



## **Proposed School District FY2009-10 Budget**

*Michael J. Masch*  
*Chief Business Officer*

**April 22, 2009**

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The School District of Philadelphia  
Office of Family and Community Engagement  
440 N. Broad Street, Suite 114  
Philadelphia, PA 19130-4015  
Email: [ask@philasd.org](mailto:ask@philasd.org)  
Tel: (215) 400-4000  
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## Our Core Beliefs



- Children come first
- Parents are our partners
- Victory is in the classroom and is facilitated by a strong instructional leader
- Leadership and accountability are the keys to success
- It takes the engagement of the entire community to ensure the success of its public schools

## Our Guiding Principles

- Increasing achievement and closing the opportunity and achievement gaps for all students
- Ensuring the equitable allocation of all District resources
- Holding all adults accountable for student outcomes
- Satisfying parents, students, and the community



## **Building Blocks of the FY2009-10 School District Budget**

# **Student Enrollment**

## **Who do we serve?**



## **Overall Enrollment Has Declined Slightly in Philadelphia Public Schools Over the Past Decade**

### **But Charters Make Up a Greater Share of Total Public School Enrollment**

The total enrollment of the Philadelphia School District has declined by 8% over the past decade, from 213,000 to 195,411.

Charter School enrollment has increased dramatically over the same period. In 2008-09, more than 1 out of every 6 public school students in Philadelphia attends a charter school.

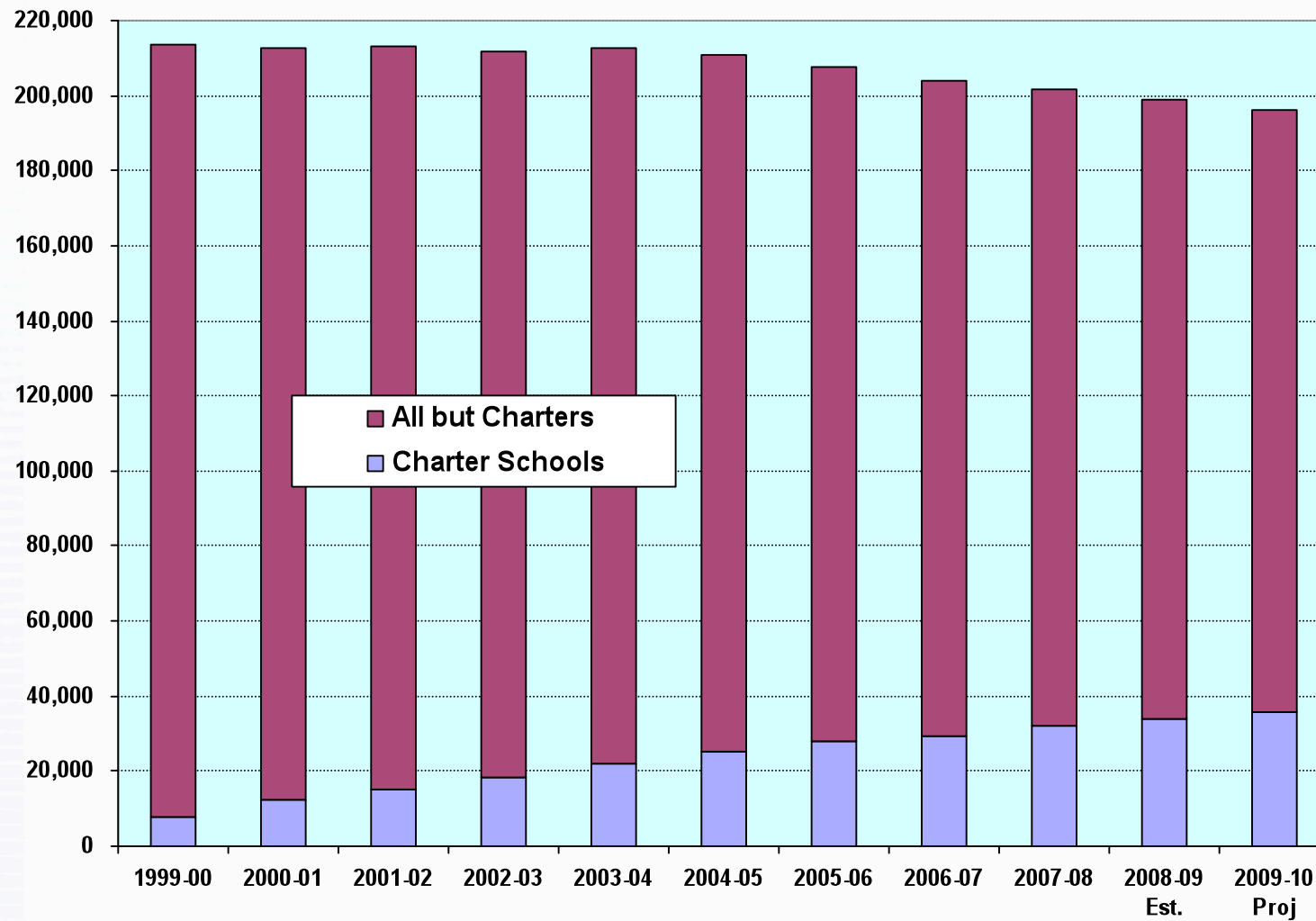
# School District of Philadelphia



Dr. Arlene C. Ackerman, Superintendent of Schools  
Officer

Michael J. Masch, Chief Business

School District of Philadelphia  
Enrollment FY1999-00 to FY2009-10





## **The School District of Philadelphia is Unique Among Pennsylvania's 501 School Districts**

The School District of Philadelphia is much larger than any of PA's other 500 school districts.

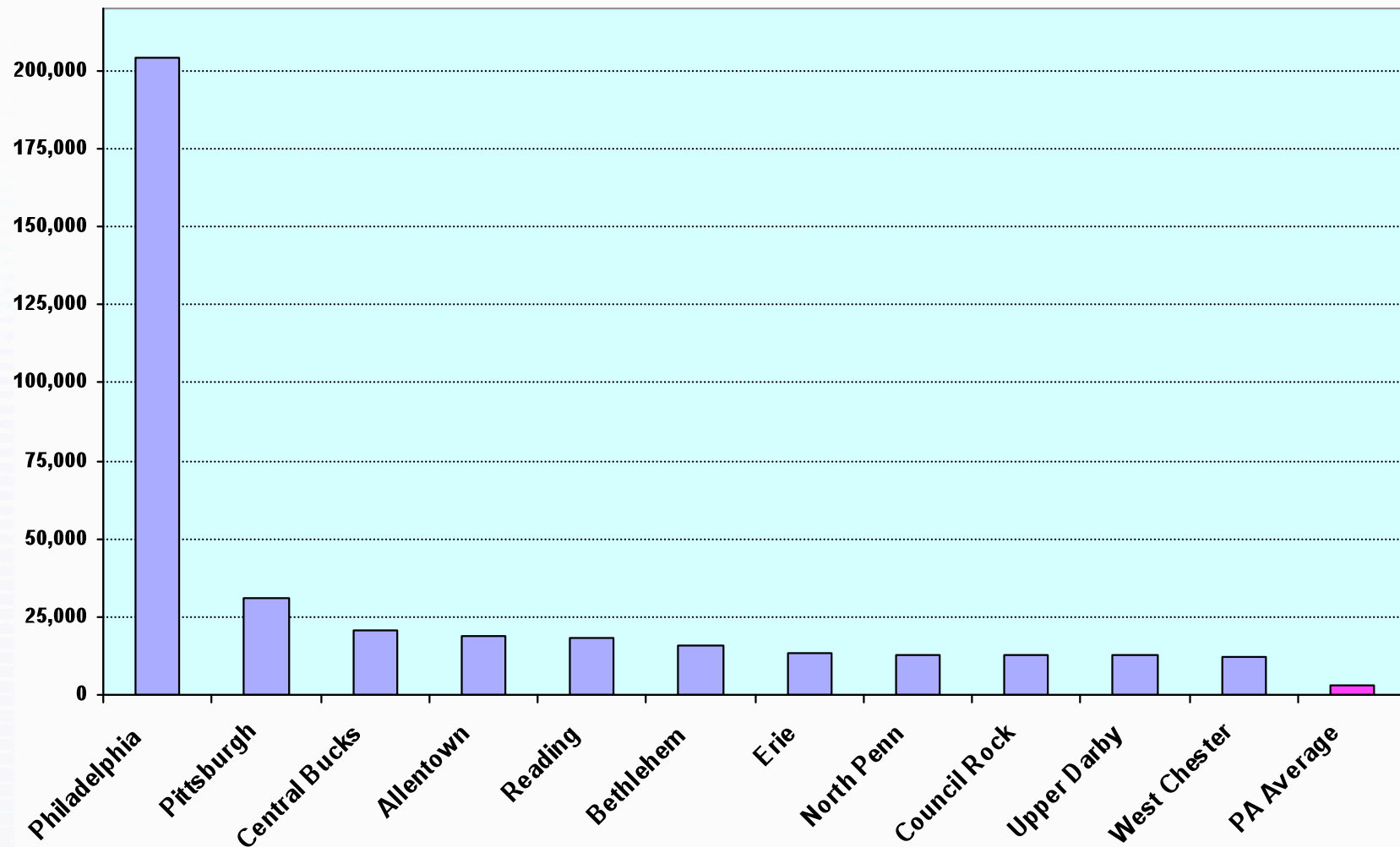
The School District of Philadelphia educates 11% of Pennsylvania's 1.8 million public school students.

The School District of Philadelphia is seven times larger than the Pittsburgh School District, Pennsylvania's second largest district.



## Enrollment in the 11 Largest School Districts in Pennsylvania 2006-07

There are 1.8 million students in PA public schools - 11% are in the Phila. School District.







## **Philadelphia's student body includes a large number of low income students, English Language Learners and special needs children**

Low income students comprise 76% of the School District's enrollment, while 15% of students receive special education services and 7% are English Language Learners.

The need for English for services for English Language Learners has increased by 17% since 2001. This includes charter school students.

Students needing special education services has increased by 7% since 2005. This includes charter school pupils.

Philadelphia educates 23% of Pennsylvania's low income students and 25% of Pennsylvania's English Language Learners.



## **The School District provides educational services to a number of special populations including:**

**Hospital and Homebound Students:** In FY2009-10 the District expects to service 3,025 homebound and hospitalized students at a cost of \$2,187,796.

**Students in Institutional and Other Placements:** The FY2009-10 budget to provide educational services to students in out-of-District placements is increasing by 7.3%, from \$65,336,543 in FY2008-09 to \$70,106,543 in FY2009-10. The District expects to provide funding for educational services for 4,800 students in placements next year.

**Services to Non-Public School Students:** These services are mandated by and funded through PA Act 89. Expenditures are \$47,760,683 in FY2008-09 and are expected to increase by \$965,716 to \$48,726,398 in FY2009-10.



## **The School District has been increasing early childhood services for pre-school students in recent years**

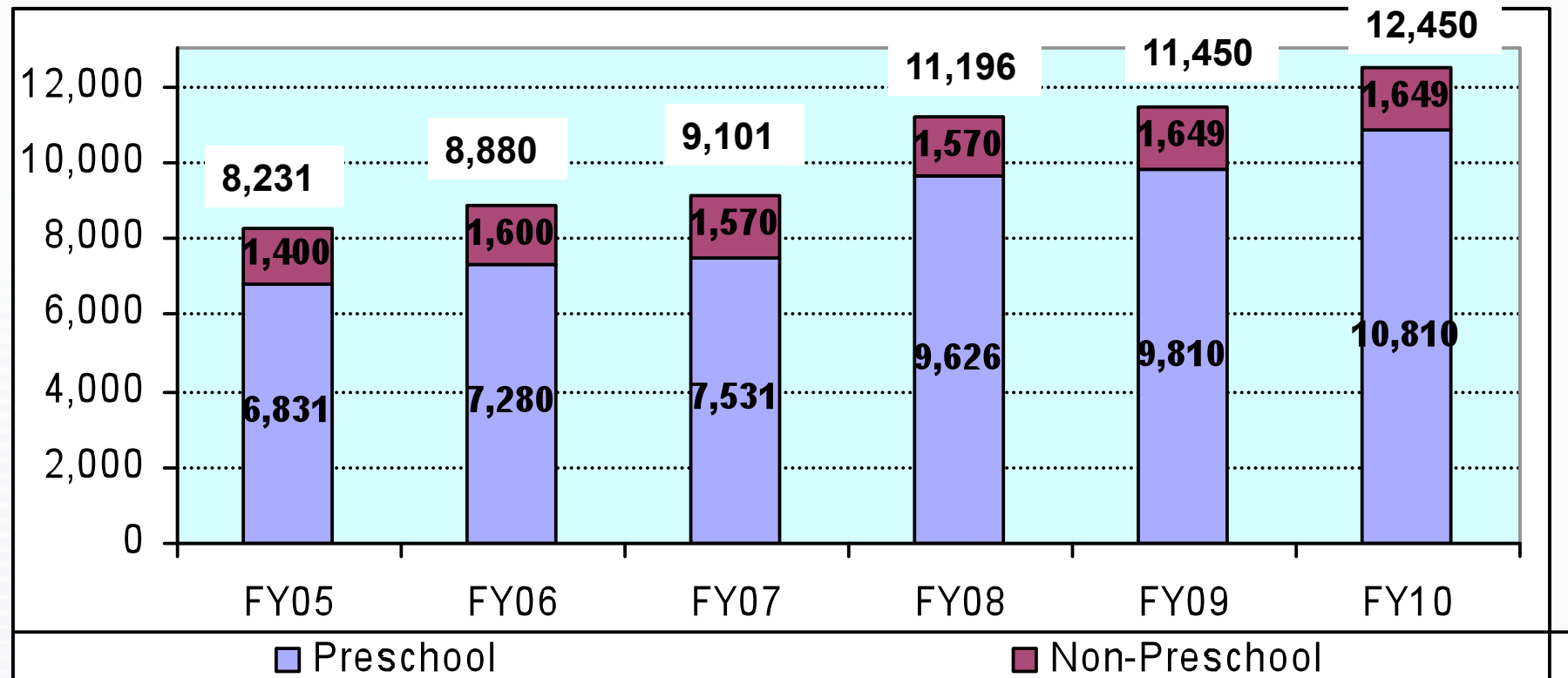
SDP early childhood enrollment increased from 8,231 children in 2004-2005 to 11,459 children in 2008-2009, but at lower per-student cost due to a major restructuring of District programming.

