

Recommended Tax Rate
Fiscal Year 2012

Red Clay Consolidated
School District
July 6, 2011

Rate development considerations

Four rate categories:

- Current Expense
 - local operating funds
 - set by voters, no increase in FY12
- Minor Capital Improvement/Match Tax
 - Local share based on % match of state funds
 - Includes minor capital improvements and technology maintenance match
- 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); new category for needs-based funding units
- Debt service
 - Local share of principal and interest payments through October, 2012 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 14, 2011
- Red Clay's assessed property \$5,130,511,476.
Net value of assessment increased by \$13.8M or .27% (less than half from FY11)
- Tax pool allocation factor decreased from .29271437780 to .29086310460 (0.63%) ; Red Clay loss to tax pool \$1.3M, an increase from FY11

State Budget Update

- Tax Relief – State funding eliminated from general fund operating budget and 9/30/11 expiration of State Fiscal Stabilization Funds. Prior funding categories included: Reading and Math resource teachers, technology block grant, student success block grant, local salaries, LEP grant, academic excellence allotment. EdJobs funding expires 9/30/12
- Salary Policy
 - 2% increase effective January 1, 2012

Financial System Conversion

- Completion of first full year; ended FY12 within \$100,000 of final budget
- 4,481 Requisitions created and 5,354 Purchase Orders; 14,408 Vouchers paid
- Changes for FY12
 - Local appropriations renumbered
 - Federal funds remain the same and continue to be problematic
- System down until July 18 for processing FY12
- Upgrade scheduled for end of FY12
- Epilogue language regarding 5 mandatory use contracts for schools

Recommended Tax Rates FY2012

Tax Category	2011- 2012 Rates	2010- 2011 Rates	Difference	Local Tax Rate Dollar Value
Current Expense	\$1.226	\$1.226	\$0.000	\$60,779,338
Tuition	\$0.272	\$0.297	(\$0.025)	\$13,675,891
Debt Service	\$0.141	\$0.141	\$0.000	\$7,089,341
Minor Cap.	\$0.023	\$0.023	\$0.000	\$1,476,293
TOTAL	\$1.662	\$1.687	(\$0.025)	\$83,020,864

Includes both residential and non-residential

Per \$100 of assessed value

Assumes 98% collection rate

Decrease value per average assessment (\$19.29)

5 Year Rate History

Year	Current Expense	Tuition	Debt Service	Minor Cap	TOTAL
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
2011-2012	\$1.226	\$0.272	\$0.141	\$0.023	\$1.662

Current Expense

Tax Category	2011- 2012 Rates	2010- 2011 Rates	Difference	Local Tax Rate Dollar Value
Current Expense	\$1.226	\$1.226	\$0.000	\$60,779,338

-Funds general operating budget. Continuation of initiatives from 3 Year Referendum Plan

Minor Capital Improvement/Match Tax

\$.023/100

Revenue From Match Tax:	\$1,156,417
Balance Available July 1, 2011:	\$319,876
TOTAL AVAILABLE FUNDS	\$1,476,293
Expenditures:	
Minor Capital Improvement	\$769,342
State Technology Maintenance	\$625,922
Asbestos Contingency	\$25,000
TOTAL EXPENDITURES	\$1,420,264
Projected Balance 6/30/12	\$56,029

State share increased from \$837,267 in FY11 to \$1,154,013 in FY 12;
local share increased from \$558,178 to \$769,342.

