

2018 Preliminary Budget




Expect great things.

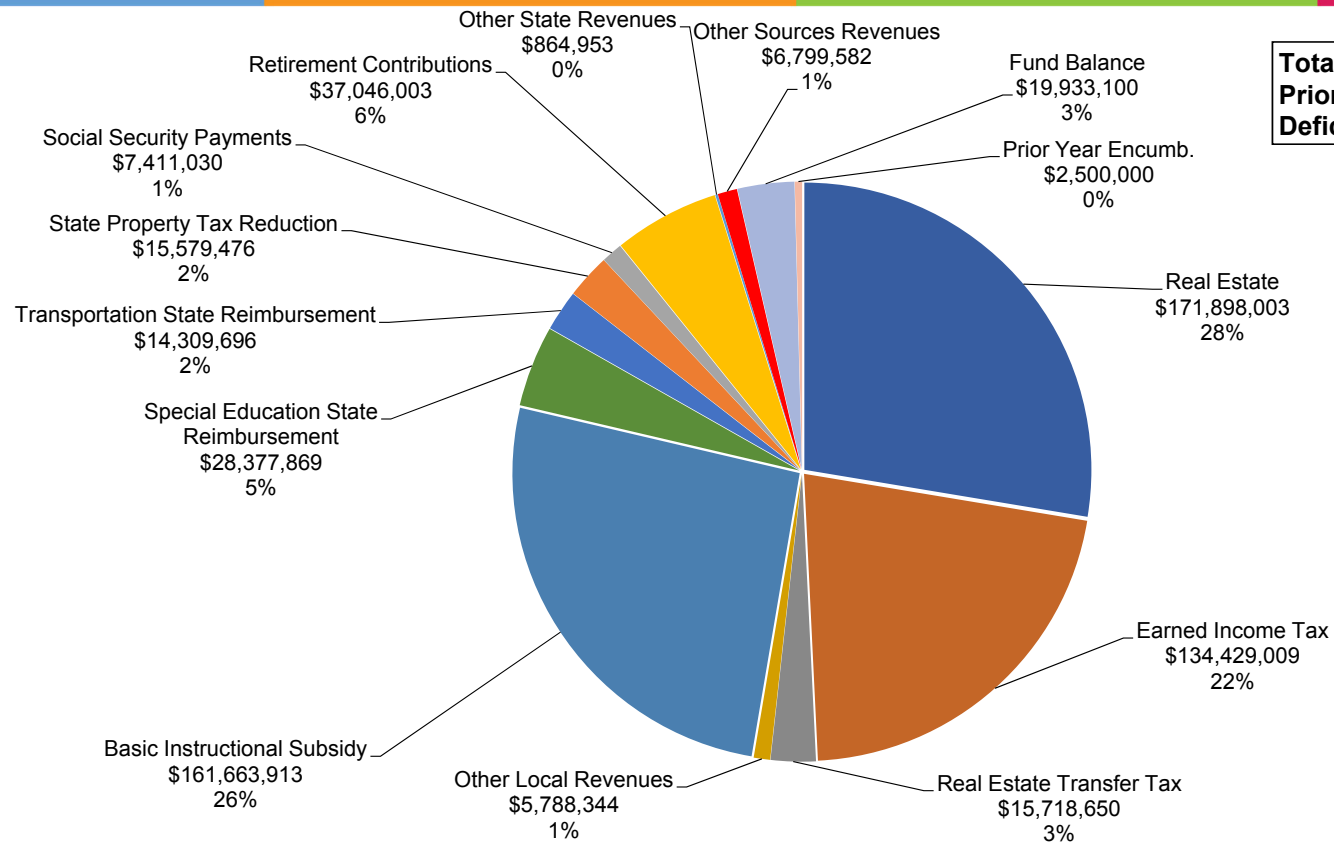
 Pittsburgh
Public Schools

2018 Preliminary Budget

- Expenditures for 2018 are budgeted at **\$619.8 million**:
 - Represents a **4.2% increase** from 2017 adopted budget
 - Includes an operating deficit of **\$19.9 million** in 2018
 - 2017 adopted budget had a deficit of **\$15.8 million**
- Adheres to Board's minimum **5 percent fund balance policy** for the General Fund through 2018 based on assumptions to date – required fund balance of \$31 million
- 2017 Projections indicate final expenditures of **\$593.3 million** and an operating deficit of \$4.2 million
- The 2018 Budget as currently proposed does **NOT** include a tax increase.

Expect great things. 

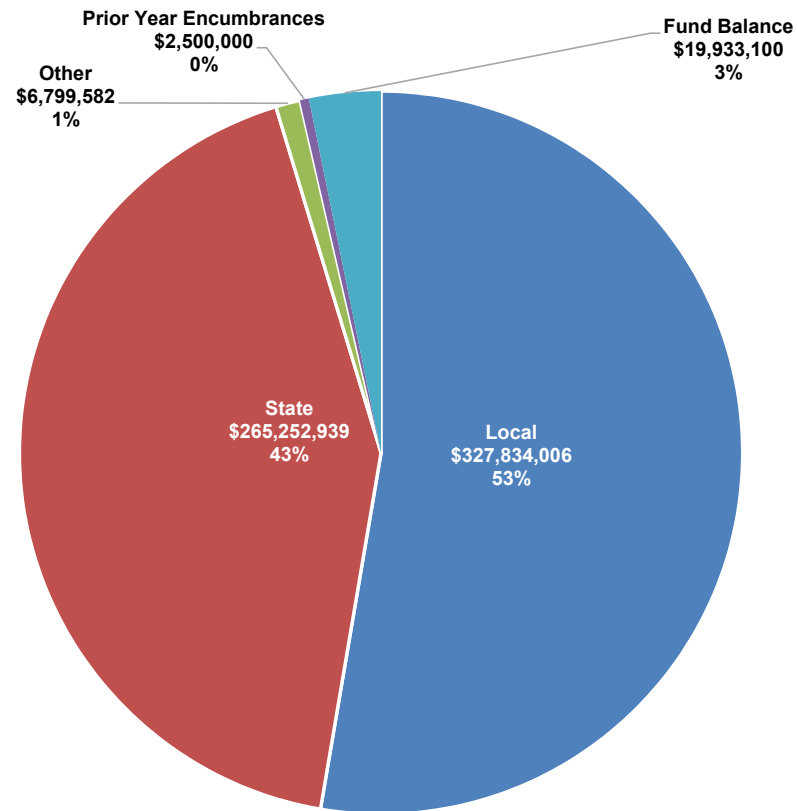
2018 Revenue



Total Revenue	\$619,819,627
Prior Encumbrances	\$ 2,500,000
Deficit	\$ 19,933,100

Expect great things.

2018 Revenue



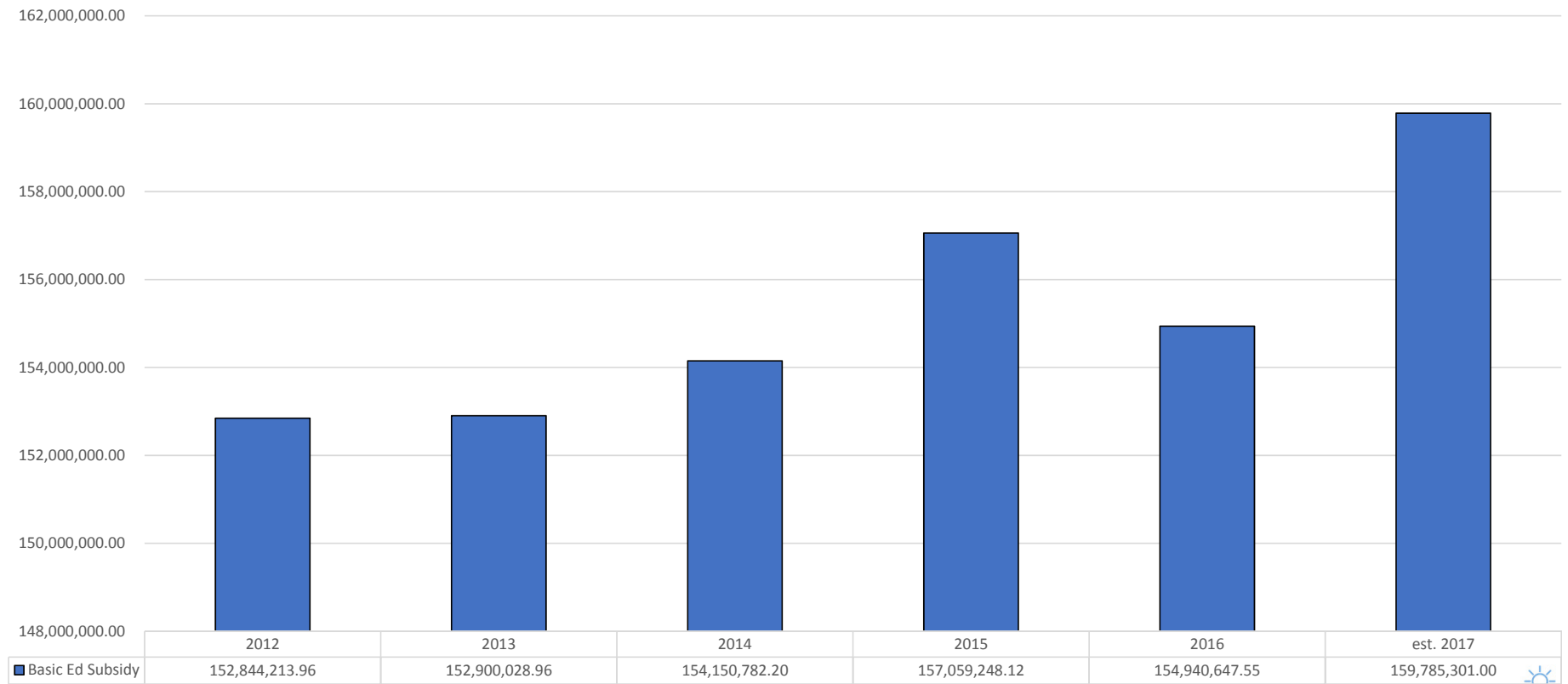
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2018 Revenue

