FY 2025 Budget
Board of Education Public Hearing

April 25, 2024

Tony B. Watlington, Sr. Ed.D.
Superintendent

Oz Hill
Chief Operating Officer

Mike Herbstman
Chief Financial Officer

THE SCHOOL DISTRICT OF
PHILADELPHIA
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Overview

- Budgeting Priorities
- FY 2025 Lump Sum Budget
- FY 2025-30 Capital Improvement Plan
- Next Steps
## FY 2025 Budget Development Priorities

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>01</strong></td>
<td>Protect school budgets.</td>
</tr>
<tr>
<td><strong>02</strong></td>
<td>Engage partners throughout the City.</td>
</tr>
<tr>
<td><strong>03</strong></td>
<td>Negotiate mutually-beneficial labor agreements that fairly compensate employees and help stabilize the system.</td>
</tr>
<tr>
<td><strong>04</strong></td>
<td>Implement the Accelerate Philly Strategic Plan towards achieving the Board of Education’s Goals and Guardrails.</td>
</tr>
<tr>
<td><strong>05</strong></td>
<td>Enact fiscal-responsibility measures and advocate for additional funding to prevent a structural deficit.</td>
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</table>
FY 2025 Priority Investments

**Priority Area 1**
- Facility Improvements
- School Safety (Physical, Social-Emotional, and Environmental)

**Priority Area 2**
- Partner with families and community
- Let’s Talk Two-Way Communications
- Parent University

**Priority Area 3**
- Core Instructional Materials (ELA)
- CTE Job Training
- Extended-Day/Year-Round Schools
- High-Impact Tutoring

**Priority Area 4**
- Black and Latino Male Educator Recruitment and Retention
- Teacher/Principal Recruitment and Retention

**Priority Area 5**
- Central Office Performance Evaluation System
- Project Management Culture
### Investing in Physical Security

<table>
<thead>
<tr>
<th>Investment</th>
<th>Budget</th>
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</thead>
<tbody>
<tr>
<td>CCTV Transformation Program <em>Accelerate Philly</em> Strategic Action 1.3</td>
<td>$47.4M</td>
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<tr>
<td>Weapons Detection Scanning Equipment <em>Accelerate Philly</em> Strategic Action 1.4</td>
<td>$1.6M</td>
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<tr>
<td>Fire System Assessment and Data Update</td>
<td>$1.6M</td>
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<tr>
<td>Physical Security Assessments</td>
<td>$0.3M</td>
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<tr>
<td>Access Control for School Building Doors</td>
<td>$0.5M</td>
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<tr>
<td>Active Shooter Training</td>
<td>$0.5M</td>
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<tr>
<td>Safety Signage Improvements</td>
<td>~$0.1M</td>
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<tr>
<td>Drone Pilot Program</td>
<td>$0.1M</td>
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## Investing in Partnerships and Programmatic Initiatives

<table>
<thead>
<tr>
<th>Investment</th>
<th>Budget</th>
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<tbody>
<tr>
<td>Safe Path Program&lt;br&gt;&lt;i&gt;Accelerate Philly Strategic Action 1.5&lt;/i&gt;</td>
<td>$2.4M</td>
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<tr>
<td>Philadelphia Police Dept. Supplemental Support</td>
<td>$0.6M</td>
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<tr>
<td>School Safety Police Athletic League Centers</td>
<td>$0.19M</td>
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<tr>
<td>Youth Court</td>
<td>$0.15M</td>
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<tr>
<td>Youth Violence Reduction Initiative</td>
<td>$1.24M</td>
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<tr>
<td>Juvenile Justice Center School</td>
<td>$0.13M</td>
</tr>
<tr>
<td>School Safety Mentoring Program</td>
<td>$0.13M</td>
</tr>
<tr>
<td>Handle with Care Initiative</td>
<td>$0.9M</td>
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</table>
FY 2025 Lump Sum Budget
FY 2024:
Will Add to Fund Balance as Previously Projected

FY 2025:
Requires $87.8M in Use of Fund Balance and Passage of Governor/Mayor Proposals

FY 2026 and Beyond:
Will require continued State and City progress towards adequacy targets and sound fiscal practices to avoid structural deficit

Notes: Excludes ARPA-funded Capital Project Revenues and Expenditures in FY 2025. Includes one-time PlanCon claims of $45.0 Million in FY 2025.
Fiscal Responsibility Measures

**Change Estimates and Strategically Align Funds**
Rightsizing all estimates, reserves and placeholders to achieve budgetary savings and aligning initiatives to less constrained funds (while complying with grant rules).

**Identify Other Cost Savings**
Reduce energy costs in 23 schools and discontinue contract with PA Convention Center for professional development.

**Seek Private and Foundation Funding**
Working with the Fund for the School District of Philadelphia to seek private and foundational support for critical Accelerate Philly initiatives.

**Begin Data-Driven Program Evaluations**
Review of programs to determine return on investment (ROI)

**Analyze Central Office Budgets & Begin Modified Zero-Based-Budgeting**
Review of vacant Central Office positions and non-personnel budget costs.

