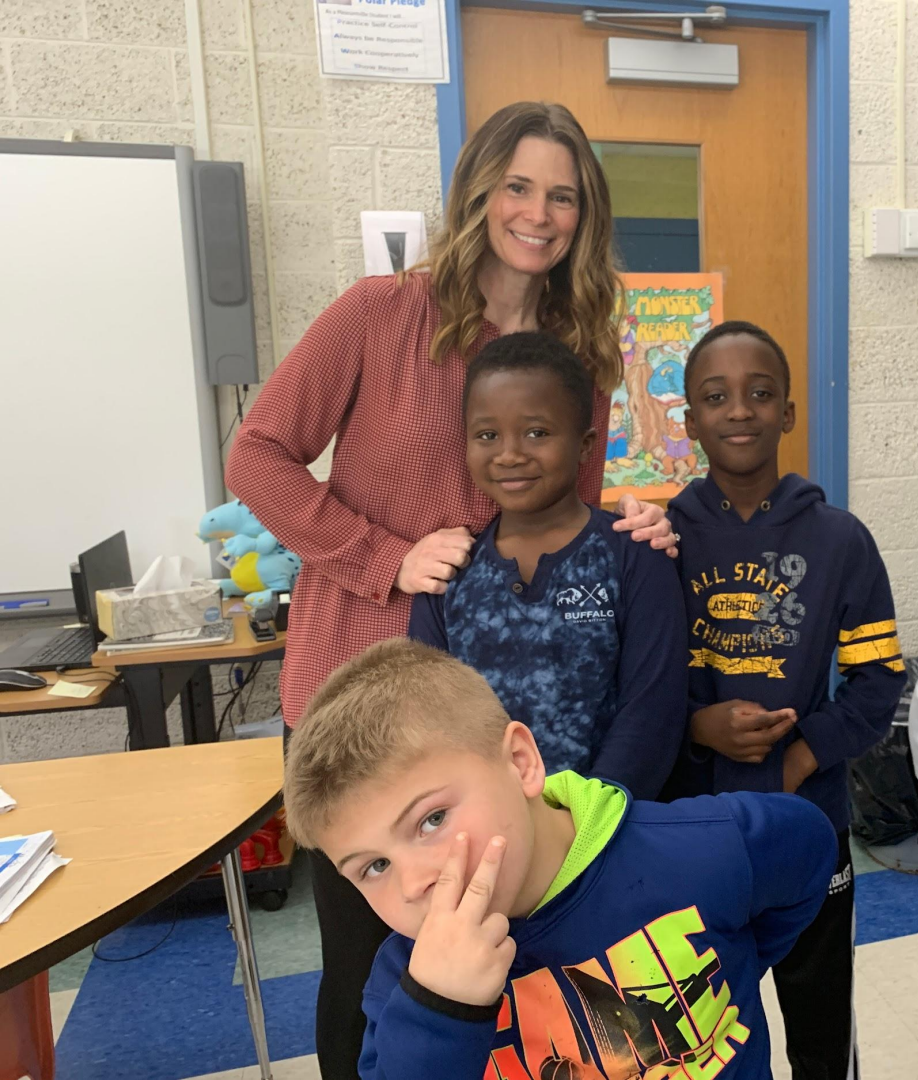


# FY 24 REFERENDUM

It's Time. Colonial Nation deserves it.



01 / **Referendum 101**

02 / **CN requests and capital needs**

03 / **Operational funding**

04 / **Tax Impact & Phasing**

# Referendum 101

Simply put, a referendum is a special election held by a school district to seek approval to increase school property taxes.

Delaware law requires districts to get residents' approval to increase the amount we charge in property taxes in two different circumstances:

- ★ Additional dollars for general operating expenses
- ★ Issuing bonds to fund major renovation projects or new construction (capital)

**Colonial is seeking approval for BOTH of these types of increase in February.**

# Operating vs. Capital Requests

**The operating request will provide increased funding for daily operations.**

- ★ Our local operating funds support everything from salaries and benefits and investments in technology to curriculum and building budgets.
- ★ The request is a fixed amount that is permanently added to our annual tax rate.

**Capital requests are when districts are building new schools or need major renovations.**

- ★ Districts submit 'Certificate of Necessity' (CN) requests to DOE to secure State funding for a portion of the cost.
- ★ Districts must get taxpayer approval to raise the local portion of the cost.
- ★ Bonds are issued to fund the projects, which are repaid over 20 years. The repayment amount is called debt service.
- ★ The debt service rate will vary over the life of the bonds as we repay them.

