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.
ROLL CALL

Committee on Business/Finance

1. Adoption of 2012 General Fund Budget [Roll Call]

We are an equal rights and opportunity school district.
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.
LOCAL SOURCES:

REAL ESTATE TAX

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax rate - in Mills 13.92</td>
<td></td>
</tr>
<tr>
<td>Estimated Collectible during Current Year (Current and Delinquent)</td>
<td>$162,325,099</td>
</tr>
</tbody>
</table>

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;

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Tax - Current</td>
<td>$169,702,616</td>
</tr>
<tr>
<td>Property Tax Reduction under Act 1</td>
<td>$15,577,517</td>
</tr>
<tr>
<td><strong>Net Real Estate Tax - Current</strong></td>
<td><strong>$154,125,099</strong></td>
</tr>
<tr>
<td>Real estate Tax - Delinquent</td>
<td>$8,200,000</td>
</tr>
</tbody>
</table>

PUBLIC UTILITY REALTY TAX

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International</strong></td>
<td>$366,426</td>
</tr>
</tbody>
</table>

EARNED INCOME TAX (Current and Delinquent) - 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%

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned Income Tax - Current 2.00% Levy</td>
<td>$102,291,203</td>
</tr>
<tr>
<td>Percentage Levied required to be shared with the City</td>
<td>$12,786,400</td>
</tr>
<tr>
<td><strong>1.75% Net Levy</strong></td>
<td><strong>$89,504,803</strong></td>
</tr>
<tr>
<td>Earned income tax - Delinquent</td>
<td>$7,200,000</td>
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</table>

IN LIEU OF TAXES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International</strong></td>
<td>$178,000</td>
</tr>
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</table>

REALTY TRANSFER TAX (Current and Delinquent) - 1%

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International</strong></td>
<td>$6,989,107</td>
</tr>
</tbody>
</table>

TOTAL REVENUE FROM TAXES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$266,563,435</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICES PROVIDED OTHER FUNDS</td>
<td>$2,667,806</td>
</tr>
<tr>
<td>EARNINGS ON INVESTMENTS</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>RENTAL OF SCHOOL PROPERTY</td>
<td>$166,363</td>
</tr>
<tr>
<td>TUITION FROM PATRONS</td>
<td>$101,804</td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td>$629,472</td>
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TOTAL LOCAL SOURCES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LOCAL SOURCES</strong></td>
<td><strong>$271,128,880</strong></td>
</tr>
</tbody>
</table>

Continued
### 2012 General Fund Budget

#### Estimated Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Sources:</strong></td>
<td></td>
</tr>
<tr>
<td>State Subsidy</td>
<td>$152,501,623</td>
</tr>
<tr>
<td>Social Security and Retirement Contributions</td>
<td>$18,975,084</td>
</tr>
<tr>
<td>Special Education</td>
<td>$27,769,151</td>
</tr>
<tr>
<td>Property Tax Reduction Allocation</td>
<td>$15,577,517</td>
</tr>
<tr>
<td>Other State Revenue</td>
<td>$17,815,873</td>
</tr>
<tr>
<td><strong>Total State Sources</strong></td>
<td>$232,639,248</td>
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<tr>
<td><strong>Other Sources:</strong></td>
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</tr>
<tr>
<td>Tuition from Other Districts</td>
<td>$581,730</td>
</tr>
<tr>
<td>Inter-Fund Transfers</td>
<td>$617,564</td>
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<tr>
<td>Revenue from Federal Sources</td>
<td>$3,111,609</td>
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<tr>
<td><strong>Total Other Sources</strong></td>
<td>$4,310,903</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>$508,079,031</td>
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<tr>
<td>From Fund Balance</td>
<td>$21,714,792</td>
</tr>
<tr>
<td><strong>Total Funds Budgeted for 2012 Appropriations</strong></td>
<td>$529,793,823</td>
</tr>
<tr>
<td>Reserve for Prior Year Encumbrances</td>
<td>$2,500,000</td>
</tr>
<tr>
<td><strong>Grand Total 2012 Revenue All Sources</strong></td>
<td>$532,293,823</td>
</tr>
</tbody>
</table>
## 2012 General Fund Budget

