



**PITTSBURGH
PUBLIC
SCHOOLS**
COMMUNICATION AND MARKETING
341 S. BELLEFIELD AVE.
PGH., PA 15213

For Immediate Release

Contacts: Ebony R. Pugh (412) 622-3616

Pittsburgh Public Schools Releases Proposed Final General Fund Budget for 2008

***\$17.9 Million Operating Deficit Projected for 2008, Including \$8.1 Million
in Cost Reductions at Central Office and Schools Based on Enrollment Decline***

PITTSBURGH, November 20, 2007 – Today, Pittsburgh Public Schools Superintendent Mark Roosevelt presented the District’s 2008 Proposed Final General Fund Budget of \$525.9 million, which is \$3.1 million less than the 2007 budget, and \$7.7 million less than the 2006 budget. The Board of Education will vote on adoption of a final budget at its December 19 Legislative Meeting.

“In just two years we have worked very hard to begin closing the gap that exists between our revenue and expenses. In fact, in two years we have reduced operating expense by more than \$25 million, and we estimate that we will be able to reduce overall operating expense by an additional \$8.1 million in 2008, bringing a total budget reduction in three years to more than \$33 million,” said Roosevelt. “We have a long way to go to close this gap and we are doing many positive things to help improve both our District’s academic and financial performance. This includes aligning costs with our size and aligning program efforts with our *Excellence for All* strategies,” added Roosevelt.

Revenues for 2008 are expected to be flat compared to year-end 2007. Reducing the overall budget by \$3.1 million is a significant accomplishment, especially when there are many fixed cost increases (e.g., cost of energy, transportation and other fixed cost items) that amount to more than \$1 million.

(more)

Page 2 – School District of Pittsburgh Presents Preliminary General Fund Budget for 2008

Incorporated into the proposed 2008 budget are \$8.1 million in overall reductions, including \$4.5 million at the school level and \$3.6 million at the central office. Despite these reductions, the District estimates a \$17.9 million operating deficit by year-end 2008.

“The Pittsburgh Public Schools cannot continue to fiscally operate as a district serving 40,000 students when next year’s enrollment is projected to be at 27,000 students. During the next few years, it is critical that we make the necessary budget adjustments if we want to improve our schools and increase academic achievement without raising taxes, an action that I continue to adamantly oppose,” concluded Mark Roosevelt, Superintendent.

For budget reductions to have the most impact on the District’s long term financial health, the following fiscal criteria have been recommended:

- Savings and cost efficiencies must be recurring;
- Cost reductions will be prioritized through the *Excellence for All* reform agenda;
- One-time costs or cost-shifting must be avoided; and
- Staffing levels must be adjusted to student population.

Budget Summary

Preliminary 2008 General Fund Budget

Preliminary 2008 Revenues	\$508.0 million
Preliminary 2008 Expenditures	\$525.9 million
Preliminary 2008 Operating Deficit	\$17.9 million

Fund Balance Projection*

Projected Unreserved Fund Balance at December 31, 2007	\$65.3 million
Less: Proposed 2008 operating Deficit	\$17.9 million
Projected Fund Balance at December 31, 2008	\$47.4 million
Fund Balance Requirement (5% of budget)	\$26.3 million
Projected Available Fund Balance at December 31, 2008	\$21.1 million

**The District’s policy requires maintaining a fund balance that is equal to one month of operating expense.*

(more)

Proposed 2008 Capital Budget Includes Year Two Recommendations for Excel.9-12

The District's proposed Capital Budget for 2008 is \$41.7 million compared to an estimated Capital spending program for end of year 2007 of \$40.4 million. The 2008 capital budget includes the following:

- Construction Projects at Carmalt, Concord and Sterrett \$15.4 million
- Year Two Initiatives for *Excel.9-12, High School Reform* \$10.3 million
- Routine Facility Upgrades \$16.0 million

TOTAL \$41.7million

Key Dates

- 11/20/07 Release of Preliminary 2008 Budget
- 12/03/07 Special Budget Public Hearing
- 12/04/07 Business and Finance Committee Meeting – Budget update
- 12/10/07 Regular December Public Hearing
- 12/19/07 Legislative Meeting – 2008 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.

###