

THE BOARD OF PUBLIC EDUCATION
OF THE SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

MINUTES

Meeting of: December 7, 2011

Call of the Meeting: Special Legislative Meeting

Members Present: Mark A. Brentley, Theresa Colaizzi (via phone),
Jean Fink, Sherry Hazuda, Regina Holley,
William H. Isler, Floyd L. McCrea, Sharene
Shealey, and Thomas H. Sumpter

The following matters were received and acted upon.

Actions taken are recorded following the reports.

THE BOARD OF PUBLIC EDUCATION

PITTSBURGH, PENNSYLVANIA 15213

**Administration Building
341 South Bellefield Avenue**

December 7, 2011

SPECIAL LEGISLATIVE AGENDA

ROLL CALL

Committee on Business/Finance

1. Adoption of 2012 General Fund Budget

[Roll Call]

WHEREAS, The 2012 General Fund Budget totals \$529.8 million, representing a decrease of \$11.1 million, or 2.1 percent, from the 2011 General Fund Budget; and

WHEREAS, The 2012 General Fund Budget includes an operating deficit of \$21.7 million, which will require the District to spend resources currently in the District's fund balance; and

WHEREAS, The fund balance is expected to decline to \$42.9 million at the end of 2012; and

WHEREAS, The Board has made strategic, but often difficult decisions to invest resources wisely while transforming the District so that every student can achieve academic excellence and have the opportunity to pursue The Pittsburgh Promise® and succeed in all aspects of life; and

WHEREAS, The Board is committed to continuing the District's record of improving academic outcomes without raising taxes in spite of challenges, which include uncertain federal and state funding as well underutilized classrooms and facilities due to declining student enrollment; and

WHEREAS, The Board recognizes that approximately 630 positions will have been eliminated through the combination of reductions of Central Office and Operational Support staff in June 2011 as well as additional reductions in the 2012 budget based upon implementing adjustments to the District's Educational Delivery Model; and

WHEREAS, The Board acknowledges that it will be necessary to make further budget reductions early in 2012 since efforts to date have reduced, but not eliminated the operating deficit for 2012, and the current forecast shows operating deficits over the next four years that would put the District out of compliance with the Board's fund balance policy in both 2014 and 2015; and

WHEREAS, The Superintendent is expected to continue to look at every cost throughout the system to identify opportunities to provide high quality education with fewer resources; and

NOW THEREFORE BE IT RESOLVED, That the Board of Directors approves the projected revenues for 2012 based on the Business/Finance committee's estimate that the tax levies together with other revenues will provide funds for the operation of the school system during 2012 as shown on the attached statement of estimated revenues; and

RESOLVED , That the Board of Directors approves appropriations for 2012 to Major Objects 100, 200, 300, 400, 500, 600, 700, 800, and 900 as shown on the attached statement of appropriations; and

RESOLVED THAT, The Board of Directors authorizes that 2012 appropriations be increased by the actual encumbrances existing at December 31, 2011 in an amount estimated to be \$2,500,000 for which a reservation of fund balance for encumbrances has been credited; and

RESOLVED FINALLY, That the 2012 appropriations and estimates of 2012 revenues, together with the budget as identified by 2012 Object within Major Function be certified to the School Controller by the Assistant Secretary.

**THE BOARD OF PUBLIC EDUCATION
PITTSBURGH, PENNSYLVANIA**

**2012 GENERAL FUND BUDGET
ESTIMATED REVENUES**

LOCAL SOURCES:

REAL ESTATE TAX

Tax rate - in Mills 13.92	
Estimated Collectible during Current Year (Current and Delinquent)	\$162,325,099

Implementing the Act 1 Homestead and Farmstead Exemption provided under the Pennsylvania Tax Relief Act, a law passed by the Pennsylvania General Assembly to reduce property taxes from slot machine proceeds;

Real Estate Tax - Current	\$169,702,616
Property Tax Reduction under Act 1	\$15,577,517

Net Real Estate Tax - Current	<u>\$154,125,099</u>
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Real estate Tax - Delinquent	<u>\$8,200,000</u>
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PUBLIC UTILITY REALTY TAX	\$366,426
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EARNED INCOME TAX (Current and Delinquent) -	\$96,704,803
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2.0% Levy, School Code Section 652.1(a) (2) requires that 0.25% of the Levy be shared with the City of Pittsburgh, the Net Levy to the District is 1.75%

Earned Income Tax - Current	2.00% Levy	\$102,291,203
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Percentage Levied required to be shared with the City	0.25%	\$12,786,400
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1.75% Net Levy	<u>\$89,504,803</u>
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Earned income tax - Delinquent	<u>\$7,200,000</u>
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IN LIEU OF TAXES	\$178,000
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REALTY TRANSFER TAX (Current and Delinquent) - 1%	\$6,989,107
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TOTAL REVENUE FROM TAXES	<u>\$266,563,435</u>
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SERVICES PROVIDED OTHER FUNDS	\$2,667,806
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EARNINGS ON INVESTMENTS	\$1,000,000
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RENTAL OF SCHOOL PROPERTY	\$166,363
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TUITION FROM PATRONS	\$101,804
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MISCELLANEOUS	\$629,472
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TOTAL LOCAL SOURCES	<u>\$271,128,880</u>
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Continued

THE BOARD OF PUBLIC EDUCATION
PITTSBURGH, PENNSYLVANIA

2012 GENERAL FUND BUDGET
ESTIMATED REVENUES

Continued

STATE SOURCES:

STATE SUBSIDY	\$152,501,623
SOCIAL SECURITY AND RETIREMENT CONTRIBUTIONS	\$18,975,084
SPECIAL EDUCATION	\$27,769,151
PROPERTY TAX REDUCTION ALLOCATION	\$15,577,517
OTHER STATE REVENUE	\$17,815,873
TOTAL STATE SOURCES	<u>\$232,639,248</u>

OTHER SOURCES:

TUITION FROM OTHER DISTRICTS	\$581,730
INTER-FUND TRANSFERS	\$617,564
REVENUE FROM FEDERAL SOURCES	\$3,111,609
TOTAL OTHER SOURCES	<u>\$4,310,903</u>
TOTAL REVENUE	<u>\$508,079,031</u>

FROM FUND BALANCE

\$21,714,792

TOTAL FUNDS BUDGETED FOR 2012 APPROPRIATIONS

\$529,793,823

RESERVE FOR PRIOR YEAR ENCUMBRANCES

\$2,500,000

GRAND TOTAL 2012 REVENUE ALL SOURCES

\$532,293,823

**THE BOARD OF PUBLIC EDUCATION
PITTSBURGH, PENNSYLVANIA**

**2012 GENERAL FUND BUDGET
APPROPRIATIONS BY MAJOR OBJECT**

100	SALARIES		\$181,415,135
200	EMPLOYEE BENEFITS	\$60,333,871	
	STATE SHARE OF SOCIAL SECURITY AND RETIREMENT CONTRIBUTIONS	\$18,975,084	\$79,308,955
300	PURCHASED PROFESSIONAL AND TECHNICAL SERVICES		\$76,858,648
400	PURCHASED PROPERTY SERVICES		\$10,812,611
500	OTHER PURCHASED SERVICES		\$96,530,787
600	SUPPLIES		\$13,972,149
700	PROPERTY		\$6,220,598
800	OTHER OBJECTS		\$27,674,682
900	OTHER FINANCING USES		\$37,000,258
TOTAL 2012 APPROPRIATIONS			\$529,793,823
PRIOR YEAR ENCUMBRANCES			\$2,500,000
GRAND TOTAL 2012 APPROPRIATIONS			\$532,293,823

1 TRANSCRIPT OF PROCEEDINGS

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3 PITTSBURGH BOARD OF PUBLIC EDUCATION
 4 SPECIAL LEGISLATIVE MEETING
 5 WEDNESDAY, DECEMBER 7, 2011
 6 6:30 P.M.
 7 ADMINISTRATION BUILDING

8 - - -

9 BEFORE:

10 SHERRY HAZUDA, PRESIDENT
 11 SHARENE SHEALEY, FIRST VICE PRESIDENT
 12 THOMAS SUMPTER, SECOND VICE PRESIDENT
 13 MARK BRENTLEY
 14 THERESA COLAIZZI
 15 JEAN FINK
 16 REGINA HOLLEY
 17 WILLIAM ISLER
 18 FLOYD McCREA

