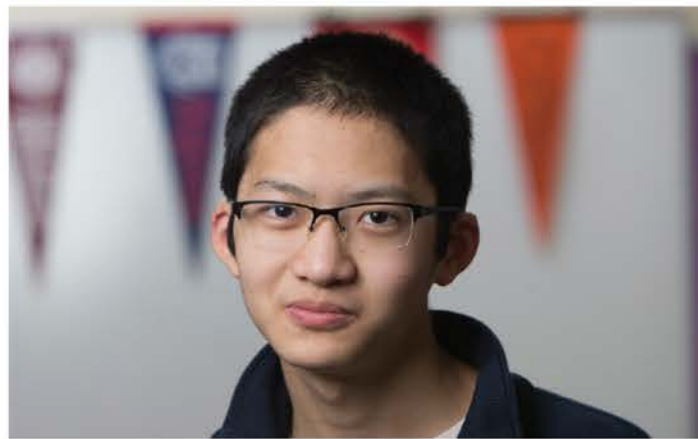


2020 Year End Results



Expect great things.



Financial Forecast (January 2021)

	Adopted Year Ended 2020	Projected Year Ended 2020	Adopted Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023	Projected Year Ended 2024
Total Revenues	\$639,805,733	\$624,161,000	\$631,914,258	\$639,224,007	\$647,292,112	\$655,323,863
Total Expenditures	\$664,814,155	\$639,761,677	\$671,348,058	\$678,204,994	\$683,951,236	\$691,892,941
Beginning Balance	\$81,631,443	\$88,834,882	\$73,234,205	\$33,800,405	(\$5,180,582)	(\$41,839,707)
Operating Surplus/(Deficit)	(\$25,008,422)	(\$15,600,677)	(\$39,433,800)	(\$38,980,987)	(\$36,659,124)	(\$36,569,078)
Ending Fund Balance	\$56,623,021	\$73,234,205	\$33,800,405	(\$5,180,582)	(\$41,839,707)	(\$78,408,785)
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	\$0	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(\$20,879,089)	(\$39,433,800)	(\$38,980,987)	(\$36,659,124)	(\$36,569,078)	(\$34,614,013)
Unassigned Fund Balance	\$33,243,933	\$31,300,405	(\$7,680,582)	(\$44,339,707)	(\$80,908,785)	(\$115,522,797)
% Budgeted Expenditures	5.00%	4.89%	-1.14%	-6.54%	-11.83%	-16.70%
Minimum Fund Balance per Board Policy #721	\$33,240,708	\$31,988,084	\$33,567,403	\$33,910,250	\$34,197,562	\$34,594,647
Compliance with Fund Balance Policy	Yes	No	No	No	No	No
Funds needed to comply with Fund Balance Policy		\$687,679	\$41,247,985	\$78,249,956	\$115,106,346	\$150,117,444



Expect great things.

Financial Forecast (February 2021)

	Adopted Year Ended 2020	Projected Year Ended 2020	Adopted Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023	Projected Year Ended 2024
Total Revenues	\$639,805,733	\$619,720,159	\$631,914,258	\$639,224,007	\$647,292,112	\$655,323,863
Total Expenditures	\$664,814,155	\$624,080,776	\$671,348,058	\$678,204,994	\$683,951,236	\$691,892,941
Beginning Balance	\$81,631,443	\$88,834,882	\$84,474,265	\$45,040,465	\$6,059,478	(\$30,599,647)
Operating Surplus/(Deficit)	(\$25,008,422)	(\$4,360,617)	(\$39,433,800)	(\$38,980,987)	(\$36,659,124)	(\$36,569,078)
Ending Fund Balance	\$56,623,021	\$84,474,265	\$45,040,465	\$6,059,478	(\$30,599,647)	(\$67,168,725)
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	\$0	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(\$20,879,089)	(\$39,433,800)	(\$38,980,987)	(\$36,659,124)	(\$36,569,078)	(\$34,614,013)
Unassigned Fund Balance	\$33,243,933	\$42,540,465	\$3,559,478	(\$33,099,647)	(\$69,668,725)	(\$104,282,737)
% Budgeted Expenditures	5.00%	6.82%	0.53%	-4.88%	-10.19%	-15.07%
Minimum Fund Balance per Board Policy #721	\$33,240,708	\$31,204,039	\$33,567,403	\$33,910,250	\$34,197,562	\$34,594,647
Compliance with Fund Balance Policy	Yes	Yes	No	No	No	No
Funds needed to comply with Fund Balance Policy			\$30,007,925	\$67,009,896	\$103,866,286	\$138,877,384

