



Building a Sustainable District

*Reshaping Our Educational Delivery
Model with a Focus on Equity
for 2012-13 School Year*

February 23, 2012



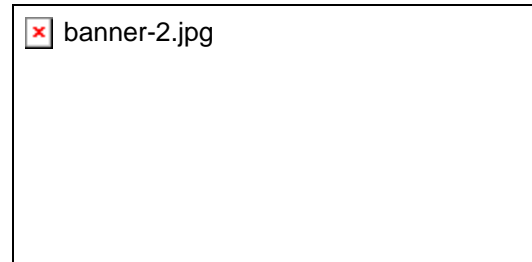
**Pittsburgh
Public Schools**



The Pathway to the Promise.™

Our District is making strong progress

- Nationally recognized
- Largest Promise scholarship program in the nation
- 3,200 PPS Promise Scholars to date
- PSSA scores are on the rise
- Made AYP two of past three years





And...we have a serious problem that has been compounding for years

- **Expenditures have exceeded revenues over past 5 years as student enrollment declined.**
- **In the past, the District has relied on what had been a healthy fund balance (reserves) to make up the difference.**
- **Our state government has provided a ‘wake-up call’ for public school systems to live within their means.**

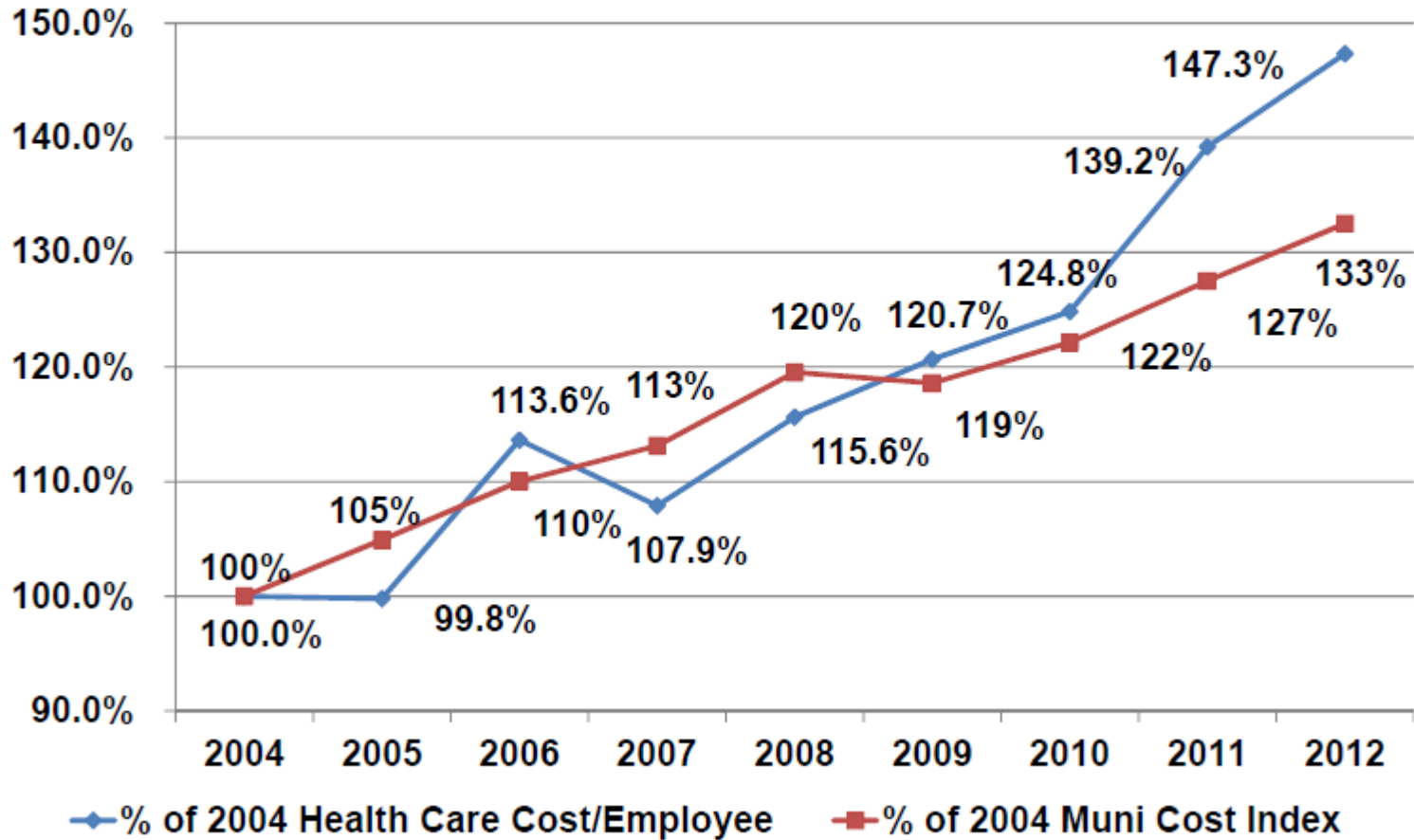
We have a serious budget crisis.



