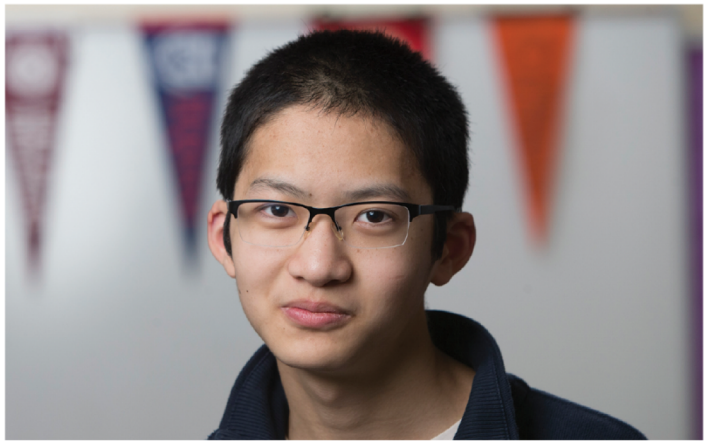
2019 Preliminary Budget









Expect great things.

Pittsburgh Public Schools

2019 Preliminary Budget

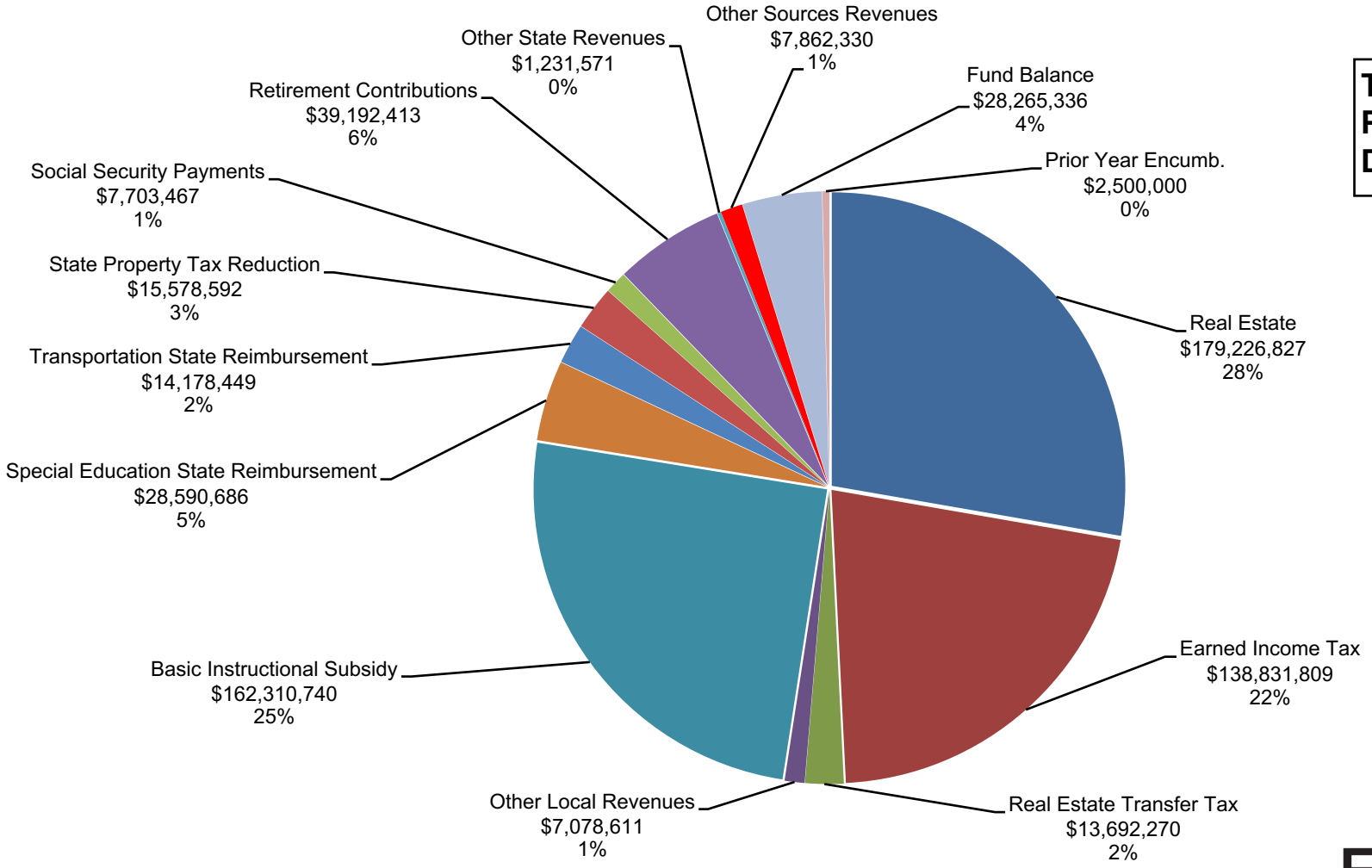
- **Expenditures for 2019 are budgeted at $643.7 million:**
  - **Represents a 3.0% increase from 2018 adopted budget**
  - **Includes an operating deficit of $28.3 million in 2019**
  - **2018 adopted budget had an operating deficit of $24.3 million**

- **Adheres to Board's minimum 5 percent fund balance policy for the General Fund through 2019 based on assumptions to date – required fund balance of $31.6 million**

- **2018 Projections indicate final expenditures of $630.8 million and an operating deficit of $24.7 million.**

- **The 2019 Budget as currently proposed does NOT include a tax increase.**

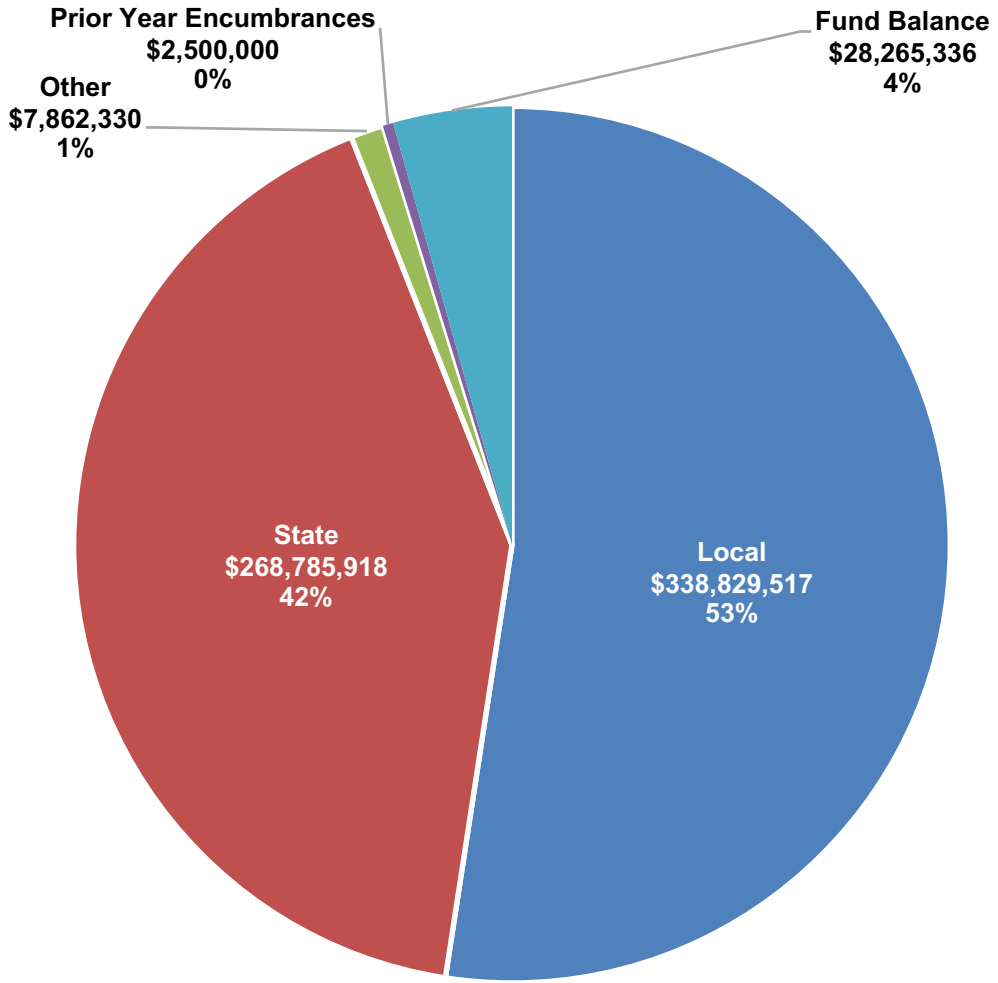
2019 Revenue



Total Revenue	**$646,243,101**
Prior Encumbrances	**$ 2,500,000**
Deficit	**$ 28,265,336**

Expect great things.