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20 ALSO PRESENT:

21 DR. LINDA LANE	DR. PAULETTE PONCELET
22 MR. IRA WEISS	MS. MARY JANE CONLEY
23 MS. CHRISTIANA OTUWA	MR. VIDYA PATIL
24 MR. PETER J. CAMARDA	MS. LISA FISCHETTI
25 DR. JERRI LIPPERT	MR. MARK CAMPBELL
MS. JODY SPOLAR	MR. DAVID MAY-STEIN

26 - - -

27 REPORTED BY: MELISSA L. FENSTER
 28 PROFESSIONAL COURT REPORTER

29 - - -

30 COMPUTER-AIDED TRANSCRIPTION BY
 31 MORSE, GANTVERG & HODGE, INC.
 32 PITTSBURGH, PENNSYLVANIA
 33 412-281-0189

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36 **ORIGINAL**

1 P-R-O-C-E-E-D-I-N-G-S

2 MRS. HAZUDA: Now, I'm going to call the
3 December 7, 2011 Special Legislative Meeting to order.

4 Mr. Weiss, may we have a roll call vote,
5 please?

6 MR. WEISS: Mr. Brentley.

7 MR. BRENTLEY: Here.

8 MR. WEISS: Mrs. Colaizzi.

9 MRS. COLAIZZII: Here.

10 MR. WEISS: Mrs. Fink.

11 MRS. FINK: Here.

12 MR. WEISS: Ms. Hazuda.

13 MRS. HAZUDA: Here.

14 MR. WEISS: Dr. Holley.

15 DR. HOLLEY: Here.

16 MR. WEISS: Mr. Isler.

17 MR. ISLER: Present.

18 MR. WEISS: Mr. McCrea.

19 MR. MCCREA: Here.

20 MR. WEISS: Ms. Shealey.

21 MS. SHEALEY: Here.

22 MR. WEISS: Mr. Sumpter.

23 MR. SUMPTER: Present.

24 MR. WEISS: All members present.

25 MRS. HAZUDA: Thank you, Mr. Weiss.

1 The only item on Agenda this evening is
2 approval of the 2012 budget.

3 At this time, I would like to read the
4 resolution.

5 Now therefore be it resolved, that the
6 Board of directors approves the projected revenues for
7 2012 based on the Business/Finance Committee's
8 estimate that the tax levies together with other
9 revenues will provide funds for the operation of the
10 school system during 2012 as shown on the attached
11 statement of estimated revenues.

12 And, resolved, that the Board of Directors
13 approves appropriations for 2012 to major objects
14 100, 200, 300, 400, 500, 600, 700, 800 and 900 as
15 shown on the attached statement of appropriations.

16 And, resolved, that the Board of Directors
17 authorizes the 2012 appropriations be increased by the
18 actual encumbrances existing at December 31, 2011 in
19 the amount estimated it to be \$2,500,000 for which a
20 reservation of fund balance for encumbrances has been
21 credited.

22 And, resolved finally, that the 2012
23 appropriations and estimates of 2012 revenues,
24 together with the budget as identified by 2012 object
25 within major function to be certified to the School

1 Controller by the Assistant Secretary.

2 Are there any question or comments on the
3 resolution that is before us?

4 Mr. Brentley, we'll start with you.

5 MR. BRENTLEY: Yes. I just have some -- a
6 couple of clarification points.

7 Our regular Legislative Meeting is next
8 week, am I correct, or in two weeks? Okay.

9 Mr. Weiss or Dr. Lane, why are we voting on
10 the budget now?

11 DR. LANE: Mr. Brentley, we had provided
12 the Board and the public a schedule of this whole
13 process, and I believe that schedule was provided I
14 think of August of 2011.

15 The reason that we asked you the Board to
16 vote on the budget sooner than the Legislative Meeting
17 is because that meeting comes at the end of the month,
18 some of the execution of this budget is going to be
19 pretty complicated as you might guess, and we wanted
20 to be in a position that we could get on that specific
21 work as quickly as we could, get as much done as we
22 can between now and winter break, and so that's why we
23 asked you to vote tonight.

24 MR. BRENTLEY: Well, and I guess the legal
25 questions if we vote now, it is policy or it's

1 approved today, but if you -- you will be adjusting it
2 at the next Legislative Meeting?

3 DR. LANE: No. We wouldn't be adjusting it
4 at the next Legislative Meeting. The reason -- and
5 maybe I wasn't clear. The reason we like it approved
6 this evening is so that we can begin the work of
7 executing it, and by that, I mean figuring out, you
8 know, all of the things that we talked to you about
9 are going to take communication with people, setting
10 up staff modeling, that kind of thing so that's the
11 work that we have to get on with as quickly as we can,
12 but I didn't mean to imply that we were asking you to
13 make an adjustment at the next Legislative Meeting.

14 MR. BRENTLEY: Now, also, normally, this
15 would be at the legislative Meeting, correct? It
16 would normally be voted on the budget at the regular
17 Legislative Meeting?

18 DR. LANE: That's how it has been in the
19 past as I understand it, yes.

20 MR. BRENTLEY: Okay. And so what's still
21 confusing me is why making a Special Legislative
22 Meeting to vote now while we still have two weeks to
23 really talk about some things and not use that time
24 wisely.

25 It's kind of a little -- two weeks

1 premature really, and so that's my question.

2 Let me just go onto my next point. In this
3 budget, then all those recommendations that were made
4 I believe last month, that is the public giveaway of
5 the Reizenstein School, the half a million dollar
6 reduction in CAPA, is that included in this budget?
7 It will be executed the 1st of the year or start to be
8 executed?

9 DR. LANE: Well, the sale of Reizenstein
10 actually was approved by the Board at the last
11 meeting, so that in the sense that it's included in
12 this budget, the results of that would be, but not the
13 sale itself is not what you will be voting on tonight.
14 That has already been voted on.

15 In terms of the educational modeling that
16 we provided information to you as a Board and as to
17 the public, the budget is based on that modeling, and
18 I know that we've had a number of communities,
19 constituents that have asked about their concerns or
20 expressed their concerns around different areas of the
21 budget, and I wouldn't want to indicate to you that,
22 you know, we wouldn't still consider is there some way
23 that we could make the same reduction and have a
24 better outcome based on more thinking.

25 We're certainly willing to do some of that,

1 but I wouldn't want the Board to think that there's a
2 lot of flexibility here because really what we're
3 going to be looking for are more reductions, not, you
4 know, how can we put -- starting putting things back
5 in because once we do that, then numbers -- the
6 numbers simply won't work.

7 MR. BRENTLEY: Okay. Well, the reason why
8 I asked that question -- I'm sure all of my colleagues
9 have received, as well as your office the concerns
10 from CAPA, but there many, many other things that we
11 have voted on that I believe this budget will
12 negatively impact, and in some cases, we may not never
13 be able to turn the corner on.

14 But there were suggestions made, and I'm
15 actually running in today actually on the phone with
16 some parents, and it suggested why not engage the
17 public in being creative and helping to identify
18 creative ways so that we won't be making these really,
19 really serious cuts, and, primarily, the parents that
20 I spoke to were the parent at CAPA, and their
21 recommendations were they said it, they would be more
22 than willing to work with us and they want to put some
23 things together. They want to reach out to some of
24 the CAPA alumni who would help in identifying things.

25 And I'm just wondering have we exhausted

1 all possibilities before making some of these drastic,
2 drastic cuts that will definitely impact their
3 programming, and so I guess the question is do we have
4 the flexibility within the next two weeks, and is
5 there a willingness on this Administration's part to,
6 for the lack of a better term, set up an ad hoc
7 committee to find -- to go over with a fine-toothed
8 comb this budget and see how can we avoid some of the
9 things that we've already voted for that could hurt
10 this District and possibly encourage folks to now pull
11 their children out of the School District.

12 So if question is there a flexibility
13 within this budget?

14 I guess this also goes to you as well,
15 Mr. Weiss. I mean, the legalities of it, do we have
16 that flexibility to come back and at the Legislative
17 Meeting be able to make some adjustments to the budget
18 legally without causing much disruption?

19 DR. LANE: I'll maybe speak first, and then
20 Mr. Weiss can speak to the legality of it.

21 In regard to CAPA specifically, they have
22 already done that. The original proposal for CAPA had
23 the same amount of reduction, but also reduced all of
24 the private lessons going totally to ensemble lessons.

