Finance Committee

Thursday, August 13, 2026 5:15 PM
QCSD District Service Center - Community Room, 100 Commerce Drive, Quakertown, PA 18951

1. **COMMITTEE MEMBERS**
2. **CALL TO ORDER**
3. **MEETING MINUTES**
4. **DISCUSSION ITEMS**

4.A. Financial Report

4.B. 2025-2026 Audit Timeline

4.C. 2027-2028 Budget

5. **PUBLIC COMMENT**
6. **ADJOURNMENT**

Quakertown Community School District
Board of School Directors
100 Commerce Drive
Quakertown, PA 18951
(215) 529-2002
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FINANCE COMMITTEE MEETING - Date: June 11, 2026 - Meeting Start Time: 5:15 p.m.

This Committee Meeting is an informational meeting (no voting takes place) that is open to the public as well as live streamed. June 11, 2026 Finance & Facilities Committee Meeting

Finance Committee Meeting Agenda/Minutes

Committee Members Present:
Chris Spear
Rebecca Merola
Todd Hippauf

Administration In Attendance:
Dr. Lisa Hoffman
Dawn Young
Lorie Olexson

Topics for Discussion:
1) Approve the May 14, 2026 Meeting Minutes
2) 2026-27 QCSD Proposed Final Budget Updates
3) Capital Reserve Fund

Public Comment:
None

The meeting adjourned at 5:52 p.m.

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Minutes from June 11, 2026 Meeting:

1. Approval of Prior Finance Committee Meeting Minutes

- The May 14, 2026 Finance Committee Meeting Minutes were approved.

2. 2026-27 QCSD Proposed Final Budget Updates

- Mrs. Young reviewed the 2026-27 budget updates, potential changes and unknowns. This budget will be on the final board meeting agenda Wednesday, June 17, 2026 for approval.
- The proposed budget does not include any increase from the 25-26 year for basic education or special education funding due to the various changes that could happen at the state level that could change the amount of funding we receive.
- The capital project that is included in the 26-27 budget is the QE Asbestos Abatement which is partially funded by grant funds with a district match of $201,793. This is planned to be completed this summer (July-September 2026).
- Capital projects not reflected in the 26-27 budget but have been discussed are: QCSD softball field, Strayer MS Roof, and Sixth Grade Center public school facilities improvement grant.
- Mrs. Young stated in speaking with the engineers, the estimated cost for the softball field we would incur for the 26-27 would be about $550,000. Mrs. Young recommended that if the board chooses to move forward with this project that $750,000 should be put into budgetary reserve additionally. This would allow for further discussions on whether to move forward with this project as the funds would be untouched in the reserves. Mr. Hippauf stated that the $750,000 should be added to the budgetary reserves for the softball field and to include funds for the Strayer roof. Mrs. Young restated that $750,000 for the softball field and $1,215,000 for the SMS roof would be added to the 26-27 budget. Mr. Hippauf asked if we use the budgetary reserve funds if that has to come before the board for approval; how do we know that these funds were used? Mrs. Young stated that through a budget transfer is how we move and use the funds. Mr. Spear stated that budget transfers go before the board for approval and that is how they get approved.
- Mrs. Young also concluded that if the board is planning on moving forward with these projects then she would not put these funds into budgetary reserve but their corresponding budget code. Mr. Spear stated we would move forward with the SGC project if we get the grant but if we do not get the grant he asked does the money just stay there and the board can decide if we include or not include it in the budget for next year or reevaluate how we are going to pay for those repairs? Mrs. Young explained that the district cost for the SGC public school facilities improvement grant is $907,107. Total cost was estimated at $3,628,426. The approval for this grant is expected to be known in Sept/Oct.

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If we get the grant there will be costs next year for this. If we want to include this then she suggests putting the $907,107 into budgetary reserve if the board would like to run this through the general fund and capital reserve.