2019 Revenue



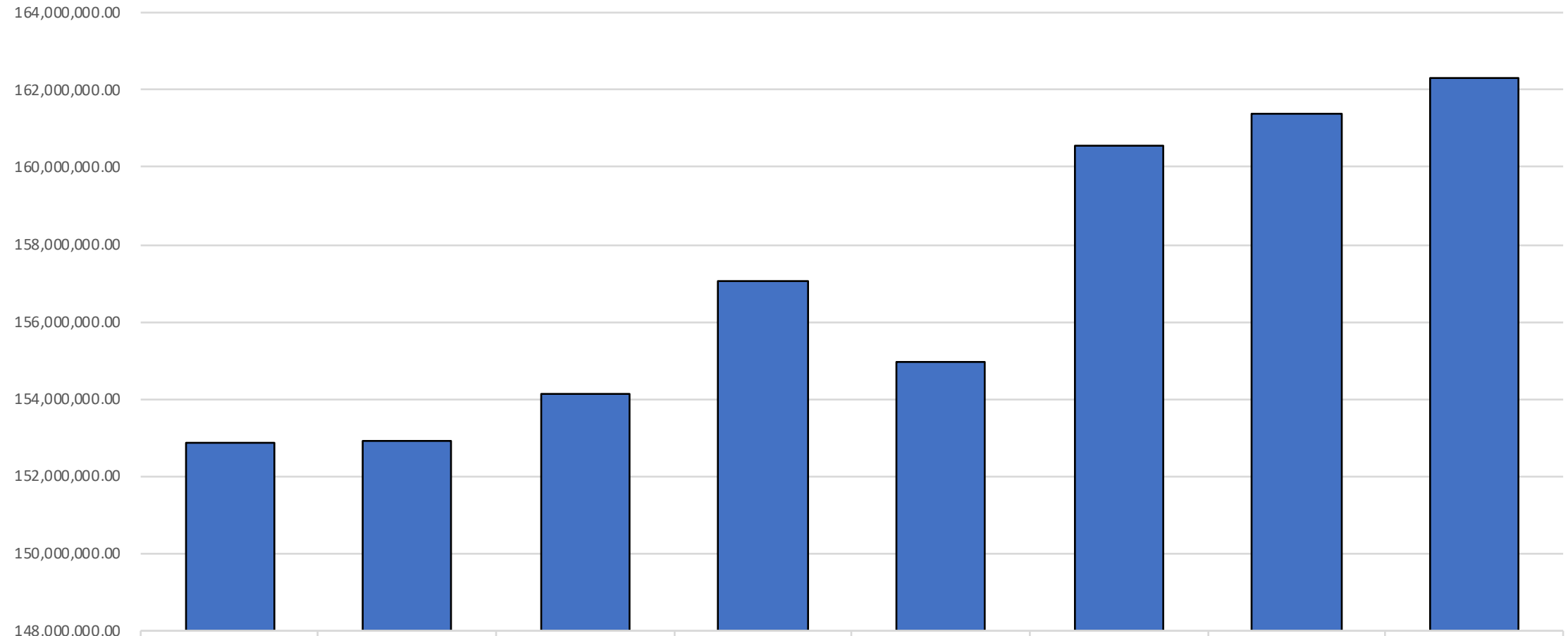
Expect great things.

2019 Revenue

LOCAL SOURCES	PROJECTED REVENUES		PERCENT OF TOTAL	
Real Estate	$179,226,827		27.73%	
Earned Income Tax	$138,831,809		21.48%	
Real Estate Transfer Tax	$13,692,270		2.12%	
Other Local Revenues	$7,078,611		1.10%	
Total - Local Sources		$338,829,517		52.43%
STATE SOURCES				
Basic Instructional Subsidy	$162,310,740		25.12%	
Special Education State Reimbursement	$28,590,686		4.42%	
Transportation State Reimbursement	$14,178,449		2.19%	
State Property Tax Reduction	$15,578,592		2.41%	
Social Security Payments	$7,703,467		1.19%	
Retirement Contributions	$39,192,413		6.06%	
Other State Revenues	$1,231,571		0.19%	
Total - State Sources		$268,785,918		41.58%
REVENUE FROM OTHER SOURCES	$7,862,330		1.22%	
		$7,862,330		1.22%
FROM FUND BALANCE	$28,265,336		4.38%	
		$28,265,336		4.38%
PRIOR YEAR ENCUMBRANCES	$2,500,000		0.39%	
		$2,500,000		0.39%
TOTAL		$646,243,101		100.00%

Expect great things.

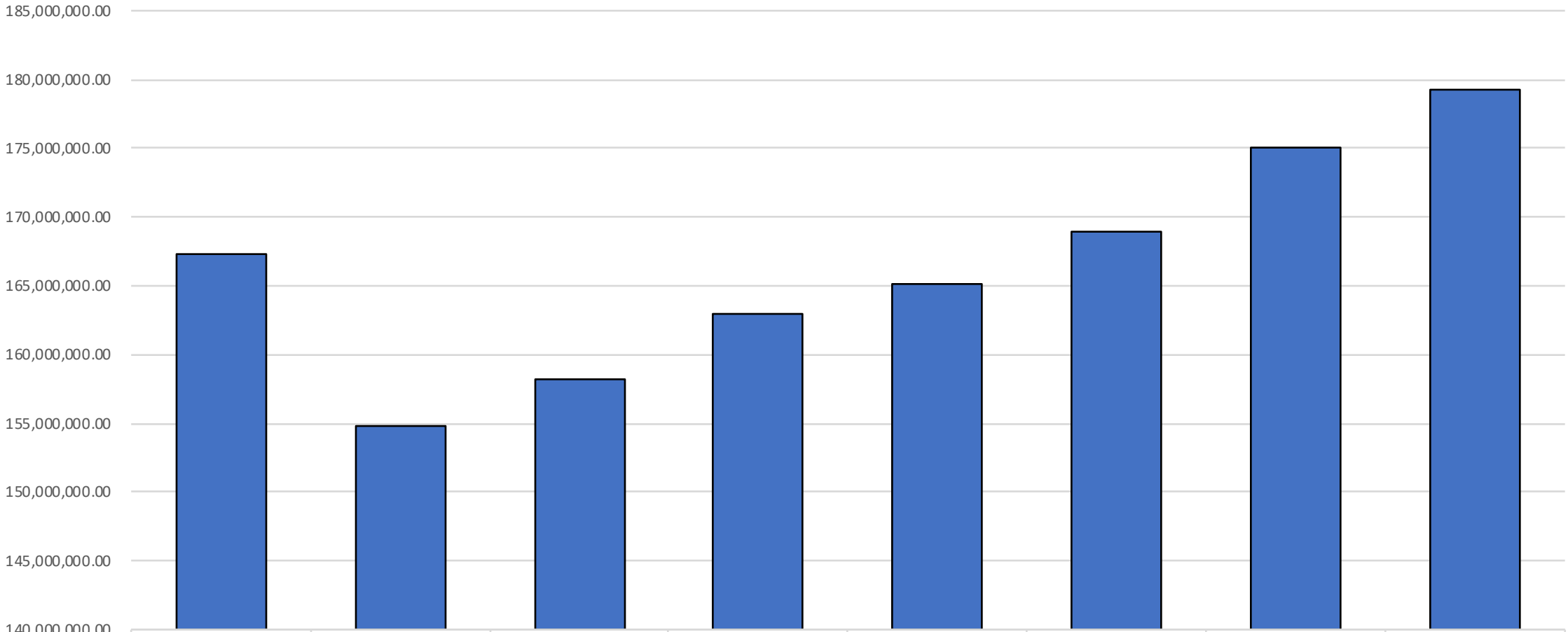
Basic Education Subsidy



	2012	2013	2014	2015	2016	2017	2018 Projection	2019 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	161,374,624.00	162,310,740.00

Expect great things.

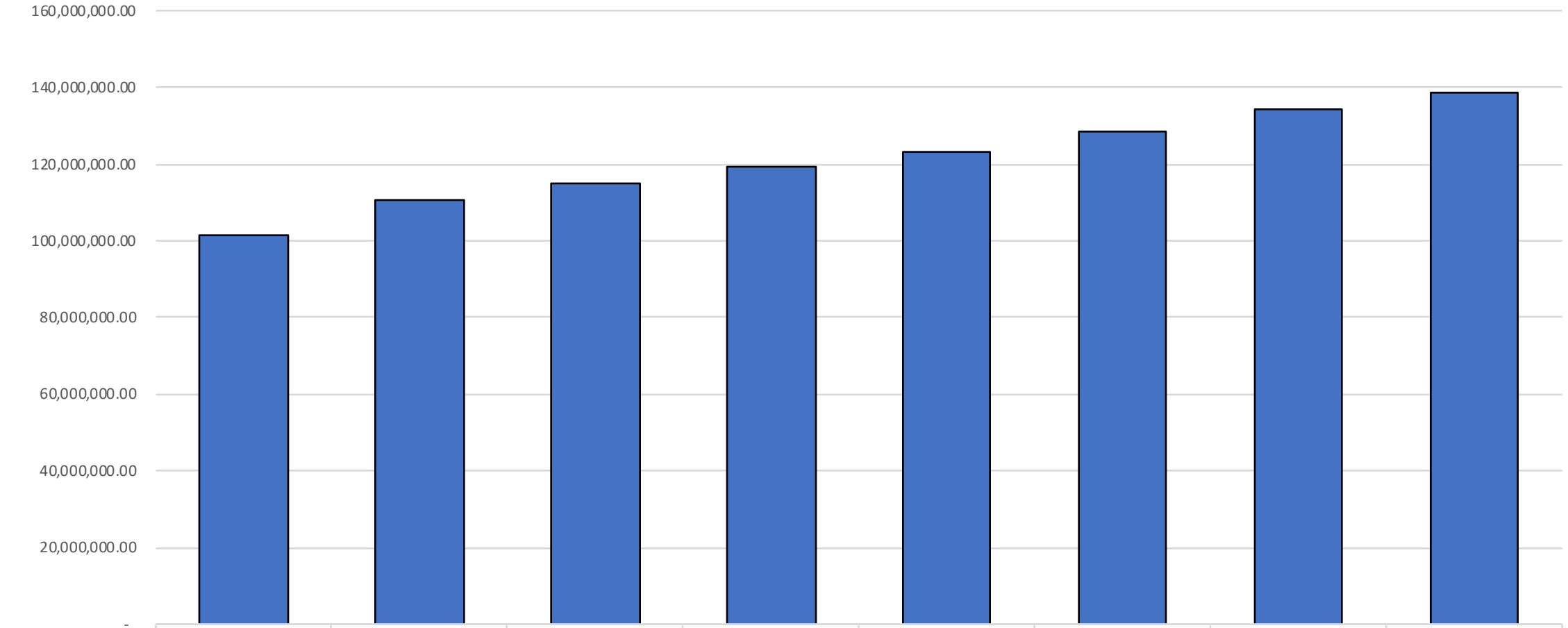
Real Estate Tax



	2012	2013	2014	2015	2016	2017	2018 Projection	2019 Budget
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	179,226,827.00

Expect great things.

