



THE SCHOOL DISTRICT OF  
PHILADELPHIA

# ***Investing in a Better Tomorrow Utilizing One-Time Federal Funds***

**Lump Sum Presentation  
(FY22-23)**

**Five-Year Plan  
(FY23-27)**

March 24, 2022

The School District of Philadelphia's Presentation of the Preliminary Five-Year Plan for FY23-27 and Fiscal Year 2023 Lump Sum Statement of Anticipated Receipts and Expenditures 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, **March 24, 2022**. 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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***Fueled by  
one-time  
federal relief  
funding, this  
current school  
year represents  
a major  
milestone for  
investments in  
our schools and  
students.***



# FY22 Investments: Federal Funds Supporting Students and Learning Recovery



## ✓ Student-Focused Investments

- Enhanced summer school programs
- Improved school counselor ratios
- Increased before-school and after-school programming
- Increased number of psychologists, occupational, and speech therapists
- Funding for maintaining the District's 1:1 technology policy with additional technology supports for students and families

## ✓ School and Staff Focused Investments

- Retention and re-engagement bonuses for all staff
- Positions in all schools selected at discretion of school leaders
- Eliminate "leveling down" based on enrollments

# FY22 Federal Funds Investments: continued

## Student Social-Emotional Supports

- ✓ Increased number of Behavioral Health Counselors
- ✓ Climate supports
- ✓ Climate and trauma response specialists



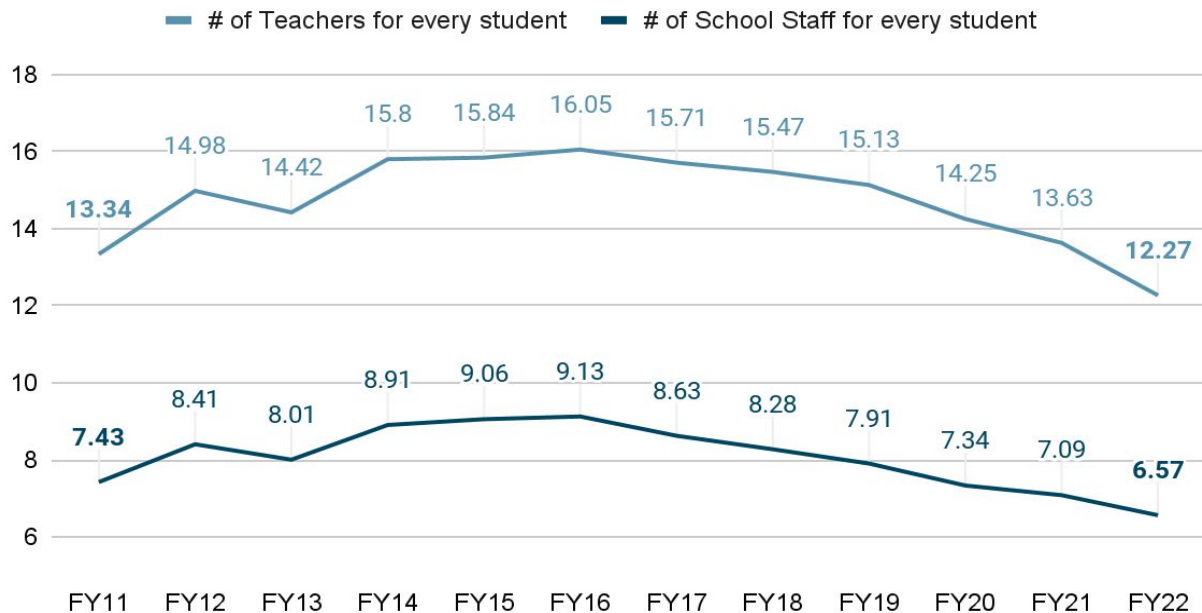
## Facilities Investments

- ✓ Ventilation projects
- ✓ Electric and HVAC upgrades
- ✓ Air conditioners
- ✓ Classroom renovations

# FY22 Impact: Most Favorable Staff-to-Student ratios in a Decade

FY11 represented a peak year for School District investments, as it was the last year prior to the severe State budget cuts and the last year of American Recovery and Reinvestment Act (ARRA) funding.

Changes in ratios of School Based Staff to Students over time



- In FY11, the District had one teacher for every 13.3 students; in FY22, the ratio is one teacher for every 12.3 students
- In FY11, total school based staff (teachers, counselors, student supports, climate, etc) was one staff member for every 7.4 students; in FY22, it is one for every 6.6 students.

