

THE SCHOOL DISTRICT OF PHILADELPHIA

No. 603
Section: 600 Finances
Title: Budget Preparation
Adopted: April 27, 1981
Revised: February 26, 2026

603 Budget Preparation

Purpose

The purpose of this policy is to develop a budget that supports the School District of Philadelphia's ("District") educational plan and provide funding in a comprehensive and efficient manner; to support the educational programming at District schools, maintain District facilities, and honor District obligations.

Authority

The Board of Education ("Board") recognizes its obligation to the taxpayers to approve only those expenses reasonably required to provide an educational program suitable to the needs and goals of this District and its students.

The budget should be studied by each Board Member during its preparation, and once adopted it deserves the support of all Board Members regardless of their position when adoption was voted.

Delegation of Responsibility

The Board directs the Superintendent, or their designee, to develop administrative procedures to implement this policy.

Mandatory Procedures

In order to ensure adequate time for preparation and review of the proposed budget, the Board directs the Superintendent and Chief Financial Officer to present to the Board a lump sum statement of anticipated receipts and expenditures for the next fiscal year at least sixty (60) days prior to the end of the current fiscal year. In addition, the Board shall, at least thirty (30) days prior to the time any budget or amendment thereto is adopted, conduct at least one public hearing bearing on the proposed budget. [1]

All of the pre-audit functions and duties of the School Controller, as prescribed by law, shall be exercised by the Superintendent or their designee. The Superintendent or their designee shall establish and maintain a system of accounts and expenditure controls in accordance with the budgets approved by the Board and in accordance with law. [2]

The Superintendent or designee shall, as soon as is practicable after the end of each fiscal year, submit to the Board an annual financial statement for the District for the past year. Such statement shall include itemized data with respect to all assets of the District, school taxes and receipts, outstanding indebtedness and sinking funds, if any, and such other information relating to the finances of the District as the Board may deem necessary or proper. [2]

In preparing the budget, the District shall set general priorities for expenditures for:

1. Staff, technology, equipment, facilities and supplies necessary to maintain current programs and operations.
2. Additional staff necessary to improve or expand current programs or operations.
3. New technology, equipment, facilities and supplies necessary to improve or expand current programs or operations.

In developing the budget, the District shall:

1. Prepare an annual estimate of anticipated school enrollments.
2. Provide any updates to the District's budget allocation model.
3. Establish a projected budget of expenditures and revenue for the current year and ensuing year.
4. Prepare a five-year financial projection including anticipated revenues based on local, state, and federal sources, and expenditures based on priorities identified to date.
5. Prepare a five-year plan for capital improvements.
6. Report to the Board any serious financial implications arising from the budget plan.

When presented for Board review, the proposed budget shall contain:

1. Estimated revenue and expenditures in each financial category for the ~~previous~~ current fiscal year and for the upcoming fiscal year.
2. Amount of surplus/deficit anticipated at the end of the current and upcoming fiscal year.
3. Amount of capital funding resources available at the end of the current fiscal year.
4. Explanation of each item of revenue and expense proposed, upon request.

Capital Program and Capital Budget

The capital program shall embrace all physical public improvements and any preliminary studies and surveys relative to the program, the acquisition of property of a permanent nature, and the purchase of equipment for any improvement when first erected or acquired, that are to be financed in whole or in part from funds subject to control or appropriation by the **Board**. It shall show the capital expenditures which are planned for each of the six (6) ensuing fiscal years. For

each separate purpose, project, facility or other property there shall be shown the amount, if any, and the source of the money that has been spent, encumbered, or is intended to be spent or encumbered prior to the beginning of the ensuing fiscal year, and also the amounts and sources of the funds that are to be spent during each of the ensuing six (6) years.

Additional District Funds

In addition to the operating budget revenues, the District also receives grant funding to supplement school services and for specific funding purposes, issues debt for capital improvements, maintains a food services enterprise fund to provide meals to students, and manages a health insurance fund to segregate self-insured health-related sources and uses.

Legal References:

1. Philadelphia Home Rule Charter - 12-303
2. Philadelphia Home Rule Charter - 12-304