



THE SCHOOL DISTRICT OF  
PHILADELPHIA

# Building on Our Progress

Preliminary Five-year Plan (FY2021-2025)  
Lump Sum Statement (FY2020-2021)



If you have a disability and the format of any material on our web pages interferes with your ability to access the information or you have a question regarding the School District's website accessibility, please contact us via any of the following means for assistance:

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  
Fax: (215) 400-4181

To help us respond in a manner most helpful to you, please indicate the nature of the accessibility problem, the web address of the requested material, your preferred format in which you want to receive the material (electronic format (ASCII, etc.), standard print, large print, etc.), and your contact information (name, email, telephone, and physical mailing address).

# Lump Sum Presentation Context

The Lump Sum Budget was built based on City and State budget proposals which predated the Coronavirus issues which are impacting all aspects of District operations and finances.

This presentation has been shortened to focus on the Lump Sum Budget which was designed to build on the District's continued progress, in the context of a fiscal outlook much different from the unknowns being faced across the globe at this time.

As the District continues its current year responses to the unprecedented challenges of the global pandemic, and continues ongoing dialogue with the City and State about next year's funding, we will continue to update the public through our budget hearings and future budget revisions throughout the remainder of the budget process.



# Since 2016, we've been making strategic investments to strengthen our schools



## Supporting Academic Achievement & Progress

- new core materials + 150 early literacy coaches
- grade-level libraries in every K-5 classroom
- significant classroom modernization investments

## Improving School Climate & Culture

- improved attendance strategies
- new alternatives to suspensions
- stronger engagement with City partners
- Positive Behavior Interventions and Supports