Preschool enrollment increased from 6,831 in 2004-2005 to 9,810 in 2008-2009 and non-Preschool enrollment increased from 1,400 in 2004-2005 to 1,649 in 2008-2009.

In FY2009-10, the District proposes an increase of 1000 early childhood slots.



## Growth in Early Childhood Education Slots



**In FY10, PreK Counts and Head Start should each serve an additional 500 students. The final enrollment levels will be determined by the PA Office of Child Development and Early Learning.**



## **Building Blocks of the FY2009-10 School District Budget**

# **Student Achievement**

## **Accomplishments to Date**

## **Challenges Ahead**



## **The School District of Philadelphia is Making Steady Gains in Academic Achievement**

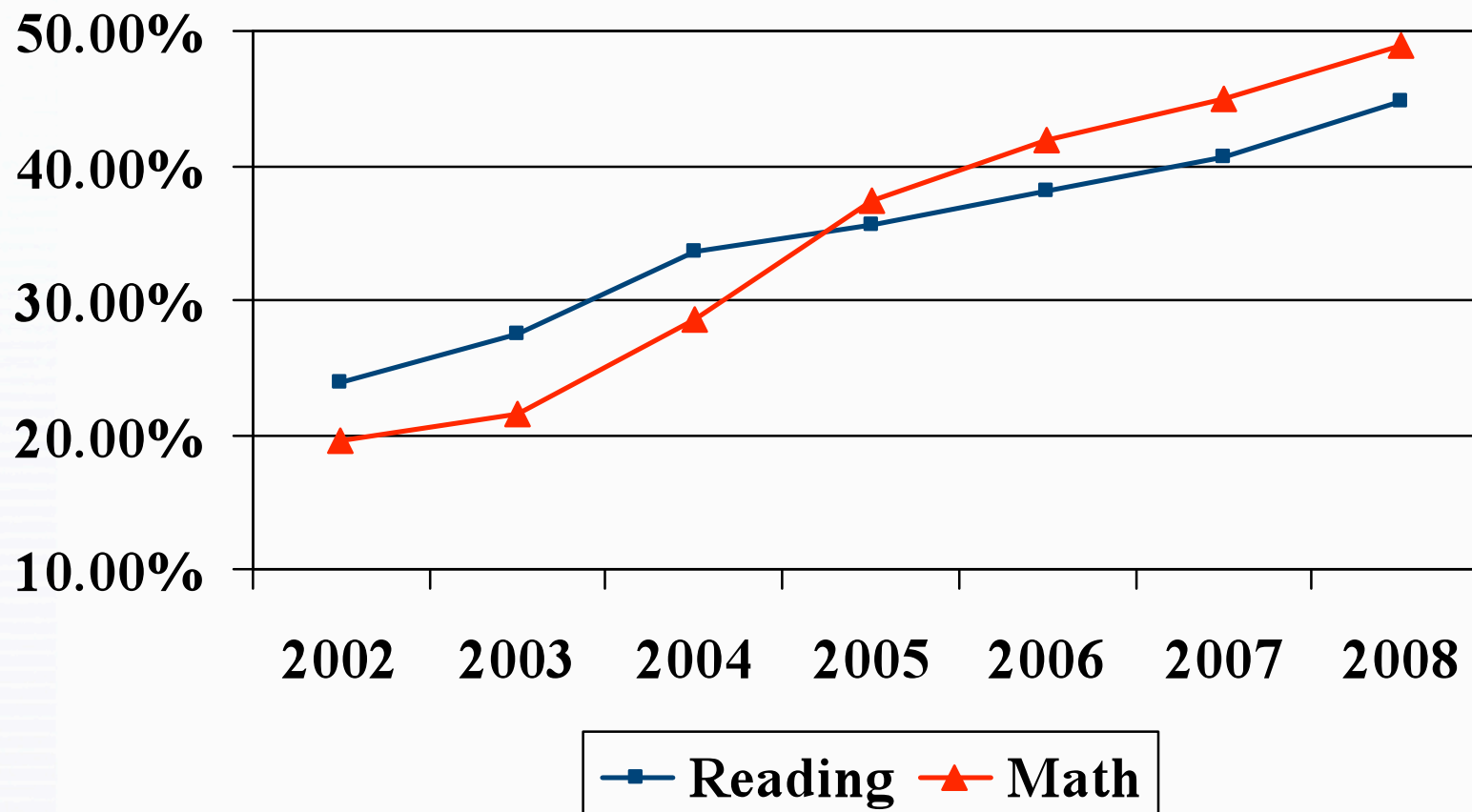
The School District of Philadelphia has made steady progress in raising student performance in math and reading over the past 6 years.

The percentage of students performing at grade level in reading has increased from 24% to 45% over the past six years, and from 20% to 49% in math.

Since 2002, Philadelphia has increased the percentage of students reading at grade level by 21%. This means that over 32,000 additional Philadelphia students are now performing at grade level – a number of students greater than the entire enrollment of any other PA school district.

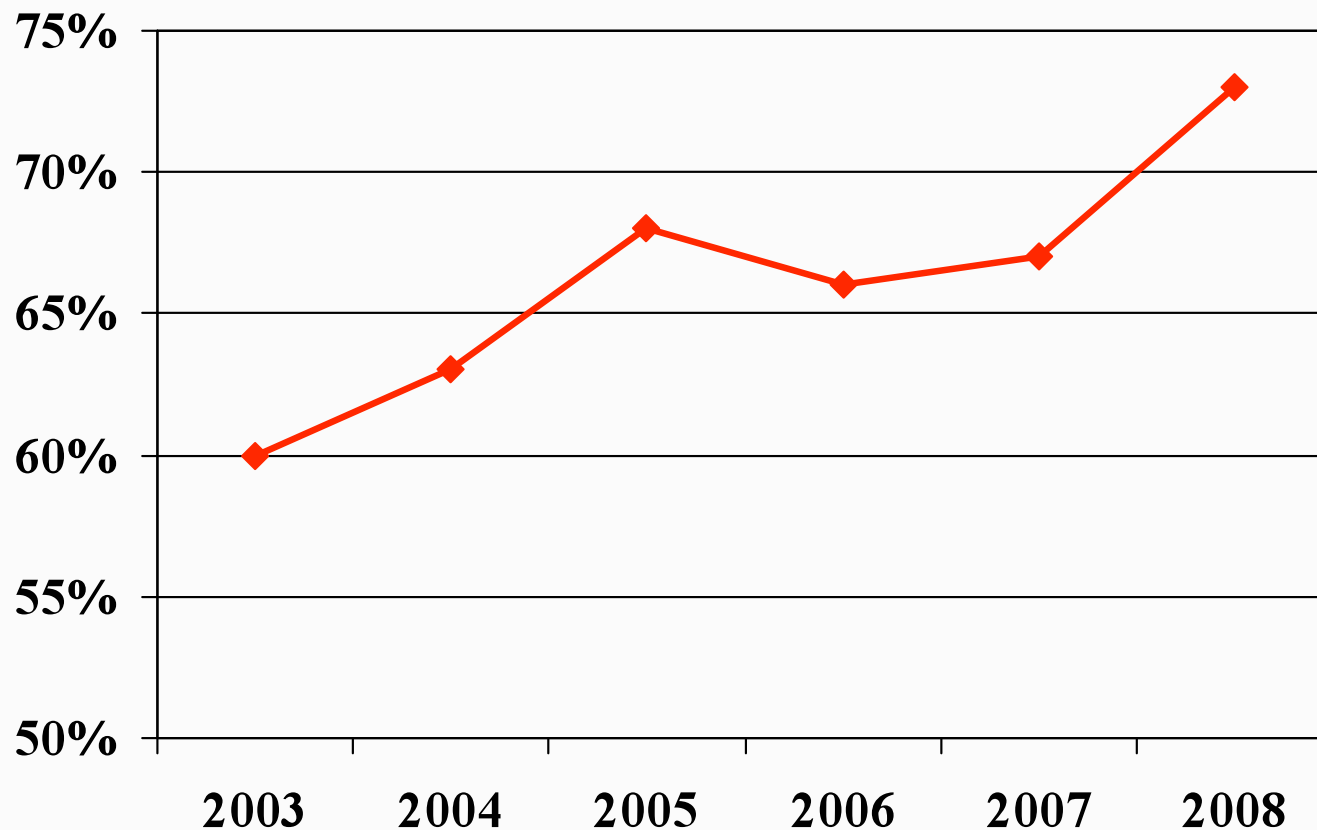


## Percentage of Students Advanced or Proficient All Grades Combined





## The School District of Philadelphia Has Achieved Higher Graduation Rates since 2002



Source: Pennsylvania Department of Education, <http://paayp.com/county.jsp?selectCounty=Philadelphia&test=1>





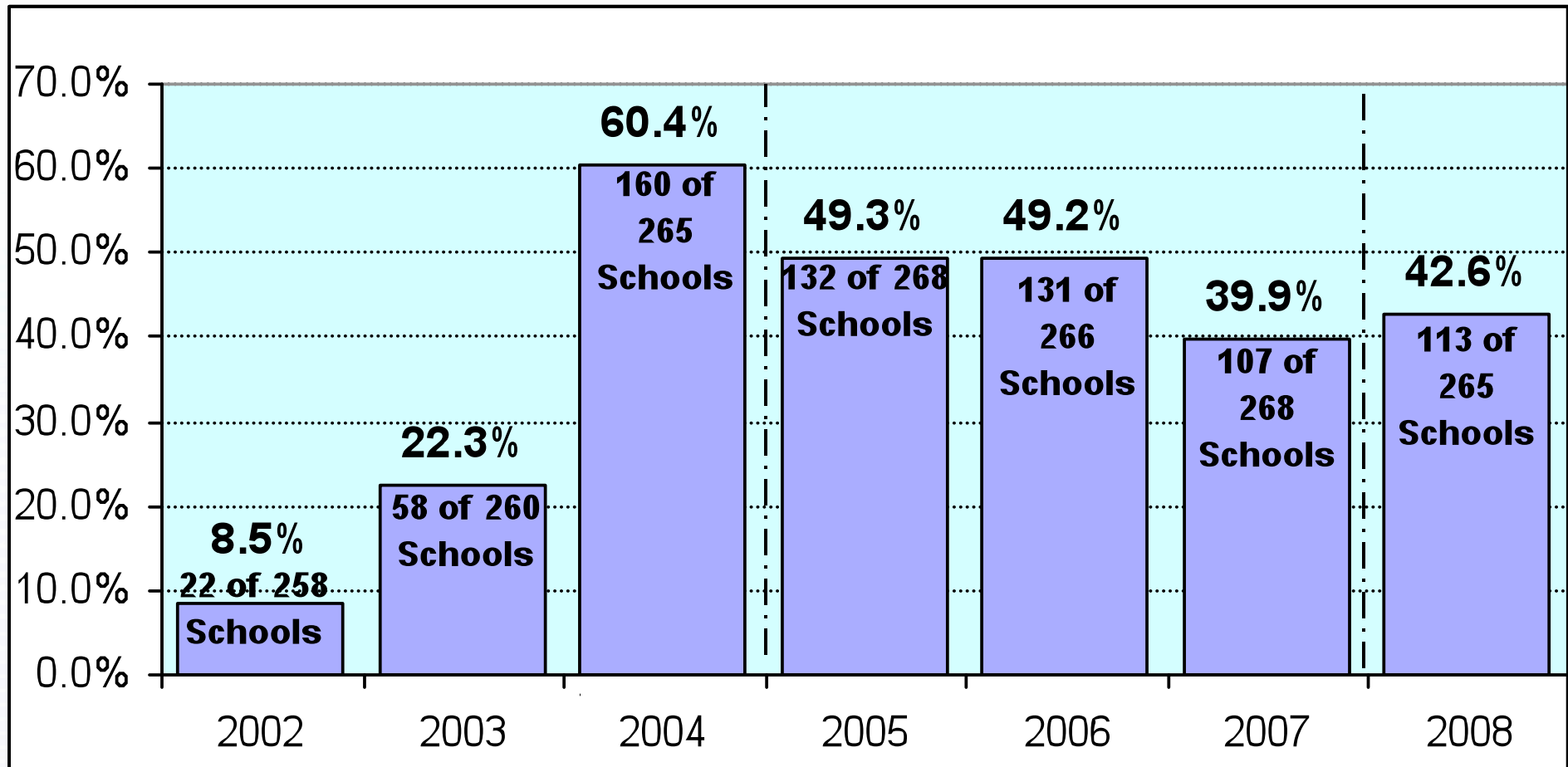
## **More SDP Schools Meet Federal AYP Targets, Despite Rising Standards**

In 2002, 22 Philadelphia schools met federal “No Child Left Behind” standards for Adequate Yearly Progress. In 2008, even though AYP standards were higher, 113 Philadelphia schools meet federal standards for Adequate Yearly Progress.

AYP standards have increased over time, making it more difficult for schools to reach these targets. These standards are based upon the percentage of students scoring in the advanced and proficient categories. From 2002 to 2004 reading and math targets were respectively 45% and 35%. These indicators increased to 54% and 45% respectively from 2005-2007 and to 63% and 56% respectively in 2008 to 2010.



