



Newsletter

Winter 2020-21

Quakertown Community School Board

COVID era challenging for budgets

After unanimously passing a budget without a tax increase for the first time in nearly 50 years, the Quakertown Community School District is facing a challenging budget year as it attempts to dig out of a \$7.2 million deficit in 2020-21 while beginning work on its 2021-22 spending plan.

The current \$118.9 million budget, passed unanimously in June, includes approximately \$2 million from the sale of Milford Middle School and Tohickon Valley Elementary School. Removing that one-time transaction increases expenditures by 2 percent from 2019-20 and cuts the deficit to \$5.2 million.

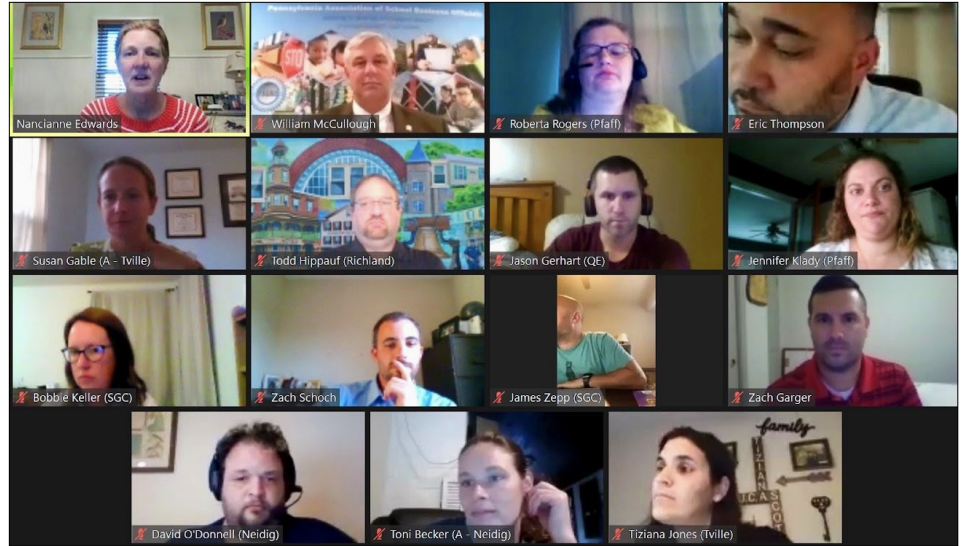
**Read about
Act 1, PA's
property tax
law: Page 3**

QCSD is not alone in attempting to fill budget gaps during one of the nation's most financially stressful times. All 500 Pennsylvania districts and those throughout the country are feeling a money crunch as local revenues drop and state governments may not make up the shortfall.

School Board member Keith Micucci, chairman of the Finance Committee, asked the administration to provide high level reports each month to track expenses and revenues. He frequently questions purchases, including those of books and computers, during the COVID-19 era. At each meeting he reminds attendees to "be mindful in your decision-making of anything that could have a long term impact on the budget."

Administration, with the support of the School Board, put together a plan to

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Members of the Elementary Redistricting Committee meet in a Zoom webinar.

Committee tackles redistricting amidst shrinking enrollment

Should the Quakertown Community School District sell the District Services Center, the workplace of its administrators and home to its alternative school, The Academy at Quakertown?

What about the district's eight school buildings? Should the Sixth Grade Center, which previously housed ninth graders as the Freshman Center, remain a school for sixth graders? And what of Quakertown Elementary School, a historic building from 1929 when it was Quakertown High School?

These are just a few of the questions a committee of QCSD parents and administrators are tackling. The Elementary Redistricting Committee began meeting online in late September. It is scheduled to make its recommendations to the School Board by January 31.

"This is a vitally important issue because it could shape how the district looks for years to come," Superintendent Dr. Bill Harner said in a visit to the committee's first meeting. "I'm very grateful for your participation."

