



School District of Philadelphia

Adoption of the Proposed Budget Fiscal Year 2010-11 (July 1, 2010 – June 30, 2011)

Presentation to the School Reform Commission

May 26, 2010

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Maintaining Budget Balance In the Face of Uncertain Funding

- 50% of the SDP budget comes from the State
- The Governor proposes the State budget in February
- The SDP must adopt its budget in May, before the State determines final budget (supposed to be June 30, more often July)
- Until a final state budget is adopted, the SDP has no practical basis on which to adopt a different estimate for state funding than the Governor's budget proposal.



Proposed FY2010-11 Budget Recap

FY2010-11 Current Revenue Forecast - Unified Budget

	FY2010-11	% of Total
1 LOCAL FUNDING - Taxes/City Grant/Non-Tax Revenues	\$859	27%
2 STATE FUNDING - Operating Revenues	\$1,432	45%
4 STATE FUNDING - Grants	\$135	4%
3 STATE/FEDERAL FUNDING - PA Provided Federal Stimulus	\$120	4%
5 FEDERAL FUNDING - Recurring Grants	\$384	12%
6 FEDERAL FUNDING - Directed Provided Stimulus Funds	\$168	5%
7 ALL OTHER	\$98	3%
	\$3,196	100%

FY2009-10 CARRY-FORWARD SURPLUS

\$10.2

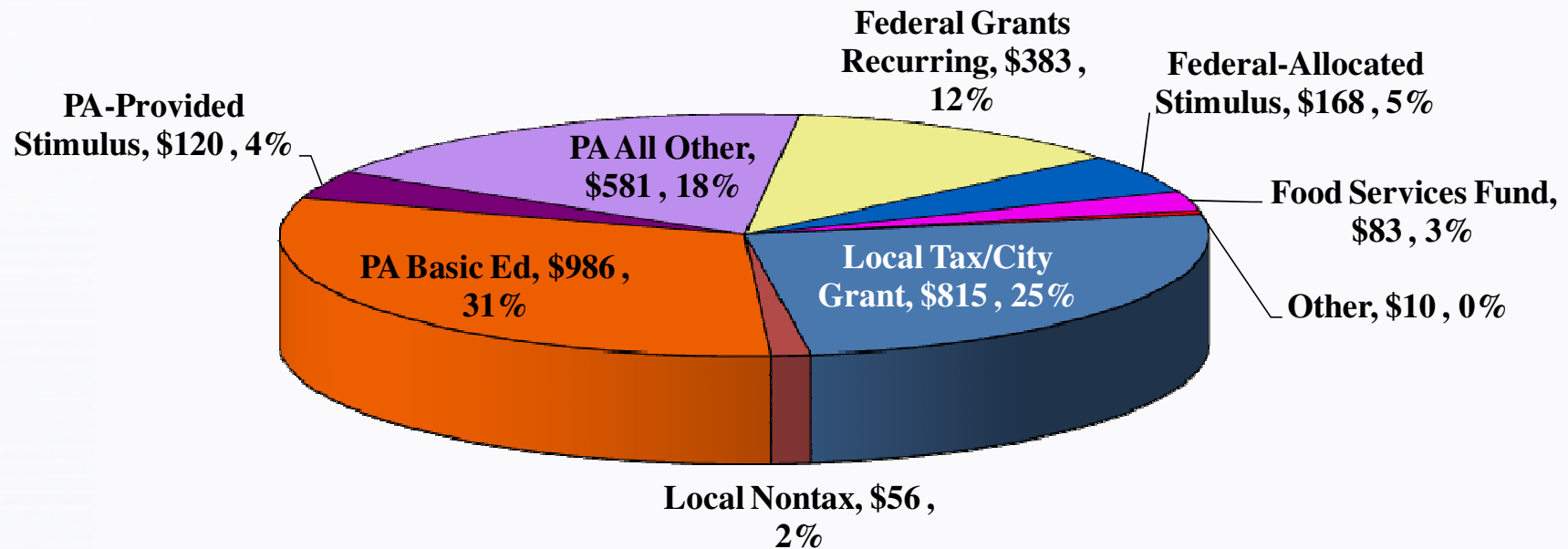
FY2010-11 Proposed Expenditures - Unified Budget

	FY2010-11	% of Total
1 Instruction - District-Operated Schools	\$1,572	49%
2 Instructional Support - District-Operated Schools	\$91	3%
3 Pupil/Family Support - District-Operated Schools	\$143	4%
4 Operational Support - District-Operated Schools	\$700	22%
5 District Funded, Non-District Operated Schools	\$528	16%
6 Administrative Support Operations	\$171	5%
	\$3,206	100%



SDP FY2010-11 Budget – Projected Revenues

Major Revenue Sources for the District's Operating, Categorical, and Food Service Funds

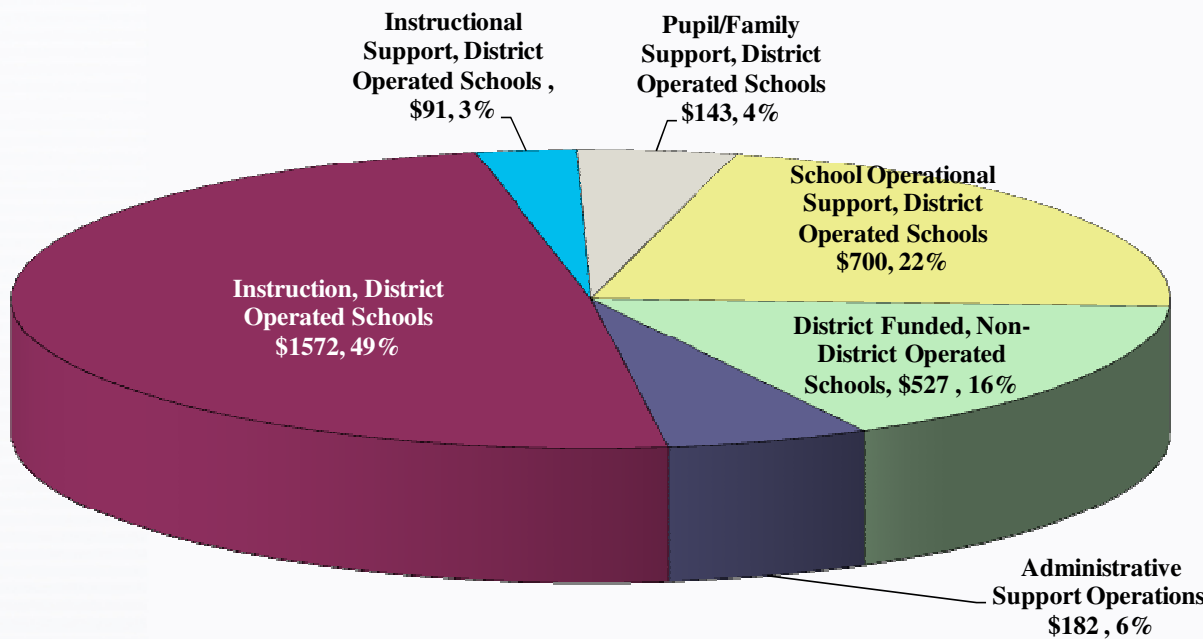


**Total FY2010-11
Current Revenue
Projection:
\$3,196M**



SDP FY2010-11 Budget - Proposed Obligations

96% of the District's Operating Budget directly supports schools
 49% of the Total Budget is spent on Instruction in District-operated schools



**Total:
\$3,206M**

	FY2010-11	% of Total
Instruction - District-Operated Schools	\$1,572	49.0%
Instructional Support - District-Operated Schools	\$91	2.8%
Pupil/Family Support - District-Operated Schools	\$143	4.5%
Operational Support - District-Operated Schools	\$700	21.8%
District Funded, Non-District Operated Schools	\$528	16.5%
Administrative Support Operations	\$171	5.3%
Total	\$3,206	100%



Restoring Fiscal Stability

SDP has undergone a series of **significant spending cuts in Administration and Support Operations in recent years, with limited impact on School Budgets**, in order to regain and maintain fiscal stability.

