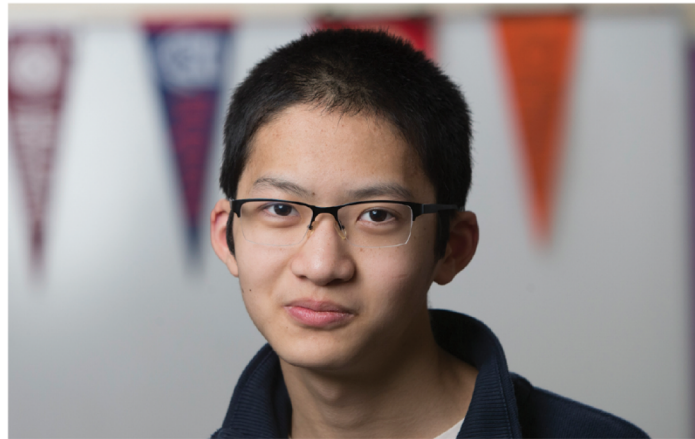


Budget Workshop - End of Year Closing and Planning




Expect great things.



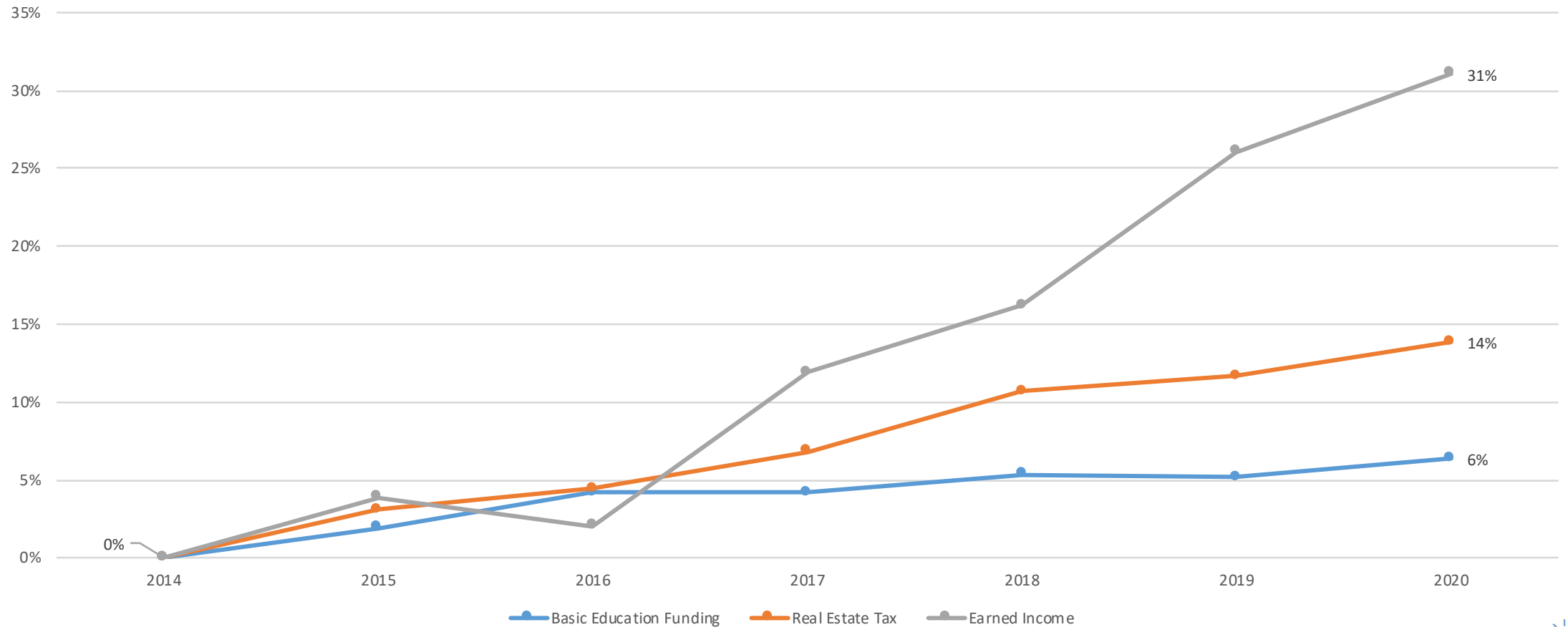
Forecast at 2020 Budget Adoption (Dec. 2019)

	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



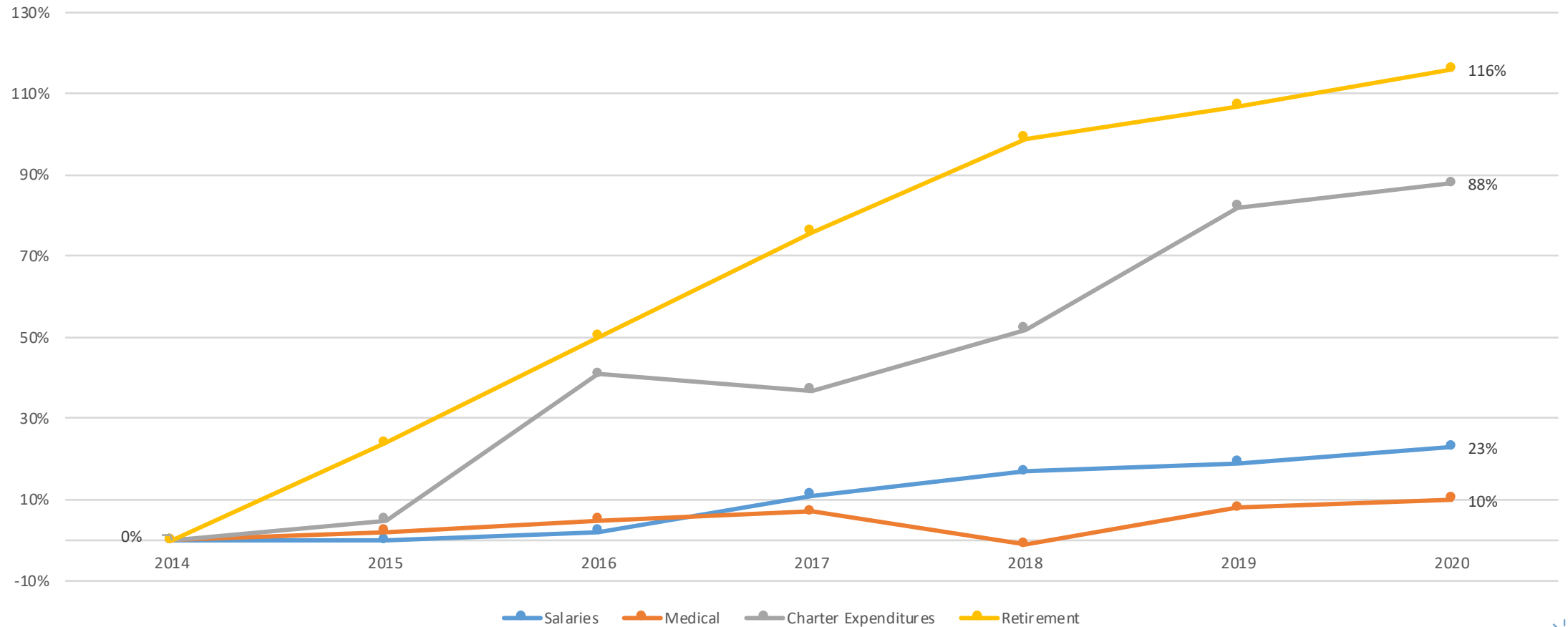
Expect great things.

