April Board Budget Workshop

April 13, 2026
PPS Board of Education Building

Agenda

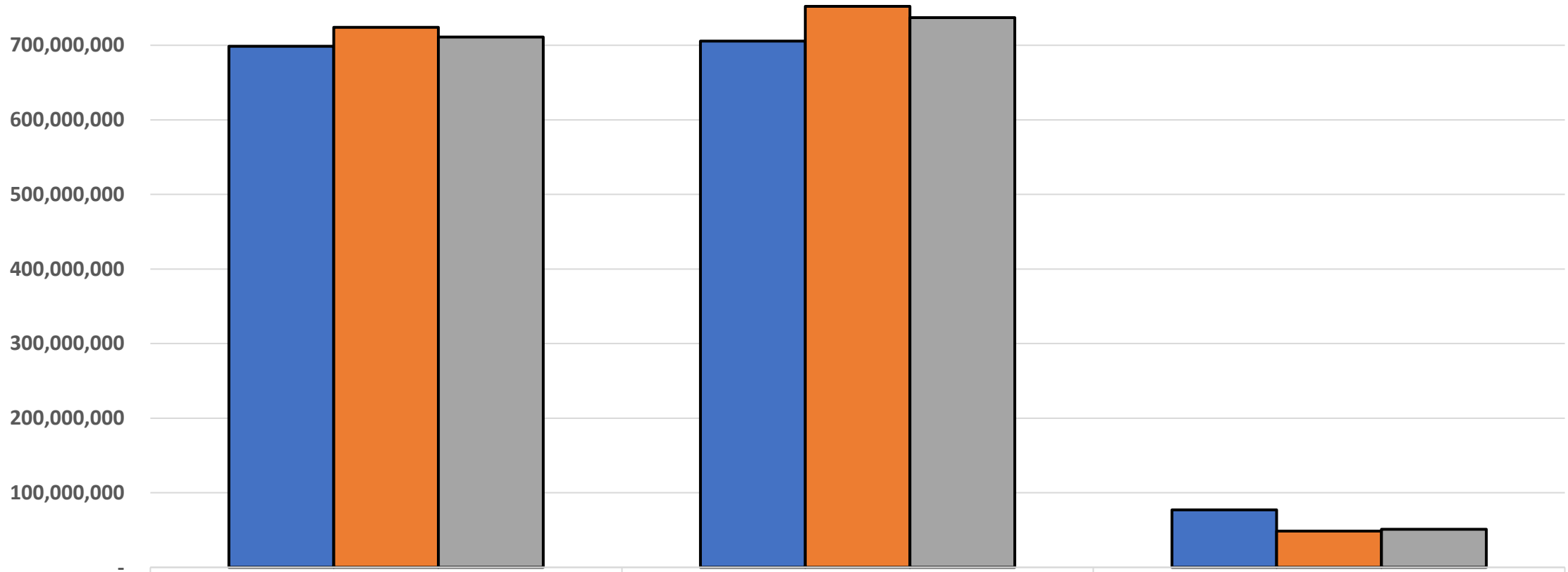
- Review of Unaudited 2025 General Fund Actuals
- Planning for 2027
- Next Steps

Review of Unaudited General Fund 2025 Actuals

We Ended 2025 with a $26 Million Deficit

	Actual Year Ended 2024	Adopted Year Ended 2025	Actual Year Ended 2025	Adopted Year Ended 2026	Projected Year Ended 2026	Projected Year Ended 2027	Projected Year Ended 2028
Total Revenues	$698,727,965	$724,160,527	$711,191,333	$723,154,705	$715,751,544	$729,500,572	$746,457,376
Total Expenditures	$705,591,642	$752,283,642	$737,203,209	$728,861,036	$719,534,762	$744,886,685	$768,532,719
Beginning Balance	$83,906,856	$76,841,394	$77,043,179	$48,718,279	$51,031,303	$47,248,085	$31,861,973
Operating Surplus/(Deficit)	($6,863,677)	($28,123,115)	($26,011,876)	($5,706,331)	($3,783,218)	($15,386,112)	($22,075,342)
Ending Fund Balance	$77,043,179	$48,718,279	$51,031,303	$43,011,948	$47,248,085	$31,861,973	$9,786,631
Less Projected Reservations	($10,016,796)	($2,500,000)	($10,421,128)	($2,500,000)	($2,500,000)	($2,500,000)	($2,500,000)
Less Committed Fund Balance	$0	$0	$0	$0	$0	$0	$0
Less Assigned Fund Balance	($28,123,115)	($23,181,092)	($5,706,331)	($15,386,112)	(15,386,112)	(22,075,342)	(26,083,900)
Unassigned Fund Balance	$38,903,268	$23,037,187	$34,903,845	$25,125,836	$29,361,973	$7,286,631	($18,797,269)
% Budgeted Expenditures	5.51%	3.06%	4.73%	3.45%	4.08%	0.98%	-2.45%
Minimum Fund Balance per Board Policy #721	$35,279,582	$37,614,182	$36,860,160	$36,443,052	$35,976,738	$37,244,334	$38,426,636
Compliance with Fund Balance Policy	Yes	No	No	No	No	No	No
Funds needed to comply with Fund Balance Policy	($3,623,686)	$14,576,995	$1,956,316	$11,317,216	$6,614,765	$29,957,704	$57,223,905