# Capital Request

- ★ The Department of Education recently approved the CNs that we submitted for districtwide renovations totaling over \$120 million.
- ★ The State will provide 60% of the funding (\$73.2 million) and we must provide the remaining 40% (\$48.8 million) to secure the State's investment.
- ★ **Colonial schools are, on average, 60 years old.**  
Despite diligent maintenance from our dedicated custodial and maintenance teams, there are major upgrades or updates needed district wide.
- ★ These projects were selected through a combination of recommendations from our facility experts and feedback from our community in the spring of 2022.

# Continuing Our Investment

**These projects are the needed next step after making several key investments that required no local tax increases.**

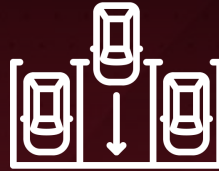
- ★ Over \$8 million invested in energy efficient building upgrades through a State supported loan program.
- ★ \$524,160 in federal funding for security enhancements through Department of Justice COPS grant.
- ★ Over \$20 million allocated for roofing and HVAC projects through ESSER funding.
- ★ \$10 million available in development impact fee revenues (VSA) for building upgrades.
- ★ \$11 million spent in Minor Capital improvement (building maintenance) funding.

In the last 7 years, we have invested over **\$50 million** in our facilities.

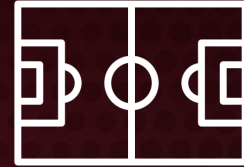
# Summary of Capital Projects



Complete Remaining  
Priority Roof Projects



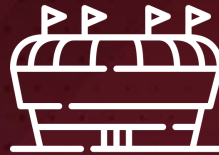
District-Wide Parking  
Lots and Pathways



Middle School Athletic  
Field Renewal



K-5 Playground Renewal



William Penn  
Athletic Complex and Fields



Secure Entrances/Vestibules  
and Other Security  
Enhancements

# Capital Request Tax Impact

- ★ Major Capital Improvement Projects are funded through bonds and repaid over 20 years. The repayment amount is called the debt service.
- ★ The debt service tax rate will vary year to year based on the repayment schedule and interest rate.
- ★ Our existing debt service is declining as we pay off old projects.
- ★ The estimated total debt service tax rate maxes out at **16.9** cents in FY 2027.
- ★ Maximum estimated tax rate for these new projects: **12.2** cents in FY 2029



