



Scranton School District Building Reconfiguration Strategy

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Overview

- ◆ Since the adoption of the Recovery Plan in August 2019, the Scranton School District has focused its efforts on implementing Plan initiatives and addressing other emerging challenges
- ◆ SSD's Recovery Plan includes initiatives with the inter-related goals of improving academic performance and stabilizing finances in order to improve long-term balance
 - Stable budgets are a key tool to invest limited funds in educational and operational priorities
- ◆ The challenges facing the District did not appear over night, and it will require many years of hard work and prioritization to completely address every issue
 - Continuing to do what was done yesterday actively contributed to the District's current situation
 - Resolving the District's challenges will require new approaches, the focused application of limited financial and operational resources, and a structured plan to apply these resources over time
- ◆ Many of the academic, financial, and operational challenges in Scranton are related to one another, and a multifaceted plan is needed to address the root of each problem



Update on Recovery Plan

- Following the adoption of the Recovery Plan in August, the District has focused on the implementation of major initiatives from the Plan and other priorities of the administration

Academic Initiatives	
Restored some funding for curriculum materials eliminated in prior year budgets	Ensured that accurate report cards were issued on time
In process of implementing a 5-year computer replacement plan with increased funding for purchases	Grew cyber school to 300 students and began using APEX for learning activities during remote learning period
Moved ER&D professional development to after school hours in cooperation with SFT	In process of transitioning to a new version of the E-schools program
Removed duplicative programs and limited course offerings if enrollment is under 10 students	Completed curriculum audit and added two AP courses (psychology and Spanish) for the 2020-21 school year
Started dialogue with Johnson College to expand access to technical programs	Sent administrators to observe STEM programs at other school districts
School improvement plans are being implemented with fidelity	Completed transition to schoolwide Title I program
21st Century Grant which provides STEM based resources for grades 4 and 5 for all buildings	Exploring establishing eSports teams for both high schools for 2021-22
Began using Google training for Act 48 credits, and implemented the Clever system for online access to classroom materials	Began professional development for differentiated instruction, professional learning communities, and CPR training for Act 7 requirements



Update on Recovery Plan continued

Special Education Initiatives	
Began audit of special education program and implementation of a comprehensive plan to reduce settlement costs	Purchased training program for special education teachers and paraprofessionals, and began Aimsweb Plus training
Added a replacement supervisor position to increase administrative capacity to oversee program	Ongoing exploration of improved ACCESS reimbursement for services
Adjusted job descriptions of diagnosticians	Secured remote-based psychology services

Administration Initiatives	
Policies updated as required by the Plan, and formal adoption is in process	Initial training for board members was held by PSBA
Ceased using non-disclosure agreements	Established budget advisory committee at budget adoption time
Reorganized central office staff	Developed data submission report with key timelines
Implemented online IT help ticket process	



Update on Recovery Plan continued

Budget and Finance Initiatives	
Adopted first budget in several years that did not rely on scoop debt financing	Implemented transition to use of CSIU accounting and management modules including Electronic Purchase Order approval system, AR Billing for Out of District students and Rental of Facilities, Asset Inventory Module, Food Service, Capital Project Funds, and Student Activity Funds
Completed final reconciliation of PlanCon documents	Ongoing training for new fund accounting system and payroll software from CSIU
Moved to direct deposit for all employees	Utilized the AESOP absence system to track teacher absences
Prepared RFQs for auditing and food service management services	Completed yearly equipment inventory for Food Service Operations
Expanded meal services to include Nativity Miguel School	Moved tax collection dates to coincide with the City of Scranton's timeline



Update on Recovery Plan continued

Facilities Initiatives	
Formed and held meetings of a Building Advisory Committee	Identified Dude Solutions for use as an operations management system
Reviewed capital priorities for immediate needs	Completed sale of Lincoln Jackson School
Completed building capacity analysis	Completed water testing and mitigated the non-compliant fountains and sinks
Completed inventory of vehicles	

Transportation Initiatives	
Continued route optimization and began planning for RFP issuance	Completed implementation of the District's transportation management software
Reorganized the transportation office personnel to assist the transportation manager	



Key challenges

Academic approaches need to be brought up to 21st century standards

- Years of reactive planning have left little room to invest in updating curriculum, technology, and classroom spaces that meet the demands of current educational practices. Stability in the budget and in the central office will allow the District to lay the groundwork to meet the academic improvement goals set out in the Recovery Plan.

Every school building requires large investments to remain functioning

- The District's 2012 feasibility study and the 2018 review conducted by PFM identified tens of millions of dollars in building repairs that were required to keep school buildings open. Subsequent review of the buildings and capital projects by the District and PFM have refined the list, and each of the District's school buildings will need significant upgrades over the next several years.