# FY23: Continuing to Strategically Invest One-Time Federal Funds

The FY23 Budget will **focus on maintaining student supports** while investing in **new priorities** based on lessons learned, feedback from prior year investments, and the Board Goals and Guardrails to support positive academic outcomes for students.



# American Rescue Plan Act (ARPA)

## Focus Areas and Planned Spending Amounts

<b>FOCUS AREA ONE:</b> Support Educational Recovery and Accelerate Learning.	<b>FOCUS AREA TWO:</b> Dramatically Expand Facilities Improvements to Provide Safe, Healthy, and Modernized Schools.	<b>FOCUS AREA THREE:</b> Support the Significant Social and Emotional Needs of Our Students.	<b>FOCUS AREA FOUR:</b> More Supports in Schools to Help All Learners and Educators Succeed Going Forward.
<b>\$350M</b>	<b>\$325M</b>	<b>\$150M</b>	<b>Additional funding</b>
<b>Focused on programs to support learning recovery, such as:</b> <ul style="list-style-type: none"><li>• Enhanced summer learning programs</li><li>• After-school programs</li><li>• Before-school programs</li></ul>	<b>To support:</b> <ul style="list-style-type: none"><li>• Improving facilities across the District</li><li>• Enhancing the safety of school and district buildings</li></ul>	<b>To support:</b> <ul style="list-style-type: none"><li>• Increased social services at schools</li><li>• Trauma response initiatives</li><li>• Increased counselor support</li></ul>	<b>To support student success, including:</b> <ul style="list-style-type: none"><li>• Curriculum development</li><li>• Information technology equipment and services</li><li>• Investments to address Goals and Guardrails</li></ul>

*Determining ARPA  
funded priorities for  
FY23:*

**Using evaluation  
tools, stakeholder  
feedback, and the  
equity lens to inform  
decision making**

- Solicit input from school-based staff, with a particular emphasis on school leaders
- Review of current year ARPA investments to identify efficacy and adjust programs based on actual usage, impacts, and feedback from schools and central offices
- Focus on Equity Lens, including meeting with “Macro Disruptions” group of principals to get feedback and respond to questions on school budgets and the school budget process
- Budget Survey was released this morning to solicit input from an array of stakeholders. The survey can be found on the District ARPA webpage at <https://www.philasd.org/arp/#survey>

*Determining new  
Operating Fund  
investments and  
ARPA funded  
priorities for  
FY23:*

**Identified  
investments to  
date**

- Maintain prior-year additional supports while adjusting for continuing enrollment decline
- Renew Discretionary Program with modifications based on principal input and equity lens
  - Provide greater discretion by allowing for school leaders to utilize funds for a variety of uses
  - Distribute funds more equitably, accounting for school size and federal poverty data
- Double the Student Climate Staff hours allocated to every school
- Continue to drive down the student to counselor ratio
- Additional staffing investments including Special Education teachers, ESL teachers, and Bilingual Counseling Assistants
- New partnerships with external providers for before- and after-school programming

**Proposed budget assumes an increase of \$170 million in District Operated Schools, despite continued enrollment loss.**

A photograph of two children in a classroom. In the foreground, a young boy is wearing a white face shield and a colorful patterned face mask. He is looking towards the camera. In the background, a young girl is wearing large white headphones and a pink and white patterned face mask. She is looking down at a desk. The classroom has blue lockers and desks with various items on them.

# FINANCIAL OUTLOOK

- FY23 Lump Sum Statement
- Preliminary Five-Year Plan for FY23-FY27
- Budget Timeline

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

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## 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), and proposed budgets from the City and Commonwealth
- **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
  - Allow for continuing discussion on how to best leverage one-time federal funding to achieve significant impacts while managing pending “fiscal cliff” when funds are fully spent



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

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### **Key Assumptions**

#### **Commonwealth Budget Update**

- Commonwealth budget includes the Governor's budget proposal, with a significant increase in the basic education subsidy and savings related to charter school funding
- Because the Governor's proposal is such a significant funding increase, the Lump Sum Statement includes the proposed revenues and dedicates a portion of those revenues as future expenditures to be identified

#### **City Budget Update**

- Mayor's budget proposal will be March 31st
- City budget includes projections consistent with the City's most recent public budgets
- Numbers are subject to change based on final tax certification by the City