Financial Forecast (March 2021)

	Final Year Ended 2020	Adopted Year Ended 2021	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023	Projected Year Ended 2024
Total Revenues	\$622,957,866	\$631,914,258	626,935,466.17	\$635,830,747	\$643,860,582	\$651,848,093
Total Expenditures	\$622,434,373	\$671,348,058	663,774,169.50	\$670,910,584	\$676,609,986	\$684,457,419
Beginning Balance	\$88,834,882	\$73,234,205	\$89,358,375	\$52,519,671	\$17,439,834	(\$15,309,570)
Operating Surplus/(Deficit)	\$523,493	(\$39,433,800)	\$36,838,703	(\$35,079,837)	(\$32,749,404)	(\$32,609,326)
Ending Fund Balance	\$89,358,375	\$33,800,405	\$52,519,671	\$17,439,834	(\$15,309,570)	(\$47,918,896)
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	\$0	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(\$39,433,800)	(38,980,987)	(32,749,404)	(32,749,404)	(32,609,326)	(\$30,604,881)
Unassigned Fund Balance	\$47,424,575	(\$7,680,582)	\$17,270,267	(\$17,809,570)	(\$50,418,896)	(\$81,023,777)
% Budgeted Expenditures	7.62%	-1.14%	2.60%	-2.65%	-7.45%	-11.84%
Minimum Fund Balance per Board Policy #721	\$31,121,719	\$33,567,403	\$33,188,708	\$33,545,529	\$33,830,499	\$34,222,871
Compliance with Fund Balance Policy	Yes	No	No	No	No	No
Funds needed to comply with Fund Balance Policy		\$41,247,985	\$15,918,441	\$51,355,099	\$84,249,395	\$115,246,648

Expect great things.



How did we get here?

