



THE SCHOOL DISTRICT OF
PHILADELPHIA

Fiscal Year 2024 Operating Budget City Council Budget Hearing

May 2, 2023

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

Mike Herbstman
Chief Financial Officer



Agenda

Budget Priorities

- Strengthening School Safety
- Partnering with Parents and Community
- Accelerating Academic Achievement

Other District Updates

- Positions and Staffing
- Criteria-Based Schools
- Facilities and Environmental Planning

Financial Outlook

- FY 2024 Operating Budget
- Five-Year Plan for FY 2024 - FY 2028
- The Future of Philadelphia Schools

A young boy with dark skin and short hair, wearing a green polo shirt with blue and white striped sleeves, is sitting at a desk and raising his right hand. He is looking towards the camera with a slight smile. In the background, other children are also raising their hands, and the classroom walls are decorated with colorful paper and posters. A blue storage bin is visible on the left side of the frame.

Budget Priorities

- Strengthening School Safety
- Partnering with Parents and Community
- Accelerating Academic Achievement

Superintendent Fiscal Year 2024 Budget Summary

The Incremental Fiscal Year 2024 Budget will focus on three priority areas:

<i>Strengthening School Safety</i> <ul style="list-style-type: none">○ Invest in physical, social/ emotional, and environmental safety at schools.○ Invest in additional staff resources in high-needs schools.	Guardrail #1	Board of Education Priority: Upgrade school facilities Board of Education Priority: Address gun violence
<i>Partnering with Parents and Community</i> <ul style="list-style-type: none">○ Invest in family and staff resources to increase attendance and reduce dropouts.○ Invest in a two-way communication system and customer service training.	Guardrail #1 and Guardrail #3 Goals #1-#5	Board of Education Priority: Provide incentives to help fully staff schools
<i>Accelerating Academic Achievement</i> <ul style="list-style-type: none">○ Invest in research-based, standards aligned core curricula and high impact tutoring.○ Invest in increased and equitable CTE and Dual Enrollment opportunities.	Guardrail #4 Goal #1, Goal #2, Goal #3	

Priority Area 1: Strengthening School Safety

Physical

- Expand the police safety zones surrounding our schools.
- Expand the Safe Paths program to include 12 additional schools.
- Increase school safety officer allocations by fifteen positions and supervisor allocation by two positions to better serve high-needs schools.

Social/ Emotional

- Providing additional Counselors to Highest-Need Schools
- Mental health and well-being resources:
 - Kooth online mental health and well-being platform for students launched in February
 - Lyra Health provides wellness coaching and therapy for employees.

Environmental

- Hire an Executive Director for the Office of Environmental Management Services.
- Invest in a data management system to support the District's environmental needs.
- Increase contracting services to address staffing shortages.





Priority Area 2: Partnering with Parents and Community

Invest in family and staff resources to increase attendance and reduce dropouts

- Increase School Improvement Support Liaison allocations for most off-track schools.
- Contract to review best practices in attendance.
- Launch an attendance marketing campaign.

Invest in a two-way communication system and customer service training

- Enhance feedback and customer service solutions for schools through purchase of a two-way communications system.
- Provide customer service training for designated District employees.

Priority 3: Accelerating Academic Achievement

Invest Research-based, Standards-Aligned Core Curricula

- Prioritize K readiness, K-3 science of reading, K-3 mathematics, and middle grades math.
- Maintain American Rescue Plan Act positions and discretionary supports to schools.
- Provide additional resources for English-Language Learner students.
- Facilitate the step-down of Schools Losing CSI designation.

Invest in Increased and Equitable CTE and Dual Enrollment

- Accelerate comprehensive CTE Program Evaluation by the Southern Regional Education Board.
- Renovate and improve CTE facilities.
- Increase investment in industry certifications for students.
- Expand CTE professional development and curriculum development.



A photograph of a classroom where students are seated at their desks, playing recorders. The students are wearing maroon shirts. The classroom has blue chairs and wooden desks. A semi-transparent blue box is overlaid on the bottom left of the image, containing the title and a list of updates.