### Appropriations by Major Object

<table>
<thead>
<tr>
<th>Object</th>
<th>Description</th>
<th>Appropriations 2012</th>
<th>Prior Year Encumbrances</th>
<th>Grand Total 2012 Appropriations</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>Salaries</td>
<td>$181,415,135</td>
<td></td>
<td></td>
</tr>
<tr>
<td>200</td>
<td>Employee Benefits</td>
<td>$60,333,871</td>
<td>$18,975,084</td>
<td>$79,308,955</td>
</tr>
<tr>
<td></td>
<td>State Share of Social Security and Retirement Contributions</td>
<td>$18,975,084</td>
<td>$79,308,955</td>
<td></td>
</tr>
<tr>
<td>300</td>
<td>Purchased Professional and Technical Services</td>
<td>$76,858,648</td>
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<td></td>
</tr>
<tr>
<td>400</td>
<td>Purchased Property Services</td>
<td>$10,812,611</td>
<td></td>
<td></td>
</tr>
<tr>
<td>500</td>
<td>Other Purchased Services</td>
<td>$96,530,787</td>
<td></td>
<td></td>
</tr>
<tr>
<td>600</td>
<td>Supplies</td>
<td>$13,972,149</td>
<td></td>
<td></td>
</tr>
<tr>
<td>700</td>
<td>Property</td>
<td>$6,220,598</td>
<td></td>
<td></td>
</tr>
<tr>
<td>800</td>
<td>Other Objects</td>
<td>$27,674,682</td>
<td></td>
<td></td>
</tr>
<tr>
<td>900</td>
<td>Other Financing Uses</td>
<td>$37,000,258</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total 2012 Appropriations</strong></td>
<td></td>
<td>$529,793,823</td>
<td></td>
<td>$532,293,823</td>
</tr>
<tr>
<td><strong>Prior Year Encumbrances</strong></td>
<td></td>
<td>$2,500,000</td>
<td></td>
<td>$2,500,000</td>
</tr>
<tr>
<td><strong>Grand Total 2012 Appropriations</strong></td>
<td></td>
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<td></td>
<td>$532,293,823</td>
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</table>
TRANSCRIPT OF PROCEEDINGS

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

BEFORE:

SHERRY HAZUDA, PRESIDENT
SHARENE SHEALEY, FIRST VICE PRESIDENT
THOMAS SUMPTER, SECOND VICE PRESIDENT
MARK BRENTLEY
THERESA COLAIIZZI
JEAN FINK
REGINA HOLLEY
WILLIAM ISLER
FLOYD McCREA

ALSO PRESENT:

DR. LINDA LANE
MR. IRA WEISS
MS. CHRISTIANA OTUWA
MR. PETER J. CAMARDA
DR. JERRI LIPPERT
MS. JODY SPOLAR

DR. PAULETTE PONECELET
MS. MARY JANE CONLEY
MR. VIDYA PATIL
MS. LISA FISCHETTI
MR. MARK CAMPBELL
MR. DAVID MAY-STEIN

REPORTED BY: MELISSA L. FENSTER
PROFESSIONAL COURT REPORTER

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

ORIGINAL
MR. WEISS: Mr. Brentley.

MR. BRENTLEY: Here.

MR. WEISS: Mrs. Colaizzi.

MRS. COLAIZZI: Here.

MR. WEISS: Mrs. Fink.

MRS. FINK: Here.

MR. WEISS: Ms. Hazuda.

MRS. HAZUDA: Here.

MR. WEISS: Dr. Holley.

DR. HOLLEY: Here.

MR. WEISS: Mr. Isler.

MR. ISLER: Present.

MR. WEISS: Mr. McCrea.

MR. MCCREA: Here.

MR. WEISS: Ms. Shealey.

MS. SHEALEY: Here.

MR. WEISS: Mr. Sumpter.

MR. SUMPTER: Present.