# The Operating Request

Local Operating funds pay for the day to day costs of serving students



Building and  
Department budgets



Transportation Expenses



Arts, Sports and  
extracurricular Programs



Competitive Salaries for  
1,500 employees



Technology including 1:1 Student  
Chromebooks & staff devices

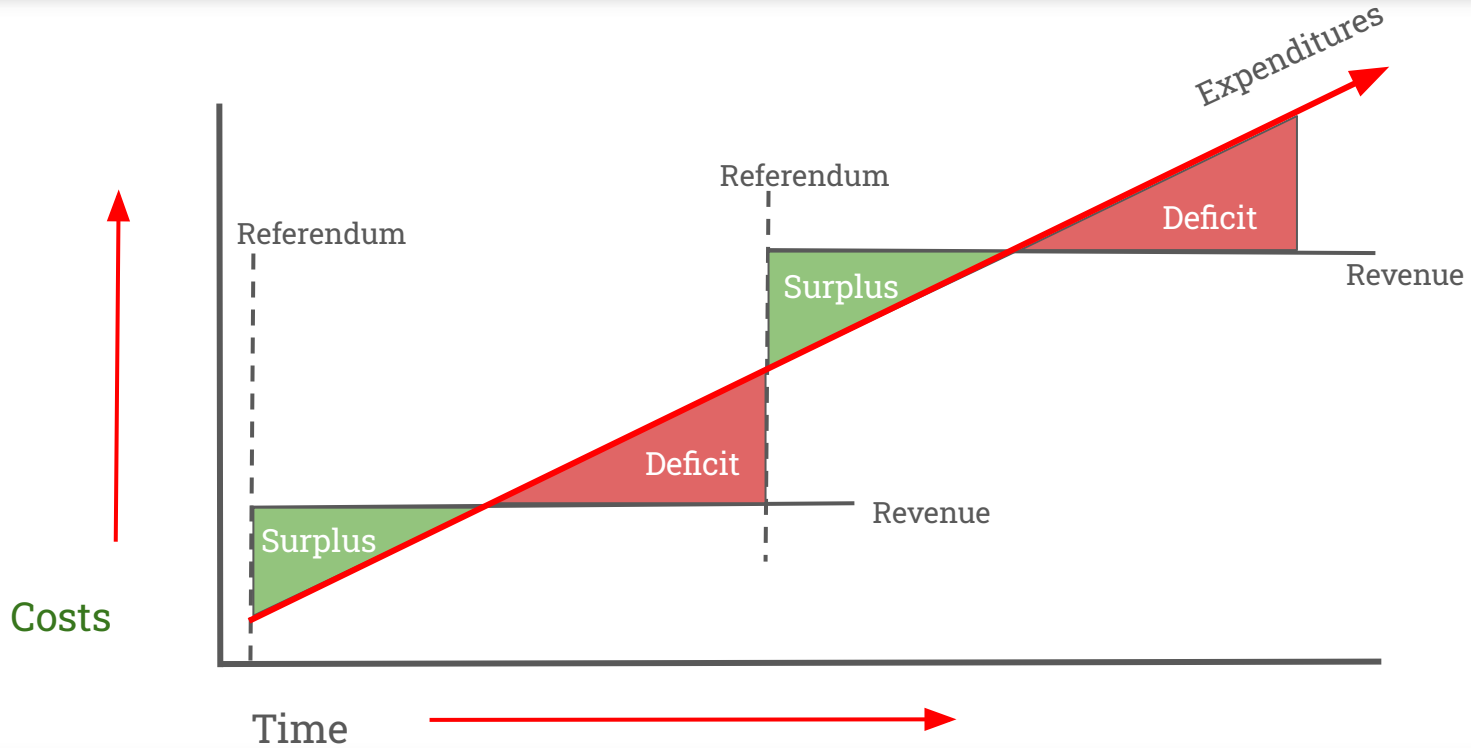


Daily cleaning and  
maintenance of over 800  
classrooms and 17 buildings

# Colonial Budget Cycle

- ★ Operational expenses are constantly increasing. The cost of goods and services goes up over time.
- ★ Because our tax base is stagnant, our local revenues do not increase significantly over time.
- ★ Referenda are the only way to keep pace with the expenditure growth.
- ★ Over 85% of discretionary operating funds are salaries. Budget cuts can only prolong the time between referenda, not eliminate the need for them.

# The Referendum Cycle for Operating Funds



It's time.

