Brandywine School District

District Finance Committee

Minutes of the Meeting of April 15, 2026

Members Present: Chris Milionis, Chuck Landry, Matt Auerbach, Jeff Viar, Victor Ferzetti, Ron Kimbrough

Members Absent: John Skrobot III, Carolyn Heckenstaller

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 5:02 P.M.

I. Approval of Minutes – March 11, 2026 Meeting

The minutes for the March 11, 2026 meeting were reviewed. Mr. Auerbach suggested more detail in the portion regarding uncertainty of future tax receipts. Mr. McCoy will add details. A motion to approve the minutes with the additions was raised by Mr. Auerbach and seconded by Mr. Landry. The minutes (with additions) were approved.

II. March 31, 2026 Monthly Financial Report

Mr. McCoy presented the highlights of the March 31, 2026 Monthly Financial Report and noted the increasing unpredictability.

Revenue

- By next month, tax receipts will surpass the amount that was budgeted due to NCC's backlog of active appeals and NCC assessment changes that occurred midyear.
- The District received $400k in due to cost recovery efforts for Medicaid eligible students' services.
- Unique alternatives - This year the State allotted $218,000 in funding for alternative placement, which is higher than usual.
- Tuition receipts and payments - Payments to other schools were higher than budgeted, but the tuition BSD received from other schools was also higher. There was a net loss of $200,000, mainly due to the tuition cost for BSD resident students who attend Christina schools.
- There was an approx.. $25k energy rebate as well.

Expenditures

- Expenditures are generally consistent with months previous.
- Percent obligated is 1% higher than last year at this time, but payroll funding adjustments (PFAs) can be made at the end of the year, which would cover some of the locally paid employee costs with State money.
- Tuition tax is over by 2 million, mostly due to the increasing enrollment and needs of students, coupled with the difficulties in staffing these programs, which results in the use of contracted employees.

- The Committee asked if BSD gets credit for unfilled special education positions and discussed the best possible option when considering a surplus of units: Optimum - hire BSD employees to fill positions; Alternative – use one unit for two paraprofessionals; Least beneficial – accept the State payout for each vacant position which only covers 60% and is then likely used to fill the position with a contractor.
- The budgeted amount of federal IDEA 619 funds for 2026 has been obligated, though there are more funds available.
- School buildings have only spent 58% of their 2026 budget in contrast to 69.82% last year at this time.

Cash Flow Analysis

There was a slight decrease from last month - March revenues were slightly less than projected, while expenditures were slightly more.

A motion to approve the March 31, 2026 Monthly Financial Report was raised by Mr. Landry and seconded by Mr. Ferzetti. The vote was unanimous.

III. May 1st Financial Position Report

Mr. McCoy explained that the May Financial Position Report is submitted to the State to show how expenses will be covered through July, and noted that more attention is given to this report since Appo's recent oversight: they did not account for an entire pay period. The importance of this report is minimized this year as the new quality control bill allows for the possibility of borrowing State funds for payroll if needed. With that said, BSD will have more than enough reserved for all scheduled employee pay.

A motion to approve the May 1st Financial Position Report was raised by Mr. Auerbach and seconded by Mr. Landry. The vote was unanimous.

IV. Red Clay Tax Refund for years 2024 and prior

Mr. McCoy presented Red Clay's document requesting a refund of $181.80 from BSD which included calculations and attorney notes. Before granting the request, BSD must have DFC and Board approval. Mr. Milionis asked Mr. McCoy if he was comfortable with the support Red Clay provided and he confirmed. The Committee voted yes to the reimbursement.

V. Looking Ahead – Tuition Tax

- The District is spending more tuition tax than it is collecting from its established tax rate. This has been happening for the past few years.
- The number of intensive and complex students that necessitate tuition tax spending has risen substantially over the past 5 years, and the tuition tax rate has not kept up with the increasing student count and level of services needed.
- Despite multiple ongoing and successful efforts to mitigate cost increases, the District is still in need of an increase to the tuition tax rate to accommodate the number and needs of intensive and complex students. Additionally, the state mandates services for intensive and complex students; any deviation from these services results in costly legal action.

- Added costs expected in 2027 were reviewed, this involves two additional STRIVE classrooms at BHS, three BRIDGES classrooms at MPE, a Developmental K, and two additional teachers for the SITE program.
- It is likely that the District can shift a portion of the debt service tax rate to the tuition tax rate to cover a sizeable portion of the tuition tax increase. Shifting the rates will be a net-zero impact on the district's tax rate. This alone will not be enough.
- There will need to be an increase to the tuition tax rate above the shift of debt service tax to tuition tax.
- The DFC agreed that the District must move forward with a tuition tax rate increase in order to stop deficit spending and cover additional costs the district is experiencing from increased numbers of students with intensive and complex needs.

VI. Financial Projections Follow-Up

There is no additional news regarding the financial projections, though Mr. McCoy did mention that Mr. Skrobot made a public comment at the last Board meeting stating that the DFC was researching and discussing the need to prepare for the next referendum.

VII. WLC Request – No WLC request was made due to recent budget cuts.

VIII. Follow Up for Future Meetings – No follow ups listed.

IX. Public Comment – No comment from the public.

All were in favor of adjourning at 6:31 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 May 13, 2026 at 5:00pm.