



**TAX RATE PROPOSAL**

**FISCAL YEAR 2020**

**JULY 1, 2019 TO JUNE 30, 2020**

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Reviewed By:

Finance Oversight Committee

Date:

July 2, 2018

Submitted to the Board of Education:

July 9, 2018

<b><u>Item</u></b>	<b><u>Page Number</u></b>
Debt Service Tax Rate	3
Minor Capital Improvement/Match Tax Rate	4
Tuition Tax Rate	5
Tax Rate Proposal and Historical Information	6
Assessment Data	7

The tax warrant is approved annually by the Board of Education and must be submitted to New Castle County by the second Thursday in July.

Current Expense may be used for any expenditure in the district except to buy property or pay off bonds. This portion of the rate can only be increased through voter referendum. There are two components to current expense tax. The first component is a function of the New Castle County School Tax District and is 46.8 cents of the tax rate.

All revenues generated in the four districts by the 46.8 cents are pooled together and reallocated based on the number of units at September 30th of the prior fiscal year. The district's share of the tax district for fiscal year 2020 is 18.59364082%. The second component involves multiplying the district's tax assessment times 111.8 cents per \$100 of assessed valuation. The district's total assessed valuation for FY 2020 as reported by New Castle County is \$2,988,717,801

The administration is recommending that Colonial maximize the match tax components that have been authorized in the FY 2020 State budget as well as an increase to the funds allocated for Minor Capital Improvements. These additions will increase the match tax rate by 2.0 cents. The balances available in both the tuition tax and debt service tax accounts allow for decreases in those rates of 1.0 cent each. These adjustments will keep the tax rate flat from FY 2019 to FY 2020.

Pages 3 through 5 represent the calculations for three of the four components of the tax rate.

**DEBT SERVICE TAX RATE**  
(MAJOR CAPITAL IMPROVEMENTS)

<u>Recommended Tax Rate (in cents)</u>	15.5
Debt Service Estimated Balance as of 6/30/19	2,812,306

**PROJECTED REVENUE**

Anticipated tax revenue based on Colonial's assessed valuation of \$2,988,717,801 at 15.5 cents for each \$100 of assessed property. \$298,871 is the potential revenue for each cent on the tax rate.

4,632,501

Interest Earned on Fund Balance 45,195

Total Available Funds 7,490,001

**PROJECTED EXPENSES**

Local Share for Projects in Annual Bond Bills

Year	Projects	Bond Value	Payment
2001	McCullough, William Penn Gunning Bedford, Southern	8,546,300	455,518
2002	McCullough, William Penn Gunning Bedford	7,181,600	385,020
2003	Carrie Downie, New Castle Wilmington Manor, William Penn Gunning Bedford	8,243,500	477,793
2004	Eisenberg, Colwyck Pleasantville, ML King	6,917,000	409,665
2007	Wrangle Hill (Wilbur) McCullough, New Castle	20,166,800	1,347,898
2008	Wilmington Manor, William Penn Gunning Bedford, George Read	9,402,700	659,270
2009	William Penn	3,522,500	605,463
2010	Carrie Downie, Castle Hills Pleasantville, Eisenberg	4,901,100	105,139
	Total value of authorized bonds	68,881,500	
	Total payments due in FY 20		4,464,569
	Payments due 7-1-19 through 09-30-20		2,874,107

Total Debt Service Expenditures 7,338,676

**PROJECTED DEBT SERVICE BALANCE 9/30/20** 151,325

Note: These funds are used to retire long term bond obligations for the local portion of major capital expenditures.

**MINOR CAPITAL IMPROVEMENTS (MCI)/MATCH TAX**

Recommended Tax Rate (in cents)	9
<u>Match Estimated Balance as of 6/30/18</u>	46,538.9

PROJECTED REVENUE

Anticipated tax revenue based on Colonial's assessed valuation of \$2,988,717,801 at 9.0 cents for each \$100 of assessed property. \$298,871 is the potential revenue for each cent on the tax rate.	2,689,839
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Interest Earned on Fund Balance	3,066
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Total Available Funds	2,739,444
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PROJECTED EXPENSES

Matching Local Funds for FY 2020 Minor Capital Improvement	631,510
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Funds for Technology Equipment Maintenance, Repair, and Replacement (1.52cents x 294,161)	454,284
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Match for Reading & Math Resource Teachers	218,996
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Match for Extra Time Funds	270,000
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Match for K-3 Basic funding	169,376
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Match for K-4 Reading Specialist funding	324,408
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NEW Opportunity funding	337,716
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NEW Mental health & Reading supports	212,766
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Total MCIP/Match Expenditures	2,619,056
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PROJECTED MCIP/MATCH BALANCE 6/30/19	120,388
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Note: These funds are used to match various expense components and minor capital improvements.