Revenues since 2014



 Expect great things.

Expenditures since 2014



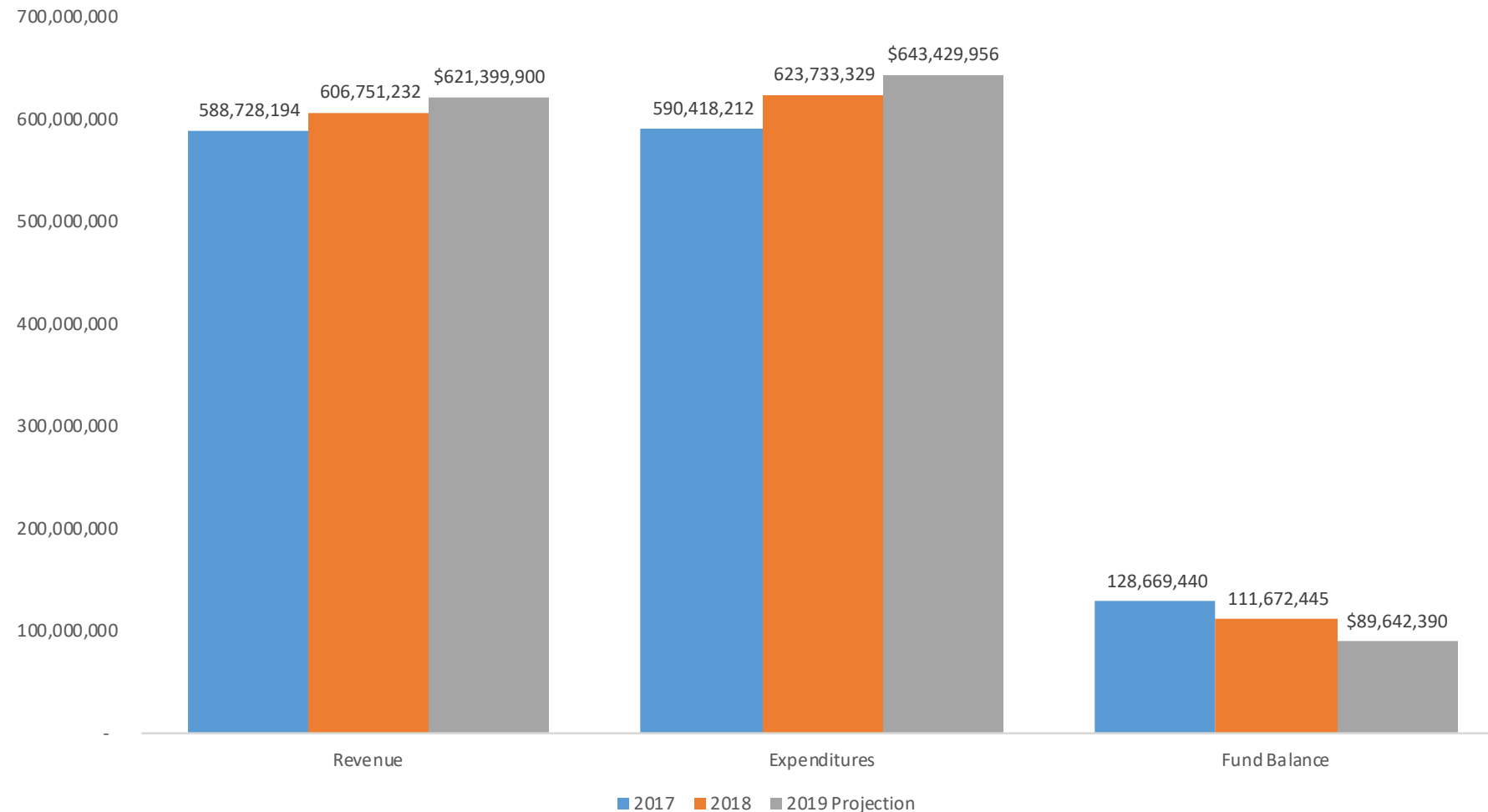
Current Budget Forecast

	Adopted Year Ended 2019	Projected 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	\$617,622,931	\$621,399,900	\$639,805,733	\$635,110,391	\$645,272,356	\$656,199,731	\$664,433,492
Total Expenditures	\$650,042,207	\$643,429,956	\$664,814,155	\$660,526,355	\$670,726,282	\$685,203,416	\$691,357,352
Beginning Balance	\$111,672,445	\$111,672,445	\$81,631,443	\$89,642,390	\$64,226,426	\$38,772,500	\$9,768,814
Operating Surplus/(Deficit)	(\$32,419,276)	(\$22,030,056)	(\$25,008,422)	(\$25,415,963)	(\$25,453,926)	(\$29,003,686)	(\$26,923,860)
Ending Fund Balance	\$79,253,169	\$89,642,390	\$56,623,021	\$64,226,426	\$38,772,500	\$9,768,814	(\$17,155,045)
Less Projected Reservations	(\$2,500,000)	(\$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	\$0
Less Assigned Fund Balance	(\$27,304,897)	(\$25,415,963)	(\$20,879,089)	(\$25,453,926)	(29,003,686)	(26,923,860)	(33,208,685)
Unassigned Fund Balance	\$33,348,272	\$45,626,426	\$33,243,933	\$36,272,500	\$7,268,814	(\$19,655,045)	(\$52,863,731)
% Budgeted Expenditures	5.13%	7.09%	5.00%	5.49%	1.08%	-2.87%	-7.65%
Minimum Fund Balance per Board Policy #721	\$32,502,110	\$32,171,498	\$33,240,708	\$33,026,318	\$33,536,314	\$34,260,171	\$34,567,868
Compliance with Fund Balance Policy	Yes	Yes	Yes	Yes	No	No	No
Funds needed to comply with Fund Balance Policy					\$26,267,500	\$53,915,216	\$87,431,598