Other District Updates


- Positions and Staffing
- Criteria-Based Schools
- Facilities and Environmental Planning

Positions and Staffing



FY 2024 School Budgets


THE SCHOOL DISTRICT OF
PHILADELPHIA



GUIDE TO SCHOOL BUDGETS

2023-2024

All documents are now available at:
www.philasd.org/budget/

	FY 2023	FY 2024 Projected	% Change (FY 2024 - FY 2023)
Enrollment	113,739	113,220	-0.5%
Economically Disadvantaged Percentage	76.6%	76.6%	0.1%

Position/Expenditure	FY 2023	FY 2024 Projected	% Change (FY 2024 - FY 2023)
Principals/Assistant Principals	486.5	491.5	1.0%
Teachers - General Education	6,817.2	6,924.6	1.6%
Teachers - Special Education	1,726.0	1,765.0	2.3%
Classroom Assistants/Teacher Assistants	2,577.0	2,602.0	1.0%
Counselors, Climate & Behavioral Specialists, and Student/Community Supports	1,122.6	1,152.0	2.6%
Nurses/Health Services	231.0	236.0	2.2%
Secretaries	268.0	268.0	0.0%
Student Climate Staff and Support Services Assistants	1,472.0	1,510.0	2.6%
Other	74.0	88.0	18.9%
Total Positions	14,774.3	15,037.1	1.8%
Total Positions (\$)	\$1,633,741,517	\$1,687,970,168	3.3%
Contracts/Supplies/Equipment/Part-Time/ Centrally-Managed Supports	\$783,262,964	\$845,772,022	8.0%
Total School Budget	\$2,417,004,481	\$2,533,742,190	4.8%
Per Pupil Budget	\$21,250	\$22,379	5.3%

Key Position Staffing Rates (Current Year)

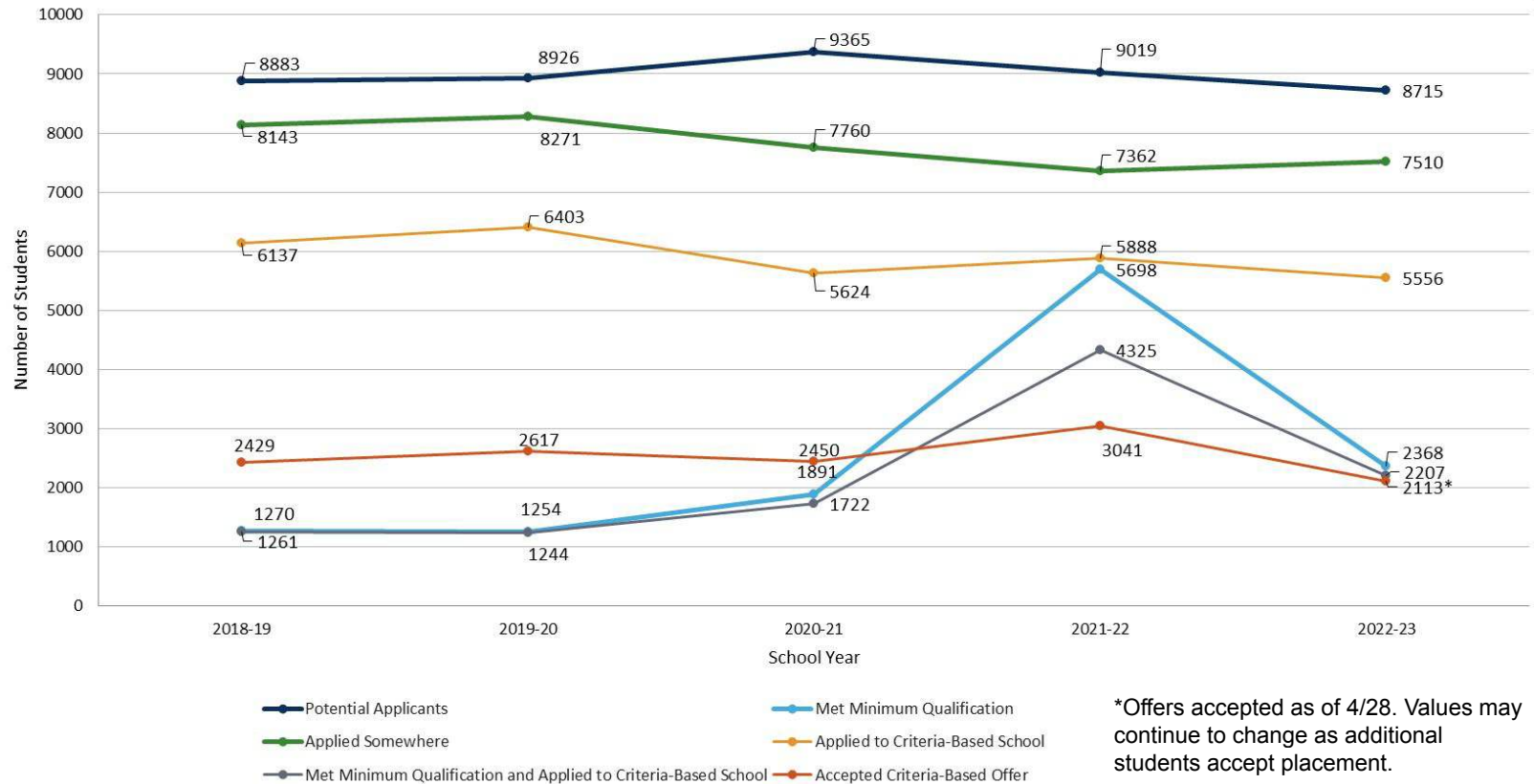
Position	Fill Rate
Teacher	98.5%
Principal	99.5%
Assistant Principal	98.8%
Climate Manager	98.7%
Counselor	98.0%
Nurse	93.6%