The School Board has charged the committee with the following tasks:

- Develop options for the grade level configuration and redistricting of elementary (or K-6) students to be implemented at the start of the 2021-22 school year.
- Evaluate those options based on impact on academic programs, impact on students and families, cost-effectiveness, efficiency, impact on facilities (including the fu-

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Actual Enrollment	Projected	Projected	Projected	Projected	Projected
2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
4,865	4,723	4,556	4,402	4,212	4,013

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Quakertown Community School District Concise Summary Report

Assumption: 0% annual increase in real estate tax millage rate
for fiscal years 2020/21, 3.5% for 2021/22. Then 3.0, 2.8, 2.5, 2.5



	(Budget) 2021	(Projected) 2022	(Projected) 2023	(Projected) 2024	(Projected) 2025	(Projected) 2026
Real Estate Taxes	66,982,399	69,560,833	72,738,091	75,017,465	77,138,817	79,318,601
Act 511 Taxes	10,998,796	11,100,508	11,211,513	11,435,743	11,778,815	12,132,180
Other Local Revenue	3,876,615	3,915,934	3,961,140	3,999,750	4,047,382	4,095,967
Basic Instructional and Operating Subsidies	10,678,888	10,785,677	10,893,534	11,002,469	11,112,494	11,223,619
Revenue for Specific Educational Programs	3,305,131	3,341,157	3,377,603	3,414,475	3,451,776	3,489,514
Other State Revenue	14,031,511	14,280,560	14,659,440	15,009,068	15,280,896	15,618,738
Federal Revenue	680,000	693,600	707,472	721,621	736,054	750,775
Other Financing Sources	1,045,000	1,065,000	1,085,400	1,106,208	1,127,432	1,149,081
TOTAL REVENUES	111,598,340	114,743,269	118,634,193	121,706,800	124,673,667	127,778,474
EXPENDITURES						
Salaries and Benefits	72,541,497	74,440,460	76,523,128	78,940,995	81,455,457	84,153,216
Operating Expenses	34,010,187	33,079,191	33,739,372	34,414,007	35,103,426	35,807,964
Debt Service & Transfers	12,320,431	11,783,345	11,837,858	11,860,258	11,890,241	11,864,593
TOTAL EXPENDITURES	118,872,115	119,302,996	122,100,358	125,215,260	128,449,124	131,825,773
NET OPERATING BALANCE	(7,273,775)	(4,559,727)	(3,466,165)	(3,508,461)	(3,775,457)	(4,047,299)
FUND BALANCE (BEGINNING OF THE YEAR)	26,835,692	19,561,917	15,002,190	11,536,026	8,027,565	4,252,108
FUND BALANCE (END OF THE YEAR)	19,561,917	15,002,190	11,536,026	8,027,565	4,252,108	204,809

Budget

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reduce the deficit. It includes: reducing the workforce through attrition; extending the capital projects plan; using remaining bond money from the Neidig Elementary School renovation to pay for capital projects; freezing travel to conferences; and reducing curriculum and other supply purchases.

Those decisions during the early months of the pandemic, when schools were shut-down on the orders of Gov. Tom Wolf from mid-March through June, allowed the district to put nearly \$4.2 million into its fund balance, boosting its savings to \$26.8 million.

QCSD saved \$2.4 million on salaries and benefits and nearly \$1.4 million on professional services in addition to not needing certain additional supplies for its buildings. Unfortunately, much of the fund balance is expected to be whittled away over the next five years, according to projections from Public Financial Management, the district's financial consultant.

One of the serendipitous results of the \$27.3 million Neidig Elementary School addition and renovation project was the

remaining \$1.6 million contingency fund, which can be used to fund nearly two years of capital projects thanks to the efforts of Schrader Group Architecture and D'Huy Engineering, the construction manager.

"The worst case scenario I see five years from now is that we will still have \$4 million in the district's fund balance," said Zach Schoch, QCSD's Chief Operating Officer. "We believe the numbers will be better as we receive updates, but for right now that's how things look. We're in a fairly healthy position because we've been fiscally responsible."

Still, there are caution signs ahead. COVID-19 has already cost QCSD \$1 million in preventative measures, including the purchase of Personal Protective Equipment and disinfecting school buses. And several significant variables remain that can impact QCSD financially in the years to come:

- ◆ Teacher contract negotiations
- ◆ Transportation (Levy School Bus Company has opted out of its contract)
- ◆ Cyber charter schools
- ◆ Disposition of QE
- ◆ Enrollment

QCSD's enrollment has fallen below 5,000 students and is projected to be around 4,000 for 2025-26. The Elementary Redistricting Committee is considering those numbers, along with the disposition of Quakertown Elementary School, a historic building from 1929.