Budgets will require hard work to be balanced for the foreseeable future

- Even after changes to bring the 2019 and 2020 budgets closer to alignment, financial projections in the Recovery Plan and updated projections completed over the past several months continue to show multi-million dollar deficits if no further action is taken. Addressing these deficits will require completing the Plan's revenue and savings initiatives to avoid borrowing for operations. For many programmatic and operational investments, savings will need to be found within the budget.

Unexpected challenges will continue to emerge

- Since the adoption of the Recovery Plan, the District has encountered unexpected health and safety issues in its school buildings, and is now facing issues related to COVID-19. Over the course of the next several years as implementation of the Plan continues, the District will likely continue to encounter challenges that were not in the original Plan.



Building re-configuration strategy

- The Recovery Plan requires the District to analyze its academic programs and building usage and develop a comprehensive facilities utilization plan
 - In the analysis, the District is required to review the configuration of grades, usage of classroom space, location of buildings, and impacts to areas such as transportation
 - The requirement is based on the Plan's finding that the District has capital needs that exceed its ability to pay for them, and that it has excess capacity in its current buildings
- In addition, several other initiatives are tied to the evaluation of buildings including transitioning to community providers for pre-kindergarten programs, transportation efficiencies, and an audit of special education programs
- Over the past several months, the District administration, the CRO and PFM have evaluated enrollment data, classroom usage, essential building repairs
 - In addition, meetings were held with the Building Advisory Committee to solicit input for the plan, and tours of the District's buildings were arranged
- This presentation summarizes the findings and recommendations from this analysis for consideration by the School Board



Finances: What if we do nothing?

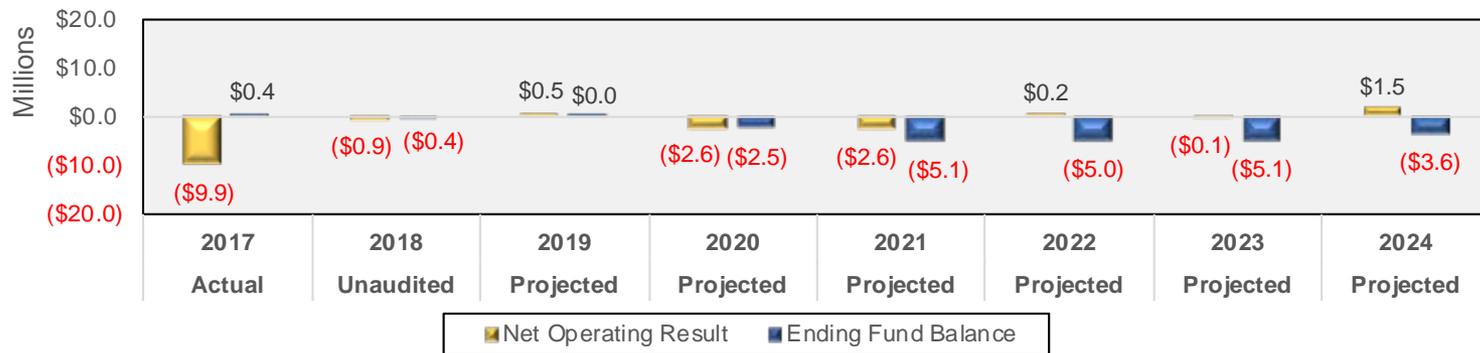
- The Recovery Plan's baseline scenario, shown below, illustrates the financial impact of maintaining the status quo **before** the adoption of the narrowly-balanced 2020 budget
 - These projections assume no additional tax increases, no changes in headcount, or increases in salaries for employees
 - Borrowing approximately \$23 million in 2020 and again in 2022 for high-priority capital projects across all District buildings is included in this scenario
 - The 2012 facilities study identified basic building needs of over \$50 million, and the need has increased in subsequent years
- As shown by the increasing annual deficits after 2020, the structural imbalance in the District's finances will not resolve itself without further action





What is the impact of the initiatives in the Recovery Plan?

- ◆ In the Recovery Plan, eleven fundamental initiatives are highlighted as actions that will have a significant effect in restoring financial and operational stability to the District
- ◆ The projection shown below includes the impact of these initiatives (such as annual tax increases, building re-configuration, transportation efficiencies and contract rebidding)
 - As noted in the baseline scenario, this projection also does not include salary increases
- ◆ Even with these significant initiatives, the District will continue to face large annual deficits in the next several years, and annual results are narrowly balanced in the final years of the projections
 - There are no funds available for annual salary increases or investment in other priorities





Are we really broke?