Technology has fixed formula; no State match since FY01

Debt Service \$.141/100

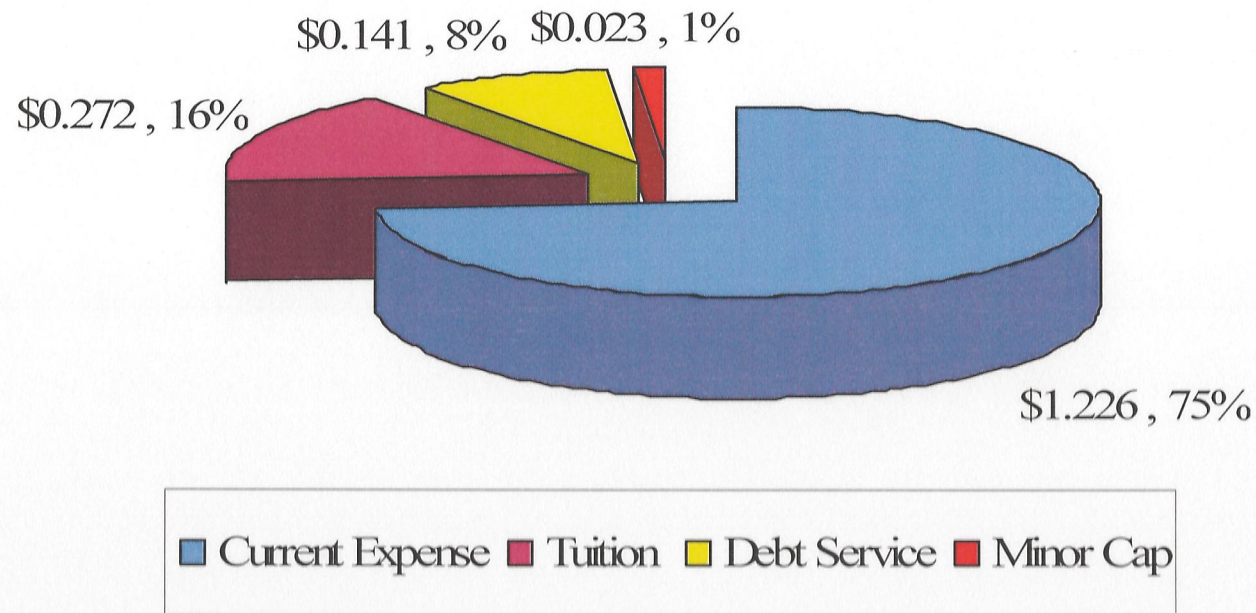
Debt Service Tax Rate Requirements:	FY 2012
Revenue From Debt Service Tax:	\$7,089,341
Balance Available July 1, 2011:	\$3,562,142
CSW Rent	\$238,849
Interest Income	<u>\$59,118</u>
Available Funds	\$10,949,450
Estimated Debt Service amount	
including first four months of FY2013	<u>\$10,947,200</u>
Balance at Year End of October 2013	\$2,250

Tuition \$0.272/100

	FY11 Final Budget	FY12 Preliminary Budget	Difference FY11 vs. FY12
Revenue			
Opening Balance -Tuition Funds	1,872,893	1,822,796	(50,097)
Tuition Tax	14,816,700	13,675,891	(1,140,809)
Tuition billing	669,184	582,037	(87,147)
State Revenue (1st State, Unique Alt)	617,358	609,638	(7,720)
Stabilization - State LEP	423,023	-	(423,023)
Total Tuition Revenue	18,399,158	16,690,362	(1,708,796)
Expenditures			
Tuition Payments to Other Agencies	2,408,258	2,574,853	166,595
*Unique Alternatives/Private Placement	762,206	786,846	24,640
Consortium	314,175	343,222	29,047
Meadowood Program	4,800,000	2,900,000	(1,900,000)
Intensive Learning Centers	4,840,000	3,640,000	(1,200,000)
*ELL/LEP	1,823,023	1,700,000	(123,023)
**First State School	729,000	679,500	(49,500)
Needs-Based Local Unit Funding	-	1,250,000	1,250,000
Tuition Contingency	444,501	410,277	(34,224)
Total Expenditures	16,121,163	14,284,697	(1,836,466)
Ending Balance - FY 2012	2,277,995	2,405,665	127,670

*Decreases do not reflect a reduction in expenditures but a change in funding source under needs-based formula.

All rates – Breakdown by Percentage



Next Steps

- Tax Warrant Delivered to County July 7, 2011
- Community Financial Review Committee meeting August 8, 2011 to review FY11 close out reports and preliminary Fy12 discussions
- Preliminary Budget Presentation – August 19, 2011 Board Meeting; Warner Elementary