<i>FY2005-06</i>	<i>FY2006-07</i>	<i>FY2008-09</i>	<i>FY2009-10</i>
	\$87.5M Administrative Cuts	\$18.1M Operational Efficiencies and Administrative Cuts	\$144.8M Operational Efficiencies and Administrative Cuts
\$23.8M Deficit	\$476K Deficit	\$28.1M Surplus	\$10.2M Surplus



SDP FY2009-10 Gap Closing Plan December 2009

The final FY2009-10 PA Budget provided \$144 million less in funding for SDP than the Governor originally proposed.

SDP implemented cost savings initiatives and revised its FY2009-10 budget to close the resulting budget gap.

		FY2009-10 Revisions
1	•Reduction in Administrative Support Operations	\$28.6
2	•Temporary Borrowing – Reduced Cost of Issuance	\$20.5
3	•Imagine 2014 -- Business Systems Reductions	\$26.0
4	•Medical Carrier Rate Negotiation	\$16.8
5	•Reduction in Non-Instructional Budgets	\$9.9
6	•All Other Efficiencies and Cost Saving Initiatives	\$43.0
7	Total Cost Savings :	\$144.8



The FY2010-11 SDP Budget: Closing Next Year's Gap between Revenue and Expenditure Growth

SDP FY2010-11 revenues are projected to grow by \$148.3 million in the best case. But SDP FY2009-10 base expenditures are forecasted to grow by \$223.9 million, due to mandated increases in utility costs, pensions, debt service, health care, and charter school payments.

SDP has closed the resulting gap through the institution of across-the-board cuts in the budgets of SDP central offices and other cost containment measures.

	FY2011-12
1 Total Incremental Expenditures - over FY2009-10	\$223.9
2 Total Incremental Revenues - over FY2009-10	\$148.3
3 FY2010-11 Surplus/(Deficit)	(\$75.6)
4 Cost Adjustments to Base Year	\$75.6
5 Adjusted FY2010-11 Surplus/(Deficit)	\$0.0



The FY2010-11 SDP Budget: Adjustments SDP is Making to Close its Budget Gap

- 6% across-the-board reduction in central offices and operations: **\$33.3M**
- Increase ACCESS/Medicaid revenues: **\$4M**
 - Fully implementing the new electronic Easy IEP system
 - Ensuring maximum number of District providers are fully certified to bill ACCESS
 - Ensuring all providers are trained to recognize all potentially billable procedures
- Food Services Fund returns to balanced budget: **\$1.3M**
- Non-renewal of 16 EMO/Partnership Schools: **\$3.3M**
- Utilities costs – increased efficiencies, shutting down of costly buildings: **\$5M**
- Improved Management of Employee Benefits – Worker’s Compensation, Termination Pay, Unemployment Compensation: **\$6M**
- Debt refinancing savings: **\$2.3M**



Dealing with Revenue Uncertainty in FY2010-11 and FY2011-12

- SDP has cut costs and improved efficiency repeatedly in recent years – and will continue to do so. SDP made **\$87.5 million** in spending cuts in FY2007-08, made another **\$144 million** in budget adjustments in FY2009-10, and has included **\$76 million** in additional budget adjustments in the proposed FY2010-11 budget.
- But if the PA Basic Education Subsidy is not increased in FY2010-11 and the Federal Stimulus funds provided to the School District in FY2009-10 and FY2010-11 are not replaced, SDP revenue shortfalls will be so great that SDP will be unable to maintain a balanced budget exclusively with operational spending cuts. SDP will also be required to make spending cuts that will have a negative impact on learning outcomes and student success.
- Because a large number of items in SDP budget cannot be cut due to legal or contractual constraints, much deeper reductions must be made in other parts of the budget in order to achieve a gap closing target.



Revenue Uncertainty in FY2010-11 and FY2011-12

Potential impact if....	<u>FY2010-11</u>	<u>FY2011-12</u>
PA General Assembly did not increase SDP FY11 Basic Education Subsidy	\$95	\$95
City, PA and Federal Govts fail to replace FY10/FY11 Stimulus funding		\$247
TOTAL	\$95	\$342
CUMULATIVE TOTAL		\$437

FY2010-11 Total Unified Budget: \$3,216M
FY2010-11 Fully-Mandated/Required Expenditures: \$1,466M
FY2010-11 Budget Available to be Cut (discretionary spending): **\$1,750M**



Potential Cost Savings from Operational Efficiencies

The Operations Division in the Chief Business Office is aggressively seeking opportunities to use technology and best in class management techniques to reduce costs while maintaining service levels.

Significant cost savings will result from:

- Better managing energy commodity costs and energy consumption
- Promoting energy conservation
- Minimizing maintenance overtime through better scheduling
- Replacing obsolete cleaning equipment in schools
- Rebidding major contracts to better control costs and improve value
- Establishing aggressive contract management and contract auditing to ensure that the District gets what it is paying for
- Partnering with City for non-bus fleet optimization and operations
- Automating school bus routing

TARGETED FY11, FY12 SAVINGS: \$50 MILLION



Potential Cost Savings from Reductions in Educational Initiatives

If SDP Revenue Shortfalls Cannot Be Eliminated Solely
Through Operating Efficiencies

- **Roll Back Reduced Class Size Initiative:** Increase class sizes in K-3 Grades some or all of the way back to FY2008-09 levels; eliminate additional teachers; increase class sizes in 6-9 grade for math and reading for struggling students in Empowerment Schools
- **Roll Back Counselor Initiative:** Reverse some or all of the hiring that took student-to-counselor ratios down from the previous highs of 600:1 for HS, 500:1 for MS and 750:1 in K-8
- **Reductions in Workforce:** Restoring complement to 2008-09 levels would mean a reduction of 682 school-based positions and 360 other positions
- **Charter Schools:** Do not grant all of the enrollment expansions for the 22 charter schools that have applied
- **Roll Back Summer School:** Reduce scope of the planned expansion



Potential Cost Savings from Reductions in Educational Initiatives

If SDP Revenue Shortfalls Cannot Be Eliminated Solely
Through Operating Efficiencies

- **Regional Early Childhood Centers:** Do not open additional centers or expand
- **Re-engagement Centers:** Do not open additional centers or expand
- **School-Based Social Services:** Eliminate some or all of the Social Service Liaisons and Resource Specialists that provide direct social service support and links to outside service agencies and programs
- **Regional Enrollment Centers and Newcomer Welcome Academies for ELL Families:** Eliminate initiative or reduce scope
- **Parent University:** Reduce or eliminate planned school-based programs