25 CAPA staff and leadership asked us can we

1 take this and see if there's some changes we can make
2 that we think will make this less onerous and more
3 educationally sound, and we said, of course, you can.
4 We still needed to get the reduction, but if there's
5 another way to go there, then please, and they did.
6 They came back with an alternate proposal, and that
7 alternate proposal did restore the individual lessons
8 at three grades, at 8th Grade, at 11th Grade and at
9 12th Grade.

10 The rationale behind it, 8th Grade getting
11 kids ready for high school, and then 11th and 12th, of
12 course, for students that plan to go on in music
13 perhaps either as a career or further education in
14 music, so there has been work done in that regard
15 already.

16 In terms of the rest of the budget, there
17 has been at least -- I can't tell you the number of
18 public meetings we've had in engagement around talking
19 about the budget, so I wouldn't want --

20 I think that many of the Board members are
21 probably aware that we have had a significant number
22 of community events. We have gotten opportunities for
23 people to talk and provide ideas. The website was up
24 that provided information to people and let them make
25 comments, ideas or suggestions.

1 Some of those we actually were able to, you
2 know, actually able to incorporate, so there has been
3 a pretty long and pretty -- a process that I believe
4 provided significant amounts of engagement.

5 One of the things when we started on this
6 whole process last spring, one of the things that I
7 believe that I thought was very important is when the
8 Board has passed previous budgets, there were
9 reductions in those budgets in certain lines.
10 However, there hadn't been a lot of discussion about
11 what those reductions were previous to the Board vote.

12 Because this budget is so difficult and has
13 so many things in it that for all the reasons that
14 many of us can name wish we weren't doing, that we
15 thought it would be really important that it be pretty
16 transparent in terms of what's in and what's out, and
17 that's the process we've been going through over the
18 last weeks and months to try to make sure whether we
19 knew it was something that, you know, people who were
20 going to protest against or be against or not
21 supportive of, that they were aware and had an
22 opportunity to speak to it.

23 And so back to your original question about
24 the amount, you know, could we get some people
25 together, there has been quite a bit of that that has

1 taken place.

2 MR. BRENTLEY: Well, you know, Doctor, I --
3 and I agree with you that this is a complicated
4 process, but it's also a complicated budget in terms
5 of its recommendation and what we're cutting, and I
6 would think for that very same reason you would want
7 to use every moment available to go over it with a
8 fine-toothed comb.

9 An additional two weeks would make a big
10 difference. We don't know what the community has out
11 there in terms of some recommendations or some
12 creative ways of saving some of the programs, possibly
13 some employees, and so I just think we owe it to
14 ourselves to at least allow that time.

15 To put it before us two months before the
16 actual date that we normally do is just, it's not a
17 good thing, and so I think there's willingness -- I
18 would even love and as I mentioned to you before, if
19 necessary, we put out a call to all of the wonderful,
20 wonderful retirees of this District who are totally in
21 love with this District, ask for them to come in to an
22 all night marathon to address these issues, if
23 necessary. We'll provide the food, and let's see
24 what's out there. Because I think that we can hurt
25 this District by moving quickly, quicker than we

1 normally do.

2 And so I'm just -- I just want to make sure
3 that there was a willingness on this Administration's
4 part.

5 What I'll do -- I would like to -- there
6 would be no harm if we were to hold this for the next
7 Legislative Meeting, which is two weeks, and so I
8 would like to make a recommendation or put a motion on
9 the floor that we just not -- hold, not vote today,
10 but vote at the regular Legislative Meeting on
11 approving and accepting the budget.

12 That is a motion.

13 MRS. HAZUDA: Is there a second to the
14 motion?

15 DR. HOLLEY: I second.

16 MRS. HAZUDA: Discussion on the motion?

17 Mr. Brentley, do you want to say anything
18 on the motion?

19 MR. BRENTLEY: No. I'm just prepared --

20 Well, I would say something. I would just
21 encourage my colleagues that you all have received the
22 same phone calls that I have received, the emails, and
23 we do have to admit at the Public Hearing in November
24 there was some wonderful, wonderful suggestions made
25 from people who truly, truly love this District.

1 For us to hold this for two weeks is no
2 harm. There's no foul, but to simply allow the
3 community to come, so to come and to share their
4 comments, and if we have to go through with these
5 very, very tough decisions, at least they can say we
6 seen now. We understand. We've made our
7 recommendations, and now we know this is the only way
8 to go, but when you exclude folks and not check every
9 possibility, I think we're doing a disservice, not
10 only to the wonderful parents who are committed, but
11 to the children, but, more importantly, to the
12 taxpayers.

13 And so I would encourage my colleagues at
14 the very least to at least vote in the affirmative and
15 allow the community a part. And by the way, I would
16 be more than willing to chair this two week marathon
17 initiative or do what I have to do to get folks to
18 come on out and share their comments so that we can
19 save jobs and save this wonderful, wonderful School
20 District. Thank you.

21 MRS. HAZUDA: Mrs. Fink, any comments on
22 the motion?

23 MRS. FINK: No.

24 MRS. HAZUDA: Dr. Holley.

25 DR. HOLLEY: Yes. I have a couple of

1 comments.

2 First of all, I also received many phone
3 calls and emails from parents and community members,
4 not just about CAPA, but about a variety of reasons
5 why this budget that is being proposed is not
6 workable, and as an educator, it's not workable for me
7 either.

8 As a former principal of a school, when I
9 thought about the budget when Mr. Camarda sent me my
10 budget and I had to actually sit down and decide on
11 what I was going to do with this budget and how I was
12 going to educate the children at Lincoln, I thought
13 about the classroom first, and I don't think that this
14 budget actually does that.

15 I know that you talk a lot about equality
16 equating to equity, but it also should be equality,
17 plus equity and it should also be quality, and by
18 taking out a lot of programming that we have worked so
19 hard for in this District, you're taking away a lot of
20 quality.

21 I'm also appalled that -- I've been
22 watching this budget for a long time. I've gone to
23 several of the meetings, and I have never once heard
24 about teachers being taken out of the Gifted Center
25 and then the students that come from our private and

1 parochial schools would not have that service
2 available to them come September.

3 And I understand that we have a certain pot
4 of money, and we want to make sure that the children
5 who actually attend the Pittsburgh Public Schools
6 attend the Gifted Center, and I totally agree.
7 However, I also have to agree with the parents that
8 people who pay taxes in our City do -- they've been
9 availing to this project -- this program for years
10 now, and to suddenly take this away from them, I just
11 think it's outrageous.

12 Now, don't get me wrong, I want to make
13 sure that the children that are in the Pittsburgh
14 Public Schools are -- making sure that they do have
15 the opportunity to go to the Gifted Center, but we
16 have always made this a program that was city-wide,
17 and I just don't feel as though we have --

18 When money is so short for everyone,
19 parents are already paying large sums of money to send
20 their children to private and parochial schools.
21 That's their choice. Again, that's the parent's
22 choice. However, not availing themselves to the
23 program that they've always had, I think that's a
24 problem.

25 Now, I was told this morning when I called

1 that that wasn't true, that some children will be able
2 to come, and I want to know who's going to make the
3 decision what parochial school or what private school
4 will be able to avail themselves to that program?
5 Somebody?

6 DR. LANE: Well, first of all, it would be
7 on the space available basis, and beyond that, we have
8 not set criteria, but it would have to be something
9 that was fair, for example, a lottery or we could look
10 at the neediest kids first. For example, if there was
11 a way that we would prioritize for kids whose families
12 were eligible for free and reduced priced lunch, so
13 there are a couple of ways to look at it that would be
14 fair so that, you know, obviously, nobody's going to
15 be picking and choosing based on certain children.
16 That wouldn't be fair.

17 DR. HOLLEY: I think we might be sued over
18 that one.

19 Mr. Weiss, is that -- would that be legal?

20 MR. WEISS: Well, as Dr. Lane said, we
21 haven't fully developed the plan of allocating
22 available space once the District students are served,
23 but, certainly, a lottery would be one way to do it.
24 There may be other ways to do it.

25 We would bring those to the Board as they

1 develop them, but beyond that, I wouldn't want to
2 comment until we see all of the elements involved with
3 these different plans, but, clearly, a lottery would
4 be proposal and would be legal.

