

# Milford School District

---

Preliminary Tax Rate Proposal

June 26, 2023

# School Tax Rate

---

- **Four separate components**
  - **Current Expense**
  - **Debt Service**
  - **Match Tax**
  - **Tuition Tax**

# School Tax Rate

---

## **Fiscal Year 2024 – Major Impacts on School Tax Rates**

- **Growth in property assessments (*NOT REASSESSMENT*)**
- **Second Bond Sale for Milford Middle School Project**
- **Debt Service planning**

# Current Expense

---

- **This tax rate provides revenue to cover operating costs, such as teaching materials, textbooks, technology, insurance, athletic and academic programs, and local salary expenditures, etc.**
- **No changes can occur to the approved rate unless passed through referendum**
- **Current funding structure requires districts to plan for and save to allow many years with no operational revenue increases**
- **State requires districts to keep a “reserve” to ensure local obligations including payroll can be met in the event of a fiscal downturn**

# Current Expense

---

- **Current Expense Referendum set rate on October 6, 2015**
  - **Rate will remain unchanged for Fiscal Year 2024**
  - **Rate for Fiscal Year 2024**
    - **Sussex: 3.2188**
    - **Kent: 1.1390**

# Match Tax

---

- **Set by the local board of education and does not require referendum approval**
- **Milford is currently only assessing the Minor Capital Improvement match tax in order to receive the state funding for building and grounds repairs and maintenance**
  - **Other Match Taxes Allowable:**
    - **Extra Time**
    - **Technology**
    - **Reading Specialists**
    - **Math Specialists**
    - **Reading Interventionist**
    - **State Opportunity Grant**

# Match Tax

---

- **Match Tax for Minor Capital Improvements FY2024**
  - **Rate**
    - **0.0962 Sussex County (Prior Year – 0.0984)**
    - **0.0340 Kent County (Prior Year – 0.0348)**

# Tuition Tax

---

- **This tax rate provides revenue to pay the tuition costs of Milford School District students with special needs who require specialized services within the district or who must attend special schools within and outside of the State of Delaware**
- **Continue to implement strategies to stabilize Tuition Tax expenses**
- **Have expanded in-district program offerings**
- **Continue to maintain contingency to offset sharp increases in one fiscal year**
- **Rate**
  - **0.6225 Sussex County (Prior Year – 0.9933)**
  - **0.0340 Kent County (Prior Year – 0.3514)**



# Debt Service

---

- **This tax rate provides revenue to pay principal and interest payment associated with bonds sold for major capital improvements, such as new construction, additions and renovations**
- **Set by referendum vote for capital projects**
- **Rate fluctuates annually depending on bond payment schedule**

# Debt Service

---

- **Milford Middle School Project Bonds**
- **Debt Service planning for several years to maintain tax rate stability**
- **Rate:**
  - **0.7263 Sussex County (Prior Year – 0.3852)**
  - **0.2570 Kent County (Prior Year – 0.1363)**

**Sussex County**

CATEGORY	FY 2023	FY 2024	CHANGE	
CURRENT EXPENSE	\$ 3.2188	\$ 3.2188	\$ -	0.0%
TUITION	\$ 0.9933	\$ 0.6225	\$ (0.3708)	-37.3%
DEBT SERVICE	\$ 0.3852	\$ 0.7263	\$ 0.3411	88.6%
MATCH TAX - MCI	\$ 0.0984	\$ 0.0962	\$ (0.0022)	-2.2%
MATCH TAX - EXTRA-TIME			\$ -	
MATCH TAX - TECHNOLOGY			\$ -	
MATCH TAX - READING				
SPECIALISTS			\$ -	
MATCH TAX - MATH SPECIALISTS			\$ -	
<b>TOTAL TAX RATE</b>	<b>\$ 4.6957</b>	<b>\$ 4.6638</b>	<b>\$ (0.0319)</b>	<b>-0.6%</b>

**Kent County**

CATEGORY	FY 2023	FY 2024	CHANGE	
CURRENT EXPENSE	\$ 1.1390	\$ 1.1390	\$ -	0.0%
TUITION	\$ 0.3514	\$ 0.2203	\$ (0.1311)	-37.3%
DEBT SERVICE	\$ 0.1363	\$ 0.2570	\$ 0.1207	88.6%
MATCH TAX - MCI	\$ 0.0348	\$ 0.0340	\$ (0.0008)	-2.3%
MATCH TAX - EXTRA-TIME			\$ -	
MATCH TAX - TECHNOLOGY			\$ -	
MATCH TAX - READING				
SPECIALISTS			\$ -	
MATCH TAX - MATH SPECIALISTS			\$ -	
<b>TOTAL TAX RATE</b>	<b>\$ 1.6615</b>	<b>\$ 1.6503</b>	<b>\$ (0.0112)</b>	<b>-0.6%</b>

*Debt Service planning and Property assessment growth has allowed the district to decrease the tax rate for the 7<sup>th</sup> year while selling a new Bond for the Milford Middle School project.*

# Questions

---