



## **TAX RATE PROPOSAL**

**FISCAL YEAR 2018**

**PRESENTED JULY 11, 2017**

**WOODBIDGE SCHOOL DISTRICT**

**BOARD OF EDUCATION**

Woodbridge School District does not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, marital status, disability or age in its employment, programs, and activities. (Woodbridge School District no discrimina en base de la raza, del color, de la religion, del origen nacional, del sexo, de le orientacion sexual, del estado vicil, del disability o de la edad en su empleo, programas, y actividades.) Derek Prillaman, Assistant Superintendent: OCR/Title IX; Section 504 Coordinator, Michele Marinucci, Director of Student Services – Woodbridge School District, 16359 Sussex Highway, Bridgeville DE 19933 (302) 337-7990.

## EXPLANATION OF SCHOOL TAXES

A property tax is charged to all owners of property within the Woodbridge School District. This tax is based upon the assessed value of the property and is expressed in dollars and cents per \$100 of assessed value. The total property tax rate actually is a compilation of the following four distinctly separate tax rates.

- 1. Current Operating Expenses:** This tax rate provides revenue to cover operating costs, such as teaching materials, textbooks, insurance and local salary expenditures. This rate can only be increased through referendum.
- 2. Tuition:** This tax rate provides revenue to pay tuition costs of Woodbridge School District students who must attend special schools within and outside of the State. Examples include Sussex Consortium, the Delaware Early Childhood Center, Intensive Learning Centers, Sussex Orthopedic, the Sterck School, and residential schools. The Board of Education sets this rate annually based upon anticipated needs of the student body. This rate is quite unpredictable and subject to significant variance.
- 3. Debt Service:** This tax rate provides revenue to pay principal and interest associated with bonds sold for major capital improvements, such as new construction, additions, and renovations. The State and local school districts share in the costs of such projects. The State share is based upon the State Equalization Formula and ranges from a high of 80% to a low of 60%. Woodbridge School District receives 72% of projected capital costs from the State and must obtain the remaining 28% through local property tax. The Delaware Department of Education (DOE) initially approves projects through a Certificate of Necessity (CN). Voters must approve the projects through a referendum. In approving the projects, voters are also authorizing the incurrence and payment of debt (through 20-year bonds as required by

Delaware Law) necessary to finance the projects, The Board of Education annually sets the debt service tax rate in order to meet bond interest and principle payments.

**4. The “Match Tax” (Minor Capital Improvement, Technology, Extra-Time Programs, Reading and Math Resource Teachers):** This tax allows school districts to obtain local funding to work in concert with State funds for a common purpose. In some cases, the State mandates a local match before providing State funds. In other cases, the local match is optional. Currently, there are five programs the State requires/allows a local match tax:

**a. Minor Capital Improvements (MCI):** This tax provides revenue to maintain facilities and to ensure compliance with health and safety standards. The State provides \$6 for every \$4 local taxpayers provide, up to a ceiling amount as established each year in the Capital and Bond Appropriations Act (Bond Bill). The Board of Education sets the minor capital improvement rate annually based upon anticipated needs and the amount of State funding available. State funds are only provided upon receipt of local funds.

b. **Technology:** This tax provides revenue to maintain and replace technology. In FY99 the State created a 3-year allocation of funds for school districts to procure technology. The State stopped funding this program after FY01. The Board of Education may reduce and/or eliminate the technology match tax at any time but cannot assess at a higher rate without approval of taxpayers through a local referendum.

c. **Extra-Time Programs:** This tax is to obtain local matching funds to support before, after and summer-school programs. State funding is provided up to a ceiling amount. Local taxes can then be collected to provide a \$3 local match for every \$7 of State funding provided. The local match is voluntary. The State funds are received with or without the local match.

d. **Elementary School Reading Resource Teachers:** This tax is to obtain the local share of payroll costs (salary and benefits) for Reading Resource Teachers authorized in the State budget. The “match” is capped at 30% of the total payroll costs.

e. **Middle School Mathematics Resource Teachers:** This tax is to obtain the local share of payroll costs (salary and benefits) for Middle School Mathematics Resource Teachers authorized in the State budget. The “match” is capped at 30% of the total payroll costs.

**WOODBIDGE SCHOOL DISTRICT  
PROPERTY TAX CALCULATION FOR FY18**

<b>TAX RATE</b>	<b>SUSSEX FY17</b>	<b>PROPOSED SUSSEX FY18</b>	<b>KENT FY17</b>	<b>PROPOSED KENT FY18</b>
Current Expenses	\$1.724	\$1.724	\$0.713	\$0.713
Tuition	\$0.699	\$0.843	\$0.229	\$0.276
Debt Service	\$0.940	\$0.871	\$0.308	\$0.286
Match Tax	\$0.246	\$0.171	\$0.081	\$0.056
<b>Total Tax Rate</b>	<b>\$3.609</b>	<b>\$3.609</b>	<b>\$1.331</b>	<b>\$1.331</b>
% Change		<b>0.0%</b>		<b>0.0%</b>

Capitation Rate to remain at \$8.82 for Sussex and Kent Counties.

<b>MATCH TAX</b>	<b>SUSSEX FY18</b>	<b>KENT FY18</b>
MCIP	.0495	.016
Extra Time	.050	.016
Technology	.0365	.012
Math	.0175	.006
Reading	.0175	.006
<b>TOTAL</b>	<b>0.171</b>	<b>0.056</b>