March 29, 2017

Dear Quakertown Community School District Taxpayer,

This letter is to inform you that on Tuesday, April 11, 2017 at 6:30 PM in QCSD’s District Services Center, at 100 Commerce Drive, the Board of School Directors will be holding a hearing to consider a proposal to close Milford Middle School in July 2017. The proposal is part of a comprehensive two-year budget plan to close the anticipated $4.7M structural deficit for the ‘17-'18 Academic Year without impacting student programs. The presentation that was shared with the Board Finance Committee last week can be found at www.qcscd.org under the reports tab, Budget Information 2017-2018. If implemented in its entirety, this plan will save close to $5M per year in operating expenses. Not implementing this plan leaves us only two other options, raising taxes by 8% instead of the 2.9% proposed (as suggested by the teacher's union), or eliminating a significant amount of non-core programs which would include athletics, arts, AP courses, after school activities, etc. requiring significant staff furloughs (50 positions).

Every year there are two major pressure points on QCSD’s budget - the out of control annual increases in Public School Employees Retirement System, and paying the prevailing wage for school construction projects, which makes these projects and the debt service needed to pay for them more expensive. Both of these cost drivers are state mandates - flow through tax increases imposed by elected leaders in Harrisburg, and not under the control of your local school board. PSERS payments have increased 352% since 2008. Next year, PSERS payments will be $14.3M or 13% of the budget. In addition, the increased cost due to paying the Philadelphia region prevailing labor wage is $20M on the $70M renovation project for the high school.

Our structural deficit grew because of the financial burden of these ever increasing unfunded and underfunded mandates imposed by state leaders in Harrisburg. QCSD’s revenue for next year is projected to be $105M, while anticipated expenses will exceed that by $4.7M, assuming that the school board raises local property taxes by 2.9%, the Act I Index limit. In deference to our taxpayers, we declined to use Exceptions under Act I, or the restructuring of our debt service payment to free up annual operating dollars. Instead, we are considering closing obsolete and inefficient buildings to become more efficient in our operations.

The school board’s top priority is to achieve college and career readiness for every student, while at the same bringing fiscal discipline and efficiency in running the school district. For the past three years, the Superintendent and his Administration have done a remarkable job in controlling expenses, and the Board has negotiated labor agreements that control costs. Simultaneously, our students and teachers are doing a remarkable job in the classroom. For example, in 2016 the Quakertown Community High School was ranked #1 in Bucks County and #12 in Pennsylvania on the state’s report card.

We are committed to continuing to be good and thoughtful stewards of the precious local property taxes that you pay to support our public schools. We look forward to receiving your thoughts and feedback as we make some tough decisions for our community. Please don’t hesitate to contact us at Board@qcscd.org with your thoughts.

Sincerely,

Paul Stepanoff
Board President

Charles Shermer
Board Vice President
Chair, Finance Committee