- Mr. Hippauf stated that he believes the consensus of the board is the softball is a go and the roof as well. However, as for the grant he is not sure and believes this should be put into budgetary reserve. Mrs. Young clarified that for the SGC grant we would put the $907,107 into budgetary reserve if we get the grant but if we do not get it she stated she does not have the $3.6M in the 26-27 budget. Mr Spears said at that point the board would need to have discussions on whether to do those projects or apply for new grants.
- Mrs. Young reviewed the 26-27 budget summary noting columns that show changes from the May presentation and from the original budget in February. The main highlight on the summary is that the deficit went from $9,498.993 to $8,731,741. Mr. Hippauf asked at what point did we include the 3.5% increase added into the budget. Mrs. Young said between 4/9 & 4/23 the tax increase was added. Mr. Hippauf also asked what the additional revenue this increase will produce? Mrs. Young said it is about $2.6M.
- Mrs.Young stated that she will be adding $907,107 to the budgetary reserve, the $750,000 along with $201,793 and $550,000 and $1.215M to the regular budget based on the discussions in this committee. Mr. Spear asked where does this leave all the fund balances?
- Mrs. Young said with the additions stated to the general budget the fund balance is estimated to be at the end of the year $18,052,564 for general fund, $2.6M in capital reserve with taking off the chiller. Mr. Spear said this does not leave a lot of cushion and living with an ongoing operational deficit of $8.7M sacrifices are going to have to be made; specifically, with the $8.7M deficit that will affect future budgets. Mrs. Young said conversations will have to be had earlier next year in order to mitigate this deficit and it is not sustainable to have this high of a deficit.
- Mrs. Young concluded that we are hoping that we can come under next year and that just because something has been budgeted does not mean it has to be purchased.
- Dr. Hoffman reiterated that we are looking hard at the budget but not looking to cut programming or reduce staff but through attrition we will look hard at whether to refill those positions.
- Mrs. Young reviewed the budget increases/decreases by department.
- Mrs. Young reviewed the Salaries & Benefits. She stated there was a savings in the facilities salary/benefit budget line due to a retirement and removal of a floater position. Most of the savings were due to attritional savings and switching of employee positions.
- Mr. Spears asked if we have budgeted the Superintendent position and how it was before? Mrs. Young stated that it was the salary that was from before plus the increase in the budget. Mr. Spears asked if the settlement agreement posted in the newspaper is in this budget? Mrs. Young said no, that is part of the 25-26 budget.

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- Mr. Hippauf asked about benefits and the massive increase (23%) that will be in the 26-27 budget. Mrs. Young said the increase will be higher than 23%. He said without the health insurance increase we could have seen a greater reduction in the budget. He asked what the dollar amount is for this increase for 26-27. Mrs. Young said it is an estimated $1M which is between the original estimate and the final one. She also stated in comparison to when benefits were projected for 25-26 just the health category the increase is $2.2M and this is the district cost only, the employee cost is not included. Mr. Hippauf stated that our health insurance went up the same amount as our tax increase; we basically raised taxes just to cover our health insurance costs.
- Mrs. Young reviewed the revenue side and noted that assessments have not been as consistent as in the past and we are seeing a slight decrease.
- Mrs. Young also noted that there is a reduction of $50,000, this is due the PHEAA grant for teachers. The district will still be participating but going forward the state will be taking care of the pay out.
- Mrs. Young also said Title funds are coming in lower than what we have seen in the past so there is a reduction there.
- Mr. Spear asked since our transportation costs are higher do we receive an increase in subsidy. Mrs. Young stated that subsidies are about our piece of the pie and not necessarily just our costs for transportation.
- Mrs. Young reminded everyone that next Wednesday, June 17th is the final approval for the vote and the 3.5% tax increase is included.
- Mr. Hippauf thanked the Administration for their work in reducing the budget deficit.

3. Capital Reserve

- Mrs. Young reviewed the balance in the capital reserve account and reminded everyone that this is not part of the general fund. She showed the chiller being removed, part of the $1.25M that is normally put into the general fund for capital projects is being used for the dishwashers. There were suggestions about utilizing the funds for the Strayer Roof Replacement and Sixth Grade Center Public School Facilities Improvement Grant along with replenishing with the remaining annual capital projects funding, Doing this would have left a balance of $1.54M remaining at year end at 6/30/2027. These are situations that do not need to be decided on at this time but are in discussion. The decision was made to not utilize Capital Reserve Funds at this time.
- Mr. Spear suggested that we stay on top of the banks making sure we are getting the best interest rates for these funds.