LOCAL SOURCES	PROJECTED REVENUES	PERCENT OF TOTAL	
Real Estate	\$171,898,003	27.62%	
Earned Income Tax	\$134,429,009	21.61%	
Real Estate Transfer Tax	\$15,718,650	2.53%	
Other Local Revenues	\$5,788,344	0.93%	
Total - Local Sources	\$327,834,006		52.69%
STATE SOURCES			
Basic Instructional Subsidy	\$161,663,913	25.98%	
Special Education State Reimbursement	\$28,377,869	4.56%	
Transportation State Reimbursement	\$14,309,696	2.30%	
State Property Tax Reduction	\$15,579,476	2.50%	
Social Security Payments	\$7,411,030	1.19%	
Retirement Contributions	\$37,046,003	5.95%	
Other State Revenues	\$864,953	0.14%	
Total - State Sources	\$265,252,939		42.62%
REVENUE FROM OTHER SOURCES	\$6,799,582	1.09%	
	\$6,799,582		1.09%
FROM FUND BALANCE	\$19,933,100	3.20%	
	\$19,933,100		3.20%
RESERVE FOR PRIOR YEAR ENCUMBRANCES	\$2,500,000	0.40%	
	\$2,500,000		0.40%
TOTAL	\$622,319,627		100.00%

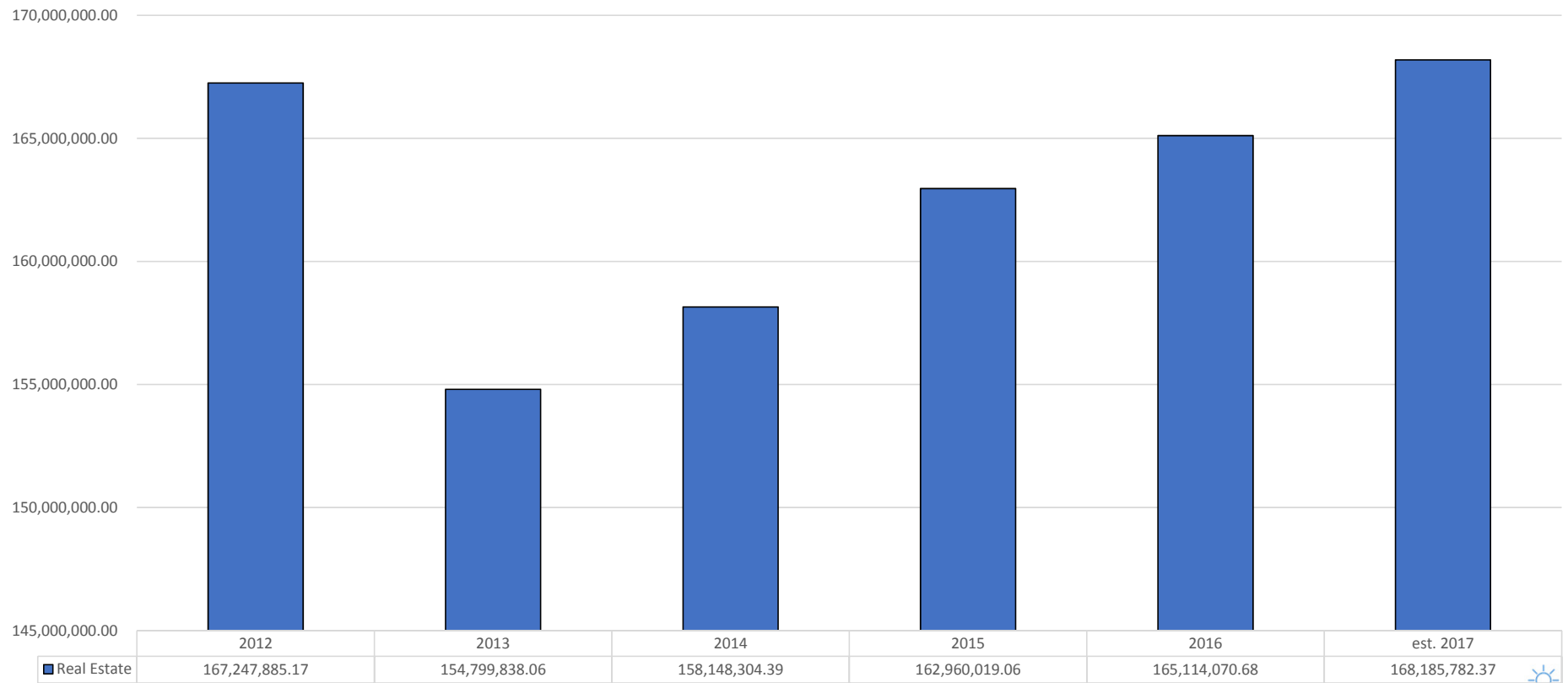
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Basic Education Subsidy



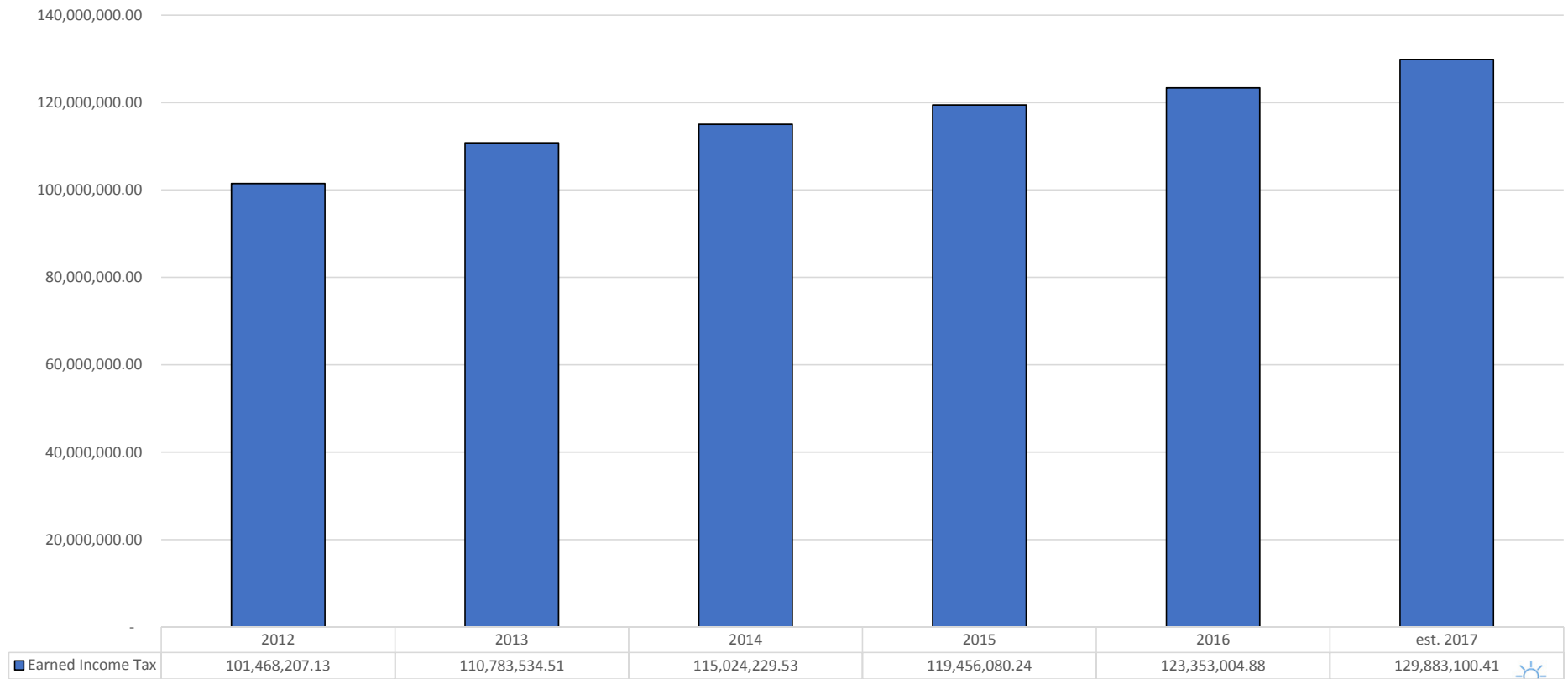
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Real Estate Tax