MR. WEISS: All members present.

MRS. HAZUDA: Thank you, Mr. Weiss.
The only item on Agenda this evening is approval of the 2012 budget.

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

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 the 2012 appropriations be increased by the actual encumbrances existing at December 31, 2011 in the amount estimated it 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 to be certified to the School
Controller by the Assistant Secretary.

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

Mr. Brentley, we'll start with you.

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

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

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

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

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

MR. BRENTLEY: Well, and I guess the legal questions if we vote now, it is policy or it's
approved today, but if you -- you will be adjusting it
at the next Legislative Meeting?

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

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

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

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

It's kind of a little -- two weeks
premature really, and so that's my question.

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

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

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

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

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

But there were suggestions made, and I'm actually running in today actually on the phone with some parents, and it suggested why not engage the public in being creative and helping to identify creative ways so that we won't be making these really, really serious cuts, and, primarily, the parents that I spoke to were the parent at CAPA, and their recommendations were they said it, they would be more than willing to work with us and they want to put some things together. They want to reach out to some of the CAPA alumni who would help in identifying things. And I'm just wondering have we exhausted
all possibilities before making some of these drastic, drastic cuts that will definitely impact their programming, and so I guess the question is do we have the flexibility within the next two weeks, and is there a willingness on this Administration's part to, for the lack of a better term, set up an ad hoc committee to find -- to go over with a fine-toothed comb this budget and see how can we avoid some of the things that we've already voted for that could hurt this District and possibly encourage folks to now pull their children out of the School District.

So if question is there a flexibility within this budget?

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

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

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

CAPA staff and leadership asked us can we
take this and see if there's some changes we can make
that we think will make this less onerous and more
educationally sound, and we said, of course, you can.
We still needed to get the reduction, but if there's
another way to go there, then please, and they did.
They came back with an alternate proposal, and that
alternate proposal did restore the individual lessons
at three grades, at 8th Grade, at 11th Grade and at
12th Grade.
The rationale behind it, 8th Grade getting
kids ready for high school, and then 11th and 12th, of
course, for students that plan to go on in music
perhaps either as a career or further education in
music, so there has been work done in that regard
already.
In terms of the rest of the budget, there
has been at least -- I can't tell you the number of
public meetings we've had in engagement around talking
about the budget, so I wouldn't want --
I think that many of the Board members are
probably aware that we have had a significant number
of community events. We have gotten opportunities for
people to talk and provide ideas. The website was up
that provided information to people and let them make
comments, ideas or suggestions.
Some of those we actually were able to, you know, actually able to incorporate, so there has been a pretty long and pretty -- a process that I believe provided significant amounts of engagement.

One of the things when we started on this whole process last spring, one of the things that I believe that I thought was very important is when the Board has passed previous budgets, there were reductions in those budgets in certain lines. However, there hadn't been a lot of discussion about what those reductions were previous to the Board vote. Because this budget is so difficult and has so many things in it that for all the reasons that many of us can name wish we weren't doing, that we thought it would be really important that it be pretty transparent in terms of what's in and what's out, and that's the process we've been going through over the last weeks and months to try to make sure whether we knew it was something that, you know, people who were going to protest against or be against or not supportive of, that they were aware and had an opportunity to speak to it.

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

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

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

To put it before us two months before the
actual date that we normally do is just, it's not a
good thing, and so I think there's willingness -- I
would even love and as I mentioned to you before, if
necessary, we put out a call to all of the wonderful,
marvelous retirees of this District who are totally in
love with this District, ask for them to come in to an
all night marathon to address these issues, if
necessary. We'll provide the food, and let's see
what's out there. Because I think that we can hurt
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.
For us to hold this for two weeks is no harm. There's no foul, but to simply allow the community to come, so to come and to share their comments, and if we have to go through with these very, very tough decisions, at least they can say we seen now. We understand. We've made our recommendations, and now we know this is the only way to go, but when you exclude folks and not check every possibility, I think we're doing a disservice, not only to the wonderful parents who are committed, but to the children, but, more importantly, to the taxpayers.

