

# FY26 Tax Rates

July 9, 2025



# Agenda

- Setting tax rates during a reassessment
- Risks
- Tax Rate recommendations
- Questions

# Calculating Tax Rates in a Reassessment Year

- In an ordinary year, we have an Assessed Value report from New Castle County Assessment office and we have a rate set by referendum and we calculate the revenue
- This year, we received a file from Tyler Technologies, the vendor that completed the reassessment and had to account for variables such as appeals before calculating a rate.

$\text{AssessedValue} * \text{Rate} * \text{Collection Rate} = \text{Revenue}$

- Collection Rate to calculate revenue has been between 98-99% over the last 5+ years.

# Reassessment Appeals & Risks

Two types of appeals were provided

1. Property owners who requested an appeal and identified the amount they are appealing
  - a. 1114 Properties - Average parcel value: \$618,465
    - i. Total Assessed Value: \$688,971,024
    - ii. Total At Risk: \$182,011,980 (26.4%)
2. Property owners who requested an appeal with a T.B.D. appeal amount
  - a. 263 Properties - Average parcel value: **\$1,417,285**
    - i. Total Assessed Value: \$371,328,644
    - ii. Total At Risk: ??? (Assumed 26.4%)
  - b. Significantly higher valued parcels
    - i. 148 Parcels over \$1,000,000
    - ii. 6 Parcels over \$10,000,000
    - iii. 1 Parcel at \$91,320,000

# Setting our new Tax Rates

- Revenue Neutral plus 1% (1/10th of the allowable increase)
  - FY25 Total Assessed Property Value: \$5,469,247,954
  - FY26 Total Assessed Property Value: \$24,677,584,821
    - Assessed Value \* Rate \* Collection Rate = Revenue
    - $\$24,677,584,821 * \text{Rate} * .97 = \$109,035,950 + \$979,684$ 
      - Rate: \$0.4596/\$100 of Assessed Value

Last year's net operating receipts were \$97,968,352

# Will all tax increases be a result rate increases?

School tax bills may increase or decrease based on a variety of factors including:

- A reassessment reflects changes in property values over time. Tax rates are based on the total assessed value of the district. Individual properties may not have increased at the same rate as the overall value.
  - Properties that have increased in value more than the average will see a larger increase in their taxes
  - Properties that have not increased as much as the average will see less of an increase, or decrease in their taxes

# Examples

Total Assessed Value	Parcel X	Parcel Y	Parcel Z
\$5,469,247,954	\$50,200	\$42,700	\$42,300
\$24,677,584,821	\$236,500	\$134,600	\$261,500
451%	471%	315%	618%

# How Can I Compare Tax Rates From Before and After Reassessment?

The Red Clay Consolidated School District will [publish](#) tax rate on our website using FY26 rates as well as an “roll back” rate for comparison purposes.





# Debt Service

- Voters approved a Major Capital Improvement Project in February of 2024.
- Debt Service rates are set by the board and are required to cover the cost of our bond payments AND the cost of bond payments for the first four months of the next fiscal year and an additional 10% for uncollected debt\*
- We are recommending the board set the rate to be \$0.0435/\$100
- This increase is based on the 2024 Referendum

\*Red Clay has historically used a lower number than 10% for uncollected debt and has been able to make required payments.

# Tuition Tax

- This tax covers special programs such as Meadowood, PreK, Needs Based Funding, Private Placements
- Each July the board sets this rate based on the revenue required for these programs.
- We are recommending that our board set the Tuition Tax at \$0.1445/\$100 of assessed value.
- Increases in this rate reflect increases in costs related to running our special programs

# Match Tax

- Match tax covers programs that the General Assembly has authorized school boards to match. In some cases these are to enable state funding that would not be available if a local school board does not “match”.
- Our board votes on this rate each July
- We are recommending the board set the Match Tax at \$0.0243/\$100 Assessed Value
- Increases in this rate are driven by match categories set in state code such as Minor Capital Improvement and Opportunity Funds. We are opting to match BELOW the max allowable

# Total Tax Recommendation

Tax Category	FY24	FY25	FY26
Current Expense**	1.5760	1.8760	0.4596
Tuition	0.5270	0.5670	0.1445
Debt Service	0.1300	0.1320	0.0435
Match Tax	0.0650	0.0830	0.0243
<b>TOTAL</b>	<b>2.2980</b>	<b>2.6580</b>	<b>0.6719</b>

Average homeowner will pay approx: \$2721\*

FY26 Average residential property in RC assessed at approx: \$405,000

\*Approx. \$153 of this amount is a result of the 24 Referendum

# 6 Year Tax History

Year	Current Exp.	Tuition	Debt	Match	Total*
FY21	\$1.5760	\$0.5370	\$0.11000	\$0.0850	\$2.3080
FY22	\$1.5760	\$0.5270	\$0.1200	\$0.0750	\$2.2980
FY23	\$1.5760	\$0.5270	\$0.1200	\$0.0750	\$2.2980
FY24	\$1.5760	\$0.5270	\$0.1300	\$0.0650	\$2.2980
FY25	\$1.8760	\$0.5670	\$0.1320	\$0.0830	\$2.6580
FY26*	\$2.0314	\$0.6387	\$0.1923	\$0.1074	\$2.9697

Average increase of 4.78%/year

\* For comparison purposes a “roll back” rate is presented. This rate calculates a rate based on the current budgeted revenue estimates divided by the previous district wide assessed value. This is NOT the rate used for billing purposes.

# Summary

- 14 Del. C. §1916(d) requires Tax Warrant be submitted by 7/10/25
- Red Clay's assessed property value adjusting for estimated appeals: \$24,677,584,821
- Tax collection delinquency rate assumption 3%
- Incorporates increased revenue approved in 2024 Referendum
- Discussed at CFRC meetings throughout the spring
- CFRC reviewed and recommend FY26 Tax Rates\*\* at the July meeting

\*Due to unknowns related to reassessment, the CFRC recommended setting rates based on a 97% Collection Rate (3% Delinquency Rate - State Code references a 10% Delinquency Rate)

\*\* CFRC recommended this with any changes from the final days of legislative session or NCC to be included



# Q&A

# Connect & Engage



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