It's All About Revenues and Expenditures



Final Revenues are \$16.8 million lower than budgeted

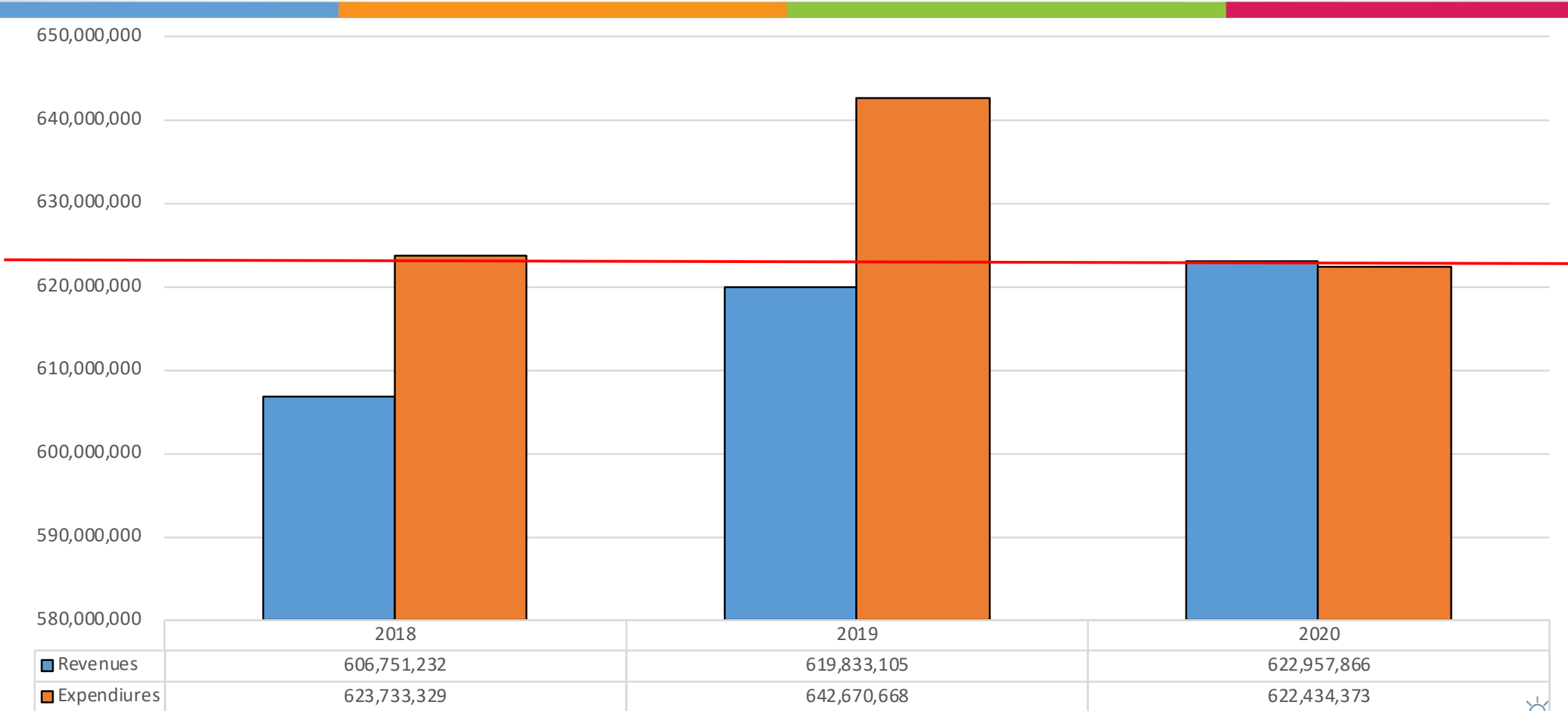