Criteria-based Schools

School Selection Internal Applicant Results:

More 9th Grade Student Met Criteria in 22-23 than in Pre-Pandemic Years



Enrollment and Stabilization Efforts at 25 Declining-Enrollment Schools

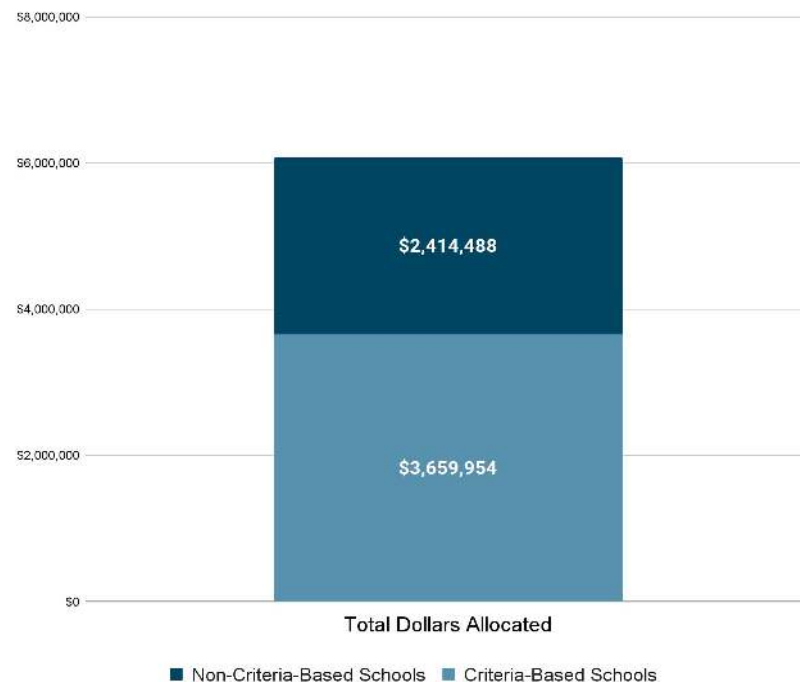
Offered Qualified Students Available Seats

- On March 27, the 316 qualified students and their families were notified that they would be given the opportunity to apply to the schools to which they met the criteria.
- The District hosted 4 public information sessions for families to learn about the opportunity, process, and schools with available seats.
- At the conclusion of this process, 54 students were offered placements.

