

Recommended Tax Rate
Fiscal Year 2022

Red Clay Consolidated
School District

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July 7, 2021

Rate development assumptions

- 14 Del. C. §1916(d) requires Tax Warrant be submitted to New Castle County by July 8, 2021
- Red Clay's assessed property \$5,350,057,761.
- Net value of assessment increased by .18%
- Tax pool allocation factor frozen for seventh year - unresolved issue with calculation of Intense/Complex students.
- Equalization formula frozen again in FY22. Without reassessment, formula no longer functions as intended and is further skewed by disparities in County assessments. Impact of lawsuit settlement forthcoming.
- Tax collection delinquency rate 1%
- Budget and tax rate supported by temporary, one-time federal support but creates sustainability issues in out years

FY22 – State Budget and legislation

- State salary increase 1% or \$500 and steps funded plus one-time \$1000 supplement in November
- Small pension rate increase
- Increase in FY22 state budget for Minor Capital Improvement in Bond Bill
- Opportunity Funding increased as a result of the settlement; first year of phased-in increase
- K-3 Basic codified with phase-in to reduce divisor over 3 years
- Projected unit growth remains funded; unit count on September 30. Agreement to study impact of mid-year unit count changes
- HB100 increased supports for mental health
- Veteran's Tax Relief Education Expense fund established
- Districts working with DOE for application and distribution of federal ESSER funding
- Other legislation to note: \$10M Redding consortium and New Castle County resolution regarding intent to perform on-going reassessment

Recommended Tax Rates FY22

Tax Category	2021-2022	2020-2021	Difference	Local Tax Rate Dollar Value
Current Expense	\$1.576	\$1.576	\$0.000	\$81,649,324
Tuition	\$0.527	\$0.537	(\$0.010)	\$28,391,779
Debt Service	\$0.120	\$0.110	\$0.010	\$5,874,566
Match Tax	\$0.075	\$0.085	(\$0.010)	\$4,539,438
TOTAL	2.298	2.308	-0.01	\$120,455,107

Includes both residential and non-residential

Per \$100 of assessed value

Assumes 99% collection rate

Amount per average household \$1,840 – reduction of \$8.01

Current Expense \$1.576/100 (No Change)

Tax Category	2021- 2022	2020- 2021	Difference	Local Tax Rate Dollar Value
Current Expense	\$1.576	\$1.576	\$0.000	\$81,649,324

Funds operating budget. Voter approved tax; last operating referendum 2015. FY18 third of three year phase-in plan of \$.20/.10/.05. No increase in FY22. FY22 Preliminary Budget expenses exceed revenues for first time. Revenue will need to be considered in future years.

Debt Service \$.12/100 (+.01 cent)

Tax Category	2021- 2022	2020- 2021	Difference	Local Tax Rate Dollar Value
Debt Service	\$0.120	\$0.110	\$0.010	\$5,874,566

Bond repayment schedules for 20 year Debt Service. Rate has been steadily declining as we near completion of bond payments from 2002 major capital campaign. Rate can fluctuate based on timing of payments as 15 months of payments are budgeted. Currently finishing close out of 2012 \$117M Capital Improvement Program and finalizing needs assessment for future projects.

MCI and Match Tax \$.075/100 (-.01 cent)

Tax Category	2021- 2022	2020- 2021	Difference	Local Tax Rate Dollar Value
Match Tax	\$0.075	\$0.085	(\$0.010)	\$4,539,438

Technology Match - \$652,707

Minor Capital Improvement - \$955,939

RTI/Resource Teachers - \$822,144

Extra Time Match - 0

K-4 Reading - \$407,350

Opportunity Fund Match - \$1,008,102

Tuition \$0.527/100 (-\$.01 cent)

Tax Category	2021- 2022	2020- 2021	Difference	Local Tax Rate Dollar Value
Tuition	\$0.527	\$0.537	(\$0.010)	\$28,391,779

- Increase in Autism services; additional 7 building-based classrooms
- Continue full time psychologists and special education coordinators in all buildings. Able to increase support for mental health supports through Opportunity Fund and HB100
- Increase in 2 PreK special education teachers and itinerant services
- Increased funding for Teacher of the Deaf
- Increase in related services for projected growth
- Increase in services with net decrease in tuition tax due to carry-over from previous year and state and federal funding expansion and Opportunity Funding to support ELL services

