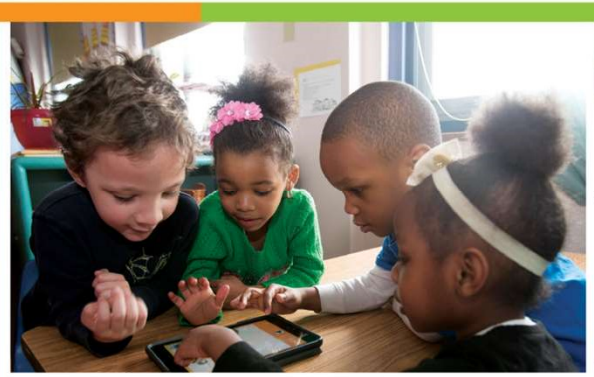
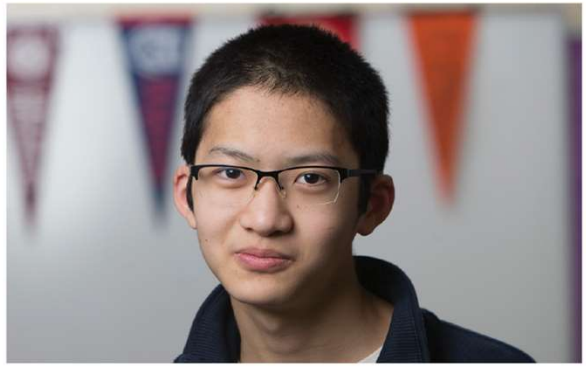
2020 Preliminary Budget





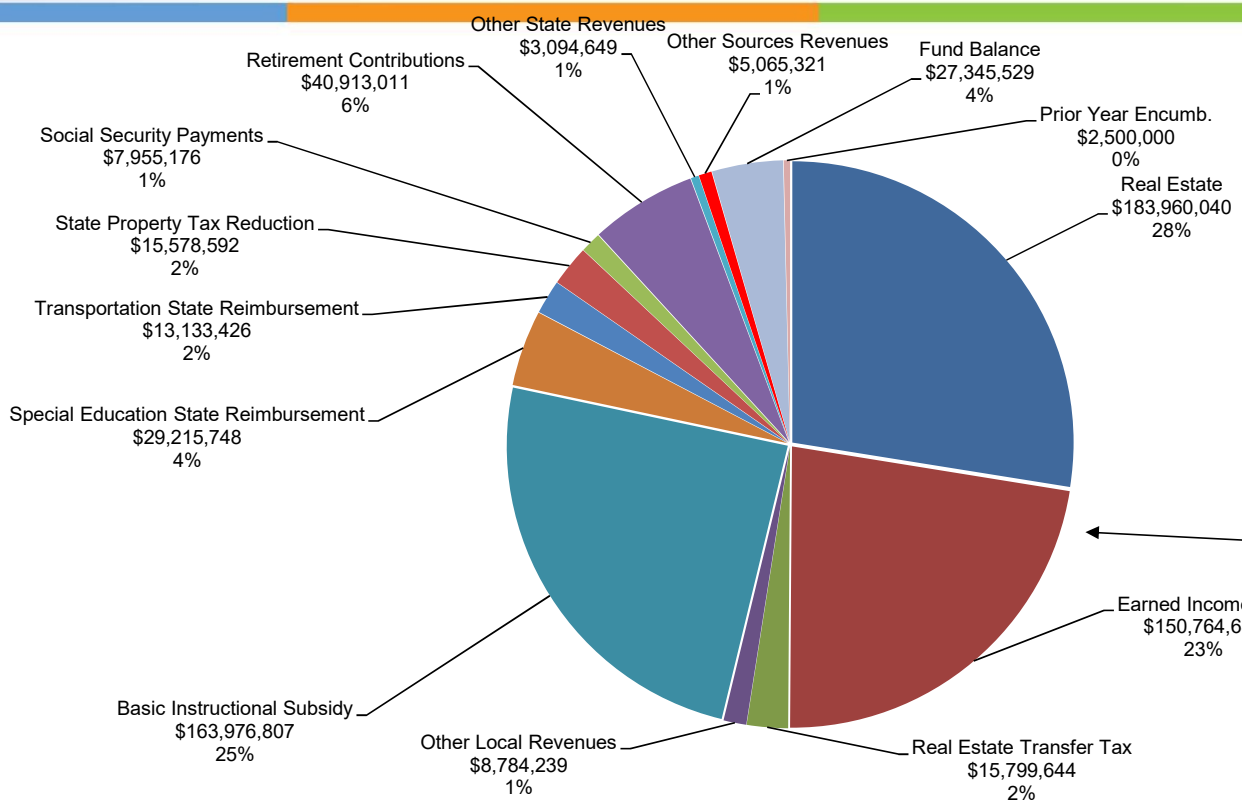
Expect great things.

Pittsburgh Public Schools

2020 Preliminary Budget

- **Expenditures for 2020 are budgeted at $665.6 million:**
  - **Represents a 2.4% increase from 2019 adopted budget**
  - **Includes an operating deficit of $27.3 million in 2020**
  - **2019 adopted budget had an operating deficit of $32.4 million**
- **Adheres to Board's minimum 5 percent fund balance policy for the General Fund through 2020 based on assumptions to date**
- **2019 Projections indicate final expenditures of $649.6 million and an operating deficit of $28.7 million.**
- **The 2020 Budget as currently proposed DOES include a tax increase of 2.3% (up to the Act 1 Index).**
- **This would be an increase from 9.84 Mills to 10.07 Mills**

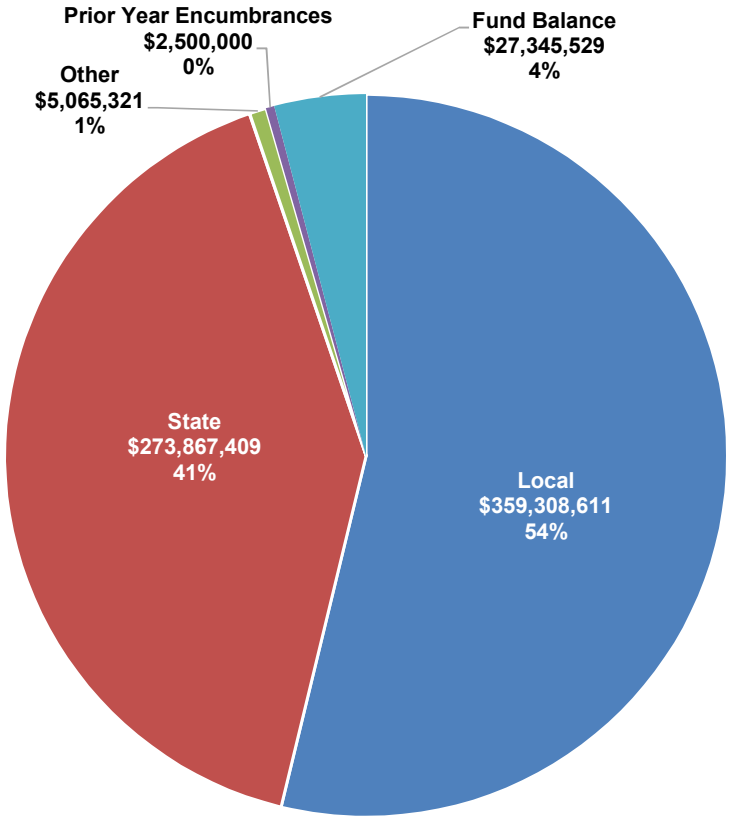
2020 Revenue



Total Revenue	**$668,086,870**
Prior Encumbrances	**$ 2,500,000**

.25% of Earned Income Tax revenue is diverted to the City of Pittsburgh per Act 187 of 2004. This would equal an additional $20,252,098 in revenue for 2020.

2020 Revenue



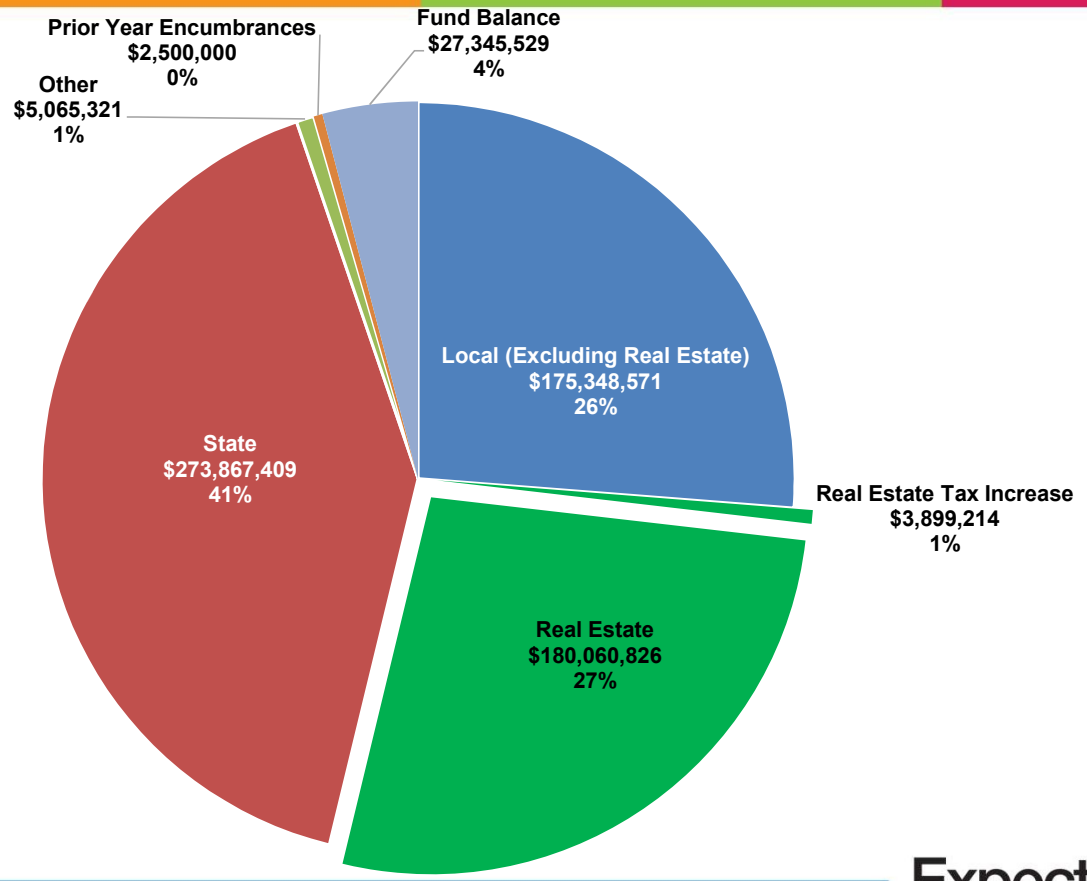
Expect great things.