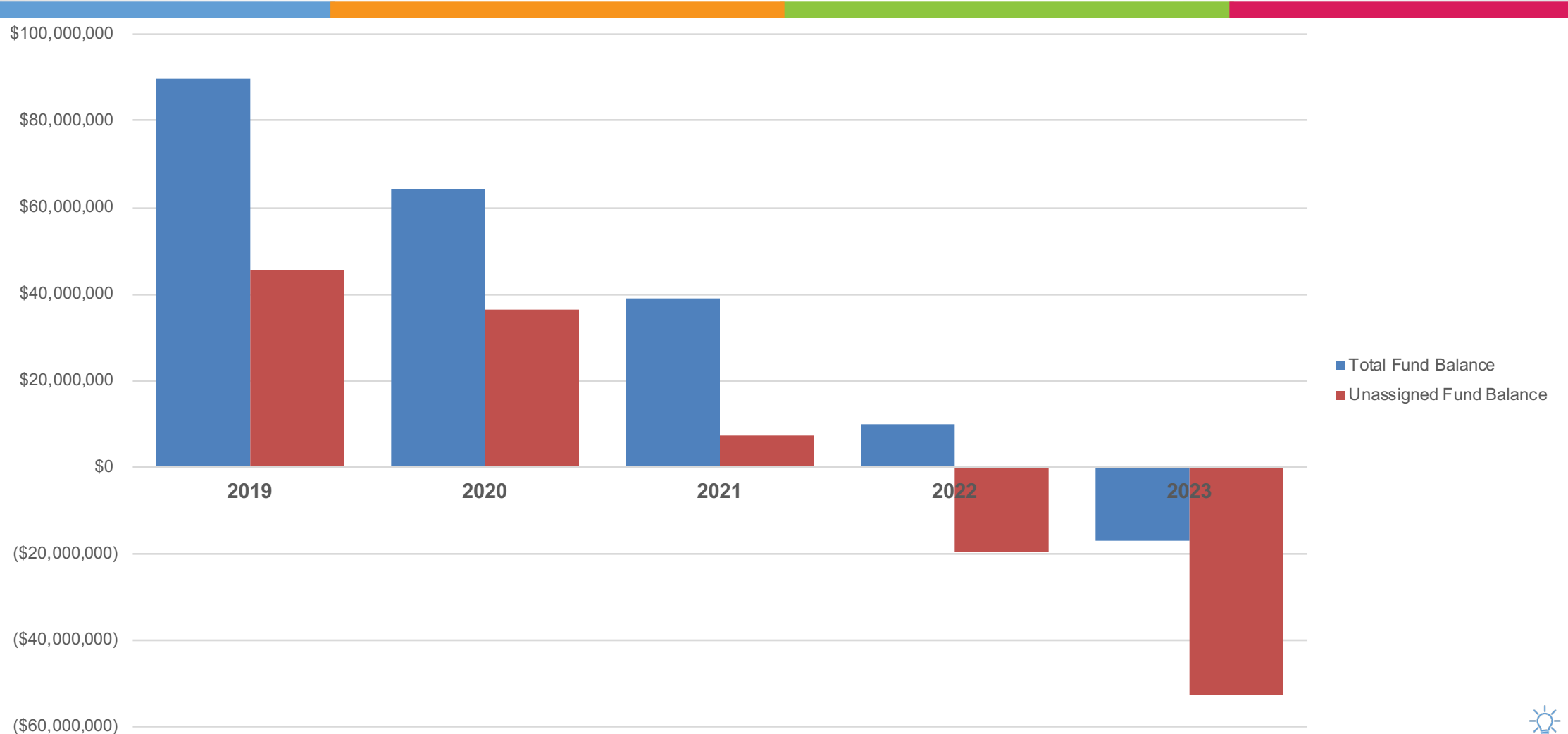
Expect great things.