**TUITION**

Recommended Tax rate (in cents)	36.2
<u>Tuition Estimated Balance as of 6/30/18</u>	<u>1,902,848.9</u>
 <b>PROJECTED REVENUE</b>	
Anticipated tax revenue based on Colonial's assessed valuation of \$2,988,717,801 at 37.2 cents for each \$100 of assessed property. \$298,871 is the potential revenue for each cent on the tax rate.	10,819,130
 Tuition Paid By Other Districts	 237,075
 Interest Earned on Fund Balance	 12,334
 Total Available Funds	 <u>12,971,388</u>
 <b>PROJECTED EXPENSES</b>	
Special School Operating Budget	4,200,000
 Tuition Payable to Other Districts	 2,500,000
 Special Tuition Programs	
Unique Alternatives & Private Placements	510,000
Elementary/Middle ILC	580,000
Secondary ILC	1,100,000
ESL Program	590,000
CASL	613,000
Early Childhood	682,800
Other District Tuition	800,000
 Total Tuition Expenditures	 <u>11,575,800</u>
 <b>PROJECTED TUITION BALANCE 6/30/19</b>	 <b><u>1,395,588</u></b>

Note: These funds are used to support a variety of programs for students with disabilities for which the district is required to provide individualized services. Funds need to be available at June 30th to cover expenses through September 30th when tax receipts are received.

**Tax Rate  
Fiscal Year 2005 Through 2020**

<b>Fiscal Year</b>	<b>Current Expense</b>	<b>Tuition</b>	<b>Debt Service</b>	<b>MCI/ Match</b>	<b>Total Rate</b>
<b>2020</b>	<b>\$1.586</b>	<b>\$0.362</b>	<b>\$0.155</b>	<b>\$0.090</b>	<b>\$2.193</b>
2019	\$1.586	\$0.372	\$0.165	\$0.070	\$2.193
2018	\$1.476	\$0.362	\$0.150	\$0.045	\$2.033
2017	\$1.206	\$0.332	\$0.158	\$0.040	\$1.736
2016	\$1.206	\$0.295	\$0.180	\$0.055	\$1.736
2015	\$1.206	\$0.285	\$0.190	\$0.055	\$1.736
2014	\$1.206	\$0.250	\$0.195	\$0.055	\$1.706
2013	\$0.856	\$0.220	\$0.190	\$0.060	\$1.326
2012	\$0.856	\$0.250	\$0.210	\$0.050	\$1.366
2011	\$0.856	\$0.280	\$0.215	\$0.045	\$1.396
2010	\$0.856	\$0.305	\$0.196	\$0.055	\$1.412
2009	\$0.856	\$0.330	\$0.184	\$0.055	\$1.425
2008	\$0.826	\$0.310	\$0.199	\$0.055	\$1.390
2007	\$0.786	\$0.300	\$0.164	\$0.055	\$1.305
2006 Nonresidential	\$0.786	\$0.285	\$0.130	\$0.043	\$1.244
2006 Residential	\$0.766	\$0.285	\$0.130	\$0.043	\$1.224
2005 Nonresidential	\$0.786	\$0.280	\$0.114	\$0.055	\$1.235
2005 Residential	\$0.746	\$0.280	\$0.114	\$0.055	\$1.195

Proposed for 2020

**Assessment Data  
New Castle County**

<b>School District</b>	<b>2020</b>	<b>2019</b>	<b>Variance</b>	<b>%</b>
Appoquinimink	2,306,182,520	2,209,623,570	96,558,950	4.37%
Brandywine	3,416,230,929	3,397,232,641	18,998,288	0.55%
Christina	5,570,171,741	5,552,006,975	18,164,766	0.33%
Colonial	2,988,717,801	2,941,610,191	47,107,610	1.66%
Red Clay	5,317,668,256	5,291,741,108	25,927,148	0.49%
Smyrna	115,064,070	113,665,620	1,398,450	1.28%
<b>TOTAL</b>	<b>19,714,035,317</b>	<b>19,505,880,105</b>	<b>208,155,212</b>	<b>1.09%</b>

Property tax payments are based on the assessed value of property, which is approximately 30 to 35% of the market value of the property.