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

Wednesday, April 20, 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
Joyce Denman, Ed.D.
William Garfinkel
Toriano Giddens
Tina Huff, Ed.D.
Kirk Johnson, PhD
Vanessa Withers-Little

Also Present
Sean Sokolowski, Business Manager
Kevin Ohlandt, Citizen

The meeting was called to order at 11:01 a.m.

1.01 Roll Call – Establishment of a Quorum
Quorum was established with five members present. Mrs. Withers-Little arrived at 11:15am and Dr. Denman arrived at 12:19pm.

2.01 Review and Approval of minutes
Mr. Sokolowski presented the minutes from the December 9, 2015 and January 20, 2016 meetings. A motion to approve the minutes as presented was made by Mr. Hallock, seconded by Dr. Johnson, and were approved on a unanimous vote (5-0).

2.02 Financial Position Report
Mr. Sokolowski presented the Financial Position Report. This report is mandated by law and is submitted to DOE three times a year: August 31st, February 1st, and May 1st. The report is designed to make the Department of Education aware of any districts that may experience a shortage in cash flow. The report is designed to encapsulate the local funds, Div II, Div III, Cash Option, and Ed Sustainment funds. These are the funds that the District uses to fund the general operations of the District. Capital had an encumbered balance of $17,035,038.51 as of 3/31/16 with expected revenues of $742,965 from April 1st through June 30th. Projected expenditures are $6,808,175.71 through June 30th to leave an estimated available balance of $10,969,827.80. The District's expenditures are projected to exceed its revenues this year. One month's local payroll equals $1.23 million so Capital is not experiencing a cash flow shortage. However, Capital does have an operating deficit. In other words, the expenditures each year are exceeding the revenues causing a reduction in the reserves. It has been 11 years since the last operating referendum which was only supposed to last 5 years.

2.03 Governor's Recommended Budget
Mr. Sokolowski presented an overview of the Governor's Recommended Budget for FY 2017. There were several alterations that impact the district. A 1% State raise has been proposed. The Para salary schedules continue to be compressed adding pressure to the Federal Grants which have been stagnant or have suffered reductions. Pension is predicted to change from 21.16% to 22.51% which will adversely affect FY 16 local funds by approximately $175K. The state has set aside $4M for entry level teacher compensation reform, pilot teacher-leader roles, and National Board Certification. $6M has been earmarked for the Wilmington Education Improvement Commission of which a portion is to be designated for increased units for ELL and High Poverty Children. A 3% increase to the

transportation operating formula is included. The bus contractors for the District have been turning in multiple runs as they are not profitable enough for the contractors.

2.04 Guaranteed Unit Count

Mr. Sokolowski presented the Guaranteed Unit Count for the District. The State authorizes a Guaranteed Unit Count to the District in April so that teachers may be hired prior to the start of the ensuing school year. In the past, the District did not know how many teachers it was authorized until the Unit Count was finalized on September 30th. The Guaranteed Unit Count provides assurance that the District will receive funding for teachers regardless of whether the actual number of students decreases and consequently allows the District to hire teachers prior to the September 30th Unit Count. The guaranteed unit count for FY 16 is 510.58 units.

2.05 Monthly Reports

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

2.06 Future Meetings

The next meeting will be scheduled for June 15, 2016 at 11:00am.

3.01 Adjournment

There being no further business, the meeting was adjourned at1:16pm.