

**THE SCHOOL DISTRICT OF PHILADELPHIA
MEETING OF THE SCHOOL REFORM COMMISSION**

MARCH 23, 2017

A public meeting was held by the School Reform Commission on March 23, 2017 in the Auditorium of the School District of Philadelphia Education Center, 440 North Broad Street.

The meeting was convened at 4:30 p.m. by Chair Wilkerson. She stated that tonight's meeting centers on the School District's finances. The sole agenda item is the adoption of the Lump Sum Statement for the 2018 Fiscal Year, the first official step in next year's budget process. Chair Wilkerson stated that resolution SRC-1 will be considered a walk-on resolution as it has been added to the agenda in the last 48 hours. She stated that the development of this resolution is based upon ever changing projections of anticipated revenues to be received by the District, and that copies of the resolution are available in the lobby of the auditorium. She stated that those that are interested in registering to speak on the topic of this resolution can register with Tracy. Their names will be added to the end of the speaker's list after all pre-registered speakers have completed their comments.

Chair Wilkerson also stated that there will be two SRC public meetings in April. She stated that the SRC's annual budget hearing will be held on April 20th at 4:30 p.m. and the regular Action meeting will be held on April 27th at 4:30 p.m.

Miles H. Shore, Interim General Counsel, stated that the School Reform Commission met in Executive Session to discuss quasi-judicial and confidential or privileged matters.

Members present: Mr. Green, Dr. McGinley, Ms. Jimenez, Chair Wilkerson – 4

Members Absent: 0

Zachary Epps, Office of the Superintendent stated that at every School Reform Commission meeting, a representative from the Deaf-Hearing Communication Center is here to provide sign language interpretation of the proceedings. She stated that representatives from the Office of Family and Community Engagement are stationed in the lobby to help with interpretation services. He also stated that the proceedings of this SRC meeting are being streamed live on the Internet at www.philasd.org/live and can be seen on PSTV's Comcast Channel 52 and Verizon Fios Channel 20. The proceedings are also being recorded by The School District of Philadelphia. Mr. Epps stated that the School District's recordings are protected by the Copyright Laws of the United States and may not be used in any manner without the express written consent of The School District. Mr. Epps stated that by participating in tonight's meeting, members of the public acknowledge that the School District may use its recordings for any purpose without obtaining permission or paying any compensation.

William Hite, Superintendent, provided remarks. Dr. Hite's remarks included a review of the District's recent [financial] history, where we are today, the goals of Action Plan 3.0, 2016 investments maintained, FY17 and FY18 investments, and examples of infrastructure investments.

Uri Monson, Chief Financial Officer, stated that the Five-Year Plan is aiming for fiscal stability. He stated that the District will propose a budget and spending plan which strives for structural balance, while determining investments designed to achieve the mission of achieving equity in educational opportunity for all children. Mr. Monson's presentation also included a review of FY17 significant fiscal achievements, and FY18-FY22 key assumptions – revenues, expenditures, and adjustments. Mr. Monson's presentation also included an overview of the Preliminary Five-Year Plan Projections, Five-Year Plan Risks, Five-Year Plan District-Operated School Cost Drivers, Five-Year Plan Challenges, Five-Year Plan Strategy, a review of why expenditures and revenues are increasing from FY17 – FY18, and a timeline of next steps.

**A complete copy of the Preliminary Five-Year Plan (FY18-22) and Lump Sum Statement powerpoint presentation is on file with the minutes of the School Reform Commission.*

Commissioner discussions included the impact of Federal grant changes, AVI, the impact of money spent last year, charter school increases and mid-year correction of charter rates. Commissioner Green asked from staff a report back on per pupil funding. He also questioned what would happen if [we] don't adopt a Lump Sum Statement and why don't [we] adopt a Lump Sum Statement with the revenue needed. Commissioner McGinley stated that [we] have an obligation to pass a Lump Sum Statement.

The meeting was opened to the public for presentation of statements.

Mr. Shore announced the applicable provisions of the SRC's public participation policy.