- **Comments:**

N/A

7/1/25 - 5/31/26 YTD Financials - Expenditures By Major Function

Major Function	Expenditure Description	Current Budget 2025-2026	07/01/25-05/31/26	Current Budget % Used
1000	INSTRUCTION	88,216,751	71,422,699	80.96%
2000	SUPPORT SERVICES	41,682,831	33,343,262	79.99%
3000	NON-INSTRUCTIONAL SERVICES	1,825,634	1,805,945	98.92%
4000	FACILITIES ACQUISITION, CONSTRUCTION & IMPROVEMENT	1,649,290	1,476,513	89.52%
5000	OTHER EXPENDITURES & FINANCING USES	14,333,017	12,741,682	88.90%
	TOTAL EXPENDITURE	**147,707,523**	**120,790,101**	**81.78%**

Major Function	Expenditure Description	Prior Year Budget 2024-2025	07/01/24-05/31/25	Current Budget % Used
1000	INSTRUCTION	83,118,251	70,238,160	84.50%
2000	SUPPORT SERVICES	42,281,145	32,194,792	76.14%
3000	NON-INSTRUCTIONAL SERVICES	1,898,840	1,592,405	83.86%
4000	FACILITIES ACQUISITION, CONSTRUCTION & IMPROVEMENT	3,279,536	2,533,748	77.26%
5000	OTHER EXPENDITURES & FINANCING USES	14,908,272	12,413,372	83.26%
	TOTAL EXPENDITURE	**145,486,044**	**118,972,477**	**81.78%**

Major Function	Expenditure Description	2025-2026 vs 2024-2025	% Increase	
1000	INSTRUCTION	1,184,538	1.69%	
2000	SUPPORT SERVICES	1,148,470	3.57%	
3000	NON-INSTRUCTIONAL SERVICES	213,540	13.41%	
4000	FACILITIES ACQUISITION, CONSTRUCTION & IMPROVEMENT	(1,057,235)	-41.73%	
5000	OTHER EXPENDITURES & FINANCING USES	328,310	2.64%	
	TOTAL EXPENDITURE	**1,817,624**	**1.53%**	

7/1/25 - 5/31/26 YTD Financials - Expenditures By Major Object

Major Object	Expenditure Description	Current Budget 2025-2026	07/01/25-05/31/26	Current Budget % Used
100	SALARIES	54,180,100	42,199,597	77.89%
200	BENEFITS	34,405,024	27,274,768	79.28%
300	PURCHASED PROF & TECH SERVICES	16,844,736	14,063,702	83.49%
400	PURCHASED PROPERTY SVC	2,930,118	2,447,413	83.53%
500	OTHER PURCHASED SERVICES	16,861,915	15,345,088	91.00%
600/700	SUPPLIES/PROPERTY	7,872,101	6,553,052	83.24%
800	OTHER OBJECTS	5,326,933	3,724,887	69.93%
900	OTHER USES OF FUNDS	9,286,595	9,181,595	98.87%
	TOTAL EXPENDITURE	**147,707,523**	**120,790,101**	**81.78%**

Major Object	Expenditure Description	Prior Year Budget 2024-2025	07/01/24-05/31/25	Current Budget % Used
100	SALARIES	51,801,391	40,908,177	78.97%
200	BENEFITS	33,715,756	26,708,542	79.22%
300	PURCHASED PROF & TECH SERVICES	14,530,186	13,412,836	92.31%
400	PURCHASED PROPERTY SVC	5,134,966	3,334,997	64.95%
500	OTHER PURCHASED SERVICES	16,959,068	15,044,944	88.71%
600/700	SUPPLIES/PROPERTY	8,206,274	6,984,086	85.11%
800	OTHER OBJECTS	6,462,391	4,124,098	63.82%
900	OTHER USES OF FUNDS	8,676,012	8,454,797	97.45%
	TOTAL EXPENDITURE	**145,486,044**	**118,972,477**	**81.78%**

Major Object	Expenditure Description	2025-2026 vs 2024-2025	% Increase
100	SALARIES	1,291,420	3.16%
200	BENEFITS	566,226	2.12%
300	PURCHASED PROF & TECH SERVICES	650,866	4.85%
400	PURCHASED PROPERTY SVC	(887,585)	-26.61%
500	OTHER PURCHASED SERVICES	300,144	1.99%
600/700	SUPPLIES/PROPERTY	(431,035)	-6.17%
800	OTHER OBJECTS	(399,211)	-9.68%
900	OTHER USES OF FUNDS	726,798	8.60%
	TOTAL EXPENDITURE	**1,817,624**	**1.53%**

7/1/25 - 5/31/26 YTD Financials - Revenues By Major Function

Major Function	Revenue Description	Current Budget 2025-2026	07/01/25-05/31/26	Budget % Received
6000	**LOCAL SOURCES**	96,756,122	89,849,961	92.86%
7000	**STATE SOURCES**	36,307,789	24,274,247	66.86%
8000	**FEDERAL SOURCES**	1,979,976	242,895	12.27%
9000	**OTHER FINANCING SOURCES**	25,000	0	0.00%
	TOTAL REVENUE	**135,068,888**	**114,367,102**	**84.67%**

