

Administrative Procedures for Budget Planning & Engagement (Attachment for Policy No. 602)

Purpose

The purpose of this policy is to outline The School District of Philadelphia's ("District") budget planning and engagement process. These administrative procedures are directed towards the offices engaged in the budget planning and engagement process.

Definitions

Capital Budget: The Capital Budget is the current and the adopted fiscal year budget for projects and administrative support costs that are funded with available cash. It is a balanced budget as required by the Home Rule Charter.

Capital Budget Plan: The Capital Budget Plan is a projected five (5) year budget for ongoing and additional capital improvement projects. It reflects the prioritized capital improvement needs of the district and requires future bond issuance. The plan is not executed until funding is secured and available.

Capital Improvement Plan/Program ("CIP"): The CIP is a set of projects to build, rebuild, replace and renovate tangible, long-term assets, within the District's facilities, and which details the School District's plan of such projects for the ensuing six years. The Capital Budget and Capital Budget Plan are parts of the Capital Improvement Plan.

External Stakeholders: External stakeholders may include, but are not limited to: community members, government and community partners, local faith-based organizations, local social service agencies, and local, state, and federal government agencies or politicians. In addition to these external stakeholders, the District also has a responsibility to its bond and note holders.

Internal Stakeholders: Internal stakeholders may include, but are not limited to: students and their families, the Board of Education ("Board"), and District staff (both school-based and central office).

Operating Budget: The District's operating budget includes revenue and expenditures associated with the General Fund, Intermediate Unit Fund, and Debt Service Fund, and are made up of funding sources that can be used for those general purposes (i.e. unrestricted, non-grant funds).

Procedures

The Superintendent designates the Chief Financial Officer, [Office of Management and Budget](#), [Office of Grant Compliance and Fiscal Services](#), [Office of Capital Programs](#), [Office of Communications](#), [Office of Evaluation, Research, & Accountability](#), and [Office of Family and Community Engagement](#) as responsible for implementing and maintaining the requirements of this policy and its procedures.

Budget Planning

[The Office of Finance](#) and [Office of Capital Programs](#), in coordination with the [Office of Evaluation, Research, and Accountability](#) are responsible for completing the following as part of the budget planning process:

- With the Board, establish the priorities of the District, recognizing that improving student academic success will always be of paramount concern;
- Consider the Board adopted goals and strategic plans when assessing the District's needs;
- Seek input from administrators, District staff and community members;
- Examine the District's recent history of revenue and expenses to determine patterns and trends; such examination will include projected financial results for the current year;
- Project future revenue sources based on available information and projected changes in federal, state and local funding;
- Consider student achievement data and the classroom expenditures required to meet the established academic standards;
- Integrate budget planning into program planning so that the budget can effectively express and implement relevant programs and activities;
- Explore all available federal, state, local, and private sources of revenue;
- Explore all available options related to issuing bonds, borrowing, and debt issuance; and
- Continually assess the needs of the District and the related revenues and expenses.

The [Office of Capital Programs](#) is also responsible for identifying and prioritizing capital work within the District. Projects are selected for inclusion based on a facilities condition assessment ("FCA"), work order and deferred maintenance data, input from school administrators, input from central office leadership, and priorities identified in the Superintendent's strategic plan. Central Office requests are also reviewed against other priorities and included in the CIP based on cash availability.

Budget planning for new bond issuance includes a capital call process to solicit requests through this [online form](#) from internal stakeholders including school leaders. The requests are summarized, evaluated, and prioritized by a committee to be included in the new bond borrow and the upcoming CIP.

Creating and Sharing Budget Information

Each year, the Chief Financial Officer presents a summary of the District's budget through a variety of presentations including, but not limited to:

- Stakeholder Meetings
- Annual Budget Survey

- Board Budget Presentations for the Lump Sum Budget, April Budget Hearings, and Amended/Adopted Budget hearings
- Quarterly City Council Report Presentations and Meetings with City Council
- City Council Budget Hearings
- City Planning Commission Hearing

The Board budget presentations include, but are not limited to the following information: the District’s Budget Development Process Timeline, a summary of the District’s major revenue sources and expenditure categories, current year and projected year revenues, expenditures, and fund balance projections, including in a five-year plan format, information on how school budgets are developed, and quarterly reports which include financial information about the budget, as well as other areas of finance (grant spend, cash flow, vendor payments, etc.).