Final Expenditures are \$42.4 million lower than projected



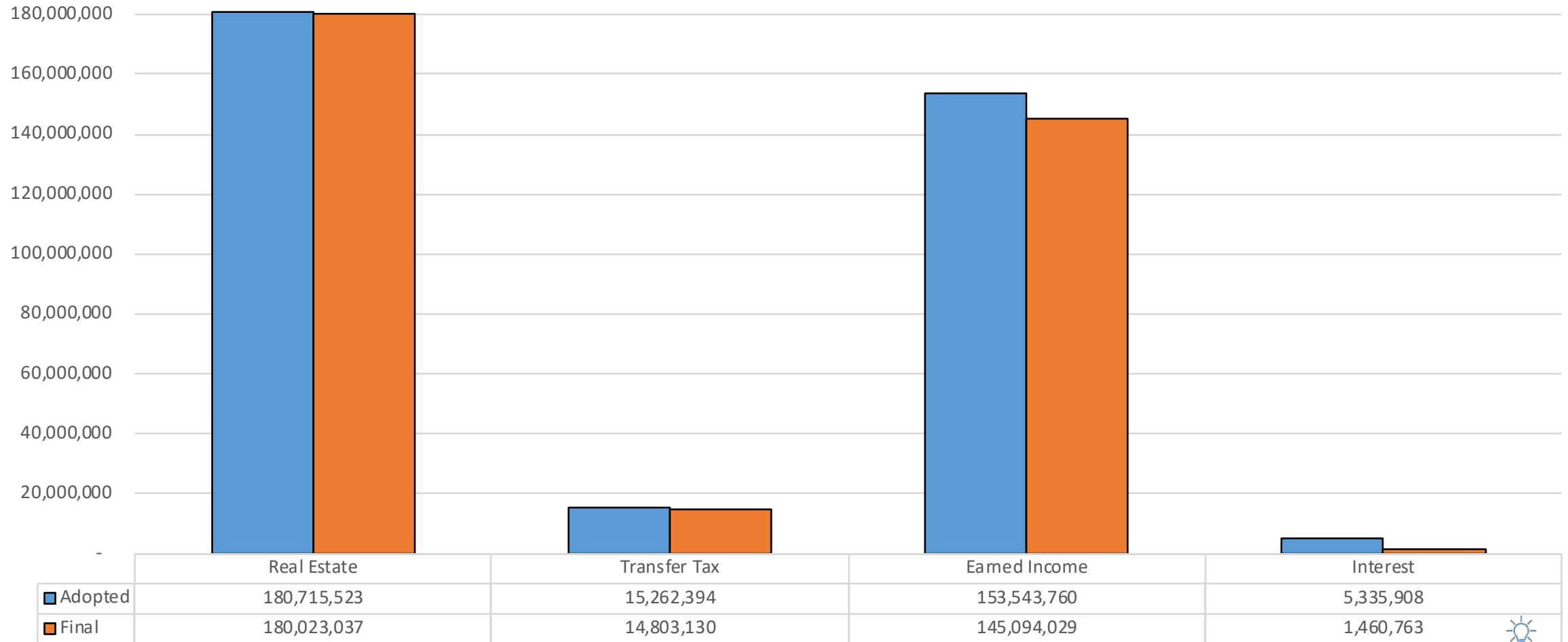
The result is a \$0.5 million budget surplus