- ◆ As shown in the previous slides, the District is projected to face large annual deficits and negative fund balances beginning immediately after the 2020 budget if no action is taken
- ◆ Other indicators of the District's financial health can be found elsewhere:

Issue	Implication
"Going concern" note has been in the District's annual audit for the five years from 2014 to 2018	<ul style="list-style-type: none">• This type of opinion is rare in the public sector• Indicates that the entity may not have enough resources to meet its financial obligations (payroll, debt, etc.)
District used scoop financing to balance its budget for four years from 2015 to 2018	<ul style="list-style-type: none">• Not a recommended practice• Borrowing for operations increases future debt payments, and these expenses are not tied to assets
Scranton School District has limited borrowing capacity for its needs	<ul style="list-style-type: none">• District has \$279 million in outstanding debt after the current year, and annual payments will range from \$15 to \$16 million from 2021 to 2037• District is at nearly 60 percent of its borrowing capacity under the Local Government Unit Debt Act• Debt as a percentage of total expenditures (10.6 percent in 2020 budget) is above the recommended limit where debt begins to crowd out other spending

- ◆ Over the coming years, the School Board will need to weigh priorities, implement initiatives from the Plan, and participate in other decisions to maintain the District's financial health



The District's financial facts

- The “going concern” opinion in the District’s financial statements reads that:
 - “The School District’s ability to continue as a going concern is dependent on the School District in implementing and executing the Recovery Plan”
- The District’s financial statements also identify an unreserved negative fund balance of \$22.7 million
 - This is due to six consecutive years of deficit spending and borrowing to finance operating deficits
- The Government Finance Officers Association recommends that general purpose governments maintain a fund balance of two months of revenues in order to provide working capital to pay bills, meet other obligations, and create a reserve for contingencies
 - For the Scranton School District, this amount would be approximately \$27.6 million
- The Commonwealth of Pennsylvania allows a more narrow positive fund balance of 8 percent of budgeted expenditures
 - For the Scranton School District, this amount would be approximately \$13.2 million
- Because of the lack of a typical amount of reserves, the District was forced to borrow when state funding was delayed in 2015-16, and it is still repaying that borrowing
- Now the District is extremely vulnerable to the financial impacts of COVID-19, and will experience additional financial pressure affecting its ability to invest in its facilities and its teachers



Impact of COVID-19 on the District

- ◆ As we move beyond the immediate impact of COVID-19 on the way Scranton and other school districts operate, there will be additional effects as the economic impact sets in
- ◆ Although it is too soon to predict exactly how these trends will affect the District's finances, there are a number of ways this may impact the current and future year budgets
 - Delayed real estate tax collections (lower current collections, or higher future delinquent payments)
 - Potential future assessment appeals
 - Reduced taxes from other economically sensitive local taxes (earned income and business privilege)
 - Flat funding for major state subsidies, or delayed payments if cash flow becomes an issue
 - Reduction in funding or delayed implementation of state or federal support programs
 - Additional expenditures for health and safety, remedial education, or remote learning
- ◆ As the headlines change each day, there is diminished likelihood of recurring formula aid from Harrisburg during the Recovery Plan period – solutions will have to come from within, as the Plan projects



Focusing on Academics



Preview of recommendations

- ◆ In conjunction with the District's senior administrative team, and following on the progress described earlier in this presentation, the CRO has developed a strategy to take the academic and facilities initiatives in the Recovery Plan and tie them to a renewed focus on achieving the academic performance goals in the Plan
- ◆ The recommendations that will be presented to you include:
 - Re-programming Title I funding from pre-kindergarten programs to K-5 math and reading support while retaining Pre-K in Scranton and preserving jobs for teachers and paraprofessionals
 - Establishing a middle school STEMM (Science, Technology, Engineering, Mathematics, and Medicine) program that will expand to higher grades over time
 - Expanding high school supports to promote readiness for higher education or the workforce
 - Investing in building repairs with a focus on health, safety, and deferred maintenance
 - Reduction in the number of leased or owned school buildings to free up funds for the academic enhancements
- ◆ Each of these changes will be described in further detail later in this presentation



Investing in our students

- Over the past several months, the CRO and the District administration have identified these as our highest priority goals, and the plans to achieve them

Goal	Actions
Improve performance in reading and mathematics for K-5 students	<ul style="list-style-type: none"> Transition pre-kindergarten teachers and paraprofessionals to K-5 roles while creating new Pre-K alternatives in Scranton Use funds to create 14 reading and math intervention positions
Provide exciting, career-preparatory programs for students beginning in middle school	<ul style="list-style-type: none"> Launch a new STEMM program for grades 7 and 8 Expand offerings through grade 12 over time
Ensure high school students remain engaged and graduate with options for higher education or work	<ul style="list-style-type: none"> Partner with outside organizations to expand offerings Establish mid-year graduation, and supports to keep students on track to complete grade 12
Guarantee equitable access to learning opportunities for special education students	<ul style="list-style-type: none"> Align the findings of special education audit with location and structure of programs across all school buildings
Provide educators with access to materials and training	<ul style="list-style-type: none"> Restored curriculum purchases in the 2020 budget Build on successful ERD collaboration with teachers' union to develop strategies for continuity of education plan for virtual learning
Maintain safe and healthy spaces for students to learn	<ul style="list-style-type: none"> Issue bonds to complete the highest priority building projects



