



**PITTSBURGH  
PUBLIC  
SCHOOLS**  
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For Immediate Release

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***Pittsburgh Public Schools Adopts 2008 Budget Without Tax Increase***

***Incorporates \$8.1 Million In Cost Reductions***

PITTSBURGH, December 19, 2007 – At this evening’s legislative meeting, the Board adopted the District’s 2008 General Fund Budget of \$526.6 million. Continuing with the District’s commitment to reducing its budget each year without raising taxes, the 2008 Budget is \$2.4 million less than the 2007 budget and \$7.0 million less than the 2006 budget. These reductions will be achieved in spite of the District’s General Operating Costs having climbed due to increases in rates for benefits, energy and debt service.

Revenues for 2008 are expected to be flat compared to year-end 2007. Incorporated into the approved 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 \$19.3 million operating deficit by year-end 2008, reflecting a structural gap in the District’s overall expenses compared to revenue and enrollment.

The District is working hard to make many changes and improvements to enhance opportunities for all students and to align the District’s expenses and resources with enrollment. “Pittsburgh’s situation is complicated by the fact that we must delicately balance the need to improve student achievement while reducing expenses to align with the decline in our student enrollment,” said Superintendent Mark Roosevelt. “In just three years, we will have achieved cost reductions and annual savings amounting to approximately \$33 million, while at the same time making significant investments in new curriculum, ongoing professional development and our Accelerated Learning Academies.”

Roosevelt added, “This is a step in the right direction, but it’s not enough.” We must continue to make the necessary adjustments in our cost structure if we want to continue to improve our schools and increase academic achievement without raising taxes, an action that I will not support.”

The approved General Fund Budget for 2008 does not include any additional costs related to any new contracts that may result from current negotiations with the District’s represented employees.

For the \$8.1 million in budget reductions for 2008 to have the most impact on the District’s long-term financial health and improve the District’s academic performance, the following fiscal criteria have also been adopted:

- 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.

**-more-**

**Budget Summary**

**Approved 2008 General Fund Budget**

Estimated 2008 Revenues	\$507.3 million
Estimated 2008 Expenditures	\$526.6 million
Estimated 2008 Operating Deficit	\$19.3 million

**Fund Balance Projection\***

Projected Unreserved Fund Balance at December 31, 2007	\$67.0 million
Less: Estimated 2008 operating Deficit	\$19.3 million
Projected Fund Balance at December 31, 2008	\$47.7 million
Fund Balance Requirement (5% of budget)	\$26.3 million
Projected Available Fund Balance at December 31, 2008	\$21.4 million

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

**2008 Capital Budget Approved; Includes 'Year Two' Recommendations for Excel.9-12**

The Board of Education also approved the District's Capital Budget for 2008 at \$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**

**All budget-related materials can be accessed online at [www.pps.k12.pa.us](http://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](mailto:superintendentoffice@pghboe.net), or via mail.**

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