Earned Income Tax



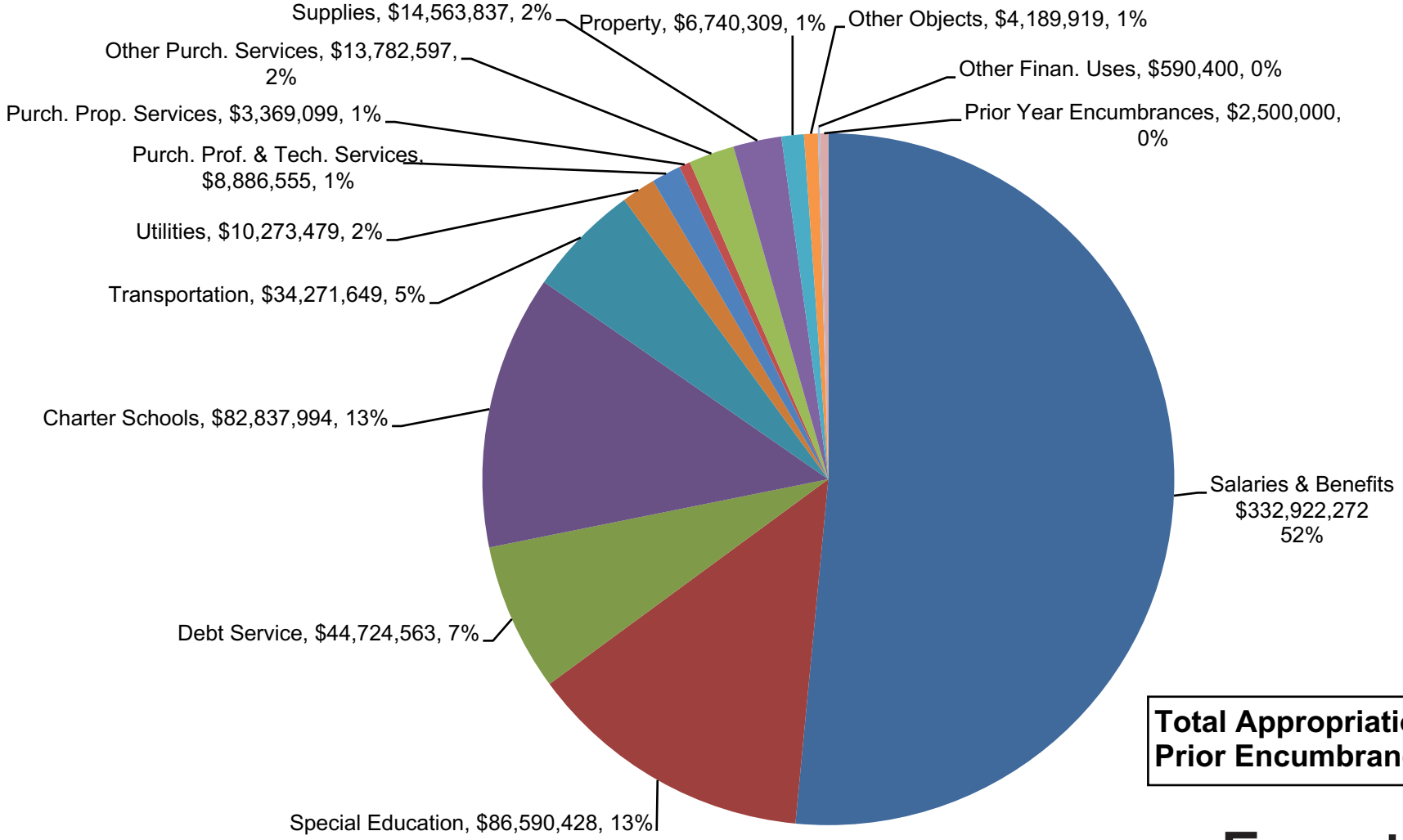
	2012	2013	2014	2015	2016	2017	2018 Projection	2019 Budget
Earned Income Tax	101,468,207.13	110,783,534.51	115,024,229.53	119,456,080.24	123,353,004.88	128,687,036.08	134,137,013.47	138,831,809.00

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)

2019 Appropriations by Major Object



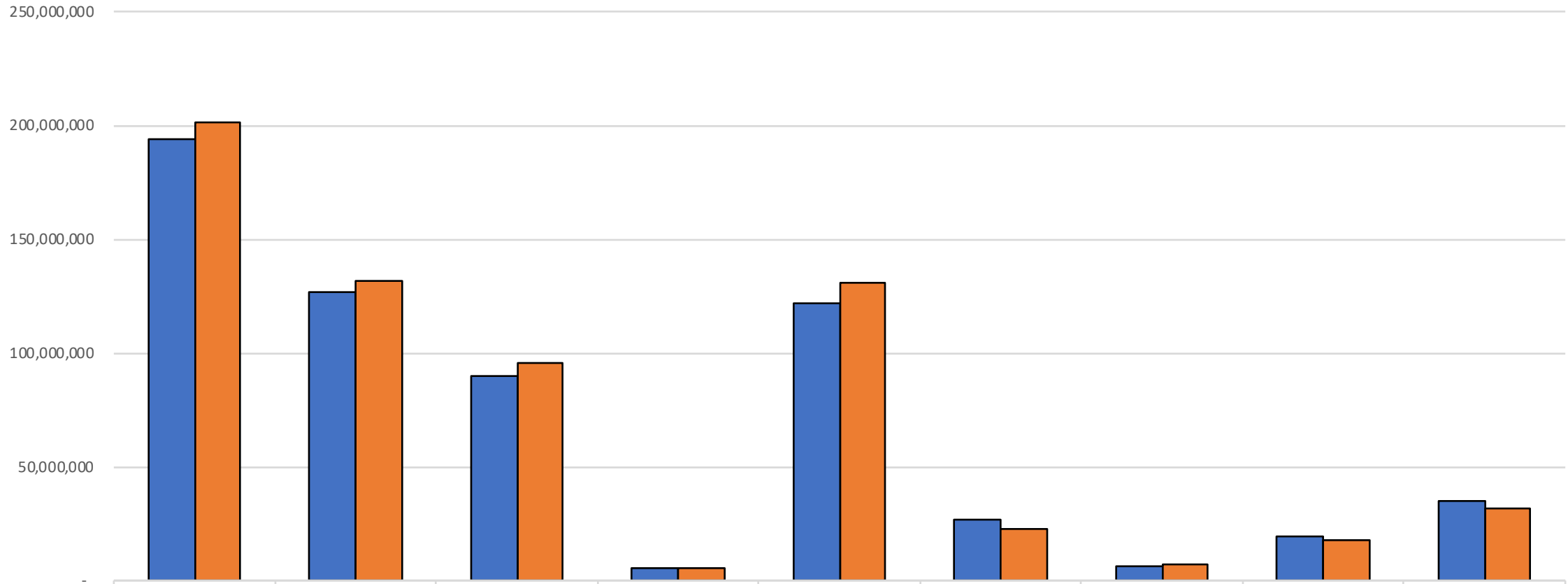
Total Appropriations	**$646,243,101**
Prior Encumbrances	**$ 2,500,000**

Expect great things.