Aligning the budget with our goals

- ◆ Financial planning and budgets can often seem far removed from the day-to-day operations of a school district, and the important focus on the education of and care for our students
 - School districts do not exist only to collect taxes and pay bills, but money is critical to fund the School district's mission
- ◆ There are a number of ways tight budgets and financial issues can impact learning:
 - Difficulty maintaining stable staffing levels for all types of classroom positions
 - Reduced student support services (ex. administrators, librarians, social workers, mental health professionals, and others)
 - Limited ability to generate funds to support salary increases and training
 - Deferment of building repairs
 - Reliance on old or outdated curriculum, classroom materials, and technology
- ◆ Carrying over plans from the prior year with minimal changes can mean that resources are not necessarily aligned with the needs of each building, the District's priorities, or with financial realities
- ◆ Scranton School District cannot afford to sit by idly and wait for a windfall to make these investments
 - Money must be found within the District's budget to achieve these priorities, with proposed increases in spending will be weighed against other needs including balancing the budget



Guiding principles to consider

- The following slides outline the major components of our recommendations to the School Board that were introduced previously
- In evaluating these recommendations, the Board should consider these principles:

1. Scranton cannot do everything, but we must do something.

Scranton School District owns or rents 18 school buildings with many District-owned schools built before the Second World War. Some buildings have not been renovated in over 50 years. Making these buildings warm, safe, dry and compliant with modern requirements will cost tens of millions of dollars; bringing them up to modern teaching standards would require significantly more money. New school buildings are not an immediate possibility, and we must plan to use the buildings that we have for the time being while beginning to plan and save for new buildings in the future.

2. Scranton has to prioritize its plans.

Both rehabilitation of the District's current buildings and construction of new properties will be extremely expensive. The District's significant financial challenges will compound these difficult decisions, and the District will have to choose among the best and most achievable options rather than waiting for a perfect solution. In addition, these decisions will need to be balanced against other priorities and emerging issues.

3. Even changes for the good will be disruptive; however, adults should make choices that are least disruptive for students.

Rehabilitating our existing buildings, and in the future replacing old buildings with new buildings, will take time and will cause temporary closures or reassignments. However, these changes are a long-term investment in our students, so adults will have to compromise first.



Guiding principles continued

4. In general, Scranton should operate fewer, more efficient buildings.

Limited resources means that the District will have to prioritize the funds that it invests into its school buildings. Changes to buildings will take into account other preferences, such as the desire for walkable elementary schools and programs at each of the grade levels. In all cases, the District should seek to have fewer buildings, with the most expensive buildings to renovate having priority for closure where possible.

5. Scranton should not fund all of the costs of new construction and major rehabilitation from debt.

Whenever possible, the District should not try to fund all of its capital improvements from debt. As noted in the Recovery Plan, a portion of all windfalls will be directed to the Plan's priorities, and this will include building repairs and upgrades. These funds should be placed in a committed fund balance account, or directly transferred to the capital projects fund. The District should seek to set and abide by capital eligibility standards, and use pay-as-you-go funds for projects that are otherwise ineligible, as provided in the Plan.

6. Pre-kindergarten programs are an important asset of the city, and the District's transition will not reduce opportunities for students.

In the current configuration, pre-kindergarten programs are in 14 classrooms across the District's 11 elementary school buildings. These programs will continue in other forms because alternative sources of funding are available for pre-kindergarten, and there are providers who currently offer these services and could expand their programs. Scranton will continue to have pre-kindergarten programs, however, these will not be operated or paid for, or located in the School District. Current pre-kindergarten teachers and paraprofessionals are greatly needed to enhance K-5 student learning and performance to meet state educational benchmarks.



Pre-Kindergarten Programs



Proposed changes to pre-kindergarten

- As outlined in the Recovery Plan, the District will transition from providing pre-kindergarten programs directly to partnering with organizations to offer these services
- Early childhood education is an important program, and these services will continue through providers that are funded through Head Start, the state's Pre-K Counts program, as well as private providers
 - Students moving to these providers will bring more state and federal funds to Scranton to provide these programs at a time when the District cannot afford to operate them on its own
 - Students eligible for Head Start will now also receive important wrap-around services not funded by the District, and that would be unaffordable with its current resources
- The plan presented to the School Board includes the following timeline:
 - Scranton School District will offer the students currently enrolled in the three-year old pre-kindergarten program a spot in the District-operated program for the 2020-21 school year
 - No new applications will be received for the three-year old program for the 2020-21 school year
 - The District will ensure that community partners will have sufficient space and funding to accommodate families applying for their three-year old for Pre-K next year
 - In 2021-22, the District will no longer offer any pre-kindergarten programs, and the services will fully transition over to community providers



Scranton School District pre-kindergarten program

Enrollment as of February 2020

- ◆ By Age Group
 - 3-year old: 133 students
 - 4-year old: 271 students
 - Total: 404 students
- ◆ By Region
 - North: 120 students
 - South: 158 students
 - West: 126 students

