



School District of Philadelphia

Initial Adoption of the Proposed Budget Fiscal Year 2011-12 (July 1 2011 – June 30 2012)

May 31 2011

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The Proposed FY2011-12 School District Budget

Options for Restoring TransPasses in FY2011-12



Restoring Student TransPasses in FY2011-12

The Problem: The School District pays SEPTA for TransPasses in one year and receives a 75% reimbursement in the subsequent year.

There are two options the SDP can explore to restore Student TransPasses in FY2011-12 without increasing the School District's FY2011-12 budget gap:

- **Receive Commonwealth reimbursement for TransPass services into the same year that payments are made**
- **Delay payment to SEPTA until the year in which SDP receives reimbursement**

CONCERNS ABOUT OPTION #1:

1. Increased cost-burden to the Commonwealth in FY2011-12
2. Increase in Transportation funding in FY2011-12 could take away from other State funding for public schools
3. Administratively more cumbersome than the current method of reimbursement



Restoring Student TransPasses in FY2011-12

CONCERNS ABOUT OPTION #2:

1. If SEPTA commits to a loan arrangement only in FY2011-12, the SDP will need to provide two payments to SEPTA in FY2012-13 – a huge financial risk given the uncertainty regarding the availability of resources that year.
2. Accepting a SEPTA loan in FY2011-12 to cover the cost of TransPasses with the loan needing to be repaid in FY2012-13, SDP will be spending more than it takes in during FY2011-12. If the School District undertakes a loan to cover the cost of the TransPasses, the SDP will need to seek approval for that loan from Common Pleas Court before the transaction can proceed.
3. If SEPTA provides the loan, it is likely that SEPTA will not also provide SDP with its customary 5% pre-payment discount; this amounts to a \$1.8M cost for the provision of the loan.
4. PDE will also have to agree to the provisions of SDP's plan and confirm that the SDP will remain eligible for transportation reimbursement in FY2012-13 under the provisions of the plan.



Restoring Student TransPasses in FY2011-12

CONCLUSION/RECOMMENDATION

- The best solution is for the SDP to secure permanent recurring funding from one of its sponsoring governments to cover transportation expenses. However, given the magnitude of the FY12 proposed cuts, the SDP might still wish to accept a financing solution in order to use any new recurring funding the District might receive to prevent other major program cuts in the SDP FY12 Budget.
- If SEPTA only provides a one-year loan, the SDP will face a significant financial uncertainty in FY2012-13, as it will have to provide two payments to SEPTA.
- The preferred alternative would be for SEPTA provides greater assurance that the loan mechanism will be in place for more than one fiscal year.



Restoring Student TransPasses in FY2011-12 – Financial Impact of Potential Scenarios

