FAQ
QCSD 2018-19 Budget and Personnel Strategies

How did we get here?

Over a number of years, tax revenue growth did not keep pace with expenditure growth. Significant cost drivers include the debt service for the high school renovation, and the cost of compensation, primarily the increases in PSERS obligations. Our current financial position was predicted more than 5 years ago under the previous administration. The current administration has reduced costs in a variety of ways, including:

- implementing hub transportation,
- staffing new programs for students by re-allocating existing staff, and
- eliminating overstaffing through retirements and resignations,
- flattening health insurance costs by joining a consortium,
- refinancing debt,
- subcontracting custodial staff,
- deferring building maintenance, and
- negotiating fair labor agreements that contain cost increases within the Act I Index on average.

There is nowhere left to achieve significant savings other than personnel.

Is there a long range plan, and if so, what is it?

Yes. The board charged the administration with bringing our budget into balance over a two year period without eliminating student programs. The two year strategy was first presented to the board and to the public in March ‘17. The budget options outlined in the March 23, 2017 Presentation were:

- Eliminating the cyber program (implemented in 2017-18)
- Eliminating a district level administrative position (implemented in 2017-18)
- Closing Milford Middle School (implemented in 2017-18)
- Eliminating team time for 7th and 8th grade (implemented in 2017-18)
- Consolidating kindergarten sections (implemented in 2017-18)
- Closing Tohickon Valley Elementary School (implemented for 2018-19)
- Eliminating team time for 6th grade (planned for 2018-19)

The primary savings from closing older buildings is from the ability to furlough personnel by eliminating positions we do not need as a result of the consolidation AND declining enrollment. Closing older buildings also creates the opportunity to become more efficient and consistent in our class sizes across the district, and eliminates the future capital expenses associated with renovating much older buildings. The other aspects of the long range plan are as outlined by the Elementary Reassignment Committee last year in their final report.
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How do furloughs work? Do we have any choice about who to furlough?

Rules and regulations about furloughs are governed by school code, and to some extent by our QCEA contract. Essentially, the least senior staff members in each affected area of certification are the ones who are furloughed (laid off.) Furloughed staff members have a right to recall, meaning that as we have positions available in their certification area in the future, they are offered the position prior to us hiring anyone new. They are also eligible for unemployment while furloughed. The last time we furloughed staff members, when Haycock Elementary School closed, 100% of the teachers were recalled to vacant contract positions within the first year after they were furloughed. We expect the same general outcome this time.

We also offer long term substitute positions, where available, to staff members who are furloughed. This allows them to retain their health benefits and retirement credit and to remain in a salaried position, although the salary for long term substitutes may be substantially lower than their contracted salary.

If we approve these furloughs, does it mean these individuals will definitely lose their jobs in June?

No, depending on several factors:

- We may have additional resignations or retirements between now and June 30, or over the summer, which would allow some staff members to be recalled prior to ever actually being unemployed and/or
- Our expected revenues could be higher than currently forecast once we receive our May assessment data from the county, which would allow the board the option of restoring one or more of the affected positions.

Approving the furloughs does mean that in the absence of any change in circumstances like additional resignations or restoration of positions, the listed staff members would be furloughed.

Have we also eliminated administrative positions?

Yes. This was addressed directly on page 4 of last year’s FAQ. We eliminated the Director of Elementary Education, the Supervisor of Cyber Programs, one high school Assistant Principal, and one Elementary Principal, along with two administrative intern (teacher) positions. We made all these reductions for 2017-18 because we had resignations and retirements that allowed us to eliminate three of the four positions by attrition. The fourth individual transferred back into a vacant teaching position.
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Events at the high school this year, including teacher feedback, suggest that we do not have adequate administrative staff at the high school this year, so we have proposed adding one assistant principal back to the high school for 2018-19.