Key Financial Indicators



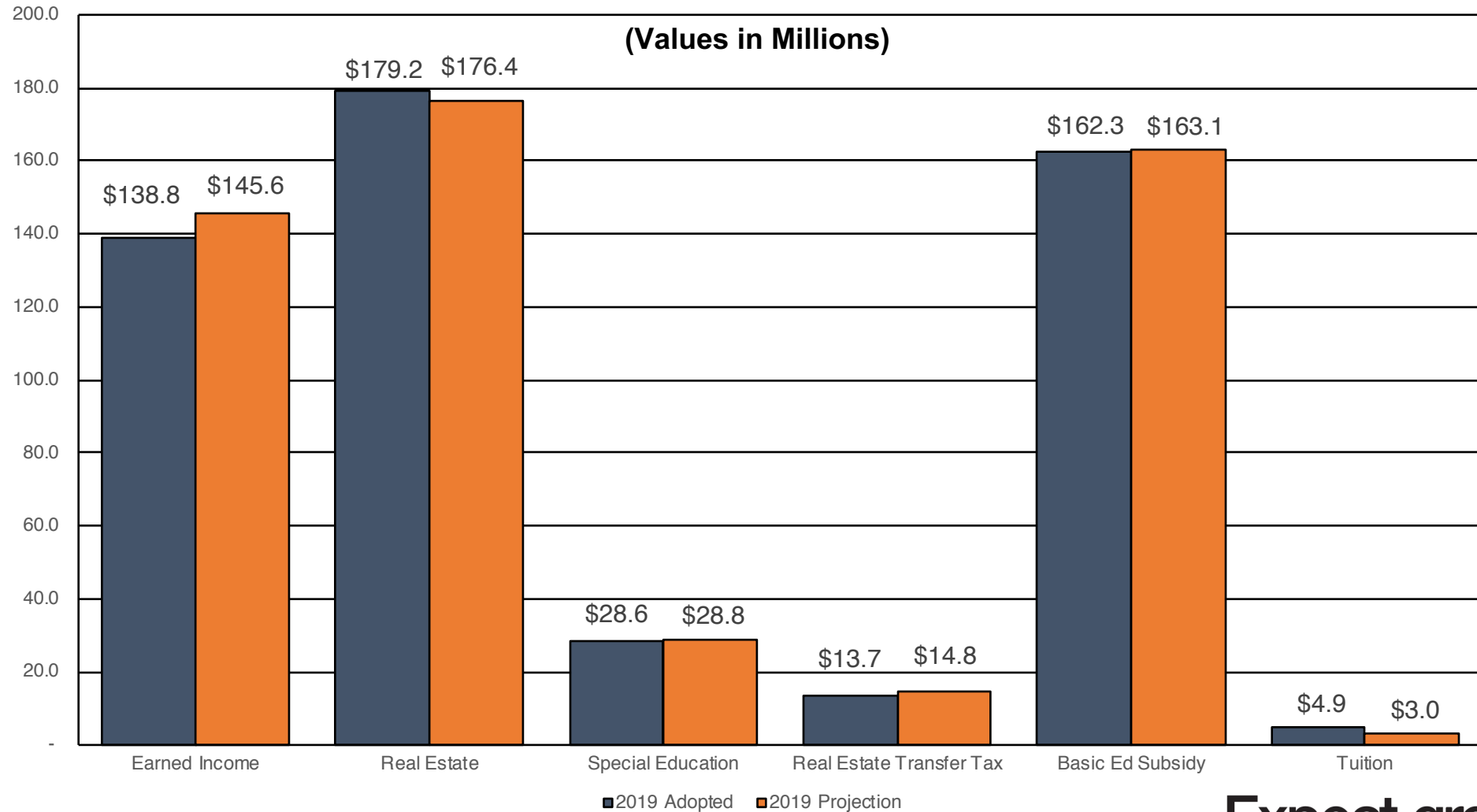
 **Expect great things.**

Fund Balance



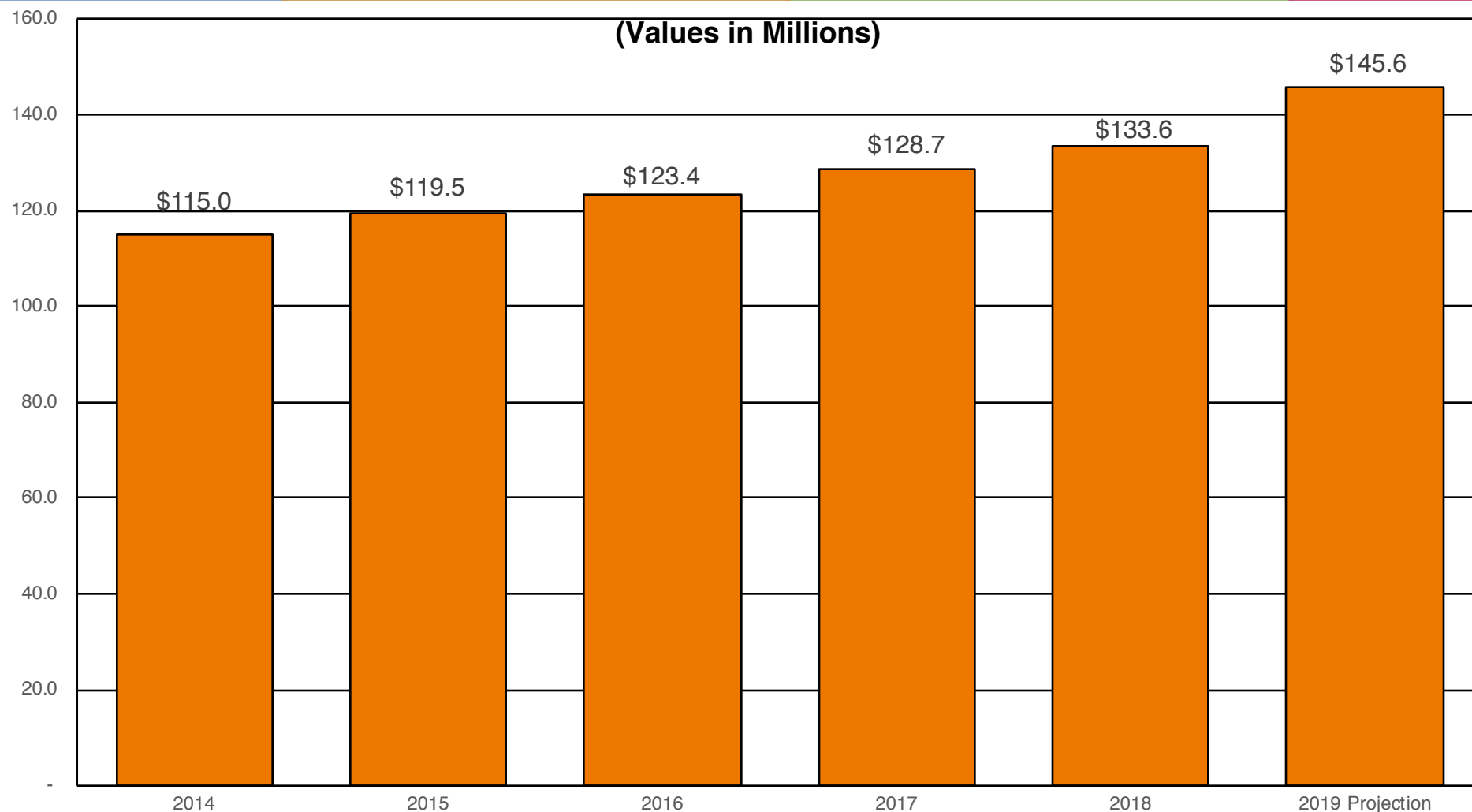
Expect great things. 