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

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

MRS. FINK: No.

MRS. HAZUDA: Dr. Holley.

DR. HOLLEY: Yes. I have a couple of
First of all, I also received many phone calls and emails from parents and community members, not just about CAPA, but about a variety of reasons why this budget that is being proposed is not workable, and as an educator, it's not workable for me either.

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

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

I'm also appalled that -- I've been watching this budget for a long time. I've gone to several of the meetings, and I have never once heard about teachers being taken out of the Gifted Center and then the students that come from our private and
parochial schools would not have that service available to them come September.
And I understand that we have a certain pot of money, and we want to make sure that the children who actually attend the Pittsburgh Public Schools attend the Gifted Center, and I totally agree. However, I also have to agree with the parents that people who pay taxes in our City do -- they've been availing to this project -- this program for years now, and to suddenly take this away from them, I just think it's outrageous.
Now, don't get me wrong, I want to make sure that the children that are in the Pittsburgh Public Schools are -- making sure that they do have the opportunity to go to the Gifted Center, but we have always made this a program that was city-wide, and I just don't feel as though we have -- When money is so short for everyone, parents are already paying large sums of money to send their children to private and parochial schools. That's their choice. Again, that's the parent's choice. However, not availing themselves to the program that they've always had, I think that's a problem.
Now, I was told this morning when I called
that that wasn't true, that some children will be able
to come, and I want to know who's going to make the
decision what parochial school or what private school
will be able to avail themselves to that program?

Somebody?

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

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

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

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

We would bring those to the Board as they
develop them, but beyond that, I wouldn't want to comment until we see all of the elements involved with these different plans, but, clearly, a lottery would be proposal and would be legal.

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

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

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

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

DR. HOLLEY: This budget really doesn't
1 speak to the transparency for parents on how you're
going to engage them, how you're going to actually
work with them, and as I said over and over again,m
that's something that this District really needs to
work on.

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

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

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

Communication, of course, is another part
of it and how are we going to work with our principals
is another part of it. That planning has already begun.

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

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

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

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

When I do a budget, I know exactly how much -- what people are -- what positions I'm going to
use, who's going to be there, how it's going to look
and what it's going to look like and what we're going
to actually do for students. I mean, I need to see
that before I could vote for that.

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

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

DR. HOLLEY: Okay. I know I went through
that cross-functional team when we went through this
the first time when we closed schools and moved
children together. It didn't work well so that's why
I really wanted to see if you have something on paper, something written up, you know, an implementation plan because that cross-functional team the first time we close out middle schools and made K-8s and now we've went back K-5, it didn't work well, so that's why I'm asking is there any type of planning that we can see that's on paper, even if it's a skeletal plan that we can walk through so that we'll know at least what's happening.

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

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

DR. HOLLEY: Thank you.

MRS. HAZUDA: Thank you, Dr. Holley.

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

Mrs. Colaizzi, do you have any comments on the moment?
MRS. COLAIZZI: If I may please, I understand what Mr. Brentley is stating. However, the budget goes through the Business and Finance Committee, and the Business and Finance Committee has been meeting since, gosh, at least June or July about the budget and about the cuts.

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

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

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

Was it perfect? Probably not, but it is something that they have been working on for a very long time trying to figure out how to deliver education the best possible way without hurting a --
I understand that from CAPA, from all the other schools that we're having issues with things that we cut, but we also need to try to find a way to express to the public that there's not always a control you have here.

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

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

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

MRS. COLAIZZI: Okay.

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

A couple things, I mean, we talk around this table, and we are talking about a budget that is being reduced. I think that when this Board began to meet -- And help me with my figures, Dr. Lane, I think we were talking about $38 million deficit originally. We're down to 21, so we're still not cleaning out the deficit.
There's things that we know about this District that some of us who have been on this Board for some time that have been concerned about, and it's our cost per child, and we're very, very high on our cost per child. We're known as one of the highest cost districts, and it's something I think that we've tried to tackle time and time again, and we have to continue doing that to continue to try to bring down the cost.