2020 Revenue

LOCAL SOURCES	PROJECTED REVENUES		PERCENT OF TOTAL	
Real Estate	$183,960,040		27.55%	
Earned Income Tax	$150,764,688		22.57%	
Real Estate Transfer Tax	$15,799,644		2.36%	
Other Local Revenues	$8,784,239		1.31%	
Total - Local Sources		$359,308,611		53.79%
STATE SOURCES				
Basic Instructional Subsidy	$163,976,807		24.55%	
Special Education State Reimbursement	$29,215,748		4.37%	
Transportation State Reimbursement	$13,133,426		1.97%	
State Property Tax Reduction	$15,578,592		2.33%	
Social Security Payments	$7,955,176		1.19%	
Retirement Contributions	$40,913,011		6.12%	
Other State Revenues	$3,094,649		0.46%	
Total - State Sources		$273,867,409		40.99%
REVENUE FROM OTHER SOURCES	$5,065,321		0.76%	
		$5,065,321		0.76%
FROM FUND BALANCE	$27,345,529		4.09%	
		$27,345,529		4.09%
PRIOR YEAR ENCUMBRANCES	$2,500,000		0.37%	
		$2,500,000		0.37%
TOTAL		$668,086,870		100.00%

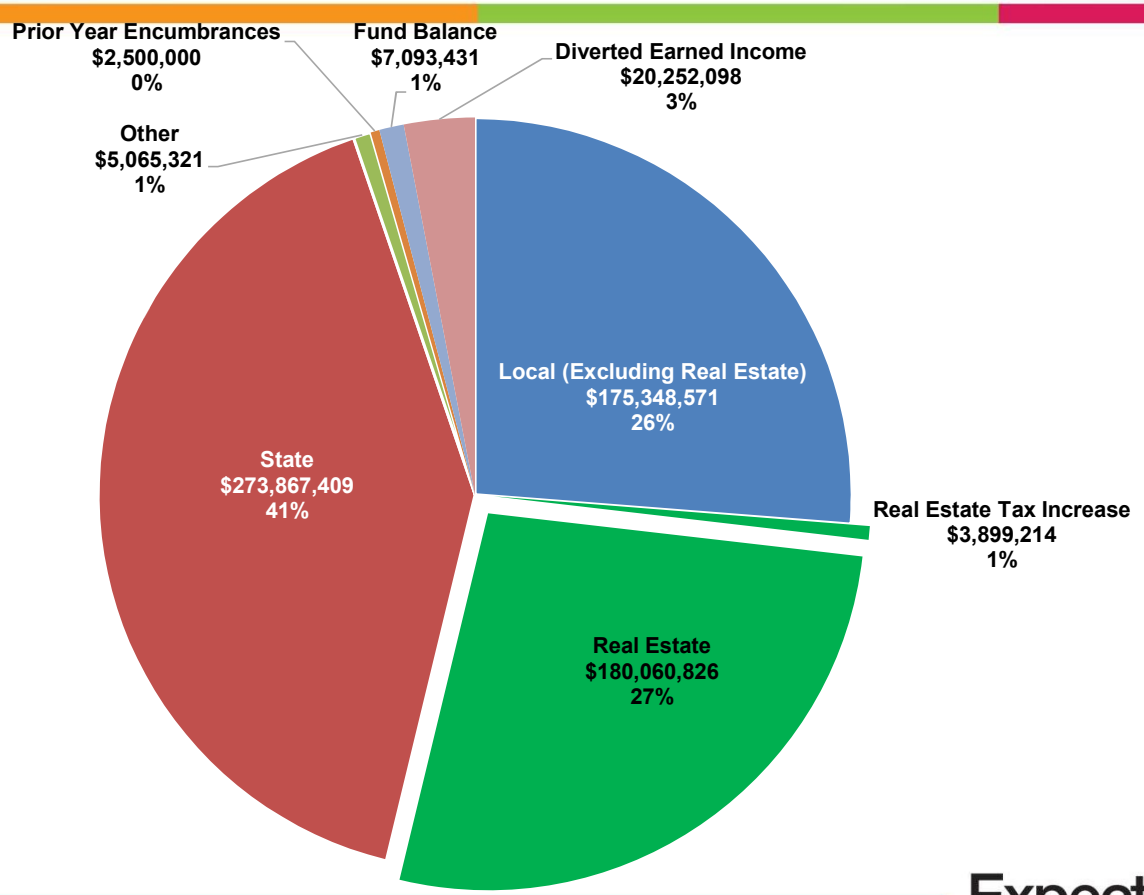
Expect great things.

2020 Revenue



Expect great things.

Impact of Diverted Earned Income Revenue



Expect great things.

Updated 3-Year Forecast with Millage Increase

	Adopted Year Ended 2019	Projected Year Ended 2019	Preliminary Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	$617,622,931	$620,954,939	$638,241,341	$650,024,263	$662,086,383	$669,955,079
Total Expenditures	$650,042,207	$649,613,875	$665,586,870	$669,358,349	$681,705,004	$687,766,860
Beginning Balance	$111,672,445	$111,672,445	$83,013,510	$55,667,981	$36,333,894	$16,715,274
Operating Surplus/(Deficit)	($32,419,276)	($28,658,936)	($27,345,529)	($19,334,086)	($19,618,621)	($17,811,781)
Ending Fund Balance	$79,253,169	$83,013,510	$55,667,981	$36,333,894	$16,715,274	($1,096,507)
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	($27,345,529)	($27,345,529)	($19,334,086)	(19,618,620.53)	(17,811,780.69)	(24,047,429.02)
Unassigned Fund Balance	$33,307,640	$37,067,981	$33,833,894	$14,215,274	($3,596,507)	($27,643,936)
% Budgeted Expenditures	5.12%	5.71%	5.08%	2.12%	-0.53%	-4.02%
Minimum Fund Balance per Board Policy #721	$32,502,110	$32,480,694	$33,279,344	$33,467,917	$34,085,250	$34,388,343
Compliance with Fund Balance Policy	Yes	Yes	Yes	No	No	No
Funds needed to comply with Fund Balance Policy				$19,252,644	$37,681,757	$62,032,279

Updated 3-Year Forecast without Millage Increase

	Adopted Year Ended 2019	Projected Year Ended 2019	Preliminary Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	$617,622,931	$620,954,939	$634,342,127	$646,047,065	$658,041,573	$665,841,507
Total Expenditures	$650,042,207	$649,613,875	$665,554,967	$669,325,904	$681,672,007	$687,733,302
Beginning Balance	$111,672,445	$111,672,445	$83,013,510	$51,800,670	$28,521,830	$4,891,396
Operating Surplus/(Deficit)	($32,419,276)	($28,658,936)	($31,212,840)	($23,278,839)	($23,630,434)	($21,891,795)
Ending Fund Balance	$79,253,169	$83,013,510	$51,800,670	$28,521,830	$4,891,396	($17,000,399)
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	($31,212,840)	($31,212,840)	($23,278,839)	(23,630,434.26)	(21,891,795.25)	(28,196,803.83)
Unassigned Fund Balance	$29,440,329	$33,200,670	$26,021,830	$2,391,396	($19,500,399)	($47,697,203)
% Budgeted Expenditures	4.53%	5.11%	3.91%	0.36%	-2.86%	-6.94%
Minimum Fund Balance per Board Policy #721	$32,502,110	$32,480,694	$33,277,748	$33,466,295	$34,083,600	$34,386,665
Compliance with Fund Balance Policy	No	Yes	No	No	No	No
Funds needed to comply with Fund Balance Policy			$7,255,918	$31,074,899	$53,583,999	$82,083,868

Updated 3-Year Forecast with Millage Increase Every year

	Adopted Year Ended 2019	Projected Year Ended 2019	Preliminary Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	$617,622,931	$620,954,939	$638,241,341	$653,259,165	$669,311,438	$682,892,203
Total Expenditures	$650,042,207	$649,613,875	$665,586,870	$669,358,349	$681,705,004	$687,766,860
Beginning Balance	$111,672,445	$111,672,445	$83,013,510	$55,667,981	$39,568,797	$27,175,231
Operating Surplus/(Deficit)	($32,419,276)	($28,658,936)	($27,345,529)	($16,099,184)	($12,393,566)	($4,874,658)
Ending Fund Balance	$79,253,169	$83,013,510	$55,667,981	$39,568,797	$27,175,231	$22,300,573
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	($27,345,529)	($27,345,529)	($16,099,184)	(12,393,565.74)	(4,874,657.63)	(5,141,123.28)
Unassigned Fund Balance	$33,307,640	$37,067,981	$37,068,797	$24,675,231	$19,800,573	$14,659,450
% Budgeted Expenditures	5.12%	5.71%	5.57%	3.69%	2.90%	2.13%
Minimum Fund Balance per Board Policy #721	$32,502,110	$32,480,694	$33,279,344	$33,467,917	$34,085,250	$34,388,343
Compliance with Fund Balance Policy	Yes	Yes	Yes	No	No	No
Funds needed to comply with Fund Balance Policy				$8,792,686	$14,284,677	$19,728,893

Updated 3-Year Forecast without Millage Increase with Diverted Earned Income

	Adopted Year Ended 2019	Projected Year Ended 2019	Preliminary Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	$617,622,931	$620,954,939	$654,594,225	$667,007,987	$679,736,127	$688,295,370
Total Expenditures	$650,042,207	$649,613,875	$665,757,488	$669,535,513	$681,888,953	$687,957,841
Beginning Balance	$111,672,445	$111,672,445	$83,013,510	$71,850,247	$69,322,720	$67,169,894
Operating Surplus/(Deficit)	($32,419,276)	($28,658,936)	($11,163,263)	($2,527,526)	($2,152,826)	$337,529
Ending Fund Balance	$79,253,169	$83,013,510	$71,850,247	$69,322,720	$67,169,894	$67,507,424
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	($11,163,263)	($11,163,263)	($2,527,526)	(2,152,825.80)	337,529.12	(5,589,581.61)
Unassigned Fund Balance	$49,489,906	$53,250,247	$66,822,720	$64,669,894	$65,007,424	$59,417,842
% Budgeted Expenditures	7.61%	8.20%	10.04%	9.66%	9.53%	8.64%
Minimum Fund Balance per Board Policy #721	$32,502,110	$32,480,694	$33,287,874	$33,476,776	$34,094,448	$34,397,892
Compliance with Fund Balance Policy	Yes	Yes	Yes	Yes	Yes	Yes
Funds needed to comply with Fund Balance Policy						

Impact on Taxpayer

WITHOUT MILLAGE INCREASE

	Earned Income Tax			Real Estate Tax		
		Income			Market Value	
Fiscal Year	Net Levy[1]	$43,000	$30,000	Millage[2]	$87,600	$124,100
2013	1.75%	753	525	9.65	845	1,198
2014	1.75%	753	525	9.84	862	1,221
2015	1.75%	753	525	9.84	862	1,221
2016	1.75%	753	525	9.84	862	1,221
2017	1.75%	753	525	9.84	862	1,221
2018	1.75%	753	525	9.84	862	1,221
2019	1.75%	753	525	9.84	862	1,221
2020	1.75%	753	525	9.84	862	1,221