Our problem is complex since we face many challenges at the same time

- **Uncertain federal and state funding**
- **Declining student enrollment**
- **Greater competition from Charter Schools**
- **Underutilized classrooms**
- **Facility capacity larger than current enrollment requires**
- **No desire to raise taxes**
- **Costs that increase annually– retirement, utilities, transportation, health care, salaries**

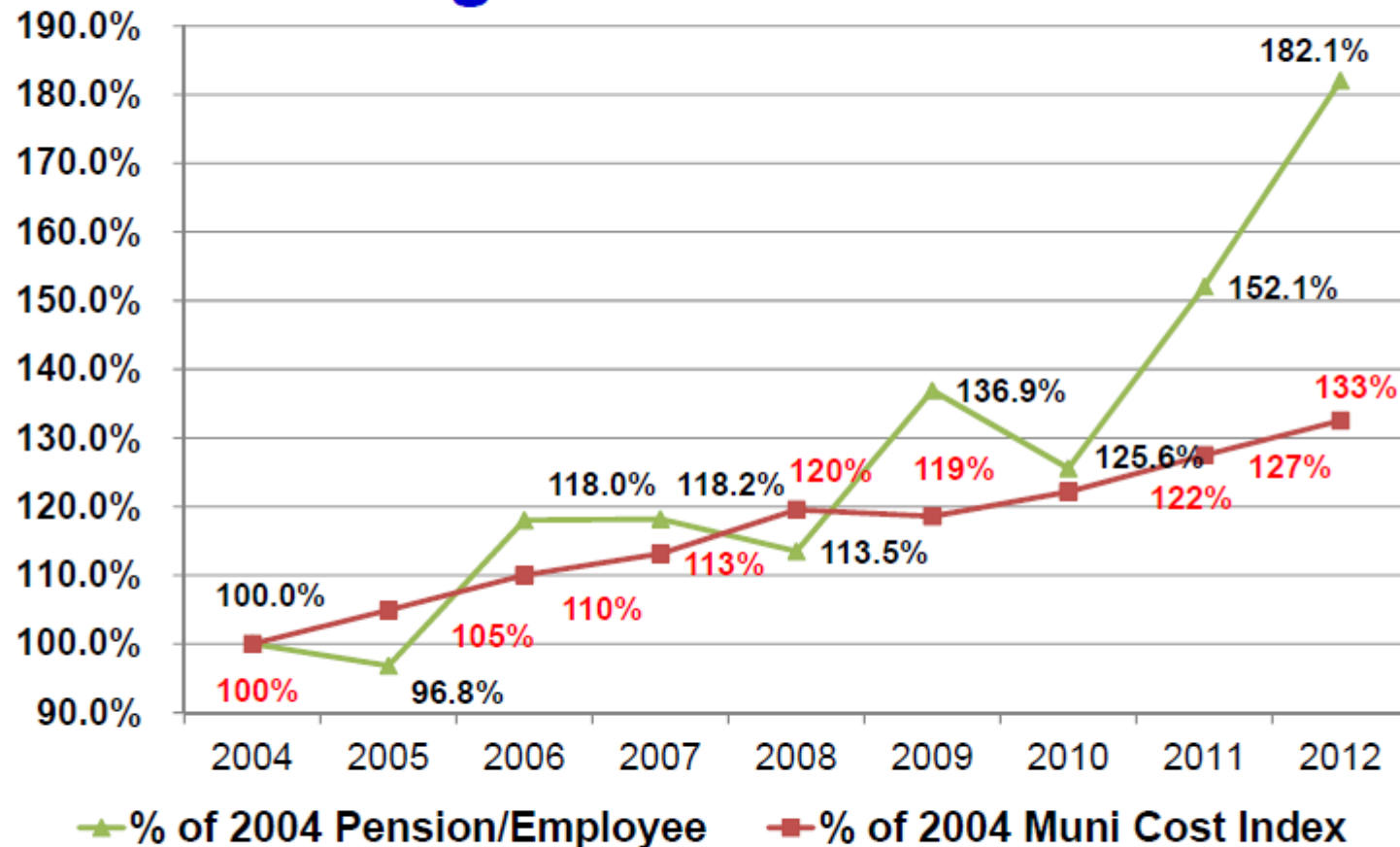
Employee health care costs, which are market-driven, have been increasing more quickly than general inflation



