

**IN THE COURT OF COMMON PLEAS
OF DELAWARE COUNTY, PENNSYLVANIA**

	:	No. CV-2012-009781
IN RE: APPOINTMENT OF A RECEIVER	:	
FOR THE CHESTER UPLAND SCHOOL	:	
DISTRICT	:	

RULE TO SHOW CAUSE

AND NOW, this _____ day of _____, 2024, upon the Petition to Amend Recovery Plan, filed by Nafis Nichols, Receiver of the Chester Upland School District, a Rule hereby is issued upon the Respondents to show cause why the Petition should not be granted.

RULE RETURNABLE the 18th day of September, 2024, in Court Room _____ at 9:00 a.m.

BY: _____

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OF DELAWARE COUNTY, PENNSYLVANIA**

IN RE: APPOINTMENT OF A RECEIVER	:	No. CV-2012-009781
FOR THE CHESTER UPLAND SCHOOL	:	
DISTRICT	:	
	:	

ORDER

AND NOW, this _____ day of _____, 2024, upon consideration of the Petition to Amend Recovery Plan of Nafis Nichols, the Receiver of the Chester Upland School District,

IT IS HEREBY ORDERED that the Petition, after hearing conducted on September 18, 2024, is **GRANTED**.

IT IS FURTHER ORDERED that Receiver Nafis Nichols is directed to implement the Amended Recovery Plan attached to the Petition as Exhibit A.

BY THE COURT:

Barry C. Dozor,

J.

**IN THE COURT OF COMMON PLEAS
OF DELAWARE COUNTY, PENNSYLVANIA**

IN RE: APPOINTMENT OF A RECEIVER : No. CV-2012-009781
FOR THE CHESTER UPLAND SCHOOL :
DISTRICT :
:

**PETITION TO AMEND RECOVERY PLAN OF NAFIS NICHOLS, RECEIVER OF
THE CHESTER UPLAND SCHOOL DISTRICT**

Nafis Nichols, Receiver of the Chester Upland School District, by and through his counsel, Kenneth R. Schuster & Associates, P.C. and Lamb McErlane PC, hereby petition the Court to approve the Amended Recovery Plan and in support thereof aver as follows:

1. On August 14, 2012, PDE declared the Chester Upland School District (“CUSD”) to be in financial recovery status; as a result of this declaration, the Court of Common Pleas of Delaware County appointed a Receiver for CUSD on December 13, 2012, at *In re Appointment of a Receiver for the Chester Upland School District*; No CV- 2012 09781. See 24 P.S. § 6-621-A.

2. Upon its designation as a district in financial recovery status, the CUSD became subject to the Financial Recovery Law, 24 P.S. § 6-601-A *et. seq.*

3. The CUSD has had several different Receivers appointed under the Financial Recovery Law in accordance with 24 P.S. § 6-671.A.

4. In accordance with the Financial Recovery Law, the CUSD adopted its initial financial recovery plan in 2012.

5. The CUSD is currently operating under a financial recovery plan submitted on December 20, 2019 (“2019 Plan”).

6. By Order dated August 13, 2021, and after a hearing on August 5, 2021, the Honorable Barry C. Dozer appointed Receiver Nichols as the Receiver of the CUSD.

7. By Order dated June 1, 2022, and after a hearing on the same date, the Honorable Barry C. Dozer reappointed Receiver Nichols as the Receiver of the CUSD for the period June 3, 2022 to June 3, 2025.

8. The Financial Recovery Law requires a Receiver to “develop, implement and administer a financial recovery plan,” for its school district. 24 P.S. § 6-633-A(1); 24 P.S. § 671-A(b).

9. When a Receiver is appointed, the receiver assumes all powers and duties of the Chief Recovery Officer and the Board.

10. In addition to these assumed powers and duties, the Receiver is afforded other powers and duties provided by the statute. 24 P.S. § 6-672-A(b).

11. One such power and duty allows a Receiver to “modify the financial recovery plan as necessary to restore the school district to financial stability by submitting a petition to the court of common pleas.” 24 P.S. § 6-672-A(b)(5).

12. Receiver Nichols, with the support and guidance of the CUSD Administration, has prepared an amended financial recovery plan and respectfully submits this Petition to Amend the current Recovery Plan pursuant to his power and duty under 24 P.S. § 6-672-A(b)(5).

13. The Financial Recovery Law provides that, upon receiving a submission of a Receiver’s proposed amendment to a school district’s financial recovery plan, the “court of common pleas shall approve the modification, unless the court finds by clear and convincing evidence that the modification is arbitrary, capricious or wholly inadequate to restore the school district to financial stability.” 24 P.S. § 6-672-A(b)(5).

14. In accordance with 24 P.S. § 6-672-A(b)(5), the Court must approve Receiver Nichols’s Petition to amend the District’s 2019 Plan, unless the Court finds “clear and convincing

evidence that the modification is arbitrary, capricious or wholly inadequate to restore the school district to financial stability.”

15. In filing this Petition to amend the CUSD’s financial recovery plan, Receiver Nichols submits an Amended Recovery Plan, dated August 15, 2024 (“2024 Amended Plan”). See a true and correct copy of the Amended Recovery Plan attached hereto as Exhibit A.

16. The Amended Recovery Plan acknowledges the progress that has been made since the CUSD initially entered the financial recovery status and proposes redefined initiatives to reflect this and future progress.

17. The Receiver submitted the proposed Amended Recovery Plan to PDE ahead of filing this Petition and has worked with PDE in its development.

18. In accordance with the Financial Recovery Law, Receiver, Nafis Nichols submits this Petition to amend the CUSD’s Financial Recovery Plan.

WHEREFORE, Nafis Nichols, Receiver of the Chester Upland School District, respectfully requests that the Court approve the Amended Recovery Plan attached as Exhibit A.

Respectfully submitted,

LAMB McERLANE PC

DATE: August 15, 2024

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EXHIBIT A

Amended Recovery Plan



Delaware County, Pennsylvania

**Presented by
Receiver
Nafis Nichols
And the Administration of the
Chester Upland School District**

August 15, 2024

With the Assistance of

Public Financial Management
1735 Market Street, 42nd Floor
Philadelphia, PA 19103
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Introduction

The Chester Upland School District's (CUSD or the District) original Recovery Plan was adopted in 2012, and revised several times. Over the years, the District has encountered financial and operational constraints, which have limited its ability to make progress on stabilizing its finances and investing in its educational programs and operations to create the conditions for student success. In 2021, Receiver Nafis Nichols was appointed by the Court of Common Pleas of Delaware County to administer and implement the Recovery Plan and its related efforts in the District. Receiver Nichols has worked with the District's Administration to extend capacity and manage core functions, coordinate technical assistance support from the Department and other providers, and develop an Amended Recovery Plan.

The purpose of this Amendment is to achieve the following:

- Clarify the exit criteria and goals of the Recovery Plan
- Update the initiatives and establish new priorities based on the District's current efforts
- Establish a new baseline financial projection for the District

It will be an incremental process to build on the improvements made by the District in recent years. This Plan is intended to establish the broad outlines that will guide the District's continued expansion of internal capacity and investment of funds into programs and student supports. In some cases, the Plan will outline the steps necessary to create or refine processes and systems to ensure that there is continuity of core functions to promote organizational effectiveness.

Amended Recovery Plan Exit Criteria

In the Amended Recovery Plan, the District's exit criteria will be revised to include the following:

Exit Criteria

Pursuant to sections 641-A (9) and 671-A (b) of Act 141, the Receiver must establish specific criteria that the District must satisfy before the Secretary may terminate financial recovery status. The District shall meet at least the following criteria in order to exit from Financial Recovery:

- The District meets or demonstrates substantial progress in achieving the academic goals as outlined in this Recovery Plan amendment
- The District has achieved financial stability by eliminating its cumulative fund balance deficit, and concurrently maintaining a positive fund balance of at least five percent of annual revenues for two successive years, and concluding two successive years with positive annual financial results (revenues exceed expenditures), all of which are reported in the District's audited annual financial statements
- The District does not request or require 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 receives a satisfactory review by the Department in an analysis of the criteria for determination of recovery status established in regulations promulgated under section 621-A (a) (2) of Act 141 and Chapter 18 of the Pennsylvania Code
- The District is able to demonstrate improved financial stability through the five-year projection approved by the Receiver that includes information that is known at the time such as collective bargaining agreements, debt service schedules, local tax effort, and plans for capital expenditures

Amended Academic Goals

Previous Amended Recovery Plans included strategic goals, which served as academic goals for the District. In the District's current Amended Recovery Plan, the District's academic goals will be revised to the following:

Goal 1	Establish comprehensive systems and processes to improve student achievement at all grade levels and to establish evidence-based practices to support student success to include but not be limited to: <ul style="list-style-type: none">• Implement data protocols• Implement unified curriculum expectations• Link comprehensive plan with school-based action planning to drive differentiated school improvement efforts• Support classroom management
Goal 2	Expand early childhood programs with focuses on early literacy and school readiness
Goal 3	Develop and increase opportunities to prepare students for success in both college and career, to include but not limited to career and technical education offerings, partnerships with corporations, and other opportunities to enter the workforce
Goal 4	Increase the high school graduation rates as indicated by the four-and five-year graduation cohort ¹
Goal 5	Increase the daily attendance rates for middle and high school students

¹ Due to the calculation methodology, an increase in the four-year graduation rate will lead to a decrease in the five-year graduation rate.

Amended Recovery Plan Initiatives

Vision, Strategy and Culture (VSC) Initiatives

Initiative VSC 01: Develop and reinforce District support for technical assistance.		
Deadline: Adopt policy (Six months after the appointment of the CRO)		
Evaluation Measure:	Develop and reinforce District support for technical assistance	
Responsible Parties:	Receiver and Superintendent	

The Receiver and the Superintendent shall work with the Department to develop policies and procedures that establish expectations for communication, reporting, and coordination between District staff, the Receiver, the Department, and technical assistance teams provided by PDE to include the CRO, if appointed by PDE. Those efforts will include support of a regular progress assessment and reporting on the District's progress in implementing the initiatives of the Amended Recovery Plan. This may include providing support to update the District's progress monitoring tools or dashboards outlined in initiative VSC 05.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
After consultation with the Superintendent, the Receiver shall adopt a policy regarding communication between District staff, the Receiver, and PDE-provided technical assistance teams to include the CRO, if appointed	Six months after the appointment of the CRO	Receiver and Superintendent

Initiative VSC 02: Document processes and procedures across departments		
Deadline: Implement all processes and procedures (December 2025); Periodic reviews and updates (ongoing monitoring thereafter)		
Evaluation Measure:	Development of documented processes and procedures; trainings completed	
Responsible Parties:	Receiver, Superintendent, Deputy Superintendent, Assistant Superintendent of Operations, Chief Academic Officer, Director of Special Education Director of Pupil Services, HR Director, and Business Manager	

The District has made progress towards hiring high quality staff to oversee key roles across the District. Due to high turnover the District experienced in previous years and unforeseen circumstances, the District has had challenges maintaining appropriate records of daily responsibilities and reporting structures for staff members. The District must ensure that supervisory staff have sufficient expertise to provide guidance to other team members they oversee, as well as ensure that staff within the same

offices are cross trained for assignments with the goal of increasing operational capacity within the District.

During the interviews in the development of the Amended Recovery Plan, the technical assistance team observed that many staff members expressed a desire for additional training to enhance skills, learn from best practices, and gain a greater understanding of the systems used by the District. For example, Business Office staff should receive continued training on modules in the financial management system to fully utilize all systems to meet the District's needs.

In order to expand the capacity of the administration, the District shall review each department to identify processes and procedures that need to be documented, additional trainings that should be provided to staff, or additional reports and tools that might assist staff in managing day-to-day operations. In addition to trainings and resources, the District shall identify opportunities to provide cross training to all relevant staff members on routine processes and procedures to ensure staff are completing all necessary functions. Documenting processes, procedures, and responsibilities will ensure that the District can continue to function in the event of a staff absence or resignation from a role. The outcome of the review by department could result in a number of different documents, which may include process maps, procedure manuals or employee handbooks, process checklists, and identification of training needs.

The documented processes and procedures should include roles, responsibilities, who the team member reports to, daily/weekly/ and quarterly tasks, resources, and who is responsible for maintaining the manual and updating when applicable. In addition, the document should include reporting systems and communications structures needed to deliver changed results.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall finalize its staff organization chart	December 2024	Receiver and Superintendent
The District shall conduct a needs assessment of each of its departments	January 2025	Deputy Superintendent, Assistant Superintendent of Operations, Chief Academic Officer, Director of Special Education, Director of Pupil Services, HR Director, and Business Manager
The District shall develop a project plan to develop materials including key timelines and information needed to complete each task in a manner approved by the Receiver	March 2025	Receiver, Director of Pupil Services, HR Director, and Business Manager
The District shall ensure all Business Office and HR staff are cross-trained	September 2025	HR Director and Business Manager
The District shall begin developing materials, which may include, but are not limited to: process maps, procedure manuals or employee handbooks, process checklists, and identification of training needs	December 2025	Each department shall work in collaboration with the HR Director to accomplish this goal

The District shall periodically review and update materials as needed	Ongoing monitoring thereafter	Deputy Superintendent, Assistant Superintendent of Operations, Chief Academic Officer, Director of Special Education, Director of Pupil Services, HR Director, and Business Manager
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Initiative VSC 03: Ensure that data is submitted to the State and Federal Departments of Education in a timely manner	
Deadline: Adopt the policy (December 2024); Ongoing monitoring thereafter	
Evaluation Measure:	Adoption of policy
Responsible Parties:	Receiver, School Board, and Superintendent

The District needs to submit data accurately and on a timely basis to remain in compliance with various Commonwealth and federal guidelines and to ensure that it receives funding from key subsidies and grants. The Department of Education publishes a Consolidated Data Collection Calendar which outlines the collection windows and due dates for reports that collect student, staff, financial, and operational data. In addition to this calendar, the District should review required data submissions for all reporting systems where the District submits data for compliance purposes. This includes, but may not be limited to: the Integrated Monitoring System (special education, federal programs, alternative education for disruptive youth, and school improvement planning), eGrants (federal programs and IDEA maintenance of effort), Act 16 special education enrollment counts, and quarterly reporting to the Department of Education's Office of Comptroller Operations.

The District shall review the PDE Data Collection Calendar and its data reporting systems to create a list of submission requirements throughout the school year. The District may choose to use the calendar to develop a targeted list of high priority data submission items to track for its internal use. In addition, the District shall develop and adopt a formal policy to establish the reporting procedures.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall review the PDE Elementary/Secondary Consolidated Data Collection Calendar and determine if there are additional data points to track for data submission	December 2024	Receiver and Superintendent
The District shall create and adopt a formal submission policy	December 2024	School Board
The District shall ensure departments and staff adhere to the Data Collection Calendar	Ongoing monitoring thereafter	Superintendent

Initiative VSC 04: Improve communication across departments		
Deadline: Issue RFP and engage firm (December 2024); establish committee (December 2024); prepare and present communication plan (December 2025); assess impact of plan (six months after plan completion)		
Evaluation Measure:	Updated survey results	
Responsible Parties:	Receiver, Superintendent, Director of Communication, and Deputy Superintendent	

In its 2023 diagnostic report, Mass Insight found that the District did not have communication structures that fostered an environment that supports collaboration and improvement efforts. The District has faced capacity constraints that have contributed to the communication challenges identified by Mass Insight. Improving communication with internal and external stakeholders will be important steps in the District's continued progress to promote academic performance and support families.

As part of this process, the District is positioning itself to improve the quality and reliability of its internal support systems. Due to the nature of running a District, departments may often operate in silos and are unaware of changes happening across departments that may impact multiple staff members in different spaces. Strong communication strengthens relationships between District staff, students, their families, and the community. The District recognizes the importance of strong communication and will develop a plan to improve communication with all stakeholders.

All District communications should be guided by a comprehensive Districtwide communication plan which outlines the strategies the District will use to communicate to all of its stakeholders. In order to develop a strategy for the entire organization, the District shall develop an RFP (or separate RFPs if deemed necessary by the Receiver and Superintendent) for communications, marketing, and branding services. The District shall select a firm to conduct a communications audit, develop a communications plan, and provide marketing and branding services. The focus of the audit and response plan shall include both internal and external communications.

To encourage greater community engagement, the District shall also assemble a committee to discuss possible strategies to increase communication within the District as well as with the larger community. The committee will include representation from teachers, parents, and community members to better gauge what methods would be most effective for different groups of stakeholders. The committee will also share thoughts on whether the current plan has improved District communications, and what areas of improvement still need to be addressed. A comprehensive communications plan will be shared with the committee for feedback.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall engage a firm to undergo a communications audit and provide marketing and branding services	December 2024	Receiver and Superintendent
The District shall create a committee to brainstorm strategies of communicating with different groups of stakeholders	December 2024	Receiver, Superintendent, Director of Communication, and Deputy Superintendent

The District shall prepare a Districtwide communication plan and present to the Receiver and Superintendent	December 2025	Director of Communication and Deputy Superintendent
The District shall assess the impact of the communication plan and present the results to the Receiver and Superintendent	Six months after the completion of the plan	Director of Communication and Deputy Superintendent

Initiative VSC 05: Update or create the Recovery Plan monitoring dashboard or scorecard	
Deadline: Develop dashboards or scorecards (December 2024); ongoing monitoring thereafter	
Evaluation Measure:	Creation of dashboards or scorecards
Responsible Parties:	Receiver, CRO, and Superintendent

As an outcome of the 2023 Mass Insight diagnostic, the District developed scorecards that were used to evaluate the progress of initiatives Districtwide and at the building level. The District has shared that the scorecards have been successfully implemented and have proved to be a valuable tool to encourage accountability for goals. In order to monitor progress of the Amended Recovery Plan initiatives, the District shall develop a monitoring tool to track the status of District initiatives, which may include a dashboard or scorecards. Scorecards can be created based on the larger priority areas the District identified with Mass Insight and used in the Recovery Plan: Vision, Strategy, and Culture; Focus on Instruction and Student Centered Supports; Talent and Professional Learning/Development; and Finances, Facilities, and Operations. Where appropriate, the District should consider developing an internet-based dashboard, which may also be used to communicate progress with stakeholders.

The scorecard and/or dashboard should include information with the responsible party(ies) for each initiative, action step deadlines, and the current status of the initiative. A short summary of steps the District has taken should also be included as part of the status update.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall develop and implement a dashboard or scorecard to track Amended Recovery Plan initiatives	December 2024; Ongoing monitoring thereafter	Receiver, CRO, and Superintendent

Initiative VSC 06: Develop an intranet	
Deadline: Develop an intranet (June 2025)	
Evaluation Measure:	Development of an intranet
Responsible Parties:	Assistant Superintendent of Operations and IT Director

In the development process of the Amended Recovery Plan, the District identified that data management and sharing capacity were limited with its current systems. In order to support the District's operations, the District shall develop an intranet, and the District shall use its current internal and contracted staff to

develop the system. If deemed necessary by the Receiver and the Superintendent, the District shall contract for additional support to complete this initiative. In designing the system, the District shall ensure that reporting systems are aligned with the District's internal data reporting requirements, such as the data dashboard outlined in VSC 05. In addition, the design shall include alignment with externally contracted systems, which may include, but are not limited to: student and staff information management systems, financial systems used by the Business Office, human capital management systems used by the HR office, Department of Education applications, and other systems. All new processes and procedures for the management and upkeep of data in the intranet shall comply with initiative VSC 02 for the documentation of processes and procedures.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall develop an intranet	June 2025	Assistant Superintendent of Operations and IT Director
The District shall collaborate across its departments to design and implement the intranet to meet its needs	June 2025	Each department shall work in collaboration with the IT Director to accomplish this goal

Initiative VSC 07: Improve collaboration with the City of Chester	
Deadline: Continue regular meetings with the City of Chester (Ongoing as needed)	
Evaluation Measure:	Attendance at joint meetings with the City of Chester Receiver
Responsible Parties:	Receiver and CRO

As part of the development of the Amended Recovery Plan, the technical assistance team interviewed the City of Chester's Receiver, Michael Doweary, at the request of the District's Receiver. The City of Chester entered Receivership in 2020 after many years in the Commonwealth's Act 47 financial oversight program. Both the District's Receiver and the City's Receiver agree that the success of each organization is tied to the success of the other, and that it is imperative to find opportunities to support each other. The City and the District have held meetings and considered areas for potential collaboration, such as safety and economic development; however, making significant progress in these areas is currently limited by capacity and resources both at the City and the District. Despite current constraints, the District is committed to engaging collaboratively with the City of Chester to determine future opportunities to share data, coordinate strategies, and share resources if and when applicable.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall continue to attend regular meetings with District Receiver and City of Chester Receiver to discuss current Recovery Plan progress and consider potential opportunities for collaboration	Ongoing as needed	Receiver and CRO

Initiative VSC 08: Provide training to the School Board, the Recovery Plan advisory committee, and other stakeholder steering committees as needed	
Deadline: Collaborate with the Department to determine trainings and required technical support (December 2024); deliver initial trainings (August 2025); regular trainings (Ongoing as needed)	
Evaluation Measure:	Attendance at trainings
Responsible Parties:	Receiver and Superintendent

As part of the implementation of the Amended Recovery Plan, the Receiver and the Superintendent shall collaborate with the Department to determine what trainings and other technical support that may need to be provided to the School Board, the Recovery Plan advisory committee, and other stakeholder steering committees. In identifying the need for training, the District shall determine the individuals required to attend the training and potential topics for the sessions. These topics may include, but are not limited to: roles and responsibilities, meeting facilitation, decision-making process, legal updates, ethics, and others.

Action Plan		
Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall collaborate with the Department to determine trainings and required technical support	December 2024	Receiver and Superintendent
The District shall provide initial training to the School Board and Recovery Plan advisory committee	August 2025	Receiver and Superintendent
The District shall continue to work with the Department to provide future trainings	Ongoing as needed	Receiver and Superintendent

Initiatives to Focus on Instruction and Student-Centered Supports (ISC)

Initiative ISC 01: Align the professional development plan with the District's needs	
Deadline: Review and update professional development offerings (June 2025); Continued review and updates (ongoing monitoring thereafter)	
Evaluation Measure:	Updated professional development schedules
Responsible Parties:	Receiver, Superintendent, Deputy Superintendent, and Chief Academic Officer

In preparing the Amended Recovery Plan, the technical assistance team identified a number of areas where Pennsylvania school districts must align professional development programs with mandated requirements and internal guiding strategic documents. The areas highlighted in this initiative are intended to serve as guideposts for the District as it evaluates and refines its professional development program to implement the recommendations of the 2023 Mass Insight report, as well as to meet the goals of the Amended Recovery Plan. Ideally, the professional development program should be linked between the District's comprehensive plan, the school improvement plans, the special education plan, the University of Virginia 90-day plans, grant commitments, and other sources. Wherever possible, the

District should strive to ensure that these are aligned to ensure that professional development is conducted in sync with the District's overall strategies.

Background

The Pennsylvania Cycle of Continuous Improvement includes "Four Core Conditions" which must be in place foundationally, in order for improvement to occur. They are: 1. Focus on Continuous Improvement of Instruction, 2. Empower Leadership, 3. Provide Student-Centered Supports, and 4. Foster Quality Professional Learning. Chapter 4 requires the creation of a three-year professional development plan for the district entity by a professional education committee, which meets minimally two times per year. Act 49 of 2022 mandates the inclusion of the following learning opportunities for most professional staff: structured literacy, professional ethics, culturally-relevant and sustaining education, and trauma informed care. Many of the mandates for professional learning are required to be included in the District's induction plan.

Professional learning of new teachers

The overarching goal of an induction plan is to provide support for new educators to ensure a successful experience during the first two years of employment. Chester Upland School District must develop an Induction Program that focuses on the following elements:

- Align the induction program to the focus on the District's comprehensive plan
- Ensure employees understand their professional roles within the District
- Ensure opportunities to build understanding of curriculum, instruction, and assessment
- Continual improvement of teaching and learning as evidenced by student growth and achievement, as defined by both Statewide and local assessment data
- Foster professional relationships within a learning community
- Build a knowledge base of essential resources, policies and procedures at the site level, District level and State level
- Comply with the PDE induction plan guidelines.

The professional induction plan provides for the enhancement of knowledge, skills and teaching practices at the District and building level. Training and support for inductees is critical to continually improving teaching and learning so that all students can successfully demonstrate growth and ultimately achievement of the District's academic standards or meet Individualized Education Program (IEP) objectives.