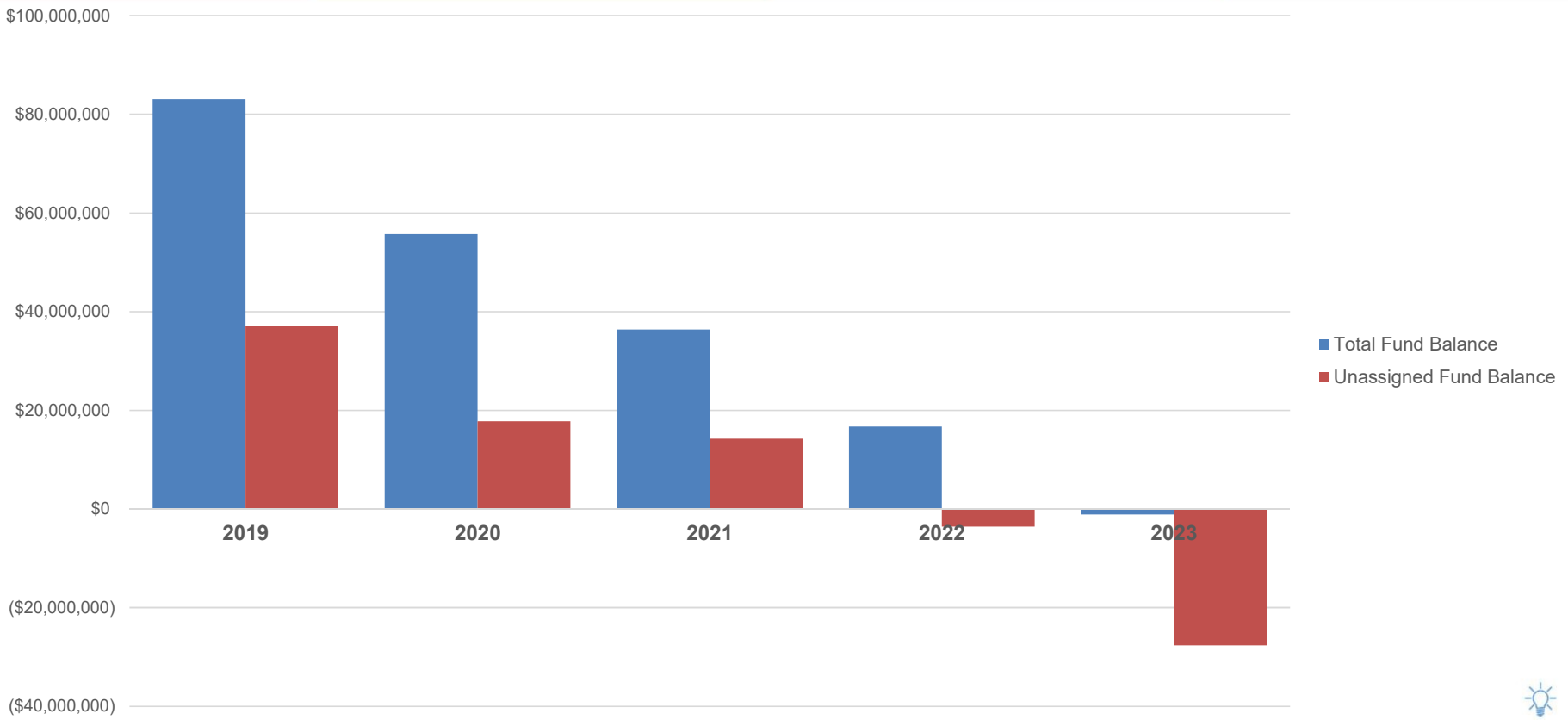
WITH MILLAGE INCREASE

	Earned Income Tax			Real Estate Tax		
		Income			Market Value	
Fiscal Year	Net Levy[1]	$43,000	$30,000	Millage[2]	$87,600	$124,100
2013	1.75%	753	525	9.65	845	1,198
2014	1.75%	753	525	9.84	862	1,221
2015	1.75%	753	525	9.84	862	1,221
2016	1.75%	753	525	9.84	862	1,221
2017	1.75%	753	525	9.84	862	1,221
2018	1.75%	753	525	9.84	862	1,221
2019	1.75%	753	525	9.84	862	1,221
2020	1.75%	753	525	10.07	882	1,250

(1) Section 652.1 (a) (2) of the Public School Code states that "A school district of first class A located in whole or in part within the city of second class shall share earned income tax under this section with such city of second class as follows; in tax year 2007, one-tenth of one per centum (0.10%) to the city, in 2008 two-tenths of one percentum (0.20%) to the city, in tax year 2009 and thereafter, one quarter of one percentum (0.25^%) to the city."

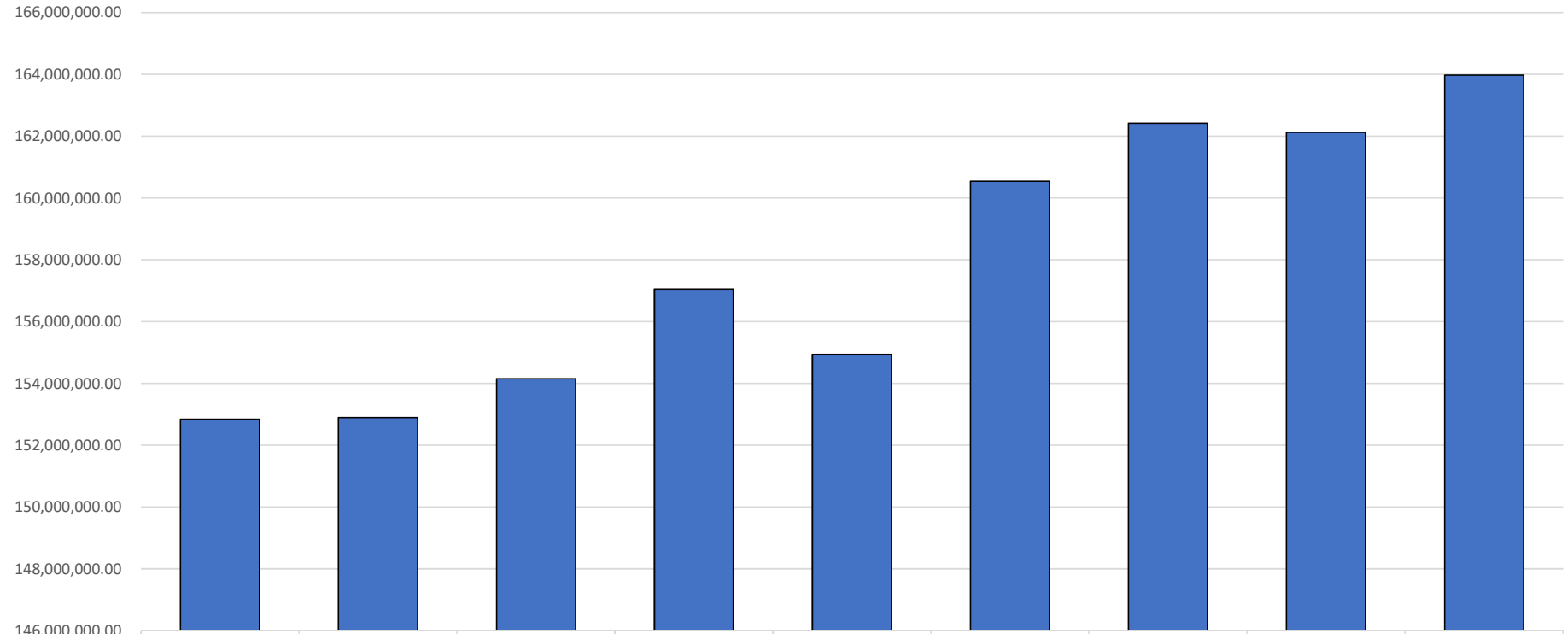
(2) Estimated actual taxable value is calculated by dividing taxable assessed value by the ratio of assessed value. Tax rates are per $1000 of assessed value.

Fund Balance



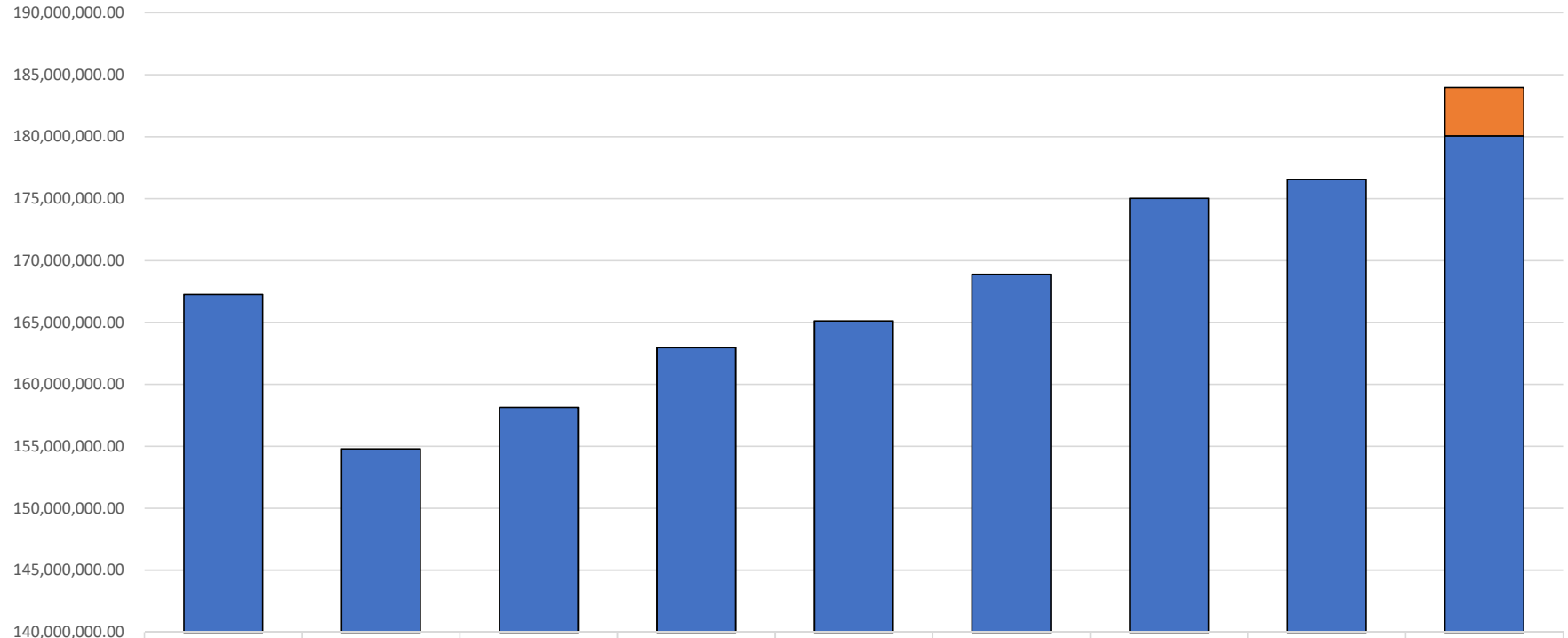
Expect great things.

