

FISCAL OPERATIONS
AND DEBT

of the

SCHOOL DISTRICT OF PHILADELPHIA
1920-1943



A Report to

THE JOINT STATE GOVERNMENT COMMISSION
(OF THE GENERAL ASSEMBLY)

by its

COMMITTEE ON CONTINUATION
OF THE TAX STUDY

REPORT NO. 2
MAY 10, 1944

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JOINT STATE GOVERNMENT COMMISSION
OF
THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as last amended 1943, P. L. 13)

"A continuing agency of the General Assembly to undertake studies and develop facts, information and data on all phases of government for the use of the General Assembly and Departments and Agencies of the State Government."

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LETTER OF TRANSMITTAL

To the Members of the Joint State Government Commission of the
General Assembly of Pennsylvania:

Under authority of the Act of July 1, 1937, P. L. 2460 (Act creating Joint State Government Commission), as last amended by the Act of March 8, 1943, P. L. 13, we submit herewith a Report covering twenty-four years of the Fiscal Operations and Debt of the School District of Philadelphia.

LLOYD H. WOOD, *Chairman,*
Committee on Continuation
of the Tax Study.

May 10, 1944.

FOREWORD

This report is the second of a series of studies to be published in 1944 by the Joint State Government Commission through its Committee on Continuation of the Tax Study. This particular report, the first of several covering a quarter of a century of the fiscal operations and debts of the School Districts of the Commonwealth, constitutes a survey of twenty-four years of the Fiscal Operations and Debt of the School District of Philadelphia, the larger of the two first-class School Districts of the Commonwealth.

In due course we shall submit similar studies covering twenty-five years of fiscal operations and debts of the School District of Pittsburgh, the only other first-class School District of the Commonwealth, and of Scranton, the largest of the second-class School Districts. These studies will be followed by a survey of eleven selected School Districts of the Commonwealth—mining, industrial, and agricultural. The final reports in this series of studies of the School Districts of the Commonwealth will include an over-all survey of a quarter of a century of the combined fiscal operations and debts of all the School Districts, together with a comprehensive survey of State and Federal relations to education over the past twenty-five years.

Each report will survey the revenues, expenditures, surpluses, deficits, and debts of these important political subdivisions of the Commonwealth. The reports will be published separately because of the vital importance of each of the School Districts to the area in which it is located.

The significance of these School District studies is clearly indicated by the fact that in the school year 1941-1942 the total amount disbursed by the 2546 School Boards of the Commonwealth aggregated \$221,450,066, of which \$45,405,097 or 20.5 percent was contributed by the Commonwealth through State grants, \$1,139,050 or 0.5 percent was contributed by the Federal government, and the balance, \$174,905,919 or 79 percent of the total was raised through tax levies,

etc. by the individual School Districts for the support of their individual operations.

The school year 1941-1942 is the latest year for which the statistics of total disbursements by all the School Boards of the Commonwealth are available. Assuming that such disbursements for 1943-1944 continued, in all other respects, at the same level as in 1941-1942 the total disbursements for the school year 1943-1944 would be increased by \$12,150,000, which represents additional State funds appropriated by the General Assembly for the purpose of increasing teachers' salaries in all Districts. On this basis, total disbursements by all School Boards for 1943-1944 would be \$233,600,066, of which \$57,555,097 or 24.6 percent would be contributed by the Commonwealth, \$1,139,050 or 0.5 percent by the Federal government and \$174,905,919 or 74.9 percent by the individual School Districts from local revenues, etc.

These figures for 1943-1944 contrast sharply with those for 1930-1931, when the total amounts disbursed by the School Districts in the Commonwealth aggregated \$215,426,010, of which \$27,278,987 or 12.7 percent was contributed by the Commonwealth, \$452,640 or 0.2 percent by the Federal government, and \$187,694,383 or 87.1 percent by the School Districts.

The total disbursements by all the School Districts of the Commonwealth, as given, do not include many substantial items of expenditure by other agencies for public school purposes. In addition to State grants, included in the disbursements by the School Districts, the Commonwealth directly contributes large sums for the following purposes: State Share of Teachers' Retirement Fund Contributions, Administrative Costs of the Department of Public Instruction, Salaries and Expenses of County School Superintendents, and Support of Specialized Schools for the Blind, Deaf, and Dumb and for Industrial Education, etc. The over-all costs of education in the Commonwealth will be considered in a subsequent survey of State-local relations to education.

The Joint State Government Commission, through its Committee on Continuation of the Tax Study, has undertaken the study of the various financial and administrative problems of the Commonwealth. As stated in its first report on The Debt of the Commonwealth and Its

Local Subdivisions, dated December 16, 1943, "future studies will deal with trends in expenditures and revenues by functions, departments, and agencies of the Commonwealth, as well as with the growth in the number and burden of taxes during the last decade. . . ." Upon completion of this series of studies of the School Districts, the Committee will undertake similar surveys of fiscal operations, debts, and taxes of the other political subdivisions of the Commonwealth—the cities, the counties, the boroughs, and the townships. Finally, the Committee will in due course submit a survey of twenty-five years of fiscal operations of the Commonwealth itself.

These various studies will contribute vitally in the development of the essential background and statistical data necessary for a comprehensive understanding of the fiscal affairs of the Commonwealth, upon which the Commission proposes to base its recommendations to the General Assembly for a constructive revision of the entire tax and fiscal structure of the Commonwealth.

The Joint State Government Commission, therefore, is concerned with the over-all costs of government of all the political subdivisions of the Commonwealth, as well as with those of the Commonwealth itself, in the preparation of its recommendations for revision of the tax structure. It is hoped, also, that these various studies will contribute substantially to the permanent records of the Commonwealth. The surveys of this Commission should be distinguished from those of other official agencies relating to the methods of allocation of State revenues to political subdivisions and the practices of these political subdivisions in making their expenditures.

The Committee desires to express its appreciation to Dr. Francis B. Haas, Superintendent of Public Instruction of the Commonwealth, and to the officials of the School District of Philadelphia for their generous assistance and cooperation with the Committee.

The Committee desires to point out that Honorable Edwin Winner, former Chairman of this Committee, has resigned because of his election to the office of Treasurer of Montgomery County. We are fortunate that he has consented to continue to serve the Committee in an advisory capacity.

The Commission and its Committee on Continuation of the Tax Study again expresses to the Pennsylvania Economy League their great appreciation of the assistance of the technical staff of its Philadelphia Office in the development of the factual data for this report.

IRA T. FISS, *Chairman*
Joint State Government Commission

LLOYD H. WOOD, *Chairman*
Committee on Continuation of the Tax Study.

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FISCAL OPERATIONS AND DEBT OF THE SCHOOL DISTRICT OF PHILADELPHIA 1920-1943

This study of the fiscal operations and debt of the School District of Philadelphia for the years 1920 to 1943, almost a quarter of a century, has been made with the hope that out of such an analysis beneficial conclusions might be drawn. These conclusions may be helpful in meeting the needs of the School District in the post-war years and useful in determination of the future fiscal requirements and methods of the financing of these needs.

This period was chosen because it is sufficiently long to permit the discernment of various long-term trends. It is a period which contains a post-war pattern of reconversion and temporary depression immediately after World War I, closely followed by ten years of prosperity, and, in turn, by ten years of the most serious depression in history. It is sufficiently recent to permit the reasonable assumption that certain trends may continue into the future.

SCHOOL DISTRICT OF PHILADELPHIA—A POLITICAL SUBDIVISION OF THE COMMONWEALTH

Under Article X, Section 1, of the Constitution of Pennsylvania, the General Assembly is obligated to "provide for the maintenance and support of a thorough and efficient system of public schools."

This responsibility is met in Philadelphia through establishment of the School District of Philadelphia, under the School Code, Act of May 18, 1911 (P. L. 309), as a political subdivision of the Commonwealth, with limited power to levy and collect taxes on real estate, to issue bonds, and to buy and sell real estate. The School District of Philadelphia is co-terminous with the City and County of Philadelphia. This District and the School District of Pittsburgh constitute the only two first-class School Districts in the Commonwealth. It is governed by a Board of Public Education of 15 members appointed by the Courts of Common Pleas of Philadelphia County.

Any study of the fiscal operations and debt of the School District of Philadelphia must first take into consideration the fact that under

existing laws the public schools of the District are supported almost entirely from proceeds of the school tax levied on real estate within the city by the Board of Public Education, under authority of the General Assembly. Great yearly variations in the assessed valuation of Philadelphia real estate developed between 1920 and 1943. There were also similar wide variations in the annual tax rates and income of the District with consequent sharp fluctuation in the surpluses or deficits and debts of the District. On December 1, 1938, the General Assembly by Act No. 39 (P. L. 103), amending the School Code, limited the maximum tax rate of the District for 1939 to 10¼ mills per dollar of assessed valuation. The School Code was further amended on May 25, 1939 and June 5, 1941, increasing the maximum tax levy for 1940 and subsequent years to 11¾ mills per dollar of assessed valuation. These valuations for school taxation are established by a Board of Revision of Taxes, appointed by the judges of the Courts of Common Pleas of Philadelphia County, Act of June 27, 1939 (P. L. 1199).

The District receives, however, annual subsidies appropriated by the General Assembly to the Department of Public Instruction which makes allocations to the various School Districts of the Commonwealth based upon a complicated formula prescribed by the General Assembly. The subsidy based on this formula varies from year to year. The amount received by the Philadelphia District from this source was \$1,116,395 in 1920 and increased in 1943 to \$2,645,250. In 1920 State grants constituted about 7.5 percent of total current revenue of the District and in 1943 about 8.0 percent. In the period 1920 to 1943 aggregate State subsidies amounted to \$61,107,235 or 8.6 percent of total revenues of the School District.

The District also received during the 1920 to 1943 period federal P.W.A. grants of \$9,126,241 for capital purposes or 8.3 percent of the \$109,488,775 spent for such purposes during the period.

The fiscal history of the School District of Philadelphia in the twenty-four years under consideration can be divided into two distinct periods with a third period just beginning. The first period was one of expansion in revenues, expenditures, and debt. It covered eleven years from 1920 to 1930. Then came a period, 1931 to 1940, of contraction of revenues and continued expansion of debt. The present period, 1940 to 1943, is one of recovery and debt reduction.

Over the twenty-four year period expenditures of the District totalled \$814,798,065, as is shown below:

EXPENDITURES 1920—1943 (INCLUSIVE)

Purpose of Expenditure	Amount	Percent of Total
Operating Expenditures	\$604,096,013 ¹	74.1
Debt Service—Principal Repayments	45,406,207	5.6
Debt Service—Interest and State Tax on Loans	55,807,070	6.8
Capital Outlay	109,488,775	13.5
Total Expenditures	\$814,798,065	100.0

¹ Operating expenditures, over the period, totalled \$603,107,344. However, unpaid bills outstanding at the end of the period were \$988,669 less than at the beginning of the period. This amount has been included in operating expenditures shown in the above table.

