Capital School District
198 Commerce Way
Dover, DE 19904-3498

Wednesday, June 15, 2016
District Office Conference Room 126
MINUTES

Budget Oversight Committee
Dennis Hallock, Chairperson
Joyce Denman, Ed.D.
William Garfinkel
Toriano Giddens
Tina Huff, Ed.D.
Kirk Johnson, Ph.D.
Vanessa Withers-Little
Sean Sokolowski, Business Manager

(D)	***DISCUSSION***
(I)	***INFORMATION***

Budget Oversight Committee Members Present:
Dennis Hallock, Chairperson
William Garfinkel
Toriano Giddens
Kirk Johnson, PhD

Also Present
Sean Sokolowski, Business Manager

The meeting was called to order at 11:04 a.m.

1.01 Roll Call – Establishment of a Quorum
Quorum was established with four members present.
2.01 Review and Approval of minutes
Mr. Sokolowski presented the minutes from the April 20, 2016 meeting. A motion to approve the minutes as presented was made by Mr. Hallock, seconded by Mr. Garfinkel, and were approved on a unanimous vote (4-0).
2.02 FY 17 Proposed Tax Rate
Mr. Sokolowski presented the FY 17 Proposed Tax Rate. The Tax Rate is due to Kent County by the second Thursday in July. Overall, the Proposed Tax Rate is decreasing by 0.5 cents per $100 of assessed value from 1.8115 to 1.8065. The current expense tax rate was approved by the March 8, 2005 referendum. The District proposed the tax rate would last 5 years and FY 17 will be the 12th year of operations under that referendum. The Debt Service tax rate is set to pay the principal and interest on bonds that have been issued for construction programs. This tax is proposed to decrease by 2.5 cents to 52.0 cents per $100 of assessed value. Overall, the district debt service tax rate is 13.53 cents lower than what was projected in the March 31, 2010 Referendum. The Minor Cap tax rate allows the district to match its 40% share to receive the State's matching 60% share of funds to maintain school facilities. This tax rate is proposed to remain unchanged at 2.55 cents. The Technology match is proposed to stay the same at 1.8 cents. The Extra Time match is proposed to stay the same at 1.5 cents, and the Reading Specialist match is proposed to remain unchanged at 1.8 cents. The Tuition Tax Rate is for the services provided to Special Needs students including special programs within the district, special programs operated by other districts, and special programs operated by private entities. The Tuition Tax Rate is proposed to increase by 2 cents to 33 cents per $100 of assessed value. Overall, the tax rate is proposed to decrease by 0.5 cents per $100 of assessed value including all four components of the tax rate.
If the State increases the Minor Cap match, the District will not have enough funding to match.
2.03 FY 17 Preliminary Budget
Mr. Sokolowski presented the FY 17 Preliminary Budget. The Fiscal year will run from July 1, 2016 to June 30, 2017. A Final Budget will be presented in December after legislation is finalized and the number of Units earned has been determined by the September 30th unit count. It is estimated that enrollment will remain relatively the same to provide the district with 513 units (or teaching positions). Division I funds pay for the state portion of salaries, benefits, and OEC's. Div III funding is meant to distribute more funding to the poorer districts to offset the disparity in wealth. However, the formula for Div III is broken and consequently the Div III funding has been frozen for the past 6 years. The District's assessed value is 1,281,797,400 which represents a 1.31% increase. The District expects to collect 100.0% of its estimated taxes which is a decrease from last year's estimate of 100.5%. The

district is expected to end FY 16 with approximately $11 million in local funds, which will be a decrease from the prior year. The District is receiving less revenue than expenditures resulting in over a $1 million operating deficit. The Governor's Recommended Budget included a 1% State raise for the State portion of salaries for all employees. Local raises negotiated by contracts have been included in the analysis. The overall OEC rate is expected to increase to 31.86%. An Energy Allotment has been allocated to each school based on May 31st Energy Usage. As part of the energy program, schools will receive a portion of the savings they achieve by reducing energy. Final Allocations will be reflected based on total energy usage for the year. Kent ILC received an increase of $32k to offset the cost of a new resource officer costing $60K. Kent ILC was able to reduce other expenditures to make up the difference. There is an allocation of $65K which is an estimate for consulting services to make the district more streamlined and linear through engaging the community and analysis of facilities. An increase in athletics of $20K was included to accommodate transportation costs. Special Services received an increase of $2K for additional testing materials for ELL students. Human Resources received an increase of $2K for recruiting staff. Transportation received $12K for replacement bus cameras. The remaining locker balance from FY16 was carried over for the new lockers at William Henry. The district is going to service more of its pre-school children instead of outsourcing the services, so $331K has been allocated to accommodate startup expenses as well as annual expenses for the new program. The district is expected to receive an additional $300K in Title I funding which almost reinstates the reduction from last year.

2.04 Energy Usage Report

Mr. Sokolowski presented the Energy Usage Report that is distributed to all buildings at the end of each month. The report that was reviewed was as of May 31st so there will be some changes for the June report. However, most schools were able to realize some savings through energy reduction. The concept is to reward the schools with approximately half the savings in energy. The largest reward for energy consumption was around $12K as of May.

2.05 Monthly Reports

The May 31, 2016 monthly reports were disseminated and discussed with the members.

2.06 Future Meetings

The next meeting will be scheduled for August 17, 2016 at 11:00am.

3.01 Adjournment

There being no further business, the meeting was adjourned at 1:27pm.