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# Financial Recovery Plan

Sto-Rox School District  
Allegheny County, Pennsylvania

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Prepared by the  
Chief Recovery Officer  
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**March 11, 2022**

With the assistance of

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# Introduction

The Sto-Rox School District faces severe financial and operational challenges that impact the District's ability to provide the resources and programs necessary to meet the needs of its students. The District has had multiple years of operating deficits that have eliminated its financial reserves; as of the 2019-20 independent audit (the most recent available), the District had a fund balance of negative \$6.6 million, which represents almost 20 percent of its 2021-22 operating budget.

Adding to these challenges is the District's small size and limited operational capacity. As of October 2021, the District has an enrollment of 1,190 students<sup>1</sup> across its three school buildings — the Primary Center, Upper Elementary School and the Junior/Senior High School — an average of approximately 90 students per grade level.<sup>2</sup> Enrollment at the District has declined as the number of students attending charter schools has grown; more than one-third of the District's total enrollment is at charter schools.<sup>3</sup>

This Plan provides a path for the District to restore that trust, improve academic outcomes for students, and achieve financial stability without making significant cuts to staff or programs.

In order to remain a viable school district, staff, administrators, families, and the community must work together to provide supports and opportunities to prepare students for future success. This will require major changes in how the District operates academically, operationally, and financially. This Recovery Plan is intended to provide the leadership of the Sto-Rox School District with a map guiding the District toward a brighter future.

## Statutory Basis of the Recovery Plan

The Pennsylvania Department of Education (“PDE” or “the Department”) placed the Sto-Rox School District (“SRSD” or “the District”) in financial watch in March 2020, and assigned Public Financial Management (PFM) to work with the District to develop a multi-year projection to evaluate the District's financial position. PFM prepared an overview of the District's financial condition and presented it to the School Board in August 2020, also outlining options for the District to consider in order to increase revenues and achieve cost savings. In addition, PDE provided additional financial and technical support to the District, including:

- Multiple consecutive years of Basic Education Subsidy advances
- Provision of Empowerment grant funding in the amount of \$2.0 million in FY2019-20, FY2020-21, and FY2021-22
- Guaranteeing a loan between the District and Bank of New York Mellon Trust to refund debt service to achieve savings through the State Appropriation Intercept Agreement
- Coordinating support from multiple PDE Bureaus, including the Office of Federal Programs and Bureau of Special Education
- Support in analyzing the District's cash flow and other financial information

On July 12, 2021, PDE declared the District to be in moderate financial recovery status, and subsequently appointed John Zahorchak as the Chief Recovery Officer (CRO).

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<sup>1</sup> In-district enrollment based on October 1 count provided by the District for the 2021-22 school year.

<sup>2</sup> The Primary Center serves students in grades K-3, the Upper Elementary students in grades 4-6, and the Junior/Senior High School serves students in grades 7-12.

<sup>3</sup> 2021-22 in-district and charter data as reported by the District.

Under the provisions of Act 141 of 2012, the CRO is charged with preparing and implementing a plan to provide for the delivery of effective educational services and bring financial stability to the Sto-Rox School District. In the development and administration of the Recovery Plan, the CRO is supported by a technical assistance team and by an Advisory Committee whose members convene monthly. Members of the Advisory Committee are listed in Appendix A of this Plan. This document is the Recovery Plan required by Section 652-A of Act 141.

## District Overview

The Sto-Rox School District is a public school district located in a large suburb near Pittsburgh in southwestern Pennsylvania.<sup>4</sup> The District serves students from two separate entities in Allegheny County: the Borough of McKees-Rocks and Stowe Township. The District offers educational programs and services to students from grades K-12, serving 12,116 residents, 1,190 of whom are students of the District.<sup>5</sup>

McKees Rocks and Stowe Township are both small in terms of population, and both report high levels of poverty and low median household incomes in comparison with the State as a whole. In 2019 the median household income was \$26,259 in McKees Rocks, and \$43,580 in Stowe Township. In comparison, the median household income in the Commonwealth of Pennsylvania that year was \$61,744 – more than double the median income of McKees Rocks household income and more than 40 percent higher than Stowe Township. Data on McKees Rocks suggests that almost one-third of all residents are in poverty, and almost one-quarter of Stowe Township residents are as well. These poverty rates are well above the Statewide average.

### McKees Rocks Borough, Stowe Township, and Commonwealth of Pennsylvania: Economic Characteristics <sup>6</sup>

	McKees Rocks	Stowe Township	Pennsylvania
Population	5,919	6,197	13,002,700
Median household income	\$26,259	\$43,580	\$61,744
Poverty Rate	31.3%	23.6%	12.4%

The economic demographics of the communities in which Sto-Rox students live impact their school lives as well. In fact, of the District's 1,190 students, 92.7 percent are considered economically disadvantaged.<sup>7</sup>

The community's economic stressors are also reflected in reports published and used by the Pennsylvania Department of Education to assess a district's ability to generate local revenue to fund schools. In 2021-22, the District's local effort capacity index was 1.58, the highest in Allegheny County<sup>8</sup>. The District's high local effort capacity index indicates that the District must put a greater economic strain on its residents to collect the same level of local revenues as other districts. As a result, despite requiring additional resources to fund programs and services to support economically disadvantaged students, the District is restricted by its ability to generate local revenue due to the economic conditions of the community it services.

<sup>4</sup> The designation of large suburb is based on the school locale indicated by the National Center for Education Statistics (NCES). <https://www.education.pa.gov/DataAndReporting/SchoolLocale/Pages/default.aspx>.

<sup>5</sup> Total population based on 2019 ACS 5-year Estimates. Student enrollment provided by the District.

<sup>6</sup> Data is from the 2019 American Community Survey 5-year estimates collected by the U.S. Census Bureau.

<sup>7</sup> Reported by the Future Ready PA Index:

<https://futurereadypa.org/District/FastFacts?id=063060111215036150103125084106084051078131186227>.

<sup>8</sup> A local effort capacity index of 1 reflects the Commonwealth's median. A local effort capacity index of above 1 means that more economic effort is required to obtain the same level of local revenue. Data from 2021-22 Commonwealth's Basic Education Funding file from June 2021.

In-district enrollment has been decreasing, mirroring trends of declining population within both McKees Rocks and Stowe Township. As shown in the following table, in-district enrollment at Sto-Rox has declined by 1.1 percent compounded growth between 2014-15 and 2019-20, while McKees Rocks and Stowe Township have seen population decreases of 0.6 and 0.5 percent respectively.

#### SRSD In-District Enrollment and Local Population Trends <sup>9</sup>

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	CAGR
Sto-Rox In-District Enrollment	1,335	1,333	1,268	1,224	1,241	1,265	(1.1%)
McKees-Rocks Population	6,088	6,075	6,046	6,037	5,966	5,919	(0.6%)
Stowe Township Population	6,351	6,330	6,289	6,282	6,260	6,197	(0.5%)

While in-district enrollment is declining, the District's average daily membership (ADM) -which includes District students attending charter schools- has increased, especially over the last two years. However, within the District's total enrollment, there has been a significant shift: in-district enrollment is declining, while charter enrollment is increasing. As of October 2021, charter school enrollment for the Sto-Rox School is estimated at 610 students, representing about one-third of the District total (in-district enrollment for FY2021-22 is 1,190 students).<sup>10</sup>

#### SRSD Historic Enrollment Trends <sup>11</sup>

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
In-District Enrollment	1,335	1,333	1,268	1,224	1,241	1,265	1,168	1,190
Charter Enrollment	316	506	542	512	513	567	577	610
Adjusted ADM	1,732.35	1,749.79	1,753.59	1,732.49	1,790.20	1,815.03	-	-

While a portion of the overall growth in ADM may be attributed to increasing charter enrollment, it is also possible that some of the enrollment growth shown in the data is due to misapplication of residence in District reported data. It is important that the District ensure it is only reporting and providing services to students that reside within the Sto-Rox School District, whether they attend charter schools or in-district options.

A majority of the District's students also identify as students of color – 73.6 percent in 2021. That year the District reported that 57.4 percent of its students were African-American, significantly higher than the portion of African-Americans living in McKees Rocks (32.3 percent) or Stowe Township (23.2 percent). While 55.5 percent of McKees Rocks residents and 69.2 percent of those in Stowe Township are White, only 26.5 percent of the District's students are White.<sup>12</sup>

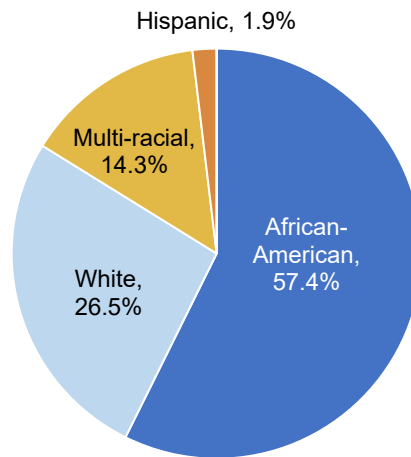
<sup>9</sup> In-District enrollment provided by the District. Population data based on ACS 5-Year estimates.

<sup>10</sup> Total enrollment includes in-district and charter enrollment.

<sup>11</sup> ADM based on PDE Basic Education Files reported by PDE and may not match the sum of in-district and charter enrollment exactly. In-district enrollment is based on the PDE October 1 count and charter enrollment is reported by the District. PDE has not yet finalized or reported the ADM for the 2020-21 or 2021-22 school years.

<sup>12</sup> Racial demographics data based on ACS 5-Year estimates.

### SRSD Enrollment by Race and Ethnicity <sup>13</sup>



The District also serves a high number of special education students, who typically require more expensive educational services. As of FY2020-21, the District reported that 298 out of 1,184 students, or 25.2 percent, of the District’s total enrollment was identified as requiring special education services. In comparison, in FY2020-21, 18.1 percent of the Commonwealth’s students had similar identifications.<sup>14</sup> An analysis of identification by primary disability shows that compared with the State as a whole, the District has a higher portion of students with an emotional disturbance and a smaller portion of students with a speech or language impairment.

### SRSD and Commonwealth of Pennsylvania: Percent of Special Education Needs by Primary Disability (FY2020-21)

	SRSD	PA	Difference
Autism	10.4%	12.1%	(1.7%)
Deaf-Blindness	0.0%	0.0%	0.0%
Emotional Disturbance	15.8%	8.5%	7.3%
Hearing Impairment	0.0%	0.9%	(0.9%)
Mental Retardation	8.4%	6.2%	2.2%
Multiple Disabilities	0.0%	1.0%	(1.0%)
Orthopedic Impairment	0.0%	0.2%	(0.2%)
Other Health Impairment	15.1%	17.4%	(2.3%)
Specific Learning Disability	39.6%	39.2%	0.4%
Speech or Language Impairment	10.1%	14.1%	(4.0%)
Traumatic Brain Injury	0.0%	0.2%	(0.2%)
Visual Impairment	0.0%	0.3%	(0.3%)

Declining in-district enrollment, growing charter enrollment, and a high percentage of special education students place a greater strain on the District as staff, teachers, and administrators must constantly find ways to support students and provide necessary services within its limited financial means.

Despite these challenges and the District’s financial constraints, this Recovery Plan reflects the belief of the Chief Recovery Officer that investments need to be made in the District, including supports for staff and students, and to improve the overall environment at the District. However, moving the District forward

<sup>13</sup> Ibid.

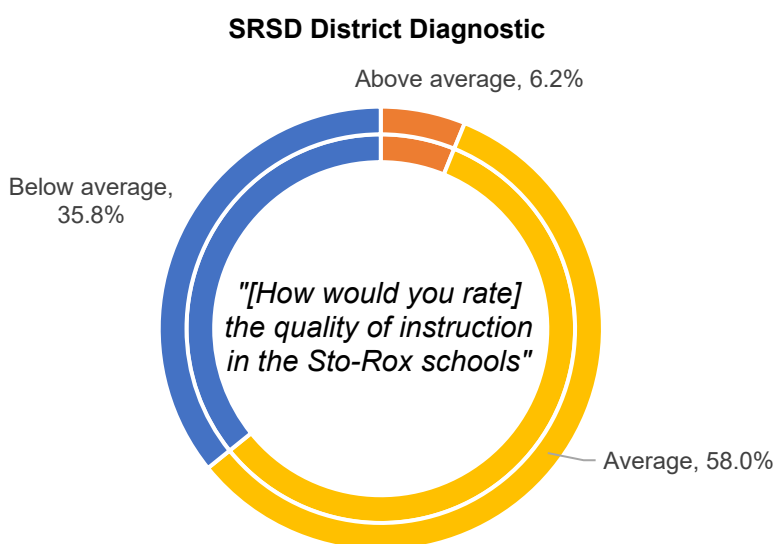
<sup>14</sup> Reported by PennData, Data at a Glance at <https://penndata.hbg.psu.edu/Public-Reporting/Data-at-a-Glance>.

will take a joint effort of all stakeholders, including District leadership, staff, and the community. This Recovery Plan should also be a tool for all stakeholders to use to advocate on behalf of the District.

## Performance Basis for the Recovery Plan

While this Plan does not focus on the past, it is important to understand the level of educational and financial performance that has led to the District's placement in financial recovery status. While there are many ways to evaluate educational performance, a variety of measures based on the District's data indicates that the District is falling short of providing its students with the educational tools necessary to be successful.

In the Fall of 2021 educational consulting firm Mass Insight conducted a District diagnostic review. Mass Insight noted that the District did not have a visible instructional strategy, and classroom observations revealed consistently low academic rigor. When asked about the District's quality of instruction, 29 out of 80 teachers reported that the District's quality of instruction was below average.



The District's instructional challenges are further reflected in various academic measures tracked by the Department. Over the past few years, the District has had a low portion of students scoring advanced or proficient on annual statewide assessments and has struggled to keep students in the classroom, resulting in low regular attendance. The District has also had low scores on the career readiness standards. In order for the District to make progress on the goals outlined in the Recovery Plan, it must fully understand and consistently monitor key data points to ensure that the District is making continual progress in academic performance, attendance, and career readiness.

**Key Finding 1: The District's scores on statewide assessments are lower than the state average.**

### Current PSSA and Keystone Results

In the Commonwealth of Pennsylvania students undergo two statewide assessments: 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 examinations are administered to students as end-of-course assessments designed to assess proficiency in Algebra I, Literature, and Biology.

The Sto-Rox School District did not meet or exceed the Statewide average performance in any subject area on the PSSA or Keystone assessments in 2018-19.<sup>15 16</sup> As shown in the tables below, the Junior/Senior High School were well below the state average of students scoring proficient or advanced in Language Arts and Mathematics. Overall, the results from Sto-Rox were substantially lower than the state average.

### SRSD 2018-19 PSSA Assessment Results<sup>17 18 19</sup>

	School Score	State Average	Gap
<b>Language Arts – Percent Proficient and Advanced</b>			
Primary Center	25.7	62.1	36.4
Upper Elementary	25.7	62.1	36.4
Jr/Sr High	18.6	62.1	43.5

	School Score	State Average	Gap
<b>Mathematics – Percent Proficient and Advanced</b>			
Primary Center	17.1	45.2	28.1
Upper Elementary	6.8	45.2	38.4
Jr/Sr High	8.5	45.2	36.7

The District also saw a decrease in assessment scores between its various buildings. As students transitioned from the Primary Center to the Upper Elementary and Junior/Senior High School, proficiency in ELA and Math decreased by 7.1 percent and 8.6 percent respectively. The District should strive to increase the total portion of students scoring as advanced or proficient to reduce the current gap with the statewide average.

On the Keystone examinations, the District's scores for proficient and advanced are between 48.0 and 58.4 percentage points below the State average. Across all subject areas, the District's portion of students who are considered advanced or proficient was under 20 percent.

### SRSD 2018-19 Keystone Assessment Results<sup>20 21</sup>

	SRSD Score	State Average	Gap
<b>Keystone – Percent Proficient and Advanced</b>			
Literature	18.8	71.5	52.7
Algebra I	15.3	63.3	48.0
Biology	4.8	63.2	58.4

<sup>15</sup> The 2018-19 assessment scores used for the Recovery Plan are from prior to the pandemic, therefore may not reflect the learning loss students experienced during the past two years.

<sup>16</sup> At the time of the development of this Recovery Plan, assessment data is not available for the 2019-20 year as statewide assessments were allowed to be waived by the United States Department of Education as a result of the pandemic. The United States Department of Education did require districts to complete academic assessments by September 2021. While PDE released statewide 2020-21 assessment data in March 2022, school-level data has not yet been released for all academic assessments at the time of the development of the Recovery Plan.

<sup>17</sup> Detailed targets are identified in the Appendices of this Plan.

<sup>18</sup> All assessment data is from the Pennsylvania Department of Education via the Future Ready Index at <https://futurereadypa.org/>.

<sup>19</sup> As students in grades 7 and 8 attend the Junior/Senior High School, students from that building take the PSSA examinations.

<sup>20</sup> Keystone data for the Junior/Senior High School is based on 2019 School Level Keystone Data published by PDE. While PDE released statewide 2020-21 assessment data in March 2022, school-level data has not yet been released for all academic assessments at the time of the development of the Recovery Plan.

<sup>21</sup> State averages are reported by PDE; <https://www.education.pa.gov/DataAndReporting/Assessments/Pages/Keystone-Exams-Results.aspx>.



The assessment results indicate that compared to students across Pennsylvania, District students disproportionately fail to demonstrate proficiency in all academic areas. Moreover, the District's scores decrease as students advance through the grades, with fewer students achieving advanced or proficient scores as they progress through the District. Similar to the District's targets for PSSA, the District should work to increase the portion of students scoring advanced or proficient on Keystone exams. The District will seek to increase the scores on the PSSA and Keystone examinations to the Statewide average as outlined in Appendix B.

The report from Mass Insight also notes that while the District administers a number of assessments to students, but that there is not a consistent approach to analyzing and using the results to inform instruction. The District will also evaluate the current assessments delivered to students to determine their efficacy.<sup>22</sup>

**Key Finding 2: The District's graduation rate has been higher than the statewide average, despite low academic proficiency.**

The District's graduation rate should be an indicator of whether the District can successfully support students throughout their academic career and prepare them for their postsecondary plans. In 2019-20, 95.6 percent of the District's 4-year cohort graduated, 8.2 percentage points higher than the statewide average. This also represents an increase over the District 2018-19 graduation rate of 85.7 percent.<sup>23</sup>

**SRSD 2019-20 Graduation Rates<sup>24</sup>**

	SRSD Score	State Average	Gap
<b>Graduation Rates</b>			
4-Year Cohort	95.6	87.4	(8.2)

Although the District's graduation rate is higher than the average across districts in the Commonwealth, there are concerns around the validity of the District's rates and what they represent in terms of the skills and knowledge possessed by a District graduate. For instance, the Fall 2021 District Diagnostic by Mass Insight noted the discrepancy between the District's graduation rates and its academic assessment scores, stating that "while fewer than 20 percent of students pass the state high school exam and more than a third are below basic in math and literature, graduation rates are consistently high, either meeting or exceeding state averages".<sup>25</sup> One possible explanation may be that the District is using a practice of social promotion, where students are passed to the next grade level despite missing content or proficiency standards.

In implementing this Plan, the District will ensure that students are held accountable for mastering grade-level content and eliminate practices of social promotion if they are found to exist. As shown in Appendix C, the District will aim to maintain its graduation rate at the reported 2019-20 levels while working to improve instruction and overall achievement to align students' academic success with graduation.

**Key Finding 3: The District has struggled with student attendance.**

The Pennsylvania Department of Education also collects data on regular student attendance, which is calculated as the percentage of students who are enrolled for 90 or more school days and present 90 percent or more on the days in which they are enrolled divided by the number of students enrolled for 90

<sup>22</sup> The District may also consider the adoption of classroom diagnostic tools (CDT) for use across the District.

<sup>23</sup> Reported on Future Ready PA Index at <https://futureready.org>.

<sup>24</sup> Ibid.

<sup>25</sup> Fall 2021 Sto-Rox District Diagnostic.

or more school days.<sup>26</sup> Students who miss 10 consecutive days are considered chronically absent and are excluded from the District’s regular attendance.

According to the state’s Future Ready PA Index, the District’s regular attendance scores range between 53.7 percent and 58.3 percent across all buildings in the 2019-20 school year and declines as students progress through grade levels.

**SRSD 2019-20 Regular Attendance<sup>27</sup>**

	School Score	State Average	Gap
<b>Regular Attendance</b>			
Primary Center	58.3	85.8	27.5
Upper Elementary	54.2		31.6
Jr/Sr High	53.7		32.1

Not only are these attendance rates significantly below the state average, the implications of low regular attendance on students’ ability to learn and master academic content are serious. Simply put, if students do not attend school, they cannot learn. Therefore, regular attendance will be an important measure for the District to monitor as it strives to improve family and student engagement and student achievement. While there are many models, programs, and providers available to help districts improve student attendance, the District needs to 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 the effort to improve the District’s academic achievement in this Recovery Plan. This Plan also outlines strategies to improve other factors that may impact student attendance, such as school safety, culture and climate in District buildings, and transportation.

The District has set a goal of reaching the Statewide average for regular attendance by 2026-27, as outlined in Appendix D, which also details annual targets for each building by year to ensure ongoing progress.

**Key Finding 4: The District must also focus on the career readiness of students.**

Students need to be prepared to pursue any path they may choose after graduation, including electing to pursue a career. In fact, 62.5 percent of the District’s students entered the workforce following graduation, based on data reported to the Pennsylvania Department of Education’s Future Ready Index. Therefore, career readiness is also an important indicator of educational success.

To measure career readiness, the Department looks at various factors, including career standards and industry-based learning.<sup>28</sup> These factors are measured by various indicators including certifications and evidence for individualized career plans. As shown below, in 2018-19, the District was below the State average in both categories.

<sup>26</sup> The definition of regular attendance is taken from the Future Ready Index at <https://futurereadypa.org/home/glossary?accordion=on-track&definition=regular-attendance>.

<sup>27</sup> Regular attendance data taken from Future Ready Index at <https://futurereadypa.org/>.

<sup>28</sup> Specific definitions for three categories outlined by PDE: <https://futurereadypa.org/home/glossary?accordion=college-career&definition=standards-benchmark>.

## SRSD 2018-19 Career Readiness <sup>29</sup>

	SRSD Score	State Average	Gap
<b>Career Readiness</b>			
Career Standards	50.6	84.9	34.3
Industry-Based Learning	17.4	29.1	11.7

Appendix E outlines specific goals for each category for the District to make annual improvements to reach the Statewide average by 2026-27.

The ultimate goal of this Recovery Plan is to provide all students with a quality education that supports students' overall success. The various chapters of the Recovery Plan and detailed initiatives all strive to ensure that the District can become a positive learning environment for all students and work towards a constructive school culture while remaining financially viable. The measures above, including increased attendance, improvements to academic assessments and college and career readiness, are fundamental and intentional aspects of the changes that the District will implement as outlined in this Recovery Plan. The components include a renewed focus on instruction, professional development and supports for staff, and increased engagement with the community. The District will monitor progress against these metrics during the duration of this Recovery Plan.

## Financial Basis for the Recovery Plan

Over the past several years, the District's already difficult financial picture has become even more challenging. The District has had flat local revenues, growing expenditures, and a lack of internal controls in its financial management practices. These financial challenges have made it difficult for the District to invest in necessary programs to support the success of its students.

The District's financial struggles have also resulted in students leaving the District. For example, while in-district enrollment has decreased by almost 20 percent over the past two decades, the District's charter enrollment has increased, especially in recent years. In the last three years, charter enrollment has grown by almost 100 students, increasing from 513 students in 2018-19 to 610 students as of November 2021, a 17.9 percent increase. As a result, charter enrollment now comprises one-third of total District enrollment. The growing charter enrollment has also resulted in exponentially growing charter tuition costs. In the 2021-22 school year, the District is expected to pay \$8.3 million in charter school tuition costs, approximately 25.4 percent of the District's overall expenditures.

As a result, the District is expected to face an increasingly negative fund balance and annual operating deficits. The District's projections are based on an adjusted 2021-22 budget, which has been updated based on new information and cost trends reported by the District since the submission of its original 2021-22 budget.<sup>30</sup> With the adjustments, the District is expected to see a positive operating result of \$2.2 million in 2021-22. However, both the District's annual operating results and ending fund balance are projected to decrease over time. As expenditures continue to outpace revenues, the District is expected to reach a negative fund balance of \$28.6 million by 2026-27, with annual operating deficits growing by an average of \$0.8 million a year from negative \$3.0 million in 2022-23 to negative \$6.1 million in 2026-27. The baseline projections are on a status quo basis and do not include future salary increases beyond

<sup>29</sup> Career Standards data taken from Future Ready Index at <https://futurereadypa.org/>.

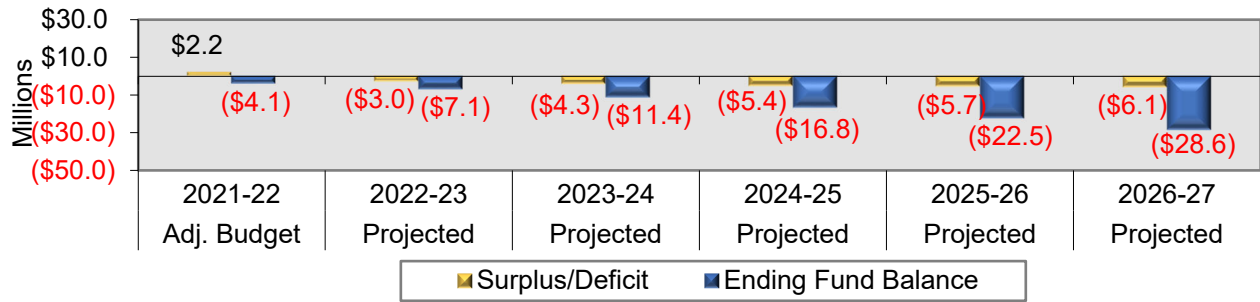
<sup>30</sup> The 2021-22 budget was provided by the Chief Recovery Officer, and may differ from the adopted budget. Adjustments include increases to earned income tax revenue, federal title allocations, the receipt of a Continuity of Education Grant, the continuation of its Empowerment Grant, adjustments to the District's PlanCon Subsidy, recalculated charter tuition costs using updated tuition rates based on the District's 2019-20 budget and current-year charter school enrollment, and a reduced transportation subsidy based on prior year expenditures. This also includes operational adjustments to personnel and non-personnel costs the District will make based on growing charter enrollment.

what is included in existing collective bargaining agreements or tax increases that may affect the District's overall financial picture.

The table and the chart below show the District's five-year projections using the assumptions described above and in Appendix F.

**SRSD Adjusted Baseline Projections (2021-22 to 2026-27)**

(\$ millions)



	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Budget	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$34.8	\$29.3	\$29.5	\$29.8	\$30.2	\$30.7
Total Expenditures	\$32.6	\$32.2	\$33.8	\$35.2	\$35.9	\$36.8
<b>Surplus/Deficit</b>	<b>\$2.2</b>	<b>(\$3.0)</b>	<b>(\$4.3)</b>	<b>(\$5.4)</b>	<b>(\$5.7)</b>	<b>(\$6.1)</b>
<b>Ending Fund Balance</b>	<b>(\$4.1)</b>	<b>(\$7.1)</b>	<b>(\$11.4)</b>	<b>(\$16.8)</b>	<b>(\$22.5)</b>	<b>(\$28.6)</b>

The District has also received three allocations of the Elementary and Secondary Schools Emergency Relief (ESSER) funds, totaling almost \$13.5 million, which the District must use by September 30, 2024.<sup>31</sup>

**SRSD ESSER Fund Allocations<sup>32</sup>**

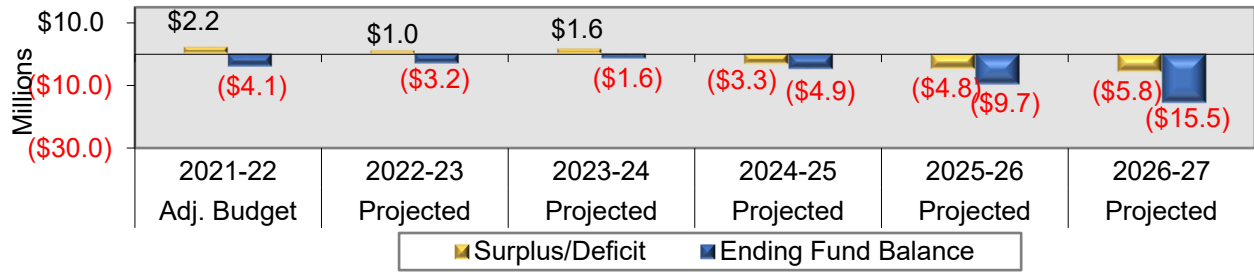
	Grant Expiration	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
ESSER I	September 2022		\$935,197			-	-
ESSER II	September 2023		\$4,156,434				-
ARP ESSER	September 2024			\$8,407,264			
ARP ESSER (Act 24)	September 2024			\$653,434			

These ESSER funds are intended to provide resources and supports to districts and students nationwide in response to the COVID-19 pandemic. The Sto-Rox School District budgeted for the ESSER I allocation in FY2020-21 and budgeted for the use of ESSER II in the FY2021-22 budget. This Plan assumes that the District will use its ARP ESSER funds in FY2022-23 and FY2023-24.

<sup>31</sup> The timelines of each allocation vary.

<sup>32</sup> ESSER allocations as reported by the Pennsylvania Department of Education.

**SRSD Adjusted Baseline Projections with ESSER Funds (2021-22 to 2026-27)**  
(\$ millions)



	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Budget	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$34.8	\$33.2	\$34.0	\$29.8	\$30.2	\$30.7
Total Expenditures	\$32.6	\$32.2	\$32.4	\$33.1	\$35.1	\$36.4
<b>Surplus/Deficit</b>	<b>\$2.2</b>	<b>\$1.0</b>	<b>\$1.6</b>	<b>(\$3.3)</b>	<b>(\$4.8)</b>	<b>(\$5.8)</b>
<b>Ending Fund Balance</b>	<b>(\$4.1)</b>	<b>(\$3.2)</b>	<b>(\$1.6)</b>	<b>(\$4.9)</b>	<b>(\$9.7)</b>	<b>(\$15.5)</b>

As shown in the table above, the receipt of these federal funds creates a surplus for the District for three years and significantly reduces the negative ending fund balance of this projection. However, while ESSER funds provide significant relief for the District, these are one-time funds that will not be available for the District to use throughout the duration of this Recovery Plan. As a result, despite the additional support from ESSER, the District’s deficits and negative fund balance are projected to grow quickly after ESSER expires, with an annual deficit of \$5.8 million and a fund balance reaching negative \$15.5 million by 2026-27. The District will need to carefully monitor ESSER fund spending and make decisions with the District’s long-term financial picture in mind.<sup>33</sup>

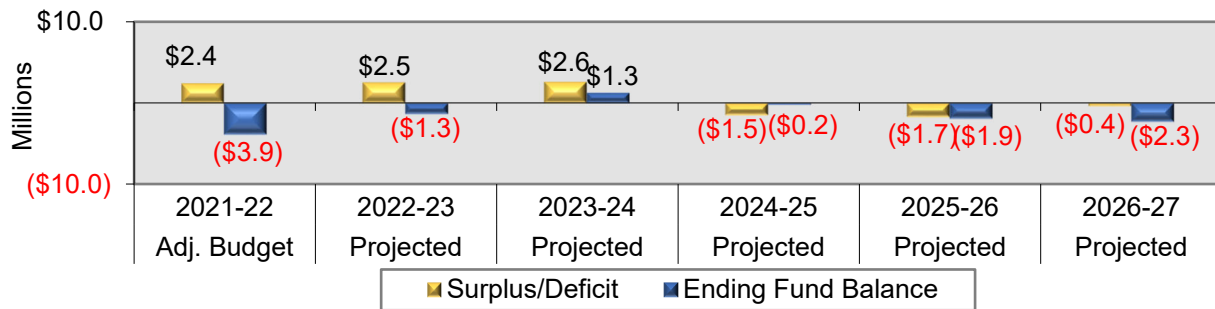
## Recovery Plan

This Recovery Plan details various initiatives that the District should explore to increase its current revenues, control expenditures, improve school culture, climate, and safety, and make progress towards its instructional and academic goals. Among the initiatives included in this Recovery Plan, recovering charter students and increasing the District’s millage rate to the Act 1 Index are expected to have the greatest financial impact. The Recovery Plan also includes initiatives around improving the District’s collection rate, outsourcing support of the District’s Business Office, establishing partnerships for additional student supports, evaluating and implementing operational efficiencies, reporting accurate data to continuously improve performance, and obtaining a financial transition loan from PDE.

Despite increases to state education funding and its ESSER allocations, the District is not expected to achieve structural balance, where revenues equal expenditures, by the end of the projection window. However, by implementing the initiatives in this Recovery Plan, the District will be able to limit potential shortfalls and improve its annual operating results each year, despite facing annual deficits.

<sup>33</sup> Adjustments include increases to earned income tax revenue, federal title allocations, the receipt of a Continuity of Education Grant, the continuation of its Empowerment Grant, adjustments to the District’s PlanCon Subsidy, recalculated charter tuition costs using updated tuition rates based on the District’s 2019-20 budget and current-year charter school enrollment, and a reduced transportation subsidy based on prior year expenditures. This also includes operational adjustments to personnel and non-personnel costs the District will make based on growing charter enrollment.

**SRS Recovery Plan Projections (2021-22 to 2026-27)**  
(\$ millions)



	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Budget	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$34.8	\$34.8	\$35.1	\$31.5	\$32.6	\$33.9
Total Expenditures	\$32.4	\$32.2	\$32.5	\$33.0	\$34.3	\$34.3
<b>Surplus/Deficit</b>	<b>\$2.4</b>	<b>\$2.5</b>	<b>\$2.6</b>	<b>(\$1.5)</b>	<b>(\$1.7)</b>	<b>(\$0.4)</b>
<b>Ending Fund Balance</b>	<b>(\$3.9)</b>	<b>(\$1.3)</b>	<b>\$1.3</b>	<b>(\$0.2)</b>	<b>(\$1.9)</b>	<b>(\$2.3)</b>

In comparison to the adjusted baseline projections, the District's financial position improves significantly with the implementation of the Recovery Plan initiatives. In spite of the loss of ESSER funds in 2024-25, with the Plan initiatives the District's revenues are expected to reach \$33.9 million by 2026-27, \$3.3 million higher than in its adjusted baseline projections. In addition, while expenditures are still expected to outpace revenues, the District's expenditures with the Plan initiatives are also lower in the Recovery Plan projections. This leaves the District with a negative operating result of \$0.4 million and a negative fund balance of \$2.3 million by the last year of the projections, reducing the negative fund balance by \$26.3 million in comparison to the adjusted baseline projections and by \$13.2 million in comparison when accounting for ESSER funds.

While the budget projections illustrate the District's potential financial progress, the financial impact must go hand-in-hand with academic progress made throughout the District. To achieve that progress, the District should also focus on providing quality supports to staff, implementing clear academic structures around curriculum, and improving school culture across all three buildings, while continuing to improve the District's overall financial condition.

Through the initiatives listed in the Recovery Plan, the District should aim to address structural deficits using long-term sustainable practices, to ensure that the District may continue to invest into its students beyond the projected years covered by this Recovery Plan. In addition, the District may seek additional avenues to increase revenues and decrease spending that are not included in the Recovery Plan. If the District receives revenues beyond what is projected in the Recovery Plan, it will allocate them based on the District's priorities as established by the Chief Recovery Officer, including:

- Elimination of the District's negative fund balance and establishment of budgetary reserves
- Investments in facilities and capital needs
- Provision of salary increases above amounts available (as detailed in TM02)
- Elimination or moderation of required tax increases

The CRO shall direct the District to make these investments under the authority granted by Section 642-A(a)(13) of Act 141.

## Guiding Principles

There are many factors that contribute to the District's challenges, and the purpose of this Recovery Plan is not to describe each one in detail. Rather, the Plan is intended to provide a forward-looking path to achieve financial stability, preserve academic programs, and generate resources to invest in student supports and other priorities. In order to do so, the District must change the way it does business in order to meet the needs of its students and prepare them for the future.

The Pennsylvania Department of Education has identified 18 essential practices for districts to create the conditions for school improvement. The following practices have informed the development of initiatives in this Recovery Plan:<sup>34</sup>

- **Fostering on-going quality professional learning:** The Recovery Plan focuses on developing its teachers by providing instructional coaches, increasing professional development, creating mentorship for new hires, and instituting other supports.
- **Empowering leadership:** Principals and building leaders play a pivotal role in creating a positive school culture and vision for the District. The Recovery Plan focuses on empowering leadership through leadership coaching, improving evaluations of staff and enhancing the ability of principals to make decisions that affect their buildings.
- **Maintaining continuous improvement of instruction:** The District will use professional learning communities and instructional coaches to help staff review and understand academic data. This Recovery Plan also considers the creation of new positions to support staff and vertically align curriculum throughout the District.
- **Provide student-centered supports:** Through new and ongoing partnerships, the District will be able to provide new supports and resources to children as it works with various agencies to make its schools a safe learning environment for all students.

These practices have been translated into this Recovery Plan, which focuses on five key areas: Focus on Instruction, Culture and Climate, Talent Management, Resource Management, and School Safety.

Implementing this Recovery Plan will require tough decisions and changes from current practices. The responsible parties for implementing these initiatives are outlined in each chapter of this Recovery Plan.

The effective implementation of the Recovery Plan will require a collective effort across the District's staff, students, teachers, families, and local communities. The District should also look for additional support from other organizations, including the Department, Communities in Schools, and the Allegheny County Intermediate Unit (AIU). This Recovery Plan is the starting point for the return of stability to the District and for changing the experience of the students, staff, and families who rely on it.

## Act 141 Provisions

### Exit Criteria

Pursuant to section 641-A(9) of Act 141, the CRO must establish in the Recovery Plan specific criteria that the Sto-Rox School District must satisfy before the Secretary of Education may terminate the District's financial recovery status. Accordingly, the District shall meet the following criteria in order to be released from financial recovery:

- The District has achieved financial stability by maintaining a positive fund balance for three successive years and concluded two successive years with positive annual financial results

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<sup>34</sup> <https://www.education.pa.gov/Documents/K-12/ESSA/EssentialPracticesforSchoolsCommunities.pdf>.