Our Revenue and Expenditures Were Both Below Budgeted Levels

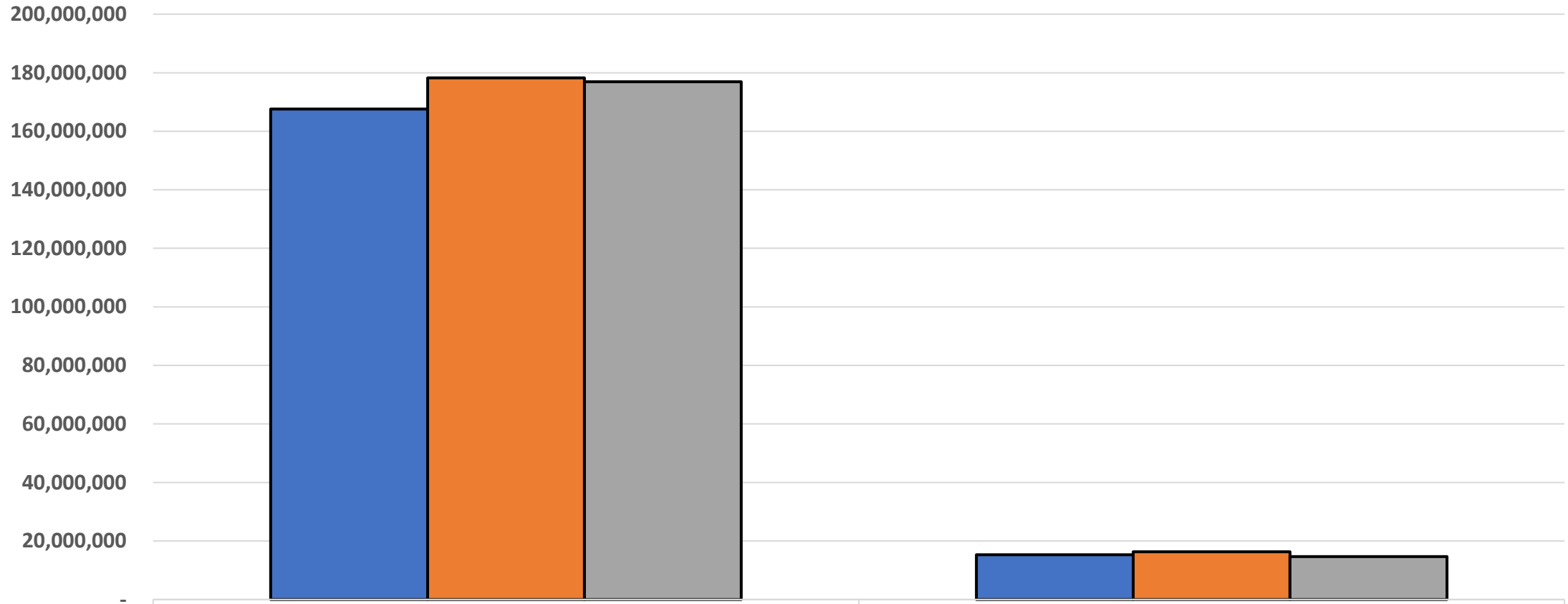


	Revenues	Expenditures	Fund Balance
2024 Actual	698,727,965	705,591,642	77,043,179
2025 Budget	724,160,527	752,283,642	48,718,279
2025 Actual	711,191,333	737,203,209	51,031,303