Program Characteristics

- ◆ 14 total classrooms
 - At least one classroom in all 11 elementary schools
 - Whittier, Tripp, and Willard each have two classrooms for pre-kindergarten
- ◆ All 3-year old and 4-year old classrooms operate on a half day schedule with a.m. and p.m. classes
- ◆ Class sizes generally follow the Pennsylvania School Code guideline of 20 students per teacher
- ◆ Each class is staffed by a full-time teacher and paraprofessional



Overview of regional pre-kindergarten programs

- Generally, there are three types of pre-kindergarten classrooms run by providers in the city, and these classrooms are categorized by their major funding sources
 - These include classrooms funded by Head Start, Pre-K Counts, or tuition (both private and non-profit organizations)
- Early childhood providers can receive a Keystone STARS rating from the Pennsylvania Office of Child Development and Early Learning (OCDEL), which is an assessment of service level and quality
 - Scores range from STAR 1 (compliance with basic requirements) to STAR 4 (additional assessment criteria)

Head Start	Pre-K Counts	Tuition (Private/Non-Profit)
23 programs All rated STAR 3 and 4	3 programs 2 are rated STAR 4 1 is rated STAR 2	21 programs 10 are rated STAR 4 3 are rated STAR 2 6 are rated STAR 1 2 are not rated



Major funding streams

Head Start (Federal)

- Eligibility based on income and risk factors
- Free for families who meet eligibility criteria
- Provides students with pre-kindergarten and wrap around services including health, social service, and family engagement supports
- Regional centers are run by the Scranton Lackawanna Human Development Agency (SLHDA) and the agency's partners

Pre-K Counts (State)

- Eligibility based on income
- Free for families who meet eligibility criteria
- Does not provide wrap around services offered by Head Start

Other Funding Sources

- **Head Start Supplemental:** State funding to expand capacity for Head Start programs
- **Child Care Works:** State and federal program to support childcare costs for working families
- **Early Intervention:** State program providing services to children with special needs or developmental delays

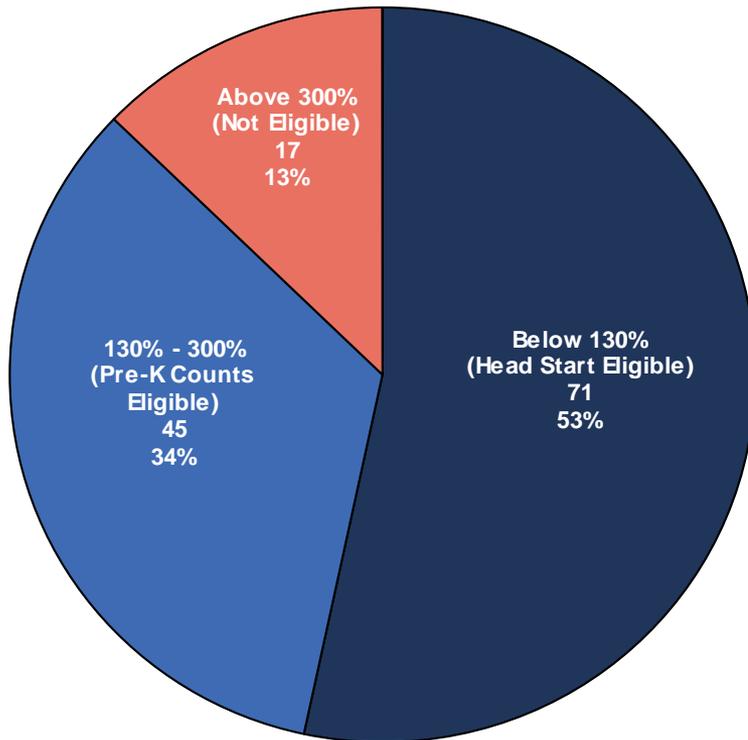


Program comparison

	Scranton SD	SLHDA Head Start	Pre-K Counts (Multiple)
Class Size	1 teacher and 1 aide per 20 students	3YO: 1 teacher and 1 aide per 15 students 4YO: 1 teacher and 1 aide per 17 students	1 teacher and 1 aide per 17 students
Program Type	Half day only	3YO: Half day 4YO: Full day	Half day or Full day
Program Hours	2 hours 40 minutes	3YO: 3 hours 30 minutes 4YO: 6 hours	Half day: 2 hours 30 minutes Full day: 5 hours
Program Days	185 days	160 days minimum	180 days minimum
Teacher Requirements	Early childhood education certification (Level I or II)		
Keystone STARS Rating	N/A	STAR 3 and STAR 4	STAR 2 and STAR 4
Health, Family, and Social Support Programs	No	Yes	No



SSD Family Income Analysis – Current 3-year olds



- Of the group of 133 current students enrolled in the District's 3-year old program 116, or 87 percent, would qualify for the Head Start or Pre-K Counts programs
- Income eligibility is based on the federal poverty guidelines, which are updated annually
 - 100% to 130% of the federal poverty level: Head Start must serve
 - 130% to 150%: Some flexibility for Head Start eligibility; can be served by Pre-K Counts
 - 200% to 300%: Can be served by Pre-K Counts