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Earned Income Tax

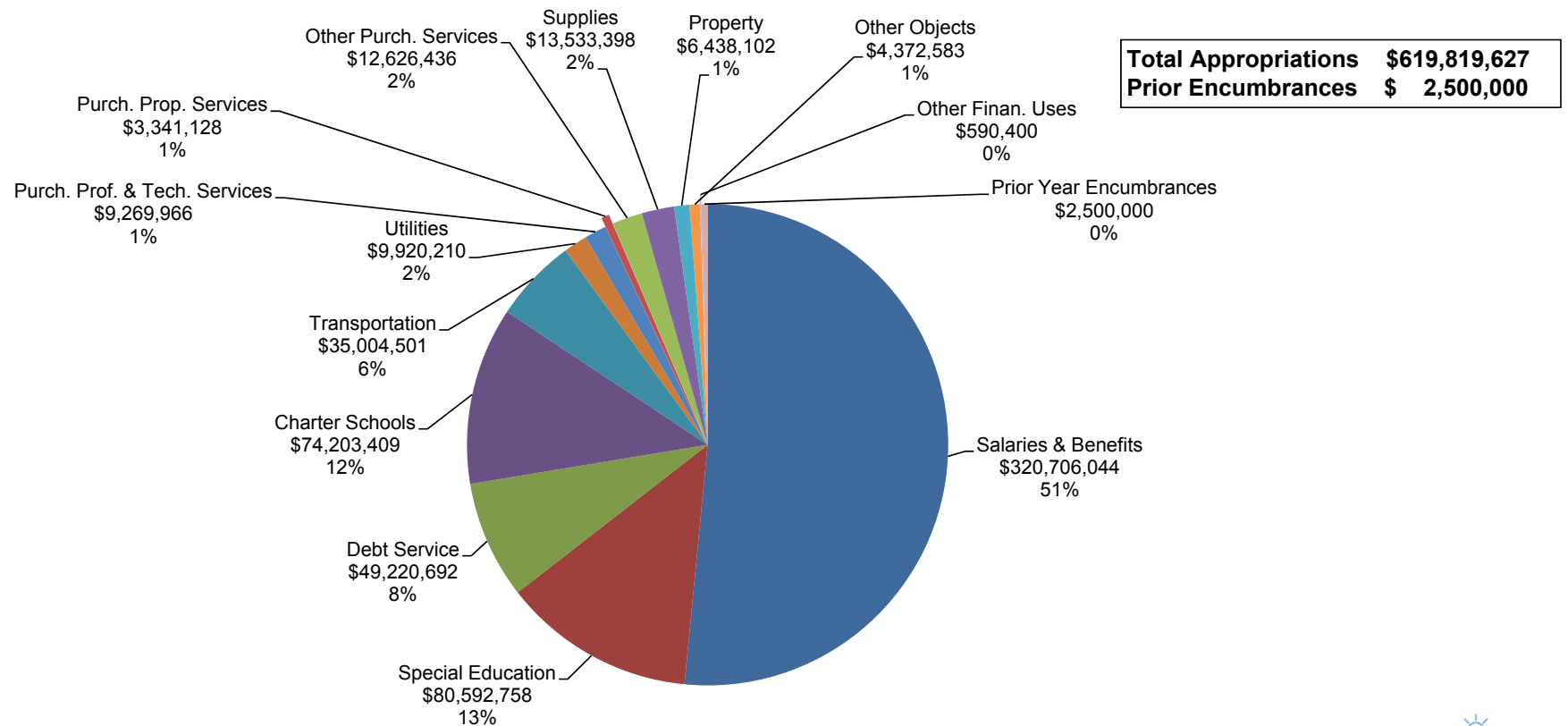


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What are functions and objects?

- 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)

2018 Appropriations by Major Object




Expect great things.

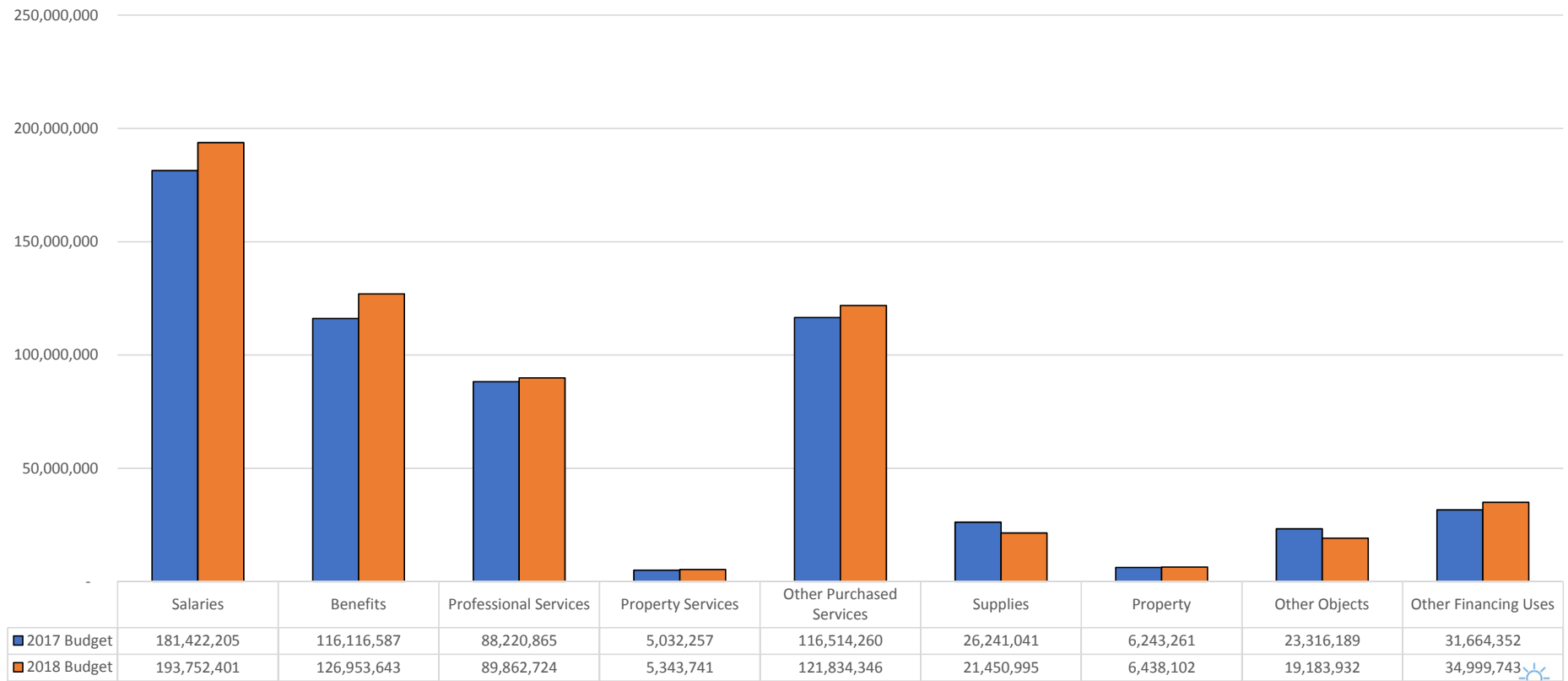
2018 Appropriations by Major Object

PROJECTED APPROPRIATIONS PERCENT OF TOTAL

Salaries & Benefits	\$320,706,044	51.54%
Special Education	\$80,592,758	12.95%
Debt Service	\$49,220,692	7.91%
Charter Schools	\$74,203,409	11.92%
Transportation	\$35,004,501	5.62%
Utilities	\$9,920,210	1.60%
Purch. Prof. & Tech. Services	\$9,269,966	1.49%
Purch. Prop. Services	\$3,341,128	0.54%
Other Purch. Services	\$12,626,436	2.03%
Supplies	\$13,533,398	2.17%
Property	\$6,438,102	1.03%
Other Objects	\$4,372,583	0.70%
Other Finan. Uses	\$590,400	0.10%
Prior Year Encumbrances	\$2,500,000	0.40%
GRAND TOTAL	\$622,319,627	100.00%

