

# Lump Sum Statement

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Fiscal Year 2015-2016

March 26, 2015

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# Overview

- Action Plan 3.0
  - We are making our schools great. Join Us.*
  
- SDP Financial Situation
  - FY15 – End of Year Projection
  - FY16 – Projection
  - Governor Wolf’s and Mayor Nutter’s Proposal
  
- FY16 Lump Sum Statement

# Action Plan 3.0

Equity

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Stability

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Evidence

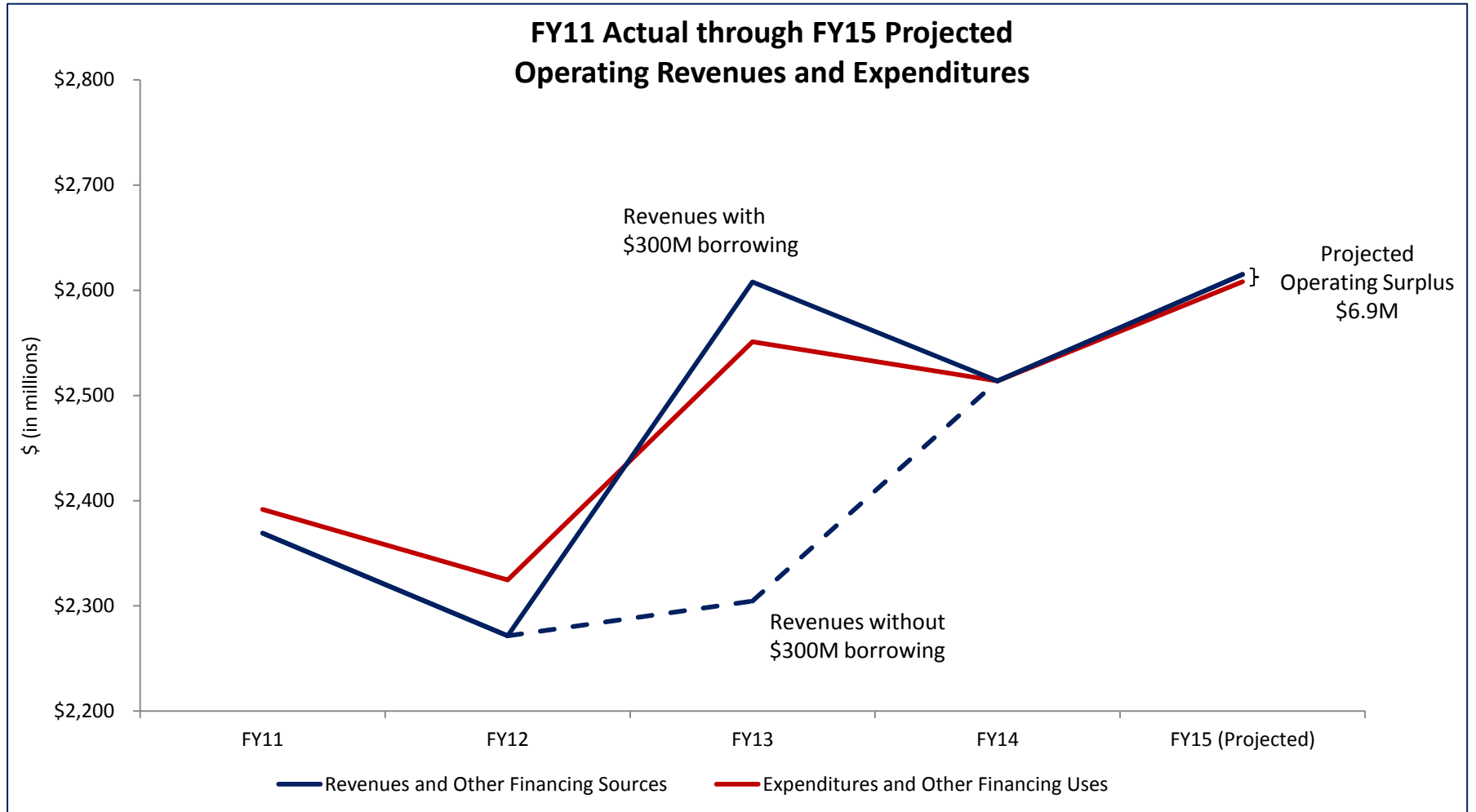
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School