Increased Funding and Better Academic Results Go Hand-in-Hand in Philadelphia

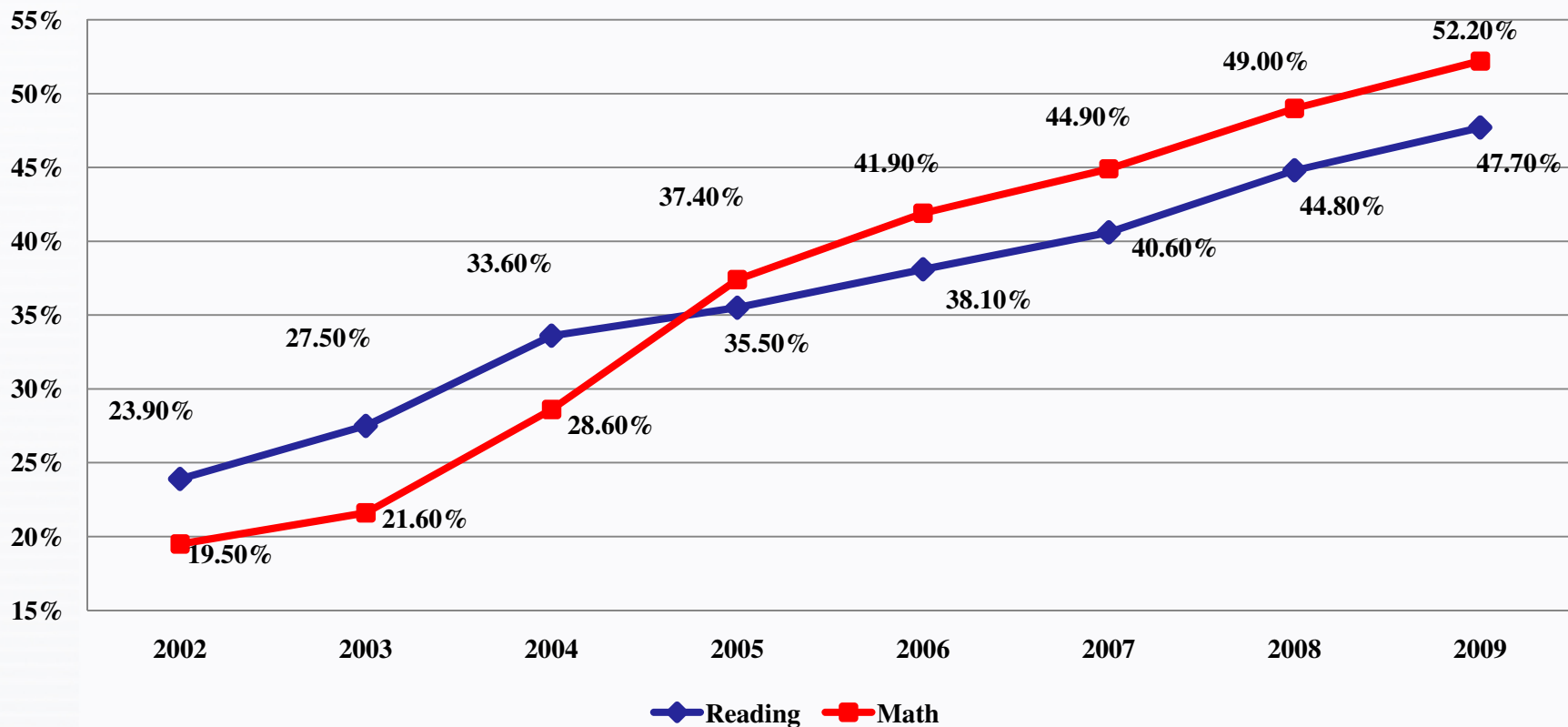
- Over the past seven years the School District of Philadelphia has shown conclusively that additional funding, invested wisely, can create better public schools.
 - 1 of every 5 of its students achieving at grade level or better in 2001
 - 1 out of every 2 students achieving at grade level today
 - **40,000 more Philadelphia students achieving at grade level than in 2001**

Additional financial support the District received from the Commonwealth of Pennsylvania in 2008 and 2009 has helped to close a portion of the \$5,000 per student funding gap that the Pennsylvania State Board of Education identified in 2007, but a sizable funding gap still remains..



SDP Test Scores Have Risen Every Year Since 2002

Percentage of Students Advanced or Proficient District-Operated Schools - PSSA - All Grades Combined





SDP is Committed to Student Achievement and Fiscal Responsibility

- The SDP is committed to helping our students reach their learning potential.
- SDP is also committed to maintaining balanced budgets, this year and every year.
- The proposed 2010-11 budget is sound. This budget is will help students, controls costs, and is based on the best financial information we have available at this time.
- The SDP has cut costs and improved efficiency repeatedly in recent years, and will continue to do so.



SDP is Committed to Student Achievement and Fiscal Responsibility

- Without additional **financial support**, SDP will not be able to maintain a balanced budget without making deep spending cuts that could have a serious negative impact on learning outcomes and student success.
- SDP is committed to **monitoring its financial situation carefully** and will make budgetary adjustments as required by changing circumstances in order to keep our budget in balance – but any **adjustments that will set back student progress should be made only if and when such adjustments are absolutely necessary.**
- We **urge all citizens** who want to see continued improvement in Philadelphia public schools – District-operated and Charter – to **tell their elected representatives that they support the provision of local, state, and federal funding to our schools at the levels needed to continue raising student achievement.**



School District of Philadelphia

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FY2010-11 School District Budget

Appendices



FY2010-11 School District Budget

**School District
Budget Overview
for FY2010-11**



FY2010-11 Budget Overview

- The FY2010-11 Unified Budget proposes **\$3,206 million in expenditures: \$2,434 million in the Operating Fund, \$689 million in the Categorical Grants Fund, and \$83 million in the Food Services Enterprise Fund.**
- **Expenditures in the Operating Fund** grow by **5.4%** from FY2009-10 to FY2010-11 and by **6%** in the **Grants Funds. Total expenditures** grow by **5.4%**.
- Total FY2010-11 revenue is projected to be **\$3,196 million** including: **\$815 million** from local taxes and the City grant, **\$44 million** in local nontax revenues, **\$1,686 million** from the Commonwealth of Pennsylvania, including \$120 million in State-allocated Federal Stimulus Funds, **\$384 million** from recurring Federal grants, **\$168 million** from directly-allocated Federal Stimulus grants, and **\$83 million** from the Federal food grant.
- Of the \$3.2 billion in expenditures planned for FY2010-11, \$3.0 billion will go directly to support schools: **\$2.5 billion for District operated schools** and **\$528 million for District-funded, non-District-operated schools.**
- This year's budget contains funding for up to **8 Renaissance Schools** and **6 Promise Academies**, further expanding school choice in the District. The District will continue to support 67 charter schools in FY2010-11 at a total cost of \$390 million.
- The FY2010-11 budget includes \$180 million for the implementation of **Imagine 2014** initiatives, including **\$119 million** for the continuation of Phase One initiatives implemented last year and **\$61 million** for new or expanding initiatives.



Key Expenditure Drivers in FY2010-11

- **Labor Contracts:** The District has settled contracts with four of its five Collective Bargaining Units, the PFT (teachers and other staff), CASA (principals and assistant principals and some other District professional staff), 1201 (custodians, maintenance workers, bus drivers), and SPAP (school police officers). Agreements call for a 3% wage increase on 9/1/2010, and continuation of the District's support for medical and other benefits. The FY2010-11 Budget provides \$40 million to cover additional District costs resulting from the implementation of these agreements. An additional \$5.4 million is required for mandated "step" increases in employee pay. Revisions to the structure of the medical, dental, optical and prescription plans will help to moderate the District's labor cost growth, resulting in over \$45 million in avoided costs in the period from 2010 through 2012.
- **Charter Schools:** The FY2010-11 budget projects a net operating Charter School cost increase of \$40 million or 12%. This increase is due to:
 - State-mandated increases in per pupil spending. For FY2010-11, the increase in regular education per pupil payments from the District to Charter Schools is currently projected to increase by 6 % and by 6 % in special education per pupil payments.
 - Anticipated enrollment increases resulting from expansions of Charter School enrollment permitted under the original Charters granted to each Charter School by the School Reform Commission.
 - Anticipated enrollment increases resulting from expansions of Charter School enrollment permitted under the School Reform Commission's enrollment policy which provides for additional enrollment increases for academically successful Charter Schools
- **Utilities:** Electric rates were capped in Pennsylvania in 1997 under the Electricity Generation Choice and Competition Act. While caps on transmission and distribution rates have all expired, caps on generation rates for some electric companies were extended. On January 1, 2011, however, all utility rate caps expire and the District anticipates a significant increase in its utility costs as a result of potential electric utility rate increases.



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Key Expenditure Drivers in FY2010-11

- Pension Fund Increase:** Under current state law, the School District’s mandated Employer Contribution to the State’s Pension Fund for public school employees is slated to jump to 8.22% of the District’s wage/salary costs in FY2010-11, a 72% increase from the FY2009-10 contribution rate of 4.78%. The Governor’s proposed FY2010-11 budget for the Commonwealth of Pennsylvania contains an increase in PA Retirement Reimbursement revenues to cover part of this cost.

