

Operating Budget Adoption

May 26, 2022



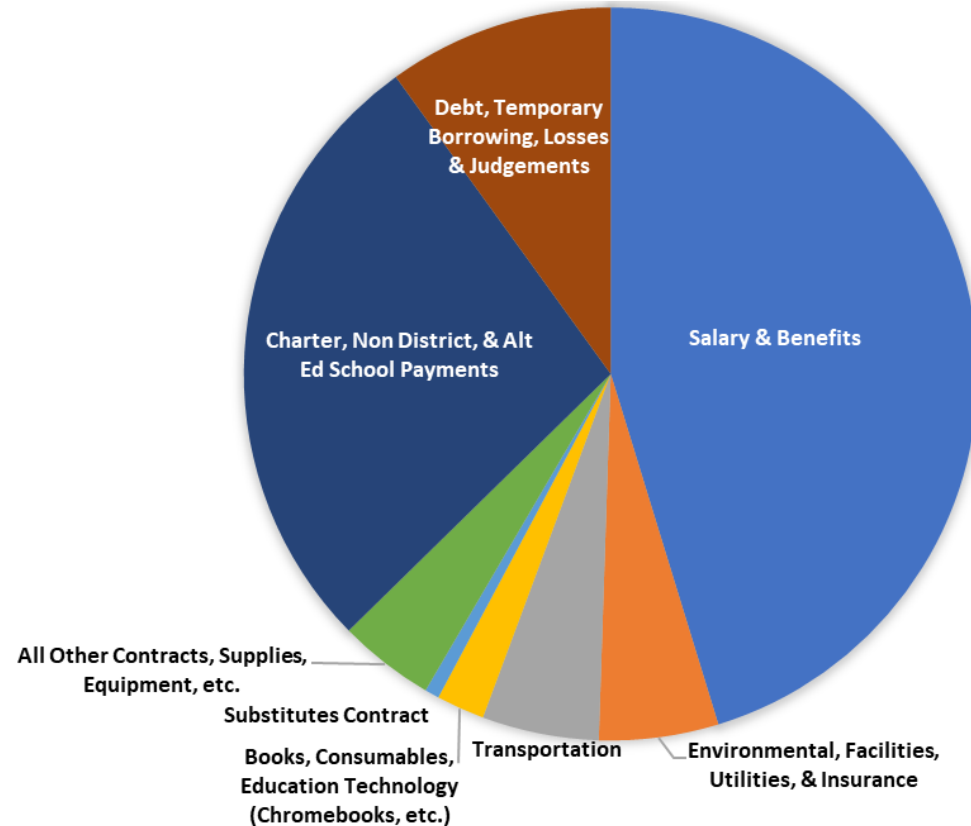
The School District of Philadelphia's Presentation represents forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which 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 26, 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.

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
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).

FY23 Adopted Budget by Major Categories – Operating & Federal Relief Funds



- Nearly half of the budget is salary & benefits
- Approximately 27% pays for charter, non-District, and alternative education school payments
- Approximately 23% is planned for expenditures in the following key areas: debt, temporary borrowing, losses & judgements, transportation, facilities, books, education technology, and substitutes
- Approximately 4% of the budget is planned for all other contracts, supplies, and supports not noted above

Major Changes Since April Board Budget Hearing

- City Real Estate Tax Revenue
 - FY22 reduction (\$9.7 million)
 - FY23 - FY27 projected revenue increases (offsetting TBD expenditures)
- Food Services
 - Accounting for losses from FY21 and FY22 (\$9 million)
 - Vendor bankruptcy
- \$3 million to support extended use of facilities
- Minority/Women-owned Business Enterprises (MWBE) office expansion
- Revised FY21 Average Daily Membership (ADM) resulting in higher FY22 charter costs of more than \$16 million
- Greater than anticipated spending of federal funds in FY22
- Continued updates to year-end revenues and expenditures based on real time data