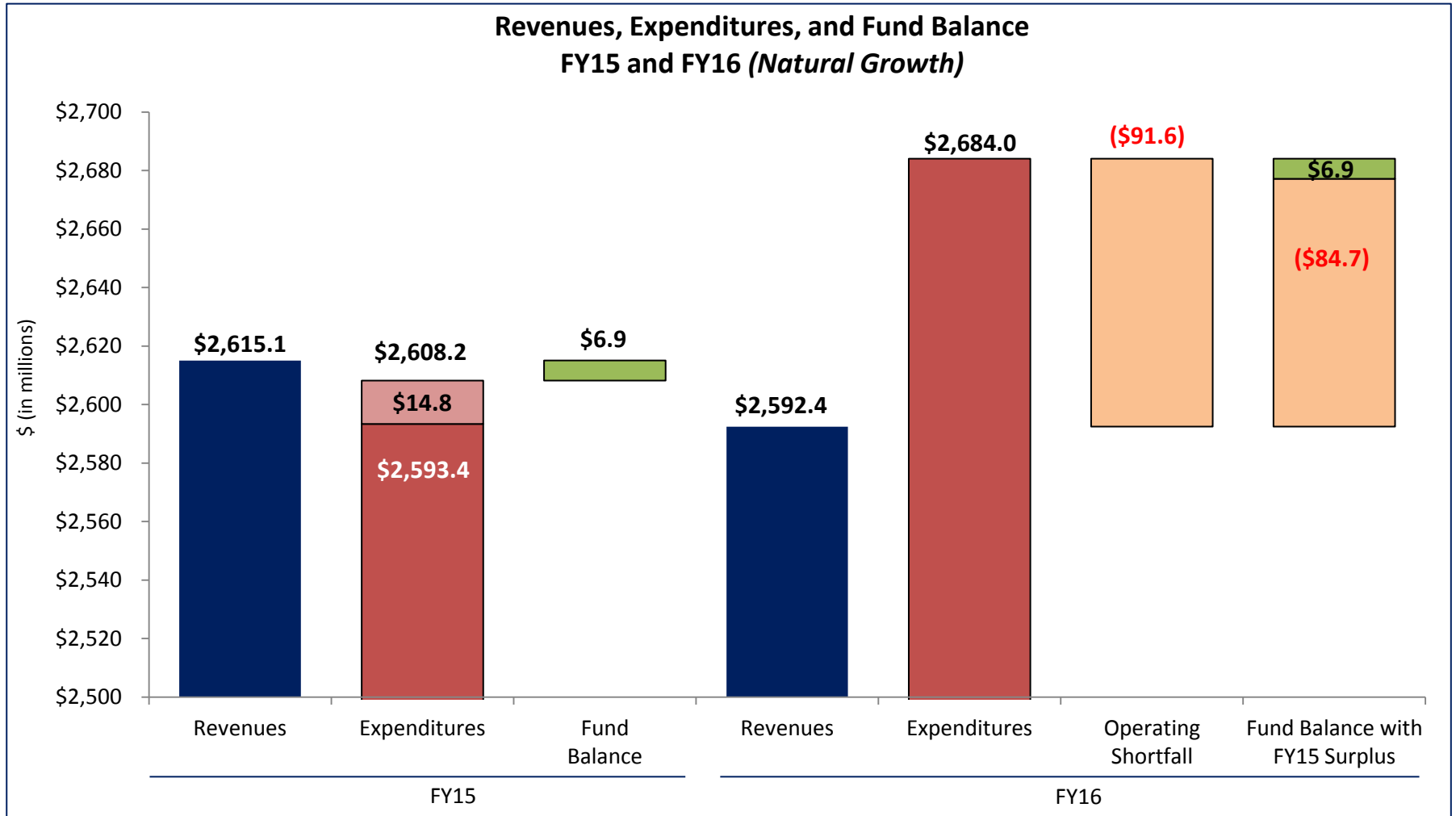
# Action Plan 3.0: Our Anchor Goals

- 1 100% of our students will graduate, ready for college and career
- 2 100% of 8-year-olds will read on grade level
- 3 100% of schools will have great principals and teachers
- 4 SDP will have 100% of the funding we need for great schools, and zero deficit

The District has worked to ensure alignment between its revenues and expenditures. The District expects to end fiscal year 2015 with a \$6.9M operating budget surplus.