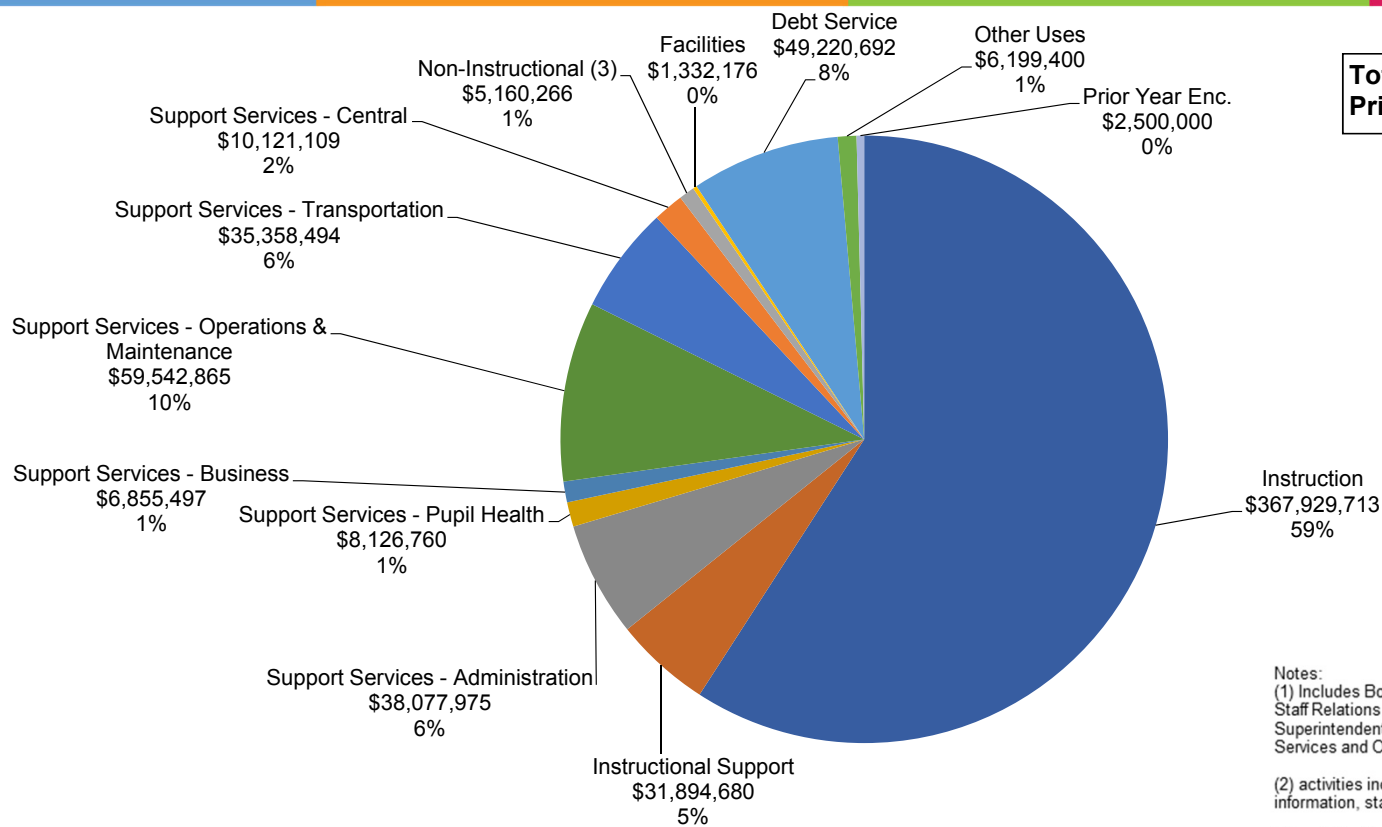
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Major Object



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2018 Appropriations by Function



Total Appropriations	\$619,819,627
Prior Encumbrances	\$ 2,500,000

Notes:
 (1) Includes Board Services, Tax Collection and Assessment Services, Staff Relations and Negotiations Services, Legal Services, Office of the Superintendent (Deputy/Assistants) Services, Community Relations Services and Office of the Principal Services.

(2) activities include planning, research, development, evaluation, information, staff and data processing services.

(3) activities include student activities and athletics



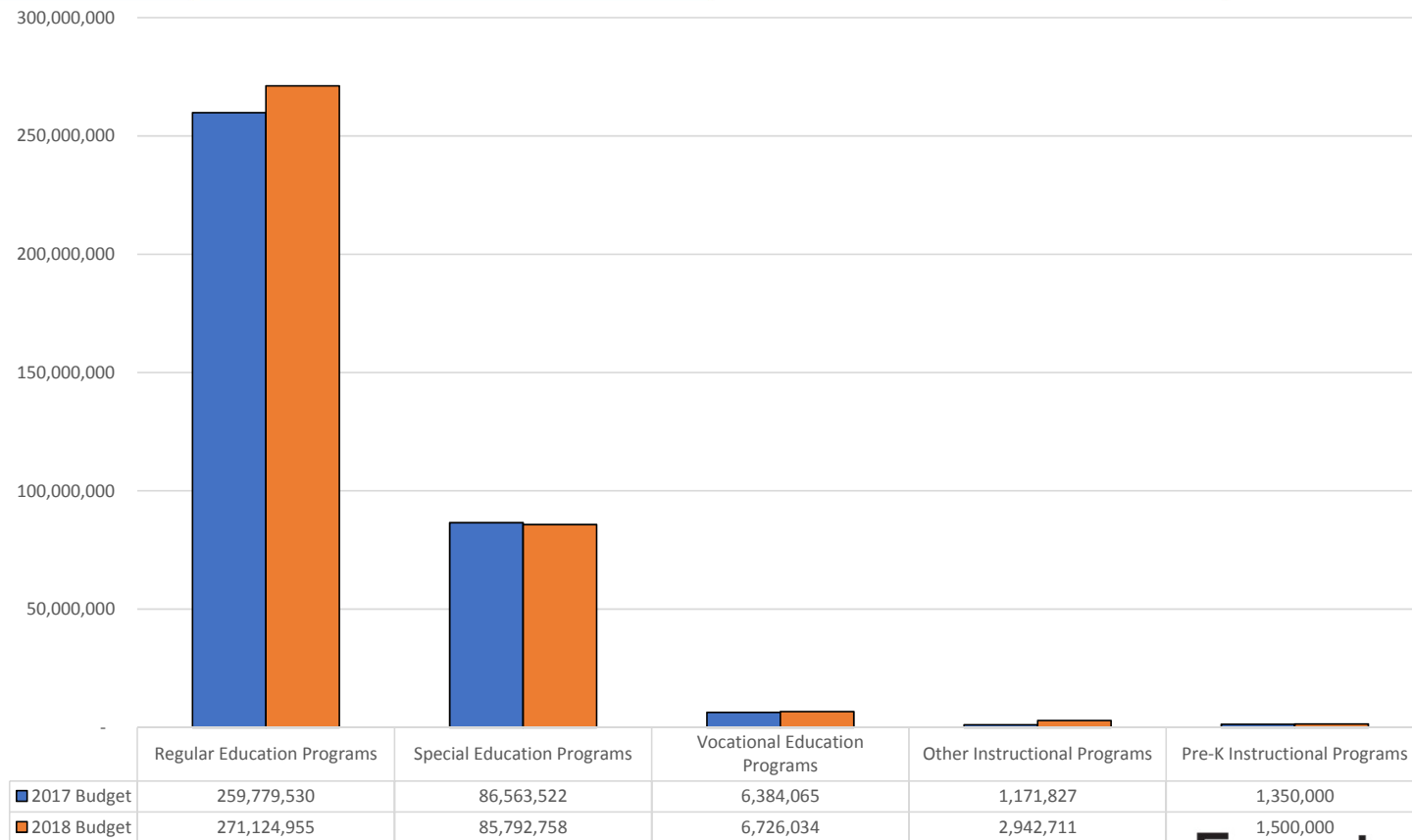
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2018 Appropriations by Function

FUNCTIONS	PROJECTED APPROPRIATIONS	PERCENT OF TOTAL
Instruction	\$367,929,713	59.12%
Instructional Support	\$31,894,680	5.13%
Support Services - Administration (1)	\$38,077,975	6.12%
Support Services - Pupil Health	\$8,126,760	1.31%
Support Services - Business	\$6,855,497	1.10%
Support Services - Operations & Maintenance	\$59,542,865	9.57%
Support Services - Transportation	\$35,358,494	5.68%
Support Services - Central (2)	\$10,121,109	1.62%
Non-Instructional (3)	\$5,160,266	0.83%
Facilities	\$1,332,176	0.21%
Debt Service	\$49,220,692	7.91%
Other Uses	\$6,199,400	1.00%
Prior Year Enc.	\$2,500,000	0.40%
TOTAL	\$622,319,627	100.00%