Alejandro Giraldo and Sandra Rejii, both students at Northeast High School, shared their experiences participating in the Aspen Challenge.

Karel Kilimnik stated that the actions of the SRC should reflect that they are governmental officials. She stated that the scheduled time of 9:00 a.m. of the SRC Policy Committee is not good for the public to attend. Ms. Kilimnik stated that the voice of stakeholders has been cut out. Noting that Commissioner McGinley is Chair of the SRC Policy Committee, Ms. Kilimnik questioned what Committees do the other Commissioners chair and what other Committees exists. Chair Wilkerson stated that the only Committee is the Policy Committee.

Tonya Bah stated that on March 29th the District will be hosting workshops on understanding standardized tests. She stated that workshops on standardized testing are not needed. Ms. Bah stated that we need restorative practices and help with mental health illness concerns. Dr. Hite stated that the District has implemented a campaign to get restorative practices and positive behavior and interventions back into as many schools as possible. Over 5,000 individuals have gone through trauma informed, mental health and first aid trainings

Lisa Haver questioned the District's spending priorities. She stated that the Renaissance Charters have not been a success. She also questioned the status of the Universal and ASPIRA Charter that the Charter Schools Office recommended non-renewal.

Cassandra Pittman, graduate of El Centro De Estudiantes and member of Youth United for Change, described the important role of school guidance counselors and the need for more school guidance counselors.

Michelle Gainer, educator, stated that the District is on the verge of a crisis that no recruitment campaign will have the power to assuage and that the District will be faced with unprecedented teacher attrition rates. She also stated that the stagnation in [teacher] salaries hurts students.

Nicole LePore Jackson, teacher at Taylor Elementary School, for a fair and equitable PFT contract.

Liz Noone, 4th grade teacher at Taylor Elementary School, stated that a fair teacher contract attracts and retains good teachers and ensures a safe learning environment for students

Ilene Poses stated that the one way to control charter costs is not to make public schools charters. Ms. Poses cited an article by Kristin Graham about former Superintendent Constance Clayton.

Barbara McDowell Dowdall encouraged members of the School Reform Commission and Superintendent Hite to create their own advocacy avenues.

Maurice Taylor, Executive Director and Founder of Inspire Philadelphia, provided information on the programming, activities and workshops the organization provides in the Kensington section of the city. He also expressed support of Deep Roots Charter School.

Jason Huber, Teenagers Inc. and the Global Classroom Project expressed support of Deep Roots Charter School.

Cheri Micheau discussed the need for funding of newcomer education in the School District. There is currently one newcomer program at Franklin Learning Center. Ms. Micheau stated that there is an interest in expanding the newcomer offerings in other high schools in the city.

Tomika Anglin stated that going to the City with a wish list is not a budget. She stated that the District should stop giving money away.

Commissioner Green thanked the teachers for coming to the meeting. He stated that the District does not control the revenues. Commissioner Green stated that the District want a PFT contract and has offered a 4% raise. He stated that the District can't afford to do more.

Commissioner Green stated that the City increased spending and taxes by over about \$150 million last year, additional money this year. None of that was offered to the schools. The City recognizes that their expenses increase every year and increase taxes to pay for that and are not willing to do so for the school children of Philadelphia last year or this year.

Commissioner Green urged his colleagues to vote no on this Lump Sum Budget. He stated that it sends a clear message given Mr. Shore's definition of its purpose, to paraphrase, "to tell the City and State what we need to do our job". It is our ask and in his experience, one never gets more than what is requested. Commissioner Green stated that if you are here to represent children and families, please vote no. Then Council can provide funding or be called out as false friends of the City's children and teachers.

Chair Wilkerson stated that she intends to vote yes on this resolution and at the same time she intends to follow up with a resolution "asking that the District create a realistic budget for the public school system." She stated that "I think that the points made by Mr. Green and so many people here are compelling that we are not receiving adequate funding, but I think it would make sense to spend time to develop what a real budget would look like for the District. So after this resolution is voted upon, I intend to make an additional resolution".