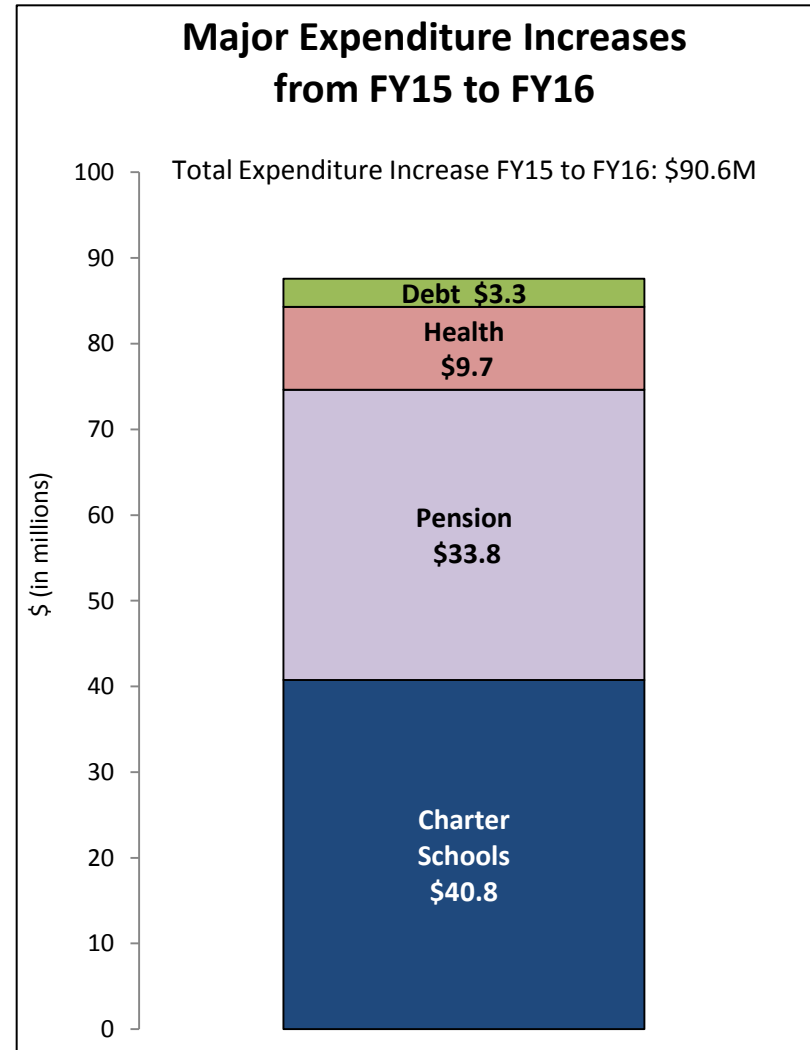


**Maintaining similar levels of service, the District anticipates an operating budget shortfall of (\$91.6M) in FY16. The FY15 surplus will be used to reduce the projected FY16 operating shortfall from (\$91.6M) to (\$84.7M).**



# The primary drivers of the projected FY16 “Natural Growth” shortfall are reduced revenues and growth in healthcare, pensions, charter, and debt service costs.

- Baseline revenues are projected to decrease by \$22.6M between FY15 and FY16 due to:
  - Decrease of \$20.4M in revenues from sale of property
  - Loss of \$29.9M in one-time City grant
  - 1.1% net growth in all other State, City, and federal funding
- Approximately \$87.6M, or 97%, of the District’s \$90.6M expenditure growth between FY15 and FY16 can be attributed to four categories:
  - Healthcare
  - Pension
  - Charter Schools
  - Debt

