2027 Preliminary General Fund Budget

November 2, 2026
PPS Board of Education Building

Agenda

Presentation of the 2027 Preliminary General Fund Budget

Our Forecast Is Very Dependent On Our Assumptions

- We have the following assumptions for operating revenue:
  - Flat CY Real Estate Revenue ⇨
  - Increased Earned Income Revenue ⇧
  - Stable Basic Ed and Special Education funding ⇨
  - Decreased State Transportation Subsidy ⇩
- We have the following assumptions for operating expenditures:
  - Decreased salaries due to school consolidation ⇩
  - 3.9% increase to healthcare ⇧
  - Increased utility costs ⇧
  - Rising transportation costs ⇧
  - Vacant positions are budgeted at full cost ⇧

2027 Preliminary Budget

- **Expenditures for 2027 are budgeted at $739.7 million:**
  - **Represents a 0.78% increase from 2026 adopted budget**
  - **Includes an operating deficit of $13.7 million in 2027 which is $8 million more than the 2026 operating deficit of $5.7 million**

- **The current budget DOES NOT adhere to Board's minimum 5 percent fund balance policy for the General Fund through 2027 based on assumptions to date**

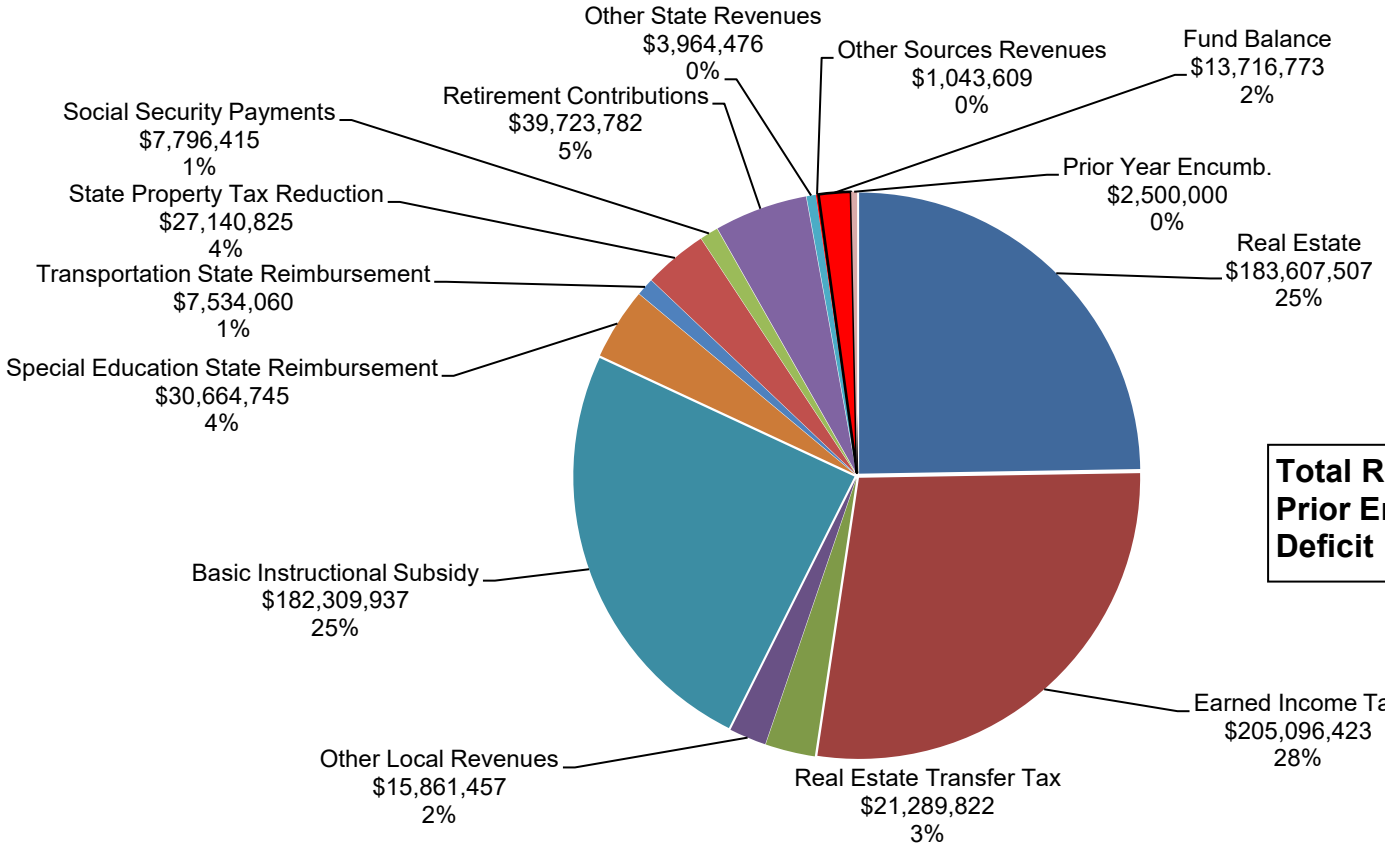
- **Projections as of 9/30/26 indicate final expenditures of $734.1 million and an operating deficit of $11.7 million**