Current and Prior Year Revenue

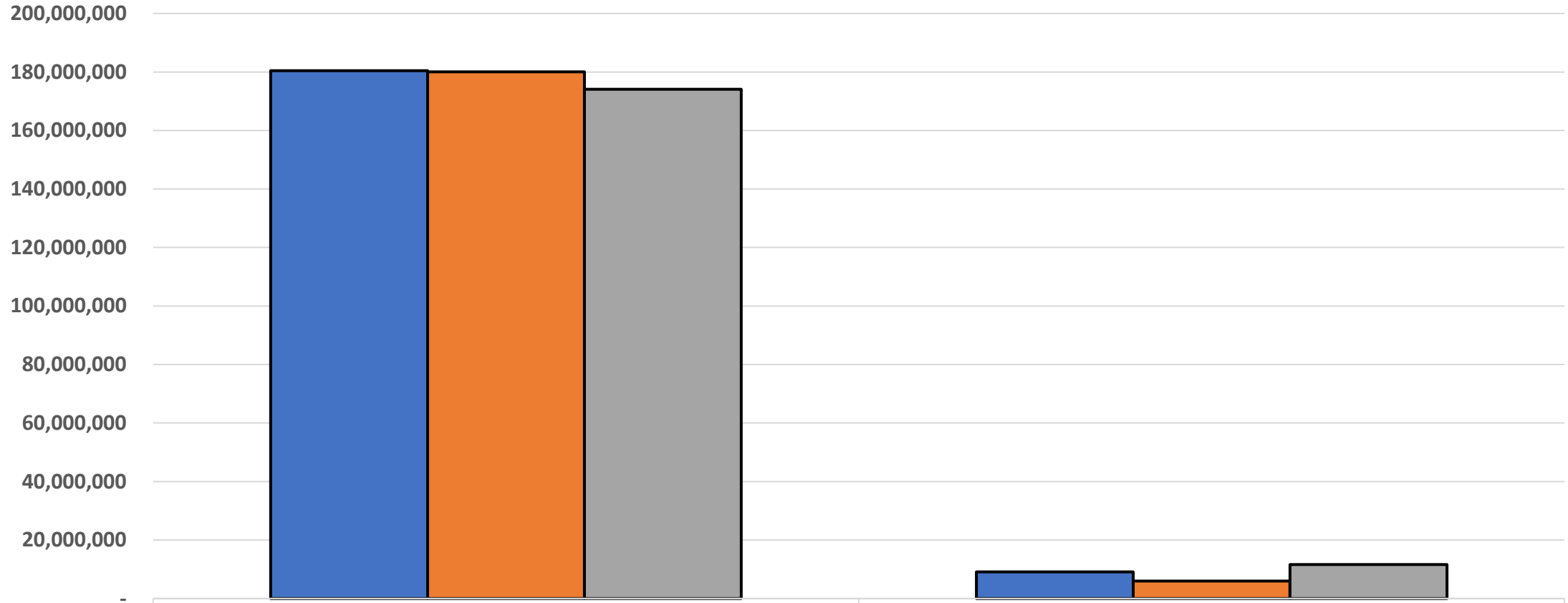
- **The Earned Income and Real Estate Tax revenue has two parts**:
  - Current Year Revenue – The revenue collected for taxes levied in the current fiscal year
    - i.e. The 2025 taxes collected in 2025
  - Prior Year Revenue – The revenue collected for taxes levied in prior fiscal years
    - i.e. The taxes levied for fiscal years 2024 and prior collected in 2025