Differentiated induction specifically for emergency certified teachers

When there are large numbers of non-traditionally trained teachers in a school (emergency certified teachers), the professional development of these individuals must contain more foundational elements than for traditionally prepared teachers. In addition to the elements contained in the traditional induction plan, emergency certified professionals require the following additional training:

- Establishing relationships
- Classroom management
- Lesson planning
- Assessment of learning
- Differentiation and individualization
- Special education and inclusion
- Cultural competence and diversity
- Classroom technology and integration
- Utilization of data to educate the whole child
- Goals for professional learning and development

Professional learning of veteran teachers

Veteran teachers require different training to meet their needs. Act 80 professional development days should provide relevant and differentiated training. Some potential elements of training may include:

- Offering multiple modalities for training (in person, synchronous and asynchronous) are recommended
- Providing a “menu” of options with some assigned professional learning sessions and some elective professional learning can be created
- Utilizing an “in-house expert” model to provide differentiated sessions for the entire staff
- Making a cognizant effort to provide professional learning time (or structured collaborative time) for K-12 specialists (e.g. counselors, social workers, nurses, etc.) to avoid the perception of providing just extra “planning time” is required
- A differentiated supervision process may be a wise alternative for veteran teachers so that they may pursue personal professional action learning, rather than receive a formal observation

Professional learning of support staff

Support personnel² have varied needs according to their position. Professional learning time should be utilized to develop support staff relevant to their daily responsibilities. Support staff have a direct impact on students and need to learn how to establish professional relationships with students, support the work of the classroom, and to perform their job functions according to District regulations.

Professional learning of leaders

The role of the principal is one that often gets overlooked when thinking about the need for professional learning; however, principals have enormous accountability and responsibility and need support to transition from the classroom educator level to the role of principal.

The Partnership for Leaders in Education (UVA-PLE) is a unique joint venture between the University of Virginia's Darden School of Business and School of Education and Human Development. UVA-PLE merges cutting-edge leadership development and evidence-based educational strategies to elevate the quality of education and life outcomes for students across the nation.

Action Plan		
Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall evaluate its professional development schedule for teaching staff, support staff, and leaders to make adjustments to align offerings with the findings of the Mass Insight diagnostic report, the strategies in its comprehensive plan, and strategies in its other guiding plans (e.g. school improvement)	June 2025	Superintendent, Deputy Superintendent, and Chief Academic Officer
The District shall differentiate its professional development offerings by staff (e.g. teachers and support staff) and level of experience (e.g. new hires and veteran staff)	June 2025	Superintendent, Deputy Superintendent, and Chief Academic Officer

² Support personnel include, but are not limited to learning support aides, personal care assistants, security officers, library assistants, instructional aides, and other positions.

The District shall periodically review and update professional development offerings as needed	Ongoing monitoring thereafter	Receiver, Superintendent, Deputy Superintendent, and Chief Academic Officer
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Initiative ISC 02: Implement Professional Learning Communities and data-driven instruction	
Deadline: Evaluate current use of PLCs and develop plan of action (June 2025); complete negotiations with unions for use of time, if needed (July 2025); begin implementation of changes in 2025-26 (August 2025); continued review and adjustment (ongoing monitoring thereafter)	
Evaluation Measure:	Completed review of PLC structure
Responsible Parties:	Receiver, Superintendent, Deputy Superintendent, and Chief Academic Officer

Professional Learning Communities (PLCs) serve as a framework to build teacher capacity, for collaborative teams to focus on improving learning outcomes for students and to provide continuous school improvement. In practice, PLCs are small groups that meet regularly and are led by a trained teacher, leader, or facilitator. PLC structures allow for “bite-sized” professional learning to occur throughout the school year and as needs arise. With the goal of creating a data literate school culture, ensuring there is time built into the daily schedule for PLCs to occur and establishing expectations and protocols for these meetings is an essential part of the process.

Developing a data literate culture requires systematic training about the various types of data available in schools and the importance and value of each. In a data literate system, data is a priority topic in every meeting, with every stakeholder group. Teams learn how to determine the root cause of the learner-centered problem that is uncovered by the data. PLCs collaborate about the problems of practice that may be the cause of concerning data and make commitments to modify practices in order to achieve the desired outcomes in student performance data.

In order to implement the recommendations of the Mass Insight diagnostic, the District shall improve teacher collaboration and encourage the use of data to develop appropriate interventions for students. In addition, these shall be integrated with the District’s current school improvement plans, such as the Toby Farms Elementary School plan, and other guiding documents.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall evaluate its current use of PLCs and develop a plan of action to address the recommendations of the Mass Insight diagnostic	June 2025	Superintendent, Deputy Superintendent, and Chief Academic Officer
The District shall negotiate with its unions to provide sufficient time for the implementation of this initiative	July 2025	Receiver and Superintendent
The District shall begin implementing changes to the PLC structures for the start of the 2025-26 school year	August 2025	Superintendent, Deputy Superintendent, and Chief Academic Officer

The District shall periodically evaluate its PLC structure and make appropriate adjustments	Ongoing monitoring thereafter	Superintendent, Deputy Superintendent, and Chief Academic Officer
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Initiative ISC 03: Utilize the UVA Partnership for professional development of District leadership	
Deadline: Evaluate options to encourage staff commitment to the District (August 2025); complete current cohort (June 2026); identify leaders to attend future cohorts as needed (Ongoing as determined by Receiver approval and appropriation of funding)	
Evaluation Measure:	Retention of building and central office leadership
Responsible Parties:	Receiver and Superintendent

Professional Learning Communities serve as a framework to build teacher capacity, for collaborative teams to focus on improving learning outcomes for students and to provide continuous school improvement. In practice, PLCs are small groups that meet regularly and are led by a trained teacher or facilitator. At the principal level, PLCs can help enhance personal and professional growth by allowing an opportunity for principals to reflect on their individual practices, model leadership behaviors, and to improve their skills in coaching and evaluating teachers. Ultimately, the presence of a learning community provides principals with an opportunity to share and acquire knowledge from other educators and to help make them better instructional leaders.

The role of the principal is one that often gets overlooked when thinking about the need for professional learning; however, principals have enormous accountability and responsibility and need support to transition from the classroom educator level to the role of principal. The University of Virginia Partnership for Leaders in Education believes that transformative change starts with inspired and empowered leaders. Partnerships are designed to foster growth and engagement among leaders at all system levels.

UVA-PLE utilizes research-backed strategies to strengthen leadership capabilities across an entire system, consistently aiming to enhance student learning and opportunities. By fostering growth in leadership practices and capacity, they help educational leaders achieve sustainable progress that continues to inspire and transform long after the multi-year partnership has concluded. The District's technical assistance is supported by funding from the Department of Education, and it includes training and support for a six-person core change team and six school leaders. The two-year program is defined in three phases over two years: 2024-25 Activate Year; 2025-26 Adapt Year.

The District shall integrate changes in its professional development system for leaders (ISC 01) and its PLC structure (ISC 02) with the practices and systems that it develops through the UVA-PLE program. In addition, the District shall implement its 90-day plans with fidelity, which were created through its participation in this cohort. In order to encourage leadership staff to commit to implementing these practices, the District shall explore the use of signed commitments or financial incentives for staff.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall evaluate the use of signed commitments, financial	August 2025	Receiver and Superintendent

incentives, and other methods to encourage the long-term commitment of staff to the implementation of UVA-PLE practices		
The District shall complete its current cohort of training with the UVA-PLE	June 2026	Receiver and Superintendent
The District shall identify new leaders to attend UVA-PLE cohorts as staff turnover or as changes in strategy require new cohorts to be identified	Ongoing as determined by Receiver approval and appropriation of funding	Receiver and Superintendent
The District shall implement its UVA-PLE 90-day plans with fidelity, and continue to implement future revisions to those plans with fidelity	Ongoing monitoring thereafter	Receiver and Superintendent

Initiative ISC 04: Improve teacher attendance	
Deadline: Evaluate options (June 2025); implement changes (June 2026); evaluate impact and adjust interventions as needed (ongoing monitoring)	
Evaluation Measure:	Improved staff attendance rates
Responsible Parties:	Receiver, Superintendent, Chief Academic Officer, and HR Director

Research has long established that teachers are the most significant school-based inputs into student learning, which makes teacher absenteeism a unique challenge for K-12 school districts. In business, excessive absences lead to a loss of productivity. In education, absenteeism means a loss in student learning, which cannot be made up with overtime. Teachers will be absent from time to time, and for very valid reasons. Even though teacher absences of all types can present a challenge for schools, it's important to distinguish between individual absences and chronic absenteeism. Contractually-guaranteed paid time off is provided through collective bargaining agreements in most Pennsylvania school districts. It is counterintuitive to rebuke teachers for taking the time; however, the impact of taking this time off is significant.

As one option to explore, the District may consider providing meaningful incentives for teachers to preserve their guaranteed-paid time off to reduce teacher absenteeism. In order to encourage leadership staff to commit to implementing these practices, the District shall explore the use of financial incentives for staff (e.g. stipends, bonuses, or contributions to a 403(b) plan), policy changes (e.g. contract language clarification or reporting mechanisms), environmental changes (e.g. building improvements), and health and wellness incentives (e.g. staff mental health or well-being programs).

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall review its staff absentee data and prepare a plan of action to improve staff attendance	June 2025	Receiver, Superintendent, Chief Academic Officer, and HR Director

The District shall implement the recommended changes to improve staff attendance	June 2026	Receiver, Superintendent, Chief Academic Officer, and HR Director
The District shall monitor the impact of the initiatives and adjust as appropriate	Ongoing monitoring thereafter	Receiver, Superintendent, Chief Academic Officer, and HR Director

Initiative ISC 05: Improve student attendance	
Deadline: Evaluate options and establish taskforce (June 2025); implement changes (August 2025); evaluate impact and adjust interventions as needed (ongoing monitoring)	
Evaluation Measure:	Improved student attendance
Responsible Parties:	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, Academic Supervisors (Primary and Secondary), Director of Attendance Culture and Climate, Director of Equitable Learning and Support, and Principals

The Recovery Plan recognizes that there are many factors that affect student success. One of the most critical is that students attend class each day and are engaged in learning. Students who do not attend class regularly fall behind on coursework, and for students who are chronically absent, the risk of falling behind in school only increases.

There are two ways that the Commonwealth tracks attendance: 1. average daily membership and 2. regular attendance. While average daily membership represents the number of students present at an individual school or across the District at a single point in time, regular attendance accounts for truancy, habitual truancy, and chronic absenteeism. Currently, students who miss more than 10 percent of the school year are considered “chronically absent”. Between the two measures, regular attendance represents the percentage of students who are regularly present in the classroom each day. Using average daily attendance alone may also mask which students are at risk for chronic absenteeism, as the number represents which students are present on any given day, but it does not track which students may be struggling and missing school. Therefore, regular attendance shall be used as the District’s measure for overall student attendance and its targets.

According to the Future Ready Index from 2022, the percent of students not chronically absent in all of the CUSD schools ranged from 27.2 percent to 57.1 percent; while the State average was 73.9 percent. Significant work is needed to address attendance data through evidence-based practices. As one example of a resource that could be used by the District, **Attendance Works: Advancing Student Success By Reducing Chronic Absence** provides a framework for addressing chronic absenteeism in schools. In order to encourage attendance for the District’s students, the District shall review its student data to identify trends in chronic absenteeism, and then develop a plan of action using evidence-based practice. The District shall make use of the Department’s resources on evidence-based practices, technical assistance provided by the Department, and other outside resources as deemed necessary by the Receiver and the Superintendent. In developing this plan of action, the District shall create an attendance taskforce to support the development of the plan of action, and then to coordinate communication of changes and improvements with stakeholders in the community.

In addition to developing interventions, the District shall ensure that attendance policies are implemented with fidelity, including appropriate “disenrollment procedures” for students. The District’s staff shall take

regular attendance during each period on a daily basis. The District shall ensure that its truancy letters follow state law and that Student Attendance Improvement Plans (SAIPS) are provided.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall review its student absentee data and prepare a plan of action to improve student attendance	June 2025 Ongoing monitoring thereafter	Receiver, Superintendent, Deputy Superintendent, Director of Attendance Culture and Climate, and Director of Equitable Learning and Support
The District shall establish an attendance taskforce to support its attendance strategy	June 2025 Ongoing monitoring thereafter	Receiver, Superintendent, Deputy Superintendent, Director of Attendance Culture and Climate, and Director of Equitable Learning and Support
The District shall ensure that its attendance policies are implemented with fidelity	August 2025 Ongoing monitoring thereafter	Receiver, Superintendent, Deputy Superintendent, Director of Attendance Culture and Climate, and Director of Equitable Learning and Support
The District shall ensure that regular attendance is taken daily, and that staff are provided sufficient training as necessary to manage data systems	August 2025 Ongoing monitoring thereafter	Chief Academic Officer, Academic Supervisors (Primary and Secondary), and Principals
The District shall ensure that its truancy letters follow state law and that Student Attendance Improvement Plans (SAIPS) are provided	August 2025 Ongoing monitoring thereafter	Deputy Superintendent and Director of Attendance Culture and Climate

Initiative ISC 06: Increase investment in arts, sciences, and athletics	
Deadline: Conduct needs assessment and create plan of action (June 2025); Continue expansion of career and technical programs (June 2026); identify sustainable funding sources (ongoing)	
Evaluation Measure:	New programs created
Responsible Parties:	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, Supervisor of Academics – Secondary, Athletic Director, Business Manager, and Director of Federal Programs and Development

Extracurricular activities are associated with a range of positive outcomes for children and adolescents including higher academic performance, more positive academic perspectives, and higher academic aspirations.

Research has shown that participating in such activities can help develop social skills, boost self-esteem and resiliency and lower levels of risky behaviors. Additionally, researchers found that more involvement in these activities give youth a chance to develop social skills and discover their own interests.

In implementing the Amended Recovery Plan, the District shall develop a plan to increase access to arts, sciences, and athletics programs for students. If the data has not been collected, the District shall begin with a needs assessment of students and families to determine the opportunities that will most impact and enrich the highest number of diverse students. In addition, this initiative shall build on current efforts to expand the career and technical program options that have been introduced in recent school years. Sustaining the investments in these programs will be an important element of the Amended Recovery Plan, as noted in initiatives FF 01 (maintain balanced budgets and projections) and FF 02 (align financial decisions with strategic priorities).

Action Plan		
Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall conduct a needs assessment and develop a plan to increase access to arts, sciences, and sports programs for students	June 2025	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, Supervisor of Academics – Secondary, and Athletic Director
The District shall continue its expansion of career and technical programs	June 2026 Ongoing monitoring thereafter	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, and Supervisor of Academics – Secondary
The District shall identify sustainable sources of funding for these investments	Ongoing monitoring	Receiver, Superintendent, Business Manager, and Director of Federal Programs and Development

Initiative ISC 07: Conduct an audit of special education functions	
Deadline: Evaluate need for audit (June 2025); subsequent action if necessary	
Evaluation Measure:	Evaluation of need for audit; completed audit
Responsible Parties:	Receiver, Superintendent, Deputy Superintendent, and Director of Special Education

Special education services are costly and regular reviews of services are required to ensure that students are appropriately served. A complete audit of special education services has the potential of reducing District expenditures by addressing redundancies, modifying programming, and ensuring that caseload capacities are optimized. Viable processes for Medical Assistance (MA) billing can ensure the District is receiving financial support for its students.

In order to provide structure for the District's ongoing improvements to the special education program, the District, in conjunction with the Receiver, shall evaluate its need for a special education audit. The District shall engage an external resource for this audit, which may include the Department of Education, Intermediate Unit, or a private vendor. The audit shall include a qualitative and quantitative review of the entirety of the District's special education program including a review the following areas through the

process of document review, interviews, and observation. Depending upon the direction of the District, the qualitative review could include a survey or other mechanism to gather stakeholder feedback.

<ul style="list-style-type: none"> • Staffing patterns • Paraprofessional staffing • Process for obtaining Personal Care Assistants (PCA's) • Capacity student of caseloads • Student data reporting processes • Deaf-blind census report review • Cyclical Monitoring report reviews • Act 16 process review • December 1 Child Count processes • Review of subsidy report • Review of out-of-district placements 	<ul style="list-style-type: none"> • Early Intervention transition review • Extended School Year (ESY) processes • Related Services Processes • Review of IU Supports and services • Budget review • Contingency fund submission • Settlement data • Review of specialized transportation <ul style="list-style-type: none"> ○ Vehicles ○ Processes for services • 4010/APS placements (department funding slots for services) • Medical Assistance process review
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Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The Receiver and the District shall evaluate the need for a special education audit	June 2025	Receiver, Superintendent, Deputy Superintendent, and Director of Special Education
The District shall complete the audit, and then implement the recommendations of the study	June 2026	Receiver, Superintendent, Deputy Superintendent, and Director of Special Education

Initiative ISC 08: Fully implement MTSS and PBIS	
Deadline: Continue program expansion (ongoing); continue training (ongoing); collaborate with other school districts to share practices (ongoing)	
Evaluation Measure:	Implementation of MTSS
Responsible Parties:	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, Director of Pupil Services, and Principals

Pennsylvania's Multi-Tiered System of Support (MTSS) is a standards-aligned, comprehensive school improvement framework for enhancing academic, behavioral and social-emotional outcomes for all students. Response to Intervention (RTI) refers to the methodology that is used to determine how slow is slow (rate of growth) and how low is low (student's level of performance), as an alternative to ability-achievement discrepancy within the Specific Learning Disability (SLD) Determination process.

Cross-disciplinary teams represented at the district, school, grade and individual levels use a problem-solving process to integrate evidence-based academic, behavioral and social-emotional practices matched to student needs and with fidelity of implementation. In an effective MTSS process, a continuum of supports and services exists at all three tiers and requires high-quality professional learning, cultural responsiveness, partnership, meaningful involvement with families, and dynamic decision-making that rests on the use of reliable and valid data sources. Sustainability (transformational change) is the ultimate implementation goal of a Multi-Tiered System of Support and is very much contingent upon Leadership, Organization and Competency.

In the implementation of the Amended Recovery Plan, the District shall continue to expand on its programs and systems for its MTSS program and continue to provide staff with appropriate training. These efforts shall include, but are not limited to:

- Continuing training on the Districtwide Early Warning System through the Pennsylvania Training and Technical Assistance Network (PaTTAN)
- Continue other staff training as needed on systems purchased (e.g. Panorama), interventions, and other needs
- Implement the use of Panorama with fidelity
- Comply with other related findings and corrective actions from the District's 2021 Special Education Audit conducted by the Department

In addition, the District shall collaborate with other school districts designated as Financial Recovery or Financial Watch to share successful practices in data gathering and interventions for the MTSS programs.

Action Plan		
Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall continue to expand on its programs and systems for its MTSS program	Ongoing as needed	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, Director of Pupil Services, and Principals
The District shall provide appropriate training for staff on the ongoing implementation of MTSS and PBIS	Ongoing as needed	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, Director of Pupil Services, and Principals
The District shall collaborate with other school districts designated as Financial Recovery or Financial Watch to share successful practices in data gathering and interventions for the MTSS programs	Ongoing as needed	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, Director of Pupil Services, and Principals

Talent (TAL) Initiatives

Initiative TAL 01: Negotiate contracts with affordable salary increases	
Deadline: Salary increases supported by revenues (ongoing for the duration of the Recovery Plan)	
Evaluation Measure:	Projected financial results after salary and benefit changes
Responsible Parties:	Receiver, Business Manager, and HR Director

Providing reasonably competitive salaries is a key element to the District's strategies for recruitment, retention, and overall success of the District's programs and supports for students. However, the baseline financial projections in the Amended Recovery Plan show significant annual shortfalls if no corrective action is taken. The District recognizes the need to invest in its staff, and any increases in salaries will need to be supported by recurring revenue sources or expenditure savings.

As part of its negotiations strategy, the District shall gather information to prepare its salary and benefit proposals. A simple salary study of surrounding or similar school districts should be conducted to determine appropriate and reasonably competitive salary ranges based upon years of service. Depending upon the needs of the District, additional information should be included such as healthcare data or work rules. It is also important for the District to engage in discussions with the various unions to understand and to ask (if unknown) what priorities the union would like the District to consider.

Given the District's current financial position, concessions will almost certainly be needed in areas such as healthcare benefits or other compensation (stipends or special pay) to fund salary increases. Strategies to analyze and streamline current healthcare benefits costs are included in initiative TAL 02. In order to improve the financial stability of the District, salary increases shall be supported by recurring funding sources. The District shall use the process of periodic updates to its multi-year financial projections to substantiate the sustainability of its contract agreements. As part of the requirements of this initiative, the District shall identify recurring revenues or savings that are sufficient to support at least the first three years of a proposed agreement and its future costs. Ideally, the District would be able to substantiate the sustainability of the agreements for the entirety of the projection period. However, if the final two years of the projections show shortfalls, then the District shall prepare a list of reasonable actions that would be taken to ensure that the costs can be supported.

Until the Receiver determines that the financial position has improved to a point where this level of oversight is not necessary, all annual salary increases will be determined in accordance with this Recovery Plan and contingent on the District achieving other initiatives included in this Plan. The Receiver reserves the right to set these requirements under the authority granted by Sections 642-A(a)(13) and 642-A(a)(15) of Act 141. The requirements of this initiative will be effective for the duration of the time that the District is designated to be in severe Financial Recovery or any other level of State oversight.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall provide salary increases that are affordable given sustainable revenue sources and financial projections	Effective for the duration of the Recovery Plan	Receiver, Business Manager, and HR Director

Initiative TAL 02: Manage healthcare cost growth	
Deadline: Savings generated (ongoing for the duration of the Recovery Plan)	
Evaluation Measure:	Projected financial results after benefit changes
Responsible Parties:	Receiver, Business Manager, and HR Director

In order to generate savings to support its contract costs and budget stability, the District shall work with a healthcare consultant to prepare estimates of potential savings initiatives. The analysis should include potential premium changes, adjustments to out-of-pocket maximums and/or plan deductibles that could be a source to fund salary increases. The District should also analyze high-cost or specialty drugs claims for potential exclusions, step-requirements, generic or mail-order alternatives, and/or premium

adjustments. These analyses will require the support of the District's healthcare consultant and any pharmacy benefits manager that advises regarding the District's prescription drug plan. In addition, this analysis could be supplemented with comparisons to surrounding or similar school districts.

Data typically reviewed when considering plan design and/or premium changes include and are not limited to the following:

Medical	Pharmacy
<ul style="list-style-type: none"> • Total spending • Population enrolled in each tier • Utilization (by services and facilities, including ER visits) • Frequency and number of high-cost claims • High-cost member impacts • Top five diagnoses • Wellness campaign/healthcare screening participation 	<ul style="list-style-type: none"> • Total spending • Population by tier • Utilization by tier • Top five drugs by class • Top five drugs by spending • Top five specialty drug

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall implement healthcare changes to generate savings to support contracts and budget stability	Effective for the duration of the Recovery Plan	Receiver, Business Manager, and HR Director

Initiative TAL 03: Undergo a healthcare eligibility audit	
Deadline: Conduct a healthcare eligibility audit (December 2024); continue periodic audits (ongoing as needed thereafter)	
Evaluation Measure:	Projected financial results after audit
Responsible Parties:	HR Director

The District shall conduct a benefits audit to ensure that individuals receiving benefits are still eligible for coverage. The review shall include eligibility analysis for covered individuals receiving benefits as dependents, retirees, or through COBRA. If deemed necessary by the Receiver, the District shall also undergo a third-party medical claims audit to ensure that there are no duplicate charges or overpayments, as well as a review of bills and reimbursements to ensure accuracy. The District should retain a consultant to perform the audit, unless this is already included in the current healthcare consultant contract.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall retain a consultant to conduct a healthcare eligibility audit	December 2024	HR Director
The District shall continue periodic audits at the frequency recommended by the consultant	Annually or as recommended by the consultant	HR Director

Initiative TAL 04: Develop and implement a recruitment and retention plan to address the educator pipeline	
Deadline: Complete the recruitment and retention study (June 2025); complete periodic updates or progress reports (ongoing monitoring thereafter)	
Evaluation Measure:	Report completed; recruitment and retention metrics
Responsible Parties:	Receiver, Superintendent, and HR Director

Recruitment and retention plans involve identifying a number of short- and long-term initiatives that if completed well will reduce the number of unfilled vacancies, increase retention of quality staff, and improve workplace culture, year over year. The District shall create a recruitment and retention plan that will have strategies that are scaled to the District's internal capacity to support initiatives with its staff and available funds. If deemed necessary by the Receiver and the Superintendent, the District shall seek technical assistance from the Department or contract for an organization to support this initiative. Once the appropriate number of initiatives are selected, the District shall create goals and action steps required that support the goals with metrics to monitor progress and determine further actionable insights.

