



THE SCHOOL DISTRICT OF
PHILADELPHIA

Operating Budget Adoption FY20 Amended & FY21 Adopted

May 28, 2020

The School District of Philadelphia's Presentation of the FY21 Budget Adoption represents forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenues and obligations of the School District include, among others, reduced governmental allocations, changes in economic conditions, mandates from other governments, and various other events, conditions and circumstances, many of which are beyond the control of the School District. Such forward-looking statements speak only as of the date of this presentation, May 28, 2020. The School District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the School District's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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Changes Since May 14th Presentation

Federal CARES Act funding is now presented as a revenue, rather than as an expenditure reduction. The change has no impact on fund balance.

Revenues and Expenditures

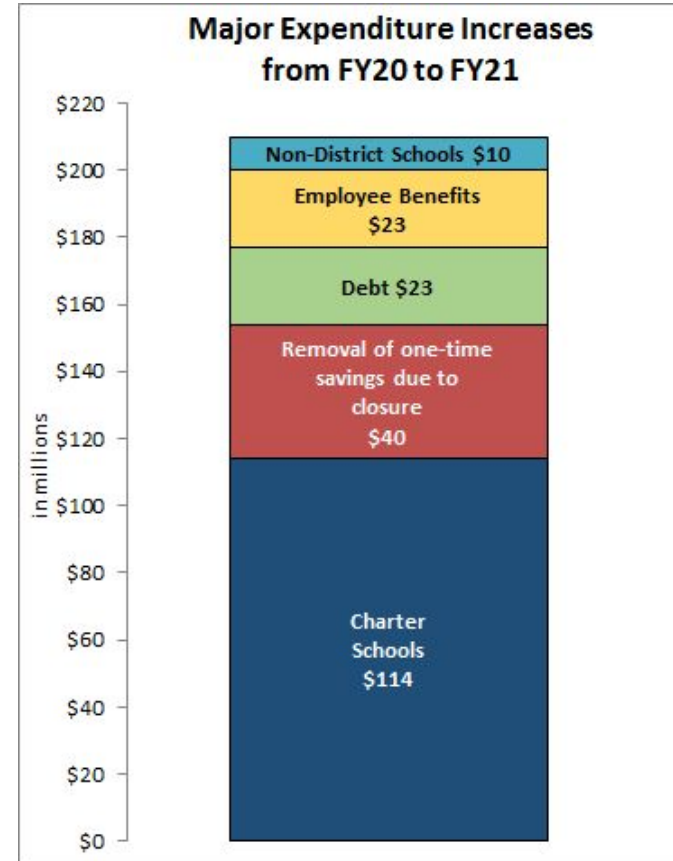
- FY20: Minimal changes related to updated tax collection data, some additional technology supports related to COVID-19 Pandemic; additional savings related to Closure.
- FY21:
 - State has proposed (and House has already passed) maintaining State education subsidies at FY20 levels, increasing projected revenue by over \$70 million
 - In light of State proposal, the City has withdrawn its proposed Property Tax increase

FY21-25 Five-Year Plan Operating & Federal CARES Act Projections

(in thousands)	FY20 Projected	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	CAGR FY21 to FY25
REVENUES & OTHER FINANCING SOURCES							
Local Tax Revenues	\$1,291,123	\$1,304,822	\$1,378,425	\$1,426,657	\$1,470,895	\$1,519,504	3.9%
Local Non-Tax Revenues	\$267,853	\$269,172	\$296,299	\$312,045	\$318,184	\$318,218	4.3%
State Revenues	\$1,691,135	\$1,693,362	\$1,713,849	\$1,737,120	\$1,757,074	\$1,778,370	1.2%
Federal Revenues	\$17,007	\$16,722	\$16,669	\$16,549	\$16,421	\$16,284	-0.7%
Federal CARES Act - District Funds	\$0	\$117,500	\$0	\$0	\$0	\$0	-100.0%
Other Financing Sources (excluding Refunding)	\$7,587	\$289	\$2,049	\$289	\$2,049	\$289	0.0%
TOTAL REVENUES & OTHER FINANCING SOURCES	\$3,274,705	\$3,401,866	\$3,407,291	\$3,492,660	\$3,564,623	\$3,632,665	1.7%
EXPENDITURES & OTHER FINANCING USES							
District Operated Schools	\$1,737,153	\$1,794,697	\$1,789,179	\$1,816,589	\$1,828,988	\$1,843,621	0.7%
Charter Schools (Incl. Transportation)	\$1,088,301	\$1,201,801	\$1,260,638	\$1,301,808	\$1,364,620	\$1,419,398	4.2%
Other Non-District Operated Schools (Incl. Transportation)	\$93,659	\$104,124	\$107,476	\$110,524	\$113,258	\$116,008	2.7%
Debt Service Expense (excluding Refunding)	\$288,218	\$311,515	\$314,864	\$352,889	\$321,561	\$324,561	1.0%
<i>Debt Service as % of Total Expenditures</i>	8.7%	8.8%	8.8%	9.5%	8.6%	8.5%	
Administrative Support Operations (Central Offices)	\$121,248	\$129,530	\$128,650	\$129,442	\$130,341	\$131,094	0.3%
<i>Admin as % of Total Expenditures</i>	3.7%	3.7%	3.6%	3.5%	3.5%	3.4%	
Undistributed Budgetary Adjustments	(\$32,532)	(\$17,173)	(\$17,063)	(\$16,950)	(\$16,835)	(\$16,718)	-0.7%
Other Financing Uses (excluding Refunding)	\$2,123	\$1,683	\$1,683	\$1,683	\$1,683	\$1,683	0.0%
TOTAL EXPENDITURES & OTHER USES (excluding Refunding)	\$3,298,169	\$3,526,178	\$3,585,428	\$3,695,987	\$3,743,616	\$3,819,648	2.0%
Refunding Revenues and Sources	\$350,938	\$0	\$0	\$0	\$0	\$0	
Refunding Expenditures and Uses	\$352,802	\$0	\$0	\$0	\$0	\$0	
OPERATING/FUND BALANCE							
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 Facilities	(\$25,000)	\$12,500	\$12,500	\$0	\$0	\$0	
Operating Surplus/(Deficit) incl. Change in Reserves and Net Refunding	(\$63,649)	(\$125,133)	(\$178,958)	(\$175,068)	(\$188,388)	(\$196,378)	
Fund Balance at Beginning of Year - July 1	\$222,607	\$158,958	\$33,825	(\$145,133)	(\$320,200)	(\$508,588)	
ENDING FUND BALANCE							
Fund Balance at End of Year - June 30	\$158,958	\$33,825	(\$145,133)	(\$320,200)	(\$508,588)	(\$704,966)	
<i>Fund Balance as a % of Total Expenditures</i>	4.8%	1.0%	-4.0%	-8.7%	-13.6%	-18.5%	

Explanation of Expenditure Growth from FY20 to FY21

- Expenditures are projected to increase by \$228 million from FY20 to FY21. \$210 million, or 92% of that increase, can be explained by the following increases:
 - Charter schools: \$114 million
 - Removal of net one-time savings in FY20 due to closure: \$40 million
 - Debt service: \$23 million
 - Employee benefits: \$23 million
 - Non District Operated Schools: \$10 million



TIMELINE

