



Finance & Facilities Committee Meeting  
February 20, 2020

**Contact Us:**

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THE SCHOOL DISTRICT OF  
PHILADELPHIA

# **Updates for the Board**

Finance and Facilities Committee  
February 20, 2019

# Follow Ups from 1.16.20 Committee Meeting

Questions posed at Committee Meeting	District Response
<p><b>Environmental Safety Improvement Plan</b></p> <ul style="list-style-type: none"><li>• What is the QA/QC process applied to AHERA inspections? What did we do and who did we involve?</li><li>• Provide a summary to the public on lessons learned from the QA/QC process.</li><li>• Alternate sites/swing spaces -- What is the timeline to have sites identified and ready? If help is needed to meet that timeline, what is needed? How are we engaging the public regarding these sites?</li></ul>	<ul style="list-style-type: none"><li>• On January 8, the District temporarily paused initiating new AHERA inspections, allowing a few weeks to complete a quality control check designed to refine our processes and further improve our procedures and responsiveness. The individuals primarily involved in identifying process improvements are: Brian Joseph, Paul Bonewicz, and Monique Causley of the Office of Environmental Management &amp; Services (OEMS); Jerry Rosen and Jelena Matic of PFT; Ralph Carp, Executive Director of Operations; Karen Kolsky, Deputy Chief, School Operations; Ryan Scallon, Asst. Superintendent, Learning Network 2; and Jim Creedon, Interim Chief of Facilities Management and Capital Projects.<ul style="list-style-type: none"><li>○ The QA/QC check includes the following activities:<ul style="list-style-type: none"><li>■ Performing a second AHERA inspection at 2 schools (Mitchell and Conwell) and identifying any lessons if the results are different</li><li>■ Identifying areas in which consultants need to adjust practices so that reports are thorough, accurate, and consistent across firms</li></ul></li></ul></li><li>• The QA/QC reviews are finishing up and results still need to be reviewed by the District-PFT team. Lessons learned will be shared in early March.</li></ul>

# Follow Ups from 1.16.20 Committee Meeting

Questions posed at Committee Meeting	District Response
<p><b>Environmental Safety Improvement Plan</b></p> <ul style="list-style-type: none"><li>• What is the process between identification of imminent hazard to knowing the space is all clear. What are the steps/process in between (including both inspections and communications)?</li></ul>	<ul style="list-style-type: none"><li>• The process varies by the nature and location of the hazard. As soon as possible after the identification of the hazard, a letter describing the hazard, its location, the planned removal process, a planned schedule along with a description of the testing process is sent to staff and sent home with students. If possible, a robo-call is used to share the information with parents. Any written material is translated to meet the needs of the parent population. A faculty meeting is often held to address any questions. If the removal process will extend past the original planned schedule, an update is provided to staff and parents. When the project is complete and testing is cleared, a “close-out” letter is provided to parents and staff. Testing results are published on the District’s web site. If the removal process involves the closing of an entire school, a public meeting to discuss the process will be held.</li></ul>

# Follow Ups from 1.16.20 Committee Meeting

Questions posed at Committee Meeting	District Response
<p><b>Environmental Safety Improvement Plan</b></p> <ul style="list-style-type: none"><li>• What process was followed at Franklin Learning Center?</li></ul>	<ul style="list-style-type: none"><li>• When the damaged asbestos was found in the air shaft at FLC, a letter was provided to parents and a meeting was held with the building teachers and staff. Throughout the removal and testing program, regular updates were provided to the principal and PFT Building representatives through meetings and conference calls. Two public meetings were held prior to the building opening to discuss the abatement removal and testing process along with other improvements made over the winter break. Bi-weekly meetings are held with the principal and building representatives to discuss ongoing projects including roof repairs. A meeting for staff and parents is being planned for February to provide an update and address any additional concerns. Prior to the asbestos removal and after the removal process, the District together with the PFT completed a testing program to identify if any asbestos had been spread in other locations of the building. Those tests showed that the asbestos was isolated to the shelf area of the air shaft and did not enter the building ventilation system. While we plan to clean the system this summer, micro-filter vents have been installed in each classroom to filter the air discharge from the building ventilation system. The filters are checked and changed as necessary, but at a minimum, once per month.</li></ul>



**Environmental Safety  
Improvement Plan Update**

# Update on Environmental Safety Improvement Plan

## TO BETTER IDENTIFY CONCERNS, INCREASE OUR RESPONSIVENESS & ADDRESS KNOWN ASBESTOS ISSUES

1. Strengthening our bi-annual AHERA inspections of every school, inspectors will now immediately report any findings of possible imminent hazards to the Office of Environmental Management Services staff for follow-up within 24 hours and include hard-to-reach areas like attic spaces in their inspections.