In developing a recruitment and retention plan, initiatives should be identified as either recruitment or retention where possible, although some crossover often exists between the two categories. Some sample initiatives for each category are listed below. In order to stay competitive with its peers, the District will likely need to be creative in its initiatives and go beyond traditional strategies.

Recruitment	Retention
<ul style="list-style-type: none"> Diversity initiatives, including HBCU partnerships and employer resource groups Use of multiple, third-party online job boards, such as Indeed, Top School Jobs, DiversityinEd, etc. Social media campaigns to not only post jobs but also celebrate district successes to entice others to want to join the team and support the mission Work toward and maintain competitive salaries; consider higher pay for critical shortage areas 	<ul style="list-style-type: none"> Ensure that mission, vision, and core values are updated, and align staff functions to support these key elements Conduct exit and stay interviews to gather feedback and demonstrate its importance by incorporating feedback where feasible Celebrate employees informally and frequently Conduct engagement surveys and acknowledge feedback, even if all areas are not able to be addressed at that time; survey staff to ask if they plan to return the following year

<ul style="list-style-type: none"> • Develop college/university partnerships to attract students • Participate in local/online job fairs • Increase levels of community engagement by leaders and other team members 	<ul style="list-style-type: none"> • Provide a reasonably competitive benefits package, and focus on innovative wellness initiatives • Provide low/no cost perks (team t-shirts or other products, pizza, coffee, new employee meet and greets, employee of the month, and flexible schedules/work modalities where appropriate, etc.)
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Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall determine which resources will support the study from the District staff, contracted firm, and Department of Education	December 2024	Receiver and Superintendent
The District shall complete the recruitment and retention study	June 2025	HR Director
The District shall periodically update the study or provide progress reports	Ongoing monitoring thereafter	Receiver and Superintendent

Initiative TAL 05: Right size staffing to match the student population	
Deadline: Right size staffing (June 2025); identify sustainable funding (ongoing monitoring thereafter)	
Evaluation Measure:	Staffing levels and student to staff ratios
Responsible Parties:	Receiver, Superintendent, HR Director, and Business Manager

The HR Director shall assess staffing needs on an annual basis and make recommendations to the Superintendent in advance of budget preparations for the following year. The evaluation should be done in collaboration with critical program leaders, such as building leaders, special education, student services, and operations.

In addition to supporting the number of students enrolled, alignment with the District's goals and initiatives should be considered when evaluating position needs/requests. Given the District's limited funds, only the highest priority positions should be created or added. Some examples of positions include those that directly support student needs, such as special education students or English learners, or those that support the implementation the District's strategic plan

The staffing evaluation should also consider any positions that may be consolidated, reduced, or dissolved to provide funds for the addition of new positions that are aligned with student needs and strategic priorities. Certain positions may be duplicative or no longer in alignment with the District's goals or needs. Other positions may have been vacant for an extended period of time and are likely to remain unfilled. As part of this strategy, the District shall undertake the following steps:

- As positions are vacated due to retirements or other departures, the District will evaluate whether those functions can be performed by other individuals while remaining in compliance with all current collective bargaining agreements
- The District will review positions that have been vacant for over one year to determine whether those positions are still necessary
 - The District should consider whether those positions can be eliminated, contracted out, or whether alternative recruitment strategies need to be employed
- As part of the facility utilization strategy (FFO 10), the District will regularly review the impact on overall staffing changes to the instructional program, building usage, or other factors which may impact total class size or staffing ratios as well as non-instructional positions and administrative staffing ratios

Cost projections and funding sources for any new positions should be identified to ensure that funding is sustainable. This will also allow the District to prioritize the list of needs, including cost, in the event the District cannot fund all positions that are requested. As part of this initiative, the District shall use periodic updates to the multi-year financial projections to substantiate the sustainability of staffing changes.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall regularly evaluate its current positions to identify organizational improvements and efficiencies, and maintain its position control system to support personnel decisions	June 2025 for the initial year; Effective for the duration of the Recovery Plan thereafter	Receiver, Superintendent, and HR Director
The District shall update its financial projections to determine whether positions are sustainable; if not, attempt to identify a strategy to support recurring salary and benefits expenses	Effective for the duration of the Recovery Plan	Receiver, Superintendent, and Business Manager

Finance, Facilities, and Operations (FFO) Initiatives

Initiative FFO 01: Use the projections to balance budget and establish a deficit reduction plan	
Deadline: Adopt structurally balanced budget (annually in June); use projections to inform decisions (ongoing)	
Evaluation Measure:	Adoption of a structurally balanced budget without the use of one-time funding strategies
Responsible Parties:	Receiver, Superintendent, and Business Manager

For the duration of time while the District is designated with Financial Recovery status, the District shall annually adopt a structurally balanced budget. The budget will identify recurring revenues that are sufficient to cover the District's recurring expenditures.

The financial projections included in this Amended Recovery Plan show that the District will have annual shortfalls in the next several years. As the District is developing its annual budget and working to improve its financial stability, the District shall continue to use the multi-year financial projections to develop a plan

to address deficits over time. The information from the projections shall be used by the District to evaluate the impact of changes to curriculum, programs, salaries and benefits, and other items. If shortfalls are projected in future revisions to the multi-year financial projections, the District shall review the initiatives of the Amended Recovery Plan to include the financial impacts of revenue enhancement or expenditure saving initiatives to be included in the revisions. If these are not sufficient to address the shortfalls, then the District shall develop an additional list of actions to be taken in future years to maintain financial stability.

In addition to reviewing its recurring revenues and expenditures, the District should consider budgeting for reserves to cover past due obligations, similar to its approach in the 2024-25 budget. The District has had many leadership changes and capacity constraints over the last several years that has resulted in limited records and stretched financial resources. Although the full estimate of outstanding obligations is continuously revised, the District should budget some funds to address obligations as they arise.

As noted in FFO 11, the District is working to complete prior year audits for 2020-21, 2021-22, and 2022-23. As the District completes outstanding audits, the information from the reports will be included into periodic updates to the multi-year financial projections, including updates to the fund balance and other information.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall prepare a structurally balanced budget	Annually in June	Receiver, Superintendent, and Business Manager
The District shall begin using the multi-year projections to make informed decisions	Annually in June; periodic updates throughout the year as recommended by the Receiver	Receiver, Superintendent, and Business Manager

Initiative FFO 02: Align financial decisions to stated strategic priorities		
Deadline: Integrate priorities into the budget (ongoing)		
Evaluation Measure:	Integration of Districtwide and school-level priorities into the budget; updated staff survey	
Responsible Parties:	Receiver, Superintendent, Business Manager, and Principals	

In the Mass Insight diagnostic report, the study team identified an opportunity to better align the District's resources with Districtwide priorities and school-specific plans and needs. As the District uses the initiatives of the Amended Recovery Plan and the multi-year financial projection model to stabilize its finances, it should begin to invest resources to support its strategic priorities.

Given the District's current financial position, initial efforts will likely focus on aligning grant resources and school improvement plans with the District's broader goals. The District can use these funds to pilot the impact of interventions and supports for students, and then expand on those programs as additional funds become available.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall integrate Districtwide and school-level priorities into the budget development process	Effective for the duration of the Recovery Plan	Receiver, Superintendent, Business Manager, and Principals

Initiative FFO 03: Adopt annual real estate increases to the Act 1 Index, if needed	
Deadline: Evaluate the need for exceptions (annually by January); adopt increased tax rates annually in the budget, if deemed necessary (annually in June)	
Evaluation Measure:	Increased revenues generated by District
Responsible Parties:	Receiver and School Board

For many years the District's finances have remained in an uncertain position due to a myriad of factors, many of which are outside of its control. These key factors include fast growth in expenditure drivers such as charter school tuition and special education costs, and a significant share of revenue provided by the Commonwealth's formula-based funding. As shown in the financial projections included in this Amended Recovery Plan, the District's negative operating results persist despite assumptions around historical increases to State subsidies and flat salaries. The expiration of the memorandum of understanding (MOU) for special education rates paid to brick-and-mortar charter schools in 2025-26 increases the District's financial pressures. In the baseline projections, the District continues to have projected shortfalls annually and uncertain long-term financial stability.

In order to address the projected annual deficits in the multi-year projections, the District may need to increase the real estate tax rate. If the District can balance its budget with savings generated from expenditure reductions or through revenue increases above those shown in the baseline projections, then the Receiver may make a recommendation to keep the rate flat or identify an alternative increase if deemed necessary. Any decisions regarding tax increases should be made in consultation between the Receiver and key stakeholders (central office staff, Board, etc.) in consideration of the District's annual budget, academic priorities, and multi-year financial projections.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall adopt the proposed preliminary budget with the required tax increases and in accordance with all required statutory events	Annually in January	Receiver and School Board
The District shall adopt an annual budget with the necessary tax increases and in accordance with all required statutory events	Annually in June	Receiver and School Board

Initiative FFO 04: Engage corporations, foundations, and other sources for philanthropic support	
Deadline: Develop a grants strategy (June 2025); report on progress (ongoing thereafter)	
Evaluation Measure:	Increased revenues generated by District
Responsible Parties:	Receiver, Superintendent, and Director of Federal Programs and Development

Recently, the District's federal programs coordinator was promoted to the position of Director of Federal Programs and Development. This was done as an intentional area of focus to expand the District's capacity to manage current federal grants and to build capacity to pursue additional resources through foundations and other sources of grant funds.

As part of the implementation of the Amended Recovery Plan, the District shall pursue grant resources from corporations, foundations, and other grantmaking institutions. The District shall develop a strategy to pursue these resources, and then report on its progress to the Receiver and the Superintendent.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall develop a grants strategy	June 2025	Director of Federal Programs and Development
The District shall periodically provide progress updates to the Receiver and Superintendent	Ongoing monitoring thereafter	Receiver and Superintendent

Initiative FFO 05: Continue to collaborate with brick-and-mortar charter schools to ensure financial stability	
Deadline: Continue collaboration (ongoing)	
Evaluation Measure:	Charter school tuition stability
Responsible Parties:	Receiver, Superintendent, and Business Manager

At the end of the 2024-25 school year, the memorandum of understanding (MOU) with the District's brick-and-mortar charter schools will expire, and the District's tuition rates will return to the PDE-363 calculation methodology for those schools. This transition is included in the baseline projections of the Amended Recovery Plan, and it is one of the drivers of the District's shortfalls after 2024-25.

In addition to the oversight process for the renewal of charters, the District should continue to collaborate with its brick-and-mortar schools to ensure the financial stability of all of the educational organizations. In the short-term, this may include working with the charter schools to determine payment structures and procedures for when the tuition rate calculation transition will occur in 2025-26. Given the significant increase in expenditures, this is likely to result in a significant financial impact to the District. In addition to this collaboration, the District should also seek other avenues to create stability in the annual increase in its charter school tuition rates.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall continue collaborating with brick-and-mortar charter schools	Ongoing	Receiver, Superintendent, and Business Manager

Initiative FFO 06: Create a Charter School Oversight Office	
Deadline: Establish charter school office (June 2025); consider expansion of structure to other educational placements (June 2026); periodic status reports (ongoing)	
Evaluation Measure:	Creation of a charter school oversight office
Responsible Parties:	Receiver and Superintendent

Charter school oversight can present challenges for school districts in areas such as tracking academic and programmatic data, managing the renewal process, tracking enrollment data for the billing process, and facilitating working relationships with administrators in the charter schools. In order to expand its capacity to support its population of students enrolled in charter schools, the District shall establish a charter school office to manage the renewal process, enrollment and billing, and to improve relationships with local charter school leaders. In creating the office, the District shall evaluate linkages between offices where data or processes may be managed, such as the Business Office, Special Education Department, and others. If some processes are to remain in separate offices, then the District shall clearly delineate responsibilities as outlined in the process and procedures created under initiative VSC 02. The purpose of this office would be to provide oversight and support, similar to the offices in the Philadelphia and Pittsburgh school districts. Since the District faces many capacity constraints in its central office, this process can take place in incremental steps and with a combination of District personnel and contracted staff.

The key elements of the responsibilities of the charter school office should include:

- Track academic and programmatic data
 - Identify key academic indicators (e.g. test scores, PVAAS data, graduation rates, etc.)
 - Compile other academic and programmatic data relevant to the charter documents
 - Prepare periodic reports for the Receiver, the Superintendent, and the School Board
- Manage the renewal process
 - Coordinate with internal staff to conduct the review of the charter renewal applications
 - Coordinate with legal counsel or other external support in the renewal process
- Analyze enrollment data
 - Prepare reports of enrollment trends
- Manage the billing process
 - Review invoices submitted to the District for accuracy
 - Verify enrollment in charter schools on a monthly basis
 - Reconcile enrollment and invoices paid with District records
- Facilitate working relationships with charter school leaders
 - Coordinate communication with charter school leaders

A similar approach could be devised for any other District placements where funds are expended for education. For example, special education students placed in programs not operated by the District.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall assign or hire contracted staff members to establish the office	June 2025	Receiver and Superintendent
The District shall determine if a similar structure is needed for other students educated in placements outside of the District	June 2026	Receiver and Superintendent
The District shall prepare periodic reports on the status of the office and its functions to be shared with the Department and School Board	Ongoing	Receiver and Superintendent

Initiative FFO 07: Create and implement a plan to improve programs and attract students back from cyber charter schools		
Deadline: Develop and maintain a database of current students enrolled in cyber charter schools (June 2025); administer exit surveys to families (June 2025); develop a marketing and outreach plan (June 2025; ongoing monitoring thereafter)		
Evaluation Measure:	Growth in enrollment in District cyber program; reduced enrollment at cyber charter schools	
Responsible Parties:	Superintendent, Deputy Superintendent, Director of Pupil Services, Digital Academy Director, and Director of Communications	

The District began operating the Design Thinking Digital Academy (Digital Academy) as a response to the pandemic and increasing demand for flexible learning options. The academy is open to students in grades three through twelve and provides options for a fully remote or part-time cyber education. Students also have opportunities to earn advanced credits at different schools and take credit recovery courses for graduation through the summer academy. Although the Digital Academy is an option for students, far greater numbers of students are enrolled in cyber charter schools. The table below shows the 2023-24 enrollment in the Digital Academy and cyber charter schools.

Students in Virtual Programs (2023-24)

	Enrollment	% of Total
CUSD Digital Academy	107	14.1%
Cyber Charter Schools	650	85.9%
Total	757	100%

In order to stabilize its budget and implement its Amended Recovery Plan, the District must take steps to prevent further enrollment loss and effectively compete with charter schools. The District shall provide competitive alternative options by making the District's schools a safe and inspiring place for students to learn and thrive and designing programs that meet the needs of students and families. In order to do this, the District shall identify a key point of contact for its charter school competition strategy, enhance its virtual learning programming, and improve communication and marketing of District educational options. Depending upon the success of this initiative, as well as the need to achieve the financial stability outlined

in the Plan Scenario projections, the District may expand these efforts to include students attending brick-and-mortar charter schools. The table below shows the potential allocations of internal and external resources as well as educational resources for the District to pursue.

Proposed Resources

Internal Resource	External Resource	Educational Resource
<ul style="list-style-type: none"> Director of Communications: support marketing and internal strategy development Digital Academy Director: support program enhancement and marketing Superintendent/ Business Manager: allocate resources annually to support the program 	<ul style="list-style-type: none"> Educational consultant: review and advise on structure, offerings, curriculum, and staffing 	<ul style="list-style-type: none"> Other Recovery and Watch school districts: contact to request advice on implementation and conduct site visits

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall develop and maintain a database of current students enrolled in cyber charter schools	June 2025	Superintendent, Deputy Superintendent, and Director of Pupil Services
The District shall begin administering exit surveys to families not returning to the Design Thinking Digital Academy	June 2025	Digital Academy Director and Director of Communications
The District shall develop a marketing and outreach plan to increase enrollment in the Design Thinking Digital Academy	June 2025 Ongoing monitoring thereafter	Superintendent, Deputy Superintendent, and Director of Communications

Initiative FFO 08: Update the capital plan annually and invest funds for facility improvements	
Deadline: Update the multi-year capital plan (annually in June); engage an architect for periodic updates to the facilities study (ongoing as needed)	
Evaluation Measure:	Approval of the multi-year capital plan
Responsible Parties:	Receiver, Superintendent, Business Manager, and Assistant Superintendent of Operations

In 2023, the District engaged KCBA Architects (KCBA) to develop a Districtwide facilities study. The team reviewed the District's existing building conditions, delivery of educational programs, and enrollment projections. The study found District elementary schools were over capacity, secondary schools were under capacity, and most facilities were in fair or poor condition. The study outlined several recommendations for facility maintenance and long-term planning such as renovations, additions to current buildings, acquiring newer facilities, repurposing facilities that are under capacity, and others.

As referenced in initiative FFO 10, the District shall use the facilities study to develop a plan to align the buildings to its current needs and consolidate, sell, and/or repurpose unused District buildings. As part of this initiative, the District shall use a multi-year capital plan to estimate, prioritize, and fund its capital projects. In the last several years, the District has used ESSER funds to complete some projects in its buildings, and these funds will be fully expended in the near future. Prior to embarking on new facilities investments, the District shall prepare a capital plan and implementation process that can include, but is not limited to, the following elements:

- **Goals and objectives:** This should be based on existing capital inventory and new needs over a five- or six-year time horizon. Potential projects should be ranked based on factors such as cost, legal requirements, life cycle, safety, feasibility, and implementation schedule.
- **Long-term enrollment projections:** The District will review enrollment trends and the impacts that growing, declining, or flat enrollment can have on a long-term strategy for the District's facilities.
- **Anticipated changes to educational delivery plans:** The District shall include the impact of anticipated program changes.
- **Building maintenance assessments:** As outlined in FFO 09, the District will review and document current building conditions and the cost to maintain each building. Maintenance costs should include specialty areas such as elevator and field maintenance if applicable.
- **Equity and access for all students:** As the District is making decisions around current and future facilities plans, the team should ensure there is an equitable experience for all District students and staff across buildings.
- **Funds for implementation:** The capital plan should cover at least five years, and include the items and priorities identified in the previous stage and identify specific funding sources. Once the multi-year capital plan is established, the Board should annually adopt a one-year capital budget enacting the funding to execute projects designated for the upcoming budget year. Decisions by the Receiver for the capital budget should be made on the same calendar and timeline as the operating budget so that overall District needs and priorities can be balanced with available resources.
- **Annual re-evaluation:** The administration should annually report on capital projects that have been approved and funded and update the list of existing resources and new capital project needs. The Receiver should reevaluate the capital project plan and the funding of specific projects in the plan each year in advance of the budget process.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall create a five-year schedule for all of the capital projects identified based on criteria including urgency, importance to educational mission, cost savings, and building safety	Annually in June	Receiver, Superintendent, Business Manager, and Assistant Superintendent of Operations
The District shall develop a multi-year financing plan for capital needs	Annually in June	Assistant Superintendent of Operations and Business Manager
The District shall periodically engage an architect to update its feasibility study	Ongoing as needed	Receiver, Superintendent, Business Manager, and

		Assistant Superintendent of Operations
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Initiative FFO 09: Create and implement an annual plan for building maintenance, replacement of IT, and other equipment		
Deadline: Develop a repair and replacement cycle (June 2025); develop a tracking tool (June 2025); review and update the cycle as needed (annually in June)		
Evaluation Measure:	Development of a plan that establishes a cycle of repair and replacements; implementation of the set cycles	
Responsible Parties:	Receiver, Superintendent, Deputy Superintendent, Business Manager, HR Director, and Director of Operations	

Initiative FFO 08 of the Amended Recovery Plan requires the District to develop a capital plan and invest funds for facility improvements. In addition to the capital plan, the District shall create a plan for repair and replacement cycles for various operational areas such as facilities and technology. The District should first identify and list all areas that will need ongoing repairs/replacements such as classroom technology, staff technology, HVAC equipment, food service equipment, and vehicles to maintain proper standards. Each area identified may have separate repair and replacement cycles. For example, the District may develop a three-year technology replacement cycle to purchase new laptops for students and a five-year cycle for staff. Other options include a four-year cycle for items such as food service equipment or a five-year cycle for vehicles. The District should create a tracking tool for all repair and replacement cycles to monitor progress and ensure the District is meeting established timelines.

The District can use resources through organizations such as the Pennsylvania Association of School Business Officials (PASBO), the Association of School Business Officials (ASBO), and the Government Finance Officers Association (GFOA) to identify set industry standards and/or best practices.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall develop a repair and replacement cycle for all District facilities, technology, and equipment	June 2025	Receiver, Superintendent, Deputy Superintendent, Business Manager, and Director of Operations
The District shall develop a method to monitor/track facilities and equipment are being repaired or replaced based on established cycles	June 2025	Superintendent
The District shall review and update (if applicable) its repair and replacement cycles annually	Annually in June	Receiver, Superintendent, Deputy Superintendent, Business Manager, and Director of Operations

Initiative FFO 10: Consolidate facilities and sell unused buildings	
Deadline: Develop a utilization plan (June 2025); periodically update the utilization plan (ongoing as needed); sell unused buildings (ongoing as needed)	
Evaluation Measure:	District consolidation/reconfiguration plan; revenues from sale of building(s)
Responsible Parties:	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, Business Manager, HR Director, and Director of Operations

In the 2023 facilities study completed by KCBA Architects, the study team found that some of the District's schools were below capacity, particularly at the middle and high school level. The study found that a majority of District buildings are under the recommended occupancy (six of eight), four of which are the District's middle and high schools. As of the 2022-23 school year, Chester High School's enrollment was approximately 24 percent of the building's total capacity. Additionally, enrollment at STEM Academy was approximately 36 percent building occupancy based on the review by KCBA. At the elementary level, the District was reported as over capacity at two of the elementary schools (Main Street Elementary School and Chester Upland School of the Arts) and near the recommended occupancy at Stetser Elementary School.

If these trends persist, the District shall develop a building utilization plan to determine the best use of its facilities, which may include reconfiguration and/or consolidation. The utilization plan should include enrollment analysis and projections, evaluation of the District's educational needs and academic structure, and analysis of the financial and operational impacts of the potential options. If the utilization plan results in closed buildings, savings in capital projects from consolidated schools can be redirected to invest in the District's other facilities and address the investments needed as described in initiative FFO 08. In addition, the Receiver may recommend the sale of unused buildings or repurposing for other needs.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall develop a building utilization plan to align capacity with its educational needs	June 2025	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, Business Manager, HR Director, and Director of Operations
The District shall periodically update its building utilization plan as needed	Ongoing as needed	Receiver, Superintendent, Deputy Superintendent, Chief Academic Officer, Business Manager, HR Director, and Director of Operations
The District shall sell or repurpose unused properties	Ongoing as needed	Receiver, Superintendent, Business Manager, and Director of Operations

Initiative FFO 11: Resolve outstanding audits and create processes and procedures to ensure future compliance	
Deadline: Successfully complete all outstanding audits (December 2024); create an audit corrective action plan (June 2025); annually complete audits (ongoing)	
Evaluation Measure:	Finalized audits
Responsible Parties:	Receiver, Superintendent, and Business Manager

The District has made progress in hiring staff to oversee key roles across the District and improving on the recordkeeping and systems required for the annual audit process. The District is working with its team of auditors to finalize its audits for the 2020-21, 2021-22, and 2022-23 school years.

The District's draft 2019-20 audit identified material weaknesses and deficiencies with the District's financial practices and operations. Due to the outstanding status of the District's audits, it is unclear if the identified weaknesses have been resolved and/or if other weaknesses will be identified in later audits. As new information is provided, the District shall create a corrective action plan to address identified issues.

