



TAX RATE PROPOSAL

FISCAL YEAR 2023

JULY 1, 2022 TO JUNE 30, 2023

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Reviewed By:

Finance Oversight Committee

Date:

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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 2023 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 2023 as reported by New Castle County is \$3,122,817,835.

The tax rate proposed for fiscal year 2023 does not include any adjustments to the current expense rate. Adjustments to the Debt service rate have been made to match expenditure projections, resulting in a 2 cent decrease.

There are some additions to the State funds available for generating a local match. There is an allocation of 'enhanced Minor Capital Improvement' funding to help address some of the significant deferred maintenance concerns in districts throughout the state. There is also the addition of the Substitute unit, for which Colonial has been provided an allocation that is eligible to match. These have been added and the existing match amounts adjusted for FY 23 allocations resulting in a recommended increase of 4.7 cents.

The tuition budgets have been updated to reflect some changes to the operating structure. A major shift reflects that during FY 22, some special education staff serving students at various schools were moved from the Leach school's budget and placed back in the Colonial budget. This didn't result in an increase or decrease, just a reallocation. Based on current cash levels, it is recommended to decrease the tuition rate by 2.7 cents.

The net change recommended to the overall tax rate is zero.

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>	10.0
Debt Service Balance as of 6/30/22	3,093,776

PROJECTED REVENUE

Anticipated tax revenue based on Colonial's assessed valuation of \$3,122,817,835 at 10.0 cents for each \$100 of assessed property. \$312,281.78 is the potential revenue for each cent on the tax rate.

Interest Earned on Fund Balance 0

Total Available Funds 6,216,594

PROJECTED EXPENSES

Local Share for Projects in Annual Bond Bills

Year	Projects	Bond Value	Payment
2002	McCullough, William Penn Gunning Bedford	7,181,600	344,491
2003	Carrie Downie, New Castle Wilmington Manor, William Penn Gunning Bedford	8,243,500	428,580
2004	Eisenberg, Colwyck Pleasantville, ML King	6,917,000	367,125
2007	Wrangle Hill (Wilbur) McCullough, New Castle	20,166,800	1,212,075
2008	Wilmington Manor, William Penn Gunning Bedford, George Read	9,402,700	596,225
2009	William Penn	3,522,500	551,983
2010	Carrie Downie, Castle Hills Pleasantville, Eisenberg	4,901,100	97,077
	Total value of authorized bonds	60,335,200	
	Total payments due in FY 23		3,597,556
	Payments due 7-1-23 through 10-01-23		1,893,907

Total Debt Service Expenditures 5,491,463

PROJECTED DEBT SERVICE BALANCE 10/01/23 725,130

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)	14.2
<u>Match Balance as of 6/30/22</u>	83,720.2
PROJECTED REVENUE	
Anticipated tax revenue based on Colonial's assessed valuation of \$3,122,817,835 at 13 cents for each \$100 of assessed property. \$312,281.78 is the potential revenue for each cent on the tax rate.	4,434,401
Interest Earned on Fund Balance	0
Total Available Funds	<u>4,518,122</u>
PROJECTED EXPENSES	
Match for Minor Capital Improvement allocation	597,413
Match for Enhanced MCI per FY 23 Bond Bill (HB 475)	681,765
Funds for Technology Equipment Maintenance, Repair, and Replacement (1.52cents x 312,282)	474,668
Match for Reading & Math Resource Teachers 1 for each elementary school (8) and 1 for each middle school (3)	490,784
Extra Time Funds	270,000
Match for K-4 Reading Specialist funding	107,565
Opportunity funding	1,069,279
Mental health & Reading supports	316,986
Substitute unit allocation match	54,412
Total MCIP/Match Expenditures	4,062,872
PROJECTED MCIP/MATCH BALANCE 6/30/22	455,249

Note: These funds are used to match various expense components and minor capital improvements.

TUITION

Recommended Tax rate (in cents)	34.5
<u>Tuition Balance as of 6/30/22</u>	1,719,778.2

PROJECTED REVENUE

Anticipated tax revenue based on Colonial's assessed valuation of \$3,122,817,835 at 37.2 cents for each \$100 of assessed property. \$312,281.78 is the potential revenue for each cent on the tax rate.	10,773,722
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Tuition Paid By Other Districts	250,000
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Interest Earned on Fund Balance	0
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Total Available Funds	<u>12,743,500</u>
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PROJECTED EXPENSES

Leach Operating Budget	1,750,000
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Tuition Payable to Other Districts	3,260,000
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Supporting Tuition eligible students

Unique Alternatives & Private Placements	275,000
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Exceptional Children Payroll	3,420,000
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Special Program operating budgets	450,000
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ESL Program	680,000
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Early Childhood	1,350,000
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Total Tuition Expenditures	<u>11,185,000</u>
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PROJECTED TUITION BALANCE 6/30/22	1,558,500
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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 2009 Through 2023**

Fiscal Year	Current Expense	Tuition	Debt Service	MCI/ Match	Total Rate
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	\$0.345	\$0.150	\$0.045	\$2.016
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

**Assessment Data
New Castle County**

School District	2023	2022	2021	2020	Variance	%
Appoquinimink	2,584,265,553	2,488,360,195	2,387,338,645	2,323,461,920	95,905,358	3.85%
Brandywine	3,439,896,338	3,432,584,512	3,414,882,184	3,404,008,712	7,311,826	0.21%
Christina	5,585,144,894	5,550,829,506	5,601,908,803	5,574,732,163	34,315,388	0.62%
Colonial	3,122,817,835	3,085,691,915	3,023,824,876	2,991,022,806	37,125,920	1.20%
Red Clay	5,462,662,883	5,350,057,761	5,340,514,764	5,314,770,206	112,605,122	2.10%
Smyrna	117,086,570	117,380,970	117,257,270	116,101,720	(294,400)	-0.25%
TOTAL	20,311,874,073	20,024,904,859	19,885,726,542	19,724,097,527	286,969,214	1.43%

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