- **Goal:** Implement with inspections beginning Nov. 2019
- **Status: ON-GOING**
  - 23 schools are complete; 34 Imminent Hazards (IH) identified at 10 of the schools; all IH addressed except gym storage closet at Carnell; two schools required closure as a result of the findings (McClure and Carnell)
  - AHERA inspections scheduled to begin in early March after training for inspectors on QA/QC process, overview program for principals and new communication to families

2. Having our facility area coordinators (FACs) partner with their principals to conduct an inspection of every school to identify any potential environmental safety concerns.

- **Goal:** by Dec. 20, 2019
- **Status: COMPLETE** 30 imminent hazards identified in 21 schools; all hazards addressed

# Update on Environmental Safety Improvement Plan

## TO BETTER IDENTIFY CONCERNS, INCREASE OUR RESPONSIVENESS & ADDRESS KNOWN ASBESTOS ISSUES

3. Launching a “see something-say something” effort to encourage reporting of environmental concerns to a new telephone hotline or dedicated email with a commitment to respond within 24 hours.

- **Goal:** by Jan. 2, 2020
- **Status:** Both telephone hotline and dedicated email are in place. Both processes struggling with detail required for each response and ability to provide timely response. Project Manager (PM) now assigned to develop standard fact sheets and monitor assignment of more complicated questions to technical staff. PM will also monitor performance and assessing the need for additional staff. High priority issue for the environmental team.

4. Providing refresher training on asbestos risk identification and reporting to our facility area coordinators, building engineers and principals.

- **Goal:** by Jan. 2, 2020
- **Status:** Training provided to FAC’s and Building Engineers in December 2019. Principals received information at most recent BAM program

# Update on Environmental Safety Improvement Plan

## TO BETTER IDENTIFY CONCERNS, INCREASE OUR RESPONSIVENESS & ADDRESS KNOWN ASBESTOS ISSUES

5. Expanding our resources to manage asbestos-related issues in schools with the goal of eliminating the current backlog of asbestos-related work orders by the start of the 2020-2021 school year.

- Hire additional District abatement staff, response coordinators, a compliance director, project managers and certified asbestos abatement companies and testing firms
- **Goal:** New resources in place by Mar. 2020
- **Status:**
  - Two new abatement companies now working; Proposals now being accepted for additional companies; 3 new testing firms now part of 11 total inspection companies. District staff is reaching capacity limit for ongoing and response workload. New round of hiring underway, project management support being supplied from capital projects and evaluating bringing in outside firm to supplement District staff
  - Developing an RFP for a “Program Manager” to manage all aspects of repair/removal process including scope development, procurement, contractor selection, contractor coordination, testing and cleaning process

# Update on Environmental Safety Improvement Plan

## TO MORE PROACTIVELY AND EFFECTIVELY MANAGE ENVIRONMENTAL SAFETY AND CAPITAL PROJECTS

6. Retaining an environmental consultant to review all current construction projects and ensure any needed environmental work is included in the scope of work

- **Goal:** consultant in place by Nov. 2019
- **Status: COMPLETE** Scope changes made at Wilson MS, classroom modernization projects for the summer of 2020 and Ethan Allen renovation. New expanded scope will be added to future projects. Program Management firm (JMT) will continue to support this effort

7. Hiring a Program Management firm to provide comprehensive project management design, construction management and communications services for our new \$500-million capital program.

- **Goal:** Firm in place by Feb. 2020
- **Status: COMPLETE** Board approved hiring of JMT at January Action Meeting; Contract finalized and planning session held on February 20th

# Update on Environmental Safety Improvement Plan

## BETTER EDUCATE & EMPOWER OUR STAFF & COMMUNITY ABOUT ENVIRONMENTAL SAFETY IN OUR SCHOOLS

8. Forming an Environmental Advisory Board composed of union representatives, medical professionals, City Health Department officials, university and health system facility professionals, parents, teachers and students to review our efforts and identify areas for improvement.

- **Goal:** Board formed and functioning by Jan. 2020
- **Status:** The Advisory Board has yet to be formed. Need to assess best way to structure a group to provide maximum value. Considering forming a more formal “Management Advisory Group” made up of the City, District, PFT, CASA and 32BJ/SEIU that would evaluate progress and use outside firm to audit progress and suggest improvements

# Update on Environmental Safety Improvement Plan

9. Engaging internationally recognized asbestos expert Dr. Arthur Frank to help educate our staff and community with facts about asbestos.

- **Goal:** engagement begins Nov. 2019
- **Status:** Dr. Frank has been providing education materials and videos for use on District website and he also spoke to Principals at the most recent BAM session

10. Developing and following a disciplined process to more proactively communicate with any school where design, construction and/or environmental initiatives are planned.

- **Goal:** by Dec. 2019
- **Status:** Project Managers regularly providing updates to key stakeholders on projects. JMT will take on this responsibility for future projects. Environmental communications still evolving as each project develops. Timing of communications, methods of communication, frequency of updates and informational meetings all candidates for improvement based on lessons learned

# Update on Environmental Safety Improvement Plan

## BETTER EDUCATE & EMPOWER OUR STAFF & COMMUNITY ABOUT ENVIRONMENTAL SAFETY IN OUR SCHOOLS

11. Enhancing the information available on our website concerning our construction and environmental efforts, including all school-based environmental test results, and providing user-friendly guides on how to read those reports/results.

