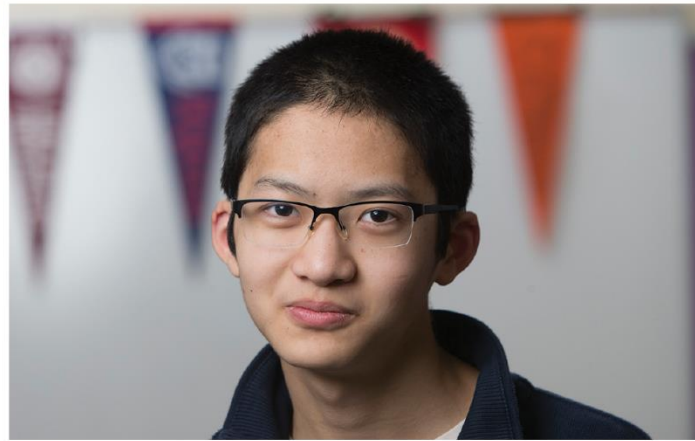


October Budget Workshop



Expect great things.

Forecast at 2020 Budget Adoption (Dec. 2019)

	Adopted Year Ended 2019	Projected Year Ended 2019	Proposed Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	\$617,622,931	\$624,220,161	\$639,805,733	\$649,953,632	\$662,061,739	\$669,963,633
Total Expenditures	\$650,042,207	\$654,261,163	\$664,814,155	\$670,832,721	\$685,283,561	\$691,420,856
Beginning Balance	\$111,672,445	\$111,672,445	\$81,631,443	\$56,623,021	\$35,743,933	\$12,522,111
Operating Surplus/(Deficit)	(\$32,419,276)	(\$30,041,002)	(\$25,008,422)	(\$20,879,089)	(\$23,221,822)	(\$21,457,223)
Ending Fund Balance	\$79,253,169	\$81,631,443	\$56,623,021	\$35,743,933	\$12,522,111	(\$8,935,112)
Less Projected Reservations	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	(\$16,100,000)	(\$16,100,000)	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(\$27,304,897)	(\$25,008,422)	(\$20,879,089)	(23,221,821.81)	(21,457,222.54)	(27,753,842.20)
Unassigned Fund Balance	\$33,348,272	\$38,023,021	\$33,243,933	\$10,022,111	(\$11,435,112)	(\$39,188,954)
% Budgeted Expenditures	5.13%	5.81%	5.00%	1.49%	-1.67%	-5.67%
Minimum Fund Balance per Board Policy #721	\$32,502,110	\$32,713,058	\$33,240,708	\$33,541,636	\$34,264,178	\$34,571,043
Compliance with Fund Balance Policy	Yes	Yes	Yes	No	No	No
Funds needed to comply with Fund Balance Policy				\$23,519,525	\$45,699,290	\$73,759,997



Expect great things.

Forecast at 2019 Budget Closing (Mar 2020)

	Final Year Ended 2019	Adopted Year Ended 2020	Projected Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	\$619,833,105	\$639,805,733	\$619,748,839	\$628,824,789	\$639,337,344	\$647,168,416
Total Expenditures	\$642,670,668	\$664,814,155	\$647,570,701	\$657,454,200	\$671,716,902	\$677,727,153
Beginning Balance	\$111,672,445	\$81,631,443	\$88,834,882	\$61,013,019	\$32,383,609	\$4,051
Operating Surplus/(Deficit)	(\$22,837,564)	(\$25,008,422)	(\$27,821,862)	(\$28,629,410)	(\$32,379,558)	(\$30,558,738)
Ending Fund Balance	\$88,834,882	\$56,623,021	\$61,013,019	\$32,383,609	\$4,051	(\$30,554,686)
Less Projected Reservations	(\$5,503,091)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	(\$16,100,000)	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(\$27,821,862)	(\$20,879,089)	(\$28,629,410)	(32,379,557.95)	(30,558,737.56)	(36,977,566.78)
Unassigned Fund Balance	\$39,409,928	\$33,243,933	\$29,883,609	(\$2,495,949)	(\$33,054,686)	(\$70,032,253)
% Budgeted Expenditures	6.13%	5.00%	4.61%	-0.38%	-4.92%	-10.33%
Minimum Fund Balance per Board Policy #721	\$32,133,533	\$33,240,708	\$32,378,535	\$32,872,710	\$33,585,845	\$33,886,358
Compliance with Fund Balance Policy	Yes	Yes	No	No	No	No
Funds needed to comply with Fund Balance Policy			\$2,494,926	\$35,368,659	\$66,640,531	\$103,918,611

Expect great things.