I don't want to see any programs cut. I think that the work out that has been done with the folks at CAPA, although not perfect, it gets us somewhere and keeps the quality of program there. The other thing I have to say about gifted -- for the children who are not enrolled in our programs, I've gotten a lot of phone calls on this one, and it has been fairly interesting.

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

I think that's an important note that there
was going to be no new revenue coming from the City of
Pittsburgh residents for this particular budget. Yet,
people who choose not to send their children to our
schools find it rewarding to have their children go to
our gifted program. I would rather see all those
children attending the Pittsburgh Public Schools, and
the number of children who are -- the number of
children attending from non-public schools certainly
is a very, very small percentage of the children who
are going to private schools, not going to Pittsburgh
Public Schools.

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

And I think that that when it was first
brought -- and I remember the slide because it was a
shock to my eyes in October when we saw it at the
Budget Meeting, it was out there. It was public.
Again, I feel that we were transparent in that. Maybe
that was not part of the press release, and if it's
something we'll have to deal with in the future, we'll so do it, but I am most concerned about the children attending the Pittsburgh Public Schools every single day and are in attendance every single day.

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

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

Thank you, Mrs. Hazuda.

MRS. HAZUDA: Thank you.

Mr. McCrea, any comments on the motion?

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

MRS. HAZUDA: Thank you.

Mr. Sumpter.
MR. SUMPTER: Thank you, Mrs. Hazuda.

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

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

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

Our Legislative Meeting is scheduled for what day?

MR. WEISS: 20th.

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

MR. WEISS: 19th.

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

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

If you work on something for a long time, but you're not doing it right, that doesn't matter
that you spent a lot of time on something. You have
to do it right, so the thing is that we have to be --
in saving money, in reducing the cost per student have
to make sure that what we do is right. We can't go
through make overs at this point in time. We've been
down that road already. We can't afford to do
something and have to redo it or to change it later.
What we do that it comes out now has to be tried and
tested to the point where we know it's going to work
in a sense.

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

MRS. HAZUDA: Thank you, Mr. Sumpter.

Ms. Shealey.

MS. SHEALEY: None of this motion.

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

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

MR. WEISS: The practice of the Board at
the time the Sunshine Act was passed, it had a Public
Hearing once a month prior to the Legislative Meeting, and that is the practice that we've had since then.

MR. BRENTLEY: Well, is there any language in the law that also permits the public to be able to comment on items that we are voting on that month? And my example is if the Public Hearing is scheduled for the 20th, we are having a Special Legislative Meeting now, voting on and adopting on a budget without a public comment period.

Is that permissible by law?

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

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

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

MR. BRENTLEY: It isn't a question that just needs to be out there, but even setting all that aside, this District is often advocating public engagement, how wonderful we are to our students and
the taxpayers and getting the public totally involved in the District.

This is a perfect example of how we can simply encourage public and community involvement.

Once again, the cost or the inconvenience for lack of a better term does not exist if we hold this just for two weeks simply allowing the public for some comments, so I just want to remind folks about that again. Thank you.

MRS. HAZUDA: Mr. Sumpter.

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

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

The other concern that I have is that would the Administration be open to prudent recommendations made regarding the budget that come
after this month?

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

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

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

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

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

Back to your question about is there any room to change anything after the vote this evening, I
wouldn't want to mislead and say, yes, we can make big
changes after tonight because we have built a model
here, and it does require -- in order to make the
number that we're asking you to make, we have to make
sufficient reductions to get there, so.

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

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

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

So it's not like, you know, nobody will
listen to anything after tonight, and so if somebody has a really great idea that hasn't been raised and makes some sense and it's something we can consider, yes, we would.

MR. SUMPTER: Thank you.

MRS. HAZUDA: Mr. Weiss.

MR. BRENTLEY: I just want to also --

MRS. HAZUDA: Is this on your motion?