<i>(incremental increases over base year FY2009-10)</i>		A	B	C
		FY2010-11	FY2011-12	FY2012-13
PROJECTED INCREASES IN SDP PENSION COSTS (comp to FY10)				
1	Projected PSERS Contribution Rates (as % of SDP wage/salary cost) (4.78% in FY10)	8.22%	10.59%	29.22%
3	Increase in SDP PSERS Contribution (over FY10)	\$ 36,091,953	\$ 74,439,654	\$ 312,295,651
2	less: Add'tal Projected PA Retirement Sunsidy	\$ (22,755,000)	\$ (44,127,086)	\$ (189,219,244)
4	NET PROJECTED INCREASE IN SDP PENSION COSTS	\$ 13,336,953	\$ 30,312,568	\$ 123,076,407
5	CUMULATIVE PROJECTED INCREASE IN SDP PENSION COSTS		\$ 43,649,521	\$ 166,725,928



FY2010-11 School District Budget

Revenue & Expenditure Growth and

The Need for Gap Closing Initiatives



The FY2010-11 SDP Budget – Expenditure Growth

SDP 2010-11 base expenditures are forecast to grow by **\$224 million** over 2009-10.

	<u>FY2011-12</u>
1 PROJ INCREASE IN CHARTER SCHOOL PAYMENTS	40.0
2 PROJ PENSION FUND INCREASE (SDP contribution)	36.1
3 PROJ INCREASE IN DEBT SERVICE - FACILITIES RENEWAL	18.7
4 PROJ UTILITY COST INCREASE	5.8
5 MISC. OTHER PROJ BASE EXPENDITURE INCREASES	13.9
6 DIFFERENCE BETW. REVENUES and EXPENDITURES IN BASE YEAR	20.1
7 COLLECTIVE BARGAINING	30.7
8 IMAGINE 2014 PHASE I	0.0
9 IMAGINE 2014 PHASE II	61.3
10 SAVINGS FROM SCHOOL CLOSURES AND SALES	(2.8)
11 TOTAL INCREMENTAL EXPENDITURES - over FY2009-10	223.9



The FY2010-11 SDP Budget – Revenue Growth

- In FY2010-11, the District anticipates receiving **\$134 million** in additional funding, compared to FY2009-10. This represents a **5% increase**.
- Compared with the current FY2009-10 SDP revenue estimate, FY2010-11 **revenue from local taxes and the City grant** is projected to decline by 1% due to weakness in collection of real estate taxes and the school income tax.
- Excluding Retirement Reimbursement, ACCESS Revenues, and the proposed increase in the Basic Education Subsidy, **revenue from the Commonwealth** is projected to decrease by 1%. However, if the Governor's proposed \$95 million increase in the Basic Education Subsidy is approved, State revenues are projected to increase by 6%.
- **Federal revenue** is projected to increase by \$38 million, or 7.3%, primarily as a result of the projected Stimulus School Improvement Grant award to the SDP which is anticipated at \$52 million.



FY2010-11 School District Budget

School District Workforce



The District has a workforce of approximately 24,000 employees. More than 11,000 are teachers (46%) and another 1,900 (8%) provide support for the teachers in the classroom.

Rank	Position Type	FY2008-09 Amended FTEs	FY2009-10 Estimated Actual FTEs	FY2010-11 Projected FTEs	Diff
	Teachers - Regular Education	8,115	8,935	8,855	-81
	Teachers - Special Education	1,854	1,851	1,851	0
	Teachers - Early Childhood	301	310	337	27
1	Sub-Total Teachers	10,270	11,096	11,042	-54
2	Noontime Aids	1,616	1,679	1,657	-22
3	Supportive Service Assistants	1,287	1,309	1,271	-39
4	Cleaners/Custodial Assistants	1,073	1,069	1,047	-22
5	Counselors/Student Adv./ Soc. Serv. Liaisons	524	523	520	-3
6	Classroom Assistants	603	677	677	0
7	Secretaries	515	519	519	0
8	Bus Drivers	510	491	493	2
9	Principals/Assistant Principals	470	455	453	-2
10	Food Service Workers	460	458	458	0
11	Bus Attendants	450	477	477	0
12	Building Engineers	427	429	415	-14
13	School Police Officers	425	455	439	-16
14	Nurses	309	311	311	0
	Total	18,937	19,948	19,778	-116
	ALL OTHER	3,873	4,184	4,092	-92
	DISTRICT TOTAL	22,810	24,132	23,870	-262



Changes in Budgeted Positions – FY2010-11 Budget over FY2009-10 Estimated Actual

<u>Teachers</u>	Net Changes in FTEs FY11 Bdgt ovr FY10 Est. Act.
1 Elementary	-81
2 Secondary	-55
3 Special Ed.	24
4 Early Childhood	0
5 English Language Learners	27
6 Instrumental Music	31
7 Increase in Teachers	-54
8 Enrollment Decline	-136
9 Increase for H.S. Newcomer Learning Academies	24
10 Early Childhood Center Expansions	27
11 English Language Learner Expansion	31
12 Total Decrease in Teachers	-54
13 Facilities Cleaners / Engineers / Maintenance	-46
14 Climate & Behavior Support	-27
15 Other Instructional Staff / Student Support	-21
16 School Police	-16
16 Total Decrease - Specific Position Types	-164
17 Other Adjustments - Net All Other	-98
18 Total Decrease in Budgeted FTEs	-262



FY2010-11 School District Budget

**Mandated/Hold Harmless
Expenditures**



FY2010-11 Budget – Mandated/Held Harmless Expenditures

	<u>Budget Category/Fully Mandated-Required Expenditures</u>	<u>Minimum Cost</u>
	<u>School Budgets -- District Operated Schools -- Instructional</u>	
1	Classroom Teachers (Regular Ed at Minimum Ratios)	\$554,070,877
2	Principals	\$44,589,705
3	Instructional -- Mandated -- TOTAL	\$598,660,582
	<u>School Budgets -- District Operated Schools -- Instructional Support</u>	
4	Hospital/Homebound Services	\$1,734,949
5	Instructional Support -- Mandated -- TOTAL	\$1,734,949
	<u>School Budgets -- District Operated Schools -- Operational Support</u>	
6	Debt Service	\$253,510,532
7	Facilities -- One Building Engineer per School	\$19,036,519
8	Transportation -- Special Education Services	\$50,701,000
9	Transportation -- Bus Attendants -- Special Ed	\$9,841,269
10	District Operated Schools -- Operational Support -- TOTAL	\$333,089,320
	<u>Non-District Operated Schools</u>	
11	Charter Schools -- Per Pupil Payments for Slots Already Granted	\$376,564,196
12	Institutional Placements	\$65,144,072
13	Services to Non-Public Schools -- Regular (Excl. Transportation)	\$36,420,266
14	Non-District Operated Schools -- TOTAL	\$478,128,533
	<u>District Operated Schools -- Pupil/Family Support</u>	
15	Counselors and Related Positions -- One per school	\$28,331,347
16	School Health/Nurses -- One nurse per 1,500 students	\$20,243,798
17	Librarians -- One LIMA per school with 1,000+ students	\$1,447,768
18	District Operated Schools -- Pupil/Family Support -- TOTAL	\$50,022,913
	<u>Administrative Support</u>	
19	Temporary Borrowing	\$4,102,400
20	Fully Mandated-Required Expenditures -- TOTAL	\$1,465,738,698
21	Total FY11 Budget Expenditures -- Operating Budget	\$2,432,417,177
22	Non-Mandated-Required Expenditures --TOTAL	\$966,678,479



FY2010-11 School District Budget

**Imagine 2014 Initiatives and
Other Education Reforms
in the SDP FY2010-11 Budget**



Implementing **IMAGINE 2014**, the School District's Five Year Strategic Plan

In April 2009, the School Reform Commission approved **Imagine 2014**, the School District's five year strategic plan. **Imagine 2014** builds on the School District of Philadelphia's past successes in increasing student achievement and provides the School District with a roadmap to accelerate academic progress over the next five years.

