

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



CAPITAL
SCHOOL DISTRICT

Wednesday, June 17, 2015
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
Tina Huff, Ed.D.
Kirk Johnson, PhD
Vanessa Withers-Little

Also Present

Sean Sokolowski, Business Manager
Curt Raymond, Citizen
Greg Mazzotta, Citizen

The meeting was called to order at 11:34 a.m.

1.01 Roll Call – Establishment of a Quorum

Quorum was established with four members present. Mr. Hallock arrived at 11:39.

2.01 Review and Approval of minutes

Mr. Sokolowski presented the minutes from the April 22, 2015 meeting. A motion to approve the minutes as presented was made by Dr. Johnson, seconded by Ms. Withers-Little, and were approved on a unanimous vote (5-0).

2.02 Tax Rate

Mr. Sokolowski presented the Tax Rate for FY 16. Overall, the proposal is to reduce the tax rate by 1.00 cent per \$100 of assessed value. 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 16 will be the 11th 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 1 cent to 54.5 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. Minor Cap tax rate is for the district's 40% share to receive the State's matching 60% share of funds to maintain the school facilities. This tax rate is proposed to increase by .3 cents to 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 decrease by .3 cents to 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 remain unchanged at 31 cents per \$100 of assessed value. Overall, the tax rate is proposed to decrease by 1.00 cent per \$100 of assessed value including all four components of the tax rate. The Committee supported the Tax Rate Proposal.

2.03 FY 16 Preliminary Budget

Mr. Sokolowski presented the FY 16 Preliminary Budget. The Fiscal year will run from July 1, 2015 to June 30, 2016. 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 4 or 5 years. There is a push from wealthier districts to unfreeze the formula because they would receive more funding. However, unfreezing the formula could be devastating for poorer Districts. For example, Capital receives about \$8 million in funding. If the formula were unfrozen, the district would see a drop in Div III funding to less than \$1 million. The District is estimated to receive \$1.4 million for State Educational Sustainment Funds. These funds offset about half of the State funds that have been cut from the District since FY 2008. Because of Revenue shortfalls at the State Level, this funding is currently on hold. Again, these funds are essential to the operations of the District. The District's assessed value is 1,265,247,566 which represents a 1.56% increase. The District expects to collect 100.5% of its estimated taxes which is a decrease from last year's estimate of 101.5%. The district is expected to end FY 15 with approximately \$12 million in local funds, which will be a decrease from the prior year. The District is receiving less revenue than expenditures resulting in about a \$1 million operating deficit. It is expected that the State will provide no raises on the State side 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 21.16%. The allocation to purchase Science Lab Tables was satisfied in the 2015 budget and consequently has been removed from the FY 16 Preliminary Budget. KCCS budget has decreased. Kent Sec ILC budget has increased to cover the cost of the implementation of Read 180 labs. The allocation for the New DHS Opening has been satisfied and consequently is removed for the FY 16 Prelim Budget. Computer Replacement has been mostly spent with only the last vestiges remaining. Energy is expected to decrease with the old DHS going offline. There is expected to be \$83,225 left from the Beverage Contract for the Baseball/Softball facility. Local funds in the amount of \$170K have been allocated to replace the lockers at William Henry. It is hoped that the State will be able to cover 60% of the necessary abatement and that final figures will be available for the Final budget. If all budgets are completely spent, it is estimated that the ending local reserve will be \$7.9 million. The total budget is \$100.5 million.

2.04 Membership

Membership was moved to the beginning of the agenda to introduce Toriano Giddens as the new educator member.

2.05 Internal Account Policy

Mr. Sokolowski presented Internal Account Policy which remained unchanged from the last meeting.

2.06 Monthly Reports

The May 31, 2015 monthly reports were discussed and disseminated to the members.

2.09 Future Meetings

The next meeting will be scheduled for August 12, 2015 at 11:30am.

3.01 Adjournment

There being no further business, the meeting was adjourned.