

Fiscal Year 2024 Tax Rate Recommendation

Annual Process

- Set annually by each local Board of Education
- Reviewed and recommended by the Citizen Finance Oversight Committee on July 5th.
- Final rate is due to NCC by the second Thursday in July
- The tax bills are processed and collected by the county on our behalf
- Bills are due by September 30th each year.

Tax Rate Overview

- Each rate refers to the amount taxed on every \$100 of assessed property value. Assessed property values are typically between 30-35% of the market value of a home.
- Comprised of 4 major components, all maintained in separate appropriations and with specific uses for each.
- Each penny on the tax rate raises approximately \$314,467. This is an increase of 0.7% over last year due to growth in our tax base .

Current Expense

- Use for any expense except to pay off bonds or buy property
- \$1.586 per \$100 of assessed value
- Can only be increased through a referendum
- Includes amount that is part of the revenue sharing agreement through the New Castle County Tax District
- No change in the rate for FY 2024

Debt Service

- Used to pay bond obligations for the local portion of major capital projects- issued by the State with a 20 year repayment cycle.
- Referendum is required to issue debt.
- Recommended rate is 7 cents
- 3 cent decrease from FY 2023 based on projected expenditure needs. Because we have not authorized new debt since 2010, older projects are being paid off and with no new projects to replace them, the rate is coming down.

MCI/Match Tax

Provides for a match of state appropriations for:

- Minor capital improvements
- Extra instructional time*
- Technology*
- Minner Reading specialists for elementary schools*
- Minner Math specialists for middle schools*
- Opportunity funding
- K-4 Reading Specialist funds

*State funds have since been eliminated but the authority to continue generating locals funds to support these programs in ongoing.

Match Tax

- The Enhanced MCI funding that was added in FY 23 was not re-authorized so no match is needed for that. There are no new programs allowing matching funds.
- Budgets have been updated to reflect authority and/or projected expenditures, as appropriate. The starting balance available is higher than usual due to the staffing challenges we experienced during FY 23. Most of the funds are used to support local salaries; due to increased vacancies and use of substitutes, we didn't use all funds generated last year.
- Recommending a decrease of 4.2 cents to the rate of 10 cents for FY 24.

Tuition

Funds support the cost of tuition eligible special education students

- District students attending statewide programs (Leach, DAP, Sterck)
- Unique Alternative Placements
- District run programs
- Students with Intensive or Complex needs (as identified on their IEP) served in any Colonial school.
- All Pre-K students (3 & 4 yr olds) with IEPs.

Tuition

- Our special education students continue to show an increasingly diverse and complicated array of needs.
- Similar to our match tax funds, the majority of tuition funds support the local portion of salaries for the positions providing the services. Vacancies and using substitutes to a larger degree left us with a higher than expected balance heading into FY 24.
- Additionally, we have used other resources, such as ESSER and IDEA ARP funds strategically to meet the needs of this population.
- Recommendation is that the tuition tax rate be decreased by 3.5 cents for a rate of 31.0 cents for FY 24.

Tax rate Comparison – year over year

Tax Rate Component	FY 2024	FY 2023	Change
Operating	1.586	1.586	0
Debt Service	0.07	0.10	-0.03
Match	0.10	0.142	-0.042
Tuition	0.31	0.345	-0.035
TOTAL TAX RATE	2.066	2.173	-0.107

Taxpayer Impact

- Our tax rate has not been this low since FY 2018, when the last operating referendum was passed.
- This represents roughly 5% decrease to the overall tax rate.
- While individual impacts will vary based on the property's assessed value, the average Colonial taxpayer can expect savings between \$50-\$75 for the year.

Questions?

Power of

Partnership

Leadership & Learning

Innovation

Access & Opportunity

Community

Student

State

Families