Imagine 2014 is built on the conviction that Philadelphia's children deserve and need a high quality education if they are going to be successful in the increasingly complex global society they are about to inherit.

To provide our children what they need and deserve, the Imagine 2014 vision is based on these five goals:

- **Student Success.** We will ensure that 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.



Implementing **IMAGINE 2014**, the School District's Five Year Strategic Plan

Teachers, parents, students, administrators, concerned neighbors and community leaders have been working hard over the past year to implement the reforms and creative programs called for in **Imagine 2014**.

To advance these efforts, the School District's proposed FY2010-11 budget provides **\$180 million** for the implementation of **Imagine 2014** initiatives, including **\$119 million** for the continuation of Phase One initiatives implemented last year and **\$61 million** for new or expanding initiatives.

Several of the major **Imagine 2014** initiatives are described on the following pages.



The FY2010-11 SDP Budget provides funding for the continuation of *Imagine 2014* Phase One Initiatives & for other New or Expanding SDP Education Reforms that will accelerate gains in student achievement

- **Expanded Summer Programs**
 - FY2010-11 target of serving 50,000 students, from Pre-K to Grade 12
 - Summer Learning and More “SLAM”: Remedial morning instruction; enrichment courses in the afternoon
 - Summer Academy – New in 2010: Functions as an extension of the regular school year at 107 “high needs” sites – Empowerment and Renaissance Schools – for K-8 students. Courses offered in reading, math, and enrichment.
 - Expanded partnership with Philadelphia Youth Network: work experience schedules are coordinated with summer course schedules to allow students to both work and attend school

- **Peer Assistance and Review (PAR) for New and Veteran Teachers**
 - Consultant Teachers will provide in-depth support to new and veteran teachers with unsatisfactory ratings
 - FY2010-11: Program begins at 45 of Philadelphia’s Empowerment Schools
 - At full implementation, PAR will provide a Consultant Teacher for a full year for every newly-hired and unsatisfactory-rated teacher in every District-operated school



The FY2010-11 SDP Budget provides funding for the continuation of *Imagine 2014* Phase One Initiatives & for other New or Expanding SDP Education Reforms that will accelerate gains in student achievement

- **Expanded In-School Suspension Programs (ISS)**
 - Program provides a safe learning and support environment as an alternative to out-of-school suspensions
 - Students receive behavioral support from a counselor, student advisor, social service liaison, peer mediator and/or Reengagement Specialist
 - 18 schools launched new ISS programs in January 2010; another 34 in March 2010
- **Improved Services for English Language Learners (ELL)**
 - 43 add'l English to Speakers of Other Language (ESOL) teachers hired in 2009-10
 - FY2010-11 target to hire an add'l 16 ESOL teachers
 - Open three **Newcomer Learning Academies** in FY2010-11 where recent immigrant students in grades 6-12 can receive intensive instruction and community engagement for up to one year
 - Open **ELL Enrollment Centers** at several sites across the District to provide bilingual support to parents and guardians
 - Improve ELL curriculum, complete with standards, benchmark assessments, exit timelines and enhanced professional development for ESOL teachers



The FY2010-11 SDP Budget provides funding for the continuation of *Imagine 2014* Phase One Initiatives & for other New or Expanding SDP Education Reforms that will accelerate gains in student achievement

- **Renaissance Schools and Promise Academies**
 - FY2010 Budget provides funding for 9 Renaissance Schools and 5 Promise Academies
 - **Renaissance:** School Advisory Councils and Renaissance Turnaround Teams will recommend which team should operate the school as either a charter school or an “innovation” school.
 - **Promise Academy** model: School Advisory Councils will have the opportunity to work in conjunction with the District to turn around schools while keeping them as District-managed schools.
- **Weighted Student Funding (WSF)**
 - An approach to distributing resources to schools and developing school budgets driven by Academic Improvement Action plans put together with input from the community
 - WSF distributes dollars based on students’ needs
 - FY2010-11: WSF-Pilot launched in 57 District-operated schools
 - FY2011-12: WSF Planning Committee will craft WSF policy and determine appropriate weights and allocations for all District-operated schools



The FY2010-11 SDP Budget provides funding for the continuation of *Imagine 2014* Phase One Initiatives & for other New or Expanding SDP Education Reforms that will accelerate gains in student achievement

- **Regional Early Childhood Centers**
 - Provide support and services to parents of children ages zero to five
 - Centers offer developmental screenings to determine childrens' cognitive, social, emotional and other needs
 - First center opened March 2010; in FY2010-11 SDP will open second center
- **Student Success Centers (SSCs)**
 - Focus on college readiness, career exploration and social support services
 - Located in comprehensive high-schools, open to all students
 - Goal is to increase number of students who enroll and complete college, increase number of students with paid internships, reduce number of at-risk students dropping out of school
 - FY2009-10: Operated in 11 Empowerment High Schools
 - FY2010-11: Expand to operate in a total of 14 schools



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- **School-Based Social Services (SBSS)**
 - Began in January 2010; implemented in over 250 District-operated schools as of March, 2010
 - Provide support to students experiencing academic difficulties due to psychological, social, economic, or medical issues
 - Provide linkages to outside behavioral and social service agencies
 - Currently: 109 Resource Specialists provide ongoing services to 2,600 students; 2,200 students have received one-time consultation support

- **Reengagement Centers**
 - One-stop service center for students ages 15-21 who have dropped out of Philadelphia public schools or are at risk of doing so
 - Services provided to students as well as parents, guardians, case managers, and school staff
 - Students who re-engage receive:
 - Testing and assessment in order to be placed in appropriate school location
 - Individual case management
 - Updated IEPs
 - Access to prior academic records and transcripts
 - 4,000 students have been served since May 2008 at 440; 2nd center opened in March 2010 at Front and Hunting Park



The FY2010-11 SDP Budget provides funding for the continuation of *Imagine 2014* Phase One Initiatives & for other New or Expanding SDP Education Reforms that will accelerate gains in student achievement

- **Other Imagine 2014 Initiatives included in the FY2010-11 Budget:**
 - **REDUCED K-3 CLASS SIZES:** The District will continue to maintain lower teacher-to-student ratios in grades K-3 in all District-operated schools: Empowerment (K: 20:1, 1-3: 22:1); School Improvement Schools (K: 23:1, 1-3: 24:1) and AYP Schools (K: 23:1, 1: 25:1, 2-3: 26:1)
 - **EXPANDED AND IMPROVED COUNSELING SERVICES:** The District will continue to maintain lower counselor-to-student ratios in Middle grades and High Schools (250:1 middle grades, 300:1 high school) and will provide additional counselors to permit maximum 500:1 ratios for large elementary schools. Counselors will continue to be “looped” so they stay with the same students. Individualized Learning Plans will be prepared for all 9th graders, and ILPs will be updated for 10th graders.
 - **ENHANCED SPECIAL EDUCATION SUPPORT:** Special Education Liaisons have been hired and placed in schools to ensure timely IEP preparation and successful IEP implementation to provide optimal support and opportunities for special education students.
 - **ELEMENTARY READING SUPPORTS:** Reading recovery teachers are now working one-on-one with eligible 1st grade students and with small groups of K-3 students in Empowerment Schools, and will continue to do in 2010-11.
 - **EXPANSION OF THE PARENT UNIVERSITY:** Over 5,000 parents have participated in 23 Parent University sites across the city over the past year. Classes are offered in different languages and opportunities are offered to earn an adult diploma/GED, Associate’s degree, or certification. Five more school-based sites will be added in 2010-11.