2019 Appropriations by Major Object

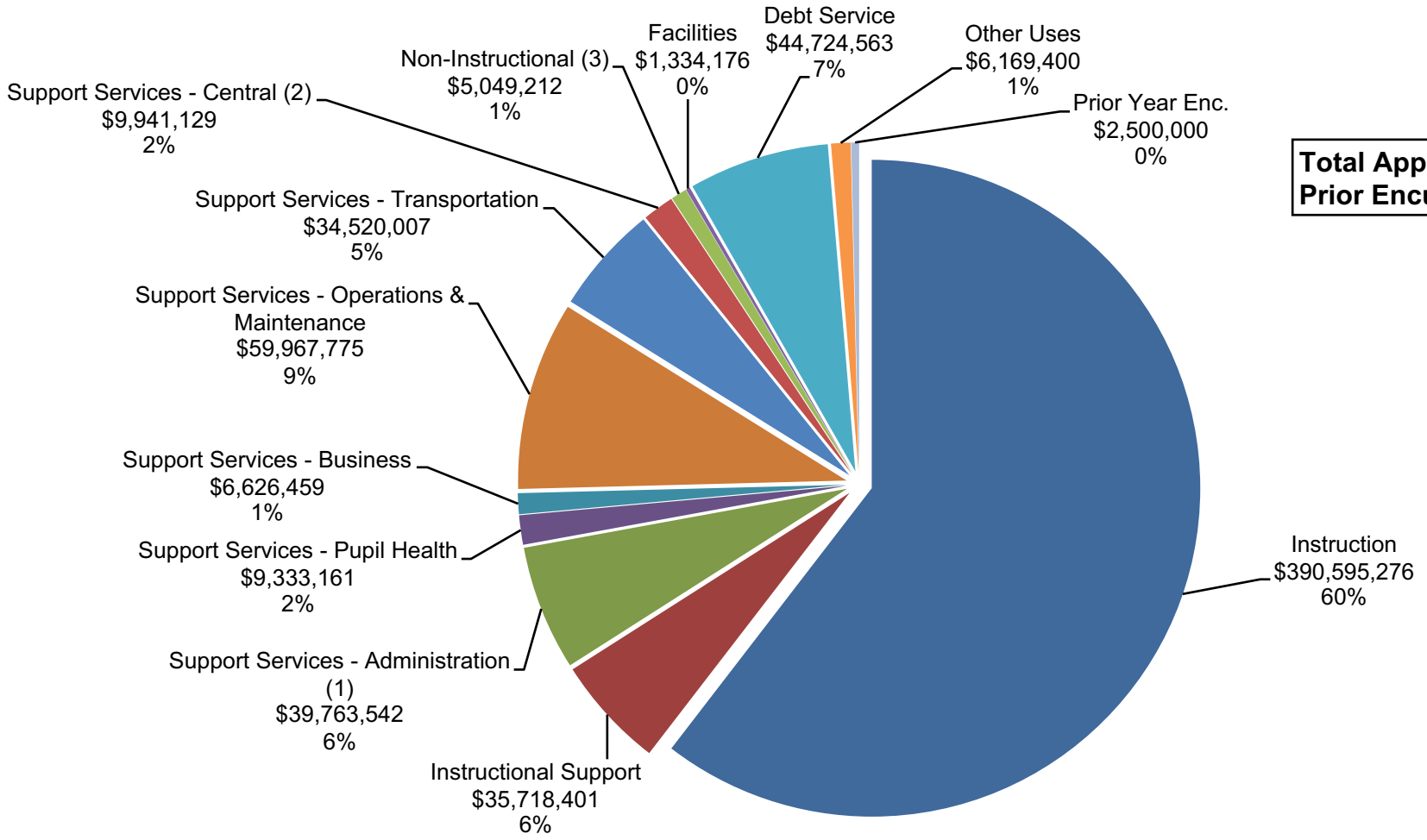
Major Object		PROJECTED APPROPRIATIONS	PERCENT OF TOTAL
100/200	Salaries & Benefits	$332,922,272	51.52%
322	Special Education	$86,590,428	13.40%
831/832/911/912	Debt Service	$44,724,563	6.92%
562	Charter Schools	$82,837,994	12.82%
513/515/516/519	Transportation	$34,271,649	5.30%
424/621/622/624/626/627/628	Utilities	$10,273,479	1.59%
300	Purch. Prof. & Tech. Services	$8,886,555	1.38%
400	Purch. Prop. Services	$3,369,099	0.52%
500	Other Purch. Services	$13,782,597	2.13%
600	Supplies	$14,563,837	2.25%
700	Property	$6,740,309	1.04%
800	Other Objects	$4,189,919	0.65%
900	Other Finan. Uses	$590,400	0.09%
	Prior Year Encumbrances	$2,500,000	0.39%
	GRAND TOTAL	$646,243,101	100.00%

Major Object



	Salaries	Benefits	Professional Services	Property Services	Other Purchased Services	Supplies	Property	Other Objects	Other Financing Uses
2018 Budget	193,814,851	126,974,492	89,895,755	5,343,741	121,987,436	26,450,540	6,438,102	19,184,387	34,999,743
2019 Budget	201,397,816	131,524,456	95,473,183	5,433,272	130,892,540	22,776,643	6,740,309	17,865,074	31,639,808

2019 Appropriations by Function



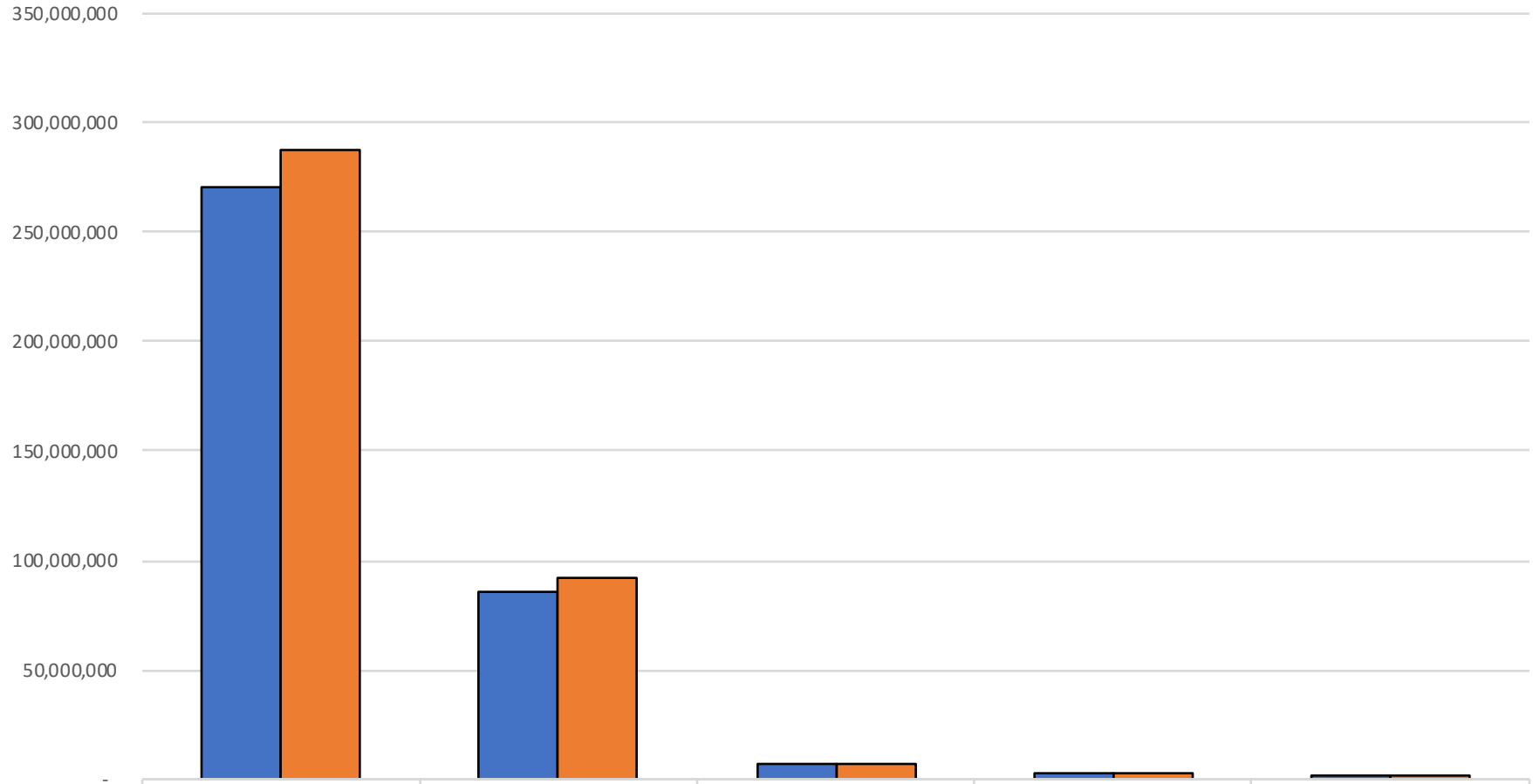
Total Appropriations	**$646,243,101**
Prior Encumbrances	**$ 2,500,000**

Expect great things.

