

**Caesar Rodney School District
Citizen Budget Oversight Committee Meeting
Meeting Minutes
5:00 p.m. at the District Office
April 29, 2026**

I. Opening

- a. Call to Order
- b. Roll Call: Scott Becker, Nicole Hill, Shannon Wolfe, Dave Failing, Chris Collins, Scott Kessel, Tabitha Myers, Katy Allis-Fisher, Julie Lavender and Heath Chasanov. Also in attendance were Meaghan Brennan, Director of Finance, and Nicole Polite, Supervisor of Finance, representing the Caesar Rodney School District (CRSD).
- c. Review of January 14, 2026 Meeting Minutes

II. Discussion Items

a. Referendum Update – Negotiations and Security

Dr. Corey Miklus welcomed attendees and explained that the presentation would be a joint update for both the Public Advisory Committee (PAC) and Citizens Budget Oversight Committee (CBOC).

Mrs. Brennan provided an update on the February referendum, which was approved by voters. The referendum is expected to generate approximately \$6.1 million in FY2027 revenue. The district budgets conservatively using a 95% tax collection rate, resulting in an anticipated revenue amount of approximately \$5.795 million. Revenue collection will begin after July 1, with the majority of funds expected in September. The revenue will not be phased in.

Security and public safety initiatives funded through the referendum include:

- Installation of interior cameras in the remaining four elementary schools during the 2026–2027 school year.
- Execution of contracts for badge readers at Caesar Rodney High School and the McIlvaine Early Childhood Center (MECC), with installation scheduled for summer 2026.
- Future badge reader installations planned for Fifer Middle School and Postlethwait Middle School during summer 2026 and into the 2026–2027 school year.

Regarding recruitment and retention efforts, district administration continues to work toward maintaining competitive compensation within Kent County. Discussions have occurred with bargaining groups, and a vote on a multi-year contract was scheduled for that week. Discussions are also underway with skilled craftsmen, and communication has begun with secretaries and other employee groups. Collective bargaining agreements must be finalized by the end of May to incorporate salary projections into the final FY2027 budget.

b. FY2027 Governor's Recommended Budget Impacts

Mrs. Brennan reviewed the impacts of the Governor's Recommended Budget on Caesar Rodney School District. Key concerns included reductions or changes to:

- Substitute reimbursement funding
- Athletic trainer block grants
- Mid-year unit count funding

The district currently spends approximately \$1.5 million on substitutes (Kelly Services). Substitute reimbursement funding offsets a portion of those costs. Athletic trainer block grants assist with athletic trainer expenses but do not cover all associated costs.

Discussion also included Paid Family and Medical Leave (PFML) requirements and potential waivers for employees meeting the 1,250-hour threshold.

c. Future Capital Needs and Certificates of Necessity

The district submitted six Certificate of Necessity (CN) requests. Director Maxwell, Office of Management and Budget, expressed optimism regarding the district's 2028 CN requests during Office of Management and Budget financial overview hearings.

Due to the length of time since prior CN approvals, significant capital project backlogs exist. John S. Charlton School remains the last special-needs school awaiting replacement funding. Concerns include both overcrowding and safety. Enrollment at John S. Charlton School has increased by 107% over the last ten years.

Caesar Rodney High School, originally designed for approximately 1,900 students, currently serves nearly 2,500 students and significantly exceeds its intended capacity. Total CN requests submitted by the district amount to approximately \$290 million.

d. Potential Education Legislation

The following legislation with potential impacts to CR funding were discussed:

- **HS 2 for HB 246**, which would limit tax rate increases following reassessment. Pennsylvania has similar legislation, although questions remain regarding the application of the proposed 2% limitation.
- **SB 227 Equalization Funding**, addressing the current formula that has remained largely unchanged for approximately 20 years. Equalization funding is being incorporated into the Public Education Funding Commission (PEFC) recommendations, causing the bill to sunset committee review.