- **Goal:** by Jan. 2020
- **Status:**
  - Construction projects updates underway. JMT will take on responsibility.
  - Speed of posting understandable test results needs improvement. Guide yet to be developed

12. Proactively engaging school communities in the process of identifying and vetting relocation sites whenever an environmental issue requires school relocation.

- **Goal:** ongoing
- **Status:** We are actively assessing sites and we are seeking community input to gather information about alternatives we may not have considered.



THE SCHOOL DISTRICT OF  
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# **UPDATE - Relocation Sites**

February 2020

# Relocation Sites - Background

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- We have been engaged in the process of identifying and vetting relocation sites for whenever an environmental issue requires a school relocation.
- **Any Relocation Site must meet the following criteria to be a safe, accessible, logistically feasible option for a school relocation:**
  1. Space accommodates at least 400 students, or a minimum 20 classrooms
  2. Location is accessible to the NE, SE, NW or SW section of the city
  3. Building has student-safe space - District only occupancy or separate entry/exit
  4. Location is accessible by public transit and school bus
  5. Building conditions are environmentally safe
  6. Location can support needed instructional technology
  7. It is cost-effective to outfit the space as a relocation space
  8. Space can be prepared for use by September 2020

# Relocation Sites - Status

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1. Identifying currently available sites for needs between now and Sept 2020, including:  
Sedgley Ave, 440 N Broad (HS only), smaller available space in schools (<20 classrooms)
2. Assessing 12 District and non-District spaces for feasibility and cost
3. Asking for public input:
  - **If you know of any locations that meet the criteria, please share them with [capitalprograms@philasd.org](mailto:capitalprograms@philasd.org) by March 5**

# Next Steps

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- **By March 15:** Create list of potential relocation sites - including sites suggested by the public
- **By March 31:** Share list of potential relocation sites including areas/schools to be served by the site, costs to outfit the site, and any specific needs/concerns related to location/size/access
- **April-May:** Work with the school leaders and communities of all relocation Relocation Sites to determine needs, investments, concerns
- **April-August:** Perform repairs, install technology and furniture, and prepare all Relocation sites to be available as of Sept 1, 2020

A photograph of a classroom with several students sitting at desks. The student in the foreground is wearing a dark blue polo shirt with the text "G.W. DIVER HSES BLUE MOUNTAIN SCH OF EXCELLEN" on it. He is writing in a notebook with a yellow pencil. A calculator is on the desk to his right. The background shows other students and classroom windows.

# **Review of District Assessment Appeals**

# Background

- As an entity dependent on accurate assessments, School Districts in PA have the ability to appeal property assessments as undervalued.
- Historically, the School District of Philadelphia had never utilized this authority
- In the summer of 2016, the District conducted an RFP process and identified a team of a law firm and property valuation firm to identify properties for appeal and conduct the appeal process.
- Under terms of the contingency agreement, the two firms would each collect a 20 percent fee (1-year) on the successful completion of an appeal case, and the District would be responsible for all fees.
- Properties were selected based on a legal model for identifying undervalued properties and that would merit sufficient return so as to justify the costs of an appeal.

# Program Results to Date

- Over 880 properties identified for appeal
- 450 of the appeal filings have resulted in negotiated settlements
  - Settlements have averaged 86 percent of the targeted value
  - Total increase in the market value of the properties: \$1,095,411,953
- Total fees to date (includes contingency fees and filing fees):
  - \$4,569,846 (one-time)
- Additional Tax Revenue
  - City: \$6,919,717
  - School District:
    - Year One (net of fees): \$3,906,826
    - Year Two (and thereafter): \$8,476,672