SCENARIO 1: No Service Cut	SDP Payment to SEPTA for Transpasses	PA Reimb of Prior Yr Transpass Cost (@75%)	less: SEPTA Loan	add: SEPTA Loan Repayment	Net Impact on SDP Budget
FY2010-11	\$24.0	(\$18.0)	\$0.0	\$0.0	\$6.0
FY2011-12	\$24.0	(\$18.0)	\$0.0	\$0.0	\$6.0
FY2012-13	\$24.0	(\$18.0)	\$0.0	\$0.0	\$6.0
FY2013-14	\$24.0	(\$18.0)	\$0.0	\$0.0	\$6.0
SDP Net Cost FY11-14					\$24.0
SCENARIO 2: FY12 SDP Bgt (4/27/11)	SDP Payment to SEPTA for Transpasses	PA Reimb of Prior Yr Transpass Cost (@75%)	less: SEPTA Loan	add: SEPTA Loan Repayment	Net Impact on SDP Budget
FY2010-11	\$24.0	(\$18.0)	\$0.0	\$0.0	\$6.0
FY2011-12	\$0.0	(\$18.0)	\$0.0	\$0.0	(\$18.0)
FY2012-13	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FY2013-14	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
SDP Net Cost FY11-14					(\$12.0)
SCENARIO 3: Loan in FY12 Only	SDP Payment to SEPTA for Transpasses	PA Reimb of Prior Yr Transpass Cost (@75%)	less: SEPTA Loan	add: SEPTA Loan Repayment	Net Impact on SDP Budget
FY2010-11	\$24.0	(\$18.0)	\$0.0	\$0.0	\$6.0
FY2011-12	\$24.0	(\$18.0)	(\$24.0)	\$0.0	(\$18.0)