Funds were provided by the following means to meet these expenditures:

REVENUES 1920—1943 (INCLUSIVE)

Source	Amount	Percent of Total
Revenue Receipts	\$712,787,732	87.5
Long Term Borrowings	87,196,402 ¹	10.7
Net Increase in Temporary Loans	1,100,000	0.1
Premium on Bonds Sold, etc.	697,396	0.1
Transfers from Fire Insurance Fund	3,224,055	0.4
Federal P. W. A. Grants	9,126,241	1.1
Decrease in Cash Balance	666,239 ²	0.1
Total	\$814,798,065	100.0

¹ Of the \$8,350,000 Mansfield Act bonds issued, \$7,114,598 were retired from delinquent tax collections earmarked for that purpose and are, therefore, treated in the operating statement as temporary loans. The balance of \$1,235,402 paid from the General Fund has been included in debt service. Consequently, this amount was included in funds provided by long-term borrowings.

² The District made advances to the National Defense Retraining Program, which, at the end of 1943, totalled \$400,000. As this amount will be repaid, it was not included in operating expenditures. Therefore, it has been added to the cash balance at the end of 1943, making a net reduction of \$666,239 over the period.

I. GROWTH OF THE SCHOOL DISTRICT DEBT

GROSS BONDED DEBT (SEE TABLE I)

The *gross bonded* debt outstanding January 1, 1920 was \$16,490,000. It continued to rise steadily until 1931, when it reached \$70,811,000. During the next five years, 1932 to 1936, inclusive, there was a gradual

decline to \$61,211,000. The years 1937 to 1939, however, showed steady increases with gross bonded indebtedness reaching \$80,511,000 at the end of 1939. Since then there has been a substantial decline to \$53,772,500 in 1943. This increase was 226 percent over the outstanding bonded debt on January 1, 1920. On the other hand, it was \$26,738,500 or 33.2 percent less than the peak of \$80,511,000, outstanding December 31, 1939. In the twenty-four years from January 1, 1920 to December 31, 1943, the District issued long-term bonds in the sum of \$100,111,000, but in the same period retired bonds in the sum of \$62,828,500.

NET DEBT (SEE TABLE II)

The *gross bonded* indebtedness, however, does not give the complete picture. The net debt history presents a more accurate one. In the years under consideration the District issued bonds of three types; sinking fund bonds, serial bonds, and combination serial and sinking fund bonds. However, the gross debt of \$53,772,500 outstanding December 31, 1943, was represented entirely by serial bonds with varying maturities beginning from one to ten and one-half years after date of the various issues.

The Board of Public Education is required by the Act of June 25, 1941 (P. L. 159) to maintain sinking funds for retirement of all bonds not maturing serially and, in case of serial bonds, sinking funds must be maintained for the years prior to the first maturities. While sinking fund assets at the end of 1943 were fully up to legal requirements, yet during 1933 to 1939, amounts appropriated from the General Fund of the District into the Sinking Fund were not fully paid during the years of appropriation. In 1933 the sum of \$638,362 or 25.7 percent of that year's appropriation for this purpose was not paid into the Sinking Fund until January 1934. In 1934 the sum of \$783,487 or 30.5 percent of the appropriation was paid in 1935, the sum of \$1,989,362 or 98.8 percent of the 1936 appropriation was paid in 1937, and the sum of \$1,229,451 of 60.1 percent of the 1937 appropriation was not paid until 1938, while the sum of \$701,335 or 35.4 percent of the 1938 appropriation was paid in 1939. Had these payments been made in the years in which they were appropriated, the *net debt* of these particular years would have been reduced accordingly, though the *net debt* at the end of the period would have remained unchanged.

Since 1933 the District has carried a large amount of *short-term floating* indebtedness. In 1933 floating indebtedness was \$3,000,000; in 1935 it was reduced to \$1,746,284; in 1936 it increased to \$10,883,328; in 1937 it was down to \$5,500,000; and in 1939 was wiped out entirely. However, in 1940 floating indebtedness amounted to \$300,000. In 1941 it rose to \$1,413,000; in 1942 to \$1,660,593. In 1943 it fell to \$1,100,000. (See Table II.)

While this floating debt is not a part of the long-term indebtedness of the District, it has strongly influenced the size of long-term debt. In some years short-term borrowing obviated sales of long-term bonds, while in other years long-term bond issues were used to liquidate the embarrassing floating indebtedness. Consequently, the *total net debt* of the District is best determined by deducting from the *gross bonded* indebtedness the amounts held in the sinking funds and then adding the floating indebtedness.

Quite naturally the *net bonded debt* of the School District has run somewhat parallel to the *gross bonded debt*. Allowing for the value of all securities and cash reserves held in the Sinking Fund January 1, 1920, the *net bonded debt* amounted to \$11,712,950. By 1930, the end of the expansion period, it had increased 303 percent, being \$47,288,463. The second period, 1931 to 1939, inclusive, began with a steady decline of the *net bonded debt* which dropped to \$31,735,214 in 1936. Bonds in the sum of only \$2,950,000 were sold during this six-year period and these were issued in only three of these six years. However, in 1936 floating indebtedness rose sharply to \$10,883,328, making the *total net debt* \$42,618,543. From 1937 to the end of 1939, bonds in the sum of \$34,750,000 were issued. This was the largest amount issued during any similar period. Because part of the proceeds of these bonds was used to refund the large floating debt, the increase in the *net debt* was not proportionate to the increase in the *bonded debt*. Consequently, in 1937 the *net debt* increased to \$45,004,014 and in 1939 it was up to \$50,194,127.

The last period—that of financial recovery—1940 to 1943, inclusive, is marked by complete absence of any increase in bonded debt until 1943, when refunding bonds in the sum of \$5,800,000 were issued. Consequently, the *net debt* at the end of 1943 was \$37,112,249. With the exception of 1935, the *net debt* at the end of 1943 was the lowest since 1925.

PURPOSE OF BOND ISSUES

Proceeds from *all* bonds issued between 1920 and 1930 were used solely for capital outlays. In fact, during this period of sustained prosperity, a substantial portion of total capital outlays was financed from current revenues. (See Table III.) Of the \$74,466,594 expended for capital purposes in this period, however, 26.6 percent came from current revenues. Between 1931 and 1939, inclusive, only 14.6 percent or \$5,027,492 of the capital outlays were financed from current revenues. From 1940 to 1943, inclusive, there were no increases in bonded debt and, of the \$818,516 spent for capital outlays, \$230,452 or 28.2 percent came from current revenues, the balance coming from unexpended bond balances and federal P.W.A. grants. On the other hand, of the \$37,700,000 received from bonds issued between 1931 and 1939, inclusive, \$20,000,000 or 53 percent were used for repayment of *short-term* obligations incurred for current operating expenses.

In the entire period 1920 to 1943, inclusive, bonds in the sum of \$94,311,000 were issued, (excluding \$5,800,000 issued in 1943 for refunding purposes) of which \$20,000,000 or 21.2 percent were used to finance operating deficits and \$74,311,000 or 78.8 percent were used in the capital outlay program which totalled \$109,488,775 for the period. The balance of capital outlays was financed (1) from current revenues—\$25,112,889 or 22.9 percent; (2) from federal P.W.A. grants—\$9,126,241 or 8.3 percent; (3) from miscellaneous revenues, (refunds, premiums on bonds, unexpended balances from bonds issued prior to 1920, and other minor items)—\$938,645 or 0.8 percent.

II. FINANCIAL OPERATIONS 1920-1943 (INCLUSIVE)

For a clearer understanding of the debt structure just discussed, it is necessary to examine the fiscal operations of the Board of Public Education during the period. The financial analysis is divided into three periods. It indicates the causes which produced operating deficits in certain years and surpluses in others. (See Tables IV and V.)

A. PERIOD OF EXPANSION—1920—1930 (INCLUSIVE)

There were two favorable financial factors in this period. The more important was the sharp rise in assessed valuations of Phila-

delphia real estate from \$1,942,731,342 in 1920 to \$3,451,528,364 in 1930. Simultaneously with this increase came steady increases in the tax rate from 7 mills in 1920 to 9¾ in 1930. Since the principal source of income of the School District is real estate taxation, its income rose sharply from \$14,861,346 in 1920 to the all time high of \$35,328,006 in 1930. (See Table VI.)

EXPANSION OF SCHOOL PLANT—1920—1930 (INCLUSIVE)

This period of high income coincided with a substantial expansion in the school plant, which was required by: (1) necessary construction deferred during the first World War; (2) an increase in pupil attendance which rose 19.2 percent in the period; (3) changes in educational methods requiring alterations in buildings.

Total capital outlay between 1920 and 1930 was \$74,466,594. The sum of \$19,854,954 or 26.6 percent was expended from current revenues. The balance of \$54,611,640 or 73.4 percent was financed from the sale of bonds. The District in this period financed construction of the Administration Building, four senior high schools, seventeen junior high schools, two vocational schools, and fifty-seven elementary schools. This growth of the physical plant was occasioned primarily by an increase in pupil enrollment. Average daily attendance of day-school pupils (including normal school, continuation classes, and schools of practice) rose from 205,550 in 1920 to 235,395 in 1926, an increase of 14.5 percent, and continued to rise to 245,089 in 1930, an increase of 19.2 percent over the eleven-year period.

During this period book value of the school plant and equipment increased from \$33,060,976 to \$101,661,821 or 207 percent.

INCREASE IN OPERATING COSTS—1920—1930 (INCLUSIVE)

These increases in plant and in attendance were reflected in a steady and much sharper rise in operating expenditures, which were only \$14,583,399 in 1920. They rose to \$27,786,899 in 1930, an increase of 90 percent in the eleven-year period, despite an increase of only 19.2 percent in attendance. Reduced to a per pupil basis, this increase in operating costs was 59.7 percent, from \$70.95 per pupil (in average daily attendance) in 1920 to \$113.37 in 1930. This increase in per pupil

operating costs was due to several factors, including higher average salaries for teachers, an increase of 37.6 percent in number of teachers, added costs of operating the expanded school plant, and a shift in school population with a smaller percentage of pupils in elementary grades and a larger percentage in high schools where operating costs are higher.

CHANGES IN PUPIL ATTENDANCE, NUMBER OF TEACHERS, AND PUPIL-TEACHER RATIO—1920—1930 (INCLUSIVE)

The following tabulation shows changes in average daily attendance of the three major classes of pupils between 1920 and 1930. (It does not include special pupils of the normal school, continuation classes, and schools of practice.)

TREND IN PUPIL ATTENDANCE
As of June 30

Type of School	1920		1930		Percent of Change
	Attendance	Percent of Total	Attendance	Percent of Total	
Senior High	16,993	8.5	27,921	11.7	} = +232.4
Junior High	1,367	0.7	33,115	13.8	
Elementary	182,196	90.8	178,590	74.5		- 2.0
Total	200,556	100.0	239,626	100.0	+ 19.5

The greater percentage of increase in the high school attendance was due to the fact that in this period junior high schools were introduced into the educational system. Prior to 1920 the city had only one junior high school. Thereafter, pupils, instead of going directly from the eighth grade to high school, (that is, grades 9 to 12) were sent from the sixth grade to junior high schools for three years and from there to senior high schools for three years. In other words, the elementary school period was reduced from eight to six years, while attendance in the higher schools was increased from four to six years.

The number of teachers in the three major groups—senior high, junior high, and elementary schools—increased from 5,667 in 1920 to 7,799 in 1930 or 37.6 percent compared with an increase of only 19.5

percent in the average daily attendance of pupils. This was caused partly by substantial increases in numbers of teachers in senior and junior high schools, where the pupil-teacher ratio had been considerably lower than in elementary schools.