# Charter School Financing

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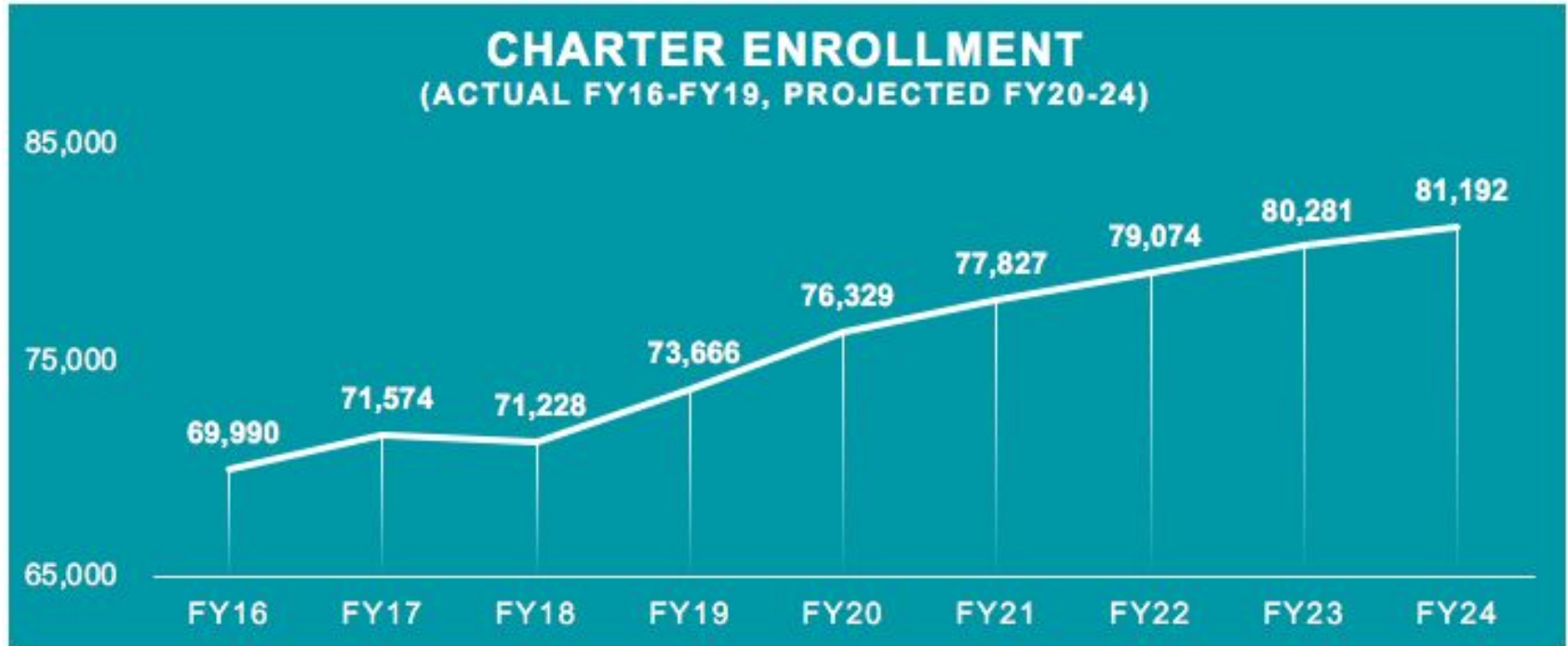