Basic Education Subsidy



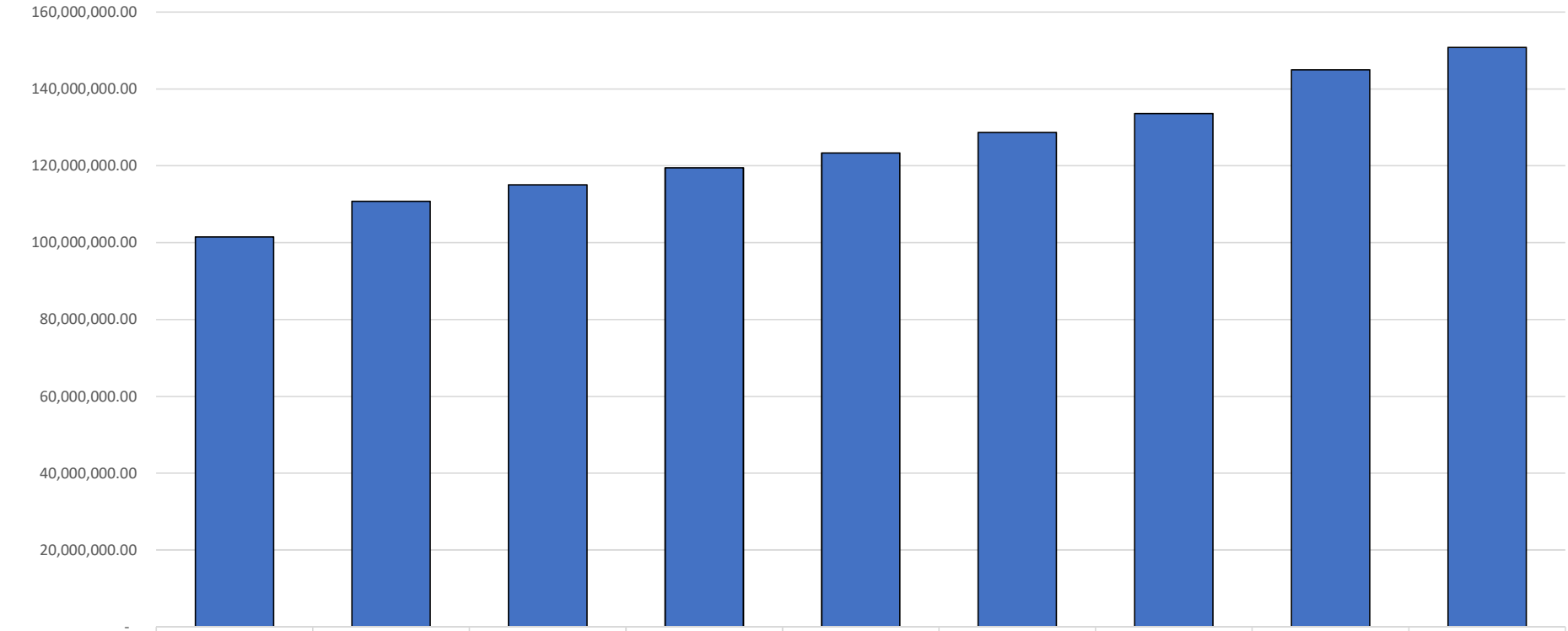
	2012	2013	2014	2015	2016	2017	2018	2019 Projection	2020 Budget
Basic Ed Subsidy	152,844,213.96	152,900,028.96	154,150,782.20	157,059,248.12	154,940,647.55	160,545,453.22	162,416,304.22	162,128,127.00	163,976,807.00

Real Estate Tax



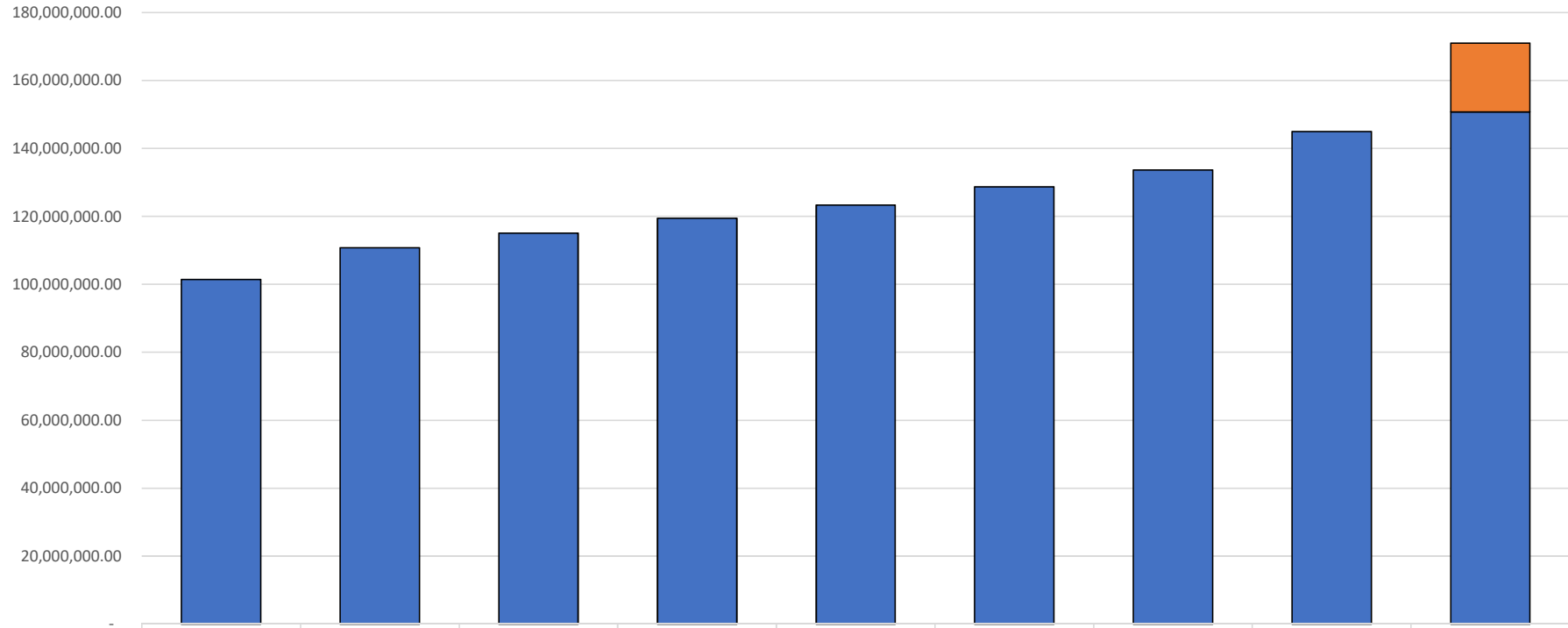
	2012	2013	2014	2015	2016	2017	2018	2019 Projection	2020 Budget
Real Estate Tax Increase									3,899,214.00
Real Estate	167,247,885.17	154,799,838.06	158,148,304.39	162,960,019.06	165,114,070.68	168,884,865.54	175,010,225.26	176,531,016.95	180,060,826.00

Earned Income Tax



	2012	2013	2014	2015	2016	2017	2018	2019 Projection	2020 Budget
Earned Income Tax	101,468,207.13	110,783,534.51	115,024,229.53	119,456,080.24	123,353,004.88	128,687,036.08	133,609,258.86	144,966,045.86	150,764,688.00

Earned Income Tax with Diverted Revenue



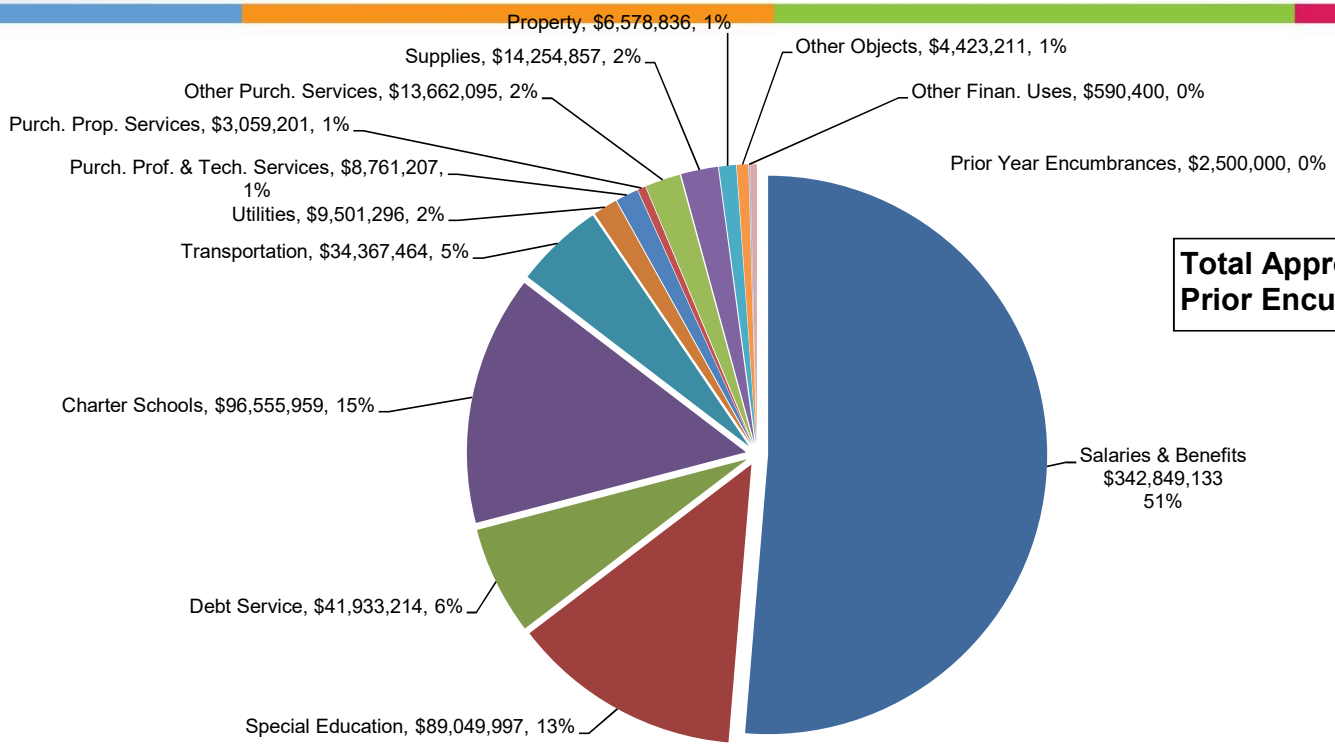
	2012	2013	2014	2015	2016	2017	2018	2019 Projection	2020 Budget
Diverted Earned Income									20,252,098.00
Earned Income Tax	101,468,207.13	110,783,534.51	115,024,229.53	119,456,080.24	123,353,004.88	128,687,036.08	133,609,258.86	144,966,045.86	150,764,688.00

What are functions and objects?

- A function is a 4-digit code that describes that activity or program that an expenditure is supporting (i.e. Instruction, Administration)

- An object is a 3-digit code that describes the service or item that is being purchased (Salaries & Benefits, Supplies)

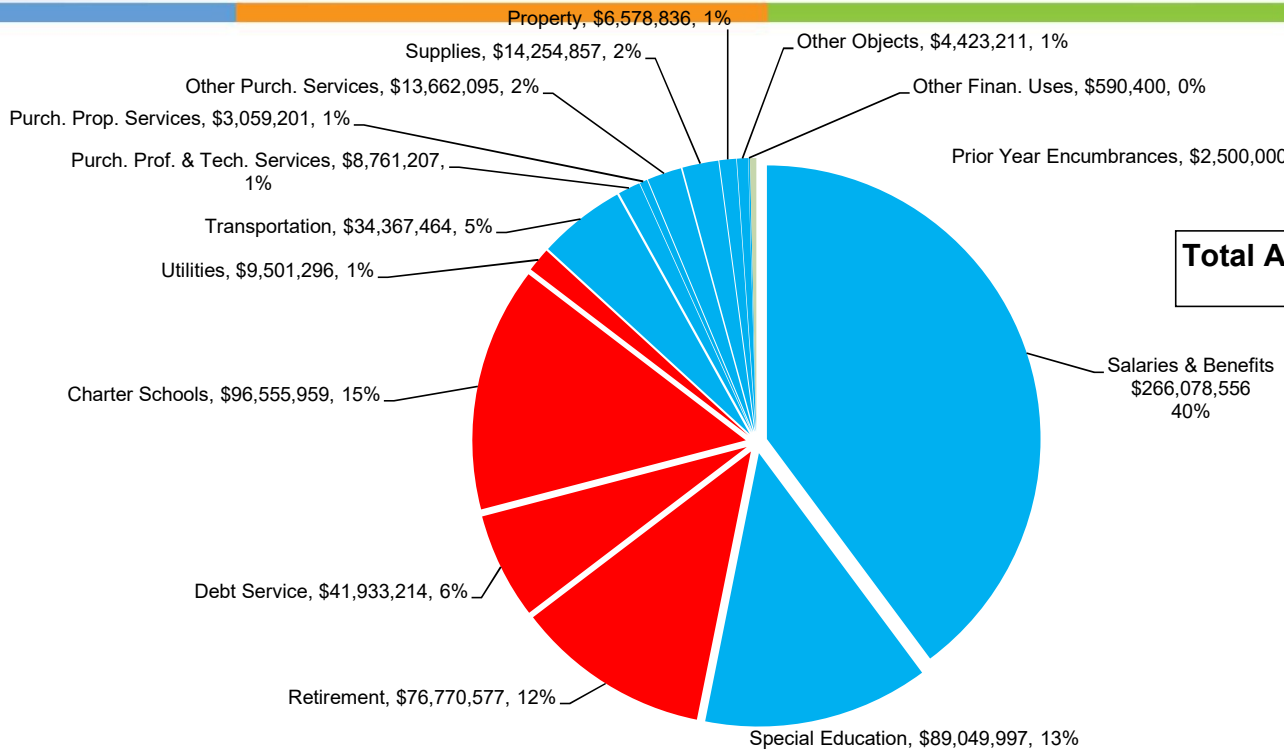
2020 Appropriations by Major Object



Total Appropriations	**$668,086,570**
Prior Encumbrances	**$ 2,500,000**

Expect great things.