(revenues exceed expenditures), both as reported in the District's audited annual financial statements;

- The District does not request or require from the Commonwealth an advance of its basic education subsidy;
- All employee salaries are paid when due;
- The District is not in default on any bonds, notes or lease rentals and is not subject to withholding by the Secretary under section 633 of the Public School Code;
- The District does not satisfy the criteria for determination of recovery status established in regulations promulgated under section Pennsylvania School Code Title 22 Chapter 18;<sup>35</sup>
- The District is able to show a financial projection approved by the CRO and the Board that forecasts annual balanced budgets with positive fund balances 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;
- The District meets or demonstrates substantial progress in meeting the academic performance, graduation rate, and attendance goals outlined in the Introduction of this Recovery Plan.

### **Powers and Duties Under Section 642-A**

In this Recovery Plan, the CRO directs the Sto-Rox School District to undertake initiatives under the powers granted by section 642-A of Act 141 in order to fulfill the duties of the CRO and achieve the goals of the Plan. The specific actions authorized in this plan pursuant to section 642-A shall include but are not limited to:

- Reopen its budget for the current school year (subsection 1)
- Convert school buildings to charter schools (subsection 2)
- Cancel or renegotiate contracts that are in conflict with or an impediment to timely implementation of the provisions of this plan (subsection 3);
- Increase tax levies (subsection 4);
- Appoint a special collector of delinquent taxes, subject to approval by the CRO (subsection 5);
- Dispense with the services of nonprofessional employees (subsection 6);
- Enter into agreements with persons or for-profit or nonprofit organizations to operate one or more schools (subsection 7)
- Suspend or revoke a charter under section 1729-A (subsection 8)
- Employ professional and senior management employees who do not hold State certification (subsection 9);
- Enter into agreements with for-profit or non-profit organizations to provide services (subsection 10);
- Close or reconstitute a school, including the reassignment, suspension or dismissal of professional employees (subsection 11);
- Appoint managers, administrators or for-profit or nonprofit organizations to oversee the operations of a school or group of schools (subsection 12);
- Reallocate resources, amend school procedures, develop achievement plans and implement testing or other evaluation procedures for educational purposes (subsection 13);
- Supervise and direct principals, teachers and administrators (subsection 14);
- Negotiate new collective bargaining agreements to effect needed economies (subsection 15);
- Delegate powers of the CRO (subsection 16);
- Employ entities to review financial and educational programs (subsection 17).
- Negotiate a contract with a charter school (subsection 18)

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<sup>35</sup> [https://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/022/chapter18/chap18toc.html&d=.](https://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/022/chapter18/chap18toc.html&d=)



# Focus on Instruction

## Overview

The Sto-Rox School District is made up of capable students, dedicated and hard-working staff and administrators, and supportive families and community members, all of whom have a role to play in preparing students to be successful and achieve their goals. Students who graduate from the District should be ready for college, careers, and to pursue the future of their choosing.

Currently, the District educates students at three buildings: the Primary Center, the Upper Elementary, and the Junior/Senior High School. The Primary Center serves students in grades kindergarten through 3, the Upper Elementary serves students in grades 4 through 6, and the Junior/Senior High School serves students in grades 7 through 12. The District educates 1,190 students who attend school in these three buildings; another 610 students attend charter schools outside the District.<sup>36</sup> These enrollments also include the 39 students in out of district placements, and 45 students enrolled at the career and technology center (CTC).<sup>37</sup>

Of the District's three buildings, two have been identified as needing support through the Every Student Succeeds Act (ESSA). The District's Primary Center has been identified as a Comprehensive Support and Improvement (CSI) school, a designation for the lowest-performing five percent of public schools throughout the Commonwealth of Pennsylvania. The Junior/Senior High School has also been identified as an Additional Targeted Support and Improvement (A-TSI) school.<sup>38</sup>

The District faces a number of educational challenges, including low student attendance, low performance on standardized tests, and a growing charter student population, all of which impacts financial resources. Adding to these challenges, the District has recently experienced turnover in several key administrative positions with responsibilities regarding instruction, including the Superintendent (who also served as the Principal of the high school), and the Director of Curriculum and Instruction. Although an interim Superintendent is serving the District as of the date of this Recovery Plan, these are critical vacancies that must be filled by capable staff to help the District achieve the academic goals and initiatives laid out in this Recovery Plan.

**Key Finding 1: The District is currently facing significant instructional challenges, as evidenced by student data on assessments as well as staff responses to surveys.**

As noted earlier in this Plan, the District's scores on Statewide assessments are far lower than the Statewide average, as is the District's performance against the College and Career Standards benchmarks.<sup>39</sup> In addition, regular student attendance across all District buildings is low compared to the Statewide average as noted in the District's academic goals in the Introduction of this Recovery Plan.<sup>40</sup> Improving performance in these areas are goals of this Recovery Plan, as is maintaining the current graduation rate while the District improves its' focus on instruction.

The diagnostic performed by Mass Insight also identified key concerns regarding the District's instructional practices. According to a survey of District staff, less than 14 percent of staff agreed with the

<sup>36</sup> In-district enrollment based on October 1 count provided by the District for the 2021-22 school year; charter school enrollment provided by the District.

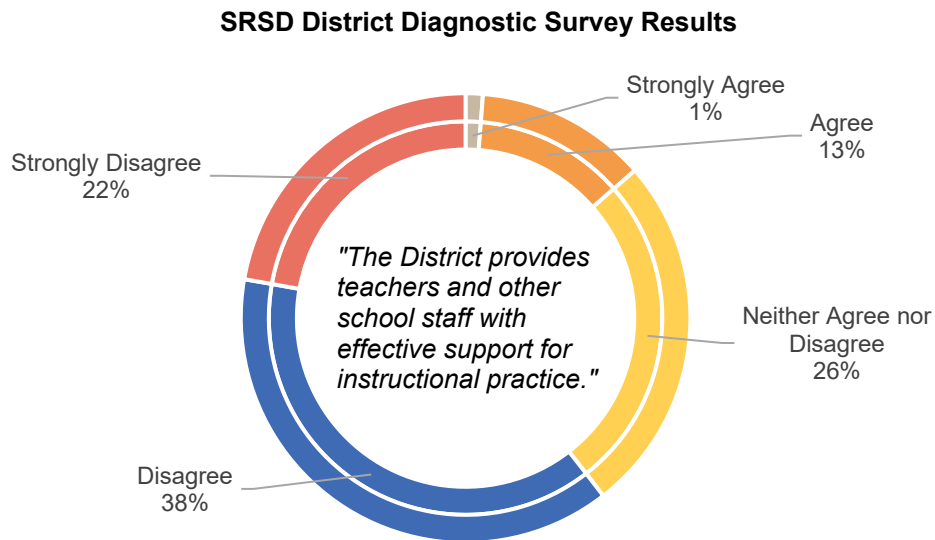
<sup>37</sup> Out of district enrollment provided by the District and CTC enrollment taken from Sto-Rox School District Diagnostic performed by Mass Insight.

<sup>38</sup> <https://www.education.pa.gov/K-12/ESSA/Pages/Accountability.aspx>.

<sup>39</sup> In order to improve instruction, the District will also investigate different types of assessments that are offered to students and consider the adoption of classroom diagnostic tools (CDT) for use across the District.

<sup>40</sup> For the 2019-20 year, the District's percent of students with regular attendance was 58.3 percent at the Primary Center, 54.2 percent at the Upper Elementary School, and 53.7 percent at the Junior/Senior High School. The Statewide average for the same year was 85.8 percent.

statement, "The District provides teachers and other school staff with effective support for instructional practice."<sup>41</sup>



Similarly, a majority of respondents – 58 percent – indicated that they disagreed with the statement that the District was ensuring effective instructional practices across all classrooms in each school.

Although the Mass Insight report did identify that the District needs to improve curriculum, it also identified the need for increased supports and training for staff, alignment of curriculum across grade levels, and time to review student-related data. This chapter addresses these needs, with the expectation that as these items are accomplished, the District will be able to update its curriculum in the future.

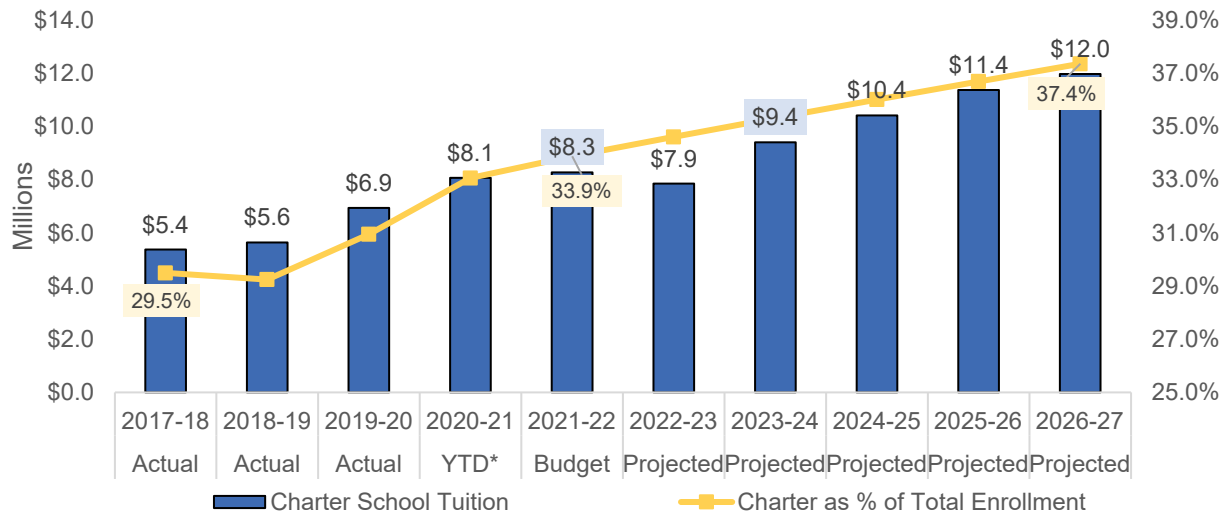
**Key Finding 2: Addressing charter enrollment and returning students to the District is critical to its academic and financial improvement.**

The District is also facing a growing number of students attending charter schools. The District projects to spend \$8.3 million on charter tuition in 2021-22, which is 26 percent of the District's budgeted 2021-22 expenditures.<sup>42</sup> The amount that the District is spending annually on charter tuition has grown by almost \$3.0 million in the last four years and is projected to increase by another \$3.8 million by 2026-27. At that point, the District will be spending approximately one-third of its' annual budgeted expenditures on charter tuition. The current growth in charter enrollment is unsustainable and is a key cause of the District's current financial position.

<sup>41</sup> Sto-Rox School District Diagnostic. Mass Insight. December 2021.

<sup>42</sup> The \$8.3 million is the District's adjusted 2021-22 budget number for charter tuition. Projected expenditures on charter tuition are based on the District's baseline financial projection.

**SRSB Charter School Tuition Expenditures, 2017-18 through 2026-27** <sup>43 44</sup>  
(in \$ millions)



**Key Finding 3: The District’s high school needs to be reimaged to create pathways to college and careers.**

The District is also facing significant challenges regarding its high school building. These challenges include concerns about the building location, as well as the level of instruction and climate of the building. For example, although the building serves students in grades 7-12, the building is only operating at one-third capacity. This means that the majority of the building is not in use, making security within the building difficult and adding to the safety concerns that are already present due to the building’s location. The costs of maintaining a facility larger than needed are also a factor, and the building already has deferred maintenance.

As noted in the Introduction to this Plan, although the District’s graduation rates are higher than the Statewide average, scores on assessments are low, raising concerns about whether graduating students have the qualifications necessary to earn their diplomas. While the District does not track post-graduate information on its students, anecdotal evidence provided by the District suggests a small number of students attend postsecondary educational institutions and even fewer attain a college degree.

As noted by Mass Insight in the Fall 2021 District diagnostic, the high school “...will not be successful without a fundamental restructuring that begins with establishing expectations for a Sto-Rox graduate...address[ing] student and teacher safety, the location of grades 7-8, the high school facility, and the District’s relationship with Parkway West Career and Technology Center”. <sup>45</sup> This work begins with establishing strong permanent leadership – the building is also currently operating without a Principal.

While this Recovery Plan outlines improvements that the District will make in focusing on college and career readiness, leadership training, and other instructional supports, at this time it does not include a plan to change the current building configuration or location of the high school program. However, the Chief Recovery Officer reserves the right to evaluate and consider all options, including seeking arrangements with other districts under the authority granted by Section 642-A(a) of Act 141. The long-

<sup>43</sup> Enrollment is based on District data.

<sup>44</sup> 2021-22 budget is based on the budget provided by the Chief Recovery Officer and includes adjustments.

<sup>45</sup> Sto-Rox School District Diagnostic. Mass Insight. December 2021.

term outlook of the high school will be dependent on an annual review of the District's results against performance measures established for the high school.

Given the financial challenges outlined in this Recovery Plan, the Sto-Rox School District will need to balance the need for investments in academic programs against available resources. The District's allocation of \$8.4 million in funds through the American Rescue Plan Act (ARP ESSER) provides the District with an opportunity, as does a recent award of \$2.0 million in Empowerment grant funding from the Pennsylvania Department of Education. The District needs to invest these resources strategically to help improve the District's academic programming and attract students from charter schools.

The Pennsylvania Department of Education has identified 18 essential practices for districts to create the conditions for school improvement. These practices have informed the development of initiatives in this Recovery Plan, including fostering on-going quality professional learning, empowering leadership, and maintaining continuous improvement of instruction.<sup>46</sup> As the District gains financial stability through the other initiatives outlined in the chapters of this Recovery Plan, resources will continue to be invested in the Plan's priorities, including the achievement of the academic goals. The CRO reserves the right to direct the investment of funds under all authority granted by Section 642-A(a) of Act 141.

Responsibility for implementing the initiatives in the Instruction chapter will include the Chief Recovery Officer, Superintendent, Assistant Superintendent, Building Principals, and staff receiving stipends to support the Recovery Plan (as outlined in Plan initiative CC05).

**As part of an increased focus on improving instruction across the District, the District will undertake the following actions:**

- Improve college and career readiness of all students
- Improve instructional leadership across the District
- Improve professional development and coaching for instructional staff
- Provide appropriate supports to special education students
- Develop a strategy to recover students from charter schools

## Initiatives

**IN01:** Improve college and career readiness of all students

While the District has a high graduation rate, it has limited data on what students do after graduation. However, anecdotal information provided by the District notes low levels of college enrollment, and fewer students graduating from college. As noted in the Introduction, only 50.6 percent of District students met the Career Standards benchmark, in comparison with 84.9 percent across the statewide average.<sup>47</sup> In order to provide support to all students, the District will focus instructional efforts on improving the college and career readiness of all students by taking the following actions:

<sup>46</sup> <https://www.education.pa.gov/Documents/K-12/ESSA/EssentialPracticesforSchoolsCommunities.pdf>.

<sup>47</sup> <https://futurereadypa.org/>.

- Develop a plan to implement an academy program in the District:** In order to attract students back from charter schools, the District will develop a plan to establish an academy program at the District. This program may focus on Science, Technology, Engineering, Arts, and Mathematics (STEAM), performing arts, legal or medical career academy, or other option as determined by the Superintendent and School Board. In developing the plan, the District will also evaluate the programs offered at the District. The plan will need to include estimated costs for the program, an analysis of the benefits provided to students, and an analysis of proposed curriculum changes. To the extent possible, the District will seek to accommodate these costs within its existing budget, however if funds are not available the Chief Recovery Officer can direct the District to make such investments under the authority granted by Section 642-A(a)(13) of Act 141.
- Consider developing a Career Pathways program:** As part of this Recovery Plan, the District shall consider whether to develop a Career Pathways program to offer options to students. Career Pathways programs typically allow for students to pair tailored learning and curriculum with basic skills instruction, occupational training, career counseling and internships that lead to credentials in particular careers. If the District elects to develop a Career Pathways program, it will develop a plan outlining the estimated costs for the program, an analysis of the benefits provided to students, and an analysis of proposed curriculum changes. To the extent possible, the District will seek to accommodate these costs within its existing budget, however if funds are not available the Chief Recovery Officer can direct the District to make such investments under the authority granted by Section 642-A(a)(13) of Act 141.
- Expand relationship with Vo-tech school:** The District sends students to the Parkway West Career and Technology Center (CTC), which serves students from several area districts. Parkway currently offers 16 career programs of study. Students graduate with their high school diploma and the opportunity to earn industry certifications as well as post-secondary credits. The District provides support to students enrolled at Parkway West, including transportation.

#### SRSD Enrollment at Parkway West CTC <sup>48</sup>

Year	Enrollment	Program Completers	Credentials Earned
2018-19	31	3	12
2019-20	27	3	15
2020-21	22	1	42
2021-22	45 <sup>49</sup>	TBD	TBD

While the District enrolls students at Parkway West each year, they have a relatively low number of students who complete the program. The District will evaluate the current structure of programs for students attending the Parkway West CTC to identify ways to increase the number of students participating in and completing the program.

- Increase credit-sharing arrangements with local colleges and universities:** While the District does have some credit-sharing arrangements with local colleges and universities, it will seek to expand opportunities with other local higher education institutions, including dual enrollment. These arrangements can help students earn college-level credits while still in high school, easing the transition to college. This is also related to the District’s initiative in expanding community partnerships in CC04.
- Increase internship and externship opportunities for students:** The District currently has limited opportunities for students to get exposure to career and internship opportunities. The District will seek to establish relationships with local businesses, organizations, and higher

<sup>48</sup> Sto-Rox District Diagnostic. Mass Insight. December 2021.

<sup>49</sup> 2021-22 enrollment may reflect beginning of year enrollment that decreases throughout the year as students withdraw from the program.

education institutions to provide opportunities for students. This may be related to the Plan initiatives of increasing the District’s payments in lieu of taxes (PILOTs) in RM01 and expanding community partnerships in CC04.

- **Create a program of studies:** This program will include a summary of all District opportunities, including Advanced Placement courses, electives, and the relationship with Parkway West CTC. As the District adjusts its curriculum to include academies or career pathways, they will be included in the program of study.

### 5-Year Impact

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Increase enrollment at Parkway West CTC <sup>50</sup>	\$60,113	\$60,113	\$60,113	\$60,113	\$60,113	\$300,566
Create program of studies <sup>51</sup>	\$1,636	\$1,638	\$1,639	\$1,640	\$1,641	\$8,194
<b>Total Annual Impact (\$)</b>	<b>\$61,750</b>	<b>\$61,751</b>	<b>\$61,752</b>	<b>\$61,753</b>	<b>\$61,754</b>	<b>\$308,760</b>

**IN02: Improve instructional leadership across the District**

In its current organizational structure, the District has one principal at the Upper Elementary School and one at the Primary Center. The Junior/Senior High School currently has two Assistant Principals, and the District’s former Superintendent also served as the Principal of the high school. The District reports that there has been turnover at the principal level in recent years. While each new principal brings new ideas and strategies, turnover can lead to confusion and stalled progress. In addition, the District is currently operating with an interim Superintendent and without a Director of Curriculum and Instruction.

Academic improvements require strong leaders to take the necessary actions to improve curriculum, adjust operations, and inspire students and staff. In order to improve the District academically, principals must be empowered to be leaders in their buildings and have decision-making authority. Empowering leadership is one of the evidence-based practices recommended for schools and is a component of the District’s CSI plan for the Primary School.<sup>52</sup> In order to improve instructional leadership across the District, the District will undertake the following actions:

- **Explore leadership coaching for principals:** As noted in the Mass Insight report, principals at the District do not receive any leadership training or coaching. The District needs to provide coaching and training for its principals, as they are critical instructional leaders. Given financial resources and the current organizational situation, the District may not be able to participate in a highly competitive program, but it should research and select a program to provide external resources and supports. Given the District’s financial situation, it should seek grants or assistance from the Pennsylvania Department of Education to fund leadership coaching.
- **Stabilize school leadership:** District staff need to know that the current leaders will be in their positions for consistency and to see through the various initiatives outlined in this Recovery Plan and other building plans. Moving forward, principals will be asked to sign an agreement asking

<sup>50</sup> Estimates an addition of 10 students based on estimated Parkway tuition costs per student and jointure costs for member districts.

<sup>51</sup> Inclusive of associated benefits and net reimbursements.

<sup>52</sup> Sto-Rox Primary CSI Plan 2021-22 provided by District.

them to commit to their roles for multiple years. In addition, as outlined in CC02, the District will seek to clarify administrative roles and responsibilities across the District.

- **Conduct a market analysis for the Superintendent position:** The District is currently operating with an interim Superintendent and will be undergoing a search for a permanent Superintendent. The District will undergo a review of the position’s responsibilities and conduct a market analysis of proposed compensation for the position, including salaries and benefits against other Superintendent positions in Allegheny County. Given the importance of this position and the increased accountability required under this Recovery Plan, the District will take steps to ensure the highest quality candidates are considered for this role.
- **Consider department chair positions:** The District will consider establishing Department Chair positions across all buildings. Department Chairs will be focused on improvements to the District’s curriculum, including vertical alignment across grades and buildings, as well as mentoring other teachers and assisting with onboarding of new teachers.
- **Conduct regular walk-throughs of instructional staff:** Building principals will be expected to regularly conduct informal walkthrough classroom observations weekly. Building principals will also conduct formal classroom observations at least three times per year. This is possible given the low teacher to instructional administrator ratio at the District.<sup>53</sup> All walkthrough and formal classroom observations will occur in compliance with provisions in any existing collective bargaining contracts. Classroom monitoring may include a review of student data and evaluation of the effectiveness of curriculum implementation. Principals will provide regular reports to the Superintendent and CRO on the status and results of walkthroughs and observations.

The financial impact table assumes six Department Chairs (two per building). While the District would incur costs for any leadership program for principals, it is assumed that these costs would be covered through grant funding or other external sources and would not impact the District’s annual operating budget.

### 5-Year Impact <sup>54</sup>

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Department Chairs	\$19,636	\$19,652	\$19,664	\$19,682	\$19,693	\$98,327
<b>Total Annual Impact (\$)</b>	<b>\$19,636</b>	<b>\$19,652</b>	<b>\$19,664</b>	<b>\$19,682</b>	<b>\$19,693</b>	<b>\$98,327</b>

**IN03:** Improve professional development and coaching for instructional staff

The District currently offers limited professional development opportunities for staff, and the programs typically occur during in-service days prior to the start of school. The District does not employ any instructional coaches and does not have any internal models for coaching or instructional improvement. Fostering on-going quality professional learning is one of Pennsylvania’s essential practices and a key component of this Recovery Plan. The District will undergo a needs analysis to inform the professional

<sup>53</sup> There are four instructional administrative staff at the District: two principals and two assistant principals. Based on the District’s budget, there are 101 teaching positions and 13 aides at the District. This is a ratio of almost 1:25 for administrators to teachers and a ratio of 1: 3.25 for administrators to instructional aides.

<sup>54</sup> Estimates a stipend per department chair. Impact is inclusive of associated benefits and net reimbursements.

development needed by staff, that will be informed by principal walkthroughs as outlined in IN02 and surveys of staff. In order to improve the professional development and supports to instructional staff, the District will:

- **Adjust school schedules to increase time for professional development:** As noted in the Mass Insight report, the District’s current school schedules allow limited time for professional development, planning, or review of data. Professional development may also include related trainings, such as training for teachers and support staff on conflict resolution or de-escalation strategies. District leadership will conduct a review of the existing school schedules to identify opportunities to add time to the schedule for professional development, including Professional Learning Communities. This may include adjusting the number of teaching and planning periods per week, as well as increasing the total number of total school days as described in TM02. Any adjustments will need to be identified in any future collective bargaining agreements.
- **Establish Professional Learning Communities (PLCs):** While the District’s expired collective bargaining agreement with teachers references a professional learning community, it does not appear that any PLCs are currently in place at the District. The District will establish monthly meetings at each building for PLCs. These meetings will allow for opportunities for collaborative planning and review of student data.
- **Hire instructional coaches:** The District will hire instructional coaches to help support the District’s instructional staff. These coaches will reinforce strategies delivered during training and support building administrators and teachers to improve knowledge of effective instructional practices. The District will explore opportunities to fund these positions through grants or other external support to minimize the impact on the District’s annual operating budget.

In addition to the initiatives shown here, the District will also seek to improve teacher induction as outlined in TM05.

**IN04:** Provide appropriate supports to special education students

As of 2020-21, approximately 25.2 percent of the children attending District-operated schools were identified as special education students, 7.1 percentage points higher than the statewide average of 18.1 percent.<sup>55</sup> In recent years the number of special education students at the District has increased while in-district enrollment has declined.

**Sto-Rox Special Education Student Enrollment <sup>56</sup>**

	2016-17	2017-18	2018-19	2019-20	2020-21
Sto-Rox Special Education Students	277	278	308	279	298
Sto-Rox Special Ed. Students (%)	21.7%	22.5%	24.6%	22.0%	25.2%
PA Special Ed. Students (%)	16.5%	16.9%	17.3%	17.8%	18.1%
Difference	5.2%	5.6%	7.3%	4.2%	7.1%

The District has implemented a co-teaching model where regular education and special education teachers are paired together in a classroom with both regular education and special education students. Although the District notes that this model may lead to the District being overstaffed, it also points to the reduction in alternative placements and improved growth scores for special education students in PVAAS

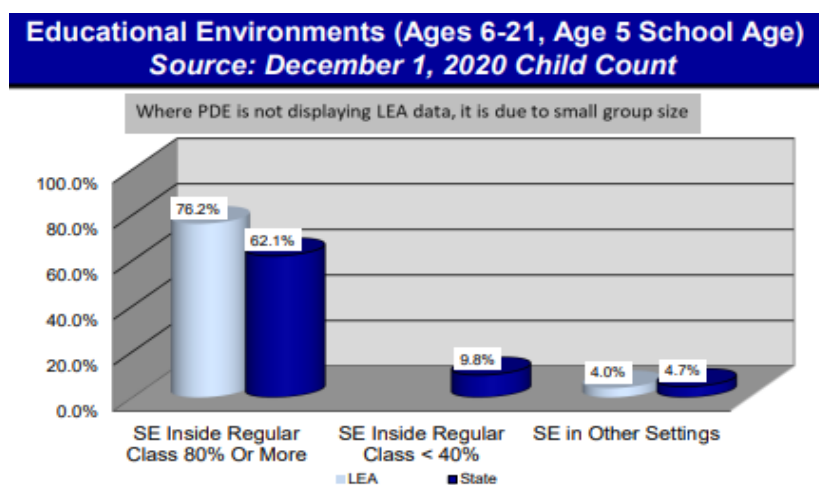
<sup>55</sup> In-district enrollment does not include District students attending charter schools.

<sup>56</sup> 2016-17 through 2019-20 data taken from Special Education Data Reports (SEDR). 2020-21 data is taken from Data at a Glance Reports. Both reports available through <https://penndata.hbg.psu.edu/>.



data as evidence of the success of the model. For example, according to reports from the Pennsylvania Department of Education, in FY2020-21 the District was exceeding the Statewide average for the number of special education students inside the regular classroom and was below the Statewide average for the number of special education students in other settings, as shown in the following figure. Allowing special education students to be educated in the least restrictive environment, including being educated with regular education students (when possible) is required by the Individuals with Disabilities Education Act (IDEA) and supported by the Pennsylvania Department of Education (PDE).<sup>57</sup>

### SRSD Special Education Data Report School Year 2020-21 <sup>58</sup>



Providing student-centered supports is one of Pennsylvania's evidence-based practices for sustained improvement and learning. In order to provide appropriate supports to the District's special education students, the District will:

- Undertake a review of the District's special education staffing model:** The District will review the teacher caseloads by building, cost of the model, and its overall effectiveness. The District will use student assessment data to evaluate outcomes, and survey staff to understand the implications of the model as implemented in classrooms. Consideration will also be given to the cost of educating students outside of the District. Once the review is complete, the District will determine what additional supports are required or other programmatic or staffing changes are required. The CRO reserves the right to effect necessary economies in the operation of the schools under all authority granted by Section 642-A(a) of Act 141.
- Review special education identification process:** Over 70 percent of the District's 2020-21 total special education students are identified as having three exceptionalities: specific learning disability (39.6 percent), emotional disturbance (15.8 percent), and other health impairment (15.1 percent).<sup>59</sup> Either as part of the review of the staffing model or separately, the District will review its process for identifying special education students, including at what age needs are identified and supports given to students.
- Consistently implement Positive Behavioral Interventions and Supports (PBIS) across the District:** Positive Behavioral Interventions and Supports is an approach used by schools to

<sup>57</sup> <https://www.education.pa.gov/Policy-Funding/BECS/PACode/Pages/LeastRestrictiveEnvironment.aspx>.

<sup>58</sup> Data provided by the PDE Bureau of Special Education through PennData and accessed at [https://penndata.hbg.psu.edu/penndata/documents/BSEReports/Data%20Preview/2020-2021/PDF\\_Documents/Speced\\_Quick\\_Report\\_SD062\\_Final.pdf](https://penndata.hbg.psu.edu/penndata/documents/BSEReports/Data%20Preview/2020-2021/PDF_Documents/Speced_Quick_Report_SD062_Final.pdf).

<sup>59</sup> Ibid.

promote positive behaviors and school safety by teaching kids about behavioral expectations. The District currently offers PBIS across the District, but the implementation has varied by building. During interviews with stakeholders, it was noted that the District does not collect or analyze data on PBIS implementation. This may be a topic to address during the Professional Learning Community meetings.

- **Explore funding PBIS Coordinator positions:** In order to address PBIS supports, the District will explore funding PBIS coordinator positions. If the District elects to develop these positions, the District will develop job descriptions for the position outlining what the responsibilities of the coordinators. The PBIS coordinators will meet regularly to ensure a coordinated approach to PBIS implementation across the District. If recommended by the CRO, these positions will be a required part of the District’s future collective bargaining agreements.

The costs of the review of the special education model will need to be determined once the full scope of the review is determined. It is assumed that the review of the Special Education model will be able to be conducted by the Pennsylvania Department of Education or the District will receive support from PDE to fund this evaluation, therefore no costs are shown. The financial impact table below includes the costs of improved signage for PBIS, as well as providing funding for PBIS rewards for students.

### 5 Year Impact

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
PBIS Signage	\$500	\$513	\$526	\$539	\$553	\$2,631
PBIS Rewards for students	\$17,850	\$17,850	\$17,850	\$17,850	\$17,850	\$89,250
<b>Total Annual Impact (\$)</b>	<b>\$18,350</b>	<b>\$18,363</b>	<b>\$18,376</b>	<b>\$18,389</b>	<b>\$18,403</b>	<b>\$91,881</b>

**IN05:** Develop a strategy to recover students from charter schools

In the Commonwealth of Pennsylvania, school districts are required to pay for the education of students who live in the district and wish to attend public schools, even if they are not attending schools operated by the district itself. As of October 2021, approximately 610 Sto-Rox students attended charter schools, including both brick and mortar and cyber charter schools. This is 33.9 percent of the District’s total enrollment. The overall number of charter students enrolled has increased since 2016-17, especially since the pandemic began, while the number of students enrolled at District operated schools has decreased, as shown in the table below.

### SRSD Charter Enrollment <sup>60</sup>

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
In-District Enrollment	1,268	1,224	1,241	1,265	1,168	1,190
Charter Enrollment	542	512	513	567	577	610
<b>Total Enrollment</b>	<b>1,810</b>	<b>1,736</b>	<b>1,754</b>	<b>1,832</b>	<b>1,745</b>	<b>1,800</b>
Charter as % of Enrollment	29.9%	29.5%	29.2%	30.9%	33.1%	33.9%

<sup>60</sup> Enrollment in District-operated schools taken from October 1 data provided to PDE, except for 2021-22 which was provided by the District. Charter enrollment is based on data provided by the District. 2020-21 enrollment is an average monthly enrollment throughout the academic year and 2021-22 is the District’s reported October 2021 charter enrollment.

As a result, while the District's total enrollment (including District operated and charter schools) is almost exactly what it was in 2016-17, a higher proportion of students now attend charter schools. Moreover, the cost of education is growing even more rapidly. While the number of charter school students has grown by 12.5 percent from 2016-17 through 2021-22, the cost of charter school tuition has grown by approximately 60.0 percent, from \$5.2 million to \$8.3 million.<sup>61</sup> This growing enrollment and associated charter tuition payments limit available resources for improving in-district programs and services.

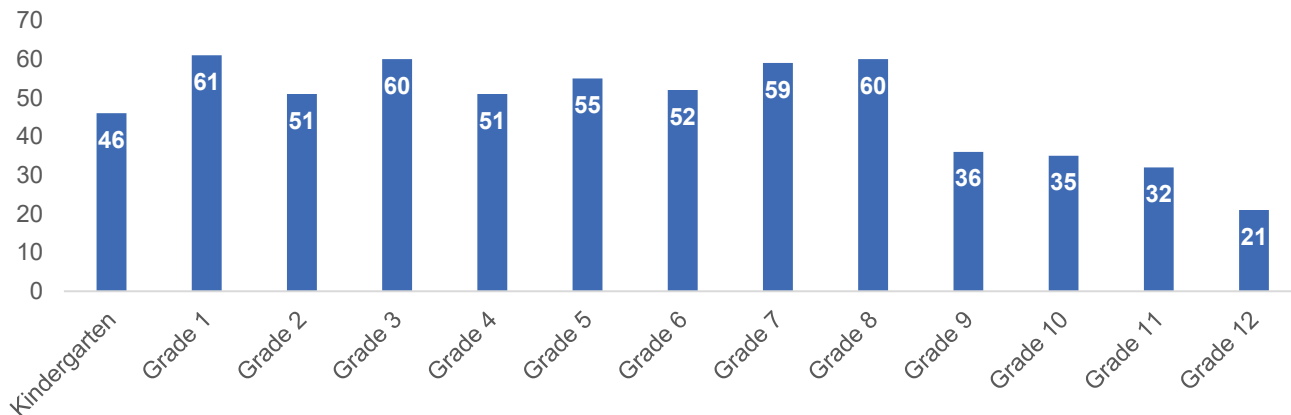
Due to the District's proximity to a number of brick-and-mortar schools, the majority of the District's charter enrollment is at brick-and-mortar schools. This growing enrollment has been compounded by the fact that Sto-Rox is not the authorizer of any of the brick-and-mortar schools and has not been able to negotiate any caps on enrollment, like some host districts. There has been an increase in cyber enrollment in recent years as well, likely due to the impact of COVID-19 on virtual learning nationally.

### SRSB Charter Enrollment by Category <sup>62</sup>

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Brick and Mortar Charter Enrollment	461	474	473	503	500	525
Cyber Charter Enrollment	81	38	40	64	76	85
<b>Total Charter School Enrollment</b>	<b>542</b>	<b>512</b>	<b>513</b>	<b>567</b>	<b>576</b>	<b>610</b>
% of Brick and Mortar	85.1%	92.6%	92.2%	88.7%	86.8%	86.1%
% of Cyber Charters	14.9%	7.4%	7.8%	11.3%	13.2%	13.9%

An analysis of the District's enrollment in charter schools by grade level shows that enrollment ranges between 50 and 60 students for grades 1-8 and is lower in kindergarten and grades 9-12. While a portion of that may be due to the fact that Propel Montour (the charter school with the greatest District enrollment) has been adding high school grade levels and has not yet reached capacity, this also likely means that absent corrective action, charter enrollment is likely to increase for grades 9-12. In addition, it is notable that charter enrollment is not concentrated in just one grade level or building. Recapturing students will take an effort on the part of the entire District.

### SRSB Charter Enrollment by Grade, 2021-22 <sup>63</sup>



The District does not currently have a strategy for rebalancing charter school enrollment or for bringing students back into District buildings. As the District develops a strategy around charter recovery, it will undertake the following actions:

<sup>61</sup> 2016-17 through 2019-20 amounts based on District actuals from the independent audits. In 2021-22, the \$8.3 million is the District's adjusted budget number and includes adjustments based on updated current year enrollment and revised tuition rates.

<sup>62</sup> Based on charter enrollment data from the District.

<sup>63</sup> Data provided by the District in November 2021.

- **Identify a key point of contact around charter recovery:** Due to the limited operational capacity at the District, no individual is currently responsible for monitoring charter enrollment or working on charter recovery. The District will assign this responsibility to a member of staff.
- **Align recovery strategy around academy/career pathways programs:** A key part of the District's strategy for charter recovery is to have a strong academic program to attract students back to the District. As the District develops a plan for recovery, the District will include any plans around establishing academies or career pathways as outlined in IN01. The plan will also incorporate any changes in building or grade configuration, as well as any partnerships with educational institutions or community groups as described in IN01.
- **Conduct market research on charter schools:** In order to be competitive, the District must first understand the reasons students and families are selecting charter schools. The District will conduct market research on the courses offered by charter schools and compare itself to charter schools on key academic metrics, including graduation rate, scores on assessments, and college and career readiness.
- **Survey families:** The District will issue a survey to students and families about the reasons they have selected charter schools.
- **Improve district communications and advertise District programs:** As part of its strategy, the District needs to improve communication with students and families and highlight programs and strategies that are successful. This is connected with CC03 and CC04 around improving District-wide communications and expanding community partnerships.
- **Engage with other districts to negotiate caps on District enrollment:** Sto-Rox is not the authorizing district of any of its brick-and-mortar charter schools, and all cyber charter schools are authorized by the Pennsylvania Department of Education. As a result, the District has limited negotiating power when it comes to agreements with charter schools, including negotiating caps on enrollment. The District will identify the authorizing districts of its brick-and-mortar schools and engage with them to see if caps for Sto-Rox students or other limitations can be added to their agreements with charter schools.
- **Explore virtual education program:** The District currently contracts with the Allegheny Intermediate Unit for its virtual program. The District will evaluate its current contract and program and identify opportunities for expansion or alternative providers and other strategies to increase enrollment for those students choosing cyber schooling.
- **Consider offering a pre-K program:** The District's 2020-21 kindergarten enrollment was 74 students, down from 106 students the prior year, based on the October 1 count provided to PDE.<sup>64</sup> This decline may be the result of the impact on COVID-19. However, declining kindergarten enrollment, if not addressed, could lead to further loss of in-district enrollment. The District does not currently offer a pre-K program, but a vendor operates a pre-K program out of a District-owned building. The District will evaluate whether it could operate its own program or as a satellite site of another district that receives funding for a pre-K program.