FY2012-13	\$24.0	(\$18.0)	\$0.0	\$24.0	\$30.0
FY2013-14	\$24.0	(\$18.0)	\$0.0	\$0.0	\$6.0
SDP Net Cost FY11-14					\$24.0
SCENARIO 4: Annual SEPTA Loan	SDP Payment to SEPTA for Transpasses	PA Reimb of Prior Yr Transpass Cost (@75%)	less: SEPTA Loan	add: SEPTA Loan Repayment	Net Impact on SDP Budget
FY2010-11	\$24.0	(\$18.0)	\$0.0	\$0.0	\$6.0
FY2011-12	\$24.0	(\$18.0)	(\$24.0)	\$0.0	(\$18.0)
FY2012-13	\$24.0	(\$18.0)	(\$24.0)	\$24.0	\$6.0
FY2013-14	\$24.0	(\$18.0)	(\$24.0)	\$24.0	\$6.0
SDP Net Cost FY11-14					\$0.0

Note: Actual SDP Payment and Reimbursement will vary from year to year based on prices and utilization. Constant values are utilized to simplify the presentation.



The Proposed FY2011-12 School District Budget

Revisions to the FY2011-12 Expenditure Budget



Revisions to the FY2011-12 School District Budget

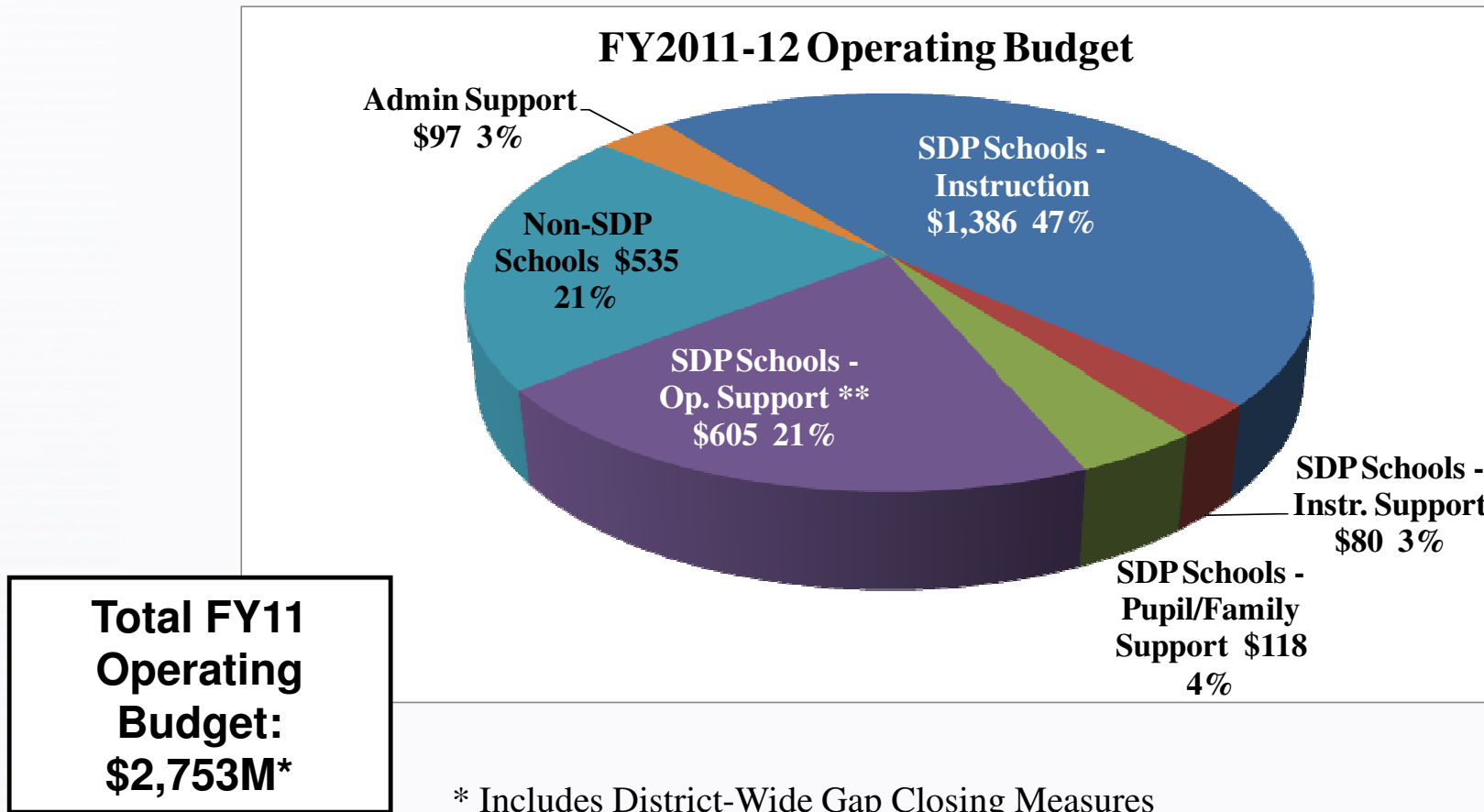
The FY12 Budget presented in the exhibits supporting the resolutions under consideration by the School Reform Commission today is the same as the budget presented to the SRC on April 27, 2011 by School District management, with these exceptions:

- **Incorporation of Actual School Budgets:** The 4/27/11 FY2011-12 Budget contained the SDP Budget Office's estimates as to how FY12 School Budgets would be constructed. The new schedules reflect the actual budget submissions received by the principals and approved by the Office of the Associate Superintendent for Schools.
- **Shift of MLK High School from Renaissance Charter to Promise Academy:** The budget has been revised to reflect the revision to MLK High School's planned status in FY2011-12.
- **Treatment of License Fees from Renaissance Charter Schools:** After much discussion, our accountants have concluded that we must present the license fees paid to the District by Renaissance Charter Schools for the maintenance of the District-owned buildings they occupy as an abatement of expense rather than as a revenue. This serves to reduce FY12 Operating Budget revenues slightly and reduce FY12 Operating Budget expenditures by the same amount. Renaissance Charter license fees were budgeted at \$16.7M in the 4/27/11 FY2011-12 Budget.



Proposed FY2011-12 Op Funds Expenditure Budget

The plan proposes to spend 97% of the School District's FY2011-12 Operating Funds Budget on Schools and Instructional Programs



* Includes District-Wide Gap Closing Measures

** Includes \$244M in debt service costs



The Proposed FY2011-12 School District Budget

FY2011-12 Expenditure Budget Summary



Operating Budget – FY2010-11 and FY2011-12

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(\$ in 000)		A	B	C	D
		FY2010-11	FY2011-12	FY12 over/(under) FY11 (\$)	FY12 over/(under) FY11 (%)
District Operated Schools - Instructional					
1	Elementary/Middle/High/CTE/Deseg/Substitutes - Instructional	\$739	\$741	\$2	0%
2	Special Education	\$206	\$195	(\$11)	-5%
3	Alternative Education	\$48	\$23	(\$25)	-53%
4	English Language Learners	\$38	\$32	(\$5)	-14%
5	Counselors	\$32	\$30	(\$2)	-5%
6	Nurses	\$31	\$28	(\$3)	-9%
7	Psychologists	\$15	\$15	\$0	0%
8	Athletics	\$7	\$7	(\$0)	-2%
9	Librarians	\$5	\$4	(\$0)	-10%
10	Instructional - All Other	\$63	\$73	\$10	17%
11	Instructional Support - Pupil/Family Support - All Other	\$47	\$27	(\$20)	-43%
12	Total - District Operated Schools -- Instructional	\$1,228	\$1,174	-\$54	-4%
District Operated Schools - Operational Support					
13	Debt Service (less refunding)	\$219	\$244	\$25	11%
14	Facilities - Custodial/Maintenance	\$137	\$108	(\$29)	-21%
15	Utilities	\$70	\$73	\$3	5%
16	Transportation (excl. Charters)	\$97	\$56	(\$41)	-42%
17	School Safety	\$37	\$35	(\$2)	-5%
18	All Other (Insurance, Postage, etc.)	\$10	\$7	(\$3)	-29%
19	Total - District Operated Schools -- Operational Support	\$570	\$524	-\$46	-8%



Operating Budget – FY2010-11 and FY2011-12

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(\$ in 000)		A	B	C	D
		FY2010-11	FY2011-12	FY12 over/(under) FY11 (\$)	FY12 over/(under) FY11 (%)
Non-District Operated Schools					
20	Charter Schools (incl. Transportation)	\$442	\$525	\$83	19%
21	Education of Students in Inst. Placements	\$65	\$65	(\$0)	0%
22	Nonpublic Schools (incl. Transportation)	\$36	\$24	(\$11)	-32%
23	Total - Non- District Operated Schools	\$543	\$615	\$72	13%
Administrative Support Operations					
24	Associate Superintendent for Academics	\$16	\$8	(\$8)	-51%
25	Associate Superintendent for Academic Support	\$9	\$6	(\$3)	-34%
26	Chief Financial Officer	\$12	\$5	(\$6)	-54%
27	Talent and Development	\$13	\$7	(\$6)	-44%
28	Informational Technology	\$14	\$13	(\$1)	-4%
29	Facilities	\$8	\$6	(\$2)	-21%
30	Transportation	\$3	\$1	(\$2)	-70%
31	All Other Administrative Support Operations	\$32	\$14	(\$18)	-56%
32	Sub-Total - Admin. Support Operations	\$106	\$60	-\$45	-43%
33	Undistributed Budgetary Adjustments/Other	-\$18	-\$34		
34	Total - Admin. Support Operations	\$88	\$27	(\$61)	-70%
35	TOTAL FY2011-12 OPERATING BUDGET	\$2,428	\$2,170	(\$258)	-11%



FY2011-12 Unified Budget: Operating and Grants Funds

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(\$ in 000)		A	B	C	D
		FY2011-12 Operating	FY2011-12 Grants	FY2011-12 Total	FY2011-12 % of Total
District Operated Schools - Instructional					
1	Elementary/Middle/High/CTE/Deseg/Substitutes - Instructional	\$741	\$197	\$938	34%
2	Special Education	\$195	\$30	\$225	8%
3	Alternative Education	\$23	\$4	\$27	1%
4	English Language Learners	\$32	\$0	\$32	1%
5	Counselors	\$30	\$11	\$41	1%
6	Nurses	\$28	\$0	\$28	1%
7	Psychologists	\$15	\$0	\$15	1%
8	Athletics	\$7	\$0	\$7	0%
9	Librarians	\$4	\$2	\$6	0%
10	Instructional - All Other	\$73	\$92	\$165	6%
11	Instructional Support - Pupil/Family Support - All Other	\$26	\$75	\$101	4%
12	Total - District Operated Schools -- Instructional	\$1,174	\$410	\$1,585	58%
13	Debt Service (less refunding)	\$244	\$0	\$244	9%
District Operated Schools - Operational Support					
14	Facilities - Custodial/Maintenance	\$108	\$0	\$108	4%
15	Utilities	\$73	\$0	\$73	3%
16	Food Service	\$0	\$0	\$81	3%
17	Transportation (excl. Charters)	\$56	\$0	\$56	2%
18	School Safety	\$35	\$0	\$35	1%
19	All Other (Insurance, Postage, etc.)	\$7	\$3	\$10	0%
20	Total - District Operated Schools -- Operational Support	\$280	\$3	\$363	13%