Revenues and Expenditures Since 2018



Expect great things.

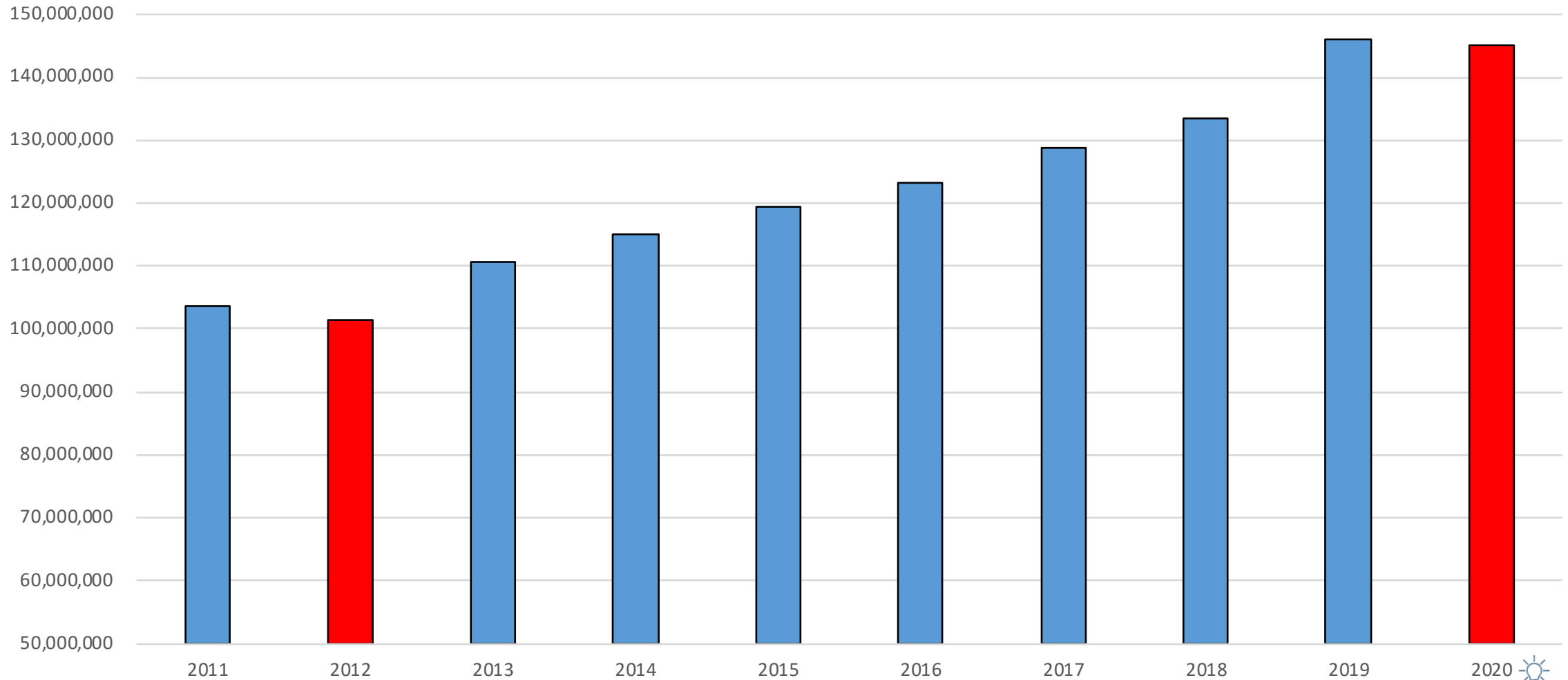
Major Revenue Changes



Expect great things.



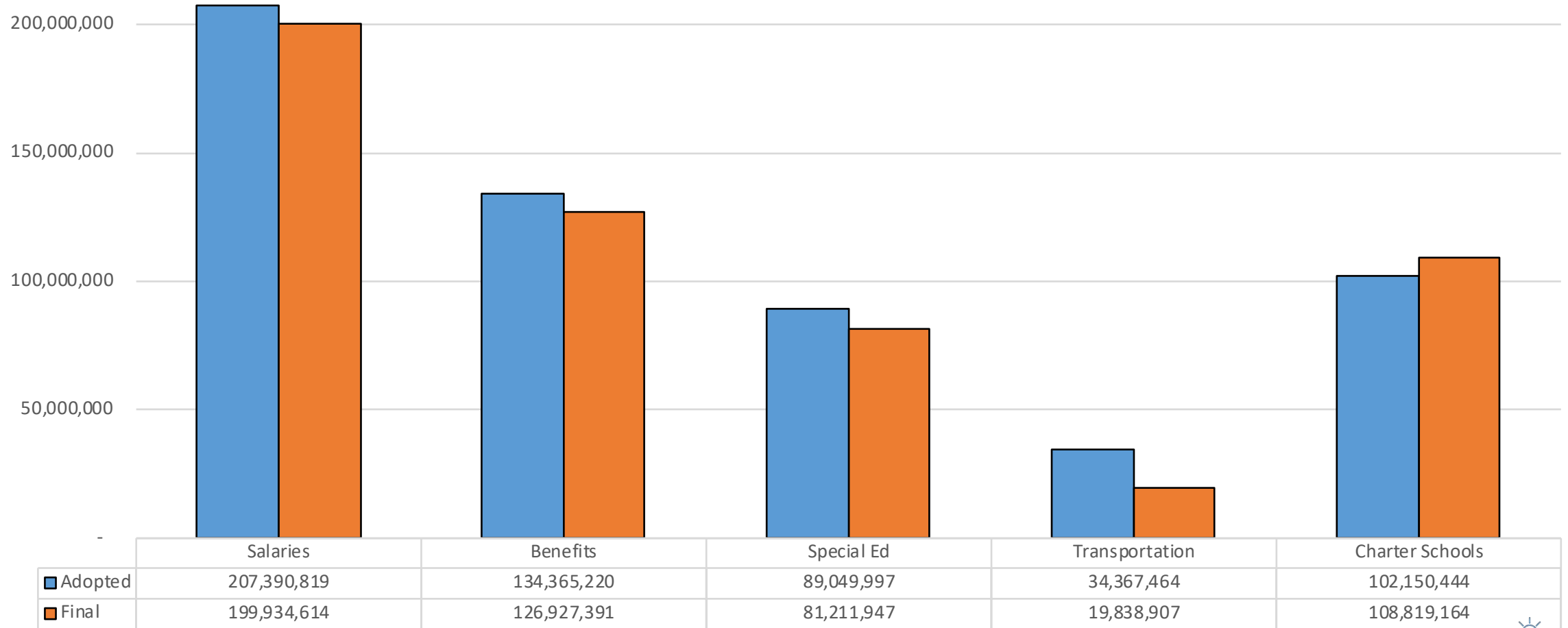
First Decline in Earned Income Tax Since 2012



Expect great things.