Earned Income Revenue Continues to Grow



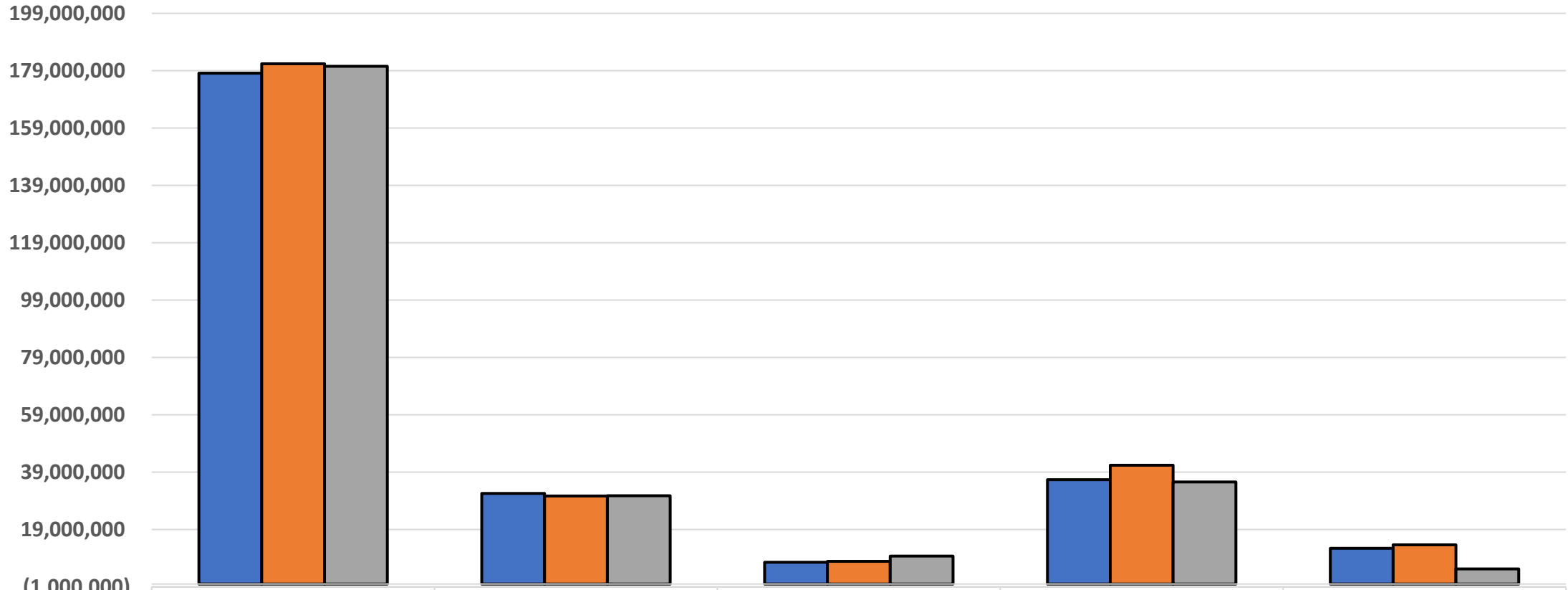
	Current Earned Income Tax	Prior Year Earned Income Tax
2024 Actual	167,590,839	15,276,604
2025 Budget	178,225,083	16,357,123
2025 Actual	176,931,071	14,659,538

Strong Prior Year Real Estate Tax Collections Offset a Decrease in Current Year Collections



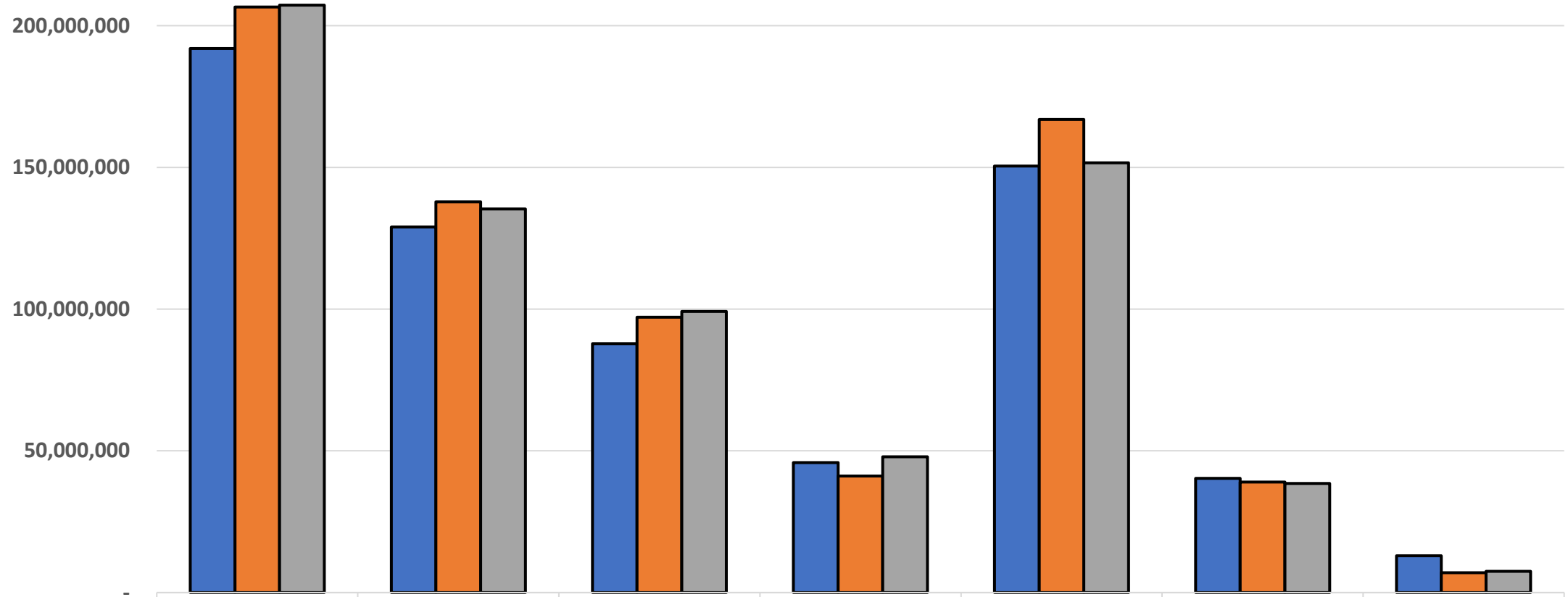
	Current Real Estate	Prior Year Real Estate
2024 Actual	180,448,061	9,115,089
2025 Budget	180,050,091	6,000,000
2025 Actual	174,074,377	11,632,502