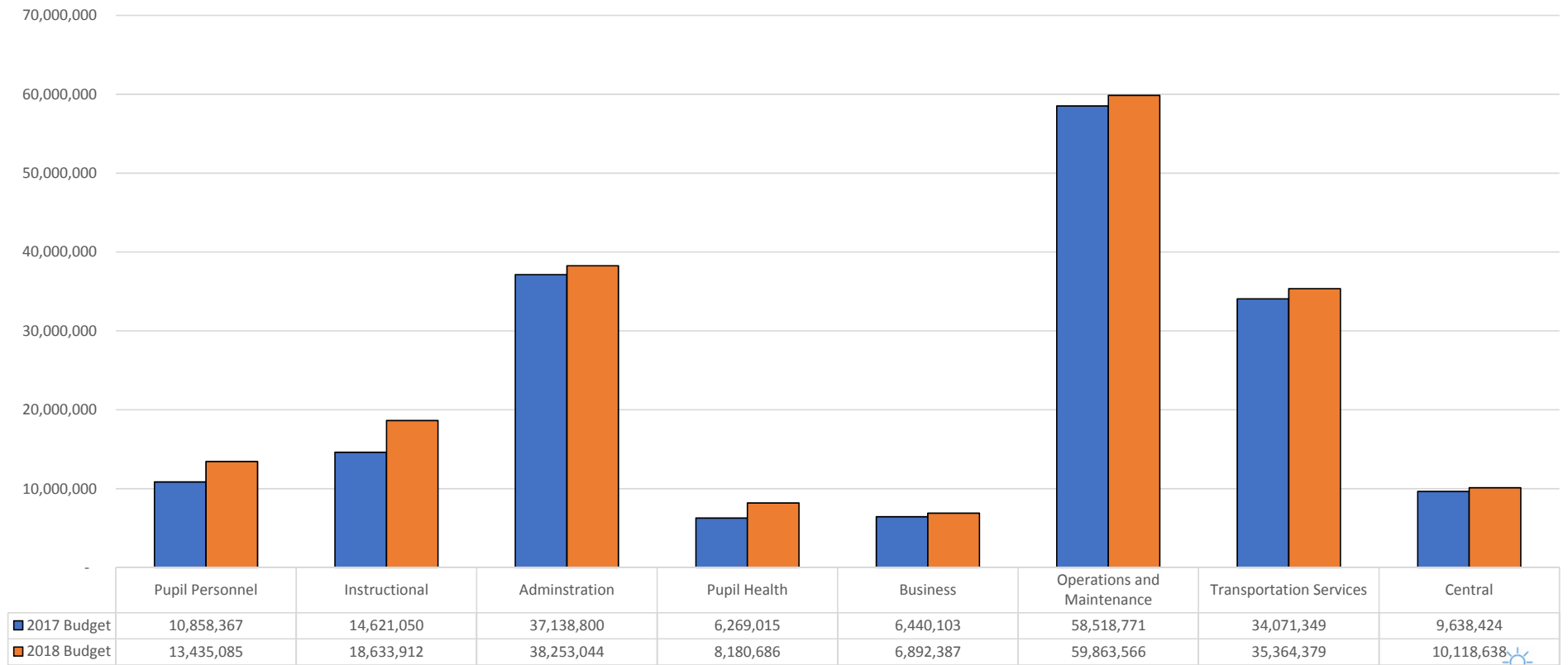
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Instructional Programs



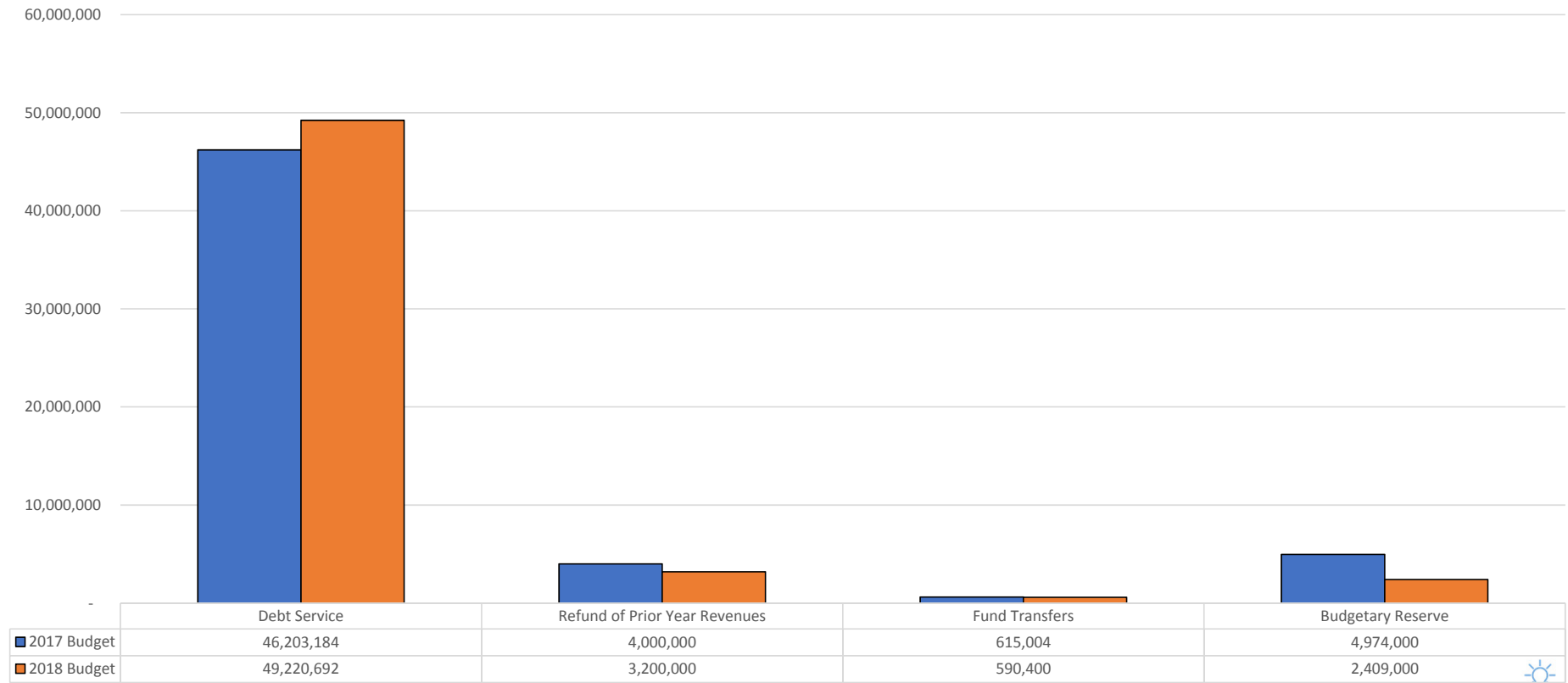
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Support Services