5 DR. HOLLEY: Well, tell me why didn't
6 someone inform the parents early on that this may
7 occur so that they would have the opportunity to come
8 and speak at the Public Hearings on this issue because
9 not one person came about this issue?

10 DR. LANE: As I understand that the first
11 discussion of this was in October when the budget was
12 presented to the Board and I know there were members
13 of the public there, parents did not receive
14 notification individually to my understanding until
15 this week. Although, there was some -- there had been
16 previous public discussion about it.

17 DR. HOLLEY: So they received it
18 December 6th, because that's with the information you
19 gave us, so they didn't have an opportunity to
20 actually come in and make comments about whether or
21 not this was appropriate?

22 DR. LANE: I said they received individual
23 information on the 6th, but it had been discussed
24 publicly prior to that.

25 DR. HOLLEY: This budget really doesn't

1 speak to the transparency for parents on how you're
2 going to engage them, how you're going to actually
3 work with them, and as I said over and over again,m
4 that's something that this District really needs to
5 work on.

6 And I know that the gentleman that
7 worked -- the position that you had in the -- that we
8 had in the past for many years is now gone, and you're
9 going to give that position to someone. You're going
10 to give that responsibility to someone else.

11 But the problem that I'm having with all of
12 this is that these are just ideas that are floating
13 out here, and it goes along with the budget, but
14 there's no implementation plan that was given to any
15 of us or given to the Board prior to this on how
16 you're actually going to do this work.

17 DR. LANE: I'm not sure what you mean by
18 implementation plan, but what will happen is there are
19 work streams that have been developed around this
20 budget. For example, staffing is certainly a huge
21 one, and the Human Resources Department has already
22 begun the work of figuring out what sequentially will
23 need to happen in order to execute the staffing plan.

24 Communication, of course, is another part
25 of it and how are we going to work with our principals

1 is another part of it. That planning has already
2 begun.

3 So I'm not sure what exactly you would like
4 to see, but we certainly can provide information to
5 you in regard to what we see as the main work streams
6 around budget execution and who is responsible and
7 time lines that are being developed.

8 DR. HOLLEY: Okay. Well, let me give you
9 an example, and I know people are tired about hearing
10 about this, but I'm going to bring up Westinghouse as
11 an example. We had Westinghouse for a long time. It
12 was on the floor. We knew it was going to be a gender
13 academy. Now, it's changed back to its regular school
14 function.

15 There was really no implementation plan on
16 how that school was actually going to work. That's
17 why I have really a hard time understanding how we're
18 going to put -- how you're going to put two high
19 schools together.

20 Is there an implementation plan for that,
21 for those two high schools? How many staff are going
22 to be there? I mean, I need to know those things to
23 go along with the budget.

24 When I do a budget, I know exactly how
25 much -- what people are -- what positions I'm going to

1 use, who's going to be there, how it's going to look
2 and what it's going to look like and what we're going
3 to actually do for students. I mean, I need to see
4 that before I could vote for that.

5 DR. LANE: Okay. Just I might also add
6 there is what we call a cross-functional team. This
7 is a group of people who have responsibilities in
8 different areas of the District that meet together
9 around how to implement, for example, a school
10 closure, and it includes everything from staffing to
11 how are we going to work with students to prepare them
12 and prepare them to be together to how are we going to
13 get, you know, do we need to move any books,
14 furniture, that type of thing.

15 So technology is represented on that team,
16 human resources, operations and the academic staff, so
17 there is a team that that is the work that they have
18 done and are in the midst of doing right now, so it's
19 not that I can hand you a plan tonight, but we
20 certainly have one, and I can provide more
21 information.

22 DR. HOLLEY: Okay. I know I went through
23 that cross-functional team when we went through this
24 the first time when we closed schools and moved
25 children together. It didn't work well so that's why

1 I really wanted to see if you have something on paper,
2 something written up, you know, an implementation plan
3 because that cross-functional team the first time we
4 close out middle schools and made K-8s and now we've
5 went back K-5, it didn't work well, so that's why I'm
6 asking is there any type of planning that we can see
7 that's on paper, even if it's a skeletal plan that we
8 can walk through so that we'll know at least what's
9 happening.

10 I'm just saying that we got a cross-
11 functional team, and these people are doing -- I mean,
12 they're responsible for technology or they're
13 responsible for human resources. That didn't work
14 well for us.

15 DR. LANE: Yes, there is a plan. As I
16 said, there are several work streams in that plan, and
17 we can provide you things, written information in that
18 regard.

19 DR. HOLLEY: Thank you.

20 MRS. HAZUDA: Thank you, Dr. Holley.

21 Getting back, there is a motion on the
22 floor that we move back the voting on our budget to
23 the December 20th meeting.

24 Mrs. Colaizzi, do you have any comments on
25 the moment?

1 MRS. COLAIZZI: If I may please, I
2 understand what Mr. Brentley is stating. However, the
3 budget goes through the Business and Finance
4 Committee, and the Business and Finance Committee has
5 been meeting since, gosh, at least June or July about
6 the budget and about the cuts.

7 The staff has been very open in having
8 those discussions with us trying to explain how the
9 budget reduction was going to affect us. We've had
10 many, many meetings over this.

11 The Board itself had a workshop where we
12 were informed of all this information, and I do
13 realize that these cuts are huge, and they're very,
14 very difficult for people we realize, and we
15 understand that this is going to affect all students
16 across the District.

17 There's not much control you have when the
18 budget cut is this big, but, you know, what needs to
19 be understood I think is that staff really did do the
20 best they could in the time line they had to cut the
21 amount of money that they did cut.

22 Was it perfect? Probably not, but it is
23 something that they have been working on for a very
24 long time trying to figure out how to deliver
25 education the best possible way without hurting a --

1 I understand that from CAPA, from all the
2 other schools that we're having issues with things
3 that we cut, but we also need to try to find a way to
4 express to the public that there's not always a
5 control you have here.

6 So, I mean, with that being said, I just
7 want to -- I want to make sure that everybody
8 understands that this did go through the Business and
9 Finance Committee, and they have been working on this
10 for a very long time.

11 Outside of that, I would like to make a
12 comment, Mrs. Hazuda, when it is time to vote, so just
13 don't forget me, please. Thank you.

14 MRS. HAZUDA: I'll try not to. I'm sure
15 you'll catch me if I do.

16 MRS. COLAIZZI: Okay.

17 MR. ISLER: Yes. Thank you, Ms. Hazuda.

18 A couple things, I mean, we talk around
19 this table, and we are talking about a budget that is
20 being reduced. I think that when this Board began to
21 meet --

22 And help me with my figures, Dr. Lane, I
23 think we were talking about \$38 million deficit
24 originally. We're down to 21, so we're still not
25 cleaning out the deficit.

1 There's things that we know about this
2 District that some of us who have been on this Board
3 for some time that have been concerned about, and it's
4 our cost per child, and we're very, very high on our
5 cost per child. We're known as one of the highest
6 cost districts, and it's something I think that we've
7 tried to tackle time and time again, and we have to
8 continue doing that to continue to try to bring down
9 the cost.

10 I don't want to see any programs cut. I
11 think that the work out that has been done with the
12 folks at CAPA, although not perfect, it gets us
13 somewhere and keeps the quality of program there.

14 The other thing I have to say about
15 gifted -- for the children who are not enrolled in our
16 programs, I've gotten a lot of phone calls on this
17 one, and it has been fairly interesting.

18 I think the group of people we never talk
19 about are the people who don't have children in the
20 Pittsburgh Public Schools, but are taxpayers also and
21 are concerned about whether or not we're going to rate
22 in our cost and not have a tax increase, which again
23 this budget, that wasn't one of the directives this
24 Board gave to the Superintendent.

25 I think that's an important note that there

1 was going to be no new revenue coming from the City of
2 Pittsburgh residents for this particular budget. Yet,
3 people who choose not to send their children to our
4 schools find it rewarding to have their children go to
5 our gifted program. I would rather see all those
6 children attending the Pittsburgh Public Schools, and
7 the number of children who are -- the number of
8 children attending from non-public schools certainly
9 is a very, very small percentage of the children who
10 are going to private schools, not going to Pittsburgh
11 Public Schools.

12 I feel my responsibility is to the children
13 who are in the Pittsburgh Public Schools every single
14 day. I feel badly that we're not able to continue
15 everything that we do, but we do provide bussing. We
16 do provide other services to non-public school
17 students, but in a tough budget time, I feel committed
18 to the children who are enrolled in the Pittsburgh
19 Public School System.