Forecast at 2020 Budget Closing (July 2020)

	Adopted Year Ended 2020	Projected Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	\$639,805,733	\$613,491,311	\$622,051,199	\$634,130,460	\$641,754,684
Total Expenditures	\$664,814,155	\$651,061,036	\$657,603,925	\$671,878,617	\$677,935,147
Beginning Balance	\$81,631,443	\$88,834,882	\$51,265,156	\$15,712,430	(\$22,035,727)
Operating Surplus/(Deficit)	(\$25,008,422)	(\$37,569,725)	(\$35,552,726)	(\$37,748,158)	(\$36,180,463)
Ending Fund Balance	\$56,623,021	\$51,265,156	\$15,712,430	(\$22,035,727)	(\$58,216,190)
Less Projected Reservations	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(\$20,879,089)	(\$35,552,726)	(37,748,157.74)	(36,180,463.00)	(42,753,223.67)
Unassigned Fund Balance	\$33,243,933	\$13,212,430	(\$24,535,727)	(\$60,716,190)	(\$103,469,414)
% Budgeted Expenditures	5.00%	2.03%	-3.73%	-9.04%	-15.26%
Minimum Fund Balance per Board Policy #721	\$33,240,708	\$32,553,052	\$32,880,196	\$33,593,931	\$33,896,757
Compliance with Fund Balance Policy	Yes	No	No	No	No
Funds needed to comply with Fund Balance Policy		\$19,340,621	\$57,415,924	\$94,310,121	\$137,366,171

Expect great things.