Invested \$6.1 Million in School Stabilization

- District allocated \$6.1 million to help stabilize 25 schools with significant formulaic general operating fund reductions from the prior school year.
- This capped year-over-year general operating reductions at \$400,000 for schools projected to lose significant enrollment.
- Principals had considerable discretion over the use of these funds (in alignment with the regular school budget process).
- Three schools lost more than three operating positions following the partial-hold-harmless: Arts Academy at Benjamin Rush, Hill-Freedman World Academy and Philadelphia High School for Girls.

Partial Hold-Harmless Allocation by Dollars Allocated



Facilities Update and Environmental Planning



District Facilities Update

- Following discovery of asbestos in plaster at **Building 21**, the **District reviewed the historic data and found more samples were needed under current District protocols.**
- **The District is conducting** an urgent and **comprehensive review of District sampling records in other buildings** to determine if and where further plaster sampling is needed and taking those samples where necessary.
- Under this review, **Mitchell Elementary School, Frankford High School, C.W. Henry Elementary and Universal Vare Charter School** (among the oldest buildings in the District) were also found to **have plaster that contains asbestos and it was found that some of this plaster was damaged.**
- When asbestos is discovered and remediation efforts require the closure of the school, **the District works with the school leaders, families, and staff** to create a plan for virtual learning and possible identification of swing space.
- Currently, **swing space is limited** due to the condition of our buildings.

Facilities Project Team Update

- **We are establishing a facilities project team** including **internal and external District stakeholders** to identify investments needed to significantly **improve academic achievement** (per Strategic Plan academic strategies) and to achieve the two following guardrails:
 - **Guardrail 1:** Every school will be a **safe, welcoming and healthy place** where our students, staff and community want to be and learn each day. This means that our **schools will be: 1) environmentally safe and clean**; and 2) **spaces with inclusive climates** that provide students with access to robust social, emotional, and mental health supports.
 - **Guardrail 2:** Every student will have a **well-rounded education with co-curricular opportunities**, including arts and athletics, integrated into the school experience.
- We are currently **meeting** with **external partners**, including subject matter **experts**, **faith-based** leaders, and **business and nonprofit** leaders to build out the **team**.

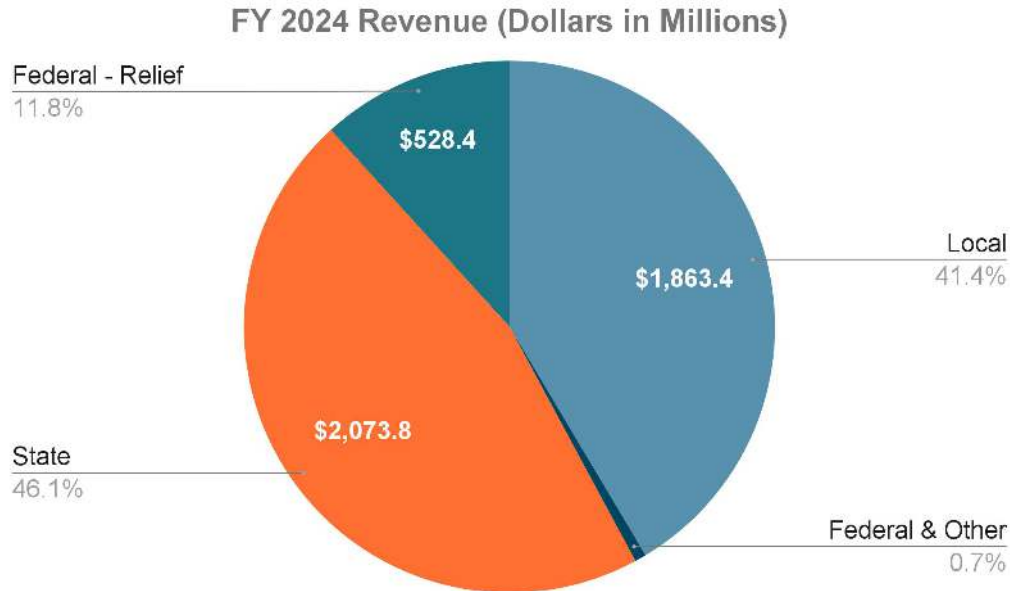


Financial Outlook

- FY 2024 Operating Budget
- Five-Year Plan for FY 2024 - FY 2028
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Fiscal Year 2024 Budgeted Revenue

