



TAX RATE PROPOSAL
FISCAL YEAR 2018
JULY 1, 2017 TO JUNE 30, 2018

Prepared By:

Emily M. Falcon
Chief Financial Officer

Reviewed By:

Finance Oversight Committee

Date:

July 3, 2017

Submitted to the Board of Education:

July 11, 2017

<u>Item</u>	<u>Page Number</u>
Debt Service Tax Rate	3
Minor Capital Improvement/Match Tax Rate	4
Tuition Tax Rate	5
Tax Rate Proposal and Historical Information	6
Assessment Data	7

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 involves multiplying the district's tax assessment times 100.8 cents per \$100 of assessed valuation. The second component is a function of the New Castle County School Tax District and 46.8 cents of the tax rate. The calculation is 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 2018 is 18.59364082%. The district's total assessed valuation is \$2,915,531,296.

The tax rate proposed for fiscal year 2018 includes an increase of 27 cents to the current expense portion of the tax rate as the result of a successful referendum on June 6, 2017. Adjustments to the Debt service rate and Match tax rate have been made to match expenditure projections. The administration is recommending an increase to the tuition tax of 4 cents to support the needs of the increasing special education population within the district.

Pages 2 through 4 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>	15.0
Debt Service Estimated Balance as of 6/30/17	3,167,594

PROJECTED REVENUE

Anticipated tax revenue based on Colonial's assessed valuation of \$2,915,531,296 at 15.0 cents for each \$100 of assessed property. \$291,553 is the potential revenue for each cent on the tax rate.

Interest Earned on Fund Balance 27,000

Total Available Funds 7,567,891

PROJECTED EXPENSES

Local Share for Projects in Annual Bond Bills

Year	Projects	Bond Value	Payment
2001	McCullough Gunning Bedford William Penn Southern	8,546,300	511,923
2002	McCullough Gunning Bedford William Penn	7,181,600	412,039
2003	Carrie Downie New Castle Wilmington Manor Gunning Bedford William Penn	8,243,500	510,602
2004	Eisenberg Colwyck Pleasantville ML King	6,917,000	438,025
2007	Wrangle Hill McCullough New Castle	20,166,800	1,438,447
2008	Wilmington Manor Gunning Bedford William Penn George Read	9,402,700	701,300
2009	William Penn	3,522,500	641,117
2010	Carrie Downie Castle Hills Pleasantville Eisenberg	4,901,100	110,514
	Total value of authorized bonds	68,881,500	
	Total payments due in FY 18		4,763,968
	Payments due 7-1-17 through 09-30-18		2,706,558

Total Debt Service Expenditures 7,470,526

PROJECTED DEBT SERVICE BALANCE 9/30/18 97,365

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)	4.5
<u>Match Estimated Balance as of 6/30/17</u>	298,624.0
PROJECTED REVENUE	
Anticipated tax revenue based on Colonial's assessed valuation of \$2,915,531,296 at 4.0 cents for each \$100 of assessed property. \$291,553 is the potential revenue for each cent on the tax rate.	1,311,989
Interest Earned on Fund Balance	7,000
Total Available Funds	<u>1,617,613</u>
PROJECTED EXPENSES	
Matching Local Funds for FY 2017 Minor Capital Improvement	466,426
Funds for Technology Equipment Maintenance, Repair, and Replacement (1.52cents x 291,553)	443,161
Match for Reading & Math Resource Teachers	428,243
Match for Extra Time Funds	270,000
Total MCIP/Match Expenditures	1,607,830
PROJECTED MCIP/MATCH BALANCE 6/30/18	9,783

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

TUITION

Recommended Tax rate (in cents)	37.2
<u>Tuition Estimated Balance as of 6/30/17</u>	1,571,345.0
PROJECTED REVENUE	
Anticipated tax revenue based on Colonial's assessed valuation of \$2,915,531,296 at 35.2 cents for each \$100 of assessed property. \$291,553 is the potential revenue for each cent on the tax rate.	10,845,776
Tuition Paid By Other Districts	415,000
Interest Earned on Fund Balance	<u>12,000</u>
Total Available Funds	12,844,121
PROJECTED EXPENSES	
Special School Operating Budget	3,800,000
Tuition Payable to Other Districts	3,100,000
Special Tuition Programs	
Unique Alternatives & Private Placements	600,000
Elementary/Middle ILC	800,000
Secondary ILC	1,100,000
ESL Program	425,000
CASL	750,000
Early Childhood	500,000
Other District Tuition	800,000
Total Tuition Expenditures	<u>11,875,000</u>
PROJECTED TUITION BALANCE 6/30/18	969,121

Note: These funds are used to support a variety of programs for students with disabilities for which 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.

**Tax Rate
Fiscal Year 2000 Through 2016**

Fiscal Year	Current Expense	Tuition	Debt Service	MCI/ Match	Total Rate
2018	\$1.476	\$0.372	\$0.150	\$0.045	\$2.043
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
2008	\$0.826	\$0.310	\$0.199	\$0.055	\$1.390
2007	\$0.786	\$0.300	\$0.164	\$0.055	\$1.305
2006 Nonresidential	\$0.786	\$0.285	\$0.130	\$0.043	\$1.244
2006 Residential	\$0.766	\$0.285	\$0.130	\$0.043	\$1.224
2005 Nonresidential	\$0.786	\$0.280	\$0.114	\$0.055	\$1.235
2005 Residential	\$0.746	\$0.280	\$0.114	\$0.055	\$1.195
2004 Nonresidential	\$0.786	\$0.264	\$0.114	\$0.055	\$1.219
2004 Residential	\$0.706	\$0.264	\$0.114	\$0.055	\$1.139
2003 Nonresidential	\$0.786	\$0.230	\$0.062	\$0.041	\$1.119
2003 Residential	\$0.676	\$0.230	\$0.062	\$0.041	\$1.009
2002 Nonresidential	\$0.786	\$0.168	\$0.040	\$0.031	\$1.025
2002 Residential	\$0.660	\$0.168	\$0.040	\$0.031	\$0.899
2001 Nonresidential	\$0.786	\$0.140	\$0.054	\$0.020	\$1.000
2001 Residential	\$0.632	\$0.140	\$0.054	\$0.020	\$0.846
2000	\$0.786	\$0.175	\$0.016	\$0.061	\$1.038

Proposed for 2018

**Assessment Data
New Castle County**

School District	2018	2017	2016	Variance	%
Appoquinimink	2,132,959,820	2,057,612,515	1,987,010,845	75,347,305	3.79%
Brandywine	3,410,608,447	3,398,677,363	3,431,734,973	11,931,084	0.35%
Christina	5,570,586,691	5,531,748,141	5,511,672,639	38,838,550	0.70%
Colonial	2,915,531,296	2,874,707,889	2,833,152,874	40,823,407	1.44%
Red Clay	5,296,962,676	5,289,173,202	5,242,631,642	7,789,474	0.15%
Smyrna	111,739,520	110,284,820	109,104,970	1,454,700	1.33%
TOTAL	19,438,388,450	19,262,203,930	19,115,307,943	176,184,520	0.92%

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