



TAX RATE PROPOSAL

FISCAL YEAR 2024

JULY 1, 2023 TO JUNE 30, 2024

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Reviewed By:

Finance Oversight Committee

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FY 2024 Tax Warrant

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Executive 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 111.8 cents per \$100 of assessed valuation. The district's total assessed valuation for FY 2024 as reported by New Castle County is \$3,144,672,496.

The tax rate proposed for fiscal year 2024 does not include any adjustments to the current expense rate.

Adjustments to the debt service rate have been made to match expected bond payments, resulting in a 3 cent decrease. This is due to older debt being retired as we pay it off.

There were no additions to match funded programs at the State level and the enhanced MCI funds were not appropriated again so that match was removed entirely. On continuing programs, matching funds are mainly used for local salary expenses and staffing challenges throughout the year meant that funds generated last year were not fully spent down. These factors are driving the rate for our match tax back down by 4.2 cents.

Tuition budgets have also been 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. While it is anticipated that this rate may need to be increased in coming years as we recover from the staffing shortage, for FY 2024, the recommendation is to lower the tuition tax by 3.5 cents.

The net change recommended to the overall tax rate is a decrease of 10.7 cents.

Pages 4 through 6 represent the calculations for three of the four components of the tax rate. The Tax history in Colonial and Assessment data for New Castle County are included on pages 7 and 8.

DEBT SERVICE TAX RATE
(MAJOR CAPITAL IMPROVEMENTS)

<u>Recommended Tax Rate (in cents)</u>	7.0
Debt Service Balance as of 6/30/23	2,600,672

PROJECTED REVENUE

Anticipated tax revenue based on Colonial's assessed valuation of \$3,144,672,496 at 7.0 cents for each \$100 of assessed property. \$314,467.25 is the potential revenue for each cent on the tax rate.

Interest Earned on Fund Balance 0

Total Available Funds 4,801,942

PROJECTED EXPENSES

Local Share for Projects in Annual Bond Bills

Year	Projects	Bond Value	Payment
2004	Eisenberg, Colwyck	6,917,000	352,945
	Pleasantville, ML King		
2007	Wrangle Hill (Wilbur)	20,166,800	1,166,801
	McCullough, New Castle		
2008	Wilmington Manor, William Penn	9,402,700	575,210
	Gunning Bedford, George Read		
2009	William Penn	3,522,500	534,156
2010	Carrie Downie, Castle Hills	4,901,100	94,390
	Pleasantville, Eisenberg		
	Total value of authorized bonds	44,910,100	
	Total payments due 10-2-23 through 06-30-24		2,723,502
	Payments due 7-1-24 through 10-01-24		1,497,560

Total Debt Service Expenditures 4,221,062

PROJECTED DEBT SERVICE BALANCE 10/01/23 580,880

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 6/30/23</u>	2,198,449.1
Includes unspent balances from prior years	
PROJECTED REVENUE	
Anticipated tax revenue based on Colonial's assessed valuation of \$3,144,672,496 at 10.0 cents for each \$100 of assessed property. \$314,467.25 is the potential revenue for each cent on the tax rate.	3,144,672
Interest Earned on Fund Balance	0
Total Available Funds	<u>5,343,122</u>
PROJECTED EXPENSES	
Match for Minor Capital Improvement allocation	562,925
Funds for Technology Equipment Maintenance, Repair, and Replacement (1.52cents x 314,467)	477,990
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	73,847
Opportunity funding	1,519,153
Mental health & Reading supports	323,133
Substitute unit allocation match	59,287
Total MCIP/Match Expenditures	3,777,119
PROJECTED MCIP/MATCH BALANCE 6/30/22	1,566,003

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

TUITION

Recommended Tax rate (in cents)	31
<u>Tuition Balance as of 6/30/23</u>	4,705,292.0

PROJECTED REVENUE

Anticipated tax revenue based on Colonial's assessed valuation of \$3,144,672,496 at 31.0 cents for each \$100 of assessed property. \$314,467.25 is the potential revenue for each cent on the tax rate. 9,748,485

Tuition Paid By Other Districts 250,000

Interest Earned on Fund Balance 0

Total Available Funds 14,703,777

PROJECTED EXPENSES

Leach Operating Budget 1,750,000

Tuition Payable to Other Districts 3,260,000

Supporting Tuition eligible students

 Unique Alternatives & Private Placements 275,000

 Exceptional Children Payroll 3,420,000

 Special Program operating budgets 450,000

 ESL Program 680,000

 Early Childhood 1,350,000

Total Tuition Expenditures 11,185,000

PROJECTED TUITION BALANCE 6/30/23 3,518,777

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 2010 Through 2024**

Fiscal Year	Current Expense	Tuition	Debt Service	MCI/ Match	Total Rate
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	\$0.310	\$0.150	\$0.045	\$1.981
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

**Assessment Data
New Castle County**

School District	2024	2023	2022	2021	Variance	%
Appoquinimink	2,690,003,135	2,584,265,553	2,488,360,195	2,387,338,645	105,737,582	4.09%
Brandywine	3,472,344,285	3,439,896,338	3,432,584,512	3,414,882,184	32,447,947	0.94%
Christina	5,624,621,864	5,585,144,894	5,550,829,506	5,601,908,803	39,476,970	0.71%
Colonial	3,144,672,496	3,122,817,835	3,085,691,915	3,023,824,876	21,854,661	0.70%
Red Clay	5,497,271,554	5,462,662,883	5,350,057,761	5,340,514,764	34,608,671	0.63%
Smyrna	117,541,570	117,086,570	117,380,970	117,257,270	455,000	0.39%
TOTAL	20,546,454,904	20,311,874,073	20,024,904,859	19,885,726,542	234,580,831	1.15%

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