

# MINUTES

## **School District Consolidation Task Force Finance Sub-Committee**

Office of Management and Budget, Haslet Armory

December 12, 2017

4:30 PM - 6:30 PM

*Present:* Fred Sears, Chair  
Mary Nash Wilson, Deputy Chair  
Ciro Adams, City of Wilmington  
Sam Barry, Legislative Aide to Senator Sokola  
Matt Bittle, Delaware State News  
Karen Field Rogers, Department of Education  
Art Jenkins, Controller General Office  
Gina Jennings, Sussex County Rep  
Ade Kuforiji, Capital School District  
Jim Myran, Department of Finance  
Robert Overmiller, GACEC  
Mike Petit de Mange, Kent County Administrator  
Sean Sokolowski, New Castle County Vo-Tech

*Next meeting:* Wednesday, January 31, 2018; 4:30 PM - 6:30 PM

Location: Belfint Lyons, 3<sup>rd</sup> Floor  
1011 Centre Road, Delle Donne Complex, Wilmington

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### **I. Review of Financial Impacts**

#### *a) County-Based Revenue*

Mary Nash Wilson acknowledged that one of the options the full committee asked us to review was: *What would it look like for each county to raise additional revenue at the county level for schools?* As a possible scenario, the committee looked at raising an additional 5 million in each county. All four of the components of the tax would still be in place for education, this would be an extra source of revenue. Mr. Sears noted that it would be close to a state property tax and the state would have the ability to allocate the money where the needs are highest. The scenario that Mrs. Wilson was sharing with the committee was based off unit count. While, Fred Sears had suggested that the extra funding could be directed to hire additional special education teachers, reading specialists or math specialists at schools that need them without using the unit count.

Ciro Adams asked if there would now be four sources of revenue: Local, County, State and Federal. Mr. Sears clarified that the county revenue would be state money but would be raised by county and the state would distribute. Mrs. Wilson noted that the process would be similar to the vo-tech districts local funding which is set by the legislatures each year, no referendums needed.

A general comment was made regarding the need for consolidating school districts and why the committee is looking at additional revenue. Would it cost more to consolidate or cost less? Mr. Sears verified that the ultimate goal is to get more money into the schools for our students.

*b) County-Wide Districts*

Mrs. Wilson continued with her presentation on the financial impacts based on the County-wide District model. The three districts that currently cross county lines include: Milford, Smyrna and Woodbridge. Instances that the committee should consider are how many students would be impacted in these three districts. A few questions that the committee should consider are:

- If some of these students would choose into a different “county district”, how would this impact the unit count realistically?
- Another big issue to consider is where the school buildings are located and who will take on the responsibility of these schools if the main district is consolidated into a different county.
- Teachers and educators in those schools that would potentially go to the other county district, what would happen with their salaries and contracts that are negotiated.

Mr. Sears clarified that these questions must be answered before a decision is made to consolidate into three county-wide districts. However, he does not believe that the finance sub-committee has the information to find solutions to these particular issues.

A suggestion was made to look at the home residency for the students that attend these three school districts and base their school attendance per the county they reside in. In the downside of this solution, for example, Smyrna High School, the only high school in the Smyrna School District is located in New Castle County – would the high school students residing in Kent County be relocated to Capital School District? What if Dover High School is at capacity? Parents do have the option to “Choice” their children but then the transportation of the student becomes their responsibility.

Karen Field Rogers clarified that the geographic area and feeder pattern for current districts would not change. As for Smyrna, you have a district of 5,000 - 6,000 students. Currently, a Kent County District would not have the capacity to take on an additional couple hundred high school students from Smyrna that live on the Kent county side. The same issue arises between Kent and Sussex Counties also.

Ade Kuforiji reminded the committee to keep in mind of transportation cost with the possibility of consolidating districts. For example, a student living on the Kent county side, just a few minutes commute from Smyrna High School will now have to be transferred to Dover High School, the bus ride would increase from 5 minutes to anywhere between 30-50 minutes. Any possible cost saving could potentially be moved to more cost in Transportation funding.

Another major concern regarding all three districts is that they all recently went through major capital projects and are paying debt services through tax revenue that was planned to be received.

