective instruction strategies, assessing and collecting evidence on student attainment of the standards, providing additional help to students in need and by providing Targeted Professional Learning and Career Education opportunities.

**Goal 4: Promote Consistent Student Attendance and Engagement**

- SHSD will cultivate a school environment that values daily attendance as foundational to success. Actions shall include family outreach, positive behavior supports, and multi-agency partnerships aimed at addressing barriers to student participation and reengaging chronically absent students.

<b>AC1. Initiative</b>	<b>Update K-12 academic programs, offerings, and curriculum based on identified needs and plan for all students to meet Statewide academic and growth targets</b>
<b>Responsible Parties</b>	Superintendent Assistant Superintendent Principals Business Manager CRO Educators

SHSD shall use objective methods to document if and when its curriculum and offerings shall be adjusted. The District shall ensure that student outcomes and needs are addressed by the current curriculum at all levels of instruction, and it should develop curriculum to accommodate those needs.

Through an analysis of student needs and current offerings, the District shall provide academic experiences for all learners. For SHSD, the offering of a rigorous and high quality general education curricula is necessary to continue to improve learning outcomes. Combined with supported offerings, the District needs to continue to develop its continuum of general education supports and services that offer meaningful, specific, and beneficial educational programming for its learners.

The District shall also implement curriculum that complies with Statewide standards. The Pennsylvania State Board of Education has defined a series of academic standards to align instructional programming Statewide and to Pennsylvania workforce needs. These standards describe the knowledge and skills that students are to demonstrate at certain grade levels, and for specific academic topics. School districts are to align curriculum and instructional programs to these State regulations. SHSD shall monitor these changes and implement any updates to remain compliant with new State standards.

Investment in new materials and resources shall strategically align with necessary curriculum updates either as a result of changes to State standards or based on student needs. It should also align these investments with professional development, to ensure that educators are prepared for the new curriculum and the materials that come with it. Not only will this support an efficient transition across curriculum, but it will reduce opportunities to exhaust District resources. Because curricular decision-making should be tied to objective data trends that indicate student need and alignment to the PA Academic Standards, investments in materials will be predictable and therefore planned for.

**AC1. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Conduct a curriculum audit to identify needs and establish investment priorities	Superintendent Assistant Superintendent CRO	Bi-Annually
Analyze student performance and develop curriculum to meet student achievement growth needs, including accelerated or gifted needs	Principals CRO Superintendent Assistant Superintendent	Annually
Maximize educational opportunities by focusing on adequately enrolled classes and offerings for all types of learners to ensure economic efficiency	Superintendent Assistant Superintendent CRO Principals	Annually
Implement a multi-faceted plan to improve student academic achievement	Superintendent CRO Assistant Superintendent Principals	Monthly
Monitor changes to Statewide standards and implement curricular changes to comply	Superintendent Assistant Superintendent CRO Principals	Annually
Align local assessments with PA Academic Standards	Superintendent Assistant Superintendent CRO Principals Educators	Annually
Align investment in resources and materials with State standards and student needs	Superintendent Assistant Superintendent CRO Business Manager Principals	Annually
Provide staff training in advance of curricular changes	Superintendent Assistant Superintendent Principals CRO	Annually
Place all curriculum guides on the District website	Superintendent CRO Assistant Superintendent IT Director	Annually

<b>AC2. Initiative</b>	<b>Utilize data-driven instruction</b>
<b>Responsible Parties</b>	Principals Director of Special Education CRO Educators / Data Teams Superintendent

**AC2. Initiative Utilize data-driven instruction**  
 Assistant Superintendent

The District shall use scores or outcomes that can be tracked over time to evaluate the effectiveness of its programs. This will be a critical component of academic improvement efforts, as the District considers investments into key programs and interventions as resources are available.

Based on conversations with District leaders, SHSD has begun to adopt data-driven instruction initiatives, but not consistently. Due to the growing academic and behavioral needs of student learners in the Elementary school, the school team has utilized the MTSS framework to identify student needs and implement interventions. With MTSS outcomes, the team tracks how students are responding to instruction and interventions, while implementing the appropriate support. MTSS has not been used as consistently in the High School building. The District shall leverage objective data where it can, and shape decisions around that data.

Data collection and analysis helps the District to understand the needs of its students, and to make informed decisions about maintaining or re-evaluating certain pieces of instructional programming.

The following action steps support both data-generation and monitoring structures:

**AC2. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Implement K-12 MTSS framework and PBIS programming, and monitor outcomes	Principals Director of Special Education CRO Superintendent Assistant Superintendent	Quarterly
Analyze student performance data to annually adjust curriculum documents, instructional practices, and/or district assessments	Superintendent Assistant Superintendent CRO Principals Educators Data Teams	Annually
Analyze student performance on Statewide exams and other measures aligned to the PA Academic Standards to implement targeted interventions for below-proficient outcomes	Director of Special Education Principals Educators/Data Teams CRO Superintendent Assistant Superintendent	Quarterly to every 60 school days

<b>AC3. Initiative</b>	<b>Align the professional development plan with the District’s personnel needs and strategic goals</b>
<b>Responsible Parties</b>	Superintendent Assistant Superintendent Principals IT Director Child Accounting Lead Business Manager CRO

Staff across the District are paramount to providing students with an effective education and a quality school experience. Professional development for all staff is critical to continuous improvement of the District and its school experience.

SHSD shall align its professional development offerings with its measurable needs. If teacher evaluation data and student outcomes indicate specific classroom needs, the District will adapt its professional development to fill any gaps. If the District is experiencing an influx of students with special education needs, professional development shall be used to educate the SHSD workforce on the appropriate supports for these students. Review of data and outcomes can help the District to identify what its staff needs to improve the SHSD educational experience. The District shall also customize professional development to address individual educators’ needs based on assessment data and direct observations.

SHSD shall also align professional development programming with academic goals from this Recovery Plan, the Comprehensive Plan, Special Ed Plans, and School Improvement plans made to daily operations and tasks, both as a result of this Recovery Plan. This plan sets academic and administrative goals, and it calls for several plans to address curriculum, audits, special education, and other major areas. As a part of these changes and as other as technology, systems, and guidelines change, the District supports an efficient transition by providing training to impacted staff. In addition to ensuring an effective transition, comprehensive planning for program and related professional development will limit potential strain on District resources.

The District will collaborate with the Statewide Team for School Improvement to implement the following action steps which the District can take to support its staff and their development:

**AC3. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Align teacher evaluation data with the induction process and professional development	Superintendent Assistant Superintendent Principals CRO	Semi-Annually
Incorporate School Improvement Plans and student achievement, outcomes, and needs into professional development programming	Principals Superintendent Assistant Superintendent CRO	Annually

Action Step	Responsible Parties	Monitoring Frequency
Provide staff in all departments with regular training on and use of technology and systems	IT Director Business Manager Child Accounting Lead Principals Superintendent Assistant Superintendent CRO	Quarterly

AC4. Initiative	Develop a plan to improve student attendance
<b>Responsible Parties</b>	Superintendent Assistant Superintendent Principals CRO School Board Child Accounting Lead

The Department of Education collects data on regular student attendance at the building, District, and State-levels. Regular attendance rates are defined as the percentage of students who are enrolled for 90 or more school days and present for 90 percent or more on the days in which they are enrolled, relative to the number of students enrolled for 90 or more school days. Students who miss 10 consecutive days are considered chronically absent and are excluded from the District’s regular attendance calculation.

As shown in the table below, the District’s Elementary School has reported higher regular attendance rates than the High School has, though both buildings’ attendance rates have consistently fallen below the Statewide averages. Based on the data below, the District’s attendance rates dropped significantly in 2021-22, and have rebounded minimally. However, the attendance rates remain below the statewide average.

**SHSD Historical Regular Attendance Rates<sup>9</sup>**

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Elementary School	62.7%	69.1%	72.6%	42.9%	40.2%	52.3%
High School	56.2%	59.2%	55.8%	38.2%	30.2%	43.7%
<b>Statewide Average</b>	<b>85.8%</b>	<b>85.7%</b>	<b>85.8%</b>	<b>82.2%</b>	<b>73.9%</b>	<b>78.1%</b>

Regular attendance ensures that students are engaging with instruction and academic content, therefore it is a critical component of academic improvement initiatives. Between 2018-19 and 2023-24, the last five years where State examinations were taken,<sup>10</sup> the District’s proficiency levels fell below the Statewide average. Across all topics and at every grade level where the PSSA and Keystone exams are taken, SHSD proficiency levels were under half of the Statewide average levels. While challenges with regular attendance do not exclusively explain trends in academic outcomes, improving attendance rates is one of the initiatives the District shall take to address its achievement levels.

While there are many models, programs, and providers available to help districts improve student attendance, the District shall develop a strategy to improve attendance across all buildings. The District’s instructional leaders will create a plan of action to improve student attendance as part of this Plan’s efforts to improve academic achievement, as well as increase revenue generation. Student attendance and

<sup>9</sup> Future Ready PA Data Files.

<sup>10</sup> PSSA and Keystone exams were not taken in 2019-20 due to the Covid-19 pandemic.

membership impact the formula-driven State funding appropriate, therefore making attendance both an academic and financial concern.

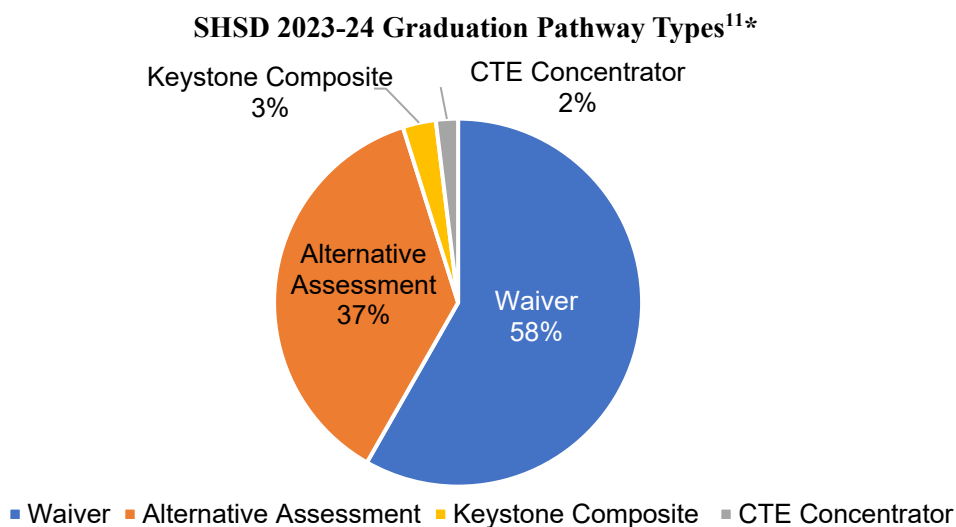
This Plan also outlines strategies to improve other factors that may impact student attendance, such as school safety, culture and climate in District buildings. The District has set a goal of reaching the Statewide average for regular attendance by 2027-28, and maintain that level at a minimum throughout its Financial Recovery process. The following action steps support efforts to improve student attendance rates, and the District shall collaborate with the Statewide Team for School Improvement to implement these action steps:

**AC4. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Develop a plan of action to improve student attendance, including a system to track and monitor absentee data trends	Child Accounting Lead Superintendent Assistant Superintendent CRO Principals Attendance Team	Monthly
Establish an attendance taskforce, including the current staff assigned to attendance to support the District’s attendance strategy	Superintendent Assistant Superintendent CRO	Once in 2025-26
Ensure all attendance policies are implemented with fidelity	Principals CRO Superintendent Assistant Superintendent	Quarterly
Develop community partnerships to reinforce attendance policies	School Board Principals Attendance Team Superintendent Assistant Superintendent CRO	Semi-Annually
Ensure regular attendance is taken daily, and that staff are provided with sufficient training as necessary to manage data systems	Principals Educators Attendance Team Superintendent Assistant Superintendent CRO	Monthly
Ensure truancy letters follow State law and that Student Improvement Plans (SAIPs) are provided	Superintendent Assistant Superintendent CRO Principals	Quarterly

AC5. Initiative	Develop a plan to improve cohort graduation rates
<b>Responsible Parties</b>	Superintendent CRO Assistant Superintendent Principals

Graduation rates are important indicators of the District’s ability to both support students throughout their academic careers and to effectively prepare them for postsecondary plans. In most cases, graduation requirements include comprehension of key academic, career-related, and social concepts that are considered fundamental to postsecondary success. High school diplomas are highly valued across employers, higher education, and the military. In Pennsylvania, students are provided several pathways to graduation including the successful completion of academic courses, alternative project work, and by scoring as at least proficient on the Keystone Exams. In certain cases, a Superintendent is permitted to waive certain graduation requirements. The following chart details the District’s 2023-24 graduating class by qualifying graduation requirement. As shown below, the majority of graduates in 2023-24 were granted a waiver toward graduation requirements for reasons related to the COVID pandemic. These waivers will expire in 2025 which require the district to meet the Graduation Pathways.



*\*No graduates in 2023-24 qualified via Keystone Proficiency, Evidence-Based, or Other Diploma Pathways*

The Department of Education collects data on four, five, and six-year graduation cohorts. The graduation rates for each cohort represent the percentage of students who have earned a diploma relative to the size of the total cohort that entered ninth grade four, five, or six years prior. The introduction to this chapter provides a historical summary of the District’s four and five-year cohort graduation rates, and the table below captures rates for the most recent school year, 2023-24. While the District’s graduation rates for both cohorts has increased over the past several years, both remain below the Statewide average graduation rates. In 2023-24, the District’s four-year cohort graduation rate was 3.4 percentage points below the Statewide average, while the five-year cohort’s rate was 10.7 percentage points below the Statewide average.

### SHSD 2023-24 Graduation Rates<sup>12</sup>

<sup>11</sup> PDE 2023-24 Graduation Report.

<sup>12</sup> PDE Four- and Five-Year Cohort Graduation Rate Reports.

	SHSD	Statewide Average	Difference
4-Year Cohort	84.5%	88.0%	-3.4%
5-Year Cohort	79.8%	90.5%	-10.7%

The District’s recent graduation rates raise concerns when considered aside other academic indicators and data points. SHSD has reported particularly low academic achievement as measured by PSSA and Keystone Exam proficiency levels, as well as regular attendance rates. These measures indicate poor comprehension of key academic content areas, likely impacted by whether or not students are regularly coming to school. As a result of both, graduation rates are not expected to increase over time, nor come close to the Statewide average graduation rate as the four-year cohort did in 2023-24. The large reliance on waivers for SHSD graduates reiterates the concerning relationship between low comprehension or achievement and higher graduation rates.

As a part of this Plan, the District shall focus on continuous improvement of graduation rates through the PA Graduation Pathways in conjunction with academic performance. Supporting students in their mastery of grade-level content is a critical component of graduation, as well as the District’s mission and vision to prepare its students for postsecondary plans. Covid-19 pandemic qualifies as an extenuating circumstance for which high school graduation may be waived for graduating classes of 2023, 2024 and 2025. The District shall strive to increase the proficiency scores on the three Keystone Exams while improving its pathways toward graduation for all eligible students in the cohort. Programmatic alignment with State Academic Standards will ensure high-quality teaching, content, and support for students in achieving required subject-matter proficiency.

The following action steps support the District’s efforts in increasing its graduation rates:

**AC5. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Align required graduation course curricula to PA Academic Standards and provide supports to students in need	Superintendent CRO Assistant Superintendent Principals	Annually
Monitor Keystone Examination scores and provide additional assistance to students in need of make-up exams	Superintendent CRO Assistant Superintendent Principals	Annually

<b>AC6. Initiative</b>	<b>Develop a plan to ensure that students at all levels of instruction meet Statewide Career Education and Work Standards</b>
<b>Responsible Parties</b>	Superintendent CRO Assistant Superintendent Principals

The PDE considers the attainment of Career Education and Work Standards as critical to a student’s development and readiness for career success. The District’s goal is to improve student attainment of career and work-related content, as measured by the Future Ready PA Index. The District will analyze student achievement data, collect and archive evidence of the CEW standards, align curricula and activities to the CEW standards, provide assistance to students in need, and provide targeted professional learning and career education opportunities to its students.

Under the PDE’s current school district accountability measurement system, the metrics used in the Future Ready PA Index or any successor measurement system shall be the primary tool of accountability used to monitor progress. Guidelines for evaluation of Districtwide and building-level performance shall be aligned of State and Federal regulation.

Ultimately, the academic goals of this Recovery Plan and subsequent amendments will be used as one tool among many to determine whether the District has implemented the initiatives with fidelity and whether the District has made sufficient progress toward achieving sufficient academic and financial progress.

The following action steps provide the appropriate structure to SHSD in developing its career and work-related programming:

**AC6. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Ensure Career Education and Work Standards are embedded in curriculum at all applicable grade levels	Superintendent CRO Assistant Superintendent Principals	Annually
Pursue career-based program opportunities for students	Superintendent CRO Assistant Superintendent Principals	Annually
Implement an evidence record platform and train staff in its use and appropriate storage of student artifacts	Superintendent CRO Assistant Superintendent Principals	Annually

<b>AC7. Initiative</b>	<b>Align special education structures and supports with available resources</b>
<b>Responsible Parties</b>	Director of Special Education Principals Business Manager Superintendent Assistant Superintendent Child Accounting Lead CRO

The District is required to provide free and appropriate services and programming to its students with special education needs. Whether these students are receiving support in Steelton-Highspire programs or

through placements with other providers that are directed by the District, strategic management of available resources to efficiently meet the needs of the student population is both critical and challenging.

In 2023-24, 22.5 percent of the District’s total student population received special education services within SHSD and out-of-District programs. 278 students with special education needs attended SHSD classrooms, which accounted for 19.2 percent of total in-District enrollment. As shown below, the percentage of students with special education needs is greater across the District’s total student population (in SHSD and in out-of-District programs), relative to those exclusively attending SHSD buildings. This can be explained by the higher identification rate among students in charter schools and other placement locations. The following table details this student breakdown:

**2023-24 SHSD Student Population Breakdown<sup>13</sup>**

	<b>Enrollment In SHSD Programs</b>	<b>ADM Total Student Population</b>
Special Education Count	278	378.0
Total Student Count	1,451	1,683.7
<b>SHSD Percent Special Education</b>	<b>19.2%</b>	<b>22.5%</b>
<b>Statewide Average Percent Special Education</b>	<b>20.1%</b>	<b>-</b>

The District currently uses a combination of in-house and contracted service providers to support its special education student’s needs. Based on conversations with the District’s special education team, SHSD utilizes a combination of services models to meet its students’ needs. These include push-in/pull-out model of support, and least-restrictive environment opportunities. Students included in this model attend certain general programs and receive itinerant special education support. The self-contained classrooms are for students with greater degree of needs. SHSD operates a total of 26 special education classrooms, three of which were opened as of the 2024-25 school year.

To accommodate students with more intensive special education needs, the District has relied on other service providers. In 2023-24, the District had 65 special education outplacements spread across 13 different locations. Based on conversations with SHSD, placements occur if and when the District determines that it is unable to provide certain services as outlined in a student’s IEP. Each placed student has a tuition cost for the services provided, as well as additional transportation costs.

The District’s special education outplacement count has remained relatively stable, despite a recent initiative aimed at its reduction. In the 2024-25 school year, the District expanded its in-house capacity by opening three new self-contained classrooms. Despite this expansion of services and the new classroom availability, the space available through new educational programs was maximized with recently enrolled students to the District. The SHSD recognizes the need to continue to develop the continuum of educational supports and services within the District.

Discussed further in Initiative AC9, 60 students with special education needs from SHSD attended charter schools in 2023-24. Enrollment in charter schools is tied to school experience.

At each step of the identification, intervention, and placement processes, the District shall meticulously review the needs and resources to serve all students in District operated educational programs. This process will serve to inform and provide the necessary guidance to the SHSD team. The proceeding action steps are intended to support efficient and proactive management of the special education program:

<sup>13</sup> Enrollment and ADM counts from 2023-24 PennData Special Education Data Report and PDE ADM Report.