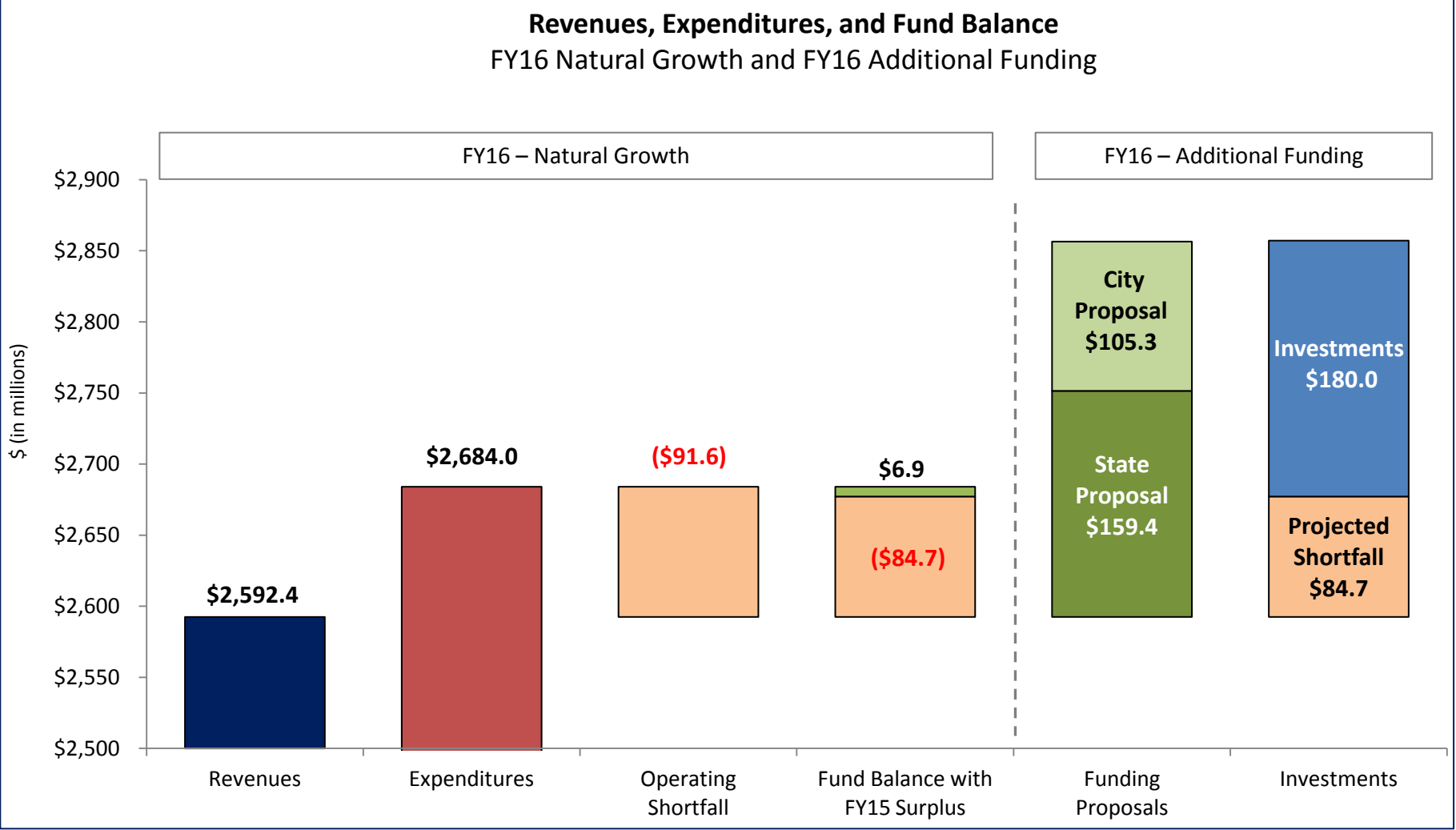




**Together Governor Wolf and Mayor Nutter have proposed a \$264.7 million increase in funding for The School District of Philadelphia.**

<b>Proposal</b>	<b>Increase in Funding</b>
State Proposal	\$159.4M
City Proposal	\$105.3M
<b>Total</b>	<b>\$264.7M</b>

# The Governor of Pennsylvania and Mayor of Philadelphia proposed \$264.7M in new funding for SDP. These new revenues will enable the District to reinvest in its schools and students.

