



2025 – 2026 Tax Warrant Recommendation



Overview of Tax Rate Reset

The minimum starting point for our 2025-2026 tax rate is \$0.6582 per \$100 of assessed value.

2026 Taxable Assessment

15,834,978,763

	Tax Rate	Revenue Generated	
BSD Current Expense Tax	0.3628	57,447,016	Revenue Neutral
Tax Pool Revenues	0.1003	15,878,953	
Debt Service	0.0323	5,118,535	
Tuition	0.1059	16,770,378	
Match Tax	0.0097	1,531,389	
Technology Tax	0.0031	492,057	
2026 BSD Tax Rate	0.6141	97,238,328	
Projected Referendum Revenue:		6,944,688	
Gross up for collection %		6,979,586	
Rate needed for referendum	0.0441		2nd Half of the approved referendum
Reset rate plus referendum	0.6582		



Taxable Assessment

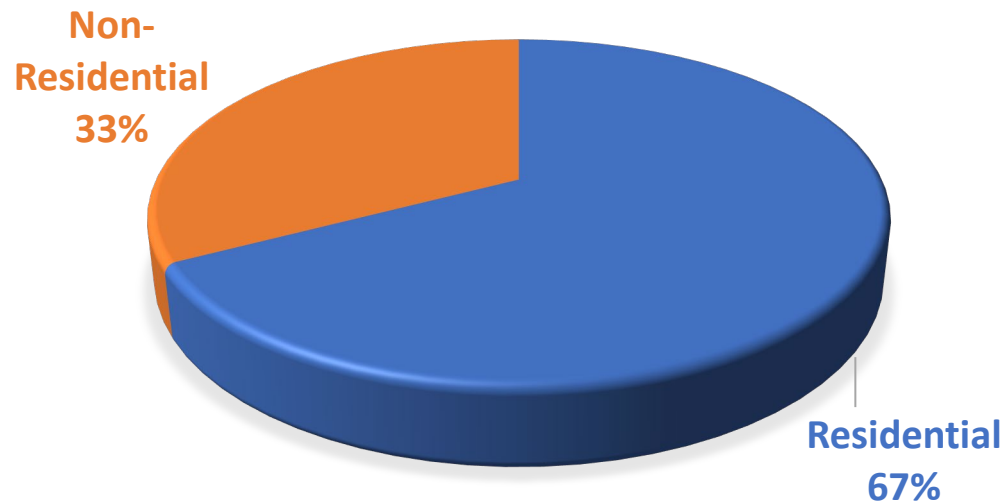
						Percent Increase from
						Previous
						Assessment
Parcel Class	Previous Taxable Assessment	New Assessment	Less Exemptions	Less "At-Risk" Assessment	New Taxable Assessment	
Apartment	156,706,600	700,807,200	-	(50,868,868)	649,938,332	315%
Commercial	765,583,650	2,286,331,000	-	(196,287,315)	2,090,043,685	173%
Farm	962,000	4,078,000	-	(689,891)	3,388,109	252%
Industrial	78,140,400	328,780,500	-	(74,346)	328,706,154	321%
Residential	2,356,564,089	12,842,006,100	(214,439,300)	(70,799,653)	12,556,767,147	433%
Utilities	141,159,400	207,796,600	-	(1,661,264)	206,135,336	46%
Totals	3,499,116,139	16,369,799,400	(214,439,300)	(320,381,337)	15,834,978,763	353%

Residential increases have outpaced all other classes.



