

Recommended Tax Rate
Fiscal Year 2011

Red Clay Consolidated
School District

July 7, 2010

Rate development considerations

Four rate categories:

- Current Expense
 - local operating funds
 - .05 rate increase approved by February, 2008 Referendum; third and final year.
- Minor Capital Improvement/Match Tax
 - Local share based on % match of state funds
 - Includes minor capital improvements, technology maintenance match, and Reading and Math resource teachers
- Tuition
 - Local funds for special schools and tuition eligible programs including Meadowood, Central, Richardson Park ILC, Bilingual, First State School, private placement and consortium, attendance in schools outside Red Clay (i.e. Delaware Autistic Program)
- Debt service
 - Local share of principal and interest payments through October, 2011 for capital improvement bonds authorized by prior capital referenda.

Rate development considerations

- 14 Del. C. §1916(d) requires Tax Warrant be submitted to New Castle County by July 8, 2010
- Red Clay's assessed property \$5,116,705,387.
Net value of assessment increased by \$32.3M or .63%.
- Tax pool allocation factor increased from .2903533906 to .29271437780 (0.81%) ; Red Clay loss to tax pool \$953,724

State Budget Update

- Stabilization Funds – State funding eliminated from general fund operating budget in FY10 budget; funding continued from federal stabilization funds in FY11 with reduction of \$2,380,777 for Red Clay. Funding categories include: Reading and Math resource teachers, technology block grant, student success block grant, tax relief, LEP grant, academic excellence allotment
- Salary Policy
 - Restoration of furlough days; return to FY 2009 salary scales (2.5% increase)
 - Steps and lanes funded
 - Significant Pension increase from 15.27% to 17%
- Transportation- 25% proposed cost-share eliminated in final budget; 2.5% decrease in transportation operations formula from FY10 continued ; districts must pay from local funds for Unique Hazards; new committee established to recommend implementation of countywide pupil transportation
- Minor cap funded; continued matching authority for match tax
- Division II decreased from \$3,115 to \$2,955 (\$160) per unit; Division III and Tax Relief funds fixed
- Needs-Based Funding included in Epilogue
- Financial system conversion language

Recommended Tax Rates FY2011

Tax Category	2009-2010 Rates	2010- 2011 Rates	Difference	Dollar Value
Current Expense	\$1.176	\$1.226	\$0.050	\$60,627,133
Tuition	\$0.317	\$0.297	(\$0.020)	\$14,816,700
Debt Service	\$0.151	\$0.141	(\$0.010)	\$7,034,191
Minor Cap.	\$0.030	\$0.023	(\$0.008)	\$1,465,898
TOTAL	\$1.674	\$1.687	\$0.013	\$83,943,922

Includes both residential and non-residential

Per \$100 of assessed value

Assumes 97.5% collection rate

Increase value per average assessment \$9.55

5 Year Rate History

Year	Current Expense	Tuition	Debt Service	Minor Cap	TOTAL
2006-07	\$0.924	\$0.250	\$0.157	\$0.000	\$1.331
2007-08	\$0.976	\$0.320	\$0.157	\$0.030	\$1.483
2008-09	\$1.126	\$0.327	\$0.141	\$0.030	\$1.624
2009-2010	\$1.176	\$0.317	\$0.151	\$0.030	\$1.674
2010-2011	\$1.226	\$0.297	\$0.141	\$0.023	\$1.687

Current Expense

Tax Category	2009-2010 Rates	2010- 2011 Rates	Difference	Dollar Value
Current Expense	\$1.176	\$1.226	\$0.050	\$60,627,133

Referendum initiatives – Year 3

- Continuation of Year 1 and 2 initiatives including Full Day K, After-school activities and clubs, performing arts budget, athletics, instructional budget increases, security improvements
- Operational Cost increases +1,140,599
- Textbook replacement +\$400,000
- Library book replacement +\$100,000
- Technology replacement +\$200,000

Minor Capital Improvement/Match Tax

\$.023/100

Revenue From Match Tax:	\$1,122,477
Balance Available July 1, 2010:	\$343,421
TOTAL AVAILABLE FUNDS	\$1,465,898
Expenditures:	
Minor Capital Improvement	\$558,178
State Technology Maintenance	\$624,238
Asbestos Contingency	\$50,000
Minner Resource Teachers (Reading/Math)	\$118,977
TOTAL EXPENDITURES	\$1,351,393
Projected Balance 6/30/11	\$114,505