NUMBER OF TEACHERS
As of June 30

Type of School	1920		1930		Percent of Increase
	Number of Teachers	Percent of Total	Number of Teachers	Percent of Total	
Senior High	741	13.1	1,259	16.1	} = 221 8
Junior High	46	0.8	1,267	16.2	
Elementary	4,880	86.1	5,273	67.7	
Total	5,667	100.0	7,799	100.0	37.6

The pupil-teacher ratio for the three grades of pupils in 1920 and 1930 were as follows:

PUPIL-TEACHER RATIO
As of June 30

Type of School	1920	1930	Percent of Decrease
Senior High	22.9	22.2	3.1
Junior High	29.7	26.1	12.1
Elementary	37.3	33.9	9.1
Total	35.4	30.7	13.3

This change in classes of pupils was partly responsible for increased costs of that period. This is evident from higher per pupil costs (47.7 percent in 1920) required to educate a pupil in junior high schools than in elementary schools. The cost of educating a senior high school pupil was 151 percent more than the cost of educating an elementary school pupil in 1920.

Educational costs¹ per pupil in the various grades increased as shown below:

PER PUPIL COST OF EDUCATION¹

Type of School	1920	1930	Percent of Increase
Senior High.....	\$138.13	\$170.08	23
Junior High.....	81.14	112.91	39
Elementary.....	54.95	79.48	45

¹Includes cost of operation and maintenance of school plant; principals', teachers', and secretarial salaries; text books, stationery, and supplies. (Does not include cost of light and power.)

While part of this increase in costs per pupil was due to reduction in the average pupil-teacher ratio, the general increase in salaries had a very large bearing on increased costs.

Expenditures for teachers' salaries increased from \$9,894,518 in 1920 to \$17,788,234 in 1930 or 79.7 percent. During the same period there was an increase of 37.6 percent in numbers of teachers in senior high, junior high, and elementary schools. A higher proportion of teachers in senior and junior high schools, where a higher scale of salaries prevailed than in elementary schools, combined with higher average salaries to all teachers, caused a larger increase in total salaries than the increase in the total number of teachers in all three groups would have occasioned.

TOTAL PAYMENTS FOR TEACHERS' SALARIES

Type of School	1920		1930		Percent of Increase
	Amount Paid to Teachers	Percent of Total	Amount Paid to Teachers	Percent of Total	
Senior High.....	\$2,025,273	20.5	\$4,073,362	22.8	237
Junior High.....	91,971	0.9	3,074,516	17.3	
Elementary.....	7,777,274	78.6	10,640,356	59.9	37
Total.....	\$9,894,518	100.0	\$17,788,234	100.0	79.7

GENERAL FUND EXPENDITURES—1920—1930 (INCLUSIVE)

The following tabulation of all expenditures from the General Fund of the District, by major classes of expenditures, shows the

increases in these expenditures and the percentage of each class to the total.

GENERAL FUND EXPENDITURES

Purpose of Expenditure	1920		1930		Percent of Increase
	Amount Spent	Percent of Total	Amount Spent	Percent of Total	
Educational Expense ¹	\$11,588,321	72.2	\$21,064,693	60.4	81.8
Operation of School Plant ¹	1,335,280	8.3	2,819,076	8.1	111.1
Other Operating Expenditures	1,659,798	10.3	3,903,130	11.1	134.5
Total Operating Expenditures	14,583,399	90.8	27,786,899	79.6	90.5
Retirement of Debt	581,223	3.6	2,460,409	7.1	313.3
Interest and State Tax on Debt	750,236	4.7	2,909,737	8.3	287.8
Capital Outlay	131,487	0.9	1,736,659	5.0	1220.8
Total Expenditures	\$16,046,345	100.0	\$34,893,704	100.0	117.4

¹ Educational expenses (including day-school salaries of principals, teachers, and secretaries; textbooks, supplies and stationery) and costs of operation of school plant (including maintenance, fuel, custodian supplies and other expenses of operation, and salaries of engineers and custodians—not including cost of light and power) have been taken from the Reports of the Secretary and Business Manager. They are used here to indicate the percentage and trend of total expenditures from the General Fund of the two principal classes of *operating expenditures*. All other figures have been taken from the School Controller's Reports, except for the year 1943.

It will be noted that capital outlays financed from current revenues showed the greatest increase. However, due to the net increase in the debt over the period, debt service (interest and principal payments) increased to a much greater extent than did operating expenditures. Consequently, debt charges in 1930 took a much larger proportion of total expenditures than in 1920, (increasing from 8.3 percent to 15.4 percent).

SUMMARY OF EXPANSION PERIOD— 1920—1930 (INCLUSIVE)

Despite these large increases in operating costs, debt, and interest charges and despite large amounts spent for capital outlays from current revenues, steady increases in assessed valuations and in tax rates produced between 1920 and 1930 such increases in revenues as to produce annual operating surpluses each year, with the exception of 1920 and 1929. The operating surplus for this entire eleven-year period was \$19,792,974 or 99.6 percent of the \$19,854,954 expended for capital outlay from the General Fund during this period.

B. PERIOD OF DECLINING REVENUES 1931—1939 (INCLUSIVE)

From 1931 to 1939 there was an almost continual decline in revenues. Assessed valuation of real estate, which reached a peak of \$3,472,559,146 in 1931, declined to \$2,528,453,723 by 1939. Meanwhile the tax rate was 9½ mills per dollar of valuation in 1931 to 1933; it was cut to 9¼ mills in 1934 to 1938; then came an increase in 1939 to 10¼ mills. Revenues fell from \$33,973,766 in 1931 to \$29,676,004 in 1939. The low point, of \$27,644,131, was reached in 1938. (See Table VI.)

DELINQUENT TAXES—1931—1939 (INCLUSIVE)

Meanwhile, delinquent taxes, which had begun to reach substantial sums in the previous eleven years, rose to \$8,766,139 in 1931, reached the high point of \$17,566,705 in 1934, and fell in 1939 to \$11,832,519. This development had a material effect on subsequent total tax collections. Delinquent tax collections (including penalties and interest), which had amounted to \$3,516,114 in 1930, rose to \$7,862,716 in 1934 and declined to \$3,251,322 in 1939. During this period (1930 to 1939) the percentage of current tax collections declined from 83.5 percent of the levy in 1930 to 72.3 percent in 1933, the low point in the entire period 1920 to 1943. With improved economic conditions, the percent of collection recovered to 90.3 percent of the current levy by 1939. While the rate of current collection declined sharply in the depression years, thereby building up the amount of outstanding delinquent taxes, subsequent larger collections of delinquent taxes from 1934 to 1943 enabled the District, in effect, to realize in excess of 100 percent of current levies. (See Table VII.)

TREND IN PUPIL ATTENDANCE, NUMBER OF TEACHERS, AND PUPIL-TEACHER RATIO—1931—1939 (INCLUSIVE)

Total school attendance in all grades was still on the increase in the early part of this period, reaching in 1933 its peak of 253,408, an increase of 23.3 percent over 1920 and of 3.4 percent over 1930. Beginning in 1934, there started a comparatively small, but gradual decline (except for 1935) which brought total attendance down to 239,657 by the end of 1939. During this period the shift from the elementary to high school grades continued, but by 1931 the junior high school grades had become well established in the Philadelphia school system.

The trend in average daily attendance of the three major classes of pupils between 1930 and 1939 is shown below:

TREND IN PUPIL ATTENDANCE
As of June 30

Type of School	1920		1930		1939		Percent of Change From 1930
	Attendance	Percent of Total	Attendance	Percent of Total	Attendance	Percent of Total	
Senior High . . .	16,993	8.5	27,921	11.7	43,177	18.3	+54.6
Junior High . . .	1,367	0.7	33,115	13.8	42,588	18.1	+28.6
Elementary	182,196	90.8	178,590	74.5	150,000	63.6	-16.0
Total	200,556	100.0	239,626	100.0	235,765	100.0	- 1.6

The decline in average daily attendance was accompanied by a decline of 5.4 percent in numbers of teachers during the period 1930 to 1939. However, the reduction in numbers of teachers was not reflected in reduction in total salaries paid. On the contrary, due to the further increase in the percentage of teachers in high schools, total salaries showed a small increase during the period, as is shown on the following table:

NUMBER OF TEACHERS
As of June 30

Type of School	1920		1930		1939		Percent of Change From 1930
	Number of Teachers	Percent of Total	Number of Teachers	Percent of Total	Number of Teachers	Percent of Total	
Senior High . . .	741	13.1	1,259	16.1	1,476	20.0	+17.2
Junior High . . .	46	0.8	1,267	16.2	1,440	19.5	+13.7
Elementary	4,880	86.1	5,273	67.7	4,457	60.5	-15.5
Total	5,667	100.0	7,799	100.0	7,373	100.0	- 5.4

TOTAL PAYMENTS FOR TEACHERS' SALARIES

Type of School	1920		1930		1939		Percent of Change From 1930
	Amount Paid to Teachers	Percent of Total	Amount Paid to Teachers	Percent of Total	Amount Paid to Teachers	Percent of Total	
Senior High	\$2,025,273	20.5	\$4,073,362	22.8	\$5,064,883	27.7	+24.3
Junior High	91,971	0.9	3,074,516	17.3	3,918,170	21.4	+27.4
Elementary	7,777,274	78.6	10,640,356	59.9	9,319,046	50.9	-12.4
Total	\$9,894,518	100.0	\$17,788,234	100.0	\$18,302,099	100.0	+ 2.9

Although the shift from elementary to high school attendance continued at a slower pace during this period, costs did not show the same upward trend as in the previous period. This was undoubtedly due to the fact that average teachers' salaries were no longer rising and that the pupil-teacher ratio in junior and senior high schools had risen, as is shown below:

PUPIL-TEACHER RATIO

As of June 30

Type of School	1920	1930	1939	Percent of Change From 1930	Percent of Change From 1920
Senior High.....	22.9	22.2	29.3	+32	+27.9
Junior High.....	29.7	26.1	29.6	+13	- 0.3
Elementary.....	37.3	33.9	33.6	- 1	-10.0
Total.....	35.4	30.7	32.0	+4	- 9.6

This increase in pupil-teacher ratio had a bearing on per pupil costs of education. As will be noted from the following tabulation, senior high school costs per pupil in 1939 were 17 percent less than in 1930, but still 2 percent greater than in 1920. Junior high school costs remained almost the same from 1930 to 1939. The increase over 1920, however, was 41 percent. While elementary school costs were 52 percent greater in 1939 than in 1920, the increase over 1930 was only 5 percent.

PER PUPIL COST OF EDUCATION

Type of School	1920	1930	1939	Percent of Change From 1930	Percent of Change From 1920
Senior High.....	\$138.13	\$170.08	\$141.37	-17	+ 2
Junior High.....	81.14	112.91	114.21	+ 1	+41
Elementary.....	54.95	79.48	83.70	+ 5	+52

The increase in pupil-teacher ratio for high school pupils practically absorbed the additional costs entailed by increased attendance in those grades.