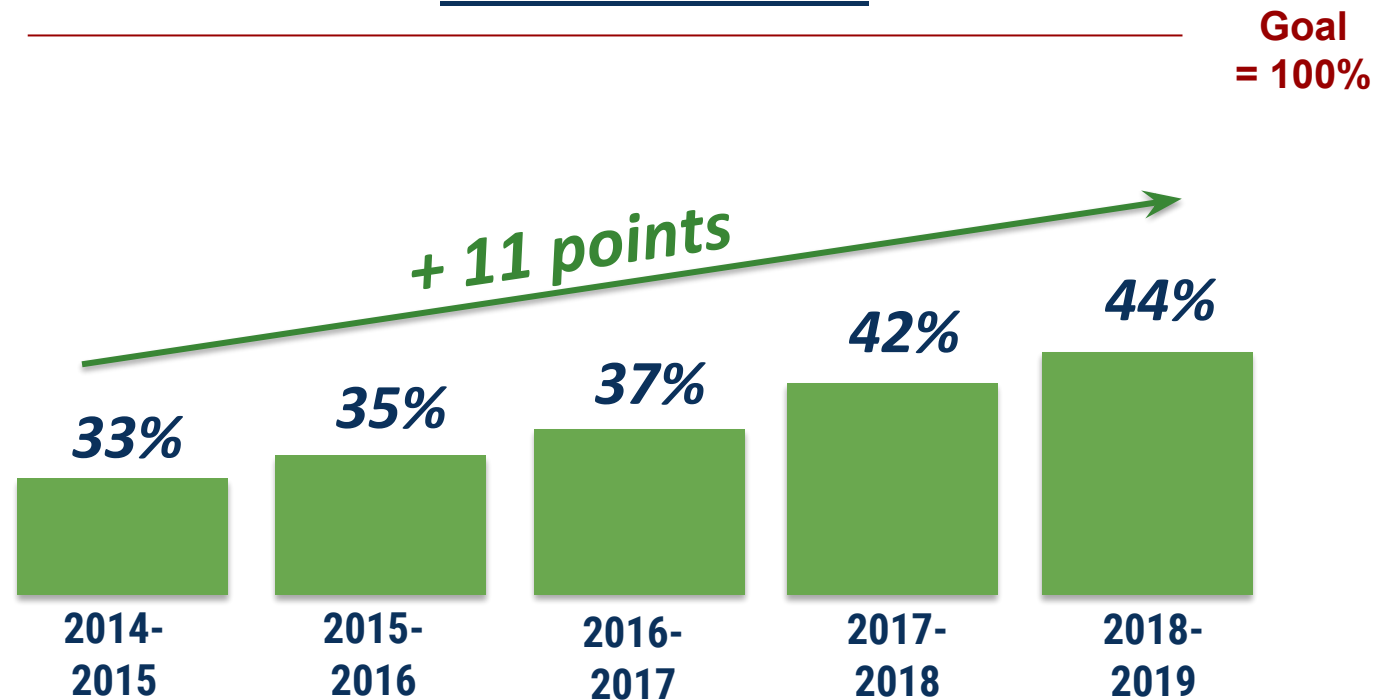
## College and Career Readiness

- more AP & dual enrollment courses
- +19 college & career readiness coordinators
- new offices of post-secondary readiness and high school supports

*Together, we have made progress*

## For four years in a row, public schools across our city have improved

### Overall School Progress Report Score District-led + Charter



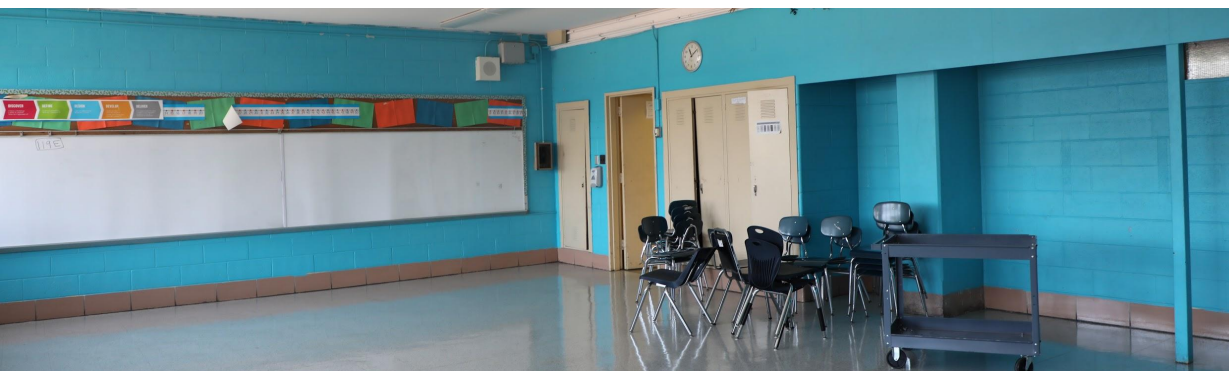




# We've also made significant investments to support cleaner, healthier schools

Since 2014, we've:

- spent over \$20 million to complete environmental and asbestos-related projects in schools – *1,924 projects in last 18 months alone*
- fully stabilized lead paint in 32 elementaries, certified another 13 as Lead Safe and will certify another 26 by end of year
- added multiple state-of-the-art hydration stations in every school
- added 112 new cleaning positions
- installed 150 new A/C units at nine schools
- installed humidity sensors to monitor and proactively prevent mold in 31 targeted schools



## **We are making progress while maintaining a strong fiscal foundation**



- An Investment Grade credit rating for the first time since 1977
- Positive year-end fund balance for the sixth year in a row
- No negative audit findings for the sixth consecutive year



# BUILDING ON OUR PROGRESS

The SY2020-2021  
Investment Plan will  
**build on prior  
investments and support  
new priorities**  
to further improve  
academic outcomes  
for students







# Adding more services and supports in schools to help all learners succeed

## ■ Instructional Supports

- 30 additional English Language teachers
- Rewriting our curriculum to:
  - reflect the latest insights on how students learn
  - be more culturally inclusive and relevant
- Increased professional development
  - Summer Institute
  - August professional development

## ■ Supports for School Leaders and Educators

- In-house program for aspiring school leaders
- Additional supports for student-teacher placement



# Adding more services and supports in schools to help all learners succeed

## Student and Climate Supports

- Positive Behavior Interventions and Supports (PBIS) coaches
- Additional attendance coaches supporting targeted schools
- Professional development for school climate professionals
- Increased social-emotional learning programs
- Additional nurses for Alternative Education and Educational Options Program (EOP)
- Case managers to support students transitioning back to schools

## Facilities Supports

- Additional funding for cleaning and maintenance to make all schools healthy spaces for students and staff





A photograph of a classroom where students are seated at desks, playing recorders. The students are wearing maroon shirts. The classroom has blue chairs and wooden desks. A semi-transparent blue box is overlaid on the bottom left of the image, containing the title and a list of items.