Given the lack of a current charter recovery strategy and the need to put a program in place, the assumption is that District charter enrollment will continue to increase in 2022-23 based on historic growth and that as the District begins to implement its strategy in 2023-24, growth continues but at a slower rate. Starting in 2024-25, the District starts to recover students and the total number of students the District is

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<sup>64</sup> Based on Oct. 1 issue as reported to PDE.  
<https://www.education.pa.gov/DataAndReporting/Enrollment/Pages/PublicSchEnrReports.aspx>.

able to recover increases each year. By 2026-27, the District has successfully established a competitive alternative to charter schools and has reduced the total number of students attending charters to 500 students.

### SRSD Projected Charter Enrollment with Charter Recovery

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Recapture
Charter Enrollment	610	630	635	615	570	500	
Difference		20	5	(20)	(45)	(70)	(110)

The following table shows the financial impact of the savings from decreased charter enrollment as well as operational adjustments to reflect the costs to the District associated with further reductions in enrollment in terms of personnel and other costs. It also shows the impact of charter recovery, including hiring additional staff, and the cost of supplies, transportation, and technology.

### 5-Year Impact <sup>65</sup>

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Charter School Tuition	\$0	(\$244,918)	(\$867,592)	(\$2,180,872)	(\$4,114,378)	(\$7,407,760)
Operational Adjustments						
Salaries	(\$132,142)	(\$134,550)	\$36,432	\$247,365	\$534,680	\$551,785
Benefits <sup>66</sup>	(\$51,255)	(\$52,402)	\$4,607	\$87,005	\$200,870	\$188,824
Transportation <sup>67</sup>	\$0	\$0	\$61,975	\$179,108	\$191,718	\$432,801
Supplies	(\$7,395)	(\$9,479)	(\$3,946)	\$15,885	\$44,797	\$39,863
Marketing	\$3,000	\$3,077	\$3,155	\$3,235	\$3,318	\$15,785
<b>Total Annual Impact (\$)</b>	<b>(\$187,792)</b>	<b>(\$438,272)</b>	<b>(\$765,369)</b>	<b>(\$1,648,275)</b>	<b>(\$3,138,995)</b>	<b>(\$6,178,702)</b>

<sup>65</sup> The financial impact of charter tuition includes the impact of adjusting the District's ADM in its PDE-363 tuition rate calculations and all other Recovery Plan initiatives.

<sup>66</sup> Benefits costs are net of reimbursements the District may receive for Social Security and PSERS.

<sup>67</sup> Transportation costs are net of the impact to the District's transportation subsidy.

## Other Initiatives

- **Implement all CSI/A-TSI plans with fidelity:** As the District develops or updates its CSI and A-TSI plans, it will align those plans with the strategies outlined in this Recovery Plan and in recognition of Pennsylvania's Essential Practices for supporting improvement in teaching and learning.
- **Hire social workers to provide support to Districts:** The District is already planning to use a portion of the ARP ESSER wrap-around funding to hire a licensed social worker to address behavioral challenges and assist with the PBIS model. This position would be funded through grant funding until the expiration of the grant.
- **Hire additional Math and Reading Specialists:** These positions would support efforts in early grades. It is expected that these positions would be supported through grant or ESSER funding.
- **Reconfigure assistant principal positions at high school:** Currently, at the junior/senior high school, there are two assistant principals and the Superintendent served as the principal. The District will restructure the leadership of the high school to establish a lead principal to improve accountability.
- **Add student representatives to the School Board:** The District's School Board will add student representatives to its membership.
- **Recognize student achievement at Board meetings:** The recognition can be based on a number of criteria, including academic or athletic achievements, attendance, or service to the community.
- **Continue to work with Mass Insight on strategies to support the implementation of this Plan:** The Fall 2021 District Diagnostic helped to inform this Recovery Plan. The District should identify ways to engage with Mass Insight to support the implantation of initiatives in this Plan.

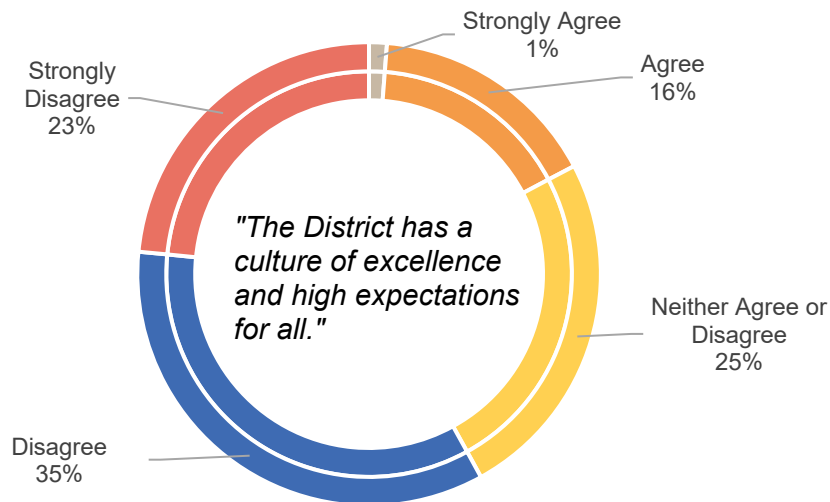
# Culture and Climate

## Overview

A school's culture and climate, while often used interchangeably, refer to different things. An organization's climate refers to the attitude of an organization, including morale and how people feel. Culture refers to the organization's personality, or the ways things are done in the school, including unwritten processes or procedures.<sup>68</sup> Issues of culture and climate are often at the center of how successfully an organization is running; they both connect to other features of this Plan, including instruction, talent management, and safety.

The Fall 2021 Sto-Rox District diagnostic conducted by Mass Insight surveyed staff on a number of areas, including vision, strategy, and culture. The diagnostic found that there was a lack of connection between District's vision and plans and the daily activities of the District, and that many staff don't understand the District's vision and goals. Notably, only 17 percent of staff felt that the District has a culture of excellence and high expectations.

### SRSD District Diagnostic Survey Results



**Key Finding 1: The District needs to create a culture of excellence and high expectations for all, including administration, students, and staff.**

Mass Insight also found that a critical issue in improving culture and climate was better communication between school leadership and staff, and greater engagement between the schools and the community. The District's community includes parents and families as well as other key stakeholders including police departments, local non-profits, and other organizations. Expanding the District's relationships to create engagement with and support of the schools in the community is another piece of improving culture and climate.

<sup>68</sup> "School Culture, School Climate: They Are Not the Same Thing". Steve Gruenart, National Association of Elementary School Principals. <https://www.naesp.org/sites/default/files/resources/2/Principal/2008/M-Ap56.pdf>.

**Key Finding 2: Key ingredients in creating a culture of excellence include improved communication and greater community engagement.**

Improving the culture and climate at Sto-Rox will take administrators and staff working together to address issues, improve performance, and to establish a culture of high expectations and mutual respect for all. The initiatives laid out in this chapter serve as the first steps toward improving the culture and climate, improving communications, and expanding the engagement of the District with the community.

The individuals responsible for implementing the initiatives for the Culture and Climate chapter of the Recovery Plan include the Chief Recovery Officer, Superintendent, Assistant Superintendent, Building Principals, Community outreach coordinator (as outlined in Plan initiative CC04), District union representatives, and staff receiving stipends to support the Recovery Plan (as outlined in Plan initiative CC05). The District may also receive support from the Allegheny Intermediate Unit.

**In order to address concerns around communication and improve the climate at the District, the District will undertake the following actions:**

- Establish a common vision and values for the District
- Clarify roles and responsibilities
- Improve District-wide communication
- Expand community partnerships
- Engage staff for Recovery Plan support

## Initiatives

**CC01:** Establish a common vision and values for the District

As part of setting a clear vision and strategy for the District, it must develop consensus on what the District will look like in the future, accept the need for changes in practice, and communicate the new vision and values to all stakeholders. As part of this effort, the District will:

- **Review and update District vision and mission statements:** The District currently has mission and vision statements that are posted on the District’s website, included in strategic planning documents, and building plans. These statements were developed based on stakeholder input. However, as noted by Mass Insight, there is limited correlation between the vision and mission statements and daily activities of the District. The District will review the existing statements and update them as needed with the input and involvement of all stakeholders. Once adopted, the District will engrain this mission and vision into all aspects of the organization.
- **Establish core behaviors and values:** These behaviors will serve as the foundation of this Plan and guide the implementation of the vision and mission, as well as behaviors of all District employees. The Chief Recovery Officer has already established several core behaviors to guide District operations in the development of this Recovery Plan, including:
  - Commitment
  - Accountability



- Communication
- Transparency
- Honesty

The District’s current strategic plan also identifies shared values for the District. The District will work to integrate the core behaviors and values into its updated mission and vision statements and utilize examples of how these values will be implemented at the District.

- **Develop a balanced scorecard for the District:** The District will develop a balanced scorecard – a simple management system to track improvement on key metrics – with measurable goals that are reviewed on an annual basis.
- **Define what a successful District graduate looks like:** The District will define the characteristics, skills, and expectations of a successful District graduate.

**CC02:** Clarify roles and responsibilities

The Sto-Rox School District has a small administrative and leadership team which has experienced significant turnover; several positions are currently vacant or filled by interim staff. This Recovery Plan also outlines additional changes to the District’s structure. In order to clarify roles and responsibilities to staff, students, and families now and in the future, the District’s Superintendent will:

- **Create organizational chart:** The District’s most recent organizational chart is from 2012 and does not accurately reflect the District’s current structure. The District will update the organizational chart to show today’s structure and maintain an updated organizational chart moving forward. The organizational chart and leadership contact information will be made available on the District’s website, as well as in student and staff handbooks.
- **Identify primary contacts for key responsibilities:** In addition to updating the District’s organizational chart, the District will create and regularly update a contact sheet that identifies the key points of contact at the District for important functions, including buildings, facility repairs, federal programs, and food service. It will also identify the point of contacts for District communications, as mentioned in Plan initiative CC03 and for safety-related concerns as outlined in SS01. This list should also be available to all staff electronically.
- **Update District website with biographies of staff:** The District will update its website with information on the experience and background of its administrative and instructional staff.
- **Review Board policies:** As part of improved transparency, the District will engage a vendor to undertake a policy manual review to ensure policies and practices are written with equity, inclusion, and belonging in mind. The review will include all policies, but the District will ask the vendor to focus in particular on policies around discipline, school safety, virtual learning, and COVID-19 related operational changes.

### 5-Year Impact

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Board Policy Review	\$20,000	\$0	\$0	\$0	\$0	\$20,000
<b>Total Annual Impact (\$)</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>

**CC03: Improve District-wide communication**

The diagnostic performed by Mass Insight recommended that the District establish a consistent set of tools and processes around communication. In order to improve communication across the District, the District will undertake the following actions:

- **Implement a weekly email to staff:** The email should come from the Superintendent to all staff members on a weekly basis and include relevant news and information, the schedule for upcoming events, descriptions of new policies, or other staff or administrative changes. The email should also celebrate accomplishments by school staff and students. The Superintendent will also hold regular meetings with staff and use surveys to improve communication between staff and District administration.
- **Increase use of surveys:** The District will increase the use of surveys internally with staff and ensure that staff surveys and input are collected regularly, including at the end of in-service trainings. The District should also issue surveys to students, families, and the community to get their perspectives on District operations. To the extent practicable, the results will be shared with those surveyed, the Board and other stakeholders.
- **Hold District meetings in the community:** District meetings are primarily held at District buildings, which have limited public transportation options, which in turn may prevent families and community members from participating. The District will consider holding stakeholder meetings in easily accessible locations in the community to ensure all voices are heard and to increase opportunities for community engagement.
- **Contract with vendor to improve District messaging:** This vendor will be responsible for external and internal communications to staff, students, and families. This will be critical to changing the impression of the District, advertising new opportunities, and returning students to the District. This will include marketing, outreach, and promotional materials as well as social media and other efforts. The vendor can also help to support community partnerships as outlined in CC04. The District has already received a proposal from the Allegheny County Intermediate Unit to support the District’s communications, reflected in the proposed cost in the table below.

**5-Year Impact**

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Contract with communications vendor	\$36,500	\$36,500	\$36,500	\$36,500	\$36,500	\$182,500
<b>Total Annual Impact (\$)</b>	<b>\$36,500</b>	<b>\$36,500</b>	<b>\$36,500</b>	<b>\$36,500</b>	<b>\$36,500</b>	<b>\$182,500</b>

**CC04: Expand community partnerships**

The District’s limited operational capacity has constrained its ability to participate in community groups, develop relationships with local businesses, and bring attention about the District’s financial situation to local elected officials. The District needs to engage more with local businesses, non-profit organizations, area officeholders and other leaders to provide services to students, identify partnerships for students, and leverage these relationships into improved opportunities for the District and its students.

- **Create community outreach coordinator position:** This position will help support the District's external relationships to create opportunities for children, including community outreach, partnerships with local businesses, developing internship and externship options for students, and credit-sharing opportunities with higher education institutions.

The District will review the cyber coordinator position to determine if these functions can be performed by the individual currently in the cyber school coordinator role, as this position will also be involved in charter recapture. The cyber coordinator position at the District is currently responsible for providing supports to families involved in the District's Virtual Vikings program, checking in on students, and providing an orientation to the program. As currently imagined, this position will retain the responsibilities of the existing cyber school coordinator position, but the position will also have additional responsibilities for community outreach and partnerships, as described in Plan initiatives IN02, the Resource Management chapter and later in this initiative. If necessary, the District may consider stipends for instructional staff to support students in the cyber program to allow the community outreach coordinator position to focus on external relations.

- **Engage with community groups to support District activities:** The District already works with Communities in Schools on workforce and safety issues, and has entered into a Memorandum of Understanding with a number of organizations as part of the Sto-Rox Youth Partnership. These organizations are critical to helping provide the District with additional supports and opportunities for students. The District will continue these efforts, and increase engagement in other areas, such as improving relationships with local police departments and township officials as outlined in Plan initiative SS03. The Chief Recovery Officer and Superintendent will also be important to these efforts.

As the cyber school coordinator position already exists at the District, no additional costs are anticipated for the community outreach coordinator position. The impact table below assumes small stipends for staff to support cyber charter students and families.

### 5-Year Impact <sup>69</sup>

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Cyber student support stipends	\$10,909	\$10,918	\$10,925	\$10,934	\$10,941	\$54,626
<b>Total Annual Impact (\$)</b>	<b>\$10,909</b>	<b>\$10,918</b>	<b>\$10,925</b>	<b>\$10,934</b>	<b>\$10,941</b>	<b>\$54,626</b>

#### CC05: Engage staff for Recovery Plan support

As mentioned earlier in this Recovery Plan, the District has limited administrative capacity. In order to support the implementation of the initiatives in this Recovery Plan, the District will identify at least one staff member to support each chapter of the Plan. These volunteers will work along with the Chief Recovery Officer, Superintendent, and District to implement Plan provisions and support the activities laid out in this plan. Approved volunteers may be paid an annual stipend as determined by the District, or the District may identify another form of non-financial compensation.

The administrative team will meet quarterly to provide updates on the Plan's implementation. The District's weekly administrative team meetings will also focus on the Plan and initiatives.

<sup>69</sup> Assumes stipends of \$2,000 for 5 individuals. Impact is inclusive of associated benefits and net reimbursements.

The table below assumes five employees for each year.

### 5-Year Impact <sup>70</sup>

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Recovery Plan stipends	\$21,817	\$21,835	\$21,849	\$21,869	\$21,881	\$109,252
<b>Total Annual Impact (\$)</b>	<b>\$21,817</b>	<b>\$21,835</b>	<b>\$21,849</b>	<b>\$21,869</b>	<b>\$21,881</b>	<b>\$109,252</b>

### Other Initiatives

- **Increase use of focus groups and surveys:** The District will seek opportunities to increase the use of focus groups and surveys to gain perspectives from all stakeholders.

<sup>70</sup> Assumes stipends of \$4,000 for 5 individuals, one for each chapter of the Recovery Plan. Impact is inclusive of associated benefits and net reimbursements.

# Talent Management

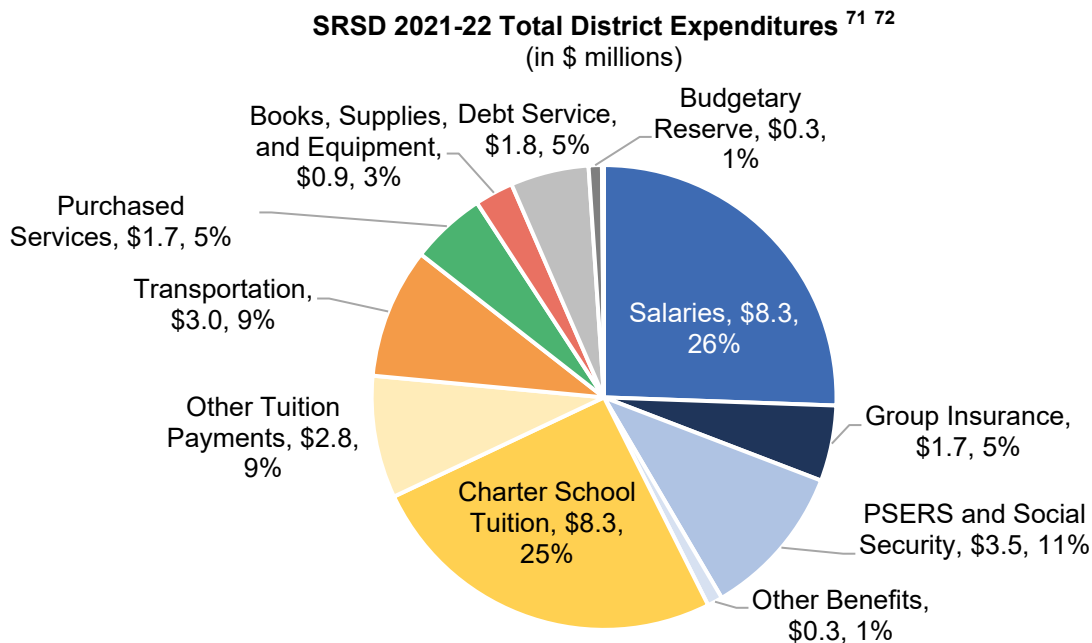
## Overview

A strong and effective workforce is critical to the success of any school district. Students and parents depend on district staff members to provide quality instruction, a safe learning environment and support services. In order to operate effectively, districts must be able to attract and retain highly-skilled teachers and other workers.

At the same time, the Sto-Rox School District's finances are severely constrained by limited revenues and rising expenditures, as shown in the baseline financial projections for this Recovery Plan. Historically, the District's finances have limited the amount available for compensation for staff. The initiatives in this chapter are intended to create a framework to identify cost savings to enable the District to afford increases in salaries, control growth in benefits costs where possible, and provide additional supports to improve the District's management of staff, while improving instruction for children in the District.

**Key Finding 1: The District spends almost the same amount on salaries for District staff as it does on charter tuition.**

To understand the District's personnel dynamics, it is important to understand that staff wages and benefits (represented by all the shades of blue in the below chart) are a key driver of the District's budget and expenditures. Personnel costs account for almost 43 percent (\$13.9 million) of the District's total 2021-22 expenditures (\$32.6 million). The District is projected to spend \$8.3 million on salaries alone, which represents 25.6 percent of the District's budget.



<sup>71</sup> Salaries include extra duty and other pay. Group insurance includes health insurance, dental, and vision. Other benefits include tuition reimbursement, unemployment compensation, workers compensation, and OPEB. Social Security and PSERS are gross costs, not inclusive of reimbursements.

<sup>72</sup> Data shown is based on the District's 2021-22 budget provided by the Chief Recovery Officer and includes additional adjustments based on ongoing financial updates from the District. As a result, there may be differences between the District's adopted 2021-22 budget and the numbers shown here.

The District also projects \$8.3 million in 2021-22 in charter tuition costs for District students who are attending charter schools, or approximately 25.4 percent of the budget. The District is projecting to spend almost equivalent amounts on salaries for staff to provide services to students in the District as they are in funding tuition for students attending charter schools.

**Key Finding 2: The District’s expenditures on charter tuition, other tuition, and transportation limit the amount available to be spent on other costs, including personnel.**

The District also spends a significant portion of its annual budget on other tuition and transportation. In FY2021-22, the District is projected to spend almost \$2.8 million on other tuition, including payments to approved private schools and private residential rehabilitative institutions (PRRIs), both of which are primarily for students who require services that can’t be provided at the District.

The District is projected to spend another \$3.0 million on transportation in FY2021-22, including costs for transporting students to charter schools and other placements. As discussed in RM02, the rates the District must pay for charter tuition are based on information provided by the District, and transportation and other tuition rates are established in the respective provider contracts. In total, the District is projected to spend almost 43 percent of its budget on charter tuition, other tuition, and transportation, on top of the almost 43 percent it is spending on salaries and benefits for staff. Only approximately 14.4 percent of the District’s budget is not spent on salaries, benefits, tuition, or transportation. A portion of that remaining budget is for relatively fixed amounts, such as debt service.

**SRSD 2021-22 Expenditures by Category** <sup>73</sup>  
(in \$ millions)

Category	Amount	Percent of Budget
Salaries	\$8.3	25.6%
Benefits	\$5.6	17.1%
Charter Tuition	\$8.3	25.4%
Other Tuition	\$2.8	8.5%
Transportation	\$3.0	9.1%
All Other Expenditures	\$4.7	14.4%
<b>Total</b>	<b>\$32.6</b>	<b>100%</b>

An analysis of expenditures shows that the District spends less in personnel costs as a portion of total expenditures than other districts in Allegheny County. In 2019-20, 39.0 percent of the District’s expenditures were spent in personnel costs, including salaries and benefits. <sup>74</sup> As shown in the table below, other districts in the county spent a median of 57.7 percent on personnel costs, 18.7 percentage points more than the District.

**SRSD and Allegheny County Districts: Personnel Costs as a Percentage of Expenditures** <sup>75</sup>

	% of Total Exp
SRSD Portion	39.0%
Median (excl. SRSD)	57.7%
SRSD Difference	(18.7%)

<sup>73</sup> Due to rounding, percentages may differ between this table and the pie chart on the previous page.

<sup>74</sup> Due to differences in years, the percentage spent on personnel costs may be different. Data is based on PDE-reported AFR data.

<sup>75</sup> Based on 2019-20 annual financial report (AFR) data published by PDE. The portion is based on net personnel costs, including expenditure object codes 100, 200, and revenue codes 7810 and 7820, or Social Security and PSERS reimbursements. The analysis is based only on costs from funding source 10.

The District's financial circumstances leave it with limited options for reducing spending. The District does not currently have a strategy to return students from charter schools, and its current transportation contract goes through FY2023-24. The District has been able to control growth in group insurance costs for employees due to its participation in the Allegheny County School Health Insurance Consortium, but the District is also required to make PSERS payments and the contribution rate has been increasing and is out of the District's control. Other expenditures include the District's debt service payment of \$1.8 million as well as supplies, equipment, property services, utilities for District facilities, and contracted services for educational and operational supports. The result is limited available resources to invest in personnel.

**Key Finding 3: Growth in District personnel costs has been primarily driven by growth in benefits, not salaries.**

The District negotiates with three collective bargaining groups: Act 93 (administrators), SREA (teachers), and SRESPA (support professionals).<sup>7677</sup> The District has agreements with Act 93 and the support professionals union that run through the end of FY2022-23, while the teachers' contract expired at the end of FY2020-21.

The current support professionals' contract outlines salary increases and step movement for all employees each year, and the expired teachers' contract included step movement in three of the last five years as well as some salary increases.<sup>78</sup> Despite this, the District's salary expenditures have only increased by 0.9 percent compound annual growth between 2016-17 and 2021-22 (4.7 percent total growth over that period), likely due to turnover and not filling vacancies.

The majority of the District's rise in personnel costs has been due to benefits, which increased by 2.4 percent compound annual growth from FY2016-17 through FY2021-22 (12.4 percent total growth over that period). That rate is largely a result of increases in health insurance costs and PSERS contributions. PSERS contributions are required for districts to make on behalf of employees. The District participates in the Allegheny County School Health Insurance Consortium (ACSHIC), which has helped to control the District's health care costs.

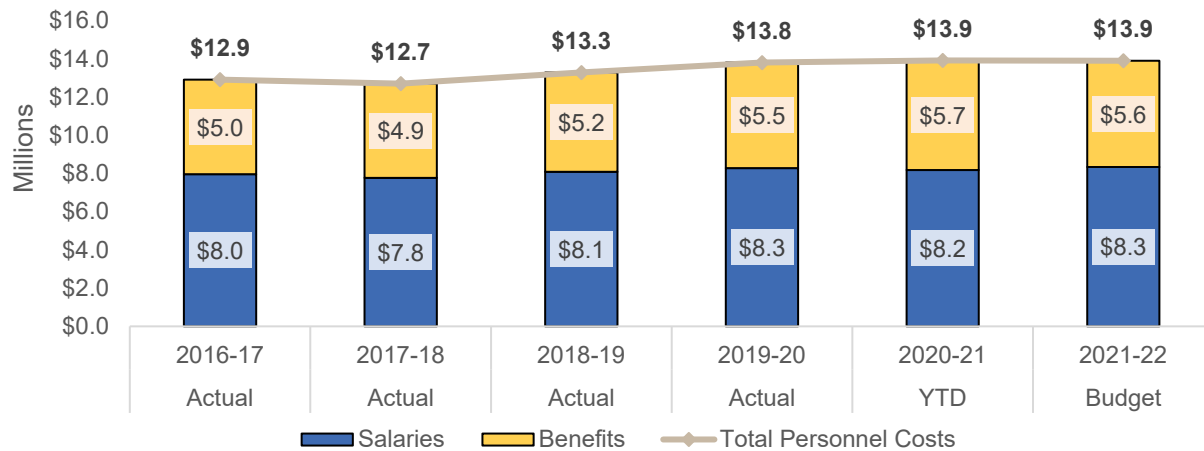
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<sup>76</sup> Act 93 is technically a "meet and discuss" group, but is included as a collective bargaining group in this chapter.

<sup>77</sup> The SRESPA contract includes secretaries, custodial/maintenance workers, paraprofessional aides, and cafeteria workers.

<sup>78</sup> In 2018-19 and 2019-20 the teachers' collective bargaining agreement included step movement and increases to the top step only. In FY2020-21 all positions on the salary schedule increased by \$1,000.

**SRSD Historic Personnel Costs 2016-17 – 2021-22** <sup>79 80 81</sup>  
(in \$ millions)



As noted in the District diagnostic from Mass Insight, salaries for the District are below the average for Allegheny County. District staff also report that low salaries provided to employees make it difficult for the District to attract and retain talented staff, leading to long-term vacancies in several positions.

The baseline financial projection for this Recovery Plan includes no salary increases for existing staff beyond the expiration of existing contracts. Given the District’s financial condition, there are limited resources available to provide regular increases to staff. However, offering no salary increases for employees over the next five years does not recognize the important service they provide to District students under challenging circumstances and will not help the District address its already-difficult hiring and retention situation.

The District’s receipt of federal support through three rounds of federal Elementary and Secondary School Emergency Relief (ESSER) funding,<sup>82</sup> designed to help states and districts address the impact of COVID-19 on students and learning, provides an opportunity for the District to use a portion for staff. However, these are one-time funds that will not be available for the District to use throughout the duration of this Recovery Plan.

The District has received almost \$14.2 million in ESSER funding across the three allocations: ESSER I, ESSER II, and ARP ESSER.<sup>83</sup> The District’s financial position has caused it to use the majority of ESSER I and ESSER II funds on items directly related to the pandemic, such as purchasing 1:1 devices for students, and for cleaning supplies. The remainder of the funds have been used to fill the existing budget gap due to the District’s operating deficits. Of the remaining ARP ESSER funding, 20 percent is required to be spend by districts to remediate student learning loss due to COVID; the balance will also be needed to help reduce the operating deficits outlined in the baseline projection of this Recovery Plan. However, a portion of this funding has been identified by the District to be used for salary increases for staff.

The initiatives in this chapter are intended to create a framework for the District to invest in its staff, provide them with additional resources and supports, and implement policies and practices that

<sup>79</sup> Salaries includes extra duty and other pay. Benefits includes total benefits for health insurance, Social Security, PSERS, tuition reimbursement, unemployment compensation, workers compensation, and OPEB. Social Security and PSERS are gross costs, not inclusive of reimbursements.

<sup>80</sup> 2021-22 budget data is based on the budget provided by the Chief Recovery Officer.

<sup>81</sup> Data is based on the District’s independent audits, year to date (YTD) actuals and budget. YTD is based on unaudited actual information provided by the District and is not yet completed for 2020-21.

<sup>82</sup> Three rounds of ESSER funds have been allocated through the CARES Act (ESSER I), CRRSA Act (ESSER II), and American Rescue Plan Act (ARP ESSER). <https://www.education.pa.gov/Schools/safeschools/emergencyplanning/COVID-19/CARESAct/Pages/default.aspx>

<sup>83</sup> This amount also includes amounts allocated to the District through Act 24.



encourage District talent while allowing the District to operate more efficiently and effectively to serve students.

The individuals responsible for implementing the initiatives in the Talent Management chapter of the Recovery Plan include the Chief Recovery Officer, Superintendent, Assistant Superintendent, Human Resources Manager (as outlined in Plan initiative TM01), Business Manager, and staff receiving stipends to support the Recovery Plan (as outlined in Plan initiative CC05).

**In order to improve the talent management functions of the District, the District will undertake the following actions:**

- Assign Human Resources Office responsibilities to District staff or contract functions out
- Negotiate affordable collective bargaining agreements that align with District goals
- Improve staff attendance
- Strengthen staff evaluations
- Establish policies and procedures that support District talent

## Initiatives

**TM01:** Assign Human Resources Office responsibilities to available and qualified District staff or contract functions out

The Sto-Rox School District does not have a Human Resources Department and does not employ a Human Resources Manager. Instead, the District has one secretarial position assigned to handle payroll, personnel, and benefits; that position is currently vacant. Other benefits-related work is performed for the District by the Allegheny County School Health Insurance Consortium (ACSHIC).

The majority of the other functions typically performed by school district HR offices, including employee hiring, onboarding, employee evaluations, addressing grievances, and processing staff and volunteer clearances have been performed by the former Superintendent and other administrators or have not occurred at all.

The District needs additional support for its HR functions in order to properly execute day-to-day activities, but also to support increased efforts around recruitment, retention, and improved staff evaluations as documented in this chapter. In order to improve HR capacity, the District will consider:

- **Contracting HR functions to an outside vendor:** Other districts in Allegheny County have already contracted these functions out to the Allegheny County Intermediate Unit (AIU). These contracted functions could be on a full-time or part-time basis.
- **Hiring a HR Manager on a part-time basis:** This could be done by sharing a position with another school district, or hiring an individual to support the District for a limited number of hours per week.
- **Hiring a HR Manager on a full-time basis:** While hiring a full-time HR Manager would give the District the most internal capacity, in light of the District's financial limitations this is the least likely option.

Many of the initiatives outlined in this chapter assume additional HR support will be provided through additional external or internal support.

The District has recently entered into an arrangement with the Allegheny Intermediate Unit (AIU) to provide payroll processing and reporting services. Savings from not filling this vacancy are shown in Plan initiative RM02. The contracted HR Manager functions are inclusive of the payroll preparation services costs outlined in the AIU agreement. The financial impact table below assumes the District pays for a portion of the salary for a HR Manager through the AIU, but the costs shown do not include benefits. If the District selects another option, costs will need to be adjusted.

### 5-Year Impact

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Contract HR Manager functions to AIU <sup>84</sup>	\$60,000	\$63,180	\$66,529	\$70,055	\$73,767	\$333,531
<b>Total Annual Impact (\$)</b>	<b>\$60,000</b>	<b>\$63,180</b>	<b>\$66,529</b>	<b>\$70,055</b>	<b>\$73,767</b>	<b>\$333,531</b>

**TM02:** Negotiate affordable collective bargaining agreements that align with District goals

As mentioned earlier, the District currently is party to three collective bargaining agreements for employees. During the term of this Recovery Plan all of the District’s collective bargaining contracts will expire and need to be renegotiated. The contracts with the District’s Act 93 (administrative) employees and with SRESPA (support professionals) expire in June 2023 and the contract with SREA (teachers) expired in June 2021.

### Sto-Rox School District Membership by Union <sup>85</sup>

Union	Positions	Member Count	Contract Expiration
Act 93 <sup>86</sup>	District administrators, including principals, and assistant principals	13	6/30/2023
SREA	District teaching staff	101	6/30/2021
SRESPA	District clerical staff, custodial staff, maintenance staff, and paraprofessional staff (instructional aides)	37	6/30/2023

Despite the District’s significant financial challenges, as outlined in the baseline projection and revised scenario, the Chief Recovery Officer’s preferred strategy is to make investments in the personnel at the District by using a portion of the District’s ESSER funding. Given the District’s financial position and annual financial shortfalls, the District does not have sufficient resources remaining to provide salary increases after the expiration of ESSER funds in 2023-24.

<sup>84</sup> The District finalized a shared services agreement with the Allegheny IU in the 2021-22 school year. It is assumed that the responsibilities of the HR Manager would also include the costs of the payroll preparation services in the current agreement.

<sup>85</sup> Member count is based on data provided by the District as of September 2021. This member count does not include coaches or other individuals who receive a stipend.

<sup>86</sup> Two clerical employees with administrative responsibilities are included in the Act 93 group. It also includes the District’s Athletic Director and another vacant position in the 130-object code level.

The table below shows the District's projected salaries in the baseline scenario. As the teachers' contract expired in FY2020-21, no increases are presumed in future years. Increases in the amounts for Act 93 and SRESPA are based on wage increases already included in the existing collective bargaining agreements, which expire in FY2022-23. There are no additional increases included for any employees after FY2022-23 in the baseline scenario.

**SRSD Baseline Total Salaries** <sup>87 88 89</sup>

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Act 93	\$1,002,492	\$1,027,554	\$1,027,554	\$1,027,554	\$1,027,554	\$1,027,554
SREA	\$5,851,250	\$5,851,250	\$5,851,250	\$5,851,250	\$5,851,250	\$5,851,250
SRESPA	\$1,221,094	\$1,196,392	\$1,196,392	\$1,196,392	\$1,196,392	\$1,196,392
<b>Total</b>	<b>\$8,074,836</b>	<b>\$8,075,196</b>	<b>\$8,075,196</b>	<b>\$8,075,196</b>	<b>\$8,075,196</b>	<b>\$8,075,196</b>

Even after instituting the other cost-saving and revenue-generating initiatives in this Recovery Plan, the District's annual results in the out years are narrowly positive or even negative. As part of negotiating collective bargaining agreements that meet the District's financial and educational goals, the District will undertake the following actions:

*Salary Increases*

The District will provide modest amounts for salary increases for all bargaining units.

- **Offer salary increases to staff:** For the duration of time while the District is subject to the provisions of the School District Financial Recovery Law,<sup>90</sup> the District shall conduct a full cost analysis of any salary proposal offered to employees, including all compensation and benefits over the full period affected by the proposal. The analysis shall be conducted by an independent third party and shall confirm that the total cost of the proposed increases is within the amounts set below.

The following table shows the maximum annual total amount of salary increases by bargaining group. Increases are based on the salary amounts in the FY2021-22 revised budget.

**SRSD Recovery Plan Salary Increases** <sup>91</sup>

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Act 93 Increases	\$0	\$25,689	\$25,689	\$25,689	\$25,689	\$102,755
SREA Increases	\$217,227	\$315,612	\$315,612	\$315,612	\$315,612	\$1,479,673
SRESPA Increases <sup>92</sup>	\$25,922	\$58,702	\$58,702	\$58,702	\$58,702	\$260,732
<b>Total Annual Impact (\$)</b>	<b>\$243,149</b>	<b>\$400,003</b>	<b>\$400,003</b>	<b>\$400,003</b>	<b>\$400,003</b>	<b>\$1,843,160</b>

SREA increases are shown starting in FY2022-23, as is an adjustment to increase the rate of paraprofessionals in the SRESPA bargaining group, while Act 93 and increases for other SRESPA

<sup>87</sup> The baseline scenario assumes increases by union based on the District's existing collective bargaining units through 2022-23.

<sup>88</sup> This scenario presumes one custodial vacancy goes unfilled in FY2022-23. No furloughs or layoffs are presumed.

<sup>89</sup> This table does not include other salary impacts, including extra duty, temporary salaries, or other pay.

<sup>90</sup> Act 141 of 2012 <https://www.legis.state.pa.us/cfdocs/legis/li/uconsCheck.cfm?yr=2012&sessInd=0&act=141>.

<sup>91</sup> This plan also accounts for the cost of increases in benefits associated with the salary increases, which are not shown here. Total costs are shown in the financial impact table for this initiative.

<sup>92</sup> While the District's collective bargaining agreement with SRESPA does not expire until 2022-23, the financial impact includes the increases from adjusting the salary schedule for paraprofessionals starting in 2022-23 as described later in this chapter. Other SRESPA employees would begin to receive increases following the expiration of the current contract and negotiation of new agreement.

employees are shown after the expiration of the current contract in FY2023-24. After FY2023-24, no additional increases to salaries are assumed. The totals above are the maximum the District is allocated in each year by this Recovery Plan. While the baseline may change over time due to fluctuations in the number of positions, the total overall annual dollar increase in costs will not exceed the numbers shown for each bargaining group in the table above. These increases are also contingent on the other provisions outlined in this initiative, including adjustments to benefits.