2019 Appropriations by Function

FUNCTIONS	PROJECTED APPROPRIATIONS	PERCENT OF TOTAL
Instruction	$390,595,276	60.44%
Instructional Support	$35,718,401	5.53%
Support Services - Administration	$39,763,542	6.15%
Support Services - Pupil Health	$9,333,161	1.44%
Support Services - Business	$6,626,459	1.03%
Support Services - Operations & Maintenance	$59,967,775	9.28%
Support Services - Transportation	$34,520,007	5.34%
Support Services - Central	$9,941,129	1.54%
Non-Instructional	$5,049,212	0.78%
Facilities	$1,334,176	0.21%
Debt Service	$44,724,563	6.92%
Other Uses	$6,169,400	0.95%
Prior Year Enc.	$2,500,000	0.39%
TOTAL	$646,243,101	100.00%

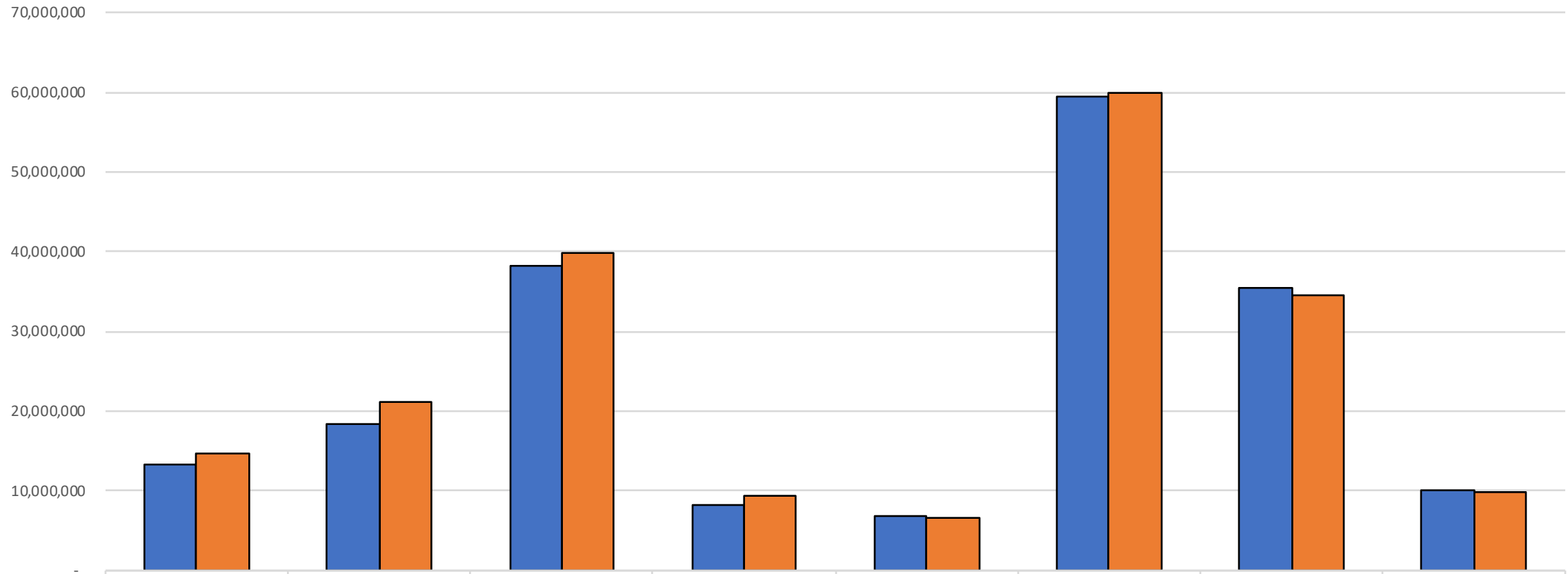
Instructional Programs



	Regular Education Programs	Special Education Programs	Vocational Education Programs	Other Instructional Programs	Pre-K Instructional Programs
2018 Budget	271,030,626	85,792,758	6,679,639	2,930,417	1,500,000
2019 Budget	288,014,837	91,790,428	6,470,664	2,584,630	1,734,717

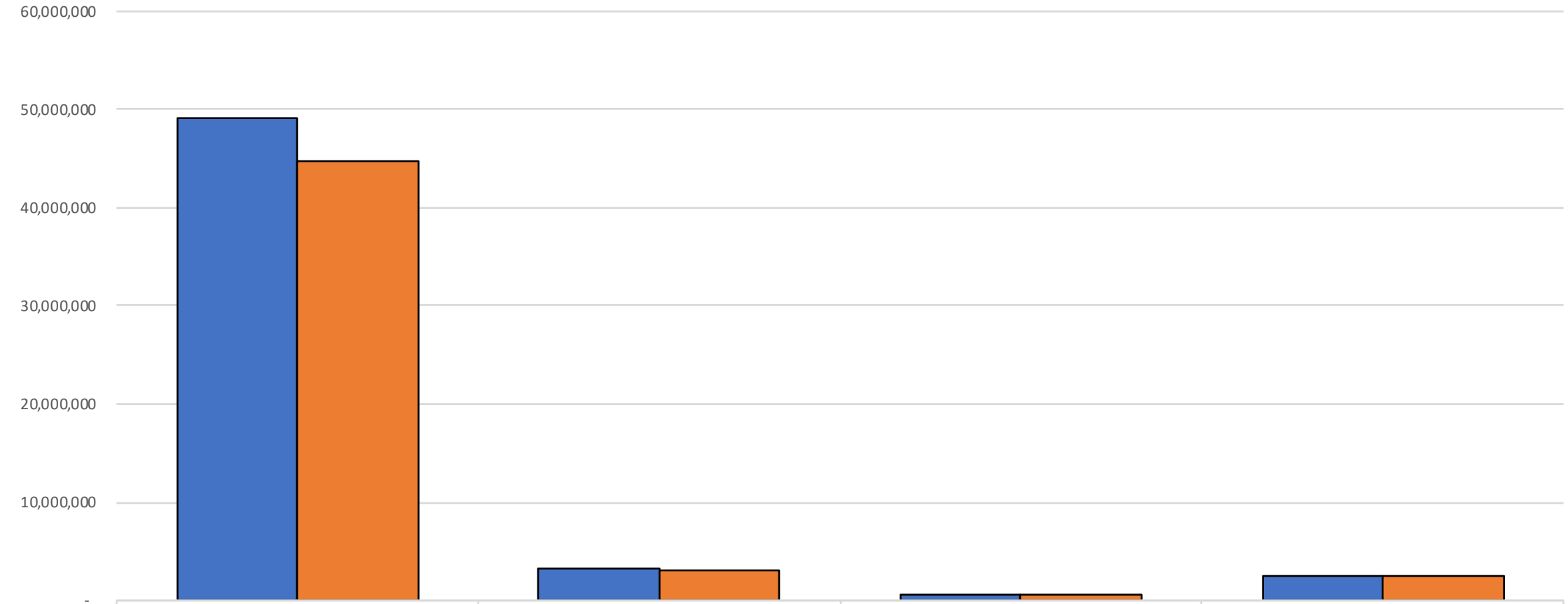
Expect great things.

Support Services



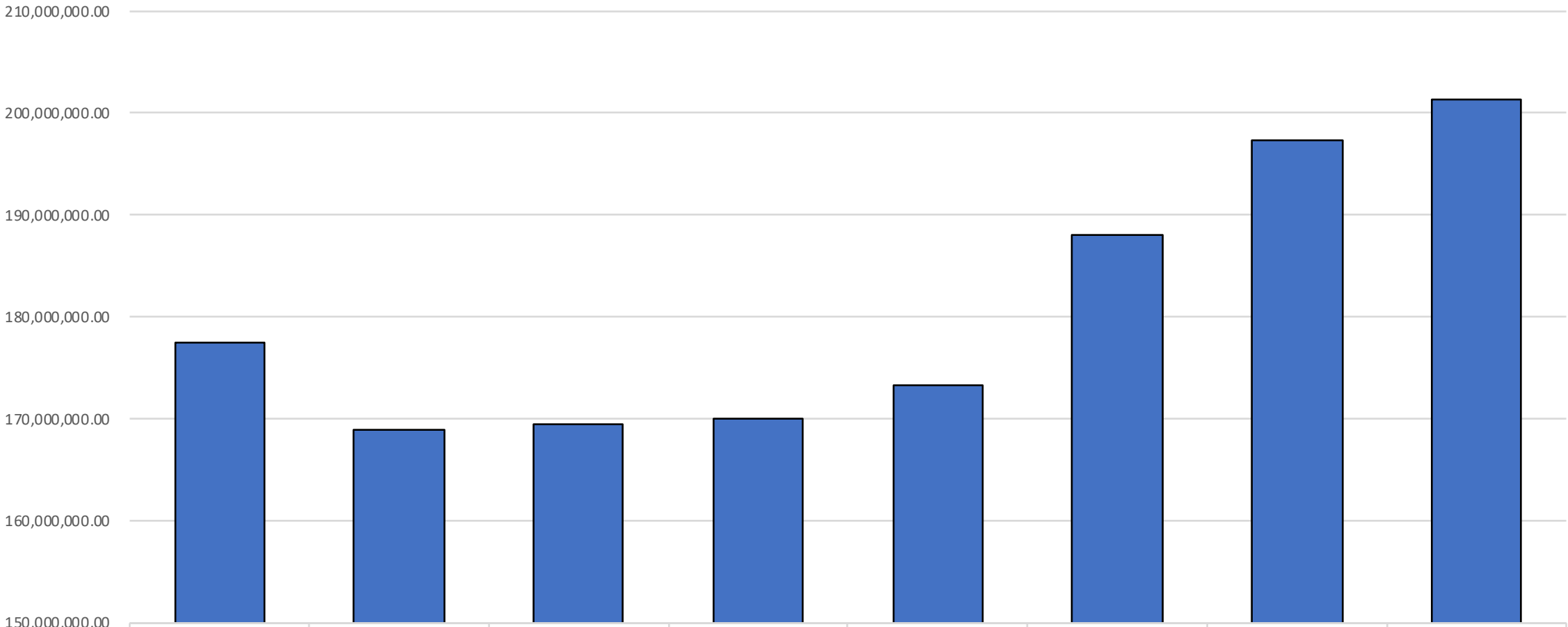
	Pupil Personnel	Instructional	Adminstration	Pupil Health	Business	Operations and Maintenance	Transportation Services	Central
2018 Budget	13,414,146	18,422,655	38,287,001	8,126,345	6,801,276	59,540,401	35,358,449	10,123,043
2019 Budget	14,594,904	21,123,497	39,763,542	9,333,161	6,626,459	59,967,775	34,520,007	9,941,129