## Number and Percentage of Schools Making AYP 2002-2008



AYP standards have increased over time, making it more difficult for schools to reach these targets. These standards are based upon the percentage of students scoring in the advanced and proficient categories. From 2002-2004 reading and math targets were respectively 45% and 35%. These indicators increased to 54% and 45% respectively from 2005-2007 and to 63% and 56% respectively in 2008-2010.

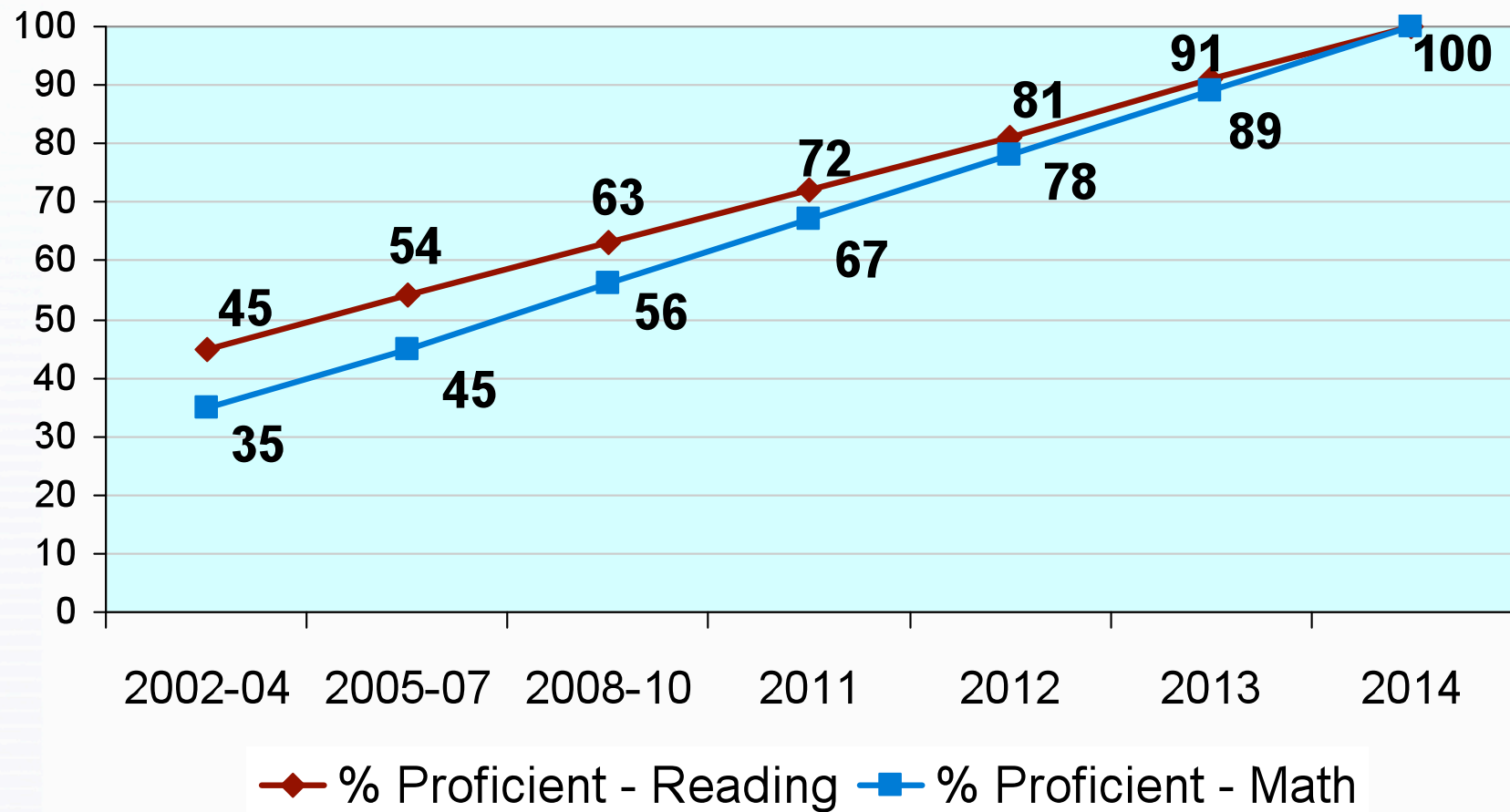


## **The District has made significant and measurable academic gains, yet considerable challenges remain:**

- Fewer than half of our schools made Adequate Yearly Progress (AYP) in 2008 under the requirements of the federal No Child Left Behind Act (NCLB).
- Just one-third of the District's 11th-graders were proficient in reading based on the most recent PSSA.
- Pennsylvania has until 2014 to reach 100 percent proficiency in reading and math, as required by the federal No Child Left Behind Act (NCLB). If PA is to meet federal standards for Adequately Yearly Progress in improving public education, the School District Progress must accelerate its performance in raising student achievement levels.



## No Child Left Behind Reading & Math Targets

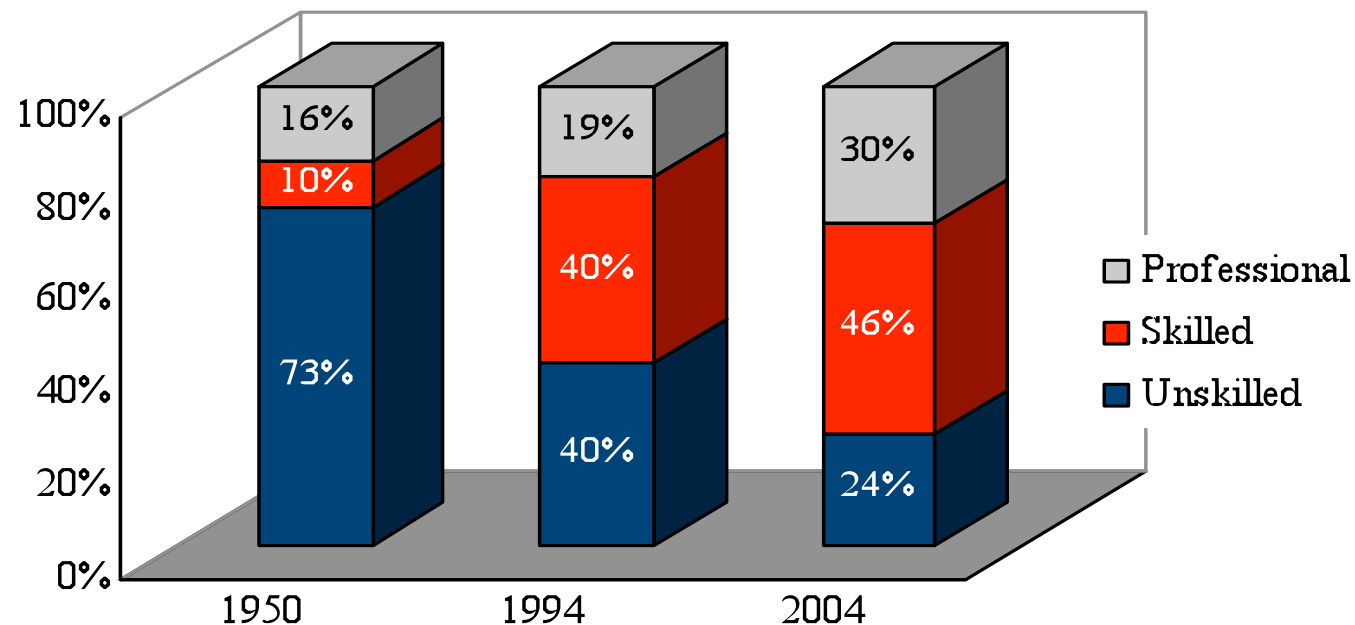




## Three-quarters of all jobs now require highly skilled workers

Public schools must perform better now than they ever have in the past if our children are going to be able to compete successfully in today's challenging global economy.

**Changing Workforce Demands**





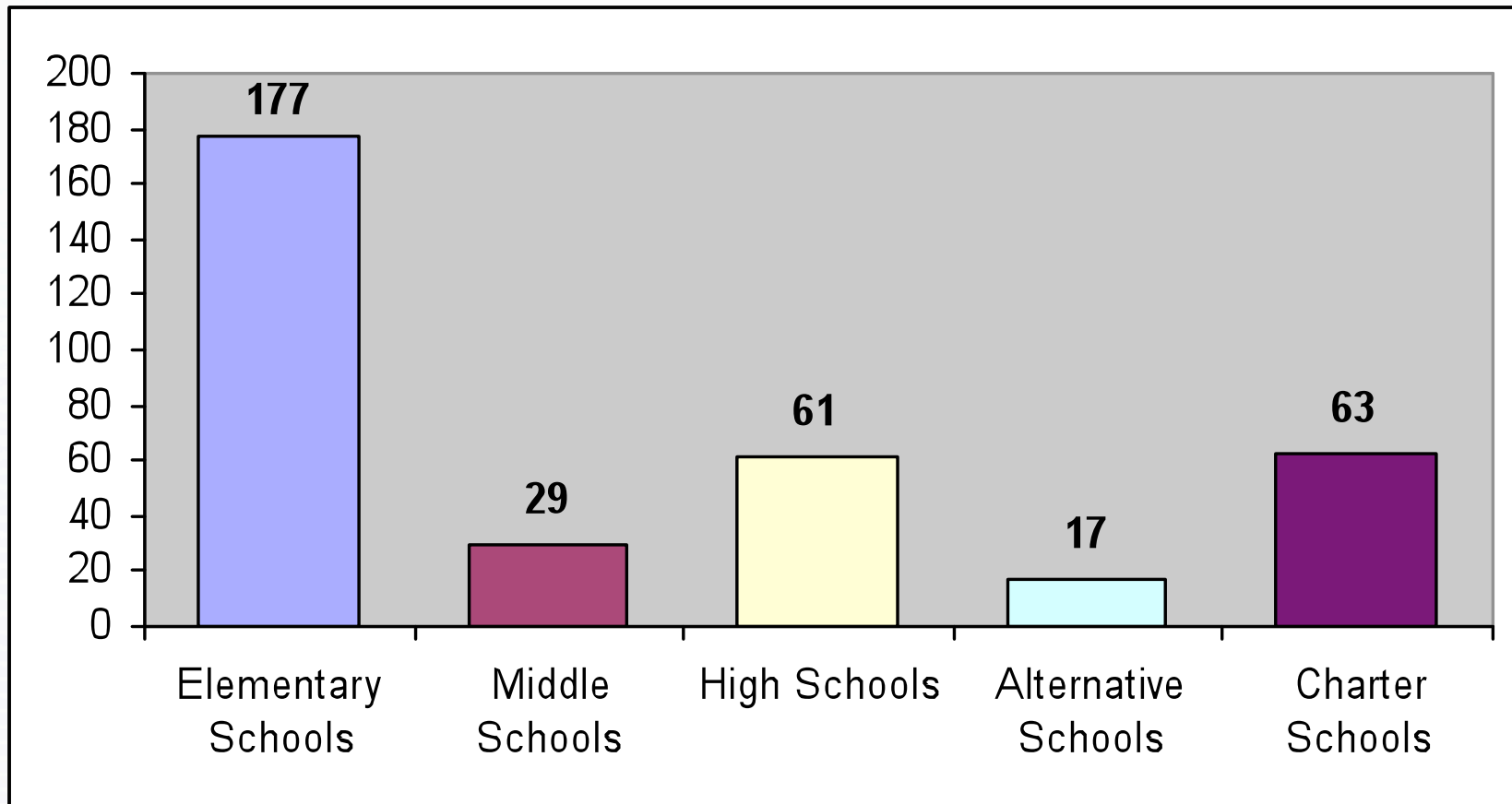
## Building Blocks of the FY2009-10 School District Budget

# School District Facilities



## Where do we educate our children?

The School District of Philadelphia Educates its students in 347 schools



Note: Some Philadelphia schools operate in more than one building. In a few instances, more than one school operates in a single School District Building



## **The School District of Philadelphia Has Been Expanding School Choice**

In 2002 the School District of Philadelphia sponsored 39 charter schools. In 2008 the District sponsored 61 charter schools, offered 17 city-wide magnet schools and 5 regional magnet schools. Over one-third of Philadelphia's schools are now operated under non-traditional management structures – Educational Management Organizations or Charter Schools.