20 And I think that that when it was first
21 brought -- and I remember the slide because it was a
22 shock to my eyes in October when we saw it at the
23 Budget Meeting, it was out there. It was public.
24 Again, I feel that we were transparent in that. Maybe
25 that was not part of the press release, and if it's

1 something we'll have to deal with in the future, we'll
2 so do it, but I am most concerned about the children
3 attending the Pittsburgh Public Schools every single
4 day and are in attendance every single day.

5 So I think this budget is tough, but,
6 again, my word of advice to my colleagues is if you
7 think it was bad this year, wait until next year
8 because it's only going to get worse because we still
9 have not closed that budget deficit.

10 And, again, one of the decisions that this
11 Board is going to have to make is do we raise taxes or
12 do we not raise taxes. This year we chose not to
13 raise taxes, and I certainly will be one and I will
14 say it now I don't want to raise them next year
15 either.

16 Thank you, Mrs. Hazuda.

17 MRS. HAZUDA: Thank you.

18 Mr. McCrea, any comments on the motion?

19 MR. McCREA: I just want to echo what
20 Mrs. Colaizzi said. We have been working on this
21 since August. The staff has been working on it since
22 last February practically, and it has been out there
23 in the public, and we're ready to go.

24 MRS. HAZUDA: Thank you.

25 Mr. Sumpter.

1 MR. SUMPTER: Thank you, Mrs. Hazuda.

2 I'm in favor of anything that's going to
3 help the kids. We're hearing two conversations here
4 tonight. One is we have to save money, but we have to
5 carry on things in a quality-proven manner.

6 It's good to just say you're going to cut
7 to save money, but if you're not going to do any good
8 with that, it's not going to have much benefit.

9 The concern that I have is whether or not
10 meaningful recommendations can come forth and be a
11 part of the budget within a two-week timeframe.

12 Our Legislative Meeting is scheduled for
13 what day?

14 MR. WEISS: 20th.

15 MR. SUMPTER: There will be a Public
16 Hearing before that?

17 MR. WEISS: 19th.

18 MR. SUMPTER: The 20th and 19th, so Monday,
19 the 19th and Tuesday, the 20th.

20 If recommendations can come forward that's
21 going to improve what we have coming forward, the
22 concern is whether or not that can be done within the
23 timeframe.

24 If you work on something for a long time,
25 but you're not doing it right, that doesn't matter

1 that you spent a lot of time on something. You have
2 to do it right, so the thing is that we have to be --
3 in saving money, in reducing the cost per student have
4 to make sure that what we do is right. We can't go
5 through make overs at this point in time. We've been
6 down that road already. We can't afford to do
7 something and have to redo it or to change it later.
8 What we do that it comes out now has to be tried and
9 tested to the point where we know it's going to work
10 in a sense.

11 Prior, proper planning prevents pitiful
12 poor performance, such that if you plan it right,
13 carry it out right, involve what you're planning for
14 in the process, it helps facilitate that, so those are
15 my comments on the motion.

16 MRS. HAZUDA: Thank you, Mr. Sumpter.

17 Ms. Shealey.

18 MS. SHEALEY: None of this motion.

19 MS. COLAIZZI: Mr. Weiss, can we have a
20 vote on the motion, please?

21 MR. BRENTLEY: One thing I do want to just
22 ask the Solicitor, Mr. Weiss, we are bound by law to
23 have Public Hearings once a month; is that correct?

24 MR. WEISS: The practice of the Board at
25 the time the Sunshine Act was passed, it had a Public

1 Hearing once a month prior to the Legislative Meeting,
2 and that is the practice that we've had since then.

3 MR. BRENTLEY: Well, is there any language
4 in the law that also permits the public to be able to
5 comment on items that we are voting on that month?

6 And my example is if the Public Hearing is
7 scheduled for the 20th, we are having a Special
8 Legislative Meeting now, voting on and adopting on a
9 budget without a public comment period.

10 Is that permissible by law?

11 MR. WEISS: There was a Public Budget
12 Hearing held where comment was taken. I believe that
13 the District has complied with the requirements of the
14 law in putting this before the Board now, so the
15 answer is there is no reason for those reasons to
16 delay any vote here.

17 MR. BRENTLEY: But for the sake of the
18 public, were there any adjustments made to date versus
19 when it was first submitted or recommended? And you
20 may not be able to answer that.

21 MR. WEISS: I'll refer to the staff.

22 MR. BRENTLEY: It isn't a question that
23 just needs to be out there, but even setting all that
24 aside, this District is often advocating public
25 engagement, how wonderful we are to our students and

1 the taxpayers and getting the public totally involved
2 in the District.

3 This is a perfect example of how we can
4 simply encourage public and community involvement.
5 Once again, the cost or the inconvenience for lack of
6 a better term does not exist if we hold this just for
7 two weeks simply allowing the public for some
8 comments, so I just want to remind folks about that
9 again. Thank you.

10 MRS. HAZUDA: Mr. Sumpter.

11 MR. SUMPTER: Just for clarification
12 purposes, as Mr. Weiss had indicated, there was a
13 Public Hearing on the budget. However, based on past
14 practice, most people don't know that that happens
15 because it's scheduled at 12:00 noon instead of during
16 the evening.

17 This holding it would give the opportunity
18 to comment, but the comment would come the night
19 before, which unless a miracle were to occur, how
20 those comments would get incorporated the next day,
21 that would be a concern, but it would be better to
22 hold it.

23 The other concern that I have is that
24 would the Administration be open to prudent
25 recommendations made regarding the budget that come

1 after this month?

2 DR. LANE: One thing -- two examples, I
3 would like to use, I think the question was raised did
4 we pay any attention to anything anybody said. One of
5 the adjustments that was made subsequent to --

6 I'm sure the Board recalls the Public
7 Hearing where we had 106 people signed up to speak.
8 We didn't have 106 speakers, but I think we had I'm
9 guessing around 85 people spoke that evening.

10 One of the concerns raised was around the
11 allocation of library services. We did make an
12 adjustment in how we plan to do that based on concerns
13 raised that evening.

14 The second example I already mentioned to
15 you was -- and this came as a result of the meeting we
16 actually had at CAPA that A-Plus Schools sponsored.
17 We had students there, as well as staff and community
18 members, and the second CAPA recommendation and that
19 change came from them asking us that night, you know,
20 can we look at this in another way.

21 So I did want to at least provide those two
22 examples that, yes, there are changes that are made
23 based on what we hear from the community.

24 Back to your question about is there any
25 room to change anything after the vote this evening, I

1 wouldn't want to mislead and say, yes, we can make big
2 changes after tonight because we have built a model
3 here, and it does require -- in order to make the
4 number that we're asking you to make, we have to make
5 sufficient reductions to get there, so.

6 We can't get to a place where we're just
7 adding things back in and hoping our budget will
8 balance because it truly won't. It's pretty tight.

9 We plan to work on it anyway because as
10 Mr. Isler had mentioned, we still didn't close our
11 gap. We're not close even, and so we have to continue
12 to look for more cost saving measures, revenue
13 enhancing, whatever options are available to us, but
14 if someone would bring forward an idea that we
15 actually could implement -- and as you know, there are
16 a lot of restrictions in terms of we have Collective
17 Bargaining Agreements in place, and we have School
18 Code obligations we have to meet.

19 So, yes, if someone would bring forward an
20 idea that we could implement that was within, you
21 know, the context of our restrictions about what we
22 can do and would not jeopardize our ability to make
23 the reductions that we're going to try to live within,
24 then, yes, we would be willing to listen to those.

25 So it's not like, you know, nobody will

1 listen to anything after tonight, and so if somebody
2 has a really great idea that hasn't been raised and
3 makes some sense and it's something we can consider,
4 yes, we would.

5 MR. SUMPTER: Thank you.

6 MRS. HAZUDA: Mr. Weiss.

7 MR. BRENTLEY: I just want to also --

8 MRS. HAZUDA: Is this on your motion?

9 MR. BRENTLEY: Yes, still on the motion.

10 I just wanted to remind folks that we
11 mentioned the date of the Public Hearing, and then the
12 Legislative Meeting would be immediately following.
13 Remember, if we're successful, if this is passed,
14 we're not waiting until the 20th.