# Proposed FY22-23 Operating Lump Sum Budget

(numbers in thousands)	FY22 Projected	FY23 Proposed
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>		
Local Tax Revenues	\$1,368,106	\$1,412,949
Local Non-Tax Revenues	\$282,101	\$289,459
State Revenues	\$1,669,418	\$2,199,910
Federal Revenues	\$16,608	\$16,479
Other Financing Sources	\$2,156	\$289
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>\$3,338,388</b>	<b>\$3,919,085</b>
<b>EXPENDITURES</b>		
District Operated Schools	\$1,786,519	\$1,906,438
Debt Service	\$315,746	\$372,101
Charter Schools, including Transportation	\$1,263,855	\$1,040,783
Other Non-District Operated Schools, including Transportation	\$108,543	\$117,401
Administrative Support Operations	\$140,586	\$148,422
Undistributed Budgetary Adjustments	(\$20,265)	(\$15,265)
Other Financing Uses	\$1,835	\$1,835
Federal Relief Funds Expenditure Changes	(\$408,383)	(\$199,715)
TBD Expenditures (Governor's Budget Proposal)	\$0	\$342,119
<b>TOTAL EXPENDITURES &amp; OTHER USES</b>	<b>\$3,188,436</b>	<b>\$3,714,119</b>
<b>OPERATING/FUND BALANCE</b>		
Transfers from Reserves	(\$13,321)	\$28,259
Facilities Reserve	\$12,500	\$0
<b>Operating Surplus/(Deficit) incl. Change in Reserves</b>	<b>\$149,131</b>	<b>\$233,226</b>
<b>Fund Balance at Beginning of Year - July 1</b>	<b>\$202,513</b>	<b>\$351,645</b>
<b>ENDING FUND BALANCE</b>		
<b>Fund Balance at End of Year - June 30</b>	<b>\$351,645</b>	<b>\$584,871</b>

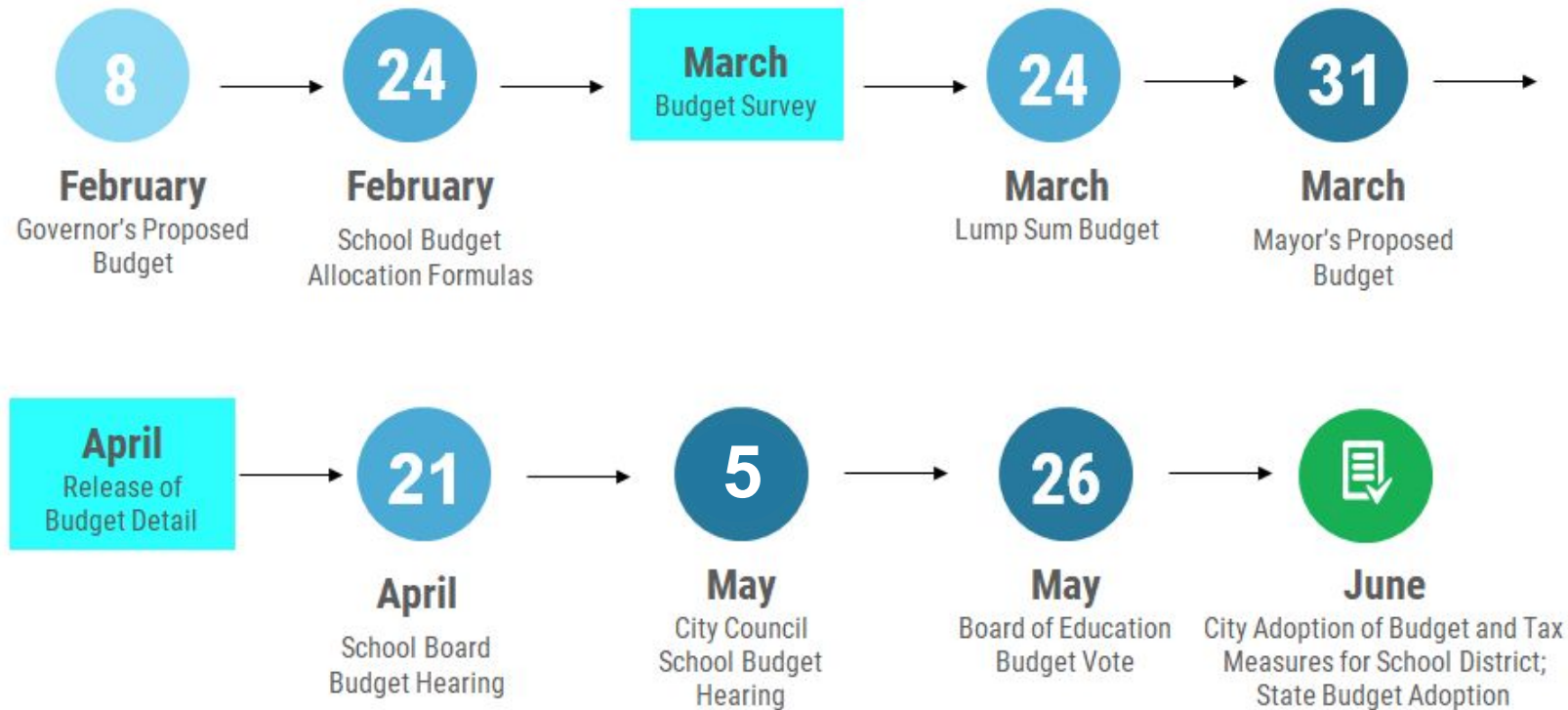
# Preliminary Five-Year Plan Projections: Lump Sum Budget Operating Funds Only

