

Brandywine School District
District Finance Committee
Minutes of the Meeting of August 12, 2026

Members Present: Matt Auerbach, Ron Kimbrough, Chuck Landry, Carolyn Heckenstaller

Members Absent: Chris Milionis, John Skrobot III, Jeff Viar, Victor Ferzetti

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

Members of the Public: None present

I. Approval of Minutes – July 8, 2026 Meeting

The July 8, 2026 minutes were reviewed. Recommended corrections were made: Matt Auerbach was not in attendance at the last meeting and 3 schools were listed as over budget, but that was incorrect. A motion to approve the minutes with amendments was raised by Mr. Auerbach and seconded by Ms. Heckenstaller.

II. July 31, 2026 Monthly Financial Report

Mr. McCoy presented the highlights of the July 31, 2026 Monthly Financial Report, noting that it is difficult to get a status comparison to other fiscal years as encumbrances are just beginning to be entered.

Revenue

- Discretionary State funds – Mr. Auerbach questioned the difference between this year and last year and Mr. McCoy stated the difference is due to the timing of State funding. Dr. Lawson mentioned the loss of enrollment. Infinite campus is creating issues with capturing accurate unit numbers again this year, but this should be resolved before the count.

Expenditures

- Local salaries are at a slightly higher % obligated than the same time last year, it is expected it will fall back in line with the prior year as the current year continues on.
- 4.5 million is currently encumbered and there is a higher percent obligated than this time last year. This is due to the timing of departments entering Purchase Orders.
- Student Support Services – In recent years, student support costs have been underestimated and the budget has been set too low. To correct this for FY 2027, Mr. McCoy worked with the director to analyze previous expenses and be more prepared. As a result, the Transforming Lives encumbrance was made early..
 - The Transforming Lives contract is based on an estimate of students who will attend. Mr. Auerbach asked: What happens if all slots are not filled? Does the contract require BSD pay a set amount regardless of how many children are served? Dr. Lawson said it is currently a set amount regardless, because they hire the staff based on the estimates, but we can look into potentially renegotiating so BSD gets refunded when slots are not all filled.
- Bush has more obligated than usual at this time, but it could just be that encumbrances are being opened earlier.
- Tuition – It is also too early for a true comparison
- School building budgets are tied to unit counts this year so the budget amounts did change from last year.
- Prior Year Encumbrances
 - There are some FY 26 POs that still require invoicing and payment.
 - WLC – This amount should come down once invoiced for the new playground

Cash Flow Analysis

- October will likely show a negative amount, but state appropriations will be available.

A motion to approve the July 31, 2026 Monthly Financial Report was raised by Ms. Heckenstaller and seconded by Mr. Auerbach. The vote was unanimous.

III. August 31st Financial Position Report

Mr. McCoy presented the report required by the state on a quarterly basis, similar to a cash flow report. This report projects through October 15th and the ending balance is only 3.3 while projected payroll is 5.3. In response to the delay in tax payments, the State is allowing districts to go negative and use State appropriations to cover expenses, but Mr. McCoy included the reserve balance so the available balance is still a positive amount.

- Dr. Lawson asked about the amount that BSD has in reserves in comparison to other districts and Mr. McCoy responded that BSD was lower on the scale of what the other districts have.
- Mr. Kimbrough asked about positions pending being filled and Mr. McCoy said it was no more than this time last year. Dr. Lawson mentioned the school was limiting new positions to match enrollment.

A motion to approve the August 31st Financial Position Report was raised by Ms. Heckenstaller and seconded by Mr. Auerbach.

IV. 2026-2027 Preliminary Budget

Mr. McCoy presented the Preliminary Budget for the Committee's review. The Board will vote on the budget at the August meeting. The goal of the FY27 budget is to preserve fund balance, ensure staffing is right-sized to enrollment and to continue financial stewardship practices which this year involve budget cuts to many departments.

Much of what the Committee discussed was covered when the first draft of the Preliminary Budget was presented in the [July DFC Meeting](#). Key points include the following:

- FY 2027 will be the first year without the tax increase from the previous referendum.
- \$3M of local funds was moved into Tuition to cover tuition spending.
- BSD is assigning existing staff to areas with increased needs, and not refilling open positions when possible.
- A decrease in state funding was factored into account for a potential unit count discrepancy due to inaccurate Infinite Campus estimates (last year they were under).
- School building budgets are now tied to unit counts so they will have the resources needed to serve their populations
- High Schools need more funding regardless of units because they have additional costs.
- Reassessment fallout continues:
 - Senate Bill 228 – Tax deadline was pushed to 12/31/26; delaying tax receipts and lowering the interest income a District can earn.
 - House Bill 462 – Extends the allowance of split rates, but to a lower limit of non-residential paying 1.85 times amount of residential property owners.
 - House bill 461 – Allows districts to reset tax rates to revenue -neutral with BSD growth factor of 0.54%
 - BSD is experiencing a decline in tax income from appeals of reassessment, and more appeals are on the horizon.
- Tuition tax concerns continue as the special education population continues to grow. Cost control efforts by BSD:
 - Larger class sizes

- Increase services offered at BSD rather than outsourcing
- Limiting 1:1 support when possible and opting for shared support providers instead
- Hiring qualified paraprofessionals instead of RBTs.
- Stronger focus on compliance to reduce legal fees – Per Dr. Lawson, Delaware is one only seven states where the burden of proof lies on the school.
- Monitoring and shifting staff caseloads to avoid hiring new staff
- Closer monitoring of contracted service providers, contracts, invoices,
- Contracted service providers will have to clock in to capture more accurate hours.
- Considering the option of using tuition money to cover payroll costs for positions that serve the students in the intensive and complex categories.
- Still the Tuition budget increase needed is more than what was originally planned so more debt reserves will be used to mitigate the tax burden for residents.
- Decreased State funding pushes more expenditures to local funds.
- Nutrition will become more self-sustaining.

A motion to approve the 2026-2027 Preliminary Budget was raised by Ms. Heckenstaller and seconded by Mr. Auerbach.

V. Summer Board Retreat Discussions

- July 27 Board retreat included a discussion of District finances. Mr. McCoy shared that if BSD remains on the same track, the ending balance in FY 2028 will be 6 million under what is required.
- In addition, there are cost of living increases, inflation, and upcoming expenses including facilities needs such as remodeling of tracks and fields (high necessity to retain secondary students).
 - Mr. Landry suggesting pointing out the safety concerns and the need for data research to assess costs of not completing capital improvements
- The Committee recommended including the athletic facility modernization in the vote for the referendum in March.
- Board would need to vote to move forward with a referendum in October/November.

All were in favor of ending the meeting at 6:22 pm. Ms. Heckenstaller motioned to adjourn, and Mr. Auerbach seconded the motion.

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

Minutes respectfully submitted by Andrea Sisson, Business Office Associate Specialist.

The next DFC Meeting is scheduled for September 9, 2026 at 5:00pm.