In addition to completing its outstanding audits, the District shall also develop and implement processes and procedures to ensure future compliance. The development of procedure manuals across departments is described more fully in VSC 02.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall complete all outstanding audits	December 2024	Receiver, Superintendent, and Business Manager
The District shall develop an audit corrective action plan to address all audit findings	June 2025	Receiver, Superintendent, and Business Manager
The District shall document progress of the correction plan and report to the Receiver as needed	Ongoing	Superintendent and Business Manager

Initiative FFO 12: Resolve the findings of the District's ESSER audit and maintain future compliance	
Deadline: Create an ESSER audit corrective action plan (December 2024); complete periodic progress report (ongoing as needed)	
Evaluation Measure:	Finalized audits
Responsible Parties:	Receiver, Superintendent, and Business Manager

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

During the development of the Amended Recovery Plan, the District received the results of its ESSER monitoring, and the recommended practices from the review are outlined below. In the implementation of the Amended Plan, the District shall address the findings of the monitoring and put in place processes, systems, and controls to maintain future compliance. The District shall develop processes and procedures as outlined in initiative VSC 02, ensure that data is submitted timely and accurately as outlined in initiative VSC 03, and ensure that findings of its single audit are addressed as outlined in initiative FFO 11.

The recommended practices of the ESSER monitoring include:

- The District must adequately document all costs claimed against the Federal award
 - Retroactive corrections must be made for differences, errors, and/or the existence of grouped expenditures
- The District must implement procedures for timely and accurate reporting of Final Expenditure Reports, budget modifications, and other reporting requirements
 - As a recommendation, the District should consider submitting budget revisions for unspent or unbudgeted function codes, as well as those codes with a variance greater than 20 percent
- The District must implement procedures for timely and accurate reporting of Final Expenditure Reports consistent with internal accounting ledger information
 - Retroactive corrections should be made if differences or errors exist in the information
- The District must adequately document all costs claimed against the federal award
- The District must record and keep available proof of payment for all federally-funded purchased
- The District must retain procurement documentation, including contract rates
- The District must ensure that all contracts supported with federal funds include the required contract provisions as per 2 CFR 200 Appendix II, as applicable
- The District must conduct a cost or price analysis for all contracts awarded over the Simplified Acquisition Threshold of \$250,000 before receiving bids or proposals
- The District must document at least three price or rate quotes for procurement purchases over \$10,000

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall develop an audit corrective action plan to address all audit findings	December 2024	Receiver, Superintendent, and Business Manager
The District shall document progress of the correction plan and report to the Receiver as needed	Ongoing	Superintendent and Business Manager

Initiative FFO 13: Hire an independent financial advisor and issue or restructure debt as needed	
Deadline: Issue Request for Proposals (December 2024); approve independent financial advisor (March 2025); evaluate whether to renew the contract or select a new firm (ongoing)	
Evaluation Measure:	Contracting with an independent financial advisor
Responsible Parties:	Business Manager

Many districts use an independent financial advisor to provide financial advice, develop financing plans, conduct debt refunding analysis, and assist with management of bond sales. Depending on the District's

needs, they may also provide additional services such as financial planning, impact analysis, lease financing, and credit rating review and analysis. Given the District's needs to fund its capital improvement plan and potentially restructure its existing debt, the District shall contract with a financial advisory firm.

Action Plan

Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall issue a Request for Proposals for financial advisory services	December 2024	Business Manager
The District shall review proposals and select candidate(s) to present to the Receiver	March 2025	Receiver
At the termination of the contract, the District shall evaluate the financial advisor and determine whether to renew the contract or select a new firm	At end of contract term	Receiver and Business Manager

Initiative FFO 14: Engage the Department to restructure the outstanding Financial Recovery Transition Loans as needed	
Deadline: Begin discussions with the Department, if needed (June 2026)	
Evaluation Measure:	Restructuring of the outstanding Financial Recovery Transition Loans
Responsible Parties:	Receiver, Superintendent, and Business Manager

In 2027-28, the District's repayments on the outstanding Financial Recovery Transition loans will increase from \$1,466,500 to \$6,832,500. If the District requires budgetary relief in 2027-28, the District shall engage the Department in discussions to restructure the final payment to extend the amounts beyond that school year.

Action Plan

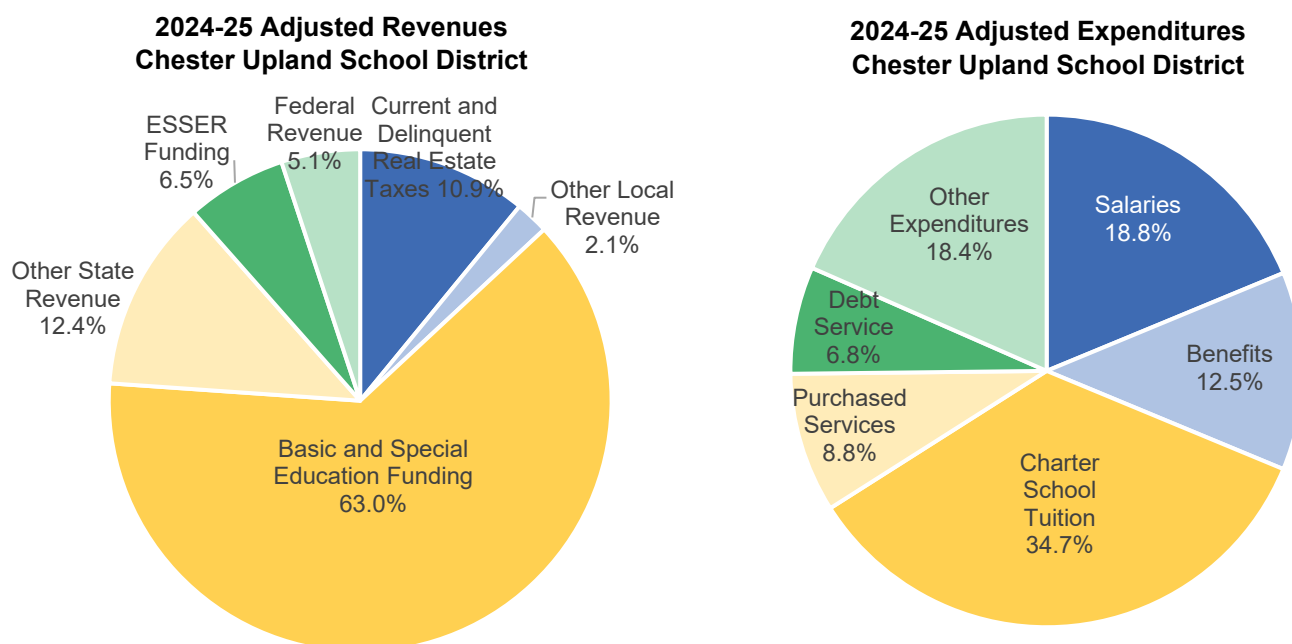
Tasks and Supporting Deliverables	Deadline	Responsible Party
The District shall evaluate the need to restructure its outstanding Financial Recovery Transition Loans and engage the Department in discussions to restructure the final payment, if needed	June 2026	Receiver, Superintendent, and Business Manager

Amended Recovery Plan Financial Projections

As the Chester Upland School District has started to expand its central office capacity, it has started to address some of its historical challenges. Past capacity constraints affected its ability to maintain historical records and promptly pay vendors, which led to an accumulation of past due obligations. The District has focused on paying down prior year expenditures, and continued financial stability will ensure that the District can eliminate these liabilities. Ongoing pressures, often outside of the District's control, have led to operational and financial challenges that continue to impact its long-term financial stability.

Receiver Nichols and the District are focused on working to address these constraints and focus on sustainably investing in improvements for students.

The District adopted its budget on June 27, 2024 with a balanced budget, including \$182.8 million in revenues and expenditures. In the financial projections, the District's 2024-25 budget is adjusted to account for changes in the State's Basic Education and Special Education Funding allocations. In addition to changes to BEF and SEF, the 2024-25 budget is adjusted to include additional revenues received through the Ready to Learn Block Grant Adequacy Supplement and the cyber charter school tuition reimbursement. Given the uncertainty for the future trajectory of charter school tuition costs, the potential savings from the recalculation of cyber charter school tuition have not been incorporated into 2024-25; however, the savings are incorporated into future year projections. These adjustments are shown in the pie charts below.³



In the section below, the key drivers of the District's budget are described along with the major assumptions in financial projection scenarios prepared for this report. A full description of assumptions for the analysis and the accompanying detail for the projections are included as appendices of this Amended Recovery Plan. This section also includes a scenario developed for the Plan that describes the conditions needed for the District to stabilize its finances.

Real Estate Taxes

As shown in the chart above, the District's current and delinquent real estate taxes contribute 10.9 percent of the available revenues in the adjusted 2024-25 budget (a combined total of \$19.9 million). Despite changes to the District's tax rate, total current and delinquent real estate taxes increased moderately from 2023-24 budgeted amounts to 2024-25, a year over year increase of 0.7 percent (or about \$144,250).

In the 2024-25 budget, the District adjusted its millage rates for the Chester City, Chester Township, and Upland Borough. This change is primarily due to the calculation methodology chosen for the tax rate, and the statutory requirements to distribute the State's property tax reduction allocation (a total of \$4 million in the 2024-25 budget).

³ The revenues pie chart includes adjustments made to the District's 2024-25 budget to account for changes in the State's BEF and SEF allocations. As noted in the State subsidies section of this plan.

Real estate taxes are one of the few areas under the control of school boards in Pennsylvania to generate additional revenues. The District's tax capacity is limited due to limited wealth and the large share of properties that are nontaxable, which places the burden of increased taxes on a smaller proportion of the District's taxpayers. Based on information from the District, almost 52.0 percent of the District's tax base is nontaxable.

The baseline projections assume the District's current and delinquent real estate taxes are held flat based on 2024-25 budgeted estimates, (\$17.3 million and \$2.6 million, respectively). In the Plan scenario, real estate taxes are also held flat based on 2024-25 budgeted estimates.

State Funding

Basic and Special Education Funding are the largest sources of revenues in the District's budget, accounting for 63.0 percent of total revenues in the adjusted 2024-25 budget. Despite changes to the adopted 2024-25 allocations (detailed below), the District's BEF and SEF allocations in the adjusted 2024-25 budget are \$2.5 million more than its 2023-24 allocations.

As previously mentioned, the adopted 2024-25 Commonwealth budget included changes to BEF and SEF allocations and the inclusion of supplemental funding. For the District, the impacts of these changes included additional revenue from supplemental Adequacy and Tax Equity provided through the Ready to Learn Block grant and cyber charter school tuition reimbursement. These additional revenues will help alleviate some of the District's short-term challenges; however, as noted in the baseline projections, these funds do not fully resolve the underlying financial challenges for the District. Given the large proportion of total revenues provided by States sources, the future trajectory of State subsidies is the largest driver of the District's resources used to maintain program investments and sustain its operations.

Based on the publicly available allocation files published by the Department of Education, the District will receive approximately \$106.8 million in BEF, \$7.9 million in SEF, and \$5.6 million in Adequacy Supplements (totaling \$120.3 million). The District will also receive an additional \$1.2 million in cyber charter school tuition reimbursement, as well as other grants and subsidies for operations.

The baseline projections assume the following:

- The Commonwealth increases the amounts distributed through the formula for Basic Education Funding by \$225.0 million per year and Special Education Funding by \$46.75 million per year. These amounts are based on the 2024-25 allocations and a comparison to historical increases over recent years.
- Cyber charter school tuition reimbursement is held flat throughout the projection period.
- In 2025-26, the District's Adequacy Supplement is moved into the Ready to Learn Block grant base and no new Adequacy funding is provided. The new grant total (\$7.0 million) is held flat throughout the projection period.
- No Tax Equity Supplements are distributed to the District, which it did not receive in 2024-25 based on the formula calculations.

Future funding for the Adequacy Supplement is not guaranteed, and both the amounts and the distribution formula would be dependent on changes adopted by the Legislature annually. For the purpose of this Plan, the scenario described below assumes that the current distribution formula is maintained and that the Adequacy Supplement is funded at the same amount as 2024-25 in each of the next five years. The estimates used in the Plan scenario may change annually based on the adopted Commonwealth budget.

In the Plan scenario, Adequacy Supplements are continued throughout the projection period, and the projections assume that the District receives annual amounts based on the 2024-25 allocations. These funds provide a cumulative total of \$83.8 million between 2025-26 and 2029-30.

Inflation

The basket of goods and services included in the measurement of the Consumer Price Index (CPI) contains many items that have direct and indirect impacts on school district budgets. In some cases, such as fuel or food, school districts may be more exposed to risks of high and sustained inflation. Underlying growth in particular industries or categories, such as construction materials and labor, can also have outsized impacts on school district finances.

As a starting point, the baseline projections use the current estimates of long-term annual average increases in headline CPI from the Federal Reserve Bank of Philadelphia's quarterly Survey of Professional Forecasters. The survey includes economists and specialists across the country who forecast economic trends, and it is an objective source of consensus expectations for forward-looking changes in economic indicators. The May 2024 report forecasts long-term average inflation at 2.5 percent.

Transportation

Transportation costs account for 3.9 percent of total expenditures in the adjusted 2024-25 budget. This is a 37.0 percent increase compared to the 2023-24 budget. The amounts in the 2024-25 budget were based on the District's expected costs from the contract awarded through its request for proposals. Based on preliminary information shared by the District, the baseline projections assume transportation costs will grow faster than inflationary rates (2.5 percent) and grow by 4.0 percent annually starting 2025-26. In addition to the 4.0 percent increase in vehicle rates, the District would be responsible for fuel costs. Over the course of the projections, total transportation costs increase from \$7.2 million in 2024-25 to \$8.7 million in 2029-30. In the Plan scenario, transportation costs continue to grow at the baseline rates.

Maintaining a competitive workforce: retention and recruitment

Salaries and benefits are the second largest category of expenditures for the District, accounting for 31.3 percent of the District's total expenditures in the adjusted 2024-25 budget. This is an increase of approximately 18.7 percent compared to the previous year's budget.

In the 2024-25 budget, the District has included funds for the anticipated settlement of contracts with its various bargaining units, staffing additions for teacher and support staff to meet student needs, and positions aligned to the District's organizational structure. Although the employee contracts have not been finalized, the District has shared that it plans to remain competitive and demonstrate an investment in staff to support recruitment and retention.

Based on discussions with the District in preparing the Amended Recovery Plan, an illustrative 4.0 percent salary increase has been included in the baseline projections starting in 2025-26 and continuing in each year of the projections. The projections assume that the District's benefits grow at national trend rates based on the 2024 Health Cost Trend Survey published by Segal Consulting. Healthcare costs grow by 7.6 percent annually based on projected growth for HMO/EPO health plans. Dental insurance costs grow by 4.0 percent annually, and vision insurance grows by 2.8 percent annually.

As noted in initiative TAL 01, the District will need to continue to evaluate the affordability of future contract proposals and determine ways to maintain balanced budgets.

In the Plan scenario, salaries are assumed to grow at 2.0 percent, and healthcare costs are assumed to grow at 5.0 percent.

Maintaining program investments

Grant-funded expenditures account for 8.1 percent of total costs in the District's adjusted 2024-25 budget.⁴ These grants include Elementary and Secondary School Emergency Relief (ESSER) grants, 21st Century grant, the Bipartisan Safer Communities Act (BSCA) grant, and the DOJ Stop School Violence grant (DOJ grant).⁵

Although all grants listed in this section expire before the end of the projection period, the District shared that many programs provide positive impacts for students and families. Maintenance of these positions, programs, and operating costs were identified by the District's Receiver and Superintendent as one of the District's priorities.

With the exception of ESSER-funded construction costs (described in the next section), both the baseline and Plan scenarios assume that some of the costs of maintaining the programs continue after the funds are fully expended. The baseline projections and the Plan scenario assume that these costs grow at the rates described in the sections above and in the appendices. As noted in initiative FFO 04, the District could pursue other grants or funding sources to sustain the programs and offset the costs of maintaining the programs in the baseline projections. The projected costs for the continued investments are shown in the table below.

Chester Upland School District
Projected Costs of Retained Grant-Funded Programs and Services

	2025-26	2026-27	2027-28	2028-29	2029-30
Salaries and Benefits	\$1,233,089	\$1,275,425	\$1,318,047	\$1,362,745	\$1,409,356
Operating Costs	\$4,046,097	\$4,147,250	\$4,250,931	\$4,357,204	\$4,466,134
Total	\$5,279,187	\$5,422,674	\$5,568,977	\$5,719,950	\$5,875,490

Capital Projects

Construction and renovation related expenditures account for 4.4 percent of the District's total expenditures in the adjusted 2024-25 budget, and these funds are supported by ESSER grants. During the 2022-23 school year, the District engaged KCBA Architects to develop a District-wide facilities study. The study included a review of existing building conditions, delivery of educational programs, and enrollment projections to outline long-term upgrade and/or reconfiguration options for the District. The District has identified capital as an area of focus, and it plans to use the study's findings to develop a 10-year capital plan, which is linked to initiative FFO 08 of the Amended Plan. Funding sources will need to be identified for the projects, which may require a combination of grants, future debt issuance, and transfers to the Capital Projects Fund. Due to the District's current financial constraints, prioritized projects may change on an annual basis as new resources are identified.

The baseline projections and the Plan scenario do not assume additional costs for future capital projects.

Charter School Enrollment

Charter school tuition accounts for 34.7 percent of the District's total expenditures in the adjusted 2024-25 budget. Charter school tuition is the District's largest expenditure driver, accounting for 3.4 percentage points more than the District's combined salaries and benefits (31.3 percent). Total charter school tuition costs were \$3.5 million more in 2024-25 budget compared to the prior year's budget.

⁴ This estimate includes ESSER funded construction and renovation costs (\$8.1 million) that are removed from the projections. Construction and renovation costs are not included in the table in this section.

⁵ ESSER funding expires on September 30, 2024; the current 21st Century cohort ends in 2028-29; and the BSCA and DOJ grant are expected to be fully expended in 2024-25.

The District entered into an MOU with Chester Community Charter School (CCCS), Chester Charter Scholars Academy, and Widener Partnership Charter School during the 2015-16 school year, establishing an alternative calculation of the District's special education charter school tuition rate.⁶ The MOU will expire at the end of 2024-25, and the baseline projections assume that all charter schools would be paid at the statutory rates.

The baseline projections anticipate increased enrollment in charter schools based on an analysis of historical trends. Beginning in 2025-26, the baseline projections assume an annual increase of 26 students (20 regular education and 6 special education). As shown in the table below, total enrollment increases from 3,913 in 2024-25 to 4,043 in 2029-30. In the Plan scenario, total charter school enrollment is decreased by an average of 42 students annually beginning in 2025-26, and total enrollment decreases to 3,705 students by 2029-30.

Chester Upland School District Estimated and Projected Charter School Enrollment

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Estimated	Projected	Projected	Projected	Projected	Projected	Projected
Regular Education	3,017	3,037	3,057	3,078	3,098	3,118	3,138
Special Education	870	876	882	887	893	899	905
Total	3,887	3,913	3,939	3,965	3,991	4,017	4,043
<i>Annual Change</i>	—	26	26	26	26	26	26

In the baseline projections, the District's total charter school tuition costs continue to grow significantly during the projection period. Costs increase by \$24.4 million in 2025-26 due to the expiration of the current MOU and the increase in enrollment. Total costs increase from \$87.9 million in 2025-26 to \$168.1 million in 2029-30, which is a compound annual growth rate of 17.6 percent.

As outlined in the Amended Recovery Plan Scenario section, a series of financial conditions are necessary in order for the District to be able to balance its budget in the final year of the projections. The additional revenues and expenditure reductions alone are not sufficient to balance the budget, and thus the 42-student decrease in charter school enrollment is a key component in the scenario. Charter school enrollment trends may change annually throughout the duration of the Amended Recovery Plan. The District will need to continue to evaluate changes in enrollment and determine ways to maintain balanced budgets.

Fund Balance

The District is in the process of resolving outstanding audits for the 2020-21, 2021-22, and 2022-23 school years (as required by initiative FFO 11). Due to outstanding audits and approximately \$2.7 million of past due obligations noted in the adjusted 2024-25 budget, estimates of the District's total fund balance are continuously revised, which creates challenges in showing a concise summary of the District's financial position. The baseline projections assume the District's fund balance is set to \$0 at the start of the current 2024-25 school year, and projected changes in the District's annual operating results are calculated as a cumulative impact. As the audits are completed, the fund balance can be added to future revisions to the financial projections.

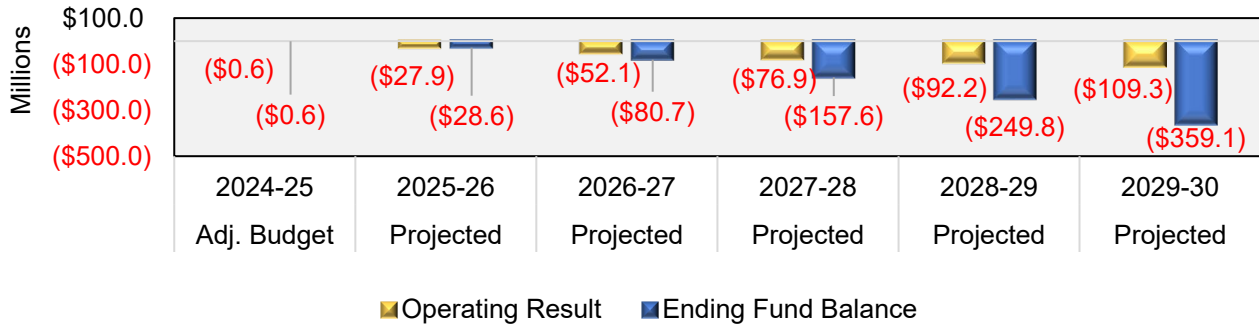
Recovery Plan Baseline Projections

The chart and table below show the District's multi-year financial projections using the assumptions described above. The assumptions and detailed projections are included as appendices to the Amended Plan. Over the six years shown, the District's revenues grow by a compounded annual growth rate of 0.5

⁶ Chester Charter Scholars Academy was formerly known as Chester Charter School for the Arts. During the 2022-23 school year ownership of the Widener Partnership Charter School was transferred to the Chester Upland School District and the building was renamed as the Edgmont Scholars Academy as a school operated by the District.

percent, and the District's expenditures grow by 10.1 percent. However, the compound annual growth is driven by the first and the last years of the calculations, and thus does not reflect some of the annual variation that occurs in the projections.

Chester Upland School District Baseline Financial Projections



	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Adj. Budget	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$182,161,209	\$174,007,375	\$177,378,605	\$180,738,617	\$184,147,149	\$186,343,444
Total Expenditures	\$182,783,630	\$201,954,989	\$229,520,508	\$257,619,994	\$276,313,962	\$295,634,848
Net Operating Result	(\$622,421)	(\$27,947,615)	(\$52,141,903)	(\$76,881,376)	(\$92,166,813)	(\$109,291,404)
Total Fund Balance	(\$622,421)	(\$28,570,036)	(\$80,711,939)	(\$157,593,315)	(\$249,760,128)	(\$359,051,533)

Revenues decrease in 2025-26 by \$8.2 million, primarily due to the elimination of ESSER revenues and the removal of one-time grants (BSCA and DOJ). A smaller impact occurs in 2029-30 when the District's 21st Century grant expires (\$1.3 million). Between 2026-27 and 2029-30, the District's revenues increase by an average of 1.7 percent annually, or between \$2.2 million and \$3.4 million per year. As noted in the sections above and in the appendices, the majority of the District's revenue sources remain flat.

State revenues are the primary revenues driver in the District's projections. Between 2024-25 and 2029-30, total State revenues grow from \$137.4 million to \$157.4 million, which is an increase of \$20.0 million. In 2025-26, total State revenues increase by \$6.5 million due to increases in State subsidies and reimbursements. In the final four years, total State revenues increase by an average annual increase of 2.3 percent, or \$3.3 to \$3.4 million per year.

In 2025-26, expenditures increase by \$19.2 million, which is primarily driven by the expiration of the tuition rate MOU with the District's brick and mortar charter schools and increases in personnel costs. These increases are partially offset by the removal of \$8.1 million in ESSER-funded capital expenditures. In 2026-27, expenditures increase by \$27.6 million as the increased charter school tuition costs are factored into the following year's tuition rate calculations. In the following year, expenditures increase by \$28.1 million due to underlying cost growth and the final payment of the District's Recovery Plan Transition Loan. Then in the final two years, expenditures increase by an average of 7.1 percent annually, or \$18.7 to \$19.3 million per year due to the growth rates used for each of the categories.