**AC7. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Conduct an audit of special education functions as defined in Appendix A and teacher certifications	Superintendent CRO Director of Special Education Assistant Superintendent	Bi-Annually
Create an action plan to address the findings of any audits conducted by the Bureau of Special Education	Director of Special Education Principals Superintendent CRO	Bi-Annually
Align Special Education referral system in part to the student achievement data analysis process.	Superintendent Assistant Superintendent CRO Principals School Data Teams School Psychologist	Annually
Regularly review and reconcile special education enrollment and placements	Director of Special Education Child Accounting Lead Superintendent CRO	Quarterly
Develop continuum of supports and services to provide least-restrictive, community-based supports as part of sound post-secondary transition and Early Intervention programs	Director of Special Education Principals, as needed Superintendent CRO	Annually
Identify opportunities to maximize IU and other shared or contracted service support	Director of Special Education Business Manager CRO Superintendent	Annually

<b>AC8. Initiative</b>	<b>Improve parent and community engagement</b>
<b>Responsible Parties</b>	Superintendent Principals CRO School Board

As part of school and academic improvement efforts, the District should enhance parental and community involvement in SHSD activities. By doing so, the District can gather feedback about the strengths and weaknesses of SHSD programs, it can better understand the range of student needs, and it can seek community support of key academic initiatives. Community engagement has an indirectly positive effect on student retention and capture initiatives, as outlined in Initiative AC9.

The following action steps promote stronger engagement between the District and the surrounding community:

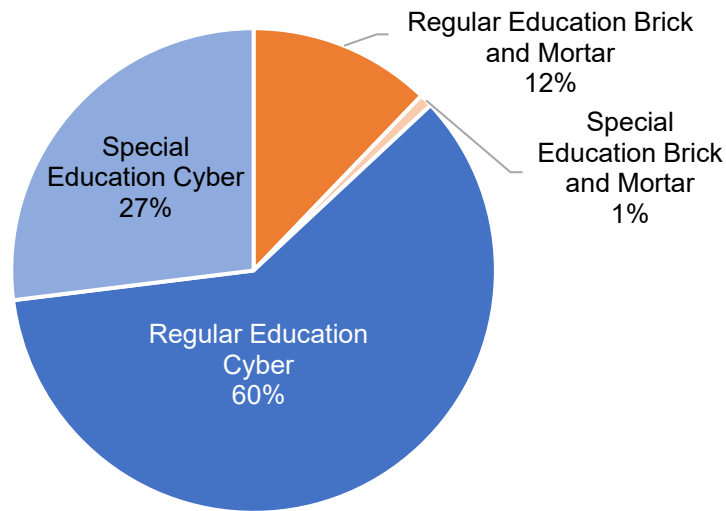
**AC8. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Develop and implement a community engagement plan for families that aligns with federal, state, and local approved plans	Superintendent CRO School Board	Annually
Conduct regular public forums and surveys to gather input from parents, students, and other community stakeholders	Superintendent CRO Principals School Board	Semi-Annually
Engage with organized community groups to support District activities	Superintendent CRO School Board	Semi-Annually

<b>AC9. Initiative</b>	<b>Develop a plan to reengage and re-enroll district students currently attending charter schools</b>
<b>Responsible Parties</b>	Superintendent Principals CRO Charter School Lead Child Accounting Lead Director of Student Services

As mentioned in Initiative AC7, school choice policies enable students and families to attend charter schools rather than enroll in schools operated by SHSD. In 2024-25, 230 students attended charter schools, and most of those students were enrolled in cyber charter schools. The following chart depicts charter school enrollment in 2024-25:

**SHSD 2024-25 Charter School Enrollment Breakdown**



Charter school costs comprise 11.8 percent of the District’s 2024-25 budget. As discussed further in the Financial Management chapter, the District is required to pay tuition rates on behalf of its students who attend charter schools, and these rates are based upon a statutory funding formula.<sup>14</sup> In 2024-25, the District paid approximately \$13,000 per general education student, and approximately \$30,000 per special education student.<sup>15</sup> Where possible and to best limit growth in charter school costs, the District shall encourage the return of students from charter schools to increase the share of students attending the District’s programs. The District shall develop plans to both retain students currently in SHSD programs and to promote SHSD programs through communication channels in the community.

Through the retention of students in SHSD programs and the promotion of programs throughout the community, the SHSD may slow the growth of charter school enrollment. The impact of successful student retention, reengagement, and re-enrollment policies might slow down growth in charter school enrollment, or even lead to the return of students enrolled in charter schools to SHSD programs. The following initiative

<sup>14</sup> Tuition rates are calculated based on budgeted expenditure levels, federal funding, and average daily membership as defined on the PDE-363 form.

<sup>15</sup> Source: 2024-25 PDE-363 Form (Charter School Tuition Rate Calculations). In 2024-25 and based on PA Public School Code, special education tuition rate calculations were adjusted for students attending cyber charter schools. The cyber special education tuition rate in 2024-25 was approximately \$25,000.

depicts the financial impact of flat charter school enrollment growth on the District’s financial projections, as opposed to the baseline growth assumption of seven students per year. This initiative focuses on savings in charter school tuition costs as a result of student retention. For any students who return to the SHSD from a charter or cyber charter school, the District may see a reduction in charter school enrollment, related savings in tuition and transportation costs, and additional staff and programming needs to accommodate the new students.

Refer to the Financial Projections chapter to see this initiative’s impact applied to the baseline projections.

***Initiative: Impact of Flat Charter School Enrollment Growth***

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Projected	Projected	Projected	Projected	Projected
Baseline Projected CS Enrollment	230	237	244	251	258	265
Flat Projected CS Enrollment	230	230	230	230	230	230
<b>Cost Results</b>	\$0	(\$133,280)	(\$292,629)	(\$472,751)	(\$670,968)	(\$889,406)

The following action steps will support the District’s retention, reengagement, and re-enrollment efforts:

**AC9. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Identify an existing administrator position to oversee charter school enrollment, residency, and billing	Superintendent CRO Director of Student Services	Install in 2025-26 and ongoing
Establish written procedures for tracking and monitoring charter school enrollment data, and for reconciliation of bills from charter schools	Superintendent CRO Director of Student Services	Monthly
Survey the community and outgoing students and their parents to understand interest in charter school education and District programs	Charter School Lead Superintendent CRO	Semi-Annually
Develop returning and marketing strategies appropriate for all levels of instruction	Superintendent Charter School Lead CRO	Annually
Align re-enrollment efforts with offerings at local vocational schools and/or the Roller Cyber program	Principals Charter School Lead Director of Student Services CRO Superintendent	Annually
Monitor the retention and reenrollment of students and adjust the plan of action	Charter School Lead Child Accounting Lead Statewide Team for School Improvement CRO Superintendent	Quarterly

<b>AC10. Initiative</b>	<b>Establish a system to review and verify student residency</b>
<b>Responsible Parties</b>	Superintendent CRO Child Accounting Lead Director of Student Services Student Residency Lead

Verification of student residency shall be a regular process adopted by the District, and this is to ensure that the District is accountable solely for the students residing within the Steelton-Highspire SD limits. As discussed in several previous initiatives, 15.4 percent of the District’s 2023-24 student population attended out-of-District programs (259 students). SHSD must pay to transport these students, and they must pay tuition or program rates on their behalf whether they attend a Charter school, Career and Technical Center, Intermediate Unit programs, and any district directed placements. In 2024-25, these rates ranged from approximately \$13,000 to over \$99,000 depending upon the needs of the student. Verification that these students reside in SHSD is critical to both Financial Recovery efforts, but also ongoing financial and cash management.

In-District student count and demographics impact how SHSD operates both academically and operationally, and only students residing in the District should be accounted for in programming frameworks. In order to reduce unnecessary costs, the District should refine its procedure to verify student residency through the following action steps:

**AC10. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Identify an existing administrator position to oversee residency reviews	Superintendent CRO	Annually
Conduct regular residency check for students attending programs at the District’s schools, charter schools, and special education outplacements	Child Accounting Lead Director of Student Services Student Residency Lead CRO Superintendent	Monthly

**Administrative Policies, Procedures, and Processes (AD)**

As introduced in earlier sections of this Plan, many of the District’s financial and operational challenges stem from administrative policy, procedure, and procedural shortcomings. Across many of the District’s departments and especially in the business office, daily operating functions have been compromised by a lack of standard operating procedures. Unclear roles, responsibilities, timelines, and data management expectations for several years, SHSD has either backlogged daily operating functions or completed tasks without clear quality standards.

One of the most critical issues faced by SHSD is timely completion of required reporting. At the time of this Financial Recovery Plan, the District has not completed an audit since the 2021-22 school year, and it struggles to complete other mandatory reporting such as Annual Financial Reports (AFR), cashflow projections, and submitting budgets in alignment with State regulations. The lack of this information, especially audits, has made it very difficult to identify the full range of financial issues faced by SHSD, but also to understand the precise financial position of the District today. The primary obstacle in accomplishing this has been the availability of accurate, detailed data. Over the course of the school year, poor daily accounting procedures prevent the District from being able to generate detailed, meaningful reports (across all departments) even with streamlined software. The cumulative effect of these responsibilities throughout the year makes the completion of audits, AFRs, and cost reimbursement forms a substantial challenge.

It will be critical for SHSD to align administratively so that it has laid the structural groundwork for Financial Recovery and Districtwide improvement. Even with limited staff, standardized approaches and procedures will ensure that responsibilities are delegated, daily tasks are completed, and that the District is able to not just operate but operate strategically and in the best interest of the local community.

The initiatives in this chapter address the set of administrative concerns which were identified by the study team:

<b>AD1. Initiative</b>	<b>Document and implement policies, processes, and procedures across all departments</b>
<b>Responsible Parties</b>	Superintendent CRO Business Manager Child Accounting Lead School Board

The District requires clear guidelines and standardized practices to ensure that all staff members are well-equipped to perform their duties effectively and in alignment with its overall goals. Well-defined and consistently applied procedures are essential for minimizing errors, maximizing productivity, and promoting a cohesive and collaborative work environment.

The District shall begin with a comprehensive needs assessment to identify gaps in existing policies, processes, and procedures within each department. Based on this assessment, the District shall develop essential materials, including process maps, procedure manuals, employee handbooks, and process checklists, and identify necessary training. To support this development, the District will leverage resources from the Intermediate Unit and other relevant organizations, which may include, but are not limited to the Pennsylvania Department of Education, the Pennsylvania School Boards Association (PSBA), and the Pennsylvania Association of School Business Officials (PASBO). To ensure effective implementation and

ongoing compliance, all staff will receive cross-training on relevant processes and procedures, with a particular emphasis on the Business Office and HR Office, given their critical roles in District operations.

For the Business Office specifically, this initiative includes targeted action steps to enhance financial management and operational efficiency. The Business Office shall create a formal manual to serve as a central repository for all relevant policies and procedures. The District shall also develop a consistent approach and timeline for annual budget development, revising the approach regularly to align with the District's financial and administrative goals. The Business Office shall resolve all outstanding findings from its audits, and it shall establish systems to ensure that future audits are completed in a timely manner. To maintain fiscal control, the District shall implement monthly/quarterly budget-to-expenditure reviews for internal and School Board review. Additionally, the Business Office shall establish clear purchasing standard operating procedures, in conjunction with Board policies. Finally, the District shall streamline administrative processes by completing necessary documentation for timely expense reimbursements for state and federal funds.

The following action steps support efforts to improve policies, processes, and procedures:

**AD1. Action Steps**

<b>AD1.1 Districtwide</b>		
<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Conduct a needs assessment of gaps in policies, processes, and procedures for all departments	Superintendent CRO	Once in 2025-26
Develop materials which may include, but are not limited to: process maps, timelines, procedure manuals, or employee handbooks, process checklists, and identification of training needs	Superintendent CRO Administrators	Quarterly
Utilize resources from the Intermediate Unit, PDE, and others to develop and document procedures	Superintendent CRO	Annually
Ensure all office staff are cross-trained on processes and procedures, particularly for the Business Office and Human Resources Office	Business Manager Superintendent CRO	Quarterly

<b>AD1.2 Business Office</b>		
<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Create a formal business office manual using resources from PASBO and Business Office Academy	Business Manager Superintendent CRO	Once in 2025-26
Develop a consistent approach and timeline for annual budget development, and revise the approach to align with the District's financial and administrative goals, and School Board policy	Superintendent Business Manager School Board CRO	Annually
Resolve all outstanding audits and develop systems and schedules to ensure that future audits and corrective action plans are completed in a timely manner	Business Manager Superintendent CRO	Annually
Implement monthly/quarterly budget to expenditure reviews	Business Manager Superintendent CRO School Board	Monthly / Quarterly
Establish purchasing standard operating procedures in conjunction with Board policies	Superintendent Business Manager CRO	Once in 2025-26
Complete necessary documentation for timely expense reimbursements for state and federal funds	Business Manager Child Accounting Lead Superintendent CRO	Monthly

<b>AD2. Initiative</b>	<b>Submit required reports to the State and Federal Departments of Education in a timely manner</b>
<b>Responsible Parties</b>	Superintendent Business Manager CRO

A critical element of operational integrity and fiscal responsibility for any school district lies in its ability to consistently meet state and federal reporting requirements. Past challenges in consistently submitting crucial documents such as budgets, cash flow statements, and Annual Financial Reports (AFRs) in a timely and accurate manner have likely contributed to operational inefficiencies and potentially impacted financial oversight. To rectify this and build a sustainable framework for compliance, SHSD shall implement a comprehensive approach to its reporting obligations.

This initiative will involve clearly delegating responsibilities for data collection and report submission across all mandatory reporting streams. Furthermore, the District will proactively review PDE's Elementary/Secondary Consolidated Data Collection Calendar to ensure all necessary data points are tracked and submitted accurately. To embed these practices institutionally, a formal submission policy shall be created and adopted, aligning with any relevant Board policies and ensuring all departments and staff

adhere strictly to established data collection timelines. A key benchmark of this renewed commitment to transparency and accountability will include the consistent completion of the annual financial reports by October 31<sup>st</sup>, the annual audit by January 31<sup>st</sup>, and the PDE-2028 form for the preliminary, proposed and final budgets as per State Law. Ultimately, these concerted efforts aim to restore full confidence in the District's administrative functions and ensure all reporting obligations are met with precision and punctuality.

The following action steps support efforts to improve reporting State and Federal Departments of Education:

**AD2. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Submit budgets, cash flows, audits, Annual Financial Reports (AFR), and other forms to the Department on time	Business Manager Superintendent CRO	Quarterly
Create and adopt a formal submission policy in conjunction with any Board policies	Business Manager Superintendent CRO	Monthly
Delegate data collection and report submission responsibilities for all mandatory reporting	Business Manager Superintendent CRO	Annually
Review the PDE Elementary / Secondary Consolidated Data Collection Calendar and determine if there are additional data points to track for data submission	Business Manager Superintendent CRO	Quarterly
Ensure departments and staff adhere to the Data Collection Calendar	Business Manager Superintendent CRO	Quarterly
Complete local audit by December 31	Business Manager Superintendent CRO	Annually

<b>AD3. Initiative</b>	<b>Provide training to the School Board, the Recovery Plan advisory committee, and other stakeholder steering committees</b>
<b>Responsible Parties</b>	CRO School Board Superintendent

To effectively guide the District's recovery and ensure that all stakeholders are well-prepared to contribute, the District shall implement a comprehensive training program for the School Board, the Recovery Plan Advisory Committee, and other relevant steering committees. This initiative includes collaborating with the Department to determine necessary training and technical support, mandating School Board attendance at training provided by qualified providers as determined by the Chief Recovery Officer, submitting policy

and procedure updates to the Board, and providing staff training on these updates. By investing in the development of these key groups, the District seeks to cultivate a shared understanding of the recovery process, empower them to provide informed guidance, and ultimately facilitate the successful achievement of the Plan's objectives.

**AD3. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Collaborate with the Department to determine trainings and required technical support	Superintendent CRO	Annually
The school board will attend training provided by appropriate providers as determined by the CRO, including training on the Financial Recovery process	Superintendent CRO School Board	Annually
Submit policy and procedure updates to the Board	Superintendent CRO	Quarterly
Provide training to staff on procedural updates to ensure operational alignment	Superintendent CRO	Annually

<b>AD4. Initiative</b>	<b>Improve transparency across the District, its School Board, and the surrounding community</b>
<b>Responsible Parties</b>	Superintendent Business Manager CRO IT Director Child Accounting Lead

The District is committed to fostering greater trust and engagement with its School Board and the surrounding community by enhancing transparency across its operations. To achieve this, the District shall circulate the Financial Recovery Plan to ensure broad community awareness, develop quarterly reports on major financial and enrollment trends for presentation to the Board, and improve access to public documents on the District's website. Through these measures, the District aims to keep stakeholders informed about its financial status, challenges, and progress, thereby promoting a more collaborative and supportive environment for the successful implementation of the Financial Recovery Plan and the long-term well-being of the District.

**AD4. Action Steps**

Steelton-Highspire School District  
Financial Recovery Plan

Action Step	Responsible Parties	Monitoring Frequency
Circulate the adopted Financial Recovery Plan to the community, publicly post on District website, and provide forums for questions and engagement	Superintendent CRO	Annually
Utilize Financial Recovery Advisory Committee meetings to publicly discuss progress, issues, and ideas	Superintendent CRO Advisory Committee	Monthly
Develop quarterly reports on major financial and enrollment trends to be presented to the Board	Business Manager Child Accounting Lead Superintendent CRO	Quarterly
Develop procedures for internal and external communication, including roles and responsibilities	Superintendent CRO	Annually
Improve access to public documents on the District's website, including the Recovery Plan	Superintendent IT Director CRO	Quarterly

<b>AD5. Initiative</b>	<b>Align the organizational structure and job descriptions to support efficient operations and effective decision-making</b>
<b>Responsible Parties</b>	Superintendent CRO Director of Human Resources

To ensure efficient operations and effective decision-making during the recovery period and beyond, the District will undertake a comprehensive effort to align its organizational structure and job descriptions with the goals of the Financial Recovery Plan. The District shall review and update its organizational chart, revise all job descriptions to comply with legal standards and reflect the updated organizational structure and strategic priorities, and implement a targeted leadership development program. By clarifying roles, responsibilities, and reporting lines, and by investing in the growth of its leadership team, the District seeks to optimize its human capital, streamline workflows, and empower staff at all levels to contribute to the successful implementation of the Financial Recovery Plan.

**AD5. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Review and update the District's organizational chart to align with the strategic priorities of the Financial Recovery Plan	Superintendent Director of Human Resources CRO	Annually
Review all job descriptions and align them with legal standards, organizational structures, and the strategic priorities identified by the Financial Recovery Plan	Superintendent Director of Human Resources CRO	Annually
Include cross-training responsibilities in official job descriptions	Director of Human Resources Superintendent CRO	Annually
Conduct audit and track staff assignments and certifications	Superintendent Director of Human Resources CRO	Annually
Conduct staffing needs assessment relative to programs and enrollment	Superintendent CRO	Annually

## **Financial Management (FM)**

The Business Office is a key component of a school district’s administrative functions, preparing required documents and reports, managing critical support functions, and maintaining the flow of financial and operational information to the Administration and School Board for decision-making. Accurate and timely information from the Business Office is essential to make informed decisions about investments in programs and the stewardship of public resources managed by the District. In the Steelton-Highspire School District, the Business Office has the primary oversight for the operations of an enterprise with an annual budget of approximately \$33 million for the 2024-25 year.

Frequent changes in staffing and policies have affected past operations. However, the District will need to make and institutionalize improved procedures, reporting and transparency to ensure progress throughout the implementation of the Recovery Plan. The items included in the following initiatives and action steps align to the exit criteria listed in the Introduction of this Financial Recovery Plan. This chapter of the Plan outlines the steps the District will need to take to ensure improvement in its financial management.

As a priority of the Recovery Plan, the initiatives in this chapter focus the Board and the Administration on making credible commitments to meet the challenges facing the District, to implement the initiatives identified in this Plan, and to move the District toward adopting practices generally regarded as best practice among Pennsylvania school districts.

<b>FM1. Initiative</b>	<b>Adopt a structurally balanced general fund budget</b>
<b>Responsible Parties</b>	Business Manager Director of Human Resources CRO Superintendent School Board Technical Assistance Team

For almost every year since 2018-19, SHSD recorded substantial operating deficits, ranging from \$500,000 to \$2.9 million annually. These recurring shortfalls demonstrate a fundamental imbalance between the District's ongoing revenues and expenditures. This structural deficit has been further compounded by the expiration of temporary federal ESSER funding, which masked the underlying budgetary issues for some time.

Additionally, the practice of issuing debt rather than addressing the root causes of the deficits has only exacerbated the problem, such as the case in 2024-25 when the District took on \$8.8 million in bonds to cover prior-year unpaid obligations. This instance was later complicated when approximately \$2 million of additional prior year liabilities were uncovered and the District moved to use current year operating funds to pay down the liability. This clearly illustrates a dangerous cycle. The approach effectively creates new obligations while failing to resolve the existing ones, further eroding the District's financial stability and limiting its capacity to fund current and future educational and operational needs.