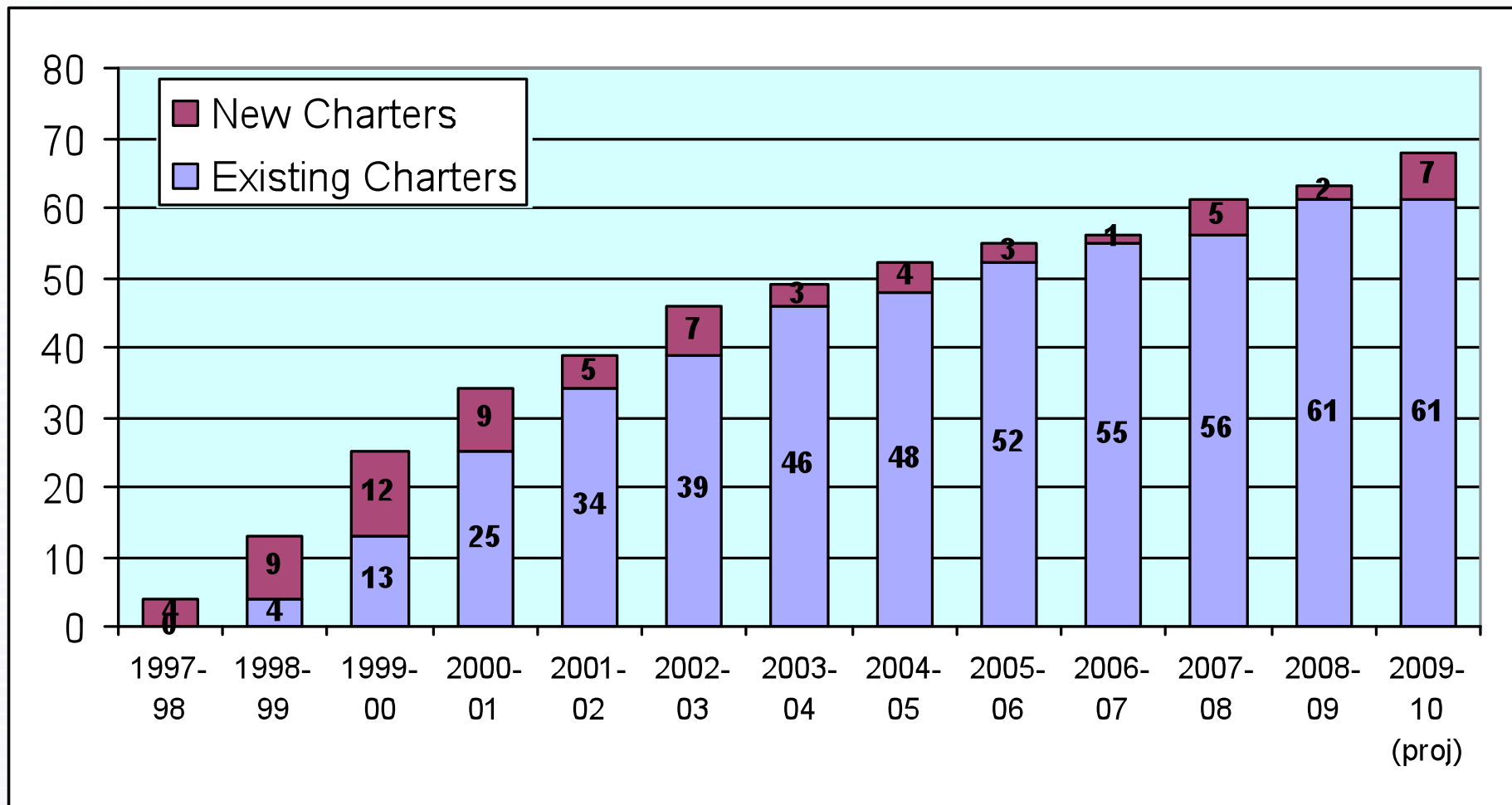
In 2002 there were 38 high schools in the Philadelphia School District, with an average student population of about 1,700. In 2008 there are 61 directly-operated Philadelphia high schools, and 20 charter high schools, with an average student population of 723; half of Philadelphia's high schools have a student population of 500 or less.





## Where do we educate our children?

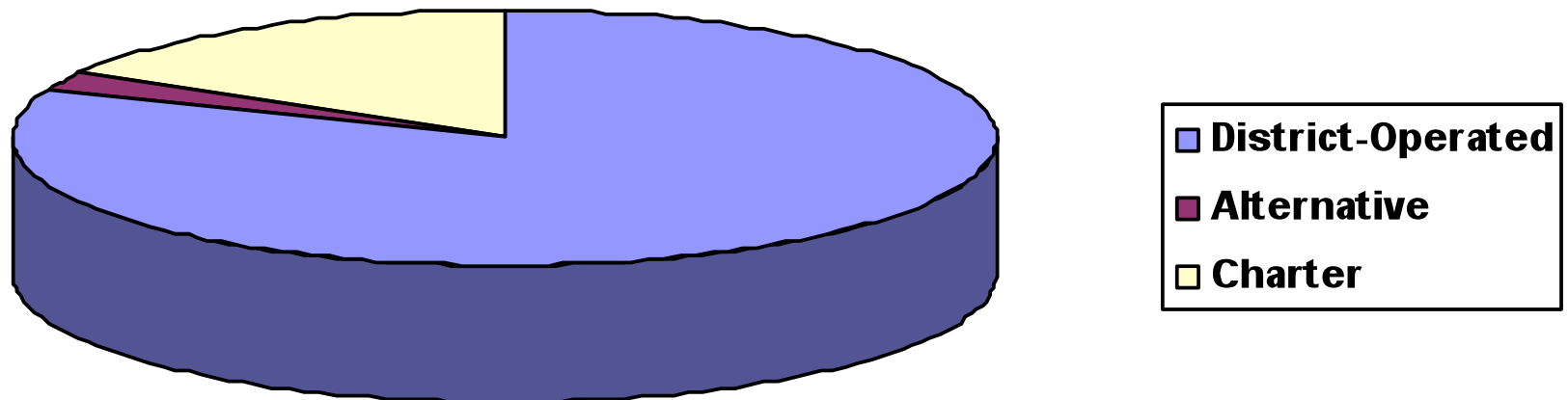
Charter schools are District-funded, non-District operated schools that have seen a steady growth since their inception.





## Where do we educate our children?

Nearly 2 out of 10 of District Funded Students Attends a Non-District Operated School



School Classification	Enrollment	Percentage of Total Enrollment
District-Operated	158,410	81.07%
Alternative	4,653	2.38%
Charter	32,348	16.55%
Total	195,411	100.00%



## **Proposed FY2009-10 School District Budget**

# **Financial Statement**

# School District of Philadelphia



Dr. Arlene C. Ackerman, Superintendent of Schools  
Officer

Michael J. Masch, Chief Business

SCHOOL DISTRICT OF PHILADELPHIA				
Operating Funds FY 2009-10 Proposed Budget -- Financial Statement				
	A	B	C	D
	FY2006-07	FY2007-08	FY2008-09	FY2009-10
(\$ 000's)	Actual	Actual	Estimated	Projected
1 <b>Fund Balance (Deficit) at Beginning of Year - July 1</b>	<b>(\$23,766)</b>	<b>(\$790)</b>	<b>(\$476)</b>	<b>\$5,296</b>
2 <i>Local Tax Revenues</i>	\$718,889	\$777,585	\$782,090	\$772,397
3 <i>Grant from City of Philadelphia</i>	\$35,000	\$37,000	\$38,490	\$38,540
4 <i>Local Non-Tax Revenues</i>	\$65,927	\$62,867	\$53,359	\$57,949
5 <i>State Revenues</i>	\$1,221,182	\$1,283,432	\$1,372,669	\$1,491,455
6 <i>Federal Revenues</i>	\$249	\$285	\$214	\$202
7 <b>Revenues - Total</b>	<b>\$2,041,247</b>	<b>\$2,161,170</b>	<b>\$2,246,822</b>	<b>\$2,360,543</b>
8 Other Financing Sources	\$38,026	\$8,971	\$29,447	\$6,830
9 <b>Total Revenues and Other Financing Sources</b>	<b>\$2,079,272</b>	<b>\$2,170,141</b>	<b>\$2,276,269</b>	<b>\$2,367,373</b>
10 <b>Obligations</b>	<b>\$2,063,752</b>	<b>\$2,159,235</b>	<b>\$2,263,319</b>	<b>\$2,364,655</b>
11 Other Financing Uses	\$10,445	\$11,872	\$8,065	\$8,014
12 <b>Total Obligations and Other Financing Uses</b>	<b>\$2,074,197</b>	<b>\$2,171,107</b>	<b>\$2,271,384</b>	<b>\$2,372,669</b>
Excess (Deficiency) of Revenues & Other Financing Sources Over				
13 (Under) Obligations and Other Financing Uses	\$5,075	(\$967)	\$4,885	(\$5,296)
14 Other Financing Sources - Refinancing	\$735,551	\$682,630	\$113,128	\$0
15 Other Financing Uses - Refinancing	\$735,551	\$681,893	\$113,128	\$0
16 <b>Net Change due to Refinancing</b>	<b>\$0</b>	<b>\$737</b>	<b>\$0</b>	<b>\$0</b>
17 <b>Fund Balance Prior to Changes in Reserves (Lines 1+13+16)</b>	<b>(\$18,690)</b>	<b>(\$1,020)</b>	<b>\$4,409</b>	<b>(\$0)</b>
18 Change in Reserves	\$17,900	\$544	\$887	
19 <b>Fund Balance (Deficit) at Year End - June 30</b>	<b>(\$790)</b>	<b>(\$476)</b>	<b>\$5,296</b>	<b>(\$0)</b>

In the fall of 2006, the District discovered it had ended the prior fiscal year with an unexpected deficit of \$23M. By the spring of 2007, the SDP was forecasting that it could face a potentially disastrous \$181M deficit by the end of FY2007-08. With the help of additional funds from the City and the State and tough District corrective actions, FY07-08 ended nearly balanced. The District has returned to balanced budgets and fiscal stability since.



## **Proposed FY2009-10 School District Budget**

# **Revenues**

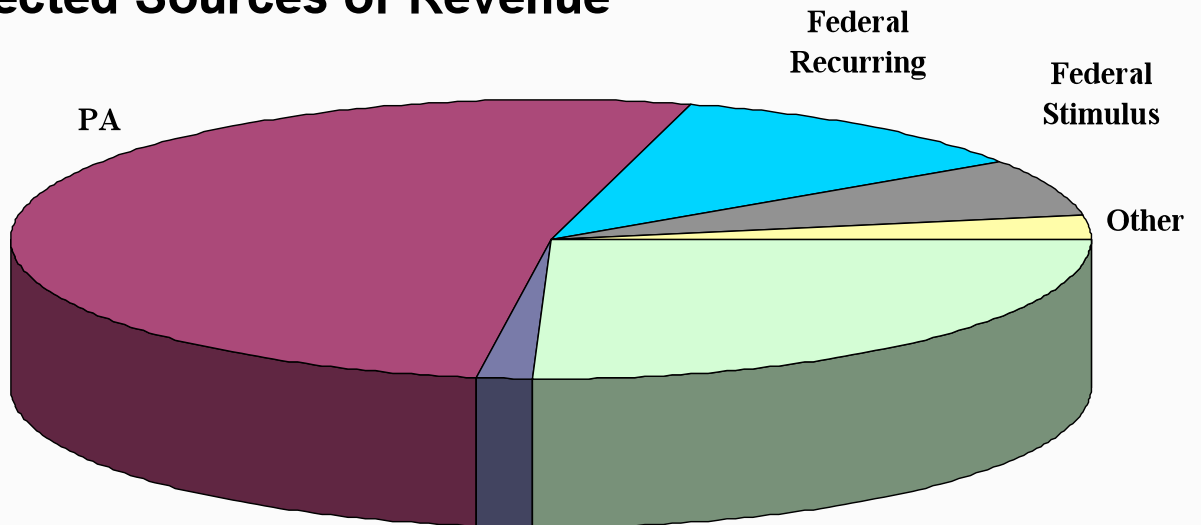


## School District Revenue Sources

The School District of Philadelphia projects it will receive \$3,181 million in Local, State and Federal Revenues in FY2009-10, an increase of 11.5% over FY2008-09, the current fiscal year.

### SDP FY2009-10 Projected Sources of Revenue

**Total: \$3,181M**



	FY2008-09	FY2009-10	% of FY09-10
Local Tax/City Grant	\$ 820	\$ 810	25%
Local Non-Tax	\$ 54	\$ 59	2%
PA	\$ 1,525	\$ 1,646	52%
Federal Recurring	\$ 366	\$ 369	12%
Federal Stimulus		\$ 209	7%
Other	\$ 109	\$ 88	3%

Local  
Non-Tax

Local Tax/City Grant

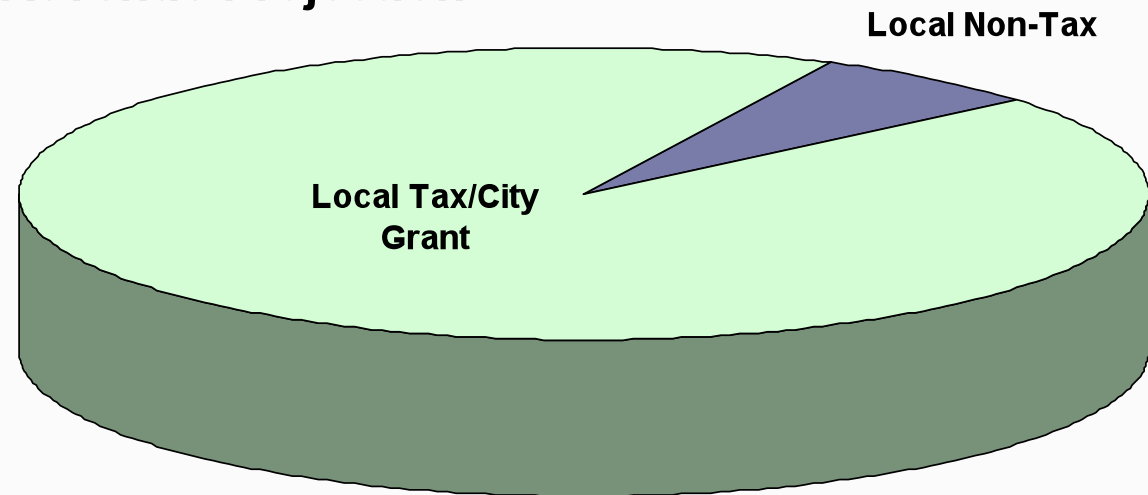


## Local Revenues

In FY2009-10, the District is projected to receive \$869 million in Local Taxes/City Grant and Local Non-Taxes, which is 27% of the total projected revenues.

### FY2009-10 Local Revenue Projection

**Total: \$869M**



	FY2008-09	FY2009-10	% of Total
Local Tax/City Grant	\$ 820	\$ 810	93%
Local Non-Tax	\$ 54	\$ 59	7%

Projections are consistent with the City's FY2010-14 Proposed Five Year Plan. As a result of weakness in collections due to the recession, the local contribution is estimated to grow by less than 1% in FY 2008-09 (the current fiscal year ending June 30, 2009) and to decline by 1% (\$10M) in FY 2009-10. The decline is primarily due to lower projected collection rates for Philadelphia real estate taxes.