15 I would propose and advocate that we
16 immediately move into the weekend of Solution
17 Pittsburgh Public Schools this weekend, open up this
18 building. There's no Steeler game. If we have to
19 stay the night, we can bring the cots in. Open the
20 community up, invite them out, and let's talk about
21 solutions on saving this District.

22 So my point is we have two weeks to really
23 work on putting something together to make sure that
24 the budget is balanced.

25 Secondly, some of the individuals that I'm

1 certain would be willing to participate have a lot of
2 experience in juggling these kinds of issues, and so
3 we should find a way to engage them. Thank you.

4 MRS. HAZUDA: Thank you.

5 Mr. Weiss.

6 MR. WEISS: This is a roll call on the
7 motion to hold this vote on the budget until the
8 Legislative Meeting on December 20th.

9 Mr. Brentley.

10 MR. BRENTLEY: Yes.

11 MR. WEISS: Mrs. Colaizzi.

12 MRS. COLAIZZU: No.

13 MR. WEISS: Mrs. Fink.

14 MRS. FINK: No.

15 MR. WEISS: Ms. Hazuda.

16 MS. HAZUDA: No.

17 MR. WEISS: Dr. Holley.

18 DR. HOLLEY: Yes.

19 MR. WEISS: Mr. Isler.

20 MR. ISLER: No.

21 MR. WEISS: Mr. McCrea.

22 MR. MCCREA: No.

23 MR. WEISS: Ms. Shealey.

24 MS. SHEALEY: No.

25 MR. WEISS: Mr. Sumpter.

1 MR. SUMPTER: Yes.

2 MR. WEISS: The motion fails three to six,
3 so the budget is before the Board.

4 MRS. HAZUDA: Thank you, Mr. Weiss.

5 Mr. Brentley, we're to you with the topic
6 of the budget. Are you finished?

7 MR. BRENTLEY: No further questions.

8 MRS. HAZUDA: Okay. Mrs. Fink.

9 MRS. FINK: On the topic of the budget, I
10 think that this budget is breaking our hearts really,
11 the staff, the Board. Nobody wants to see things cut
12 like this. I think everybody is doing the best that
13 they can.

14 We have known for a long time that this was
15 coming. There is room within individual object lines
16 to transfer money if something would come up that
17 would be amazing. We could do that.

18 Us being on a calendar year, the state
19 being on a fiscal year, maybe the governor would see
20 the light and we would have amazing transformation in
21 Harrisburg, and they would actually give education the
22 money it deserves, but everybody is feeling this
23 pinch. County Council just went through it yesterday.
24 It's a very difficult time.

25 Things are changing in the District. I

1 think we're all way too well aware of that, but we
2 have done things over the years to try and give kids
3 every possible chance. We have very small class
4 sizes. That certainly wasn't always the case.

5 We have expenses that are beyond our
6 control, Act 372, transportation, charter schools,
7 things that we have no control over we must do. Yet,
8 the state doesn't give us the money to do them with or
9 a small subsidy when actually the costs are many times
10 over what we're given, and we're left to deal with
11 it. And nobody said life was going to be fair, so
12 here we are.

13 I mean, my heart's with CAPA. I don't want
14 to take a dime away from these kids. I think that's
15 the most wonderful school. I lean that way.
16 Costumes, I sew. I make half the clothes I wear. Do
17 you think I want to cut the costume department?

18 This has just been a really, really bad
19 year, not just for us, for education all over the
20 State of Pennsylvania, and unless a miracle happens,
21 it's going to continue to spiral downward.

22 I don't see where we have any choice. I
23 think our staff has worked extremely hard. We're not
24 in as bad as shape now as we were in July as far as
25 how much of a deficit we have, but if there were

1 another choice -- and believe me, I talk to a lot of
2 retirees, and they pat me on the back and say, God
3 bless you, Fink. You know, you guys go for it. They
4 don't have any ideas as to what we're dealing with or
5 nor do they want to come in here and deal with it.

6 So I think we have no choice, but to follow
7 the course, and if a miracle happens with the state
8 budget in June, then we can always do some budget
9 transfers and try to make whole as many things as we
10 can.

11 MRS. HAZUDA: Thank you, Mrs. Fink.

12 Dr. Holley, do you have any other
13 comments on the budget?

14 DR. HOLLEY: Yes. I'm going to make it
15 very clear that my first responsibility is for all of
16 the children in the City of Pittsburgh, especially,
17 those that attend the Pittsburgh Public Schools, but I
18 want to make it very clear that I'm concerned about
19 all of the children.

20 So the quality of education in this City is
21 what's going to make this City great, so I want that
22 to be very clear to everybody.

23 So I want to ask Dr. Lane how many students
24 do we have in the District?

25 DR. LANE: We're slightly above 25,000.

1 DR. HOLLEY: Okay. So we have 25,000
2 students in the District. When I was elected to the
3 Board, I asked to get a copy of the organizational
4 report for the District, and there are almost as many
5 people on that organizational chart as there were when
6 I was here as a young teacher in the seventies, and we
7 had over 40,000 students.

8 So I have a problem with taking money from
9 the classroom, from schools, and we still have a chief
10 of this, a director of this, a person over this. I
11 mean, you've got a lot of people that are in this
12 building, and I'm not talking about secretaries
13 because I see that a lot of them are gone, but there
14 are a lot of these people that are sitting in this
15 building that never touch a kid.

16 And when I do a budget, even in a school
17 that was the first thing I told the teachers when I
18 knew I had to let a teacher go, if you are not
19 touching a child and if you are not talking to a
20 parent on a daily basis, you're not in the community,
21 you're going to be -- I'm going to have to let you go,
22 so those are the people that had to go first.

23 So you've got a lot of people here. Now,
24 with all color coded and wonderful to tell you what
25 budget line they came from, which was very helpful to

1 me to see what -- but it's still a lot of people, and
2 when I go out to other communities where I can Title 1
3 evaluations for the state, I noticed that in a lot of
4 their administrative offices this person has the job
5 of doing multiple tasks for the District. You're
6 closing schools, collapsing schools. We've lost many
7 children from the District.

8 Why do we still have all of these people in
9 Central Office, so I have to -- that's what makes the
10 per pupil cost so much.

11 My problem is is that all of these people
12 are not touching children, and if you're not touching
13 children, then you should be able to tell me exactly
14 what it is you're doing. 25,000 students with all
15 these --

16 (Applause.)

17 DR. HOLLEY: That's too much. I'm sorry,
18 and I've always felt that way.

19 There are some schools where there's three
20 administrators in the building, so, you know, I have a
21 problem with that, so I'm looking at maybe if you look
22 at re-organizing Central Office, not just cutting
23 people, I'm talking about re-organizing it so that it
24 looks like a 25,000 student population school
25 district, I think we would have more money to actually

1 work with students in classrooms and not have to have
2 30 people in the room, 30 students in the room.

3 DR. LANE: Well, Dr. Holley, I appreciate
4 your comments, and we have made reductions even in the
5 last year in terms of the number of administrators at
6 Central Administration.

7 However, the reason for the color coding,
8 it is important because some of the fund lines that
9 are supporting staff here cannot be used other places,
10 and I'll give you an example. There are a number of
11 people that would probably appear on an org chart who
12 are funded out of a grant, and if they're funded out
13 of a grant, that money, you can't let the person go
14 and use the grant money for another purpose. It can't
15 be repurposed.

16 So I think the thing that I would like to
17 provide you and perhaps the other Board members as
18 well is information on how many people are funded out
19 of money that we're talking about tonight, which is
20 the general fund, because that is a different number.

21 However, I don't push back against the
22 idea that Central Administration needs to be
23 proportionately sized for a district our size, and we
24 spent some time on that last spring. We have
25 continued to look at that and see if there are other

1 ways we can make reductions there.

2 MRS. HAZUDA: Mrs. Colaizzi.

3 MRS. COLAIZZII: Thank you.

4 First of all, Dr. Holley, I would like to
5 congratulate you and welcome you to the Board. I
6 didn't have the opportunity to do that earlier. I
7 apologize for not being there this evening, but I had
8 a family emergency, so forgive me.

9 In spite of the budget, I don't want to
10 belabor this any longer than we need to this evening.
11 I understand why staff requested that we vote on this
12 a couple weeks earlier, so that they can get the work
13 that needs to be done done.