The District shall develop a structurally balanced budget where recurring revenues are sufficient to cover ongoing expenditures without the need for one-time revenue sources or additional debt financing simply to address past shortfalls. Additionally, the District shall use and maintain the finance platform to accurately reflect the budget using PDE budget code guidance for all financial reporting.

The adoption of a structurally balanced budget is not merely a procedural change, but a fundamental shift required to break the cycle of deficits and debt accumulation that currently jeopardizes the District's long-term financial health and its ability to effectively serve its students.

The following action steps support efforts to adopt a structurally balanced budget:

**FMI. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Develop a structurally balanced budget according to School Board Policy including District procedures and timelines that does not rely on one-time revenues or unfunded debt borrowing	Business Manager School Board Superintendent CRO	Annually
Review district expenditures to identify possible reductions, and prioritize budgeted expenditures that are aligned with the District's mission	Superintendent CRO Business Manager School Board	Annually
Assign responsibility for budget account codes to relevant administrators and hold accountable for applying proper budgeting, purchase order, encumbrance, and asset inventory procedures	Superintendent CRO Business Manager Administrators	Monthly
Review all current contracts for efficiency and effectiveness in supporting the District's mission for possible elimination and/or cost reductions	Superintendent CRO	Annually
Consolidate debt and eliminate the cyclical aged accounts payable process	Superintendent CRO Business Manager	Quarterly
Ensure funds held by the District are entirely independent of funds held by associated entities such as the Roller Nation Foundation, including accounting, auditing, and fundraising processes	Superintendent CRO Business Manager Foundation Leads	Annually
Prepare updates to the multi-year financial projections as part of each budget cycle	Business Manager Superintendent CRO Technical Assistance Team	Annually
Reopen Budget for the current year at recommendation of the CRO	CRO Superintendent School Board	Upon recommendation

<b>FM2. Initiative</b>	<b>The School Board and District will consider raising its real estate tax rate by the Act 1 Index annually.</b>
<b>Responsible Parties</b>	Superintendent Business Manager CRO School Board

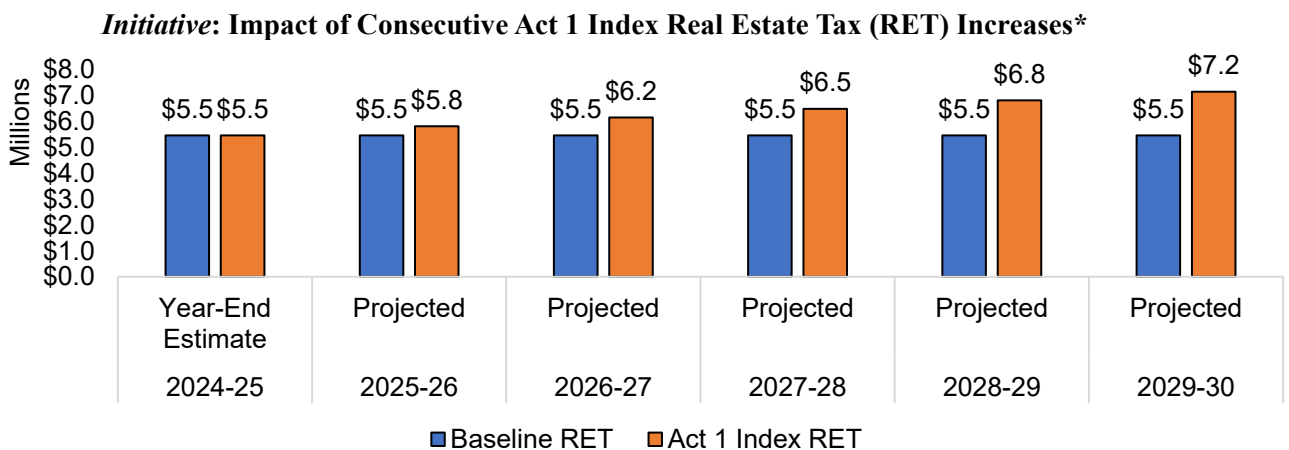
The District’s persistent financial instability and growing operating deficits will need to be addressed by new revenues rather than through expenditure cuts alone. Real estate tax rates are one of the few sources of revenue under the control of the District. In order to generate recurring revenue to fund its operations and initiatives, the District shall annually consider raising its real estate tax rate to the Adjusted Act 1 Index.

The District’s fundamental imbalance of revenues and expenditures means that without additional revenue, the District will continue to struggle to provide essential educational services and maintain its facilities. Furthermore, the District’s reliance on borrowing to cover past obligations highlights the severity of the revenue shortfall. These trends underscore the need for a more sustainable and reliable revenue sources.

Real estate tax rates can have a substantial long-term impact since the increases to the millage rate compound over time. Years without tax increases or minimal tax increases will result in “foregone revenue” in the future. Current and ongoing funding challenges in SHSD are partially due to the five consecutive years without tax increases between 2019-20 and 2023-24.

The following initiative shows the projected financial impact of consecutive tax increases to the Act 1 Index, which is the maximum allowable without a voter referendum. In this initiative, the District is projected to generate approximately \$350,000 to \$1.7 million per year in additional local revenue compared to the baseline scenario without any tax increases. The following estimates assume a slight, 0.5 percent decrease in the District’s current and total collection rates each year as a result of the larger tax increases.

Refer to the “Scenario-Based Financial Projections” section to see the impact of this initiative.



	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	<b>Budget</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
Millage Rate	28.9770	30.8315	32.6506	34.4464	36.2031	38.0495
Tax Increase	5.46%	6.40%	5.90%	5.50%	5.10%	5.10%
<b>Revenue Result</b>	<b>\$0</b>	<b>\$354,706</b>	<b>\$698,055</b>	<b>\$1,032,658</b>	<b>\$1,355,387</b>	<b>\$1,692,404</b>

\*Revenue impact includes current and delinquent collections

The following action steps support efforts to raise the real estate tax rate to the Act 1 Index:

**FM2. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events	Superintendent Business Manager CRO School Board	Annually
Adopt an annual budget with the necessary tax increases and in accordance with all required statutory events	Superintendent Business Manager CRO School Board	Annually
As part of the budget cycle, perform analysis to determine funding gaps and to estimate the impact of an Act 1 Index tax increase on revenues	Business Manager Superintendent CRO	Annually
Adopt an annual budget with the necessary revenue and expenditure adjustments, and tax increases to address short- and long-term financial position	Superintendent Business Manager CRO School Board	Annually

<b>FM3. Initiative</b>	<b>Rebuild and maintain a positive fund balance</b>
<b>Responsible Parties</b>	Business Manager Superintendent CRO

The District's insufficient fund balance exacerbates the challenges presented by recurring operating deficits and a growing accumulation of unpaid obligations. When school districts such as Steelton do not have sufficient cash reserves, they tend to defer payment of obligations and rely on short-term borrowing to manage annual cash flow, which must be repaid with interest further adding to the District's debt.

The District shall allocate any unexpected revenue increases or positive budget variances to rebuild its fund balance rather than use these funds for expenditures. If the District uses fund balance, it shall be at the discretion of the CRO, and the priority will be placed on preserving services for students and allocating the one-time funds to non-recurring expenditures.

In addition, the District shall develop and adopt a formal fund balance policy outlining target levels, acceptable uses, and replenishment strategies to ensure consistent and transparent practices. The District's annual budget will clearly identify and account for all fund balance commitments and reserves, allowing for deliberate and informed decisions about maintaining, increasing, or utilizing these funds for designated and authorized purposes. In the policy and in the implementation of the Recovery Plan, the District shall strive to maintain an unassigned fund balance of 5.0 to 8.0 percent of annual budgeted expenditures. This

range should provide sufficient cash reserves to mitigate the impact of unforeseen circumstances and to avoid the need for short-term borrowing.

The following action steps support efforts to rebuild and maintain a positive fund balance:

**FM3. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Commit windfall revenues or other positive budget variances to the academic programs and academic facilities' capital fund	Business Manager Superintendent CRO	Annually
Develop and adopt a formal fund balance policy	School Board Superintendent CRO	Annually
Review fund balance amounts and types in the budget development process to determine whether they should be maintained, increased, or utilized for their designated and authorized purposes	Superintendent Business Manager CRO	Annually
Strive to maintain an unassigned fund balance in the General Fund Budget of not less than five (5.0) percent and not more than eight (8.0) percent of the budgeted expenditures for the fiscal year	Business Manager Superintendent CRO	Annually

<b>FM4. Initiative</b>	<b>The District will negotiate contracts with affordable salary increases and benefit packages.</b>
<b>Responsible Parties</b>	Business Manager Director of Human Resources School Board Superintendent CRO

According to the last completed audit from 2021-2022, the District spent 51.2 percent of its budget on salary and benefits. More recent audited data is not available, as subsequent audits have not been completed. Other than changing staffing levels, there is very little that SHSD can do to manage personnel costs and cost growth. Salaries for all staff are tied to either formal collective bargaining agreements or individual contracts which define annual salary growth. Staff agreements also define terms of employee benefits, including employer and employee contributions. Due to these contractual obligations, cost-containing efforts can only take place during contract negotiation windows. The table below describes the District's active collective bargaining agreements (denoted in green), as well as the upcoming expirations of each (expired window denoted in orange).

### SHSD Collective Bargaining Agreements

Group	Employees	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
SHEA	Teachers and Professional Staff						
AFSCME	Facilities						
AFSCME	Secretaries and Paraprofessionals						
Act 93	Administrators						

As shown above, each of the District’s collective bargaining agreements will expire during the next six years. Each expiration presents an opportunity for the District to consider what kind of compensation package(s) it can afford to offer and sustain over time given available recurring funding.

During negotiation windows and to support Financial Recovery efforts, the District shall analyze the full cost of all proposed changes in salaries and benefits over a multi-year period. Prior to approving the final agreements, the District shall provide the CRO with evidence of recurring revenue or savings that would be used to support the costs of salary or wage increases. Wage or coverage increases shall be provided only as they are affordable. The full compensation costs evaluated shall include all salaries and employee benefits for which the District is responsible for, in addition to employee obligations. While this initiative is intended to promote a meticulous look at affordability and sustainability of costs, the District should also understand any cost burdens felt by its staff. Salaries and benefits package are an influential factor impacting staff recruitment and retention.

As a result of future contract negotiations and the particular action steps listed below, the District can strategically manage growth in its personnel costs. In the past, SHSD has budgeted for 4.0 percent growth in salaries for all staff, and the following initiative assumes a reduction to 2.0 as contracts expire. As shown below, reduced salary growth relative to historical patterns is estimated to generate at least half of a million dollars in savings per year beginning in 2028-29, assuming consistent staffing levels over time.

Refer to the Financial Projections chapter to see this initiative’s impact applied to the projections.

#### ***Initiative: Impact of Reduced Salary Growth***

	2025-26	2026-27	2027-28	2028-29	2029-30
	Projected	Projected	Projected	Projected	Projected
Cost Savings*	(\$27,868)	(\$62,467)	(\$273,491)	(\$582,799)	(\$926,296)

*\*Savings shown include impact of initiative on charter school tuition rates (as these costs are part of the tuition calculation) and State retirement reimbursements (which are a percentage of salary).*

The following action steps support efforts to adopt a structurally balanced budget:

#### **FM4. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Provide salary increases that are affordable given sustainable revenue sources	Business Manager Director of Human Resources School Board Superintendent CRO	Annually

Action Step	Responsible Parties	Monitoring Frequency
Negotiate affordable benefit packages that do not expose the District to unmanageable cost risks	Business Manager Director of Human Resources School Board Superintendent CRO	Annually

<b>FM5. Initiative</b>	<b>The District will analyze its healthcare costs and contributions to improve affordability as part of staff negotiations and competitive rate bidding.</b>
<b>Responsible Parties</b>	Business Manager Superintendent CRO Payroll Lead

To address its financial strain, the District shall implement a comprehensive approach to managing healthcare cost growth. The District shall ensure that employee contributions for benefits are collected as defined in its contracts. Prior to beginning negotiations with its bargaining groups, the District shall conduct a benchmark study of comparable school Districts' healthcare plan structures and employee contributions. This study will provide valuable data to assess the District's current position and identify potential areas for improvement and cost savings. Finally, the District shall seek savings or concessions where possible during contract negotiations, including exploring health plan design changes or competitive healthcare vendors.

The following initiative assumes that the District is able to reduce growth in healthcare costs through plan design changes, increases in employee contributions, or other methods. The table below reflects a reduction in healthcare cost growth from 8.0 percent per year to 5.0 percent per year, beginning in 2027-28. This is the first year following the expiration of the teachers' contract.

Refer to the Financial Projections chapter to see this initiative's impact applied to the projections.

***Initiative: Impact of Reduced Healthcare Cost Growth***

	2025-26	2026-27	2027-28	2028-29	2029-30
	Projected	Projected	Projected	Projected	Projected
Cost Savings*	\$0	\$0	(\$124,772)	(\$283,648)	(\$465,400)

*\*Savings shown include impact of initiative on charter school tuition rates (as these costs are part of the tuition calculation).*

The following action steps support efforts to manage healthcare cost growth:

**FM.5 Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Collect employee benefits contributions as defined in contracts	Superintendent CRO Business Manager Payroll Lead	Annually

Action Step	Responsible Parties	Monitoring Frequency
Analyze comparable school districts' healthcare plan structures and employee contributions through a benchmarking study	Business Manager Superintendent CRO	Once in 2025-26
Seek savings or concessions during contract negotiations	Superintendent Business Manager CRO School Board	Annually

FM6. Initiative	Evaluate staffing levels based on need and available resources
<b>Responsible Parties</b>	Business Manager Superintendent CRO Principals School Board

Personnel costs are the largest expenditure driver in the District’s budget. Because salaries and benefits are tied to both collective bargaining agreements and market rates, managing the growth in personnel costs can be done either during contract negotiations or by changing staffing levels. To best manage the growth in these costs alongside limited resources, the District shall evaluate its staffing levels regularly.

Over the past several years and as shown in the table below, the District’s professional staffing levels have grown faster than enrollment has. The District had 27.3 percent more professional staff in 2024-25 than it did in 2016-17, while enrollment increased by 3.7 percent over the same timeframe. Staffing growth has been driven by additional classroom teachers. As a result of these trends, student-to-staff ratios are lower in 2024-25 than they have been historically. Lower student-to-staff ratios indicate greater investment in the student population; however, it can also mean that staff are used less efficiently across the District.

### SHSD Historical Professional Staffing Levels<sup>16</sup>

Staff Type*	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Administrators	7	8	8	8	8	8	7	8	8
Classroom Teachers	79	82	87	102	95	92	95	101	95
Coordinate Services	9	12	14	15	13	12	12	9	14
Other	0	0	0	3	3	4	5	3	4
<b>Total Professional Staff</b>	<b>95</b>	<b>102</b>	<b>109</b>	<b>128</b>	<b>119</b>	<b>116</b>	<b>118</b>	<b>121</b>	<b>121</b>
<b>Enrollment</b>	<b>1,421</b>	<b>1,328</b>	<b>1,344</b>	<b>1,290</b>	<b>1,360</b>	<b>1,372</b>	<b>1,378</b>	<b>1,423</b>	<b>1,474</b>
<b>Total Student-Staff Ratio</b>	<b>15.0</b>	<b>13.1</b>	<b>12.3</b>	<b>10.1</b>	<b>11.4</b>	<b>11.8</b>	<b>11.6</b>	<b>11.7</b>	<b>12.2</b>
<b>Student-Teacher Ratio</b>	<b>18.0</b>	<b>16.3</b>	<b>15.4</b>	<b>12.6</b>	<b>14.3</b>	<b>14.9</b>	<b>14.5</b>	<b>14.1</b>	<b>15.5</b>

\*As defined by PDE’s professional staffing reports, the administrators group includes LEA administrators, school administrators, and supervisor / coordinator positions. Classroom teachers include all elementary, secondary, and ungraded general and special education teachers. Coordinate services include guidance, health / welfare, specialist, and operations positions. Other includes staff coaches and other student support staff.

<sup>16</sup> PDE Professional Personnel Staff Reports.

Using factors like enrollment, the needs of the student population, scheduling, and classroom sizes as key metrics, the District shall ensure that groups including teachers, paraprofessionals, support staff, and administrators are staffed at appropriate levels given available resources. If an employee retires or resigns, then the District shall review the position to determine if it is needed under its current operating needs.

As the District implements regular staffing reviews against available resources and student needs, it may decide to pursue staff right-sizing. To estimate the impact of a potential right-sizing initiative, the following benchmarking analysis compared the District’s staffing and staff ratios to similar Pennsylvania school districts. This analysis indicated that SHSD had particularly low student-to-staff ratios, relative to the subset of comparable districts, for administrators, special education teachers, and certain support staff. Special education costs are addressed in Initiative FM9, and the proceeding right-sizing focuses on potential reductions across the administrator and support staff groups.

The table below includes administrative staff full-time equivalencies and student-to-staff ratios for SHSD and eight comparable Pennsylvania school districts. These districts were deemed comparable due to criteria including proximity to SHSD, budget size, student population size and makeup, or local economic factors.<sup>17</sup> The administrators’ group used here is notably more expansive than the group shown in the table above; it includes additional central office administrators like Business Manager, IT Director, Special Education Supervisor, and other key departmental positions. This is intended to provide a more detailed central office comparison across the similar school districts. Relative to the comparable school districts, SHSD had the lowest student-to-administrator ratio of the group. In other words, school districts with similar characteristics as SHSD operate with fewer administrators than the District does. See Appendix C for the more detailed benchmarking analysis.

***Benchmarking Analysis: Students-to-Administrative Staff Ratios<sup>18</sup>***

School District	Total Administrators	2024-25 Enrollment	Students per Staff
Panther Valley SD	8.0	1,787	223.4
Susquenita SD	9.0	1,707	189.7
Carbondale Area SD	9.0	1,498	166.4
Newport SD	6.0	942	157.0
West Perry SD	16.0	2,164	135.3
Big Spring SD	19.0	2,379	125.2
Iroquois SD	9.0	1,118	124.2
Big Beaver Falls Area SD	13.7	1,638	119.6
Steelton-Highspire SD	14.0	1,474	105.3
<b>Group Average (excl. SHSD)</b>			<b>155.1</b>

In order to right-size the District’s administration to better reflect the group average student-to-staff ratio, SHSD would need to reduce its administrator count from 14 to 10. Similar analyses of non-instructional professional staff supported a reduction by four total social worker and guidance counselor positions. The following table reflects the cost savings associated with the described right-sizing. Across salaries and benefits and beginning in 2026-27, the District is estimated to save anywhere from \$960,000 to \$1.3 million per year net of any impact on retirement reimbursements.

<sup>17</sup> Here and in all proceeding benchmarking analyses in this Plan, the same set of eight school districts are used as comparable reference points.

<sup>18</sup> 2024-25 PDE Professional Personnel Staff Report and October Enrollment Report. Administrators include, district leaders, school leaders, and other supervisory and director positions.

**Initiative: Impact of Administrative and Support Staff Reductions<sup>19</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30
	Projected	Projected	Projected	Projected	Projected
Cost Result*	\$0	(\$959,566)	(\$1,153,084)	(\$1,211,202)	(\$1,250,128)

*\*Savings shown include impact of initiative on charter school tuition rates (as these costs are part of the tuition calculation) and State retirement reimbursements (which are a percentage of salary).*

The following action steps guide the District’s strategic management of staffing and related costs.

**FM6. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Regularly evaluate staffing levels relative to enrollment, programs, and the unique needs of the student population	Superintendent CRO Principals School Board	Annually
Analyze the workload currently handled by departing employees due to resignations, retirements, and reassignment of staff; identify potential areas where existing staff can absorb additional responsibilities	Superintendent CRO	Annually
During contract negotiations, ensure an option to contract for vacant positions	Superintendent CRO Business Manager	Annually
Analyze vacant positions created by resignations, retirements, and reassignment of staff; determine if the vacant position(s) will be filled based on need and/or available resources	Superintendent CRO Business Manager	Quarterly
Determine appropriate duties, job descriptions, staffing levels, and use of contracted services in the Business Office	Superintendent CRO Business Manager	Annually
Align supervisory process and evaluation ratings to required duties in State and School Code policies	Superintendent CRO	Annually

<sup>19</sup> See financial projections and assumptions for further detail.