## Major Revenue Sources FY 2009-10 Current Forecast

### Local Tax Revenues/City Grant – Operating Funds

- From FY 2000-01 to FY 2007-08, the local contribution to the School District (from local taxes and City grants) grew by 5% per year.
- As a result of weakness in collections due to the recession, the local contribution is projected to grow by less than 1% in FY 2008-09 (the current fiscal year ending June 30, 2009) and to decline by 1% (\$10 million) in FY 2009-10. The decline is primarily due to lower projected collection rates for Philadelphia real estate taxes.
- If local revenue was growing at the same rate in FY2008-09 and FY2009-10 as it did in the years from FY 2000-01 through FY 2007-08, the School District would be collecting an additional \$116 million in local revenue over this two year period.



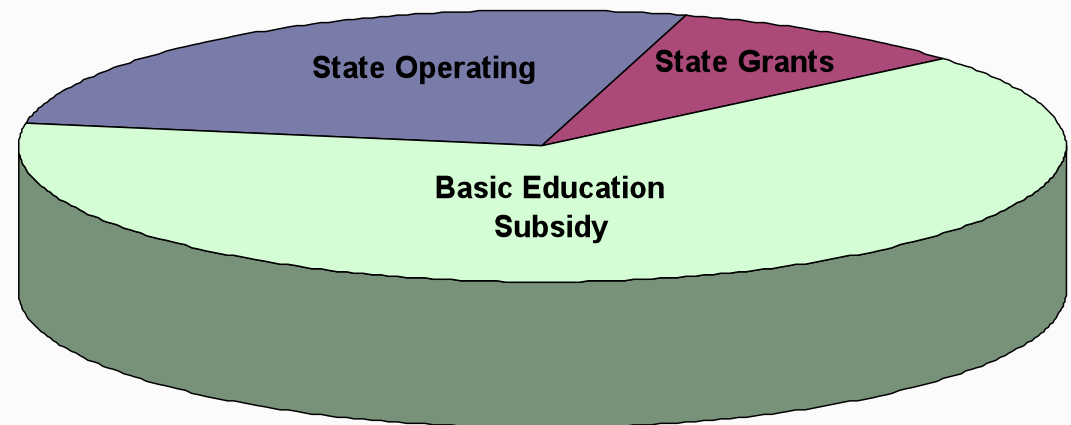


## State Revenues

In FY2009-10 the District estimates it will receive \$1,646 M in total State Funding, which is 52% of the total projected FY 2009-10 revenue.

### FY2009-10 State Revenue Projection

**Total: \$1,646M**



	FY2008-09	FY2009-10	% of Total
Basic Ed. Subsidy	\$ 933	\$ 1,053	64%
State Operating	\$ 440	\$ 439	27%
State Grants	\$ 153	\$ 154	9%

- Assumes Governor's proposed increase of BES FY10 funding to 2nd year adequacy target level of \$418 (\$121 for SDP) is approved by the General Assembly.
- Assumes FY09 is the Base year for BES funding for FY10.
- The State Alternative Education grant for \$14 M that the District received in prior years was not included in the Governor's Proposed FY2009-10 Budget – the Baseline Budget assumes this grant is not restored by the General Assembly



## FY 2009-10 Revenue Forecast

### State Basic Education Subsidy (BES)

- Under the six year plan to close the PA K-12 Education Funding Adequacy Gap, the target second year (FY 2009-10) increase in the state-wide Basic Education Subsidy is \$418 million.
- The Governor proposed a \$300 million FY2009-10 increase in the BES on February 4, 2009, funded with projected Federal Stimulus dollars.
- Because the final version of the American Recovery and Reinvestment Act (the Federal stimulus bill) allocated slightly more Federal education funding to Pennsylvania than had been expected on February 4, the Governor proposed on March 3, 2009 to increase the Basic Education Subsidy by \$418 million in FY2009-10, the full second year Adequacy target.
- The School District's share of a \$418 million increase in BES is \$121 million.
- Final action establishing the BES total and the district-by-district BES allocation for FY2009-10 will take place when the Pennsylvania General Assembly adopts the FY2009-10 Commonwealth Operating Budget. This is supposed to occur on or before June 30, 2009.
- The Commonwealth is using dedicated funding for public education it is receiving under the American Recovery and Reinvestment Act to fund the 2009-10 increase in the Basic Education Subsidy at the level the Governor has recommended. These funds cannot be used for any purpose other than the support of public education, and must be distributed using existing state funding formulas. Providing additional funding to school districts to address equity and adequacy is a permitted use of Stimulus education funds under the ARRA.
- Since Federal ARRA funds are being used to support the proposed FY2009-10 increase in the BES, this increase can be accomplished without having to make cuts in any other state program.



## Major Revenue Sources FY 2009-10 Current Forecast

### Other State Funding – Operating Funds

- An Alternative Education grant for \$14 million that the School District has received in prior years was not included in the Governor's proposed FY2009-10 Budget.
- The Governor has recommended that state reimbursement for Charter Schools be increased by 12%. This level of increase would cover 42% of the District's prior year costs for per-student payments to Philadelphia's 61 existing Charter Schools, an increase in state funding of \$14 million. This will help the District cover rising costs related to planned enrollment increases at the District's existing Charter Schools. The state will not provide the District with any additional funding to cover cost increases related to the authorized opening of 6 new charter schools in FY2009-10 and one additional school in FY2010-11, as state reimbursement is only provided as reimbursement for prior year Charter School costs.



## The PA “Costing Out Study”

### “Costing Out the Resources Needed to Meet Pennsylvania’s Public Education Goals”

In 2006 the PA General Assembly commissioned the State Board of Education to determine what level of funding was required for all of the state’s schools to be successful.

Based on a study of what successful school districts in PA and elsewhere in the U.S. actually spend, the PA Board of Education determined in December 2007 that \$4.3 billion in additional funding was needed.

The costing out study found that 474 of Pennsylvania’s 501 school districts lacked adequate resources to successfully educate all of their students. The study found that average expenditures per student across the state were \$9,512 in 2006 and needed to be \$12,057. The study found that the poorest 20% of Pennsylvania’s school districts needed to raise their per student spending by 35% to attain adequacy, while the wealthiest 20% needed to raise spending by 7%.

For the School District of Philadelphia the PA Board of Education determined that the adequacy funding gap was \$4,974 per student.



## Responding to the Costing Out Study

In Act 61 of 2008 (the 2008-09 School Code Bill) the Commonwealth set a goal of providing over \$2 Billion of additional State Basic Education funding (over and above normal inflationary increases in other Education budget lines like Special Ed, Transportation, Retirement, etc.) to close the funding adequacy gap identified by the PA Board of Education.

The Pennsylvania General Assembly included the first year of “adequacy” funding in the adopted FY2008-09 PA budget for Pennsylvania’s public schools.

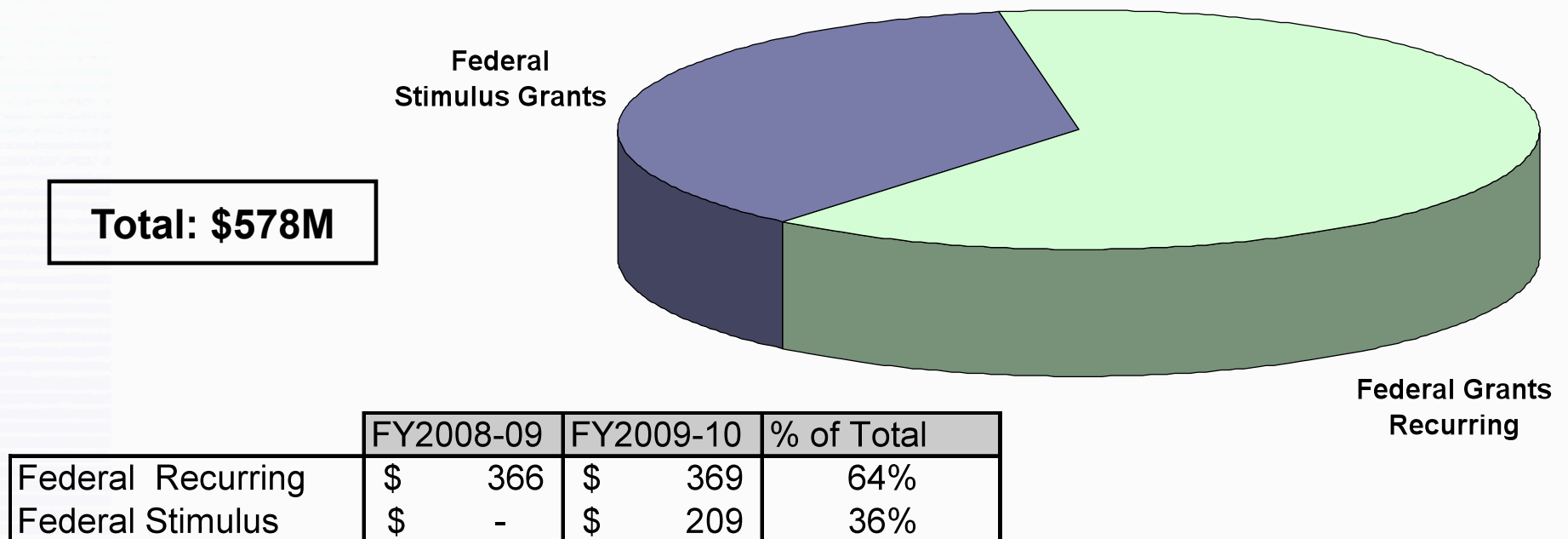
Governor Rendell has proposed that the Commonwealth provide year two adequacy funding in his proposed FY2009-10 PA budget.



## Federal Revenues

The School District projects it will receive \$578 M in Federal Grants in FY2009-10, of which \$209 M are Federal Stimulus Funds. Federal grants are projected to comprise 18% of the SDP's total estimated FY2009-10 revenues

### FY2009-10 Federal Grants Revenue Projection



Projected Stimulus Funding includes \$81M in Title I (A), \$23.5M in IDEA (B), \$2M in Title II (D) and \$102M in State Fiscal Stabilization Fund Grants.



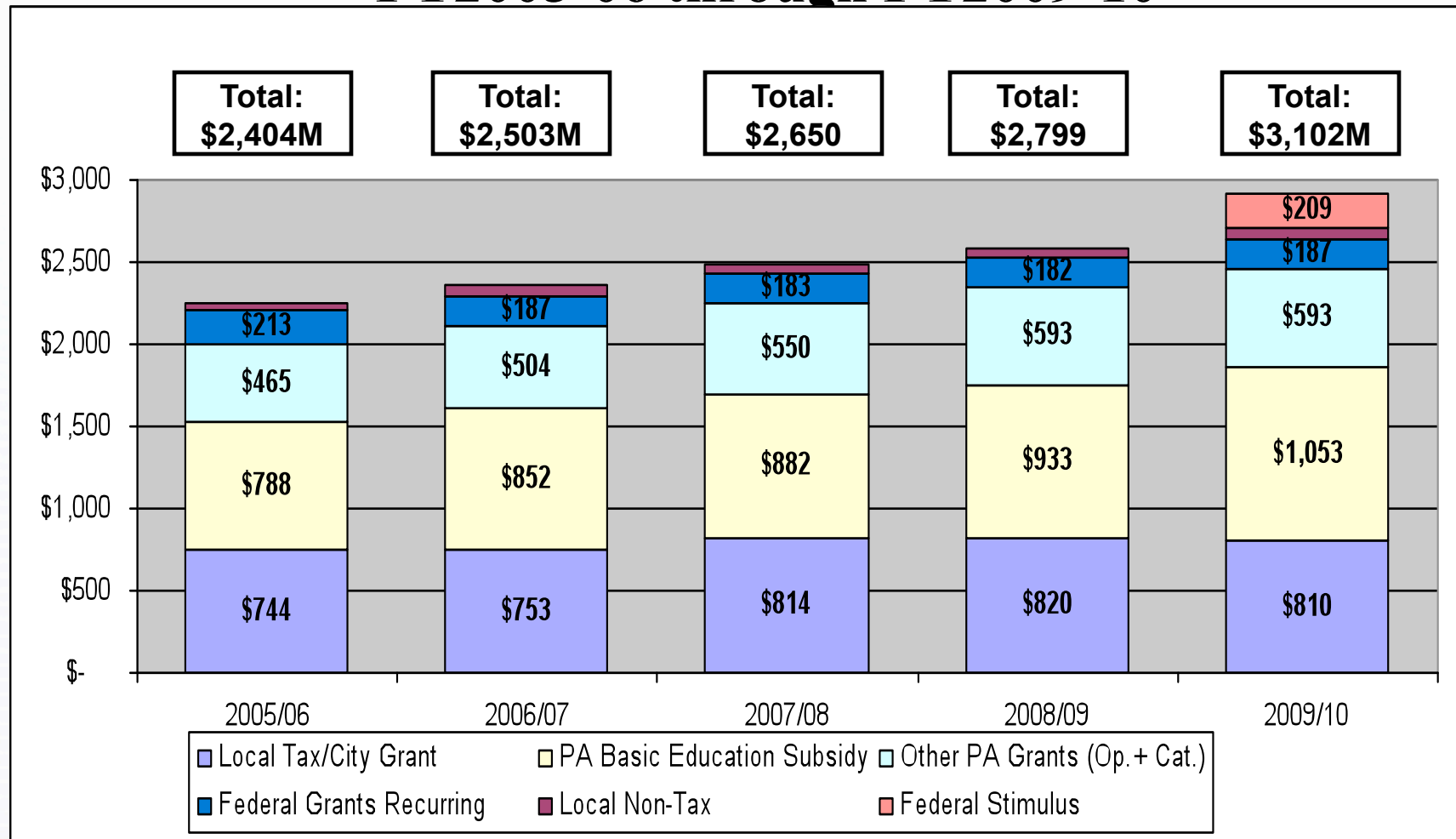
## Projected FY10 SDP Federal Stimulus Funding

**According to the PA Department of Education, the SDP will receive the following amounts under the American Recovery and Reinvestment Act (ARRA) that can be used in FY2009-10:**

- **\$81M for Title I-A to improve instruction in high-poverty schools;** funds are distributed state-wide according to the number of children from low-income families .
- **\$23.5M for IDEA to provide special education programs and services to students with disabilities;** funds are distributed state-wide according to the number of children with special educational needs .
- **\$2M for Title II-D to integrate technology into the school curriculum.**
- **\$102M in one-time non-recurring funds under the State Fiscal Stabilization Fund** for investments in improving educational outcomes and operational efficiencies; funds are distributed state-wide according to the Title I allocation formula.