GENERAL FUND EXPENDITURES—1930-1939 (INCLUSIVE)

Accordingly, operating expenditures during this period remained fairly constant, with the exception of 1934 and 1935, when salaries of school employees were cut temporarily. Debt service showed a slight

decrease because of reductions in interest charges. No capital outlays were financed from current revenues in 1939. The distribution of general fund expenditures by major items follows:

GENERAL FUND EXPENDITURES

Purpose of Expenditure	1930		1939		Percent of Change From 1930
	Amount Spent	Percent of Total	Amount Spent	Percent of Total	
Educational Expense ¹	\$21,064,693	60.4	\$21,243,573	64.9	+ 0.8
Operation of School Plant ¹	2,819,076	8.1	3,319,877	10.1	+17.8
Other Operating Expenditures	3,903,130	11.1	3,194,797	9.9	-18.1
Total Operating Expenditures	27,786,899	79.6	27,758,247	84.9	- 0.1
Retirement of Debt	2,460,409	7.1	2,098,246	6.4	-14.7
Interest and State Tax on Debt	2,909,737	8.3	2,858,054	8.7	- 1.8
Capital Outlay	1,736,659	5.0	.....	.....	.....
Total Expenditures	\$34,893,704	100.0	\$32,714,547	100.0	- 6.2

¹ See footnote on page 19.

While operating expenditures remained fairly constant and total *expenditures* from the General Fund decreased only about 6 percent, there was no such normalcy on the revenue side. In fact, revenues were declining practically throughout the entire period, resulting in operating deficits every year except in 1934 and 1935, when salaries of all school employees were cut. The general cut in teachers salaries in 1934 and 1935 amounted to 10 percent and resulted in substantial reductions, compared with 1933, in total salaries paid to senior, junior high, and elementary school teachers as follows:

TOTAL PAYMENTS FOR TEACHERS' SALARIES

(Actual)

Type of School	1933	1934	Percent of Decrease From 1933	1935	Percent of Decrease From 1933
Senior High	\$4,483,874	\$4,220,306	5.9	\$4,367,975	2.6
Junior High	3,489,023	3,198,366	8.4	3,223,188	7.6
Elementary	10,401,546	9,355,940	10.0	9,355,472	10.0
Total	\$18,374,443	\$16,774,612	8.7	\$16,946,635	7.8

CURRENT OPERATIONS—1931—1939 (INCLUSIVE)

Although assessed valuations reached their peak in 1931, reduction in the tax rate of $\frac{1}{4}$ mill per dollar of valuation in that year, together with a decline in the percent of current collections, resulted in a decrease of \$2,208,490 in current tax collections. This loss was offset by an increase in collection of delinquent taxes with the result that total revenue receipts in 1931 were only 4.7 percent less than in 1930, with an operating deficit of \$210,915. However, \$2,690,265 of current revenues were used for capital outlays, creating a net deficit of \$2,901,180. Fortunately, the cash balance of \$5,040,554 in the General Fund, carried over from 1930, was large enough to meet this deficit and to reduce by \$1,118,589 unpaid bills carried over from 1930. The next two years witnessed further reductions in valuations and declines in the percentage of tax collections, resulting in lower current revenues. The reduction in operating expenditures was not sufficient, however, to overcome the loss in revenues.

The 1931, 1932, and 1933 operations, after expenditures for capital outlays of \$3,510,375, showed a net deficit of \$5,266,836, necessitating an increase in temporary loans of \$3,000,000 and a reduction in cash balance. In 1934 and 1935, the 10 percent reduction in salaries of all school employees resulted in lower operating expenditures and enabled the General Fund to show a surplus of \$2,131,752, after deducting expenditures for capital outlays. As a result, temporary loans were reduced by \$1,253,715 and, while the cash position was increased almost \$2,000,000, approximately \$1,000,000 of this increase was due to an increase in unpaid bills to that extent.

In 1936, although revenues continued to shrink, teachers' salaries were restored to their 1933 levels with the result that operations resulted in a deficit of \$2,306,295. Temporary loans were increased by \$9,137,044, permitting an increase of \$7,097,422 in the cash balance. In 1937 and 1938 current revenues showed further decreases to \$28,961,510 and \$27,644,131, respectively, the lowest receipts in any year since 1924. Consequently, deficits incurred in these years totalled \$9,382,194.

While deficits prior to 1937 had been financed by temporary loans, it became apparent in 1937 that this method of financing could not be continued. Consequently, a bond issue of \$6,650,000 was sold, the proceeds of which were used principally to reduce temporary loans by \$5,383,000 and unpaid bills by \$637,000. The balance was applied

to reduction of the 1937 deficit. In 1938, deficit of \$4,783,828 was reflected in a reduction of \$3,657,830 in the cash balance and by a transfer of \$615,756 from the Insurance Fund.¹ The difference of \$510,242 was made up from a portion of the funds received from the issuance of \$8,350,000 of bonds under what is popularly known as the Mansfield Act, approved May 18, 1933 (P. L. 813).² The net amount available to the General Fund in 1938 from the Mansfield Act bonds was \$5,085,376. This was used to reduce temporary loans by \$3,750,000 and unpaid bills by \$886,790. The remainder of \$448,586 was applied to that portion of the 1938 deficit not absorbed by the reduction in the cash balance and funds transferred from the Fire Insurance Fund.

MANSFIELD ACT BONDS

This Act was passed by the General Assembly to meet the emergency occasioned by decreases in tax collections due to business depression and widespread unemployment. It permitted school districts to issue additional bonds in sums not exceeding 80 percent of uncollected school taxes on real estate. These bonds were not permitted to run more than ten years and provisions were made for setting up emergency sinking funds.

While Mansfield Act bonds issued by the School District of Philadelphia during 1938 amounted to \$8,350,000, the Act required earmarking, for the benefit of a special sinking fund, of all delinquent taxes of certain years. Consequently, \$3,262,624 of delinquent tax collections in 1938 were placed in this emergency sinking fund. Therefore, in effect, only \$5,085,376 of the proceeds of these bonds were available to the General Fund.

In 1939, with an increase in the tax rate from 9¼ mills per dollar of valuation to 10¼ mills, current revenues showed an increase of \$2,031,873. This increase was insufficient to meet operating expenditures and debt service, and there was a deficit of \$3,038,542. It again became necessary to issue bonds in the sum of \$5,000,000 to finance current

¹ The sum of \$3,224,055 was received into the General Fund from the Fire Insurance Fund as a result of the discontinuance of this self-insurance fund by the District. This item has been treated as a non-revenue receipt.

² In view of the fact that all Mansfield Act bonds were retired by 1941, they have been treated in the operating statement as temporary loans. Likewise, in order not to distort operating revenues, the collection of delinquent taxes, applicable to retirement of these bonds, has been included in operating revenues. As a result there are included in debt service only appropriations from the General Fund (for interest and retirement of these bonds) in the sum of \$1,316,657, representing the deficiency in delinquent tax collections to cover the maturities.

operations. This sum, in addition to \$54,735, representing the premium realized from their sale, and \$2,305,664 of the General Fund cash balance, was used to repay \$1,750,000 of temporary loans, to reduce unpaid bills by \$653,991, and to supply \$1,917,865 for redemption of Mansfield Act bonds.

**SUMMARY OF CURRENT OPERATIONS—
1931—1939 (INCLUSIVE)**

Declining revenues of the nine-year period, 1931 to 1939 (inclusive), resulted in a total operating deficit of \$12,834,626. Capital outlays of \$5,027,491 from current revenues added to the operating deficit, caused a total net deficit of \$17,862,117 for the period.

OPERATING DEFICITS AND SURPLUSES

Year	Operating Deficits or Surpluses	Net Deficits or Surpluses
1931.....	— \$210,915	— \$2,901,180
1932.....	— 4,639	— 590,912
1933.....	— 1,540,907	— 1,774,744
1934.....	+ 1,397,502	+ 1,195,649
1935.....	+ 1,275,375	+ 936,103
1936.....	— 1,954,569	— 2,306,295
1937.....	— 4,218,419	— 4,598,366
1938.....	— 4,539,511	— 4,783,829
1939.....	— 3,038,543	— 3,038,543
Total.....	—\$12,834,626	—\$17,862,117

This net deficit was financed by sale of \$11,650,000 of regular bonds, \$3,167,510 of Mansfield Act bonds, and \$146,795 of premiums realized from their sales. The cash balance was reduced by \$3,652,601, including transfers of \$615,756 from the Fire Insurance Fund. However, unpaid bills were reduced by \$1,370,545.

**GENERAL FUND REVENUES AND DISBURSEMENTS
1931-1939 (INCLUSIVE)**

Revenue Receipts.....		\$280,116,950
Operating Expenditures.....	\$246,888,090	
Retirement of Debt.....	20,373,649	
Interest on Debt and State Tax.....	25,689,837	
Capital Outlay.....	5,027,491	
Total Expenditures.....		297,979,067
Deficit for Period.....		\$17,862,117

SOURCES FROM WHICH DEFICIT WAS FINANCED

Reduction in Cash Balance	\$3,652,601	.....
Bonds Sold	11,650,000	.....
Mansfield Act Bonds (net)	3,167,510	.....
Premium on Bonds	146,795	.....
From Fire Insurance Fund	615,756	.....
	\$19,232,662	
Reduction in Unpaid Bills	-1,370,545	\$17,862,117

Book value of school plant and equipment at the end of 1939 amounted to \$130,846,192. This was \$29,184,371 or 29 percent greater than the value in 1930, and \$97,785,216 or 295 percent greater than the value on January 1, 1920.

**C. PERIOD OF FINANCIAL RECOVERY
1940—1943 (INCLUSIVE)**

In 1940 fluctuating assessed valuations began to stabilize. Financial balance was soon achieved by increasing further the tax rate from 10¼ mills per dollar of valuation to 11¾ mills, the present legal limit.

PUPIL-TEACHER RATIO—1940—1943 (INCLUSIVE)

Total day-school attendance in all grades during this three-year period showed a sharp reduction from 239,657 to 195,867, a decrease of 18.3 percent. The distribution of attendance of major grades remained about the same for 1943 as for 1939. This was due principally to a very large decrease in high school attendance caused by war conditions.

TREND IN PUPIL ATTENDANCE

As of June 30

Type of School	1920		1939		1943		Percent of Decrease From 1939
	Attendance	Percent of Total	Attendance	Percent of Total	Attendance	Percent of Total	
Senior High . . .	16,993	8.5	43,177	18.3	33,367	17.0	22.7
Junior High . . .	1,367	0.7	42,588	18.1	36,982	18.8	13.2
Elementary . . .	182,196	90.8	150,000	63.6	126,050	64.2	16.0
Total	200,556	100.0	235,765	100.0	196,399	100.0	16.7

NUMBER OF TEACHERS

As of June 30

Type of School	1920		1939		1943		Percent of Decrease From 1939
	Number of Teachers	Percent of Total	Number of Teachers	Percent of Total	Number of Teachers	Percent of Total	
Senior High	741	13.1	1,476	20.0	1,257	19.2	14.8
Junior High	46	0.8	1,440	19.5	1,361	20.8	5.5
Elementary	4,880	86.1	4,457	60.5	3,928	60.0	11.9
Total	5,667	100.0	7,373	100.0	6,546	100.0	11.1

The sharp decrease in attendance of all grades, as shown above, without corresponding reductions in numbers of teachers, produced a lower pupil-teacher ratio in each of the three groups. The changes in pupil-teacher ratio is shown below:

PUPIL-TEACHER RATIO

As of June 30

Type of School	1920	1939	1943	Percent of Decrease From 1939	Percent of Change From 1920
Senior High	22.9	29.3	26.5	10.0	+15.7
Junior High	29.7	29.6	27.2	8.1	- 8.4
Elementary	37.3	33.6	32.1	4.5	-13.9
Total	35.4	32.0	30.0	6.2	-15.3

This decrease in pupil-teacher ratio, accompanied by a rise in the general price level, produced greater per pupil costs of education in 1943, compared with 1939, as follows:

PER PUPIL COST OF EDUCATION

Type of School	1920	1939	1943	Percent of Increase From 1939	Percent of Increase From 1920
Senior High	\$138.13	\$141.37	\$184.77	30.7	33.8
Junior High	81.14	114.21	139.16	21.8	71.5
Elementary	54.95	83.70	104.61	25.0	90.4

Despite the decline in average daily attendance and in numbers of teachers, salary payments to teachers increased from \$18,302,099 in 1939 to \$18,566,409 in 1943 or 1.4 percent. The total operating expenditures, likewise, did not reflect the reduced school attendance. Consequently, per pupil costs of education increased.

