



Kimberly Williams
STATE REPRESENTATIVE
19th District

HOUSE OF REPRESENTATIVES
STATE OF DELAWARE
411 LEGISLATIVE AVENUE
DOVER, DELAWARE 19901

COMMITTEES
Education, Chair
Labor, Vice Chair
Joint Finance
Revenue & Finance
Appropriations

Education Committee Meeting Minutes

1.11.23

This committee meeting has been recorded and may be accessed via legis.delaware.gov

Chair Williams called the meeting to order at 3:05 p.m. Members present included Vice Chair Moore, and Reps. Chukwuocha, Lynn, Morrison, Neal, Osinski, Parker Selby, Romer, Collins, Hensley, Hilovsky, Postles, Shupe, Smith. For a list of guests present, please see the attendance list below.

Chair Williams said **HB 29, AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE ELDERLY PROPERTY TAX RELIEF AND EDUCATION EXPENSE FUND BY INCREASING THE ELDERLY PROPERTY TAX CREDIT** and **HB 31, AN ACT TO AMEND TITLE 14 AND TITLE 29 OF THE DELAWARE CODE RELATING TO THE SENIOR PROPERTY TAX CREDIT** have been removed from the House Education agenda at the request of the sponsors. There was no action taken on these bills.

Chair Williams introduced **HB 34, AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO SCHOOL BOARDS**.

Chair Williams stated that this bill requires all school boards, including charter boards, to hold public comment on all agenda items before a vote is held. The bill allows the board to impose reasonable time, place, and manner restrictions on the comment. Chair Williams emphasized the need for boards to remain transparent and open for all.

Chair Williams said that Dr. Marinucci, Executive Director of the Delaware School Boards Association, raised concerns regarding school board's executive session. Rep. Williams agreed to amend the legislation by adding a provision to exclude a school board's executive session. Executive board sessions are primarily for legal and disciplinary matters. A vote on an item discussed in executive session is still held in public but under a disguised action item name. Chair Williams clarified action items due for discussion in an executive session do not have to require public comment before the vote.

Chair Williams further clarified that public comment does not have to be held separately for each action item, rather, the boards must ensure public comment is on agenda items before a vote is taken.

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Rep. Postles asked if the current bill language is clear enough to make that distinction.

At the request of the Chair, House attorney Mary Sherlock replied that the language is clear as the bill only stipulates there be allowance for public comment before the vote on agenda items.

Rep. Selby asked what prompted this type of legislation. She asked if several districts do not allow for public comment before voting.

Chair Williams responded that she found one district that requires families to wait until after board business to provide public comment. She recalled, from personal experience as a parent and school board member, that these meetings run long and for parents to have to wait hours to make a comment is disheartening. Chair Williams said that in her tenure as a school board member she wanted to hear what the public had to say as their representative. She stated that this legislation will help ensure a level of uniformity across school districts in school board procedure.

Rep. Selby affirmed support for this legislation.

Chair Williams opened the floor for public comment.

Dr. Marinucci expressed fervent support for this legislation and any activity that increases public engagement in the education process. Dr. Marinucci thanked Chair Williams for introducing this legislation and the clarification on its impact on executive sessions.

Britney Mumford, Executive Director of DelawareCAN, expressed support for the legislation and thanked Chair Williams for sponsoring it.

Robert Overmiller voiced support for this bill.

The Chair opened the floor up for virtual public comment. There were none.

A motion was made by Rep. Smith and seconded by Rep. Osienski to release HB 34 from committee; motion carried. Yes = 15 (Williams, Moore, Chukwuocha, Lynn, Morrison, Neal, Osienski, Selby, Romer, Collins, Hensley, Hilovsky, Postles, Shupe, Smith); No = 0; Absent = 1 (Phillips). The bill was released from committee with a F=3, M=11, U=0 vote.

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Chair Williams introduced HB 30, AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO THE DISABLED VETERAN PROPERTY TAX CREDIT.

Rep. Bush, prime sponsor of HB 30, said that last session this committee passed a bill that exempted 100 percent disabled veterans from paying the school tax portion of their property taxes if they had been Delaware residents for at least three years. This legislation would remove the three year residency requirement. Rep. Bush informed the committee that neighboring states, such as Virginia, Maryland and New Jersey, all offer this benefit without the residency requirement.

Rep. Lynn asked if there was any income limitation to the tax exemption.

Rep. Bush responded that to the best of his knowledge the veterans only had to be 100 percent disabled. He requested anyone with more insight on the bill's fiscal impacts to answer Rep. Lynn's question.

Secretary Rick Geisenberger from the Department of Finance replied that there was no income limitation. A 100 percent disabled veteran with a very high income could qualify for the tax exemption.

Rep. Smith thanked Rep. Bush for sponsoring the legislation. He stated veterans deserve benefits for serving their country.

Rep. Neal thanked Rep. Bush for bringing this legislation forward. They said that there is a high veteran population in their district, and know from personal experiences, as their father is a disabled veteran, that one of the most difficult aspects of becoming a disabled veteran is when veterans cannot afford the liberties they fought for.

Rep. Morrison thanked Rep. Bush for sponsoring the bill and said he will be voting for its release. He added his concern that tax credits, including the senior property tax credit, are not means-tested. He stated that he understands it is difficult to means-test at times. He expressed his hope for continued conversation on how the committee can ensure the ones who need the benefit the most are the ones to receive it in maximum capacity.



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Chair Williams stated for the record that she and Senator Walsh had proposed a means-tested senior tax credit and it was vetoed.