The FY2010-11 SDP Budget provides funding for the continuation of *Imagine 2014* Phase One Initiatives & for other New or Expanding SDP Education Reforms that will accelerate gains in student achievement

- **Other Imagine 2014 Initiatives included in the FY2010-11 Budget:**
 - **TUITION ASSISTANCE: SDP-SPONSORED MASTERS IN URBAN EDUCATION:** Tuition reimbursement will be provided for 200 teachers in high needs schools in 2010-11 who enroll in a collaboratively designed Masters degree program with local universities tailored to meet the diverse needs of students in persistently failing schools.
 - **PARENT OMBUDSMEN AND STUDENT ADVISORS:** High needs schools will continue to be provided with staff members dedicated to reaching out to parents and promoting parental involvement to help engage families in the education of their children and providing additional support to struggling students. The FY2010-11 budget will continue to fund parent ombudsmen and student advisor positions not only in the Empowerment Schools but also in other schools that are not yet making Adequate Yearly Progress and will benefit from these additional supports.
 - **BETTER HIGH SCHOOL SCHEDULING:** District comprehensive high schools will continue to operate in 2010-11 with a revised schedule that allow for more electives, an improved curriculum, and common faculty planning time.
 - **CORE CURRICULUM REDESIGN FOR HIGH NEEDS SCHOOLS:** A new literacy core curriculum will be implemented in 2010-11 to accelerate the achievement of students in high needs schools.



The FY2010-11 SDP Budget provides funding for the continuation of *Imagine 2014* Phase One Initiatives & for other New or Expanding SDP Education Reforms that will accelerate gains in student achievement

- **Other Imagine 2014 Initiatives included in the FY2010-11 Budget:**
 - **A/B SCHEDULING:** In 2009-10, 9th grade students who failed English I or Algebra I in the District's comprehensive high schools were given the opportunity to take these courses again in the following semester in order to make-up the credits and avoid falling behind. In 2010-11, this program will be extended to 10th grade.
 - **KINDERGARDEN ENTRY STANDARDS:** The District will disseminate K entry standards to pre-K providers in 2010-11 and provide Professional Development on entry standards.
 - **PHYSICAL EDUCATION AND SOCIALIZED RECESS:** All elementary schools will provide PE programs for every student and offer some form of socialized recess in 2010-11.
 - **MODEL CLASSROOMS:** Exemplary teaching practices of school district teachers will be identified and shared through classroom visitations and web-based video clips. The Model Classrooms Project will create opportunities for teachers to learn strategies from their peers in improving instruction.
 - **HIGH SCHOOL FOR FUTURE TEACHERS:** This program will open in 2010-11 at Kensington High School.
 - **FACILITIES MASTER PLAN:** The District will complete and begin to implement a master plan in 2010-11 that defines the SDP's optimal space needs and measures the "fit" between the District's existing facilities and its current and future facilities needs.



FY2010-11 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.

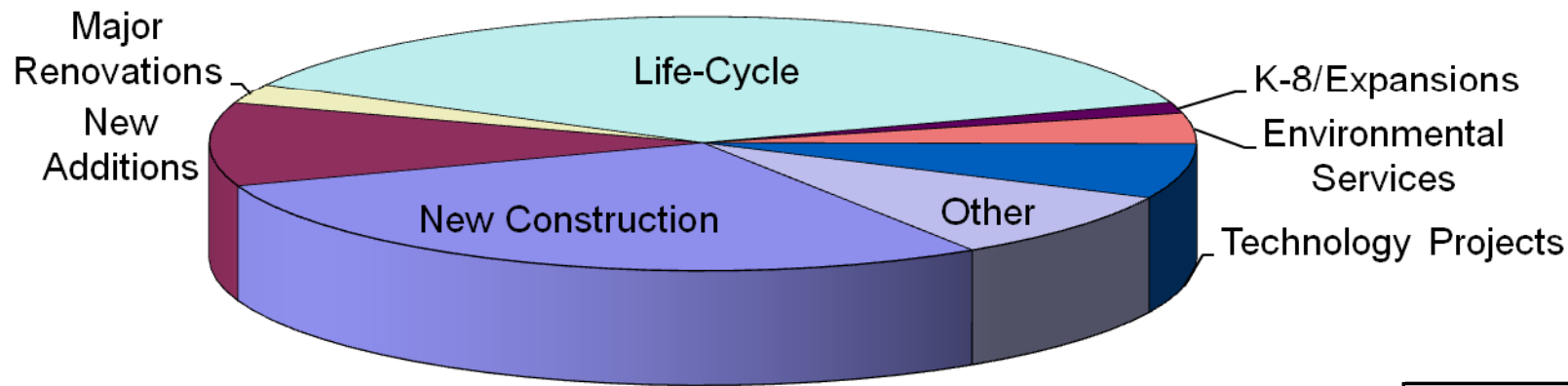
The largest percentage of the capital budget is spent on life-cycle replacements such as boilers, windows, HVAC systems, etc, and on new construction.



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.

FY10-11 Estimated Capital Budget



**Total:
\$327.8M**

	FY2010-11	% of Budget
New Construction	\$ 94.0	29%
New Additions	\$ 34.7	11%
Major Renovations	\$ 8.4	3%
Life-Cycle	\$ 122.0	37%
K-8/Expansions	\$ 4.5	1%
Environmental Services	\$ 12.7	4%
Technology Projects	\$ 22.8	7%
Other	\$ 28.7	9%



How does the SDP plan to spend its FY2010-11 Capital Budget?

Construction Projects - 118 Active Locations

- 2 new buildings will open in 2010
 - Kensington High School for the Creative & Performing Arts
 - Willard Elementary School
- 3 additions and major renovations to be completed by September 2010
 - Bluford Elementary School
 - Motivation High School
 - Penrose Elementary School
- 6 new construction projects, major renovations and additions in progress during FY2010-11
 - West Philadelphia H.S. (new construction)
 - Franklin Learning Center
 - Lankenau
 - Barratt
 - Bridesburg
 - Kearny

\$122M in life-cycle improvements, including:

- \$21.3M for boiler replacements
- \$16.2M for structural and facade restorations
- \$11.4M for roof replacements
- \$20.1M for window replacements

