QCSD laments rising teacher pension costs

By: Stephen Althouse, WFMZ, May 12, 2017

QUAKERTOWN, Pa. - The Quakertown Community School District continues to develop a path toward a more solvent financial future, but they aren't ready to let go of the past just yet.

During Thursday night's board meeting, directors reiterated the storyline of how rising teacher pension costs are fueling a budget shortfall not only in their district, but across the entire Commonwealth of Pennsylvania.

"The pension issue is the reason we are suffering," said Director Ronald Jackson. He added that QCSD and other districts "we're not making up their financial issues" as an excuse, but rather to note facts.

While the budget is indeed of paramount immediate concern, the larger issue centers around the future of Middle Milford School.

A final vote on whether to close the building is slated for a special meeting in July and on Thursday night directors did not directly indicate how they would vote. However they opted to praise Superintendent William Harner's plan to close what had been a $4.7 million deficit while also moving forward with their facilities plan.

For his part Harner said Thursday night that at this point there would be no furloughs and no loss of programs, and the plan is designed to get the district back on more stable financial ground in two years. This was done in spite of the fact the board refused to raise taxes above the 2.9 percent Act 1 index, as taxpayers have seen their rates go up for decades and they did not have an appetite to add an even greater burden than raising taxes to the index.

A proposed final budget that includes the closing of Middle Milford would see total revenues registering at $105.2 million and total expenditures at $107.4 million, leaving a net operating balance at deficit of just over $2.2 million.

The deficit would be closed by utilizing that amount of the district's $14.6 million fund balance.

If the board approves the closing of Milford, the district plans to sell the land, which it says would be more valuable without the building. The board is expected to approve a contract to demolish the building. By shuttering the building, QCSD maintains they will avoid unfunded capital improvement needs and in the process shed an old and obsolete building from their portfolio. One key advantage to the closing of the school financially is that district would be able to provide the same programs to students in the same way in
appropriate facilities to all middle school students. In addition, the district would realize significant savings from the economies of scale.

During 2016, a community committee spent the entire year reviewing all of the district's facilities and worked with QCSD's architect to formulate a long-term facilities plan. That plan indicates that should Milford close, the district will have enough room to accommodate all sixth and seventh graders at Strayer and all eighth and ninth graders at the Freshmen Center. With the addition of a few modular classrooms, Strayer would have enough room for sixth, seventh and eighth graders until an addition could be built.

The district has indicated that renovating Milford is not a viable option and would actually make the capacity and size problem there worse. The concept of building a new building on Milford property was previously rejected because of high costs associated with utilities.