Sources:

Municipal Cost Index: <http://americancityandcounty.com/> and PPS Financials as of 11/3/2011

Pension costs, which are set by the State, have been increasing more quickly than general inflation



Sources:

Municipal Cost Index: <http://americancityandcounty.com/> and PPS Financials as of 11/3/2011



PPS is Spending More than it Takes in

2012 Revenues	\$508M
2012 Expenditures	\$529M

2012 Operating Deficit	\$21M

- Expenses are outpacing revenues, which means the District was forced to tap into their reserves (savings account), which now leaves us only \$42M in savings for 2013 and beyond
- Since we have no funds to add to our savings, with no further action, by mid 2015 we will run out of money



We have taken a thoughtful, strategic and multi-phased approach to this work

Stages	Phase 1	Phase 2
Discussed with Board	March 2011	October 2011
Community Input	March 2011- May 2011	August 2011- November 2011
Any necessary Board action	June 2011	November 2011
Implemented	June 2011	September 2012
Cost Savings	11.1M	29.1M




Phase 1: Central Office Reductions

- **Workforce reductions approved at Board's June 22, 2011 Legislative Meeting.**
- **217 positions were eliminated resulting in 147 staff furloughs or layoffs.**
- **Decreases the District's total funding gap by ~\$11 million annually.**



Phase 2: District Realignment Work to Increase Promise-Readiness with Fewer Resources

- District realignment required three strategies.
 1. *School closings and reconfigurations*
 2. *Feeder pattern changes*
 3. *Educational delivery model adjustments*
- Operating efficiencies achieved through the above strategies result in workforce reductions.
- District Realignment Plan was Board approved November 2012 and reduces spending by about \$29 million annually.



Adjustments to our Educational Delivery Model will be made with Increased Equity & Educational Impact

- We will use the lens of increased equity, increased achievement and goal of promise-readiness for all students.
- We will increase access to highly effective programs and schools that attract and maintain families and students, and move away from those that do not.



Highlights of our detailed analysis of schools by achievement and other metrics

- Great variation in school size, class size, building condition and range of course offerings across PPS schools
- Achievement is not tied to school size, class size, building condition and range of course offerings.
- K-5, K-8 and middle schools are running more efficiently than high schools and are generally higher achieving

New Educational Delivery Model Addresses the Problem of Under Enrolled Classes

	Grades K-5	Grades 6-8	Grades 9-12
Actual Avg. Class Size	22	22	21
Recommended Avg. Class Size	25	28	30
	Grades K-5	Grades 6-8	Grades 9-12
Approx. cost to support under-enrolled classes*	\$7.7 million	\$7.6 million	\$16.8 million

We addressed under enrolled classes through:

- More efficiently scheduling our schools
- Better use of teacher time
- Improved HR and IT systems

*K-5 enrollment: 12,148; 6-8 enrollment 5,601; 9-12 enrollment 7,366, calculation based on average teacher cost of \$100k per year; includes non-teaching periods of 1 in K-5, 2 in 6-8, 3 in 9-12. Paraprofessionals also provide instructional support; primarily used in PPS to support special education students.