The teachers five-year contract concludes in June, and the district will be negotiating a new deal with the Quakertown Community Education Association next year. At the same time, the Levy School Bus Company has opted out of its contract with QCSD, and the district will be submitting a Request For Proposal.

Like many districts following the shut-down, Quakertown has seen an increase in the number of students leaving to attend a cyber charter school. The district's cost of funding those businesses has jumped to approximately \$4 million. Though that number is fluid, and many of those students are expected to return, the budget must account for their absence.

The current year's zero tax increase budget could have been 3.0 percent, without exceptions, according to Act 1, Pennsylvania's property tax law. For the 2021-22 budget, QCSD's Act 1 number is 3.5 percent (See chart on Page 3). The administration has recommended the Board not seek exceptions to raise taxes above the index. The Board will discuss the option at a future meeting.

About the budget

Information about the QCSD budget can be found at qcsd.com by clicking on the Reports tab.

School Board 2020-21 Winter Newsletter

Meet the Board



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Calculating the Act 1 Index

Through Act 1, Pennsylvania's property tax law, an index is used to determine the maximum tax increase for each school district without an exception or voter approval. The base index is calculated by averaging the percent increases in the Pennsylvania statewide average weekly wage and the Federal employment cost index for elementary/secondary schools.

A school district's Act 1 index is first calculated using a three-year average of the Statewide Average Weekly Wage (SAWW) and the federal Employer Cost Index (ECI). The resulting statewide number is the base Act 1 Index, which serves as the starting point in calculating each school districts' adjusted Act 1 index.

For each school district, the Act 1 base index is then adjusted by the school district's market value/personal income aid ratio (MV/PI AR) to calculate their adjusted Act 1 Index. To account for poverty, districts with an MV/PI AR greater than 0.4000 have their index adjusted upward by multiplying the base index by the sum of 0.75 and their MV/PI AR. The adjusted index represents the ceiling for property tax increases.

The Pennsylvania Department of Education (PDE) has calculated the Act 1 base index for the 2021-2022 fiscal year at 3.0 percent.

In the above chart, note that of Bucks County's 13 school districts, five may increase taxes above the 3.0 percent threshold without seeking exceptions. Those are Bensalem, Bristol Borough, Bristol Township, Morrisville, and Quakertown.

District	MV/PI AR	Act 1 index
Bensalem	0.4093	3.5%
Bristol Borough	0.6043	4.1%
Bristol Township	0.5863	4.0%
Centennial	0.2782	3.0%
Central Bucks	0.1807	3.0%
Council Rock	0.1500	3.0%
Morrisville	0.4417	3.6%
Neshaminy	0.3377	3.0%
New Hope-Solebury	0.1500	3.0%
Palisades	0.1500	3.0%
Pennridge	0.3356	3.0%
Pennsbury	0.3125	3.0%
Quakertown	0.4207	3.5%

Property Tax/Rent Rebate Program

Pennsylvania's Property Tax/Rent Rebate program benefits eligible residents of the Commonwealth age 65 and older; widows and widowers age 50 and older; and people with disabilities age 18 and older.

The income limit is \$35,000 a year for homeowners and \$15,000 annually for renters. Half of Social Security income is excluded. Spouses, personal representatives or estates may also file rebate claims on behalf of claimants.

The maximum standard rebate is \$650, but supplemental rebates for qualifying homeowners can boost rebates to \$975.

The Property Tax/Rent Rebate Program is one of five programs supported by the Penn-

sylvania Lottery.

Since the program's 1971 inception, older and disabled adults have received more than \$6.9 billion in property tax and rent relief. The rebate program also receives funding from slots gaming.

In Quakertown, 1,175 participated in this program, collecting \$557,033. Property tax rebates are increased by an additional 50 percent for senior households in the rest of the state, so long as those households have incomes under \$30,000 and pay more than 15 percent of income in property taxes.

If you would like more information about the program, call 1-888-222-9190.