The PEFC voted on April 27 to advance a hybrid funding model intended to address funding inequities statewide. Governor Meyer has expressed support for advancing these initiatives.

A PAC member raised concerns regarding school safety and overcrowding given current enrollment levels. Mrs. Brennan noted that portable classrooms are often used as a temporary solution. Another PAC member questioned whether legislators should consider a moratorium on residential development. Dr. Miklus indicated that the district is not involved in those discussions.

Dr. Miklus further noted that if a new school were constructed within five years, operating costs would still need to be addressed. He contrasted Caesar Rodney's local revenue generation with neighboring districts, noting that Appoquinimink and Cape Henlopen generate approximately \$40 million locally, compared to Caesar Rodney's projected \$16 million following the referendum.

Mrs. Brennan discussed rapidly increasing transportation costs, noting that contractors continue to submit route rates at higher amounts, resulting in additional district expenses.

Dr. Miklus also shared that a new Assistant Principal had been hired from William Penn School District and discussed potential efficiencies related to Infinite Campus due to William Penn's larger technology support team.

e. March Financial Report

Mrs. Brennan reviewed the March Financial Report and discussed expenditures relative to the percentage of the fiscal year completed.

Budget review meetings were conducted individually with principals to discuss year-end spending plans and remaining budget balances.

Key financial updates included:

- Anticipated deficits in both energy and transportation budgets.
- Reminder of year-end purchasing deadlines, with May 1 serving as the purchase order deadline to support development of the preliminary budget.
- Federal funding remains flat or slightly decreasing, while state-mandated salary and healthcare costs continue to increase.
- Successful negotiations with CREA may reduce the need for additional staffing positions as grant funding levels remain flat.

Mrs. Brennan noted that expenditures exceeding 85% of budget require approval.

Committee discussion included:

- Local salary expenditures and the positive impact of CSCRFP funding, which has provided approximately \$250,000 in support.
- Federal grant expenditures and the use of multi-year grant funding.
- Ongoing audit activity involving three separate audits.

Tax revenue projections continue to be based on a 95% collection rate, although some districts budget at higher collection rates. Senior citizen property tax revenue is not anticipated until June.

Revenue updates included:

- Approximately \$58,000 generated through Unique Alternatives.
- Nearly \$1 million in local revenue from interest earnings, CSCRFP funding, and cafeteria operations.
- Increased federal revenue.

Mrs. Brennan also reviewed budgets related to specific referendum initiatives, including safety and security improvements such as badge readers. She reiterated plans to bring recommendations regarding reserve set-asides to the Board in June and discussed the possibility of establishing one-time funding allocations.

Committee members discussed the ongoing costs associated with security systems, including battery replacements and monitoring services.

Transportation

Tabitha Myers asked who negotiates contracts with transportation vendors and questioned how contractors can simply return routes.

Mrs. Brennan explained that transportation contracts are not subject to traditional procurement regulations and that route values are established through a state formula. Additional discussion focused on:

- Transportation funding limitations.
- Challenges associated with an aging driver workforce.
- Efforts to balance district-operated routes with contractor-operated routes.
- Increased costs associated with district-employed drivers, including benefits and supplemental pay.

Committee members discussed potential benefits of expanding district-operated transportation services. Challenges identified included facility space, bus storage needs, and limitations within the current state transportation funding formula.

Shannon Wolfe asked about the use of part-time drivers. Mrs. Brennan explained that additional part-time staffing helps reduce overtime costs for full-time employees.

Additional discussion focused on transportation aides, district maintenance responsibilities, and examples from other districts that have transitioned to fully district-operated transportation systems.

Future Meetings

Mrs. Brennan proposed either June 23 or June 25 for the next committee meeting. The committee agreed to meet on June 23.

Topics anticipated for the next meeting include:

- Review of the preliminary FY2027 budget.
- Potential Board action regarding reserve set-aside funds.

Mrs. Brennan encouraged committee members to share referendum-related information with the community and indicated that CBOC meetings will likely occur five to six times annually moving forward.

III. Adjournment