(Operating Fund and Federal Recovery Funds)



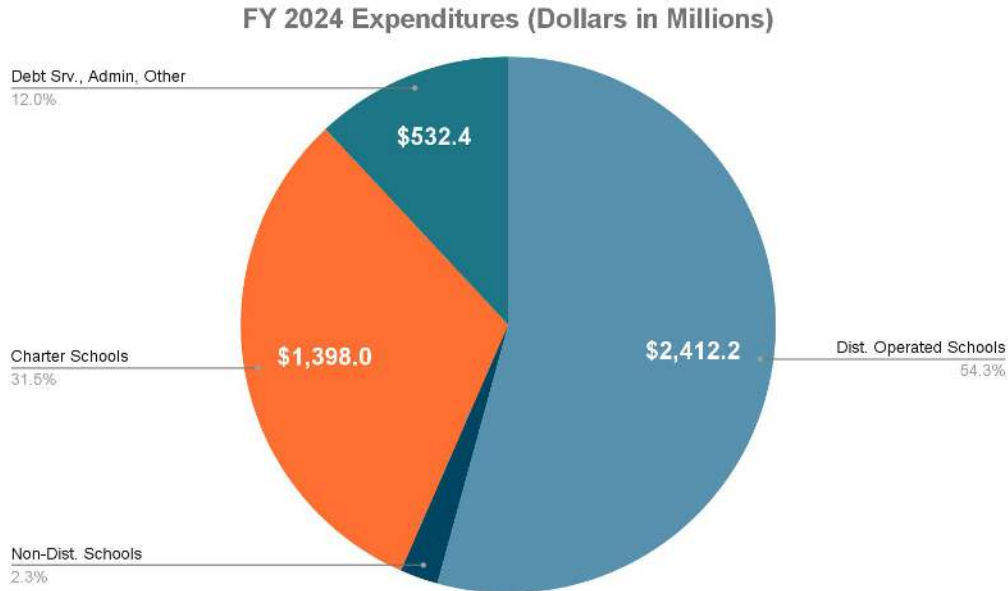
Key Takeaways

- Unlike all other School Districts in Pennsylvania, the School District of Philadelphia has no authority to generate significant revenues for itself.
- The District is dependent on City and State allocations for 88% of its operating revenue.
- This percentage will move to over 99% early in FY 2025 following the end of federal relief funding.
- Between FY 2023 and FY 2024 Projections:
 - City-source revenues are projected to increase by \$39.2 million (2.1%)
 - State-source revenues are projected to increase by \$92.2 million (4.7%)

Fiscal Year 2024 Budgeted Expenditures

(Operating Fund and Federal Recovery Funds)

Key Takeaways



- District-operated school expenditures will increase by 7.6% next year, primarily to account for increased school needs and negotiated compensation increases.
- Charters School expenditures will increase by 20.2% next year:
 - >90% of that increase is due to Charter-School rates (driven by prior-year District expenditures)
 - In FY 2023 (compared to FY 2022) the District spent more in federal COVID-19 grants (not included in Charter rate formula) and less in operating funds (included in Charter rate formulas).
 - Most of the remaining impact is driven by increases in enrollment in State-Approved Cyber Charters.
- Debt Services, Administrative and Other Expenses will decrease by 1.1% next year.

Annual Operating Budget Requirement

"The Board of Education shall, at least thirty (30) days before the end of the fiscal year, adopt by majority vote of all its members an operating budget setting forth in lump sum amounts the proposed expenditures of the Board during the next fiscal year as to each principal administrative unit of the District, according to such classes of expenditures as the Board may determine, and the estimated receipts of the Board during the next fiscal year, including approximate estimates of proposed revenues and all other receipts.