2020 Appropriations by Major Object



Total Appropriations $668,086,570

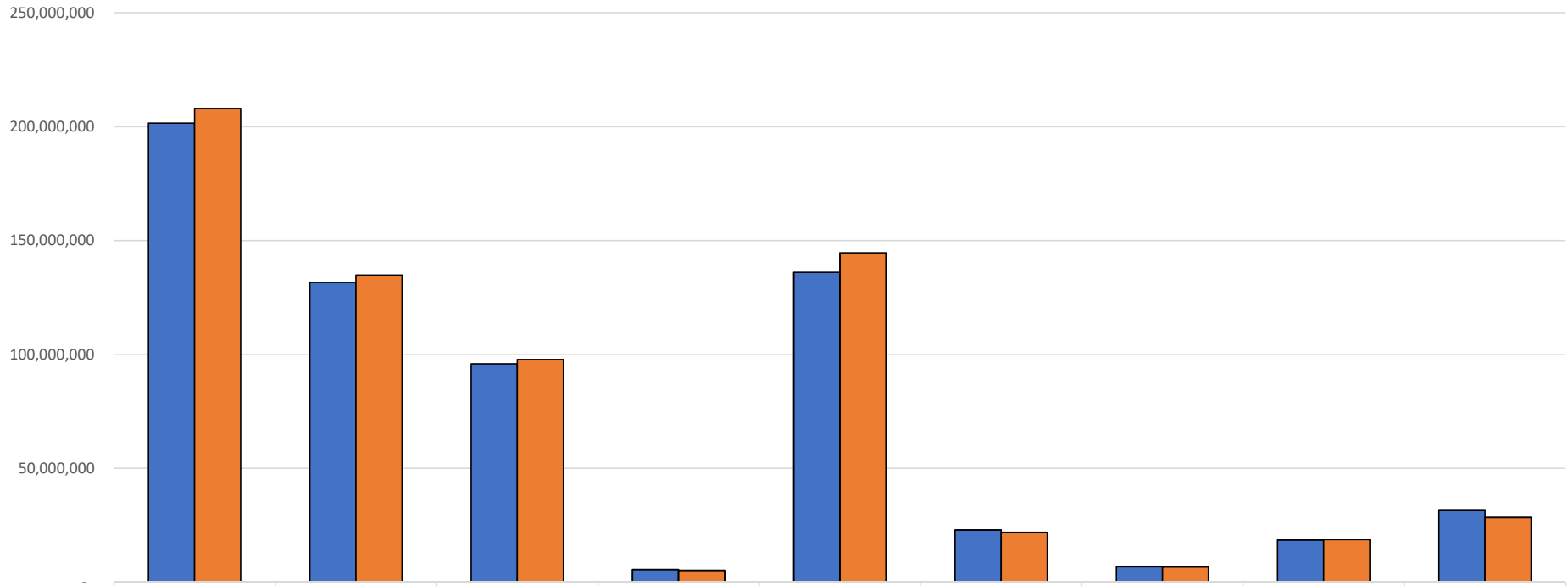
Expect great things.

20 DRAFT

2020 Appropriations by Major Object

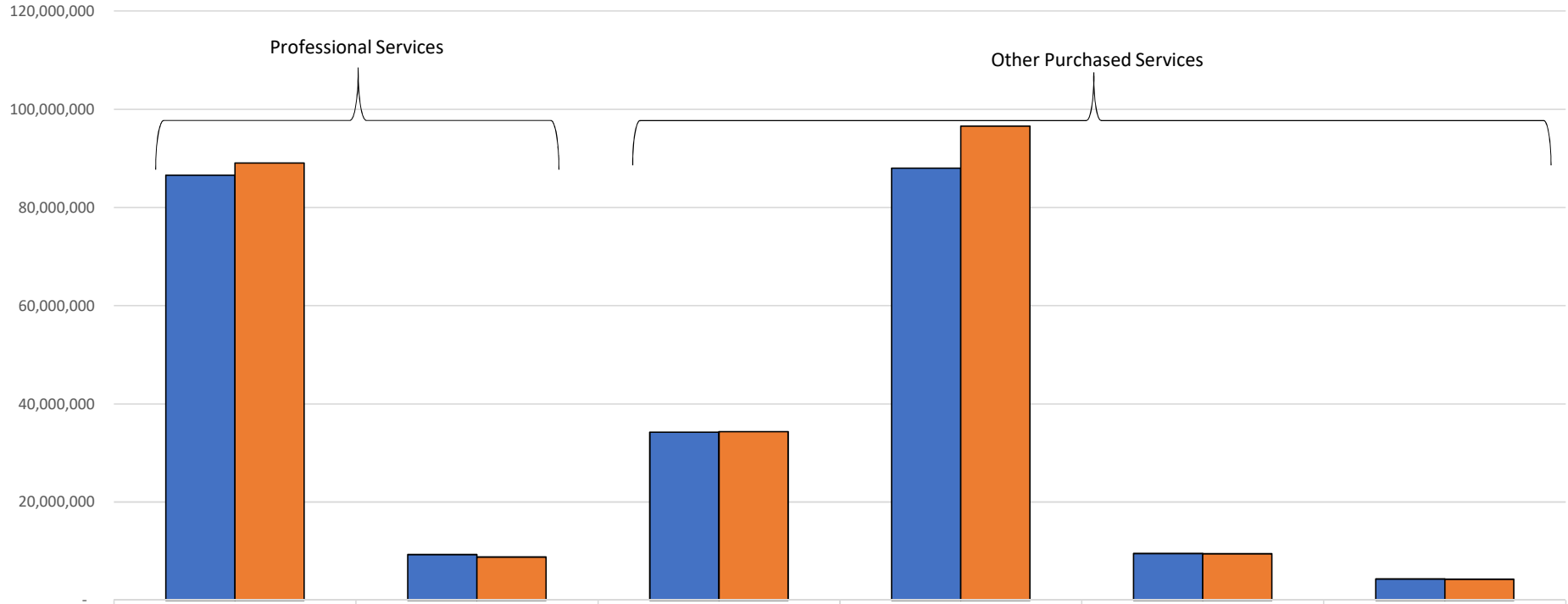
Major Object		PROJECTED APPROPRIATIONS	PERCENT OF TOTAL
100/200	Salaries & Benefits	$342,849,133	51.33%
322/594	Special Education	$89,049,997	13.33%
831/832/911/912	Debt Service	$41,933,214	6.28%
562	Charter Schools	$96,555,959	14.45%
513/515/516/519	Transportation	$34,367,464	5.15%
422/424/621/624/6			
28	Utilities	$9,501,296	1.42%
300	Purch. Prof. & Tech. Services	$8,761,207	1.31%
400	Purch. Prop. Services	$3,059,201	0.46%
500	Other Purch. Services	$13,662,095	2.04%
600	Supplies	$14,254,857	2.13%
700	Property	$6,578,836	0.98%
800	Other Objects	$4,423,211	0.66%
900	Other Finan. Uses	$590,400	0.09%
	Prior Year Encumbrances	$2,500,000	0.37%
	GRAND TOTAL	$668,086,570	100.00%

Major Object



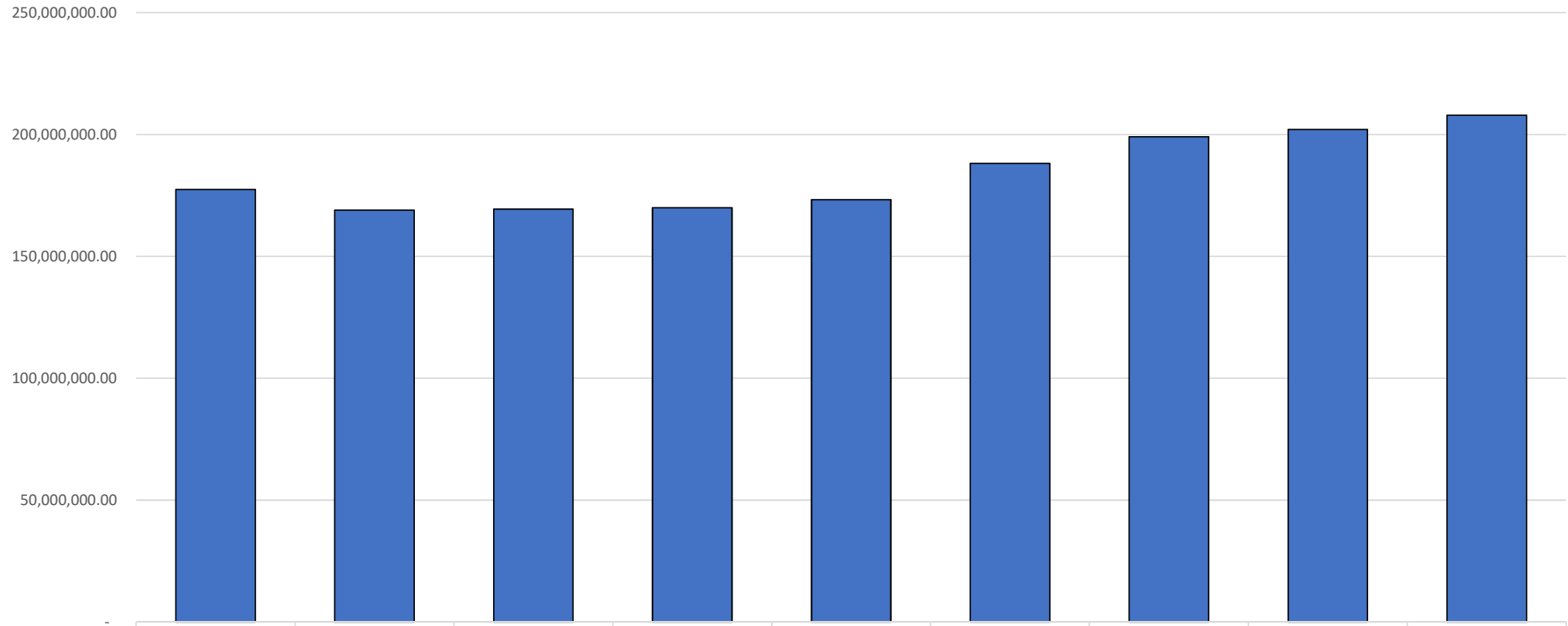
	Salaries	Benefits	Professional Services	Property Services	Other Purchased Services	Supplies	Property	Other Objects	Other Financing Uses
2019 Budget	201,597,087	131,603,831	95,858,095	5,433,272	136,011,588	22,793,143	6,740,309	18,365,074	31,639,808
2020 Budget	207,978,458	134,870,675	97,811,204	5,022,207	144,585,518	21,793,147	6,578,836	18,676,883	28,269,942