Charter school tuition is the primary expenditures driver in the District's projections. Between 2024-25 and 2029-30, charter school tuition costs increase from \$63.5 million to \$168.1 million, which is an increase of \$104.6 million. The next largest driver is personnel costs, which increase from \$57.1 million to \$72.6 million, or a change of \$15.4 million.

Financial Projections: Amended Recovery Plan Scenario

The Amended Recovery Plan includes a scenario to show the conditions necessary for the District to remain financially stable. The assumptions and detailed projections are included as appendices to the

Amended Plan. A combination of the following changes is needed to balance the District's budget by 2029-30:

- The continuation of the current charter school tuition rate MOU after 2024-25
- The continuation of the Adequacy Supplement over the next five years (2025-26 to 2029-30) based on the amounts received in the Commonwealth's 2024-25 budget
- Reducing salary growth from 4.0 percent to 2.0 percent
- Reducing healthcare growth from 7.6 percent to 5.0 percent
- Reducing charter school enrollment by an average of 42 charter school students annually between 2025-26 and 2029-30

Conclusions

As shown in the baseline projections, the District will not be able to maintain financial stability without initiatives to change the underlying assumptions for changes in revenues and expenditures.

In the Plan scenario, the conditions required to control expenditure growth are drawn from the Amended Recovery Plan's initiatives. These conditions alone are not sufficient to produce balanced budgets, and continued increases from the Adequacy Supplements or other sources of revenue would be required to provide resources to sustain the District's commitments. If the District requires additional revenues, it could consider tax increases dedicated to fund those additional investments. Examples of these investments might include salary increases above those assumed in the Plan scenario or funds for capital projects. Although these conditions may be difficult to achieve immediately, they provide a sense of scale for the changes that must be accomplished in order to provide financial stability for the District. With the support of the Receiver and the Department, the District can use the tools and technical assistance provided to continue to make progress on implementing the initiatives of this Amended Recovery Plan.



August 15, 2024

Model Assumptions

The following is a description of the data sources and the assumptions used to develop the budget projections for the Chester Upland School District in the Amended Recovery Plan.

General Notes

- Fund Balance
 - It is unclear where the District's total fund balance stands since the 2020-21, 2021-22, and 2022-23 audits have not been finalized
 - The projections assume that the fund balance starts at \$0 in 2024-25 and changes in future fund balance would be dependent on the operating results of the projected years

Revenue Projections

- Local Sources
 - Current real estate taxes
 - The projections assume that the District's assessed value will remain flat at the 2024-25 budgeted level of \$1.55 billion (based on the PDE-2028 form)
 - The projections assume that the current collection rate will remain flat based on the 2024-25 budget (86 percent)
 - The projections assume that there are no increases to the millage rate
 - Delinquent real estate taxes
 - Delinquent real estate taxes are held flat at 2024-25 budgeted amounts (\$2.6 million) throughout the projection window
 - The projections assume that the total collection rate (current + delinquent taxes) will remain flat based on the 2024-25 budget (98.9 percent)
 - Act 511
 - Earned income taxes are grown by 1.7 percent throughout the projection window based on the District's nine-year compound annual growth rate (CAGR) for personal income (2012-13 to 2021-22)
 - Real estate transfer taxes are decreased to \$660,976 in 2025-26 (an average of the District's collections in 2017-18 and 2021-22) and then held flat throughout the projection window
 - Payments in lieu of taxes (PILOTs) are increased to \$100,000 in 2025-26 based on the District's input and then held flat throughout the projection window
 - All other local sources are held flat at the 2024-25 budgeted amounts
- State Sources
 - Basic Education Funding (BEF) and Special Education Funding (SEF)
 - The District's BEF and SEF amounts are adjusted to align with the allocations for the Commonwealth's enacted 2024-25 budget
 - Projected amounts assume that BEF and SEF allocations increase at the same amounts in the 2024-25 budget, which is similar to the historical increases in funding from the Commonwealth since the adoption of the new formulas:
 - BEF - \$225 million added to the Statewide formula annually
 - SEF - \$46.75 million added to the Statewide formula annually
 - BEF and SEF estimates were calculated using the District's share of funding provided by the student-weighted funding formula, and increases in funding amounts based on the long-term growth in the total statewide allocations:



- BEF is projected to grow at an average of 2.1 percent for the remaining projected years
 - SEF is projected to grow at an average of 3.7 percent for the remaining projected years
- Recent formula changes in the State funding allocations include BEF Hold Harmless Relief Supplement, as well as the Adequacy and Tax Equity supplements distributed through the Ready to Learn Block Grant
 - In the 2024-25 adopted budget, the District received \$5.6 million in the Adequacy Supplement, and it did not receive the BEF Hold Harmless Relief Supplement or the Tax Equity Supplement
- In 2025-26, the \$5.6 million in Adequacy Supplement is included in the Ready to Learn Block foundation (increases to a total grant allocation of \$7.0 million) and then held flat
 - No additional funds are assumed for the Adequacy Supplement in future years in the baseline projections
- Rental & Sinking Fund Payments ("PlanCon") revenues are removed from the projections based on the debt service scheduled provided by PFM Financial Advisors LLC
- Transportation Subsidy is projected to grow at 2.0 percent annually, which is half of the projected transportation cost growth
- Safe schools grant is removed from the projections after 2024-25
- Reimbursement revenue for Social Security is adjusted in 2025-26 to match the five-year average for reimbursement rates between 2017-18 and 2021-22 (66.9 percent)
 - The reimbursement rate is held flat, and revenues increase based on the projected increase in Social Security costs
- Reimbursement revenue for PSERS is adjusted in 2025-26 to match the four-year average for reimbursement rates from 2017-18 and 2019-20 to 2021-22 (73.1 percent) and then held flat for the remaining years
 - The reimbursement rate is held flat, and revenues increase based on the projected increase in PSERS costs
- All other state revenues are held flat at the 2024-25 budgeted amounts
- Federal Sources
 - The District's one-time grant revenues are removed from the projections after the funds have been fully expended:
 - Elementary and Secondary School Emergency Relief (ESSER) grants: removed in 2025-26
 - Bipartisan Safer Communities Act (BSCA) and Department of Justice (DOJ) stop school violence grant: removed in 2025-26
 - Title IV 21st Century grant: removed in 2029-30
 - All other federal revenues are held flat at the 2024-25 budgeted amounts

Expenditure Projections

- Personnel
 - All District salaries are increased at an illustrative 4.0 percent based on input from the District
- Employee Benefits
 - The following categories are currently grown by rates based on the Segal Group's 2024 Health Plan Cost Trend Survey Report
 - Health insurance and prescription costs grow at 7.6 percent annually
 - Dental insurance costs grow at 4.0 percent annually
 - Vision insurance costs grow at 2.8 percent annually
 - Social Security expenditures change with projected salaries



- PSERS contribution rates adjust with projected rates published by PSERS in December 2023, and with changes in projected salaries
- Other benefits consist of life insurance, income protection insurance, eye care insurance, tuition reimbursement, self-dental insurance, and OPEB costs for health insurance
 - All expenditures under other benefits are increased at the inflationary rate
- Workers' compensation and unemployment change with projected salaries
- Charter School Tuition Payments
 - Charter school tuition rates
 - Regular education tuition rates for Brick-and-Mortar (B&M) and cyber charter students are projected using the PDE-363 form
 - Special education tuition rates for cyber charter students are projected using the calculations in the PDE-363 form or an alternative calculation based on recent changes to the School Code; the lesser of the two rates is used to calculate the District's anticipated cyber charter school special education costs
 - From 2025-26 to 2029-30, special education tuition rate for B&M students are based on calculated PDE-363 estimates after the expiration of the tuition rate calculation memorandum of understanding (MOU) in June 2025
 - Charter school enrollment
 - The projections assume the proportion of B&M (84 percent of total charter school enrollment) and cyber charter (16 percent of total charter school enrollment) students will remain the same throughout the projection window
 - In 2022-23, the District had 4,038 students enrolled in charter schools based on data provided to the technical assistance team
 - Due to the closure of the Widener Partnership charter school, the District experienced a decrease in charter school enrollment between 2021-22 and 2022-23
 - Charter school enrollment is projected to increase by an average of 26 students per year to show a return of enrollment levels to the amounts in 2022-23
 - Total projected annual enrollment is shown in the following table

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	CUSD Data	Projected	Projected	Projected	Projected	Projected	Projected
Regular Education	3,017	3,037	3,057	3,078	3,098	3,118	3,138
Special Education	870	876	882	887	893	899	905
Total	3,887	3,913	3,939	3,965	3,991	4,017	4,043
<i>Annual Change</i>		26	26	26	26	26	26

- Non-Personnel Expenditures
 - General inflationary rate is applied to all non-personnel related expenditures (except for Other Objects and Other Use of Funds)
 - Inflation is estimated at 2.5 percent based on the headline CPI projections from the Survey of Professional Forecasters from May 2024
 - Transportation costs grow at 4.0 percent annually based on the District's input
 - In 2025-26, ESSER-related construction costs are removed
 - In 2025-26, BSCA and DOJ related expenditures are decreased to half of the 2024-25 budgeted amounts (\$1.4 million) and grown by inflationary rates after based on the District's input



- Other Objects and Financing Uses
 - Debt service payments were based on the debt service schedule provided by PFM Financial Advisors LLC
 - Past due obligations are decreased to half of the 2024-25 budgeted amounts (\$1.4 million) in 2027-28 based on the District's input and held flat thereafter
 - The budgetary reserve is held flat at the 2024-25 amount
 - Transitional loan repayments were based on the payment schedule provided by the Department of Education
 - All other objects and financing uses are held flat at the 2024-25 budgeted levels

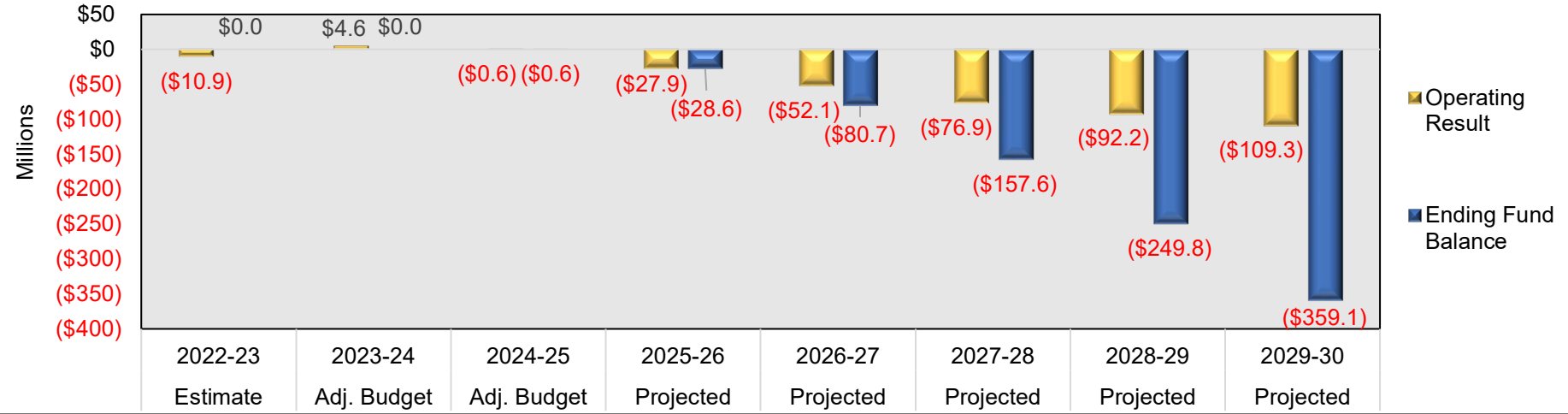
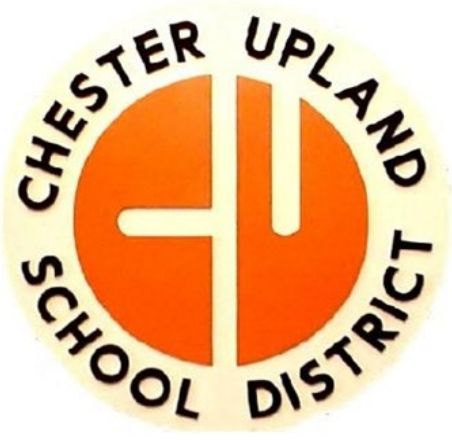
Amended Recovery Plan Scenario

As part of the development of the Amended Recovery Plan, a scenario was developed to show the conditions necessary for the District to remain financially stable. The initiatives include:

- The continuation of the current charter school tuition rate MOU after 2024-25
 - Maintains the usage of the 2.53 multiplier to calculate the special education tuition for students attending the Chester Community and Chester Scholars Academy charter schools
- The continuation of the Adequacy Supplement over the next five years (2025-26 to 2029-30) based on the amounts received in the Commonwealth's 2024-25 budget
 - Future amounts are not guaranteed, and they would be subject to appropriation by the legislature
- Reduce the salary growth rate from 4.0 percent to 2.0 percent
- Reduce the healthcare growth rate from 7.6 percent to 5.0 percent
- Reduce charter school enrollment by an average of 42 students annually between 2025-26 and 2029-30

Baseline Financial Projections

No tax increases, adjusts 2023-24 & 2024-25 BEF/SEF to align with State allocations,
charter school tuition MOU ends after 2024-25, charter school enrollment increases by 26 students annually starting 2025-26, and 4 percent salary increases



2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	CAGR
Estimate	Adj. Budget	Adj. Budget	Projected	Projected	Projected	Projected	Projected	24-25 to 29-30

SUMMARY

REVENUES

Current Real Estate Taxes	16,822,985	17,997,110	17,290,848	17,290,848	17,290,848	17,290,848	17,290,848	17,290,848	(0.0%)
Earned Income Taxes	0	2,060,000	2,060,000	2,095,539	2,131,691	2,168,467	2,205,877	2,243,933	1.7%
Delinquent Real Estate Taxes	1,400,882	1,750,000	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505	0.0%
Other Local Revenue	4,456,997	2,386,000	1,835,995	1,711,971	1,711,971	1,711,971	1,711,971	1,711,971	(1.4%)
Local Sources	22,680,864	24,193,110	23,787,348	23,698,863	23,735,015	23,771,791	23,809,201	23,847,256	0.1%
Basic Education Funding	95,596,594	104,430,494	106,807,579	109,182,666	111,557,753	113,932,840	116,307,927	118,683,014	2.1%
Special Education Funding	7,567,792	7,775,577	7,899,708	8,213,962	8,528,217	8,842,472	9,156,727	9,470,981	3.7%
Retirement Reimbursement	8,536,173	5,957,305	6,648,000	10,731,293	11,344,594	11,945,404	12,593,438	13,283,202	14.8%
Other State Revenue	8,104,668	8,392,145	16,045,816	15,786,308	15,818,744	15,851,828	15,885,575	15,919,996	(0.2%)
State Sources	119,805,228	126,555,521	137,401,102	143,914,230	147,249,308	150,572,544	153,943,666	157,357,194	2.7%
Federal Sources	7,323,773	18,664,567	20,972,759	6,394,282	6,394,282	6,394,282	6,394,282	5,138,993	(24.5%)
Other Sources	0	7,250,000	0	0	0	0	0	0	—
Total Revenues	149,809,865	176,663,199	182,161,209	174,007,375	177,378,605	180,738,617	184,147,149	186,343,444	0.5%

EXPENDITURES

Salaries	23,315,922	29,613,557	34,288,261	35,659,792	37,086,183	38,569,631	40,112,416	41,716,912	4.0%
Benefits	16,028,339	18,537,342	22,850,531	24,796,872	26,219,816	27,662,252	29,209,767	30,857,471	6.2%
Charter School Tuition	66,137,671	60,000,000	63,500,000	87,908,201	111,622,842	131,775,737	153,098,772	168,081,754	21.5%
Other Tuition	3,832,940	6,088,100	6,146,100	6,299,753	6,457,246	6,618,677	6,784,144	6,953,748	2.5%
Other Professional Services	5,518,674	5,457,100	5,647,904	5,789,102	5,933,829	6,082,175	6,234,229	6,390,085	2.5%
Transportation	5,462,418	5,230,585	7,165,585	7,452,208	7,750,297	8,060,309	8,382,721	8,718,030	4.0%
Debt Service	9,934,906	12,363,236	12,363,236	12,383,981	12,390,468	17,756,502	10,982,473	10,982,308	(2.3%)
Other Expenditures	30,503,462	34,788,046	30,822,013	21,665,081	22,059,827	21,094,710	21,509,441	21,934,539	(6.6%)
Total Expenditures	160,734,332	172,077,966	182,783,630	201,954,989	229,520,508	257,619,994	276,313,962	295,634,848	10.1%

Operating Result	(10,924,467)	4,585,232	(622,421)	(27,947,615)	(52,141,903)	(76,881,376)	(92,166,813)	(109,291,404)	181.1%
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Ending Fund Balance	0	0	(622,421)	(28,570,036)	(80,711,939)	(157,593,315)	(249,760,128)	(359,051,533)	256.6%
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Operating Result (% of Expenditures)	(6.8%)	2.7%	(0.3%)	(13.8%)	(22.7%)	(29.8%)	(33.4%)	(37.0%)	
Fund Balance (% of Expenditures)	0.0%	0.0%	(0.3%)	(14.1%)	(35.2%)	(61.2%)	(90.4%)	(121.5%)	

REVENUES

Local Sources

6111 - Chester City	Current RET Chester City	11,774,321	12,057,110	12,490,848	12,490,848	12,490,848	12,490,848	12,490,848	(0.0%)
6111 - Chester Township	Current RET Chester Township	3,774,420	3,890,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	(0.0%)
6111 - Upland Borough	Current RET Upland	1,274,244	2,050,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	(0.0%)
6114	PILOTS	50,000	50,000	50,000	100,000	100,000	100,000	100,000	14.9%
6151	Earned Income Tax	0	2,060,000	2,060,000	2,095,539	2,131,691	2,168,467	2,243,933	1.7%
6153	Real Estate Transfer Taxes	2,169,890	825,000	835,000	660,976	660,976	660,976	660,976	(4.6%)
6411	Delinquent Real Estate Taxes	1,400,882	1,750,000	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505	0.0%
6500	Interest	43,444	0	0	0	0	0	0	—
6832	IDEA Pass Through	0	750,000	715,345	715,345	715,345	715,345	715,345	0.0%
6910	Rentals	557,316	50,000	34,650	34,650	34,650	34,650	34,650	0.0%
6930	Sale of Fixed Assets	1,000,000	0	0	0	0	0	0	—
6940	Tuition from Patrons	4,738	5,000	5,000	5,000	5,000	5,000	5,000	0.0%
6991	Refunds of Prior Year Expenditures	395,743	625,000	80,000	80,000	80,000	80,000	80,000	0.0%
6XXX	Other Local Revenue	235,866	81,000	116,000	116,000	116,000	116,000	116,000	0.0%
	Local Sources Subtotal	22,680,864	24,193,110	23,787,348	23,698,863	23,735,015	23,771,791	23,809,201	0.1%

State Sources

7110	Basic Education Subsidy	95,596,594	104,430,494	106,807,579	109,182,666	111,557,753	113,932,840	116,307,927	2.1%
7220	Vocational Education	326,229	321,269	387,660	387,660	387,660	387,660	387,660	0.0%
7271	Special Education Subsidy	7,567,792	7,775,577	7,899,708	8,213,962	8,528,217	8,842,472	9,156,727	3.7%
7292	Pre-K Counts	982,143	1,500,113	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	0.0%
7310	Transportation Subsidy	1,117,083	1,094,000	1,590,000	1,621,800	1,654,236	1,687,321	1,721,067	2.0%
7320	PlanCon	690,689	95,000	90,000	0	0	0	0	(100.0%)
7340	Property Tax Reduction	3,470,352	3,470,352	4,038,510	4,038,510	4,038,510	4,038,510	4,038,510	0.0%
7360	Safe Schools Grants	32,139	201,000	201,308	0	0	0	0	(100.0%)
7505	Ready to Learn Grant	1,421,091	1,421,091	1,421,091	7,007,851	7,007,851	7,007,851	7,007,851	37.6%
75XX	Ready to Learn Grant Supplement	0	0	5,586,760	0	0	0	0	(100.0%)
7000	Cyber Charter Tuition Reimbursement	0	0	1,246,075	1,246,075	1,246,075	1,246,075	1,246,075	0.0%
7810	State Social Security Reimbursement	1,219,631	1,147,618	1,224,000	1,826,346	1,899,400	1,975,376	2,054,391	11.8%
7820	State Retirement Reimbursement	7,316,542	4,809,687	5,424,000	8,904,947	9,445,195	9,970,028	10,539,047	15.5%
7XXX	Other State Revenue	64,941	289,320	84,412	84,412	84,412	84,412	84,412	0.0%
	State Sources Subtotal	119,805,228	126,555,521	137,401,102	143,914,230	147,249,308	150,572,544	153,943,666	2.7%

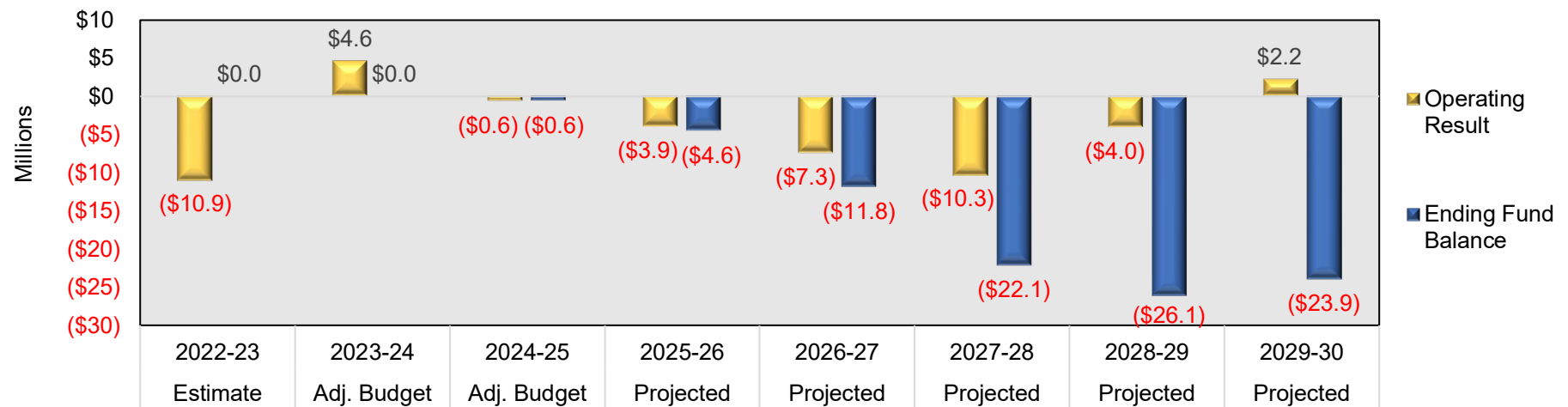
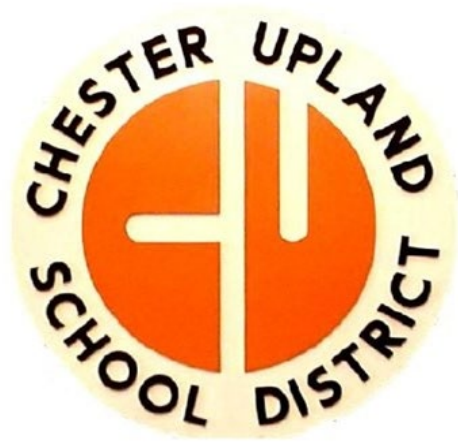
Federal Sources

8511	BSCA Grant	0	0	1,833,360	0	0	0	0	(100.0%)
8514	Title I Funding	2,776,963	5,251,427	4,120,152	4,120,152	4,120,152	4,120,152	4,120,152	0.0%
8514A	Title I Carryover	0	0	0	0	0	0	0	—
8515	Title II Funding	173,252	396,701	266,773	266,773	266,773	266,773	266,773	0.0%
8516	Title III Funding	9,306	36,819	15,327	15,327	15,327	15,327	15,327	0.0%
8517	Title IV Funding	668,622	779,920	336,741	336,741	336,741	336,741	336,741	0.0%
8517A	Title IV - 21st Century	0	0	1,255,289	1,255,289	1,255,289	1,255,289	0	(100.0%)
8390	DOJ Stop School Violence Grant	0	0	994,000	0	0	0	0	(100.0%)
8740	Other CARES Act Funding	16,446	0	0	0	0	0	0	—
8741	ESSER I	592,684	0	0	0	0	0	0	—
8743	ESSER II	1,572,047	7,186,502	0	0	0	0	0	—
8744	ESSER III	355,146	4,261,754	11,364,677	0	0	0	0	(100.0%)
8750	ARP ESSER Set Asides	749,078	346,443	386,440	0	0	0	0	(100.0%)