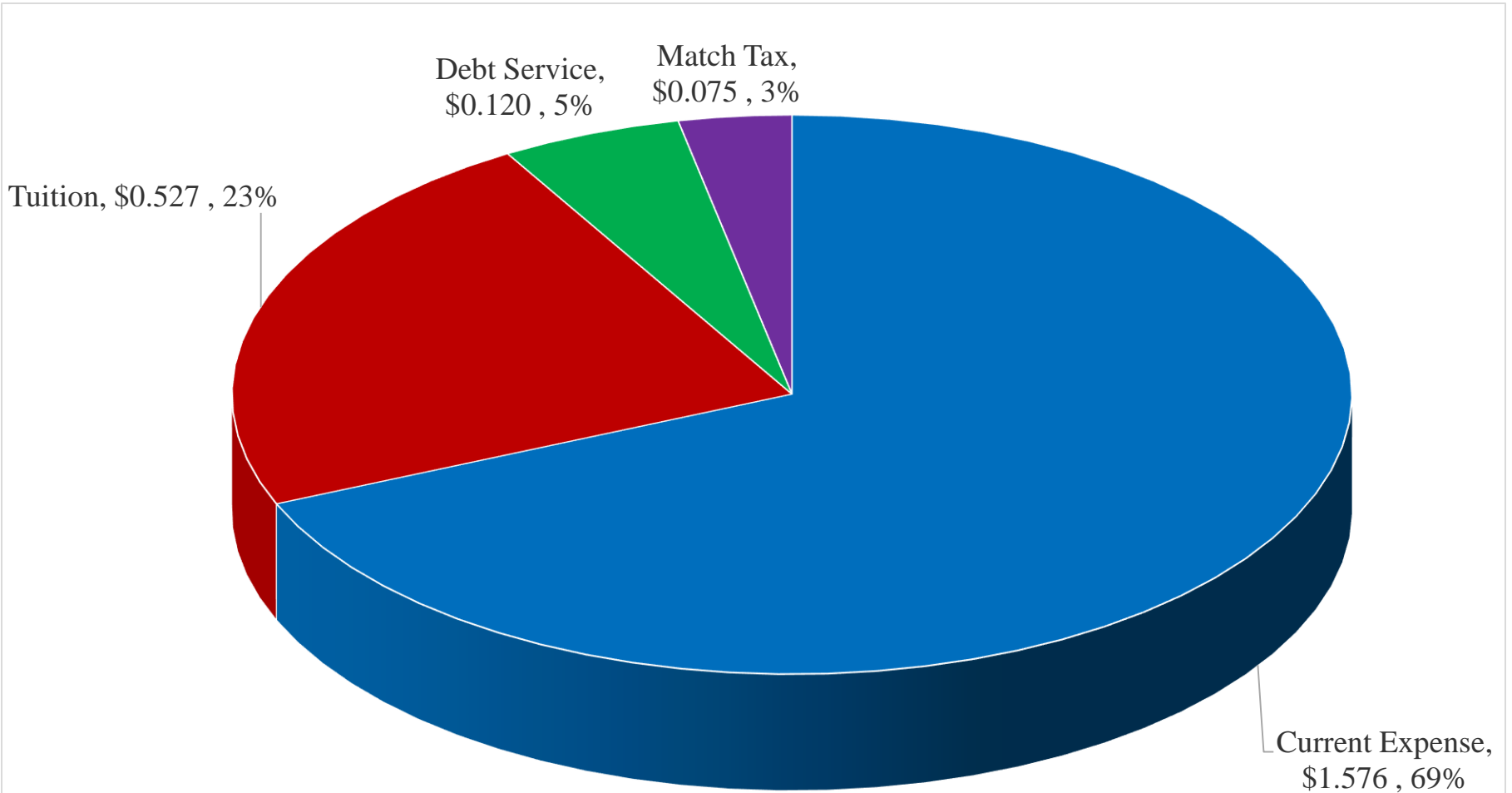
5 Year Tax Rates History

Year	Current Expense	Tuition	Debt Service	Match Tax	TOTAL	Percent Incr/Decrease
2017-2018	\$1.576	\$0.472	\$0.216	\$0.050	\$2.314	6.44%
2018-2019	\$1.576	\$0.482	\$0.170	\$0.070	\$2.298	-0.69%
2019-2020	\$1.576	\$0.512	\$0.140	\$0.080	\$2.308	0.44%
2020-2021	\$1.576	\$0.537	\$0.110	\$0.085	\$2.308	0.00%
2021-2022	\$1.576	\$0.527	\$0.120	\$0.075	\$2.298	-0.43%

Includes both residential and non-residential

Per \$100 of assessed value

Percentage Tax Rate By Category



Next Steps

- Tax rate was reviewed and recommended by CFRC on July 6, 2021
- Upon approval, Tax Warrant Delivered to New Castle County July 8, 2021 for tax bills to be prepared and sent.
- Majority of tax revenues received in Sept/Oct. Impact of September 30 unit count will guide final budget
- Continued Community Financial Review Committee meetings
- August, 2021 Board approval of FY22 Preliminary Budget
- Continued work of reopening work groups and action plans for upcoming school year.
- Application for Federal CARES funding August, 2021
- December 2021 Final FY22 Budget based on September 30 unit count
- January, 2022 Governor's Recommended 2023 Budget