



THE SCHOOL DISTRICT OF  
PHILADELPHIA

# Financial Update

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# Updated Fiscal Baseline

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- Revised projected fund balance - based on 8/14 Quarterly
  - Estimated FY21 year-end fund balance of \$47.3 million
- Significant changes (estimated impact) not included in revised fund balance
  - Increase in cyber charter enrollment; potentially increasing costs by **\$15-18m**
  - Leveling approach (no teacher movement or layoffs) combined with low vacancy rates and a larger pool of supplemental teachers in preparation for a return to face-to-face/hybrid model. Additional **\$10-12m**
  - Costs related to maintaining food services staffing with lower reimbursement levels, estimated to cost **\$3m** through November.
  - Costs related to additional cleaning protocols, increased cleaners - **\$4.6m**

# Updated Fiscal Baseline

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- **Changes (estimated impact) not included in revised fund balance (cont.)**
  - Costs for reopening preparation beyond budgeted amounts - **\$10m**
  - Costs associated with 32BJ contract (on Board Agenda tonight) - **\$2.3m**
  - Lower liquor by the drink collections - **\$20m**
  - Savings from Central Office cuts/hiring freeze - **\$8-10m**
  - Additional grant funds (awarded or applications in) - **\$18m**
- **Revised projected fund balance with estimates \$3.4m - 10.4m**

# Fiscal Challenges - Unquantifiable

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## — Revenues

- Use & occupancy tax and real estate tax revenues (will know more once assessment appeals deadline passes October 5); Liquor by the drink recovery is further delayed
- Potential state reduction of school funding mid-year
- Additional federal grant supports (HEROES Act, etc.)

## — Expenditures

- Additional costs related to changing pandemic guidelines/return to school
  - Additional savings related to timing of return to face-to-face/hybrid model
  - Costs related to PFT contract
- **OTHER - Impact of City decision to skip property reassessments will cost District over \$35 million in FY22 projected revenues**