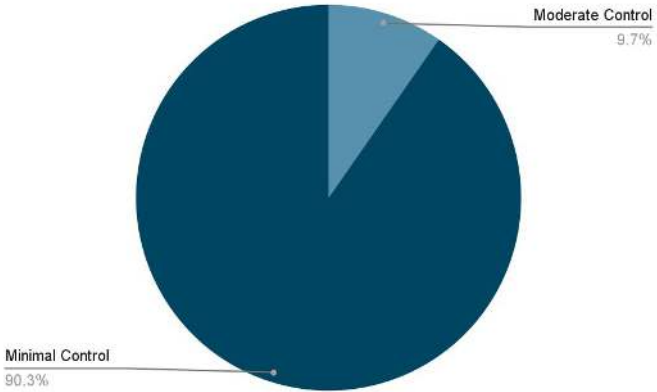
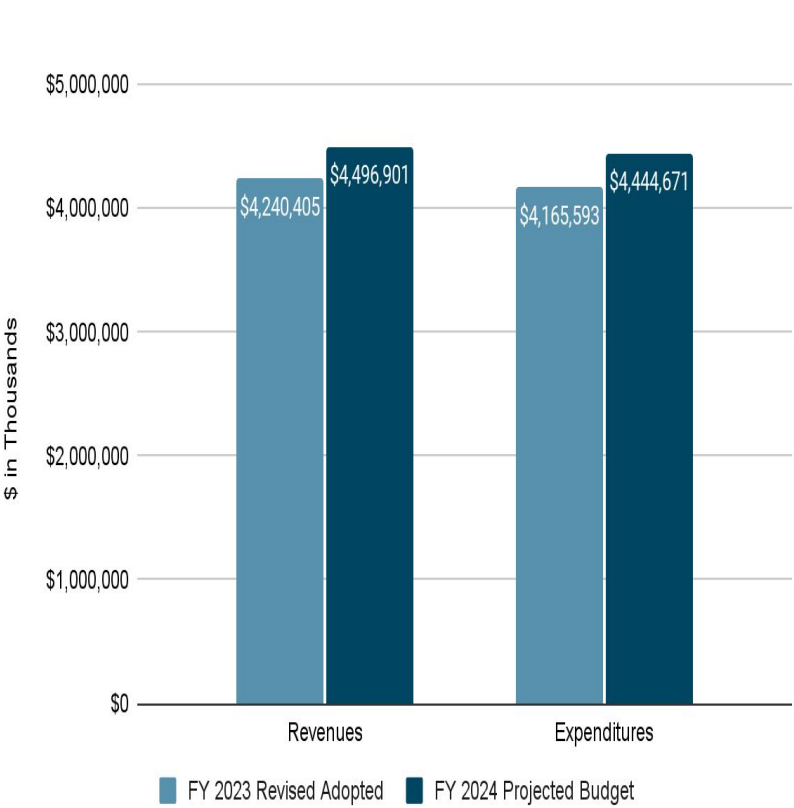
The total amount of proposed expenditures shall not exceed the amount of funds available for School District purposes.

Home Rule Charter, § 12-303 (a)



Fiscal Year 2024 Budgeted Expenditures

Limited Budgetary Control



FY 2024 Operating Budget	FY 2024 Budget
Areas of Minimal Budgetary Control	\$4,013,638,820
Employee Salaries	\$1,099,720,572
Employee Retirement Benefits	\$373,474,359
Employee Medical and Other Benefits	\$355,608,705
District Transportation	\$153,500,520
Charter School Tuition & Transportation	\$1,397,958,000
Other Non-Dist. Oper. Schools Tuition & Transp.	\$102,120,000
Debt Service	\$344,672,000
School Discretionary Allocations	\$36,584,664
ARPA School Construction and Instructional Resources	\$150,000,000
Areas of Moderate Budgetary Control	\$431,032,180
Total Operating Expenditures and Other Financing Sources	\$4,444,671,000