MR. BRENTLEY: Yes, still on the motion. I just wanted to remind folks that we mentioned the date of the Public Hearing, and then the Legislative Meeting would be immediately following. Remember, if we're successful, if this is passed, we're not waiting until the 20th. I would propose and advocate that we immediately move into the weekend of Solution Pittsburgh Public Schools this weekend, open up this building. There's no Steeler game. If we have to stay the night, we can bring the cots in. Open the community up, invite them out, and let's talk about solutions on saving this District.

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

Secondly, some of the individuals that I'm
certain would be willing to participate have a lot of experience in juggling these kinds of issues, and so we should find a way to engage them. Thank you.

MRS. HAZUDA: Thank you.

Mr. Weiss.

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

Mr. Brentley.

MR. BRENTLEY: Yes.

MR. WEISS: Mrs. Colaizzi.

MRS. COLAIZZI: No.

MR. WEISS: Mrs. Fink.

MRS. FINK: No.

MR. WEISS: Ms. Hazuda.

MS. HAZUDA: No.

MR. WEISS: Dr. Holley.

DR. HOLLEY: Yes.

MR. WEISS: Mr. Isler.

MR. ISLER: No.

MR. WEISS: Mr. McCrea.

MR. McCREA: No.

MR. WEISS: Ms. Shealey.

MS. SHEALEY: No.

MR. WEISS: Mr. Sumpter.
MR. SUMPTER: Yes.

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

MRS. HAZUDA: Thank you, Mr. Weiss.

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

MR. BRENTLEY: No further questions.

MRS. HAZUDA: Okay. Mrs. Fink.

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

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

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

Things are changing in the District. I
think we're all way too well aware of that, but we
have done things over the years to try and give kids
every possible chance. We have very small class
sizes. That certainly wasn't always the case.

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

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

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

I don't see where we have any choice. I
think our staff has worked extremely hard. We're not
in as bad as shape now as we were in July as far as
how much of a deficit we have, but if there were
another choice -- and believe me, I talk to a lot of retirees, and they pat me on the back and say, God bless you, Fink. You know, you guys go for it. They don't have any ideas as to what we're dealing with or nor do they want to come in here and deal with it.

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

MRS. HAZUDA: Thank you, Mrs. Fink.

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

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

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

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

DR. LANE: We're slightly above 25,000.
DR. HOLLEY: Okay. So we have 25,000 students in the District. When I was elected to the Board, I asked to get a copy of the organizational report for the District, and there are almost as many people on that organizational chart as there were when I was here as a young teacher in the seventies, and we had over 40,000 students.

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

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

So you've got a lot of people here. Now, with all color coded and wonderful to tell you what budget line they came from, which was very helpful to
me to see what -- but it's still a lot of people, and when I go out to other communities where I can Title 1 evaluations for the state, I noticed that in a lot of their administrative offices this person has the job of doing multiple tasks for the District. You're closing schools, collapsing schools. We've lost many children from the District.

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

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

(Applause.)

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

There are some schools where there's three administrators in the building, so, you know, I have a problem with that, so I'm looking at maybe if you look at re-organizing Central Office, not just cutting people, I'm talking about re-organizing it so that it looks like a 25,000 student population school district, I think we would have more money to actually
work with students in classrooms and not have to have
30 people in the room, 30 students in the room.

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

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

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

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

MRS. HAZUDA: Mrs. Colaizzi.

MRS. COLAIZZI: Thank you.

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

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

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

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

We all receive the emails. We have all received the phone calls. We've heard and we know
what people are saying. We know what they're trying to communicate with us, and Dr. Lane has been very clear about listening. She changed things when she found that she can, if it's a better idea, if it's a better way to do something, so I don't want people to walk away thinking this is not thought through. And so with that being said, I would like you to, you know, think about, you know, what we can do to make it better next year because as Mr. Isler made very clear, we are going to have a bigger problem next year, so we need to think about that as soon as we vote this evening.

Thank you, Mrs. Hazuda.

MRS. HAZUDA: Thank you, Mrs. Colaizzi.

Mr. Isler.

MR. ISLER: Thank you, Mrs. Hazuda.

