



THE SCHOOL DISTRICT OF
PHILADELPHIA

Board Budget Hearing

April 22, 2021



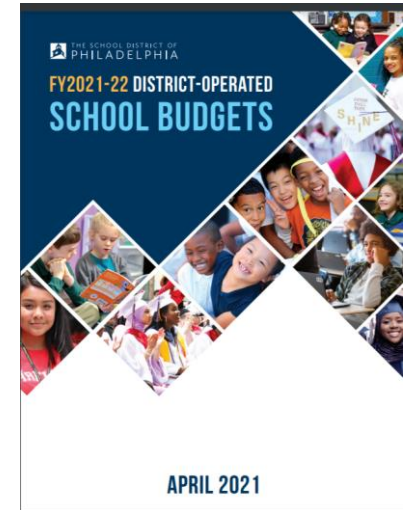
The School District of Philadelphia's Presentation of the Revised projected Five-Year Plan for FY21-25 represents forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenues and obligations of the School District include, among others, reduced governmental allocations, changes in economic conditions, mandates from other governments, and various other events, conditions and circumstances, many of which are beyond the control of the School District. Such forward-looking statements speak only as of the date of this presentation, **April 22, 2021**. The School District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the School District's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Budget Books

Budget Books and the District's Budget 101 Guide were released online on April 16, 2021

- [School Budget Book](#): includes historic and projected budgets for each District-operated school
- [Consolidated Budget Book](#): presents District-wide budgeted revenues and expenditures
- [Budget 101 Guide](#): overview of the District's budget and how to read budget documents

The Budget Books and the Budget 101 Guide can be viewed at:
<https://www.philasd.org/budget/services/public-information/>



Changes Since Lump Sum Budget and Five-Year Plan

Revenues

- Federal revenues from the American Rescue Plan Act of 2021 (ARPA) reduced from anticipated \$1.275 billion to \$1.114 billion, a reduction of \$161 million, based on the State's allocation provided after lump sum
- City grant reduced by \$32 million over five-year plan
- Continued updates for revenues based on real-time data

Expenditures

- Final school budget decisions, based on school budgets completed on March 22nd
- Charter rate increases related to reduced federal funds
- Continued updates for expenditures based on real-time data

Changes Since Lump Sum Budget and Five-Year Plan

Fund Balances

- The District is projecting positive fund balances through FY24 with negative balance in FY25 and FY26
 - FY26 fund balance reduced by approximately \$285 million compared to the lump sum five-year plan due primarily to reduced anticipated federal relief funds impacting reduced revenues and increased charter expense

Revised Five-Year Plan Projections: Operating Fund

	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	CAGR FY22 to FY26
REVENUES & OTHER FINANCING SOURCES							
Local Tax Operating Revenues	\$1,247,223	\$1,309,483	\$1,369,741	\$1,426,529	\$1,486,807	\$1,529,015	4.0%
Local Non-Tax Operating Revenues	\$271,612	\$279,902	\$302,530	\$314,629	\$320,553	\$320,127	3.4%
State Operating Revenues	\$1,649,246	\$1,565,562	\$1,644,848	\$1,719,124	\$1,760,492	\$1,782,764	3.3%
Federal Operating Revenues	\$16,793	\$16,636	\$16,508	\$16,370	\$16,224	\$16,069	-0.9%
Other Financing Sources	\$18,131	\$2,049	\$289	\$2,049	\$289	\$2,049	0.0%
TOTAL REVENUES & OTHER FINANCING SOURCES	\$3,203,005	\$3,173,631	\$3,333,915	\$3,478,700	\$3,584,364	\$3,650,024	-2.4%
EXPENDITURES							
District Operated Schools	\$1,691,350	\$1,813,238	\$1,846,064	\$1,858,158	\$1,899,872	\$1,916,542	1.4%
Debt Service	\$333,393	\$338,304	\$375,339	\$344,980	\$347,003	\$355,459	1.2%
Charter Schools, including Trans	\$1,195,902	\$1,246,178	\$1,103,803	\$1,182,755	\$1,344,689	\$1,486,513	4.5%
Other Non-District Operated Schools, including Trans	\$96,330	\$114,892	\$116,085	\$119,250	\$122,430	\$125,624	2.3%
Administrative Support Operations (Central Offices)	\$129,057	\$134,039	\$134,571	\$134,693	\$140,693	\$141,584	1.4%
Undistributed Budgetary Adjustments	(\$19,585)	(\$16,585)	(\$16,519)	(\$16,451)	(\$16,383)	(\$16,312)	-0.4%
Other Financing Uses	\$1,888	\$1,835	\$1,835	\$1,835	\$1,835	\$1,835	0.0%
Federal Relief Expenditure Changes	(\$114,394)	(\$567,927)	(\$338,380)	(\$86,153)	(\$870)	\$0	-100.0%
TOTAL EXPENDITURES & OTHER USES	\$3,313,941	\$3,063,974	\$3,222,799	\$3,539,068	\$3,839,270	\$4,011,246	7.0%
OPERATING/FUND BALANCE							
Transfers from Reserves	(\$13,321)	(\$13,321)	\$28,259	(\$9,395)	(\$9,395)	(\$9,395)	
Facilities Reserve	\$12,500	\$12,500	\$0	\$0	\$0	\$0	
Operating Surplus/(Deficit) incl. Change in Reserves	(\$111,757)	\$108,836	\$139,375	(\$69,762)	(\$264,301)	(\$370,617)	
Fund Balance at Beginning of Year - July 1	\$172,828	\$61,071	\$169,907	\$309,282	\$239,520	(\$24,781)	
ENDING FUND BALANCE							
Fund Balance at End of Year - June 30	\$61,071	\$169,907	\$309,282	\$239,520	(\$24,781)	(\$395,397)	
<i>Fund Balance as a % of Total Expenditures</i>	<i>1.8%</i>	<i>5.5%</i>	<i>9.6%</i>	<i>6.8%</i>	<i>-0.6%</i>	<i>-9.9%</i>	