**Benefits**

Given the District’s financial position, any increases to salaries need to be largely offset with revenue increases or expenditure reductions. The District will consider the following strategies to achieve sufficient financial savings, including:

- **Offer retirement incentives to eligible employees:** The District may offer retirement incentives to eligible instructional employees during the term of any future contract. The District will determine the terms of the incentive as well as the minimum number of employees that will be required to participate in the program for it to be offered. The terms of the incentive and the number of employees must be approved by the Chief Recovery Officer. Staff will be required to provide sufficient notice of their participation in the program at a date established by the District to ensure classroom coverage and to allow the District the opportunity to fill vacant positions.
- **Increase the employee share of health care contributions:** Currently, all employees who participate in the District’s health insurance program are covered through an Exclusive Provider Organization (EPO) plan. The District currently pays for the majority of health care costs for employees, with employer costs ranging from 93.5 to 95.4 percent of total costs and budgeted at \$1.6 million in 2021-22.<sup>93</sup> Employees who elect individual coverage pay \$40 per month in coverage, while all other coverages are \$80 per month to the employee. As shown in the table below, the majority of employees are in the individual plan and family plans, which are the least expensive and most expensive of the five plans.

**SRSD 2021-22 Health Care Rates<sup>94</sup>**

Coverage	Employee Count	Monthly HC Rates	Employee Share	Employer Share	% Employee	% Employer
Individual	41	\$611.76	\$40.00	\$571.76	6.5%	93.5%
Parent Child	4	\$1,372.19	\$80.00	\$1,292.19	5.8%	94.2%
Parent Children	6	\$1,509.38	\$80.00	\$1,429.38	5.3%	94.7%
Employee/Spouse	18	\$1,661.91	\$80.00	\$1,581.91	4.8%	95.2%
Family	39	\$1,728.04	\$80.00	\$1,648.04	4.6%	95.4%

The District will consider increasing the amount paid by employees to a set percentage of premium for health care costs.

The District may also consider other adjustments to benefits outside of what is outlined in this chapter, and may identify additional savings through other strategies outlined in this Plan, such as conducting a health eligibility audit as described in RM02. However, all adjustments in total must be sufficient to offset the proposed salary increases in this Recovery Plan. If the District is successful in generating additional savings through retirement incentives or benefits beyond those required by the Plan, those savings may be redirected to the District based on the priorities established by the Chief Recovery Officer and outlined in the Resource Management chapter of this Plan and shown in the table on the following page.

<sup>93</sup> Does not include insurance costs for dental, vision, or life insurance.

<sup>94</sup> Information provided by District.

## SRSD Allocation Framework

Priority	2022-23	2023-24	2024-25	2025-26	2026-27
Fund balance and reserves	Up to 50 percent	Up to 50 percent	Up to 50 percent	Up to 50 percent	Up to 50 percent
Capital Investments	Up to 25 percent	Up to 20 percent	Up to 20 percent	Up to 20 percent	Up to 20 percent
Salary Increases	Up to 25 percent	Up to 20 percent	Up to 20 percent	Up to 20 percent	Up to 20 percent
Reduce Tax Increases	Not applicable	Up to 10 percent	Up to 10 percent	Up to 10 percent	Up to 10 percent

Similarly, if the District receives revenue beyond what is projected in this Recovery Plan, it may allocate it based on District priorities as established by this Plan. The CRO shall direct the District to make these investments under the authority granted by Section 642-A(a)(13) of Act 141.

### *Contractual provisions*

In addition to making adjustments related to salaries, benefits, and retirement incentives, many of the District's working conditions are outlined in the collective bargaining agreements. During the Fall 2021 District Diagnostic, Mass Insight identified the following contractual issues that impact student achievement:

- **Adjust the number of instructional days:** The District currently has a school work year of 190 days for instructional employees, including 180 instructional days, five in-service days, and five clerical days. The District will seek to increase the number of instructional days and adjust the number of instructional, clerical, and in-service days accordingly. This is designed to provide students with increased instructional time and enhance time for employees' professional development as outlined in IN03. The collective goal is to provide increased academic support for students by providing opportunities for them to achieve success in their instructional programs.
- **Adjust instructional schedule:** As noted by Mass Insight, the District's current contract provides limited time in teacher schedules for instructional improvement activities, data review, or collaborative planning. As part of a collective effort between administrators in collaboration with teachers, the District will undertake a review of the existing schedules, and identify additional opportunities for professional development, including the establishment of Professional Learning Communities as discussed in IN03.
- **Increase District flexibility in staffing assignments:** Currently, staffing assignments at the District are primarily based on the seniority of staff, rather than on teacher qualifications or educational and operational need. As noted in the Mass Insight report, this limits the ability of principals to exercise authority as building leaders to adjust staffing to meet school and student needs. Establishing flexibility in creating staff assignments will allow the administration to work cooperatively with teaching staff to implement strategies that support enhanced student engagement.
- **Increase rate for long-term substitutes and end use of coverage time for employees:** Due to the lack of reliable substitute teachers, instructional staff often need to provide coverage when a colleague is absent, as described further in TM03. The District will re-bid its contract for substitute teachers and increase the rate for long-term substitutes so the District can end this practice, and allow teachers to focus on the academic achievement of students in the classroom.

- **Provide synchronous learning options virtually:** While not specifically referenced in the Mass Insight report, as a result of the COVID-19 pandemic many schools transitioned to virtual learning. The District will work to offer students as many options as possible to learn, including synchronous instruction.

The following financial impact table below assumes the salary increases as described above. It also assumes that three employees at the top step of the salary schedule take the retirement incentive as offered prior to FY2022-23, and the employee share of health care increases starts in FY2022-23 and continues for each year of this Plan. Although the amount shown in the total personnel impact row is the maximum amount the District will be able to offer each year and the District will not exceed that amount inclusive of salary and benefits, the District may pursue other options as long as it stays within the maximum amounts established by this Plan.

### 5-Year Impact

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Act 93 Increases	\$0	\$25,689	\$25,689	\$25,689	\$25,689	\$102,755
SREA Increases	\$217,227	\$315,612	\$315,612	\$315,612	\$315,612	\$1,479,673
SRESPA Increases	\$25,922	\$58,702	\$58,702	\$58,702	\$58,702	\$260,732
Associated Benefits <sup>95</sup>	\$29,389	\$48,709	\$48,986	\$49,373	\$49,625	\$226,081
Increase employee share of health care contributions	(\$31,932)	(\$38,667)	(\$45,410)	(\$52,161)	(\$58,920)	(\$227,090)
<b>Total Personnel Impact (\$)</b>	<b>\$240,607</b>	<b>\$410,045</b>	<b>\$403,579</b>	<b>\$397,214</b>	<b>\$390,707</b>	<b>\$1,842,152</b>
Retirement Incentive <sup>96</sup>	(\$282,307)	(\$315,703)	(\$316,049)	(\$316,495)	(\$316,887)	(\$1,547,441)
<b>Total Annual Impact (\$)</b>	<b>(\$41,700)</b>	<b>\$94,341</b>	<b>\$87,530</b>	<b>\$80,719</b>	<b>\$73,820</b>	<b>\$294,710</b>

**TM03: Improve staff attendance**

When staff are absent, there is an operational impact on the buildings, as well as a loss of academic opportunity for students. In Sto-Rox, this impact is exacerbated by the fact that the District does not have access to regular substitutes to cover for absent instructional staff. Although the District has an external contract for substitutes, the District reports that the agency has not been successful in identifying substitute teachers, primarily due to the low rate provided in the contract.

In the absence of substitute teachers, District teachers cover the classrooms for their colleagues for a stipend.<sup>97</sup> A natural consequence of this is that the absence of one teacher impacts a number of other individuals: the administrator who must provide coverage, the teacher who takes responsibility for that

<sup>95</sup> Includes health insurance costs, social security, PSERS, and associated retirement reimbursements.

<sup>96</sup>Benefits savings assumes retiring teachers are on the newer PSERS plan covering those hired after 1994. Pennsylvania Department of Education. Reimbursement of Social Security and Medicare Tax Contributions. <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/SS-Medicare-Tax/Pages/default.aspx>.

<sup>97</sup> According to the SREA contract, teachers receive the substitute rate and an additional \$25/day for this service. In addition, the contract states that the District may assign teachers to provide coverage if no teachers volunteer, but no teacher should be involuntarily assigned more than 20 times per year.

classroom by either combining classrooms or moving between classrooms, and the students who suffer academically from not being taught the planned curriculum.

An analysis of District data reveals the average number of staff absences per day by position and is shown in the table below.

**SRSD Average Staff Absences per Day** <sup>98 99</sup>

Position	2019-20	2020-21	2021-22
Teacher	2	7	5
Aide	0	1	0
Administrator	0	1	1
Secretary	1	1	2
Custodian/Maintenance	1	2	2
Cafeteria	3	1	2
<b>Total</b>	<b>7</b>	<b>14</b>	<b>12</b>

Many districts have seen an impact on staff attendance due to the physical and emotional impacts of COVID-19. An article in Time Magazine from November 2021 noted that more than 75 percent of school principals and district leaders nationwide were having trouble finding substitutes to cover teacher absences.<sup>100</sup> In addition to teachers being absent due to contracting COVID-19 or other illnesses, the additional stress of educating students during a global pandemic has had an impact on the mental health of teachers nationally.<sup>101</sup>

However, the absences reported by the District are particularly notable given the small size of the District. The Fall 2021 District diagnostic completed by Mass Insight provides one perspective, stating that the District's financial situation and rumors about layoffs contribute to the high number of absences and incentives for staff to use their allotted days.

Staff are entitled to take the time off allotted to them in their contracts, but in order to address and improve staff attendance, the District will undertake the following actions:

- **Require earlier notification of absences to the District:** Currently, staff inform the District 1 - 2 hours in advance of the start of the school day when they are taking leave, which makes planning difficult. The District will explore options for employees to provide earlier notification. All employees are encouraged to give as much advance notice as possible to ensure adequate coverage.
- **Improve staff attendance reporting capabilities:** Although the District uses an electronic system for tracking attendance, there are no regular reports that go to building principals that show the number of absences taken and balance remaining for each employee. Principals and other managers need to have regular ongoing access to staff attendance information so they can plan coverage and discuss emerging issues with employees.
- **Provide incentives for attendance:** The District may elect to implement an attendance incentive for the non-use of sick leave or personals days which other districts, including the Wilkinsburg School District, have done. The incentive would be related to the number of days used.

<sup>98</sup> Data provided by the District.

<sup>99</sup> Teacher, aide, and cafeteria worker staff absences were estimated using 180 days; all other positions were estimated using 260 days. 2021-22 data is as of October 2021.

<sup>100</sup> <https://time.com/6121336/substitute-teacher-shortage-pandemic/>.

<sup>101</sup> <https://www.npr.org/2021/04/19/988211478/we-need-to-be-nurtured-too-many-teachers-say-theyre-reaching-a-breaking-point>.

- **Increase rate for substitute teachers:** As noted in TM02, the District needs a reliable and capable team of substitutes to minimize the impact on other teachers and classrooms when teachers are absent. The District will increase the rate it offers for substitute teachers to decrease the need for other teachers to provide classroom coverage when staff are absent. <sup>102</sup>

The financial impact table assumes the District provides a payment to employees who do not utilize all of their available days during the school work year. It also includes the additional cost for increasing the rate for substitutes.

### 5 Year Impact <sup>103</sup>

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Increase substitute rate <sup>104</sup>	\$113,074	\$117,842	\$122,532	\$127,335	\$132,270	\$613,052
Incentives for attendance	\$17,999	\$18,014	\$18,026	\$18,042	\$18,052	\$90,133
<b>Total Annual Impact (\$)</b>	<b>\$131,073</b>	<b>\$135,856</b>	<b>\$140,557</b>	<b>\$145,377</b>	<b>\$150,322</b>	<b>\$703,185</b>

#### TM04: Strengthen staff evaluations

Employee evaluations are a critical piece of managing talent. Evaluations provide an opportunity to provide feedback on performance, address concerns, and can serve to strengthen relationships between managers and staff. In the absence of a functioning HR office, employee evaluations at the District have taken place without sufficient guidance and support. In order to strengthen the District's annual evaluation process, the District will undertake the following actions:

- **Establish evaluation workflow:** The District will take steps to ensure each staff member has an assigned manager, who will be responsible for providing regular feedback and evaluating performance annually. The District's relatively small number of total staff works to its advantage in lower administrative to staff ratios that make it possible for administrators to provide feedback. The District may elect to adjust the format or structure of existing evaluations and will also set up a database to house all evaluations. Any adjustment in the structure will be documented in future collective bargaining agreements.
- **Recognize and reward staff publicly:** The District will identify ways of recognizing and rewarding staff publicly.
- **Enforce existing contract provisions for Act 93 employees:** Evaluations of the District's leadership positions sets the tone for all other evaluations. The Act 93 contract requires that employees hold an annual conference with the Superintendent setting their performance objectives for the year, which will establish the parameters for the employee's performance review and will be tied to compensation. The District will comply with this practice and establish meaningful performance objectives for its administrative leaders that are set and evaluated no less than annually.

<sup>102</sup> Costs for substitute teachers are included in the financial impact table for initiative TM02.

<sup>103</sup> Impact is adjusted for associated benefits and net reimbursements.

<sup>104</sup> The rate reduction also assumes some offsets in extra pay for teachers who were compensated for providing that coverage.



**TM05:** Establish policies and procedures that support District talent

The District recognizes that one of its priorities is to attract, care for, and retain high quality staff. As part of this effort, the District will undertake the following:

- **Improve diversity of staff at all levels:** There is a significant gap between the District's percentage of students of color and the number of teachers of color. The Sto-Rox School District student population is largely minority, with 57.4 percent of students identified as Black, 14.3 students as 2 or more races, and 1.9 percent Hispanic. However, the diagnostic performed by Mass Insight found that more than 90 percent of the teaching staff is White. While this is a challenge nationally, and a significant issue across the Commonwealth of Pennsylvania, data shows that having more diverse instructional staff in particular is associated with improved student performance and improved graduation rates, and that students who have had diverse instructors are more likely to attend college.<sup>105106</sup> The District needs to attract and retain a more diverse staff that more closely represents the students it serves.
- **Improve onboarding and induction of new staff:** Currently, there is no formal process for onboarding new teachers to the District and the District relies primarily on other teachers to assist with the onboarding process. Successful onboarding serves as an introduction to the District, provides resources that employees will need, and gives an opportunity to provide advice and guidance, especially for teachers early in their career. The District will develop a "new hire" checklist for each staff member and assign each new instructional staff member a support teacher who will receive a stipend and serve as a resource to newer teachers for their first two years.<sup>107</sup> New teachers will also be provided additional supports from the department head teacher in their building and subject area as outlined in IN03.
- **Conduct exit interviews:** The District will begin conducting exit interviews of staff who separate from the District to understand the reasons for separation.
- **Survey staff to identify retention strategies:** The District will conduct surveys of current staff to understand the causes of turnover and to identify strategies for retention, including non-financial strategies.
- **Regularly review and update position control system:** The District will maintain an updated position control system so all positions can be budgeted for accurately. The current position control matrix only exists for grades K-6 and staffing assignments are often unfinished well into the school year. The District will submit a staffing plan along with the proposed budget for the following year prior to the budget being submitted to the School Board for approval. Support for this will be provided by the individual in the HR Manager role outlined in TM01.

<sup>105</sup> <https://whyy.org/articles/in-pa-less-than-5-of-teachers-are-people-of-color-the-lack-of-diversity-is-hurting-kids-and-schools/>.

<sup>106</sup> <https://www.nsba.org/ASBJ/2021/February/diverse-teachers-matter>.

<sup>107</sup> The District's SREA contract already includes language around induction that will be followed. The support teacher and Inductee will spend a minimum of 12 documented hours as directed by the District at a rate of \$25/hour.

## 5 Year Impact

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Improved onboarding of staff <sup>108</sup>	\$7,636	\$7,642	\$7,647	\$7,654	\$7,658	\$38,238
<b>Total Annual Impact (\$)</b>	<b>\$7,636</b>	<b>\$7,642</b>	<b>\$7,647</b>	<b>\$7,654</b>	<b>\$7,658</b>	<b>\$38,238</b>

### Other Initiatives

- Evaluate staff utilization:** Currently, the District's class sizes are set in the collective bargaining agreement. In the expired teachers' contract, class sizes are 25 for grades K to 3. The Chief Recovery Officer (CRO) believes that there is a benefit in maintaining small class sizes for the academic performance of students. However, the District's student teacher ratios are lower than the current average for districts in Allegheny County, based on information provided by the Chief Recovery Officer through an analysis from Forecast 5. The District will analyze the District's student-teacher ratio and utilization of staff. This will be informed by the special education model analysis outlined in IN04. Under this Recovery Plan, any new positions added to the District must be approved by the Business Manager and the CRO prior to submission to the School Board for approval.

<sup>108</sup> Includes associated benefits and net reimbursements.

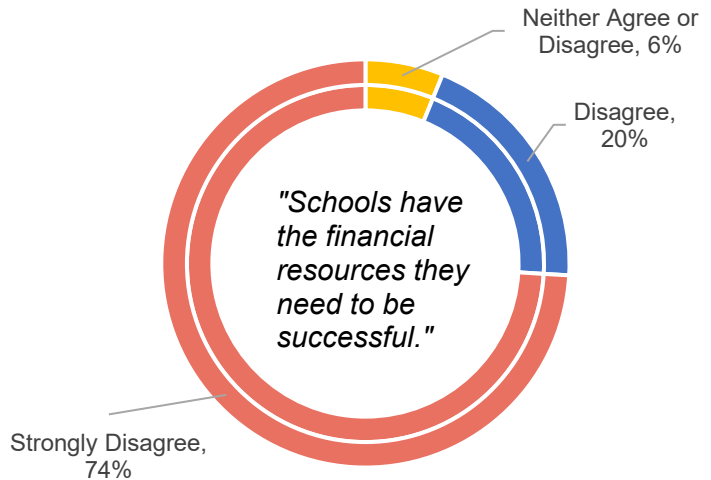
# Resource Management

## Overview

The primary responsibility of all school districts is to provide their students with a quality education. This in turn requires resources to fund services and programs and to pay for employees to administer those programs and services to students. For school systems with limited resources like the Sto-Rox School District, effective management is crucial to ensure that the District allocates its resources effectively, identifies additional resources, and makes decisions in the interest of the District's long-term financial health.

Mass Insight's Fall 2021 District diagnostic reviewed the alignment between the District's financial resources and its needs and priorities. In a survey of staff, almost 94 percent disagreed or strongly disagreed that the Sto-Rox schools have the financial resources they need to be successful. The diagnostic concluded that the District's structural financial challenges, as outlined in this chapter, have made it difficult for the District to provide the necessary resources to meet the needs of Sto-Rox students. The survey results align with the declaration of the Secretary of the Pennsylvania Department of Education placing the District in financial recovery status.

### SRSD District Diagnostic Survey Results



In order to achieve the goals laid out in other sections of this Recovery Plan, the District must focus on stabilizing its finances and reversing historical trends. The structure of school district finance in the Commonwealth means that increases in expenditures typically outpace natural growth in revenues. As a result, proper resource management requires controlling cost growth while also increasing and maximizing revenues. The District's overall resource management should be aligned with strategic priorities and financial spending should be aligned with the overall strategic planning of the District.

The initiatives detailed in this chapter identify strategies for the District to undertake to improve revenue collection, manage expenditures, and establish key procedures and practices that promote financial and operational best practices as part of an overall strategy of improved resource management.

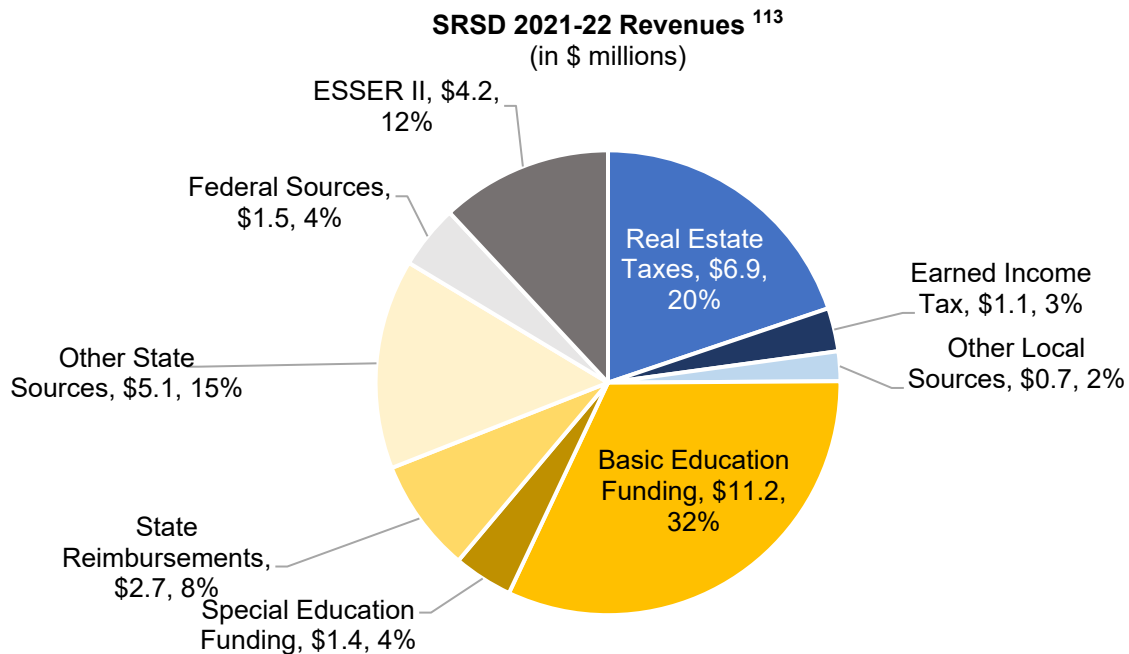
**Key Finding 1: Real estate tax revenues are flat absent millage increases, so the District has to rely on increases in state and federal revenues which are outside their control.**

In order for the District to be able to actively invest in existing and new programs for its students, and to keep up with price inflation while paying competitive salaries for talented staff, the District will require sufficient revenue. In 2021-22, the District anticipates \$34.8 million in revenues, of which approximately 59 percent is expected to come from state sources, 25 percent from local sources, and 16 percent from federal sources.<sup>109</sup><sup>110</sup> Included in the budget was \$4.2 million in one-time federal Elementary and Secondary School Emergency Relief (ESSER) funds, intended to alleviate learning and financial losses

<sup>109</sup> This is the District's 2021-22 adjusted budget provided by the Chief Recovery Officer and includes additional adjustments based on ongoing financial updates from the District.

<sup>110</sup> Due to rounding of data, percentage totals may not equal 100 percent.

caused by the COVID-19 pandemic.<sup>111</sup> These federal resources were allocated through three rounds of legislation and could be used to address learning loss during the pandemic as well as programmatic initiatives. Due to the District's current financial position, however, all ESSER funds for the 2021-22 school year are expected to be spent on continuity of operations.<sup>112</sup>



Approximately 25 percent of the District's 2021-22 revenues are from local sources (shown in blue in the above chart). Of these, real estate (property) taxes represent the most significant local revenue to the District.<sup>114</sup> Real estate taxes are based on the assessed value, millage rate, and collection rate. Following the County's most recent reassessment in 2013, the District's assessed value and collection rate have remained flat; as a result, the District's real estate tax collections have been closely correlated to changes in the District's millage rate.

Despite its financial situation, the District has only increased its millage rate twice since FY2013-14: in FY2017-18 and FY2021-22. As shown on the graph on the following page, between FY2013-14 and FY2021-22, the District's annual on-time real estate tax collections have only increased by \$400,000 – less than 0.9 percent compound annual growth.

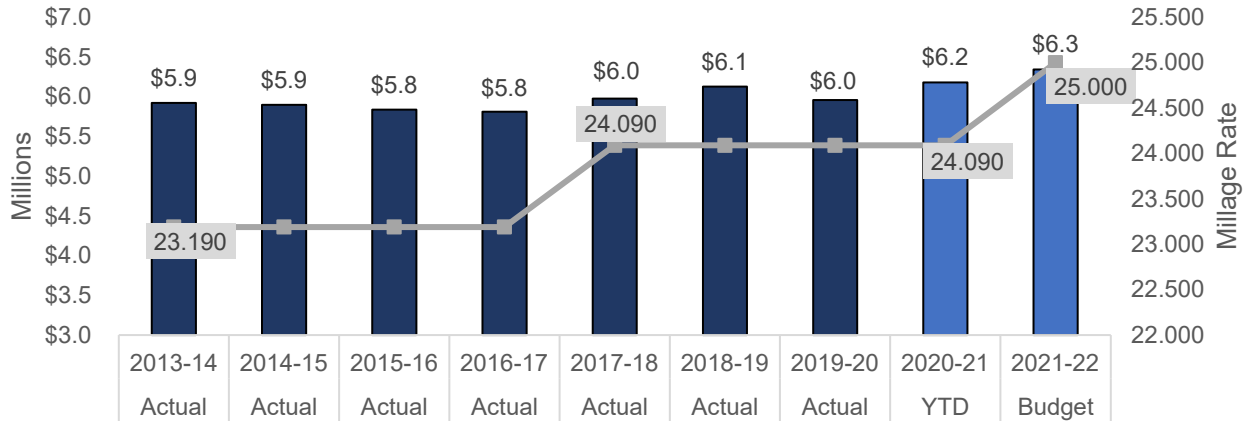
<sup>111</sup> <https://www.education.pa.gov/Schools/safeschools/emergencyplanning/COVID-19/CARESAct/Pages/default.aspx>

<sup>112</sup> ESSER funds indicated in the District's 2021-22 budget consist of the District's ESSER II allocation.

<sup>113</sup> This is the District's 2021-22 adjusted budget provided by the Chief Recovery Officer and includes additional adjustments based on ongoing financial updates from the District.

<sup>114</sup> Total real estate taxes are budgeted at \$6.9 million in 2021-22; of this, \$6.3 million is for current year collections and \$550,000 is for delinquent collections.

**SRSD Historic Current Real Estate Tax (RET) Collections and Millage Rate <sup>115</sup>**  
(in \$ millions)



As local revenues have largely remained unchanged, the District relies heavily on state and federal sources to offset expenditure increases. The District has seen growth in its share of state and federal revenues. From 2016-17 to 2019-20, state and federal sources both annually grew by a compound annual growth rate of 7.0 percent, primarily through growth in the Commonwealth’s Basic Education Funding and Special Education Funding.

While state allocations are typically based on demographic factors and remain the District’s largest source of revenue, this funding is also highly dependent on the annual financial performance, aid formulas and overall funding levels of the Commonwealth. As a result, these funding levels may suddenly change, leaving little recourse to the District and further increasing the District’s financial vulnerability.

Recently, the District has received additional one-time federal ESSER revenues through three rounds of funding. Under these three allocations, the District received a total of almost \$14.2 million in ESSER funds, as shown in the table below. All allocations have varying timelines, with the last allocation required to be spent by the end of the first quarter of the 2024-25 school year.

**SRSD ESSER Allocations**

	Grant Expiration	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
ESSER I	September 2022	\$935,197			-	-	-	
ESSER II	September 2023	\$4,156,434				-	-	
ARP ESSER	September 2024	\$8,407,264					-	-
ARP ESSER (Act 24)	September 2024	\$653,434					-	-

ESSER funds provide a unique opportunity for the District to make much-needed investments in key programs and services. However, these one-time payments cannot sustainably fund the District’s operations and services in the long-term. Without proper resource management and long-term financial planning, the loss of one-time funds over the next several years may result in larger future deficits. The District needs to take steps now to improve its revenue collection, maximize existing revenues, and think creatively about identifying new revenue sources.

<sup>115</sup> Data based on the District’s independent audits, 2021-22 budget, and year-to-date 2020-21 data provided by the District.

**Key Finding 2: In comparison with other districts in Allegheny County, the District receives less revenue per student and spends less per student than the majority of other districts.**

An analysis of districts in Allegheny County shows that the District receives less revenue per student and spends less per student than most of the other districts in the County. In 2019-20, the District received \$16,102 for each student based on average daily membership. In comparison, the median for all other districts in Allegheny County is \$21,213, a difference of more than \$5,000 per student. The District's ranking in revenue per student is 41<sup>st</sup> of the 43 districts in the County.<sup>116</sup>

**Allegheny County 2019-20 Total Revenue per Student <sup>117</sup>**

District	Amount
Sto-Rox SD	\$16,102
Allegheny County Median (excl. SRSD)	\$21,213
Difference	(\$5,111)
<b>SRSD Rank</b>	<b>41 out of 43</b>

The analysis above is based on total revenues, including state, local, and federal sources, which are all impacted by the District's economic and demographic characteristics, as well as changes in enrollment. However, the total amount of revenue that any school district receives from levying a tax is influenced by the ability of its residents to pay. For the Sto-Rox School District, the economic realities of life in the District work against the ability to generate local revenues in two ways – low property values on the homes being taxed and a limited ability to pay regular increases in property taxes due to low incomes. For context, the District's 5-year median household income was \$35,446 as of 2019, which ranks Sto-Rox as 492<sup>nd</sup> out of all districts in the Commonwealth and 42<sup>nd</sup> out of 43 districts in the County.<sup>118</sup> In addition, the District has the third lowest market value and market value per student in the County. Due to low property values and inability to pay, the District must charge higher millage rates to receive the same local revenues as other districts. As of 2019-20 the District's millage rate was 24.090, which is the 16<sup>th</sup> highest rate among all districts in Allegheny County.<sup>119</sup>

**Allegheny County 2019 Market Value per Student <sup>120</sup>**

District	Market Value (MV)	MV Per Student
Sto-Rox SD	\$310,021,828	\$170,808
Allegheny County Median (excl. SRSD)	\$1,404,894,811	\$490,485
Difference	(\$1,094,872,983)	(\$319,678)
<b>SRSD Rank</b>	<b>41 out of 43</b>	<b>41 out of 43</b>

The District's limited local capacity to generate revenues for schools is also recognized in the Commonwealth's Basic Education Funding formula through the local effort capacity index, which measures how much a district could spend per student if it taxed its residents at the median statewide rate. Sto-Rox has the highest local effort capacity index of any district in Allegheny County at 1.58 in 2021-22.<sup>121</sup> As a low-income community with 100 percent of its students receiving free or reduced lunch, raising taxes to generate sufficient revenue puts a greater economic strain on the District's residents.

<sup>116</sup> Districts with lower per student revenues are South Allegheny and Baldwin-Whitehall.

<sup>117</sup> Revenue data is based on annual financial data reported by districts for the 2019-20 year to PDE and adjusted ADM information reported in the Commonwealth's 2021-22 Basic Education Funding report from June 2021.

<sup>118</sup> 2021-22 Basic Education Funding file from June 2021, ACS 5-year median household income.

<sup>119</sup> This excludes Clairton City School District, which has two separate millage rates.

<sup>120</sup> Student count is based on adjusted ADM. 2019 STEB market value and 2019 adjusted ADM is reported in the Commonwealth's 2021-22 Basic Education Funding file from June 2021.

<sup>121</sup> Analysis based on data in 2021-22 Commonwealth's Basic Education Funding file from June 2021.

While the Commonwealth’s funding formula takes many of the District’s characteristics into account for the student-weighted portion of funding, those factors do not impact the District’s base allocation, which is the largest part of the District’s allocation. According to an analysis conducted by the Pennsylvania House Appropriations Committee, if all state funding was run through the fair funding formula, Sto-Rox would have received an additional \$5.6 million in 2021-22.<sup>122</sup>

The District’s limited revenues have also led to restrictions on the per-student spending. The District spent \$16,675 per student in 2019-20, more than \$4,000 less than the median of all other districts in Allegheny County. Sto-Rox is 41<sup>st</sup> of 43 districts when it comes to spending per student, similar to its ratio of revenue per student.

### Allegheny County 2019-20 Expenditures per Student <sup>123</sup>

District	Amount
Sto-Rox SD	\$16,675
Allegheny County Median (excl. SRSD)	\$20,795
Difference	(\$4,120)
<b>SRSD Rank</b>	<b>41 out of 43</b>

Notably, a comparison of Sto-Rox and the median amounts spent by other Allegheny County districts also shows that the District’s expenditures per student outpaced revenues.

### Allegheny County 2019-20 Comparison <sup>124</sup> (\$ per student)

District	Revenue	Expenditures	Difference
Sto-Rox SD	\$16,102	\$16,675	(\$573)
Allegheny County Median (excl. SRSD)	\$21,213	\$20,795	\$418

**Key Finding 3: Growth in District expenditures has outpaced revenue growth, driven by increasing costs for charter tuition, other tuition, and transportation.**

In 2021-22, the District projects \$32.6 million in expenditures. Personnel costs comprise the majority of the District’s expenditures, accounting for approximately 43 percent of the District’s budget.<sup>125</sup> Tuition payments to charter schools and payments to other schools comprise another 34 percent of the budget – in 2021-22, the District expects to spend as much on salaries for staff as it is on charter tuition.<sup>126</sup> Transportation comprises another 9 percent, leaving only approximately 15 percent of the District’s budget not spent on personnel, tuition, or transportation.

<sup>122</sup> PA House Appropriations Committee. Understanding the Distribution Methodology for Basic Education Funding in Governor Wolf’s 2021-22 Budget Proposal. February 3, 2021.

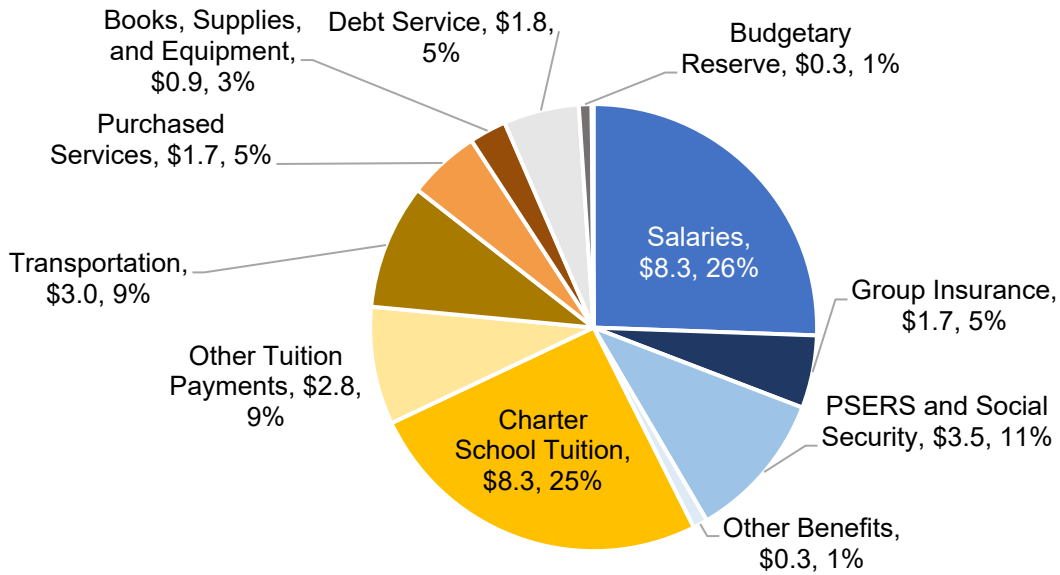
<sup>123</sup> Expenditure data is based on annual financial data reported by districts for the 2019-20 year to PDE and adjusted ADM information reported in the Commonwealth’s 2021-22 Basic Education Funding report from June 2021.

<sup>124</sup> Total revenue and expenditure data is based on annual financial data reported by districts for the 2019-20 year to PDE and adjusted ADM information reported in the Commonwealth’s Basic Education Funding file from June 2021.

<sup>125</sup> Salaries includes extra duty and other pay. Group insurance includes health insurance, dental, and vision. Other benefits include tuition reimbursement, unemployment compensation, workers compensation, and OPEB. Social Security and PSERS are gross costs, not inclusive of reimbursements.

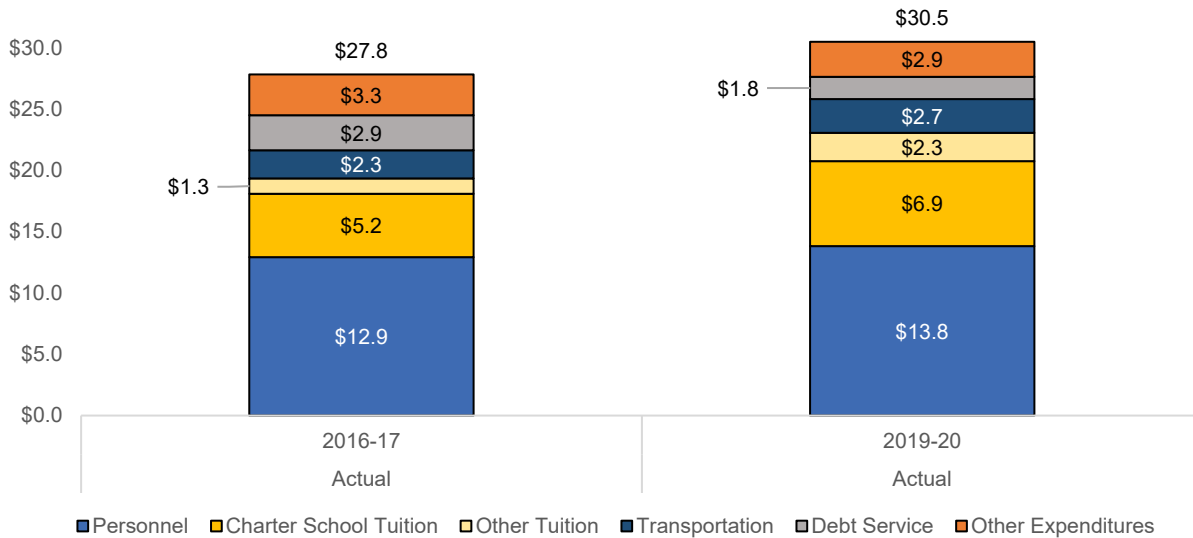
<sup>126</sup> Other tuition payments include payments to other LEAs, non-public schools, vo-tech schools, approved public schools, and private residential rehabilitative institutions.

**SRSD 2021-22 Expenditures** <sup>127</sup>  
(in \$ millions)



Expenditures have grown more quickly than revenues, particularly in several key categories. The District's total budget grew by \$2.7 million between 2016-17 and 2019-20, or a compound annual growth rate of 3.1 percent, as shown in the following figure.