8810	Medicaid ACCESS	410,229	405,000	400,000	400,000	400,000	400,000	400,000	400,000	0.0%
	Federal Sources Subtotal	7,323,773	18,664,567	20,972,759	6,394,282	6,394,282	6,394,282	6,394,282	5,138,993	(24.5%)
9110	Other Financing Sources									
	Sale of Bonds Notes	0	7,250,000	0	0	0	0	0	0	—
	Other Financing Sources Subtotal	0	7,250,000	0	0	0	0	0	0	—
TOTAL REVENUES		149,809,865	176,663,199	182,161,209	174,007,375	177,378,605	180,738,617	184,147,149	186,343,444	0.5%
EXPENDITURES										
Salaries										
110	Administrators	3,742,216	5,137,504	7,063,594	7,346,138	7,639,983	7,945,583	8,263,406	8,593,942	4.0%
120	Teachers	12,445,677	17,095,549	17,464,933	18,163,530	18,890,071	19,645,674	20,431,501	21,248,761	4.0%
130	Professional	1,276,239	1,621,659	1,357,302	1,411,594	1,468,058	1,526,781	1,587,852	1,651,366	4.0%
140	Technincal	0	0	58,566	60,909	63,345	65,879	68,514	71,254	4.0%
150	Clerical	866,273	579,232	716,716	745,384	775,199	806,207	838,456	871,994	4.0%
160/170	Maintenance and Groundsmen	842,003	1,150,695	1,377,497	1,432,597	1,489,901	1,549,497	1,611,477	1,675,936	4.0%
180	Labor/Service Workers	396,974	778,123	818,908	851,664	885,731	921,160	958,006	996,327	4.0%
190	Instructional Assistants	1,364,465	1,720,093	2,152,671	2,238,778	2,328,329	2,421,462	2,518,320	2,619,053	4.0%
12X	Teacher Stipends and Extra Duty Pay	626,527	751,279	398,000	413,920	430,477	447,696	465,604	484,228	4.0%
1XX	Overtime	446,583	237,000	1,168,950	1,215,708	1,264,337	1,314,910	1,367,507	1,422,207	4.0%
1X3	Negotiated Salary Increases	0	0	938,580	976,123	1,015,168	1,055,775	1,098,006	1,141,926	4.0%
1XX 21C	21st Century Salaries	455,877	277,500	675,532	702,553	730,655	759,882	790,277	821,888	4.0%
1XX ESSER	ESSER Salaries	853,087	264,923	97,012	100,893	104,928	109,126	113,491	118,030	4.0%
	Salaries Subtotal	23,315,922	29,613,557	34,288,261	35,659,792	37,086,183	38,569,631	40,112,416	41,716,912	4.0%
Benefits										
210	Health Insurance	3,356,219	3,699,401	4,057,434	4,365,799	4,697,599	5,054,617	5,438,768	5,852,114	7.6%
212	Dental Insurance	158,811	178,971	176,946	184,024	191,385	199,041	207,002	215,282	4.0%
216	Prescriptions	689,946	768,834	838,243	901,949	970,497	1,044,255	1,123,618	1,209,013	7.6%
220	Social Security	359,543	2,209,593	2,426,872	2,727,974	2,837,093	2,950,577	3,068,600	3,191,344	5.6%
230	PSERS	10,189,813	9,819,874	10,760,031	12,381,080	13,132,218	13,861,925	14,653,066	15,497,833	7.6%
250	Unemployment	0	1,091,742	2,044,787	2,126,578	2,211,641	2,300,107	2,392,111	2,487,796	4.0%
260	Workers' Compensation	1,003,038	344,035	1,101,078	1,145,121	1,190,926	1,238,563	1,288,106	1,339,630	4.0%
2XX	Other Benefits	270,969	422,374	940,827	964,347	988,456	1,013,167	1,038,497	1,064,459	2.5%
2X3	Benefits Due to Increased Salaries	0	2,517	504,314	0	0	0	0	0	(100.0%)
	Benefits Subtotal	16,028,339	18,537,342	22,850,531	24,796,872	26,219,816	27,662,252	29,209,767	30,857,471	6.2%
Tuition										
562	Charter School Tuition	66,137,671	60,000,000	63,500,000	87,908,201	111,622,842	131,775,737	153,098,772	168,081,754	21.5%
567	Tuition to Approved Private Schools and I	2,782,803	5,500,000	5,500,000	5,637,500	5,778,438	5,922,898	6,070,971	6,222,745	2.5%
561	Tuition to Other LEA's	394,956	350,000	350,000	358,750	367,719	376,912	386,335	395,993	2.5%
564	Tuition to Vo-Tech	470,936	207,000	270,000	276,750	283,669	290,760	298,029	305,480	2.5%
563	Tuition to Nonpublic Schools	110,201	0	0	0	0	0	0	0	—
560	Other Tuition	74,044	31,100	26,100	26,753	27,421	28,107	28,810	29,530	2.5%
	Tuition Subtotal	69,970,611	66,088,100	69,646,100	94,207,954	118,080,088	138,394,415	159,882,916	175,035,502	20.2%
Non-Personnel Costs										
320	Professional Educational Services	1,577,429	1,457,500	1,307,500	1,340,188	1,373,692	1,408,034	1,443,235	1,479,316	2.5%
322	IU Services	2,501,217	2,279,000	2,230,172	2,285,926	2,343,074	2,401,651	2,461,693	2,523,235	2.5%
329	Substitutes	618,398	325,000	325,000	333,125	341,453	349,989	358,739	367,708	2.5%
330	Other Professional Services	5,518,674	5,457,100	5,647,904	5,789,102	5,933,829	6,082,175	6,234,229	6,390,085	2.5%
330A	BSCA and DOJ	0	0	2,827,360	1,413,680	1,449,022	1,485,248	1,522,379	1,560,438	(11.2%)
3XX	Purchased Professional and Technincal Se	1,505,470	1,548,875	1,762,840	1,806,910	1,852,083	1,898,385	1,945,845	1,994,491	2.5%
3XX-7XX	Construction and Rennovation Expenditui	12,393,791	14,460,756	8,093,890	0	0	0	0	0	(100.0%)
3XX-7XX 21C	21st Century Operating Cost	124,855	71,000	297,492	304,929	312,553	320,366	328,376	336,585	2.5%
420/620	Utilities	1,320,185	2,222,000	1,630,000	1,670,750	1,712,519	1,755,332	1,799,215	1,844,195	2.5%
430	Repairs and Maintenance	3,404,320	747,000	695,950	713,349	731,182	749,462	768,199	787,404	2.5%
4XX	Purchased Property Services	259,993	233,000	233,000	238,825	244,796	250,916	257,188	263,618	2.5%
510	Transportation	5,462,418	5,230,585	7,165,585	7,452,208	7,750,297	8,060,309	8,382,721	8,718,030	4.0%
5XX	Other Purchased Services	1,437,564	1,472,802	1,786,646	1,831,312	1,877,095	1,924,022	1,972,123	2,021,426	2.5%
600	Supplies	1,394,076	2,187,389	1,444,210	1,480,315	1,517,323	1,555,256	1,594,138	1,633,991	2.5%
700	Property	131,112	143,533	42,000	43,050	44,126	45,229	46,360	47,519	2.5%
3XX-7XX ESSER	ESSER Operating Costs	3,450,036	4,318,476	2,270,720	2,327,488	2,385,675	2,445,317	2,506,450	2,569,111	2.5%
	Non-Personnel Costs Subtotal	41,099,537	42,154,016	37,760,269	29,031,158	29,868,720	30,731,692	31,620,889	32,537,152	(2.9%)
Other Expenditures										
800/900	Debt Service	9,934,906	10,896,736	10,896,736	10,917,481	10,923,968	10,924,002	10,982,473	10,982,308	0.2%
839	Payroll/PSERS	49,598	75,000	0	0	0	0	0	0	—
880	Refunds of Prior Year	22,000	0	0	0	0	0	0	0	—
880 Loan	Transitional Loan Repayments	0	1,466,500	1,466,500	1,466,500	1,466,500	6,832,500	0	0	(100.0%)
8XX	Dues and Other Objects	313,419	246,715	250,656	250,656	250,656	250,656	250,656	250,656	0.0%
XXX	Past Due Obligations	0	3,000,000	2,739,463	2,739,463	2,739,463	1,369,732	1,369,732	1,369,732	(12.9%)
5900	Budgetary Reserve	0	0	2,885,114	2,885,114	2,885,114	2,885,114	2,885,114	2,885,114	0.0%
	Other Expenditures Subtotal	10,319,922	15,684,951	18,238,469	18,259,214	18,265,701	22,262,004	15,487,974	15,487,810	(3.2%)
Total Expenditures		160,734,332	172,077,966	182,783,630	201,954,989	229,520,508	257,619,994	276,313,962	295,634,848	10.1%
Operating Result		(10,924,467)	4,585,232	(622,421)	(27,947,615)	(52,141,903)	(76,881,376)	(92,166,813)	(109,291,404)	181.1%
Ending Fund Balance		0	0	(622,421)	(28,570,036)	(80,711,939)	(157,593,315)	(249,760,128)	(359,051,533)	256.6%

Amended Recovery Plan Scenario

Baseline + continuation of the current charter school tuition MOU starting 2024-25 + Adequacy Supplements in RTL continued
+ reducing salaries growth to 2 percent + reducing healthcare growth to 5 percent + decrease District's charter enrollment by an average annual decrease of 42 students



2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	CAGR
Estimate	Adj. Budget	Adj. Budget	Projected	Projected	Projected	Projected	Projected	24-25 to 29-30
Estimate	Adj. Budget	Adj. Budget	Projected	Projected	Projected	Projected	Projected	

SUMMARY

REVENUES

Current Real Estate Taxes	16,822,985	17,997,110	17,290,848	17,290,848	17,290,848	17,290,848	17,290,848	17,290,848	(0.0%)
Earned Income Taxes	0	2,060,000	2,060,000	2,095,539	2,131,691	2,168,467	2,205,877	2,243,933	1.7%
Delinquent Real Estate Taxes	1,400,882	1,750,000	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505	0.0%
Other Local Revenue	4,456,997	2,386,000	1,835,995	1,711,971	1,711,971	1,711,971	1,711,971	1,711,971	(1.4%)
Local Sources	22,680,864	24,193,110	23,787,348	23,698,863	23,735,015	23,771,791	23,809,201	23,847,256	0.1%
Basic Education Funding	95,596,594	104,430,494	106,807,579	109,182,666	111,557,753	113,932,840	116,307,927	118,683,014	2.1%
Special Education Funding	7,567,792	7,775,577	7,899,708	8,213,962	8,528,217	8,842,472	9,156,727	9,470,981	3.7%
Retirement Reimbursement	8,536,173	5,957,305	6,648,000	10,524,922	10,912,459	11,269,414	11,652,299	12,054,160	12.6%
Other State Revenue	8,104,668	8,392,145	16,045,816	21,373,067	26,992,263	32,612,107	38,232,614	43,853,795	22.3%
State Sources	119,805,228	126,555,521	137,401,102	149,294,618	157,990,693	166,656,834	175,349,566	184,061,950	6.0%
Federal Sources	7,323,773	18,664,567	20,972,759	6,394,282	6,394,282	6,394,282	6,394,282	5,138,993	(24.5%)
Other Sources	0	7,250,000	0	0	0	0	0	0	—
Total Revenues	149,809,865	176,663,199	182,161,209	179,387,763	188,119,990	196,822,907	205,553,050	213,048,200	3.2%

EXPENDITURES

Salaries	23,315,922	29,613,557	34,288,261	34,974,026	35,673,507	36,386,977	37,114,717	37,857,011	2.0%
Benefits	16,028,339	18,537,342	22,850,531	24,337,903	25,257,629	26,152,950	27,103,420	28,100,412	4.2%
Charter School Tuition	66,137,671	60,000,000	63,500,000	70,413,316	79,895,913	84,924,896	91,428,266	89,943,070	7.2%
Other Tuition	3,832,940	6,088,100	6,146,100	6,299,753	6,457,246	6,618,677	6,784,144	6,953,748	2.5%
Other Professional Services	5,518,674	5,457,100	5,647,904	5,789,102	5,933,829	6,082,175	6,234,229	6,390,085	2.5%
Transportation	5,462,418	5,230,585	7,165,585	7,452,208	7,750,297	8,060,309	8,382,721	8,718,030	4.0%
Debt Service	9,934,906	12,363,236	12,363,236	12,383,981	12,390,468	17,756,502	10,982,473	10,982,308	(2.3%)
Other Expenditures	30,503,462	34,788,046	30,822,013	21,665,081	22,059,827	21,094,710	21,509,441	21,934,539	(6.6%)
Total Expenditures	160,734,332	172,077,966	182,783,630	183,315,370	195,418,716	207,077,196	209,539,411	210,879,203	2.9%

Operating Result	(10,924,467)	4,585,232	(622,421)	(3,927,607)	(7,298,727)	(10,254,290)	(3,986,361)	2,168,997	(228.4%)
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Ending Fund Balance	0	0	(622,421)	(4,550,027)	(11,848,754)	(22,103,044)	(26,089,405)	(23,920,408)	107.5%
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Operating Result (% of Expenditures)	(6.8%)	2.7%	(0.3%)	(2.1%)	(3.7%)	(5.0%)	(1.9%)	1.0%	
Fund Balance (% of Expenditures)	0.0%	0.0%	(0.3%)	(2.5%)	(6.1%)	(10.7%)	(12.5%)	(11.3%)	

REVENUES

Local Sources

6111 - Chester City	Current RET Chester City	11,774,321	12,057,110	12,490,848	12,490,848	12,490,848	12,490,848	12,490,848	(0.0%)
6111 - Chester Township	Current RET Chester Township	3,774,420	3,890,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	(0.0%)
6111 - Upland Borough	Current RET Upland	1,274,244	2,050,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	(0.0%)
6114	PILOTS	50,000	50,000	50,000	100,000	100,000	100,000	100,000	14.9%
6151	Earned Income Tax	0	2,060,000	2,060,000	2,095,539	2,131,691	2,168,467	2,205,877	1.7%
6153	Real Estate Transfer Taxes	2,169,890	825,000	835,000	660,976	660,976	660,976	660,976	(4.6%)
6411	Delinquent Real Estate Taxes	1,400,882	1,750,000	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505	0.0%
6500	Interest	43,444	0	0	0	0	0	0	—
6832	IDEA Pass Through	0	750,000	715,345	715,345	715,345	715,345	715,345	0.0%
6910	Rentals	557,316	50,000	34,650	34,650	34,650	34,650	34,650	0.0%
6930	Sale of Fixed Assets	1,000,000	0	0	0	0	0	0	—
6940	Tuition from Patrons	4,738	5,000	5,000	5,000	5,000	5,000	5,000	0.0%
6991	Refunds of Prior Year Expenditures	395,743	625,000	80,000	80,000	80,000	80,000	80,000	0.0%
6XXX	Other Local Revenue	235,866	81,000	116,000	116,000	116,000	116,000	116,000	0.0%
	Local Sources Subtotal	22,680,864	24,193,110	23,787,348	23,698,863	23,735,015	23,771,791	23,809,201	0.1%

State Sources

7110	Basic Education Subsidy	95,596,594	104,430,494	106,807,579	109,182,666	111,557,753	113,932,840	116,307,927	118,683,014	2.1%
7220	Vocational Education	326,229	321,269	387,660	387,660	387,660	387,660	387,660	387,660	0.0%
7271	Special Education Subsidy	7,567,792	7,775,577	7,899,708	8,213,962	8,528,217	8,842,472	9,156,727	9,470,981	3.7%
7292	Pre-K Counts	982,143	1,500,113	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	0.0%
7310	Transportation Subsidy	1,117,083	1,094,000	1,590,000	1,621,800	1,654,236	1,687,321	1,721,067	1,755,488	2.0%
7320	PlanCon	690,689	95,000	90,000	0	0	0	0	0	(100.0%)
7340	Property Tax Reduction	3,470,352	3,470,352	4,038,510	4,038,510	4,038,510	4,038,510	4,038,510	4,038,510	0.0%
7360	Safe Schools Grants	32,139	201,000	201,308	0	0	0	0	0	(100.0%)
7505	Ready to Learn Grant	1,421,091	1,421,091	1,421,091	7,007,851	7,007,851	7,007,851	7,007,851	7,007,851	37.6%
75XX	Ready to Learn Grant Supplement	0	0	5,586,760	5,586,760	11,173,519	16,760,279	22,347,039	27,933,799	38.0%
7000	Cyber Charter Tuition Reimbursement	0	0	1,246,075	1,246,075	1,246,075	1,246,075	1,246,075	1,246,075	0.0%
7810	State Social Security Reimbursement	1,219,631	1,147,618	1,224,000	1,791,224	1,827,048	1,863,589	1,900,861	1,938,878	9.6%
7820	State Retirement Reimbursement	7,316,542	4,809,687	5,424,000	8,733,698	9,085,411	9,405,825	9,751,438	10,115,282	13.3%
7XXX	Other State Revenue	64,941	289,320	84,412	84,412	84,412	84,412	84,412	84,412	0.0%
	State Sources Subtotal	119,805,228	126,555,521	137,401,102	149,294,618	157,990,693	166,656,834	175,349,566	184,061,950	6.0%

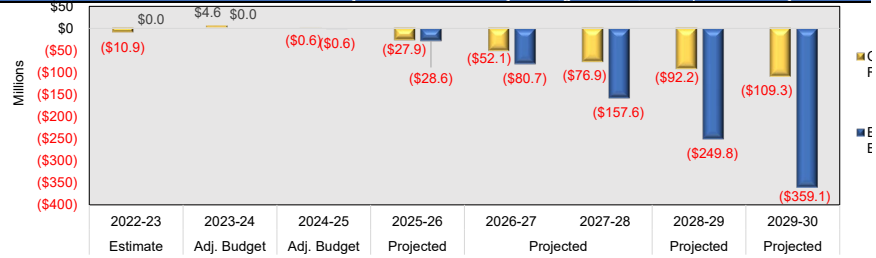
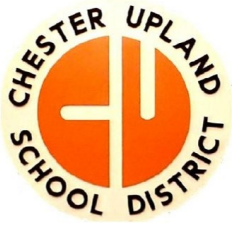
Federal Sources

8511	BSCA Grant	0	0	1,833,360	0	0	0	0	0	(100.0%)
8514	Title I Funding	2,776,963	5,251,427	4,120,152	4,120,152	4,120,152	4,120,152	4,120,152	4,120,152	0.0%
8514A	Title I Carryover	0	0	0	0	0	0	0	0	—
8515	Title II Funding	173,252	396,701	266,773	266,773	266,773	266,773	266,773	266,773	0.0%
8516	Title III Funding	9,306	36,819	15,327	15,327	15,327	15,327	15,327	15,327	0.0%
8517	Title IV Funding	668,622	779,920	336,741	336,741	336,741	336,741	336,741	336,741	0.0%
8517A	Title IV - 21st Century	0	0	1,255,289	1,255,289	1,255,289	1,255,289	1,255,289	0	(100.0%)
8390	DOJ Stop School Violence Grant	0	0	994,000	0	0	0	0	0	(100.0%)
8740	Other CARES Act Funding	16,446	0	0	0	0	0	0	0	—
8741	ESSER I	592,684	0	0	0	0	0	0	0	—
8743	ESSER II	1,572,047	7,186,502	0	0	0	0	0	0	—
8744	ESSER III	355,146	4,261,754	11,364,677	0	0	0	0	0	(100.0%)
8750	ARP ESSER Set Asides	749,078	346,443	386,440	0	0	0	0	0	(100.0%)
8810	Medicaid ACCESS	410,229	405,000	400,000	400,000	400,000	400,000	400,000	400,000	0.0%
	Federal Sources Subtotal	7,323,773	18,664,567	20,972,759	6,394,282	6,394,282	6,394,282	6,394,282	5,138,993	(24.5%)