**Five-Year Plan
for the
FY 2024 - FY 2028**



Fiscal Year 2024 - 2028 Five-Year Plan Projections

(\$ in Thousands)	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Total Revenues and Other Funding Sources	\$4,256,253	\$4,496,901	\$4,193,632	\$4,171,478	\$4,235,521	\$4,327,738
Total Expenditures Other Uses and Net Transfers	\$4,012,556	\$4,454,066	\$4,409,027	\$4,558,624	\$4,707,800	\$4,822,472
Operating Surplus (Deficit)	\$243,697	\$42,835	(\$215,395)	(\$387,146)	(\$472,279)	(\$494,734)
Projected Ending Fund Balance	\$651,872	\$694,706	\$479,312	\$92,166	(\$380,113)	(\$874,848)

**Future of
Philadelphia Schools**

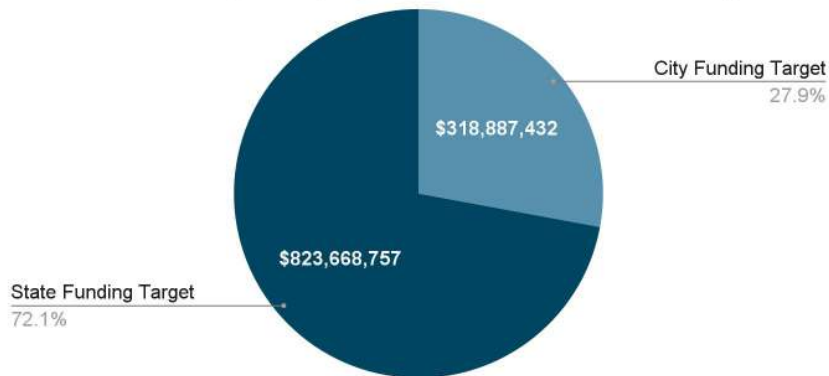


The Future of the School District

Unfair and Inadequate State Funding System

- On February 7, 2023, Commonwealth Court President Judge Cohn Jubelirer ruled that the current system does not adequately or equitably fund schools.
- Judge Cohn Jubelirer called on the Legislature and Executive Branch to appropriately address the issue.
- [According to The Education Law Center - PA and the Public Interest Law Center fair funding would require an additional \\$4,976 per Philadelphia student.](#)

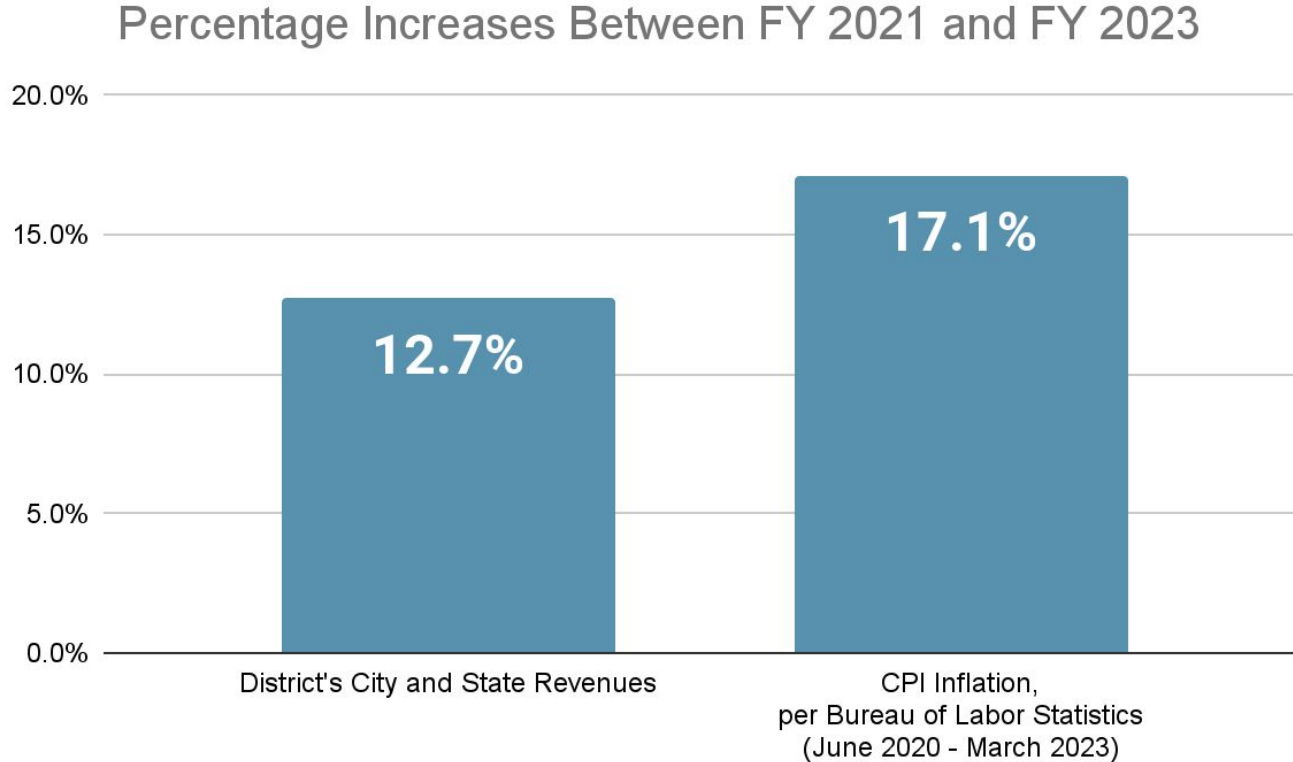
Total Annual Funding Inadequacy for the School District of Philadelphia