**SRSD Key Expenditure Growth, 2016-17 to 2019-20** <sup>128 129</sup>  
(in \$ millions)



During the same time period some categories grew faster than the average. Charter tuition grew by a compounded growth of 10.3 percent a year, or \$1.8 million, while other tuition payments increased by

<sup>127</sup> Data based on District's adjusted 2021-22 budget provided by the District, and includes additional adjustments based on ongoing financial updates from the District.

<sup>128</sup> "Other expenditures" includes IU services, other professional services, property services, other purchased services, supplies, equipment, other objects, dues and fines, and fund transfers.

<sup>129</sup> 2016-17 through 2019-20 expenditure data is based on independent audits and therefore may vary from annual financial report (AFR) data.



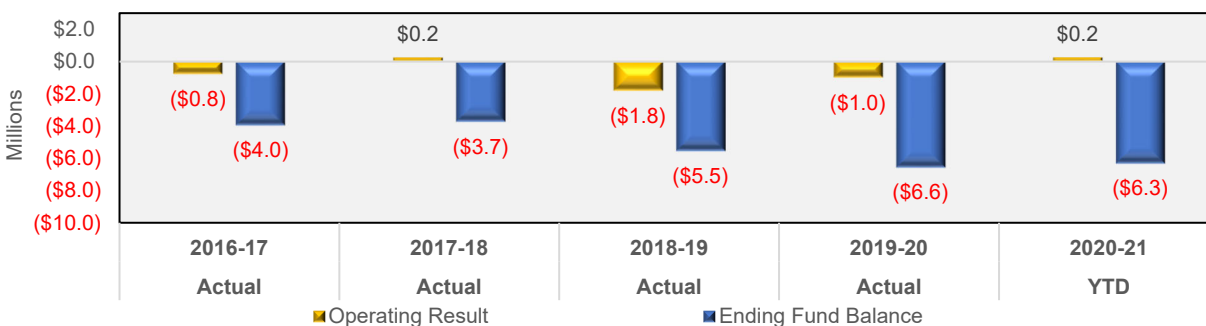
22.5 percent a year, or \$1.1 million. In addition, District spending on transportation for general and special education students increased by 6.3 percent annually. The District has seen less growth in personnel costs, with the majority of growth in that area coming from increases in benefits due to mandatory retirement contributions the District is required to make on behalf of its employees and increases in health care costs (although the District’s participation in the Allegheny County Schools Health Insurance Consortium has helped to keep health care cost growth below the national average).

The District was able to reduce the amount spent on other expenditures, including purchased services, property services, and supplies, but the growth in other expenditures outpaced the reductions in these areas. The District will need to take steps to control expenditures in its largest cost categories, particularly those that have been increasing significantly in recent years, as part of improving its resource management.

**Key Finding 4: Due to ongoing financial challenges and resulting operating deficits, the District has had a negative fund balance for several years.**

As noted earlier in this chapter, the District has faced successive years of flat revenues and growing expenditures. This pattern has led to recurring operating deficits and an increasingly negative fund balance. For example, between 2016-17 to 2019-20, the District saw a negative operating result in three of the four years, averaging an annual deficit of \$800,000. Since 2016-17, the District’s negative fund balance has exceeded \$3.7 million each year and stands at negative \$6.3 million as of 2020-21, or 20.8 percent of expenditures, as shown in the following table.

**SRSB Historic Operating Result and Ending Fund Balance** <sup>130 131</sup>  
(in \$ millions)



The District’s negative fund balance has not only resulted in challenges around cash flow and budgeting but has also made it difficult for the District make active investments in personnel and programs. A significant and recent result of the District’s financial position was the downgrading of the District’s credit rating to a Caa1 in December 2021 by Moody’s Investors Service. Moody’s cited the District’s growing negative fund balance and persistent imbalanced financial operations as main drivers of the credit downgrade.<sup>132</sup> This downgraded rating is one of the lowest among school districts in the Commonwealth.

In order to balance the District’s budget and prevent further operating deficits and negative fund balance, the District will need to increase revenues and stabilize expenditures. The allocation of federal ESSER funds and support from the Pennsylvania Department of Education provide the District with critical

<sup>130</sup> The 2021-22 budget is the adjusted budget provided by the CRO and may differ from the adopted budget. It also includes subsequent budget adjustments based on updated information from the District, including increased earned income tax receipts and an anticipated Continuity of Education grant that was not budgeted.

<sup>131</sup> The projections take into account the additional ESSER funds that the District is expected to receive. The projections do not include additional increases in costs that may result from new programming.

<sup>132</sup> Moody’s Rating Scale has 20 grades: 10 investment grades and 10 non-investment grades. Investment grades range from Aaa to Baa3. The Caa1 rating is 5 notches below the lowest investment grade rating.

resources that it must utilize in the long-term to advance the financial, academic, and operational interests of the District.

The initiatives in this chapter are intended to provide a structure for the District to follow to improve its resource management functions, including establishing financial policies and procedures. The District's Business Manager will be responsible for the implementation of initiatives in the Resource Management chapter.

**In order to promote financial best practices and secure sustainable resources for the District's ongoing services and programs, the District will undertake the following actions:**

- Maximize District revenues
- Stabilize expenditures and prioritize opportunities for long-term savings
- Establish financial policies and procedures
- Strategically invest in the District's facilities
- Apply windfall revenues among priorities outlined in this Recovery Plan

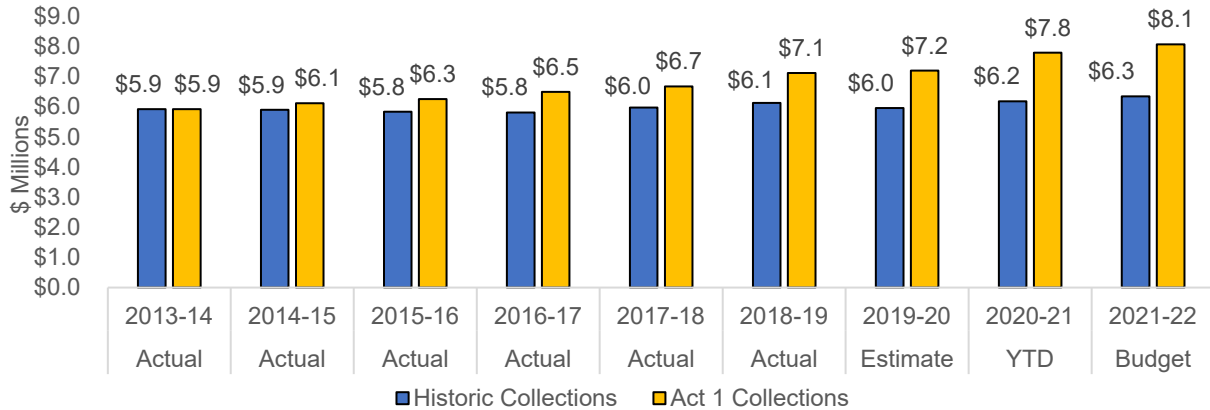
## Initiatives

### **RM01:** Maximize District revenues

Although the District's local revenues have been largely flat, there are actions the District can – and should – take to increase revenues in order to reduce operating deficits and improve the District's financial position. As part of this effort, the District should not only identify new revenue sources but also analyze how improvements to current practices may improve overall revenue collection. In order to maximize District revenues, the District will undertake the following actions:

- **Increase the District's millage rate to the Act 1 Index limit on an annual basis:** As mentioned earlier in this chapter, the District has seen minimal growth in its current real estate tax collections, which have only grown when the District increased its millage rate. However, despite facing consecutive deficits, the District has only raised taxes twice since 2013-14 – in 2017-18 and 2021-22. As a result, as shown in the table below, the District has missed out on a cumulative total of \$4.8 million in real estate tax collections. If the District had increased its millage rate to the Adjusted Act 1 Index limit annually, the District's projected real estate tax revenue for the 2021-22 school year would be \$8.1 million – an amount almost \$1.9 million higher than currently budgeted.

**SRSD Historic Current RET Collections v. Estimated Collections at Act 1 Index Limit**  
(in \$ millions)



In order to address the projected annual deficits in the baseline multi-year projections, the District will annually raise the real estate tax rate to at least the Adjusted Act 1 Index limit and may seek exceptions to the Act 1 Index if determined to be necessary by the Chief Recovery Officer.

While the Chief Recovery Officer recognizes that increasing taxes can be a burden on the local community, raising real estate tax rates are one of the few ways that districts can control revenues and include a local effort to support the schools. In addition, the compounding effect of raising taxes will yield benefits in future years. If revenues generated from other sources reduce the amount of property tax revenue required for the District to produce a balanced budget, the CRO may recommend that the District to raise the real estate tax rate by a lower amount than the Act 1 Index or not raise the tax rate that year.

- Improve real estate tax collections:** The District also needs to improve on its current and delinquent real estate tax collection rate. In 2021-22, the District’s current real estate collection rate was 83.4 percent and the total collection rate (including delinquent collections) was 90.6 percent.<sup>133</sup> An analysis of districts in Allegheny County for the 2019-20 fiscal year showed the District as having the third lowest current year collection rate and the second lowest total collection rate.

**FY2019-20 SRSD and Allegheny County Real Estate Collection Rates**<sup>134</sup>

	Current	Total <sup>135</sup>
SRSD Collection Rate	81.2%	88.8%
Median Collection Rate (excl. SRSD)	92.6%	96.9%
<b>SRSD Rank</b>	<b>41 out of 43</b>	<b>42 out of 43</b>

The District will need to take steps to improve both current and delinquent tax collections. The financial impact table on the following page shows the result of increasing the current and total collection rate by 0.5 percent annually. In developing a strategy around improving tax collections, the District should discuss potential options and challenges with its solicitor. Given the low current year collection rate and large number of delinquent properties, the District should consider offering discounts for the payment of delinquent taxes, or the elimination of fines and fees if payment is made during an established forgiveness window.

<sup>133</sup> Based on 2021-22 PDE-2028 submitted to PDE in June 2021.

<sup>134</sup> FY2019-20 assessed value information from the PA Department of Community and Economic Development (DCED); current and delinquent tax collections and millage rates from PDE AFR data and PDE financial data.

<sup>135</sup> Represents the collection of total available levy for FY2019-20, including delinquent collections.

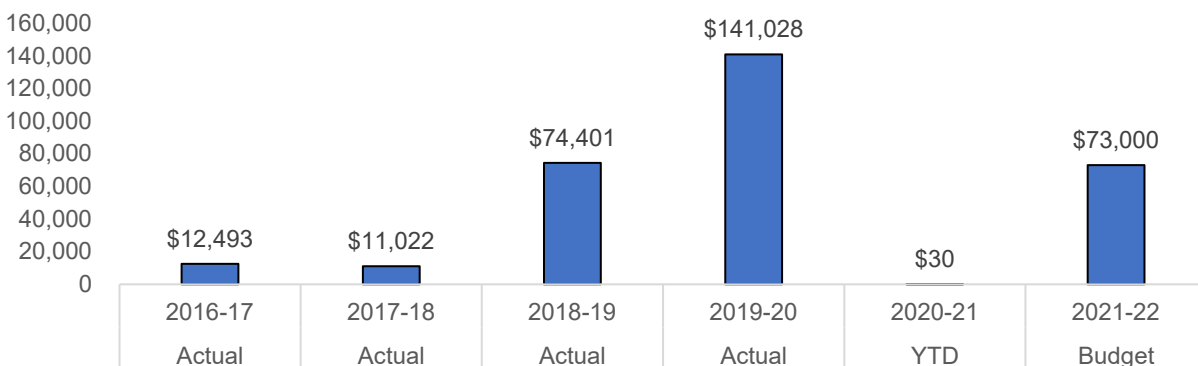
- **Expand PILOT agreements:** The District averaged payment in lieu of taxes (PILOT) revenues of \$22,600 between 2017-18 to 2019-20, which decreased to \$5,000 due to the expiration of one of their largest PILOT agreements. As of October 2021, the District reported \$6.5 million in total value for ten of the largest exempt properties, which would equate to approximately \$163,000 with the District’s current millage rate if the properties were taxable.<sup>136</sup> As the District expands its community partnerships as described in Plan initiative CC04, the District may be able to secure additional PILOTs by asking organizations to pay a portion of their exempt real estate taxes, or by offering in-kind services to the District. PILOTs often need to be renewed every couple of years; therefore the District should maintain ongoing relationships with these organizations.
- **Increase Medicaid ACCESS revenue:** The District receives reimbursement for the cost of services provided for Medicaid-eligible children through the Commonwealth’s School Based Access Medicaid Reimbursement Program (ACCESS). Between 2015-16 and 2019-20 the District received an average of \$246 per special education student in ACCESS reimbursements; this is equal to the median amount received by selected peer districts across the Commonwealth, placing Sto-Rox as 7<sup>th</sup> out of the 12 districts in revenue per student, as shown in the table below.<sup>137 138</sup>

**SRSD v. Peer Districts’ 5-Year Average ACCESS Revenues per Student**

	5-Year Average
SRSD ACCESS revenues per student	\$245.66
Median ACCESS revenues per student (excl. SRSD)	\$245.76
<b>SRSD Rank</b>	<b>7 out of 12</b>

The District’s total ACCESS revenues have fluctuated in recent years, despite an increasing number of special education students. The District’s ACCESS revenues in 2019-20 were almost double receipts from the prior year and the 2021-22 budgeted amounts.

**SRSD Historical ACCESS Collections <sup>139</sup>**



The District should aim to further improve and stabilize its ACCESS revenues and reimbursements. The District currently contracts for Medicaid ACCESS support through the Allegheny Intermediate Unit due to a lack of internal capacity. The District should evaluate its current program and identify opportunities for improving the billing and reimbursement process

<sup>136</sup> Based on property total value information on all properties provided by the District in October 2021.

<sup>137</sup> Peer districts include districts that have a market value-personal income (MV/PI) ratio above 0.7, have a large suburb locale designation from the U.S. Department of Education, and have an ADM between 1,000 and 2,000. This excludes Antietam School District, which does not report ACCESS revenues.

<sup>138</sup> The information is based on special education enrollment information from PennData’s 2019-20 Special Education Data Reports (SEDR) and PDE AFR data on ACCESS revenues.

<sup>139</sup> Data is based on the District’s independent audits, year to date (YTD) actuals and budget. YTD is based on unaudited actual information provided by the District and is not yet completed for 2020-21.

and aim to increase revenues to \$100,000 annually at a minimum, which is the average reimbursement the District received between 2018-19 and 2019-20. The District will monitor amounts in their ACCESS account to ensure funds are drawn down regularly and the District's Business Manager will ensure that all Random Moment Time Study (RMTS) are monitored regularly.<sup>140</sup>

- **Consider applying for special education contingency funds:** In addition to the subsidy amounts allocated in the Governor's budget and approved by the General Assembly annually, districts which meet certain criteria can apply for additional special education contingency revenues provided by the Department of Education for students with significant disabilities who may require specialized programs or services. The District will consider applying for these funds annually and comply with all regulatory requirements.
- **Work with PDE and legislators to increase state financial support:** As noted earlier in this chapter, the District's limited economic capacity constrains its ability to raise sufficient local revenues to meet its needs. In partnership with PDE and legislators, the District should work to identify additional opportunities for financial support. Potential options include increasing annual state funding allocations through the Basic Education and Special Education subsidies, Ready to Learn Block Grant, additional support through Empowerment funding, as well as the Financial Recovery Transition Loan program.

In this Recovery Plan, the District faces annual deficits after the expiration of ESSER funds, despite annual increases to the Act 1 Index as well as a significant charter recovery strategy and controlling other expenditures. An increase in state subsidy would facilitate the District's efforts and would alleviate the tax burden on residents. Recurring additional funding support for the District would alleviate cash flow pressure, rebuild fund balance and increase the ability of the District to make investments in programs, staff, and resources.

The requirements of this initiative will be effective for the duration of the time while the Sto-Rox School District is designated to be in moderate financial recovery. The following table shows the financial impact of increasing the District's millage rate to the Act 1 Index, improving tax collections, establishing new PILOT agreements, and improving ACCESS reimbursements.

### 5-Year Impact

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Current Real Estate Taxes <sup>141</sup>	\$373,967	\$767,755	\$1,182,413	\$1,619,049	\$2,078,826	\$6,022,010
Delinquent Real Estate Taxes <sup>142</sup>	\$32,415	\$66,547	\$102,488	\$140,335	\$180,187	\$521,972
Increasing RET Collections <sup>143</sup>	\$40,302	\$85,328	\$135,453	\$191,080	\$252,639	\$704,803
PILOT agreements	\$9,000	\$18,000	\$18,000	\$18,000	\$18,000	\$81,000
ACCESS Revenues	\$0	\$40,000	\$40,000	\$40,000	\$40,000	\$160,000
<b>Total Annual Impact (\$)</b>	<b>\$455,684</b>	<b>\$977,630</b>	<b>\$1,478,355</b>	<b>\$2,008,464</b>	<b>\$2,569,652</b>	<b>\$7,489,785</b>

<sup>140</sup> The District's baseline projection assumes an increase in ACCESS revenue in FY2022-23 due to accumulated revenue being drawn down.

<sup>141</sup> Amount shown is based on annual increases to the Adjusted Act 1 Index at 5.3 percent based on SRSD 2022-23 rate at <https://www.education.pa.gov/Policy-Funding/PropertyTax/Pages/Act1.aspx>.

<sup>142</sup> Delinquent taxes are calculated based on the District's total collection rate for its current year levy. While delinquent real estate taxes are collected in following years, the calculation assumes that the District will collect a similar portion of its total levy from current and delinquent taxes annually.

<sup>143</sup> Impact of increasing the current and total collection rate by 0.5 percent annually.

## RM02: Stabilize expenditures and prioritize opportunities with long-term savings

Over the past several years the District has faced a growing negative fund balance and successive annual operating deficits due to increasing expenditures, particularly charter tuition, other tuition costs, and transportation.

Adding to the District's financial challenges have been vacancies and turnover in the District's Business Office. The Office is small and consists of a Business Manager, a confidential secretary who also serves as the secretary of the District's transportation office, an accounts payable secretary, and a clerical position that supports payroll and benefits. A recently hired Business Manager is filling a position that was vacant for several months, and the payroll and benefits position is vacant.

The result has been annual budgets that are not reflective of annual spending, a lack of standardized procedures, and failed oversight over the District's financial operations that has caused delays in independent audits, missed mandated payments, and associated fees and fines. The District recognizes this as a significant issue and has contracted with several accounting and auditing firms to provide support to the District in updating the District's general ledger and documenting financial procedures.<sup>144</sup> In addition, the District plans to outsource key business office and HR responsibilities to the Allegheny Intermediate Unit (AIU), including payroll processing and reporting and provision of a new financial system through Oracle. The District has already entered into a shared services agreement with the AIU. Under this arrangement, the District will maintain its Business Manager position, but would eliminate the accounts payable and payroll clerical positions. The District will also plan to hire an accountant to support the District with reconciliations and data entry.

### *Staffing and Personnel*

The District will undertake the following actions regarding staffing and personnel costs:

- **Reduce workers' compensation claims and costs:** Sto-Rox has spent an average of \$331,000 on workers compensation annually between 2016-17 and 2019-20 based on data reported in the annual financial reports, which is high relative to other districts in Allegheny County. While other districts in the County have averaged workers' compensation costs at a median of 0.6 percent of reported salaries during that period, the District has historically paid an average of 4.0 percent of salaries.<sup>145</sup> These elevated costs may be due to the cost and number of prior District claims that increases the overall insurance cost to the District, and the District reports it may also be due to incorrect coding of workers compensation expenditures. The District will ensure it is working with its insurance provider and solicitor to review all claims, ensure the establishment of a Workplace Safety Committee, and if necessary, explore re-bidding the contract.
- **Conduct a health care eligibility audit:** Without proper management and oversight, the District may continue to pay health care costs for employees who have separated from the District.<sup>146</sup> Given the lack of HR personnel at the District as described in Plan initiative TM01, it is important to regularly conduct an audit to ensure the District is only paying for health care coverage for current and retired employees. The District will conduct a health care eligibility audit to confirm that all employees enrolled in the District's health care program have the appropriate documentation and are still eligible for coverage. The District may choose to hire outside vendors to conduct independent audits on these systems and has already spoke with one vendor about conducting this audit.

<sup>144</sup> The auditing firms are Wessel & Company and Maher Duessel.

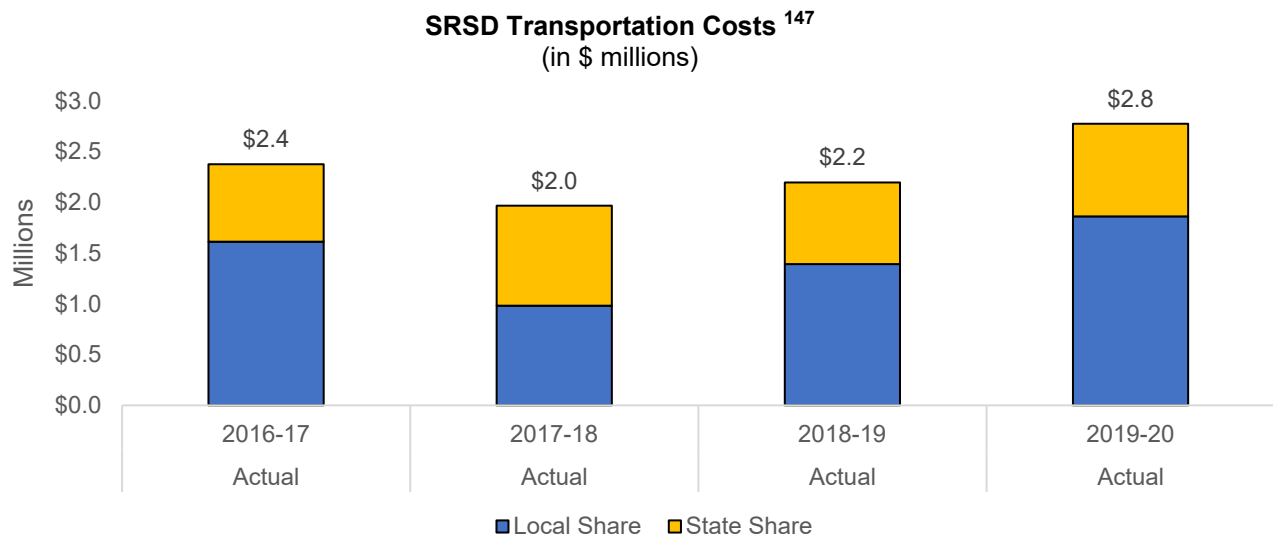
<sup>145</sup> Based on an analysis of 2019-20 AFR data published by PDE. Salaries may include additional payments for extra duty or other additional payments.

<sup>146</sup> This does not include District retirees who continue to receive health care coverage after leaving the District, per the 2013-2021 collective bargaining agreement with the Sto-Rox Education Association.

- **Explore contracted services:** The small size of the District and declining in-district enrollment may necessitate exploring contracted services for other District operations including IT, copying and printing, and lawn care.

### Transportation

In addition to taking steps to control expenditures around staffing and personnel, the District will also take action to control its growing transportation costs. In 2021-22, the District budgeted \$3.0 million for transportation, or 9.0 percent of its 2021-22 budget. As shown in the following table, the District has spent an average of \$2.3 million on transportation between 2016-17 and 2019-20.



The District also receives reimbursement for the services it provides through the Commonwealth’s transportation subsidy, which is represented as the “state share” or yellow portion of the graph. Between the 2016-17 and 2019-20 operating years, the District was reimbursed for an average of 41.5 percent of the costs in the following year.<sup>148</sup>

In comparison to other districts in the county, Sto-Rox spends the third most per student on transportation. As shown in the table below, while other districts in Allegheny County spent approximately \$937 on transportation per student in 2019-20, the District spent around \$1,482, over \$500 more per student.<sup>149</sup>

### 2019-20 SRSD v. Allegheny County Transportation Costs per Student <sup>150 151</sup>

	2019-20
SRSD transportation costs per student	\$1,481.82
Median transportation costs per student (excl. SRSD)	\$937.38
<b>SRSD Rank</b>	<b>3 out of 43</b>

<sup>147</sup> The State transportation subsidy is based on prior-year expenditures. The current graph shows the state transportation subsidy in the year that the subsidy was received, based on audited actuals provided by the District.

<sup>148</sup> The Commonwealth distributes the pupil transportation subsidy based on prior year expenditures. The District’s subsidy reimbursement has ranged between 40.9 and 42 percent for the 2016-17, 2017-18, 2018-19, and 2019-20 operating years.

<sup>149</sup> Data and analysis are based on 2019-20 PDE AFR data and reported 2019-20 ADM data on 2021-22 Estimated Basic Education Funding reported by PDE.

<sup>150</sup> Costs per student are based on total transportation costs (function 2700) from PDE AFR data and does not take into account transportation reimbursements.

<sup>151</sup> The District ranked 32 out of all 500 Pennsylvania school districts regarding transportation costs per student in 2019-20 based on PDE AFR data.

The District had a review of its transportation services conducted through the Pennsylvania Association of School Business Officials (PASBO) and is in the process of applying for congested hours allowance to recognize that the size and layout of the District contributes to low mileage and high traffic volume that otherwise would reduce its' subsidy. As part of its report, PASBO recommended finding alternative ways to maximize the District's subsidy, such as utilizing fare-based services from the Port Authority, as well as keeping proper accurate records of their operations (including monthly mileage forms, requests for transportation, hazardous route records, vehicle data, audited worksheets contractor information, and more).

The District will incorporate the following practices to decrease transportation spending and maximize reimbursement through the state's transportation subsidy:

- **Regularly monitor transportation data:** The District is required to collect data and submit reports on its transportation service, including the number of students transported. The District should closely monitor transportation data to ensure the reported data is accurate, as incorrect data could result in decreases in the District's transportation subsidy and reductions in overall transportation efficiency. The District should also work with their bus vendor to create automated processes for regular reporting on daily routes to confirm ridership and capacity.
- **Improved route efficiency:** An analysis by the technical assistance team based on District data and reports suggests that a majority of the District's vehicles are not running at full capacity, meaning they are using more vehicles to cover the routes than may be necessary, resulting in additional costs. For example, on average, the District's buses are running at 78.4 percent capacity, while vans are at 59.9 percent.<sup>152</sup> In order to maximize the District's subsidy and reduce costs, it should analyze how the District could potentially consolidate its current routes. The District should also evaluate how current routes are impacted by school bell schedules and propose changes that would improve overall route efficiency.
- **Move special education students back to school buses where feasible:** The technical assistance team determined that between 2018-19 and 2019-20 the District added 14 van routes to its transportation schedule. As a result, in 2019-20 over a third of the District's special education vehicles had a utilization rate of under 50 percent.<sup>153</sup> Although the District has reported that several special education students have been moved to individual vans due to behavioral concerns, it should regularly assess whether some special education students could be moved to buses to improve overall vehicle efficiency and reduce the number of routes while prioritizing the safety of all students.
- **Negotiate contract provisions with vendor:** Currently, the District contracts for both regular and special transportation services with a local vendor, ABC Transit, whose current contract will expire in 2023-24. National driver shortages have impacted both districts and vendors, and it is in the best interest of both to work together to identify additional efficiencies or needed service adjustments. When the current contract expires, the District may explore re-bidding the contract or continue the current contract at renegotiated rates. During this process, the District should also benchmark rates paid by other local school districts.
- **Require transportation forms to be completed:** As districts are required to provide transportation to students enrolled at the District as well as students who attend schools out of the District, including charter schools and non-public schools, it is important that it request information on students using its transportation system so it can develop efficient routes. Currently, the District does not require charter students to complete a transportation form requesting access, which makes developing efficient routes difficult.

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<sup>152</sup> Based on the District's PDE-2576 forms for transportation subsidy provided by the District.

<sup>153</sup> Data is based on 2020-21 June PDE-2576 form provided by the District.



- **Assess District eligibility for hazardous route designation:** The hazardous routes designation typically applies to walking routes for students. The District should assess whether it is eligible for this designation for any of its existing routes, as this designation may result in changes in routing. Any designation should be properly documented and submitted to the Pennsylvania Department of Education.
- **Consider collaborating with the Port Authority of Allegheny County for public transportation for District students:** The District should assess the costs associated with transitioning a portion of its student population, such as charter or high school students, to using public transportation. While the District would need to take on additional costs for the service, such as paying for student passes and hiring bus attendants, using public carriers would improve the District's overall transportation reimbursement based on the Commonwealth's subsidy formula. The District should also consider potential safety risks for students and other accommodations that must be made while conducting ongoing discussions with the Port Authority.

While the actions detailed above may result in savings, it is acknowledged that as a result of the COVID-19 pandemic, districts nationwide have been struggling due to the lack of vendors, bus driver shortages, and increased fuel costs. Safety is also a concern with transportation. While many elementary and middle school students currently utilize transportation, many high school students walk to school, despite recent concerns for student safety and cases of violence in the area as outlined in the School Safety chapter of this Recovery Plan. District leaders must prioritize addressing these issues and concerns as they explore potential cost-savings options. Consequently, some of the practices listed above may not be immediately feasible and the impact of savings may be delayed.

#### *Charter Tuition and Other Tuition*

As noted earlier in this chapter, the District is spending more than one-third of its 2021-22 budget on charter tuition and other tuition expenditures for students not attending District schools. Other tuition includes payments to non-public schools, local education agencies, career and vocational centers, and private residential rehabilitative institutions.

Costs for both have risen sharply in recent years, growing from \$6.4 million in FY2016-17 to \$9.2 million in FY2019-20, an amount equivalent to 12.9 percent annual growth. These costs are only projected to increase further, with a projected \$11.1 million in adjusted budgeted expenditures for FY2021-22.

#### **SRSD Tuition Expenditures, 2016-17 to 2021-22**

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 YTD	2021-22 Adj <sup>155</sup>	CAGR <sup>154</sup>
Charter Tuition	\$5.2	\$5.4	\$5.6	\$6.9	\$8.1	\$8.3	10.3%
Total Other Tuition <sup>156</sup>	\$1.3	\$1.5	\$2.0	\$2.3	\$1.7	\$2.8	22.5%
<b>Total</b>	<b>\$6.4</b>	<b>\$6.9</b>	<b>\$7.6</b>	<b>\$9.2</b>	<b>\$9.8</b>	<b>\$11.1</b>	<b>12.9%</b>

Charter tuition is driven by the District's increasing enrollment, which includes students with both general and special education identifications. In addition to the development of a strategy to recover students from charter schools as noted in Plan initiative IN05, the District will take the following actions regarding charter tuition from a resource management perspective:

<sup>154</sup> The compound annual growth rate (CAGR) is based on 2016-17 to 2019-20 independent audit data.

<sup>155</sup> The District budgeted for \$8.4 million in charter tuition for 2021-22. However, as the District does not have a PDE-363 form for the 2021-22 school year, charter tuition costs were adjusted based on the District's reported enrollment and 2020-21 budget, using the methodology of the PDE-363 form. Other tuition costs, specifically tuition to nonpublic schools, were also adjusted and increased by \$40,000, based on historical payments and conversations with the District.

<sup>156</sup> Other tuition refers to all District expenditures at the 560 object level except charter tuition. Due to differences in how these expenditures were categorized historically by the District, individual trend analysis for each type of placement is difficult.

- **Verify eligibility for charter tuition placements:** Sto-Rox is responsible for paying tuition for students residing in the district who attend charter schools, but is not responsible for students attending charter schools who may transition between districts due to changes in residence or other circumstances. On a quarterly basis, the District will undertake a review to ensure that they are not paying for students who should be covered by another district. This may require outreach to families to verify addresses. The District will conduct its first verification within one month of Plan approval.
- **Regularly review charter school bills:** Charter schools bill districts directly for the students on a monthly basis. The District will review the bills on a monthly basis to verify enrollment against the tuition that is paid and confirming compliance with any future enrollment caps.
- **Improve charter enrollment reporting and forecasting:** Given the size of the District's charter enrollment, regular reporting to the administration, Board, and Business Manager is critical. Reports should include the number of students, general or special education identification, and the charter school attended at a minimum. The District will also improve its capacity to develop enrollment forecasts based on trends to help the District improve the accuracy of budget forecasts regarding charter tuition.
- **Complete PDE-363 form annually:** The amount that each district in the Commonwealth pays on behalf of charter school students in the Commonwealth is determined based upon information provided by the District.<sup>157</sup> Each district has a separate rate for general tuition and special education tuition. The District has seen delays in the completion of the PDE-363 form which can create problems in identifying the correct rate to pay to charter schools. The District will annually complete the PDE-363 form with up-to-date budget data and average daily membership (ADM) data, and update the form as needed throughout the year.

The District also pays for a number of students in out-of-district placements. According to data provided by the District, it had 39 placements as of October 2021. These services include life skills programs as well as alternative education placement and approved private schools. The students in these programs often require more intensive supports, and their placements can be more expensive as a result. In order to more closely monitor payments for out-of-district placements, the District will do the following:

- **Monitor out-of-district placements:** Costs for out-of-district placements will oscillate significantly based on the number of students. In order to ensure that the District is not overpaying for services and is receiving maximum reimbursements, the District will verify eligibility of students.
- **Increase oversight of contracts with vendors:** Out-of-district placements often have high per-student tuition rates due to the low number of students receiving services and intensity of services provided. The District should seek to negotiate new rates where possible, identify whether services can be provided in-house on a cost-effective basis, and evaluate the services provided by all vendors.
- **Review the Act 16 placement report:** The District is required to report the number of students with disabilities to the Pennsylvania Department of Education annually. The District's Business Manager will review the report in conjunction with the individual overseeing special education placements.

The financial impact table on the following page shows the result of outsourcing the Business Office, reducing workers' compensation costs, increasing the District's efficiency for transportation, updating the PDE-363 form to reflect appropriate charter tuition rates and costs, one-time support for verifying charter placements, and controlling the costs of out-placements.

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<sup>157</sup> <https://www.education.pa.gov/K-12/Charter%20Schools/Pages/Charter-School-Funding.aspx>.

## 5-Year Impact

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Business Office outsourcing <sup>158</sup>	(\$92,933)	(\$52,629)	(\$53,136)	(\$53,671)	(\$54,213)	(\$306,582)
Reducing workers' compensation <sup>159</sup>	(\$3,850)	(\$24,038)	(\$44,226)	(\$64,414)	(\$84,602)	(\$221,131)
Transportation savings <sup>160</sup>	(\$100,000)	(\$180,000)	(\$260,000)	(\$340,000)	(\$420,000)	(\$1,300,000)
Charter eligibility review	\$6,000	\$0	\$0	\$0	\$0	\$6,000
Update charter tuition rates <sup>161</sup>	(\$346,803)	(\$379,410)	(\$374,866)	(\$389,522)	(\$345,406)	(\$1,836,006)
Control out-placement costs <sup>162</sup>	(\$29,475)	(\$52,924)	(\$70,045)	(\$80,522)	(\$84,023)	(\$316,989)
<b>Total Annual Impact (\$)</b>	<b>(\$567,061)</b>	<b>(\$689,000)</b>	<b>(\$802,273)</b>	<b>(\$928,129)</b>	<b>(\$988,245)</b>	<b>(\$3,974,708)</b>

### RM03: Establish financial policies and procedures

Financial policies, procedures, and systems are critical tools that ensure districts meet deadlines, fulfill requirements, and complete financial and operational responsibilities in a timely manner. As noted earlier in this chapter, the lack of policies and procedures and turnover in the District's Business Office have led to a number of issues, including the identification of material weaknesses in the District's financial controls and procedures in the 2019-20 independent audit, and annual budgets that were not based on District actuals. <sup>163</sup>

Although the District plans to engage with the Allegheny Intermediate Unit (AIU) around supports for the District's financial operations, the ultimate responsibility for the District's finances lies with the District. In order to improve oversight, the District will establish effective processes and procedures, update systems, and improve the budget development process. The District will undertake the following actions toward improving its financial management:

- Invest in Oracle for financial software:** In order for the District to oversee all aspects of its finances more effectively, it should utilize an updated software that can consolidate all information into one platform. The District has already entered into an agreement with the Allegheny Intermediate Unit for the use of the Oracle software for the District to support position and salary data. The District will also seek to maximize all of the software's functionalities.

<sup>158</sup> In 2021-22, the District finalized a shared services agreement with the AIU and plans on adding an accountant and associated benefits to support the business office and AIU, beginning in January 2023 at a pro-rated salary. The payroll preparation services included in the current AIU agreement are not included in the financial impact, as the costs of those services are reflected in the HR Manager initiative as outlined in TM01. Therefore, the impact of the outsourcing includes the removal of a vacant budgeted payroll position, a secretary in the Business Office, addition of an accountant, and associated benefits, including insurance, social security, and PSERS. Amounts for social security and PSERS are net of reimbursements.

<sup>159</sup> Reduced proportion of workers' compensation is based on regular salaries, and does not include other salary payments, such as extra duty pay. This initiative assumes the District is able to control workers compensation claims and reduces its portion of workers' compensation costs by a quarter of a percent (0.25 percent) annually.

<sup>160</sup> Annual target for transportation savings through either increased subsidy or reduced expenditures. The District estimates that one bus costs approximately \$80,000 and that reporting hazardous routes will save the District roughly \$20,000.

<sup>161</sup> The impact of adjusting the District's reported ADM to the 2019-20 ADM for PDE-363 provided by PDE in May 2021.

<sup>162</sup> The impact assumes curbing growth in tuition to LEAs, approved private schools (APS), and PRRIs to 5 percent throughout the projection window. No assumptions are made regarding tuition to the vo-tech school or nonpublic schools.

<sup>163</sup> An analysis of budget and actuals based on data provided by the District.

- **Develop a budget process and calendar:** To promote greater transparency throughout the District, the District's Business Manager should develop a calendar detailing the budget process timeline. The timeline should include the following:
  - Updates to the multi-year projection included as part of this Recovery Plan
  - Regular discussions with principals on staffing and building needs
  - A public review of the proposed budget with the Board and other stakeholders
  - Ensure annual budget and annual financial reports are submitted on time, according to all proscribed deadlines

The District should also consider the timeline of its annual financial audit when establishing the timeline for the budget to ensure that the District is using the most updated financial results to inform the process.