I again want to remind all of us in this room that we still have a $21 million deficit that we have to close. I think also and I've said this a number of times that the School Board has very little, if any, power because it's given to us by the legislator, and we know we now have a legislator that considering vouchers, which is a number of neighboring Districts have passed resolutions asking their legislators not to affirm those particular votes that are coming
probably by the end of the year. We do not have a voice in charters. We're not going to have a choice in vouchers. We do not have a choice on a lot of issues that things are set by the state, and I think the issue we've got to deal with here is given this City and given the changing nature of the City and given the reputation that the school system has had is continuing to try to keep it strong.

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

Public education in America is under fire whether people want to admit to it or not, whether it's doing a good job or a bad job. I mean, I -- you know, major, 17 percent of charter schools are outperforming public schools; and, yet, we see expanded legislation and support for charter schools. What about the public schools?
We still have a lot of work to do, and, I mean, I for one am very concerned about early childhood. Going from one of the bottom to one of the top states over three administrations. It was not one administration. It was three administrations, and we've got to make sure that we keep it strong because we do know that children who do have a strong early childhood background do far better in school, so we still have a lot to do as a Board, but I want to concentrate on --

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

Thank you, Ms. Hazuda.

MRS. HAZUDA: Thank you.

Mr. McCrea.

MR. McCREA: Thank you.

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

I don't know what happened, why it
happened, but it happened, but you said the state, 
they take most of our power away. They gave $12 
millions a year to the City to get them out of the 
hole. Did we get it back? No. 
So we are where we are, and this is where 
we're going. Thank you. 
MRS. HAZUDA: Mr. Sumpter. 
MR. SUMPTER: Thank you, Ms. Hazuda. 
We have to be efficient. We have 
effective, and we have to be equitable. And the 
conversation that I'm hearing around this Board is 
that we just have to do it right. That's relative, 
but I think if you put your -- if you do the right 
planning on the front end -- 
Again, I keep saying the same words, 
efficient, effective and equitable, and if we can make 
sure that every decision we make, which are a part of 
the goals, commitments and beliefs for this Board, if 
every decision is weighed in that manner, we'll be 
making the right decisions as we go forward. Thank 
you. 
MRS. HAZUDA: Thank you. 
Ms. Shealey. 
MS. SHEALEY: Thank you, Mrs. Hazuda. 
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 permenantly -- 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.
But the issue is we are in compliance as Mr. Camarda has said through 2013 at this point with your fund balance policy. We go out of compliance -- if nothing changes, we go out of compliance in 2014, and in 2015, we will have not only spent all the fund balance, but will be in negative numbers on fund balance, and so it's 2015 that we're really trying to solve for.

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

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

That happens with schools closures. That happens with reductions in staff, both teacher and administrator staff, so, consequently, you get to the
place where you have to make a greater number adjustments at once.

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

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

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

I think it was Mrs. Colaizzi. We started this initially -- we started this in July or August these conversations, but based on the feedback, it
seems like maybe it should start in March or April so that people truly understand what these changes mean and have a chance to voice their opinions on them.

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

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

However, this is going to have to be a continuous process for us, and so there probably would be -- at that same time period, we're going to have to be starting on '13, and there may even be some overlap in that work. Because ultimately as I said, we're trying to solve for 2015. When we can get to the place where in 2015 based on estimates -- and, of course, the further you get out into the future, things can change. You know, things can change.
And so you're basing it on some key assumptions, which can change and you would have to alter, but if we could get out to 2015 showing that we were still in compliance with the Board's fund balance policy, that would be the place to be.

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

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

MS. SHEALEY: Thank you, Dr. Lane.

Thank you, Mrs. Hazuda.

MR. BRENTLEY: I have one more.

MRS. HAZUDA: Mr. Brentley.
MR. BRENTLEY: Just my final comment, I do want to remind my colleagues, as well those that are in the public, we have in this Board and this Administration has at times conveniently placed a lot of our problems at the foot of the governor. That is not the case. It contributed to this budget a little. The voucher issue will contribute a little, but, remember, six years of out of control spending by the previous Administration, opening and closing schools, putting millions of dollars in schools and closing them and then changing school configurations. It's expense, so it would be a little bit misleading to now blame -- and I'm a democrat, but the governor's republican. It don't matter. I'm with you on this one, governor. It is not totally the governor's fault.