Redeployment of Scranton SD staff

- Under the pre-kindergarten transition proposal, **all** teachers and paraprofessionals would be able to retain a position with the Scranton School District
- Early childhood education is important and these services to our children will continue through providers that are funded through Head Start, the state's Pre-K Counts program, and private providers
 - As noted earlier, some children will also be eligible for expanded Head Start wraparound services that are beyond what the District can provide
- Currently, our K-5 students have a great need for additional interventions from reading and mathematics coaches to support their classroom learning
 - As described in the Recovery Plan, the District's academic performance lags state averages and best practice peers; this initiative will provide targeted intervention where it is most needed to fulfill its basic academic mission and prepare kids more fully in reading and math
- Re-directing Title I funds to support K-5 interventions will shift funding to support at least one additional teacher and instructional aide for each of the 11 elementary schools
 - Staff resources would be allocated based on building needs through school planning for the implementation of Title I budgets
 - Some schools would potentially receive more support due to their income and academic performance qualifications



Investing in Our Students



Dynamic programs

- The proposed building reconfiguration strategy for the Scranton School District begins with dynamic educational offerings designed to motivate students to learn and improve outcomes at each level

In order to provide a great education for all children, the Scranton School District will have dynamic, innovative educational programs that make kids excited to come to school and parents thrilled to send them there

- For each group of schools, we will devote resources to enhance our programs for these high priority initiatives
 - **Elementary School:** Maintain walkable schools where possible; focus Title I funding on reading and mathematics intervention
 - **Intermediate School:** Launch a STEMM program beginning at the intermediate level and growing to high school year-by-year
 - **High School:** Improve graduation rates through college and career partnerships with organizations; establish a mid-year graduation to keep students on track for completion; improve college attainment



Keys to success

- ◆ We will have to focus our efforts on many different areas over a number of years if we are to make these exciting changes a reality for the Scranton School District
- ◆ Most important, our plans will have to be flexible and evolve over time as we encounter new challenges. However, the cornerstones of our success will include:
 - Rethinking educational programs, class assignments, and building utilization
 - Transitioning over a number of years to a smaller number of buildings with more targeted opportunities that meet the needs of today's students
 - Ensuring our smaller number of buildings meets state and federal educational and safety requirements
 - Continuing ongoing dialogue with parents, teachers, staff, and the broader community to explain the District's plans and get constructive feedback to improve outcomes for our students



Component 1: Scranton cannot afford to maintain all of its buildings

- ◆ As shown later in the presentation, Scranton will require significant investments in its buildings just to keep them open and functioning
- ◆ The follow up analysis on building enrollment and classroom utilization at each of the District's school buildings confirmed that there are opportunities to reallocate how we use our space
- ◆ In order to concentrate our limited capital funds on the places with the greatest impact, our goal is to transition to fewer buildings over time
 - Fewer, fuller classrooms will more equitably distribute our instructional resources across all buildings, and minimize costs of transportation
- ◆ Revised use of space and new realigned programs would allow for the closure of several buildings and the eventual construction of one or two new buildings in the future
 - Although the construction of new buildings would be the ideal choice, the current state of the District's finances and the need to keep even a reduced portfolio of buildings safe and compliant will prevent this from being an option in the short-term
- ◆ All of the current school buildings will remain open for next year, but future years will include changes that may range from catchment area reassignments to building closures



Component 2: Realign K-5 education to revitalize elementary schools

- Elementary school programs provide the foundation of success for our students, and our students have needs for more intensive interventions to make sure they are on track for learning
- Reallocating the \$2.3 million in Title I funding from pre-kindergarten programs to K-5 reading and mathematics intervention will allow us to greatly expand our capacity to support our K-5 schools, and aligns with the District's mission
 - Current supports offered to schools are limited in terms of the number of staff and the amount of time that can be dedicated to students
 - In some cases, resources are shared between buildings, which further limits our ability to support our elementary students
- Preliminary findings from the special education audit indicate that Scranton School District must take steps to reintegrate special education programs into its school buildings
- School enrollment and classroom assignments will be evaluated to more equitably distribute instructional and support resources across our schools
 - Initial focus will be on efficient use of classrooms, with potential near-term modification of school boundaries
 - Medium-term focus will include school closures, and longer-term planning could include construction of new schools



Component 3: Reimagining the intermediate school experience

- ◆ The District's administrative leadership team has already started planning to launch a STEMM program beginning at the intermediate school level in the fall of 2021 (2021-22 school year)
 - District administrators have organized site visits to other Pennsylvania school districts to learn how other schools are bringing innovative programs to their students to excite and challenge them and prepare them for the modern economy
- ◆ Initial plans will include exploratory programs for 6th graders with more focused opportunities for 7th and 8th graders in a STEMM academy
 - Location of the program will ultimately be determined by the District's ability to complete building renovations
 - Current plans would locate the academy at West Scranton High School or Intermediate School
- ◆ The District and other local partners have submitted a joint application to the PA Smart Grant fund to support the start up of this program