FY23-27 Five-Year Plan - Operating Funds

(in thousands)	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected	CAGR FY23 to FY27
REVENUES & OTHER FINANCING SOURCES							
Local Tax Revenues	\$1,361,729	\$1,508,173	\$1,548,358	\$1,591,257	\$1,636,838	\$1,688,949	2.9%
Local Non-Tax Revenues	\$280,513	\$289,108	\$301,173	\$307,311	\$306,561	\$306,561	1.5%
State Revenues	\$1,622,151	\$2,232,225	\$2,243,054	\$2,301,292	\$2,334,328	\$2,357,900	1.4%
Federal Revenues	\$16,608	\$16,479	\$16,342	\$16,196	\$16,040	\$15,868	-0.9%
Other Financing Sources	\$21,319	\$18,268	\$20,028	\$18,268	\$20,028	\$18,268	0.0%
TOTAL REVENUES & OTHER FINANCING SOURCES	\$3,302,320	\$4,064,253	\$4,128,954	\$4,234,324	\$4,313,794	\$4,387,545	1.9%
EXPENDITURES & OTHER FINANCING USES							
District Operated Schools	\$1,776,276	\$1,930,158	\$2,004,691	\$2,132,675	\$2,127,063	\$2,139,546	2.6%
Charter Schools (incl. Transportation)	\$1,252,498	\$1,031,234	\$1,344,152	\$1,440,560	\$1,544,331	\$1,600,646	11.6%
Other Non-District Operated Schools (incl. Transportation)	\$99,665	\$109,656	\$112,354	\$115,073	\$117,812	\$120,572	2.4%
Debt Service	\$316,087	\$369,500	\$342,164	\$344,147	\$355,269	\$363,139	-0.4%
<i>Debt Service as % of Total Expenditures</i>	<i>10.2%</i>	<i>9.4%</i>	<i>8.3%</i>	<i>7.9%</i>	<i>8.0%</i>	<i>8.0%</i>	
Administrative Support Operations (Central Offices)	\$137,433	\$165,374	\$165,533	\$165,333	\$166,854	\$167,883	0.4%
<i>Admin as % of Total Expenditures</i>	<i>4.5%</i>	<i>4.2%</i>	<i>4.0%</i>	<i>3.8%</i>	<i>3.7%</i>	<i>3.7%</i>	
Undistributed Budgetary Adjustments	(\$10,459)	(\$8,959)	(\$8,959)	(\$8,959)	(\$8,959)	(\$8,959)	0.0%
Other Financing Uses	\$11,085	\$2,218	\$2,218	\$2,218	\$2,218	\$2,218	0.0%
Federal Recovery Act Expenditure Changes	(\$497,698)	(\$66,207)	(\$211,684)	(\$38,796)	\$0	\$0	-100.0%
TBD Expenditures (Governor's Budget Proposal and Local Tax Revenues)	\$0	\$412,119	\$392,506	\$209,335	\$159,130	\$158,715	-21.2%
TOTAL EXPENDITURES & OTHER USES	\$3,084,888	\$3,945,095	\$4,142,977	\$4,361,587	\$4,463,718	\$4,543,761	3.6%
OPERATING/FUND BALANCE							
Transfers from Reserves	(\$13,321)	\$28,259	(\$9,395)	(\$9,395)	(\$9,395)	(\$9,395)	
Facilities Reserve	\$12,500	\$0	\$0	\$0	\$0	\$0	
Operating Surplus/(Deficit) incl. Change in Reserves	\$216,612	\$147,418	(\$23,418)	(\$136,658)	(\$159,319)	(\$165,611)	
Fund Balance at Beginning of Year - July 1	\$202,513	\$419,125	\$566,543	\$543,124	\$406,467	\$247,147	
ENDING FUND BALANCE							
Fund Balance at End of Year - June 30	\$419,125	\$566,543	\$543,124	\$406,467	\$247,147	\$81,537	

Note: Federal Recovery Act Net Expenditure Changes are distributed to detailed budget lines in the Budget Adoption action Items.