Comparison of Major Revenue Sources



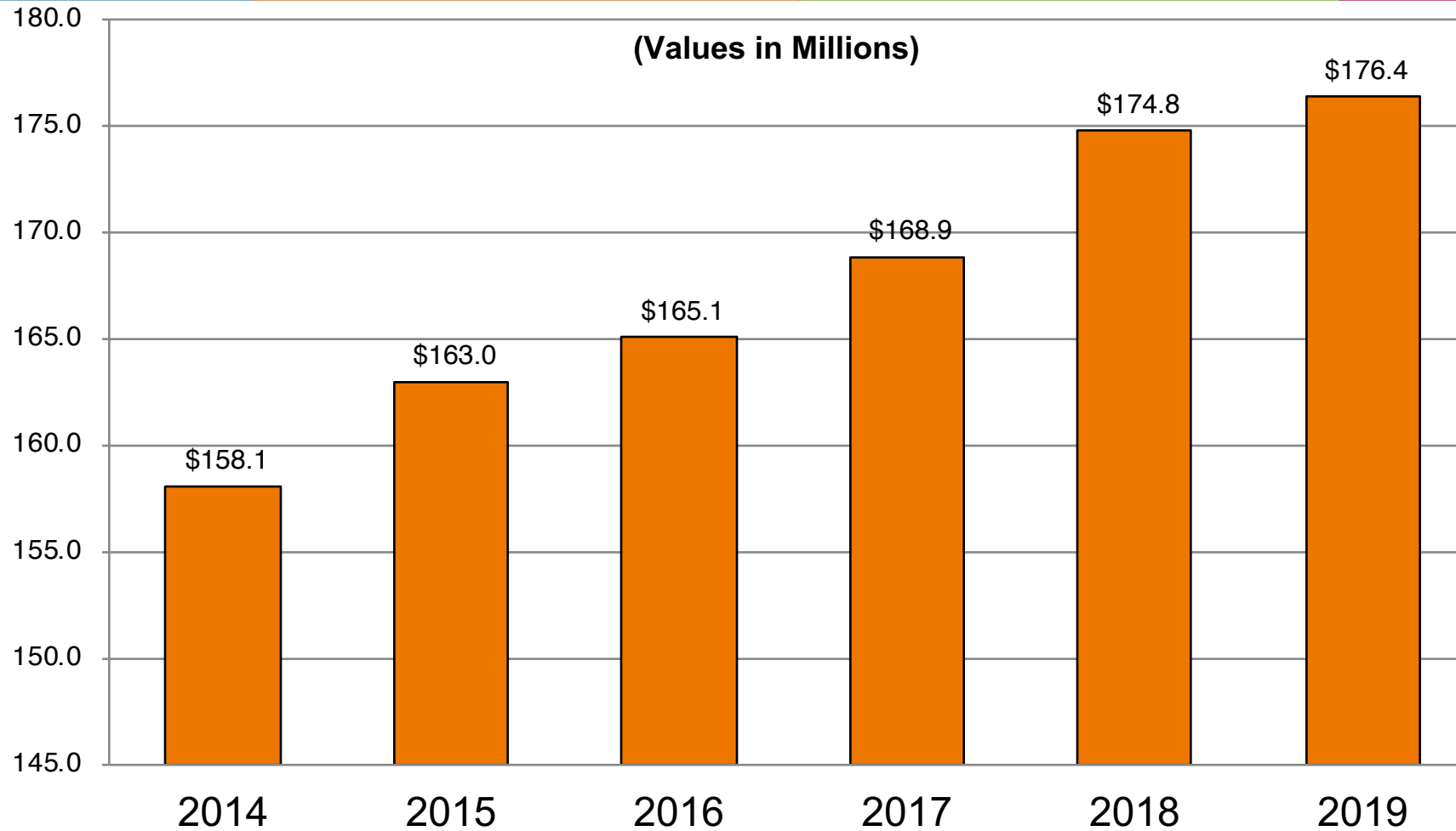
 Expect great things.

Earned Income Growth Continues



 Expect great things.