Component 4: Dynamic high schools with more opportunities

- In addition to the program enhancements at earlier grades, more support services will be targeted to the District's two high schools
- In order to promote higher graduation rates, several new initiatives are planned to increase student engagement
- Mid-year graduation and flexible course requirements would allow students to complete their high school degree with more ease
- Career opportunities would be provided to students through District programs and local partnerships
 - One of the benefits of co-locating the intermediate school STEMM program at West Scranton High School would be the continuation of programs from grade 7 through 12, adding a grade each year after 2021-22
 - Co-ops, college classes, and closer partnerships with Johnson Technical College, Lackawanna College, and the Career Technology Center would provide opportunities for students to build skills and prepare for the workforce
- For those students considering higher education, the District would work to increase the number of students taking either the SAT or ACT, and provide other supports



Investing in Our Buildings



Facilities overview

- ◆ The Scranton School District operates 20 facilities
 - 16 school buildings
 - 2 rented academic spaces (Whittier Annex and Electric City Academy)
 - Administration building
 - Memorial Stadium
- ◆ Every one of the District's owned facilities will require significant capital investments just in order to remain operational over the next several years
 - Newer buildings such as Scranton High School and Isaac Tripp Elementary School are reaching a point in their lifecycles where they require periodic major maintenance, and some high cost needs have arisen
 - Older buildings require multi-million dollar investments for major renovations like roofs or HVAC (heating, ventilation, and air conditioning) systems
 - It is critical to secure the envelope of each building to avoid additional damage
 - After roofs and windows are secure, HVAC systems are the next key priority
 - These projects are not glamorous, but they are important and often quite expensive



Summary of capital needs

School	Square Feet	Construction Year	Last Renovation	Short-Term Needs (1-5 Years)	Long-Term Needs (5+ Years)	Total Capital Costs
John Adams ES	40,380	1931	-	\$2,379,484	\$1,664,640	\$4,044,124
George Bancroft ES	24,740	1928	-	\$2,081,846	\$1,144,440	\$3,226,286
Robert Morris ES	43,600	1895	1966	\$2,469,202	\$2,080,800	\$4,550,002
William Prescott ES	28,056	1966	-	\$1,816,548	\$1,144,440	\$2,960,988
Neil Armstrong ES	77,750	1969	-	\$6,524,902	\$0	\$6,524,902
John F. Kennedy ES	41,350	1964	1983, 2008, 2010	\$408,425	\$1,352,520	\$1,760,945
McNichols Education Plaza	49,685	1977	-	\$2,554,940	\$0	\$2,554,940
Whittier ES	44,391	1896	1966, 2011	\$12,404	\$0	\$12,404
Whittier Annex	N/A	N/A	-	\$0	\$0	\$0
Charles Sumner ES	34,080	1968	-	\$1,663,580	\$1,560,600	\$3,224,180
Frances Willard ES	45,920	1928	1960	\$1,821,500	\$2,392,920	\$4,214,420
Isaac Tripp ES	92,602	2011	-	\$630,299	\$0	\$630,299
Northeast Scranton IS	206,121	1904	1930, 1999	\$11,776,197	\$9,675,720	\$21,451,917
South Scranton IS	182,734	1937	-	\$7,204,593	\$9,571,680	\$16,776,273
West Scranton IS	174,166	1975	-	\$5,367,871	\$0	\$5,367,871
Scranton HS	293,092	2001	-	\$2,685,121	\$0	\$2,685,121
West Scranton HS	255,000	1927	1932	\$16,010,487	\$11,964,600	\$27,975,087
Administration Building	N/A	1910	N/A	\$440,160	\$260,100	\$700,260
Memorial Stadium	N/A	N/A	N/A	\$528,000	\$0	\$528,000
Contingency	N/A	N/A	N/A	\$1,000,000	\$0	\$1,000,000
Total	1,633,667	N/A	N/A	\$67,375,558	\$42,812,460	\$110,188,018
Average	102,104	1949	N/A			

Note: Average excludes Administration Building and Memorial Stadium.