Major Function	Revenue Description	Prior Year Budget 2024-2025	07/01/24-05/31/25	Budget % Received
6000	**LOCAL SOURCES**	94,191,449	89,540,140	95.06%
7000	**STATE SOURCES**	33,752,717	27,101,383	80.29%
8000	**FEDERAL SOURCES**	1,861,340	1,060,663	56.98%
9000	**OTHER FINANCING SOURCES**	1,267,860	1,261,053	99.46%
	TOTAL REVENUE	**131,073,366**	**118,963,240**	**90.76%**

QCSD 2027-2028 Tentative Budget Calendar *

7/15/2026	Cabinet Leadership - Initial Budget Discussions
7/30/2026	2027-2028 Budget Due Dates shared with Administrators
8/13/2026	Finance Committee - Initial 2027-2028 Budget Discussions
9/1/2026	Act 1 Index published
9/10/2026	Finance Committee - Budget Discussion
9/21/2026	2025-2026 Projections with variance explanations due to the Business Office
9/21/2026	2027-2028 Building & Athletic/Student Activity Budgets due to Cabinet for Review
9/21/2026	Cabinet Leadership - Review Multi Year Needs
9/30/2026	Adjusted Act 1 Index Notification
10/8/2026	Finance Committee - Budget Discussion
10/12/2026	All 2027-2028 Budgets due to the Business Office
10/26/2026	Cabinet Leadership - Review submitted budgets district wide
11/5/2026	Finance Committee - Budget Discussion
11/9/2026	Final Budget Presentations due to the Business Office
12/3/2026	Major Step #1: ACT 1 Exceptions & Opt-out Resolution. Roll Call vote. Adopt resolution authorizing preliminary budget display and Advertising. 2027-2028 proposed preliminary budget must be made available to the public on Form PDE-2028 or Board adopt opt-out resolution. (Must be by January 30, 2027)
12/7/2026	Final Budget presentations reviewed and approved by Cabinet.
12/31/2026	Department of Education deadline to notify school districts of school year of AFR data to be used when calculating referendum exception in Section 333(f)(2)(v).
1/4/2027	School District deadline to make the proposed version of the 2027-2028 preliminary budget available for inspection on the General Fund Budget on form PDE-2028 (public display).
1/14/2027	Finance Committee - Budget Workshop #1 - Preliminary Budget Presentation
1/15/2027	School District deadline to publish notice in newspaper of intent to adopt the preliminary 2027-2028 budget. (10 days prior to preliminary budget adoption).
1/28/2027	Major Step #2: Board to adopt Preliminary Budget for 2027-2028.
2/3/2027	School district deadline to submit 2026-2027 preliminary budget containing proposed tax rate increases to Department of Education in the CFRS application.

2/26/2027	School district deadline to publish notice in newspaper of intent to request approval from Department of Education for a referendum exception (1 week prior to filing of request for referendum exception).
3/5/2027	School district deadline to seek approval from Department of Education for referendum exceptions requiring their approval.
March 2027	Finance Committee - Budget Workshop #2 - 2027-2028 Preliminary Budget Update
3/25/2027	Deadline for Department of Education to issue ruling on school district's petition for referendum exception.
April 2027	Finance Committee - Budget Workshop #3 - 2027-2028 Proposed Final Budget Presentation
April 2027 Regular Board Meeting	Major Step #3: Board to approve Proposed Final Budget for 2027-2028 (30 days prior to final).
May 2027	Finance Committee Meeting – Proposed Final Budget Update
May 2027	Regular Board Meeting – Proposed Final Budget Update
5/21/2027	School District deadline to make the 2027-2028 proposed final budget available for inspection on the General Fund Budget on form PDE-2028 (public display).
6/4/2027	School District deadline to publish notice in newspaper of intent to adopt the final 2027-2028 budget. (10 days prior to final).
6/16/2027	Major Step #4: Board adoption of final 2027-2028 budget and Homestead/Farmstead Exclusions. (Must be by June 30, 2027)
7/15/2027	School district deadline to submit 2027-2028 final budget to Department of Education in the CFRS application.

Highlighted Text Indicates Finance Committee/Regular Board Meeting

Highlighted Text Indicates Board Action Needed

*All dates for 2027 are tentative.