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Other Financing Uses

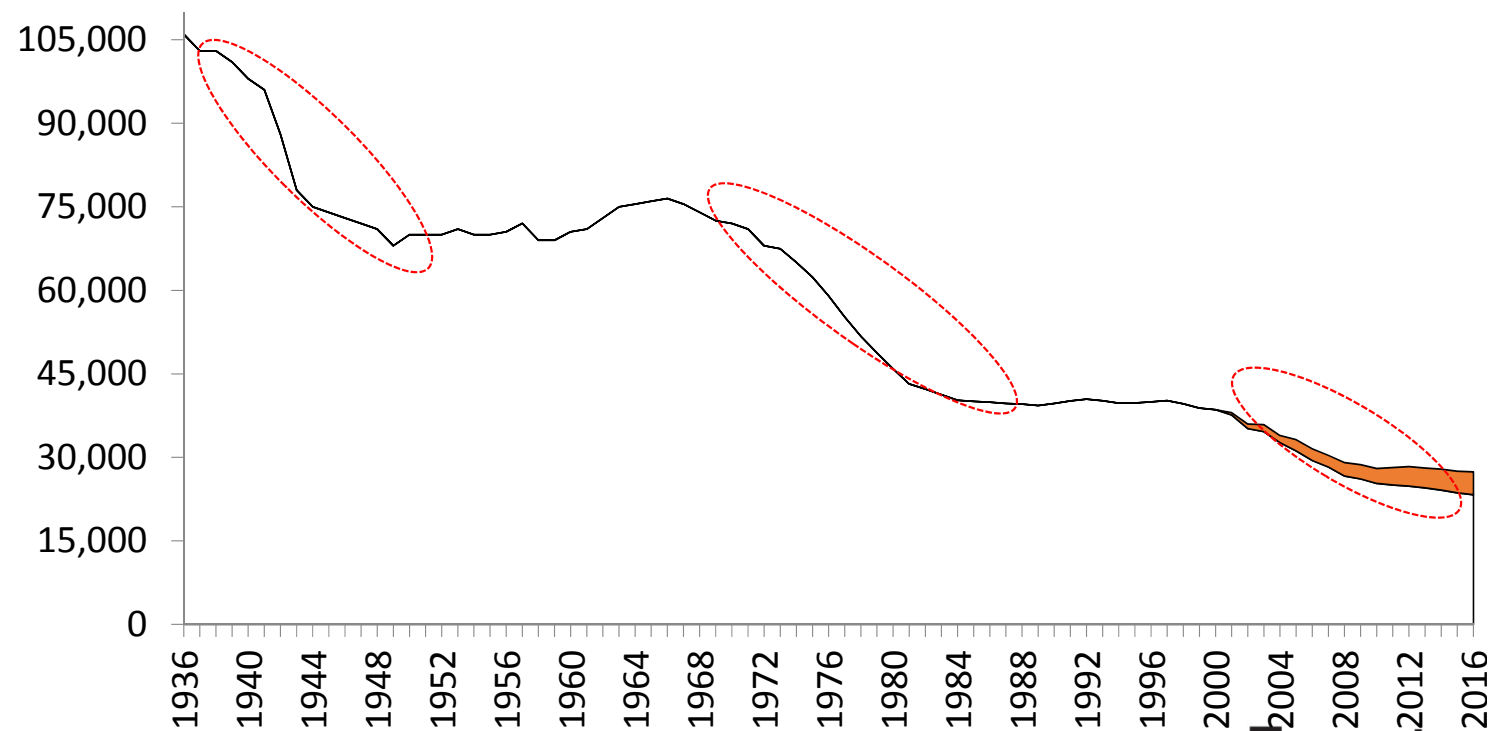


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Enrollment

Average Daily Membership (ADM) 1936 until Present

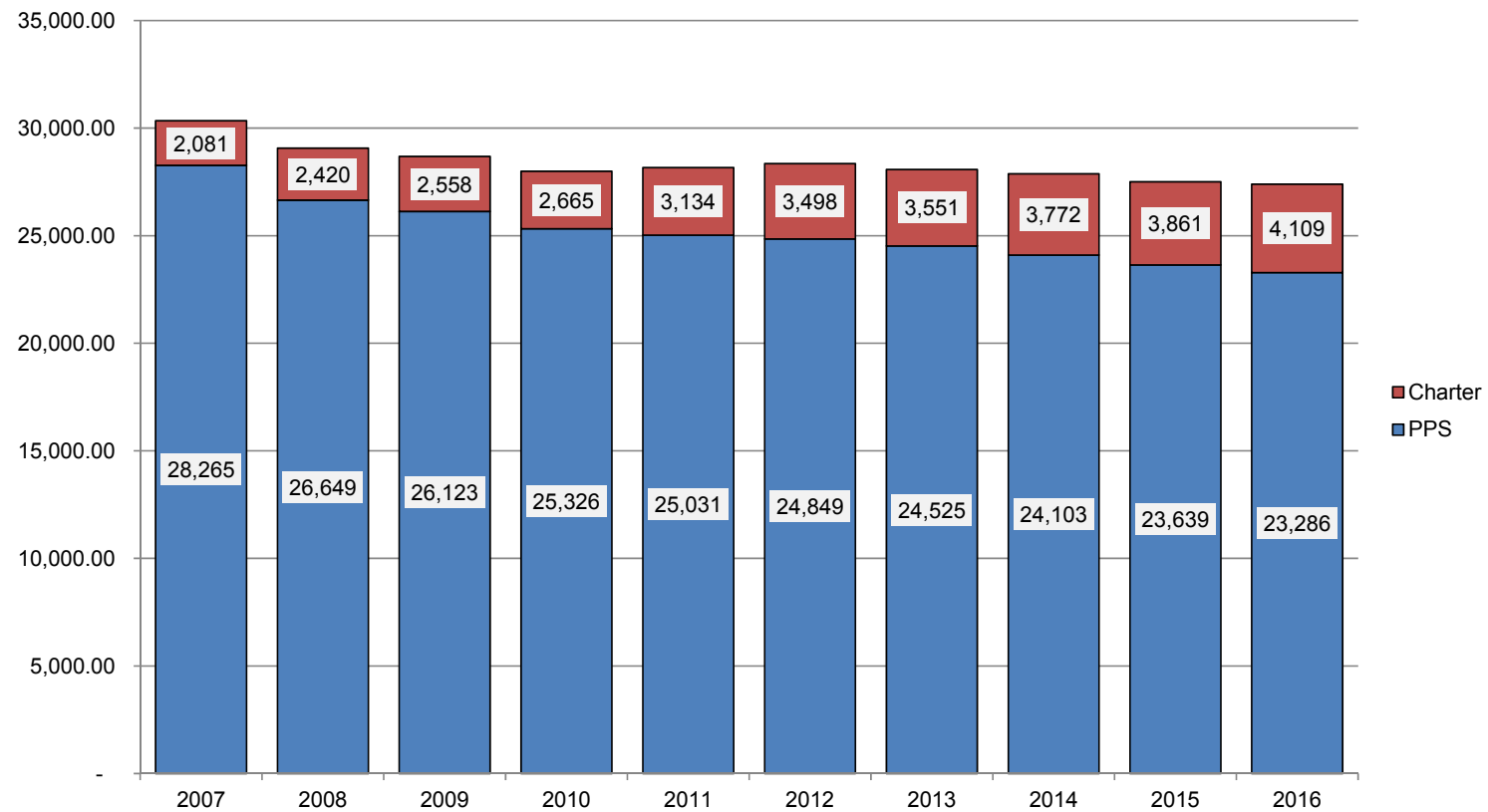
Count of K-12 students enrolled at PPS (or Charter LEA post 1999)



Source: PPS Historic General Fund Budgets, 1980 through present

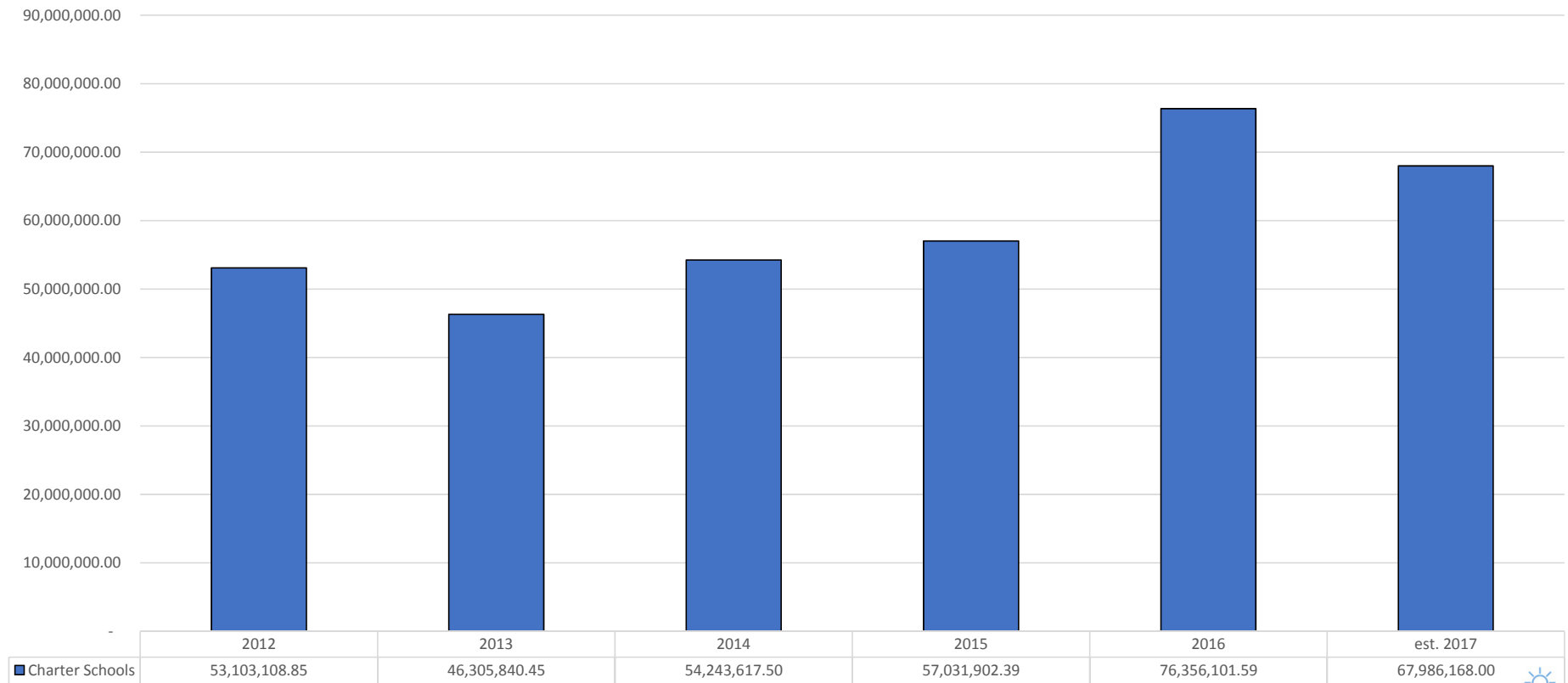
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Charter Enrollment