## SDP Major Revenues FY2005-06 through FY2009-10



The willingness of our local, state and federal elected officials to invest in our public schools has made possible the progress we have achieved to date. Their continuing support is essential if the SDP is to realize its goal in increasing student achievement and building a system of great schools





## **Proposed FY2009-10 School District Budget**

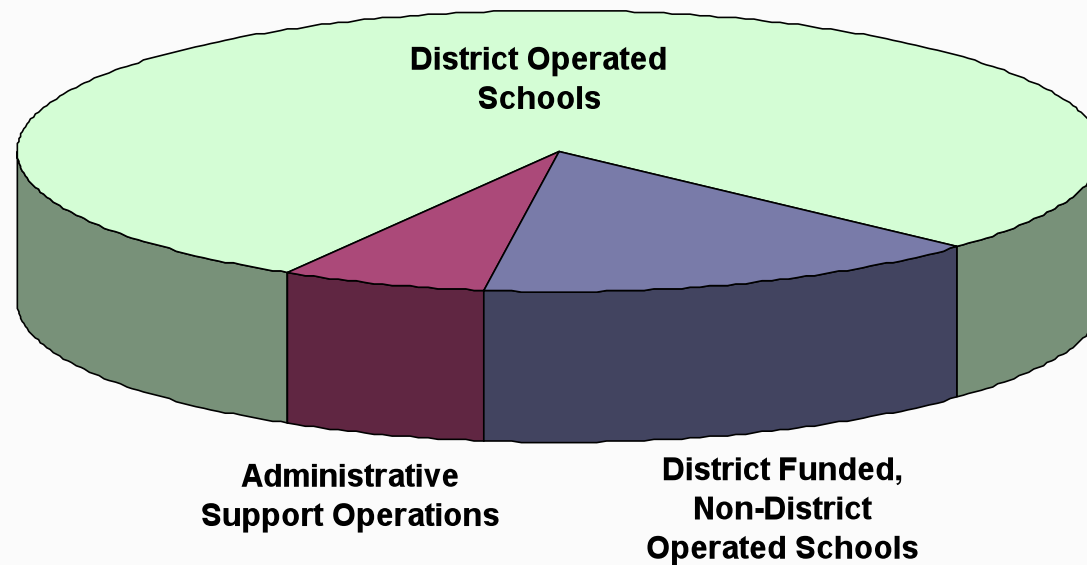
# **Expenditures**



## How does the SDP spend its money?

94%\* of the District's Budget Directly Supports Schools

### FY2009-10 Total Obligations\*



\*Excluding one-time FY2009-10 expenditures

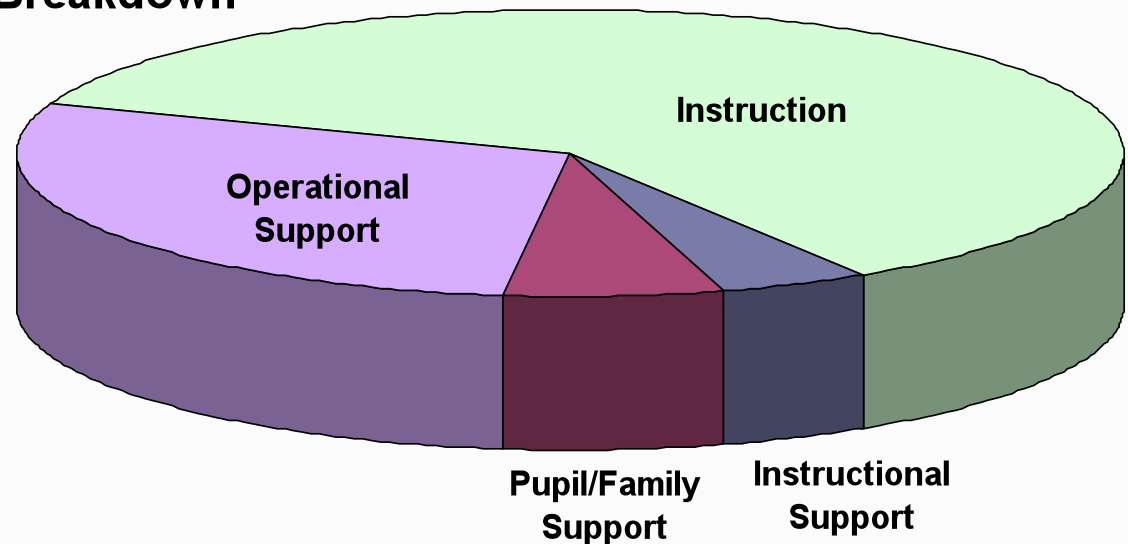


## How does the SDP spend its money?

61% of the FY2009-10 budget for District Operated Schools is spent for direct Instruction of students

### FY2009-10 District-Operated Schools - Budget Breakdown

**Total: \$2,490M**



	FY2008-09	FY2009-10	% of Total
Instruction	\$ 1,379	\$ 1,507	61%
Instructional Support	\$ 81	\$ 108	4%
Pupil/Family Support	\$ 115	\$ 161	6%
Operational Support	\$ 684	\$ 714	29%

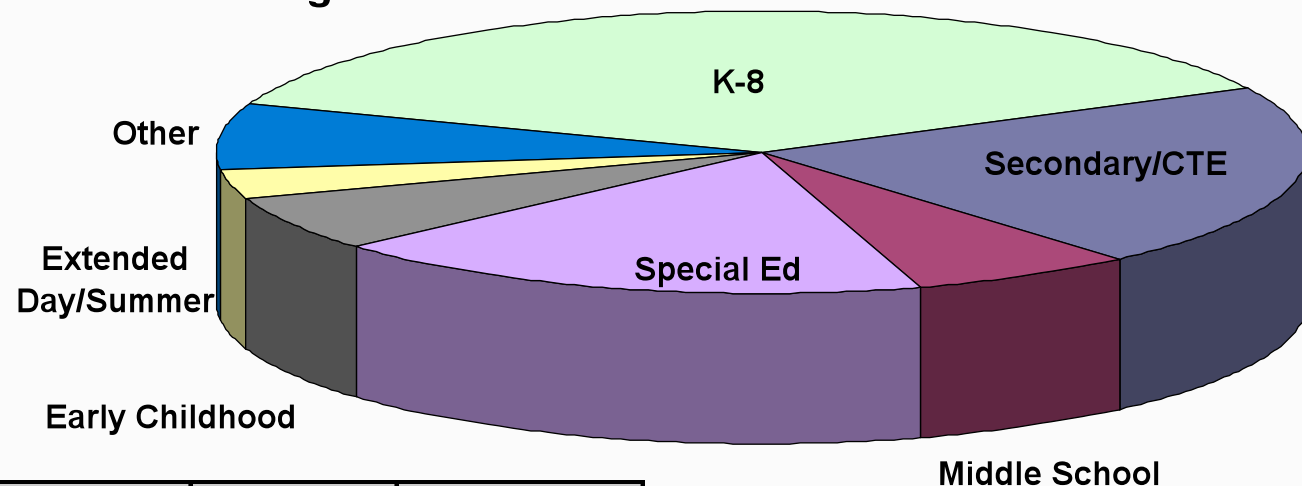


## How does the SDP spend its money?

Regular day instruction in K-8 schools represents 37% of the total FY2009-10 Instructional Budget

### FY2009-10 District-Operated Schools - Instructional Obligations

**Total: \$1,507M**



	FY2008-09	FY2009-10	% of Total
K-8	\$ 501	\$ 557	37%
Secondary/CTE	\$ 291	\$ 318	21%
Middle School	\$ 97	\$ 99	7%
Special Ed	\$ 250	\$ 274	18%
Early Childhood	\$ 95	\$ 96	6%
Extended Day/Summer	\$ 40	\$ 51	3%
Other	\$ 105	\$ 112	7%



## **FY2009-10 Budget Assumptions**

### **District Operated Schools – Instruction**

- Enrollment/Inclusion – School budgets were built on a projected enrollment drop of about 2.7%. Elementary and K-8 Schools were given additional regular ed teachers due to state and federal mandates for greater inclusion of Learning and Emotional Support special ed students; the net impact of these two factors will result in savings of (\$6.0) M.
- Maximum class Size – With Phase One of Imagine 2014, student-to-teacher ratios will drop to 20:1 for K, 22:1 for 1-3 at empowerment schools, 23:1 for K. 24:1 for 1-3 at Non-AYP schools, 23:1 for K, 25:1 for 1, 26:1 for 2-3 at AYP schools.

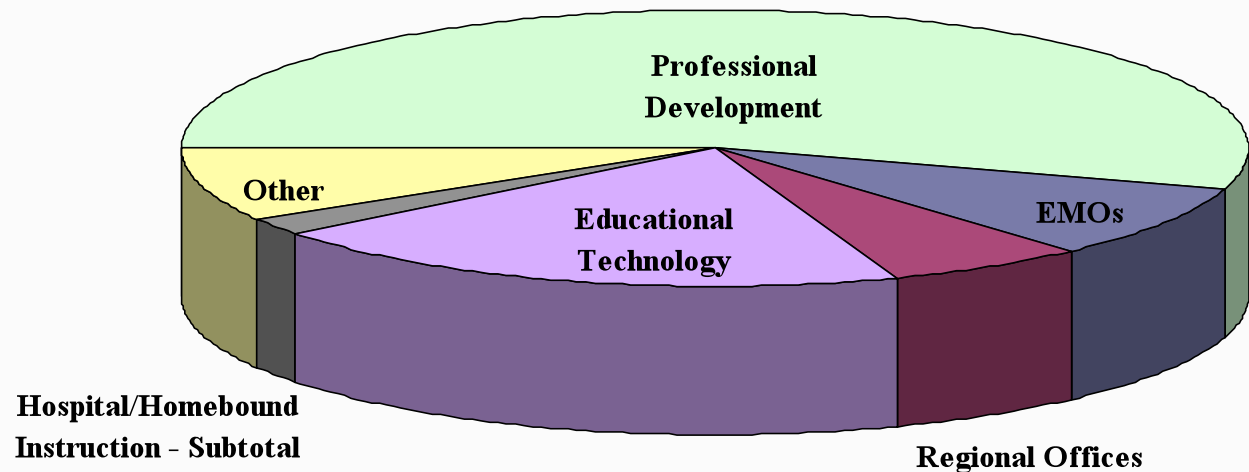


## How does the SDP spend its money?

Instructional Support at District Operated Schools covers 3% of the FY2009-10 Budget

### FY2009-10 District-Operated Schools - Instructional Support

**Total: \$109M**



	FY2008-09	FY2009-10	% of Total
Professional Development	\$ 48	\$ 59	55%
Partnership Schools/EMOs	\$ 9	\$ 9	8%
Regional Offices	\$ 7	\$ 7	6%
Educational Technology	\$ 7	\$ 22	20%
Hospital/Homebound Instruction	\$ 2	\$ 2	2%
Other	\$ 9	\$ 9	9%

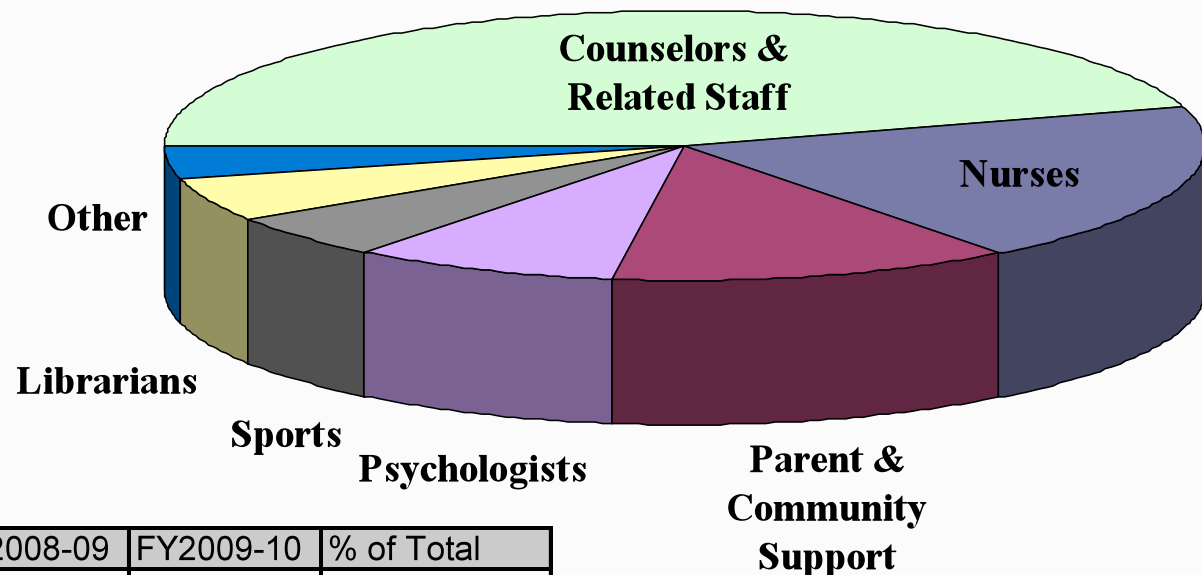


## How does the SDP spend its money?

Counselors and Related Academic Support Positions take up 44% of the total Pupil/  
Family Support FY2009-10 Budget