Debt Service \$.141/100

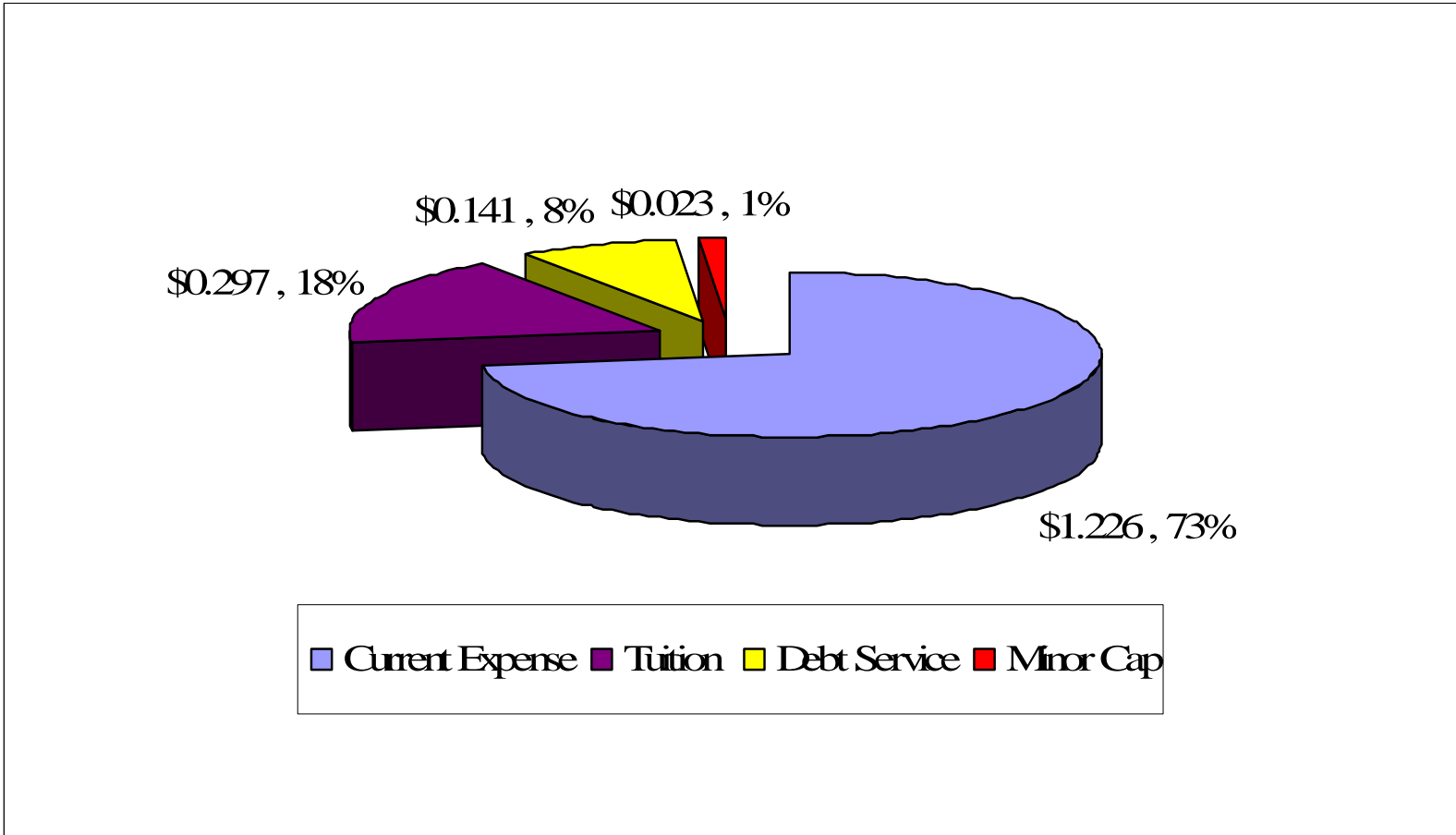
Debt Service Tax Rate Requirements:	FY 2011
Revenue From Debt Service Tax:	\$7,034,191
Balance Available July 1, 2010:	\$3,987,470
CSW Rent	\$234,166
Interest Income	<u>\$59,118</u>
Available Funds	\$11,314,945
Estimated Debt Service amount	
including first four months of FY2011	<u>\$11,250,743</u>
Balance at Year End of October 2011	\$64,202
Tax Rate:	14.1 cents per \$100 of assessed value

Tuition \$0.297/100

	FY10 Final Budget	FY11 Preliminary Budget	Difference Final vs. Prelim
Revenue			
Opening Balance -Tuition Funds	1,162,170	1,872,893	710,723
Tuition Tax	15,714,685	14,816,700	(897,985)
Tuition billing	548,109	669,184	121,075
State Revenue (1st State, Unique Alt)	764,500	597,358	(167,142)
Federal Stimulus - State Stabilization LEP	423,023	423,023	0
Total Tuition Revenue	18,612,487	18,379,158	(233,329)
Expenditures			
Payable from FY07 - loan repayment	587,114	0	(587,114)
Tuition Payments to Other Agencies	2,645,321	2,293,579	(351,742)
*Unique Alternatives/Private Placement	1,037,122	762,206	(274,916)
Consortium	302,975	314,175	11,200
Meadowood Program	5,396,625	4,800,000	(596,625)
Intensive Learning Centers	4,940,000	4,840,000	(100,000)
*ELL/LEP	2,164,870	1,823,023	(341,847)
*First State School	928,119	729,000	(199,119)
Tuition Contingency	471,441	444,501	(26,940)
Total Expenditures	18,473,586	16,006,484	(2,467,102)
			0
Ending Balance - FY 2011	138,901	2,372,674	2,233,774
Remaining Payable to 32	0	0	0

*includes state funding allocations

All rates – Breakdown by Percentage



Next Steps

- Tax Warrant Delivered to County July 8, 2010
- New Financial System July 19, 2010
- Preliminary Budget Presentation – August 18, 2010 Board Meeting; Warner Elementary
- Adoption of Preliminary Budget – September, 15, 2010 Board Meeting; Warner Elementary