For forms & free assistance

Property Tax/Rent Rebate application forms and assistance are available at no cost from Department of Revenue district offices, local Area Agencies on Aging, senior centers and state legislators' offices.

Homeowners Receive

Income	Maximum Rebate
\$0 to \$8,000	\$650
\$8,001 to \$15,000	\$500
\$15,001 to \$18,000	\$300
\$18,001 to \$35,000	\$250

Renters receive

Income	Maximum Rebate
\$0 to \$8,000	\$650
\$8,001 to \$15,000	\$500

About this newsletter

The Quakertown Community School Board's Winter 2020-21 newsletter is part of the Superintendent Goals that can be found on the qcsd.org website. At the request of the School Board, it is being mailed to 15,000 households in the school district.

The newsletter was written and designed by Gary Weckselblatt, QCSD's Director of Communications.

Committee

From Page 1

ture use of Quakertown Elementary and the Sixth Grade Center), requirement for construction, renovations, or modular classrooms, impact on transportation, impact on personnel savings, and other criteria as the Committee deems appropriate.

- Report its findings, decision matrix, and recommendations to the Board no later than January 31, 2021.

The committee has 12 parent members, five alternates and four administrators:

Sixth Grade Center Principal Eric Thompson, Pfaff acting Principal Zach Garger, Chief Operating Officer Zach Schoch and Assistant Superintendent Nancianne Edwards, who is the administrative liaison to the committee. The committee is led by parent co-chairs Elena Mack and David O'Donnell. Wayne McCullough, PASBO's Executive Director and former Chief Financial and Operations Officer at Southern York County School District, is the consultant for the committee.

Since Dr. Harner became Superintendent seven years ago, QCSD has employed parent committees on several issues, including prior redistricting processes, plans for updating facilities and safety. "We have had great success with community committees," said Ms. Edwards, who has facilitated seven of them in QCSD. "Their work is very important. The Community Facilities Committee, for example, really drove our planning to keep facilities well maintained." As a result of the Facilities Committee, each year the Board invests \$1 million

in keeping buildings well maintained.

At the first meeting, the committee heard from Jim Ficara, a parent leader on the first redistricting committee six years ago.

"Decisions you make may not make everyone happy," he said.

Dr. Robert Leight, a retired educator and Quakertown author and historian, is scheduled to speak with the committee in November.

QCSD's declining enrollment, which the committee is studying, could play a role in any of its recommendations to the Board. This year, enrollment has fallen below 5,000 students. By 2025-26, it's projected to be right around 4,000 students.

"The downward trend is accelerating," Ms. Edwards said in an October 22nd presentation to the School Board.

The committee, which plans to tour the schools, has

developed a Decision Matrix that includes several categories: Capacity and class size; Students and Families Impact; Program Impact; Facilities Impact; and Financial Impact.

Mrs. Mack, a co-chair with Mr. O'Donnell, said "This will be a respectful discussion. Be open minded in considering various options."

Mr. O'Donnell added "Everyone on the committee, your voice is important. Please participate."

Meetings are open to the public via a Zoom link, and minutes are posted on the website. Community members interested in submitting comments can e-mail Elemredistrict.org and your comment will be shared with the committee at its next meeting.

"Having our community make recommendations on these major topics really keeps the 'community' in the Quakertown Community School District," Ms. Edwards said. "We appreciate and thank all those who give of their time and talents to serve."

For more info

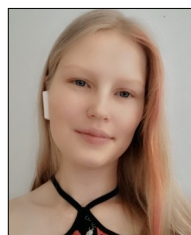
Information about the committee can be found at qcsc.org. Under the Departments tab, go to Assistant Superintendent and Elementary Redistricting Committee.

To reach the committee, email Elemredistrict.org

3 seniors recognized by National Merit program



Michael Dennis



Veronika Durr



Matt Catalano

The National Merit Scholarship Corporation has recognized three Quakertown Community High School seniors in its prestigious program for 2021.

Michael Dennis is a semifinalist while Matt Catalano and Veronika Durr each received a Letter of Commendation. Each student is recognized for their outstanding performance on the Preliminary SAT/National Merit Scholarship Qualifying test in 2019.

