



# **FY25 Tax Rates Preliminary Budget**

**July 10, 2024**

**Presented by  
Ted Ammann, MBA, Ed.D.  
Chief Operating Officer**



# Tax Rate Development:

- 14 Del. C. §1916(d) requires Tax Warrant be submitted by 7/11/24
- Red Clay's assessed property \$5,470,561,830, **Down .5%**
- Tax collection delinquency rate assumption 1%
- Incorporates increases approved in 2024 Referendum
- The CFRC reviewed and recommended the FY25 Budget and Tax Rates at the July meeting



# FY25 State Budget

- Incorporates PECC Recommendations increasing salaries and/or modifying classifications (Approx \$7.7M)
- Opportunity Funding: 3rd of 3 planned increases +\$921,974
- Block grant funding for HB200 and Athletic Trainers
- One time Enhanced Minor Capital Improvement funding +\$1,231,684
- Maintains the “Giveback” - approximately \$2.7M



# Current Expense

## \$1.876/\$100

Tax Category	FY24	FY25	Difference	Dollar Value
Current Expense	\$1.576	\$1.876	\$0.3000	\$100,231,342

Funds operating budget. Voter approved tax. Increase in FY25 as a result of approved referendum in Feb. 2024. FY25 preliminary budget is balanced.



# Debt Service \$0.132/\$100

Tax Category	FY24	FY25	Difference	Dollar Value
Debt Service	\$0.130	\$0.132	\$0.002	\$7,148,930

- Funds principal and interest payments for bonds approved through Major Capital Improvement Referenda
- Required to collect funds to cover the first four months of the next fiscal year (FY26) as well as to assume for 10% in uncollected debt
- This rate assumes 1% in uncollected debt. Red Clay will continue to be able to fund all necessary debt obligations.



# Tuition Tax \$0.567/\$100

Tax Category	FY24	FY25	Difference	Dollar Value
Tuition	\$0.527	\$0.567	\$0.040	\$30,707,905

Funds tuition programs including Pre-K, First State School, Meadowood, MLL, Needs Based. **New state regulation adds funding for Complex and Intense students attending charter schools but not for students who choice.**



# Match Tax \$0.083/\$100

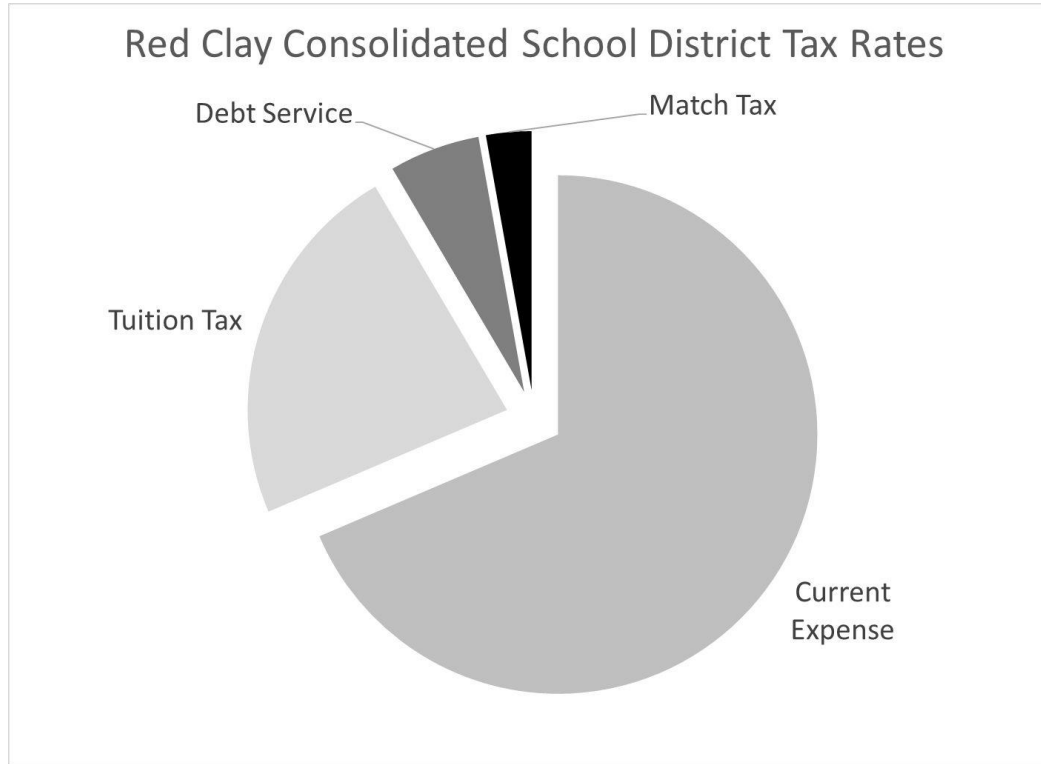
Tax Category	FY24	FY25	Difference	Dollar Value
Match Tax	\$0.065	\$0.083	\$0.018	\$4,495,161

Passes on local costs for state initiatives. This includes local funding for minor capital improvements, resource teachers, technology maintenance, athletic trainers, and extra time.