### FY2009-10 District-Operated Schools - Pupil/Family Support

**Total: \$161M**



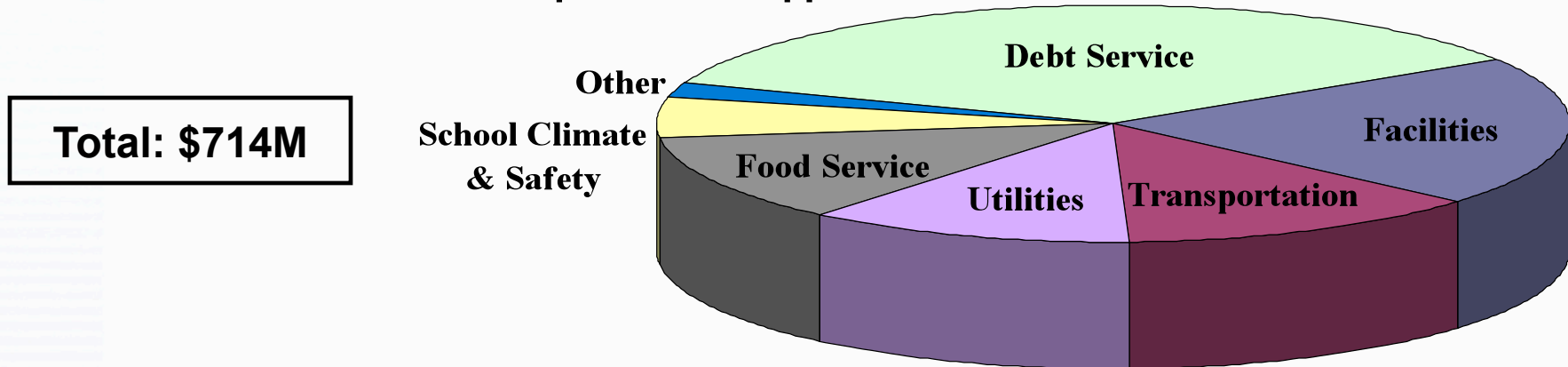
	FY2008-09	FY2009-10	% of Total
Counselors and Related Staff	\$ 34	\$ 70	44%
School Health/Nurses	\$ 29	\$ 30	19%
Parent & Community Support	\$ 14	\$ 19	12%
Psychologists	\$ 12	\$ 13	8%
Athletics, Sports, Health, Safety	\$ 7	\$ 8	5%
Librarians	\$ 8	\$ 8	5%
Other	\$ 11	\$ 11	7%



## How does the SDP spend its money?

Operational Support represents 29% of the FY2009-10 District Operated School Budget.

### FY2009-10 District-Operated Schools - Operational Support



	FY2008-09	FY2009-10	% of Total
Debt Service	\$ 237	\$ 251	35%
Facilities	\$ 142	\$ 147	21%
Transportation	\$ 91	\$ 93	13%
Utilities	\$ 80	\$ 84	12%
Food Service	\$ 84	\$ 86	12%
School Climate and Safety	\$ 37	\$ 39	5%
Other	\$ 13	\$ 14	2%





## FY2009-10 Budget Assumptions

### District Operated Schools – Operating Support

- **Utilities** – 6% increase for Oil/Gas and Electricity at a cost of \$4.2 M.
- **Temporary Borrowing** -- \$500 Million at 3.52% yield with 125 bps Letter of Credit for a total cost of \$24.3 M;
- **Debt Service** – Baseline Budget assumes 5.0% for variable rate debt; planned \$250 M new issue is deferred until in January 2010 to avoid any additional debt service in FY10. Existing debt service increases \$13.7 M due to repayment schedules for existing debt and assumed changes in market interest rates.
- **Food Service Subsidy** – Even with the Operating Budget assuming all costs for Noontime Aides at a cost of \$2.5 M, Food Services still projects a (\$4.0 M) deficit. The proposed FY2009-10 Budget includes an Operating Subsidy of \$1.5 M and assumes that Food Services will make internal changes to absorb the remainder of the projected deficit.



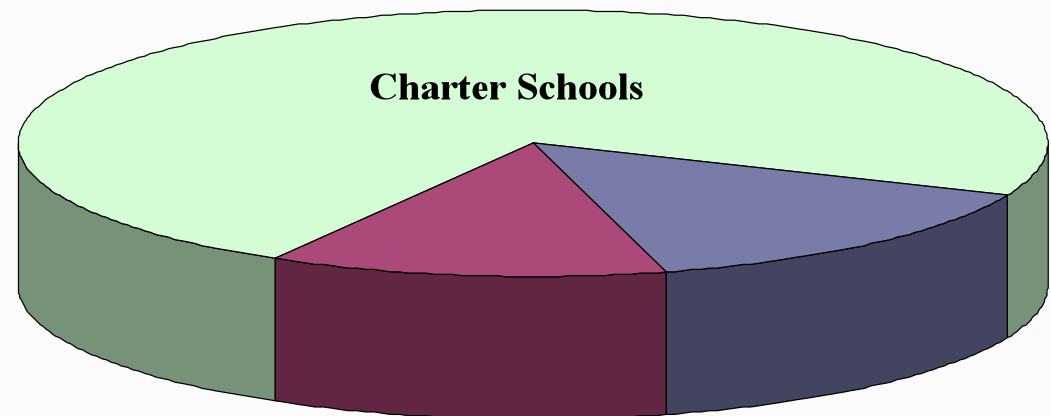
## How does the SDP spend its money?

District Funded, Non-District Operated Schools represent 16% of the FY2009-10 Budget.

The biggest component is Charter Schools, which represent 73% of the Non-District Operated Schools and 12% of the total SDP budget

### FY2009-10 District Funded, Non-District Operated Schools

**Total:  
\$479M**



**Non-Public  
Schools (PA Act  
89)**

**Students in  
Institutional  
Placements**

	FY2008-09	FY2009-10	% of Total
Charter Schools	\$ 339	\$ 350	73%
Education of Students in Institutional Placements	\$ 65	\$ 70	15%
Services to Non-Public Schools (PA Act 89)	\$ 52	\$ 59	12%



## Assumptions

### District Funded, Non-District Operated Schools

- Charter Schools – Assumes a 3.0% increase in regular ed and 1.8% in special ed per pupil payments; projection includes 6 new schools (1,358 maximum enrollment), 5 expanded schools (408 increase in max. enroll.), and 2 schools appealing charter non-renewal (812); projected increase in payments is \$13.9 M

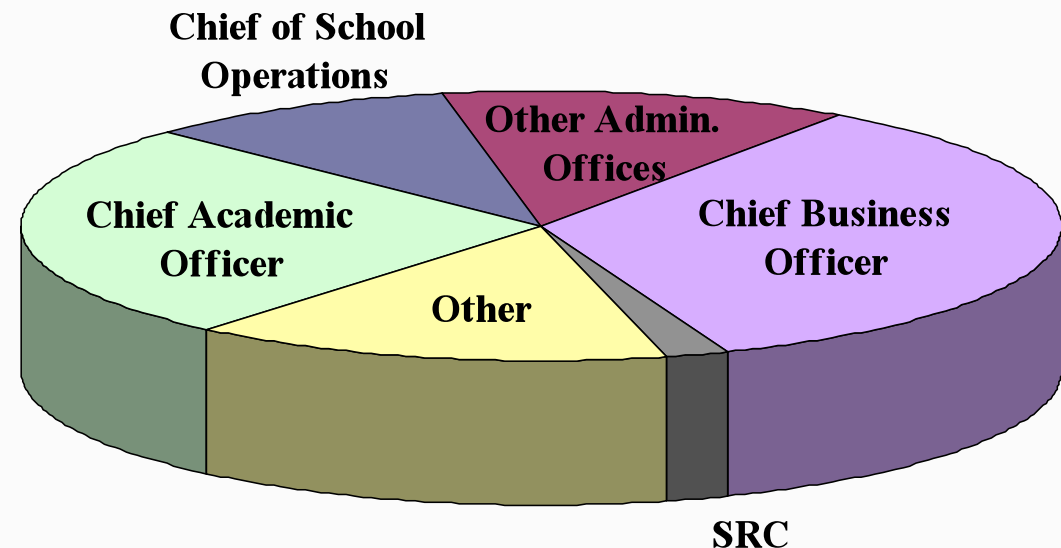


## How does the SDP spend its money?

Administrative Support represents 6% of the Total FY2009-10 District Budget\*

### FY2009-10 Administrative Support Operations\*

**Total:  
\$206M**



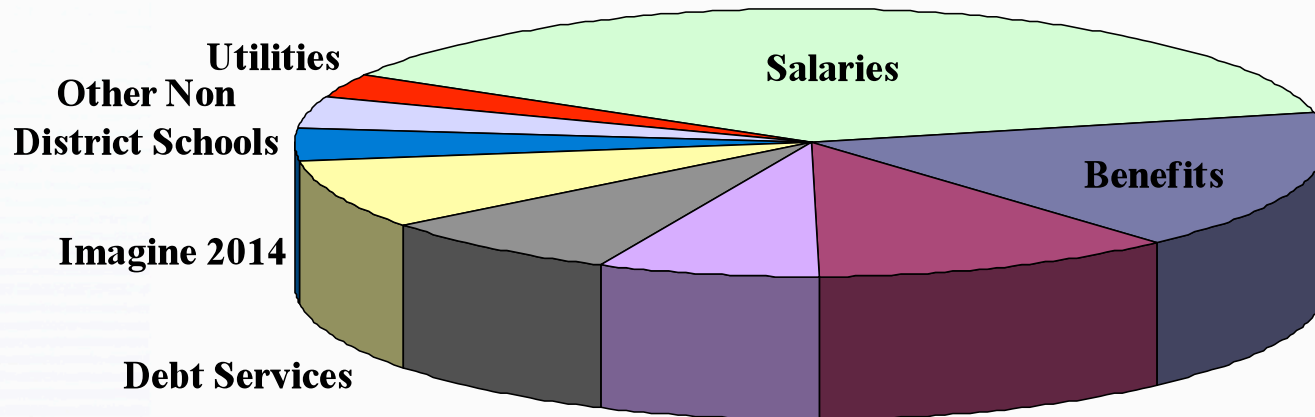
	FY2008-09	FY2009-10	% of Total
Chief Academic Officer	\$ 45	\$ 54	26%
Chief of School Operations	\$ 19	\$ 20	10%
Chief Business Officer	\$ 55	\$ 71	34%
Other Administrative Offices	\$ 23	\$ 26	13%
School Reform Commission	\$ 4	\$ 4	2%
Other Expenses	\$ 11	\$ 31	15%



## How does the SDP spend its money?

Other than salaries and benefits, Charter Schools are the only other expenditure category that take-up more than 10% of total FY2009-10 obligations.

### FY2009-10 Major Spending Categories



**Total:  
\$3,104M**

**Materials  
Supplies  
Equipment**

**Contracted  
Services**

**Charter Schools**

	FY2009-10	% of FY2009-10
Salary	\$ 1,183	38%
Benefits	\$ 522	17%
Charter Schools (incl. Charter Office)	\$ 352	11%
Contracted Services	\$ 215	7%
Materials Supplies Equipment	\$ 249	8%
Debt Services	\$ 252	8%
Imagine 2014	\$ 126	4%
Other Non District Schools	\$ 121	4%
Utilities	\$ 84	3%



## **Proposed FY2009-10 School District Budget**

# **Who Works for the School District?**



## Who works for the School District?

The District has a workforce of approximately 23,000 employees. Over 11,000 are teachers (46%) and another 1,900 (8%) provide support for teachers in the classroom.

School District of Philadelphia FY10 Workforce			
Rank	Position Type	Full Time Equivalent (FTE)	Percent of Total Workforce
	Teachers, K-12 Regular E d	9,146.2	38%
	Teachers, K-12 Special E d	1,713.4	7%
	Teachers, Early Childhood	260.0	1%
1	Sub-Total – Teachers	11,119.6	47%
2	Noontimes Aides	1,616.0	7%
3	Supportive Services Assistants	1,287.0	5%
4	Cleaners	1,067.7	4%
5	Classroom Assistants	603.9	3%
6	Counselors & Related Positions	556.8	2%
7	Secretaries	546.6	2%
8	Bus Drivers	510.1	2%
9	Principals/Assistant Principals	484.0	2%
10	Food Service Workers	457.2	2%
11	Bus Attendants	450.0	2%
12	School Police Offi cers	433.0	2%
13	Building E ngineers	427.0	2%
14	Nurses	298.7	1%
	TOTAL	19,857.6	83%
	ALL OTHER	4,107.9	17%
	DISTRICT TOTAL	23,965.5	100%

The proposed FY2009-10 School District budget calls for the hiring of 367 additional teachers to reduce maximum class sizes in all K-3 classrooms and 206 counselors to reduce student: counselor ratios and improve students' ability to plan successfully for college and careers.



## **Proposed FY2009-10 School District Budget**

# **The Capital Improvement Program**





## The Capital Improvement Program

The School District's *Capital Improvement Program* is a set of projects that build, rebuild, replace and renovate the District's facilities. Capital projects must have a "useful life" of five years or more. Most capital projects last much longer.