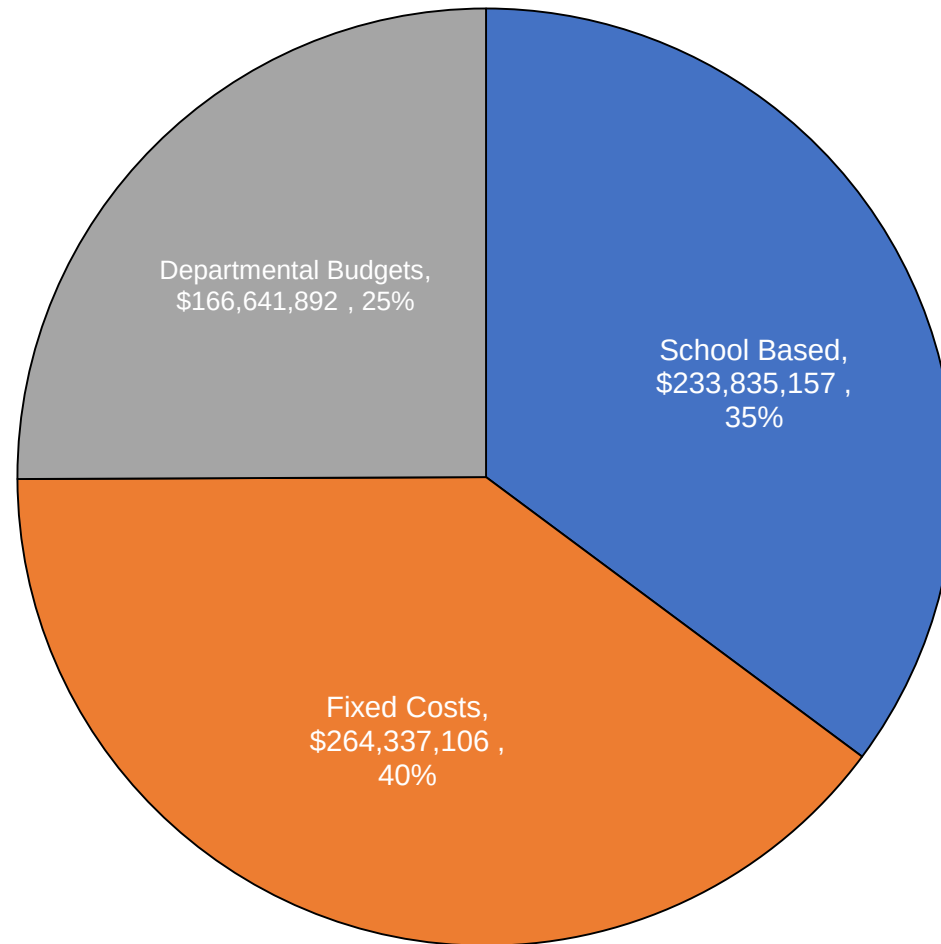
Forecast as of 8/31/2020

	Adopted Year Ended 2020	Projected Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	\$639,805,733	\$625,096,025	\$634,782,362	\$647,291,113	\$655,306,199
Total Expenditures	\$664,814,155	\$652,438,639	\$658,115,629	\$672,404,579	\$678,469,449
Beginning Balance	\$81,631,443	\$88,834,882	\$61,492,268	\$38,159,001	\$13,045,535
Operating Surplus/(Deficit)	(\$25,008,422)	\$27,342,614	(\$23,333,267)	(\$25,113,467)	(\$23,163,250)
Ending Fund Balance	\$56,623,021	\$61,492,268	\$38,159,001	\$13,045,535	(\$10,117,715)
Less Projected Reservations	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(\$20,879,089)	(\$23,333,267)	(\$25,113,466.68)	(\$23,163,249.70)	(\$29,514,424.58)
Unassigned Fund Balance	\$33,243,933	\$35,659,001	\$10,545,535	(\$12,617,715)	(\$42,132,140)
% Budgeted Expenditures	5.00%	5.47%	1.60%	-1.88%	-6.21%
Minimum Fund Balance per Board Policy #721	\$33,240,708	\$32,621,932	\$32,905,781	\$33,620,229	\$33,923,472
Compliance with Fund Balance Policy	Yes	Yes	No	No	No
Funds needed to comply with Fund Balance Policy			\$22,360,247	\$46,237,944	\$76,055,612

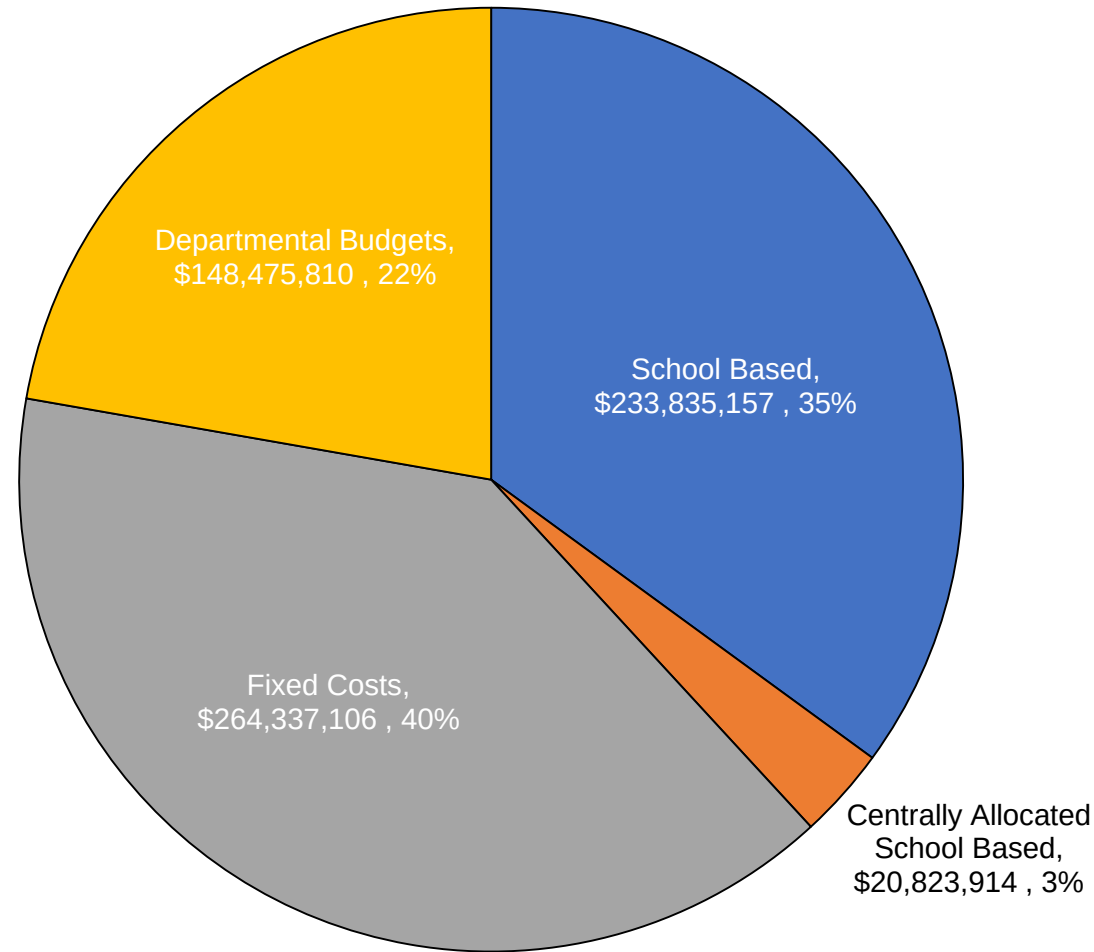


Expect great things.