Also, it was mentioned here by one of my colleagues that retirees are not interested and they won't come and participate or share their concerns, and I disagree. A perfect example is what's happening here this evening. Dr. Holley is a retiree who is returning to give up her time for this District. Just this past November, my good friend, Dr. Moriorty who was here is a retiree, many, many years as an educator in this
District put herself out there to run as a member -- for a member of this Pittsburgh Public Schools to volunteer her services, so I disagree that they -- our former employees and our educators will not respond. I believe all that they need is just in asking, just ask where do you want us, what can we, do how can we make our recommendations. We have not done that, and so I just want to remind my colleagues that you don't close the door on those who have been there and done that, and for as bad of a condition we are in here, we need all hands on deck.

The final comment that I want to make is just one example of the waste. The previous Administration had the wonderful idea of taking Reizenstein, a middle school, and said, wow, we'll convert it into a high school. Eight to ten million dollars was dumped into Reizenstein, and then they closed it four years later. And here we are four or five years later, and now they're putting it up for sale, so that's an eight to ten million dollar waste. That is a building that is being sold for a fraction of its value that is putting that East End community at a serious disadvantage of ever having that large campus available for that community, and if we were to put anywhere near the value --
First of all, I don't support selling Reizenstein, but if we had to, I mean, if we put it anywhere near the value that we could possibly get for it, we can probably even close in deficit much easier, but we didn't do that. We're selling it for pennies, and it was voted on, and this Board and this Administration made its recommendation.

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

MRS. HAZUDA: Thank you.

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

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

MR. BRENTLEY: No.

MR. WEISS: Mrs. Colaizzi.

MRS. COLAIZZI: Yes.

MR. WEISS: Mrs. Fink.

MRS. FINK: Yes.

MR. WEISS: Mrs. Hazuda.

MRS. HAZUDA: Yes.

MR. WEISS: Dr. Holley.

DR. HOLLEY: No.

MR. WEISS: Mr. Isler.
MR. ISLER: Yes.

MR. WEISS: Mr. McCrea.

MR. McCREA: Yes.

MR. WEISS: Mr. Sumpter.

MR. SUMPTER: Yes.

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

MS. SHEALEY: Yes.

MR. WEISS: The motion passes seven to two.

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

MRS. HAZUDA: Thank you, Mr. Weiss.

MR. SUMPTER: One question or comment.

MRS. HAZUDA: Go ahead.

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

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

MS. FISCHETTI: I can answer that.

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

MR. SUMPTER: Okay. I just asked in the sense that this was a very healthy conversation this evening that I think the public would have benefited
from if they had the opportunity to hear that.

Thank you.

MRS. HAZUDA: Thank you.

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

Is there a motion to adjourn?

MRS. COLAIZZI: So moved.

MRS. FINK: Second.

MRS. HAZUDA: Is it fast, please?

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

Last year I suggested that we find a way to bring them in, and no one was able to follow up on it, so I'm asking you again if we can reach out to them. 80, 90 percent of the students in this program are Pittsburgh Public Schools students. This agency, they're considering expanding, and so I just want to make sure that we all get an opportunity to pick it up, and let's take advantage of this wonderful
I believe it's called the Gateway Medical Society. If I'm not mistaken, the article should be out tomorrow, and I think if you get a chance to see it, it is a wonderful program where students are assigned to doctor -- African-American doctors who become almost mentors for life, and they work with these kids, and they're following up on a -- it is unbelievable when you see it.

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

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

All in favor?

(Thereupon, there was a chorus of ayes.)

MRS. HAZUDA: Opposed?

(No response.)

MRS. HAZUDA: Thank you, everyone.
(Thereupon, at 7:43 p.m., the Special Legislative Meeting was concluded.)
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