TOTAL PAYMENTS FOR TEACHERS' SALARIES

Type of School	1920		1939		1943		Percent of Change From 1939
	Amount Paid to Teachers	Percent of Total	Amount Paid to Teachers	Percent of Total	Amount Paid to Teachers	Percent of Total	
Senior High	\$2,025,273	20.5	\$5,064,883	27.7	\$4,865,100	26.2	-3.9
Junior High	91,971	0.9	3,918,170	21.4	4,005,904	21.6	+2.2
Elementary	7,777,274	78.6	9,319,046	50.9	9,695,405	52.2	+4.0
Total	\$9,894,518	100.0	\$18,302,099	100.0	\$18,566,409	100.0	+1.4

**REVENUES AND EXPENDITURES—
1940—1943 (INCLUSIVE)**

Decreased operating expenditures of 1940 and 1941, compared with 1939, were due to a reduction of 5 percent in salaries (in excess of \$2,500) of principals, teachers, and secretaries, permitted by Act of June 20, 1939 (P. L. 479). With the subsequent restoration of these salary cuts in 1942, total operating costs for 1942 and 1943 showed an actual increase over 1939. Debt service charges, however, particularly interest charges, were declining during this period. Capital outlays, financed from the General Fund, continued small. Total expenditures from the General Fund by major items were as follows:

GENERAL FUND EXPENDITURES

Purpose of Expenditure	1939		1943		Percent of Change From 1939
	Amount Spent	Percent of Total	Amount Spent	Percent of Total	
Educational Expense ¹	\$21,243,573	64.9	\$21,536,857	65.5	+ 1.4
Operation of School Plant ¹	3,319,877	10.1	3,663,130	11.0	+10.3
Other Operating Expenditures	3,194,797	9.9	3,603,395	11.0	+12.8
Total Operating Expenditures	27,758,247	84.9	28,803,382	87.5	+3.8
Retirement of Debt	2,098,246	6.4	1,752,371	5.3	-16.5
Interest and State Tax on Debt	2,858,054	8.7	2,283,942	7.0	-20.0
Capital Outlay . . . . .	.....	.....	49,231	0.2	.....
Total Expenditures	\$32,714,547	100.0	\$32,888,926	100.0	+ 0.5

¹ See footnote on page 19.

As will be noted, total expenditures from the General Fund for the two years were practically the same, with the larger portion in each year going for operating expenses. The increase in levy of 1½ mills

furnished the School District with current revenues in 1940 which were about \$3,100,000 or 10.5 percent greater than in 1939. This increase in revenue, in addition to the slight decrease in operating expenditures, caused by salary cuts, produced a net surplus of \$920,180.

However, in an effort to supply \$1,122,980 required in 1940 to provide repayments on Mansfield Act bonds, temporary loans were increased by \$300,000 and unpaid bills by \$802,186, thus increasing the cash balance by \$824,336. In 1941 the operating surplus amounted to \$186,963. However, it was again necessary to increase temporary loans by \$1,113,000 in order to supply \$809,125 for the final maturity of Mansfield Act bonds¹ and to permit an advance of \$425,000 to the National Defense Retraining Program.² In 1942, operating revenues declined approximately \$450,000. This was offset by a decrease in debt service charges, but an increase of almost \$1,500,000 in operating expenditures permitted a surplus of only \$51,274 for the year. Consequently, the contribution of \$250,000 to the National Defense Retraining Program and reduction of \$1,235,925 in unpaid bills were financed principally by a reduction in the cash balance of \$1,187,157 and an increase of \$247,593 in temporary loans.

In 1943 operating revenues increased approximately \$230,000. The decline of \$343,500 in debt service charges was offset by an increase of \$482,500 in operating expenditures. As a result, operations for the year showed a surplus of \$119,890. During the year temporary loans were reduced by \$560,593 and unpaid bills by \$565,880. This was made possible by the repayment of \$350,000 to the District by the National Defense Retraining Program and by reduction of \$656,580 in the cash balance.

The higher tax rate, accompanied by improved collections of current taxes, enabled the District to accumulate a net surplus of \$1,278,308 in the four-year period after \$230,452 of capital outlays. Because of this favorable financial condition the District was able to pay \$1,932,106 toward retirement of Mansfield Act bonds, advance \$400,000 to the Defense Retraining Program, and reduce unpaid bills by \$1,183,979. However, it was necessary to reduce the cash balance by \$1,137,777 and increase temporary loans by \$1,100,000.

¹ See footnote 2 on page 25.

² The District in 1940, 1941 and 1942 made advances of \$750,000 to the National Defense Retraining Program which will be reimbursed by the Federal Government. Consequently, they are treated here as non-current expenditures.

III. SUMMARY OF FINANCIAL OPERATIONS FOR ENTIRE PERIOD—1920—1943 (INCLUSIVE)

Summarizing the entire twenty-four year period, it appears that total attendance of all types of day-school pupils decreased from 205,550 to 195,867, a decrease of 4.7 percent; the pupil-teacher ratio in the senior, junior high, and elementary schools declined 15.3 percent from 35.4 in 1920 to 30 in 1943; total number of teachers in the three groups increased from 5,667 to 6,546 or 15.5 percent; total operating expenditures per pupil increased 91 percent during the entire period, from \$70.95 to \$147.06.

PUPIL-TEACHER RATIO—1920—1943 (INCLUSIVE)

However, from an analysis of pupils and teachers by the three major groups, we find a marked shift from elementary grades to the high schools.

TREND IN PUPIL ATTENDANCE
As of June 30

Type of School	1920		1943		Percent of Change From 1920
	Attendance	Percent of Total	Attendance	Percent of Total	
Senior High.....	16,993	8.5	33,367	17.0	} = +283.2
Junior High.....	1,367	0.7	36,982	18.8	
Elementary.....	182,196	90.8	126,050	64.2		- 30.8
Total.....	200,556	100.0	196,399	100.0	- 2.1

During the period 1920 to 1943, inclusive, the total number of teachers in senior high, junior high, and elementary schools increased 15.5 percent, compared with a decrease of 2.1 percent in the pupils in total average daily attendance in these groups. Moreover, teacher salary payments during the period increased 87.6 percent from \$9,894,518 in 1920 to \$18,566,409 in 1943. This sharp increase resulted from higher average salaries in effect at the end of the period and from the substantial increase in numbers of high school teachers, though numbers of teachers in the elementary schools declined. However, total salary payments increased to a much greater extent than did the number of teachers.¹

¹ An analysis of ranges of teachers' salaries, their increases and reductions, will be available in a survey of State Grants to Education, to be released shortly.

NUMBER OF TEACHERS
As of June 30

Type of School	1920		1943		Percent of Change From 1920
	Number of Teachers	Percent of Total	Number of Teachers	Percent of Total	
Senior High.....	741	13.1	1,257	19.2	} = +232.7
Junior High.....	46	0.8	1,361	20.8	
Elementary.....	4,880	86.1	3,928	60.0	
Total.....	5,667	100.0	6,546	100.0	+15.5

TOTAL PAYMENTS FOR TEACHERS' SALARIES

Type of School	1920		1943		Percent of Increase From 1920
	Amount Paid to Teachers	Percent of Total	Amount Paid to Teachers	Percent of Total	
Senior High.....	\$2,025,273	20.5	\$4,865,100	26.2	} = 319.0
Junior High.....	91,971	0.9	4,005,904	21.6	
Elementary.....	7,777,274	78.6	9,695,405	52.2	
Total.....	\$9,894,518	100.0	\$18,566,409	100.0	87.6

In addition to the shift of pupils from lower grades to high schools, where costs per pupil are much higher, there was a decline in the pupil-teacher ratio in both elementary and junior high school grades, as indicated below:

PUPIL-TEACHER RATIO
As of June 30

Type of School	1920	1943	Percent of Change From 1920
Senior High.....	22.9	26.5	+15.7
Junior High.....	29.7	27.2	- 8.4
Elementary.....	37.3	32.1	-13.9
Total.....	35.4	30.0	-15.3

This decrease in the total pupil-teacher ratio, accompanied by higher average teachers' salaries and expansion in the school plant, produced an increase in the over-all costs of education per pupil for each of the three groups.

PER PUPIL COST OF EDUCATION

Type of School	1920	1943	Percent of Increase From 1920
Senior High	\$138.13	\$184.77	33.8
Junior High	81.14	139.16	71.5
Elementary	54.95	104.61	90.4

This sharp increase in cost per pupil was reflected by a substantial increase of 97.5 percent in operating expenditures.

GENERAL FUND EXPENDITURES

Purpose of Expenditure	1920		1943		Percent of Change From 1920
	Amount Spent	Percent of Total	Amount Spent	Percent of Total	
Educational Expense ¹	\$11,588,321	72.2	\$21,536,857	65.5	+ 85.0
Operation of School Plant ¹	1,335,280	8.3	3,663,130	11.0	+174.3
Other Operating Expenditures	1,659,798	10.3	3,603,395	11.0	+117.1
Total Operating Expenditures	\$14,583,399	90.8	\$28,803,382	87.5	+97.5
Retirement of Debt	581,223	3.6	1,752,371	5.3	+201.4
Interest and State Tax on Debt	750,236	4.7	2,283,942	7.0	+204.4
Capital Outlay	131,487	0.9	49,231	0.2	- 62.6
Total Expenditures	\$16,046,345	100.0	\$32,888,926	100.0	+104.9

¹ See footnote on page 19.

The very large increase of 226 percent in gross bonded indebtedness from \$16,490,000 in 1920 to \$53,772,500 in 1943 caused an increase of 204 percent in expenditures for interest on debt and an increase of 201 percent in expenditures for repayment of principal.

While assessed valuations had been declining during the last half of this period, the valuation of \$2,478,606,341 in 1943 was 28 percent greater than the valuation of \$1,942,731,342 in 1920. The tax rate of 11¾ mills in 1943 compares with 7 mills of 1920, an increase of 68 percent. The State subsidy in 1920 was \$1,116,395 and rose to \$2,645,250 in 1943, an increase of 137 percent. Total revenue receipts rose from \$14,861,346 in 1920 to \$33,008,816 in 1943, an increase of 122 percent.

For the entire period *revenue receipts* exceeded *operating expenditures* and *debt service* by more than \$8,400,000. The net deficit of \$16,645,779 for the entire period was due entirely to capital outlays of more

than \$25,000,000, from current revenues, of which 79.2 percent were between 1920 to 1930, inclusive, the period of prosperity and high income.