Increase driven by increased salary costs and increases to Opportunity Funds



# Tax Component Chart







# 5 Year Tax Rate History

Year	Current Exp.	Tuition	Debt	Match	Total
FY21	\$1.576	\$0.537	\$0.110	\$0.085	\$2.308
FY22	\$1.576	\$0.527	\$0.120	\$0.075	\$2.298
FY23	\$1.576	\$0.527	\$0.120	\$0.075	\$2.298
FY24	\$1.576	\$0.527	\$0.130	\$0.065	\$2.298
FY25	\$1.876	\$0.567	\$0.132	\$0.083	\$2.658
<b>Total Tax Rate increase over last 4 years: 15.1% or 3.78%/year</b>					

Rates are set per \$100/assessed value and apply to residential and non-residential properties. Assumes 99% collection rate.

# FY25 Preliminary Budget



**RED  
CLAY**  
CONSOLIDATED  
SCHOOL DISTRICT



# FY24 Budget vs Actual Highlights

- Total State and Local Revenues: \$276,979,609 Actual
  - 103% of estimated
- Total Expenditures: \$277,061,733 Actual
  - 99.7% of estimated
- Local Funds ending balance: \$5,704,352
  - 111% of estimated



# FY24 Significant Details

- Decrease in Local Tax Receipts due to reassessment of two properties.  
Total decrease from just two properties: \$1,098,090
- Interest provided by the OST continued to be higher than expected
- Substitute costs 30% higher than estimated
  - additional PTO provided by state, better fill rates, end of ESSER funds
- Related Services 30% higher than estimated
  - increases in contractor rates, increases in student needs, end of ESSER funds
- Technology costs 10% lower than estimated
- Local Salaries were 99.5% of estimated



# FY25 Budget Highlights

- Adjusts for decrease in overall assessed value
  - \$1.273,691 less than anticipated
- Incorporates February Referendum Revenue
  - Balanced Budget, no deficit spending
  - Limits budget growth to those identified in Referendum materials



# FY25 Budget Additions

- Increases in Curricular and Strategic Plan Initiatives
- Additional constable support
- Maintains building based substitutes
- Increases in local salaries and compensation (Approx. \$4.9M)
  - At least 3% for collective bargaining groups (2.5% Admin.)
  - Longevity increases - begin as much as 11 years sooner
  - EPER Rates - increase 5%
  - Teacher leadership stipends related to special needs - \$70,000
  - Tuition reimbursement - increase 400%
  - Healthcare Stipend - increase 14%
  - Reimbursement for WCWT - increase \$130,000



# FY25 Operating Revenue Summary

Description	FY24 Final Budget	FY25 Preliminary Budget
Opening Balance	\$14,381,186	\$5,704,352
Total Local Revenue	\$92,684,649	\$110,975,203
Total State Revenue	\$184,294,960	\$188,124,791
Total Available	\$291,360,795	\$304,804,346



# FY25 Operating Expense Summary

Description		FY25 Preliminary Budget
Total Available (State and Local)	\$291,360,795	\$304,804,346
Total Expenditures	\$277,061,733	\$298,808,692
Estimated Closing Balance*		\$5,995,654
Estimated difference in local funds balance		+\$291,302

\* Red Clay carries a local reserve of \$5,000,000





# Federal Funds

Category	FY24	FY25	Difference	% Change
Title I	\$6,378,430	\$6,452,652	\$74,222	1.2%
Title II	\$1,161,153	\$1,179,983	\$18,830	1.6%
Title III	\$284,434	\$276,914	-\$7,520	-2.6%
Title IV	\$740,508	\$740,508	\$0.00	0.0%
IDEA	\$4,542,087	\$4,478,431	-\$63,656	-1.4%
Vocational	\$436,686	\$445,982	\$9,296	2.1%
PreK	\$143,977	\$143,099	-\$878	-0.6%
<b>Total</b>	<b>\$13,687,275</b>	<b>\$13,717,569</b>	<b>\$30,297</b>	<b>0.2%</b>



# Total District Budget

Source	Budgeted Expenditures
State/Local Operating	\$298,808,682
Match Tax	\$4,847,640
Debt Service	\$9,671,938
Tuition	\$38,951,340
Federal Programs	\$13,717,569
Nutrition	\$13,550,000
<b>Total</b>	<b>\$379,547,179</b>



# Next Steps

- Upon approval, Tax Warrant delivered to NCC on 7/11/24
- FY25 Budget Board Approval on 8/21/24
- Majority of tax revenues received in Sept. and October
- Student count/staffing reviewed after 9/30/24
- FY25 Final Budget Board Approval 2/12/25
- Spring discussions about impact of reassessment
- Ongoing Community Financial Review Committee Meetings