Gina Jennings came up with a possible solution to the major issues the committee has addressed. Under the three county wide districts, have Kent County bill the Sussex County residents that send their students to Milford in Kent County, vice versa if a parent sends there elementary student to Smyrna who lives in New Castle County. Mr. Sears suggested that an intercounty fund transfer would be perfect and would not affect the schools or students.

A question arose if POLYTECH School District would be effected in the district-wide county model. Part of the committee thought that POLYTECH does currently cross into New Castle County, where part of the committee believed that Kent County residents who attend Smyrna School District have the option of POLYTECH where the New Castle County residents have the option of New Castle County Vo-Tech, a follow-up to this discussion will be discussed at the next meeting.

Mrs. Wilson reviewed multiple spreadsheets regarding enrollment, unit counts, countywide tax rates and residential and non-residential property tax for local funds.

Mr. Sears asked if there is a significant difference in salary scales throughout the state. The committee confirmed that in each county there are significant differences in salary scales.

Mr. Sears stated that he believes it is essential to know if there is a savings in regards to district consolidation and currently the committee has not found a way to find a specific dollar amount. Another point he brought up was, would reassessment create significantly more dollars? If the committee does not know the financial results, it is going to be hard to make a recommendation.

To touch on the history, back in the 1950s, Robert Overmiller confirmed that Delaware had 438 districts and consolidated down to 25. The federal lawsuit against Wilmington discrimination caused the New Castle County District to consolidate and this particular settlement is where the state ended up with the 19 school districts that we currently have. There was some discussion on whether the court order in Wilmington is still in place.

Mr. Adams brought the attention back to the WEIC report which was not successful because of the cost to consolidate part of Christina into Red Clay which was proposed at 9 million dollars.

Mr. Overmiller noted that when Senate Bill 5 was put in place to consolidate three Vocational Schools into one district, the savings cost was \$65,000 after salary adjustments.

Mrs. Wilson suggested that the committee take a look at the number of administrators we have currently and how many would the state have if it consolidated into a three district model based on the unit count. Will money be saved or used to level up salaries throughout the state. Mr. Sears agreed that this is something the committee needs to consider before making a recommendation.

Mr. Sears shared with the sub-committee that the Full Task Force plans to hire an outside consultant group to review job descriptions within each district office. Some of the smaller districts do not have separate positions for Human Resources, Facilities Management or Transportation Supervisors and currently falls within the Superintendent's scope of work. Where the larger districts have different roles.

Ms. Field Rogers questioned our concern regarding community and parent engagement. Mr. Sears replied that the school community will hopefully not be affected and that each high school would still have their sport teams, career tech student organizations, etc.

Mrs. Wilson suggested that the committee focus on position entitlements at January's meeting and asked for volunteers to look at current units and what they would translate to in a three district model and how that would impact the positions in the schools.

## **II. Review of Committee Options and Recommendations**

- a) *Consolidation of Services*
- b) ***Districts Across County Lines (Milford, Smyrna, Woodbridge)***  
Discussion: Teacher and Educator Contracts; leveling up of salaries; debt service obligations; building maintenance and district assets; how local funds will be used; total units earned at a county level and how that will impact the number of administrators, teachers, nurses and food service professionals, etc.
- c) *County-Based Revenue*
- d) *County-Wide District Model*

## **III. Meeting Dates January – April**

Mr. Sears announced the upcoming Full School District Consolidation Task Force Meetings:

January 22, 2018 in Cape Henlopen, February 21, 2018 at Dickinson High School and March 19, 2018 at Smyrna High School. At the April meeting, each sub-committee will be presenting their plan/recommendation, *date to be determined*. The Finance Sub-Committee meetings will be held after each monthly full task force meetings, *more information will follow*.

The committee did ask for a conference call line when the meetings are held in New Castle County for the Sussex County members.

Mr. Sears stated that he will not be in attendance for the Finance Sub-Committee Meetings in February and March but will likely call-in. Mike Jackson agreed to serve as the Chair for both meetings.

Fred Sears adjourned the meeting at 6:00p.m.