- **Utilize zero-based budgeting:** The zero-based budgeting process allows the District to reconsider its budget each year, and strategically invest in goals and priorities established by the District. The District should aim to implement a form of zero-based budgeting, which starts with identifying needs and then appropriately allocating available resources to cost categories based on outlined priorities, including those established in this Recovery Plan. The process should be informed by the District's data, findings from regular reports, and conversations with key stakeholders.
- **Regularly review YTD actuals against budget:** Prior to the 2021-22 budget, the District had successive years of creating budgets based on prior year budgets and not based on actual trends and annual results. As a result, the budget did not accurately reflect the true costs, and individual line items and categories were disorganized. The District's Business Manager, with support from Business Office staff, should review its year-to-date actuals against its budget on a monthly basis to identify areas of overspending and major cost drivers as well as analyze and investigate underspending. This will also inform the budget development process.
- **Review cash reconciliations and expected payments:** The District's Business Manager also needs to establish a process for managing cash on hand and paying bills on time so as not to incur penalties. The Business Manager should create procedures around the documentation of payments and bills and a system to consistently evaluate and review any potential cash reconciliations that may be required. The system should also have the ability to identify instances where the District fails to receive expected revenues, such as state reimbursements or rental collections, so the Business Office can quickly identify and resolve any underlying issues.
- **Submit monthly reports on finances, student data, and associated costs:** The Business Office, led by the Business Manager, should prepare regular reports for the Chief Recovery Officer, Superintendent, and Board on significant data points, including the District's year-to-date actuals (YTD), current enrollment, and number of filled and vacant positions.
- **Ensure the payment of payroll liabilities:** The District is responsible for paying payroll taxes on behalf of its employees. During a recent review it was discovered that the District had failed to make these payments timely and had not filed them for some quarters, resulting in substantial fines and penalties, affecting the District's cash flow and financial position. The District's Business Manager should create clear procedures around identifying and paying associated payroll costs and making other required deposits on a timely basis to avoid future issues.
- **Undergo a review of the Business Office:** The District will contract with a vendor to assess the operations of the Business Office.

Regular updates and reports on the District's budget process should be provided by the Business Manager to the Chief Recovery Officer, Superintendent, and School Board and the budget calendar should be circulated among staff prior to the budget process.

The table below details the financial impact of purchasing Oracle from the AIU and undergoing the review of the Business Office.

### 5-Year Impact <sup>164</sup>

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Purchase Oracle	\$17,625	\$18,559	\$19,543	\$20,579	\$21,669	\$97,975
Review of Business Office	\$10,000	\$0	\$0	\$0	\$0	\$10,000
<b>Total Annual Impact (\$)</b>	<b>\$27,625</b>	<b>\$18,559</b>	<b>\$19,543</b>	<b>\$20,579</b>	<b>\$21,669</b>	<b>\$107,975</b>

**RM04:** Strategically invest in District's facilities

A positive learning environment starts with creating a safe place for students to learn. Maintaining safe buildings require ongoing investment of resources for preventive maintenance, and commitment to a regular replacement cycle for necessary repairs.

The District currently owns four buildings. Of these, three are operated by the District and one is leased to a vendor.<sup>165</sup> While the District does not have a formal capital budget or plan, a preliminary assessment by the District has identified approximately \$884,000 in necessary repairs, including repairs to the roof of the Upper Elementary, updating chiller units, and repairs to employee parking lots. The District also has developed a list of other potential facility needs but has not yet identified costs for all projects.

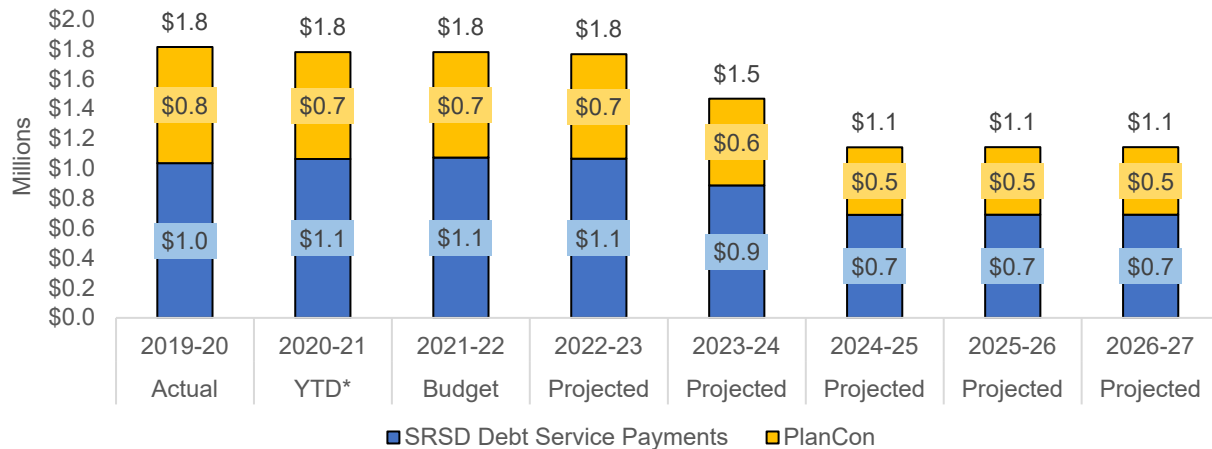
The District has limited internal staff to support facility needs. The District has 15 custodial staff across its three buildings, but only two employees tasked with maintenance across the District. The District does not have a Facilities Director or Director of Operations, and District staff report that the responsible party for managing the maintenance and custodial staff is unclear.

The District also currently has three bonds that it is paying debt service on, issued in 2009, 2011, and 2017. The District is expected to make final payments for the 2009 bond in 2022-23 and for the 2011 bond in 2023-24, which will reduce the District's debt service obligation from approximately \$1.8 million this year and next to \$1.1 million in 2024-25, as shown in the table on the following page.

<sup>164</sup> Cost based on shared services agreement with the AIU, which show costs growing by the District's Act 1 Index. For 2022-23, PDE reported an Act 1 Index of 5.3 percent for the District.

<sup>165</sup> The District owns the Primary Center, Upper Elementary School, Junior/Senior High School, and leases the Foster building.

**SRSD Debt Service**  
(in \$ millions)



A portion of the District's total debt service is reimbursed through the Commonwealth of Pennsylvania's School Construction and Facilities (PlanCon) program. Although reimbursements will decrease with the reduction in expenditures, the District will still be paying less overall on debt service in future years.

Often, as a district's current debt service payments are reduced over time, districts will consider issuing new bonds and taking on new debt to continue to fund necessary cyclical repairs. However, due to the District's recent downgraded credit rating to Caa1, the District may not be able to enter into new debt service agreements at beneficial rates.<sup>166</sup>

Failures in building maintenance can result in health hazards, sudden closings of buildings, and exponential costs, all which disrupt student learning. Due to the limited number of staff assigned to the buildings and aging systems, it will become increasingly difficult for the District to upkeep its current systems without making major investments. In order to make regular investments in the District's facilities, the District will do the following:

- **Dedicate debt service savings to a capital projects fund:** The District should consider dedicating a portion of the savings from the reduction in debt service payments toward capital projects. The District will dedicate a minimum of \$100,000 annually from the reduced debt service payments to capital projects.
- **Consider seeking a transitional loan from PDE to cover capital needs:** Under Section 681-A and 682-A of Act 141, a Chief Recovery Officer may apply for a loan on behalf of the district through the Department of Education's Financial Recovery Transitional Loan program. The District will apply for a transition loan of at least \$1.0 million, as outlined in Appendix I.<sup>167</sup>
- **Sell Foster building:** The District currently leases space in this building. According to the District, the amount charged by the District only covers the costs for utilities. The District has also identified the need for repairs to the roof, which the District would be responsible for. As part of a thorough analysis of building utilization, the District could consider the sale of the Foster building with the proceeds earmarked for future capital projects or toward paying down debt.

<sup>166</sup> In December 2021, Moody's Investors Service downgraded the District's issuer and general obligation tax ratings to Caa1. Moody's Rating Scale has 20 grades: 10 investment grades and 10 non-investment grades. Investment grades range from Aaa to Baa3. The Caa1 rating is 5 notches below the lowest investment grade rating.

<sup>167</sup> The Board must approve this Plan in order for the District to be eligible to receive a Transitional Loan.

- **Establish a Facilities Director position:** The District will assign the responsibility of managing the District’s facilities to an existing employee and identify additional compensation for that employee.<sup>168</sup>  
<sup>169</sup> This employee will be responsible for conducting a facility review to document the current state of facilities, including estimated timelines for replacement, quotes on the total cost to the District, and priorities based on safety and need. The report should also include an evaluation of available space in buildings, including classroom space. Any change in building reconfiguration or enrollment will also need to be considered, and the facility review should be updated annually. The designated employee will remain responsible for ongoing facility evaluation and creation and implementation of any remedial measures. It is assumed that any financial costs to the District would be offset by savings from properly maintaining facilities.
- **Create capital plan:** Using the facility review conducted by the newly established Facilities Director, the District will create a multi-year capital plan that can be integrated with the operating budget through the zero-based budgeting process (RM03). The plan should identify costs, funding sources, and a proposed timeline to address identified projects, based on available resources and urgency.
- **Consider energy-savings projects:** The District recently received a preliminary assessment report from the energy company Constellation, identifying ways to save on utility and operational expenditures through a Guaranteed Energy Savings project (GESA). The report identified possible upgrades in all three buildings, including lighting, system control replacement, and HVAC repairs. These improvements can result in improved physical conditions, more efficient operations, and energy savings. However, before moving forward with any proposal, the District will need to verify all data related to guaranteed savings, validate any assumptions regarding the data and building usage, and ensure that any contract contains provisions that outline maintenance and installation of any equipment and systems. The District shall retain a qualified outside consultant to serve as its owners’ representative and project manager to ensure that the project is executed successfully and that the District meets its post-project obligations to maintain and repair all equipment and facilities installed (failure to do so can often violate warranties and obviate GESA savings).

The following financial impact table shows the impact of a \$1.0 million transition loan taken out in 2022-23, to be repaid over ten years beginning in 2025-26.

### 5-Year Impact

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Financial Recovery Transition Loan	\$1,000,000	\$0	\$0	(\$100,000)	(\$100,000)	\$800,000
Sale of Foster Building <sup>170</sup>	\$0	\$0	\$0	\$0	\$114,000	\$114,000
<b>Total Annual Impact (\$)</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$100,000)</b>	<b>\$14,000</b>	<b>\$914,000</b>

**RM05:** Apply windfall revenues among priorities outlined in this Recovery Plan

One of the overarching goals of this Recovery Plan and the initiatives included in the Plan is to create long-term financial stability for the District, where revenues exceed expenditures and the District is able to invest in key priorities. Despite the number of initiatives in this Recovery Plan, the long-term financial projections for the District show results that are negative and indicate that the District will need to be

<sup>168</sup> If necessary to effectuate this provision, future collective bargaining agreements must include the appropriate salary as identified by the CRO.

<sup>169</sup> Costs for additional compensation for the employee is expected to be offset by reductions in preventive maintenance costs and unexpected repairs.

<sup>170</sup> Amount shown is inclusive of the loss of annual rental income from the facility.

vigilant and strategic in making financial decisions in the coming years. During the years in which this Recovery Plan is in effect, there shall be a shared savings approach to windfall revenues and budgetary resources that are received by the District. The CRO shall direct the District to make these investments under the authority granted by Section 642-A(a)(13) of Act 141.

For the purposes of this initiative, windfall revenues will be events which deliver savings or revenues beyond a reasonable amount allowing for natural growth in the particular source. Examples would include a one-time increase in delinquent tax collections or an unanticipated increase in funding from the Commonwealth. Similarly, if the District is able to achieve charter recovery beyond what is outlined in this Plan, those additional savings would be considered under this initiative.

This initiative is intended to create a structure to implement discipline around developing a structurally balanced budget in the long-term. As additional funding becomes available under this initiative, the District shall allocate portions of the funds to the following priorities:

- Elimination of the District’s negative fund balance and establishment of budgetary reserves
- Investments in facilities and capital needs
- Provision of salary increases above amounts available (as detailed in TM02)
- Elimination or moderation of required tax increases

**SRSD Allocation Framework**

Priority	2022-23	2023-24	2024-25	2025-26	2026-27
Fund balance and reserves	Up to 50 percent	Up to 50 percent	Up to 50 percent	Up to 50 percent	Up to 50 percent
Capital Investments	Up to 25 percent	Up to 20 percent	Up to 20 percent	Up to 20 percent	Up to 20 percent
Salary Increases	Up to 25 percent	Up to 20 percent	Up to 20 percent	Up to 20 percent	Up to 20 percent
Reduce Tax Increases	Not applicable	Up to 10 percent	Up to 10 percent	Up to 10 percent	Up to 10 percent

The elimination of annual deficits in the operating budgets are the first step in the process of allocating funds. After the budget has been balanced, any remaining funds shall be allocated according to this process. If the District is projected to report a negative fund balance in the following year due to any of the changes from the investments in these priorities, then the investments in the priority areas shall be for the duration of a single year.

The CRO shall work closely with key stakeholders, staff, and community members to ensure that District priorities are being met in the development of the annual budget.



## Other Initiatives

- **Utilize transition loan funding to support Recovery Plan implementation:** In addition to using the Financial Recovery Transition Loan to support the District's capital needs, it may also elect to request a larger loan or secondary loan to support implementation costs related to this Recovery Plan.
- **Shift a portion of custodian costs to food service fund:** The District provides food services to students. Revenues and expenditures from this program are categorized as part of the District's proprietary food services fund, which is operating with a surplus. The District may consider shifting any eligible portion of personnel costs for those employees to the food services fund. If the District decides to explore shifting these costs between funds, it should work with the resource management team in the Division of Food and Nutrition at PDE to ensure all allocations are done correctly.
- **Identify external partnerships and grants (CC04):** Given Sto-Rox's highly diverse student population and high number of students identified as economically disadvantaged, it may qualify for many independent and smaller statewide grants. The District should identify and apply for grants to provide support for programs, staff, and students. It may assign this responsibility to a staff member.
- **Pursue alternative revenue strategies:** The District should identify an individual or set of individuals who will be tasked with pursuing alternative revenue strategies including partnerships and donations.
- **Explore the establishment of an education foundation:** In addition to grants from local organizations to tackle specific issues faced by the students and greater community, the District should explore the potential benefits of establishing a public service foundation under the terms of Act 55 of 1997.
- **Increase transparency regarding financial operations:** The District should regularly communicate information regarding finances and resources to the Board, staff, students, and families. It should also seek to engage these stakeholders more directly in the development of the budget, including identification of priorities and goals. The budget process should also include discussions with building principals and staff to promote greater transparency and increased building-level autonomy (RM03).
- **Consider RFP for banking services:** The District will consider options to increase the amount of interest the District will receive for banking services.

# School Safety

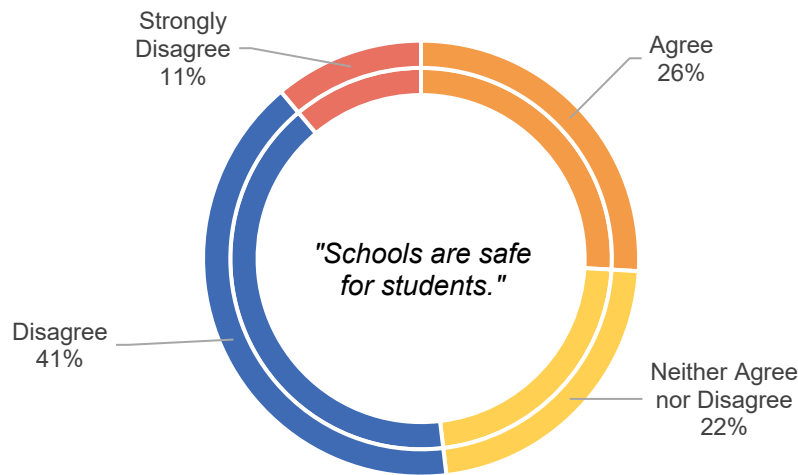
## Overview

All students, staff, and administrators have the right to feel safe in schools. When basic safety needs are not met in district buildings, staff are less able to do their jobs effectively and children are less likely to be able to learn and achieve academically.

The Sto-Rox School District is located in an area with high levels of violence. A recent article in the Pittsburgh Post-Gazette reported that there have been ten homicides in Stowe Township and McKees Rocks as of December 2021, noting that this is a higher rate than seen in other local communities.<sup>171</sup> Recent shootings and fighting near the Sto-Rox football stadium have prompted the District to no longer host games, citing safety concerns. Similar concerns and financial constraints have led to the elimination of most after school activities at the District, with both staff and students reluctant to stay on campus after the end of the school day.

While these incidents are mostly happening off campus and outside of the school buildings, they have a direct impact on the environment in which students come to school every day. A survey of school staff conducted by Mass Insight found that more than 52 percent of school staff disagree or strongly disagree that schools are safe for students; another 22 percent did not agree or disagree. Other responses indicated that 60 percent of school staff disagree or strongly disagree that schools are safe for teachers.<sup>172</sup>

### SRSD District Diagnostic Survey Results



**Key Finding 1: Violence and safety issues occurring inside and outside the schools have an impact on District schools.**

Concerns around the District's safety affect the District's operations directly through hiring safety personnel, purchasing metal detectors, and establishing new safety protocols. Perceptions around a lack

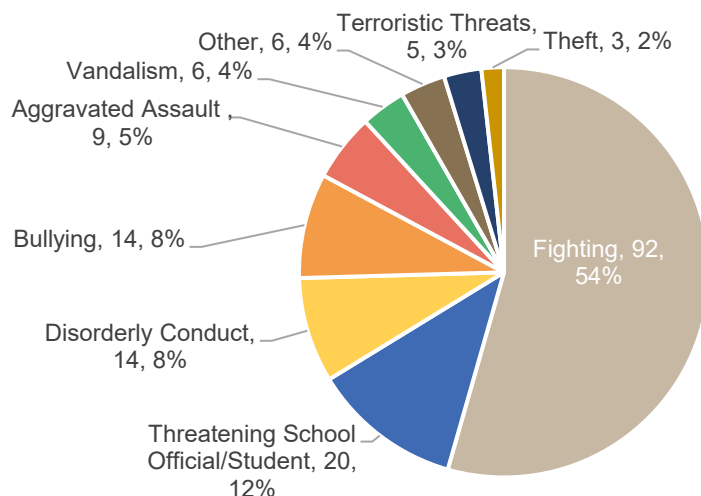
<sup>171</sup> "In year of rising violence, Sto-Rox among most affected." The Pittsburgh Post-Gazette. December 12, 2021.

<sup>172</sup> Sto-Rox Diagnostic Report. Mass Insight. December 2021.

of safety also impact the feelings of staff and students, the lack of after school activities, and create issues around attendance. These issues are of particular concern at the District’s high school building.

There are also concerns about behavior and safety within district buildings. Annually, school districts report data to the Pennsylvania Department of Education (PDE) regarding safety incidents. The Sto-Rox School District reported 169 discipline infractions in 2019-20, of which the majority of incidents – 54.4 percent – were for fighting. Other categories with significant percentages were threatening a school official or student, disorderly conduct, bullying, and aggravated assault.

**SRSR Reported 2019-20 Discipline Infractions** <sup>173174</sup>



The majority of the infractions reported by Sto-Rox represent serious behaviors, including threats and actual violence. The total number of incidents being reported relative to the student population is also notable. In 2019-20 the District reported 169 incidents and 181 offenders out of 1,265 students. An analysis of data reported by all districts in Allegheny County for 2019-20 (the most recent data available) shows that students from the Sto-Rox School District are responsible for 9.1 percent of all reported aggravated assaults on staff in the County, 7.9 percent of all reported bullying incidents, and 7.6 percent of all reported fighting. This is even more striking as the District represents only 0.9 percent of total County student enrollment.

Classroom and behavior management concerns were also noted during interviews with District staff. Instructional staff noted that these issues impacted the ability to get through lesson plans and deliver academic content to students. District administrators also report spending a significant amount of time attending to disciplinary issues throughout the school day.

**Key Finding 2: Physical safety is essential for a learning environment where students and staff can be successful.**

The appointment of a new Chief Recovery Officer resulting from the District’s placement in Financial Recovery Status provides the District with an opportunity to take additional steps to address and improve school safety. In support of these efforts, the District is receiving technical assistance through PDE’s Office for Safe Schools. In addition, the Allegheny County Intermediate Unit (AIU) was recently awarded a multi-year Reduction of Gun Violence grant from the Pennsylvania Commission on Crime and

<sup>173</sup> Sto-Rox SD Safe Schools – LEA Report 2019-20. <http://safeschools.pa.gov/home>.

<sup>174</sup> The “aggravated assault” category combines results from aggravated assault on a student and aggravated assault on a teacher. The “Other” category includes possession and use of tobacco, other forms of harassment and intimidation, and all other offenses.

Delinquency, which will be primarily focused on Sto-Rox. The remainder of initiatives in this chapter outline steps the District will undertake to improve the safety of all members of the school community.

Responsible parties for implementing the initiatives in the School Safety chapter of this Recovery Plan include the Chief Recovery Officer, Superintendent, Assistant Superintendent, and staff receiving stipends to support the Recovery Plan (as outlined in Plan initiative CC05). The School may also receive support from School Police Officers or School Resource Officers (as outlined in Plan initiative SS02).

**In order to address safety concerns and improve the safety of students, staff, and administrators, the District will undertake the following actions:**

- Develop a District-wide safety plan
- Review the number and responsibilities of security personnel in District buildings
- Improve relationships with local police departments and township officials and implement monthly safety meetings
- Engage with the Pennsylvania Department of Education (PDE) and other partners on technical assistance, training, and support to improve school safety
- Enforce existing provisions in collective bargaining agreements around student discipline and safety

## Initiatives

**SS01:** Develop a District-wide safety plan

In order to address the existing safety concerns across the District (and particularly at the high school), the District shall develop a District-wide safety plan. The safety plan will be designed to facilitate communication and coordination across the District to improve the prevention of and response to safety concerns. As part of the creation of the plan, the District will:

- **Conduct a safety assessment:** The District will contract with a provider to conduct a safety assessment of the District, including reviewing school procedures and guidelines, and the safety and security of the buildings and grounds. This assessment will replace any prior safety assessment conducted previously and in compliance with all provisions in the School Code.<sup>175</sup> The assessment will be used to inform the development of the safety plan.
- **Launch a District-wide School Safety Team:** This team will be responsible for developing the safety plan. Given the limited capacity at the District, this group will also incorporate the building safety committees as described later in this chapter in SS05, as well as the appointed school safety and security coordinator required by Section 1309-B of the Pennsylvania School Code. The District will also invite members of local law enforcement to participate on the School Safety Team as part of SS03. The District may also elect to engage with township and other local

<sup>175</sup> Section 13-1303-B outlines the requirement for school safety and security assessment to be conducted and updated regularly.

governments as part of this effort.<sup>176</sup> The District will also consider identifying ways to strengthen and improve relationships between staff and students.

- **Outline key prevention and intervention strategies:** This may include strategies that are already in place, such as positive behavior supports, as well as plans for additional or new strategies. The plan should also describe existing security personnel and safety policies. The District may use available tools and criteria to develop these strategies.<sup>177</sup>
- **Create an emergency response plan:** This should identify roles and responsibilities for District staff and security staff in case of an emergency, guidelines for contacting emergency response agencies and notification of parents and the community, including the identification of a key point of contact for communications regarding safety issues, including contacting families.
- **Describe a process for staff training:** This should include training on the emergency response plan, prevention and intervention strategies, and any other policy changes.

The safety plan should also incorporate other elements included in this chapter, such as increasing security personnel, improving the relationship with local police departments, and utilizing technical assistance resources or grants from outside agencies. The Allegheny County Intermediate Unit (AIU) was recently awarded a multi-year Reduction of Gun Violence grant from the Pennsylvania Commission on Crime and Delinquency, which may provide support for plan efforts.<sup>178</sup> The plan should also consider other available grants to help support improved safety at the District, while limiting the financial impact of those supports to the District. In drafting the plan, the Team shall consult with AIU, the PDE’s Office for Safe Schools, PCCD, and the Stowe Township and McKees Rocks police departments.

In the development of this plan, the District shall incorporate any changes in building or grade configuration as determined to be necessary by the Chief Recovery Officer. The District shall involve key stakeholders in the development of the safety plan, including staff, students, and families, as well as any relevant emergency agencies and partners. It is recommended that the District hold community meetings in order to get input and feedback and survey students, staff, and family on their opinions regarding the District’s overall safety and its plans to reduce conflict and violence.

Given the disparate and wide-ranging elements of the plan, some aspects may be implemented on a provisional basis before the entire plan is finalized. The costs shown in the table below are to contract with a vendor for safety assessment. Additional costs may be incurred if the District elects to contract for support in developing a safety plan.

### 5-Year Impact

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
Safety assessment	\$2,000	\$0	\$0	\$0	\$0	\$2,000
<b>Total Annual Impact (\$)</b>	<b>\$2,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,000</b>

<sup>176</sup> If any local police department has any jurisdiction over school property, the District must enter into a memorandum of understanding between the department and District as required by the Pennsylvania Code.

<http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/022/chapter10/s10.11.html&d=reduce>

<sup>177</sup> The Pennsylvania Commission on Crime and Delinquency as developed baseline criteria for schools to inform decisions around security. These criteria are located at: <https://www.pccd.pa.gov/schoolsafety/Pages/New-for-Schools!-%e2%80%93-Baseline-Criteria.aspx>.

<sup>178</sup> The PCCD grant identifies three areas that the AIU will help to support at the District: training and implementation of restorative practices at the high school, providing violence interrupters, mentoring, and student empowerment, and collaborating with Communities in Schools on creating a “safety corridor” for students walking to and from school.

**SS02:** Review the number and responsibilities of security personnel in District buildings

The District currently contracts for security personnel through a third-party provider. The current contract provides for a maximum of four staff for the entire District, with two contracted security officers at the high school and one each at the Upper Elementary and Primary schools. Given the location of District buildings and existing security concerns, as part of the District-wide safety plan Sto-Rox should look at the number and responsibilities of security personnel at the District.

In order increase the number of security officers, the District may consider the following actions:

- **Consider supplementing or converting from contracted security to School Resource Officers or School Police Officers:** School Resource Officers (SROs) are typically employed by a local police force but work at school buildings, while School Police Officers (SPOs) are employed by the school directly. Individuals holding both types of positions are required to undergo training in order to be considered qualified and to work in schools. One advantage of using these personnel is that that they can also be tasked to provide other supports to schools, such as training school personnel, assisting students in conflict resolution, and improving relationships between the school and local police departments (see SS03). If the District does engage SROs or SPOs, it will need to comply with all current regulations in the Pennsylvania School Code regarding their employment and use.
- **Re-bid contracted security positions:** The District should evaluate its current contract to determine if competitive services are available through other security firms or if additional positions can be added to the contract.
- **Engage youth engagement specialists or other contracted staff:** Non-security personnel can also be very effective in reducing incidents and de-escalating conflict. These individuals typically use a therapeutic approach toward managing behavioral issues exhibited during the school day. The Penn Hills School District (PHSD) recently transitioned to this model in their middle school.<sup>179</sup> At PHSD specialists are present in the buildings, walking the corridors, checking in on classrooms, and intervening as needed. These specialists are trained in responding to individuals experiencing trauma as a result of violence in the community, unlike many law enforcement and other school security staff. PHSD reports positive results, with reduced fighting at the middle school ,and plans to expand the program to the elementary and high schools.
- **Explore using grants from government or other funders to cover the cost of increased security:** The Pennsylvania Department of Education's Office for Safe Schools offers grants for SPOs and SROs to help schools cover the costs of these personnel. The District should explore how to be considered for these resources. The District may also want to explore whether to seek additional grants through government or private sources or use one-time ESSER funds to cover the cost of the additional safety positions or youth engagement specialists.

The table on the following page shows the financial impact of adding three School Police Officers (SPOs), with anticipated grant support through PDE's Office of Safety Schools to cover a portion of the cost. If the grant support is not received, the District would be responsible for the full cost of the SPOs.

<sup>179</sup> <https://districtadministration.com/reduce-challenging-student-behavior-using-youth-engagement-specialists/>. Accessed January 3, 2022.

## 5-Year Impact <sup>180 181</sup>

	2022-23	2023-24	2024-25	2025-26	2026-27	Cumulative Impact
3 Additional SPOs	\$130,577	\$134,176	\$134,261	\$134,380	\$134,458	\$667,852
Anticipated grant support	(\$40,000)	(\$20,000)	(\$40,000)	(\$20,000)	(\$40,000)	(\$160,000)
<b>Total Annual Impact (\$)</b>	<b>\$90,577</b>	<b>\$114,176</b>	<b>\$94,261</b>	<b>\$114,380</b>	<b>\$94,458</b>	<b>\$507,852</b>

**SS03:** Improve relationships with local police departments and township officials and implement monthly safety meetings

The Sto-Rox School District, due to its location, is currently served by both the McKees Rocks and Stowe Township police departments. The District does not have an established relationship with either department regarding efforts to reduce violence and improve safety in school buildings. The District also does not have existing strong relationships with either township government, although the newly elected Mayor from McKees Rocks recently attended a School Board meeting.

Partnering with local police departments can help to support a culture of safety, and they can provide training and security expertise to school staff and administrators as they develop and implement safety plans. The District shall seek to improve the relationship with local police departments, involving them in the development of the school safety plan and participating as members of the School Safety Team as outlined in SS01 as well as exploring the opportunity for SROs or SPOs as outlined in SS02. The District should also document any agreement for support or assistance in a memorandum of understanding (MOU).

The District will also seek to implement a monthly safety meeting between the District, local law enforcement, and local township governments to discuss emerging issues at the school, or issues in the surrounding areas that may impact students directly or indirectly. Once the relationship is established, the District shall encourage establishing regular check-in calls to share information on community developments before the start of each week or after school holidays.

**SS04:** Engage with the Pennsylvania Department of Education (PDE) and other state, regional and local partners on technical assistance, training, and support to improve school safety

PDE's Office for Safe Schools is responsible for coordinating school safety and security programs and providing technical assistance and support to districts throughout the Commonwealth. The office offers free resources to districts, such as online and in-person trainings and toolkits. They also administer Safe Schools Targeted Grants for equipment and programs, as well as funding School Police Officer and School Resource Officer positions throughout the Commonwealth.

The Pennsylvania Commission on Crime and Delinquency (PCCD) also offers resources to schools, including threat assessment training and technical assistance. PCCD was recently awarded a grant from

<sup>180</sup> Grants are awarded for two years at a time. The grant award in the second year is 50 percent of the award of the first year. <https://www.education.pa.gov/Schools/safeschools/fundinggrants/Pages/default.aspx>.

<sup>181</sup> Cost of employee includes Social Security and PSERS payments, but does not assume health insurance for these employees is paid by the District.

the U.S. Department of Justice to help districts implement their own strategies and policies regarding threat assessments.

The District will evaluate available offerings and engage in discussions with PDE to determine what supports may be available. In light of the District's financial situation and limited staff capacity, every effort should be made to take advantage of free training and technical assistance as well as free or subsidized programming and resources. Accordingly, the District should also explore how other existing or new resources, such as its partnership with Communities in Schools, can be integrated into its safe school initiatives.

**SS05: Establish building workgroups and plans around student discipline and safety**

As noted earlier in this chapter, behavioral and disciplinary infractions at the District create a burden on administrative and instructional staff and impact the ability of students to learn. In order to address issues at the building level, the Superintendent and Building principals will undertake the following actions:

- **Form building committees to review safety issues and building discipline:** The District will set up building committees to review student discipline data, building concerns or to review and update building discipline policies. Committee members will also be considered a part of the School Safety Team as described in SS01, but operate as a subcommittee. The committee will seek input from students and parents on the policies before recommending any policy updates to the Board.
- **Develop an annual action plan for rules of conduct by building:** The plan will be developed by building principals with significant input from teaching staff. This should outline expectations for students as well as appropriate consequences and supports, including referrals for alternative placements or additional services. The plan should also consider the creation of a culture of excellence and high expectations or all as outlined in the Culture and Climate chapter of this Recovery Plan.
- **Hold an annual in-service training for administration and staff on the student discipline code:** This training should highlight any notable changes in policy or practice.



## **Appendix A**

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**Sto-Rox School District  
Chief Recovery Officer  
Advisory Committee**

Under the terms of Act 141, an Advisory Committee to the Receiver must be appointed, with certain ex officio appointments and others nominated by the School District and the Intermediate Unit. Members of the Advisory Committee for the Sto-Rox School District are:

John Zahorchak, Chief Recovery Officer of Sto-Rox School District

Dr. Joseph Dimperio, Interim Superintendent of Sto-Rox School District

Kerry Connolly, Resident of Sto-Rox School District

Alice Cooper, School Board Member of Sto-Rox School District

Cameron Culliver, Board President of Sto-Rox School District

Melissa Garvin, Director of Pupil Service at Propel Schools

Maria Kotek, Teacher at Sto-Rox School District

Leanna Lawson, Program Director, Training & Consultation at Allegheny County Intermediate Unit

Samantha Levitzki-Wright, School Board Member of Sto-Rox School District

Tina Nagel, Resident of Sto-Rox School District

Paul Sroka, Business Manager of Sto-Rox School District

Jessica Taylor, Part-Time Faculty at Robert Morris University

Aaron Thomas, Superintendent of Cornell School District

## **Appendix B**

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**Sto-Rox School District PSSA Annual Goals <sup>1</sup>**

	SRSD Score	State Average	Gap	Annual Target	19-20 <sup>2</sup>	20-21	21-22	22-23	23-24	24-25	25-26	26-27
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**Language Arts PSSA – Percent Proficient and Advanced**

Primary Center	25.7	62.1	36.4	7.3	25.7	25.7	25.7	33.0	40.3	47.5	54.8	62.1
Upper Elementary	25.7	62.1	36.4	7.3	25.7	25.7	25.7	33.0	40.3	47.5	54.8	62.1
Jr/Sr High	18.6	62.1	43.5	8.7	18.6	18.6	18.6	27.3	36.0	44.7	53.4	62.1

**Mathematics PSSA – Percent Proficient and Advanced**

Primary Center	17.1	45.2	28.1	5.6	17.1	17.1	17.1	22.7	28.3	34.0	39.6	45.2
Upper Elementary	6.8	45.2	38.4	7.7	6.8	6.8	6.8	14.5	22.2	29.8	37.5	45.2
Jr/Sr High	8.5	45.2	36.7	7.3	8.5	8.5	8.5	15.8	23.2	30.5	37.9	45.2

<sup>1</sup> PSSA data by subject and statewide averages are based on the Future Ready PA Index.

<sup>2</sup> At the time of the development of this Recovery Plan, assessment data is not available for the 2019-20 year as statewide assessments were allowed to be waived by the United States Department of Education as a result of the pandemic. The United States Department of Education did require districts to complete academic assessments by September 2021. While PDE released statewide 2020-21 assessment data in March 2022, school-level data has not yet been released for all academic assessments at the time of the development of the Recovery Plan.

**Sto-Rox School District Keystone Annual Goals <sup>4</sup>**

SRSD Score	State Average	Gap	Annual Target	19-20 <sup>3</sup>	20-21	21-22	22-23	23-24	24-25	25-26	26-27
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**Keystone – Percent Proficient and Advanced**

Literature	18.8	71.5	52.7	10.5	18.8	18.8	18.8	29.3	39.9	50.4	61.0	71.5
Algebra I	15.3	63.3	48.0	9.6	15.3	15.3	15.3	24.9	34.5	44.1	53.7	63.3
Biology	4.8	63.2	58.4	11.7	4.8	4.8	4.8	16.5	28.2	39.8	51.5	63.2

<sup>3</sup> At the time of the development of this Recovery Plan, assessment data is not available for the 2019-20 year as statewide assessments were allowed to be waived by the United States Department of Education as a result of the pandemic. The United States Department of Education did require districts to complete academic assessments by September 2021. While PDE released statewide 2020-21 assessment data in March 2022, school-level data has not yet been released for all academic assessments at the time of the development of the Recovery Plan.

<sup>4</sup> Keystone data for SRSD and the statewide average is based on Keystone school and state level data reported by PDE; <https://www.education.pa.gov/DataAndReporting/Assessments/Pages/Keystone-Exams-Results.aspx>

## **Appendix C**

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**Sto-Rox School District Four-Year Cohort Graduation Rate Goals <sup>5</sup>**

	<b>SRSD Rate</b>	<b>State Average</b>	<b>Gap</b>	<b>Annual Target</b>	<b>19-20<sup>6</sup></b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>	<b>26-27</b>
<b>Four-Year Cohort Graduation Rate – District</b>												
District	95.6	87.4	(8.2)	0.0	95.6	95.6	95.6	95.6	95.6	95.6	95.6	95.6

<sup>5</sup> Four-year cohort graduations are based on reported rates from the Future Ready PA Index.

<sup>6</sup> The District's graduation rates shown are from the 2019-20 school year. Due to the pandemic, the District closed schools in the middle of the 2019-20 school year in March 2020; consequently, students completed the school year virtually. The District's four-year graduation rate for the 2019-20 school year may have been impacted by the pandemic. When updated graduation rates become available for 2020-21, the District will adjust targets accordingly.

## **Appendix D**

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### Sto-Rox School District Regular Attendance Goals <sup>7</sup>

	SRSD Rate	State Average	Gap	Annual Target	19-20 <sup>8</sup>	20-21	21-22	22-23	23-24	24-25	25-26	26-27
<b>District Regular Attendance</b>												
District	55.2	85.8	30.6	6.1	55.2	55.2	55.2	61.4	67.5	73.6	79.7	85.8
<b>School-based Regular Attendance</b>												
Primary Center	58.3	85.8	27.5	5.5	58.3	58.3	58.3	63.8	69.3	74.8	80.3	85.8
Upper Elementary	54.2	85.8	31.6	6.3	54.2	54.2	54.2	60.5	66.8	73.2	79.5	85.8
Jr/Sr High	53.7	85.8	32.1	6.4	53.7	53.7	53.7	60.1	66.5	73.0	79.4	85.8

<sup>7</sup> The District's school-based regular attendance is based on rates reported by the Future Ready PA Index. The District-wide regular attendance is calculated using the current enrollment at individual schools and calculating a weighted rate.