Capital outlays of \$109,488,775 over the entire period increased the book value of the school plant and equipment from \$33,060,976 in 1920 to \$130,253,625 in 1943 or 294 percent, while daily attendance of all types of day-school pupils rose only 1.7 percent. During the same period the net debt increased from \$11,712,950 in 1920 to \$37,112,250 in 1943 or 217 percent. The increase of \$97,192,649 in the school plant was 283 percent greater than the increase of \$25,400,000 in the net debt.

The \$16,645,779 net deficit in the General Fund for the entire period was in effect met from the following extraordinary sources:

HOW THE DEFICIT WAS MET

Source	Amount
Long-term Borrowings.....	\$11,650,000
Mansfield Act Bonds Included in Debt Service.....	1,235,402
Increase in Temporary Loans.....	1,100,000
Premiums on Bonds Sold.....	148,428
Transfers from Fire Insurance Fund.....	3,224,056
Decreases in Cash Balance.....	676,562
	\$18,034,448
<i>Less:</i>	
Reductions in Unpaid Bills.....	\$988,669
Advances to National Defense Retraining Program.....	400,000
	1,388,669
	\$16,645,779

IV. CONCLUSIONS

The future prospects of the School District of Philadelphia are both favorable and unfavorable. The School District, under present laws, must depend on real estate taxes for over 90 percent of its total current revenues. Under restrictions presently imposed by the General Assembly, the present tax rate of 11¾ mills per dollar of valuation is the maximum amount that the Board of Public Education may levy. If assessed valuations should decline materially in the future, this tax limitation may seriously affect the Board of Public Education's revenues and require substantial reduction in expenditures.

The long-term declining birth rate, which had been responsible for a substantial part of the decrease in school population since 1934, has gone into reverse, temporarily at least, because of war marriages with increases in births in 1942 and 1943. This reversal will begin to affect school enrollments in 1947 and 1948. The number of births from 1929 to 1943 is shown below:

BIRTHS IN PHILADELPHIA

Year	Number	Percent of 1929	Year	Number	Percent of 1929	Year	Number	Percent of 1929
1929	36,879	100.0	1934	29,751	80.7	1939	30,232	81.9
1930	35,548	93.8	1935	29,988	81.3	1940	31,227	84.6
1931	33,773	91.5	1936	29,652	80.4	1941	34,118	92.5
1932	32,093	87.0	1937	30,059	81.5	1942	41,978	113.8
1933	29,528	80.0	1938	30,739	83.3	1943	43,521	118.0

The armed services and war industry have taken from the schools many boys and girls of high school age. While it is probable that most of these will not return to school at the war's end, it is obvious that the number of their age-group successors may be at least as high in the immediate post-war years and may be higher in subsequent years, reflecting the present temporary birth increases.

While assessed valuations have been declining at a rapid rate during the *past decade*, it appears that this rate of decline has flattened out. Total school attendance, on the other hand, which decreased continuously after 1935, has shown since 1939 a rate of decline much greater than that in assessments. The recent increased birth rate will materially increase the elementary grades enrollment by 1947. However, in all probability, the increased birth rate is a temporary war time condition. In fact, while in 1942 the number of births increased more than 23 percent over 1941, 1943 shows an increase of only 3.4 percent over 1942, indicating the probability that the peak of increase has already been reached. The long-term trend in the rate of population increase is, however, downward, according to experts in the field, who claim that between 1965 and 1980 the United States will have a relatively static population at some point above the present level.

The expected temporary increase in enrollment in post-war years does not necessarily mean a proportionate increase in costs. As will be noted from Table VIII, during the period of declining enrollment the number of teachers did not decline proportionately, while the pupil-

teacher ratio decreased decidedly, thereby substantially increasing per pupil costs. Consequently, every increase of one pupil per teacher in the present over-all pupil-teacher ratio in Philadelphia would amount to approximately \$600,000 annually in savings to the District. In fact, the future increased enrollment might be offset by a greater pupil-teacher ratio, thereby reducing present high per pupil costs. A return to the elementary pupil-teacher ratio of 1923, (raising it from 32.1 at present to 37.1) would absorb the costs of a post-war increase in enrollment of about 15 percent. Furthermore, the first impact of the increase in enrollment, anticipated for the six years after the war birth rate becomes effective, will be chiefly in the elementary grades, where the per pupil costs in 1943 were only 57 percent of per pupil costs in senior high schools and 75 percent of per pupil costs in junior high schools. It may well be, therefore, that operating expenses will not change materially because of the currently higher birth rate.

With the possibility of stabilized or even rising assessment valuations in the future, it is possible that future revenues can be maintained at about their present level, or even increased, with some prospect of rate reductions, if valuations rise. Consequently, it would appear feasible for the District to continue to balance annual revenues and expenditures, unless post-war years bring unnecessary, sharp, and abnormal expansions in plant or operating costs. The existing school buildings are, on the whole, of fairly recent construction and were designed and equipped to care for considerably more pupils than are presently accommodated.

Fortunately, future debt service requirements, as shown by Table IX, should continue to decline, beginning in 1945, at a rate of about \$200,000 per year. These annual reductions in debt service charges will amount to \$236,000 in 1945, \$453,000 in 1946, \$663,000 in 1947, etcetera. They would be sufficient, if necessary, to finance new bond issues for capital outlays of approximately \$3,500,000 per year (assuming twenty-five year bonds at an interest rate of 2 percent, requiring maximum annual payments of \$140,000 for the retirement of bonds and \$70,000 for interest).

There is a further possibility of financing considerable future capital outlays out of current revenues, as in the past. Between 1920 and 1943 capital outlays from current revenues amounted to \$25,112,889 and averaged \$1,046,000 per year.

The School District is now restricted by Act of June 25, 1941 (P. L. 159) to the issue of serial bonds on all long-term borrowings, with the earliest maturities not later than two years from date of issuance. Bonds, when issued for capital purposes, must mature within the life of the particular project. These requirements constitute a great improvement over the former practice of delaying the first maturity.

It appears, therefore, that with careful planning, the Board of Public Education should be able to maintain a policy of balanced financial operations in the post-war years and meet all its normal obligations.

A word of caution, however: The years of expansion which may follow a short-term let-down of the reconversion period at the end of the war should be used to reduce debt and taxes so as to prepare for a possible period of recession some years later, similar to 1931-1939, when deficits and debts increased, while valuations fell steadily and sharply.

With the prospect of declining or relatively static school population over the long-term and in view of the present available plant facilities, there would appear to be an opportunity for greater emphasis in the future upon quality and standards of teaching and expansion of services rather than upon increase in numbers of teachers or expansion of the school plant.

TABLES

All data in the following tables were taken from the official reports of the Board of Public Education of the School District of Philadelphia, the official reports of the School Controller of the School District of Philadelphia, and the official reports of the Secretary and Business Manager of the Board of Public Education of Philadelphia.

All tables used in the text and in the following pages of this report were prepared from these official sources by the Pennsylvania Economy League, Inc.

TABLE I
SCHOOL DISTRICT OF PHILADELPHIA
GROSS BONDED DEBT

Year	Outstanding January 1	Issued	Repaid	Outstanding December 31
1920	\$16,490,000.00	\$2,000,000.00	\$134,500.00	\$18,355,500.00
1921	18,355,500.00	2,040,000.00	89,500.00	20,306,000.00
1922	20,306,000.00	5,460,000.00	89,500.00	25,676,500.00
1923	25,676,500.00	3,000,000.00	189,500.00	28,487,000.00
1924	28,487,000.00	10,000,000.00	302,000.00	38,185,000.00
1925	38,185,000.00	9,111,000.00	395,000.00	46,901,000.00
1926	46,901,000.00	4,000,000.00	520,000.00	50,381,000.00
1927	50,381,000.00	10,000,000.00	520,000.00	59,861,000.00
1928	59,861,000.00	5,000,000.00	475,000.00	64,386,000.00
1929	64,386,000.00	2,000,000.00	475,000.00	65,911,000.00
1930	65,911,000.00	4,000,000.00	475,000.00	69,436,000.00
1931	69,436,000.00	2,000,000.00	625,000.00	70,811,000.00
1932	70,811,000.00	.....	2,150,000.00	68,661,000.00
1933	68,661,000.00	.....	1,408,000.00	67,253,000.00
1934	67,253,000.00	350,000.00	3,242,000.00	64,361,000.00
1935	64,361,000.00	600,000.00	1,750,000.00	63,211,000.00
1936	63,211,000.00	.....	2,000,000.00	61,211,000.00
1937	61,211,000.00	11,650,000.00	2,500,000.00	70,361,000.00
1938	70,361,000.00	14,350,000.00	7,550,000.00	77,161,000.00
1939	77,161,000.00	8,750,000.00	5,400,000.00	80,511,000.00
1940	80,511,000.00	.....	6,001,000.00	74,510,000.00
1941	74,510,000.00	.....	6,120,000.00	68,390,000.00
1942	68,390,000.00	.....	4,220,000.00	64,170,000.00
1943	64,170,000.00	5,800,000.00	16,197,500.00	53,772,500.00
Total	.....	\$100,111,000.00	\$62,828,500.00	.....

TABLE II
SCHOOL DISTRICT OF PHILADELPHIA
NET DEBT

Year	Bonds Outstanding December 31	Sinking Fund (Cash & Securities)	Net Bonded Debt	Floating Indebtedness	Net Debt
1919	\$16,490,000.00	\$4,777,049.08	\$11,712,950.92	.....	\$11,712,950.92
1920	18,355,500.00	5,479,828.42	12,875,671.58	.....	12,875,671.58
1921	20,306,000.00	6,355,458.44	13,950,541.56	\$240,000.00	14,190,541.56
1922	25,676,500.00	7,373,736.41	18,302,763.59	.....	18,302,763.59
1923	28,487,000.00	8,480,120.44	20,006,879.56	.....	20,006,879.56
1924	38,185,000.00	9,582,093.26	28,602,906.74	.....	28,602,906.74
1925	46,901,000.00	11,035,307.01	35,865,692.99	.....	35,865,692.99
1926	50,381,000.00	12,745,823.47	37,635,176.53	.....	37,635,176.53
1927	59,861,000.00	14,666,598.54	45,194,401.46	.....	45,194,401.46
1928	64,386,000.00	16,921,216.44	47,464,783.56	.....	47,464,783.56
1929	65,911,000.00	19,353,551.35	46,557,448.65	.....	46,557,448.65
1930	69,436,000.00	22,147,536.51	47,288,463.49	.....	47,288,463.49
1931	70,811,000.00	24,957,156.95	45,853,843.05	.....	45,853,843.05
1932	68,661,000.00	26,433,544.55	42,227,455.45	.....	42,227,455.45
1933	67,253,000.00	27,971,029.87 ¹	39,281,970.13	3,000,000.00	42,281,970.13
1934	64,361,000.00	28,191,752.66 ²	36,169,247.34	1,750,000.00	37,919,247.34
1935	63,211,000.00	30,409,098.44	32,801,901.56	1,746,284.57	34,548,186.13
1936	61,211,000.00	29,475,785.44 ³	31,735,214.56	10,883,328.57	42,618,543.13
1937	70,361,000.00	30,816,985.75 ⁴	39,544,014.25	5,500,000.00	45,044,014.25
1938	77,161,000.00	30,044,650.10 ⁵	47,116,349.90	1,750,000.00	48,866,349.90
1939	80,511,000.00	30,316,872.84	50,194,127.16	.....	50,194,127.16
1940	74,510,000.00	28,316,323.17	46,193,676.83	300,000.00	46,493,676.83
1941	68,390,000.00	27,056,598.72	41,333,401.28	1,413,000.00	42,746,401.28
1942	64,170,000.00	25,516,197.57	38,653,802.43	1,660,593.35	40,314,395.78
1943	53,772,500.00	17,760,250.61	36,012,249.39	1,100,000.00	37,112,249.39

¹ Does not include \$638,362.13 appropriated in 1933, paid in 1934.