Revised Five-Year Plan Projections: Operating and Federal Relief Funds

	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	CAGR FY22 to FY26
REVENUES & OTHER FINANCING SOURCES							
Local Tax Operating Revenues	\$1,247,223	\$1,309,483	\$1,369,741	\$1,426,529	\$1,486,807	\$1,529,015	4.0%
Local Non-Tax Operating Revenues	\$271,612	\$279,902	\$302,530	\$314,629	\$320,553	\$320,127	3.4%
State Operating Revenues	\$1,649,246	\$1,565,562	\$1,644,848	\$1,719,124	\$1,760,492	\$1,782,764	3.3%
Federal Operating Revenues	\$16,793	\$16,636	\$16,508	\$16,370	\$16,224	\$16,069	-0.9%
Federal Grant Relief Funds	\$200,374	\$847,168	\$609,811	\$307,665	\$30,870	\$0	-100.0%
Other Financing Sources	\$18,131	\$2,049	\$289	\$2,049	\$289	\$2,049	0.0%
TOTAL REVENUES & OTHER FINANCING SOURCES	\$3,403,378	\$4,020,800	\$3,943,727	\$3,786,365	\$3,615,234	\$3,650,024	-2.4%
EXPENDITURES							
District Operated Schools	\$1,774,534	\$2,082,480	\$2,112,495	\$2,074,670	\$1,929,872	\$1,916,542	-2.1%
Debt Service	\$333,393	\$338,304	\$375,339	\$344,980	\$347,003	\$355,459	1.2%
Charter Schools, including Trans	\$1,195,902	\$1,246,178	\$1,103,803	\$1,182,755	\$1,344,689	\$1,486,513	4.5%
Other Non-District Operated Schools, including Trans	\$96,330	\$114,892	\$116,085	\$119,250	\$122,430	\$125,624	2.3%
Administrative Support Operations (Central Offices)	\$131,853	\$144,039	\$139,571	\$139,693	\$140,693	\$141,584	-0.4%
Undistributed Budgetary Adjustments	(\$19,585)	(\$16,585)	(\$16,519)	(\$16,451)	(\$16,383)	(\$16,312)	-0.4%
Other Financing Uses	\$1,888	\$1,835	\$1,835	\$1,835	\$1,835	\$1,835	0.0%
TOTAL EXPENDITURES & OTHER USES	\$3,514,315	\$3,911,143	\$3,832,610	\$3,846,732	\$3,870,140	\$4,011,246	0.6%
OPERATING/FUND BALANCE							
Transfers from Reserves	(\$13,321)	(\$13,321)	\$28,259	(\$9,395)	(\$9,395)	(\$9,395)	
Facilities Reserve	\$12,500	\$12,500	\$0	\$0	\$0	\$0	
Operating Surplus/(Deficit) incl. Change in Reserves	(\$111,757)	\$108,836	\$139,375	(\$69,762)	(\$264,301)	(\$370,617)	
Fund Balance at Beginning of Year - July 1	\$172,828	\$61,071	\$169,907	\$309,282	\$239,520	(\$24,781)	
ENDING FUND BALANCE							
Fund Balance at End of Year - June 30	\$61,071	\$169,907	\$309,282	\$239,520	(\$24,781)	(\$395,397)	
<i>Fund Balance as a % of Total Expenditures</i>	<i>1.7%</i>	<i>4.3%</i>	<i>8.1%</i>	<i>6.2%</i>	<i>-0.6%</i>	<i>-9.9%</i>	

