

For Immediate Release

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Pittsburgh Public Schools Adopts 2010 General Fund Budget

Spending to Remain Flat for the 4th Consecutive Year as District Holds the Line on Taxes

PITTSBURGH, December 15, 2009 – This evening, with spending to remain flat for the fourth consecutive year, the Board of School Directors adopted a 2010 General Fund Budget that once again holds the line on taxes. The 2010 budget of \$525.4 million represents merely a \$0.8 million increase over the 2009 budget. Most importantly the 2010 Budget continues the District's progress in reducing its budget deficit from \$72 million in 2005 to the anticipated \$7.6 million for 2010.

"We have continued to reduce our operating costs and deficit while remaining committed to our stance to not increasing taxes for Pittsburgh residents," said Superintendent Mark Roosevelt. "We have been successful in maintaining the right balance without adversely affecting classroom learning as shown by our recent achievement of Adequate Yearly Progress."

Last week, the Pennsylvania School Employees Retirement System (PERS) Board voted to accelerate the increase in the contribution rate by nearly 75%. The current employer contribution rate is 4.78%. The rate is to go to 8.4 % effective July 1, 2010. The increase requires the District's appropriations to increase by \$3,303,642 in 2010. The District will receive a reimbursement from the State of \$1,651,821. Therefore, the net cost to the District for 2010 is \$1.6 million, increasing the originally proposed budget of \$523.8 million to the adopted \$524.4 million.

To offset some of the \$3.3 million increase in appropriations the Board voted to approve a resolution that reflects a reduction in the amount appropriated for contingencies by \$1,706,120.

A summary of the changes to appropriations is below:

• Appropriations - The retirement contribution rate increase	\$3,303,642
• Reduced appropriation for contingencies	(\$1,706,120)
• Net increase in 2010 appropriations	\$1,597,522
• Revenues – increase for the State share of the retirement rate increase	\$1,651,821
• Net affect in fund balance	\$54,299

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Over the past three years the District has been able to reduce expenses by \$2.2.million despite the fact that costs have gone up for many items such as utilities, healthcare and transportation and the recent increase in the retirees contribution rate as required by PSERS.

“Because we have been focused on reducing our expenses over the past three years we are able to project a fund balance for 2010 that is essentially unaffected by the retirement rate increase,” said Superintendent Roosevelt. “This would not have been possible without the commitment of our Board to making the tough decisions when needed.”

Based on the District’s budget for 2010, the District will need to make up for the projected budget deficit by tapping its Fund Balance. The District’s Fund Balance will drop to \$57.1 million in order to bridge the gap left by the \$7.6 million deficit it faces in 2010.

Proposed 2010 General Fund Budget

Proposed 2010 Expenditures	\$525.4 million
Proposed 2010 Revenues	\$517.8 million
Proposed 2010 Operating Deficit	\$-7.6 million

Proposed 2010 General Fund Budget – Revenues

Local Sources	\$ 273.9 million
State Sources	242.3 million
Other Sources	1.6 million
Sub-total Revenues	517.8 million
From Fund Balance	7.6 million
Total Revenues	\$525.4 million

Proposed 2010 General Fund Budget – Appropriations by Function

Instruction	\$279.2 million
Instructional Support	26.4 million
Support Services	144.5 million
Debt Service	58.9 million
Other Uses	7.4 million
Non-instructional	5.4 million
Facilities	3.6 million
Total Appropriations	\$525.4 million

Proposed 2010 Capital Budget

The District additionally provided a review of its Preliminary 2010 Capital Budget. The \$30.0 million capital budget includes the following:

- Construction projects at Concord, Cupples Stadium, Sci-Tech @ Frick \$ 5.7 million
- Routine facility upgrades \$24.3 million

TOTAL \$30.0 million

All budget related materials can be accessed online at www.pps.k12.pa.us.

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In Other Business – Board Denies Two Re-submitted Charter Applications

At tonight's Legislative Meeting, the School Board voted to deny the re-submitted charter applications for Quest International Charter Schools and Community Service Leadership Development Charter School...an Imagine School. The Board based its decision on the recommendations of the District's Charter Review Teams.

Quest International Charter School

The Charter Review team found the applicant failed to provide a complete comprehensive curriculum plan for all grade levels and proposed subjects. Additionally, the Charter Review Team cited the application lacked comprehensive long-range goals for all students and a plan for meeting the individualized needs of students with disabilities. The Charter Review Team also expressed concerns with the applicant's financial plan and the conditions of the school's proposed location.

Community Service Leadership Development Charter School...an Imagine School

The Charter Review Team was unable to find significant strengths in the re-submitted charter application for the Community Service Leadership Development Charter School...an Imagine School. The Charter Review Team noted the applicant's education plan lacked interventions for struggling students, grading and retention procedures, and a plan for the school's mandatory, daily after school program. The Charter Review Team highlighted that the applicant's plan for meeting the needs of students with disabilities was not in compliance with IDEA. Additionally, the Charter Review Team specified that the school plan did not show an integration of the emphasized community service leadership development theme into the school's curriculum. The applicant also failed to demonstrate sustained support from the parents, teachers and the community of its proposed alternate location.

The findings and recommendations of the District's Charter Review Team are available by visiting the Pittsburgh Public Schools website at www.pps.k12.pa.us. A copy can also be obtained by calling the **Parent Hotline at 412 622-7920** or visiting the Division of Communications, Room 204, Pittsburgh Board of Education, 341 South Bellefield Avenue, Pittsburgh, PA 15213.

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