*Includes private funding and subject to change through final budget adoption.*

FY 2025 Savings: $124.4M*

- **01**: $83.8M
- **02**: $26.4M
- **03**: $7.1M
- **04**: $1.1M
- **05**: $6.0M

*Includes private funding and subject to change through final budget adoption.
Beginning in FY 2022, through the American Rescue Plan Act, schools received additional direct budget resources totalling $49.8 million to help combat pandemic impacts on education.

In FY 2024, funding was used to support critical school-based positions:

- 129 Assistant Principals
- 110 Teachers (Including 16 Special Education Teachers)
- 35 School Climate Managers
- 26 Counselors
- 46 Student Climate Staff
- 15 Other School-Based Positions

**Investment to Maintain Funding**

- One-year extension requiring continual revenue increases to maintain in future years
- Required for District to sustain recent academic progress
- Consistent with stakeholder engagement
**Leveling Next Steps: Discontinue Leveling in SY 2024-25**

**Hire Pool of Qualified Teachers**
Teachers could be assigned from the pool after the school year begins to schools with increasing enrollment as new positions are allotted.

**Stop Downward Leveling**
Reviews would be completed over the summer. Teachers would not move schools after returning to work on August 15.

**Form a Summer Scheduling Workgroup**
Convene weekly summer workgroup to review actual enrollment data. Workgroup will be led by the Deputy Superintendent of Academics and will include representatives from Academics, Special Education, Multilingual, Talent, ERA and Budget.

**Improve Student Engagement Efforts**
The District will work with the City of Philadelphia on improved engagement strategies including home visits.

Note: Though teacher transfers would not occur after August 15, school leaders maintain discretion to change assignments within their schools.
Amended FY 2024 & Proposed FY 2025-30 Capital Improvement Plan (CIP)
The current Capital Improvement Plan allocates $3.3 billion for FY 2024 - FY 2030, as follows:

- New Construction, $766.9 million (including Cassidy, Holme, and AMY @ James Martin)
- Major Renovations, $544.0 million
- HVAC, $435.0 million
- Exterior Renovations, $314.7 million
- Energy Performance Improvements, $214.4 million
- Electrical, $305.4 million
- New Additions, $247.1 million
- Site Improvements, $141.8 million
- Security Equipment, $51.0 million
- Minor Renovations, $48.4 million
- Other Projects, $275.3 million
<table>
<thead>
<tr>
<th>Project Category</th>
<th>FY 2024 Amended</th>
<th>FY 2025 Adopted</th>
<th>FY 2026 Proposed</th>
<th>FY 2027 Proposed</th>
<th>FY 2028 Proposed</th>
<th>FY 2029 Proposed</th>
<th>FY 2030 Proposed</th>
<th>FY 2024-30 Total</th>
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<tr>
<td>New Construction</td>
<td>$14,731,086</td>
<td>$5,040,622</td>
<td>$8,173,954</td>
<td>$11,973,961</td>
<td>$26,946,068</td>
<td>$229,354,314</td>
<td>$256,726,862</td>
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<tr>
<td>Major Renovations</td>
<td>$29,593,324</td>
<td>$37,367,215</td>
<td>$36,034,542</td>
<td>$148,570,556</td>
<td>$232,465,530</td>
<td>$55,874,141</td>
<td>$4,110,499</td>
<td>$544,015,807</td>
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<td>Minor Renovations</td>
<td>$3,891,460</td>
<td>$2,749,991</td>
<td>$1,428,899</td>
<td>$16,563,635</td>
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<td>Energy Performance Improvements</td>
<td>$24,357,551</td>
<td>$25,430,796</td>
<td>$4,102,496</td>
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<td>Exterior Renovations</td>
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<td>$22,929,084</td>
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<td>Site Improvements</td>
<td>$3,958,782</td>
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<td>$28,053,482</td>
<td>$40,219,630</td>
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<td>Security Equipment</td>
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<td>$15,979,800</td>
<td>$19,022,300</td>
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<td>$50,952,617</td>
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<td>All Other Projects</td>
<td>$49,198,669</td>
<td>$51,344,716</td>
<td>$40,034,401</td>
<td>$38,898,723</td>
<td>$30,702,489</td>
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<td>Subtotal</td>
<td>$200,943,680</td>
<td>$211,702,985</td>
<td>$253,781,584</td>
<td>$647,971,987</td>
<td>$683,740,044</td>
<td>$566,150,838</td>
<td>$440,931,570</td>
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<td>ARPA Funded Projects</td>
<td>$181,000,000</td>
<td>$123,000,000</td>
<td>$35,000,000</td>
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<td>TOTAL</td>
<td>$381,943,680</td>
<td>$334,702,985</td>
<td>$288,781,584</td>
<td>$647,971,987</td>
<td>$683,740,044</td>
<td>$566,150,838</td>
<td>$440,931,570</td>
<td>$3,344,222,688</td>
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Remaining Budget Timeline

- **March 28**
  - Lump Sum
    - Board of Education Budget and Five-Year Plan Presentation

- **April 25**
  - BOE Budget Hearing
    - Board of Education Public Hearing on FY 2025 Budget

- **April 30**
  - City Budget Hearing
    - City Council Public Budget Hearing on District’s FY 2025 Budget

- **May 30**
  - BOE Budget Adoption
    - Final Board Adoption of Operating, IU26 and Capital Budgets

**Continued Public Budget Engagement**
Thank you and Questions