Michael is one of 16,000 semifinalists out of 1.5 million students who entered the program. His 1480 score on the PSAT, is achieved by fewer than one percent of today's U.S. high school seniors. Matt scored 1,450 on the PSAT while Veronika scored a 1,430. The 50,000 highest scorers - the top 3 percent - are being recognized.

Michael has an opportunity to continue in the competition for some 7,600 National Merit Scholarships worth more than \$30 million that will be offered next spring. To be considered for an award, Michael must fulfill several requirements to advance to the finalist level. More than half of the finalists will win a National Merit Scholarship.

"I congratulate each of our students for their achievements and determination," Principal Mattias van't Hoenderdaal said. "They are bright young people who challenge themselves with rigorous coursework while staying involved in the school community. This recognition is a well-deserved validation of their efforts."

A member of the track team, where he throws the discus and shot put, Michael is also a member of the National Honors Society, Fellowship of Christian Athletes, Math Club, and Technology Student Association.

Michael has already taken eight Advanced Placement courses and is scheduled for four more this year: Calculus BC, Statistics, Government, and English Literature. His AP grades have helped boost his GPA to 4.11.

Matt, a point guard on the basketball team, and Veronika, a member of the Marching Band's Color Guard, have taken advantage of the 32 Advanced Placement courses available at the high school. Their schedules are loaded with five AP classes each. Both are taking U.S. Government and English Literature. Matt also includes Computer Science, Physics C, and Statistics. Veronika has Biology, Calculus BC, and Chemistry.

Besides their course load, Matt and Veronika are heavily involved in after-school activities. Besides Marching Band, Veronika belongs to the Key Club and Math Club. Matt is president of the Key Club and National Honors Society and a member of Student Council.

Planning process pays off in Neidig's timely arrival

After two years of planning, construction and teamwork, a newly renovated Neidig Elementary welcomed students on September 14, the first day of school in the Quakertown Community School District.

"To see this come to fruition has been an amazing process," Principal Scott Godshalk said. "We're so excited to finally have this 21st century learning environment for our students and teachers. We're pinching ourselves."

The project, which cost \$27.3 million, has just over \$1.6 million remaining from a \$1.9 million contingency fund. That money will be used to fund future capital projects to maintain district facilities, a key objective of the School Board.

"The building was delivered within budget with a fiscally responsible plan," Chief Operating Officer Zach Schoch said.

The construction, which includes an addition, has transformed the 1950s-era building from 45,700 to 83,373 square feet, similar to the size of Pfaff Elementary School, built in 2005. A new two-story classroom wing takes the place of Neidig's former fifth-grade wing. The school's primary wing is completely renovated. Neidig has a standalone cafeteria, gymnasium, music and art classrooms, office spaces and air conditioning.

Unfortunately, because of the COVID-19 pandemic, students have not been able to use the standalone rooms for safety reasons. The district's Health and Safety plan maintains that elementary students remain in their classrooms, with the exception of recess.

Though construction was halted for a time by Gov. Tom Wolf and supplies were delayed due to the pandemic, contractors did a good job of maintaining their schedule. It was all part of a well-planned process, led by Schrader Group Architecture and D'Huy Engineering, the construction manager.

The seed to renovate Neidig was planted with the Schrader Group's 2016 Facilities Study that cited upgrades to Neidig as a key step toward investing in district facilities. That seed took root when a parent-led Elementary Reassignment Committee recommended the project to the School Board.

Neidig, which previously held 400 stu-



The sun rises over Neidig Elementary School on September 14, opening day for students.



Principal Scott Godshalk helps a student use the hand sanitizer on the first day of classes at Neidig Elementary School.

dents, now has the capacity for more than 600. That could figure into the planning of the current Elementary Redistricting Committee, which is scheduled to make its recommendations to the School Board by January 31.

The planning process for the new Neidig began in December, 2018 when Superintendent Dr. Bill Harner created a design team and directed it to develop a building with

"functional areas, like Pfaff, at the best price." The group met approximately every two weeks for a year-and-a-half. It included Dr. Harner, Mr. Godshalk, Mr. Schoch, Assistant Superintendent Nan-

cianne Edwards, Facilities Director Rob Christine, Technology Director Joe Kuzo, David Schrader and Danielle V. Hoffer of Schrader Group Architecture, and Kris Reiss of Boucher & James engineering.