9110	Other Financing Sources									
	Sale of Bonds Notes	0	7,250,000	0	0	0	0	0	0	—
	Other Financing Sources Subtotal	0	7,250,000	0	0	0	0	0	0	—
TOTAL REVENUES		149,809,865	176,663,199	182,161,209	179,387,763	188,119,990	196,822,907	205,553,050	213,048,200	3.2%
EXPENDITURES										
Salaries										
110	Administrators	3,742,216	5,137,504	7,063,594	7,204,866	7,348,963	7,495,943	7,645,861	7,798,779	2.0%
120	Teachers	12,445,677	17,095,549	17,464,933	17,814,231	18,170,516	18,533,926	18,904,605	19,282,697	2.0%
130	Professional	1,276,239	1,621,659	1,357,302	1,384,448	1,412,137	1,440,380	1,469,188	1,498,571	2.0%
140	Technical	0	0	58,566	59,737	60,932	62,151	63,394	64,662	2.0%
150	Clerical	866,273	579,232	716,716	731,050	745,671	760,584	775,796	791,312	2.0%
160/170	Maintenance and Groundsmen	842,003	1,150,695	1,377,497	1,405,047	1,433,148	1,461,811	1,491,048	1,520,869	2.0%
180	Labor/Service Workers	396,974	778,123	818,908	835,286	851,992	869,032	886,412	904,140	2.0%
190	Instructional Assistants	1,364,465	1,720,093	2,152,671	2,195,724	2,239,639	2,284,432	2,330,120	2,376,723	2.0%
12X	Teacher Stipends and Extra Duty Pay	626,527	751,279	398,000	405,960	414,079	422,361	430,808	439,424	2.0%
1XX	Overtime	446,583	237,000	1,168,950	1,192,329	1,216,176	1,240,500	1,265,310	1,290,616	2.0%
1X3	Negotiated Salary Increases	0	0	938,580	957,351	976,498	996,028	1,015,949	1,036,268	2.0%
1XX 21C	21st Century Salaries	455,877	277,500	675,532	689,043	702,823	716,880	731,218	745,842	2.0%
1XX ESSER	ESSER Salaries	853,087	264,923	97,012	98,952	100,932	102,950	105,009	107,109	2.0%
Salaries Subtotal		23,315,922	29,613,557	34,288,261	34,974,026	35,673,507	36,386,977	37,114,717	37,857,011	2.0%
Benefits										
210	Health Insurance	3,356,219	3,699,401	4,057,434	4,260,305	4,473,321	4,696,987	4,931,836	5,178,428	5.0%
212	Dental Insurance	158,811	178,971	176,946	184,024	191,385	199,041	207,002	215,282	4.0%
216	Prescriptions	689,946	768,834	838,243	901,949	970,497	1,044,255	1,123,618	1,209,013	7.6%
220	Social Security	359,543	2,209,593	2,426,872	2,675,513	2,729,023	2,783,604	2,839,276	2,896,061	3.6%
230	PSERS	10,189,813	9,819,874	10,760,031	12,142,982	12,631,989	13,077,480	13,558,006	14,063,880	5.5%
250	Unemployment	0	1,091,742	2,044,787	2,085,683	2,127,396	2,169,944	2,213,343	2,257,610	2.0%
260	Workers' Compensation	1,003,038	344,035	1,101,078	1,123,100	1,145,562	1,168,473	1,191,842	1,215,679	2.0%
2XX	Other Benefits	270,969	422,374	940,827	964,347	988,456	1,013,167	1,038,497	1,064,459	2.5%
2X3	Benefits Due to Increased Salaries	0	2,517	504,314	0	0	0	0	0	(100.0%)
Benefits Subtotal		16,028,339	18,537,342	22,850,531	24,337,903	25,257,629	26,152,950	27,103,420	28,100,412	4.2%
Tuition										
562	Charter School Tuition	66,137,671	60,000,000	63,500,000	70,413,316	79,895,913	84,924,896	91,428,266	89,943,070	7.2%
567	Tuition to Approved Private Schools and	2,782,803	5,500,000	5,500,000	5,637,500	5,778,438	5,922,898	6,070,971	6,222,745	2.5%
561	Tuition to Other LEA's	394,956	350,000	350,000	358,750	367,719	376,912	386,335	395,993	2.5%
564	Tuition to Vo-Tech	470,936	207,000	270,000	276,750	283,669	290,760	298,029	305,480	2.5%
563	Tuition to Nonpublic Schools	110,201	0	0	0	0	0	0	0	—
560	Other Tuition	74,044	31,100	26,100	26,753	27,421	28,107	28,810	29,530	2.5%
Tuition Subtotal		69,970,611	66,088,100	69,646,100	76,713,069	86,353,160	91,543,573	98,212,411	96,896,818	6.8%
Non-Personnel Costs										
320	Professional Educational Services	1,577,429	1,457,500	1,307,500	1,340,188	1,373,692	1,408,034	1,443,235	1,479,316	2.5%
322	IU Services	2,501,217	2,279,000	2,230,172	2,285,926	2,343,074	2,401,651	2,461,693	2,523,235	2.5%
329	Substitutes	618,398	325,000	325,000	333,125	341,453	349,989	358,739	367,708	2.5%
330	Other Professional Services	5,518,674	5,457,100	5,647,904	5,789,102	5,933,829	6,082,175	6,234,229	6,390,085	2.5%
330A	BSCA and DOJ	0	0	2,827,360	1,413,680	1,449,022	1,485,248	1,522,379	1,560,438	(11.2%)
3XX	Purchased Professional and Technical S	1,505,470	1,548,875	1,762,840	1,806,910	1,852,083	1,898,385	1,945,845	1,994,491	2.5%
3XX-7XX	Construction and Rennovation Expenditu	12,393,791	14,460,756	8,093,890	0	0	0	0	0	(100.0%)
3XX-7XX 21C	21st Century Operating Cost	124,855	71,000	297,492	304,929	312,553	320,366	328,376	336,585	2.5%
420/620	Utilities	1,320,185	2,222,000	1,630,000	1,670,750	1,712,519	1,755,332	1,799,215	1,844,195	2.5%
430	Repairs and Maintenance	3,404,320	747,000	695,950	713,349	731,182	749,462	768,199	787,404	2.5%
4XX	Purchased Property Services	259,993	233,000	233,000	238,825	244,796	250,916	257,188	263,618	2.5%
510	Transportation	5,462,418	5,230,585	7,165,585	7,452,208	7,750,297	8,060,309	8,382,721	8,718,030	4.0%
5XX	Other Purchased Services	1,437,564	1,472,802	1,786,646	1,831,312	1,877,095	1,924,022	1,972,123	2,021,426	2.5%
600	Supplies	1,394,076	2,187,389	1,444,210	1,480,315	1,517,323	1,555,256	1,594,138	1,633,991	2.5%
700	Property	131,112	143,533	42,000	43,050	44,126	45,229	46,360	47,519	2.5%
3XX-7XX ESSER	ESSER Operating Costs	3,450,036	4,318,476	2,270,720	2,327,488	2,385,675	2,445,317	2,506,450	2,569,111	2.5%
Non-Personnel Costs Subtotal		41,099,537	42,154,016	37,760,269	29,031,158	29,868,720	30,731,692	31,620,889	32,537,152	(2.9%)
Other Expenditures										
800/900	Debt Service	9,934,906	10,896,736	10,896,736	10,917,481	10,923,968	10,924,002	10,982,473	10,982,308	0.2%
839	Payroll/PSERS	49,598	75,000	0	0	0	0	0	0	—
880	Refunds of Prior Year	22,000	0	0	0	0	0	0	0	—
880 Loan	Transitional Loan Repayments	0	1,466,500	1,466,500	1,466,500	1,466,500	6,832,500	0	0	(100.0%)
8XX	Dues and Other Objects	313,419	246,715	250,656	250,656	250,656	250,656	250,656	250,656	0.0%
XXX	Past Due Obligations	0	3,000,000	2,739,463	2,739,463	2,739,463	1,369,732	1,369,732	1,369,732	(12.9%)
5900	Budgetary Reserve	0	0	2,885,114	2,885,114	2,885,114	2,885,114	2,885,114	2,885,114	0.0%
Other Expenditures Subtotal		10,319,922	15,684,951	18,238,469	18,259,214	18,265,701	22,262,004	15,487,974	15,487,810	(3.2%)
Total Expenditures		160,734,332	172,077,966	182,783,630	183,315,370	195,418,716	207,077,196	209,539,411	210,879,203	2.9%
Operating Result		(10,924,467)	4,585,232	(622,421)	(3,927,607)	(7,298,727)	(10,254,290)	(3,986,361)	2,168,997	(228.4%)
Ending Fund Balance		0	0	(622,421)	(4,550,027)	(11,848,754)	(22,103,044)	(26,089,405)	(23,920,408)	107.5%

Baseline Financial Projections

No tax increases, adjusts 2023-24 & 2024-25 BEF/SEF to align with State allocations,
charter school tuition MOU ends after 2024-25, charter school enrollment increases by 26 students annually starting 2025-26, and 4 percent salary increases



2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Estimate	Adj. Budget	Adj. Budget	Projected	Projected	Projected	Projected	Projected

SUMMARY

REVENUES

Current Real Estate Taxes	16,822,985	17,997,110	17,290,848	17,290,848	17,290,848	17,290,848	17,290,848	17,290,848
Earned Income Taxes	0	2,060,000	2,060,000	2,095,539	2,131,691	2,168,467	2,205,877	2,243,933
Delinquent Real Estate Taxes	1,400,882	1,750,000	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505
Other Local Revenue	4,456,997	2,386,000	1,835,995	1,711,971	1,711,971	1,711,971	1,711,971	1,711,971
Local Sources	22,680,864	24,193,110	23,787,348	23,698,863	23,735,015	23,771,791	23,809,201	23,847,256
Basic Education Funding	95,596,594	104,430,494	106,807,579	109,182,666	111,557,753	113,932,840	116,307,927	118,683,014
Special Education Funding	7,567,792	7,775,577	7,899,708	8,213,962	8,528,217	8,842,472	9,156,727	9,470,981
Retirement Reimbursement	8,536,173	5,957,305	6,648,000	10,731,293	11,344,594	11,945,404	12,593,438	13,283,202
Other State Revenue	8,104,668	8,392,145	16,045,816	15,786,308	15,818,744	15,851,828	15,885,575	15,919,996
State Sources	119,805,228	126,555,521	137,401,102	143,914,230	147,249,308	150,572,544	153,943,666	157,357,194
Federal Sources	7,323,773	18,664,567	20,972,759	6,394,282	6,394,282	6,394,282	6,394,282	5,138,993
Other Sources	0	7,250,000	0	0	0	0	0	0
Total Revenues	149,809,865	176,663,199	182,161,209	174,007,375	177,378,605	180,738,617	184,147,149	186,343,444

EXPENDITURES

Salaries	23,315,922	29,613,557	34,288,261	35,659,792	37,086,183	38,569,631	40,112,416	41,716,912
Benefits	16,028,339	18,537,342	22,850,531	24,796,872	26,219,816	27,662,252	29,209,767	30,857,471
Charter School Tuition	66,137,671	60,000,000	63,500,000	87,908,201	111,622,842	131,775,737	153,098,772	168,081,754
Other Tuition	3,832,940	6,088,100	6,146,100	6,299,753	6,457,246	6,618,677	6,784,144	6,953,748
Other Professional Services	5,518,674	5,457,100	5,647,904	5,789,102	5,933,829	6,082,175	6,234,229	6,390,085
Transportation	5,462,418	5,230,585	7,165,585	7,452,208	7,750,297	8,060,309	8,382,721	8,718,030
Debt Service	9,934,906	12,363,236	12,363,236	12,383,981	12,390,468	17,756,502	10,982,473	10,982,308
Other Expenditures	30,503,462	34,788,046	30,822,013	21,665,081	22,059,827	21,094,710	21,509,441	21,934,539
Total Expenditures	160,734,332	172,077,966	182,783,630	201,954,989	229,520,508	257,619,994	276,313,962	295,634,848

Operating Result	(10,924,467)	4,585,232	(622,421)	(27,947,615)	(52,141,903)	(76,881,376)	(92,166,813)	(109,291,404)
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Ending Fund Balance	0	0	(622,421)	(28,570,036)	(80,711,939)	(157,593,315)	(249,760,128)	(359,051,533)
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Operating Result (% of Expenditures)	(6.8%)	2.7%	(0.3%)	(13.8%)	(22.7%)	(29.8%)	(33.4%)	(37.0%)
Fund Balance (% of Expenditures)	0.0%	0.0%	(0.3%)	(14.1%)	(35.2%)	(61.2%)	(90.4%)	(121.5%)

REVENUES

Local Sources

6111 - Chester City	Current RET Chester City	11,774,321	12,057,110	12,490,848	12,490,848	12,490,848	12,490,848	12,490,848
6111 - Chester Township	Current RET Chester Township	3,774,420	3,890,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
6111 - Upland Borough	Current RET Upland	1,274,244	2,050,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
6114	PILOTS	50,000	50,000	50,000	100,000	100,000	100,000	100,000
6151	Earned Income Tax	0	2,060,000	2,060,000	2,095,539	2,131,691	2,168,467	2,243,933
6153	Real Estate Transfer Taxes	2,169,890	825,000	835,000	660,976	660,976	660,976	660,976
6411	Delinquent Real Estate Taxes	1,400,882	1,750,000	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505
6500	Interest	43,444	0	0	0	0	0	0
6832	IDEA Pass Through	0	750,000	715,345	715,345	715,345	715,345	715,345
6910	Rentals	557,316	50,000	34,650	34,650	34,650	34,650	34,650
6930	Sale of Fixed Assets	1,000,000	0	0	0	0	0	0
6940	Tuition from Patrons	4,738	5,000	5,000	5,000	5,000	5,000	5,000
6991	Refunds of Prior Year Expenditures	395,743	625,000	80,000	80,000	80,000	80,000	80,000
6XXX	Other Local Revenue	235,866	81,000	116,000	116,000	116,000	116,000	116,000
	Local Sources Subtotal	22,680,864	24,193,110	23,787,348	23,698,863	23,735,015	23,771,791	23,847,256

State Sources

7110	Basic Education Subsidy	95,596,594	104,430,494	106,807,579	109,182,666	111,557,753	113,932,840	116,307,927	118,683,014
7220	Vocational Education	326,229	321,269	387,660	387,660	387,660	387,660	387,660	387,660
7271	Special Education Subsidy	7,567,792	7,775,577	7,899,708	8,213,962	8,528,217	8,842,472	9,156,727	9,470,981
7292	Pre-K Counts	982,143	1,500,113	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
7310	Transportation Subsidy	1,117,083	1,094,000	1,590,000	1,621,800	1,654,236	1,687,321	1,721,067	1,755,488
7320	PlanCon	690,689	95,000	90,000	0	0	0	0	0
7340	Property Tax Reduction	3,470,352	3,470,352	4,038,510	4,038,510	4,038,510	4,038,510	4,038,510	4,038,510
7360	Safe Schools Grants	32,139	201,000	201,308	0	0	0	0	0
7505	Ready to Learn Grant	1,421,091	1,421,091	1,421,091	7,007,851	7,007,851	7,007,851	7,007,851	7,007,851
75XX	Ready to Learn Grant Supplement	0	0	5,586,760	0	0	0	0	0
7000	Cyber Charter Tuition Reimbursement	0	0	1,246,075	1,246,075	1,246,075	1,246,075	1,246,075	1,246,075
7810	State Social Security Reimbursement	1,219,631	1,147,618	1,224,000	1,826,346	1,899,400	1,975,376	2,054,391	2,136,566
7820	State Retirement Reimbursement	7,316,542	4,809,687	5,424,000	8,904,947	9,445,195	9,970,028	10,539,047	11,146,636
7XXX	Other State Revenue	64,941	289,320	84,412	84,412	84,412	84,412	84,412	84,412
	State Sources Subtotal	119,805,228	126,555,521	137,401,102	143,914,230	147,249,308	150,572,544	153,943,666	157,357,194

Federal Sources

8511	BSCA Grant	0	0	1,833,360	0	0	0	0	0
8514	Title I Funding	2,776,963	5,251,427	4,120,152	4,120,152	4,120,152	4,120,152	4,120,152	4,120,152
8514A	Title I Carryover	0	0	0	0	0	0	0	0
8515	Title II Funding	173,252	396,701	266,773	266,773	266,773	266,773	266,773	266,773
8516	Title III Funding	9,306	36,819	15,327	15,327	15,327	15,327	15,327	15,327
8517	Title IV Funding	668,622	779,920	336,741	336,741	336,741	336,741	336,741	336,741
8517A	Title IV - 21st Century	0	0	1,255,289	1,255,289	1,255,289	1,255,289	1,255,289	0
8390	DOJ Stop School Violence Grant	0	0	994,000	0	0	0	0	0
8740	Other CARES Act Funding	16,446	0	0	0	0	0	0	0
8741	ESSER I	592,684	0	0	0	0	0	0	0
8743	ESSER II	1,572,047	7,186,502	0	0	0	0	0	0
8744	ESSER III	355,146	4,261,754	11,364,677	0	0	0	0	0
8750	ARP ESSER Set Asides	749,078	346,443	386,440	0	0	0	0	0

8810	Medicaid ACCESS	410,229	405,000	400,000	400,000	400,000	400,000	400,000	400,000
	Federal Sources Subtotal	7,323,773	18,664,567	20,972,759	6,394,282	6,394,282	6,394,282	6,394,282	5,138,993

9110		Other Financing Sources							
		Sale of Bonds Notes							
		0	7,250,000	0	0	0	0	0	
		Other Financing Sources Subtotal							
		0	7,250,000	0	0	0	0	0	
		TOTAL REVENUES							
		149,809,865	176,663,199	182,161,209	174,007,375	177,378,605	180,738,617	184,147,149	186,343,444
		EXPENDITURES							
		Salaries							
110	Administrators	3,742,216	5,137,504	7,063,594	7,346,138	7,639,983	7,945,583	8,263,406	8,593,942
120	Teachers	12,445,677	17,095,549	17,464,933	18,163,530	18,890,071	19,645,671	20,431,501	21,248,761
130	Professional	1,276,239	1,621,659	1,357,302	1,411,594	1,468,058	1,526,781	1,587,852	1,651,366
140	Technical	0	0	58,566	60,909	63,345	65,879	68,514	71,254
150	Clerical	866,273	579,232	716,716	745,384	775,199	806,207	838,456	871,994
160/170	Maintenance and Groundsmen	842,003	1,150,695	1,377,497	1,432,597	1,489,901	1,549,497	1,611,477	1,675,936
180	Labor/Service Workers	396,974	778,123	818,908	851,664	885,731	921,160	958,006	996,327
190	Instructional Assistants	1,364,465	1,720,093	2,152,671	2,238,778	2,328,329	2,421,462	2,518,320	2,619,053
12X	Teacher Stipends and Extra Duty Pay	626,527	751,279	398,000	413,920	430,477	447,696	465,604	484,228
1XX	Overtime	446,583	237,000	1,168,950	1,215,708	1,264,337	1,314,910	1,367,507	1,422,207
1X3	Negotiated Salary Increases	0	0	938,580	976,123	1,015,168	1,055,775	1,098,006	1,141,926
1XX 21C	21st Century Salaries	455,877	277,500	675,532	702,553	730,655	759,882	790,277	821,888
1XX ESSER	ESSER Salaries	853,087	264,923	97,012	100,893	104,928	109,126	113,491	118,030
Salaries Subtotal		23,315,922	29,613,557	34,288,261	35,659,792	37,086,183	38,569,631	40,112,416	41,716,912
		Benefits							
210	Health Insurance	3,356,219	3,699,401	4,057,434	4,365,799	4,697,599	5,054,617	5,438,768	5,852,114
212	Dental Insurance	158,811	178,971	176,946	184,024	191,385	199,041	207,002	215,282
216	Prescriptions	689,946	768,834	838,243	901,949	970,497	1,044,255	1,123,618	1,209,013
220	Social Security	359,543	2,209,593	2,426,872	2,727,974	2,837,093	2,950,577	3,068,600	3,191,344
230	PSERS	10,189,813	9,819,874	10,760,031	12,381,080	13,132,218	13,861,925	14,653,066	15,497,833
250	Unemployment	0	1,091,742	2,044,787	2,126,578	2,211,641	2,300,107	2,392,111	2,487,796
260	Workers' Compensation	1,003,038	344,035	1,101,078	1,145,121	1,190,926	1,238,563	1,288,106	1,339,630
2XX	Other Benefits	270,969	422,374	940,827	964,347	988,456	1,013,167	1,038,497	1,064,459
2X3	Benefits Due to Increased Salaries	0	2,517	504,314	0	0	0	0	0
Benefits Subtotal		16,028,339	18,537,342	22,850,531	24,796,872	26,219,816	27,662,252	29,209,767	30,857,471
		Tuition							
562	Charter School Tuition	66,137,671	60,000,000	63,500,000	87,908,201	111,622,842	131,775,737	153,098,772	168,081,754
567	Tuition to Approved Private Schools and	2,782,803	5,500,000	5,500,000	5,637,500	5,778,438	5,922,898	6,070,971	6,222,745
561	Tuition to Other LEA's	394,956	350,000	350,000	358,750	367,719	376,912	386,335	395,993
564	Tuition to Vo-Tech	470,936	207,000	270,000	276,750	283,669	290,760	298,029	305,480
563	Tuition to Nonpublic Schools	110,201	0	0	0	0	0	0	0
560	Other Tuition	74,044	31,100	26,100	26,753	27,421	28,107	28,810	29,530
Tuition Subtotal		69,970,611	66,088,100	69,646,100	94,207,954	118,080,088	138,394,415	159,882,916	175,035,502
		Non-Personnel Costs							
320	Professional Educational Services	1,577,429	1,457,500	1,307,500	1,340,188	1,373,692	1,408,034	1,443,235	1,479,316
322	IU Services	2,501,217	2,279,000	2,230,172	2,285,926	2,343,074	2,401,651	2,461,693	2,523,235
329	Substitutes	618,398	325,000	325,000	333,125	341,453	349,989	358,739	367,708
330	Other Professional Services	5,518,674	5,457,100	5,647,904	5,789,102	5,933,829	6,082,175	6,234,229	6,390,085
330A	BSCA and DOJ	0	0	2,827,360	1,413,680	1,449,022	1,485,248	1,522,379	1,560,438
3XX	Purchased Professional and Technical	1,505,470	1,548,875	1,762,840	1,806,910	1,852,083	1,898,385	1,945,845	1,994,491
3XX-7XX	Construction and Renovation Expendi	12,393,791	14,460,756	8,093,890	0	0	0	0	0
3XX-7XX 21C	21st Century Operating Cost	124,855	71,000	297,492	304,929	312,553	320,366	328,376	336,585
420/620	Utilities	1,320,185	2,222,000	1,630,000	1,670,750	1,712,519	1,755,332	1,799,215	1,844,195
430	Repairs and Maintenance	3,404,320	747,000	695,950	713,349	731,182	749,462	768,199	787,404
4XX	Purchased Property Services	259,993	233,000	233,000	238,825	244,796	250,916	257,188	263,618
510	Transportation	5,462,418	5,230,585	7,165,585	7,452,208	7,750,297	8,060,309	8,382,721	8,718,030
5XX	Other Purchased Services	1,437,564	1,472,802	1,786,646	1,831,312	1,877,095	1,924,022	1,972,123	2,021,426
600	Supplies	1,394,076	2,187,389	1,444,210	1,480,315	1,517,323	1,555,256	1,594,138	1,633,991
700	Property	131,112	143,533	42,000	43,050	44,126	45,229	46,360	47,519
3XX-7XX ESSER	ESSER Operating Costs	3,450,036	4,318,476	2,270,720	2,327,488	2,385,675	2,445,317	2,506,450	2,569,111
Non-Personnel Costs Subtotal		41,099,537	42,154,016	37,760,269	29,031,158	29,868,720	30,731,692	31,620,889	32,537,152
		Other Expenditures							
800/900	Debt Service	9,934,906	10,896,736	10,896,736	10,917,481	10,923,968	10,924,002	10,982,473	10,982,308
839	Payroll/PSERS	49,598	75,000	0	0	0	0	0	0
880	Refunds of Prior Year	22,000	0	0	0	0	0	0	0
880 Loan	Transitional Loan Repayments	0	1,466,500	1,466,500	1,466,500	1,466,500	6,832,500	0	0
8XX	Dues and Other Objects	313,419	246,715	250,656	250,656	250,656	250,656	250,656	250,656
XXX	Past Due Obligations	0	3,000,000	2,739,463	2,739,463	2,739,463	1,369,732	1,369,732	1,369,732
5900	Budgetary Reserve	0	0	2,885,114	2,885,114	2,885,114	2,885,114	2,885,114	2,885,114
Other Expenditures Subtotal		10,319,922	15,684,951	18,238,469	18,259,214	18,265,701	22,262,004	15,487,974	15,487,810
Total Expenditures		160,734,332	172,077,966	182,783,630	201,954,989	229,520,508	257,619,994	276,313,962	295,634,848
Operating Result		(10,924,467)	4,585,232	(622,421)	(27,947,615)	(52,141,903)	(76,881,376)	(92,166,813)	(109,291,404)
Ending Fund Balance		0	0	(622,421)	(28,570,036)	(80,711,939)	(157,593,315)	(249,760,128)	(359,051,533)



Operating
Result

Ending Fund
Balance

CAGR
24-25 to 29-30

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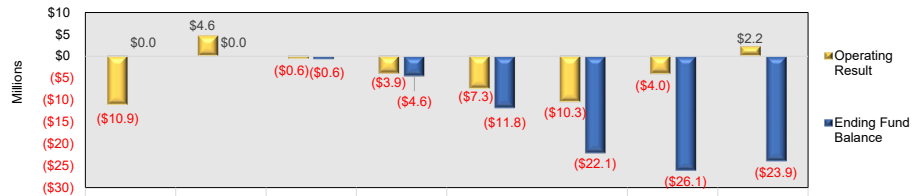
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256.6%

Amended Recovery Plan Scenario

Baseline + continuation of the current charter school tuition MOU starting 2024-25 + Adequacy Supplements in RTL continued
+ reducing salaries growth to 2 percent + reducing healthcare growth to 5 percent + decrease District's charter enrollment by an average annual decrease of 42 students



	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	CAGR
	Estimate	Adj. Budget	Adj. Budget	Projected	Projected	Projected	Projected	Projected	24-25 to 29-30

SUMMARY

REVENUES

Current Real Estate Taxes	16,822,985	17,997,110	17,290,848	17,290,848	17,290,848	17,290,848	17,290,848	17,290,848	(0.0%)
Earned Income Taxes	0	2,060,000	2,060,000	2,095,539	2,131,691	2,168,467	2,205,877	2,243,933	1.7%
Delinquent Real Estate Taxes	1,400,882	1,750,000	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505	0.0%
Other Local Revenue	4,456,997	2,386,000	1,835,995	1,711,971	1,711,971	1,711,971	1,711,971	1,711,971	(1.4%)
Local Sources	22,680,864	24,193,110	23,787,348	23,698,863	23,735,015	23,771,791	23,809,201	23,847,256	0.1%
Basic Education Funding	95,596,594	104,430,494	106,807,579	109,182,666	111,557,753	113,932,840	116,307,927	118,683,014	2.1%
Special Education Funding	7,567,792	7,775,577	7,899,708	8,213,962	8,528,217	8,842,472	9,156,727	9,470,981	3.7%
Retirement Reimbursement	8,536,173	5,957,305	6,648,000	10,524,922	10,912,459	11,269,414	11,652,299	12,054,160	12.6%
Other State Revenue	8,104,668	8,392,145	16,045,816	21,373,067	26,992,263	32,612,107	38,232,614	43,853,795	22.3%
State Sources	119,805,228	126,555,521	137,401,102	149,294,618	157,990,693	166,656,834	175,349,566	184,061,950	6.0%
Federal Sources	7,323,773	18,664,567	20,972,759	6,394,282	6,394,282	6,394,282	6,394,282	5,138,993	(24.5%)
Other Sources	0	7,250,000	0	0	0	0	0	0	—
Total Revenues	149,809,865	176,663,199	182,161,209	179,387,763	188,119,990	196,822,907	205,553,050	213,048,200	3.2%