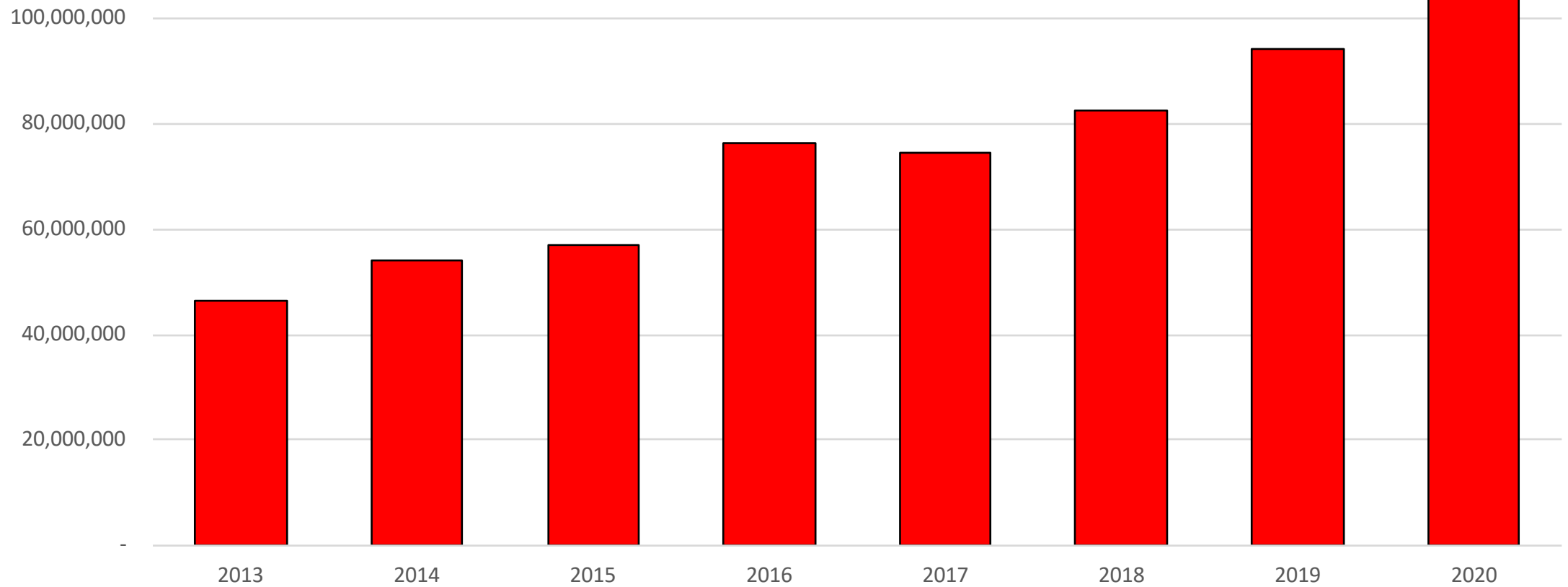
Major Expenditures Changes



Expect great things.