**Will eliminating the Teachers on Special Assignment save someone from being furloughed?**

No. Teachers on Special Assignment (TOSAs) are replaced for the year by a long term substitute. If those assignments were eliminated, there would actually be fewer long term substitute assignments available to offer to furloughed staff members. It would not save a single furlough, since the teachers filling TOSA assignments would just work in their regular assignment instead.

**Can we look at cutting programs instead of furloughs?**

The most significant cost of any program is the staff members - education is a labor intensive enterprise. Remember that our direction last year was to close the budget gap without affecting programs, which is why we used the strategy of closing buildings instead. In any case, if a program was eliminated, the only significant savings would come from furloughing the staff members that teach that program, so the program furloughs would affect different people, but the need for furloughs does not change.

**What will the impact be of cutting a guidance counselor position?**

Guidance counselors certainly play a crucial role in meeting the academic, career and social/emotional needs of our our students as one part of our overall pupil services programs. This is why, although we closed two buildings, we are proposing the elimination of only one guidance counselor position, not two. It is also important to note that there is no reduction of guidance counselors at the elementary level, since Pfaff Elementary will have two guidance counselors next year due to the size and particular needs of that building.

Over the past three years, we have (1) doubled the number of guidance counselors at the elementary level from .5 per building to 1.0 per building, (2) added a full time mental health professional at the high school, and (3) added a full time board certified behavior analyst who supports all levels. We have also increased our levels of support for students through SAP and for truancy through FFP at the high school. We have plans to add an additional contracted mental health counselor for the ‘18-’19 school year to address student needs above the level of a school counselor.

Looking at data, we currently have the lowest student to counselor ratio in the area, and will still have the second lowest student to counselor ratio after elimination of the one position. With
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our enrollment projected to continue to decline, and the other services in place to support students' social and emotional needs, we do not expect the elimination of one position to have a major impact.

How much money do the furloughs save us?

Through attrition we have achieved some of the savings needed to close the budget gap. Eliminating the remaining positions by furlough will save $747,000, which is already removed from the preliminary budget figures. If furloughs do not occur, this is the figure that would have to be added back into the budget.

Savings Breakdown

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Total Salary</td>
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<td>FICA/Med</td>
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<td>Life/Disability</td>
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<tr>
<td><strong>Total All</strong></td>
<td><strong>$747,000.53</strong></td>
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Are there other options that would allow us to keep staff and still reduce the budget deficit?

Yes, but not at the same savings level. For example, if we did not furlough staff members, and instead placed the contracted staff that were on the furlough list into LTS assignments at their contracted salary, the savings would be $447,000, as opposed to $747,000, and $300,000 would need to be added back to the budget.

If we kept the staff members scheduled to be furloughed, what would their assignment be for next year?

We do not need additional grade level sections for next year, and enrollment is projected to continue to decline thereafter. If we retained all the staff members, we would need to use them in long term substitute positions or create additional instructional coach positions or similar.

How will class sizes be affected for next year? How about for the following years?

Due to the expected decline in our enrollment, average class sizes will decline over the next 5 years in grades K-8. By 2022-23, all elementary grade levels are projected to have less than 300 students, and we will need approximately 9 less classroom positions at the elementary level to maintain an average class size of 21.6. At the middle level, the average class size will be 23
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students in 2022-23, with the same number of teachers as 2018-19. At the high school level, the largest classes will still be moving through grades 9-12 in 2022-23, increasing average class size from 22.7 to 24.9 unless some additional staff members are added. The complete analysis is here.

Will this be it? Will we be going through this every year? Or, have our strategies been successful?

The recommended strategies, if we follow through with implementing the furloughs, will have been successful, in conjunction with a one-time partial use of exceptions, in effectively balancing our budget and maintaining a stable and responsible financial position into the future with tax increases at or below the Act 1 increase. There are some future unknowns, like the possibility of property tax elimination or new mandates, that could once again damage our fiscal health. Even so, we will be in a much better position to weather future storms if we make the difficult decisions now to bring our expenditures into line with our revenues. These decisions will allow us to maintain our education programs, and invest in the maintenance of our facilities.