EXPENDITURES

Salaries	23,315,922	29,613,557	34,288,261	34,974,026	35,673,507	36,386,977	37,114,717	37,857,011	2.0%
Benefits	16,028,339	18,537,342	22,850,531	24,337,903	25,257,629	26,152,950	27,103,420	28,100,412	4.2%
Charter School Tuition	66,137,671	60,000,000	63,500,000	70,413,316	79,895,913	84,924,896	91,428,266	89,943,070	7.2%
Other Tuition	3,832,940	6,088,100	6,146,100	6,299,753	6,457,246	6,618,677	6,784,144	6,953,748	2.5%
Other Professional Services	5,518,674	5,457,100	5,647,904	5,789,102	5,933,829	6,082,175	6,234,229	6,390,085	2.5%
Transportation	5,462,418	5,230,585	7,165,585	7,452,208	7,750,297	8,060,309	8,382,721	8,718,030	4.0%
Debt Service	9,934,906	12,363,236	12,363,236	12,383,981	12,390,468	17,756,502	10,982,473	10,982,308	(2.3%)
Other Expenditures	30,503,462	34,788,046	30,822,013	21,665,081	22,059,827	21,094,710	21,509,441	21,934,539	(6.6%)
Total Expenditures	160,734,332	172,077,966	182,783,630	183,315,370	195,418,716	207,077,196	209,539,411	210,879,203	2.9%

Operating Result	(10,924,467)	4,585,232	(622,421)	(3,927,607)	(7,298,727)	(10,254,290)	(3,986,361)	2,168,997	(228.4%)
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Ending Fund Balance	0	0	(622,421)	(4,550,027)	(11,848,754)	(22,103,044)	(26,089,405)	(23,920,408)	107.5%
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Operating Result (% of Expenditures)	(6.8%)	2.7%	(0.3%)	(2.1%)	(3.7%)	(5.0%)	(1.9%)	1.0%	
Fund Balance (% of Expenditures)	0.0%	0.0%	(0.3%)	(2.5%)	(6.1%)	(10.7%)	(12.5%)	(11.3%)	

REVENUES

Local Sources

6111 - Chester City	Current RET Chester City	11,774,321	12,057,110	12,490,848	12,490,848	12,490,848	12,490,848	12,490,848	(0.0%)
6111 - Chester Township	Current RET Chester Township	3,774,420	3,890,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	(0.0%)
6111 - Upland Borough	Current RET Upland	1,274,244	2,050,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	(0.0%)
6114	PILOTs	50,000	50,000	50,000	100,000	100,000	100,000	100,000	14.9%
6151	Earned Income Tax	0	2,060,000	2,060,000	2,095,539	2,131,691	2,168,467	2,205,877	1.7%
6153	Real Estate Transfer Taxes	2,169,890	825,000	835,000	660,976	660,976	660,976	660,976	(4.6%)
6411	Delinquent Real Estate Taxes	1,400,882	1,750,000	2,600,505	2,600,505	2,600,505	2,600,505	2,600,505	0.0%
6500	Interest	43,444	0	0	0	0	0	0	—
6832	IDEA Pass Through	0	750,000	715,345	715,345	715,345	715,345	715,345	0.0%
6910	Rentals	557,316	50,000	34,650	34,650	34,650	34,650	34,650	0.0%
6930	Sale of Fixed Assets	1,000,000	0	0	0	0	0	0	—
6940	Tuition from Patrons	4,738	5,000	5,000	5,000	5,000	5,000	5,000	0.0%
6991	Refunds of Prior Year Expenditures	395,743	625,000	80,000	80,000	80,000	80,000	80,000	0.0%
6XXX	Other Local Revenue	235,866	81,000	116,000	116,000	116,000	116,000	116,000	0.0%
	Local Sources Subtotal	22,680,864	24,193,110	23,787,348	23,698,863	23,735,015	23,771,791	23,809,201	0.1%

State Sources

7110	Basic Education Subsidy	95,596,594	104,430,494	106,807,579	109,182,666	111,557,753	113,932,840	116,307,927	2.1%
7220	Vocational Education	326,229	321,269	387,660	387,660	387,660	387,660	387,660	0.0%
7271	Special Education Subsidy	7,567,792	7,775,577	7,899,708	8,213,962	8,528,217	8,842,472	9,156,727	3.7%
7292	Pre-K Counts	982,143	1,500,113	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	0.0%
7310	Transportation Subsidy	1,117,083	1,094,000	1,590,000	1,621,800	1,654,236	1,687,321	1,721,067	2.0%
7320	PlanCon	690,689	95,000	90,000	0	0	0	0	(100.0%)
7340	Property Tax Reduction	3,470,352	3,470,352	4,038,510	4,038,510	4,038,510	4,038,510	4,038,510	0.0%
7360	Safe Schools Grants	32,139	201,000	201,308	0	0	0	0	(100.0%)
7505	Ready to Learn Grant	1,421,091	1,421,091	1,421,091	7,007,851	7,007,851	7,007,851	7,007,851	37.6%
75XX	Ready to Learn Grant Supplement	0	0	5,586,760	5,586,760	11,173,519	16,760,279	22,347,039	38.0%
7000	Cyber Charter Tuition Reimbursement	0	0	1,246,075	1,246,075	1,246,075	1,246,075	1,246,075	0.0%
7810	State Social Security Reimbursement	1,219,631	1,147,618	1,224,000	1,791,224	1,827,048	1,863,589	1,900,861	9.6%
7820	State Retirement Reimbursement	7,316,542	4,809,687	5,424,000	8,733,698	9,085,411	9,405,825	9,751,438	13.3%
7XXX	Other State Revenue	64,941	289,320	84,412	84,412	84,412	84,412	84,412	0.0%
	State Sources Subtotal	119,805,228	126,555,521	137,401,102	149,294,618	157,990,693	166,656,834	175,349,566	6.0%

Federal Sources

8511	BSCA Grant	0	0	1,833,360	0	0	0	0	(100.0%)
8514	Title I Funding	2,776,963	5,251,427	4,120,152	4,120,152	4,120,152	4,120,152	4,120,152	0.0%
8514A	Title I Carryover	0	0	0	0	0	0	0	—
8515	Title II Funding	173,252	396,701	266,773	266,773	266,773	266,773	266,773	0.0%
8516	Title III Funding	9,306	36,819	15,327	15,327	15,327	15,327	15,327	0.0%
8517	Title IV Funding	668,622	779,920	336,741	336,741	336,741	336,741	336,741	0.0%
8517A	Title IV - 21st Century	0	0	1,255,289	1,255,289	1,255,289	1,255,289	1,255,289	(100.0%)
8390	DOJ Stop School Violence Grant	0	0	994,000	0	0	0	0	(100.0%)
8740	Other CARES Act Funding	16,446	0	0	0	0	0	0	—
8741	ESSER I	592,684	0	0	0	0	0	0	—
8743	ESSER II	1,572,047	7,186,502	0	0	0	0	0	—
8744	ESSER III	355,146	4,261,754	11,364,677	0	0	0	0	(100.0%)
8750	ARP ESSER Set Asides	749,078	346,443	386,440	0	0	0	0	(100.0%)
8810	Medicaid ACCESS	410,229	405,000	400,000	400,000	400,000	400,000	400,000	0.0%
	Federal Sources Subtotal	7,323,773	18,664,567	20,972,759	6,394,282	6,394,282	6,394,282	5,138,993	(24.5%)

Other Financing Sources										
9110	Sale of Bonds Notes	0	7,250,000	0	0	0	0	0	0	—
	Other Financing Sources Subtotal	0	7,250,000	0	0	0	0	0	0	—
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	TOTAL REVENUES	149,809,865	176,663,199	182,161,209	179,387,763	188,119,990	196,822,907	205,553,050	213,048,200	3.2%
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EXPENDITURES										
Salaries										
110	Administrators	3,742,216	5,137,504	7,063,594	7,204,866	7,348,963	7,495,943	7,645,861	7,798,779	2.0%
120	Teachers	12,445,677	17,095,549	17,464,933	17,814,231	18,170,516	18,533,926	18,904,605	19,282,697	2.0%
130	Professional	1,276,239	1,621,659	1,357,302	1,384,448	1,412,137	1,440,380	1,469,188	1,498,571	2.0%
140	Technical	0	0	58,566	59,737	60,932	62,151	63,394	64,662	2.0%
150	Clerical	866,273	579,232	716,716	731,050	745,671	760,584	775,796	791,312	2.0%
160/170	Maintenance and Groundsmen	842,003	1,150,695	1,377,497	1,405,047	1,433,148	1,461,811	1,491,048	1,520,869	2.0%
180	Labor/Service Workers	396,974	778,123	818,908	835,286	851,992	869,032	886,412	904,140	2.0%
190	Instructional Assistants	1,364,465	1,720,093	2,152,671	2,195,724	2,239,639	2,284,432	2,330,120	2,376,723	2.0%
12X	Teacher Stipends and Extra Duty Pay	626,527	751,279	398,000	405,960	414,079	422,361	430,808	439,424	2.0%
1XX	Overtime	446,583	237,000	1,168,950	1,192,329	1,216,176	1,240,500	1,265,310	1,290,616	2.0%
1X3	Negotiated Salary Increases	0	0	938,580	957,351	976,498	996,028	1,015,949	1,036,268	2.0%
1XX 21C	21st Century Salaries	455,877	277,500	675,532	689,043	702,823	716,880	731,218	745,842	2.0%
1XX ESSER	ESSER Salaries	853,087	264,923	97,012	98,952	100,932	102,950	105,009	107,109	2.0%
	Salaries Subtotal	23,315,922	29,613,557	34,288,261	34,974,026	35,673,507	36,386,977	37,114,717	37,857,011	2.0%
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Benefits										
210	Health Insurance	3,356,219	3,699,401	4,057,434	4,260,305	4,473,321	4,696,987	4,931,836	5,178,428	5.0%
212	Dental Insurance	158,811	178,971	176,946	184,024	191,385	199,041	207,002	215,282	4.0%
216	Prescriptions	689,946	768,834	838,243	901,949	970,497	1,044,255	1,123,618	1,209,013	7.6%
220	Social Security	359,543	2,209,593	2,426,872	2,675,513	2,729,023	2,783,604	2,839,276	2,896,061	3.6%
230	PSERS	10,189,813	9,819,874	10,760,031	12,142,982	12,631,989	13,077,480	13,558,006	14,063,880	5.5%
250	Unemployment	0	1,091,742	2,044,787	2,085,683	2,127,396	2,169,944	2,213,343	2,257,610	2.0%
260	Workers' Compensation	1,003,038	344,035	1,101,078	1,123,100	1,145,562	1,168,473	1,191,842	1,215,679	2.0%
2XX	Other Benefits	270,969	422,374	940,827	964,347	988,456	1,013,167	1,038,497	1,064,459	2.5%
2X3	Benefits Due to Increased Salaries	0	2,517	504,314	0	0	0	0	0	(100.0%)
	Benefits Subtotal	16,028,339	18,537,342	22,850,531	24,337,903	25,257,629	26,152,950	27,103,420	28,100,412	4.2%
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Tuition										
562	Charter School Tuition	66,137,671	60,000,000	63,500,000	70,413,316	79,895,913	84,924,896	91,428,266	89,943,070	7.2%
567	Tuition to Approved Private Schools an	2,782,803	5,500,000	5,500,000	5,637,500	5,778,438	5,922,898	6,070,971	6,222,745	2.5%
561	Tuition to Other LEA's	394,956	350,000	350,000	358,750	367,719	376,912	386,335	395,993	2.5%
564	Tuition to Vo-Tech	470,936	207,000	270,000	276,750	283,669	290,760	298,029	305,480	2.5%
563	Tuition to Nonpublic Schools	110,201	0	0	0	0	0	0	0	—
560	Other Tuition	74,044	31,100	26,100	26,753	27,421	28,107	28,810	29,530	2.5%
	Tuition Subtotal	69,970,611	66,088,100	69,646,100	76,713,069	86,353,160	91,543,573	98,212,411	96,896,818	6.8%
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Non-Personnel Costs										
320	Professional Educational Services	1,577,429	1,457,500	1,307,500	1,340,188	1,373,692	1,408,034	1,443,235	1,479,316	2.5%
322	IU Services	2,501,217	2,279,000	2,230,172	2,285,926	2,343,074	2,401,651	2,461,693	2,523,235	2.5%
329	Substitutes	618,398	325,000	325,000	333,125	341,453	349,989	358,739	367,708	2.5%
330	Other Professional Services	5,518,674	5,457,100	5,647,904	5,789,102	5,933,829	6,082,175	6,234,229	6,390,085	2.5%
330A	BSCA and DOJ	0	0	2,827,360	1,413,680	1,449,022	1,485,248	1,522,379	1,560,438	(11.2%)
3XX	Purchased Professional and Technical	1,505,470	1,548,875	1,762,840	1,806,910	1,852,083	1,898,385	1,945,845	1,994,491	2.5%
3XX-7XX	Construction and Renovation Expendi	12,393,791	14,460,756	8,093,890	0	0	0	0	0	(100.0%)
3XX-7XX 21C	21st Century Operating Cost	124,855	71,000	297,492	304,929	312,553	320,366	328,376	336,585	2.5%
420/620	Utilities	1,320,185	2,222,000	1,630,000	1,670,750	1,712,519	1,755,332	1,799,215	1,844,195	2.5%
430	Repairs and Maintenance	3,404,320	747,000	695,950	713,349	731,182	749,462	768,199	787,404	2.5%
4XX	Purchased Property Services	259,993	233,000	233,000	238,825	244,796	250,916	257,188	263,618	2.5%
510	Transportation	5,462,418	5,230,585	7,165,585	7,452,208	7,750,297	8,060,309	8,382,721	8,718,030	4.0%
5XX	Other Purchased Services	1,437,564	1,472,802	1,786,646	1,831,312	1,877,095	1,924,022	1,972,123	2,021,426	2.5%
600	Supplies	1,394,076	2,187,389	1,444,210	1,480,315	1,517,323	1,555,256	1,594,138	1,633,991	2.5%
700	Property	131,112	143,533	42,000	43,050	44,126	45,229	46,360	47,519	2.5%
3XX-7XX ESSER	ESSER Operating Costs	3,450,036	4,318,476	2,270,720	2,327,488	2,385,675	2,445,317	2,506,450	2,569,111	2.5%
	Non-Personnel Costs Subtotal	41,099,537	42,154,016	37,760,269	29,031,158	29,868,720	30,731,692	31,620,889	32,537,152	(2.9%)
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Other Expenditures										
800/900	Debt Service	9,934,906	10,896,736	10,896,736	10,917,481	10,923,968	10,924,002	10,982,473	10,982,308	0.2%
839	Payroll/PSERS	49,598	75,000	0	0	0	0	0	0	—
880	Refunds of Prior Year	22,000	0	0	0	0	0	0	0	—
880 Loan	Transitional Loan Repayments	0	1,466,500	1,466,500	1,466,500	1,466,500	6,832,500	0	0	(100.0%)
8XX	Dues and Other Objects	313,419	246,715	250,656	250,656	250,656	250,656	250,656	250,656	0.0%
XXX	Past Due Obligations	0	3,000,000	2,739,463	2,739,463	2,739,463	1,369,732	1,369,732	1,369,732	(12.9%)
5900	Budgetary Reserve	0	0	2,885,114	2,885,114	2,885,114	2,885,114	2,885,114	2,885,114	0.0%
	Other Expenditures Subtotal	10,319,922	15,684,951	18,238,469	18,259,214	18,265,701	22,262,004	15,487,974	15,487,810	(3.2%)
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	Total Expenditures	160,734,332	172,077,966	182,783,630	183,315,370	195,418,716	207,077,196	209,539,411	210,879,203	2.9%
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	Operating Result	(10,924,467)	4,585,232	(622,421)	(3,927,607)	(7,298,727)	(10,254,290)	(3,986,361)	2,168,997	(228.4%)
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	Ending Fund Balance	0	0	(622,421)	(4,550,027)	(11,848,754)	(22,103,044)	(26,089,405)	(23,920,408)	107.5%



August 15, 2024

Model Assumptions

The following is a description of the data sources and the assumptions used to develop the budget projections for the Chester-Upland School District in the Amended Recovery Plan.

General Notes

- Fund Balance
 - It is unclear where the District's total fund balance stands since the 2020-21, 2021-22, and 2022-23 audits have not been finalized
 - The projections assume that the fund balance starts at \$0 in 2024-25 and changes in future fund balance would be dependent on the operating results of the projected years

Revenue Projections

- Local Sources
 - Current real estate taxes
 - The projections assume that the District's assessed value will remain flat at the 2024-25 budgeted level of \$1.55 billion (based on the PDE-2028 form)
 - The projections assume that the current collection rate will remain flat based on the 2024-25 budget (86 percent)
 - The projections assume that there are no increases to the millage rate
 - Delinquent real estate taxes
 - Delinquent real estate taxes are held flat at 2024-25 budgeted amounts (\$2.6 million) throughout the projection window
 - The projections assume that the total collection rate (current + delinquent taxes) will remain flat based on the 2024-25 budget (98.9 percent)
 - Act 511
 - Earned income taxes are grown by 1.7 percent throughout the projection window based on the District's nine-year compound annual growth rate (CAGR) for personal income (2012-13 to 2021-22)
 - Real estate transfer taxes are decreased to \$660,976 in 2025-26 (an average of the District's collections in 2017-18 and 2021-22) and then held flat throughout the projection window
 - Payments in lieu of taxes (PILOTs) are increased to \$100,000 in 2025-26 based on the District's input and then held flat throughout the projection window
 - All other local sources are held flat at the 2024-25 budgeted amounts
- State Sources
 - Basic Education Funding (BEF) and Special Education Funding (SEF)
 - The District's BEF and SEF amounts are adjusted to align with the allocations for the Commonwealth's enacted 2024-25 budget
 - Projected amounts assume that BEF and SEF allocations increase at the same amounts in the 2024-25 budget, which is similar to the historical increases in funding from the Commonwealth since the adoption of the new formulas:
 - BEF - \$225 million added to the Statewide formula annually
 - SEF - \$46.75 million added to the Statewide formula annually
 - BEF and SEF estimates were calculated using the District's share of funding provided by the student-weighted funding formula, and increases in funding amounts based on the long-term growth in the total statewide allocations:



- BEF is projected to grow at an average of 2.1 percent for the remaining projected years
 - SEF is projected to grow at an average of 3.7 percent for the remaining projected years
- Recent formula changes in the State funding allocations include BEF Hold Harmless Relief Supplement, as well as the Adequacy and Tax Equity supplements distributed through the Ready to Learn Block Grant
 - In the 2024-25 adopted budget, the District received \$5.6 million in the Adequacy Supplement, and it did not receive the BEF Hold Harmless Relief Supplement or the Tax Equity Supplement
- In 2025-26, the \$5.6 million in Adequacy Supplement is included in the Ready to Learn Block foundation (increases to a total grant allocation of \$7.0 million) and then held flat
 - No additional funds are assumed for the Adequacy Supplement in future years in the baseline projections
- Rental & Sinking Fund Payments (“PlanCon”) revenues are removed from the projections based on the debt service scheduled provided by PFM Financial Advisors LLC
- Transportation Subsidy is projected to grow at 2.0 percent annually, which is half of the projected transportation cost growth
- Safe schools grant is removed from the projections after 2024-25
- Reimbursement revenue for Social Security is adjusted in 2025-26 to match the five-year average for reimbursement rates between 2017-18 and 2021-22 (66.9 percent)
 - The reimbursement rate is held flat, and revenues increase based on the projected increase in Social Security costs
- Reimbursement revenue for PSERS is adjusted in 2025-26 to match the four-year average for reimbursement rates from 2017-18 and 2019-20 to 2021-22 (73.1 percent) and then held flat for the remaining years
 - The reimbursement rate is held flat, and revenues increase based on the projected increase in PSERS costs
- All other state revenues are held flat at the 2024-25 budgeted amounts
- Federal Sources
 - The District's one-time grant revenues are removed from the projections after the funds have been fully expended:
 - Elementary and Secondary School Emergency Relief (ESSER) grants: removed in 2025-26
 - Bipartisan Safer Communities Act (BSCA) and Department of Justice (DOJ) stop school violence grant: removed in 2025-26
 - Title IV 21st Century grant: removed in 2029-30
 - All other federal revenues are held flat at the 2024-25 budgeted amounts

Expenditure Projections

- Personnel
 - All District salaries are increased at an illustrative 4.0 percent based on input from the District
- Employee Benefits
 - The following categories are currently grown by rates based on the Segal Group's 2024 Health Plan Cost Trend Survey Report
 - Health insurance and prescription costs grow at 7.6 percent annually
 - Dental insurance costs grow at 4.0 percent annually
 - Vision insurance costs grow at 2.8 percent annually
 - Social Security expenditures change with projected salaries



- PSERS contribution rates adjust with projected rates published by PSERS in December 2023, and with changes in projected salaries
- Other benefits consist of life insurance, income protection insurance, eye care insurance, tuition reimbursement, self-dental insurance, and OPEB costs for health insurance
 - All expenditures under other benefits are increased at the inflationary rate
- Workers' compensation and unemployment change with projected salaries
- Charter School Tuition Payments
 - Charter school tuition rates
 - Regular education tuition rates for Brick-and-Mortar (B&M) and cyber charter students are projected using the PDE-363 form
 - Special education tuition rates for cyber charter students are projected using the calculations in the PDE-363 form or an alternative calculation based on recent changes to the School Code; the lesser of the two rates is used to calculate the District's anticipated cyber charter school special education costs
 - From 2025-26 to 2029-30, special education tuition rate for B&M students are based on calculated PDE-363 estimates after the expiration of the tuition rate calculation memorandum of understanding (MOU) in June 2025
 - Charter school enrollment
 - The projections assume the proportion of B&M (84 percent of total charter school enrollment) and cyber charter (16 percent of total charter school enrollment) students will remain the same throughout the projection window
 - In 2022-23, the District had 4,038 students enrolled in charter schools based on data provided to the technical assistance team
 - Due to the closure of the Widener Partnership charter school, the District experienced a decrease in charter school enrollment between 2021-22 and 2022-23
 - Charter school enrollment is projected to increase by an average of 26 students per year to show a return of enrollment levels to the amounts in 2022-23
 - Total projected annual enrollment is shown in the following table

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	CUSD Data	Projected	Projected	Projected	Projected	Projected	Projected
Regular Education	3,017	3,037	3,057	3,078	3,098	3,118	3,138
Special Education	870	876	882	887	893	899	905
Total	3,887	3,913	3,939	3,965	3,991	4,017	4,043
<i>Annual Change</i>		26	26	26	26	26	26

- Non-Personnel Expenditures
 - General inflationary rate is applied to all non-personnel related expenditures (except for Other Objects and Other Use of Funds)
 - Inflation is estimated at 2.5 percent based on the headline CPI projections from the Survey of Professional Forecasters from May 2024
 - Transportation costs grow at 4.0 percent annually based on the District's input
 - In 2025-26, ESSER-related construction costs are removed
 - In 2025-26, BSCA and DOJ related expenditures are decreased to half of the 2024-25 budgeted amounts (\$1.4 million) and grown by inflationary rates after based on the District's input



- Other Objects and Financing Uses
 - Debt service payments were based on the debt service schedule provided by PFM Financial Advisors LLC
 - Past due obligations are decreased to half of the 2024-25 budgeted amounts (\$1.4 million) in 2027-28 based on the District's input and held flat thereafter
 - The budgetary reserve is held flat at the 2024-25 amount
 - Transitional loan repayments were based on the payment schedule provided by the Department of Education
 - All other objects and financing uses are held flat at the 2024-25 budgeted levels

Amended Recovery Plan Scenario

As part of the development of the Amended Recovery Plan, a scenario was developed to show the conditions necessary for the District to remain financially stable. The initiatives include:

- The continuation of the current charter school tuition rate MOU after 2024-25
 - Maintains the usage of the 2.53 multiplier to calculate the special education tuition for students attending the Chester Community and Chester Scholars Academy charter schools
- The continuation of the Adequacy Supplement over the next five years (2025-26 to 2029-30) based on the amounts received in the Commonwealth's 2024-25 budget
 - Future amounts are not guaranteed, and they would be subject to appropriation by the legislature
- Reduce the salary growth rate from 4.0 percent to 2.0 percent
- Reduce the healthcare growth rate from 7.6 percent to 5.0 percent
- Reduce charter school enrollment by an average of 42 students annually between 2025-26 and 2029-30