This information is made available publicly through the District’s [website](#), and the [Office of Management and Budget](#), and [Office of Grants Compliance and Fiscal Services](#) are available to internal and external stakeholders for any questions about the District’s budget, an individual school’s budget, etc. Additional information on Capital budgets and projects are also made available publicly through the District’s [website](#). In addition, at least 30 days prior to any public hearings on the budget, an advertisement is published in at least two newspapers of general circulation providing notification of that upcoming presentation.

Annual Budget Calendar

In coordination with the [Office of Management and Budget](#), the Chief Financial Officer will establish and communicate an annual budget calendar that outlines the budget development process and includes a schedule for completion of each phase. This calendar is published at a detailed level on the District’s website, shared with the Board, and a high level summary is also shared in Quarterly Reports and throughout the year during budget presentations, as applicable.

Stakeholder Engagement

The budget calendar includes stakeholder meetings that include students, parents or other family members, teachers, principals, support and administrative employees, external and community partner organizations, faith-based organizations, City and State government partners, and other community members. Existing District advisory groups also receive budget information as part of their meetings.

In addition to these meetings, each year a budget survey is completed, designed to receive stakeholder input on budget priorities and ensure that the District keeps stakeholders informed through the budget development decision-making process. Surveys take place in the first three months of each calendar year and are available in multiple languages. Surveys are disseminated in coordination with the [Office of Evaluation, Research, & Accountability](#) (“ERA”), [Office of Communications](#), [Office of Family and Community Engagement](#) and advisory groups to obtain diverse representation including race, gender, and disability status.

The District also engages with the public and stakeholders through sessions that are required for the use of federal funds.

Members of the finance team also attend, present, and provide materials on the District's finances and budget during various school-based and central-office based training sessions throughout the year. This includes, but is not limited to: assistant superintendent and principal training, the annual leadership convening, and school budget development meetings.

School & Community Engagement

Each year of the budget survey, the District's finance and ERA teams work to implement new or enhanced strategies in the following year, aimed at increasing response rates and diversity among respondents.

The District's budget development process includes a budget allocation model which is shared with internal stakeholders and publicly through the District's website each year prior to the school budget development meetings. The budget allocation model is annually reviewed in the budget planning process, and in addition to including mandated allocations (in accordance with collective bargaining agreements or statutory requirements), the model also includes formulas aimed at enhancing opportunities within the District's highest-need schools and neighborhoods. In addition to the budget allocation model, the District furthers equity through distribution of funds in the following areas:

- Title I - allocations based on poverty;
- School Intervention - allocations based on demographics and school performance;
- English as a Second Language ("ESL") - allocations based on English Learners ("EL") student need;
- Special Education Services - allocations based on special education student need;
- Bilingual Counseling Assistants - allocations based on needs of families with home languages other than English; and
- Additional support based on budget availability and areas of greatest need.

The school budget process also kicks off every year based on the development of a school plan for each individual school, and as part of those school plans, schools are asked to utilize the SDP Equity Lens in developing those school plans. Members of the [Office of Grants Compliance and Fiscal Services](#) meet with school leaders and District leadership throughout the budget development process to ensure that the use of grant funds is in compliance with federal requirements and in line with the goals of the school plan. Members of the [Office of Diversity, Equity, and Inclusion](#) ("DEI") are also available during the school budget process for support.

Grants/Funding

To meet the District's educational goals and supplement District resources, the Superintendent or their designee will seek available public and private grants and funding throughout the fiscal year.

Maintenance Schedule

These administrative procedures shall be reviewed upon the review of the policy, or upon the occurrence of a triggering event.

Related Information:

- [Policy 602](#) - Budget Planning
- [Policy 604](#) - Budget Adoption