14 I understand this is very difficult for
15 people to take, and I understand that when people
16 become accustomed to certain things they have a hard
17 time letting it go, and that's all understood.

18 And I hope that people do realize at the
19 end of the day we do not do things to hurt anyone. We
20 do it because we have to do what we have to do, and if
21 people do have ideas, we have opened our doors, opened
22 our phone lines, opened lines of communications
23 several ways.

24 We all receive the emails. We have all
25 received the phone calls. We've heard and we know

1 what people are saying. We know what they're trying
2 to communicate with us, and Dr. Lane has been very
3 clear about listening. She changed things when she
4 found that she can, if it's a better idea, if it's a
5 better way to do something, so I don't want people to
6 walk away thinking this is not thought through.

7 And so with that being said, I would like
8 you to, you know, think about, you know, what we can
9 do to make it better next year because as Mr. Isler
10 made very clear, we are going to have a bigger problem
11 next year, so we need to think about that as soon as
12 we vote this evening.

13 Thank you, Mrs. Hazuda.

14 MRS. HAZUDA: Thank you, Mrs. Colaizzi.

15 Mr. Isler.

16 MR. ISLER: Thank you, Mrs. Hazuda.

17 I again want to remind all of us in this
18 room that we still have a \$21 million deficit that we
19 have to close. I think also and I've said this a
20 number times that the School Board has very little, if
21 any, power because it's given to us by the legislator,
22 and we know we now have a legislator that considering
23 vouchers, which is a number of neighboring Districts
24 have passed resolutions asking their legislators not
25 to affirm those particular votes that are coming

1 probably by the end of the year.

2 We do not have a voice in charters. We're
3 not going to have a choice in vouchers. We do not
4 have a choice on a lot of issues that things are set
5 by the state, and I think the issue we've got to deal
6 with here is given this City and given the changing
7 nature of the City and given the reputation that the
8 school system has had is continuing to try to keep it
9 strong.

10 I mean, we have a tremendous amount of
11 support because of people sitting around this table
12 from not only national, but local foundations which
13 are a large part of our budget. We have to keep all
14 of these people at the table, and I would hope that
15 all those parents and the public that did come out to
16 support public education continue to support it in the
17 coming months because we're going to need it more than
18 ever.

19 Public education in America is under fire
20 whether people want to admit to it or not, whether
21 it's doing a good job or a bad job. I mean, I -- you
22 know, major, 17 percent of charter schools are
23 outperforming public schools; and, yet, we see
24 expanded legislation and support for charter schools.
25 What about the public schools?

1 We still have a lot of work to do, and, I
2 mean, I for one am very concerned about early
3 childhood. Going from one of the bottom to one of the
4 top states over three administrations. It was not one
5 administration. It was three administrations, and
6 we've got to make sure that we keep it strong because
7 we do know that children who do have a strong early
8 childhood background do far better in school, so we
9 still have a lot to do as a Board, but I want to
10 concentrate on --

11 I mean, this budget is not a budget I would
12 like to see this District have. I want to concentrate
13 on the \$21 million that we still have to reduce from
14 this year's budget.

15 Thank you, Ms. Hazuda.

16 MRS. HAZUDA: Thank you.

17 Mr. McCrea.

18 MR. McCREA: Thank you.

19 I think Mr. Isler was getting to it. I'm
20 going to go a little deeper because this didn't happen
21 overnight. We've had this budget problem. It has
22 been growing. I know in 2003 we added \$50 million to
23 the budget because we had it, and we spent it, and
24 ever since then, we've been spending it.

25 I don't know what happened, why it

1 happened, but it happened, but you said the state,
2 they take most of our power away. They gave \$12
3 millions a year to the City to get them out of the
4 hole. Did we get it back? No.

5 So we are where we are, and this is where
6 we're going. Thank you .

7 MRS. HAZUDA: Mr. Sumpter.

8 MR. SUMPTER: Thank you, Ms. Hazuda.

9 We have to be efficient. We have
10 effective, and we have to be equitable. And the
11 conversation that I'm hearing around this Board is
12 that we just have to do it right. That's relative,
13 but I think if you put your -- if you do the right
14 planning on the front end --

15 Again, I keep saying the same words,
16 efficient, effective and equitable, and if we can make
17 sure that every decision we make, which are a part of
18 the goals, commitments and beliefs for this Board, if
19 every decision is weighed in that manner, we'll be
20 making the right decisions as we go forward. Thank
21 you.

22 MRS. HAZUDA: Thank you.

23 Ms. Shealey.

24 MS. SHEALEY: Thank you, Mrs. Hazuda.

25 I think it's Mr. Camarda for this question.

1 The \$21 million deficit or difference between what our
2 revenues are and our budget will be pulled from the
3 fund balance? If money is spent as the plan is laid
4 out, it would be pulled from the fund balance,
5 correct?

6 MR. CAMARDA: Correct.

7 MS. SHEALEY: Would that leave us in
8 compliance with the fund balance policy?

9 MR. CAMARDA: Yes.

10 MS. SHEALEY: How close are we to not being
11 in compliance? Like --

12 MR. CAMARDA: You're through 2013 right
13 now. You will not be in compliance in 2014.

14 MS. SHEALEY: So are you continually --
15 with this budget, if this budget is adopted or
16 whatever budget is adopted, will you continually be
17 working specifically on the '12 budget to make
18 additional reductions to help us in '13 and '14?

19 DR. LANE: Yes. The reason we're going to
20 continue working on '12 is because we get greater
21 leverage going forward of any reductions we can make
22 that are actually permanently -- well, permanent in a
23 sense, but it would be reduced not only this year, but
24 next year and the following year, so you get more than
25 a one-year impact on that reduction.

1 But the issue is we are in compliance as
2 Mr. Camarda has said through 2013 at this point with
3 your fund balance policy. We go out of compliance --
4 if nothing changes, we go out of compliance in 2014,
5 and in 2015, we will have not only spent all the fund
6 balance, but will be in negative numbers on fund
7 balance, and so it's 2015 that we're really trying to
8 solve for.

9 MS. SHEALEY: Some of these -- I guess to
10 the point that Central Office is staffed today as it
11 was 20, 30 years ago, is that an effect of us not
12 making appropriate reductions along the way as we lost
13 population?

14 DR. LANE: Well, first of all, I wasn't
15 here 20 or 30 years ago, so I can't speak to how many
16 people worked in Central Administration at that time,
17 so I can't really make that basis of comparison, but
18 one of the things that often happens in school
19 districts is there is -- especially, with a gradual
20 decline in population, things aren't adjusted along
21 the way, and so we get to the point like where we are
22 right now.

23 That happens with schools closures. That
24 happens with reductions in staff, both teacher and
25 administrator staff, so, consequently, you get to the

1 place where you have to make a greater number
2 adjustments at once.

3 And what has been true is the District has
4 had the money. I mean, the money was there, and so it
5 was used, and it was used based on the decisions made
6 by previous Boards and recommendations made by other
7 folks, and so the money was available. It was used.
8 There were programs created frankly that utilized that
9 money, programs that people thought would be good for
10 kids.

11 And so then we get to this point when the
12 money is no longer there to support all of that.
13 That's the hard part when you have to deconstruct some
14 of the things that have been constructed over the
15 years.

16 MS. SHEALEY: So in the plans that you are
17 laying out and working on now, when does the public
18 get a view of either additional 2012 proposed changes
19 or the budget for '13? Because some of the
20 conversation that I'm hearing is that it sounds
21 like -- it almost sounds as though these discussions
22 were happening, but they --

23 I think it was Mrs. Colaizzi. We started
24 this initially -- we started this in July or August
25 these conversations, but based on the feedback, it

1 seems like maybe it should start in March or April so
2 that people truly understand what these changes mean
3 and have a chance to voice their opinions on them.

4 DR. LANE: My very first public meeting at
5 CAPA, which I believe was in January, one of the
6 things I said was we had some tough stuff ahead, and
7 that was because I knew -- I knew what -- you know, I
8 had seen what our problem was, and I knew that we were
9 going to have to start right away trying to figure
10 this out although our public conversation around it
11 began I believe in the spring.

12 And back to your question though of what
13 about '12 and when does ;13 start, we plan to continue
14 working on '12, and if there are additional things we
15 can bring forward to you in regard to '12, we want to
16 have that by no later than probably the end of March.