Design Projects

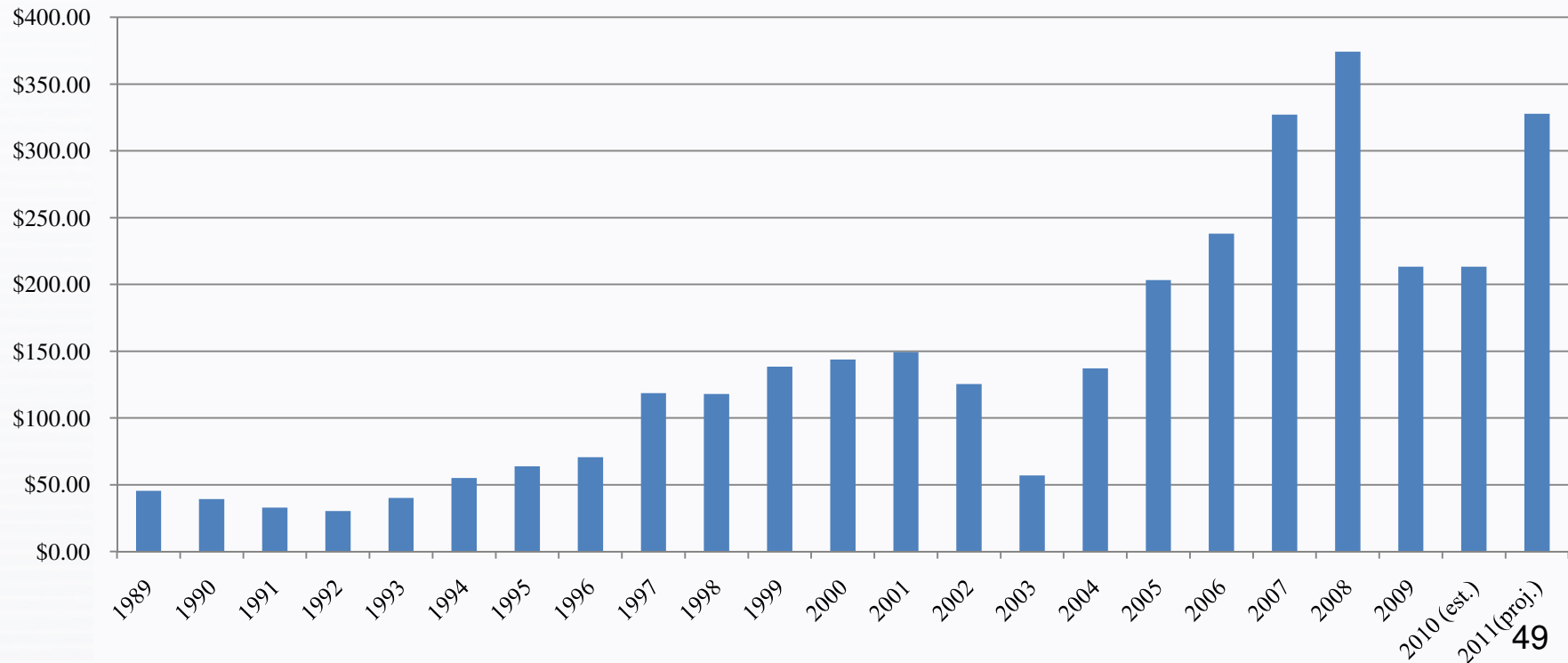
- 159 initiatives



School District of Philadelphia Capital Expenditures 1990 to 2011

As recently as the 1990s, the District was spending as little as \$40 million annually on repair and reconstruction of its facilities, leading to a significant deferred maintenance backlog. Despite dramatic increases in the levels of investment in facilities over the past 7 years (see chart below), this backlog has still not been eliminated.

School District of Philadelphia Capital Expenditures 1990-2011 (in millions)





FY2010-11 School District Budget

The Issue of Funding Adequacy

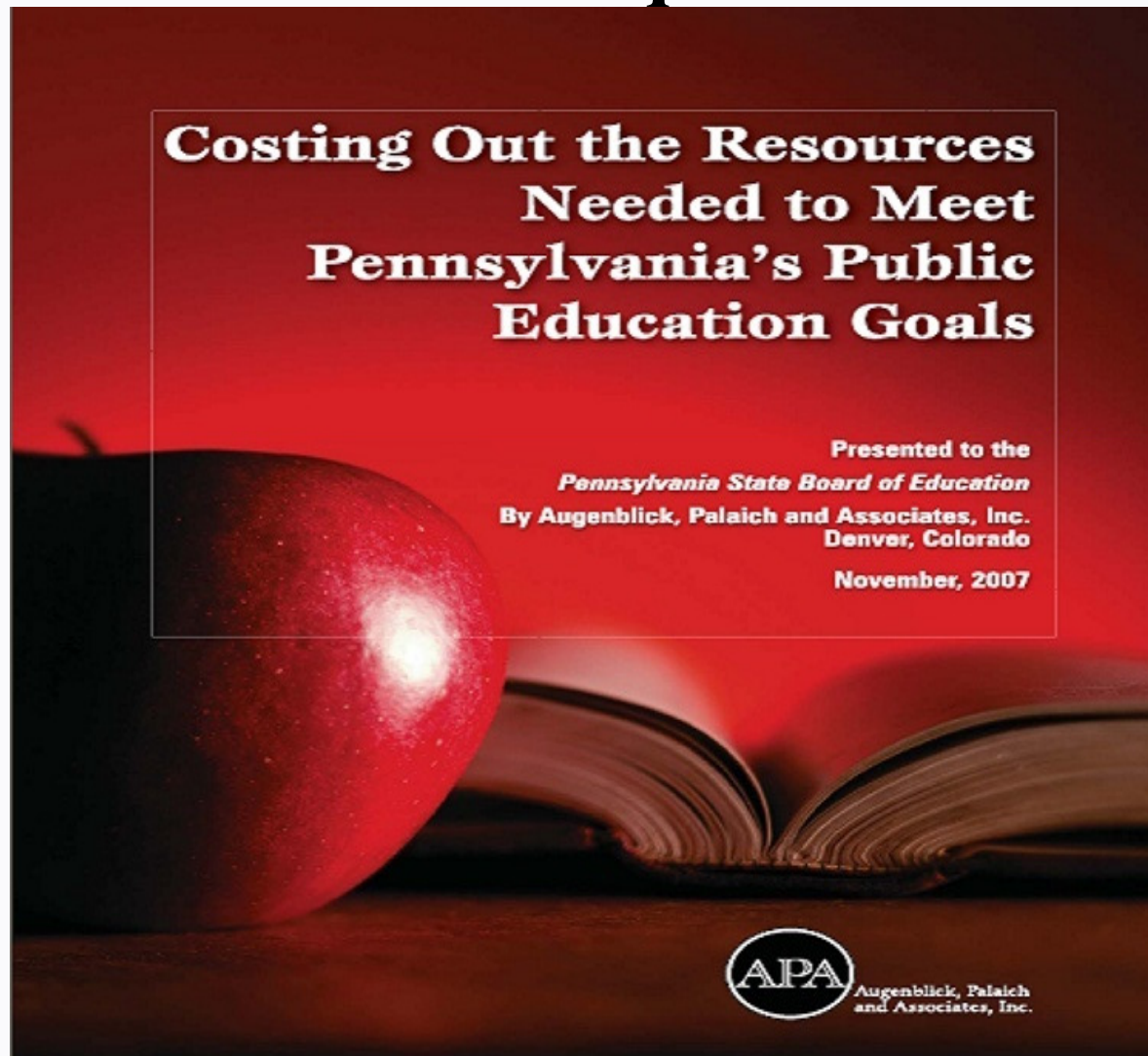


Does the SDP have “adequate” revenue?

- In 2006 the Pennsylvania General Assembly ordered the Pennsylvania Board of Education to determine whether Pennsylvania’s school districts had sufficient resources to successfully educate every child, and if not, how large the “adequacy gap” was between available funding and the level of funding needed to enable all PA children to succeed in school.
- The Board of Education completed its study in November 2007. It determined that 474 of Pennsylvania’s 500 school districts lacked adequate funding. For the School District of Philadelphia, the annual “adequacy funding gap” was determined to be \$4,974 per student, or about \$800 million.
- In Act 61 of 2008 (the 2008-09 School Code Bill) the Commonwealth set a goal of providing over \$2 Billion of additional annual 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. The FY2009-10 PA Budget provides PA school districts with the second year installment of “adequacy” funding.