<sup>8</sup> The District's rates represent regular attendance rates from the 2019-20 school year. Due to the pandemic, the District closed schools in the middle of the 2019-20 school year in March 2020; consequently, students completed the school year virtually. The shift to virtual learning may have impacted the District's regular attendance. When updated regular attendance rates become available for 2020-21, the District will adjust targets accordingly.

## **Appendix E**

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**Sto-Rox School District Career Readiness Goals**

	SRSD Rate	State Average	Gap	Annual Target	19-20 <sup>10</sup>	20-21	21-22	22-23	23-24	24-25	25-26	26-27
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<b>Career Readiness</b>												
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Career Standards	50.6	84.9	34.3	6.9	50.6	50.6	50.6	57.5	64.3	71.2	78.0	84.9
Industry-Based Learning	17.4	29.1	11.7	2.3	17.4	17.4	17.4	19.7	22.1	24.4	26.8	29.1

<sup>9</sup> Scores are based on the most recent scores published by PDE on the Future Ready PA Index. Career Standards data is from 2020-21 and industry-based learning data is from 2018-19.

<sup>10</sup> Due to the pandemic, the District closed schools in the middle of the 2019-20 school year in March 2020; consequently, students completed the school year virtually. The shift to virtual learning may have impacted the District's reported rates for students who meet career standards. When updated career readiness standards become available for 2020-21, the District will adjust targets accordingly.

## **Appendix F**

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## Baseline Model Assumptions

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The following is a description of the data sources and the assumptions used to develop the baseline budget projections for the Sto-Rox School District.

PFM received 2021-22 budget data and year-to-date actuals for the 2019-20 and 2020-21 school years in September 2021. The updated audited detail for 2019-20 was provided by the District in October 2021. The District's starting fund balance for 2020-21 is based on the unassigned fund balance from the District's 2019-20 audit.

The assumptions detailed below are for the District's adjusted baseline projections. The adjusted baseline projections do not include the District's future ESSER allocations. The impact of the District's ESSER funds are reflected in a separate projection.

### Revenue Projections

- Local Sources
  - Current real estate taxes
    - The District's assessed value is held flat throughout the projection window to reflect historical trends
    - No real estate tax increases are assumed in the baseline
    - The District's current year collection rate is held flat at the budgeted rate of 83.36 percent
  - Total real estate taxes
    - The District is expected to collect approximately 90.6 percent of its total levy through its current and delinquent collections, based on budgeted collections
    - The District's delinquent tax collections are held flat at the budgeted amount
  - Act 511 taxes
    - Earned income taxes are increased by \$100,000 in 2021-22 to adjust for increases in the District's current-year EIT collections
      - Earned income taxes are projected to grow by inflation starting in 2022-23
    - Occupation taxes are projected to increase by \$10,495 in 2022-23 to reach \$18,495, the District's 10-year historical average between 2009-10 and 2018-19, and then decline by 0.3 percent a year to reflect the District's 5-year trends
    - Mercantile taxes are grown by the headline CPI projections from the Survey of Professional Forecasters<sup>11</sup> to reflect a return to historical actuals
    - In 2022-23, the District's real estate transfer tax is increased by \$6,916 to the 11-year historical average from 2008-09 to 2019-20, and then held flat
    - All other Act 511 taxes are held flat
  - Revenues from PILOTs are reduced by 10 percent to \$4,500 in 2022-23 based on the District's existing agreements, and then held flat
  - Rentals increase by \$14,000 in 2022-23 to \$36,000, and then held flat
  - The District's IDEA pass-through is increased to \$402,000 in the 2021-22 budget based on District-reported allocation and ARP award, and then decreased to the base allocation of \$325,000 for the remainder of the projection
  - All other local sources were held flat in the projected years

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<sup>11</sup> Headline CPI projections, or inflation, from the Survey of Professional Forecasters reflects the long-term historical average from 2021 to 2030, reported in the 4<sup>th</sup> quarter of 2021; <https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/spf-q4-2021>



- State Sources
  - Basic Education Funding (“BEF”) and Special Education Funding (“SEF”)
    - Estimates for 2021-22 were based on the Department of Education’s allocation from the Commonwealth’s estimated 2021-22 budget
    - BEF and SEF estimates were calculated using the District’s share of funding provided by the student-weighted funding formulae:
      - BEF Growth – Approximately 3.0 percent per year after 2021-22
      - SEF Growth – Approximately 3.2 percent per year after 2021-22
    - The Commonwealth’s 2021-22 Basic Education funding includes the Level Up Initiative of \$100.0 million. The projections assume that the Level Up Initiative will be held flat throughout the projection window
  - Despite historical collections, the District did not budget for a Tuitions for Orphans Subsidy in 2021-22. Tuition for Orphans is increased by \$15,000 for 2021-22 to reflect past collections and then held flat
  - The 2021-22 budgeted Property Tax Allocation is adjusted to \$852,448 based on allocations reported by the Pennsylvania Department of Education
  - Transportation Subsidy is projected to grow at 1.5 percent per year, at half the projected rate of the growth in transportation costs
  - Reimbursement rates for Social Security and PSERS are based on the 2020-21 budgeted reimbursements and historical trends
    - Social Security Reimbursement: 78.0 percent
    - PSERS Reimbursement: 79.0 percent
  - Rental & Sinking Fund Payments (PlanCon) were provided by PFM Financial Advisors in July 2020 and uses the District’s 2019-20 aid ratio
  - The District’s School Health and Safety Grant (PCCD Grant) is removed after 2021-22
  - All other state sources were held flat in the projected years
- Federal Sources
  - All Title funds were adjusted to the 2021-22 allocations reported by PDE and then held flat
    - While not included in the District’s 2021-22 budget, the District is expected to receive a Title I Set Aside allocation of \$195,456 annually
  - The District’s ESSER II allocation is budgeted in 2021-22, and then removed as it is a one-time payment
  - ACCESS revenue is increased to \$200,000 in 2022-23 to reflect a planned withdrawal, and then reduced to \$60,000 to reflect the District’s estimated annual revenue
  - All federal other revenues are held flat

## Expenditure Projections

- Personnel
  - The District has three unions: the Sto-Rox Education Association (SREA), Sto-Rox Education Support Professionals Associations (SRESPA), and Act 93.
  - The District’s current agreements with Act 93 and SRESPA will expire in June 2023 and the SREA contract expired in June 2021.
  - The District provided a salary file outlining individual salaries included in the District’s 2021-22 budget
  - The following growth rates were calculated for 2022-23 based on the District’s existing contracts, individuals’ steps, and additional adjustments:
    - Act 93: 2.5 percent annual increase assumed
    - Teachers (SREA): Held flat, no increases due to expiration of contract
    - Support Professionals (SRESPA):
      - Secretaries: 1.8 percent



- Custodians and Maintenance: Adjusted in 2022-23 to reflect the removal of 1 custodial position using the median custodian salary
  - This results in a net decrease of 3.7 percent in custodian salaries in 2022-23
- Paraprofessionals: -1.8 percent
  - Paraprofessionals included a salary for an individual being paid at the custodian rate. Based on the employee's step, the hourly rate was adjusted to the salaries outlined for educational aides
- Salaries are held flat following the expiration of each agreement.
- All vacancies are assumed to be filled
- Employee Benefits
  - Group Insurance (Health insurance) costs grow at 3.32 percent, based on historical cost trends from the Allegheny County School Health Insurance Consortium
    - Insurance costs are adjusted to reflect the removal of one custodial position
  - Dental and vision insurance are grown by inflation
  - Life insurance and long-term disability costs are held flat at the recommendation of the District
  - Tuition reimbursement is reduced by half and then held flat based on current staffing levels
  - Worker's compensation is 2.55 percent of salaries, based on the District's 2021-22 budget assumptions
  - Social Security and unemployment compensation change with total projected salaries
  - PSERS contribution rates increase based on projected rates published by the Commonwealth in January 2022, and with changes in salaries
  - Other benefits are held flat
- Charter Tuition Payments
  - The District has not completed a PDE-363 form for the 2021-22 school year, therefore rates are calculated on the District's 2020-21 budget
  - The District's ADM is based on the provided 2020-21 PDE-363 form
  - Enrollment
    - The District's 2021-22 charter enrollment is based on the District's provided enrollment as of October 2021 and budgeted tuition is adjusted accordingly based on revised tuition rates
    - Charter enrollment growth is based off historical growth for cyber charter schools as well as projected growth for Propel Montour
      - Annual enrollment growth is estimated to be 17 regular education students and 3 special education students across all charter schools
  - Based on the District's growing charter school enrollment, operational adjustments are made to account for changes in costs as a result in declining in-District enrollment
    - Staffing
      - For the loss of every 25 regular education students, the projections assume the reduction of one regular education teacher
      - For the loss of every 10 special education students, the projections assume the reduction of one special education teacher
      - For the loss of every 5 special education students, the projections assume the reduction of one educational aide
      - Proportionate adjustments are made to benefits, including health insurance, social security, PSERS, and associated reimbursements
    - Non-personnel costs
      - Costs for supplies, technology, and other books, periodicals, and food, are reduced based costs per student, estimated using the District's budgeted costs



- Based on current ridership, bus and van routes are adjusted to account for changes in cyber charter enrollment
  - For the loss of every 54 regular education students to a cyber charter, one bus route is removed
  - For the loss of every 6 special education students to a cyber charter, one van route is removed
- Other Tuition Payments
  - Tuition payments to other LEAs, nonpublics, approved private schools, and PRRIs increase based on overall historic trends in tuition payments
  - Projected increases in tuition payments to other LEAs are based on increasing enrollment, assuming the cost of \$25,000 per student
    - Tuition to other LEAs: Annual increase of 1 student
    - Tuition to nonpublic schools: Adjusted to the District's historical spending and held flat
    - Tuition to VoTech schools: Assumed to remain flat based on existing agreements and available seats
    - Tuition to APS: Annual increase of 4 students
    - Tuition to PRRIs: Annual increase of 1 student
- ESSER Funding and Expenditures
  - The District was allocated \$14.2 million in ESSER funds that the District must spend before September 30, 2024. The District received the following allocations:
    - CARES Act: \$935,917
    - ESSER II: \$4,156,434
    - ESSER III: \$8,407,264
    - PDE ARP Wraparound Grant: \$653,434
  - The District has stated that it will use the entirety of its ESSER II allocation for continuity of education and operations
  - ESSER funds for future years are not included in the adjusted baseline projections
- Other Non-Personnel Expenditures
  - The District's 2021-22 budget includes adjustments for COVID-19. The 2022-23 budget is adjusted to reflect ongoing changes to costs being made by the Chief Recovery Officer:
    - Other Professional Services:
      - Costs for substitutes are held flat in out years at \$40,000, as District requires substitutes regularly but has not been able to find substitutes
      - Contracted fiscal services for former contracted Business Manager support are removed starting in 2022-23 (\$23,000)
      - Special education services (\$60,000) are expected to remain flat
      - Expenditures for sports are reduced to \$9,000, then held flat
      - Remaining costs continue to grow by inflation
    - Property Services:
      - Repairs and Maintenance assumes a return to historical spending
      - Remaining costs are grown by inflation
    - Other Purchased Services
      - The District plans on expanding the number of crossing guards, therefore costs are increased by \$5,500
      - Remaining costs are grown by inflation
    - Supplies
      - Supplies are expected to be replaced in 2024-25, with costs increasing by 135.0 percent for one year
      - Other years grow by inflation
    - Technology





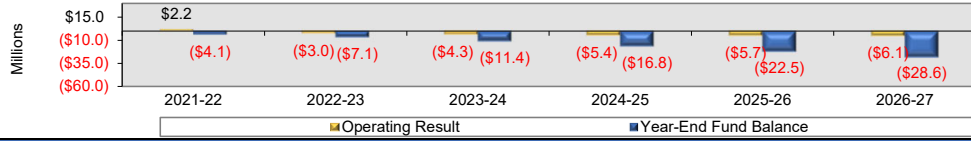
- Technology is expected to be replaced in 2024-25, with costs increasing by 64.3 percent for one year
  - Other years grow by inflation
- Equipment
  - Costs are reduced to \$50,000 based on historical spending
  - Costs are grown by inflation starting in 2022-23
- Transportation costs are projected to grow by 3.0 percent annually to reflect the District's current transportation contract
  - SRSD's transportation contract includes a cost escalation clause, with future transportation costs increasing by the greater of 3.0 percent annual growth or inflation
- A general inflationary rate was applied to all other non-personnel related expenditures (except for Other Objects and Other Use of Funds) based on headline CPI projections from the Survey of Professional Forecasters
- Debt service payments were based on the debt schedule provided by PFM Financial Advisors on July 16, 2020
- The District's budgetary reserve in 2021-22 is reduced to \$200,000 starting in 2022-23 to account for fluctuation in charter tuition costs
- Other Objects and Other Use of Funds, including dues and fees, are held flat

## **Appendix G**

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# Sto-Rox School District

Adjusted Baseline



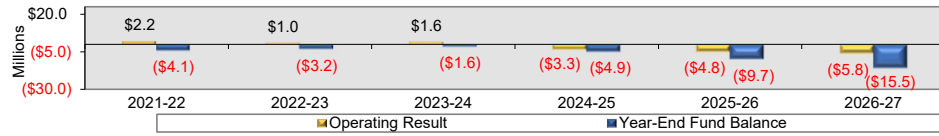
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
	Adj. Budget	Projected	Projected	Projected	Projected	Projected	%
<b>REVENUE SUMMARY</b>							
Current Real Estate Taxes	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	0.0%
Earned Income Taxes	\$1,050,000	\$1,076,775	\$1,104,233	\$1,132,391	\$1,161,267	\$1,190,879	2.6%
Other Act 511 Taxes	\$134,000	\$153,094	\$154,771	\$156,492	\$158,258	\$160,071	3.6%
Delinquent Real Estate Taxes	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	0.0%
Other Local Revenue	\$583,300	\$519,800	\$519,800	\$519,800	\$519,800	\$519,800	(2.3%)
<b>Local Sources</b>	<b>\$8,662,671</b>	<b>\$8,645,040</b>	<b>\$8,674,174</b>	<b>\$8,704,053</b>	<b>\$8,734,696</b>	<b>\$8,766,121</b>	0.2%
Basic Education Subsidy	\$11,175,158	\$11,508,372	\$11,848,249	\$12,194,925	\$12,548,534	\$12,909,215	2.9%
Special Education Subsidy	\$1,434,497	\$1,481,241	\$1,528,920	\$1,577,552	\$1,627,158	\$1,677,755	3.2%
Transportation Subsidy	\$3,038,448	\$1,224,029	\$1,242,390	\$1,261,025	\$1,279,941	\$1,272,649	(16.0%)
State Reimbursements	\$2,749,220	\$2,765,186	\$2,768,767	\$2,770,897	\$2,775,516	\$2,775,095	0.2%
Other State Revenue	\$2,042,352	\$1,981,689	\$1,862,854	\$1,733,735	\$1,734,412	\$1,734,353	(3.2%)
<b>State Sources</b>	<b>\$20,439,675</b>	<b>\$18,960,517</b>	<b>\$19,251,180</b>	<b>\$19,538,135</b>	<b>\$19,965,560</b>	<b>\$20,369,066</b>	(0.1%)
<b>Federal Sources</b>	<b>\$5,696,533</b>	<b>\$1,669,587</b>	<b>\$1,529,587</b>	<b>\$1,529,587</b>	<b>\$1,529,587</b>	<b>\$1,529,587</b>	(23.1%)
<b>Other Funding Sources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	0.0%
<b>Total Revenues</b>	<b>\$34,798,879</b>	<b>\$29,275,143</b>	<b>\$29,454,942</b>	<b>\$29,771,776</b>	<b>\$30,229,843</b>	<b>\$30,664,774</b>	(2.5%)
<b>EXPENDITURE SUMMARY</b>							
100 Salaries	\$8,341,336	\$8,175,425	\$8,104,614	\$8,049,424	\$7,978,612	\$7,923,422	(1.0%)
200 Benefits	\$5,566,270	\$5,559,850	\$5,598,934	\$5,637,421	\$5,678,986	\$5,715,408	0.5%
300 Professional Services	\$1,248,116	\$1,251,629	\$1,280,766	\$1,310,646	\$1,341,288	\$1,372,711	1.9%
400 Property Services	\$145,975	\$263,913	\$270,643	\$277,544	\$284,621	\$291,879	14.9%
600 Supplies	\$477,056	\$432,582	\$436,029	\$891,730	\$440,802	\$443,897	(1.4%)
420/620 Utilities	\$391,850	\$401,365	\$411,113	\$421,100	\$431,332	\$441,814	2.4%
500 Purchased Services	\$257,450	\$260,063	\$263,379	\$266,737	\$270,138	\$273,582	1.2%
562 Charter School Tuition	\$8,278,159	\$7,853,499	\$9,413,093	\$10,421,031	\$11,379,207	\$11,981,474	7.7%
560 Tuition	\$2,780,500	\$2,930,500	\$3,080,500	\$3,230,500	\$3,380,500	\$3,530,500	4.9%
510 Transportation	\$2,956,350	\$3,045,041	\$3,136,392	\$3,230,483	\$3,263,564	\$3,361,471	2.6%
700 Equipment	\$65,000	\$51,275	\$52,583	\$53,923	\$55,298	\$56,709	(2.7%)
Debt Service	\$1,779,499	\$1,765,886	\$1,467,827	\$1,141,603	\$1,143,313	\$1,143,163	(8.5%)
800/900 Other Expenditures	\$347,950	\$247,950	\$247,950	\$247,950	\$247,950	\$247,950	(6.6%)
<b>Total Expenditures</b>	<b>\$32,635,511</b>	<b>\$32,238,977</b>	<b>\$33,763,822</b>	<b>\$35,180,092</b>	<b>\$35,895,610</b>	<b>\$36,783,979</b>	2.4%
<b>Operating Result</b>	<b>\$2,163,369</b>	<b>(\$2,963,834)</b>	<b>(\$4,308,880)</b>	<b>(\$5,408,316)</b>	<b>(\$5,665,767)</b>	<b>(\$6,119,205)</b>	(223.1%)
<b>Year-End Fund Balance</b>	<b>(\$4,143,535)</b>	<b>(\$7,107,368)</b>	<b>(\$11,416,248)</b>	<b>(\$16,824,564)</b>	<b>(\$22,490,332)</b>	<b>(\$28,609,537)</b>	47.2%

		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
		Adj. Budget	Projected	Projected	Projected	Projected	Projected	%
<b>REVENUES</b>								
<b>Revenues From Local Sources</b>								
6111	Current Real Estate Taxes	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	0.0%
6114	PILOTS	\$5,000	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	(2.1%)
6143	Occupation Taxes	\$8,000	\$18,495	\$18,446	\$18,397	\$18,348	\$18,299	18.0%
6151	Earned Income Taxes	\$1,050,000	\$1,076,775	\$1,104,233	\$1,132,391	\$1,161,267	\$1,190,879	2.6%
6153	Real Estate Transfer Taxes	\$60,000	\$66,916	\$66,916	\$66,916	\$66,916	\$66,916	2.2%
6157	Mercantile Taxes	\$66,000	\$67,683	\$69,409	\$71,179	\$72,994	\$74,855	2.6%
6411	Delinquent Real Estate Taxes	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	0.0%
6451	Delinquent Earned Income Taxes	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	0.0%
6500	Interest	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	0.0%
6832	IDEA Pass Through	\$402,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	(4.2%)
6910	Rentals	\$22,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	10.4%
6940	Tuition from Patrons	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
6XXX	Other Local Revenue	\$150,300	\$150,300	\$150,300	\$150,300	\$150,300	\$150,300	0.0%
<b>Subtotal</b>		<b>\$8,662,671</b>	<b>\$8,645,040</b>	<b>\$8,674,174</b>	<b>\$8,704,053</b>	<b>\$8,734,696</b>	<b>\$8,766,121</b>	<b>0.2%</b>
<b>Revenue From State Sources</b>								
7110	Basic Education Subsidy	\$11,175,158	\$11,508,372	\$11,848,249	\$12,194,925	\$12,548,534	\$12,909,215	2.9%
7271	Special Education Subsidy	\$1,434,497	\$1,481,241	\$1,528,920	\$1,577,552	\$1,627,158	\$1,677,755	3.2%
7160	Tuition for Orphans	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	(0.0%)
7170	Empowerment Grant	\$2,000,000	\$0	\$0	\$0	\$0	\$0	(99.9%)
7310	Transportation Subsidy	\$1,038,448	\$1,224,029	\$1,242,390	\$1,261,025	\$1,279,941	\$1,272,649	4.2%
7320	PlanCon	\$706,163	\$699,798	\$580,964	\$451,845	\$452,522	\$452,462	(8.5%)
7340	Property Tax Reduction	\$852,448	\$852,448	\$852,448	\$852,448	\$852,448	\$852,448	0.0%
7360	Safe Schools Grant	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
7505	Ready to Learn Block Grant	\$392,443	\$392,443	\$392,443	\$392,443	\$392,443	\$392,443	0.0%
7521	Schools Health and Safety Grant	\$54,298	\$0	\$0	\$0	\$0	\$0	(99.6%)
7810	Social Security Reimbursement	\$494,162	\$487,889	\$483,663	\$480,369	\$476,144	\$472,850	(0.9%)
7820	PSERS Reimbursement	\$2,255,058	\$2,277,297	\$2,285,104	\$2,290,528	\$2,299,372	\$2,302,245	0.4%
7XXX	Other State Revenue	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	0.0%
<b>Subtotal</b>		<b>\$20,439,675</b>	<b>\$18,960,517</b>	<b>\$19,251,180</b>	<b>\$19,538,135</b>	<b>\$19,965,560</b>	<b>\$20,369,066</b>	<b>(0.1%)</b>
<b>Revenues From Federal Sources</b>								
8514	Title I Funding	\$1,095,218	\$1,095,218	\$1,095,218	\$1,095,218	\$1,095,218	\$1,095,218	0.0%
8515	Title II Funding	\$92,073	\$92,073	\$92,073	\$92,073	\$92,073	\$92,073	0.0%
8516	Title III Funding	\$2,244	\$2,244	\$2,244	\$2,244	\$2,244	\$2,244	0.0%
8517	Title IV Funding	\$84,596	\$84,596	\$84,596	\$84,596	\$84,596	\$84,596	0.0%
8519	Title I School Improvement	\$195,456	\$195,456	\$195,456	\$195,456	\$195,456	\$195,456	0.0%
8741	CARES Act	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
8743	ESSER II	\$4,153,946	\$0	\$0	\$0	\$0	\$0	(99.8%)
8744	ARP ESSER	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
8740	GEER Grant	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
8800	Medicaid ACCESS	\$73,000	\$200,000	\$60,000	\$60,000	\$60,000	\$60,000	(3.8%)
8XXX	Other Federal Revenue	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
<b>Subtotal</b>		<b>\$5,696,533</b>	<b>\$1,669,587</b>	<b>\$1,529,587</b>	<b>\$1,529,587</b>	<b>\$1,529,587</b>	<b>\$1,529,587</b>	<b>(23.1%)</b>
<b>Revenues From Other Sources</b>								
9110	Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
9290	Proceeds from Credit Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
9400	Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
<b>Subtotal</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total Revenues</b>		<b>\$34,798,879</b>	<b>\$29,275,143</b>	<b>\$29,454,942</b>	<b>\$29,771,776</b>	<b>\$30,229,843</b>	<b>\$30,664,774</b>	<b>(2.5%)</b>

		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
		Adj. Budget	Projected	Projected	Projected	Projected	Projected	%
<b>EXPENDITURES</b>								
<b>Personnel</b>								
110	Administrators	\$807,950	\$828,149	\$828,149	\$828,149	\$828,149	\$828,149	0.5%
120	Teachers	\$5,851,250	\$5,740,870	\$5,685,680	\$5,630,490	\$5,575,300	\$5,520,110	(1.2%)
130	Professional	\$112,329	\$115,137	\$115,137	\$115,137	\$115,137	\$115,137	0.5%
150	Clerical (SRESPA)	\$304,845	\$309,670	\$309,670	\$309,670	\$309,670	\$309,670	0.3%
150 Act 93	Clerical (Act 93)	\$82,212	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	0.5%
180	Labor/Service Workers	\$691,446	\$665,924	\$665,924	\$665,924	\$665,924	\$665,924	(0.7%)
190	Paraprofessionals	\$224,804	\$205,176	\$189,554	\$189,554	\$173,933	\$173,933	(5.0%)
1X2/1X3	Extra Duty	\$114,000	\$113,731	\$113,731	\$113,731	\$113,731	\$113,731	(0.0%)
1XX	Other Pay	\$152,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	(5.9%)
	<b>Subtotal</b>	<b>\$8,341,336</b>	<b>\$8,175,425</b>	<b>\$8,104,614</b>	<b>\$8,049,424</b>	<b>\$7,978,612</b>	<b>\$7,923,422</b>	<b>(1.0%)</b>
<b>Employee Benefits</b>								
210	Group Insurance	\$1,717,212	\$1,728,751	\$1,765,536	\$1,803,066	\$1,841,017	\$1,879,712	1.8%
220	Social Security	\$629,506	\$625,420	\$620,003	\$615,781	\$610,364	\$606,142	(0.8%)
230	PSERS	\$2,872,687	\$2,882,655	\$2,892,537	\$2,899,402	\$2,910,598	\$2,914,235	0.3%
240	Tuition Reimbursement	\$40,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	(12.9%)
250	Unemployment Compensation	\$41,144	\$40,504	\$40,143	\$39,862	\$39,501	\$39,220	(1.0%)
260	Workers' Compensation	\$205,721	\$202,520	\$200,716	\$199,310	\$197,506	\$196,100	(1.0%)
280	OPEB	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	0.0%
	<b>Subtotal</b>	<b>\$5,566,270</b>	<b>\$5,559,850</b>	<b>\$5,598,934</b>	<b>\$5,637,421</b>	<b>\$5,678,986</b>	<b>\$5,715,408</b>	<b>0.5%</b>
<b>Tuition</b>								
561	Tuition to Other LEAs	\$349,500	\$374,500	\$399,500	\$424,500	\$449,500	\$474,500	6.3%
562	Charter School Tuition	\$8,278,159	\$7,853,499	\$9,413,093	\$10,421,031	\$11,379,207	\$11,981,474	7.7%
563	Tuition to Nonpublic Schools	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	0.0%
564	Tuition to VoTech Schools	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	0.0%
567	Tuition to APS	\$1,630,000	\$1,730,000	\$1,830,000	\$1,930,000	\$2,030,000	\$2,130,000	5.5%
568	Tuition to PRRIs	\$431,000	\$456,000	\$481,000	\$506,000	\$531,000	\$556,000	5.2%
569	Other Tuition	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
	<b>Subtotal</b>	<b>\$11,058,659</b>	<b>\$10,783,999</b>	<b>\$12,493,593</b>	<b>\$13,651,531</b>	<b>\$14,759,707</b>	<b>\$15,511,974</b>	<b>7.0%</b>
<b>Non-Personnel Expenditures</b>								
322	IU Services	\$536,891	\$550,582	\$564,622	\$579,019	\$593,784	\$608,926	2.6%
3XX	Other Professional Services	\$711,225	\$701,047	\$716,144	\$731,626	\$747,503	\$763,785	1.4%
420/620	Utilities	\$391,850	\$401,365	\$411,113	\$421,100	\$431,332	\$441,814	2.4%
4XX	Property Services	\$145,975	\$263,913	\$270,643	\$277,544	\$284,621	\$291,879	14.9%
510	Transportation	\$2,956,350	\$3,045,041	\$3,136,392	\$3,230,483	\$3,263,564	\$3,361,471	2.6%
5XX	Other Purchased Services	\$257,450	\$260,063	\$263,379	\$266,737	\$270,138	\$273,582	1.2%
610	Supplies	\$309,406	\$311,963	\$314,450	\$319,983	\$319,189	\$321,430	0.8%
650	Technology	\$118,150	\$70,709	\$71,273	\$115,054	\$70,548	\$71,043	(9.7%)
6XX	Books, Food, & Other Supplies	\$49,500	\$49,909	\$50,307	\$50,692	\$51,065	\$51,424	0.8%
700	Equipment	\$65,000	\$51,275	\$52,583	\$53,923	\$55,298	\$56,709	(2.7%)
	<b>Non-Personnel Expenditures Subtotal</b>	<b>\$5,541,797</b>	<b>\$5,705,866</b>	<b>\$5,850,904</b>	<b>\$6,452,163</b>	<b>\$6,087,043</b>	<b>\$6,242,063</b>	<b>2.4%</b>
<b>Other Expenditures</b>								
830/910	Debt Service	\$1,779,499	\$1,765,886	\$1,467,827	\$1,141,603	\$1,143,313	\$1,143,163	(8.5%)
810	Dues and Fees	\$37,950	\$37,950	\$37,950	\$37,950	\$37,950	\$37,950	0.0%
840	Budgetary Reserve	\$300,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	(7.8%)
8XX	Other Objects	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	0.0%
930	Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	<b>Subtotal</b>	<b>\$2,127,449</b>	<b>\$2,013,836</b>	<b>\$1,715,777</b>	<b>\$1,389,553</b>	<b>\$1,391,263</b>	<b>\$1,391,113</b>	<b>(8.1%)</b>
	<b>Total Expenditures</b>	<b>\$32,635,511</b>	<b>\$32,238,977</b>	<b>\$33,763,822</b>	<b>\$35,180,092</b>	<b>\$35,895,610</b>	<b>\$36,783,979</b>	<b>2.4%</b>
	<b>Operating Result</b>	<b>\$2,163,369</b>	<b>(\$2,963,834)</b>	<b>(\$4,308,880)</b>	<b>(\$5,408,316)</b>	<b>(\$5,665,767)</b>	<b>(\$6,119,205)</b>	<b>(223.1%)</b>
	<b>Year-End Fund Balance</b>	<b>(\$4,143,535)</b>	<b>(\$7,107,368)</b>	<b>(\$11,416,248)</b>	<b>(\$16,824,564)</b>	<b>(\$22,490,332)</b>	<b>(\$28,609,537)</b>	<b>47.2%</b>

# Sto-Rox School District

Adjusted Baseline + ESSER Funds



	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
	Adj. Budget	Projected	Projected	Projected	Projected	Projected	%
<b>REVENUE SUMMARY</b>							
Current Real Estate Taxes	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	0.0%
Earned Income Taxes	\$1,050,000	\$1,076,775	\$1,104,233	\$1,132,391	\$1,161,267	\$1,190,879	2.6%
Other Act 511 Taxes	\$134,000	\$153,094	\$154,771	\$156,492	\$158,258	\$160,071	3.6%
Delinquent Real Estate Taxes	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	0.0%
Other Local Revenue	\$583,300	\$519,800	\$519,800	\$519,800	\$519,800	\$519,800	(2.3%)
<b>Local Sources</b>	<b>\$8,662,671</b>	<b>\$8,645,040</b>	<b>\$8,674,174</b>	<b>\$8,704,053</b>	<b>\$8,734,696</b>	<b>\$8,766,121</b>	0.2%
Basic Education Subsidy	\$11,175,158	\$11,508,372	\$11,848,249	\$12,194,925	\$12,548,534	\$12,909,215	2.9%
Special Education Subsidy	\$1,434,497	\$1,481,241	\$1,528,920	\$1,577,552	\$1,627,158	\$1,677,755	3.2%
Transportation Subsidy	\$3,038,448	\$1,224,029	\$1,242,390	\$1,261,025	\$1,279,941	\$1,272,649	(16.0%)
State Reimbursements	\$2,749,220	\$2,765,186	\$2,768,767	\$2,770,897	\$2,775,516	\$2,775,095	0.2%
Other State Revenue	\$2,042,352	\$2,308,406	\$2,189,571	\$1,733,735	\$1,734,412	\$1,734,353	(3.2%)
<b>State Sources</b>	<b>\$20,439,675</b>	<b>\$19,287,234</b>	<b>\$19,577,897</b>	<b>\$19,538,135</b>	<b>\$19,965,560</b>	<b>\$20,369,066</b>	(0.1%)
<b>Federal Sources</b>	<b>\$5,696,533</b>	<b>\$5,296,087</b>	<b>\$5,733,219</b>	<b>\$1,529,587</b>	<b>\$1,529,587</b>	<b>\$1,529,587</b>	(23.1%)
<b>Other Funding Sources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	0.0%
<b>Total Revenues</b>	<b>\$34,798,879</b>	<b>\$33,228,360</b>	<b>\$33,985,291</b>	<b>\$29,771,776</b>	<b>\$30,229,843</b>	<b>\$30,664,774</b>	(2.5%)
<b>EXPENDITURE SUMMARY</b>							
100 Salaries	\$8,341,336	\$8,175,425	\$8,104,614	\$8,049,424	\$7,978,612	\$7,923,422	(1.0%)
200 Benefits	\$5,566,270	\$5,559,850	\$5,598,934	\$5,637,421	\$5,678,986	\$5,715,408	0.5%
300 Professional Services	\$1,248,116	\$1,251,629	\$1,280,766	\$1,310,646	\$1,341,288	\$1,372,711	1.9%
400 Property Services	\$145,975	\$263,913	\$270,643	\$277,544	\$284,621	\$291,879	14.9%
600 Supplies	\$477,056	\$432,582	\$436,029	\$891,730	\$440,802	\$443,897	(1.4%)
420/620 Utilities	\$391,850	\$401,365	\$411,113	\$421,100	\$431,332	\$441,814	2.4%
500 Purchased Services	\$257,450	\$260,063	\$263,379	\$266,737	\$270,138	\$273,582	1.2%
562 Charter School Tuition	\$8,278,159	\$7,853,499	\$8,074,450	\$8,307,611	\$10,542,491	\$11,638,577	7.1%
560 Tuition	\$2,780,500	\$2,930,500	\$3,080,500	\$3,230,500	\$3,380,500	\$3,530,500	4.9%
510 Transportation	\$2,956,350	\$3,045,041	\$3,136,392	\$3,230,483	\$3,263,564	\$3,361,471	2.6%
700 Equipment	\$65,000	\$51,275	\$52,583	\$53,923	\$55,298	\$56,709	(2.7%)
Debt Service	\$1,779,499	\$1,765,886	\$1,467,827	\$1,141,603	\$1,143,313	\$1,143,163	(8.5%)
800/900 Other Expenditures	\$347,950	\$247,950	\$247,950	\$247,950	\$247,950	\$247,950	(6.6%)
<b>Total Expenditures</b>	<b>\$32,635,511</b>	<b>\$32,238,977</b>	<b>\$32,425,179</b>	<b>\$33,066,672</b>	<b>\$35,058,894</b>	<b>\$36,441,083</b>	2.2%
<b>Operating Result</b>	<b>\$2,163,369</b>	<b>\$989,383</b>	<b>\$1,560,112</b>	<b>(\$3,294,896)</b>	<b>(\$4,829,052)</b>	<b>(\$5,776,308)</b>	(221.7%)
<b>Year-End Fund Balance</b>	<b>(\$4,143,535)</b>	<b>(\$3,154,152)</b>	<b>(\$1,594,040)</b>	<b>(\$4,888,936)</b>	<b>(\$9,717,988)</b>	<b>(\$15,494,296)</b>	30.2%

		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
		Adj. Budget	Projected	Projected	Projected	Projected	Projected	%
<b>REVENUES</b>								
<b>Revenues From Local Sources</b>								
6111	Current Real Estate Taxes	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	\$6,345,371	0.0%
6114	PILOTS	\$5,000	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	(2.1%)
6143	Occupation Taxes	\$8,000	\$18,495	\$18,446	\$18,397	\$18,348	\$18,299	18.0%
6151	Earned Income Taxes	\$1,050,000	\$1,076,775	\$1,104,233	\$1,132,391	\$1,161,267	\$1,190,879	2.6%
6153	Real Estate Transfer Taxes	\$60,000	\$66,916	\$66,916	\$66,916	\$66,916	\$66,916	2.2%
6157	Mercantile Taxes	\$66,000	\$67,683	\$69,409	\$71,179	\$72,994	\$74,855	2.6%
6411	Delinquent Real Estate Taxes	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	0.0%
6451	Delinquent Earned Income Taxes	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	0.0%
6500	Interest	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	0.0%
6832	IDEA Pass Through	\$402,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	(4.2%)
6910	Rentals	\$22,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	10.4%
6940	Tuition from Patrons	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
6XXX	Other Local Revenue	\$150,300	\$150,300	\$150,300	\$150,300	\$150,300	\$150,300	0.0%
<b>Subtotal</b>		<b>\$8,662,671</b>	<b>\$8,645,040</b>	<b>\$8,674,174</b>	<b>\$8,704,053</b>	<b>\$8,734,696</b>	<b>\$8,766,121</b>	<b>0.2%</b>
<b>Revenue From State Sources</b>								
7110	Basic Education Subsidy	\$11,175,158	\$11,508,372	\$11,848,249	\$12,194,925	\$12,548,534	\$12,909,215	2.9%
7271	Special Education Subsidy	\$1,434,497	\$1,481,241	\$1,528,920	\$1,577,552	\$1,627,158	\$1,677,755	3.2%
7160	Tuition for Orphans	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	(0.0%)
7170	Empowerment Grant	\$2,000,000	\$0	\$0	\$0	\$0	\$0	(99.9%)
7310	Transportation Subsidy	\$1,038,448	\$1,224,029	\$1,242,390	\$1,261,025	\$1,279,941	\$1,272,649	4.2%
7320	PlanCon	\$706,163	\$699,798	\$580,964	\$451,845	\$452,522	\$452,462	(8.5%)
7340	Property Tax Reduction	\$852,448	\$852,448	\$852,448	\$852,448	\$852,448	\$852,448	0.0%
7360	Safe Schools Grant	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
7505	Ready to Learn Block Grant	\$392,443	\$392,443	\$392,443	\$392,443	\$392,443	\$392,443	0.0%
7521	Schools Health and Safety Grant	\$54,298	\$326,717	\$326,717	\$0	\$0	\$0	(99.6%)
7810	Social Security Reimbursement	\$494,162	\$487,889	\$483,663	\$480,369	\$476,144	\$472,850	(0.9%)
7820	PSERS Reimbursement	\$2,255,058	\$2,277,297	\$2,285,104	\$2,290,528	\$2,299,372	\$2,302,245	0.4%
7XXX	Other State Revenue	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	0.0%
<b>Subtotal</b>		<b>\$20,439,675</b>	<b>\$19,287,234</b>	<b>\$19,577,897</b>	<b>\$19,538,135</b>	<b>\$19,965,560</b>	<b>\$20,369,066</b>	<b>(0.1%)</b>
<b>Revenues From Federal Sources</b>								
8514	Title I Funding	\$1,095,218	\$1,095,218	\$1,095,218	\$1,095,218	\$1,095,218	\$1,095,218	0.0%
8515	Title II Funding	\$92,073	\$92,073	\$92,073	\$92,073	\$92,073	\$92,073	0.0%
8516	Title III Funding	\$2,244	\$2,244	\$2,244	\$2,244	\$2,244	\$2,244	0.0%
8517	Title IV Funding	\$84,596	\$84,596	\$84,596	\$84,596	\$84,596	\$84,596	0.0%
8519	Title I School Improvement	\$195,456	\$195,456	\$195,456	\$195,456	\$195,456	\$195,456	0.0%
8741	CARES Act	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
8743	ESSER II	\$4,153,946	\$0	\$0	\$0	\$0	\$0	(99.8%)
8744	ARP ESSER	\$0	\$3,626,500	\$4,203,632	\$0	\$0	\$0	0.0%
8740	GEER Grant	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
8800	Medicaid ACCESS	\$73,000	\$200,000	\$60,000	\$60,000	\$60,000	\$60,000	(3.8%)
8XXX	Other Federal Revenue	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
<b>Subtotal</b>		<b>\$5,696,533</b>	<b>\$5,296,087</b>	<b>\$5,733,219</b>	<b>\$1,529,587</b>	<b>\$1,529,587</b>	<b>\$1,529,587</b>	<b>(23.1%)</b>
<b>Revenues From Other Sources</b>								
9110	Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
9290	Proceeds from Credit Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
9400	Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
<b>Subtotal</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total Revenues</b>		<b>\$34,798,879</b>	<b>\$33,228,360</b>	<b>\$33,985,291</b>	<b>\$29,771,776</b>	<b>\$30,229,843</b>	<b>\$30,664,774</b>	<b>(2.5%)</b>