(numbers in thousands)	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected	CAGR FY23 to FY27
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>							
Local Tax Revenues	\$1,368,106	\$1,412,949	\$1,462,796	\$1,518,337	\$1,561,391	\$1,570,469	2.7%
Local Non-Tax Revenues	\$282,101	\$289,459	\$301,532	\$307,670	\$306,920	\$306,920	1.5%
State Revenues	\$1,669,418	\$2,199,910	\$2,244,164	\$2,305,059	\$2,335,263	\$2,358,839	1.8%
Federal Revenues	\$16,608	\$16,479	\$16,342	\$16,196	\$16,040	\$15,868	-0.9%
Other Financing Sources	\$2,156	\$289	\$2,049	\$289	\$2,049	\$289	0.0%
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>\$3,338,388</b>	<b>\$3,919,085</b>	<b>\$4,026,884</b>	<b>\$4,147,551</b>	<b>\$4,221,662</b>	<b>\$4,252,384</b>	<b>2.1%</b>
<b>EXPENDITURES</b>							
District Operated Schools	\$1,786,519	\$1,906,438	\$1,990,870	\$2,118,833	\$2,112,766	\$2,102,447	2.5%
Debt Service	\$315,746	\$372,101	\$341,784	\$343,767	\$354,889	\$362,759	-0.6%
Charter Schools, including Transportation	\$1,263,855	\$1,040,783	\$1,204,882	\$1,438,404	\$1,595,018	\$1,667,765	12.5%
Other Non-District Operated Schools, including Transportation	\$108,543	\$117,401	\$120,146	\$122,912	\$125,701	\$128,512	2.3%
Administrative Support Operations	\$140,586	\$148,422	\$149,924	\$151,355	\$152,597	\$153,496	0.8%
Undistributed Budgetary Adjustments	(\$20,265)	(\$15,265)	(\$15,120)	(\$14,971)	(\$14,817)	(\$14,659)	-1.0%
Other Financing Uses	\$1,835	\$1,835	\$1,835	\$1,835	\$1,835	\$1,835	0.0%
Federal Relief Funds Expenditure Changes	(\$408,383)	(\$199,715)	(\$206,545)	(\$23,695)	\$0	\$0	-100.0%
TBD Expenditures (Governor's Budget Proposal)	\$0	\$342,119	\$342,506	\$149,335	\$103,435	\$103,630	-25.8%
<b>TOTAL EXPENDITURES &amp; OTHER USES</b>	<b>\$3,188,436</b>	<b>\$3,714,119</b>	<b>\$3,930,283</b>	<b>\$4,287,776</b>	<b>\$4,431,423</b>	<b>\$4,505,785</b>	<b>4.9%</b>
<b>OPERATING/FUND BALANCE</b>							
Transfers from Reserves	(\$13,321)	\$28,259	(\$9,395)	(\$9,395)	(\$9,395)	(\$9,395)	
Facilities Reserve	\$12,500	\$0	\$0	\$0	\$0	\$0	
<b>Operating Surplus/(Deficit) incl. Change in Reserves</b>	<b>\$149,131</b>	<b>\$233,226</b>	<b>\$87,205</b>	<b>(\$149,619)</b>	<b>(\$219,155)</b>	<b>(\$262,795)</b>	
<b>Fund Balance at Beginning of Year - July 1</b>	<b>\$202,513</b>	<b>\$351,645</b>	<b>\$584,871</b>	<b>\$672,076</b>	<b>\$522,457</b>	<b>\$303,302</b>	
<b>ENDING FUND BALANCE</b>							
<b>Fund Balance at End of Year - June 30</b>	<b>\$351,645</b>	<b>\$584,871</b>	<b>\$672,076</b>	<b>\$522,457</b>	<b>\$303,302</b>	<b>\$40,507</b>	