# FINANCIAL OUTLOOK

- FY 2020-2021 Lump Sum Statement
- Preliminary Five-Year Plan for FY2021-2025
- Budget Timeline



# The Proposed FY2020-2021 Lump Sum Budget

(in thousands)

	FY20	FY21
	Projected	Proposed
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>		
Local Tax Revenues	\$1,345,485	\$1,374,751
Local Non-Tax Revenues	\$267,804	\$303,634
State Revenues	\$1,696,602	\$1,729,330
Federal Revenues	\$16,833	\$16,722
Other Financing Sources	\$7,587	\$289
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b>\$3,334,311</b>	<b>\$3,424,726</b>
<b>EXPENDITURES</b>		
District Operated Schools	\$1,774,024	\$1,836,178
Charter Schools (Incl. Transportation)	\$1,098,215	\$1,044,473
Other Non-District Operated Schools (Incl. Transportation)	\$99,629	\$106,581
Debt Service	\$288,218	\$311,515
Administrative Support Operations (Central Offices)	\$124,451	\$130,858
Undistributed Budgetary Adjustments	(\$23,433)	(\$19,174)
Other Financing Uses	\$1,883	\$1,683
<b>TOTAL EXPENDITURES &amp; OTHER USES</b>	<b>\$3,362,988</b>	<b>\$3,412,114</b>
Refunding Revenues and Sources	\$350,938	\$0
Refunding Expenditures and Uses	\$352,802	\$0
<b>OPERATING/FUND BALANCE</b>		
Net Impact of Refunding	(\$1,864)	\$0
Transfers from Reserves	(\$13,321)	(\$13,321)
Reserve for Facilities	(\$25,000)	\$12,500
Operating Surplus/(Deficit) incl. Change in Reserves and Net Impact of Refunding	(\$68,861)	\$11,791
<b>Fund Balance at Beginning of Year - July 1</b>	<b>\$222,607</b>	<b>\$153,745</b>
<b>ENDING FUND BALANCE</b>		
<b>Fund Balance at End of Year - June 30</b>	<b>\$153,745</b>	<b>\$165,537</b>
<i>Fund Balance as % of Total Expenditures</i>	<i>4.57%</i>	<i>4.85%</i>

# Our five-year plan focuses on maintaining fiscal stability while advancing academic supports for all children

## Key Assumptions

- **Use reasonable projections and assumptions for revenues and expenditures, based on:**
  - Actual revenues and expenditures
  - Current law
  - Historical spending and enrollment trends (SDP and charter)
  - Most recent City, State and Federal budget proposals
- **Primary objectives:**
  - Identify sufficient revenues to meet the anticipated obligations of the first 24 months
  - Establish baseline financial projections to enable dialogue among all School District funders (City, State, Private), identifying pathways to achieving long-term structural balance





# Preliminary Five-Year Plan Projections:

With proposed charter funding change, SDP achieves a structurally balanced budget