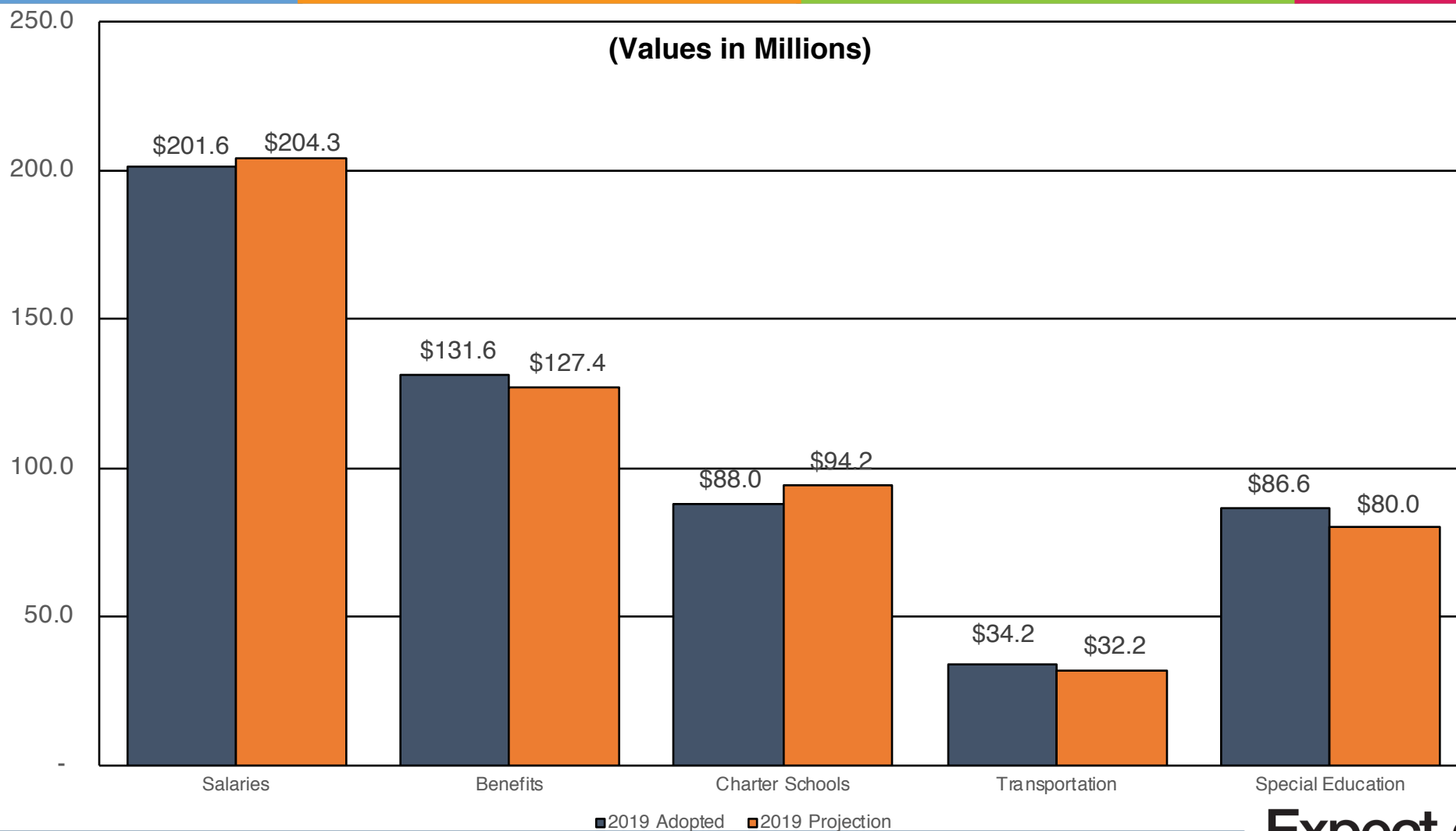
Real Estate Growth Also Continues



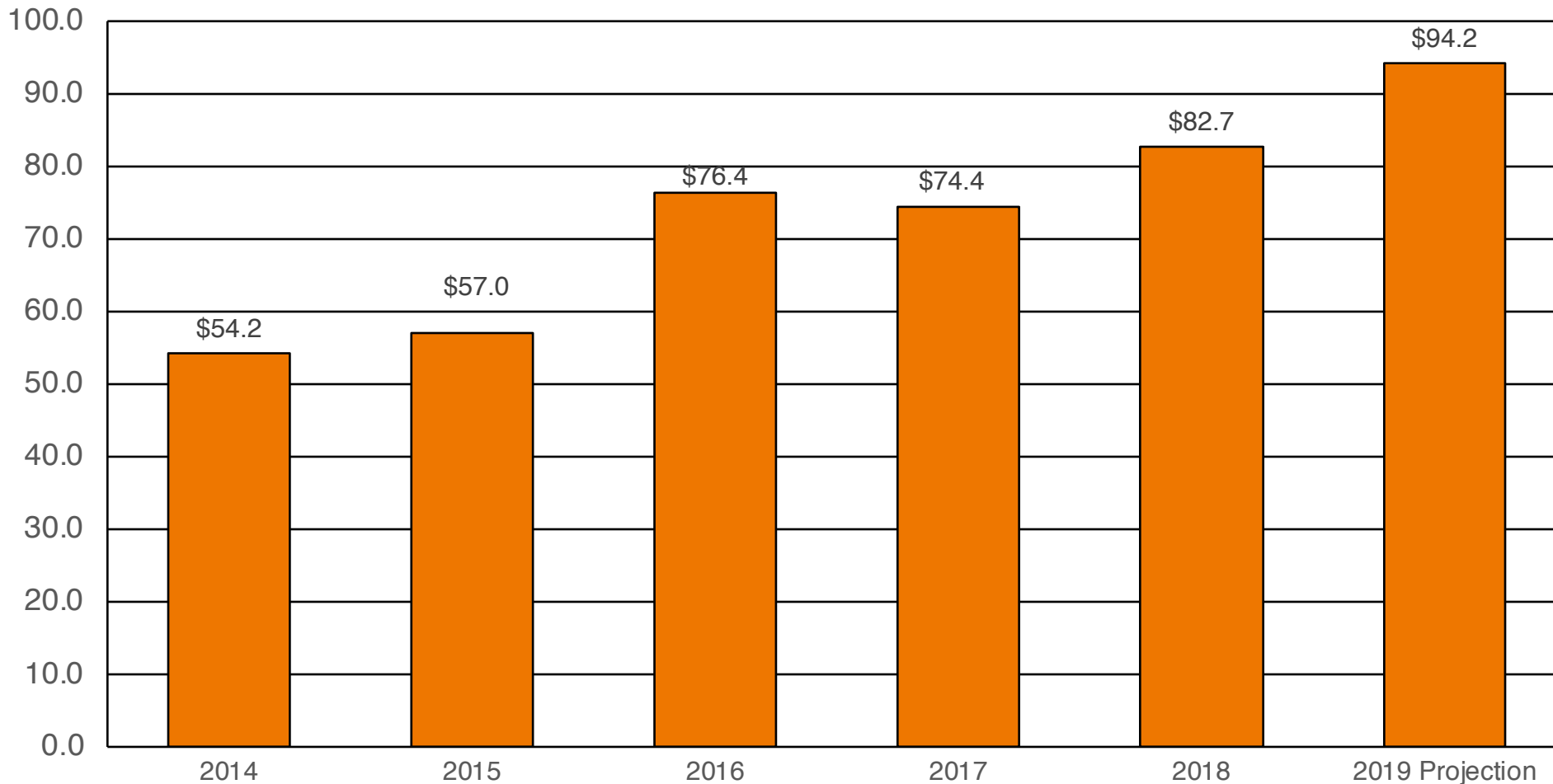
Projection

Expect great things. 