² Does not include \$783,483.13 appropriated in 1934, paid in 1935.

³ Does not include \$1,989,362.42 appropriated in 1936, paid in 1937.

⁴ Does not include \$1,229,451.01 appropriated in 1937, paid in 1938.

⁵ Does not include \$701,335.59 appropriated in 1938, paid in 1939.

TABLE III
SCHOOL DISTRICT OF PHILADELPHIA
CAPITAL OUTLAY

Year	General Fund	Capital Account	Total
1920.....	\$131,487.39	\$1,340,275.74	\$1,471,763.13
1921.....	269,313.29	1,200,783.46	1,470,096.75
1922.....	1,012,493.99	2,596,611.66	3,609,105.65
1923.....	1,413,444.56	6,802,399.87	8,215,844.43
1924.....	2,338,766.65	7,594,734.15	9,933,500.80
1925.....	2,240,233.00	4,168,716.10	6,408,949.10
1926.....	3,343,121.84	8,044,544.88	11,387,666.72
1927.....	2,763,171.95	9,833,624.92	12,596,796.87
1928.....	2,133,107.02	5,344,065.83	7,477,172.85
1929.....	2,473,144.88	4,144,763.91	6,617,908.79
1930.....	1,736,659.50	3,541,130.04	5,277,789.54
1931.....	2,690,265.02	2,108,460.33	4,798,725.35
1932.....	586,273.05	2,074,102.46	2,660,375.51
1933.....	233,837.19	584,616.03	818,453.22
1934.....	201,853.15	198,373.18	400,226.33
1935.....	339,272.97	651,309.03	990,582.00
1936.....	351,726.90	5,798,090.14	6,149,817.04
1937.....	379,946.64	11,214,924.55	11,594,871.19
1938.....	244,317.83	4,247,983.55	4,492,301.38
1939.....	.....	2,298,312.59	2,298,312.59
1940.....	9,426.50	516,053.76	525,480.26
1941.....	145,339.14	70,402.76	215,741.90
1942.....	26,455.62	1,607.63	28,063.25
1943.....	49,230.95	.....	49,230.95
Total.....	\$25,112,889.03	\$84,375,886.57	\$109,488,775.60

TABLE IV
SCHOOL DISTRICT OF PHILADELPHIA
SUMMARY OPERATING STATEMENT

Year	Revenue Receipts	Debt Service Charges	Operating Expenditures	Operating Surplus or Deficit	Capital Outlay	Net Surplus or Deficit
1920.....	\$14,861,346.35	\$1,331,460.09	\$14,583,399.07	-\$1,053,512.81	\$ 131,487.39	-\$1,185,000.20
1921.....	18,382,693.08	1,616,357.48	16,194,334.73	+ 572,000.87	269,313.29	+ 302,687.58
1922.....	22,919,515.63	1,901,784.03	18,797,544.56	+ 2,220,187.04	1,012,493.99	+ 1,207,693.05
1923.....	25,546,245.46	2,159,951.13	20,726,463.39	+ 2,659,830.94	1,413,444.56	+ 1,246,386.38
1924.....	27,192,909.44	2,412,800.81	22,118,940.90	+ 2,661,167.73	2,338,766.65	+ 322,401.08
1925.....	29,017,680.20	3,163,129.18	22,761,486.51	+ 3,093,064.51	2,240,233.00	+ 852,831.51
1926.....	31,300,194.16	3,829,664.25	23,683,857.12	+ 3,786,672.79	3,343,121.84	+ 443,550.95
1927.....	31,899,310.17	4,233,586.56	25,289,085.81	+ 2,376,637.80	2,763,171.95	-\$366,534.15
1928.....	32,111,587.51	4,706,747.96	26,056,717.14	+ 1,348,122.41	2,133,107.02	-\$784,984.61
1929.....	32,411,995.70	5,203,970.41	27,248,183.59	-\$2,158.30	2,473,144.88	-\$2,515,303.18
1930.....	35,328,006.46	5,370,146.36	27,786,899.34	+ 2,170,960.76	1,736,659.50	+ 434,301.26
1931.....	33,973,766.08	5,509,413.08	28,675,268.24	-\$210,915.24	2,690,265.02	-\$2,901,180.26
1932.....	33,390,081.57	5,531,779.96	27,862,940.50	-\$4,638.89	586,273.05	-\$590,911.94
1933.....	31,441,707.01	5,448,225.53	27,534,388.14	-\$1,540,906.66	233,837.19	-\$1,774,743.85
1934.....	32,135,847.35	5,306,383.97	25,431,961.13	+ 1,397,502.25	201,853.15	+ 1,195,649.10
1935.....	32,234,595.88	5,056,548.50	25,902,671.75	+ 1,275,375.63	339,272.97	+ 936,102.66
1936.....	30,659,307.35	4,683,264.05	27,930,611.97	-\$1,954,568.67	351,726.90	-\$2,306,295.57
1937.....	28,961,510.65	4,673,459.91	28,504,470.18	-\$4,218,419.44	379,946.64	-\$4,598,366.08
1938.....	27,644,131.71	4,896,111.65 ¹	27,287,530.66	-\$4,539,510.60	244,317.83	-\$4,783,828.43
1939.....	29,676,004.43	4,956,299.99 ¹	27,758,247.20	-\$3,038,542.76	.....	-\$3,038,542.76
1940.....	32,782,707.41	4,872,797.25 ¹	26,980,302.68	+ 929,607.48	9,426.50	+ 920,180.98
1941.....	33,129,317.31	5,929,269.33 ¹	26,867,745.52	+ 332,302.46	145,339.14	+ 186,963.32
1942.....	32,778,454.62	4,379,812.83	28,320,912.00	+ 77,729.79	26,455.62	+ 51,274.17
1943.....	33,008,816.58	4,036,313.21	28,803,382.24	+ 169,121.13	49,230.95	+ 119,890.18
Total.....	\$712,787,732.11	\$101,213,277.52	\$603,107,344.37	+\$8,467,110.22	\$25,112,889.03	-\$16,645,778.81

¹ Does not include principal on Mansfield Act bonds except for \$44,528.82 in 1940 and \$1,190,874.02 appropriated in 1941 to cover deficiency in delinquent tax collections required to meet maturities.

TABLE V
SCHOOL DISTRICT OF PHILADELPHIA
SUMMARY OPERATING STATEMENT

Year	CHANGES IN FINANCIAL STATUS								
	Increase or Decrease in Cash Balance	Reduction or Increase of Temporary Loans	Reduction or Increase of Unpaid Orders	Bonds Sold	Premium on Bonds	Transfer from Insurance Fund	Advances to or Refunds from Defense Retraining Program	Mansfield Bonds Issued or Repaid	Net Change Increase or Decrease
1920	- \$755,517.27	.....	- \$429,352.83	.....	- \$130.10	.....	.....	.....	- \$1,185,000.20
1921	+ 600,082.36	- \$240,000.00	- 55,891.78	.....	- 1,503.00	.....	.....	.....	+ 302,687.58
1922	+1,141,259.42	+ 240,000.00	- 173,566.37	.....	.....	.....	.....	.....	+ 1,207,693.05
1923	+1,603,912.17	.....	- 357,525.79	.....	.....	.....	.....	.....	+ 1,246,386.38
1924	+ 143,279.78	.....	+ 179,121.30	.....	.....	.....	.....	.....	+ 322,401.08
1925	+1,126,040.99	.....	- 273,209.48	.....	.....	.....	.....	.....	+ 852,831.51
1926	+ 442,037.36	.....	+ 1,513.59	.....	.....	.....	.....	.....	+ 443,550.95
1927	- 382,179.68	.....	- 4,354.47	.....	.....	.....	.....	.....	- 386,534.15
1928	+ 615,295.42	.....	- 150,280.03	.....	.....	- \$1,250,000.00	.....	.....	- 784,984.61
1929	-1,616,440.78	.....	- 248,862.40	.....	.....	- 650,000.00	.....	.....	- 2,515,303.18
1930	+1,196,048.17	.....	- 53,447.91	.....	.....	- 708,299.00	.....	.....	+ 434,301.26
1931	-4,019,770.09	.....	+1,118,589.83	.....	.....	.....	.....	.....	- 2,901,180.26
1932	+1,122,584.06	-2,000,000.00	+ 286,504.00	.....	.....	.....	.....	.....	- 590,911.94
1933	+ 80,028.06	-1,000,000.00	- 854,771.91	.....	.....	.....	.....	.....	- 1,774,743.85
1934	+ 317,595.67	+1,250,000.00	- 371,946.57	.....	.....	.....	.....	.....	+ 1,195,649.10
1935	+1,653,832.35	+ 3,715.43	- 719,845.12	.....	- 1,600.00	.....	.....	.....	+ 936,102.66
1936	+7,097,422.75	-9,137,044.00	- 266,674.32	.....	.....	.....	.....	.....	- 2,306,295.57
1937	-3,940,799.55	+5,383,328.57	+ 637,907.95	- \$6,650,000.00	- 28,803.05	.....	.....	.....	- 4,598,366.08
1938	-3,657,830.52	+3,750,000.00	+ 886,790.31	.....	- 61,656.65	- 615,756.48	.....	- \$5,085,375.09	- 4,783,828.43
1939	-2,305,664.17	+1,750,000.00	+ 653,991.60	- 5,000,000.00	- 54,735.53	.....	.....	+ 1,917,865.34	- 3,038,542.76
1940	+ 824,386.97	- 300,000.00	- 802,186.92	.....	.....	.....	+ \$75,000.00	+ 1,122,980.93	+ 920,180.98
1941	- 118,523.77	-1,113,000.00	+ 184,361.11	.....	.....	.....	+ 425,000.00	+ 809,125.98	+ 186,963.32
1942	-1,187,057.77	- 247,593.35	+1,235,925.29	.....	.....	.....	+ 250,000.00	.....	+ 51,274.17
1943	- 656,583.16	+ 560,593.35	+ 565,879.99	.....	.....	.....	- 350,000.00	.....	+ 119,890.18
Total ...	- \$676,561.23	- \$1,100,000.00	+ \$988,669.07	- \$11,650,000.00	- \$148,428.33	- \$3,224,055.48	+ \$400,000.00	- \$1,235,402.84	- \$16,645,778.81