- **This budget DOES NOT include a millage rate increase**

Pittsburgh Public Schools

Revenues

2027 Preliminary Revenue



Total Revenue	**$726,033,058**
Prior Encumbrances	**$ 2,500,000**
Deficit	**$ 13,716,774**

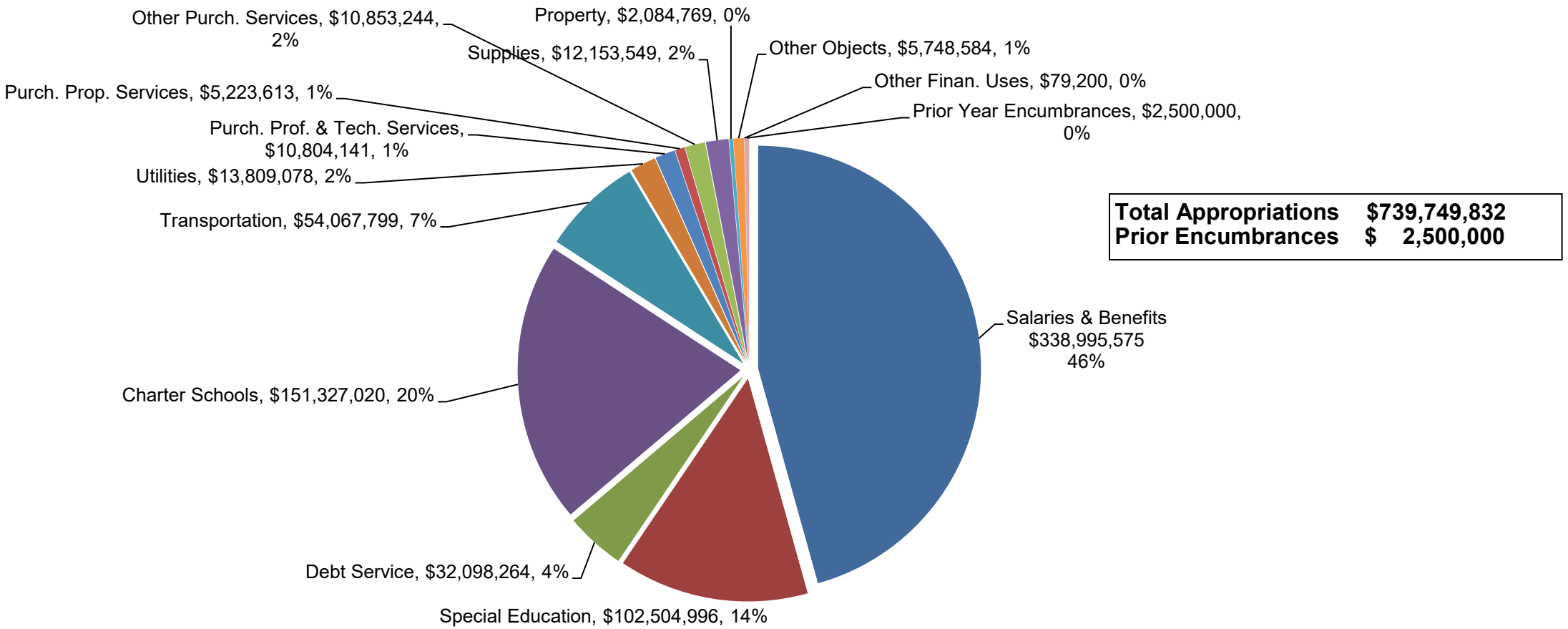
Comparison to 2027 Revenue

Revenue Sources	2026	2027	Change	% Change
Real Estate	181,713,560	183,607,507	1,893,947	1.04%
Earned Income Tax	202,595,512	205,096,423	2,500,911	1.23%
Real Estate Transfer Tax	14,877,588	21,289,822	6,412,234	43.10%
Other Local Revenues	18,415,873	15,861,457	(2,554,416)	-13.87%
Basic Instructional Subsidy	181,131,251	182,309,937	1,178,686	0.65%
Special Education State Reimbursement	30,627,530	30,664,745	37,215	0.12%
Transportation State Reimbursement	13,000,000	7,534,060	(5,465,940)	-42.05%
State Property Tax Reduction	27,140,825	27,140,825	-	0.00%
Social Security Payments	7,896,868	7,796,415	(100,453)	-1.27%
Retirement Contributions	42,125,745	39,723,782	(2,401,963)	-5.70%
Other State Revenues	2,589,922	3,964,476	1,374,554	53.07%
Revenue From Other Sources	1,040,031	1,043,609	3,578	0.34%
From Fund Balance	5,706,331	13,716,774	8,010,443	140.38%
Total	**728,861,036**	**739,749,832**	**10,888,796**	**1.49%**