Major Expenditure Comparison

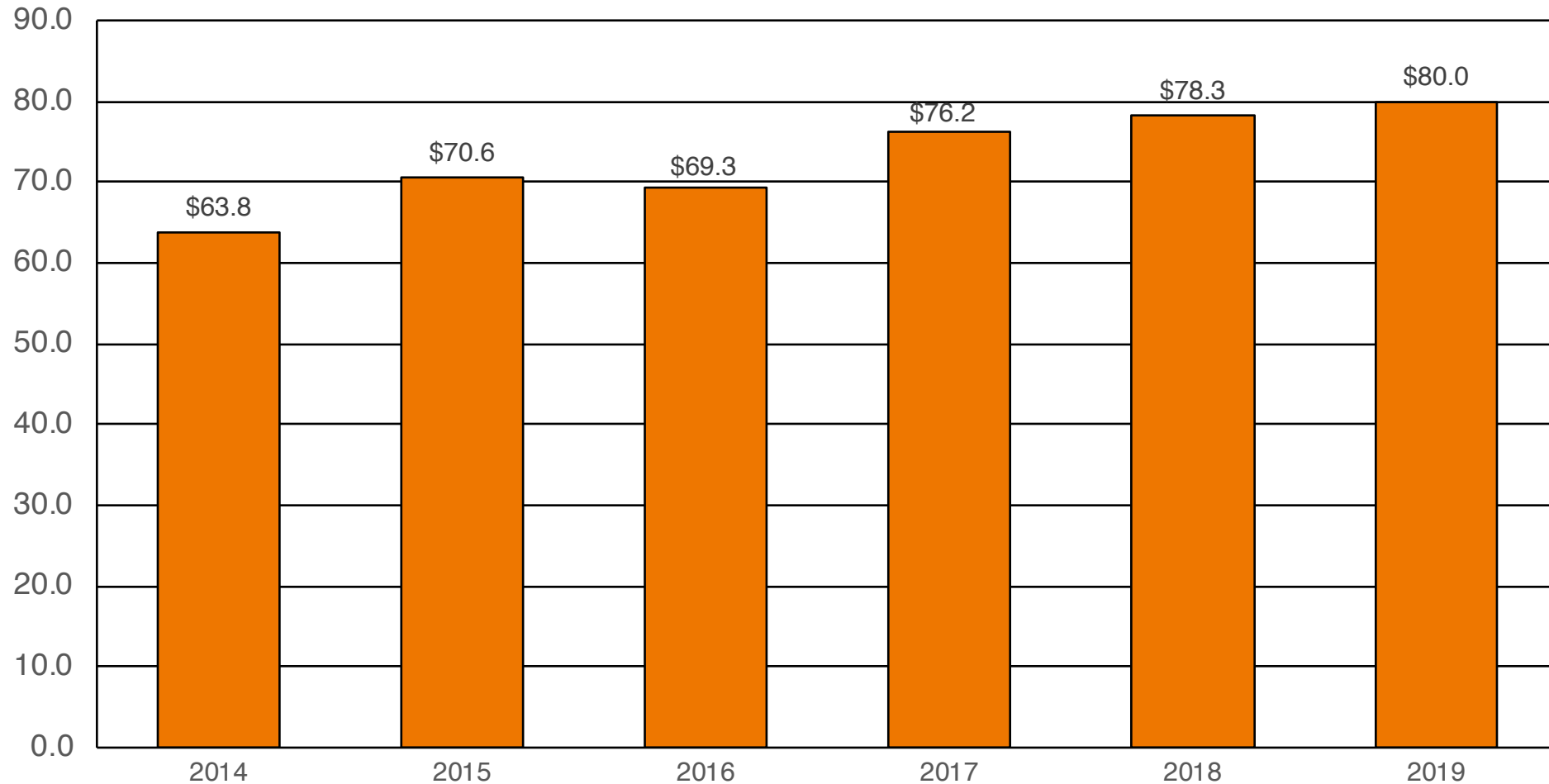


Charter School Costs Are A Growing Concern



Expect great things.

Special Education Continue to Rise



Expect great things. 

Governor's Budget Highlights

	2019-20	2020-21	VARIATION	% CHANGE
BASE YEAR BASIC EDUCATION FUNDING BASE	\$153,804,126	\$153,804,126	\$0	0.00%
STUDENT WEIGHTED BEF INCREASE	\$9,454,343	\$9,164,743	-\$289,600	-3.06%
TOTAL BASIC EDUCATION FUNDING	\$163,258,469	\$162,968,869	-\$289,600	-0.18%
READY TO LEARN BLOCK GRANT	\$3,955,423	\$3,955,423	\$0	0.00%
SPECIAL EDUCATION	\$29,017,022	\$29,265,546	\$248,524	0.86%
TOTAL	<u>\$196,230,914</u>	<u>\$196,189,838</u>	<u>-\$41,076</u>	<u>-0.02%</u>

Governor's Budget – Charter Reform

- As part of his 2020-21 Proposed Budget, the Governor is seeking comprehensive Charter School Law reform. Through cost savings, this reform will make another \$280 million available for school districts.
- This will be achieved by adding tiers to Special Education students for brick & mortar charter schools and by instituting statewide cyber charter tuition rates.
- The initial estimate of the total annual savings for Pittsburgh Public Schools was \$14,045,456



Expect great things.