The School District's Capital Improvement Program includes building new schools and additions, renovating existing facilities, and making life-cycle replacements in critical building elements like roofs, boilers, and windows.

The School District funds the Capital Improvement Program by selling bonds, which are long-term District debt, usually repayable with interest over 30 years. The proceeds from the District's bond sales are the funding source for the Capital Improvement Program. The annual component of the Capital Improvement Program for the coming fiscal year is the *capital budget*. The capital budget is used to pay for professional services (i.e. architects, engineers, appraisers, contractors, attorneys), and for land, equipment, supplies and other items that support the District's capital projects.

The *Debt Service Fund* in the operating budget, is used to make the District's payments of principal and interest associated with the District's bonds.

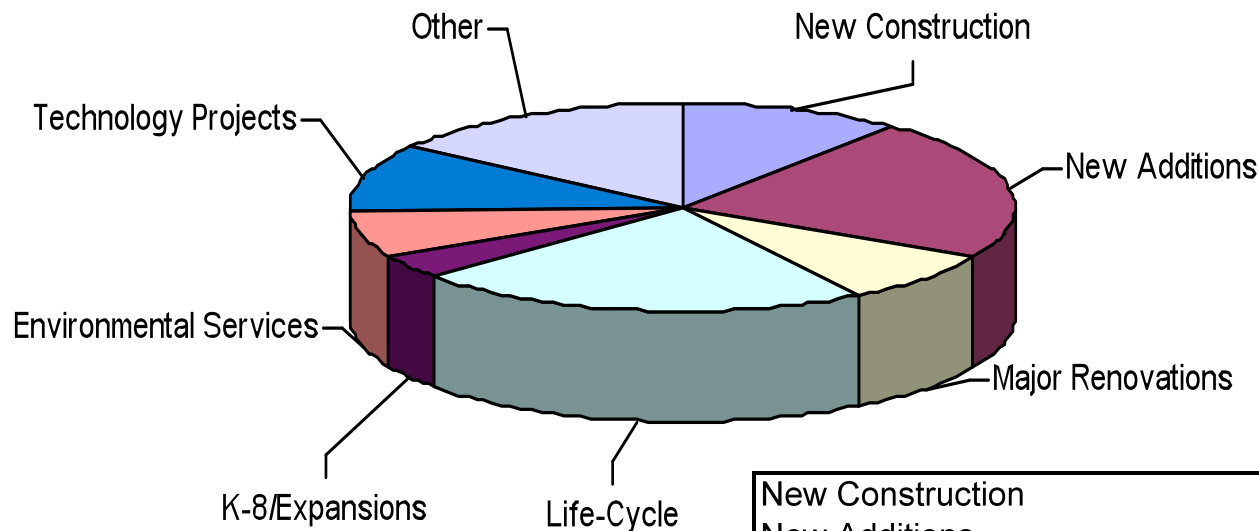
The largest percentage of the capital budget is spent on life-cycle replacements such as boilers, windows, HVAC systems, etc, and on building additions.



## How does the SDP spend its Capital Budget?

The largest percentage of the capital budget is spent on life-cycle improvements such as boilers, windows, HVAC systems, etc, and on new building additions.

### FY09-10 Estimated Capital Budget



**Total:**  
**\$231.8M**

	FY09-10	% of Budget
New Construction	\$ 25.1	11%
New Additions	\$ 51.7	22%
Major Renovations	\$ 18.6	8%
Life-Cycle	\$ 51.3	22%
K-8/Expansions	\$ 9.0	4%
Environmental Services	\$ 16.2	7%
Technology Projects	\$ 24.2	10%
Other	\$ 35.6	15%



## How does the SDP plan to spend its FY2009-10 Capital Budget?

### Construction Projects – 48 active locations

- 3 new buildings opening in September 2009
  - Lincoln High School
  - Fels High School
  - Solis-Cohen Primary Education Center
- 3 additions and major renovations
  - Academy at Palumbo (completed by September 2009)
  - Mastbaum (completed by September 2009)
  - Bluford
- \$51.3M in life-cycle improvements, including:
  - \$17.1M for boiler replacements
  - \$15.1M for structural and facade restorations
  - \$5.9M for roof replacements
  - \$4.2M for window replacements

Design Projects – 99 initiatives, including new West Philadelphia High School



## **Proposed FY2009-10 School District Budget**

# **Imagine 2014 Phase One**



## Imagine 2014 - Phase One (FY2009-10)

### Implementation of the School District's Five Year Strategic Plan

Beginning in November 2008, individuals, community groups, and organizations from every part of Philadelphia banded together and generously participated in an extensive process to construct a strategic plan designed to build a system of great schools in Philadelphia. These volunteers were united in the single-minded pursuit of one over-arching goal – student success.

**Imagine 2014** is built on the conviction of these concerned parents and caregivers, teachers, civic leaders, business people, union leaders, and community activists that Philadelphia's children deserve and need a high quality education if they are going to be successful in the increasingly complex and global society they are about to inherit.

- **Student Success** - We will ensure students graduate with the academic skills necessary for success in college, work, and life.
- **Quality Choices** - We will build a system of great schools in which success is supported, replicated, and rewarded and failure is not tolerated.
- **Great Staff** - We will recruit, develop, and retain talented people who reflect the diversity of our student body.
- **Accountable Adults** - We will hold all adults accountable for delivering on our promises to children.
- **World-Class Operations** - We will use world-class business, operational, and communication practices that support teaching and learning as we maintain what works, implement change, and introduce new approaches that help our students succeed.



## Imagine 2014 – Phase One (FY2009-10)

The School District's proposed FY2009-10 budget provides \$126 million to implement the following **Imagine 2014** initiatives, among others:

- **Create Regional Early Childhood Centers to assess the developmental needs of children and support parents in addressing those needs**

The FY2009-2010 budget provides funding for the District's first Regional Early Childhood Center, to hire staff including home visitors and provide support for planning and outreach to families.

\$1.34 million

- **Expand early childhood programs to provide more children with the opportunity to participate in high-quality programs that will prepare them to succeed in school**

The FY2009-2010 budget provides funding to add to the School District's current 11,450 students in early childhood programs another 500 Headstart slots. The District will also seek to add additional early childhood slots through the Commonwealth's "Pre-K Counts" program.

\$4.90 million

- **Enhance Empowerment School reading programs to accelerate achievement for students who are struggling with reading**

The FY2009-2010 budget will provide funding for new curricular resources, added planning time for teachers, as well as the addition of reading specialists.

\$4.45 million



## Imagine 2014 – Phase One (FY2009-10)

- **Improve access to academic counseling to help students and their parents learn about curricular choices, personalize learning programs, plan a program of study to better access post-secondary opportunities, and learn more about work, jobs, and apprenticeships**

The FY2009-2010 budget will provide additional counseling staff to reduce current counselor:student ratios of 500:1 to 250:1 in the District's middle schools and 300:1 in the District's high schools.

\$18.5

million

- **Continue the instructional, operational, leadership, and student and family supports currently provided to Empowerment Schools so that they can further accelerate student achievement**

The FY2009-2010 budget will continue funding for the lower class sizes, instructional supports, and professional development that were included in the FY2008-09 budget.

- **Expand social service supports for the parents and caregivers of Philadelphia students so medical, psychological, economic and social problems do not become barriers to learning**

The FY2009-10 budget expands District support for social service liaisons and other interventions to enable help families and remove obstacles to learning

\$8.34 million

- **Reduce the maximum class size for kindergarten in all District schools from 30 to no more than 23 (and 20 in Empowerment Schools) and reduce the maximum class size in grades 103 from 30 to no more than 26 (and 22 in Empowerment Schools)**

The FY2009-2019 budget will provide lower class sizes in the early grades in every Philadelphia elementary school.

\$32.50 million



## Imagine 2014 – Phase One (FY2009-10)

- **Provide additional Parent Ombudsmen to help engage families in the education of their children, as well as additional Student Advisors who work with struggling students, to non-Empowerment Schools**  
The FY2009-2010 budget will fund parent ombudsmen and student advisor positions not only in the Empowerment Schools but also in other schools that will benefit from these additional supports.  
\$4.01 million

- **Implement the IEP process for prospective special education learners with fidelity by improving the effectiveness and efficiency of the evaluation process and using incentives**  
The FY2009-2019 budget funds additional staff and additional professional development to insure that requests for special education evaluations are completed in a timely and thorough manner, as well as incentives for implementing the IEP process with fidelity.  
\$8.1 million

- **Establish intramural athletic programs for all middle grade students so that they have the opportunity to participate in programs that supplement their academic learning**  
The FY2009-2010 budget will fund 2 athletic programs for every school with middle grades.  
\$0.25 million

- **Create Regional Talent Centers that provide students and their families with easy-to-access enrichment opportunities after school, on Saturdays, and during the summer**  
The FY2009-2019 budget provides funds to establish three new pilot Talent Centers located in different parts of the city.  
\$0.75 million





## Imagine 2014 – Phase One (FY2009-10)

- **Implement a four week Summer School program that provides not only academic learning opportunities for struggling students but also enrichment opportunities such as music, art, and dance**

The FY2009-2010 budget will fund an expanded summer school program that will serve over 39,000 students (compared to 20,000 in 2008) in 130 sites (compared to 100 in 2008), with an expanded program and a longer school day.

\$12 million

- **Develop a more flexible high school schedule at comprehensive high schools that will allow for greater student enrichment and enhanced opportunity for teacher collaboration**

The FY2009-2010 budget will fund a revised high school roster in the District's comprehensive high schools that will allow for more electives, an improved curriculum, and common faculty planning time

\$16.8 million

- **Open Student Success Centers in all comprehensive high schools to provide opportunities for students to prepare for college or work after graduation**

The FY2009-2010 budget will augment funds the District is already receiving from the U.S. Department of Labor to open 11 Student Success Centers.

\$0.73 million

- **Begin planning for 3 additional Career and Technical High Schools and improve current career and technical programs to provide students with the opportunity to explore career opportunities and engage in work experiences while still in school**

The FY2009-2010 budget will fund materials, equipment, and facility upgrades to current programs as well as instructional materials for future programs

\$600,000



## Imagine 2014 – Phase One (FY2009-10)

- **Expand re-engagement programs for students so that out-of-school youth have expanded options to return to school and succeed**

The FY2009-2010 budget funds expanded operations at the District's current Re-Engagement Center and funds one additional satellite center

\$0.83 million

- **Utilize peer mediation to create positive school climates in middle and high schools by training high school students to intervene effectively in conflict situations and negotiate resolutions**

The FY2009-2019 budget funds the purchase of programs and student training.

\$0.95 million

- **Expand in-house suspensions as a clear consequence for students when they disrupt the safe learning environment of their class or school**

The FY2009-2019 budget will fund the staffing for in-house suspension at each school.

\$3.42 million

- **Expand Alternative Education programs to enable students with disciplinary problems and students at high risk of dropping out to learn in environments that will enable them to remain in school and succeed**

The FY2009-10 budget expands the number and types of Alternative Education programs, the neighborhoods in which programs are located, and the number of slots for Alternative Education students from 4,200 to 5,700, without any increase in costs, as a result of the reorganization of the District's Alternative Education program.



## Imagine 2014 – Phase One (FY2009-10)

- **Expand the Parent University to empower parents through educational options that provide differentiated supports and multi-lingual communication that is respectful of culture and language and provides parents with the skills necessary to advocate on behalf of their children**

The FY2009-2019 budget will fund additional sites with language coordinators, additional vendor contracts, translation services, and other parent resources.

\$0.56 million

- **Transform Renaissance Schools through a process that engages students, parents, and the community in the decision-making process and ensures a smooth transition that will lead to the success of the transformed school**

The FY2009-2010 budget will fund staff who will work to engage stakeholder groups in the Renaissance School transition process and provide the support necessary to ensure a smooth transition.

\$2.38 million

- **Create an Office of Teacher Affairs to serve as a hub to support, inform, and advocate for teachers from hiring to retiring**

The FY2009-2019 budget will fund 2 staff positions and provide funding for non-personnel resources.

\$0.26 million

- **Implement the Peer Assistance Program as a means of providing support and mentoring for early career (0-3 years) teachers and struggling teachers**

The FY2009-2019 budget will fund the mentors who will support early career and struggling teachers.

\$2.43 million



# **Opportunities for Public Comment on the Proposed FY2009-10 SDP Budget**



## **Timeline for Action and Public Involvement - SDP FY2009-10 Budget**

### **Wednesday, March 18**

- SRC approves mandated “Lump Sum” statement of projected FY2009-10 SDP revenues and expenditures.

### **Wednesday, April 22**

- Superintendent presents proposed FY2009-10 SDP budget to the School Reform Commission.

### **Tuesday, May 5 through Monday, May 18<sup>th</sup>**

- SDP Community Meetings on the proposed FY2009-10 budget:
  - North & Northwest: Tuesday May 5, 6-8pm – Girls High School
  - West & Southwest: Wednesday May 6, 6-8pm – Sayre High School
  - East & Northeast: Saturday May 10, 10am-noon – Northeast High School
  - Central & Central East: Wednesday May 13, 6-8pm – Stetson Middle School
  - South: Monday May 18, 6-8pm – South Philadelphia High School

### **Monday-Tuesday, May 11 – 12**

- School District testifies before Philadelphia City Council on the proposed FY2009-10 SDP budget
- Opportunity for public to testify before City Council on proposed FY2009-10 SDP budget

### **Wednesday, May 13 and Wednesday, May 20**

- SRC Public Meetings: opportunity for public to testify on proposed FY2009-10 SDP budget.

### **Wednesday, May 27**

- SRC Public Meeting: School Reform Commission votes to adopt the SDP’s FY2009-10 Operating and Capital Budgets at a Special Meeting.



## **Proposed School District FY2009-10 Budget**

*Michael J. Masch*  
*Chief Business Officer*

**April 22, 2009**