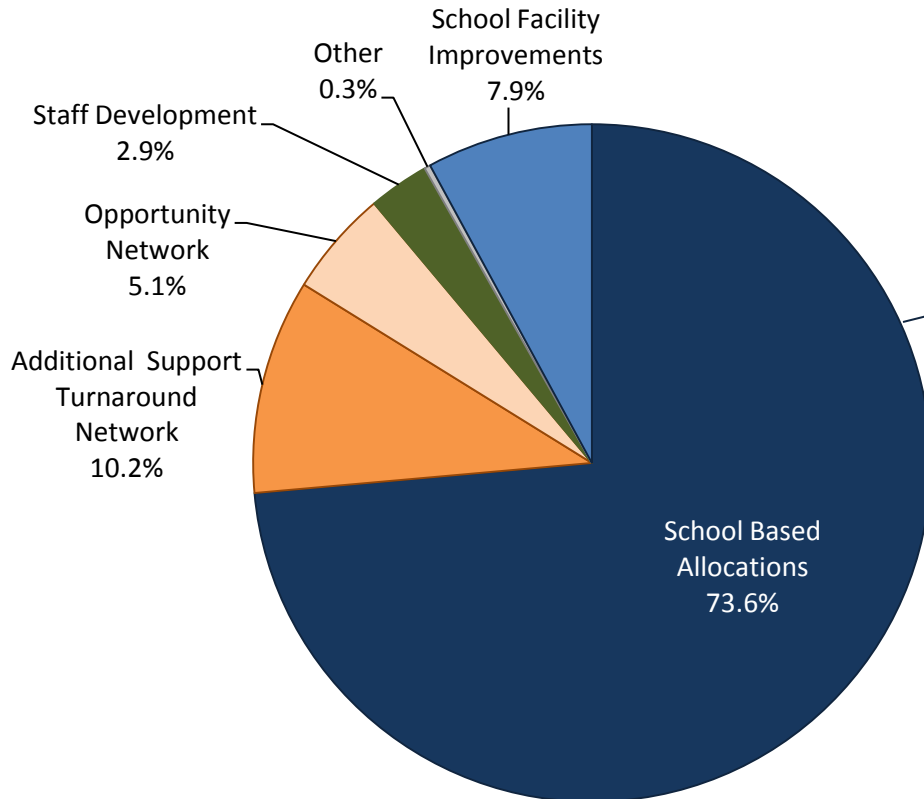


# The District's Lump Sum Statement includes the proposed revenues from both the State and City.

	Actual 2013/2014	Estimated 2014/2015	Request 2015/2016
	\$	\$	\$
Revenues	2,438,818	2,592,802	2,589,030
Other Financing Sources	31,668	22,267	3,439
<b>Total Revenues and Other Financing Sources</b>	<b>2,470,485</b>	<b>2,615,069</b>	<b>2,592,469</b>
Obligations	2,526,284	2,590,857	2,681,523
Other Financing Uses	2,264	2,518	2,518
<b>Total Obligations and Other Financing Uses</b>	<b>2,528,548</b>	<b>2,593,376</b>	<b>2,684,042</b>
Prior Year Fund Balance (Deficit) July 1	39,462	(14,821)	6,872
Fund Balance Prior to Changes in Reserves	(18,601)	6,872	(84,700)
Changes in Reserves	3,780	-	-
<b>Fund Balance (Deficit) June 30</b>	<b>(14,821)</b>	<b>6,872</b>	<b>(84,700)</b>
<b>Proposed Additional Funding</b>			
Mayor's Proposed Budget (March 5)			105,291
Governor's Proposed Budget (March 3)			159,373
<b>Additional Funding -- Total</b>			<b>264,664</b>
 Total Revenues -- Including Additional Funding			 2,857,133
 <b>Critical Investments -- Action Plan 3.0</b>			 <b>179,964</b>
 Total Expenditures -- Including Critical Investments			 2,864,005
<b>Fund Balance (Deficit) June 30 -- Including Additional Funding</b>	<b>(14,821)</b>	<b>6,872</b>	<b>0</b>

# The additional resources will change the services, supports, and educational opportunities that are provided to the students of this City.