State Revenue Increase by $4.2 million



	Basic Ed Subsidy	Special Ed Subdsidy	Social Security	Retirement	Transportation
2024 Actual	178,139,636	31,570,828	7,603,157	36,362,444	12,463,868
2025 Budget	181,404,596	30,735,243	7,900,970	41,458,180	13,650,000
2025 Actual	180,567,784	30,781,984	9,733,575	35,602,842	5,235,731

We Saw Considerable Growth In Salaries and Benefits and Special Education



	Salaries	Benefits	Special Education	Transportation	Charter Schools	Debt Service	Tax Appeals
2024 Actual	191,939,941	128,934,961	87,860,530	45,902,654	150,476,242	40,341,434	13,009,384
2025 Budget	206,561,297	137,839,394	97,148,345	41,098,117	166,926,740	39,030,848	7,000,000
2025 Actual	207,193,379	135,314,109	99,182,873	47,868,061	151,578,720	38,521,166	7,469,184

Financial Statement Highlights

12 MONTH ROLLFORWARD FOR THE GENERAL FUND:

- During the 12-month period ending December 31, 2025, total General Fund balance is projected to decrease by $26.01 million to $51.03 million

- Fund balance components: $34.9 million available for future spending, $16.1 million committed for specific uses

GENERAL FUND:

- General Fund Revenues: $13.3M (1.91%) increase over 2024
- Expenditures rose by $31.5M (4.47%) compared to 2024

Financial Statement Highlights

REVENUES:
State Sources:

- The District's State revenue sources were $4.2 million or 1.48% greater than 2024

Local Sources:

- Collections of the Earned Income Tax were $9.3 million or 5.57% greater than 2024 collections
- While current Real Estate Tax Revenue of $174.1 million in 2025 was $6.4 million less than 2024 collections, 2025 prior year collections surpassed 2024 collections by $2.5 million or 27.62%.

EXPENDITURES:

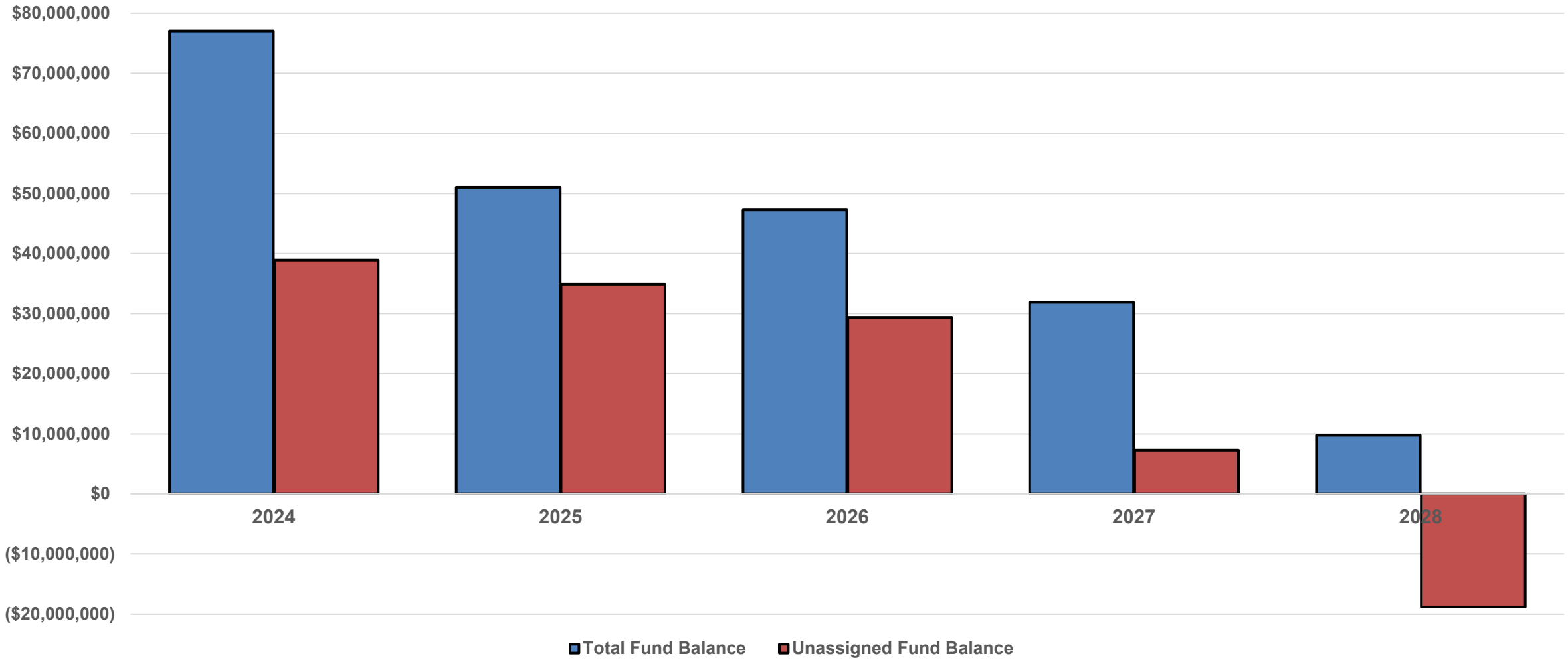
- Salary expenditures increased by $15.3 million or 7.95% compared to 2023
- Charter School Expenditures had a slight increase. In 2025, expenditures were $1.1 million or 0.73% greater than 2024. This is largely due to cyber charter tuition reform.
- Debt Service Principal expense decreased by $2.5 million or 8.87% over 2024 continuing the District's efforts to decrease its debt service.
- Prior year tax refund expenditures decreased by $5.4 million or 42.6%% over 2024.

Planning for 2027

Our Current Financial Forecast

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We Cannot Use Fund Balance to Fund District Operations in 2029



Impact of Governor's Budget

	2025-26	2026-27	VARIATION	% CHANGE
BASIC EDUCATION FUNDING BASE	$177,714,596	$177,714,596	$0	0.00%
STUDENT WEIGHTED DISTRIBUTION	$3,416,655	$4,446,475	$1,029,820	30.14%
TOTAL BASIC EDUCATION FUNDING	**$181,131,251**	**$182,161,071**	**$1,029,820**	**0.57%**
FOUNDATION FUNDING	$9,955,423	$10,005,423	$50,000	0.50%
ADEQUACY SUPPLEMENT	$50,000	$50,000	$0	N/A
TAX EQUITY SUPPLEMENT			$0	N/A
TOTAL READY TO LEARN BLOCK GRANT	**$10,005,423**	**$10,055,423**	**$50,000**	**0.50%**
SPECIAL EDUCATION FUNDING BASE	$27,426,465	$27,426,465	$0	0.00%
STUDENT-BASED ALLOCATION	$3,201,065	$3,381,169	$180,104	5.63%
TOTAL SPECIAL EDUCATION FUNDING	**$30,627,530**	**$30,807,634**	**$180,104**	**0.59%**
TOTAL	**$221,764,204**	**$223,024,128**	**$1,259,923**	**0.57%**

- The District closed the 2025 fiscal year below the 5% minimum fund balance threshold.

- Projected deficits of $15.4 million and $22.1 million in 2027 and 2028 respectively

- Key Barriers to addressing our deficient are:
  - Decreasing real estate tax base with limited ability to increase tax revenue
  - Budgeted expenditures are increasing 60% faster than budgeted revenue over the next 2 years
  - Funding uncertainty at the Federal and State levels

- Bright spots
  - Significant reduction to projected charter schools expenditures due to cyber charter tuition reform
  - Continued growth in current earned income revenue
  - Reduction in tax refunds paid compared to 2024

Our Next Steps

Next Steps

- 2nd Budget Workshop will occur on June 8th
- 3rd Budget Workshop will occur on September 8th

Pittsburgh Public Schools | Students first Always, in all ways.

Questions?