

NEWS



Pittsburgh
Public Schools



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DIVISION OF COMMUNICATIONS AND MARKETING 341 S. Bellefield Avenue, Pittsburgh, PA 15213

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Pittsburgh Public Schools Releases Preliminary 2011 General Fund Budget

District Proposal Holds the Line on Taxes for Tenth Consecutive Year

PITTSBURGH, November 23, 2010 – The Pittsburgh Public Schools Preliminary 2011 General Fund Budget marks a decade of no tax increases for City residents. Superintendent Mark Roosevelt provided his final preliminary budget to the Board and public. Due to rising cost associated with employee benefits, special education and transportation, the 2011 budget of \$543.6 million is \$18.2 million more than the 2010 budget, a 3.46% increase. During Roosevelt's tenure, the District has made tremendous progress in reducing its deficit from \$72 million in 2005 to the anticipated \$10.9 million for 2011.

“Over the past five years this Board has been willing to make the tough decisions necessary to reduce the District's budget while holding the line on taxes. We have made substantial progress increasing student achievement while reducing costs and it was those tough decisions that have put the District in a healthy financial place despite facing increased costs. As I depart, I recommend the District continue the path it has taken under the strong leadership of the Board by continuing to reduce costs while creating enhanced educational opportunities for students.”

Based on the District's preliminary budget for 2010, the District will need to make up for the projected budget deficit by tapping its Fund Balance. As always, the District will work throughout the year to reduce the deficit, but still faces approximately \$15.4 million in increased cost.

Areas of increase are:

Medical	\$4.8 million
Salaries	\$3.7 million
Special Education	\$3.4 million
Retirement Contributions	\$2.0 million
Transportation	\$1.5 million
Total major areas of increase	\$15.4 million

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Said Roosevelt, "Despite the progress the District has made, more difficult decisions lie ahead as we must continue to work at reducing our budget deficit in order to achieve a balanced budget without having to rely on the District's Fund Balance."

As the District continues to make cost-saving decisions, anticipated challenges are expected as Federal Stimulus Funds, used by the State to meet the needs of school districts, dry up. While at the same time employee benefits and charter school payments are increasing, the District's local revenues remain flat.

In its effort to assure open public communications of the District's finances, planning for the 2011 budget has been ongoing with the Board. The Board has received monthly updates in the form of a three-year rolling forecast at its regularly scheduled legislative meetings. Additionally, the District's internal financial team utilizes the three-year rolling forecast to develop strategies that facilitate long-term planning.

The Board of Education will vote to adopt the final 2011 budget at its December 15 Legislative Meeting.

Proposed 2011 General Fund Budget

Proposed 2011 Expenditures	\$543.6 million
Proposed 2011 Revenues	\$532.7 million
Proposed 2011 Operating Deficit	\$-10.9 million

Proposed 2011 General Fund Budget – Revenues

Local Sources	\$273.8 million
State Sources	247.2 million
Other Sources	11.7 million
Sub-total Revenues	532.7 million

Total Revenues + 10.9 million from Fund Balance \$543.6 million

Proposed 2011 General Fund Budget – Appropriations by Function

Instruction	\$291.6 million
Instructional Support	26.5 million
Support Services	145.8 million
Debt Service	60.2 million
Other Uses	10.4 million
Non-instructional	5.5 million
Facilities	3.6 million

Total Appropriations \$543.6 million

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Proposed 2011 Capital Budget

Major Maintenance Projects proposed for 2011 include work such as replacement of fire alarm systems, replacement of flooring, HVAC upgrades, and various building / site improvement projects. Additional major capital projects necessary to support the District's initiatives aimed at improving student achievement include:

- Renovations to Pittsburgh Northview \$10.0 million
- Renovations to Pittsburgh Oliver 10.0 million
- Renovations to Pittsburgh Arlington 18.2 million
- Young Men's & Women's Academy at the Westinghouse facility 1.2 million
- The Teacher Academy at Pittsburgh King 3.3 million

Funding for 2011 Capital Projects:

Long Term Projects	\$ 7,775,080
Short Term Projects	10,420,114
*QZAB/QSCB Projects	42,158,724
TOTAL	\$60,353,918

*Qualified Zone Academy Bonds/Qualified School Construction Bonds

Pittsburgh Public School Budget Timeline

- 11/23/10 Release of Preliminary 2011 Budget
- 12/06/10 Special Budget Public Hearing - Administration Building, Conference Room A
- 12/13/10 Regular Public Hearing - Administration Building, Conference Room A
- 12/15/10 Legislative Meeting - 2010 Budget Vote

All budget related materials can be accessed online at www.pps.k12.pa.us. Public feedback can be provided to the Parent Hotline at (412)622-7920, to the Superintendent via an e-mail to: superintendentoffice@pghboe.net, or via mail.

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