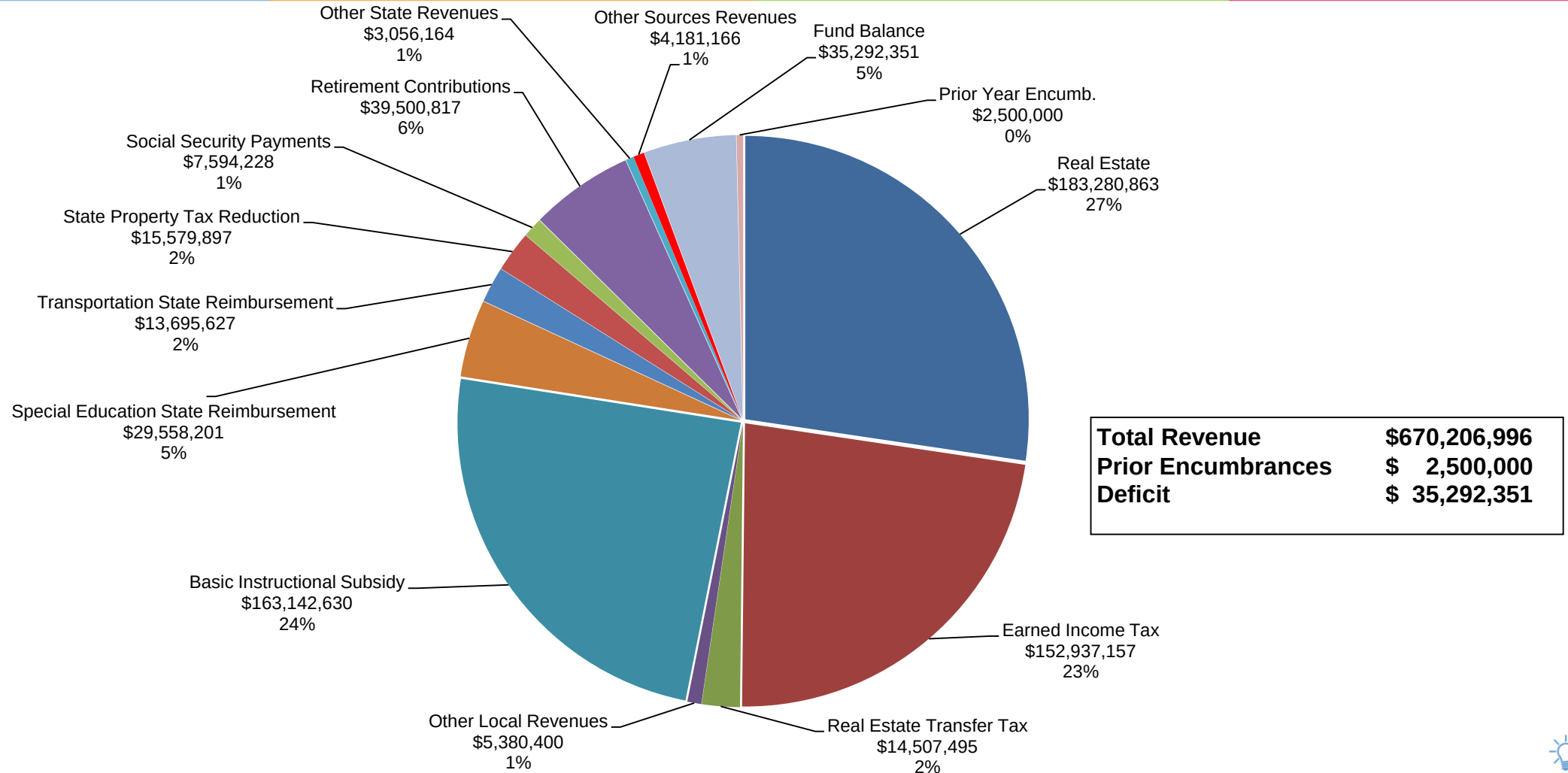
Composition of Current Budget



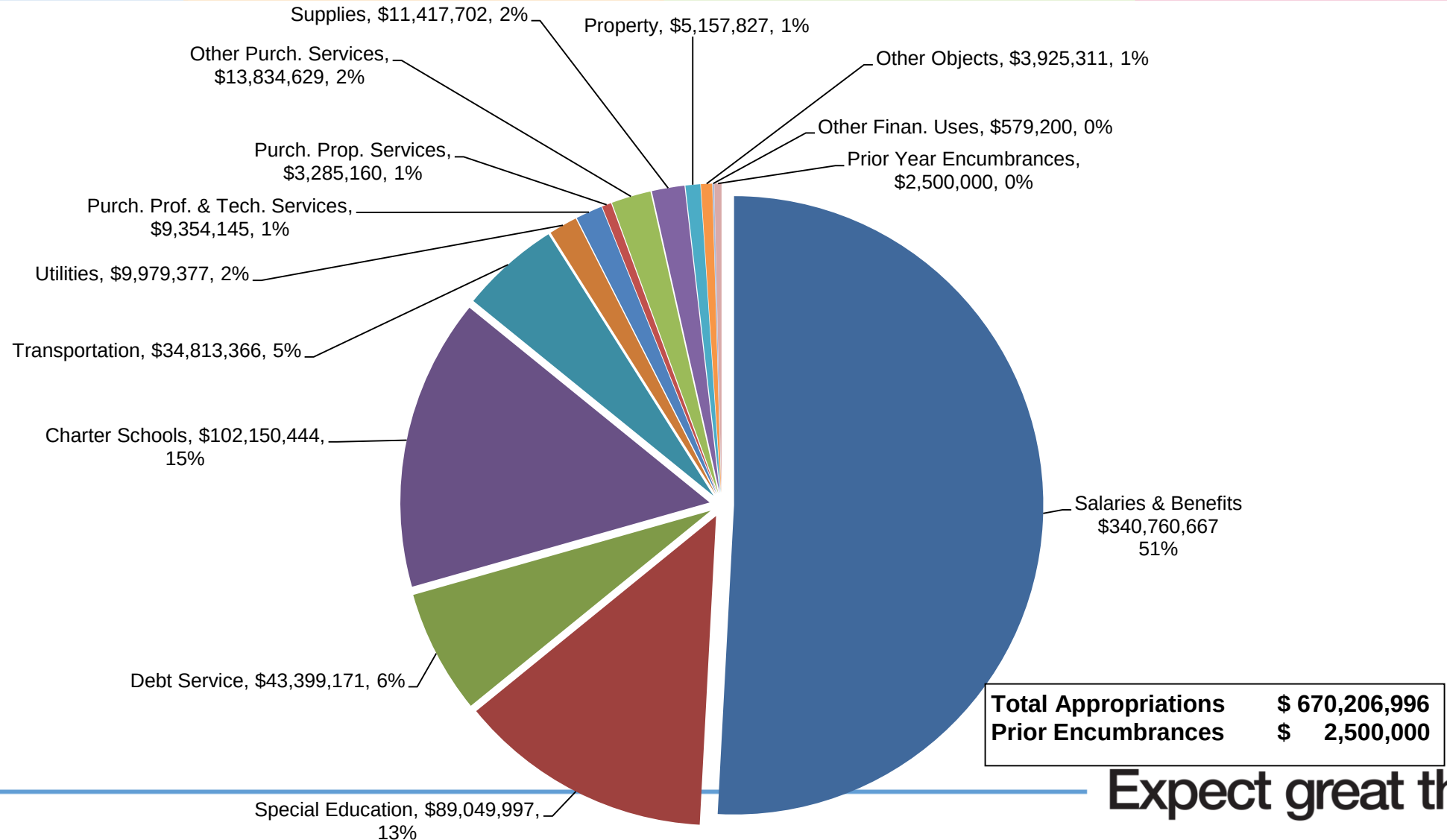
Composition of Current Budget



Estimating 2021 Revenues



Estimating 2021 Expenditures



Expect great things.



Preparing for the 2021 budget and beyond

- We need to prioritize the following areas
 - School Support for Future Success
 - New allocation formula
 - Transform Classroom Experiences with 21st Century Education Technology
 - Increase access to teaching and learning resources
 - Bridge technological divide
 - Maximize District Resources
 - Leveraging One-Time Cost Savings
 - Long-Range Facilities Master Plan
 - Modernizing the District Footprint to Support Facility Renovation and Innovative School Design
 - Long-Term District Design
 - Structuring PPS to Meet Student Needs and Build Capacity for District Success