Rep. Lynn affirmed the necessity of supporting disabled veterans. He added that he has seen how VA benefits can be weaponized against former spouses. In Delaware former spouses are awarded portions of military retirement pay in the context of divorce and separation. Oftentimes he saw that military retirement pay was transformed to VA benefits to defraud the former spouse. Rep. Lynn said he supported conducting a means-test to ensure the veterans who are solely dependent on VA benefits and are 100 percent disabled receive their fair share of the credit, and the possibility of former spouses being defrauded of military pay is reduced.

Rep. Collins stated his fervent support for helping disabled veterans. He also voiced his concerns over a possibly high-income earning disabled veteran receiving this benefit. He called for some restriction or mechanism that will prevent those who do not need the benefit from receiving it.

Rep. Hilovsky asked the committee to think of the statistics. He said that less than 1 percent of citizens serve in the military, and even less in that population are 100 percent disabled.

Chair Williams asked Secretary Geisenberger if it would be difficult to means-test this tax credit and whether we know how many veterans would be eligible for the benefit.

Secretary Geisenberger said this credit would be different from the senior property tax credit as that credit is applied to tens of thousands of Delaware residents, while this credit applies to only about 710. He added that they expect at least a 30 percent increase in beneficiaries as people who did not apply in the first round do so this year. Secretary Geisenberger stated given the limited number of beneficiaries a means-test would be comparatively feasible, though not simple. He claimed the means-test could be conducted based on the value of the home after reassessment rather than income. He explained that an income based means-test can be more volatile. He framed a situation where a senior citizen was earning a low income but had millions in savings. As that individual aged and started collecting required minimum distribution, his or her income could jump to \$100,000. He stated that in this case an individual might be eligible one year and not the next.

Rep. Smith said that he wanted to remind the committee this benefit was already in effect and this legislation would help the very few that are not currently eligible.

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Chair Williams opened the floor for public comment.

Secretary Geisenberger advised against adopting the removal of the three year residency requirement. He said that the current disabled veteran tax credit program is in its infancy with only a year of data to analyze. He stated the Department of Finance believes it is best to have more experience and history with the program prior to making additional modifications. Currently 710 veterans and their spouses receive this credit. This number is projected to grow at least 30 percent this year and dollar growth will be higher. Secretary Geisenberger said the committee also must be cautious of not incentivizing relocation to Delaware for this uncapped, lifelong benefit for both the veterans and their spouses. He stated this tax credit is many multiples larger than the senior property tax credit with an average cost of about 1500 dollars per property, which may also rise due to the expected increase in beneficiaries. Each recipient eliminates annual school tax bills that range from 633 dollars to 4,632 dollars. Secretary Geisenberger said the current statute accrues to residents who have likely lived longer in Delaware than the three year residency requirement, while the proposed modification will serve new residents and be a tax burden to retired persons, making the true future cost difficult to estimate. Secretary Geisenberger added that from a technical perspective, the bill would require amendments to address certain drafting issues, including the need to establish an effective date, and address interactions with other criteria that were previously defined in the residency requirement.

Dr. John Marinucci expressed support for the legislation.

Robert Overmiller stated that he supported this legislation and believed it would not incentivize individuals to move to Delaware.

Vice Chair Moore stated she does not want this discussion to pin school districts against veterans. She asked Secretary Geisenberger how we ensure this money goes back to the school districts if the bill is passed.

Secretary Geisenberger clarified that this tax credit is a budget bill and does not cost anything to school districts. He stated that the senior property tax credit costs \$30 million a year, and this program cost \$1.1 million this year, and it will cost at least \$1.5 million next year and more as it keeps growing.

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Rep. Neal asked whether there is data identifying disabled veterans in this program based on income demographics.

Secretary Geisenberger responded that the data is based on public property tax records rather than personal income tax records. He stated they could organize data by zip code and property tax assessments, but it would be based on the current system without the information reassessment might provide. Secretary Geisenberger again recommended waiting for more data before deciding on this legislation.

Rep. Morrison asked Rep. Bush if there was a reason why there was no effective date on this bill.

Rep. Bush responded that he plans to put an amendment on the bill to ensure the bill is applicable for next year.

Rep. Lynn asked House Attorney Mary Sherlock if the General Assembly were to add means-testing or income testing to this bill would it violate the one bill one issue rule.

House Attorney Mary Sherlock responded it would not violate the one bill one issue rule.

The Chair opened the floor up for virtual public comment. There were none.

A motion was made by Rep. Lynn and seconded by Rep. Osienski to table HB 30 from committee; motion failed. Yes = 8 (Chukwuocha, Lynn, Moore, Morrison, Neal, Osienski, Williams); No = 7 (Hensley, Hilovsky, Postles, Shupe, Smith, Selby, Collins); Not Voting = 1 (Romer); Absent = 1 (Phillips).

A motion was made by Rep. Chukwuocha and seconded by Rep. Smith to release HB 30 from committee; motion carried. Yes = 14 (Chukwuocha, Lynn, Moore, Hilovsky, Hensley, Morrison, Neal, Osienski, Postles, Romer, Selby, Shupe, Smith, Williams); No = 0 ; Not Voting = 1 (Collins); Absent = 1 (Phillips). The bill was released from committee with a F=0, M=12, U=0 vote.

Chair Williams adjourned the meeting at 3:56 p.m.

Respectfully submitted by:

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Sana Nangia

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Attendance List

- Dr. John Marinucci
- Britney Mumford
- Robert Overmiller
- Rick Geisenberger

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