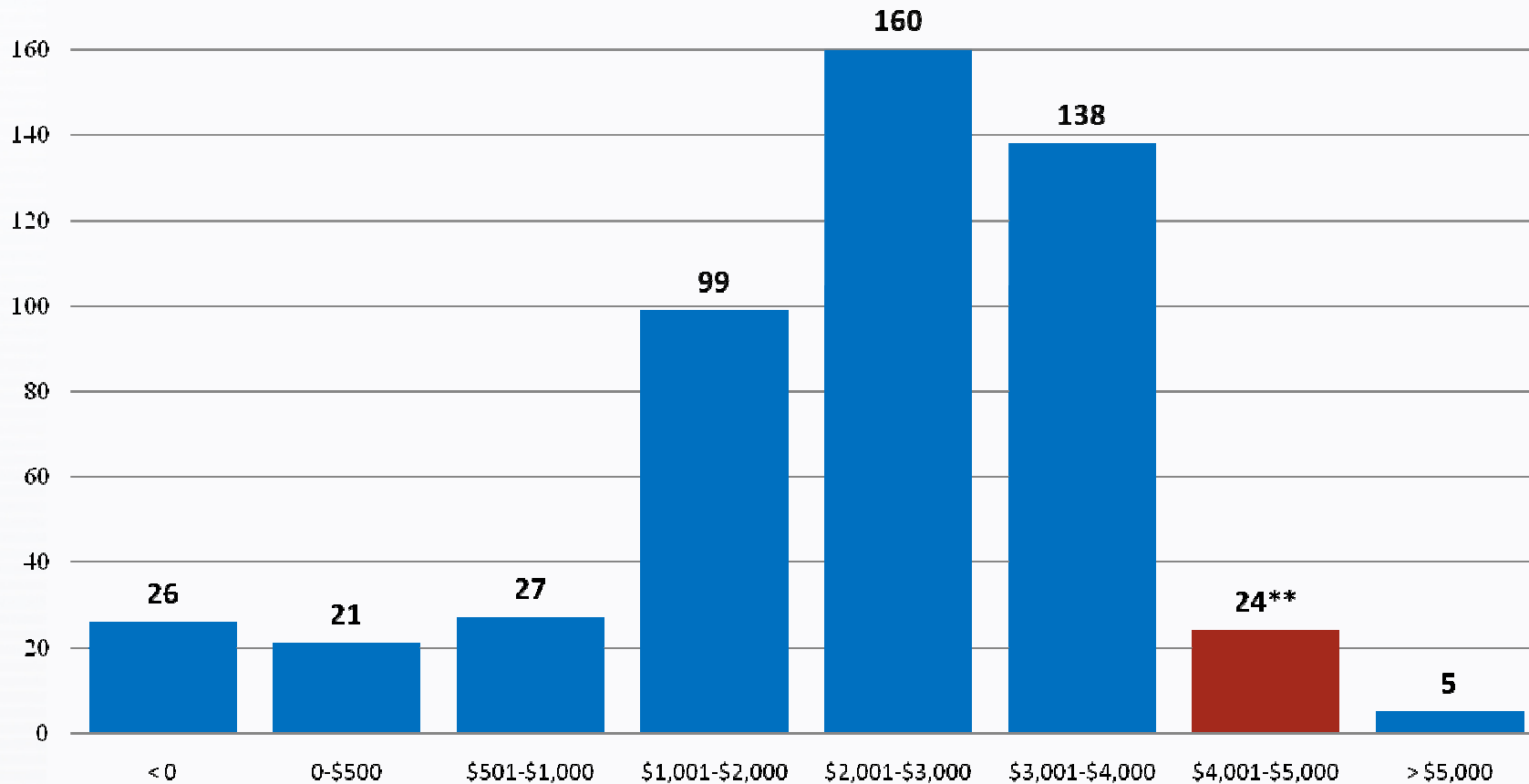


Does SDP have “adequate” revenue?





Per Pupil Funding Gap: # of PA School Districts in Each Per Pupil "Gap Cohort"

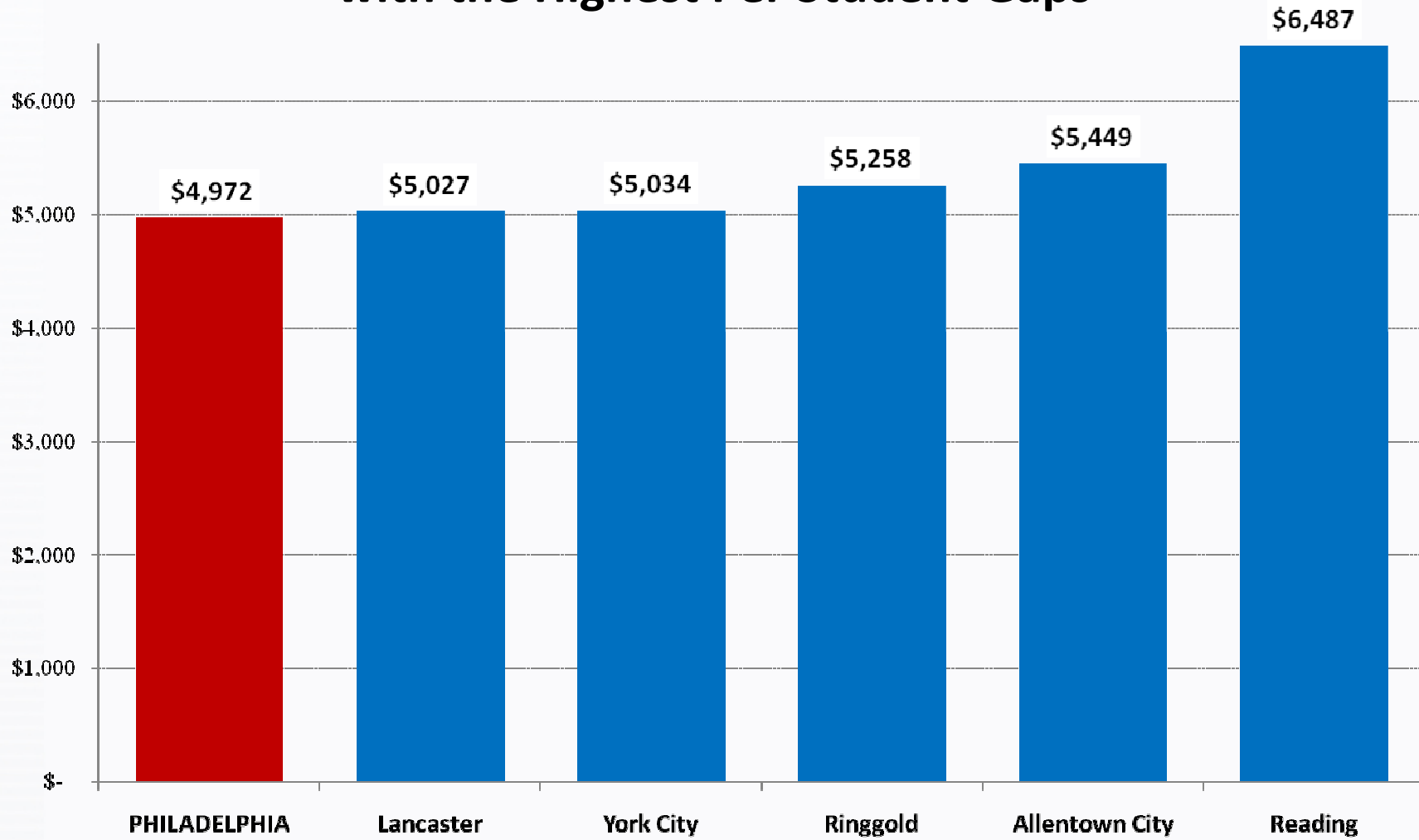


**** Philadelphia School District per pupil funding gap: \$4,972**

SOURCE: Costing Out the Resources Needed to Meet Pennsylvania's Public Education Goals Dec 2007



Per Student Funding Gap in PA School Districts with the Highest Per Student Gaps



SOURCE: Costing Out the Resources Needed to Meet Pennsylvania's Public Education Goals Dec 2007



Does SDP have “adequate” revenue?

- Objective analysis by the Commonwealth’s own state education board has demonstrated that the School District of Philadelphia is not in any way “over” funded.
- With increased but still relatively limited resources, the School District has achieved a great deal in the seven years since the creation of the Philadelphia School Reform Commission in 2002. The District has moved from having only 1 of every 5 of its students achieving at grade level or better in 2001 to over 1 out of every 2 students achieving at grade level today – that means **40,000 more Philadelphia students achieving at grade level** than in 2001.
- The level of additional support the District received from the Commonwealth in 2008 and 2009 has closed a portion of the funding gap the State Board of Education identified in 2007.
- The District has shown conclusively that additional funding, invested wisely, can create better public schools.
- Despite the progress of the past seven years, too many children are still not succeeding in Philadelphia’s public schools. The District is determined to finish the job of helping every child succeed. With continuing support from the City, State and Federal governments, progress can continue – and accelerate.