The growth in charter expenditures continues to be a concern

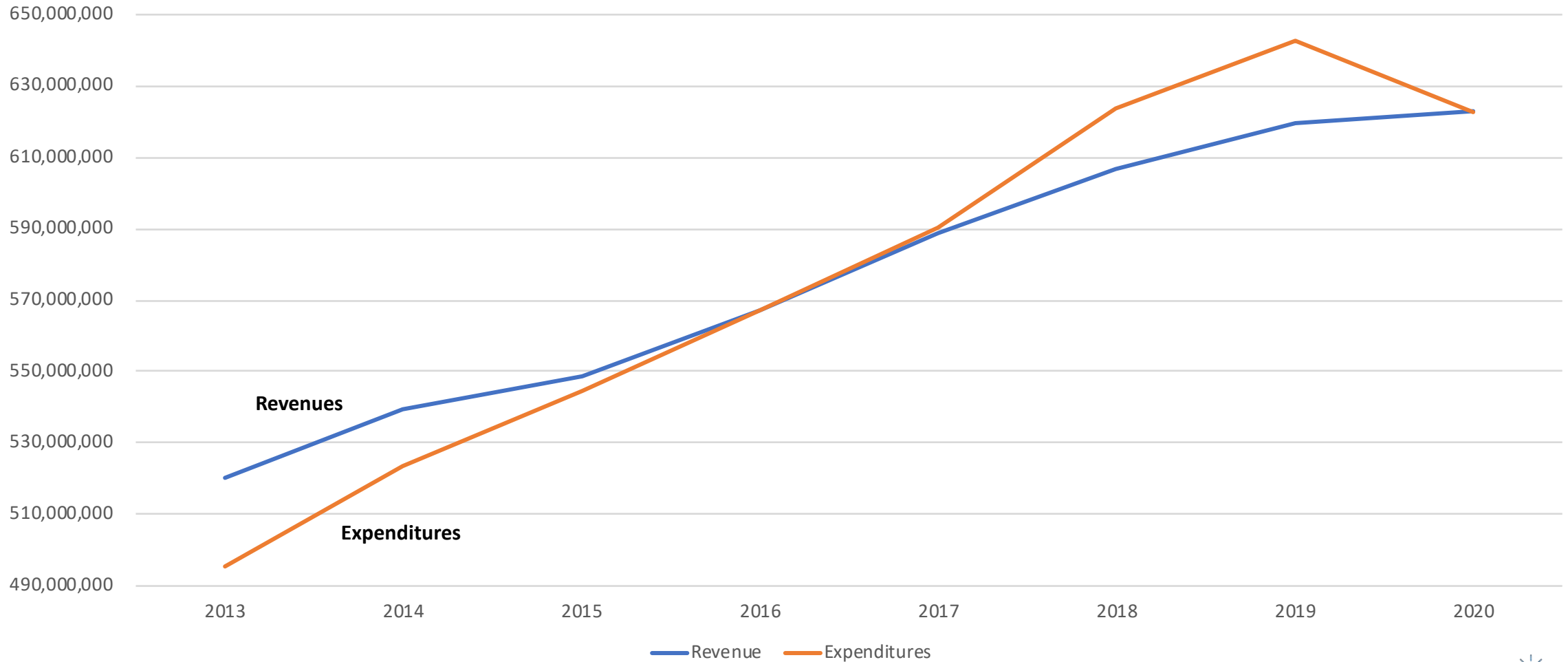


The Charter Formula Drives Charter Costs

- Charter enrollment increased by **33%** since 2013
- Charter school tuition expense increased by **135%** since 2013
- The charter funding formula is based on prior year expenditures including tuition paid to charter schools
- The formula is not based on actual charter costs



This is our first year without a deficit since 2015



Elementary and Secondary School Emergency Relief Funding (ESSER)

- These are one-time funds that cannot be used to eliminate our operating deficit
- Allocated a total of \$161.2 million
 - ESSER I – \$11.1 million
 - ESSER II – \$50.1 million
 - ESSER III – \$100 million
 - Awaiting release of application and guidance from PDE on allowable uses
- ESSER I funds primarily used to purchase student and staff devices
- ESSER II funds are tentatively being allocated to fund computer purchases, building technology infrastructure, building health and safety, summer learning, and address learning loss

Expect great things.

Earned Income Tax Diversion

- (Act 187 of 2004) of the Public School Code states that “A school district of the first class A located in whole or in part within the city of the second class shall share earned income tax under this section with such city of the 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 per centum (0.20%) to the city, in tax year 2009 and thereafter, one quarter of one per centum (0.25%) to the city.”
- Since 2007, **\$201.2 million** in current year earned income tax levied by the PPS was diverted to the City of Pittsburgh
 - \$102 million net of Commonwealth Partnership Funding
- The project EIT diversion for 2021 is over **\$20 million**



We Still Need to Address Our Finances

- Reduced costs due to the pandemic has resulted in a lower than projected deficit for 2020
- We have a structural deficit that needs to be addressed
 - Projected to be \$36.8 million in 2021
- We cannot continue to run a deficit beyond next year
- We are vulnerable to changes in State and Local funding
 - Commercial real estate appeals due to the pandemic
 - Future changes in State funding