# Governor Wolf's Proposed Charter Funding changes: Fixing a Broken Mechanism

## Finance and Facilities Committee

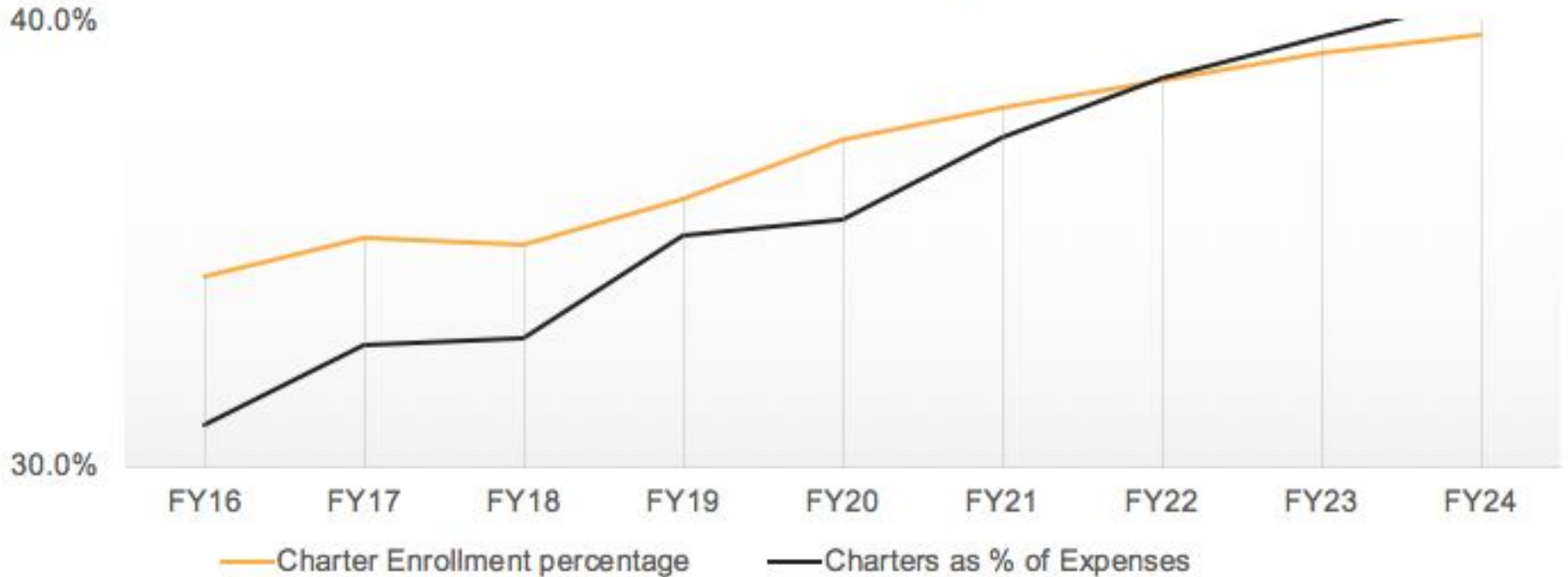
February 20, 2020

# Charter Enrollment Continues to Steadily Increase



# Charter Costs as a Share of SDP Expenditures are Increasing Faster than Enrollment Changes

## Enrollment Share vs. Budget Share



# Expenditure Share Analysis: How Much “New Money” Does the District Receive

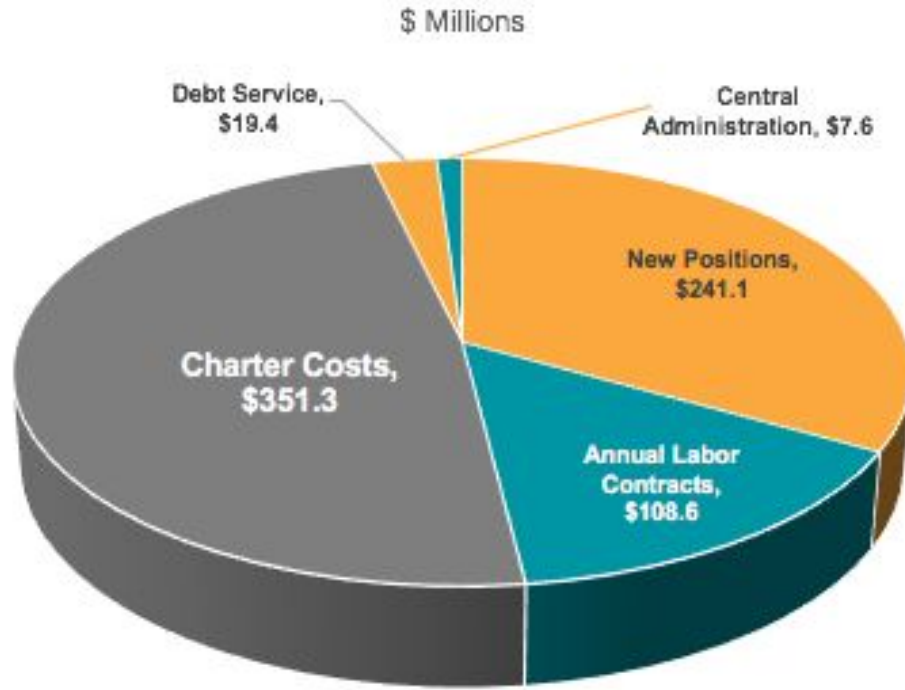
Since 2015, the School District of Philadelphia has received new State and local funding through increased tax revenues, formula funding, reimbursements, and non-tax increases.

On an annualized basis, comparing FY15 to FY20, SDP receives increased revenues of:

- \$404.3 million from local sources
- \$287.5 million from state sources

**Total annual increase as of FY20: \$691.8 million**

# Expenditure Share Analysis: How is the “New Money” Being Spent?



\$241.1M represents the cost of the 2,577 positions added since FY15, including:

472 teachers    106 counselors    84 nurses  
121 Assistant Principals

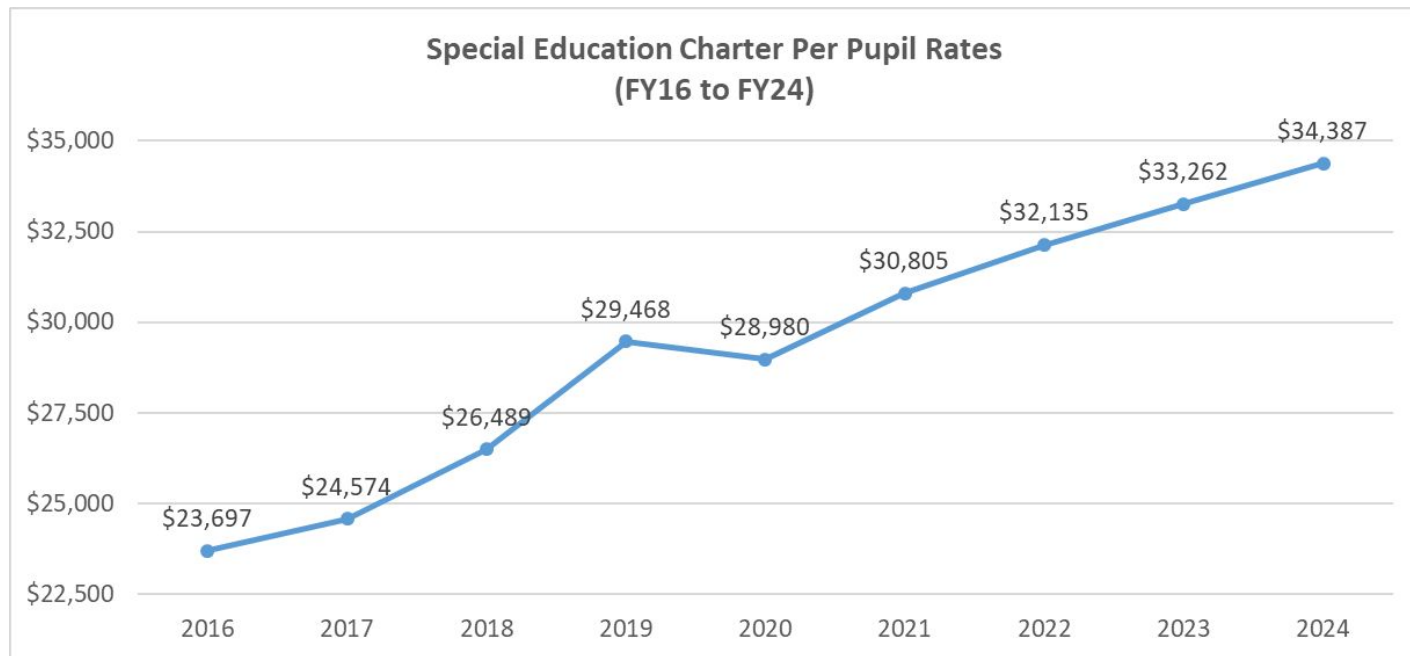
1,200+ climate and special education support staff