Commissioner Green stated that if we vote no on this resolution, we can put forth a resolution with the requested lump sum and that would create the necessary pressure to get City Council to at least have to say no or yes. If this is what goes over, this is what we are going to get.

Commissioner McGinley stated that he supports the Chair and her position. He stated that he shares her concerns and Mr. Green's concerns, but feels it is necessary to approve this [Lump Sum Statement] at this point, as a part of the process. Commissioner McGinley stated that he agreed with Commissioner Green, as the absolute priority is resolving the teachers' contract, and knowing exacting what that will cost, and knowing exactly where we need to go with that. He stated that it is an important part of concluding this process.

The following resolution was presented for formal action by the School Reform Commission:

I. SCHOOL REFORM COMMISSION

SRC-1

Adoption of Lump Sum Statement 2017-2018

WHEREAS, Section 12-303(b) of the Home Rule Charter requires the adoption and submission to the Mayor and City Council of a lump sum statement of anticipated revenues and expenditures for the next fiscal year, be it

RESOLVED, that the Proposal Operating Budget for 2017/2018 of anticipated revenues and other financing sources totaling \$2,870.9 million, anticipated expenditures and other financing uses of \$2,928.0 million, and an ending fund balance of \$33.1 million at June 30, 2018, be adopted and submitted to the Mayor and City Council.

**SCHOOL DISTRICT OF PHILADELPHIA
OPERATING BUDGET
LUMP SUM STATEMENT OF ANTICIPATED REVENUES AND OTHER
FINANCING SOURCES, OBLIGATIONS AND OTHER FINANCING USES AND FUND BALANCE
FISCAL YEARS 2016/2017 AND 2017/2018**

Amounts in Thousands			
	Actual 2015/2016	Projected 2017/2017	Proposed 2017/2018
	\$	\$	\$
Revenues	2,718,868	2,820,000	2,870,620
Other Financing Sources	<u>356,651</u>	<u>1,308,054</u>	<u>289</u>
Total Receipts and Other Financing Sources	3,075,519	4,128,054	2,870,909
Expenditures	2,654,532	3,092,821	2,925,726
Other Financing Uses	<u>361,245</u>	<u>968,169</u>	<u>2,252</u>
Total Expenditures and other Financing Uses	3,015,777	4,060,989	2,927,978
Prior Year Fund Balance (Deficit) July 1	88,048	131,228	104,848
Prior Period Adjustment	0	(83,744)	0
Fund Balance Prior to Changes in Reserves	147,790	114,549	47,778
Changes in Reserves	<u>(16,562)</u>	<u>(9,702)</u>	<u>(14,702)</u>
Fund Balance (Deficit) June 30	<u>131,228</u>	<u>104,848</u>	<u>33,077</u>

The vote was as follows:

Yeas: Ms. Jimenez, Dr. McGinley, Chair Wilkerson – 3

Nays: Mr. Green – 1

Chair Wilkerson proposed a resolution “to create a real budget that reflects the actual needs of the children of Philadelphia”. Commissioner McGinley clarified “adequate budget”. Commissioner Green stated that Chair Wilkerson cannot propose a resolution.

Commissioner Jimenez moved that [we] request that the School District provide an adequate budget reflecting the true cost to educate students in a quality way and present that to the SRC for discussion.

Commissioner Green stated that [we] just passed a fake budget, now let’s talk about a real or adequate budget, which he will support putting forward.

Miles Shore identified this motion from the floor as resolution SRC-2.

Following public comments, the vote on the motion was as follows:

Yeas: Mr. Green, Ms. Jimenez, Dr. McGinley, Chair Wilkerson – 4

Nays: 0

II. EDUCATION SUPPORT SERVICES

None Submitted

III. EDUCATION SERVICES

None Submitted

On motion, the meeting was adjourned at 6:42 p.m.

*The Budget Hearing is April 20, 2017.

Joyce S. Wilkerson Chair
School Reform Commission

William R. Hite, Jr.
Superintendent