

Brandywine School District
District Finance Committee

Minutes of the Meeting of March 11, 2026

Members Present: Chris Milionis, Chuck Landry, Matt Auerbach, Jeff Viar, Victor Ferzetti, John Skrobot III, Ron Kimbrough, Carolyn Heckenstaller

Members Absent: All members present

Other District Representatives Present: Daniel McCoy – Chief Financial Officer, Dr. Lisa Lawson – Superintendent

Members of the Public: None Present

The meeting was called to order by Mr. Milionis at 5:00 P.M.

I. Approval of Minutes – February 4, 2026 Meeting

The minutes for the February 4, 2026 meeting were reviewed. A motion to approve was raised by Mr. Ferzetti and seconded by Mr. Landry. The minutes were approved as drafted.

II. February 28, 2026 Monthly Financial Report

Mr. McCoy presented the highlights of the February 28, 2026 Monthly Financial Report:

Revenue

- BSD is expected to receive more than what was budgeted for FY2026 tax receipts due to mid-year assessment changes by NCC and unsettled appeals. The FY2027 budget will attempt to account for this.
- The second half of the senior property tax credits will soon be coming in.
- “Other State revenue” increased significantly from last month after the State provided emergency literacy funds.
- BSD also received additional State funds because the mid-year unit count showed an enrollment increase. Side note: the mid-year unit count money may not be available after this year since the State has removed it from the preliminary Governors Budget.
- Debt service reserves are sizeable and will allow for a reduction in the debt service tax next year, the tax will need to be moved to tuition to help deficit spending on intensive and complex students.

Expenditures

- Student support services is overbudget, which was also the case last year. No measures will be taken to shift expenses so accurate data is captured to prepare the FY2027 student support budget.
- Federal funds are being spent at a greater pace than last year which is a sign of better planning.
- Individual school building budgets are all in good shape.
- Prior year purchase orders were closed if possible, but many are still in active use.

Cash Flow Analysis

Per Mr. McCoy, it is difficult to rely on this analysis due to the unpredictability of the tax receipts.

- BSD returned the State money that was allotted to cover expenses while tax receipt collections were lagging on February 18th. Holding funds until the deadline allowed for gains in interest revenue that was lost earlier in the year.
- Previous figures included additional funds from the Delmarva tax receipt oversight, but these numbers were rolled back because Delmarva had actually already paid by 12/31/25.
- The county will soon provide the school districts with an updated estimate of tax money still expected to be collected this year. Any excess in funds will go into reserves.

A motion to approve the February 28, 2026 Monthly Financial Report was raised by Mr. Landry and seconded by Mr. Auerbach. The vote was unanimous.

- III. Financial Projections – Per Mr. Milionis, the purpose of this discussion is to get a clearer idea of when a referendum will be necessary, what the committee and BSD can do to prepare, and how that should be communicated to the Board.

Mr. McCoy presented the projections for the next 3 fiscal years which he described as “conservative,” but not “worst-case scenario.” He reminded the Committee there are many uncertainties that could potentially change the outlook. The Committee discussed the following:

Tax Receipts:

- Appeal credits will decrease tax receipt revenue in FY2027
 - Districts are advocating for a rate reset to revenue neutral (typically only happens on a reassessment year). Due to mistakes and assessment issues, the County appears to be open to it
- Senior tax exemptions thresholds may be raised to allow more seniors to qualify.
 - This would mean non-seniors absorb the taxes no longer paid by seniors
- There is currently no law in place to split rates between residential and non-residential properties next year.
 - There are mixed feelings among Districts on whether or not split rates should be permanent.
- The Wilmington University purchase of two office complexes was discussed and how it will impact tax revenues.
- The County will allow for more time to process appeals before collecting payments.
- With all factors in mind, Mr. McCoy estimated the tax receipt revenue for FY2027 to be the same as FY2026 and interest revenue is predicted to decrease.

Expenses

- Payroll - 5% increase in FY2027 to account for raises and steps, and 3% in FY28 and '29.
 - Dr. Lawson reminded the Committee that 85% of the budget is payroll.
- Tech increased 15% each year due to the need to replace classroom technology that was previously purchased with grant money.
 - Dr. Lawson informed the Committee of research being done to assess the necessity of certain technology costs, such as usage rates and students' academic outcomes.

Funding Reforms

- Several funding reforms have been discussed, including the following:
 - Potential to have local funding increase yearly with inflation so only increases for larger capital expenses would require a referendum
 - Funding based on student need, not just overall count
 - Significant decrease in WLC funding
- Dr. Lawson said reforms are expected to be presented this session and possibly determined by June 2026.
 - Regardless of the outcome, it is possible to collect more tuition tax without going to a referendum.
- Mr. Auerbach noted that if redistricting goes through, that will change funding as well, though that will not be a factor for the upcoming referendum.

Referendum

- There are many uncertainties surrounding real estate taxes that a solidified referendum plan cannot yet be determined. Those uncertainties include:
 - NCC Quality Control Efforts regarding reassessment numbers
 - Proposed tax exemption changes for seniors and disabled veterans
 - The ability of the district to reset its tax rates
 - Major parcels discussed above that have been purchased by Wilm U. Will they become tax-exempt?
 - Will there be local funding reform that allows districts to increase the tax rate X% per year without referendum to keep up with inflation?
- Based on current projections, an increase in funding would be necessary by FY2028. This would require a referendum vote in January or February of 2027, so preparation would need to begin toward the end of next school year.
- The public was made aware in 2024 that the next referendum would come in 3 years to avoid another drastic increase so this should not be a surprise, yet due to reassessment issues, a positive vote is not likely.
- If the vote is no, another vote can be called in 60 or 90 days.
- The District is continuously examining staffing and expenditures to find budget savings in order to minimize any future ask from taxpayers.
- NOTE: If legislation passes the proposed funding reforms and tax rate adjustments, a referendum could be pushed off for another year.

Outcomes of Discussion

- Mr. Milionis stressed the need to make the board aware that referendum discussions are on the horizon and Mr. Landry stressed the need to prepare the public.
- Mr. Kimbrough said it should be emphasized that many factors leading up to this have been out of our control.
- It was proposed that a standing referendum projection be added to the financial report, but Mr. Ferzetti cautioned against desensitization. It was agreed that the Committee will develop a communication strategy with the greatest impact.

Action Items

- Mr. Milionis requested that Mr. McCoy provide projections based on worst-case and best-case scenario so they can be used to draft a recommendation with timelines to the Board.
- The Committee will review the updates at the next meeting and discuss how they will present

everything to the Board.

- Mr. Ferzetti added that BSD should prepare actions to be taken if the referendum does not pass.

IV. Term Limits

Mr. Landry presented the revised Term Limits document. The Committee will share the finalized document with the Board so they are aware that the memorandum has been added to the DFC charter. They should also be notified when positions need to be filled.

V. Follow-up Items for Future Meetings – outlined above

VI. Public Comment – no comment

A motion to adjourn was introduced by Mr. Landry and seconded by Mr. Ferzetti

The meeting was adjourned at 6:26 P.M.

This meeting was held in the Brandywine School District Administrative Office Board of Education conference room and via zoom.

Minutes respectfully submitted by Andrea Sisson, Business Office Associate Specialist

The next DFC Meeting is scheduled for April 8, 2026 at 5:00pm.