<b>FM7. Initiative</b>	<b>Seek supplemental grant funding opportunities</b>
<b>Responsible Parties</b>	Superintendent Assistant Superintendent Business Manager Buildings and Grounds Director CRO

Given the projected shortfalls in the financial projections, the District will need to identify other funding sources for new programs, which shall include seeking grant funding to support strategic initiatives. The District shall delegate grant-writing responsibilities to a staff member, maintain meticulous records and cash flow documentation for applications, and proactively identify new grant opportunities aligned with the District's strategic goals. To ensure accountability and transparency, a system shall be established to track both applications and awarded grant funds, with annual reports detailing grant timelines, fund utilization, and remaining balances. Ultimately, the District is committed to fiscal responsibility by ensuring that programs supported by grants are sustainable and will cease operation if alternative funding is not secured upon grant expiration.

The following action steps guide the District's search for supplemental grants.

**FM7. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Delegate grant-writing responsibilities to a current staff member	Superintendent Assistant Superintendent Business Manager CRO	Annually
Identify new grant opportunities that align with the District's strategic goals	Superintendent Assistant Superintendent Business Manager Buildings and Grounds Director CRO	Semi-Annually
Review grant applications and requirements, and create plan to provide reports as required by grant terms	Superintendent Assistant Superintendent Business Manager CRO	Semi-Annually
Create a system to track applications and approved grant funds	Business Manager Superintendent CRO	Semi-Annually
Report annually on the timeline of all awarded grants, the amounts drawn down to date and in the current fiscal year, as well as amounts remaining	Business Manager Buildings and Grounds Director Superintendent CRO	Semi-Annually
Cease operating programs after grant funding expires if sustainable sources of funding are not identified	Business Manager Superintendent CRO	Annually

<b>FM8. Initiative</b>	<b>Request a Transition Loan from PDE to support one-time operational interventions</b>
<b>Responsible Parties</b>	CRO Superintendent Business Manager

If the need arises, the District shall request a Transition Loan from the Pennsylvania Department of Education. The purpose of the loan shall be limited to funding key priorities of the Financial Recovery Plan (e.g. studies or classroom materials) rather than the District’s accumulated unpaid liabilities. This process shall involve submitting a formal request to the Department for a Transition Loan, accompanied by all necessary documentation. Should the loan be approved, the District is committed to adhering to the repayment schedule as outlined in the loan agreement, ensuring that this obligation is met in a timely and responsible manner.

The following action steps guide the District’s application for a Transition Loan.

**FM8. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Submit a request to the Department for a Financial Recovery Plan Transition Loan with the required documentation	Superintendent CRO Business Manager	Once in 2025-26
Utilize Transition Loan funds to accomplish the allowable tasks as defined in the Loan Agreement	Superintendent CRO Business Manager	Quarterly
Store and track use of Loan funding in an exclusive account to ensure completion of necessary reporting and compliance with the terms of the Loan Agreement	Business Manager Superintendent CRO	Monthly
Begin repayments on the Transition Loan as outlined in the Loan Agreement	Business Manager Superintendent CRO	Annually

<b>FM9. Initiative</b>	<b>Implement cost effective practices for the delivery of special education supports and services</b>
<b>Responsible Parties</b>	Superintendent Business Manager CRO Director of Special Education

The escalating costs of special education services present a significant financial challenge for the Steelton-Highspire School District. This requires the District to implement cost effective practices without compromising the quality of support for students with disabilities. Driven by factors such as increasing complexity of student needs, high costs of out-of-District placements, settlement agreements, and demand for specialized services, this initiative prioritizes optimizing resource allocation, enhancing in-house capabilities, and proactively mitigating cost drivers. The initial action steps, focusing on developing a plan

to reduce settlement costs and evaluating in-house capacity for service expansion, directly address key areas of expenditure.

To support the District’s investigation into more cost-effective service delivery, it can use a benchmarking analysis to gauge how its special education spending trends compare to other similar school districts. The following table shows per-pupil special education spending, net of tuition costs, for SHSD and eight comparable Pennsylvania school districts based on the most recent available data. As shown below, the District had the highest per-pupil spending of the group, and spending over \$3,200 more per-pupil than the group average.

**Benchmarking Analysis: Per-Pupil Special Education Costs**

	2022-23	2023-24	
School District	Net SE Costs*	SE Student Count	Per-Pupil Spending
Steelton-Highspire SD	\$4,310,031	278	\$15,504
Newport SD	\$3,014,064	195	\$15,457
West Perry SD	\$5,973,886	399	\$14,972
Iroquois SD	\$3,281,955	237	\$13,848
Carbondale Area SD	\$5,050,939	404	\$12,502
Susquenita SD	\$4,526,416	384	\$11,788
Big Spring SD	\$6,839,471	624	\$10,961
Big Beaver Falls Area SD	\$4,415,339	467	\$9,455
Panther Valley SD	\$4,479,845	496	\$9,032
Group Average (excl. SHSD)			\$12,252
SHSD v. Group Average			(\$3,252)
<b>Low Savings Target (Difference X SHSD Count)</b>			<b>(\$904,045)</b>
Low Group Average (excl. SHSD, NSD, WPSD)			\$11,264
SHSD v. Low Group Average			(\$4,240)
<b>High Savings Target (Difference X SHSD Count)</b>			<b>(\$1,178,588)</b>

*\*Total special education costs (function 1200) net of tuition costs (object 560)*

In conjunction with low student-to-staff ratios described in Initiative FM6 and Appendix C, high per-pupil spending indicates that there may be opportunities to deliver special education services more efficiently and more cost-effectively. The goal to generate savings, relative to the baseline financial projections which include cost growth, so that the District’s per-pupil spending amounts more closely reflect the group averages above.

The initiative below holds net special education spending flat until the high savings target, or lower target per-pupil special education spending level is reached. This initiative may generate from \$210,000 to \$1.2 million in savings per year for SHSD. Based on the savings analysis, the high savings target (or the lower average per-pupil spending target) is approximately reached in 2029-30.

***Initiative: Impact of Limiting Special Education Cost Growth***

	2025-26	2026-27	2027-28	2028-29	2029-30
	Projected	Projected	Projected	Projected	Projected
High Target Savings	(\$214,427)	(\$442,865)	(\$668,993)	(\$919,460)	(\$1,183,628)
High Target NET Savings*	(\$214,427)	(\$479,678)	(\$751,345)	(\$1,048,453)	(\$1,363,628)

*\*Net savings shown include impact of initiative on charter school tuition rates*

The following action steps guide the District’s implementation of cost effective special education practices.

**FM9. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Develop and implement a comprehensive plan to reduce settlement costs	Superintendent Director of Special Education CRO Business Manager	Annually
Evaluate the costs and benefits of expanding in-house program capacity to realize efficiencies and to support least-restrictive-environment policies	Superintendent Director of Special Education CRO Business Manager	Annually

FM10. Initiative	Increase Medicaid ACCESS reimbursement
Responsible Parties	Superintendent Assistant Superintendent Business Manager Director of Special Education CRO

The District shall review its ACCESS billing policies and procedures to determine if any changes are required to increase revenue and maximize the use of these funds. In addition, the District shall analyze whether there are services that are currently provided that are eligible for ACCESS funding that are not currently receiving reimbursement. Based upon the direction of the CRO, the District may seek external support from a vendor to conduct the review. The District shall continue to monitor and report on total Medicaid ACCESS revenue annually, as well as the costs of special education programs supported by ACCESS reimbursement and other funds.

The following action steps guide the District’s improved ACCESS reimbursement.

**FM10. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Review ACCESS billing policies and procedures to determine if changes are required in order to increase Medicaid ACCESS revenue	Superintendent Assistant Superintendent Business Manager Director of Special Education CRO	Annually
Provide staff training on Medicaid ACCESS reporting and eligible services	Director of Special Education Superintendent Assistant Superintendent CRO	Annually
Monitor and report Medicaid ACCESS revenue annually, including a FAI balance reference point	Superintendent Assistant Superintendent CRO Business Manager	Quarterly

<b>FM11. Initiative</b>	<b>Address findings in the Office of Comptroller's reports, the audit, and the ESSER audit</b>
<b>Responsible Parties</b>	Superintendent Assistant Superintendent Business Manager CRO

In order to maintain compliance with grant terms, the District must ensure that it follows federal, state, and local laws and regulations. Clear and consistent processes, accurate records, and strong internal controls are key requirements that must be in place for compliance.

In the development of the Financial Recovery Plan, the CRO and the study team received findings from the Pennsylvania Department of Education's Office of Comptroller Operations, as well as findings from the District's ESSER audit and most recently completed audit. The District is taking direct action to respond to the findings from these reports to guarantee compliance with all relevant regulations and to improve internal controls. In the implementation of the Amended Plan, the District shall address the findings of the monitoring and put in place processes, systems, and controls to maintain future compliance. In addition, the District shall provide regular updates to the CRO so that progress can be documented.

The following action steps guide the District's improvement of internal controls.

#### **FM11. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Develop an audit corrective action plan to address all audit findings, including but not limited to Bureau of Audits evaluations, ESSA, and ESSER audits	Superintendent Assistant Superintendent Business Manager CRO	Annually
Document progress of the correction plan and report to the CRO	Superintendent Assistant Superintendent Business Manager CRO	Annually

#### **Operations (OP)**

The following operational initiatives aim to build stability and capacity in the District and, upon implementation, will support the goals of the Financial Recovery Plan. These initiatives complement those described in the previous chapters, and they address particular weaknesses identified in the District’s current operations.

Throughout its recent history of financial and cashflow challenges, the District has had to allocate limited resources primarily to critical operating costs. Consequently, investments in its buildings, efficient technology and systems, and other operational areas have not been prioritized. Even significant one-time funding like the recent debt issuances or the influx of Federal pandemic-relief funds have failed to resolve the District’s outstanding capital and technology needs. Based on a recent building feasibility study, SHSD has a range of facilities needs that span external, internal, and even safety concerns. These are a result of deferred maintenance and improvements over time.

Due to limited available funding, the District has relied on a combination of community funding and personal resources to make necessary upgrades. SHSD plans to complete an athletic facility upgrade using fundraised resources, and it utilized Donors Choose funding for essential classroom materials. The following initiatives were intended to eliminate the need for outside contracting and reduce costs.

The proceeding chapter details several initiatives that the District shall undertake to more strategically address its operational needs. By developing and implementing short and long-term plans for facilities, equipment, and technology upgrades, the District will maximize the lifespan of its assets and reduce the need for large and unplanned investments. It will also ensure that improvements are addressed by professionals and that the costs incurred are competitive and as low as possible. Because areas like facilities, technology, transportation, and other contracting play a key role in daily SHSD operations, it will be critical that the District strategically manages each alongside available resources. By successfully completing the initiatives in this chapter, the District will make progress towards the following goals.

<b>OP1. Initiative</b>	<b>Develop a capital improvement plan with funding sources</b>
<b>Responsible Parties</b>	Buildings and Grounds Director Business Manager Superintendent CRO

While initiatives in the previous chapter address improvements to financial management, the District shall develop a plan to address its capital needs. Capital expenses have a useful life longer than one year, and they are typically related to improvements to facilities and other major assets like technology or equipment. These costs do not recur on an annual basis, and they are only incurred when the asset is replaced.

A capital plan is a tool that can be used to guide the District in making capital investments over time. It allows SHSD to take identified project needs, and to prioritize specific projects over several years based on urgency, available funding, and its connection to the instructional mission. In 2023, the District engaged Crabtree, Rohrbaugh & Associates to complete a feasibility study identifying capital projects for its two buildings. The following table summarizes the recommended improvements organized by project type, and including the costs with a low and high range. This study is a main source of information for the capital improvement plan, in addition to other project quotes received since the study’s completion.

**SHSD 2023 Building Feasibility Study<sup>20</sup>**

<sup>20</sup> Table is summarized by larger project category, though the study references more specific projects.

	Elementary School	High School	Total Districtwide
	Cost Range	Cost Range	Cost Range
Site	\$341,700 - \$384,125	\$2,652,000 - \$2,917,300	\$2,993,700 - \$3,301,425
Site Accessibility	\$170,000 - \$210,000	\$218,500 - \$250,500	\$388,500 - \$460,500
Exterior Building	\$212,500 - \$237,000	\$2,842,280 - \$3,115,840	\$3,054,780 - \$3,352,840
Interior Elements	\$217,700 - \$244,000	\$3,560,200 - \$4,136,300	\$3,777,900 - \$4,380,300
Interior Accessibility	\$189,600 - \$230,000	\$574,300 - \$702,500	\$763,900 - \$932,500
Facility Safety and Security	\$275,100 - \$390,800	\$466,700 - \$627,000	\$741,800 - \$1,017,800
Plumbing and Fire Protection	\$125,000 - \$160,000	\$2,585,000 - \$3,102,000	\$2,710,000 - \$3,262,000
Electrical	\$72,000 - \$85,000	\$3,231,250 - \$3,619,000	\$3,303,250 - \$3,704,000
HVAC	\$40,000 - \$60,000	\$4,136,000 - \$4,394,500	\$4,176,000 - \$4,454,500
<b>Total Cost Range</b>	<b>\$1,643,600 - \$2,000,925</b>	<b>\$20,266,230 - \$22,864,940</b>	<b>\$21,909,830 - \$24,865,865</b>

As discussed, the District’s financial position has made investment in its facilities a challenge. Available funding will be a critical component of the District’s capital plan and its ability to make facilities improvements over time. Because capital needs often involve large, one-time investments, SHSD shall seek funding sources that are also from a one-time source. This will ensure that the substantial facilities costs like those shown above do not apply further pressure on the District’s operating budget. Examples of one-time funding include targeted grants from State, Federal, and local governments or organizations, capital borrowing, as well as community fundraising initiatives.

In addition to the table above, the District recently announced a plan to upgrade its athletic stadium and facilities. Athletics remain highly important to the SHSD experience, making this project a priority to the community. Because the District’s current financial position would not permit it to fund a project like this due to its negative financially position, SHSD has established a nonprofit 501(c)(3) organization named the “Roller Nation Foundation” to manage the fundraising and implementation of this project. This structure will ensure that the District can continue to focus on Financial Recovery efforts and maintain operating revenues for its operational needs and investment priorities. In alignment with the initiatives described in the Administrative Policy, Procedures, and Processes chapter, it will be essential that the District implement comprehensive, transparent policies and procedures for the Roller Nation Foundation. All costs tied to the project and the future maintenance and operation of the Foundation shall remain independent from the District’s operating activities, so that SHSD can focus on making critical financial improvements.

The capital plan will comprehensively address the full range of needs of the District’s facilities. It will be used to allocate limited funds towards the highest priority projects, and to develop a funding plan for each of those needs.

The following action steps support the District in establishing and maintaining a capital improvement plan:

**OP1. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Utilize the building feasibility study and other sources to develop a comprehensive list of capital needs and estimated costs	Buildings and Ground Director Business Manager Superintendent CRO	Annually
Create a multi-year schedule for the capital projects identified based on criteria including urgency, importance to educational mission, cost savings, etc.	Superintendent CRO Buildings and Ground Director Business Manager	Once in 2025-26
Develop a financing plan for capital needs through a combination of operating funds, grant opportunities, or bond proceeds	Superintendent CRO Buildings and Ground Director Business Manager	Annually
Develop and implement a plan to maximize Guaranteed Energy Savings (GESAs) as part of any projects	Business Manager Buildings and Grounds Director Superintendent CRO	Annually

<b>OP2. Initiative</b>	<b>Create and implement an annual plan for building maintenance, replacement of IT, and other equipment</b>
<b>Responsible Parties</b>	Buildings and Grounds Director IT Director Business Manager Superintendent CRO

In conjunction with the capital improvement plan and annual budget process, the District shall create a plan to address more regular and recurring investments in its facilities, equipment, and technology. While a capital plan includes larger scale projects such as building renovations or new construction, it is important to account for and plan for ongoing, predictable expenses. These are to include:

- Regular property maintenance costs (non-custodial) – *inspections, servicing, landscaping, etc.*
- Equipment repairs – *kitchen equipment maintenance, vehicle repairs, custodial equipment repairs, etc.*
- System upgrades – *server or WiFi upgrades, air filter or light bulb replacements, etc.*
- Instructional technology replacements – *student and staff computers, smartboards, etc.*

A plan to address these costs on an annual basis reduces the likelihood of large, burdensome costs appearing as a result of emergency needs. By incorporating cyclical upkeep and investments into the District’s assets, SHSD can prolong their lifespans and prevent unplanned replacements.

The following action steps promote the development of regular maintenance schedules:

**OP2. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Develop a repair and replacement cycle for all District facilities, technology, and equipment	Superintendent CRO Buildings and Grounds Director IT Director Business Manager	Once in 2025-26
Align any student or classroom technology replacements with the District’s teaching and learning goals, and available resources	Superintendent IT Director Business Manager CRO	Annually
Develop a method to monitor and track that facilities and equipment that are being repaired or replaced on established cycles	Buildings and Grounds Director IT Director Business Manager Superintendent CRO	Annually
Review and update any repair and replacement cycles annually	Buildings and Grounds Director IT Director Business Manager Superintendent CRO	Annually

OP3. Initiative	Utilize financial and operational technology systems
<b>Responsible Parties</b>	IT Director Business Manager Superintendent Principals Child Accounting Lead CRO

The District currently uses several different systems as a part of its daily operations. These systems are critical to recording and monitoring the student population, academic outcomes, financial activity, the District’s workforce, and other functions. To maintain records and generate required reports, the District needs to use these systems effectively and efficiently. The following table lists the major systems used by each department:

**SHSD 2024-25 Financial and Operational Systems**

Department	Systems Used
<b>Business Office and Human Resources</b>	<b>eFinance</b> – General financial activity <b>Paycom</b> - Payroll <b>Frontline</b> – Staff time, attendance, and leave <b>Arbitr</b> – Compensation for athletic coaches and officials
<b>Child Accounting and Academic Outcomes</b>	<b>PowerSchool</b> – attendance, student profiles, grading, etc.
<b>Other Operations</b>	<b>Primero Edge</b> – food service

Based on a review of the District’s operations, SHSD shall improve its use of systems and shall implement the tools of the systems. Conversations with District leadership indicated that systems are not used in their full capacities, which has led to manual processes and poor record-keeping. Staff have used systems in conjunction with separate files and records, rather than streamlining the system itself. The same discussions with SHSD leadership indicated that in some cases, staff are unfamiliar with the full capabilities of the systems, which has made them a burden to manage. Systems should make regular operating functions both efficient and manageable.

The result of manual processes and poor record keeping have strained the District’s operations. Many staff are in a repetitive cycle where the District cannot complete reports in a timely manner, then they become overwhelmed by regular operating tasks. Efficient and effective use of systems will directly support the implementation of the Financial Recovery Plan.

The following action steps promote the use of technology and systems as a tool for improvement:

**OP3. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Review current systems for appropriateness, efficiency, and redundancy given the District’s needs	Superintendent CRO Business Manager	Annually
Utilize staff training to ensure effective use of technology as a tool	Superintendent Principals IT Director Business Manager Child Accounting Lead CRO	Quarterly
Automate, integrate, and consolidate systems where possible	Superintendent CRO IT Director Business Manager	Annually
Upgrade to more efficient or cost-effective systems when possible	Superintendent CRO IT Director Business Manager	Annually
Utilize systems and processes that efficiently align with required reporting	Superintendent CRO Business Manager	Annually

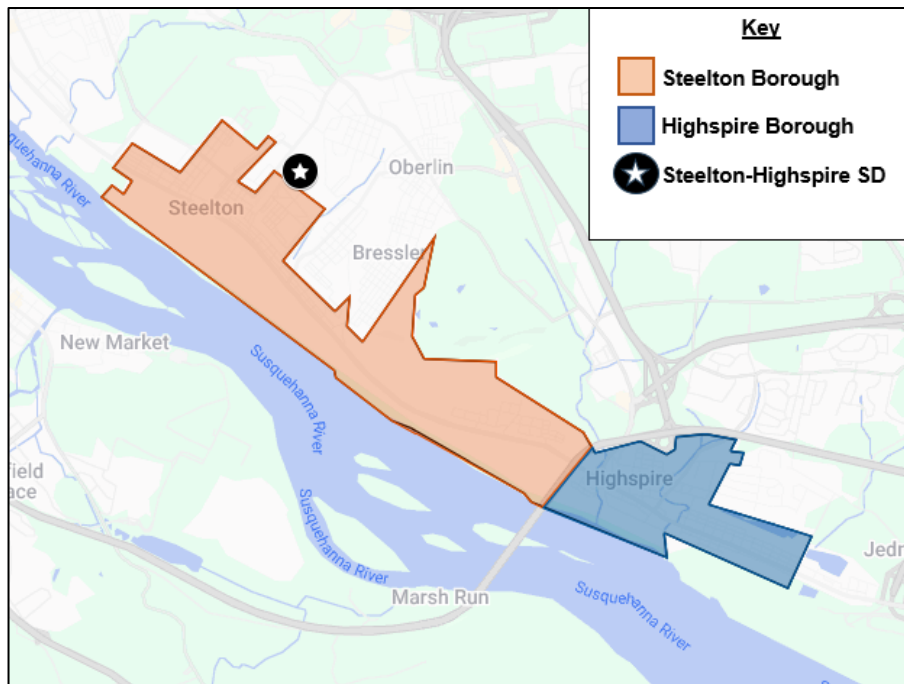
Action Step	Responsible Parties	Monitoring Frequency
	Child Accounting Lead	

OP4. Initiative Improve student transportation efficiency	
<b>Responsible Parties</b>	IT Director Business Manager Superintendent CRO Transportation Lead

SHSD contracts with several vendors to provide transportation services to its students. First Student, the District’s largest vendor, provides large buses, while other vendors provide vans and cars typically for students who need specialized transportation.