Other Financing Uses



	Debt Service	Refund of Prior Year Revenues	Fund Transfers	Budgetary Reserve
2018 Budget	49,220,692	3,200,000	590,400	2,579,000
2019 Budget	44,724,563	3,000,000	590,400	2,579,000

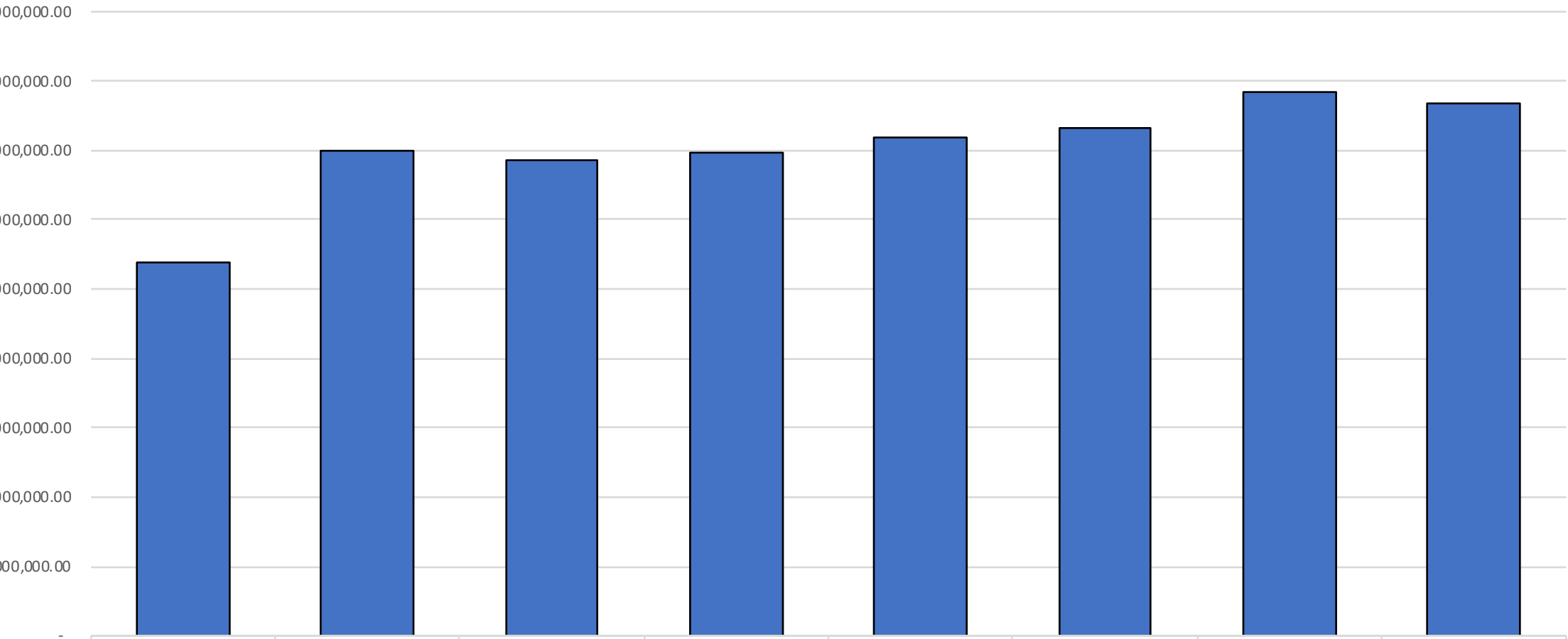
Salary Expenditures



	2012	2013	2014	2015	2016	2017	2018 Projection	2019 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	197,420,120.11	201,397,816.00

Expect great things.

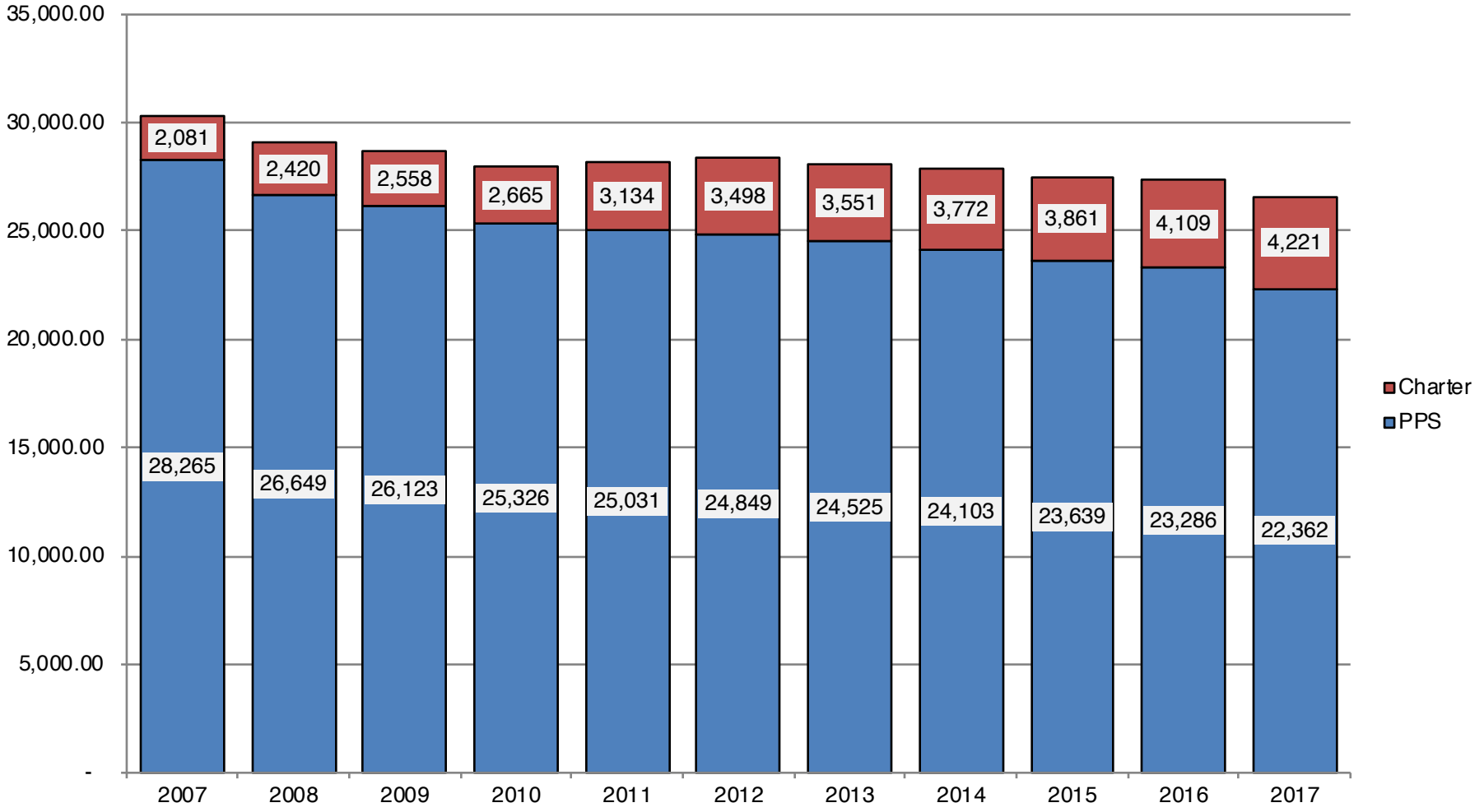
Medical Expenditures



	2012	2013	2014	2015	2016	2017	2018 Projection	2019 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	39,155,975.33	38,372,856.00