		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
		Adj. Budget	Projected	Projected	Projected	Projected	Projected	%
<b>EXPENDITURES</b>								
<b>Personnel</b>								
110	Administrators	\$807,950	\$828,149	\$828,149	\$828,149	\$828,149	\$828,149	0.5%
120	Teachers	\$5,851,250	\$5,740,870	\$5,685,680	\$5,630,490	\$5,575,300	\$5,520,110	(1.2%)
130	Professional	\$112,329	\$115,137	\$115,137	\$115,137	\$115,137	\$115,137	0.5%
150	Clerical (SRESPA)	\$304,845	\$309,670	\$309,670	\$309,670	\$309,670	\$309,670	0.3%
150 Act 93	Clerical (Act 93)	\$82,212	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	0.5%
180	Labor/Service Workers	\$691,446	\$665,924	\$665,924	\$665,924	\$665,924	\$665,924	(0.7%)
190	Paraprofessionals	\$224,804	\$205,176	\$189,554	\$189,554	\$173,933	\$173,933	(5.0%)
1X2/1X3	Extra Duty	\$114,000	\$113,731	\$113,731	\$113,731	\$113,731	\$113,731	(0.0%)
1XX	Other Pay	\$152,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	(5.9%)
	<b>Subtotal</b>	<b>\$8,341,336</b>	<b>\$8,175,425</b>	<b>\$8,104,614</b>	<b>\$8,049,424</b>	<b>\$7,978,612</b>	<b>\$7,923,422</b>	<b>(1.0%)</b>
<b>Employee Benefits</b>								
210	Group Insurance	\$1,717,212	\$1,728,751	\$1,765,536	\$1,803,066	\$1,841,017	\$1,879,712	1.8%
220	Social Security	\$629,506	\$625,420	\$620,003	\$615,781	\$610,364	\$606,142	(0.8%)
230	PSERS	\$2,872,687	\$2,882,655	\$2,892,537	\$2,899,402	\$2,910,598	\$2,914,235	0.3%
240	Tuition Reimbursement	\$40,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	(12.9%)
250	Unemployment Compensation	\$41,144	\$40,504	\$40,143	\$39,862	\$39,501	\$39,220	(1.0%)
260	Workers' Compensation	\$205,721	\$202,520	\$200,716	\$199,310	\$197,506	\$196,100	(1.0%)
280	OPEB	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	0.0%
	<b>Subtotal</b>	<b>\$5,566,270</b>	<b>\$5,559,850</b>	<b>\$5,598,934</b>	<b>\$5,637,421</b>	<b>\$5,678,986</b>	<b>\$5,715,408</b>	<b>0.5%</b>
<b>Tuition</b>								
561	Tuition to Other LEAs	\$349,500	\$374,500	\$399,500	\$424,500	\$449,500	\$474,500	6.3%
562	Charter School Tuition	\$8,278,159	\$7,853,499	\$8,074,450	\$8,307,611	\$10,542,491	\$11,638,577	7.1%
563	Tuition to Nonpublic Schools	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	0.0%
564	Tuition to VoTech Schools	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	0.0%
567	Tuition to APS	\$1,630,000	\$1,730,000	\$1,830,000	\$1,930,000	\$2,030,000	\$2,130,000	5.5%
568	Tuition to PRRIs	\$431,000	\$456,000	\$481,000	\$506,000	\$531,000	\$556,000	5.2%
569	Other Tuition	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
	<b>Subtotal</b>	<b>\$11,058,659</b>	<b>\$10,783,999</b>	<b>\$11,154,950</b>	<b>\$11,538,111</b>	<b>\$13,922,991</b>	<b>\$15,169,077</b>	<b>6.5%</b>
<b>Non-Personnel Expenditures</b>								
322	IU Services	\$536,891	\$550,582	\$564,622	\$579,019	\$593,784	\$608,926	2.6%
3XX	Other Professional Services	\$711,225	\$701,047	\$716,144	\$731,626	\$747,503	\$763,785	1.4%
420/620	Utilities	\$391,850	\$401,365	\$411,113	\$421,100	\$431,332	\$441,814	2.4%
4XX	Property Services	\$145,975	\$263,913	\$270,643	\$277,544	\$284,621	\$291,879	14.9%
510	Transportation	\$2,956,350	\$3,045,041	\$3,136,392	\$3,230,483	\$3,263,564	\$3,361,471	2.6%
5XX	Other Purchased Services	\$257,450	\$260,063	\$263,379	\$266,737	\$270,138	\$273,582	1.2%
610	Supplies	\$309,406	\$311,963	\$314,450	\$319,983	\$319,189	\$321,430	0.8%
650	Technology	\$118,150	\$70,709	\$71,273	\$115,054	\$70,548	\$71,043	(9.7%)
6XX	Books, Food, & Other Supplies	\$49,500	\$49,909	\$50,307	\$50,692	\$51,065	\$51,424	0.8%
700	Equipment	\$65,000	\$51,275	\$52,583	\$53,923	\$55,298	\$56,709	(2.7%)
	<b>Non-Personnel Expenditures Subtotal</b>	<b>\$5,541,797</b>	<b>\$5,705,866</b>	<b>\$5,850,904</b>	<b>\$6,452,163</b>	<b>\$6,087,043</b>	<b>\$6,242,063</b>	<b>2.4%</b>
<b>Other Expenditures</b>								
830/910	Debt Service	\$1,779,499	\$1,765,886	\$1,467,827	\$1,141,603	\$1,143,313	\$1,143,163	(8.5%)
810	Dues and Fees	\$37,950	\$37,950	\$37,950	\$37,950	\$37,950	\$37,950	0.0%
840	Budgetary Reserve	\$300,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	(7.8%)
8XX	Other Objects	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	0.0%
930	Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	<b>Subtotal</b>	<b>\$2,127,449</b>	<b>\$2,013,836</b>	<b>\$1,715,777</b>	<b>\$1,389,553</b>	<b>\$1,391,263</b>	<b>\$1,391,113</b>	<b>(8.1%)</b>
	<b>Total Expenditures</b>	<b>\$32,635,511</b>	<b>\$32,238,977</b>	<b>\$32,425,179</b>	<b>\$33,066,672</b>	<b>\$35,058,894</b>	<b>\$36,441,083</b>	<b>2.2%</b>
	<b>Operating Result</b>	<b>\$2,163,369</b>	<b>\$989,383</b>	<b>\$1,560,112</b>	<b>(\$3,294,896)</b>	<b>(\$4,829,052)</b>	<b>(\$5,776,308)</b>	<b>(221.7%)</b>
	<b>Year-End Fund Balance</b>	<b>(\$4,143,535)</b>	<b>(\$3,154,152)</b>	<b>(\$1,594,040)</b>	<b>(\$4,888,936)</b>	<b>(\$9,717,988)</b>	<b>(\$15,494,296)</b>	<b>30.2%</b>

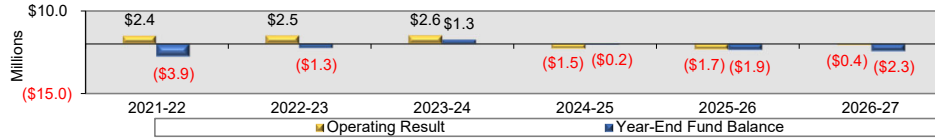


## **Appendix H**

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# Sto-Rox School District

## Recovery Plan Initiatives



	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
	Adj. Budget	Projected	Projected	Projected	Projected	Projected	%
<b>REVENUE SUMMARY</b>							
Current Real Estate Taxes	\$6,345,371	\$6,759,641	\$7,198,454	\$7,663,238	\$8,155,500	\$8,676,836	6.5%
Earned Income Taxes	\$1,050,000	\$1,076,775	\$1,104,233	\$1,132,391	\$1,161,267	\$1,190,879	2.6%
Other Act 511 Taxes	\$134,000	\$153,094	\$154,771	\$156,492	\$158,258	\$160,071	3.6%
Delinquent Real Estate Taxes	\$550,000	\$582,415	\$616,547	\$652,488	\$690,335	\$730,187	5.8%
Other Local Revenue	\$583,300	\$528,800	\$537,800	\$537,800	\$537,800	\$501,800	(3.0%)
<b>Local Sources</b>	<b>\$8,662,671</b>	<b>\$9,100,724</b>	<b>\$9,611,805</b>	<b>\$10,142,409</b>	<b>\$10,703,160</b>	<b>\$11,259,772</b>	5.4%
Basic Education Subsidy	\$11,175,158	\$11,508,372	\$11,848,249	\$12,194,925	\$12,548,534	\$12,909,215	2.9%
Special Education Subsidy	\$1,434,497	\$1,481,241	\$1,528,920	\$1,577,552	\$1,627,158	\$1,677,755	3.2%
Transportation Subsidy	\$3,038,448	\$1,224,029	\$1,242,390	\$1,261,025	\$1,305,660	\$1,384,143	(14.6%)
State Reimbursements	\$2,749,220	\$2,796,707	\$2,886,777	\$2,967,665	\$3,072,371	\$3,193,932	3.0%
Other State Revenue	\$2,042,352	\$2,348,406	\$2,209,571	\$1,773,735	\$1,754,412	\$1,774,353	(2.8%)
<b>State Sources</b>	<b>\$20,439,675</b>	<b>\$19,358,754</b>	<b>\$19,715,908</b>	<b>\$19,774,903</b>	<b>\$20,308,134</b>	<b>\$20,939,397</b>	0.5%
<b>Federal Sources</b>	<b>\$5,696,533</b>	<b>\$5,296,087</b>	<b>\$5,773,219</b>	<b>\$1,569,587</b>	<b>\$1,569,587</b>	<b>\$1,569,587</b>	(22.7%)
<b>Other Funding Sources</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	14,862.8%
<b>Total Revenues</b>	<b>\$34,798,879</b>	<b>\$34,755,565</b>	<b>\$35,100,931</b>	<b>\$31,486,898</b>	<b>\$32,580,881</b>	<b>\$33,918,757</b>	(0.5%)
<b>EXPENDITURE SUMMARY</b>							
100 Salaries	\$8,341,336	\$8,293,325	\$8,450,049	\$8,621,030	\$8,831,963	\$9,119,279	1.8%
200 Benefits	\$5,566,270	\$5,519,001	\$5,673,910	\$5,847,673	\$6,074,851	\$6,349,392	2.7%
300 Professional Services	\$1,248,116	\$1,543,754	\$1,543,595	\$1,582,514	\$1,622,545	\$1,663,722	5.9%
400 Property Services	\$145,975	\$263,913	\$270,643	\$277,544	\$284,621	\$291,879	14.9%
600 Supplies	\$477,056	\$450,932	\$460,079	\$953,508	\$506,845	\$547,822	2.8%
420/620 Utilities	\$391,850	\$401,365	\$411,113	\$421,100	\$431,332	\$441,814	2.4%
500 Purchased Services	\$257,450	\$263,063	\$266,455	\$269,892	\$273,373	\$276,900	1.5%
562 Charter School Tuition	\$8,011,813	\$7,506,696	\$7,593,973	\$7,298,165	\$8,172,407	\$7,271,471	(1.9%)
560 Tuition	\$2,780,500	\$2,961,138	\$3,087,689	\$3,220,568	\$3,360,091	\$3,506,590	4.7%
510 Transportation	\$2,956,350	\$2,945,041	\$2,956,392	\$3,032,458	\$3,192,226	\$3,283,942	2.1%
700 Equipment	\$65,000	\$51,275	\$52,583	\$53,923	\$55,298	\$56,709	(2.7%)
Debt Service	\$1,779,499	\$1,765,886	\$1,467,827	\$1,141,603	\$1,143,313	\$1,143,163	(8.5%)
800/900 Other Expenditures	\$347,950	\$247,950	\$247,950	\$247,950	\$347,950	\$347,950	0.0%
<b>Total Expenditures</b>	<b>\$32,369,164</b>	<b>\$32,213,338</b>	<b>\$32,482,257</b>	<b>\$32,967,929</b>	<b>\$34,296,815</b>	<b>\$34,300,632</b>	1.2%
<b>Operating Result</b>	<b>\$2,429,715</b>	<b>\$2,542,227</b>	<b>\$2,618,674</b>	<b>(\$1,481,031)</b>	<b>(\$1,715,934)</b>	<b>(\$381,875)</b>	(169.1%)
<b>Year-End Fund Balance</b>	<b>(\$3,877,188)</b>	<b>(\$1,334,962)</b>	<b>\$1,283,713</b>	<b>(\$197,318)</b>	<b>(\$1,913,253)</b>	<b>(\$2,295,128)</b>	(10.0%)

		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
		Adj. Budget	Projected	Projected	Projected	Projected	Projected	%
<b>REVENUES</b>								
<b>Revenues From Local Sources</b>								
6111	Current Real Estate Taxes	\$6,345,371	\$6,759,641	\$7,198,454	\$7,663,238	\$8,155,500	\$8,676,836	6.5%
6114	PILOTS	\$5,000	\$13,500	\$22,500	\$22,500	\$22,500	\$22,500	35.1%
6143	Occupation Taxes	\$8,000	\$18,495	\$18,446	\$18,397	\$18,348	\$18,299	18.0%
6151	Earned Income Taxes	\$1,050,000	\$1,076,775	\$1,104,233	\$1,132,391	\$1,161,267	\$1,190,879	2.6%
6153	Real Estate Transfer Taxes	\$60,000	\$66,916	\$66,916	\$66,916	\$66,916	\$66,916	2.2%
6157	Mercantile Taxes	\$66,000	\$67,683	\$69,409	\$71,179	\$72,994	\$74,855	2.6%
6411	Delinquent Real Estate Taxes	\$550,000	\$582,415	\$616,547	\$652,488	\$690,335	\$730,187	5.8%
6451	Delinquent Earned Income Taxes	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	0.0%
6500	Interest	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	0.0%
6832	IDEA Pass Through	\$402,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	(4.2%)
6910	Rentals	\$22,000	\$36,000	\$36,000	\$36,000	\$36,000	\$0	(100.0%)
6940	Tuition from Patrons	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
6XXX	Other Local Revenue	\$150,300	\$150,300	\$150,300	\$150,300	\$150,300	\$150,300	0.0%
<b>Subtotal</b>		<b>\$8,662,671</b>	<b>\$9,100,724</b>	<b>\$9,611,805</b>	<b>\$10,142,409</b>	<b>\$10,703,160</b>	<b>\$11,259,772</b>	<b>5.4%</b>
<b>Revenue From State Sources</b>								
7110	Basic Education Subsidy	\$11,175,158	\$11,508,372	\$11,848,249	\$12,194,925	\$12,548,534	\$12,909,215	2.9%
7271	Special Education Subsidy	\$1,434,497	\$1,481,241	\$1,528,920	\$1,577,552	\$1,627,158	\$1,677,755	3.2%
7160	Tuition for Orphans	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	(0.0%)
7170	Empowerment Grant	\$2,000,000	\$0	\$0	\$0	\$0	\$0	(99.9%)
7310	Transportation Subsidy	\$1,038,448	\$1,224,029	\$1,242,390	\$1,261,025	\$1,305,660	\$1,384,143	5.9%
7320	PlanCon	\$706,163	\$699,798	\$580,964	\$451,845	\$452,522	\$452,462	(8.5%)
7340	Property Tax Reduction	\$852,448	\$852,448	\$852,448	\$852,448	\$852,448	\$852,448	0.0%
7360	Safe Schools Grant	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
7505	Ready to Learn Block Grant	\$392,443	\$392,443	\$392,443	\$392,443	\$392,443	\$392,443	0.0%
7521	Schools Health and Safety Grant	\$54,298	\$326,717	\$326,717	\$0	\$0	\$0	(99.6%)
7810	Social Security Reimbursement	\$494,162	\$494,925	\$504,278	\$514,481	\$527,069	\$544,216	1.9%
7820	PSERS Reimbursement	\$2,255,058	\$2,301,782	\$2,382,500	\$2,453,183	\$2,545,301	\$2,649,716	3.3%
7XXX	Other State Revenue	\$22,000	\$62,000	\$42,000	\$62,000	\$42,000	\$62,000	23.0%
<b>Subtotal</b>		<b>\$20,439,675</b>	<b>\$19,358,754</b>	<b>\$19,715,908</b>	<b>\$19,774,903</b>	<b>\$20,308,134</b>	<b>\$20,939,397</b>	<b>0.5%</b>
<b>Revenues From Federal Sources</b>								
8514	Title I Funding	\$1,095,218	\$1,095,218	\$1,095,218	\$1,095,218	\$1,095,218	\$1,095,218	0.0%
8515	Title II Funding	\$92,073	\$92,073	\$92,073	\$92,073	\$92,073	\$92,073	0.0%
8516	Title III Funding	\$2,244	\$2,244	\$2,244	\$2,244	\$2,244	\$2,244	0.0%
8517	Title IV Funding	\$84,596	\$84,596	\$84,596	\$84,596	\$84,596	\$84,596	0.0%
8519	Title I School Improvement	\$195,456	\$195,456	\$195,456	\$195,456	\$195,456	\$195,456	0.0%
8741	CARES Act	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
8743	ESSER II	\$4,153,946	\$0	\$0	\$0	\$0	\$0	(99.8%)
8744	ARP ESSER	\$0	\$3,626,500	\$4,203,632	\$0	\$0	\$0	0.0%
8740	GEER Grant	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
8800	Medicaid ACCESS	\$73,000	\$200,000	\$100,000	\$100,000	\$100,000	\$100,000	6.5%
8XXX	Other Federal Revenue	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
<b>Subtotal</b>		<b>\$5,696,533</b>	<b>\$5,296,087</b>	<b>\$5,773,219</b>	<b>\$1,569,587</b>	<b>\$1,569,587</b>	<b>\$1,569,587</b>	<b>(22.7%)</b>
<b>Revenues From Other Sources</b>								
9110	Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
9290	Proceeds from Credit Borrowing	\$0	\$1,000,000	\$0	\$0	\$0	\$0	0.0%
9400	Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$150,000	17,087.7%
<b>Subtotal</b>		<b>\$0</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>14,862.8%</b>
<b>Total Revenues</b>		<b>\$34,798,879</b>	<b>\$34,755,565</b>	<b>\$35,100,931</b>	<b>\$31,486,898</b>	<b>\$32,580,881</b>	<b>\$33,918,757</b>	<b>(0.5%)</b>

		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
		Adj. Budget	Projected	Projected	Projected	Projected	Projected	%
<b>EXPENDITURES</b>								
<b>Personnel</b>								
110	Administrators	\$807,950	\$828,149	\$848,853	\$848,853	\$848,853	\$848,853	1.0%
120	Teachers	\$5,851,250	\$5,698,459	\$5,792,738	\$5,909,072	\$6,083,572	\$6,316,240	1.5%
130	Professional	\$112,329	\$115,137	\$118,016	\$118,016	\$118,016	\$118,016	1.0%
150	Clerical (SRESPA)	\$304,845	\$247,901	\$284,530	\$284,530	\$284,530	\$284,530	(1.4%)
150 Act 93	Clerical (Act 93)	\$82,212	\$84,268	\$86,374	\$86,374	\$86,374	\$86,374	1.0%
180	Labor/Service Workers	\$691,446	\$785,624	\$806,612	\$806,612	\$806,612	\$806,612	3.1%
190	Paraprofessionals	\$224,804	\$229,056	\$236,214	\$290,862	\$327,294	\$381,942	11.2%
1X2/1X3	Extra Duty	\$114,000	\$113,731	\$115,712	\$115,712	\$115,712	\$115,712	0.3%
1XX	Other Pay	\$152,500	\$191,000	\$161,000	\$161,000	\$161,000	\$161,000	1.1%
	<b>Subtotal</b>	<b>\$8,341,336</b>	<b>\$8,293,325</b>	<b>\$8,450,049</b>	<b>\$8,621,030</b>	<b>\$8,831,963</b>	<b>\$9,119,279</b>	1.8%
<b>Employee Benefits</b>								
210	Group Insurance	\$1,717,212	\$1,654,101	\$1,709,576	\$1,796,703	\$1,907,008	\$2,042,787	3.5%
220	Social Security	\$629,506	\$634,439	\$646,429	\$659,509	\$675,645	\$697,625	2.1%
230	PSERS	\$2,872,687	\$2,913,648	\$3,015,822	\$3,105,295	\$3,221,900	\$3,354,071	3.1%
240	Tuition Reimbursement	\$40,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	(12.9%)
250	Unemployment Compensation	\$41,144	\$40,119	\$41,044	\$41,916	\$42,990	\$44,454	1.6%
260	Workers' Compensation	\$205,721	\$196,693	\$181,038	\$164,251	\$147,308	\$130,455	(8.7%)
280	OPEB	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	0.0%
	<b>Subtotal</b>	<b>\$5,566,270</b>	<b>\$5,519,001</b>	<b>\$5,673,910</b>	<b>\$5,847,673</b>	<b>\$6,074,851</b>	<b>\$6,349,392</b>	2.7%
<b>Tuition</b>								
561	Tuition to Other LEAs	\$349,500	\$366,975	\$385,324	\$404,590	\$424,819	\$446,060	5.0%
562	Charter School Tuition	\$8,011,813	\$7,506,696	\$7,593,973	\$7,298,165	\$8,172,407	\$7,271,471	(1.9%)
563	Tuition to Nonpublic Schools	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	0.0%
564	Tuition to VoTech Schools	\$250,000	\$310,113	\$310,113	\$310,113	\$310,113	\$310,113	4.4%
567	Tuition to APS	\$1,630,000	\$1,711,500	\$1,797,075	\$1,886,929	\$1,981,275	\$2,080,339	5.0%
568	Tuition to PRRIs	\$431,000	\$452,550	\$475,178	\$498,936	\$523,883	\$550,077	5.0%
569	Other Tuition	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
	<b>Subtotal</b>	<b>\$10,792,313</b>	<b>\$10,467,835</b>	<b>\$10,681,662</b>	<b>\$10,518,734</b>	<b>\$11,532,498</b>	<b>\$10,778,061</b>	(0.0%)
<b>Non-Personnel Expenditures</b>								
322	IU Services	\$536,891	\$634,207	\$646,361	\$665,091	\$684,417	\$704,363	5.6%
3XX	Other Professional Services	\$711,225	\$909,547	\$897,234	\$917,423	\$938,127	\$959,359	6.2%
420/620	Utilities	\$391,850	\$401,365	\$411,113	\$421,100	\$431,332	\$441,814	2.4%
4XX	Property Services	\$145,975	\$263,913	\$270,643	\$277,544	\$284,621	\$291,879	14.9%
510	Transportation	\$2,956,350	\$2,945,041	\$2,956,392	\$3,032,458	\$3,192,226	\$3,283,942	2.1%
5XX	Other Purchased Services	\$257,450	\$263,063	\$266,455	\$269,892	\$273,373	\$276,900	1.5%
610	Supplies	\$309,406	\$311,963	\$318,551	\$761,319	\$353,696	\$383,357	4.4%
650	Technology	\$118,150	\$70,709	\$72,202	\$120,654	\$78,175	\$84,731	(6.4%)
6XX	Books, Food, & Other Supplies	\$49,500	\$68,259	\$69,326	\$71,536	\$74,975	\$79,734	10.0%
700	Equipment	\$65,000	\$51,275	\$52,583	\$53,923	\$55,298	\$56,709	(2.7%)
	<b>Non-Personnel Expenditures Subtotal</b>	<b>\$5,541,797</b>	<b>\$5,919,341</b>	<b>\$5,960,859</b>	<b>\$6,590,940</b>	<b>\$6,366,240</b>	<b>\$6,562,787</b>	3.4%
<b>Other Expenditures</b>								
830/910	Debt Service	\$1,779,499	\$1,765,886	\$1,467,827	\$1,141,603	\$1,143,313	\$1,143,163	(35.3%)
810	Dues and Fees	\$37,950	\$37,950	\$37,950	\$37,950	\$37,950	\$37,950	0.0%
840	Budgetary Reserve	\$300,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	(19.7%)
8XX	Other Objects	\$10,000	\$10,000	\$10,000	\$10,000	\$110,000	\$110,000	61.5%
930	Fund Transfer	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	25,018.9%
	<b>Subtotal</b>	<b>\$2,127,449</b>	<b>\$2,013,836</b>	<b>\$1,715,777</b>	<b>\$1,389,553</b>	<b>\$1,491,263</b>	<b>\$1,491,113</b>	(6.9%)
	<b>Total Expenditures</b>	<b>\$32,369,164</b>	<b>\$32,213,338</b>	<b>\$32,482,257</b>	<b>\$32,967,929</b>	<b>\$34,296,815</b>	<b>\$34,300,632</b>	1.2%
	<b>Operating Result</b>	<b>\$2,429,715</b>	<b>\$2,542,227</b>	<b>\$2,618,674</b>	<b>(\$1,481,031)</b>	<b>(\$1,715,934)</b>	<b>(\$381,875)</b>	(169.1%)
	<b>Year-End Fund Balance</b>	<b>(\$3,877,188)</b>	<b>(\$1,334,962)</b>	<b>\$1,283,713</b>	<b>(\$197,318)</b>	<b>(\$1,913,253)</b>	<b>(\$2,295,128)</b>	(10.0%)

# Appendix I

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## PDE Financial Transition Loan Repayment Schedule <sup>12</sup>

The Sto-Rox School District will apply for a Financial Recovery Transition Loan funding – a no-interest loan from the Commonwealth in the amount of \$1.0 million in FY2022-23 to pay for costs related to Plan implementation and to help stabilize District finances. The loan will be repaid over ten years, starting in FY2025-26. The loan is described in Plan Initiative RM04, and the repayment schedule is shown below.<sup>13</sup>

**Transition Loan Amount:** \$1.0 million  
**Expected Repayment Period:** 10 Years

Fiscal Year	Act 141 Transitional Loan Repayment
2025-26	\$100,000
2026-27	\$100,000
2027-28	\$100,000
2028-29	\$100,000
2029-30	\$100,000
2030-31	\$100,000
2031-32	\$100,000
2032-33	\$100,000
2033-34	\$100,000
2034-35	\$100,000
<b>Total</b>	<b>\$1,000,000</b>

<sup>12</sup> The Board must approve this Plan in order for the District to receive a Transitional Loan.

<sup>13</sup> To align with its decreasing debt service schedule, the District plans on beginning loan repayments in 2025-26, two years after the receipt of the Transition Loan.

## **Appendix J**

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## SRSD Recovery Plan

### List of Initiatives

Initiative	Initiative Description
IN01	Improve college and career readiness of all students
IN02	Improve instructional leadership across the District
IN03	Improve professional development and coaching for instructional staff
IN04	Provide appropriate supports to special education students
IN05	Develop a strategy to recover students from charter schools
CC01	Establish a common vision and values for the District
CC02	Clarify roles and responsibilities
CC03	Improve District-wide communication
CC04	Expand community partnerships
CC05	Engage staff for Recovery Plan support
TM01	Assign Human Resources Office responsibilities to available and qualified District staff or contract functions out
TM02	Negotiate affordable collective bargaining agreements that align with District goals
TM03	Improve staff attendance
TM04	Strengthen staff evaluations
TM05	Establish policies and procedures that support District talent
RM01	Maximize District revenues
RM02	Stabilize expenditures and prioritize opportunities with long-term savings
RM03	Establish financial policies and procedures
RM04	Strategically invest in District's facilities
RM05	Apply windfall revenues among priorities outlined in this Recovery Plan
SS01	Develop a District-wide safety plan
SS02	Review the number of responsibilities of security personnel in District buildings
SS03	Improve relationships with local police departments and township officials and implement monthly safety meetings
SS04	Engage with the Pennsylvania Department of Education (PDE) and other state, regional, and local partners on technical assistance, training, and support to improve school safety
SS05	Establish building workgroups and plans around student discipline and safety



**SRS Recovery Plan**  
Plan Initiatives and Action Items

Initiative Number	Initiative Description	Action Items
IN01	Improve college and career readiness of all students	Develop a plan to implement an academy program in the District
		Consider developing a Career Pathways program
		Expand relationship with Vo-Tech school
		Increase credit-sharing arrangements with local colleges and universities
		Increase internship and externship opportunities for students
		Create a program of studies
IN02	Improve instructional leadership across the District	Explore leadership coaching for principals
		Stabilize school leadership
		Conduct a market analysis for the Superintendent position
		Consider department chair positions
		Conduct regular walk-throughs of instructional staff
IN03	Improve professional development and coaching for instructional staff	Adjust school schedules to increase time for professional development
		Establish Professional Learning Communities (PLCs)
		Hire instructional coaches
IN04	Provide appropriate supports to special education students	Undertake a review of the District's special education staffing model
		Review special education identification process
		Consistently implement Positive Behavioral Interventions and Supports (PBIS) across the District
		Explore funding PBIS Coordinator positions
IN05	Develop a strategy to recover students from charter schools	Identify a key point of contact around charter recovery
		Align recovery strategy around academy/career pathways programs
		Conduct market research on charter schools
		Survey families
		Improve district communications and advertise District programs
		Engage with other districts to negotiate caps on District enrollment
		Explore virtual education program
		Consider offering a pre-K program
CC01	Establish a common vision and values for the District	Review and update District vision and mission statements
		Establish core behaviors and values
		Develop a balanced scorecard for the District
		Define what a successful District graduate looks like
CC02	Clarify roles and responsibilities	Create organizational chart
		Identify primary contacts for key responsibilities
		Update District website with biographies of staff
		Review Board policies

**SRS Recovery Plan**  
Plan Initiatives and Action Items

Initiative Number	Initiative Description	Action Items
CC03	Improve District-wide communication	Implement a weekly email to staff
		Increase use of surveys
		Hold District meetings in the community
		Contract with vendor to improve District messaging
CC04	Expand community partnerships	Create community outreach coordinator position
		Engage with community groups to support District activities
CC05	Engage staff for Recovery Plan support	Identify one staff member to support each chapter of the Plan
TM01	Assign Human Resources Office responsibilities to available and qualified District staff or contract functions out	
TM02	Negotiate affordable collective bargaining agreements that align with District goals	Offer salary increases to staff
		Offer retirement incentives to eligible employees
		Increase the employee share of health care contributions
		Adjust the number of instructional days
		Adjust instructional schedule
		Increase District flexibility in staffing assignments
		Increase rates for substitute teachers
		Establish management rights in contracts
		Provide synchronous learning options virtually
TM03	Improve staff attendance	Require earlier notification of absences to the District
		Improve staff attendance reporting capabilities
		Provide incentives for attendance
		Re-bid contract for substitute teachers
TM04	Strengthen staff evaluations	Establish evaluation workflow
		Recognize and reward staff publicly
		Enforce existing contract provisions for Act 93 employees
TM05	Establish policies and procedures that support District talent	Improve diversity of staff at all levels
		Improve onboarding and induction of new staff
		Conduct exit interviews
		Survey staff to identify retention strategies
		Regularly review and update position control system
RM01	Maximize District revenues	Increase the District's millage rate to the Act 1 Index limit on an annual basis
		Improve real estate tax collections
		Expand PILOT agreements
		Increase Medicaid ACCESS revenues
		Consider applying for special education contingency funds
		Work with PDE and legislators to increase state financial support

**SRSD Recovery Plan**  
Plan Initiatives and Action Items

Initiative Number	Initiative Description	Action Items
RM02	Stabilize expenditures and prioritize opportunities with long-term savings	Outsource key Business Office to the Allegheny Intermediate Unit (AIU)
		Reduce workers' compensation claims and costs
		Conduct a health care eligibility audit
		Explore contracted services
		Regularly monitor transportation data
		Improve route efficiency
		Move special education students back to school buses where feasible
		Negotiate contract provisions with vendor
		Require transportation forms to be completed
		Assess District eligibility for hazardous route designation
		Consider collaborating with the Port Authority of Allegheny County for public transportation for District students
		Verify eligibility for charter tuition placements
		Regularly review charter school bills
		Improve charter enrollment reporting and forecasting
		Complete PDE-363 annually
		Monitor out-of-district placements
RM03	Establish financial policies and procedures	Increase oversight of contracts with vendors
		Review the Act 16 placement report
		Invest in Oracle for financial software
		Develop a budget process and calendar
		Utilize zero-based budgeting
		Regularly review YTD actuals against budget
		Review cash reconciliation and expected payments
		Submit monthly reports on finances, student data, and associated costs
RM04	Strategically invest in District's facilities	Ensure the payment of payroll liabilities
		Undergo a review of the Business Office
		Dedicate debt service savings to a capital projects fund
		Consider seeking a transitional loan from PDE to cover capital needs
		Sell Foster building
		Establish a Facilities Director position
RM05	Apply windfall revenues among priorities outlined in this Recovery Plan	Create capital plan
		Consider energy-savings projects

**SRS Recovery Plan**  
Plan Initiatives and Action Items

Initiative Number	Initiative Description	Action Items
SS01	Develop a District-wide safety plan	Conduct a safety assessment
		Launch a District-wide School Safety Team
		Outline key prevention and intervention strategies
		Create an emergency response plan
		Describe a process for staff training
SS02	Review the number of responsibilities of security personnel in District buildings	Consider supplementing or converting from contracted security to School Resource Officers or School Police Officers
		Re-bid contracted security positions
		Engage youth engagement specialists or other contracted staff
		Explore using grants from government or other funders to cover the cost of increased security
SS03	Improve relationships with local police departments and township officials and implement monthly safety meetings	Partner with local police departments to provide staff and administrators with training and security expertise
		Involve local police departments in development of school safety plan and include as members of School Safety Team
		Implement monthly safety meetings between District, local law enforcement, and local township governments to discuss emerging issues
SS04	Engage with the Pennsylvania Department of Education (PDE) and other state, regional, and local partners on technical assistance, training, and support to improve school safety	Explore resources provided by the Pennsylvania Commission on Crime and Delinquency (PCCD), Communities in Schools, or other organizations to integrate support into safe school initiatives
SS05	Establish building workgroups and plans around student discipline and safety	Form building committees to review safety issues and building discipline
		Develop an annual action plane for rules of conduct by building
		Hold an annual in-service training for administration and staff on the student discipline code

**SRSD Recovery Plan**  
Other Initiatives

<b>Chapter</b>	<b>Initiative Description</b>
Focus on Instruction	Implement all CSI/A-TSI plans with fidelity
Focus on Instruction	Hire social workers to provide support to District
Focus on Instruction	Hire additional Math and Reading specialists
Focus on Instruction	Reconfigure assistant principal positions at high school
Focus on Instruction	Add student representatives to the School Board
Focus on Instruction	Recognize student achievement at Board meetings
Focus on Instruction	Continue to work with Mass Insight on strategies to support the implementation of this Plan
Culture & Climate	Increase use of focus groups and surveys
Talent Management	Evaluate staff utilization
Resource Management	Utilize transition loan funding to support Recovery Plan implementation
Resource Management	Shift a position of custodian costs to food service fund
Resource Management	Identify external partnerships and grants (CC04)
Resource Management	Pursue alternative revenue strategies
Resource Management	Explore the establishment of an education foundation
Resource Management	Increase transparency regarding financial operations
Resource Management	Consider RFP for banking services

## **Chief Recovery Officer/Technical Assistance Team**

**Chief Recovery Officer:** John Zahorchak

**PFM Group Consulting LLC:** Meredith Brett, Dean Kaplan, Clara Lee, and Ian Tyson

**Other Team Members:** Dr. Carol Saylor

The Chief Recovery Officer and the Technical Assistance Team gratefully acknowledge the assistance of the team from Mass Insight, Mr. Paul Sroka, the School Board, and the other staff of the Sto-Rox School District and their outside professional advisors, as well as the Secretary and staff of the Pennsylvania Department of Education.