New Educational Delivery Model Focuses on Promise-Readiness

Every PPS student will have:

- **Rigorous academic classes (e.g. English Language Arts (ELA), Science, Math, Social Studies)**
- **Arts and music education**
- **Opportunities to accelerate and remediate as needed**
- **School library services**
- **Dedicated full time certified student services staff (e.g. counselor(s) or social worker)**
- **CAS and Advanced Placement (AP) offerings at the secondary level**
- **Career & Technical Education (CTE) opportunities at the secondary level**
- **Expanded access to electives already offered**
- **Family and community engagement opportunities**

We are committed to increasing equity across all PPS schools

Schools with:	Current/Total #	Approved
At least 1 full time counselor or social worker	 49/59	 52/52
Library services	 49/59	 52/52
Art offerings	 54/59	 52/52
Music offerings	 56/59	 52/52
1 or more AP or IB classes (9-12) & World Language	 9/11	 9/9
Dedicated resources for parent, family and community engagement	 9/59	 52/52



Special Education Delivery Model

- **Learning Support**
 - Staffing will be driven by student need as identified on the student IEP
 - We will continue to offer Full-Time, Supplemental, and Itinerant service
- **Regional Classrooms – no changes proposed**
 - Situated across the city in various schools
 - Full time teacher and as per state regulations, necessary paraprofessionals



Center for Advanced Studies (CAS)

- **Extended Day Differential for CAS facilitators**
 - All 6-12 and 9-12 schools will receive funds to pay 1 teacher for at least every 35 identified gifted students to work an extended 8 hour day (and time in the summer) to conduct GIEP meetings and assist gifted students with long term projects