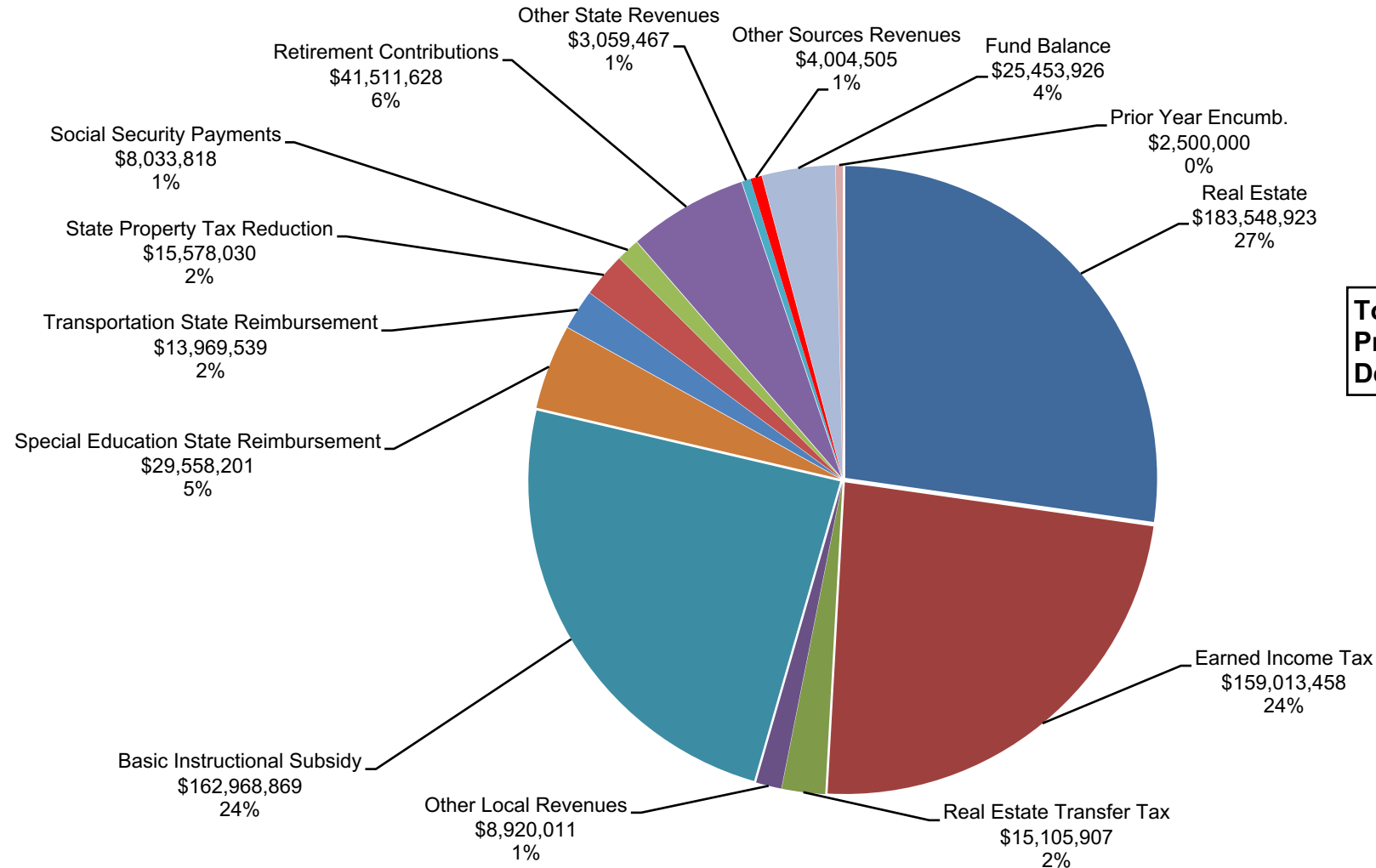
Impact of Possible Charter Reform

	Adopted Year Ended 2019	Projected 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	\$617,622,931	\$621,399,900	\$639,805,733	\$635,110,391	\$645,272,356	\$656,199,731	\$664,433,492
Total Expenditures	\$650,042,207	\$643,429,956	\$664,814,155	\$653,503,627	\$656,782,976	\$671,140,701	\$677,174,870
Beginning Balance	\$111,672,445	\$111,672,445	\$81,631,443	\$89,642,390	\$71,249,154	\$59,738,534	\$44,797,564
Operating Surplus/(Deficit)	(\$32,419,276)	(\$22,030,056)	(\$25,008,422)	(\$18,393,235)	(\$11,510,621)	(\$14,940,970)	(\$12,741,379)
Ending Fund Balance	\$79,253,169	\$89,642,390	\$56,623,021	\$71,249,154	\$59,738,534	\$44,797,564	\$32,056,185
Less Projected Reservations	(\$2,500,000)	(\$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	\$0
Less Assigned Fund Balance	(\$27,304,897)	(\$18,393,235)	(\$20,879,089)	(\$11,510,621)	(14,940,970)	(12,741,379)	(18,906,101)
Unassigned Fund Balance	\$33,348,272	\$52,649,154	\$33,243,933	\$57,238,534	\$42,297,564	\$29,556,185	\$10,650,084
% Budgeted Expenditures	5.13%	8.18%	5.00%	8.76%	6.44%	4.40%	1.57%
Minimum Fund Balance per Board Policy #721	\$32,502,110	\$32,171,498	\$33,240,708	\$32,675,181	\$32,839,149	\$33,557,035	\$33,858,744
Compliance with Fund Balance Policy	Yes	Yes	Yes	Yes	Yes	No	No
Funds needed to comply with Fund Balance Policy						\$4,000,850	\$23,208,660



Expect great things.

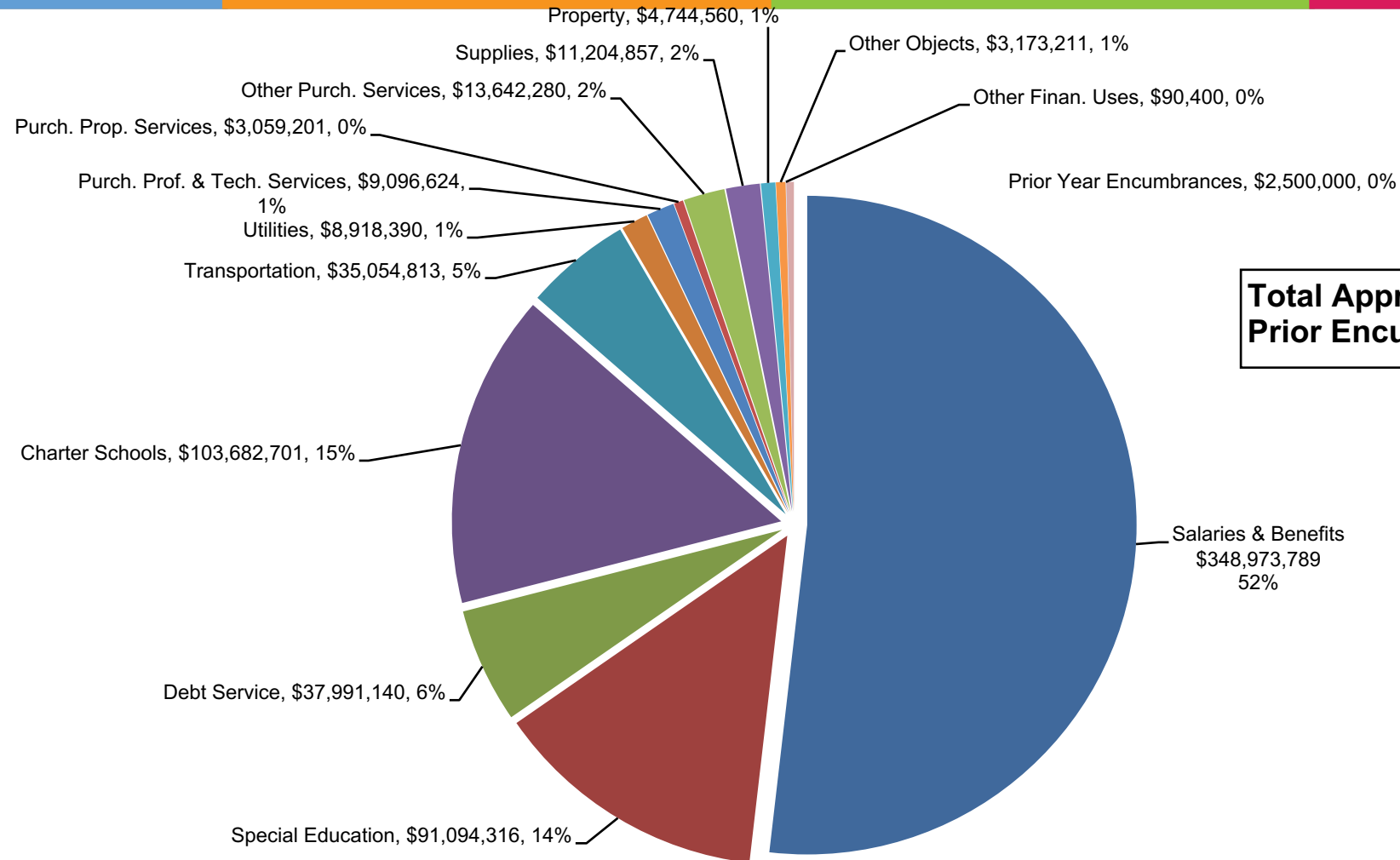
2021 Projected Revenue



Total Revenue	\$673,226,282
Prior Encumbrances	\$ 2,500,000
Deficit	\$ 25,453,926

Expect great things.

2021 Projected Appropriations by Major Object



Expect great things.

In Summary

- The 2019 budget is projected to close with a \$22,030,056 deficit.
- The deficit is projected to increase to \$25,415,963 in 2020.
- The 2020 budget will not comply with the fund balance requirement of 5%.
- The Board will be unable to pass a balanced budget for 2023.
- We will have to make tough decisions with regard to our spending in the absence of increased revenues.

2021 Budget Development Timeline

	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020
Prior Year Closing												
Budget Development												
Department Meetings												
Finalize and Release Budget												
Budget Adoption												