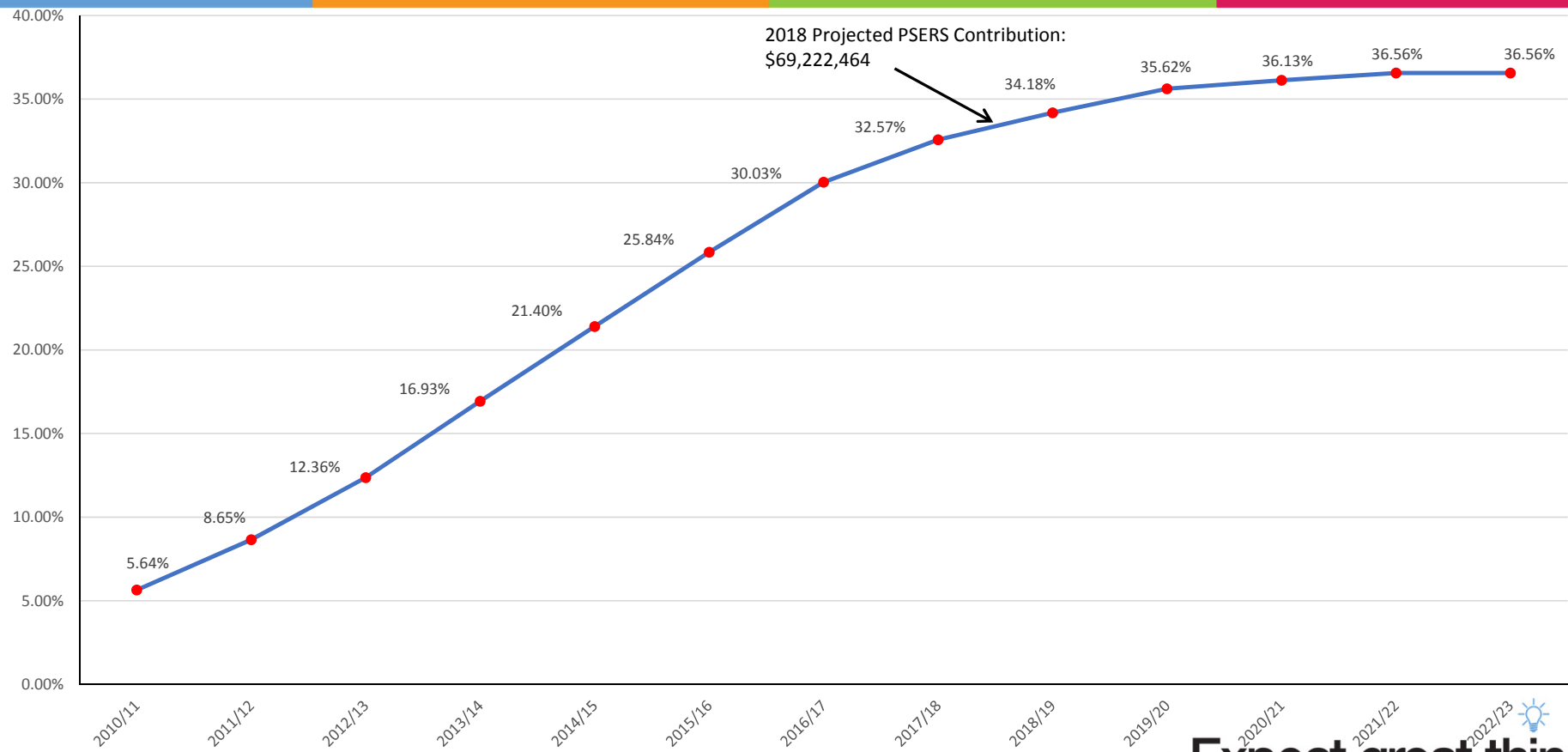
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Charter Expenditures



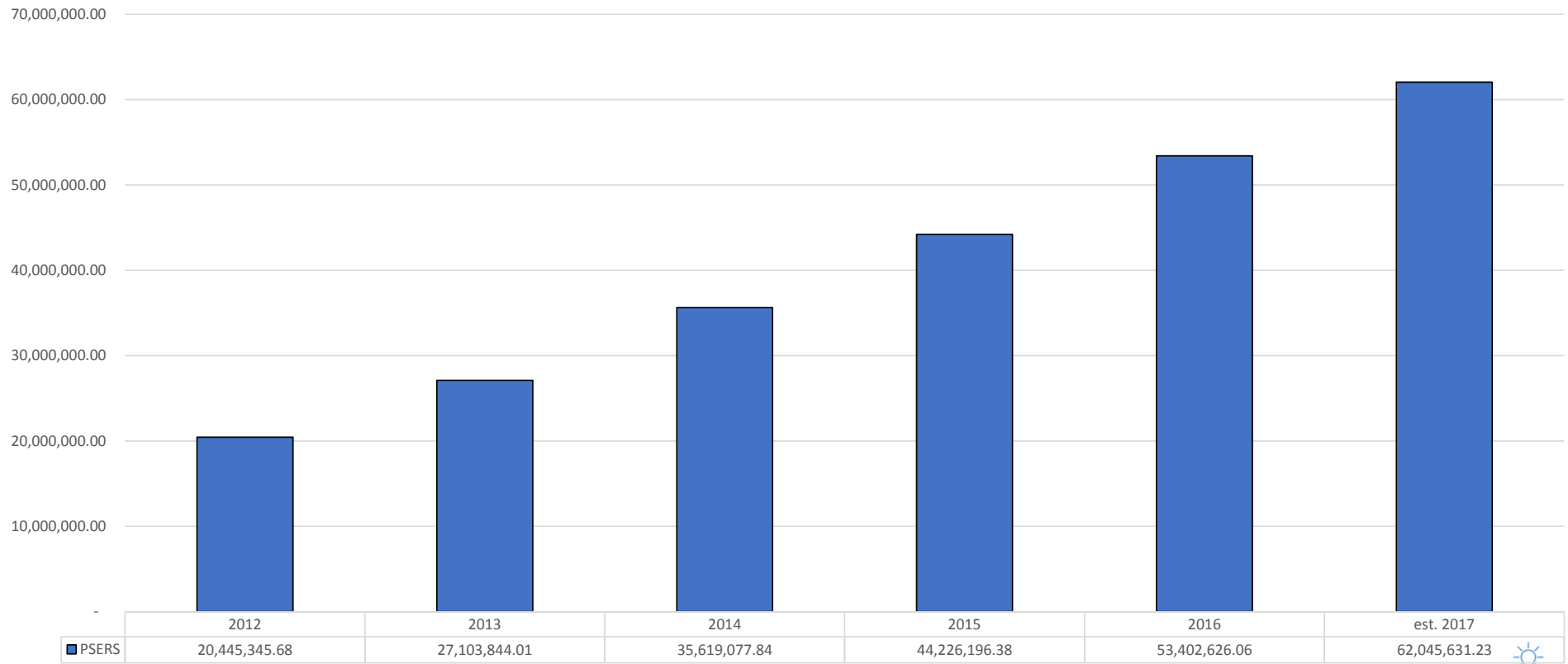
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Retirement Contributions (PSERS)



Expect great things. 

Retirement Contributions (PSERS)



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Updated 3-Year Forecast

	2017 est.	2018 est.	2019 est.	2020 est.	2021 est.
Revenue (Millions) (a)	\$589.02	\$599.89	\$615.26	\$630.70	\$643.48
Operating Expenditures (b)	\$593.26	\$619.82	\$632.86	\$647.48	\$661.54
Operating Surplus/ (Deficit)	(\$4.24)	(\$19.93)	(\$17.60)	(\$16.78)	(\$18.06)
Beginning Fund Balance	\$130.36	\$126.12	\$106.19	\$88.59	\$71.81
Budgeted Year-end Fund Balance	\$126.12	\$106.19	\$88.59	\$71.81	\$53.75
Fund Balance Compliance	Yes	Yes	Yes	Yes	Yes
Minimum Fund Balance per Board Policy #721 (c)	\$29.66	\$30.99	\$31.64	\$32.37	\$33.08

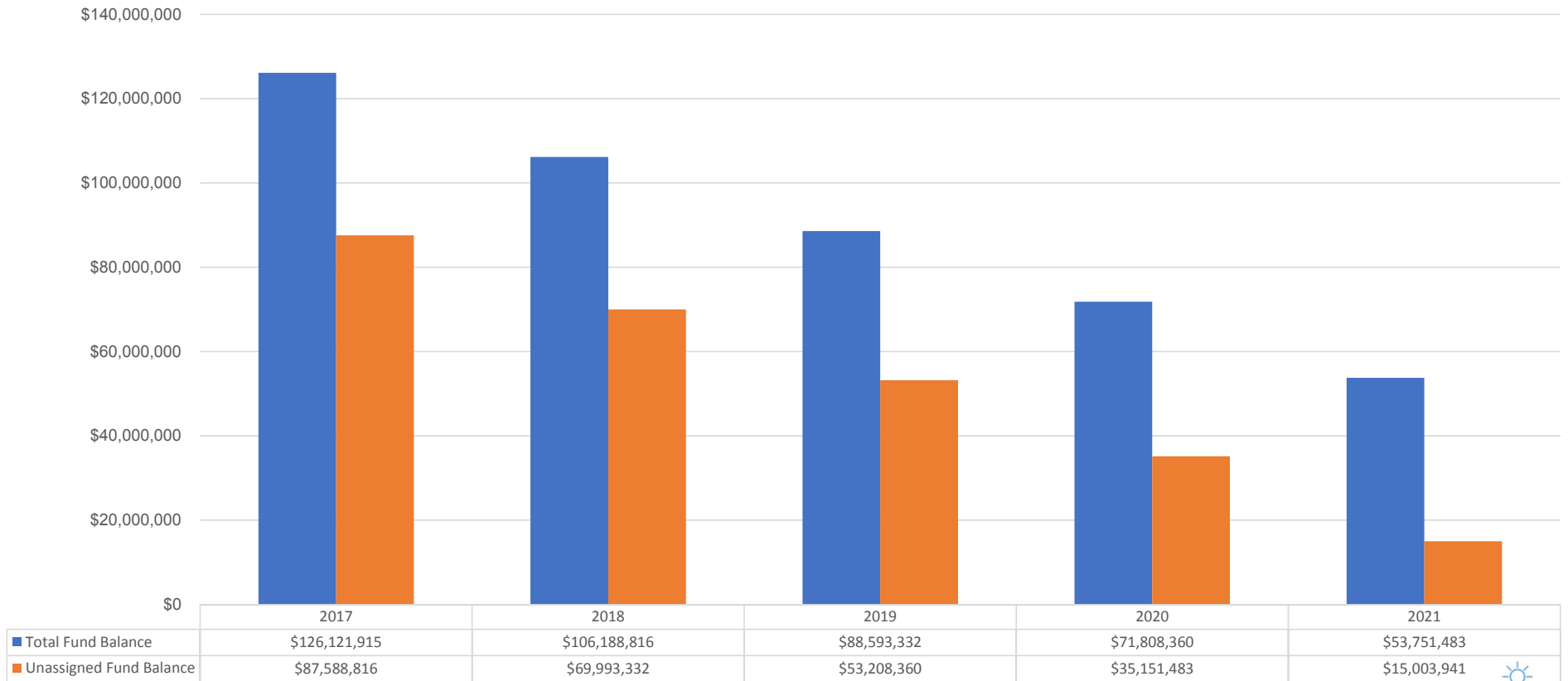
Funds required to comply with Fund Balance Policy (d) - Overage/ (Shortage)	\$96.46	\$75.20	\$56.95	\$39.43	\$20.67
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Notes:

- (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
- (d) Assumes previous year fund balance is not restored to 5%

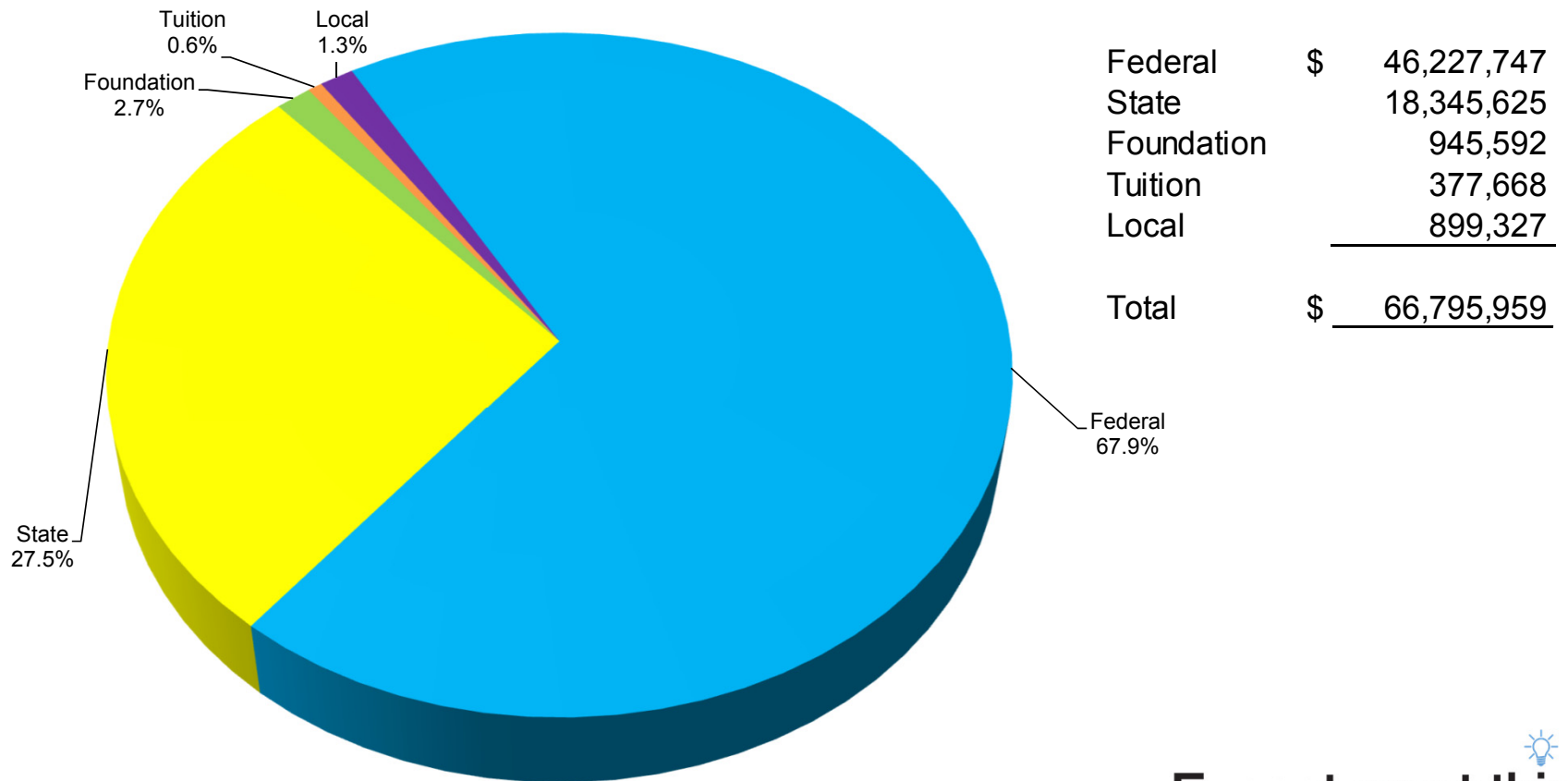
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Fund Balance



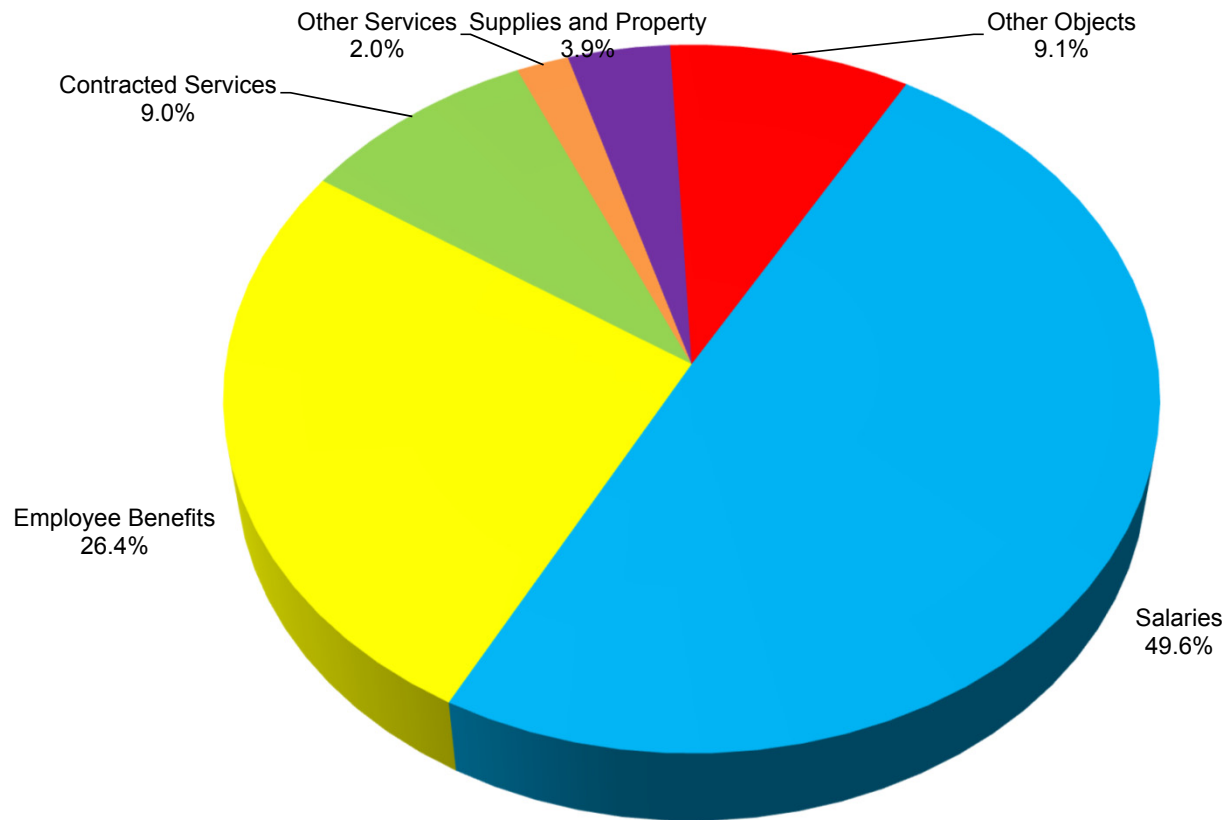
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Supplemental Funds



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Supplemental Funds



Salaries	\$	33,100,992
Employee Benefits		17,631,237
Contracted Services		6,031,549
Other Services		1,327,164
Supplies and Property		2,598,786
Other Objects		<u>6,106,231</u>
Total	\$	<u>66,795,959</u>

Expect great things.

Budget Approval Timeline

- November 8, 2017 – Committee Meeting
- November 9, 2017 – 2018 Preliminary Budget Release
- November 30, 2017 – 2018 Final Budget Release
- December 10, 2017 – Public notice of intent to adopt budget
- December 13, 2017 – Agenda Review
- December 18, 2017 – Regular Public Hearing
- December 20, 2017 – Regular Legislative Meeting/2018 Budget Adoption