Source: Expert Testimony to the Commonwealth Court from Dr. Matthew Kelly, Professor at Penn State's College of Education.



State and Local Revenue Increases vs. Inflation Over Time

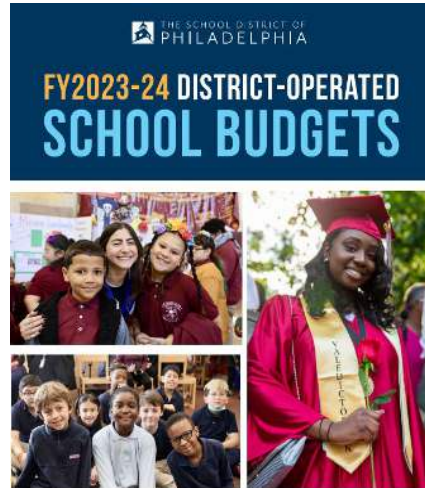
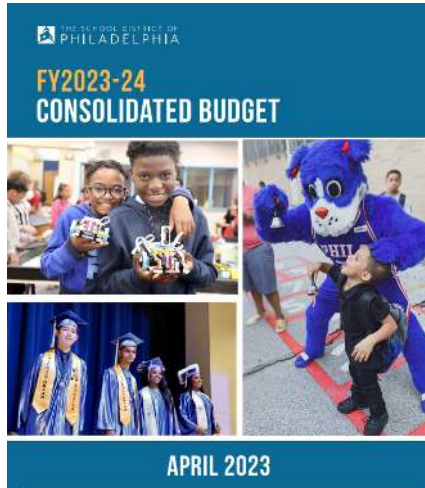


What Could the District Do with Nearly \$5000 More per Student?

- Update aging facilities and address environmental hazards.
- Regionally-competitive employee compensation.
- Equitable supports for the schools with the highest needs.
- Improve physical safety.
- Consistent high-quality core curriculum and standards-aligned tutoring.
- Premium services for diverse learners within District schools.
- Equitable CTE and Dual Enrollment opportunities.
- Timely scheduled maintenance of all buildings and operational systems.
- Industry-recommended ratios for mental and physical health positions.
- Comprehensive professional learning for all employees.



Operating Budget Documents and Process



All documents are now available at:

www.philasd.org/budget/

Operating Budget Detail Reports

- FY 2024 Consolidated Budget Book: Outlines the full revenue and expenditure budget for all funds and delineates budgeted personnel and non-personnel costs for each department.
- FY 2024 School Budget Book: Provides the full position and budget detail at each individual district-managed school.
- Understanding the District's Budget: Outlines key elements of the budget for the public.

Operating Budget Timeline





THE SCHOOL DISTRICT OF
PHILADELPHIA

**Thank you and
questions?**