In order to qualify for transportation, SHSD students must meet the requirements of the School Code for walking limits, or require specialized services through an individualized student plan. Due to the unique shape of the District (shown in the map below), students residing in Steelton Borough’s *East End* neighborhood as well as Highspire Borough exceed the walkable radius. In 2022-23, the most recent year of available data, the District transported 261 students to its buildings.<sup>21</sup> This included students who were considered homeless, less than 10 of whom live almost 50 miles outside of the District’s limits.

**SHSD Map**



<sup>21</sup> 2022-23 eTran Data (public non-hazardous count, less charter school count).

The District also provides transportation to students who attend charter schools or other nonpublic schools if the school is within 10 miles of the District. Some exceptions for this rule may apply to students with particular IEP requirements. In the same year, the District transported 10 students to two brick and mortar charter schools, and 125 students to nonpublic schools.<sup>22</sup>

Based on current transportation and enrollment trends, there are several factors contributing to costly or inefficient transportation services:

- **Location and Geography of SHSD** – the SHSD campus is located on the west side of the District, forcing it to transport students residing at the opposite east end. If the District’s buildings were more centrally located, transportation services may be reduced.
- **Enrollment outside of SHSD** – In 2023-24, 342 students attended either charter schools or outplacement locations. About half of these students are provided transportation.
- **Location of Outplacements** – In 2024-25, the 94 students placed out-of-District (including general and special education) attended 18 different schools. This contributes to both longer distances being traveled and often less efficient routes.

The District should continue to seek cost-effective and efficient transportation arrangements where possible. In conjunction with initiatives that promote data monitoring and systems use, SHSD should regularly look for ways to reduce costs. This may include route efficiencies, reduction in contracted vehicles, alternative public transportation options, shared service agreements, and other savings initiatives.

The following action steps set up a structure and schedule for detailed transportation monitoring:

**OP4. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Optimize transportation routes and services using data analytics and routing software	Superintendent Business Manager Transportation Lead IT Director CRO	Annually
Develop multi-year improvement plan which includes efficiency targets, specific timelines for improvement actions, and estimated savings	Superintendent CRO Business Manager	Once in 2025-26
Provide annual updates of total transportation costs and continue ongoing efforts to reduce spending as outlined by the Plan	Superintendent Business Manager CRO	Annually
Consider alternative transportation options	Business Manager Superintendent CRO	Annually

<sup>22</sup> 2022-23 eTran Data.

<b>OP5. Initiative</b>	<b>Implement a rigorous, competitive bidding process for all major purchases and contracts</b>
<b>Responsible Parties</b>	Business Manager Superintendent CRO Buildings and Grounds Director District Solicitor

As discussed, the District relies heavily on contracted services to perform daily functions. These services span across instructional and non-instructional operations, and they account for a significant amount of District spending. As part of operational improvement efforts, the District shall evaluate its overall need for contracted support, its process for selecting vendors, as well as the costs associated with contracting.

Where the District identifies gaps with operations, it shall proceed with a standardized process that considers the costs and benefits of expanding District operated services or procuring a vendor. Where possible, the District shall prioritize options that are both cost-effective and impactful. Standardized procedures will ensure that the decision to expand in-house or procure is comprehensive, based on identified need, in alignment with the budget and available resources, and that it will result in academic, operational, or administrative improvement(s). A refined bidding process will also ensure that necessary expenses and contracts like utilities or transportation services are as cost-effective as possible.

The following action steps support the District in standardizing, documenting, and implementing a comprehensive bidding process:

**OP5. Action Steps**

Action Step	Responsible Parties	Monitoring Frequency
Review and update procurement policies to ensure strict compliance with all applicable state and federal laws and regulations	Superintendent Business Manager District Solicitor CRO	Annually
Create and document standard operating procedures for purchase order creation, invoice submission, approval workflows, reconciliations, and record-keeping	Superintendent Business Manager CRO	Annually
Fully utilize electronic systems for purchase tracking, report generation, and maintaining all procurement records including non-competitive procurement	Superintendent CRO Business Manager	Quarterly
Establish a system for monitoring vendor performance to ensure that goods and services are delivered on time, at a reasonable price within budget, and to the required quality standards	Superintendent CRO Business Manager	Quarterly

Action Step	Responsible Parties	Monitoring Frequency
Review all current contracts for efficiency and effectiveness in supporting the District’s mission for possible elimination and/or cost reductions	Superintendent CRO	Annually
Reduce overall expenditures by implementing strategic sourcing for services, including competitive bidding, market analysis, and by executing targeted consumption-reduction initiatives	Superintendent CRO Business Manager Buildings and Grounds Director	Quarterly
Complete training for all key administrative and supervisory positions on revised processes and systems	Superintendent Business Manager CRO	Semi-Annually

<b>OP6. Initiative Evaluate the potential for shared services</b>
<b>Responsible Parties</b> Business Manager Superintendent CRO

Where the District determines that expanding its capacity for identified needs, either in-house or through procuring a vendor, is not cost-effective or cost-efficient, it shall consider the potential for shared service agreements. Shared services allow school districts, especially small ones, to benefit from enhanced capacity at a fraction of the cost or investment required for full-time support.

Shared service agreements are often used for staffing or contracted services. For example, the District may determine that it needs an additional staff member in the central office to support administrative tasks, or it may determine that it does not need a current staff member at full-time capacity. In this case, SHSD may decide to share this staff member with a neighboring school district, therefore receiving meaningful, but more limited support. Alternatively, the District may choose to procure a transportation vendor with another local school district, as both school districts have students attending the same charter school.

The following action steps promote consideration of shared service agreements:

**OP6. Action Steps**

<b>Action Step</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>
Review central office and academic functions for the potential to be provided through shared service agreements	Superintendent Business Manager CRO	Annually
Estimate savings and/or improvements in operational efficiency that would be created through shared services	Business Manager Superintendent CRO	As needed
Develop an implementation plan for each service identified	Business Manager Superintendent CRO	As needed

## **Business Office**

The Business Office is the operational cornerstone for the Steelton-Highspire School District's financial stewardship and a critical facilitator of its academic recovery. The Business Office's primary mandate includes the management of the District's finances and involves the effective execution of fundamental processes that are inextricably linked to the District's ability to fund and sustain educational improvements. The Business Office's pivotal role in the Financial Recovery Plan initiatives and action steps aim to rebuild its capacity, ensure fiscal responsibility, and ultimately support the District's core mission of student achievement.

## **Financial Audits**

The immediate and pressing need for these reforms is illustrated by the quality of the District's financial reporting. As of the last completed audit on June 30, 2022, the District carried an ending fund balance in the General Fund of **(\$4,366,672)**. Furthermore, the failure to file complete Annual Financial Reports (AFRs) for 2022-23 and 2023-24 has created a significant information void, suggesting the current financial reality may be even more dire and making reliable financial planning nearly impossible. This lack of current, reliable financial data severely hampers the ability to make informed conclusions on expenses, revenues, fund balance, and develop accurate financial projections. Completed audits and AFR reports are:

- a) critical to understanding the district's financial position and practices,
- b) the basis for subsequent financial decisions including budgeting,
- c) important for establishing the district's credit rating,
- d) a requirement of the Pennsylvania School Code (24 PS§ 24-2401), and
- e) are a requirement of School Board Policy #619.

It is critical that the District complete the necessary final documents and implement proper financial and accounting procedures with fidelity. The initiatives detailed in this chapter are designed to achieve precisely that, enabling the Business Office to fulfill its essential role in the District's comprehensive turnaround.

The completion of audits and AFRs is fundamental. These reports are critical for understanding the District's financial standing and practices, serve as the bedrock for subsequent financial decisions including budgeting, influence the District's credit rating, and are mandated by both the Pennsylvania School Code (24 PS 24-2401) and School Board Policy #619. To rectify this, the District must prioritize the completion of all necessary financial documents and implement robust financial and accounting procedures with unwavering fidelity.

- **Initiative AD2:** To ensure compliance and transparency, this initiative focuses on the timely submission of all financial documentation.
  - **Action Step:** Budgets, cash flow statements, Annual Financial Reports (AFRs), and other required forms will be submitted to the Department of Education on schedule. This will be the responsibility of the Business Manager, Superintendent, and the Chief Recovery Officer (CRO), with progress monitored quarterly.

## **Optimizing Business Office Staffing, Alignment, and Functions**

Ensuring the Business Office is optimally structured with clearly defined roles is crucial for its ability to effectively manage the District's complex finances and support the successful implementation of the Financial Recovery Plan; thus, a comprehensive review of its current staffing and functional alignment is a key priority. The current Business Office structure includes three full-time professional employees: the Business Manager, an Accounting Specialist, and an Accounts Payable employee. Additionally, several

other district office staff members contribute to business office duties. The District also utilizes contractor services for tasks such as bank reconciliations, audit document preparation, and, for the 2024-25 fiscal year, budget preparation.

A thorough review of essential office and business office duties is necessary to establish the most efficient and effective staffing structure. This review, conducted by the CRO and Superintendent, will analyze job descriptions, define duties, and consider the optimal balance between in-house staffing and contracted services to accomplish all necessary Business Office functions.

- **Initiative FM6:** This initiative aims to refine the Business Office's operational structure and ensure accountability.
  - **Action Step 1:** The Superintendent, CRO, and Business Manager will collaborate to determine appropriate duties, develop clear job descriptions, establish optimal staffing levels, and define the strategic use of contracted services within the Business Office. This will be reviewed annually.
  - **Action Step 2:** Job duties outlined in descriptions will be explicitly aligned with the requirements of State Law and School Board Policy. Furthermore, supervisory processes and evaluation ratings will be directly linked, in part, to the effective performance and attainment of these mandated duties. The Superintendent and CRO will oversee this alignment, with reviews conducted annually or as needed if discrepancies arise.

### **Development of Standard Operating Procedures**

To combat the historical challenge of staff turnover and the associated loss of institutional knowledge, the District will develop and regularly update comprehensive procedures and manuals for all Business Office functions. These documents will serve as guides for operations, ensuring consistency and proper implementation. They will be formally written and reviewed annually. Staff adherence to these procedures will be documented by supervisors and directly integrated into the employee supervision and evaluation tools.

- **Initiative AD1:** This initiative focuses on creating a stable and well-documented operational framework.
  - **Action Step:** A formal Business Office manual will be created, leveraging resources from organizations such as the Pennsylvania Association of School Business Officials (PASBO) and the Business Office Academy. The Superintendent, CRO, and Business Manager will be responsible for its creation during the 2025-26 fiscal year, with annual reviews thereafter.

### **Establishing a Comprehensive Annual Compliance Calendar**

To ensure consistent adherence to all state and federal submission deadlines, a comprehensive yearly compliance calendar will be meticulously developed. The significance of this calendar's development cannot be overstated. It represents a foundational shift towards proactive operational management, replacing reactive efforts with a clear, centralized roadmap of all mandatory reporting. This detailed schedule will specify tasks, assign responsibilities, and establish precise timelines, thereby minimizing the risk of oversight, enhancing workload management across departments, and promoting transparency and accountability throughout the District.

Equally critical is the unwavering fidelity to the deadlines outlined in this calendar. Consistent and timely compliance is paramount, as it directly impacts the District's legal standing, financial health, and operational integrity. Adherence ensures the fulfillment of all statutory and regulatory obligations, safeguarding the District against potential penalties, adverse audit findings, and disruptions to crucial funding streams,

including essential state and federal aid. Moreover, punctual and accurate submissions are fundamental to maintaining the District's creditworthiness, fostering trust with regulatory bodies and the wider community, and ensuring the smooth execution of its educational mission. The Superintendent, working in collaboration with the Business Manager, will be responsible for the annual creation, rigorous updating, and effective dissemination of this calendar to all administrative staff and the School Board. This process is vital for embedding a culture of accountability and diligent compliance, which is crucial for the District's overall recovery, stability, sustainability and the ability to focus resources on student success.

- **Initiative AD1.2:** This initiative aims to standardize the approach to external reporting.
  - **Action Step:** A consistent approach and timeline for all annual state and federal submissions will be developed. This approach will be revised as needed to align with the District's financial and administrative goals, as well as School Board policy. The Superintendent, CRO, Assistant Superintendent, and Business Manager are responsible for this, with annual monitoring.

### **Improving Charter School Financial Management**

Effective tracking and reconciliation of charter school enrollments and associated costs are crucial for sound financial management within any school district. This encompasses the critically important task of meticulously monitoring student enrollment data and thoroughly reconciling all payments due to charter schools. Precision in these areas is paramount; it ensures that payments accurately reflect verified student numbers and tuition obligations. Such diligence prevents costly overpayments, safeguards district resources against erroneous charges, and provides a solid, defensible foundation for the District's own budgeting processes and state aid calculations.

Beyond accurate record-keeping and reconciliation, the method by which the District meets its charter school financial obligations requires significant attention and reform. Specifically, the District needs to transition away from any reliance on state funding intercepts. While intercepts may ensure charter schools are paid, they represent a reactive measure that cedes local control over cash flow, can incur additional administrative complexities, and may reflect poorly on the District's independent financial management capabilities. The proactive and responsible alternative is to establish a clear, predictable, and feasible payment calendar. Developing such a calendar, ideally in communication with charter schools, not only ensures timely and orderly disbursement of funds but also fosters more transparent and stable financial relationships. This approach allows the District to manage its own budgetary resources with greater foresight, improve cash flow planning, and demonstrate robust fiscal stewardship.

- **Initiative AC9:** The District will establish clear, written procedures for tracking students enrolled in charter schools to ensure proper record-keeping and accurate billing. A specific contact person within the District will be assigned responsibility for data collection and the reconciliation of bills to Charter Schools.
  - **Action Step:** An existing administrator position will be identified to oversee Charter School enrollments and related data management. This will be the responsibility of the Superintendent, CRO, and the Director of Student Services, with annual review and confirmation.

## **Capital Planning and Facilities Management**

Effective capital planning and diligent facilities management are critical for SHSD to ensure the long-term health, safety, and operational readiness of its physical infrastructure. Strategic budgeting and the allocation of funds through comprehensive capital plans are essential not only for addressing significant, anticipated investments but also for executing the consistent, routine maintenance required to preserve and extend the life of critical resources. Proactive planning will enable the District to anticipate needs, optimize resources, and maintain facilities that fully support its students while balancing the realities of its fiscal condition.

Building upon efforts to strengthen the District's overall financial management, this section underscores the critical need for a robust capital plan. Capital expenses demand strategic foresight. A comprehensive capital plan—detailing the work to be done, expected funding sources, and project phases over time—will provide this crucial direction. This will enable the District to prioritize projects, such as those identified in the 2023 Crabtree, Rohrbaugh & Associates feasibility study, based on urgency, available funding, and their contribution to the core instructional mission. Such proactive planning is vital for both undertaking major anticipated improvements and ensuring the consistent routine maintenance essential for the sustained health and longevity of the District's physical infrastructure.

As shown in the table below, the 2023 feasibility study identified a range of \$21.9 million to \$24.9 million in maintenance projects needed in the coming years to maintain current facilities. Given the District's current fiscal situation and its past challenges in effectively planning for future expenses, there is reasonable concern about its capacity to execute these projects. As routine maintenance is delayed, these tasks can escalate into emergency repairs and replacements, which are often more disruptive to schooling and dramatically more costly than initial estimates.

### **SHSD 2023 Building Feasibility Study Summary**

	<b>Cost Range</b>
Elementary School	\$1,643,600 - \$2,000,925
High School	\$20,266,230 - \$22,864,940
<b>Total Cost Range</b>	<b>\$21,909,830 - \$24,865,865</b>

A clear example of a deferred maintenance challenge is the SHSD football field and stadium. Football is a pillar of the Steelton-Highspire community, but years of insufficient investment in upkeep led to the field's deterioration. While recent commendable efforts by a local nonprofit group underscore the value of sport in the community, this situation also highlights the difficult trade-offs that may become more frequent if the District fails to develop and execute a capital plan that includes maintaining current facilities.

Due to the District's current financial position, which is constrained by affordability issues and the prioritization of initiatives targeted towards academic improvement, it cannot fund this project directly. Consequently, SHSD has supported the establishment of a nonprofit 501(c)(3) organization, the "Roller Nation Foundation," to manage the fundraising and implementation of this athletic facilities project. This structure allows the District to continue focusing on its Financial Recovery efforts and reserve operating revenues for its core operational needs and academic investment priorities. In alignment with initiatives described in the Administrative Policy, Procedures, and Processes chapter, it will be essential for the District to ensure the Roller Nation Foundation implements comprehensive, transparent policies and procedures. All costs tied to this project and the future maintenance and operation of the Foundation must remain

independent from the District's operating activities, enabling SHSD to concentrate on making critical financial improvements.

**Relevant Initiatives:**

- **Initiative OP1: Develop a capital improvement plan with funding sources**
  - **Action Step:** Utilize the building feasibility study and other sources to develop a comprehensive list of capital needs and estimated costs
  - **Action Step:** Create a multi-year schedule for the capital projects identified based on criteria including urgency, importance to educational mission, cost savings, etc.
  - **Action Step:** Develop a financing plan for capital needs through a combination of operating funds, grant opportunities, or bond proceeds
  - **Action Step:** Develop and implement a plan to maximize Guaranteed Energy Savings (GESAs) as part of any projects
  
- **Initiative OP2: Create and implement an annual plan for building maintenance, replacement of IT, and other equipment**
  - **Action Step:** Develop a repair and replacement cycle for all District facilities, technology, and equipment
  - **Action Step:** Align any student or classroom technology replacements with the District's teaching and learning goals, and available resources
  - **Action Step:** : Develop a method to monitor and track that facilities and equipment are being repaired or replaced on established cycles
  - **Action Step:** Review and update any repair and replacement cycles annually

## Revenue

As discussed throughout this Plan, the District has dealt with significant funding challenges in recent years. Even with substantial one-time resources during the post-pandemic period, it has not generated adequate revenue to cover its operating expenses. Understanding the composition of the District’s revenues and underlying funding trends is crucial in assessing the District’s fiscal health, and in informing this Plan’s initiatives. It is imperative that SHSD manages a budget that is balanced, so it funds its operational needs.

As illustrated in the table below, over three-quarters of the District’s 2024-25 adjusted revenue budget (or \$31.2 million) is derived from State and local sources. Excluding the \$8.9 million in bond proceeds in 2024-25, State and local revenues account for 95.9 percent of total revenues. Local revenues primarily include real estate tax and earned income tax collections, as well as more minor taxes and other funding streams. Major State funding sources include the District’s Basic and Special Education subsidies, Ready to Learn Block Grant appropriation, and reimbursements for retirement contributions, debt service obligations, and key transportation costs. Federal revenues are comprised of Title Funding allocations, as well as any Medicaid ACCESS reimbursements.

**SHSD 2024-25 Adjusted Revenue Budget<sup>23</sup>**

	2024-25 Adj. Budget	Percent of Total	Percent of Total <i>Less Financing</i>
Local Sources	\$7,945,853	19.2%	24.4%
State Sources	\$23,291,924	56.2%	71.5%
Federal Sources	\$1,321,699	3.2%	4.1%
Other Financing	\$8,865,000	21.4%	-
<b>Total Revenue</b>	<b>\$41,424,477</b>	<b>100%</b>	<b>100%</b>

In recent years, total revenue growth has been driven by increases in State Education Funding, as well as one-time Federal sources for pandemic-relief initiatives (expired and therefore not shown above). State education funding allocations are statutory, and they depend on the District’s student demographic make-up, local economic conditions, and the level of funding adopted by the Commonwealth in its annual budgets.