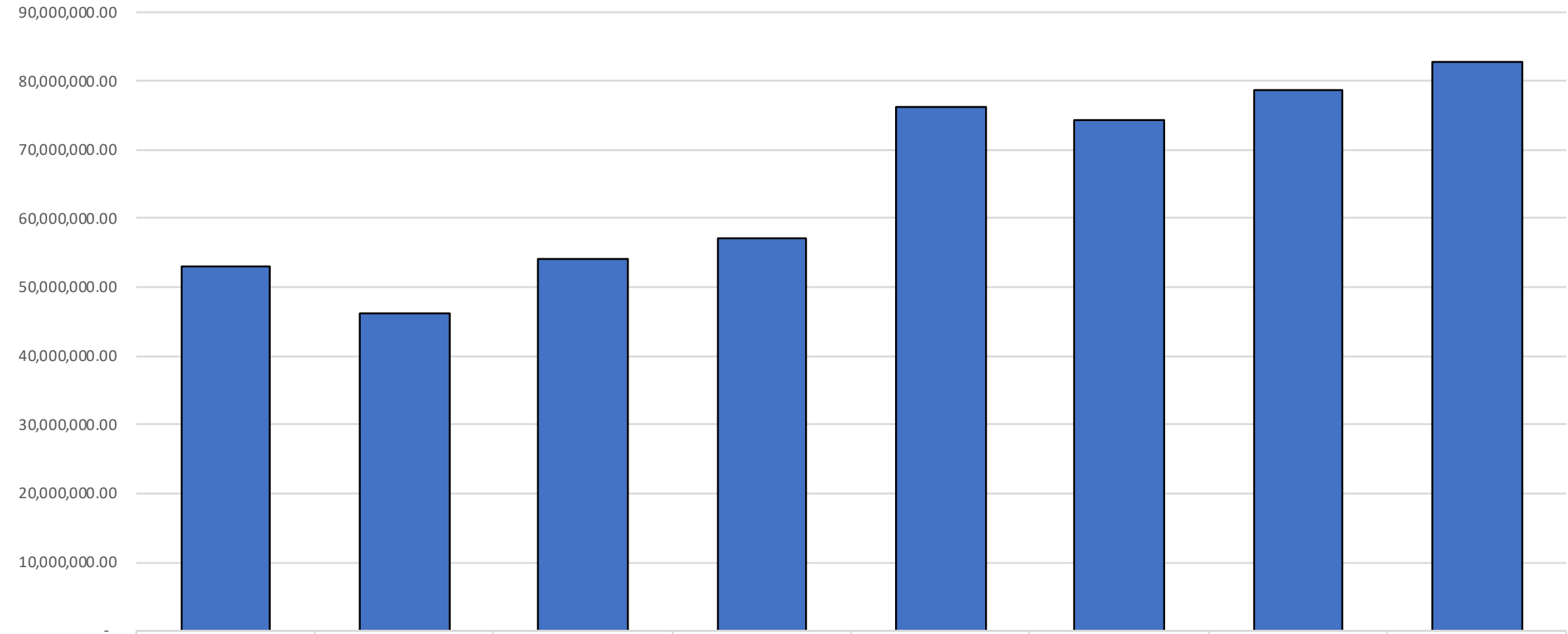
Expect great things.

Charter Enrollment



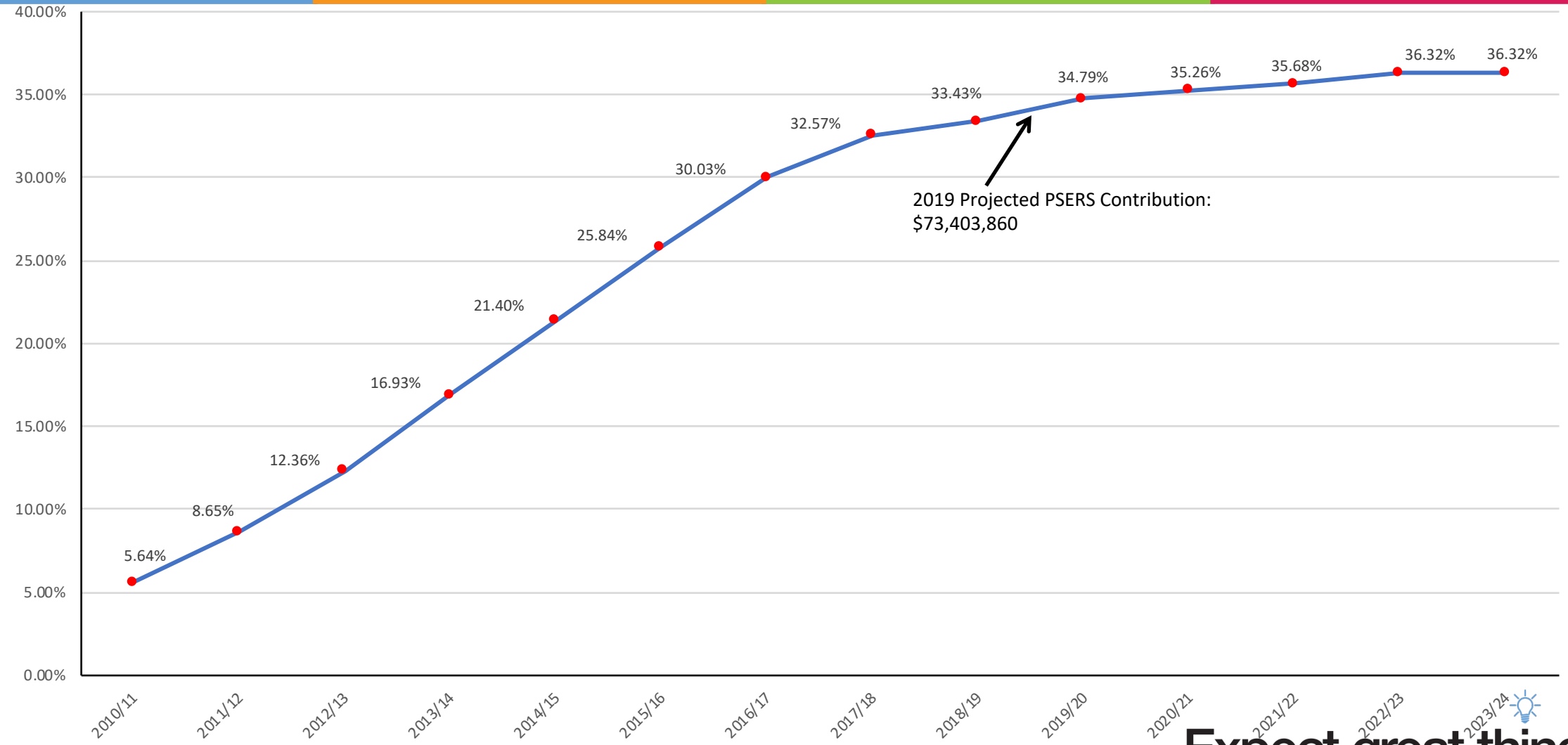
Expect great things.

Charter Expenditures



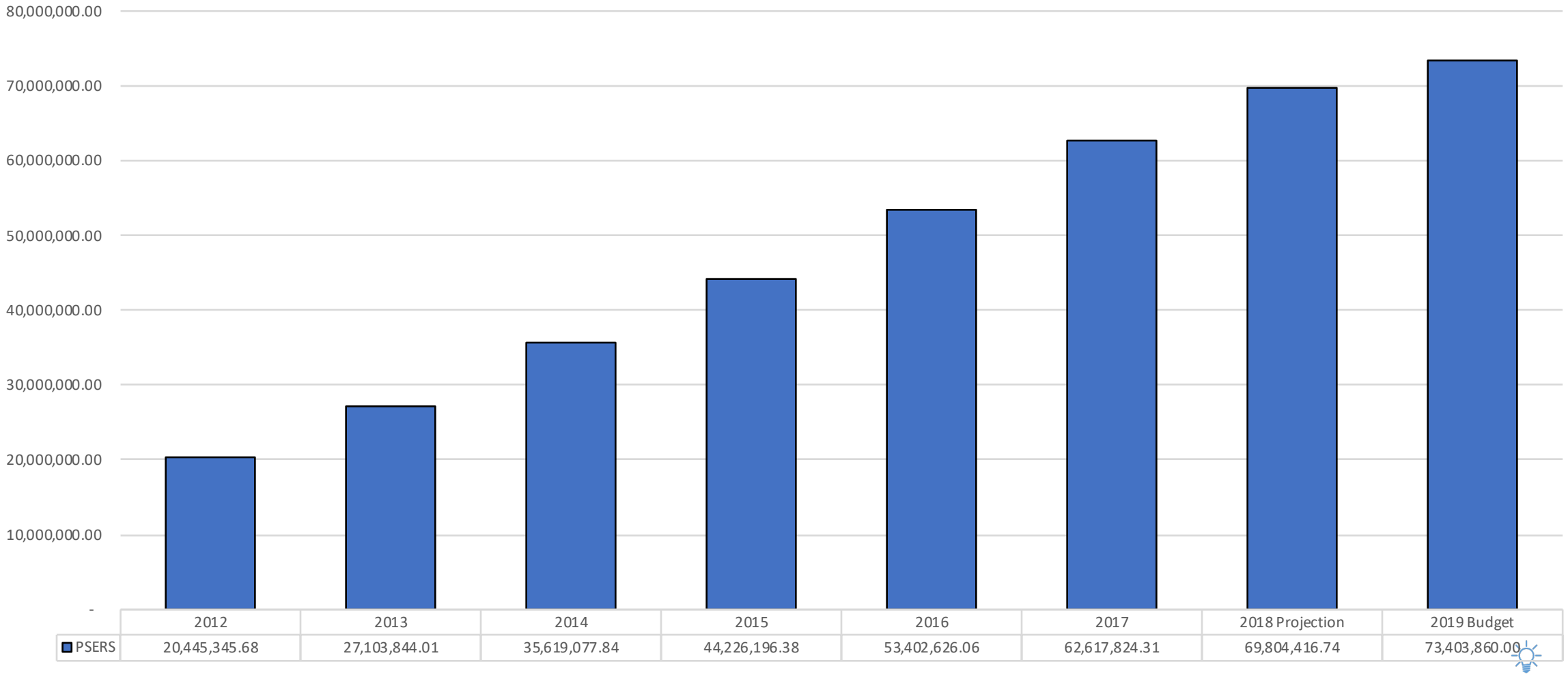
	2012	2013	2014	2015	2016	2017	2018 Projection	2019 Budget
Charter Schools	53,103,108.85	46,305,840.45	54,243,617.50	57,031,902.39	76,356,101.59	74,417,858.64	78,653,739.00	82,837,994.00

Retirement Contributions (PSERS)



Expect great things.