Teachers and parents provided feedback as design plans were developed, and visited schools designed by Schrader to share their opinions. The schools toured were Manavon Elementary School in Phoenixville and Mill Creek Elementary School in Bristol Township.

Evening meetings were held at Neidig to both make the community aware of the project and allow for comments. Mr. Godshalk also held meetings with teachers for an inclusive process.

"They were wonderful," he said.

"Teachers were heavily involved in the planning of the building. The entire team provided feedback on the physical layout of the building, the classroom spaces, storage in classrooms, furniture selection, and much more. It was an intense process, and it was all worth it."

Renovating Neidig had its challenges, as the 14-acre site is located in both Quakertown and Richland, and the township portion sits in a floodplain. Richland, however, ceded approval to Quakertown, allowing district representatives to seek building permits in one municipality.

Another challenge was spending a year in the former Tohickon Valley Elementary School so construction could move at a swifter pace and students wouldn't have school in a construction zone. To begin the school year, teachers had a weekend to prepare their rooms.

"They have been so flexible," Mr. Godshalk said. "The end game is that everyone is extremely happy to be in the building that they helped design."

Information about the School Board can be found on the qcsd.org website by clicking on the School Board tab.

School Board boosts pay for substitute teachers

The Quakertown Community School District is significantly increasing pay for substitute teachers for the 2020-21 school year.

The per diem rate is being raised from \$105 to \$120 per day. Long term per diem pay is being raised from \$140 to \$175 per day, highest in the area. The School Board passed the measure on October 8.

The average per diem rate in Bucks County and surrounding districts is \$109. The long term substitute rate is \$125.

"Substitutes are very important," Board President Kaylyn Mitchell said, adding that during the COVID-19 pandemic, "we have teachers taking leave (Families First Coronavirus Response Act). We need to be competitive in the market and be an attractive place for substitute teachers. I feel we have to change our strategy."

Mrs. Mitchell noted that with more teachers retiring than expected, the district has money for this short-term cost. "We need to make sure we're maintaining continuity in our classrooms," she said. "If we don't have enough teachers we can't keep schools open. I believe we need to be more aggressive in terms of what we're offering due to the circum-

Interested?

**Contact Kyle McGettigan
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stances that we're in."

School Director David Ochmanowicz Jr. said "If you tell someone they're going to make X amount more money everyday for 60 days, they're more likely to come with us sooner."

This school year, QCSD has needed, on average, 19 substitutes per day, compared with 11 during the same period a year ago. The district has, on average, filled 12 of those openings, seven short of the need.

Zachary Schoch, the district's Chief Operating Officer, said he doesn't know if money alone will solve the substitute shortage.

"Most of our problem is there isn't a significant enough candidate pool to pull from," he said, but noted "The majority of our substitutes are loyal to Quakertown. More than 50 percent of our substitutes only sub with Quakertown. Increasing the rate might help. I don't know that it will solve the challenge."

As classes go live, COVID-19 has not spread within schools

It's been a difficult task for the School Board and Administration to find and sustain the right health and safety balance between having students in class and having teachers feel safe in the COVID-19 era. This has been a challenge for everyone, not only the Quakertown Community School District.

When classes began on September 14, students had the option of attending hybrid sessions - two days a week in school and two days a week online or virtual only. In late September, the Board voted to begin a live, five-day schedule for elementary students on October 12. Secondary students are scheduled to begin a similar schedule on November 18. Another option is for students to attend classes virtually.

The district has had cases of COVID-19 among students, teachers and staff members but there hasn't been any spread within schools. The Board passed the district's Health and Safety plan on July 9. It requires everyone to wear masks and socially distance.

The plan, a requirement of each district by the Pennsylvania Department of Education, was developed by four task force workgroups of administrators, teachers, staff, parents and community consultants.

It's based on guidance from the Pennsylvania Department of Health and the CDC.

Board President Kaylyn Mitchell urged parents to get their children used to wearing masks over the summer. "Please teach them now," she said. "Do not wait."

And parents responded!

COVID-19 in QCSD

https://www.qcsc.org/community/c_o_v_i_d_19_numbers_in_q_c_s_d