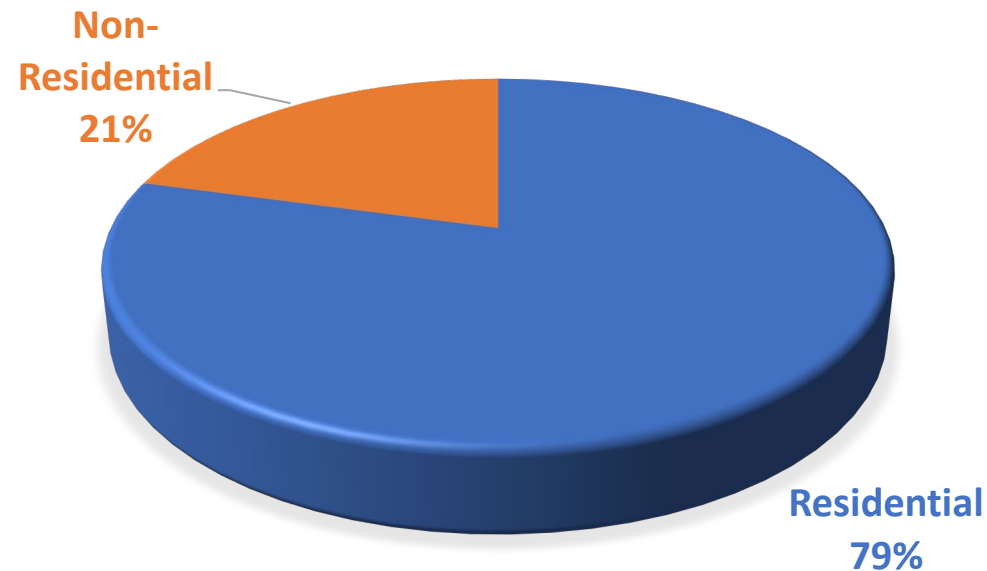
Taxable Assessment

OLD ASSESSMENT



Residential assessment makes up a larger portion of BSD's tax base

NEW ASSESSMENT





Other Considerations – Split Tax Rates

- BSD Leadership explored splitting the tax rate
 - Non-residential and Residential would be taxed at different rates
 - Limits the shift of the tax burden to residential
- Split rates could be problematic
 - DE State Code for School Districts refers to setting a singular rate
 - DE State Constitution has identical language to surrounding states
 - Districts in surrounding states have faced litigation for treating commercial and residential differently; the Districts have lost.
- NCC Tax Bill preparers have said they would need a 6-8 month notice to change the bills

BSD will work with Legislators and District stakeholders to determine if a split-rate middle ground is possible in future years.



At-Risk Assessment

- At-risk means the portion of the taxable assessment that Brandywine School District is expected to lose, pending resolution of current appeals.
- There are 652 appeals in process:

Parcel Class	# of Appeals
Apartment	18
Commercial	47
Farm	1
Industrial	1
Residential	584
Utilities	1
Totals	652

**\$320,381,337 of
assessment at risk**

- BSD also faces the unknown of future appeals



Reset to Revenue Neutral

Fiscal Year 2025 Tax Revenues

	Tax Rate	Revenue Collected	Factoring in 99.5% Collection Rate
BSD Current Expense Tax	1.6210	57,159,781	57,447,016
Tax Pool Contributions	0.4680	15,799,558	15,878,953
Debt Service	0.1450	5,092,942	5,118,535
Tuition	0.4770	16,686,526	16,770,378
Match Tax	0.0430	1,523,732	1,531,389
Technology Tax	0.0145	489,597	492,057
2025 BSD Tax Rate	2.7685	96,752,136	97,238,328

Fiscal Year 2026 Tax Revenues

2026 Taxable Assessment	15,834,978,763	
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Tax Pool Revenues	0.1003	15,878,953
Debt Service	0.0323	5,118,535
Tuition	0.1059	16,770,378
Match Tax	0.0097	1,531,389
Technology Tax	0.0031	492,057
2026 BSD Tax Rate	0.6141	97,238,328

Note: Collection percentage factored into determining new rates to ensure BSD collects the same level of revenue after applying the collection percentage to 2026.



Referendum Year Two

- Voter-approved referendum increase in year two was \$0.20
- State Code specifies:
 - *“In the event the qualified voters of a reorganized school district approve a specific rate of taxation or specified amount of taxation under § 1903 of this title to be collected, and there is a reassessment effective after voter approval, but before actual revenue is derived from increased taxation resulting from such voter approval, the local board of education of each such local school district shall calculate a new real estate tax rate which, at its maximum, would realize no more than a 10% increase in actual revenue over the revenue announced, projected or calculated to be derived by such voter approval and prior voter approvals.”*
- BSD has calculated a new rate to match the announced revenues during the referendum voting.



Referendum Year Two

BRANDYWINE SCHOOL DISTRICT NOTICE OF SPECIAL ELECTION

TO AUTHORIZE THE LEVY OF ADDITIONAL TAXES

Notice is hereby given that a Special Election will be held on February 13, 2024, in the Brandywine School District ("BSD" or the "District") in accordance with the provisions of Chapters 19 and 21 of Title 14 of the Delaware Code, in order to permit the voters of the District to vote either for or against the following:

To support ongoing district operations, the Brandywine School District is seeking authority to levy and collect an additional \$0.2500 per \$100 of assessed value in local school taxes for current operating expenses as set forth below, effective July 1, 2024 and every year thereafter, and an additional \$0.2000 per \$100 of assessed value in local school taxes for current operating expenses as set forth below, effective July 1, 2025 and every year thereafter, for a total of \$0.4500 per \$100 of assessed value, on all assessed taxable real estate in the District to fund operating expenses totaling **\$15,625,549.**

Announced Revenue	15,625,549
Cents generating revenue	45
Revenue generated per cent	347,234

Year 1 referendum revenue	8,680,861	Per cent revenue X 25 cents
Year 2 referendum revenue	6,944,688	Per cent revenue X 20 cents
Total Revenue:	15,625,549	Agrees to Notice of Special Election



Referendum Year Two

Calculation of the new referendum rate:

2026 Taxable Assessment: 15,834,978,763 **A**

Projected Referendum Revenue: 6,944,688 Agrees to prior slide

Factor in 99.5% Collection Percentage: 6,979,586 **B**

Year 2 of referendum rate: 0.0441 **(B/A) x 100**

The rate of \$0.0441 will produce the same level of revenue expected from the voter-approved rate of \$0.20.



New Castle County Tax Pool

- The Tax Pool code language is being updated to keep all inputs and outputs equal to last year
- New language specifies:
 - *“...beginning in Fiscal Year 2026, the Department of Education shall administer the New Castle County Tax District such that each district in the pool contribute the amount of revenue equal to that contributed in FY 2025 and shall receive a share of the pooled revenue equal to the amount received in FY 2025.”*

The net impact of fiscal year 2025 contributions and distributions is an additional \$967,751 in revenue to BSD.



10% Allowance

- After reassessment, the State code allows for an increase in tax rates to realize, at a maximum, a 10% increase over tax revenues from the prior year
- BSD had no plans to utilize the 10% allowance
- Federal Funding (Title II, III, and IV) is in jeopardy
 - This amounts to \$1,246,386 for BSD
 - 75% of these funds are spent on staffing

To fill the void left by withheld funding, BSD needs to raise the tax rate by 0.0079. This equates to using 1.70% of the 10% allowance.



Shift of Rates

- Due to retiring debts, BSD can shift 0.0032 from the Debt Service tax rate to areas in need:
 - Special Education Tuition Tax
 - Pays for intensive or complex students
 - This budget item was overspent by \$1,271,865 in fiscal year 2025 due to student need
 - Minor Capital Improvements
 - HVAC needs throughout the District can no longer be delayed
 - Shifting 0.0032 will result in \$500,000 moving from the debt line to these other areas



Tax Warrant Recommendation

Neutral Rate + Referendum + Recovery of Lost Funding

2026 Taxable Assessment 15,834,978,763

	Revenue Neutral Tax Rate	Referendum Increase	Debt Retirement Shift	Usage of Allowance	FY26 Tax Rates	Revenue Generated	Revenue Collected*
BSD Current Expense Tax	0.3628	0.0441	-	0.0079	0.4148	65,678,915	65,350,520
Tax Pool Revenues	0.1003	-	-	-	0.1003	15,882,484	15,803,071
Debt Service	0.0323	-	(0.0032)	-	0.0291	4,607,979	4,584,939
Tuition	0.1059	-	0.0016	-	0.1075	17,022,602	16,937,489
Match Tax	0.0097	-	0.0016	-	0.0113	1,789,353	1,780,406
Technology Tax	0.0031	-	-	-	0.0031	490,884	488,430
	<u>0.6141</u>						
2026 BSD Tax Rate:					<u>0.6661</u>	<u>105,472,216</u>	<u>104,944,855</u>

* Discounted for 99.5% collection rate

Excess Tax Pool Collections:	<u>967,751</u>
Total 2025-2026 Tax Revenue:	<u><u>105,912,606</u></u>



Average Residential Comparison

Before the referendum, the average residential home value generated a tax bill of \$2,005.15

2026 Average Taxable Home Value:	385,922.71
Tax Rate:	0.6661
Tax Bill:	2,570.52
Prior Year Tax Bill:	2,005.15
Tax increase:	565.37
Portion of increase due to BSD:	200.57
Portion of increase due to reassessment:	364.80
Projected Referendum Year:	2028



District Finance Committee Considerations

- The District Finance Committee met on July 7, 2025, and recommends the following:
 - Not to split the tax rates for 2025-2026 based on the advice of District Council
 - Adoption of Tax Warrant Recommendation
 - Neutral Rate + Referendum + Lost Funding



PROUD
TO BE BSD