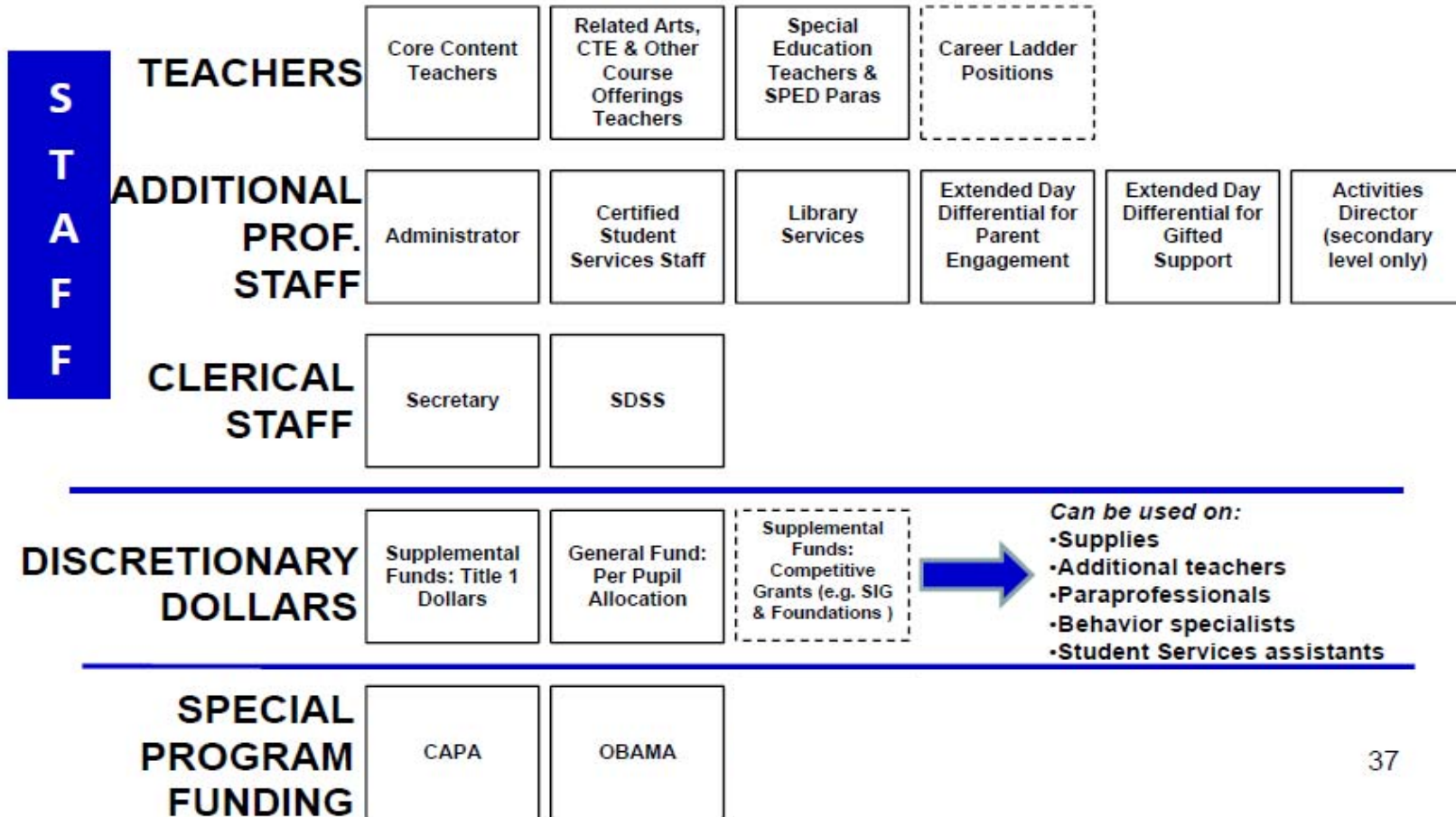


Career and Technical Education

- **Focusing on CTE programs with greatest student retention and success (e.g. the NOCTI and the certification exams)**
- **Viability of CTE programs depends on**
 - Having 18 -20 incoming 10th graders and retention of students through 11th and 12th grades;
 - Successfully having students achieve industry certification.
- **Gain efficiencies through:**
 - CTE electives on semester basis
 - Consolidation of years 1-3 in one blocked section
 - Integrating welding students within machine operations program with exposure to welding skills (students receive industry certification from the National Institute for Metalworking Skills and opportunity to pursue specialty skills such as welding)

Equitable Budgeting

Our budget funds the staff, programs and resources to implement our new equitable educational delivery model at all PPS Schools





Benefits of Educational Delivery Adjustments

- Provides for continued acceleration of student achievement with fewer resources
- Ensures equitable delivery of academics and related arts for all students
- Increases transparency of resource allocation
- Increases access to electives and CTE electives already available in the District
- Increases overall operating efficiencies while preserving core instructional delivery model
- Addresses District's fiscal and sustainability challenges



PPS is in a better position than other districts facing the same challenges

Challenges:

- Schools and teachers will need to adjust to larger class sizes and case loads
- Fewer dollars will be available at school sites for services outside the school day (after school tutoring, contracted services, events etc.)

Addressing the Challenges:

- \$90 M investment (grant funded) to improve the effectiveness of teachers, staff & systems in PPS
- Increasing partnerships to provide for afterschool and out of school time



Central Office Supports for Schools in their Implementation of the Educational Delivery Adjustments

- A team from technology is already working with schools to ensure their schedules are fully ready for this fall
- Teaching and Learning Environment Liaisons are developing a plan for schools to support student behavior and school culture
- Transition teams are in place for all schools receiving large numbers of students and for closing schools
- Special central offices teams meet weekly in order to ensure school level support during transition



Our budget work must continue

Stages	Phase 1	Phase 2	Phase 3
Discussed with Board	March 2011	October 2011	March 2012
Community Input	March 2011- May 2011	August 2011- November 2011	March 2012- May 2012
Any necessary Board action	June 2011	November 2011	June 2012
Implemented	June 2011	September 2012	September 2012
Cost Savings	11.1 Million	29.1 Million	\$10 – 13 Million



Phase 3 Will Likely Include

- Further central office reductions and cost cutting measures
- Reworked, more cost effective transportation plan that may affect start and end times for schools
- Elimination of some middle school athletics beginning with the 2012-13 school year
- Reevaluating how we provide credit recovery for students in grades 9-12



Additionally, We Must Address Rising Employee & Operating Costs

- The District recognizes they must determine how best to address the increasing costs associated with employee compensation and day-to-day operations in a world where revenues are not increasing at the same pace

Our Focus Must be on Student Achievement



3,200 Pittsburgh Public School graduates have benefited from The Pittsburgh Promise®.



Our vision is 80% of our students will complete a four year college degree or workforce certification.