Service Expenditures by Object



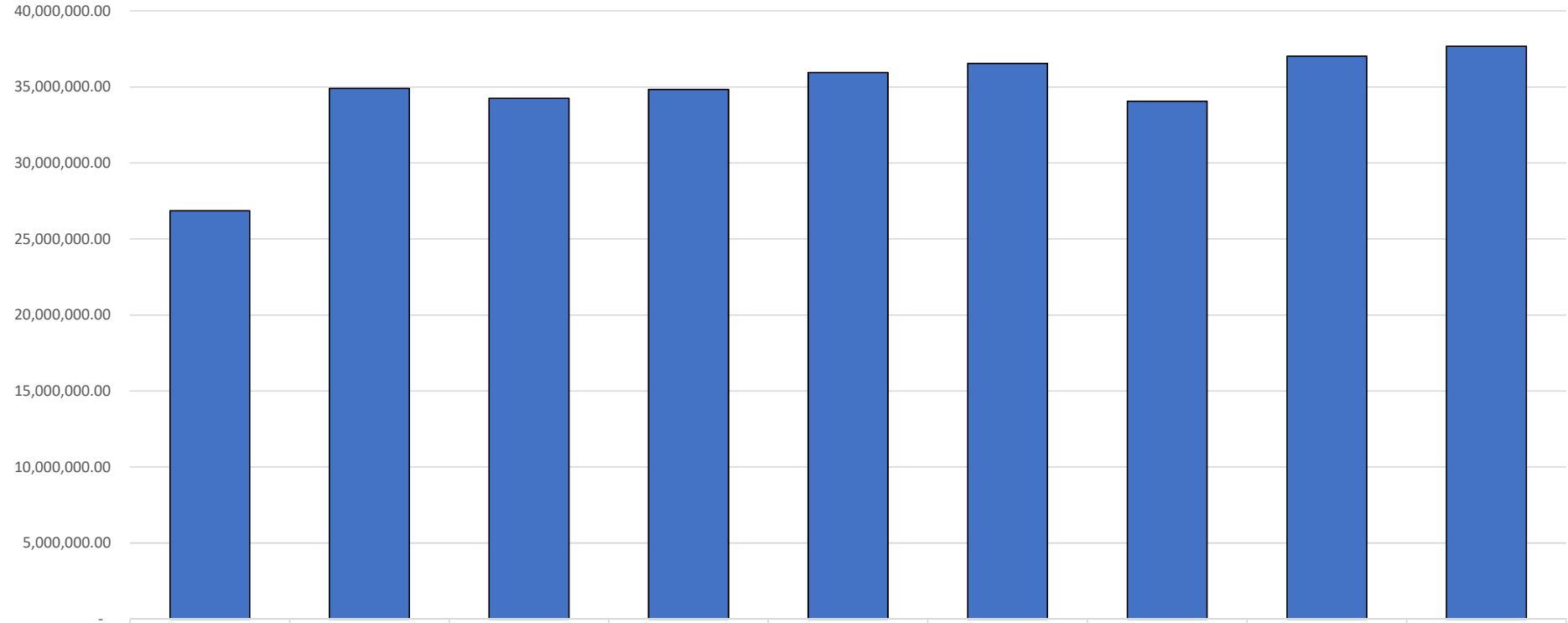
	Special Education	Other Professional Services	Transportation	Charter Schools	Tuition	Other Purchased Services
2019 Budget	86,590,428	9,267,667	34,221,649	87,999,242	9,494,500	4,296,197
2020 Budget	89,049,997	8,761,207	34,367,464	96,555,959	9,414,383	4,247,712

Salary Expenditures



	2012	2013	2014	2015	2016	2017	2018	2019 Projection	2020 Budget
Salaries	177,451,161.25	168,971,214.19	169,475,298.95	170,006,427.71	173,302,760.50	188,143,617.04	199,055,380.67	202,119,402.47	207,978,458.00

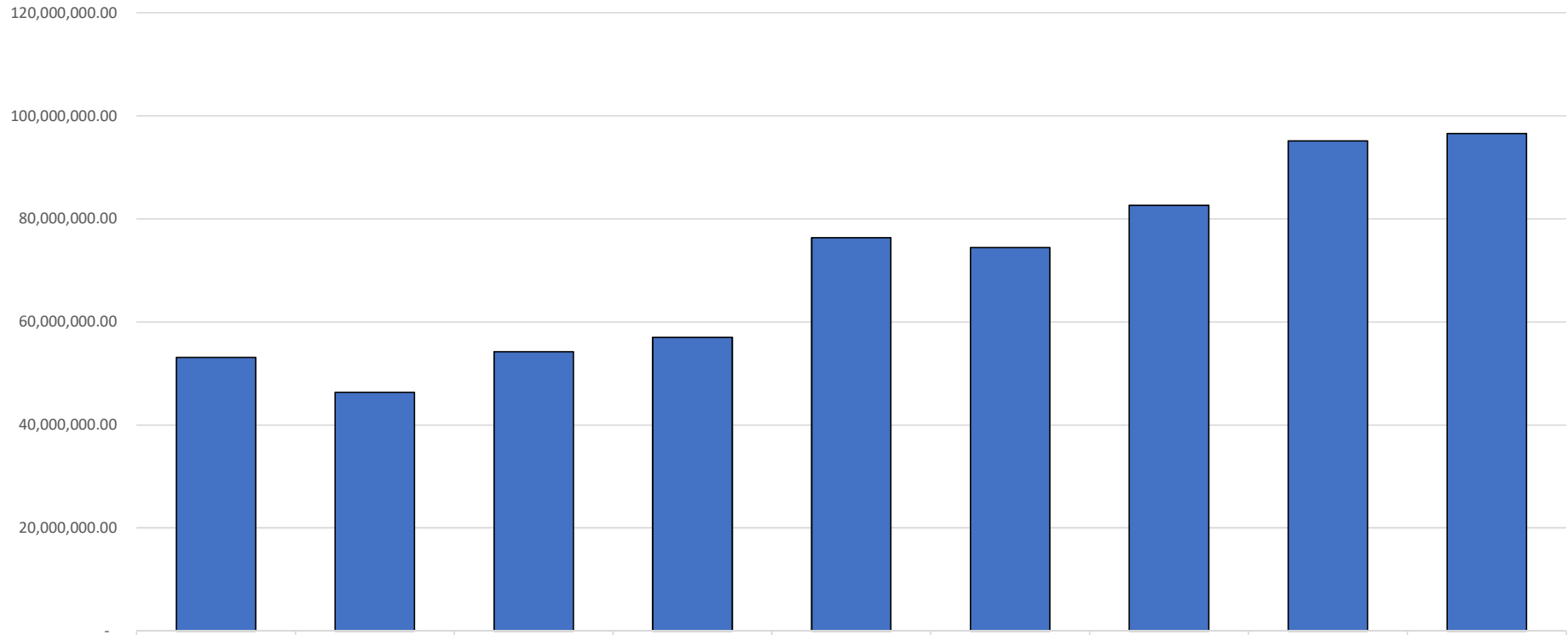
Medical Expenditures



	2012	2013	2014	2015	2016	2017	2018	2019 Projection	2020 Budget
Medical	26,855,043.51	34,912,361.37	34,252,512.20	34,845,336.37	35,949,812.71	36,550,434.20	34,068,878.43	37,024,487.18	37,676,118.00

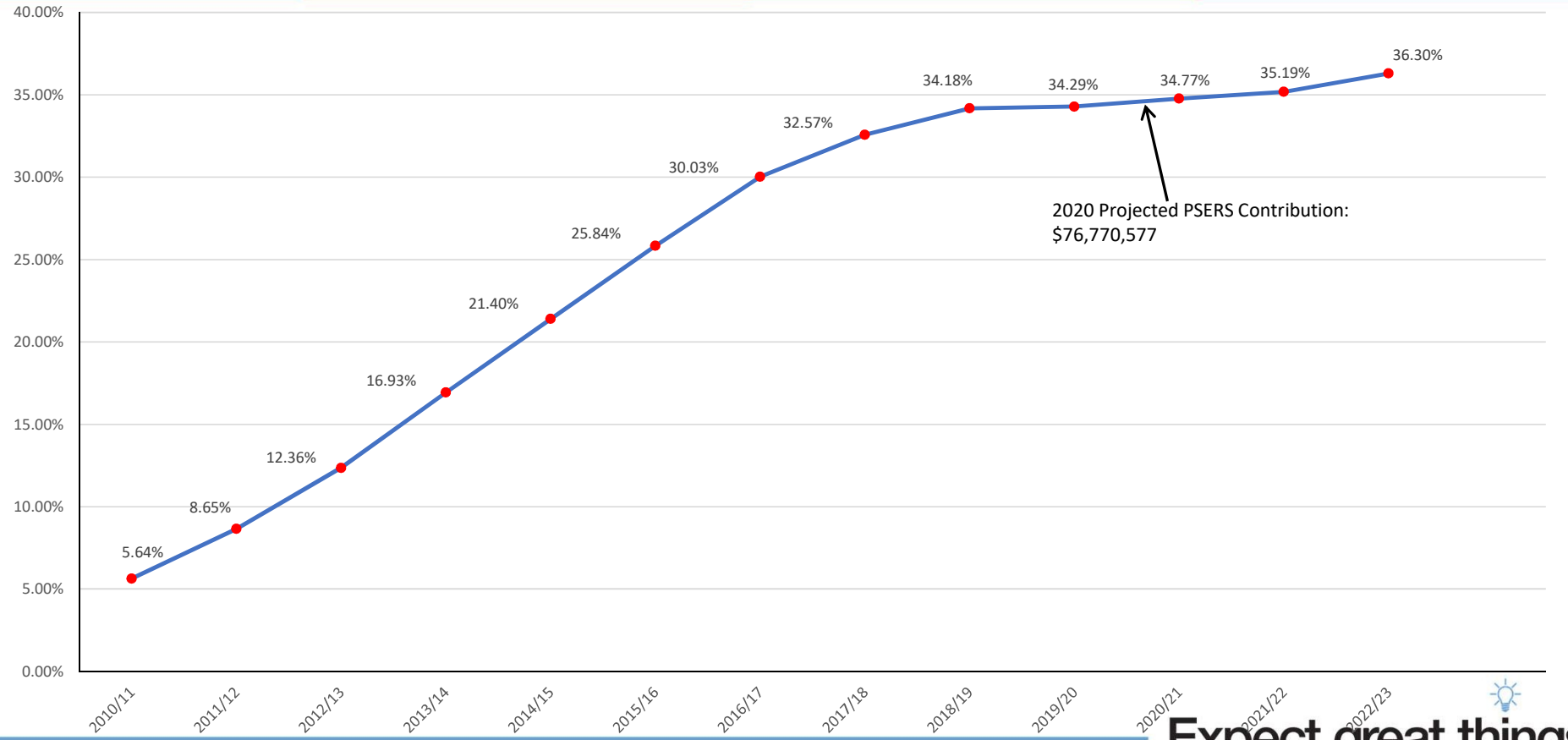
Expect great things.