Local revenues have remained relatively flat over the last several years, and this was driven by consecutive years without real estate tax rate increases. Between 2019-20 and 2023-24, the District did not raise its millage rate despite growing costs and changing operational needs. Any growth in local sources has been a product of changes in local property values or economic trends, not corrective tax increases. As a result of this, the District has relied heavily on increases in State Education Funding, as well as one-time revenues like Federal ESSER funding, debt issuances, and other financing such as a TRAN (Tax Revenue Anticipation Note) and/or Lease-Sublease Agreements to pay down prior year obligations. In 2024-25, the District’s \$8.9 million bond issuance was used exclusively towards eliminating prior year payables, which it could not cover with current funding streams at the time. Without extraordinary short-term budgetary correction, the District may require a TRAN or other financing for cashflow purposes to support timely payment of operating bills.

In June 2025 the School Board approved a \$9.5 million tax revenue anticipation note (TRAN). This short-term borrowing, which must be paid off by June 30, 2026, provides cash for expenditures in 2025-26 prior

<sup>23</sup> Several adjustments were made to the 2024-25 budget to better reflect actual receipts based on year-to-date trends and other information provided by the District. See Appendix D for the detailed list of adjustments.

to receiving local tax revenues and state subsidies. To ensure sufficient cash flow through October 2026, expenditures from this fund shall be prioritized toward payroll, benefits, retirement payments, and highest priority (expenditures necessary to operate educational functions) operating expenditures. The District shall pursue a Lease-Sublease arrangement by November 2025 with cash proceeds to amortize the costs of the cash flow borrowing and to pay off the Aged AP. The Lease-Sublease will require the dedication of future tax increases to offset the impact of borrowing on expenditures.

The reliance on one-time revenue sources creates a formidable challenge in preparing sustainable, balanced budgets in future years. While such actions may have provided temporary relief and balanced the budget for a given year, they did not address the underlying structural imbalance between recurring revenues and recurring expenditures. It will be critical that the District corrects these cyclical practices, and that it takes a larger responsibility to close funding gaps locally. Sustainable funding streams like tax receipts are imperative to sustaining the District's range of operational needs, incurring new investments, and preventing large future debt repayment obligations.

### Relevant Initiatives

- **Initiative FM2: The District will consider raising tax rates annually to the Act 1 Index**
  - **Action Step:** As part of the budget cycle, perform analysis to determine funding gaps and to estimate the impact of an Act 1 Index tax increase on revenues
  - **Action Step:** Adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events
- **Initiative FM7: Seek supplemental grant funding opportunities**
  - **Action Step:** Identify new grant opportunities that align with the District's strategic goals
- **Initiative FM10: Increase Medicaid ACCESS reimbursement**
  - **Action Step:** Review ACCESS billing policies and procedures to determine if changes are required in order to increase Medicaid ACCESS revenue
- **Initiative AD1.2: Document and implement policies, processes, and procedures across all departments**
  - **Action Step:** Complete necessary documentation for timely expense reimbursements

## **Closing Summary**

In order to remain a viable school district, educators, parents, and community leaders in the Steelton-Highspire School District must work together as partners to set the students on a positive path for a successful future. This will require major changes to how the Steelton-Highspire School District has done business both academically and financially if the District is to succeed in the current environment with its current financial constraints. Ultimately, the accountability for the educational program for the Steelton-Highspire School District rests with the Superintendent and the School Board.

This Financial Recovery Plan, born from an intensive investigative analysis, serves as a comprehensive blueprint for District's financial improvement. It is meticulously designed to fundamentally strengthen the District's existing operational, financial, and instructional systems. At its core this plan aims to cultivate enduring financial stability that allows for predictable and prudent resource management, and to catalyze significant, sustainable improvements in academic performance for all student populations. Crucially, the Plan is also crafted to empower and support the District in vigorously pursuing and ultimately realizing its own ambitious Vision – while fostering an environment where every student thrives.

Ultimately, this Financial Recovery Plan meticulously outlines the extraordinary and multifaceted efforts required encompassing disciplined financial practices, strategic resource allocation, enhanced operational efficiencies, and a relentless focus on academic achievement to not only strengthen but also to sustain the Steelton-Highspire School District for the long term. It represents a challenging yet necessary pathway, demanding unwavering commitment, shared responsibility, and resilient leadership from all stakeholders, including the School Board, administration, staff, students, parents, and the broader community. By embracing these transformative measures with diligence and collaboration, the Steelton-Highspire School District can pave the way for a more secure, resilient, and successful future—a future where it can independently thrive, fully dedicate its energies to its vital educational mission, and consistently provide an exceptional learning experience that prepares every student for lifelong success.

**Appendix A:**  
**Special Education Audit Criteria**

*The following is a non-exhaustive list of policies, procedures, and topics that shall be covered in an audit of special education functions. In addition to reviewing the District's special education programs and services, an audit shall also review compliance of functions with state and federal requirements.*

- Staffing size and model
- Process for obtaining personal care assistants (PCAs)
- Capacity of student caseloads
- Student data reporting processes
- Deaf-blind census report review
- Cyclical monitoring review
- Act 16 process review
- December 1 child count processes
- Review of subsidy report
- Review of out-of-district placements and placement processes (including contracts and costs)
- Early intervention transition review
- Extended school year (ESY) processes
- Related services processes
- Review of IU supports and services
- Budget review
- Contingency Fund submission
- Settlement data including the date due
- Review of specialized transportation (vehicles and processes for services i.e. Cost of transportation per vehicle type and by mile)
- 4010 Approved private school placements and funding slots for services
- Medical assistance process review

**Appendix B:**  
**SHSD Historical Percent Proficient or Advanced on State PSSA Assessments** <sup>24</sup>

**English Language Arts**

	2018-19	2020-21	2021-22	2022-23	2023-24
Grade 3	21.0%	9.2%	13.1%	13.5%	16.5%
Grade 4	17.7%	6.6%	6.5%	15.8%	12.5%
Grade 5	16.7%	21.0%	9.9%	8.5%	29.9%
Grade 6	26.9%	11.5%	21.1%	25.3%	20.7%
Grade 7	15.0%	3.9%	14.7%	28.9%	17.4%
Grade 8	18.8%	5.9%	15.7%	13.2%	18.3%
<b>All SHSD Students</b>	<b>19.3%</b>	<b>8.9%</b>	<b>13.5%</b>	<b>17.3%</b>	<b>19.2%</b>
<b>Statewide ELA Average</b>	<b>60.9%</b>	<b>55.5%</b>	<b>54.6%</b>	<b>53.7%</b>	<b>53.0%</b>
Difference	-41.6%	-46.6%	-41.1%	-36.4%	-33.8%

**Mathematics**

	2018-19	2020-21	2021-22	2022-23	2023-24
Grade 3	14.8%	4.8%	11.0%	7.1%	14.6%
Grade 4	3.0%	0.0%	3.8%	8.5%	9.3%
Grade 5	3.5%	1.5%	1.0%	1.2%	9.3%
Grade 6	2.8%	0.0%	1.4%	2.1%	1.1%
Grade 7	1.0%	0.0%	0.0%	2.5%	3.6%
Grade 8	1.0%	0.0%	1.0%	3.3%	1.2%
<b>All SHSD Students</b>	<b>4.0%</b>	<b>0.8%</b>	<b>2.9%</b>	<b>4.3%</b>	<b>6.9%</b>
<b>Statewide Math Average</b>	<b>42.4%</b>	<b>32.8%</b>	<b>34.4%</b>	<b>39.4%</b>	<b>40.4%</b>
Difference	-38.4%	-32.0%	-31.5%	-35.1%	-33.5%

**Science**

	2018-19	2020-21	2021-22	2022-23	2023-24
Grade 4	41.0%	21.1%	19.7%	39.2%	44.3%
Grade 8	14.1%	5.2%	13.7%	20.7%	16.3%
<b>All SHSD Students</b>	<b>27.6%</b>	<b>11.1%</b>	<b>16.3%</b>	<b>30.2%</b>	<b>31.6%</b>
<b>Statewide Science Average</b>	<b>68.0%</b>	<b>63.8%</b>	<b>62.2%</b>	<b>65.5%</b>	<b>65.8%</b>
Difference	-40.4%	-52.7%	-45.9%	-35.3%	-34.2%

<sup>24</sup> Source: PSSA District-Level and State-Level Reports (All Students). Exams were not taken in 2019-20 as a result of the pandemic.

**Appendix C:  
Professional Staff Benchmarking Analysis<sup>25</sup>**

**Administrators**

School District	District Admin.	School Admin.	Coordinate Supervisors	Total Admin.	2024-25 Enrollment	Students per Staff
Panther Valley SD	3	3	2	8	1,787	223.38
Susquenita SD	2	6	1	9	1,707	189.67
Carbondale Area SD	3	3.9	2.1	9	1,498	166.44
Newport SD	3	3	0	6	942	157.00
West Perry SD	4	7	5	16	2,164	135.25
Big Spring SD	4	13	2	19	2,379	125.21
Iroquois SD	4	5	0	9	1,118	124.22
Big Beaver Falls Area SD	5	7	1.7	13.7	1,638	119.56
Steelton-Highspire SD	5	7	2	14	1,474	105.29

**Special Education Teachers**

School District	Elementary	Secondary	Ungraded	Total Teachers	2023-24 Student Count	Students per Staff
Big Beaver Falls Area SD	8	1.7	6.35	16.05	467	29.10
Panther Valley SD	0	0	20	20	496	24.80
Susquenita SD	1	0	19	20	384	19.20
Big Spring SD	13.7	5.55	16.25	35.5	624	17.58
West Perry SD	7	2.5	15.5	25	399	15.96
Carbondale Area SD	1.12	1.55	23.66	26.33	404	15.34
Iroquois SD	10	4.4	2	16.4	237	14.45
Steelton-Highspire SD	1	0	23	24	278	11.58
Newport SD	6.2	2.77	11.65	20.62	195	9.46

<sup>25</sup> 2024-25 PDE Professional Staffing Report and October Enrollment Report and 2023-24 PennData Special Education Student Counts.

## **Appendix D:** **Financial Projection Assumptions**

*The following is a description of the data sources and the assumptions used to develop the financial projections for the Steelton-Highspire School District (SHSD).*

### **2024-25 Budget**

The 2024-25 budget is treated as the base year for the multi-year projections; growth assumptions, as described below, are applied to each of the budgeted revenue and expenditure areas.

The District provided two forms of 2024-25 budget data: the PDE-2028 form, and its original budget workbook with more detailed account code information. The budget workbook was used to develop the projections, however, there were certain areas where the budget detail did not align precisely with the PDE-2028 form provided to the Department. *Where necessary, key expenditure line items in the budget detail were adjusted to match the function and object subtotals reported on the PDE-2028 form.*<sup>26</sup>

### **Baseline Revenue Projections**

#### ***Local Sources***

- Current real estate taxes
  - Assessed value is held flat at the budgeted amount in 2024-25
  - Millage rate is held flat in all projected years
  - Current revenues are adjusted up from the budgeted amounts in 2023-24 and 2024-25 to reflect year-end estimates
  - Current collection rate is held flat at 89.5 percent which is based on the 2024-25 year-end revenue estimates
- Delinquent real estate taxes
  - Delinquent revenues are adjusted up from the budgeted amounts in 2023-24 and 2024-25 to reflect year-end estimates
  - Total collection rate (current + delinquent collections) is held flat at 94.9 percent which is based on the 2024-25 year-end revenue estimates
- Earned income taxes
  - Beginning in 2025-26, collections are grown by inflation each year
- Occupation taxes (current)
  - Revenues are adjusted in 2024-25 to both:
    - remove delinquent collections, as they were also accounted for in the District's budget for delinquencies (6400 code)
    - assume the same level of total collections (current + delinquent) as reported in 2023-24
  - Occupation taxes are held flat at the adjusted amount for all projected years
- All other local sources were held flat in the projected years

#### ***State Sources***

- Basic Education Funding (BEF) and Special Education Funding (SEF)
  - In 2023-24 and 2024-25, BEF and SEF are adjusted to match the allocations in the publicly available files from the Pennsylvania Department of Education

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<sup>26</sup> See line item labeled *Budget Adjustments* in the attached Model Summary file.

- This includes funding *reductions* in both school years, as the District budgeted for larger increases in State education funding than it was actually allocated
  - Projected amounts assume historical increases in formula-based funding from the Commonwealth:
    - BEF – \$225 million added to the statewide formula annually
    - SEF – \$46.75 million added to the statewide formula annually
  - BEF and SEF estimates were calculated using the District’s 2024-25 share of total statewide student-weighted funding, and long-term growth in total statewide funding:
    - BEF – approximately 2.9 percent per year
    - SEF – approximately 4.9 percent per year
  - After 2024-25, the projections do not include additional Level-Up or Hold Harmless funds
- Ready-to-Learn Block Grant Funding
  - Adjustments are made in 2024-25 and 2025-26 to incorporate the following new funding sources and allocations:
    - Adequacy Supplement – approximately \$936,000 in funding in 2024-25
    - Tax Equity Supplement – approximately \$77,000 in funding in 2025-26
      - This is the 2024-25 allocation, accounted for in 2025-26 per the Department’s guidance
  - As defined by School Code and beginning in 2025-26, 2024-25 allocations for both Supplements will be added into the Ready-to-Learn Foundation and held flat at this amount
  - Beginning in 2025-26, the projections do not include any additional Adequacy or Tax Equity Supplements
- Empowerment Grant Funding of \$1.0 million is added as a funding source in 2023-24 and 2024-25, and it is not assumed in any projected years
- Cyber Charter School Tuition Reimbursement is added as a funding source beginning in 2024-25
  - Funding is held flat at the allocated amount of about \$371,000
- Transportation Subsidy grows at half the rate of inflation in each of the projected years
- Projected reimbursement rates for Social Security and PSERS are based on historical trends:
  - Social Security Reimbursement Rate – 73.6 percent, which is the average rate from 2018-19 to 2022-23 after adjusting for non-reimbursable Federally-funded salaries
  - PSERS Reimbursement Rate – 76.5 percent, which is the average rate from 2018-19 to 2022-23
  - Reimbursement revenues for Social Security and PSERS contributions are based on changes in projected salaries and corresponding expenditures (see expenditure section)
- Rental & Sinking Fund Payments
  - Rental and Sinking Fund Payments (PlanCon) are based on the August 2024 debt service schedule provided by the District
- Other State Funding
  - 2023-24 budget is adjusted to remove \$4.0 million in miscellaneous grant funding which was not received
  - 2024-25 budget is adjusted to include \$550,000 in PATTAN Funding
- All other state sources were held flat in the projected years

***Federal Sources***

- Title Funding was adjusted in 2023-24 and 2024-25 to reflect the District’s actual allocations
- Based on information provided by the District, ESSER Funding was increased in 2023-24 to reflect the use and exhaustion of its entire funding allocation
- All federal sources are held flat at the 2024-25 budgeted amounts in the projected years

**Other Financing**

- Beginning in 2025-26, no additional proceeds from borrowing are included in the projections

**Baseline Expenditure Projections**

**Salaries**

- Salaries for the District’s teachers are tied to both contractual schedules and the current placement of staff on those schedules
  - In 2025-26 and 2026-27, costs are grown by 4.4 percent, which is the growth in total salaries for the District’s 85 teachers after continued schedule movement
- Salaries for all support staff (secretaries, paraprofessionals, and facilities workers) grow based on average contractual increases in hourly rates, as shown in the table below
- Salaries for all other staff (non-instructional professional staff, Act 93, or administrative staff) are grown by an illustrative 4.0 percent per year based on information from the District
- After the expiration of any current agreements, salaries are grown by the same illustrative 4.0 percent per year based on the District’s budgeting practices

**Projected Salary Growth for SHSD Staff**

	2025-26	2026-27	2027-28	2028-29	2029-30
Teachers	4.4%	4.4%	4.0%	4.0%	4.0%
Secretaries and Paras	2.2%	2.2%	2.1%	4.0%	4.0%
Facilities	2.1%	2.0%	2.0%	4.0%	4.0%
All Other Staff	4.0%	4.0%	4.0%	4.0%	4.0%

*\*Orange shading denotes contractual years*

**Employee Benefits**

- Health insurance costs grow by 8.0 percent per year based future cost expectations from the Public School Health Insurance Consortium (PSHIC)
- Social Security contributions increase proportionally with growth in total salaries
- PSERS contributions increase proportionally with changes in total salaries and at the projected rates adopted by the PSERS Board of Trustees (as of December 2024)
- Other employee benefits are reduced beginning in 2024-25 to remove a series of double-counted and employee-covered costs which were included in the budget
  - The adjusted amount is grown by inflation beginning in 2025-26

**Charter School Tuition Payments**

- Charter school tuition payments are estimated using individual projections for enrollment and tuition rates
  - Charter school enrollment projections are based from historical trends
    - Beginning in 2025-26, an additional 7 students are incorporated into the enrollment projection per year (5 general education and 2 special education)
  - Charter school tuition rates are calculated based on the District’s projected financial detail and the structure provided on the PDE-363 form

**Other Non-Personnel Expenditures**

- Transportation costs are grown by 3.3 percent per year, which is based on the District’s existing agreement with First Student

- In 2024-25, approximately \$10.9 million in costs are added into the District’s expenditures to reflect the elimination of outstanding payables owed to vendors from the start of the year
- In 2024-25, equipment costs are reduced based on:
  - The 2024-25 budget is based on spending in 2022-23, when the District spent \$560,000 on one-time ESSER-funded equipment
  - Costs are reduced in 2024-25 to reflect pre-ESSER historical spending levels, and then they are grown by inflation for the remaining projected years
- A general inflationary rate of 2.4 percent was applied to all other non-personnel related expenditures (except for Other Objects and Other Use of Funds)
  - The inflationary rate is based on the February 2025 headline CPI projections from the Survey of Professional Forecasters published by the Federal Reserve Bank of Philadelphia

#### ***Other Objects and Financing Uses***

- Debt service payments are based on the August 2024 debt service schedule provided by the District

#### **Ending Fund Balance**

- Because SHSD has two outstanding independent audits – 2022-23 and 2023-24 – it is unclear where the District’s total fund balance stands in 2024-25
  - Given the dated information, the baseline projections assume an ending fund balance of \$0 in 2022-23 and 2023-24
  - Any projected changes in ending fund balance will be based on operating results in 2024-25 and the proceeding years
- Any projected changes in ending fund balance should be considered as additions to the most recent audited results that are available

### **Scenario-Based Financial Projections Assumptions**

*The following initiatives, as described in the Recovery Plan, are layered on top of the Baseline Projections to reflect the extraordinary financial changes necessitated by the Financial Recovery process. Many of the initiatives below will have indirect effects on charter school tuition calculations, as well as State retirement reimbursements.*

#### **1. Act 1 Index Real Estate Tax Rate Increases**

- This initiative assumes that the District will raise its millage rate by the Act 1 Index for all projected years
- Current and total collection rates are reduced by 0.5 percent per year beginning in 2025-26 to account for the greater tax increases

#### **2. Flat Charter School Enrollment**

- Unlike the Baseline assumptions which include annual growth in charter school enrollment by seven students, this initiative holds charter school enrollment flat at the 2024-25 count of 230 students

#### **3. Reduced Growth in Salaries**

- Historically, the District has budgeted for 4.0 percent growth in staff salaries
- This initiative assumes that contract negotiations will result in less substantial, 2.0 percent, raises each year once each respective staff agreement expires
  - It also assumes that 2.0 percent salary growth is effective immediately for administrators (beginning in 2025-26)

**4. Reduced Growth in Healthcare Costs**

- In recent years, the District's health insurance consortium has recommended that it budgets for 8.0 percent growth in rates each year, which is driven largely by market trends
- This initiative assumes a reduction in annual growth down to 5.0 percent, which might be achieved through improved cost-sharing with employees or by seeking alternative vendors

**5. Reduced Staffing Levels**

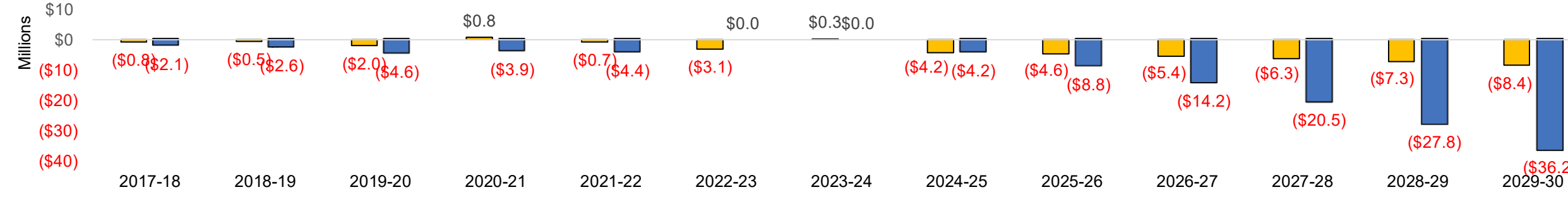
- This initiative assumes a reduction in eight administrative and support staff positions
- This is a result of benchmarking analysis, which indicated that the District has low student-staff ratios for these staff groups relative to comparable school districts

**6. Limited Growth in Special Education Costs**

- Benchmarking analysis indicated both low student-staff ratios as well as high per-pupil special education spending in SHSD
- This initiative effectively holds special education spending flat, net of tuition costs, so that per-pupil spending better reflects that of comparable school districts.