## FY21-FY25 FINANCIAL PLAN Operating Funds (in thousands)

	FY20	FY21	FY22	FY23	FY24	FY25	CAGR
	Projected	Projected	Projected	Projected	Projected	Projected	FY21-25
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>							
Local Tax Revenues	\$1,345,485	\$1,374,751	\$1,421,886	\$1,459,530	\$1,502,167	\$1,545,799	3.0%
Local Non-Tax Revenues	\$267,804	\$303,634	\$320,439	\$317,164	\$323,269	\$323,269	1.6%
State Revenues	\$1,696,602	\$1,729,330	\$1,749,655	\$1,775,019	\$1,798,541	\$1,823,492	1.3%
Federal Revenues	\$16,833	\$16,722	\$16,669	\$16,549	\$16,421	\$16,284	-0.7%
Other Financing Sources	\$7,587	\$289	\$2,049	\$289	\$2,049	\$289	0.0%
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b>\$3,334,311</b>	<b>\$3,424,726</b>	<b>\$3,510,698</b>	<b>\$3,568,551</b>	<b>\$3,642,448</b>	<b>\$3,709,134</b>	<b>2.0%</b>
<b>EXPENDITURES</b>							
District Operated Schools	\$1,774,024	\$1,836,178	\$1,831,665	\$1,871,055	\$1,886,135	\$1,910,495	1.0%
Charter Schools (Incl. Transportation)	\$1,098,215	\$1,044,473	\$1,120,618	\$1,120,192	\$1,166,365	\$1,201,644	3.6%
Other Non-District Operated Schools (Incl. Transportation)	\$99,629	\$106,581	\$109,996	\$113,091	\$115,855	\$118,636	2.7%
Debt Service	\$288,218	\$311,515	\$314,864	\$352,889	\$321,561	\$324,561	1.0%
Administrative Support Operations (Central Offices)	\$124,451	\$130,858	\$129,974	\$130,774	\$131,668	\$132,415	0.3%
Undistributed Budgetary Adjustments	(\$23,433)	(\$19,174)	(\$19,108)	(\$19,040)	(\$18,971)	(\$18,901)	-0.4%
Other Financing Uses	\$1,883	\$1,683	\$1,683	\$1,683	\$1,683	\$1,683	0.0%
<b>TOTAL EXPENDITURES &amp; OTHER USES</b>	<b>\$3,362,988</b>	<b>\$3,412,114</b>	<b>\$3,489,692</b>	<b>\$3,570,644</b>	<b>\$3,604,296</b>	<b>\$3,670,533</b>	<b>1.8%</b>
Refunding Revenues and Sources	\$350,938	\$0	\$0	\$0	\$0	\$0	\$0
Refunding Expenditures and Uses	\$352,802	\$0	\$0	\$0	\$0	\$0	\$0
<b>OPERATING/FUND BALANCE</b>							
Net Impact of Refunding	(\$1,864)	\$0	\$0	\$0	\$0	\$0	
Transfers from Reserves	(\$13,321)	(\$13,321)	(\$13,321)	\$28,259	(\$9,395)	(\$9,395)	
Reserve for Federal Cuts	\$0	\$0	(\$25,600)	(\$25,600)	(\$25,600)	(\$25,600)	
Reserve for Facilities	(\$25,000)	\$12,500	\$12,500	\$0	\$0	\$0	
<b>Operating Surplus/(Deficit) incl. Change in Reserves and Net Impact of Refunding</b>	<b>(\$68,861)</b>	<b>\$11,791</b>	<b>(\$5,415)</b>	<b>\$566</b>	<b>\$3,158</b>	<b>\$3,605</b>	
<b>Fund Balance at Beginning of Year - July 1</b>	<b>\$222,607</b>	<b>\$153,745</b>	<b>\$165,537</b>	<b>\$160,121</b>	<b>\$160,687</b>	<b>\$163,845</b>	
<b>ENDING FUND BALANCE</b>							
<b>Fund Balance at End of Year - June 30</b>	<b>\$153,745</b>	<b>\$165,537</b>	<b>\$160,121</b>	<b>\$160,687</b>	<b>\$163,845</b>	<b>\$167,450</b>	
<i>Fund Balance as % of Total Expenditures</i>	<i>4.57%</i>	<i>4.85%</i>	<i>4.59%</i>	<i>4.50%</i>	<i>4.55%</i>	<i>4.56%</i>	

**Total Revenues &  
Other Sources**

CAGR FY21 to FY25

**2.0%**

**Total Expenditures  
& Other Uses**

CAGR FY21 to FY25

**1.8%**



# Preliminary Five-Year Plan Risks

- Economic downturn affecting funding assumptions
  - Current economic uncertainty resulting from the Covid-19 pandemic threatens District revenue assumptions
- Governor's proposed revenues not included in final State budget
- Governor's proposed charter formula changes not included in final State budget
  - If the Governor's proposal is not approved, the District projects a negative fund balance beginning in FY22 and escalating to over (\$400 million) by FY25
- Mayor's proposed revenues not included in final City budget
- Additional facilities needs in the absence of new State grant funding
- Delays in the State budget process for FY21
- Additional increases in the Public School Employees' Retirement System (PSERS) contribution schedule, particularly in light of Stock market turmoil
- New Labor Contracts with significant costs

# TIMELINE