Charter Expenditures

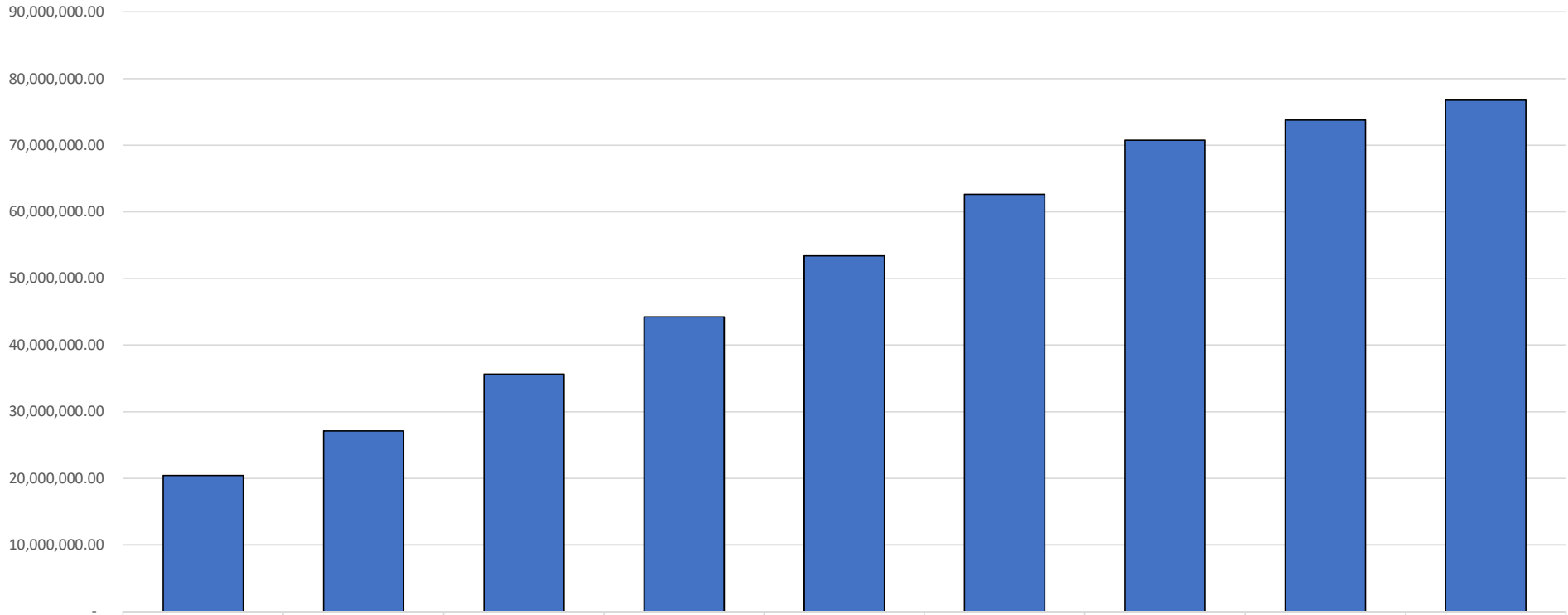


	2012	2013	2014	2015	2016	2017	2018	2019 Projection	2020 Budget
Charter Schools	53,103,108.85	46,305,840.45	54,243,617.50	57,031,902.39	76,356,101.59	74,417,858.64	82,647,966.55	95,129,023.94	96,555,959.00

Retirement Contributions (PSERS)

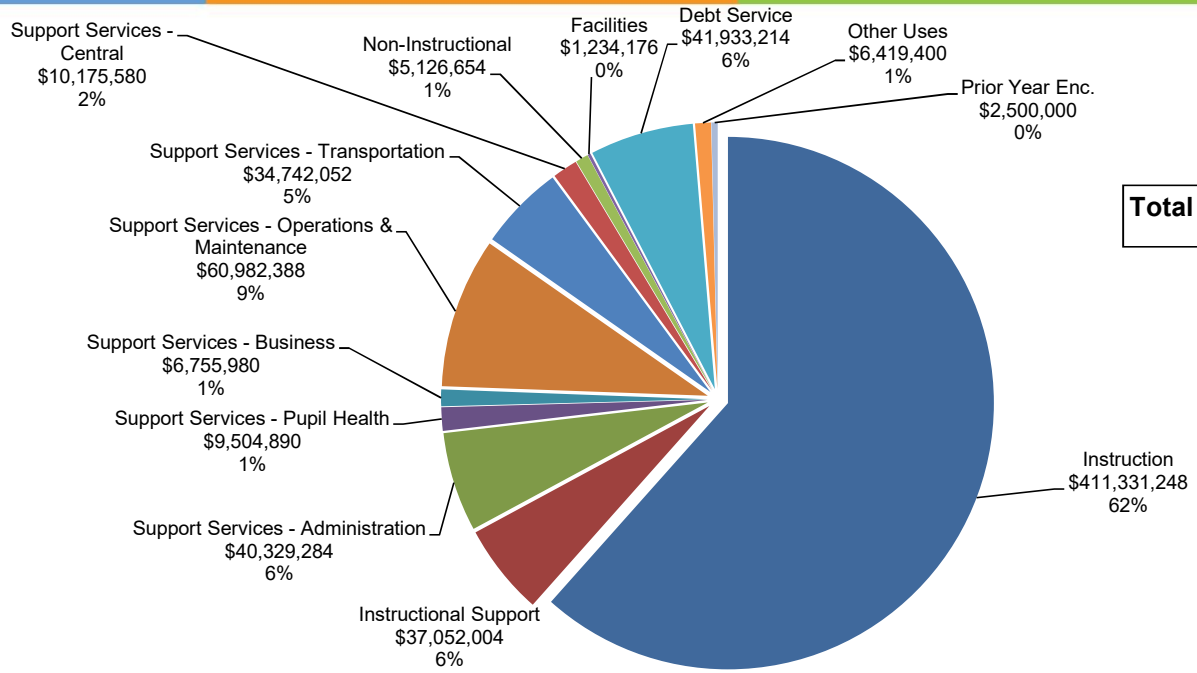


Retirement Contributions (PSERS)



	2012	2013	2014	2015	2016	2017	2018	2019 Projection	2020 Budget
PSERS	20,445,345.68	27,103,844.01	35,619,077.84	44,226,196.38	53,402,626.06	62,617,824.31	70,727,067.79	73,769,809.57	76,770,577.00