Resource Allocation to Schools

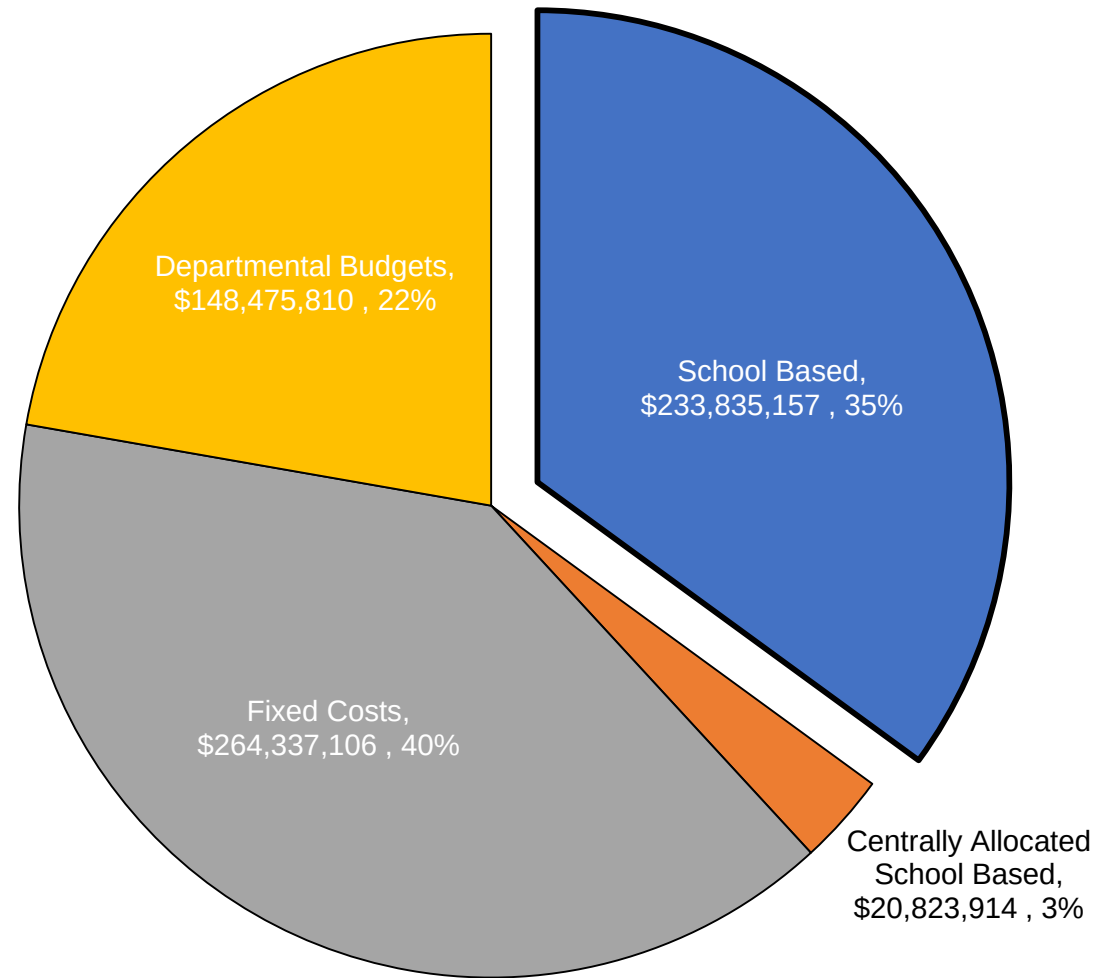


School Based Departments

Elementary Schools, Middle Schools, Secondary Schools,
Homebound Instruction, IB, Credit Recovery/Period 10, Pittsburgh
Online Academy, Student Achievement Center, Clayton Academy



School Based Departments



Annual School-Based Budgeting Process

- Site-Based and Title I Budgets are built using Enrollment Projections from the DREA Department.
- Schools receive these in January, with the completed budgets going into effect in July for the following school year.
- For the Site-Based Budget, each school receives a Per-Student Allocation. This is a starting point and is compared against the minimum standards as dictated by the district's Service Delivery Model to ensure it can meet these thresholds with their Per-Student Allocation. All schools below these thresholds are funded so that they can meet these standards.
- In order to account for this additional amount, all schools that have an allocation that exceeds their allocation must contribute a portion of their overage, though they are permitted to keep the remainder.



Annual Budgeting Process

- Schools have approximately one month to review and complete these budgets and submit them to the Budget Office and their Assistant Superintendent for review and approval.
- Human Resources begins the staffing process based off of these submitted budgets in early March.
- Schools are responsible for budgeting for the necessary staffing and non-staff needs for their school
 - This does not include Special Education and ELL staff.
 - Literacy and Math Coaches are also provided from Central budgets
 - School-based Employees from the Food Service, Nursing, Custodial, School Safety, and Early Childhood departments are not part of these budgets, either. These are staffed according to the direction of the central departments that oversee them.





Service Delivery Model

Principal
 Assistant Principal (500+ Students or Two Campuses)
 Assistant Principal (700+ Students)
 Counselors/Social Workers (Up to 700 Students)
 Counselors/Social Workers (700+ Students)
 Librarians
 School Secretary
 School Secretary (700+ Students)
 SDSS (Up to 500 Students)
 SDSS (+500 Students)

	Principal	Assistant Principal (500+ Students or Two Campuses)	Assistant Principal (700+ Students)	Counselors/Social Workers (Up to 700 Students)	Counselors/Social Workers (700+ Students)	Librarians	School Secretary	School Secretary (700+ Students)	SDSS (Up to 500 Students)	SDSS (+500 Students)
K-5 Schools	1	1	2	1	2	.5	1	2	.5	1
K-8 Schools	1	1	2	1	2	.5	1	2	.5	1
6-8 School	1	1	2	1	2	.5	1	2	.5	

- Certain schools may have additional Assistant Principals allocated to their school budget based on need. Money is added to the budget specifically for these positions and may not be re-purposed.
- Additional Assistant Principals that schools wish to budget beyond these levels must have Assistant Superintendent approval.



Expect great things.