## Steelton-Highspire School District

### Appendix E: Baseline Financial Projections



	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2017-18 to 2022-23	2024-25 to 2029-30
	AFR	AFR	AFR	AFR	AFR	AFR	Adj. Budget	Adj. Budget	Projected	Projected	Projected	Projected	Projected		
<b>SUMMARY REVENUES</b>															
Current Real Estate Taxes	4,583,208	4,824,028	4,840,535	4,937,622	5,031,870	4,987,004	4,998,418	5,152,843	5,152,843	5,152,843	5,152,843	5,152,843	5,152,843	1.7%	0.0%
Earned Income Taxes	721,662	608,320	740,710	862,915	755,511	813,456	955,511	958,556	981,561	1,005,119	1,029,242	1,053,943	1,079,238	2.4%	2.4%
Delinquent Real Estate Taxes	116,546	514,130	685,478	701,744	487,345	245,534	527,752	311,401	311,401	311,401	311,401	311,401	311,401	16.1%	0.0%
Other Local Revenue	1,559,241	1,808,593	1,798,068	2,573,451	2,242,111	1,627,738	2,456,302	1,523,053	1,523,053	1,523,053	1,523,053	1,523,053	1,523,053	0.9%	0.0%
<b>Local Sources</b>	<b>6,980,657</b>	<b>7,755,071</b>	<b>8,064,791</b>	<b>9,075,732</b>	<b>8,516,837</b>	<b>7,673,733</b>	<b>8,937,983</b>	<b>7,945,853</b>	<b>7,968,859</b>	<b>7,992,416</b>	<b>8,016,539</b>	<b>8,041,241</b>	<b>8,066,535</b>	1.9%	0.3%
Basic Education Funding	8,198,589	8,438,596	8,730,458	8,730,447	10,106,948	11,222,608	12,663,522	13,146,638	13,550,532	13,954,425	14,358,319	14,762,212	15,166,105	6.5%	2.9%
Special Education Funding	1,065,757	1,083,132	1,174,161	1,293,804	1,344,343	1,497,998	1,668,695	1,895,509	2,001,145	2,106,782	2,212,418	2,318,055	2,423,691	7.0%	5.0%
Retirement Reimbursements	2,385,896	2,474,983	2,270,213	2,816,436	3,006,802	2,926,779	3,006,801	3,632,992	3,524,827	3,726,542	3,910,872	4,123,617	4,352,087	4.2%	3.7%
Other State Revenue	2,779,294	2,716,043	2,175,192	2,474,852	2,544,445	2,501,137	2,786,069	4,616,785	3,211,157	3,126,816	3,115,971	2,812,223	2,749,704	(2.1)%	(8.8)%
<b>State Sources</b>	<b>14,429,537</b>	<b>14,712,754</b>	<b>14,350,025</b>	<b>15,315,539</b>	<b>17,002,538</b>	<b>18,148,522</b>	<b>20,125,087</b>	<b>23,291,924</b>	<b>22,287,661</b>	<b>22,914,565</b>	<b>23,597,580</b>	<b>24,016,106</b>	<b>24,691,587</b>	4.7%	1.2%
<b>Federal Sources</b>	<b>1,110,583</b>	<b>1,498,751</b>	<b>1,836,952</b>	<b>3,934,773</b>	<b>5,874,148</b>	<b>3,344,439</b>	<b>4,317,306</b>	<b>1,321,699</b>	<b>1,321,699</b>	<b>1,321,699</b>	<b>1,321,699</b>	<b>1,321,699</b>	<b>1,321,699</b>	24.7%	0.0%
<b>Other Financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	—	—
<b>Total Current Revenues</b>	<b>22,520,778</b>	<b>23,966,576</b>	<b>24,251,768</b>	<b>28,326,544</b>	<b>31,393,523</b>	<b>29,166,694</b>	<b>33,380,376</b>	<b>32,559,477</b>	<b>31,578,218</b>	<b>32,228,680</b>	<b>32,935,818</b>	<b>33,379,046</b>	<b>34,079,822</b>	<b>5.3%</b>	<b>0.9%</b>
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE		
<b>EXPENDITURES</b>															
Salaries	7,881,224	8,150,239	8,760,209	9,023,949	9,398,166	9,571,102	10,099,472	10,718,476	11,137,430	11,573,305	11,991,865	12,471,540	12,970,402	4.0%	3.9%
Benefits	5,476,726	5,834,753	5,479,851	6,160,325	7,033,312	7,250,931	7,944,746	8,270,764	8,796,928	9,377,249	9,959,625	10,606,110	11,302,132	5.8%	6.4%
PPT	2,126,805	2,321,974	2,769,022	2,443,796	4,346,025	3,824,837	3,916,441	4,788,425	4,903,347	5,021,028	5,141,532	5,264,929	5,391,287	12.5%	2.4%
Property and Other Services	1,279,775	976,926	1,059,121	864,353	965,861	1,048,749	556,982	1,153,184	1,180,860	1,209,201	1,238,222	1,267,938	1,298,370	(3.9)%	2.4%
Transportation	465,278	575,305	877,724	792,985	1,440,822	1,456,511	1,536,229	1,452,963	1,500,364	1,549,312	1,599,857	1,652,050	1,705,947	25.6%	3.3%
Charter School Tuition	1,913,874	2,372,629	1,873,436	3,416,526	3,472,973	4,272,935	4,068,870	4,195,235	4,489,220	4,716,553	5,081,085	5,477,591	5,914,811	17.4%	7.1%
Other Tuition	1,143,494	779,844	1,931,354	1,581,945	1,979,654	1,514,944	1,547,335	1,675,526	1,715,738	1,756,916	1,799,082	1,842,260	1,886,474	5.8%	2.4%
Supplies and Equipment	455,045	588,556	757,393	902,963	740,402	1,052,981	870,022	564,351	577,896	591,765	605,968	620,511	635,403	18.3%	2.4%
Debt Service	2,503,008	2,796,208	2,616,716	2,347,924	2,652,839	2,160,514	2,494,489	2,884,786	2,825,651	2,814,101	2,799,926	2,493,313	2,425,156	(2.9)%	(3.4)%
Budget Adjustments	0	0	0	0	0	0	0	(1,000,005)	(1,024,005)	(1,048,581)	(1,073,747)	(1,099,517)	(1,125,906)	—	2.4%
Other Expenditures	59,391	82,305	131,543	(2,215)	48,824	140,304	45,442	73,941	73,941	73,941	73,941	73,941	73,941	18.8%	0.0%
<b>Total Current Expenditures</b>	<b>23,304,619</b>	<b>24,478,738</b>	<b>26,256,368</b>	<b>27,532,551</b>	<b>32,078,878</b>	<b>32,293,808</b>	<b>33,080,028</b>	<b>34,777,646</b>	<b>36,177,371</b>	<b>37,634,790</b>	<b>39,217,355</b>	<b>40,670,668</b>	<b>42,478,018</b>	<b>6.7%</b>	<b>4.1%</b>
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE		
<b>Operating Result</b>	<b>(783,842)</b>	<b>(512,163)</b>	<b>(2,004,600)</b>	<b>793,993</b>	<b>(685,355)</b>	<b>(3,127,114)</b>	<b>300,348</b>	<b>(2,218,169)</b>	<b>(4,599,152)</b>	<b>(5,406,110)</b>	<b>(6,281,537)</b>	<b>(7,291,622)</b>	<b>(8,398,196)</b>	<b>31.9%</b>	<b>30.5%</b>
<b>PRIOR YEAR OBLIGATIONS</b>															
Total Financing	0	0	0	0	0	0	0	8,865,000	0	0	0	0	0		
Total Payments Made	0	0	0	0	0	0	0	10,865,000	0	0	0	0	0		
Impact	0	0	0	0	0	0	0	(2,000,000)	0	0	0	0	0		
<b>Net Operating Result</b>	<b>(783,842)</b>	<b>(512,163)</b>	<b>(2,004,600)</b>	<b>793,993</b>	<b>(685,355)</b>	<b>(3,127,114)</b>	<b>300,348</b>	<b>(4,218,169)</b>	<b>(4,599,152)</b>	<b>(5,406,110)</b>	<b>(6,281,537)</b>	<b>(7,291,622)</b>	<b>(8,398,196)</b>		
<b>Ending Fund Balance</b>	<b>(2,124,771)</b>	<b>(2,634,777)</b>	<b>(4,615,409)</b>	<b>(3,945,955)</b>	<b>(4,366,672)</b>	<b>0</b>	<b>0</b>	<b>(4,218,169)</b>	<b>(8,817,322)</b>	<b>(14,223,432)</b>	<b>(20,504,969)</b>	<b>(27,796,591)</b>	<b>(36,194,787)</b>	<b>(100.0%)</b>	<b>53.7%</b>
Operating Result (% Expenditures)	(3.4%)	(2.1%)	(7.6%)	2.9%	(2.1%)	(9.7%)	0.9%	(6.4%)	(12.7%)	(14.4%)	(16.0%)	(17.9%)	(19.8%)		
Fund Balance (% Expenditures)	(9.1%)	(10.8%)	(17.6%)	(14.3%)	(13.6%)	0.0%	0.0%	(12.1%)	(24.4%)	(37.8%)	(52.3%)	(68.3%)	(85.2%)		
<b>REVENUES</b>															
<b>Local Sources</b>															
6111 Current Real Estate Taxes	4,583,208	4,824,028	4,840,535	4,937,622	5,031,870	4,987,004	4,998,418	5,152,843	5,152,843	5,152,843	5,152,843	5,152,843	5,152,843	1.7%	0.0%
OT Occupation Taxes (Current)	189,333	187,010	195,975	56,075	203,972	129,986	203,972	210,468	210,468	210,468	210,468	210,468	210,468	(7.2)%	0.0%
6151 Earned Income Taxes (Current)	721,662	608,320	740,710	862,915	755,511	813,456	955,511	958,556	981,561	1,005,119	1,029,242	1,053,943	1,079,238	2.4%	2.4%
6411D Delinquent Real Estate Taxes	116,546	514,130	685,478	701,744	487,345	245,534	527,752	311,401	311,401	311,401	311,401	311,401	311,401	16.1%	0.0%
64XX Other Delinquent Taxes	76,546	396,016	817,086	578,335	697,147	506,587	726,737	505,158	505,158	505,158	505,158	505,158	505,158	45.9%	0.0%
683X IDEA / Federal Pass Through	956,518	841,405	273,042	1,537,341	633,583	714,748	633,126	548,828	548,828	548,828	548,828	548,828	548,828	(5.7)%	0.0%
6XXX Other Local Revenue	336,844	384,162	511,965	401,700	707,409	276,417	892,467	258,599	258,599	258,599	258,599	258,599	258,599	(3.9)%	0.0%
<b>Local Sources Subtotal</b>	<b>6,980,657</b>	<b>7,755,071</b>	<b>8,064,791</b>	<b>9,075,732</b>	<b>8,516,837</b>	<b>7,673,733</b>	<b>8,937,983</b>	<b>7,945,853</b>	<b>7,968,859</b>	<b>7,992,416</b>	<b>8,016,539</b>	<b>8,041,241</b>	<b>8,066,535</b>	<b>1.9%</b>	<b>0.3%</b>
<b>State Sources</b>															
7110 Basic Education Funding	8,198,589	8,438,596	8,730,458	8,730,447	10,106,948	11,222,608	12,663,522	13,146,638	13,550,532	13,954,425	14,358,319	14,762,212	15,166,105	6.5%	2.9%
7271 Special Education Funding	1,065,757	1,083,132	1,174,161	1,293,804	1,344,343	1,497,998	1,668,695	1,895,509	2,001,145	2,106,782	2,212,418	2,318,055	2,423,691	7.0%	5.0%
7170 Empowerment Grant	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	0	0.0%	(100.0%)
7310 Transportation Subsidy	354,340	350,181	328,364	342,251	234,723	342,251	275,732	275,732	279,041	282,389	285,778	289,207	292,678	(7.9)%	1.2%
7320 PlanCon	646,167	547,862	43,056	368,153	383,520	378,765	379,755	486,743	474,307	463,367	449,134	441,956	75,967	(10.1)%	(31.0%)
7340 Property Tax Reduction	395,604	395,018	395,600	395,704	395,855	498,627	498,480	589,461	589,461	589,461	589,461	589,461	589,461	4.7%	0.0%
7000 Cyber Charter Tuition Reimbursement	0	0	0	0	0	0	0	370,624	370,624	370,624	370,624	370,624	370,624	0.0%	0.0%
7505 Ready to Learn Block Grant	352,679	352,679	352,679	352,679	352,679	352,679	352,679	352,679	1,365,835	1,365,835	1,365,835	1,365,835	1,365,835	0.0%	31.1%
7505A Adequacy Supplement	0														



**Appendix G:**  
**Recovery Plan Initiatives, Action Steps, and Monitoring Functions**

**Academic Programs and Performance (AC)**

<b>Initiative Code</b>	<b>Initiative Name</b>	<b>Action Steps</b>	<b>Responsible Parties</b>	<b>Monitoring Frequency</b>	<b>Evidence</b>
AC1	Update K-12 academic programs, offerings, and curriculum based on identified needs	Conduct a curriculum audit to identify needs and to establish investment priorities	Superintendent Assistant Superintendent CRO	Bi-Annually	Document showing PA Academic Standard alignment by course and by grade level
		Analyze student performance and develop curriculum to meet student achievement growth needs, including accelerated or gifted needs	Principals CRO Superintendent Assistant Superintendent	Annually	Document showing levels of student assessment attainment by grade and by subject. Meeting notes of subsequent curriculum alignment process
		Maximize educational opportunities by focusing on adequately enrolled classes and offerings for all types of learners to ensure economic efficiency	Superintendent Assistant Superintendent CRO Principals	Annually	Newly developed planned course maps
		Implement a multi-faceted plan to improve student academic achievement	Superintendent CRO Assistant Superintendent Principals	Monthly	Student achievement scores on academic measures.
		Monitor changes to Statewide standards and implement curricular changes to comply	Superintendent Assistant Superintendent CRO Principals	Annually	Edited course maps aligned to Academic Standards
		Align local assessments with PA Academic Standards	Superintendent Assistant Superintendent CRO Principals Educators	Annually	Copies of local assessment with items cross referenced to PA Academic Standards
		Align investment in resources and materials with State standards and student needs	Superintendent Assistant Superintendent CRO Business Manager Principals	Annually	Document presented to School Board when approving resources of PA Academic Standard alignment
		Provide staff training in advance of curricular changes	Superintendent Assistant Superintendent Principals CRO	Annually	Attendance sheet from trainings
		Place all curriculum guides on the District website	Superintendent CRO Assistant Superintendent IT Director	Annually	Monthly content checks

AC2	Utilize data-driven instruction	Implement K-12 MTSS framework and PBIS programming and monitor outcomes	Principals Director of Special Education CRO Superintendent Assistant Superintendent	Quarterly	Meeting notes and procedural documents for MTSS and PBIS
		Analyze student performance data to annually adjust curriculum documents, instructional practices and/or district assessments	Superintendent Assistant Superintendent CRO Principals Educators Data Teams	Annually	Document showing levels of student assessment attainment by grade and by subject. Meeting notes of subsequent curriculum alignment process
		Analyze student performance on Statewide exams and other measures aligned to the PA Academic Standards to implement targeted interventions for below-proficient outcomes	Director of Special Education Principals Educators Data Teams CRO Superintendent Assistant Superintendent	Quarterly to every 60 days	Meeting notes and procedural documents for MTSS. Teacher notes indicating implemented interventions
AC3	Align the professional development plan with the District's personnel needs and strategic goals	Align teacher evaluation data with the induction process and professional development	Superintendent Assistant Superintendent Principals CRO	Semi-Annually	Act 48 Committee/ Subcommittee notes
		Incorporate School Improvement Plans and student achievement, outcomes, and needs into professional development programming	Principals Superintendent Assistant Superintendent CRO	Annually	Act 48 Committee/ Subcommittee notes
		Provide staff in all departments with regular training on use of technology and systems	IT Director Business Manager Child Accounting Lead Principals Superintendent Assistant Superintendent CRO	Quarterly	Act 48 Committee/ Subcommittee notes

AC4	Develop a plan to improve student attendance	Develop a plan of action to improve student attendance, including a system to track and monitor absentee data trends	Child Accounting Lead Superintendent Assistant Superintendent CRO Principals Attendance Team	Monthly	Meeting notes and plan of action
		Establish an attendance taskforce, including the current staff assigned to attendance to support the District's attendance strategy	Superintendent Assistant Superintendent CRO	Once in 2025-26	Meeting notes
		Ensure all attendance policies are implemented with fidelity	Principals CRO Superintendent Assistant Superintendent	Quarterly	Meeting notes and plan of action
		Develop community partnerships to reinforce attendance policies	School Board Principals Attendance Team Superintendent Assistant Superintendent CRO	Semi-Annually	Meeting notes
		Ensure regular attendance is taken daily, and that staff are provided sufficient training as necessary to manage data systems	Principals Educators Attendance Team Superintendent Assistant Superintendent CRO	Monthly	Attendance sheet from trainings and student attendance sheets
		Ensure truancy letters follow state law and that Student Improvement Plans (SAIPS) are provided	Superintendent Assistant Superintendent CRO Principals	Quarterly	Copies of Truancy letters
AC5	Develop a plan to improve cohort graduation rates	Align required graduation course curricula to PA Academic Standards and provide supports to students in need	Superintendent CRO Assistant Superintendent Principals	Annually	Cohort graduation rates and curriculum guides
		Monitor Keystone Examination scores and provide additional assistance to students in need of make-up exams	Superintendent CRO Assistant Superintendent Principals	Annually	Cohort graduation rates and Keystone Exam scores
AC6	Develop a plan to ensure that students at all levels of instruction meet State-defined academic growth targets	Ensure Career Education and Work Standards are embedded in curriculum at all applicable grade levels	Superintendent CRO Assistant Superintendent Principals	Annually	FutureReady Index growth data, and student data relating to Career Education and Work Standards
		Pursue career-based program opportunities for students	Superintendent CRO Assistant Superintendent Principals	Annually	Report of programs, respective curriculum, and student performance
		Implement an evidence record platform and train staff in its use and appropriate storage of student artifacts	Superintendent CRO Assistant Superintendent Principals	Annually	Student growth and career-related data reports

AC7	Align special education structures and supports with available resources	Conduct an audit of special education functions as defined in Appendix A and teacher certifications	Superintendent CRO Director of Special Education Assistant Superintendent	Bi-Annually	Audit Report
		Create an action plan to address the findings of any audits conducted by the Bureau of Special Education	Director of Special Education Principals Superintendent CRO	Bi-Annually	Copy of the Action Plan and response letter to PDE
		Align Special Education referral system in part to the student achievement data analysis process	Superintendent Assistant Superintendent CRO Principals School Data Teams School Psychologist	Annually	Procedural document from MTSS
		Regularly review and reconcile special education enrollment and placements	Director of Special Education Child Accounting Lead Superintendent CRO	Quarterly	Report referencing Special Education students, placements,
		Develop continuum of supports and services to provide least-restrictive, community-based supports as part of sound transition and Early Intervention programs	Director of Special Education Principals, as needed Superintendent CRO	Annually	District's PDE-approved Transition Plan
		Identify opportunities to maximize IU and other shared or contracted service support	Director of Special Education Business Manager CRO Superintendent	Annually	Minutes of Advisory Committee meetings with agenda targeted at IU support
AC8	Improve parent and community engagement	Develop and implement a community engagement plan for families that aligns with ESSA, Section 1116(a)(2)(c)	Superintendent CRO School Board	Annually	Copy of plan with notes from engagement meetings
		Conduct regular public forums and surveys to gather input from parents, students, and other community stakeholders	Superintendent CRO Principals School Board	Semi-Annually	Invitations and minutes from meetings
		Engage with organized community groups to support District activities	Superintendent CRO School Board	Semi-Annually	Minutes from meetings