2020 Appropriations by Function

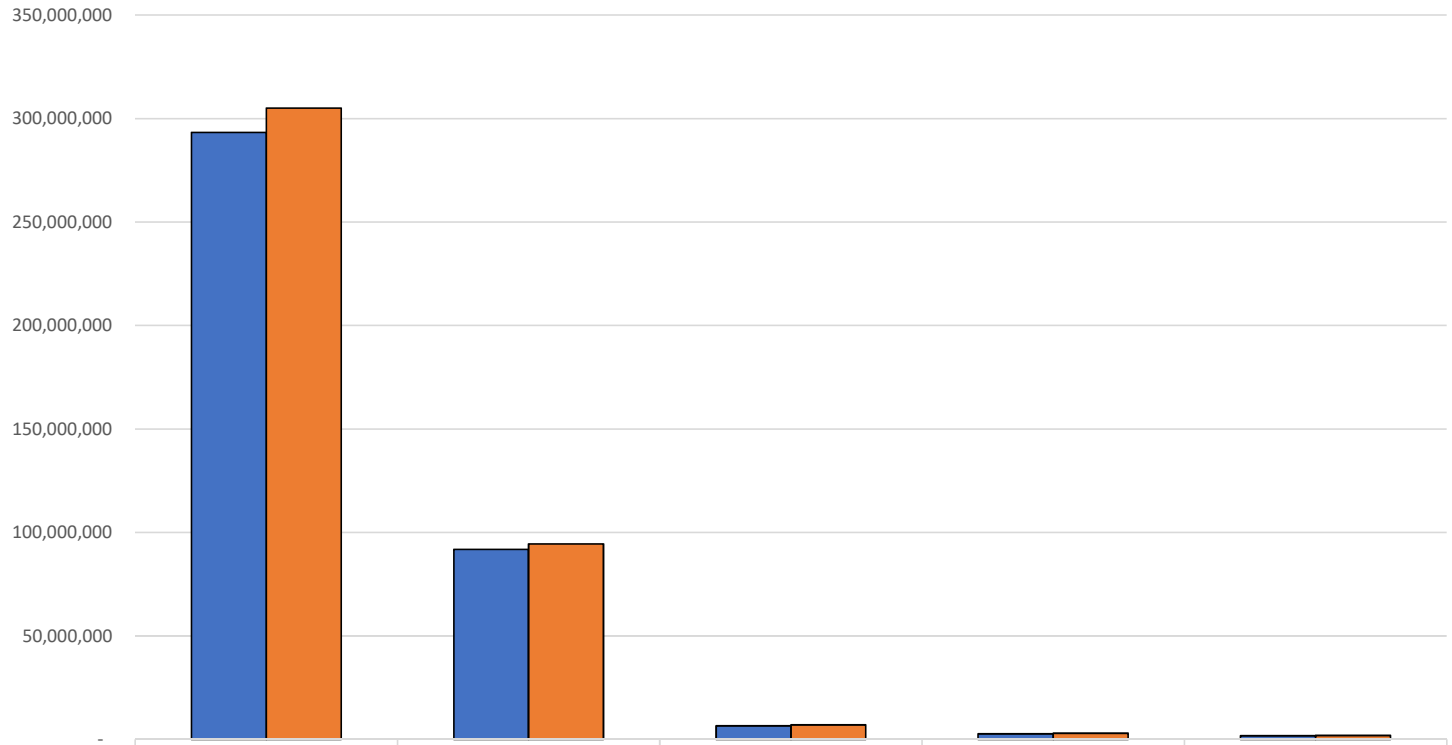


Total Appropriations $668,086,870

2020 Appropriations by Function

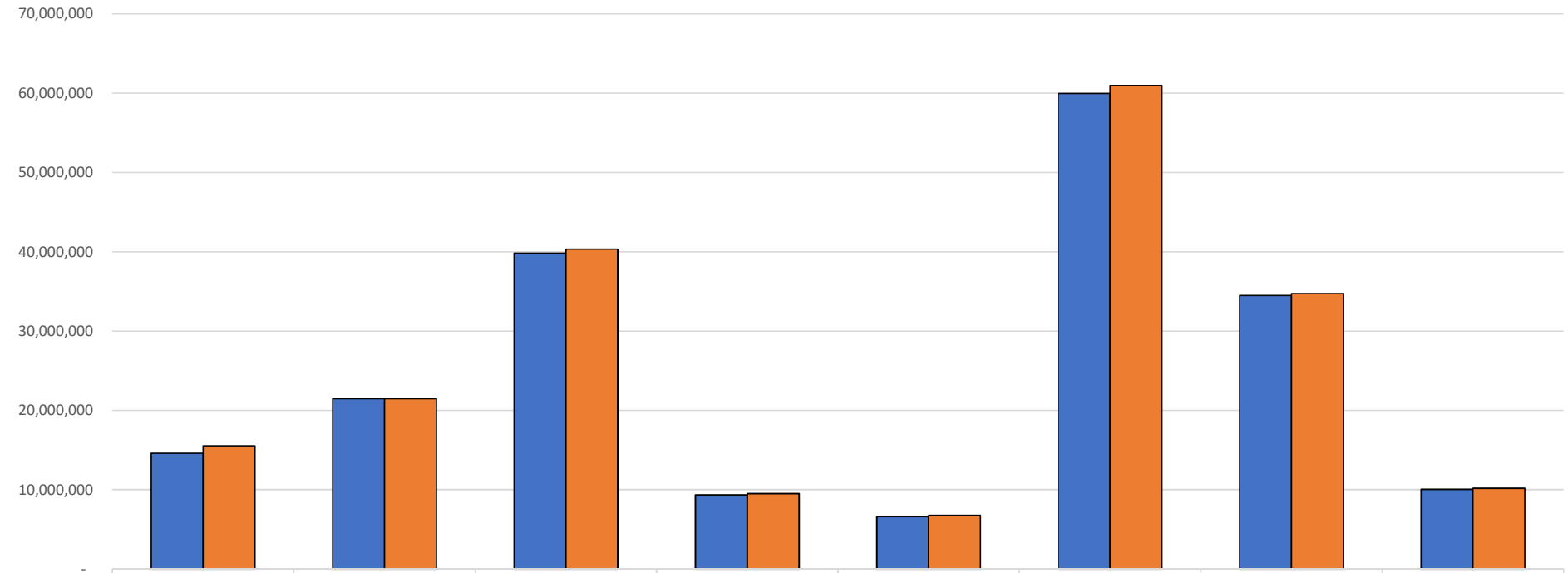
Major Function	FUNCTIONS	PROJECTED APPROPRIATIONS	PERCENT OF TOTAL
1000	Instruction	$411,331,248	61.57%
2100/2200	Instructional Support	$37,052,004	5.55%
2300	Support Services - Administration	$40,329,284	6.04%
2400	Support Services - Pupil Health	$9,504,890	1.42%
2500	Support Services - Business	$6,755,980	1.01%
2600	Support Services - Operations & Maintenance	$60,982,388	9.13%
2700	Support Services - Transportation	$34,742,052	5.20%
2800	Support Services - Central	$10,175,580	1.52%
3000	Non-Instructional	$5,126,654	0.77%
4000	Facilities	$1,234,176	0.18%
5100	Debt Service	$41,933,214	6.28%
5000 - 5900	Other Uses	$6,419,400	0.96%
	Prior Year Enc.	$2,500,000	0.37%
	TOTAL	$668,086,870	100.00%

Instructional Programs



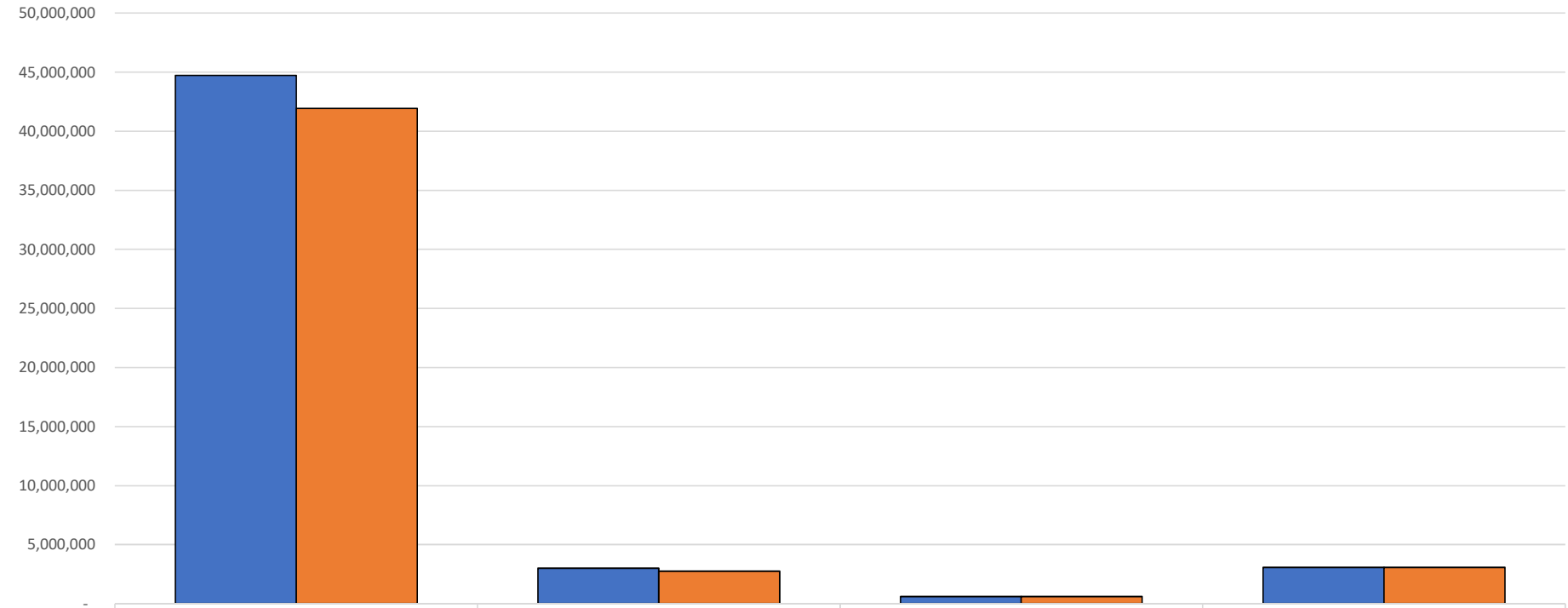
	Regular Education Programs	Special Education Programs	Vocational Education Programs	Other Instructional Programs	Pre-K Instructional Programs
2019 Budget	293,253,234	91,790,428	6,470,015	2,612,594	1,734,717
2020 Budget	305,128,467	94,532,370	6,873,298	2,942,396	1,854,717

Support Services



	Pupil Personnel	Instructional	Adminstration	Pupil Health	Business	Operations and Maintenance	Transportation Services	Central
2019 Budget	14,602,753	21,497,292	39,826,463	9,332,260	6,627,036	59,963,092	34,515,309	10,039,720
2020 Budget	15,560,813	21,491,191	40,329,284	9,504,890	6,755,980	60,982,388	34,742,052	10,175,580

Other Financing Uses



	Debt Service	Refund of Prior Year Revenues	Fund Transfers	Budgetary Reserve
2019 Budget	44,724,563	3,000,000	590,400	3,079,000
2020 Budget	41,933,214	2,750,000	590,400	3,079,000

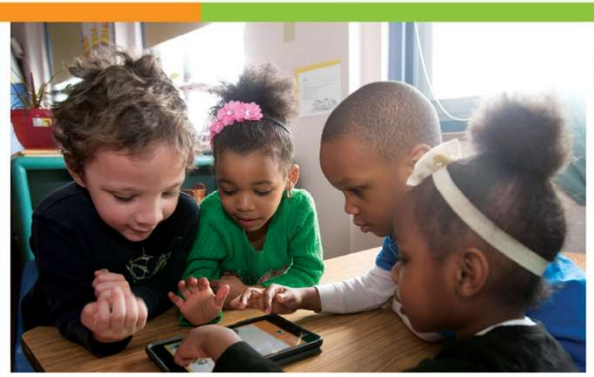
On-Going Investments

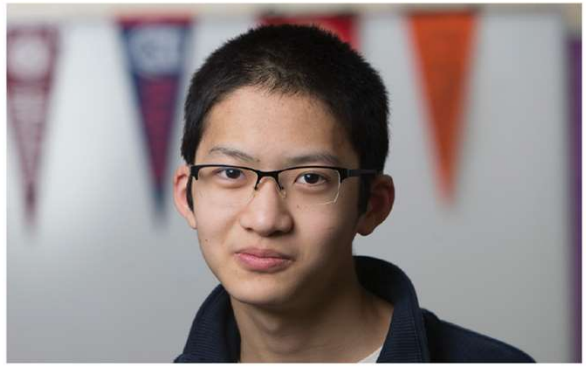
- **Academic Coaches**
- **Community Schools**
- **School Based Nursing Services**
- **Academic Supports**
  - **NWEA Map and academic interventions**
  - **Social Studies Curriculum**
- **Professional Learning for Educators**
- **Classroom Technology**
- **Summer Dreamers Academy**
- **Equity Student Advocates**

General Fund Budget Approval Timeline

- November 4, 2019 – Committee Meeting
- November 13, 2019 – 2020 Preliminary Budget Release
- November 26, 2019 – 2020 Final Budget Release
- December 2, 2019 - Budget Public Hearing
- December 6, 2019 – Public notice of intent to adopt budget
- December 11, 2019 – Agenda Review
- December 16, 2019 – Regular Public Hearing
- December 18, 2019 – Regular Legislative Meeting/2020 Budget Adoption

School Based Budgets

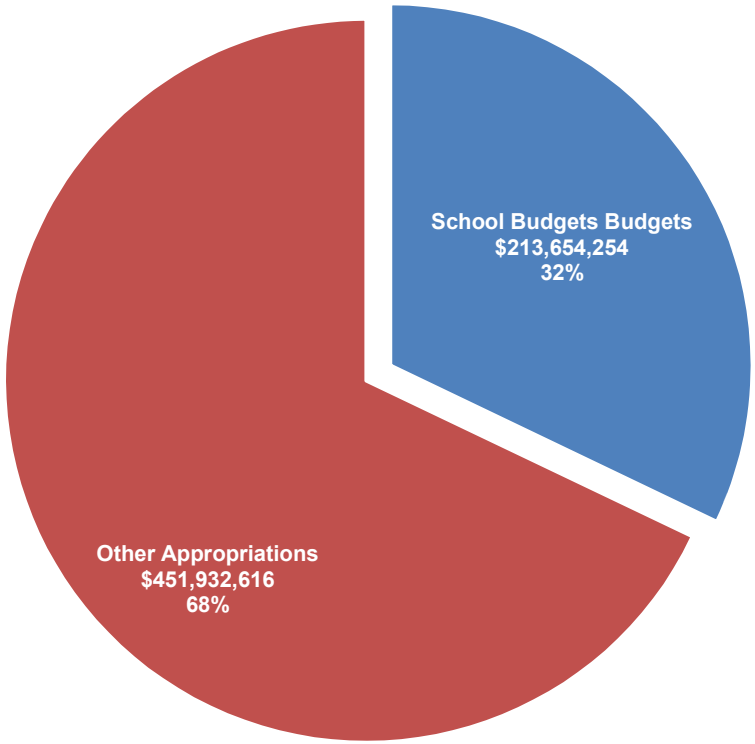




Expect great things.

Pittsburgh Public Schools

School Based Budgets



Expect great things.

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)
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.*

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.*

Service Delivery Model

Teacher Service Standards

Class Size Thresholds

Grades K-1: 25 Students

Grades 2-5: 27 Students

Grades 6-8: 29 Students

Grades 9-12: 30 Students

***Non-Staff Costs**: All schools must have a minimum of $100/ student in non-staff costs to budget*

Supplemental Funding Sources

All Site-Based Budget Schools

- Title I
- Administrative Time Study

Select Schools

- SIG
- CSI

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			22.50					

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	3,418,045
Overage/ (Shortage)	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**

2019 School-Based Budget Timeline

January 25, 2019 – Budgets Distributed to Schools

February 8, 2019 – Deadline for filing Budget Appeals and Enrollment Appeals

February 20, 2019 – Deadline for Budgets to be submitted to Budget and OSP

February 19 – March 5, 2019 – Budget Appeal Hearings Conducted

February 20 – February 28, 2019 – Budget Review Period for OSP and Budget Department

March 1, 2019 – All Budgets passed to Human Resources for staffing purposes

March 6, 2019 – Appeal Decisions finalized by Cabinet and Principal notified of decisions