FY2011-12 Unified Budget: Operating and Grants Funds

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(\$ in 000)		FY2011-12 Operating	FY2011-12 Grants	FY2011-12 Total	FY2011-12 % of Total
Non-District Operated Schools					
21	Charter Schools (incl. Transportation)	\$525	\$7	\$532	19%
22	Education of Students in Inst. Placements	\$65	\$0	\$65	2%
23	Nonpublic Schools (incl. Transportation)	\$24	\$15	\$40	1%
24	Total - Non- District Operated Schools	\$615	\$22	\$636	23%
Administrative Support Operations					
25	Associate Superintendent for Academics	\$8	\$54	\$62	2%
26	Associate Superintendent for Academic Support	\$6	\$0	\$6	0%
27	Chief Financial Officer	\$5	\$0	\$6	0%
28	Talent and Development	\$7	\$2	\$9	0%
29	Information Technology	\$13	\$0	\$13	0%
30	Facilities	\$6	\$0	\$6	0%
31	Transportation	\$1	\$0	\$1	0%
32	All Other Administrative Support Operations	\$13	\$10	\$24	1%
33	Sub-Total - Admin. Support Operations	\$60	\$67	\$127	5%
34	Undistributed Budgetary Adjustments/Other	-\$34			
35	Sub-Total - Admin. Support Operations	\$27	\$67	\$97	3.5%
36	TOTAL FY2011-12 BUDGET	\$2,170	\$583	\$2,753	100%



The Proposed FY2011-12 School District Budget

Adjustments to the FY2011-12 Complement



The District's FY12 workforce is now projected to be 20,400 FTEs – a 14% 3,400 position reduction from FY11

47% of the District's FY12 workforce are projected to be teachers (9,600 positions) with an additional 1,894 positions (over 9%) providing classroom support for teachers.

Position Type	FY2009-10 Amended FTEs	FY2010-11 Estimated Actual FTEs at 5/4	FY2011-12 Projected FTEs at 5/4	Diff	FY2011-12 Projected FTEs at 5/31	Diff between 5/31 and 5/4	Diff FY12 at 5/31 to FY11 at 5/4
Teachers - Regular Education	8,874	8,577	7,548	-1,029	7,668	120	-909
Teachers - Special Education	1,850	1,864	1,632	-232	1,649	17	-215
Teachers - Early Childhood	310	338	338	0	304	-34	-34
Sub-Total Teachers	11,034	10,779	9,518	-1,261	9,621	103	-1,158
Noontime Aids	1,677	1,668	1,023	-645	1,445	422	-223
Supportive Service Assistants	1,312	1,468	1,152	-316	1,156	4	-312
Custodians & Building Engineers	1,494	1,437	1,062	-375	1,004	-58	-433
Facility Maintenance	353	378	230	-148	202	-28	-176
Counselors/Student Adv./ Soc. Serv	758	649	466	-183	457	-9	-192
Classroom Assistants	676	751	736	-15	738	2	-13
Secretaries	590	554	507	-47	486	-21	-68
Bus Drivers	489	489	393	-96	393	0	-96
Principals/Assistant Principals	472	484	450	-34	422	-28	-62
Food Service Workers	706	707	707	0	707	0	0
Bus Attendants	465	477	477	0	477	0	0
School Police Officers	421	439	419	-20	419	0	-20
Nurses	314	309	258	-51	264	6	-45
Total	20,761	20,588	17,397	-3,191	17,791	394	-2,797
ALL OTHER	3,305	3,203	2,574	-629	2,591	17	-612
						0	0
DISTRICT TOTAL	24,066	23,791	19,971	-3,820	20,382	411	-3,409

ML King HS Positions Restored

88

DISTRICT TOTAL -- Excl. King HS

322



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