180+ cleaning and maintenance positions.

**Total annual additional spend as of FY20: \$734M**

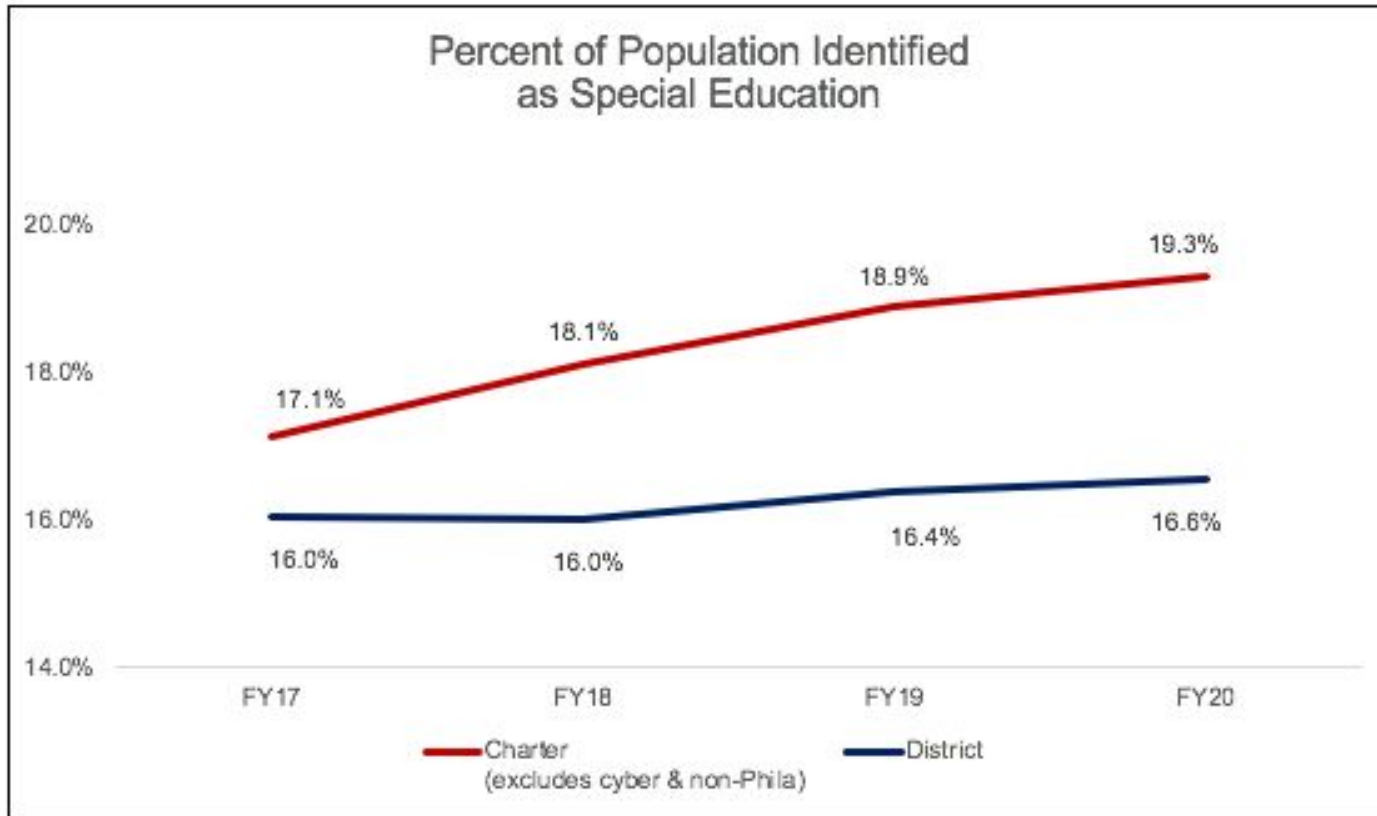
**Nearly 51 percent of new funding has been driven to Charter Schools (by formula) while Charters serve 37.3 percent of the total enrollment.**