AC9	Develop a plan to re-engage and re-enroll district students currently attending charter schools	Identify an existing administrator position to oversee charter school enrollment, residency, and billing	Superintendent CRO Director of Student Services	Install in 2025-26 and ongoing	Board approved Job Description
		Establish written procedures for tracking and monitoring charter school enrollment data, and for reconciliation of bills from charter schools	Superintendent CRO Director of Student Services	Monthly	Charter school student enrollment reports and Charter School billing
		Survey the community and outgoing students and their parents to understand interest in charter school education and District programs	Charter School Lead Superintendent CRO	Semi-Annually	Survey document and results
		Develop returning and marketing strategies appropriate for all levels of instruction	Superintendent Charter School Lead CRO	Annually	Copies of materials used
		Align re-engagement efforts with offerings at local vocational schools and/or the Roller Cyber program	Principals Charter School Lead Director of Student Services CRO Superintendent	Annually	Copies of materials used
		Monitor retention and reenrollment of students and adjust plan of action	Charter School Lead Child Accounting Lead Statewide Team for School Improvement CRO Superintendent	Quarterly	Grade/Data reports of students reenrolled
AC10	Establish a system to review and verify student residency	Identify an existing administrator to oversee and residency reviews	Superintendent CRO	Annually	Board approved Job Description
		Conduct regular residency checks for students attending programs at the District's schools, charter schools, and special education out-placements	Child Accounting Lead Director of Student Services Student Residency Lead CRO Superintendent	Monthly	Copy of written procedures and data report of activity

### Administrative Policies, Procedures, and Processes (AD)

Initiative Code	Initiative Name	Subsection	Action Steps	Responsible Parties	Monitoring Frequency	Evidence
AD1	Document and implement policies, processes, and procedures across all departments	AD1.1 Districtwide	Conduct a needs assessment of gaps in policies, processes, and procedures for all departments	Superintendent CRO	Once in 2025-26	Written report of needs assessment
			Develop materials which may include, but are not limited to: process maps, timelines, procedure manuals, or employee handbooks, process checklists, and identification of training needs	Superintendent CRO Administrators	Quarterly	Copies of materials
			Utilize resources from the Intermediate Unit, PDE, and others to develop and document procedures	Superintendent CRO	Annually	Copies of materials
			Ensure all office staff are cross-trained on processes and procedures, particularly for the Business Office and Human Resources Office	Business Manager Superintendent CRO	Quarterly	Attendance sheets from trainings
		AD1.2 Business Office	Create a formal business office manual using resources from PASBO and Business Office Academy	Business Manager Superintendent CRO	Once in 2025-26	Copy of manual
			Develop a consistent approach and timeline for annual budget development, and revise the approach to align with the District's financial and administrative goals, and School Board policy	Superintendent Business Manager School Board CRO	Annually	Copies of timeline
			Resolve all outstanding audits and develop systems and schedules to ensure that future audits and corrective action plans are completed in a timely manner	Business Manager Superintendent CRO	Annually	Copies of audits. Procedural manual
			Implement monthly/quarterly budget to expenditure reviews	Business Manager Superintendent CRO School Board	Monthly / Quarterly	Copies of reports
			Establish purchasing standard operating procedures in conjunction with Board policies	Superintendent Business Manager CRO	Once in 2025-26	Copies of procedures
			Complete necessary documentation for timely expense reimbursements for state and federal funds	Business Manager Child Accounting Lead Superintendent CRO	Monthly	Copies of reimbursement request forms

AD2	Submit required reports to the State and Federal Departments of Education in a timely manner	-	Submit budgets, cash flows, audits, Annual Financial Reports (AFR), and other forms to the Department on time	Business Manager Superintendent CRO	Quarterly	Timestamped copies of documents
			Create and adopt a formal submission policy in conjunction with any Board policies	Business Manager Superintendent CRO	Monthly	Board approved Policy
			Delegate data collection and report submission responsibilities for all mandatory reporting	Business Manager Superintendent CRO	Annually	Board approved Job Descriptions aligned to State Law and Board Policy
			Review the PDE Elementary / Secondary Consolidated Data Collection Calendar and determine if there are additional data points to track for data submission	Business Manager Superintendent CRO	Quarterly	Signed calendar and CRO meeting notes
			Ensure departments and staff adhere to the Data Collection Calendar	Business Manager Superintendent CRO	Quarterly	CRO observations and notes
			Complete annual audit by December 31st	Business Manager Superintendent CRO	Annually	Board Approved Audit
AD3	Provide training to the School Board, the Recovery Plan advisory committee, and other stakeholder steering committees	-	Collaborate with the Department to determine trainings and required technical support	Superintendent CRO	Annually	PDE directives and training attendance sheets
			The school board will attend training provided by appropriate providers as determined by the CRO, including training on the Financial Recovery process	Superintendent CRO School Board	Annually	Training certificates
			Submit policy and procedure updates to the Board	Superintendent CRO	Quarterly	Copies of approved Policies and Procedures
			Provide training to staff on procedural updates to ensure operational alignment	Superintendent CRO	Annually	Training attendance sheets

AD4	Improve transparency across the District, its School Board, and the surrounding community	-	Circulate the adopted Financial Recovery Plan (FRP) to the community, publicly post on the District website, and provide forums for questions and engagement	Superintendent CRO	Annually	Notes and minutes from meetings
			Utilize Financial Recovery Advisory Committee meetings to publicly discuss progress, issues, and ideas	Superintendent CRO Advisory Committee	Monthly	Meeting agendas and minutes
			Develop quarterly reports on major financial and enrollment trends to be presented to the Board	Business Manager Child Accounting Lead Superintendent CRO	Quarterly	Board meeting minutes
			Develop procedures for internal and external communication, including roles and responsibilities	Superintendent CRO	Annually	Copies of Board approved procedures
			Improve access to public documents on the District website, including the Recovery Plan	Superintendent IT Director CRO	Quarterly	Screenshots of website content
AD5	Align the organizational structure and job descriptions to support efficient operations and effective decision-making	-	Review and update the District's organizational chart to align with the strategic priorities of the Financial Recovery Plan	Superintendent Director of Human Resources CRO	Annually	Board approved Organizational Chart
			Review all job descriptions and align them with legal standards, organizational structures, and the strategic priorities identified by the Financial Recovery Plan	Superintendent Director of Human Resources CRO	Annually	Copies of Board approved Job Descriptions and Organizational Chart
			Include cross-training responsibilities in official job descriptions	Director of Human Resources Superintendent CRO	Annually	Training attendance sheets
			Conduct audit and track staff assignments and certifications	Superintendent Director of Human Resources CRO	Annually	Spreadsheet containing certification, tenure, Act 48, Instructional I/II data
			Conduct staffing needs assessment relative to programs and enrollment	Superintendent CRO	Annually	Enrollment and Staffing Report

### Financial Management (FM)

Initiative Code	Initiative Name	Action Steps	Responsible Parties	Monitoring Frequency	Evidence
FM1	Adopt a structurally balanced general fund budget	Develop a structurally balanced budget according to School Board policy including District procedures and timelines that does not rely on one-time revenues or unfunded debt borrowing	Business Manager School Board Superintendent CRO	Annually	PDE Form 2028 with balanced budget
		Review district expenditures to identify possible reductions, and prioritize budgeted expenditures that are aligned with the District's mission	Superintendent CRO Business Manager School Board	Annually	CRO/Supt meeting notes showing discussions with administrators on budget requests
		Assign responsibility for budget account codes to relevant administrators and hold accountable for applying proper budgeting, purchase order, encumbrance, and asset inventory procedures	Superintendent CRO Business Manager Administrators	Monthly	Memos to administrators from Superintendent identifying budget codes assignment
		Review all current contracts for efficiency and effectiveness in supporting the District's mission for possible elimination and/or cost reductions	Superintendent CRO	Annually	CRO/Supt notes showing review of contracts and outcomes
		Consolidate debt and eliminate the cyclical aged accounts payable process	Superintendent CRO Business Manager	Quarterly	Bond sale documents. Financial reports showing no unpaid bills from one fiscal year to the next
		Ensure funds held by the District are entirely independent of funds held by associated entities such as the Roller Foundation, including accounting, auditing, and fundraising processes	Superintendent CRO Business Manager Foundation Leads	Annually	Audit documents, financial statements, deposit records, check payments
		Prepare updates to the multi-year financial projections as a part of each budget cycle	Business Manager Superintendent CRO Technical Assistance Team	Annually	Spreadsheet with data showing five past years and trending five years into the future
		Reopen Budget for the current year at recommendation of the CRO	CRO Superintendent School Board	Upon recommendation	Attendance sheet from trainings

FM2	The School Board and District will consider raising its real estate tax rate by the Act 1 Index annually	Adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events	Superintendent Business Manager CRO School Board	Annually	PDE Form 2028 with balanced budget
		Adopt an annual budget with the necessary tax increases and in accordance with all required statutory events	Superintendent Business Manager CRO School Board	Annually	PDE Form 2028 with balanced budget
		As part of the budget cycle, perform analysis to determine funding gaps and to estimate the impact of an Act 1 Index tax increase on revenues	Business Manager Superintendent CRO	Annually	Act 1 Budget Presentation to School Board
		Adopt an annual budget with the necessary revenue, expenditure adjustments, and tax increases to address short and long-term financial position	Superintendent Business Manager CRO School Board	Annually	PDE form 2028. Budget trend spreadsheet with adopted budget effects factored in
FM3	Rebuild and maintain a positive fund balance	Commit windfall revenue or other positive budget variances to the academic programs and academic facilities' capital fund	Business Manager Superintendent CRO	Annually	Board resolutions to Commit/Reserve or Assign these funds
		Develop and adopt a formal fund balance policy	School Board Superintendent CRO	Annually	Board adopted Policy(ies)
		Review fund balance amounts and types in the budget development process to determine whether they should be maintained, increased, or utilized for their designated and authorized purposes	Superintendent Business Manager CRO	Annually	School Board meeting minutes
		Strive to maintain an unassigned fund balance in the General Fund Budget of not less than five (5.0) percent and not more than eight (8.0) percent of the budgeted expenditures for the fiscal year	Business Manager Superintendent CRO	Annually	PDE form 2028 and AFR
FM4	The District will negotiate contracts with affordable salary increases and benefit packages.	Provide salary increases that are affordable given sustainable revenue sources	Business Manager Director of Human Resources School Board Superintendent CRO	Annually	CBAs and cost affordability analysis
		Negotiate affordable benefit packages that do not expose the District to unmanageable cost risks	The school board will attend training provided by appropriate providers as determined by the CRO, including training on the Financial Recovery process	Annually	CBAs and cost affordability analysis

FM5	The District will analyze its healthcare costs and contributions to improve affordability as part of staff negotiations and competitive rate bidding	Collect employee benefits contributions as defined in contracts	Superintendent CRO Business Manager Payroll Lead	Annually	Payroll Dept report confirming collection
		Analyze comparable school districts' healthcare plan structures and employee contributions through a benchmarking study	Business Manager Superintendent CRO	Once in 2025-26	Written report indicating comparable data
		Seek savings or concessions during contract negotiations	Superintendent Business Manager CRO School Board	Annually	Summary report comparing expiring CBA with newly adopted CBA
FM6	Evaluate staffing levels based on need and available resources	Regularly evaluate staffing levels relative to enrollment, programs, and the unique needs of the student population	Superintendent CRO Principals School Board	Annually	Public presentation to the Board of an Enrollment and Staffing Report
		Analyze the workload currently handled by departing employees due to resignations, retirements, and reassignment of staff; identify potential areas where existing staff can absorb additional responsibilities	Superintendent CRO	Annually	School Board meeting minutes
		During contract negotiations, ensure an option to contract for vacant positions	Superintendent CRO Business Manager	Annually	CBAs
		Analyze vacant positions created by resignations, retirements, and reassignment of staff; determine if the vacant position(s) will be filled based on need and/or available resources	Superintendent CRO Business Manager	Quarterly	School Board meeting minutes
		Determine appropriate duties, job descriptions, staffing levels, and use of contracted services in the Business Office	Superintendent CRO Business Manager	Annually	Job descriptions and CRO budget review notes
		Align supervisory process and evaluation ratings to required duties in State and School Code policies	Superintendent CRO	Annually	Employee rating forms

FM7	Seek supplemental grant funding opportunities	Delegate grant-writing responsibilities	Superintendent Assistant Superintendent Business Manager CRO	Annually	Job Description indicating grant writing duties
		Identify new grant opportunities that align with the District's strategic goals	Superintendent Assistant Superintendent Business Manager Buildings and Grounds Director CRO	Semi-annually	Grant applications
		Review grant applications and requirements, and create plan to provide reports as required by grant terms	Superintendent Assistant Superintendent Business Manager CRO	Semi-annually	Copies of grant reports indicating grant objectives, goals met, and grant budget
		Create a system to track applications and approved grant funds	Business Manager Superintendent CRO	Semi-annually	Spreadsheet indicating grant applications, approvals, amounts and tracking expenditures
		Report annually on the timeline of all awarded grants, the amounts drawn down to date and in the current fiscal year, as well as amounts remaining	Business Manager Buildings and Grounds Director Superintendent CRO	Semi-annually	Spreadsheet indicating data
		Cease operating programs after grant funding expires if sustainable sources of funding are not identified	Business Manager Superintendent CRO	Annually	Policy indicating programs aligned to grants must be funded
FM8	Request a Transition Loan from PDE to support one-time operational interventions	Submit a request to the Department for a Financial Recovery Plan Transition Loan with the required documentation	Superintendent CRO Business Manager	Once in 2025-26	Application to PDE
		Utilize Transition Loan funds to accomplish the allowable tasks as defined in the Loan Agreement	Superintendent CRO Business Manager	Quarterly	Tracking spreadsheet and other written documentation
		Store and track use of Loan funding in exclusive account to ensure completion of necessary reporting and compliance with terms of Loan Agreement	Business Manager Superintendent CRO	Monthly	Reports from isolated fund/account code
		Begin repayments on the Transition Loan as outlined in the loan agreement	Business Manager Superintendent CRO	Annually	Print outs including payment receipt confirmation
FM9	Implement cost-effective practices for the delivery of special education supports and services	Develop and implement a comprehensive plan to reduce settlement costs	Superintendent Director of Special Education CRO Business Manager	Annually	Meeting notes and planning documents from solicitor, Special Ed Director and Superintendent
		Evaluate the cost and benefits of expanding in-house program capacity to realize efficiencies and to support least-restrictive-environment policies	Superintendent Director of Special Education CRO Business Manager	Annually	Meeting and planning notes showing analysis from Special Ed Director, Superintendent, and Business Manager

FM10	Increase Medicaid ACCESS reimbursement	Review ACCESS billing policies and procedures to determine if changes are required in order to increase Medicaid ACCESS revenue	Superintendent Assistant Superintendent Business Manager Director of Special Education CRO	Annually	ACCESS billing procedures, School Board Policy, copies of ACCESS bills aligned to proper procedures
		Provide staff training on Medicaid ACCESS reporting and eligible services	Director of Special Education Superintendent Assistant Superintendent Superintendent CRO	Annually	Document indicating completed training
		Monitor and report Medicaid ACCESS revenue annually, including FAI balance reference point	Superintendent Assistant Superintendent Superintendent CRO Business Manager	Quarterly	School Board meeting minutes
FM11	Address findings in the Office of Comptroller's reports, the audit, and the ESSER audit	Develop an audit corrective action plan to address all audit findings, including but not limited to BOA, ESSA, and ESSER audit findings	Superintendent Assistant Superintendent Business Manager CRO	Annually	Written corrective action plans
		Document progress of the correction plan and report to the CRO	Superintendent Assistant Superintendent Business Manager CRO	Annually	Written report submitted to CRO with confirmation by CRO

## Operations (OP)

Initiative Code	Initiative Name	Action Steps	Responsible Parties	Monitoring Frequency	Evidence
OP1	Develop a capital improvement plan with funding sources	Utilize the building feasibility study and other sources to develop a comprehensive list of capital needs and estimated costs	Buildings and Ground Director Business Manager Superintendent CRO	Annually	Copy of the Feasibility Study
		Create a multi- year schedule for the capital projects identified based on criteria including urgency, important to educational mission, cost savings, etc.	Superintendent CRO Buildings and Ground Director Business Manager	Once in 2025-26	Report containing the projects
		Develop a financing plan for capital needs through a combination of operating funds, grant opportunities, or bond proceeds	Superintendent CRO Buildings and Ground Director Business Manager	Annually	Board approved establishment of Committed, Assigned or Reserve Funds
		Develop and implement a plan to maximize Guaranteed Energy Savings (GESA) as part of any projects	Business Manager Buildings and Grounds Director Superintendent CRO	Annually	Reports from GESA consultants showing possible projects
OP2	Create and implement an annual plan for building maintenance, replacement of IT, and other equipment	Develop a repair and replacement cycle for all District facilities, technology, and equipment	Superintendent CRO Buildings and Grounds Director IT Director Business Manager	Once in 2025-26	Report showing schedule
		Align any student or classroom technology replacements with the District's teaching and learning goals, and available resources	Superintendent IT Director Business Manager CRO	Annually	Co-report from IT and Instructional/Curriculum administrator showing alignment
		Develop a method to monitor and track facilities and equipment are being repaired/replaced on established cycles	Buildings and Grounds Director IT Director Business Manager Superintendent CRO	Annually	Report showing schedule
		Review and update repair and replacement cycles annually	Buildings and Grounds Director IT Director Business Manager Superintendent CRO	Annually	Attendance sheet from trainings

OP3	Utilize financial and operational technology systems	Review current systems for appropriateness, efficiency, and redundancy given the District's needs	Superintendent CRO Business Manager	Annually	Report showing current systems vs. needs
		Utilize staff training to ensure effective use of technology as a tool	Superintendent Principals IT Director Business Manager Child Accounting Lead CRO	Quarterly	Training attendance lists and objectives attained
		Automate, integrate, and consolidate systems where possible	Superintendent CRO IT Director Business Manager	Annually	CRO observation notes
		Upgrade to more efficient or cost-effective systems when possible	Superintendent CRO IT Director Business Manager	Annually	Board meeting minutes
		Utilize systems and processes that efficiently align with required reporting	Superintendent CRO Business Manager Child Accounting Lead	Annually	CRO notes showing review topics and cost analysis
OP4	Improve student transportation efficiency	Optimize transportation routes and services using data analytics and routing software	Superintendent Business Manager Transportation Lead IT Director CRO	Annually	Reports from Transportation Supervisor showing various options
		Develop a multi-year improvement plan, which includes efficiency targets, specific timelines for improvement actions, and estimated savings	Superintendent CRO Business Manager	Once in 2025-26	Reports from Transportation Supervisor showing various options
		Provide annual updates of total transportation costs and continue ongoing efforts to reduce spending as outlined by the plan	Superintendent Business Manager CRO	Annually	Board meeting minutes
		Consider alternative transportation options	Business Manager Superintendent CRO	Annually	Reports from Transportation Supervisor showing various options

OP5	Implement a rigorous, competitive bidding process for all major purchases and contracts	Review and update procurement policies to ensure strict compliance with all applicable Pennsylvania and federal laws and regulations	Superintendent Business Manager District Solicitor CRO	Annually	Board approved Policies and procedures
		Create and document standard operating procedures for purchase order creation, invoice submission, approval workflows, reconciliations, and record-keeping	Superintendent Business Manager CRO	Annually	Board approved Policies and procedures. CRO observation notes
		Fully utilize electronic systems for purchase tracking, report generation, and maintaining all procurement records including non-competitive procurement	Superintendent CRO Business Manager	Quarterly	Examples of reports and records. CRO observation notes
		Establish a system for monitoring vendor performance to ensure that goods and services are delivered on time, at a reasonable price within budget, and to the required quality standards	Superintendent CRO Business Manager	Quarterly	Vendor report tracking required data
		Review all current contracts for efficiency and effectiveness in supporting the District's mission for possible elimination and/or cost reductions	Superintendent CRO	Annually	Report of findings
		Reduce overall expenditures by implementing strategic sourcing for services, including competitive bidding, market analysis, and by executing targeted consumption-reduction initiatives	Superintendent CRO Business Manager Buildings and Grounds Director	Quarterly	Board approved Policies and procedures. CRO observation notes
		Complete training for all key administrative and supervisory positions on revised processes and systems	Superintendent Business Manager CRO	Semi-Annually	Training attendance and objective sheets
OP6	Evaluate potential for shared services	Review central office and academic functions for the potential to be provided through shared services agreements	Superintendent Business Manager CRO	Annually	Meeting notes from Superintendent, CRO including metrics
		Estimate savings and/or improvements in operational efficiency that would be created through shared services	Business Manager Superintendent CRO	As needed	Meeting notes from Superintendent, CRO including metrics
		Develop an implementation plan for each service identified	Business Manager Superintendent CRO	As needed	Copy of contract and plan