Budget Engagement

The District has been seeking public input on the prioritization of investments to consider with the federal relief funding

- **The 2021-2022 Budget Engagement Survey** was released to families, staff, and stakeholders and was made available on the District's website on April 8th. The final date for submission was extended from April 16th to April 19th.
 - Over 11,700 responses received
 - Almost $\frac{2}{3}$ from parents/guardians
- **Focus Group Sessions** are being held from April 20th through April 29th.
 - Sessions in multiple languages (English, Spanish, Chinese)
 - One session with District students

Budget Engagement Findings (to date)

Survey Results indicated the highest priorities to be considered within each of the three priority investment areas are as follows:

- **Student Learning Supports/Learning Recovery:**
 - Discretionary Funding for Schools (21%)
 - Additional Special Education Supports (20%)
- **Facilities Investments:**
 - Environmental Hazards (44%)
 - Air Conditioning (20%)
- **Student Social and Emotional Needs:**
 - School Based Behavioral/Mental Health Supports (30%)
 - Before/After School Enrichment (17%)

Discussions in the **initial focus groups** have largely mirrored these results, with some additional emphasis on ELL supports and distributing additional funding equitably - focused on those schools with fewer resources and/or greater need.

Budget Engagement Findings

Evolving Strategy, Investment, and Continuous Feedback Loop

- The investment strategy for this funding is not a “one and done” approach.
 - Active, ongoing process which will be revisited at various points over the next four years, including the normal annual budget cycle.
 - The District will continue to refine its approach, gain input, share information, and respond to public feedback.
 - Strategies will change based on what is working better than expected and what is not working.
 - Changes can occur from evolving educational needs in our school communities.
 - Changes may occur based on new funding opportunities.
- The goal is ensuring that we are spending this money in a fiscally responsible way, resulting in the greatest short-term and long-term impact for our students.

Capital Program

- The public engagement findings mirror those of the District’s priorities, with a particular emphasis on environmental issues.
- Additional information will be forthcoming on meeting these goals with the District’s new 6-year \$2 billion Capital Plan to be considered in May, as well as the overall update on the State of our Facilities and Master Plan.

New Budget Commitments (additions to investments highlighted 3/25)

- **Funding for 2 additional positions at each off-track school; 1 additional position at each on-track/near-track school for FY22 (335 new positions; \$40 million)**
 - Principal decision in consultation with Asst. Superintendent
 - Choose from among Assistant Principal, Behavioral Counselor, Bilingual Counseling Assistant, Climate Liaison, Climate Manager, Climate Support Specialist, Counselor, Librarian, Literacy Lead, Math Lead, SBTL, STEP positions, Teacher - all subjects/specialties
- **Additional Special Education Positions**
 - Current budget has more Special Ed teachers than in FY21
 - Short term intensive effort: Add 80 supports to accelerate evaluation efforts (50 Psychologists, 10 Occupational Therapists, 20 Speech Therapists)
 - Long-term: Identify investments that can direct a system-wide redesign for a more proactive approach to serving students with Special Education needs

New Budget Commitments (additions to investments highlighted 3/25)