17 However, this is going to have to be a
18 continuous process for us, and so there probably would
19 be -- at that same time period, we're going to have to
20 be starting on '13, and there may even be some overlap
21 in that work. Because ultimately as I said, we're
22 trying to solve for 2015. When we can get to the
23 place where in 2015 based on estimates -- and, of
24 course, the further you get out into the future,
25 things can change. You know, things can change.

1 And so you're basing it on some key
2 assumptions, which can change and you would have to
3 alter, but if we could get out to 2015 showing that we
4 were still in compliance with the Board's fund balance
5 policy, that would be the place to be.

6 MS. SHEALEY: Yes, but so can you project
7 when you would start the '13 conversation publicly?
8 Just what I recall is that A-Plus had a series of
9 community meetings around the budget that I think were
10 helpful, but is there a process or a plan to do -- and
11 I'm not necessarily suggesting that A-Plus is the
12 agency, but a plan to do something similar for the
13 2013 budget that starts relatively soon?

14 DR. LANE: I think it would be important to
15 get at least some meetings, public meetings in prior
16 to the close of school, and the reason for that is if
17 we wait until summer, you know, families are gone,
18 people -- you know, there's less communication, so I
19 think we would be very important for us to get at
20 least some public meetings held prior to the close of
21 school.

22 MS. SHEALEY: Thank you, Dr. Lane.

23 Thank you, Mrs. Hazuda.

24 MR. BRENTLEY: I have one more.

25 MRS. HAZUDA: Mr. Brentley.

1 MR. BRENTLEY: Just my final comment, I do
2 want to remind my colleagues, as well those that are
3 in the public, we have in this Board and this
4 Administration has at times conveniently placed a lot
5 of our problems at the foot of the governor. That is
6 not the case. It contributed to this budget a little.
7 The voucher issue will contribute a little, but,
8 remember, six years of out of control spending by the
9 previous Administration, opening and closing schools,
10 putting millions of dollars in schools and closing
11 them and then changing school configurations.

12 It's expense, so it would be a little bit
13 misleading to now blame -- and I'm a democrat, but the
14 governor's republican. It don't matter. I'm with you
15 on this one, governor. It is not totally the
16 governor's fault.

17 Also, it was mentioned here by one of my
18 colleagues that retirees are not interested and they
19 won't come and participate or share their concerns,
20 and I disagree. A perfect example is what's happening
21 here this evening.

22 Dr. Holley is a retiree who is returning to
23 give up her time for this District. Just this past
24 November, my good friend, Dr. Moriorty who was here is
25 a retiree, many, many years as an educator in this

1 District put herself out there to run as a member --
2 for a member of this Pittsburgh Public Schools to
3 volunteer her services, so I disagree that they -- our
4 former employees and our educators will not respond.

5 I believe all that they need is just in
6 asking, just ask where do you want us, what can we, do
7 how can we make our recommendations. We have not done
8 that, and so I just want to remind my colleagues that
9 you don't close the door on those who have been there
10 and done that, and for as bad of a condition we are in
11 here, we need all hands on deck.

12 The final comment that I want to make is
13 just one example of the waste. The previous
14 Administration had the wonderful idea of taking
15 Reizenstein, a middle school, and said, wow, we'll
16 convert it into a high school. Eight to ten million
17 dollars was dumped into Reizenstein, and then they
18 closed it four years later. And here we are four or
19 five years later, and now they're putting it up for
20 sale, so that's an eight to ten million dollar waste.

21 That is a building that is being sold for a
22 fraction of its value that is putting that East End
23 community at a serious disadvantage of ever having
24 that large campus available for that community, and if
25 we were to put anywhere near the value --

1 First of all, I don't support selling
2 Reizenstein, but if we had to, I mean, if we put it
3 anywhere near the value that we could possibly get for
4 it, we can probably even close in deficit much easier,
5 but we didn't do that. We're selling it for pennies,
6 and it was voted on, and this Board and this
7 Administration made its recommendation.

8 So we are not doing the best and highest
9 thinking when it comes to managing the taxpayer's
10 dollars. Thank you.

11 MRS. HAZUDA: Thank you.

12 Mr Weiss, may we have a roll call vote,
13 please? I'm sorry.

14 MR. WEISS: This is a roll call on the
15 budget. Mr. Brentley.

16 MR. BRENTLEY: No.

17 MR. WEISS: Mrs. Colaizzi.

18 MRS. COLAIZZII: Yes.

19 MR. WEISS: Mrs. Fink.

20 MRS. FINK: Yes.

21 MR. WEISS: Mrs. Hazuda.

22 MRS. HAZUDA: Yes.

23 MR. WEISS: Dr. Holley.

24 DR. HOLLEY: No.

25 MR. WEISS: Mr. Isler.

1 MR. ISLER: Yes.

2 MR. WEISS: Mr. McCrea.

3 MR. McCREA: Yes.

4 MR. WEISS: Mr. Sumpter.

5 MR. SUMPTER: Yes.

6 MR. WEISS: Ms. Shealey. I'm sorry.

7 MS. SHEALEY: Yes.

8 MR. WEISS: The motion passes seven to two.

9 Madame President, that completes the
10 business of the special meeting.

11 MRS. HAZUDA: Thank you, Mr. Weiss.

12 MR. SUMPTER: One question or comment.

13 MRS. HAZUDA: Go ahead.

14 MR. SUMPTER: Just one question, why we
15 didn't have a video recording this evening?

16 DR. LANE: I'm sorry. I didn't -- I don't
17 know. I can't give you an answer to that, but I will
18 find out.

19 MS. FISCHETTI: I can answer that.

20 We only have video recording for two
21 meetings, the Agenda Review and the Legislative
22 Meeting. That's how it was budgeted.

23 MR. SUMPTER: Okay. I just asked in the
24 sense that this was a very healthy conversation this
25 evening that I think the public would have benefited

1 from if they had the opportunity to hear that.

2 Thank you.

3 MRS. HAZUDA: Thank you.

4 I would like to invite everyone to please
5 join us next door in the Board Committee Room for a
6 reception.

7 Is there a motion to adjourn?

8 MRS. COLAIZZU: So moved.

9 MRS. FINK: Second.

10 MRS. HAZUDA: Is it fast, please?

11 MR. BRENTLEY: Dr. Lane, I do want to make
12 a quick announcement. It is my understanding tomorrow
13 there's going to be a wonderful article in I believe
14 the Tribune Review, and it is about a local program
15 called the Gateway Medical Program Society, and they
16 are working with African-American middle school
17 students.

18 Last year I suggested that we find a way to
19 bring them in, and no one was able to follow up on it,
20 so I'm asking you again if we can reach out to them.
21 80, 90 percent of the students in this program are
22 Pittsburgh Public Schools students. This agency,
23 they're considering expanding, and so I just want to
24 make sure that we all get an opportunity to pick it
25 up, and let's take advantage of this wonderful

1 program.

2 I believe it's called the Gateway Medical
3 Society. If I'm not mistaken, the article should be
4 out tomorrow, and I think if you get a chance to see
5 it, it is a wonderful program where students are
6 assigned to doctor -- African-American doctors who
7 become almost mentors for life, and they work with
8 these kids, and they're following up on a -- it is
9 unbelievable when you see it.

10 And so please, it would be wonderful if we
11 can get them here for our Legislative Meeting to
12 recognize them, but I believe the article is scheduled
13 to come out tomorrow, and I would encourage my
14 colleagues to pick up an article, and then let's find
15 a way to see if we can help sponsor them. Especially
16 with this be mentors program, that would be a
17 wonderful thing to promote in the District. Thank
18 you.

19 MRS. HAZUDA: Colaizzi and Fink, motion to
20 be adjourn.

21 All in favor?

22 (Thereupon, there was a chorus of ayes.)

23 MRS. HAZUDA: Opposed?

24 (No response.)

25 MRS. HAZUDA: Thank you, everyone.

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(Thereupon, at 7:43 p.m., the Special
3 Legislative Meeting was concluded.)

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C-E-R-T-I-F-I-C-A-T-E

I, Melissa L. Fenster, the undersigned, do hereby certify that the foregoing fifty-seven (57) pages are a true and correct transcript of my stenotypy notes taken of the Special Legislative Meeting held in the Pittsburgh Board of Public Education, Administration Building, on Wednesday, December 7, 2011.



Melissa L. Fenster, Court Reporter

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