Service Delivery Model

	Principal	Assistant Principal (Up to 700 Students)	Assistant Principal (700-1,100 Students)	Assistant Principal (1,100 Students)	Social Worker	Counselors (Up to 700 Students)	Counselors (700-1,050 Students)	Counselors (1,050-1,400 Students)	Counselors (1,400+ Students)	Librarians	Activities Director	School Secretary (Up to 700 Students)	School Secretary (700+ Students)	SDSS (Up to 500 Students)
6-12 Schools	1	1	2	3	1	1	2	3	4	1	.5	1	2	1
9-12 Schools	1	1	2	3	1	1	2	3	4	1	.5	1	2	1

- *Certain schools may have additional Assistant Principals allocated to their school budget based on need. Money is added to the budget specifically for these positions and may not be re-purposed.*
- *Additional Assistant Principals that schools wish to budget beyond these levels must have Assistant Superintendent approval.*

 **Expect great things.**

[illegible]

Grades K-1: 25 Students



18

Sample School Staffing Estimate

School	Sample School								
Grade	Projected Enrollment	Enrollment/ Target Class Size	Rounds	Classroom Periods	Position	FTE	Avg. Cost	School Cost	
K	83	3.32	4	28	Principal	1.00	183,593.00	183,593.00	
1	68	2.72	3	21	Assistant Principal	-	168,043.00	-	
2	75	2.78	3	21	Secretary	1.00	63,623.00	63,623.00	
3	85	3.15	4	28	SDSS	0.50	65,215.00	32,607.50	
4	78	2.89	3	21	Librarian	0.50	127,706.00	63,853.00	
5	51	1.89	2	14	Counselor/ Social Worker	1.00	134,983.00	134,983.00	
	440		19	133	Teachers	22.50	127,706.00	2,873,385.00	
									3,352,044.50
	Classroom Periods/ 6 Periods			22.17					
	Total Teachers Required			<u>22.50</u>					



Expect great things.

Sample School Allocation Calculation

Site-Based Budget Allocation Formula	
Per-Student Allocation	9,693
Enrollment Projection	440
Initial Allocation	4,264,920
School Operating Cost Overage/ (Shortage)	3,418,045 846,876
Adjustment %	21.81%
Efficiency Adjustment	(184,686)
+ Non-Rules Based Allocation	-
Total Allocation	4,080,234

Title I Allocation Formula	
Direct Certification %	73.85%
Direct Certification Adjustment	118.16%
% Direct Certification, capped at 100%	100.00%
Projected Number of Eligible Students	440
Per Student Allocation	\$538
Base Allocation	236,720
+Parental Involvement Allocation	4,261
+Parental Involvement Stipend	2,895
Total Title I Allocation	243,876



Possible Changes

- Shifting from per-pupil funding to staffing ratio model
 - Elimination of efficiency adjustment
- Paraprofessional for Kindergarten
 - 0-100 students – 1 Paraprofessionals
 - 100+ students – 2 Paraprofessionals
- PLC Periods and ITL release Periods
- Assistant Principals
 - K-5 and K-8 schools receive an AP at 400 instead of 500 students
 - Every 6-8 school will receive an AP
- K-8 Schools
 - The K-5 gradespan will be modeled separately from 6-8 gradespan in a K-8
- 6-8 Schools
 - Adjust allocation model to account for double-blocked Math and ELA at grades 6-8
- High School Counselors
 - High School Counselors to Student ratio will be no larger than 1 to 350
- Magnet Schools
 - All magnet schools received an additional allocation

Revised School Staffing Estimate

School	Sample School								
Grade	Projected Enrollment	Enrollment/ Target Class Size	Rounds	Classroom Periods	Position	FTE	Avg. Cost	School Cost	
K	83	3.32	4	28	Principal	1.00	185,404	185,404	
1	68	2.72	3	21	Assistant Principal	1.00	167,414	167,414	
2	75	2.78	3	21	Secretary	1.00	67,728	67,728	
3	85	3.15	4	28	SDSS	0.50	64,164	32,082	
4	78	2.89	3	21	Librarian	0.50	131,620	65,810	
5	51	1.89	2	14	Counselor/ Social Worker	1.00	137,947	137,947	
	440		19	133	K-1 Paraprofessional	1.00	58,874	58,874	
					Teachers	23.50	131,620	3,093,070	
	Classroom Periods/ 6 Periods			22.17					3,808,329.00
	ITL/PLC Teacher Addition			1.00					
	Total Teachers Required			23.50					



Expect great things.



Technology Replacement

The COVID-19 pandemic changed the way we deliver education to students

- We made a significant investment in technology as a result of COVID-19
- Total investment of \$10.2 million in K-12 devices
 - 22,000 devices
 - 18,000 student laptops
 - 2,000 student iPads
 - 2,00 staff laptops
- Total investment of \$818,984 in Pre-K devices
 - 2,137 devices
 - 1,919 student iPads
 - 218 staff laptops

Technology Replacement and Support

- 1st Grade Devices
- Annual Replacement of lost and broken devices
- Improvements to the Call Center



Cost Reduction

Cost Reduction Opportunities

- Post Retirement Benefits
 - Approximately \$3.5 million in reductions
- STAR Awards
 - Approximately \$1.2 million in reductions
- Resource allocation to schools
 - New model will produce \$4 million reduction in total site-based budget
 - Approximately 40% of this reduction will be captured in 2021