# The Operating Ask... It's Time.

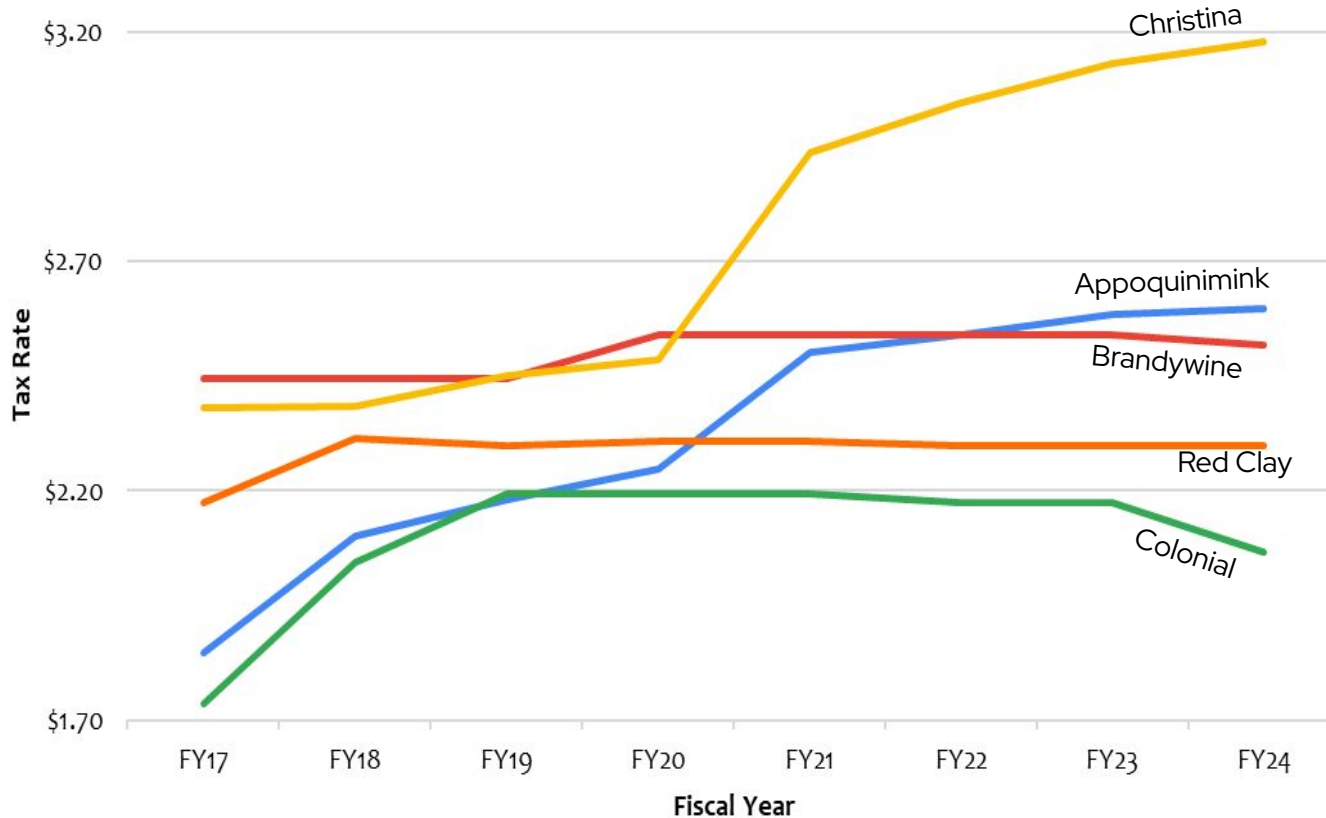
- ★ We have stretched the last ask from 4 years to 7 years through strategic fiscal management and the help of ESSER relief funds.
- ★ We have taken measures to limit discretionary budget growth for the last 3 years.
- ★ In FY 2023, Colonial had an operating deficit of \$5.7 million (the amount expenses exceed revenues).
- ★ The projection for FY 2024 shows a deficit of \$7.7 million.
- ★ We have avoided programming and staff cuts by maximizing the use of other funds, such as ESSER and Opportunity funding.
- ★ ESSER funds are expiring & without additional revenue, program and staff cuts cannot be avoided.

# Financial Priorities

## **Additional operating revenue will be utilized to maintain investments in:**

- ★ Recruiting and retaining top notch educators and support staff.
  - Continuing competitive salary and benefits package to combat the increasing workforce shortages, especially among teachers.
  - Investing in teacher pipelines and other innovative recruiting initiatives.
  - Providing high quality, relevant professional development.
- ★ Continued investment in Constables, SROs and enhanced security initiatives.
- ★ Maintaining 1:1 student chromebooks and other technology investments.
- ★ Continue extended learning opportunities and summer programs to strengthen student engagement and accelerate student achievement.

# New Castle County Tax Rate History



**Districts seeking operating tax increases this year.**

**Appoquinimink: \$0.43**

**Red Clay: \$0.50**

**Brandywine: \$0.45**

**(Total is shown- may be phased in over multiple years)**

# Operating Request Recommendation

Amount: \$0.40 per \$100 assessed value

This rate can be phased in over 2 to 3 years:

- Scenario 1: .40
- Scenario 2: .25/.15
- Scenario 3: .25/.10/.05

Average Colonial household assessed value is \$62,547

Annual impact for the average household is \$250.19

# Operating Phase in and Additional Debt Service Cost

Average Colonial household	FY 2025	FY 2026	FY 2027	FY 2028
Scenario 1 (.40)	\$250.19	\$250.19	\$250.19	\$250.19
Scenario 2 (.25/.15)	\$156.37	\$250.19	\$250.19	\$250.19
Scenario 3 (.25/.10/.05)	\$156.37	\$218.91	\$250.19	\$250.19
Cost of new Capital projects	\$5.00	\$58.79	\$65.67	\$73.81



**It's Time... Our students deserve it.  
Our staff deserve it.  
Our community deserves it.  
Colonial Nation deserves it.**