## FY16: Additional Resource Allocation\*

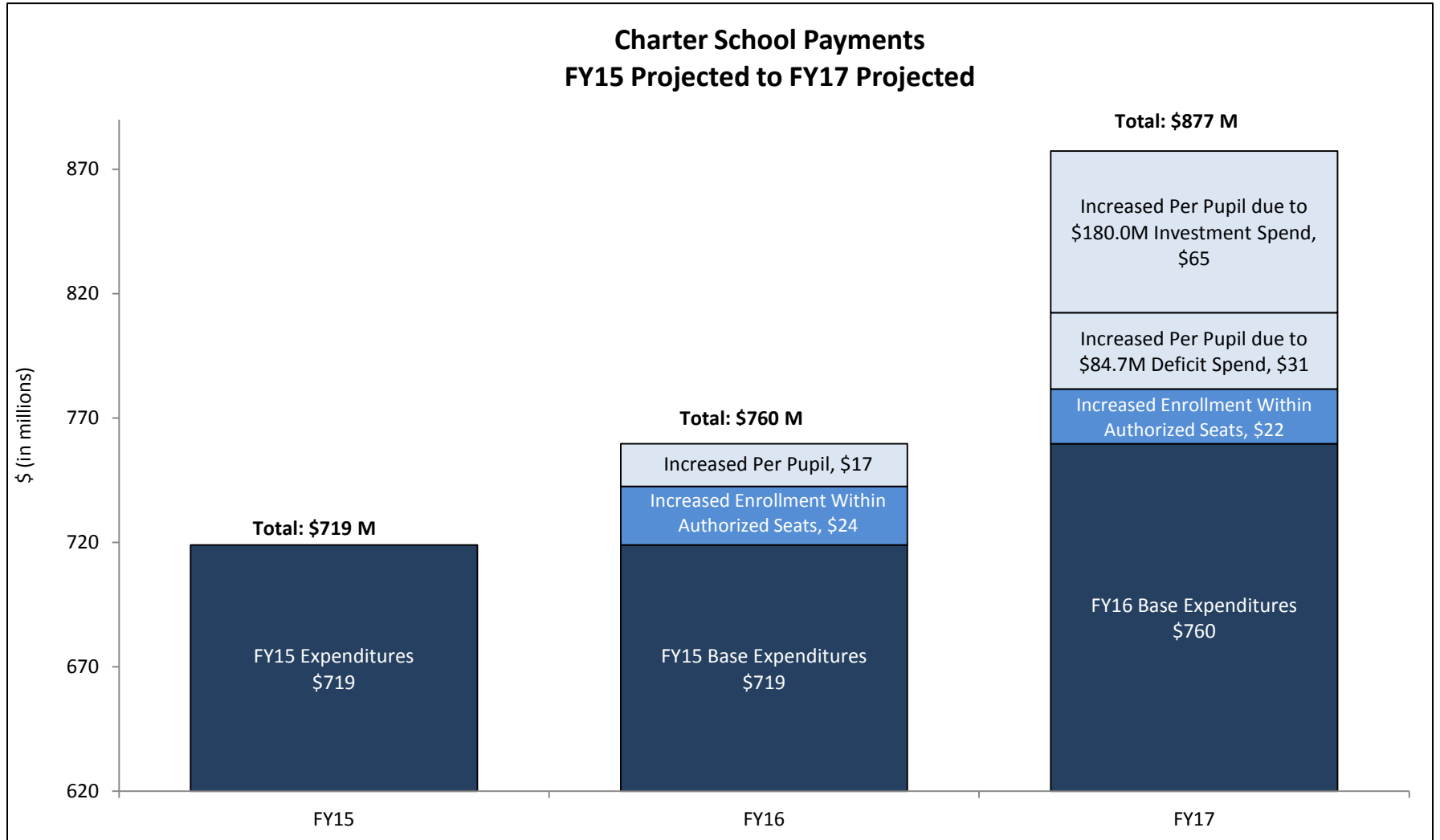


Principals and their staffs will be empowered to determine which programs and practices best meet the academic and social emotional needs of the students they serve, including:

- AP programming
- Credit recovery
- Differentiated instruction (e.g., small group pull out)
- Counseling support
- Nursing services
- Climate support
- Tutoring and/or Saturday programs to help students pass the Keystone Exams
- Integrated arts and/or music programming for students
- Coaching in literacy and math instruction for teachers to better support English language learners and special education students
- Inclusion opportunities for special education students

\* These resources exclude the \$84.7M allocated to support existing programs and expenditures to ensure that schools receive a similar level of service in FY16 to what they received in FY15.

**Between FY15 and FY16, charter expenditures are projected to increase by \$40.8M. If the District spends the \$264.7M in new funding proposed in FY16, payments to charter schools for the same number of students will increase by about \$96M in FY17.**



# Timeline

- **March 11 – March 31:** Principals complete school-budgets
- **April 22:** School-by-School Budget Book Released
- **April 24:** Budget Book Released
- **April 29:** SRC Budget Hearings
- **April – May:** Community Meetings
- **May 26:** City Council Hearing
- **May 28:** SRC Budget Vote
- **June 30:** State Budget Adoption
- **July – August:** Revise school budgets based on final State and City budget allocations