FY23-27 Five-Year Plan – Operating & Federal Relief Funds

(in thousands)	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected	CAGR FY23 to FY27
REVENUES & OTHER FINANCING SOURCES							
Local Tax Revenues	\$1,361,729	\$1,508,173	\$1,548,358	\$1,591,257	\$1,636,838	\$1,688,949	2.9%
Local Non-Tax Revenues	\$280,513	\$289,108	\$301,173	\$307,311	\$306,561	\$306,561	1.5%
State Revenues	\$1,622,151	\$2,232,225	\$2,243,054	\$2,301,292	\$2,334,328	\$2,357,900	1.4%
Federal Revenues	\$16,608	\$16,479	\$16,342	\$16,196	\$16,040	\$15,868	-0.9%
Federal Grant Recovery Funds	\$756,387	\$459,044	\$519,884	\$54,796	\$0	\$0	-100.0%
Other Financing Sources	\$21,319	\$18,268	\$20,028	\$18,268	\$20,028	\$18,268	0.0%
TOTAL REVENUES & OTHER FINANCING SOURCES	\$4,058,707	\$4,523,297	\$4,648,838	\$4,289,120	\$4,313,794	\$4,387,545	-0.8%
EXPENDITURES & OTHER FINANCING USES							
District Operated Schools	\$2,023,370	\$2,312,117	\$2,306,814	\$2,148,675	\$2,127,063	\$2,139,546	-1.9%
Charter Schools (incl. Transportation)	\$1,252,498	\$1,031,234	\$1,344,152	\$1,440,560	\$1,544,331	\$1,600,646	11.6%
Other Non-District Operated Schools (incl. Transportation)	\$99,667	\$109,656	\$112,354	\$115,073	\$117,812	\$120,572	2.4%
Debt Service	\$316,087	\$369,500	\$342,164	\$344,147	\$355,269	\$363,139	-0.4%
<i>Debt Service as % of Total Expenditures</i>	8.2%	8.4%	7.3%	7.8%	8.0%	8.0%	
Administrative Support Operations (Central Offices)	\$149,026	\$176,252	\$171,611	\$165,333	\$166,854	\$167,883	-1.2%
<i>Admin as % of Total Expenditures</i>	3.9%	4.0%	3.7%	3.7%	3.7%	3.7%	
Undistributed Budgetary Adjustments	(\$10,459)	(\$8,959)	(\$8,959)	(\$8,959)	(\$8,959)	(\$8,959)	0.0%
Other Financing Uses	\$11,085	\$2,218	\$2,218	\$2,218	\$2,218	\$2,218	0.0%
TBD Expenditures (Governor's Budget Proposal and Local Tax Revenues)	\$0	\$412,119	\$392,506	\$209,335	\$159,130	\$158,715	-21.2%
TOTAL EXPENDITURES & OTHER USES	\$3,841,275	\$4,404,139	\$4,662,862	\$4,416,383	\$4,463,718	\$4,543,761	0.8%
OPERATING/FUND BALANCE							
Transfers from Reserves	(\$13,321)	\$28,259	(\$9,395)	(\$9,395)	(\$9,395)	(\$9,395)	
Facilities Reserve	\$12,500	\$0	\$0	\$0	\$0	\$0	
Operating Surplus/(Deficit) incl. Change in Reserves	\$216,612	\$147,418	(\$23,418)	(\$136,658)	(\$159,319)	(\$165,611)	
Fund Balance at Beginning of Year - July 1	\$202,513	\$419,125	\$566,543	\$543,124	\$406,467	\$247,147	
ENDING FUND BALANCE							
Fund Balance at End of Year - June 30	\$419,125	\$566,543	\$543,124	\$406,467	\$247,147	\$81,537	

TIMELINE



May

Board of Education
Budget Vote

May

City Adoption of Tax
Measures for School District

June

State Budget
Adoption

Board of Education
Adoption of City Council
Authorized Tax Levies

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



VOLUNTEER IN A SCHOOL

ADOPT A SCHOOL

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