# Charter School SPED Payments are Driving the Dramatic Cost Growth: SPED Charter Payment Rates are Growing at a 5.6% Annual Average



Charter SPED rates are increasing at a rate of 5.6 percent annually, while non-Charter District spending is increasing at 1.9 percent annually.

# Charter School SPED Identification is Growing at 3X the Rate of District SPED Identification



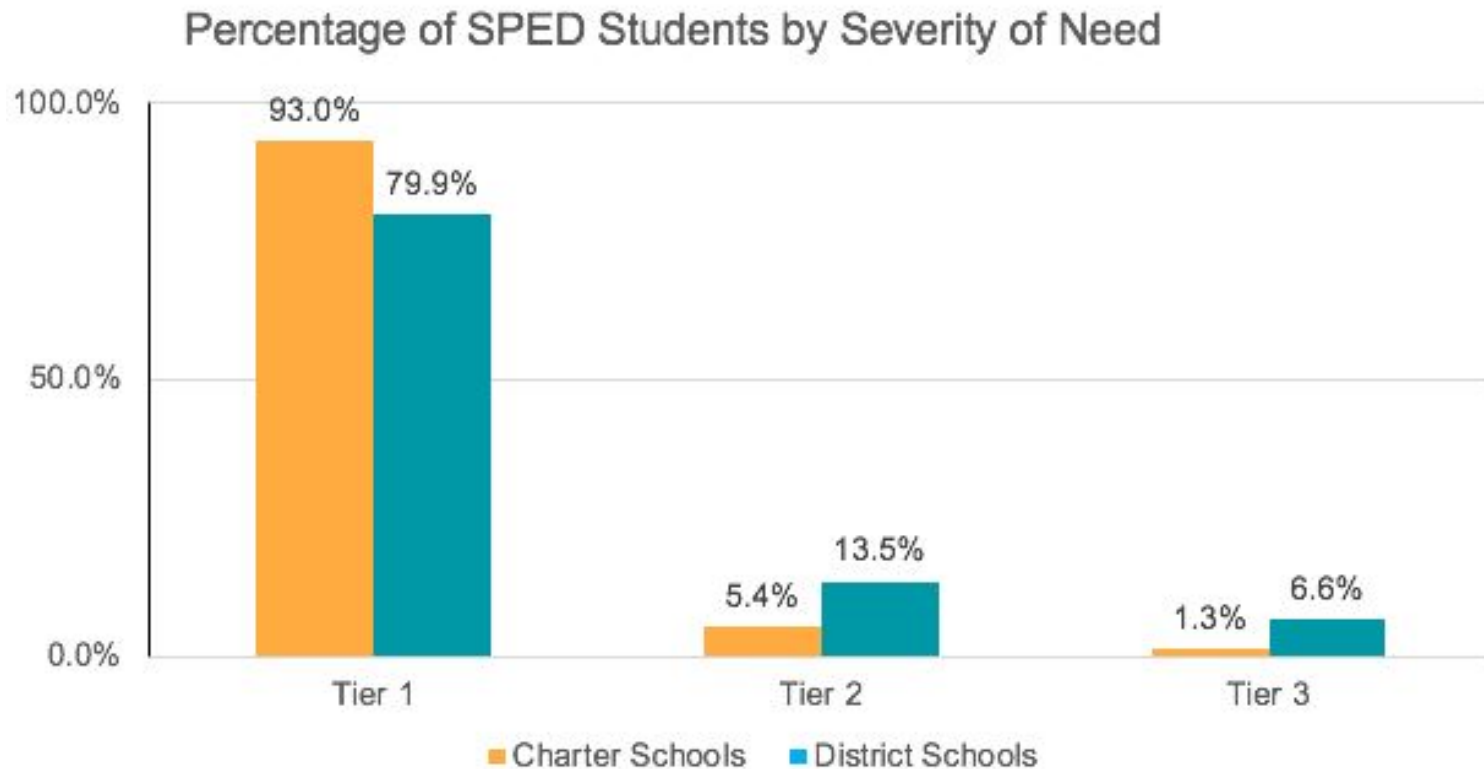
By FY24, the current Five-Year Plan projects a Charter Special Ed percentage of nearly 22 percent.