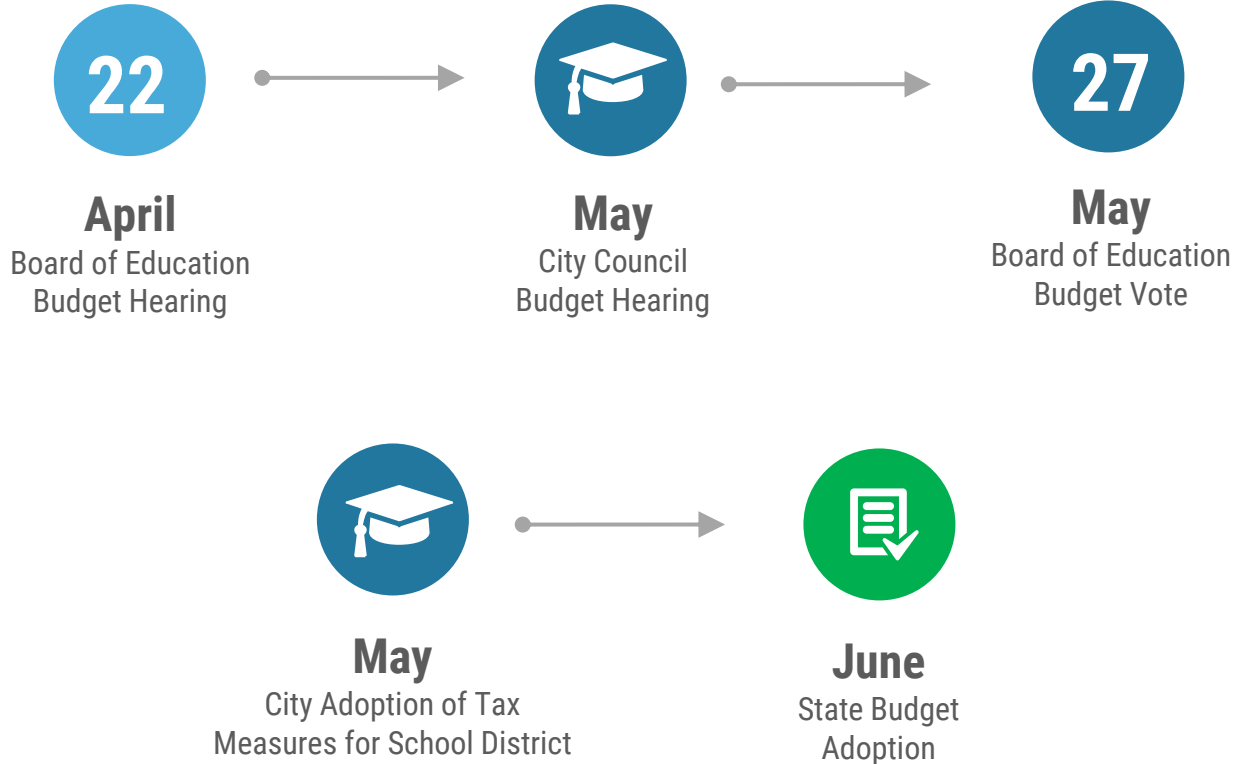
- **Additional supports for schools in communities that have been most impacted by gun violence**
 - Preventive Programming/Conflict Resolution Skills
 - Mental Health/Trauma Services
 - Behavioral Health Counselors at 20 schools
 - Coordinator of supports for student victims of gun violence
 - Coaches focused on restorative practices in impacted schools
- **Before- and After-School Programs**
 - In order to support the Hows for Goals 1-4, as well as Guardrail 2, we are dedicating funds towards programming before, after and during school to support Common Planning Time (CPT) and Multi-Tiered System of Supports (MTSS) at off-track schools.
 - As we work to design how these programs will interact with CPT and MTSS, and identify the necessary resources for these programs, we will come back to the Board and the public with details.

New Budget Commitments (additions to investments highlighted 3/25)

- **Office of Diversity, Equity and Inclusion**

- In order to fulfill our commitment toward anti-racism and equity as outlined in our Statement on Anti-Racism and to ensure its sustainability, we will establish an Office of Diversity, Equity and Inclusion that supports our goal to lead and sustain system-level change.
- This aligns with our work and efforts around Guardrail 4: Our students' potential will not be limited by practices that perpetuate systemic racism and hinder student achievement.
- This office will launch prior to the start of the 2021-2022 school year, along with an equity framework and organizational commitments that will guide our actions going forward.

TIMELINE



A CITYWIDE CALL TO ACTION: BE A PART OF OUR CONTINUED PROGRESS



VOLUNTEER IN A SCHOOL

ADOPT A SCHOOL

MAKE A DONATION THROUGH THE FUND FOR THE SCHOOL DISTRICT OF PHILADELPHIA