# Preliminary Five-Year Plan Projections: Lump Sum Budget Operating & Federal Relief Funds

(numbers in thousands)	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected	CAGR FY23 to FY27
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>							
Local Tax Revenues	\$1,368,106	\$1,412,949	\$1,462,796	\$1,518,337	\$1,561,391	\$1,570,469	2.7%
Local Non-Tax Revenues	\$282,101	\$289,459	\$301,532	\$307,670	\$306,920	\$306,920	1.5%
State Revenues	\$1,669,418	\$2,199,910	\$2,244,164	\$2,305,059	\$2,335,263	\$2,358,839	1.8%
Federal Revenues	\$16,608	\$16,479	\$16,342	\$16,196	\$16,040	\$15,868	-0.9%
Federal Grant Recovery Funds	\$691,451	\$558,866	\$498,671	\$43,695	\$0	\$0	-100.0%
Other Financing Sources	\$2,156	\$289	\$2,049	\$289	\$2,049	\$289	0.0%
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>\$4,029,839</b>	<b>\$4,477,952</b>	<b>\$4,525,555</b>	<b>\$4,191,247</b>	<b>\$4,221,662</b>	<b>\$4,252,384</b>	<b>-1.3%</b>
<b>EXPENDITURES</b>							
District Operated Schools	\$2,059,993	\$2,260,022	\$2,278,728	\$2,138,833	\$2,112,766	\$2,102,447	-1.8%
Debt Service	\$315,746	\$372,101	\$341,784	\$343,767	\$354,889	\$362,759	-0.6%
Charter Schools, including Transportation	\$1,263,855	\$1,040,783	\$1,204,882	\$1,438,404	\$1,595,018	\$1,667,765	12.5%
Other Non-District Operated Schools, including Transportation	\$108,543	\$117,401	\$120,146	\$122,912	\$125,701	\$128,512	2.3%
Administrative Support Operations	\$150,180	\$153,990	\$154,193	\$151,355	\$152,597	\$153,496	-0.1%
Undistributed Budgetary Adjustments	(\$20,265)	(\$15,265)	(\$15,120)	(\$14,971)	(\$14,817)	(\$14,659)	-1.0%
Other Financing Uses	\$1,835	\$1,835	\$1,835	\$1,835	\$1,835	\$1,835	0.0%
TBD Expenditures (Governor's Budget Proposal)	\$0	\$342,119	\$342,506	\$149,335	\$103,435	\$103,630	-25.8%
<b>TOTAL EXPENDITURES &amp; OTHER USES</b>	<b>\$3,879,887</b>	<b>\$4,272,985</b>	<b>\$4,428,955</b>	<b>\$4,331,471</b>	<b>\$4,431,423</b>	<b>\$4,505,785</b>	<b>1.3%</b>
<b>OPERATING/FUND BALANCE</b>							
Transfers from Reserves	(\$13,321)	\$28,259	(\$9,395)	(\$9,395)	(\$9,395)	(\$9,395)	
Facilities Reserve	\$12,500	\$0	\$0	\$0	\$0	\$0	
<b>Operating Surplus/(Deficit) incl. Change in Reserves</b>	<b>\$149,131</b>	<b>\$233,226</b>	<b>\$87,205</b>	<b>(\$149,619)</b>	<b>(\$219,155)</b>	<b>(\$262,795)</b>	
<b>Fund Balance at Beginning of Year - July 1</b>	<b>\$202,513</b>	<b>\$351,645</b>	<b>\$584,871</b>	<b>\$672,076</b>	<b>\$522,457</b>	<b>\$303,302</b>	
<b>ENDING FUND BALANCE</b>							
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# BUDGET TIMELINE



# A CITYWIDE CALL TO ACTION: BE A PART OF OUR CONTINUED PROGRESS

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**VOLUNTEER IN A SCHOOL**

**ADOPT A SCHOOL**

**MAKE A DONATION THROUGH THE FUND FOR THE SCHOOL DISTRICT OF PHILADELPHIA**