# SPED Related Payments to Charters are Independent of Actual SPED Expenditures

- Among SPED students, ~80 percent of SDP students, and 93 percent (~12,700) of Charter students fall within the Tier 1 category – those for whom actual expenditures are below \$25,000
- For Tier 1 students, the SDP spends on average \$20,000
- For each of the Charter Tier 1 students, Charters receive \$26,489
- For Tier 2 students, the District spends on average \$40,000
  - Approximately 5.4 percent (~730) of Charter SPED students are Tier 2
- For Tier 3 students, the District spends on average \$79,000
  - Approximately 1.2 percent (~160) of Charter SPED students are Tier 3

Based on population and average tier spend, the District estimates it sent Charters payments of more than \$51 million in excess of actual Charter costs for SPED students in FY18.

# SDP Serves a Higher Percentage of SPED Students who Require More Significant Supports



# State Charter SPED Rate Calculation Results in Arbitrarily High Rate

- When determining the SPED portion of the Charter rate, the Charter Law requires that the District divide by a state-wide assumption that 16 percent of our students are in the SPED category
- The overall SDP average is closer to 18 percent
- Dividing the total SPED expenditures by a lower population results in a rate which is higher than the actual per student expenditure

In FY18 for example, the differential was nearly \$2,000 per student

- This inaccuracy grows exponentially over time, as the over-expenditure of Charter funds in the base year, artificially inflates the SPED expenditures for the year, which becomes the base for the following year

# How Governor's Proposal Addresses Funding Formula Inequities

The Governor's charter school reform proposal applies the commonwealth's SPED funding formula to charter schools.

- In 2014, the state passed a SPED formula that allocates funding based on a student's level of need
- When the law was passed, the General Assembly did not apply this formula to charter school payments

With the Governor's proposal, SDP's SPED payments to charter schools would more closely align to the costs for services students are receiving.

Instead of receiving \$26,489 per special education student regardless of the services being provided, charter schools would receive payments that correlate to the tiered funding approach.

According to the state, applying this formula would provide charter schools with the resources more closely aligned with District spending for SPED students, while returning more than \$90 million to the District.



# Action Items

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EXCELLEN



# Action Items

4) Contract with Granicus, LLC - Electronic Board Meeting Management System (\$32,200)

9) Acceptance of Grant from Pennsylvania Department of Education - Stephen Decatur School

17) Contract with District Management Group for Breakthrough Team Coaching (\$150,000)

19) Contract with Sherpa Government Solutions (\$338,000)

20) Contract with Donald Wilson Consulting Group (\$260,000)

21) Contracts with Various Vendors - Use of Title I, Title II and Title III Grants for Non-Public Schools (\$22,000,000)

22) Authorization of Education Payments to Other Educational Entities

23) Capital Award for Cook-Wissahickon and Pratt School - Pannulla Construction Company, Inc., E. J. Meloney, Inc., Devine Brothers, Inc., Paramount Electrical Service, LLC (DSBE), Diamond Huntbach Construction Corporation (\$5,274,837)

24) Contract with Diamond Huntbach Corporation - Arena Maintenance Solutions, LLC - Delta/B.J.D.S., Inc. (WBE) - Hispanic Venture, Inc. (MBE) - Buttonwood Company, Inc. (WBE) - Sioutis Coatings Enterprise, Inc. (D/WBE) - USA Environmental Management, Inc. for Paint and Plaster Stabilization (\$3,000,000)

# Action Items

25) Contract with School Specialty Inc. - Classroom Modernizations-Early Literacy Initiative (\$4,027,575)

26) Contract with Various Vendors -Furniture and Equipment for New Solis Cohen Elementary School (\$4,300,000)

27) Change Order Summary-Various Vendors (\$543,131)

28) Change Order Summary - Various Vendors - Ben Franklin/SLA High Schools (\$204,717)

29) Contract with Bradley Sciocchetti Inc. for Burner Equipment and Material for Parkway Center City Middle College High School (\$30,000)

30) Amendment of Contracts with Bradley-Sciocchetti Inc, General Asphalt, and Herman Goldner for Boiler Burner Services and Repairs (\$500,000)

31) Ratification of Contract with E. H. Lynn & Associates for Real Property Appraisal (\$3,750)

32) License Agreement with Building Bok LP for Gymnasium Use at the Bok Building

33) Reimbursement of Transportation Expenses to Parents - Additional Compensation (\$320,000)

34) Reimbursement of Transportation Expenses to Parents (\$5,000,000)

# Action Items

35) Contract with National Association of School Resource Officers, Inc. - School Police Training (\$150,000)

36) Contract with IDEA Analytics (\$147,600)

37) Authorization of Energy Commodity Supply Vendors - \$70,000,000

38) Contract with Eastern Lift -- Aerial Lift Inspections (\$75,000)

39) Contract with Trane for Purchase of Unit Ventilators - \$175,000

40) Contract with Pitney Bowes for Lease of Mail Inserter Equipment - \$75,000

49) Ratification of Contract Amendment with Pennsylvania Convention Center (\$160,000)

IU 1) Contracts with Various Vendors - Use of Act 89 Grant for Non-Public Schools (\$16,000,000)



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