Pittsburgh Public Schools

Expenditures

2027 Appropriations by Major Object



Total Appropriations	**$739,749,832**
Prior Encumbrances	**$ 2,500,000**

Comparison to 2027 Appropriations

Expenditure Category	2026	2027	Increase/(Decrease)	% Change
Salaries & Benefits	342,313,070	338,995,575	(3,317,495)	-0.97%
Special Education	94,460,068	102,504,996	8,044,928	8.52%
Debt Service	36,755,252	32,098,264	(4,656,988)	-12.67%
Charter Schools	148,359,823	151,327,020	2,967,197	2.00%
Transportation	45,004,088	54,067,799	9,063,711	20.14%
Utilities	14,188,670	13,809,078	(379,592)	-2.68%
Purch. Prof. & Tech. Services	10,858,840	10,804,141	(54,699)	-0.50%
Purch. Prop. Services	5,312,773	5,223,613	(89,160)	-1.68%
Other Purch. Services	11,016,909	10,853,244	(163,665)	-1.49%
Supplies	12,638,342	12,153,549	(484,793)	-3.84%
Property	2,158,122	2,084,769	(73,353)	-3.40%
Other Objects	5,715,879	5,748,584	32,705	0.57%
Other Finan. Uses	79,200	79,200	-	0.00%
Total	**728,861,036**	**739,749,832**	**10,888,796**	**1.49%**

Pittsburgh Public Schools

Future Ready Facilities Plan

Impact of FRFP on the 2027 Budget

- Investments include:
  - Academic Coaches
  - ELD Instructional Specialists
  - Relocation Expenses
  - Communications Support
  - Parent Ambassadors

  Total Investments - $2.9 million

- Cost Reductions include:
  - Closure and Consolidations
  - Projected Overtime Spend

  Total Savings - $9.1 million

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Financial Outlook

Additional Revenue and Cost Reductions are Needed

	Adopted Year Ended 2025	Actual Year Ended 2025	Adopted Year Ended 2026	Projected Year Ended 2026	Projected Year Ended 2027	Projected Year Ended 2028	Projected Year Ended 2029
Total Revenues	$724,160,527	$711,191,333	$723,154,705	$722,360,436	$726,033,058	$741,932,458	$761,225,222
Total Expenditures	$752,283,642	$737,203,209	$728,861,036	$734,050,024	$739,749,832	$762,872,928	$788,394,803
Beginning Balance	$76,841,394	$77,043,179	$48,718,279	$51,031,303	$39,341,715	$25,624,941	$4,684,471
Operating Surplus/(Deficit)	($28,123,115)	($26,011,876)	($5,706,331)	($11,689,589)	($13,716,774)	($20,940,470)	($27,169,581)
Ending Fund Balance	$48,718,279	$51,031,303	$43,011,948	$39,341,715	$25,624,941	$4,684,471	($22,485,110)
Less Projected Reservations	($2,500,000)	($10,421,128)	($2,500,000)	($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	($23,181,092)	($5,706,331)	($13,716,774)	(13,716,774)	(20,940,470)	(27,169,581)	(36,742,208)
Unassigned Fund Balance	$23,037,187	$34,903,845	$26,795,174	$23,124,941	$2,184,471	($24,985,110)	($61,727,318)
% Budgeted Expenditures	3.06%	4.73%	3.68%	3.15%	0.30%	-3.28%	-7.83%
Minimum Fund Balance per Board Policy #721	$37,614,182	$36,860,160	$36,443,052	$36,702,501	$36,987,492	$38,143,646	$39,419,740
Compliance with Fund Balance Policy	No	No	No	No	No	No	No
Funds needed to comply with Fund Balance Policy	$14,576,995	$1,956,316	$9,647,878	$13,577,560	$34,803,021	$63,128,757	$101,147,059

Key Takeaways for the 2027 Budget

- **The 2027 budget includes an operating deficit of $13.8 million**

- **The 2027 budget DOES NOT adhere to Board's minimum 5 percent fund balance policy for the General Fund through 2027 based on assumptions to date**
  - **We CANNOT rely on fund balance to balance the 2029 budget**

- **DOES NOT include a millage increase**

Next Steps in the Budget Approval Process

- November 2, 2026 – Presentation of 2027 Preliminary Budget
- November 16, 2026 – Release of Preliminary 2027 General Fund Budget
- December 9, 2026 – Special Budget Hearing
- December 23, 2026 – Approval of the 2027 General Fund Budget and Tax Rates
- December 31, 2026 – Deadline to adopt the 2027 Budget

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Questions?