Retirement Contributions (PSERS)



	2012	2013	2014	2015	2016	2017	2018 Projection	2019 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	69,804,416.74	73,403,860.00

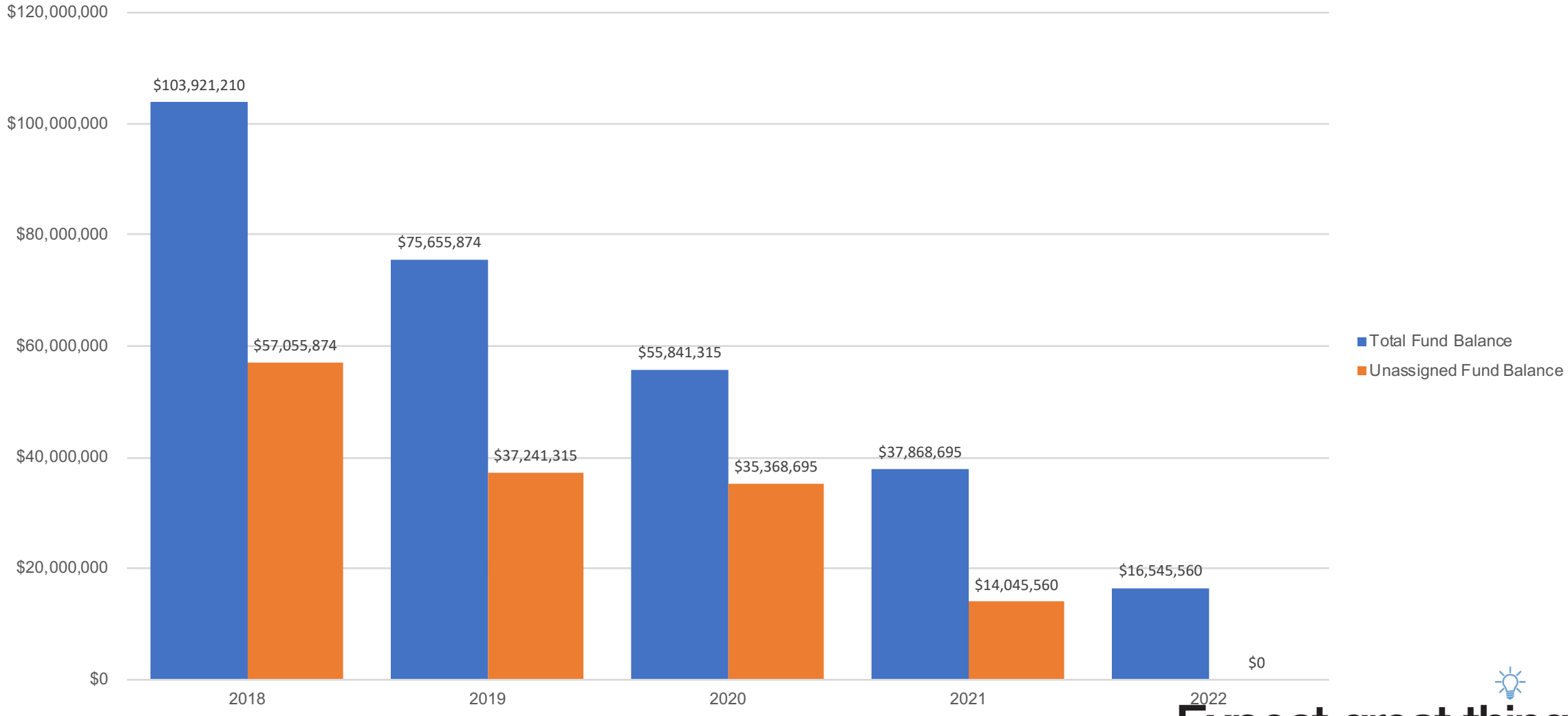
Expect great things.

Updated 3-Year Forecast

	2018 est.	2019 est.	2020 est.	2021 est.	2022 est.
Revenue (Millions) (a)	$606.03	$615.48	$629.02	$641.03	$652.83
Operating Expenditures (b)	$630.78	$643.74	$648.84	$659.00	$674.15
Operating Surplus/ (Deficit)	($24.75)	($28.27)	($19.81)	($17.97)	($21.32)
Beginning Fund Balance	$128.67	$103.92	$75.66	$55.84	$37.87
Budgeted Year-end Fund Balance	$103.92	$75.66	$55.84	$37.87	$16.55
Fund Balance Compliance	Yes	Yes	Yes	Yes	No
Minimum Fund Balance per Board Policy #721 (c)	$31.54	$32.19	$32.44	$32.95	$33.71
Funds required to comply with Fund Balance Policy (d) - Overage/ (Shortage)	**$72.38**	**$43.47**	**$23.40**	**$4.92**	**($17.16)**

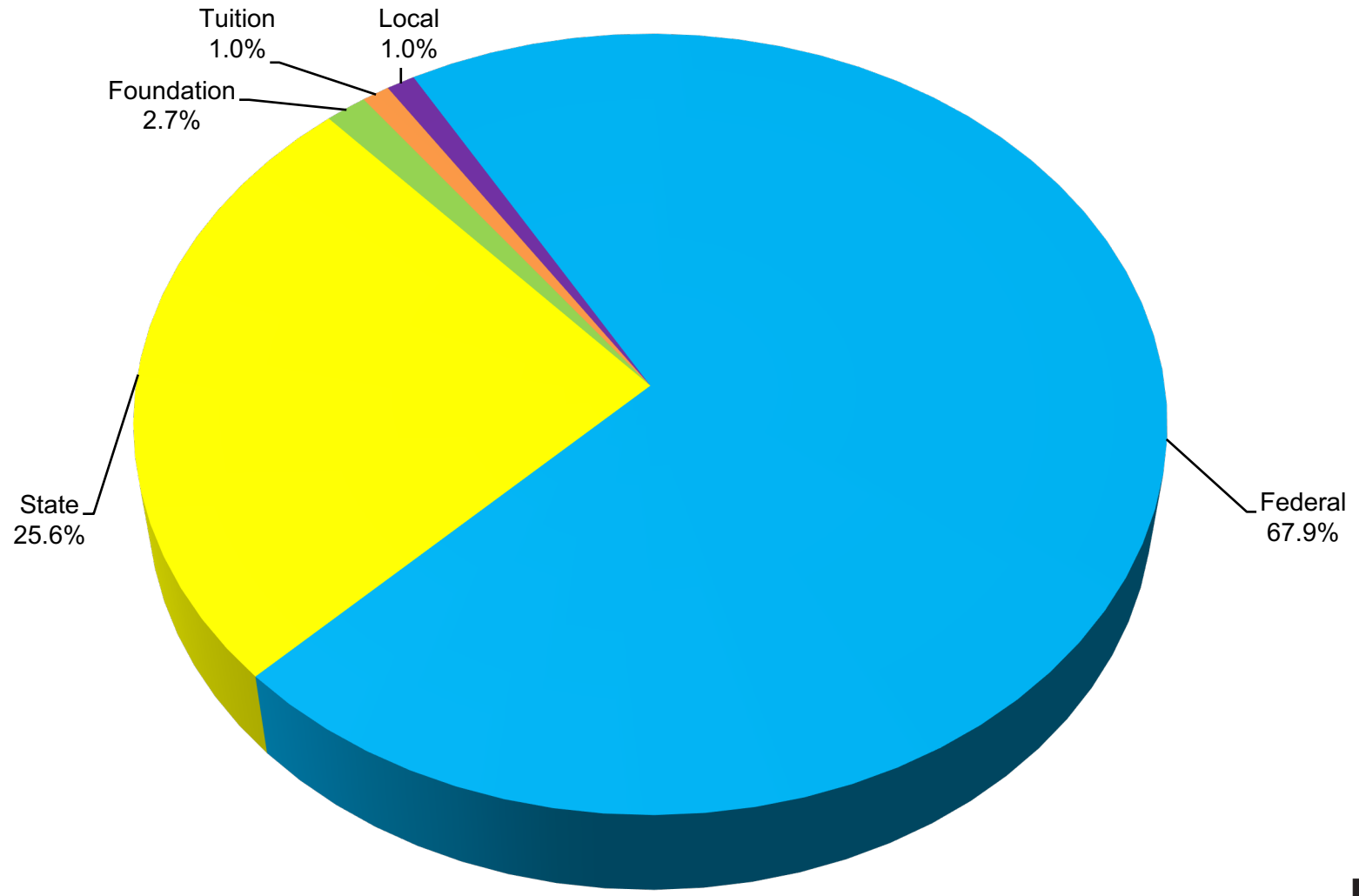
Notes:
(a) Increasing Revenue - Real Estate, Earned Income Tax, Retirement Reimbursement, and Basic Ed Subsidy
(b) Increasing costs - retirement, health care, salaries
(c) Requires 5% of current year's budgeted operating expenditures

Fund Balance



Expect great things.

Supplemental Funds



Federal	46,022,079
State	16,613,889
Foundation	929,092
Tuition	619,612
Local	637,468
Total	64,822,140

Expect great things.

Budget Approval Timeline

- November 5, 2018 – Committee Meeting
- November 14, 2018 – 2019 Preliminary Budget Release
- November 29, 2018 – 2019 Final Budget Release
- December 7, 2018 – Public notice of intent to adopt budget
- December 12, 2018 – Agenda Review
- December 17, 2018 – Regular Public Hearing
- December 19, 2018 – Regular Legislative Meeting/2019 Budget Adoption