Facilities Master Plan

Capacity Summary

Utilization (UF)	Rule	# Schools	Schools
Over-utilized	$UF > 100\%$	1	Allderdice
Utilized	$80\% < UF < 100\%$	8	Brookline, Colfax, Dilworth, Liberty, Phillips, Sci-Tech, South Brook
Slightly Underutilized	$50\% < UF < 80\%$	40	
Underutilized	$UF < 50\%$	12	Allegheny, Arsenal, Clayton, King, Langley, Manchester, Miller, U-Prep, Oliver City Wide, Perry, SAC, Weil

$$\text{Utilization} = \frac{\text{Enrollment}}{\text{Functional Capacity}}$$



FCI Summary

Facilities Condition Index (FCI)	Rule	# Schools	Schools
General Maintenance	$0\% < \text{FCI} \leq 15\%$	3	Faison, Murray, CAPA
Minor Renovations	$15\% < \text{FCI} \leq 30\%$	12	Morrow Int., New Roosevelt, Sci-Tech, Carrick, South Brook, Linden, Mifflin, U-Prep, Carmalt, Sterrett, Concord, Phillips
Moderate Renovations	$30\% < \text{FCI} \leq 60\%$	36	
Major Renovation	$60\% < \text{FCI} \leq 80\%$	6	Spring Garden, Manchester, Morrow Primary, Allegheny, Friendship, Woolslair
Replace Building	$\text{FCI} > 80\%$	0	

Definition:

Facility Condition Index (FCI)

$$= \frac{\text{Renovation/Repair Cost}}{\text{Replacement Value}}$$

Example:

$$\frac{\text{Needed Repairs of \$5M}}{\text{Replacement Value of \$10M}}$$

$$= 0.5 = 50\% \text{ FCI}$$

Which would indicate moderate renovations needed



Expect great things.

EAI Summary

Definition:

Education Adequacy Index (EAI) -

A qualitative and quantitative analysis of the adequacy of a building to house an instructional program given the necessary requirements for that program. Do the spaces in the building fit the educational program or vice versa?

Educational Adequacy Index (EAI)	Rule	# Schools	Schools
All necessary spaces; All spaces adequate	EAI > 90%	0	
Most necessary spaces; Some spaces adequate	80% <= EAI = 90%	1	Allegheny
Most necessary spaces; Many spaces adequate	70% <= EAI = 80%	5	Faison, Arsenal, Morrow Int., Greenway, Langley
Some necessary spaces; Some spaces adequate	60% <= EAI = 70%	9	Minadeo, Crescent, Carrick, Concord, Colfax, Mifflin, Weil, Grandview, Murray
Some necessary spaces; Many spaces adequate	50% <= EAI = 60%	14	
Lacks necessary spaces and spaces are inadequate	0% <= EAI = 50%	19	
Did not respond		9	

$$EAI\% = \frac{\text{Adequacy of a building to house an instructional program}}{\text{Instructional program requirements}}$$



Total Cost Summary-Limited Renovations

- Current 7 year capital budget – \$250M - \$35M/Year
 - Buildings as a whole remain in similar condition as they are today
 - Primarily major maintenance projects
 - Proposed full renovations with A/C
 - Manchester, Montessori and Woolslair
 - Proposed HVAC projects to provide A/C
 - Greenfield, Colfax, Arsenal and Westwood
 - Limited EAI improvement

Total Cost Summary-Full Renovations

- Proposed 10 Year FCI Improvement budget – \$750M - \$75M/year
 - Brings all buildings up to a 20% FCI
 - Expanded major maintenance projects
 - Proposed full renovations with A/C
 - Allegheny, Brookline, Chartiers, Crescent, Manchester, Montessori, Northview and Woolslair
 - HVAC projects to provide A/C in all buildings where feasible
 - Expanded EAI improvements where feasible

Building Investment

- Productive Investments
 - Well utilized buildings
 - Good EAI scores or site conducive for improvement, expansion or repurpose
 - Poor FCI scores
 - Examples – Allegheny, West Liberty, Westwood, Montessori
- Unproductive Investments
 - Low Utilization
 - Poor EAI score and a site not conducive for improvement or expansion
 - Poor FCI scores
 - Structural or site impediments to modernization and accessibility
 - Examples – Woolslair, Fulton, Manchester and Morrow Primary



Reorganization

Reorganization

- We made in 2017 the Central Office Reorganization included:
 - Creating the Data, Research, Evaluation, and Assessment (DREA) Department
 - Created Charter School & Accountability Office within DREA
 - Assigned an Assistant Superintendent to lead Professional Development
 - Reinstated the Chief Academic Officer and Chief Operation Officer positions
 - Added Nurses and Librarians
- Moving forward, we will:
 - Identify High Priority areas to organize work streams
 - Seek efficiencies through Central Office vacancies
 - Leverage compensation information for across the region