



NEWS

OFFICE OF PUBLIC INFORMATION

341 S. Bellefield Avenue, Pittsburgh, PA 15213

For Immediate Release

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District Provides Update on the Proposed 2020 Preliminary General Fund Budget

PITTSBURGH November 4, 2019 – This evening, Superintendent Anthony Hamlet, Ed.D., provided an update on the proposed 2020 General Fund Budget. The proposed budget \$665.6 million represents a 2.4% increase, or \$15.6 million, from the 2019 adopted budget. The proposal includes an operating deficit of \$27.3 million in 2020, down from the 2019 adopted operating deficit of \$32.4 million. For the first time in five years, the budget proposes a tax increase of 2.3 percent, up to the Act 1 Index, ensuring compliance with the Board’s minimum five percent Fund Balance in 2020. The Preliminary 2020 General Fund Budget will be released online on November 13.

“While we have reduced debt service costs, stabilized medical expenditures and ensured our investments in supports to schools fell well within our budget, costs associated with employee salaries, retirement, and charter school payments continue to rise,” said Superintendent Hamlet. “Although our proposed 2020 General Fund Budget recommends a tax increase for the first time in five years, we wanted to provide the Board with a thoughtful alternative to increasing the burden for taxpayers.”

As part of this evening’s presentation, Chief Financial Officer, Ronald Joseph shared four scenarios that could impact the current District’s 3-year forecast. Of the four, one, the return of earned income diverted to the City of Pittsburgh through Act 187, has the potential to ensure fund balance compliance through 2023, without millage increases to taxpayers.

“Even if we increase the millage rates to the index each year, we will fall out of fund balance compliance each year, beginning in 2021,” said Chief Financial Officer Ronald Joseph. “We recommend conversations begin with city and state officials related to the potential return of funds diverted through Act 187 to assist the city in its time of need. Now that the city has exited its financial distressed status it is appropriate that we enter into conversations to address the earned income taxes currently diverted from the school district.”

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Page 2 - District Provides Update on the Proposed 2020 Preliminary General Fund Budget

School-Based Budgets

Following the adoption of the 2020 General Fund Budget, site-based and Title I budgets, built using enrollment projections, are distributed to schools in January. Schools are responsible for budgeting for the necessary staffing and non-staff needs for their school. Schools review and complete their budgets and submit them to Budget Office and Assistant Superintendents. Schools are not responsible for staffing in special education, English language learners, literacy and math coaches, and school-based employees funded centrally in food services, nursing, custodial, school safety, and early childhood. The annual school-based budgeting process is finalized each March.

Tonight's full presentation is available on the District's website <https://www.pghschools.org>.

General Fund Budget Approval Timeline

November 13, 2019 – 2020 Preliminary Budget Release

November 26, 2019 – 2020 Final Budget Release

December 2, 2019 – Budget Public Hearing

December 11, 2019 – Agenda Review

December 16, 2019 – Regular Public Hearing

December 18, 2019 – Legislative Meeting/2020 Budget Adoption

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