



TAX RATE PROPOSAL

FISCAL YEAR 2025

JULY 1, 2024 TO JUNE 30, 2025

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Reviewed By:

Finance Oversight Committee

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OVERVIEW & SUMMARY

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 by the first 46.8 cents of all property in Colonial, Christina, Red Clay and Brandywine 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 2024 is 18.59364082%. The second component involves multiplying the district's tax assessment times 136.8 cents per \$100 of assessed valuation. The district's total assessed valuation for FY 2025 as reported by New Castle County is \$3,159,413,645.

The tax rate proposed for fiscal year 2025 includes an adjustment to the current expense rate of \$0.25 that reflects the increase authorized in the successful operating referendum conducted on February 29, 2024. The debt service rate is not changing for FY 2025. The amount of new debt being issued as a result of the successful capital referendum is a small enough that it is being offset by decreasing payments for the older debt. Colonial will be issuing new debt every year through FY 2029 to fund the renovation projects approved in the February referendum so future increases are expected.

There are 2 additions to match funded programs at the State level: A block grant for Athletic Trainer expenses and enhanced MCI funding was appropriated again for FY 25. However, due to a healthy cash balance on hand, we are able to budget for these funds without raising the match rate.

Tuition budgets continue to be impacted by the staffing shortage. Vacancies and the use of substitutes, as well as the use of other funds, such as ESSER, resulted in a high balance remaining in tuition for another year. There continues to be growth in our special education population and this rate may need to increase again in the coming years, for FY 2025, the recommendation is to lower the tuition tax by 2 cents.

The referendum increase of 25 cents is being offset by the tuition tax decrease of 2 cents for a net increase of 23 cents.

Pages 4 through 6 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>	7.0
Debt Service Balance as of 6/30/24	2,172,581

PROJECTED REVENUE

Anticipated tax revenue based on Colonial's assessed valuation of \$3,159,413,645 at 7 cents for each \$100 of assessed property. \$315,941.36 is the potential revenue for each cent on the tax rate.	2,211,590
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Interest Earned on Fund Balance	6,000
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Total Available Funds	<u>4,390,170</u>
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PROJECTED EXPENSES

Local Share for Projects in Annual Bond Bills

Year	Projects	Bond Value	Payment
2007	Wrangle Hill (Wilbur) McCullough, New Castle	20,166,800	45,274
2008	Wilmington Manor, William Penn Gunning Bedford, George Read	9,402,700	512,165
2009	William Penn	3,522,500	501,843
2010	Carrie Downie, Castle Hills Pleasantville, Eisenberg	4,901,100	8,062
2025	Eisenberg, Gunning Bedford, William Penn	2,786,905	250,821
Total value of authorized bonds		40,780,005	

Total payments due 10-2-23 through 06-30-24	1,318,166
Payments due 7-1-25 through 10-01-25	1,179,023

<u>Total Debt Service Expenditures</u>	<u>2,497,189</u>
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PROJECTED DEBT SERVICE BALANCE 10/01/25	1,892,981
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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)	10
<u>Match Balance as of 6/30/24</u>	2,747,537.2
Includes unspent balances from prior years	
PROJECTED REVENUE	
Anticipated tax revenue based on Colonial's assessed valuation of \$3,159,413,645 at 10 cents for each \$100 of assessed property. \$315,941.36 is the potential revenue for each cent on the tax rate.	3,159,414
Interest Earned on Fund Balance	7,500
Total Available Funds	<hr/> 5,914,451
PROJECTED EXPENSES	
Match for Minor Capital Improvement allocation	657,656
Match for enhanced MCI allocation	495,519
Funds for Technology Equipment Maintenance, Repair, and Replacement (1.52cents x 314,467)	480,231
Match for Reading & Math Resource Teachers 1 for each elementary school (8) and 1 for each middle school (3)	558,026
Extra Time Funds	270,000
Match for K-4 Reading Specialist funding	46,877
Opportunity funding	1,743,678
Mental health & Reading supports	237,071
Substitute Block grant	48,238
Athletic Trainer Block grant	30,950
Total MCIP/Match Expenditures	4,568,246
PROJECTED MCIP/MATCH BALANCE 6/30/25	1,346,205

Note: These funds are used to support minor capital improvements and other various programs as authorized by the General Assembly.

TUITION

Recommended Tax rate (in cents)	29
<u>Tuition Balance as of 6/30/24</u>	4,066,197.9

PROJECTED REVENUE

Anticipated tax revenue based on Colonial's assessed valuation of \$3,159,413,645 at 29 cents for each \$100 of assessed property. \$315,941.36 is the potential revenue for each cent on the tax rate.

Tuition Paid By Other Districts 575,000

Interest Earned on Fund Balance 20,000

Total Available Funds	13,823,498
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PROJECTED EXPENSES

Leach Operating Budget 2,000,000

Tuition Payable to Other Districts 2,956,000

Supporting Tuition eligible students

Unique Alternatives & Private Placements 275,000

Exceptional Children Payroll 3,175,000

Special Program operating budgets 450,000

ESL Program 580,000

Early Childhood 3,100,000

Total Tuition Expenditures	12,536,000
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PROJECTED TUITION BALANCE 6/30/25	1,287,498
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Note: These funds are used to support a variety of programs for students with disabilities for whom 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.

**Colonial School District Tax Rate
Fiscal Year 2011 Through 2025**

The FY 2025 tax rate is an increase of \$0.23 over FY 2024

Fiscal Year	Current Expense	Tuition	Debt Service	MCI/ Match	Total Rate
2025	\$1.836	\$0.290	\$0.070	\$0.100	\$2.296
2024	\$1.586	\$0.310	\$0.070	\$0.100	\$2.066
2023	\$1.586	\$0.345	\$0.100	\$0.142	\$2.173
2022	\$1.586	\$0.372	\$0.120	\$0.095	\$2.173
2021	\$1.586	\$0.372	\$0.145	\$0.090	\$2.193
2020	\$1.586	\$0.362	\$0.155	\$0.090	\$2.193
2019	\$1.586	\$0.372	\$0.165	\$0.070	\$2.193
2018	\$1.476	\$0.290	\$0.150	\$0.045	\$1.961
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

**Assessment Data
New Castle County**

School District	2025	2024	2023	2022	Variance	%
Appoquinimink	2,782,772,500	2,690,003,135	2,584,265,553	2,488,360,195	92,769,365	3.45%
Brandywine	3,496,061,599	3,472,344,285	3,439,896,338	3,432,584,512	23,717,314	0.68%
Christina	5,665,301,433	5,624,621,864	5,585,144,894	5,550,829,506	40,679,569	0.72%
Colonial	3,159,413,645	3,144,672,496	3,122,817,835	3,085,691,915	14,741,149	0.47%
Red Clay	5,470,561,830	5,497,271,554	5,462,662,883	5,350,057,761	(26,709,724)	-0.49%
Smyrna	117,906,670	117,541,570	117,086,570	117,380,970	365,100	0.31%
TOTAL	20,692,017,677	20,546,454,904	20,311,874,073	20,024,904,859	145,562,773	0.71%

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

17,610,521,950 17,419,163,694