Practical considerations

- ◆ The Recovery Plan requires the Scranton School District to issue bonds to complete the most pressing building renovations
 - Capital cost savings from building closures will be used to reduce the costs of the borrowing, or the savings could be used to accelerate other important capital projects
 - If state or federal programs are established to support school district construction projects, then these programs can be used to support Scranton's plans
 - As required by the Plan, future windfalls, similar to the one-time PlanCon payments received in 2017 and 2018, must be allocated to priorities such as building renovations
- ◆ The District's current administration does not have the capacity to oversee tens of millions of dollars in annual construction projects
- ◆ The District will need to get temporary support to manage the day to day operations of the projects, manage timelines and bids, and inspect completed work on behalf of the District
- ◆ The District's feasibility study is nearly ten years out of date, and no longer provides the clearest picture of the District's total needs
 - In conjunction with the capital borrowing, the District will simultaneously update its facilities study and use the initial proceeds of the first borrowing to cover the most high priority projects that we know of today



Transition to fewer buildings over time

- ◆ All of Scranton's current sixteen school buildings will remain open for the 2020-21 school year, however, building closures are a strong possibility in future years
- ◆ At the end of the five year period in the Recovery Plan adopted by the School Board, the District will have fewer buildings. Current recommendations include the following changes:
 - Close one to two elementary schools
 - Long-term plan for intermediate schools to be developed; over time that will include
 - Occupying a portion of Northeast Intermediate School
 - Eventual replacement of Northeast Intermediate School with newer building(s) or other sites
 - Impact of eventual final location of STEMM program students on building needs
 - Sale of the Administration Building and re-location of administrative personnel
 - Reduced reliance on rented spaces if possible (Annex and Electric City Academy)



Planning for change

- ◆ Our plans will change over time as more information is available and capital projects launch
 - If the District's financial situation improves significantly, then consideration of how future new elementary or intermediate schools would be integrated into this process sooner
- ◆ In evaluating which schools will be closed, the District will consider factors such as:
 - Opportunity for academic improvement
 - Building capacity
 - Capital costs
 - Walkability and impact on transportation
 - Community needs
 - Program access



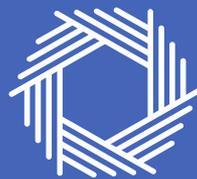
Next Steps



Next steps

- ◆ In order to give parents, children and the non-profit and private providers time to plan for the fall of 2020, the Board should vote to approve the pre-kindergarten transition plan at its April 6 meeting, and include the new allocation of funds in its 2020-21 state and federal Title I planning documents
- ◆ To meet critical capital needs the District will enhance its planning and building programs by:
 - Hiring a Director of facilities, grounds, and operations as soon as possible
 - Identifying the most critical capital needs by prioritizing capital projects and including them in a capital budget and plan presented to the School Board
 - Retain a qualified and certified owners' representative to support the District in capital project management
 - Designate the projects that can be designed and executed in the summer of 2020, if any
 - Designate the projects that can be designed and executed during the 2020-21 school year, including school breaks, and those that should be scheduled for the summer of 2021
 - Depending on the need for emergency repairs and the balance in the capital fund, prepare for a debt borrowing in the fall of 2020 or early 2021 to fund the initial round of projects

Thank you



pfm



Appendix



Fundamental Plan Initiatives

Initiatives	
ACHIEVE01	Invest funds to replace curriculum and classroom technology
ACHIEVE12	Expand the District's cyber school program
T01	Complete the implementation of the District's transportation management software and improve route efficiency
T03	Rebid transportation contracts for savings
T05	Increase transportation subsidy revenues
F02	Develop a multi-year capital plan
F03	Develop and implement a comprehensive plan for the utilization of facilities
F06	Develop and implement a comprehensive plan to reduce utilities spending
R02	Raise real estate taxes annually to the Act 1 Index



Elementary school test scores from Recovery Plan

Advanced Proficient (2017-18)

English/Language Arts			
Grade	Scranton	Abington Heights	Statewide Average
3	49.0	82.0	63.5
4	49.3	78.0	59.8
5	45.2	67.9	59.4

Mathematics			
Grade	Scranton	Abington Heights	Statewide Average
3	39.2	69.6	54.1
4	26.3	63.7	43.5
5	34.8	61.3	45.2

Science			
Grade	Scranton	Abington Heights	Statewide Average
4	66.2	87.7	75.5

Below Basic (2017-18)

English/Language Arts			
Grade	Scranton	Abington Heights	Statewide Average
3	14.3	3.1	10.4
4	16.6	3.1	9.7
5	14.7	3.9	8.9

Mathematics			
Grade	Scranton	Abington Heights	Statewide Average
3	36.0	10.6	24.5
4	41.6	14.3	29.8
5	34.8	14.7	28.7

Science			
Grade	Scranton	Abington Heights	Statewide Average
4	10.4	2.3	5.4



Estimated construction costs

- Based on recent new school construction projects completed in other parts of Pennsylvania, we have estimated the costs of building new elementary and intermediate schools
- If the District decided to build a new school, local factors would likely lead to variances from these estimates
 - For example, obtaining new land or conducting significant remediation would lead to higher costs
- New elementary school (100,000 square feet; approximately size of Isaac Tripp)
 - \$40 million to \$50 million
- New intermediate school (180,000 square feet; approximately size of South and West Intermediate)
 - \$60 million to \$80 million
- Alternative options for intermediate schools may include building a smaller school that would be closer to the costs of a new elementary school