TABLE VI
SCHOOL DISTRICT OF PHILADELPHIA
ASSESSED VALUATIONS, TAX RATES AND REVENUE RECEIPTS

Year	Assessments		Tax Rates		Revenue	
	Valuations	Percent of 1920	Rate in Mills	Percent of 1920	Receipts	Percent of 1920
1920	\$1,942,731,342	100	7.00	100	\$14,861,346	100
1921	2,136,922,128	110	8.00	114	18,382,693	128
1922	2,206,083,495	114	9.50	136	22,919,515	154
1923	2,321,389,738	119	9.50	136	25,546,545	171
1924	2,631,248,660	135	9.50	136	27,192,909	183
1925	2,769,737,026	143	9.50	136	29,017,680	195
1926	3,035,855,176	156	9.50	136	31,300,194	211
1927	3,170,200,032	163	9.00	129	31,899,310	215
1928	3,325,584,643	171	9.00	129	32,111,587	216
1929	3,406,674,017	175	9.00	129	32,411,995	218
1930	3,451,528,364	178	9.75	139	35,328,006	238
1931	3,472,559,146	179	9.50	136	33,973,766	229
1932	3,454,008,026	178	9.50	136	33,390,081	225
1933	3,255,705,581	168	9.50	136	31,441,707	212
1934	3,071,877,946	158	9.25	132	32,135,847	216
1935	2,906,748,766	150	9.25	132	32,234,595	217
1936	2,745,007,900	141	9.25	132	30,659,307	206
1937	2,637,721,753	136	9.25	132	28,961,510	195
1938	2,583,109,408	133	9.25	132	27,644,131	186
1939	2,528,453,723	130	10.25	146	29,676,004	200
1940	2,521,892,208	130	11.75	168	32,782,707	221
1941	2,496,431,978	128	11.75	168	33,129,317	223
1942	2,496,648,828	128	11.75	168	32,778,454	221
1943	2,478,606,341	128	11.75	168	33,008,816	222

TABLE VII
SCHOOL DISTRICT OF PHILADELPHIA
TAX COLLECTIONS

Year	Tax Rate in Mills	Amount of Current Tax Levy	Amount of Current Taxes Collected ¹	Percent of Current Tax Levy Collected	Amount of Delinquent Taxes as of January 1	Amount of Delinquent Taxes Collected ¹	Percent of Delinquent Taxes Collected	Total Taxes Collected ¹	Percent of Total Collections to Current Levies
1920	7.00	\$13,608,198.72	\$12,964,329.32	95.3	\$943,124.89	\$632,246.44	67.0	\$13,596,575.76	99.9
1921	8.00	17,353,712.40	16,312,912.19	94.0	1,030,014.51	664,177.60	64.5	16,977,089.79	97.8
1922	9.50	20,971,981.14	19,871,588.00	94.8	1,483,704.31	960,451.70	64.7	20,832,039.70	99.3
1923	9.50	22,062,407.33	20,988,371.25	95.1	1,544,323.08	1,044,329.97	67.7	22,032,701.22	99.9
1924	9.50	25,065,527.80	23,699,986.07	94.6	1,773,520.64	1,139,066.40	64.2	24,839,052.47	99.1
1925	9.50	26,350,275.96	24,811,853.48	94.2	2,148,503.39	1,379,727.47	64.2	26,191,580.95	99.4
1926	9.50	28,831,612.28	26,783,180.38	92.9	2,480,641.13	1,544,104.32	62.2	28,327,284.70	98.3
1927	9.00	28,528,600.10	26,308,786.67	92.2	2,996,929.72	1,809,383.63	60.4	28,118,170.30	98.6
1928	9.00	29,964,299.68	27,059,715.16	90.3	3,558,323.92	2,089,654.65	58.7	29,149,369.81	97.3
1929	9.00	30,711,433.90	26,700,203.04	86.9	4,579,378.67	2,552,615.44	55.7	29,252,818.48	95.3
1930	9.75	33,700,277.70	28,138,574.14	83.5	6,241,934.35	3,516,114.61	56.3	31,654,688.75	93.9
1931	9.50	33,005,418.82	25,930,084.45	78.6	8,766,139.71	4,871,494.03	55.6	30,801,578.48	93.3
1932	9.50	32,812,141.07	24,688,221.94	75.2	11,547,899.81	5,725,403.45	49.6	30,413,625.39	92.7
1933	9.50	30,937,239.63	22,374,319.47	72.3	14,528,791.60	6,121,052.47	42.1	28,495,371.94	92.1
1934	9.25	28,412,223.64	21,385,033.23	75.3	17,566,705.85	7,862,716.30	44.8	29,247,749.53	102.9
1935	9.25	26,892,126.62	22,571,007.03	83.9	17,416,732.27	6,831,721.22	39.2	29,402,728.25	109.3
1936	9.25	25,406,142.36	21,769,839.61	85.7	15,298,973.63	6,111,703.80	39.9	27,881,543.41	109.7
1937	9.25	24,417,080.52	21,486,235.34	88.0	13,159,994.20	4,466,772.67	33.9	25,953,008.01	106.3
1938	9.25	23,894,720.76	21,130,595.33	88.4	11,806,480.71	3,574,836.81	30.3	24,705,432.14	103.4
1939	10.25	25,916,448.83	23,414,301.60	90.3	11,832,519.04	3,251,322.21	27.5	26,665,623.81	102.9
1940	11.75	29,644,432.32	26,966,821.50	91.0	11,415,114.72	2,797,462.31	24.5	29,764,283.81	100.4
1941	11.75	29,336,959.55	27,280,745.39	93.0	11,696,668.31	2,846,002.48	24.3	30,126,747.87	102.7
1942	11.75	29,346,434.71	27,611,868.82	94.1	11,152,699.29	2,244,633.11	20.1	29,856,501.93	101.7
1943	11.75	29,123,624.51	27,939,622.67	95.9	10,896,210.63	2,159,939.71	19.8	30,099,562.38	103.4
Total...		\$646,293,320.35	\$568,188,196.08			\$76,196,932.80		\$644,385,128.88	

¹ Includes penalties, interest, etc.

TABLE VIII
 SCHOOL DISTRICT OF PHILADELPHIA
 PUPILS IN AVERAGE DAILY ATTENDANCE AND NUMBERS OF TEACHERS EMPLOYED
 BY TYPES OF SCHOOLS, 1920—1943 (INCLUSIVE)
 As of June 30

Year	Senior High Schools			Junior High Schools			Elementary Schools			Total		
	Pupils	Teachers	Pupil-Teacher Ratio	Pupils	Teachers	Pupil-Teacher Ratio	Pupils	Teachers	Pupil-Teacher Ratio	Pupils	Teachers	Pupil-Teacher Ratio
1920	16,993	741	22.9	1,367	46	29.7	182,196	4,880	37.3	200,556	5,667	35.4
1921	19,353	818	23.7	1,377	49	28.1	188,396	4,984	37.8	209,126	5,851	35.7
1922	22,417	964.5	23.2	4,479	180	24.8	194,278	5,117	38.0	221,174	6,261.5	35.3
1923	24,595	1,099.5	22.4	6,032	238	25.3	192,989	5,199	37.1	223,616	6,536.5	34.2
1924	25,014	1,127	22.2	9,940	422	23.5	192,093	5,227	36.7	227,047	6,776	33.5
1925	25,133	1,134	22.2	16,596	683	24.3	186,967	5,214	35.8	228,696	7,031	32.5
1926	24,816	1,149	21.6	17,979	716	25.1	187,029	5,285	35.4	229,824	7,150	32.1
1927	25,830	1,205	21.4	18,577	785	23.7	188,453	5,432	34.7	232,860	7,422	31.3
1928	26,463	1,219	21.7	25,610	1,056	24.2	183,344	5,344	34.3	235,417	7,619	30.9
1929	26,646	1,231	21.6	31,971	1,267	25.2	176,974	5,216	34.0	235,591	7,714	30.5
1930	27,921	1,259	22.2	33,115	1,267	26.1	178,590	5,273	33.9	239,626	7,799	30.7
1931	31,099	1,346	23.1	33,905	1,284	26.4	176,829	5,296	33.4	241,833	7,926	30.5
1932	34,632	1,391	24.9	37,465	1,363	27.5	173,091	5,167	33.5	245,188	7,921	30.9
1933	38,708	1,375	28.2	39,461	1,371	28.8	170,540	5,013	34.0	248,709	7,759	32.1
1934	40,607	1,407	28.9	40,898	1,360	30.1	166,321	4,881	34.1	247,826	7,648	32.4
1935	41,977	1,455	28.9	39,371	1,311	30.0	166,852	4,835	34.5	248,200	7,601	32.7
1936	43,465	1,513	28.7	39,628	1,342	29.5	160,985	4,837	33.3	244,078	7,692	31.7
1937	44,006	1,530	28.8	39,452	1,350	29.2	156,454	4,790	32.7	239,912	7,670	31.3
1938	43,824	1,487	29.5	42,208	1,413	29.9	152,420	4,580	33.3	238,452	7,480	31.9
1939	43,177	1,476	29.3	42,588	1,440	29.6	150,000	4,457	33.6	235,765	7,373	32.0
1940	43,219	1,458	29.6	40,106	1,351	29.7	145,288	4,254	34.1	228,613	7,063	32.4
1941	41,725	1,420	29.4	37,989	1,326	28.7	139,522	4,133	33.8	219,236	6,879	31.9
1942	37,718	1,309	28.8	37,920	1,335	28.4	132,321	4,070	32.5	207,959	6,714	31.0
1943	33,367	1,257	26.5	36,982	1,361	27.2	126,050	3,928	32.1	196,399	6,546	30.0

TABLE IX
SCHOOL DISTRICT OF PHILADELPHIA
PROJECTION OF DEBT SERVICE REQUIREMENTS

Year	Funded Debt Maturing	Debt Service Charges		Total
		Sinking Fund	Interest	
1944	\$4,155,500.00	\$2,246,544.75	\$1,754,140.62	\$4,000,685.37
1945	3,914,500.00	2,156,168.27	1,608,289.38	3,764,457.65
1946	3,679,500.00	2,077,346.27	1,469,900.63	3,547,246.90
1947	3,679,500.00	2,007,955.88	1,338,849.38	3,346,805.26
1948	3,679,500.00	1,943,066.34	1,207,798.13	3,150,864.47
1949	3,679,500.00	1,882,257.30	1,076,746.88	2,959,004.18
1950	3,679,500.00	1,825,162.59	945,695.63	2,770,858.22
1951	3,579,500.00	1,771,927.15	815,894.38	2,587,821.53
1952	3,329,500.00	1,723,570.35	693,593.13	2,417,163.48
1953	3,179,500.00	1,683,165.93	579,041.88	2,262,207.81
1954	2,930,500.00	1,647,870.87	470,490.63	2,118,361.50
1955	2,679,500.00	1,619,550.28	377,851.88	1,997,402.16
1956	2,428,500.00	1,597,371.96	296,175.63	1,893,547.59
1957	2,016,000.00	1,580,708.43	222,545.00	1,803,253.43
1958	1,566,000.00	1,222,489.66	165,680.00	1,388,169.66
1959	1,316,000.00	1,217,962.86	129,252.50	1,347,215.36
1960	966,000.00	966,000.00	100,012.50	1,066,012.50
1961	966,000.00	966,000.00	76,897.50	1,042,897.50
1962	966,000.00	966,000.00	53,782.50	1,019,782.50
1963	966,000.00	966,000.00	30,617.50	996,617.50
1964	416,000.00	416,000.00	11,290.00	427,290.00
Total	\$53,772,500.00	\$32,483,118.89	\$13,424,545.68	\$45,907,664.57

