Colonial
SCHOOL DISTRICT

TAX RATE PROPOSAL

FISCAL YEAR 2027

JULY 1, 2026 TO JUNE 30, 2027

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Reviewed By:	Finance Oversight Committee
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Colonial
SCHOOL DISTRICT

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Colonial
SCHOOL DISTRICT

OVERVIEW & SUMMARY

The FY 2027 Tax Warrant was prepared in a smiliar manner to the FY 2026 tax warrant due to the ongoing efforts to mitigate the impact of the reassessment. In addition to the legislation passed in August 2025 allowing NCC districts to split our tax rates, several other bills were passed during the 2026 session of the General Assembly that changed the process and the timeline for FY 2027. Senate Bill (SB) 228, pushed the timeline from July to October to allow New Castle County to complete a quality review for non-residential properties. House Bill (HB) 461 allowed for another rate reset and outlined the parameters of it and HB 462 permanently codified the split rate authority for New Castle County Districts.

HB 461 outlined that districts must keep operating revenue neutral with two exceptions. Districts were allowed to add revenue expected from a referendum that had been approved but not yet received, and revenue equal to the 5-year average growth rate for taxable property. For Colonial, FY 2027 is the last year of implementation for the sucessful operating referendum in February 2024. The revenue projected for FY 27 was $1.64 million and the growth rate for Colonial is 1.1%, equaling $793K. These amounts have been added to the $72.1 million in operating revenue that Colonial received in FY 2026 bringing projected FY 27 operating revenue to $74.5 million. This amount is then divided by the percentage equal to the pre-reassessment tax burden for residential vs. non-residential properties. The operating tax rate for each portion of the tax base is then calculated from those amounts.

The process for the other components of the tax rate follow a similar process except the revenue calculation is driven by the projected needs or authorized amounts rather than last year's revenue. Once the projected revenue needed has been calculated, that revenue amount is split between residential and non-residential, which is then used to calculate the rate needed for each category.

For the match tax, all amounts have been updated to reflect the funding needed and/or authorized in each category. Enhanced MCI funding was appropriated by the State again for FY 27. Colonial is matching that to maximize funds available to maintain our buildings. Carry over funds were used last year to minimize the revenue needed in FY 26 but they have largely been spent. However, the revenue needed for expected expenses is down by about $100k. Debt service expenses are increasing as the renovation projects that were approved in the 2024 referendum are implemented.

Colonial's special education students continue to keep our unit numbers stable despite enrollment declines. This confirms that the level of need among our students is increasing. Last year's rate was stablized by spending down carry over funds. This year, the $4 million in added revenue needed to meet the projected expenses for FY 27 is being partially met by using the $3 million in operating revenue received above the FY 26 projection.

Pages 4 through 6 represent the calculations for three of the four components of the tax rate.

For FY 2027, the New Castle County tax pool continues to be frozen per language included in annual budget bill. This languages ensures that Colonial contributes the same amount of revenue into the tax pool as FY 2025 and receives the same amount of revenue as FY 2025.

MINOR CAPITAL IMPROVEMENTS (MCI)/MATCH TAX		
Match Balance as of 9/30/26		236,252.9
Includes unspent balances from prior years		
Interest Earned on Fund Balance		3,000
Total Available Funds		239,253
PROJECTED EXPENSES		
Match for Minor Capital Improvement allocation		508,702
Match for enhanced MCI allocation		587,959
Funds for Technology Equipment Maintenance, Repair, and Replacement ($480,230 based on pre-reassessment tax rate)		480,230
Match for Reading & Math Resource Teachers 1 for each elementary school (8) and 1 for each middle school (3)		386,928
Extra Time Funds		0
Match for K-4 Reading Specialist (SSBG) funding		187,138
Opportunity funding		1,471,012
Mental health & Reading supports		236,848
Substitute Block grant		0
Athletic Trainer Block grant		6,062
Total projected MCIP/Match Expenditures*	$	3,942,177
Projected surplus/(deficit)	$	(3,702,925)
Revenue needed for FY 2027:	**$**	**3,702,925**

DEBT SERVICE TAX RATE

(MAJOR CAPITAL IMPROVEMENTS)

Debt Service Balance as of 9/30/26	35,550
Interest Earned on Fund Balance	4,000
TOTAL AVAILABLE:	**39,550**

PROJECTED EXPENSES 10/1/26 through 9/30/27

Local Share for Projects in Annual Bond Bills

Year	Projects	Bond Value	Payment Total
2008	Wilmington Manor, William Penn Gunning Bedford, George Read	9,402,700	686,474
2009	William Penn	3,522,500	286,946
2010	Carrie Downie, Castle Hills Pleasantville, Eisenberg	4,901,100	84,984
2025	Eisenberg, Gunning Bedford, William Penn	27,784,105	2,339,337
Total value of authorized bonds		**65,777,205**	**3,397,741**

Total projected expenses:*	$	3,465,696
Projected surplus/(deficit)	$	(3,426,146)
Revenue needed for FY 2027:	**$**	**3,426,146**

TUITION

Tuition Balance as of 9/30/26		728,292.1
Tuition Paid By Other Districts		725,000
Interest Earned on Fund Balance		11,000
Total Available Funds		1,464,292
PROJECTED EXPENSES		
Leach Operating Budget	2,000,000	
Tuition Payable to Other Districts	2,995,000	
Supporting Tuition eligible students		
Unique Alternatives & Private Placements	275,000	
Exceptional Children Payroll/services	4,775,000	
Special Program operating budgets	150,000	
ESL Program	235,000	
Early Childhood	3,100,000	
Total Tuition Expenditures:		$ 13,800,600
Projected surplus/(deficit)		$ (12,336,308)
Operating revenue in excess of projection (tuition subsidy)		$ 3,026,789
Revenue needed for FY 2027:		**$ 9,309,519**

FY 2027 Tax base Adjustments and Revenue Calculations

FY 25 (Pre-Reassessment) Values			
		Taxable	% Tax Burden
Residential	$	1,666,332,655	52.62%
Non-Residential	$	1,500,309,550	47.38%
Grand Total	**$**	**3,166,642,205**	100.00%

FY 2026 Values			
		Taxable	**% of tax base**
Residential	$	9,644,580,100	62.9%
Non-Residential	$	5,686,068,600	37.1%
Grand Total	$	15,330,648,700	100.00%

FY 2026 Adjusted Values (accounting for appeals)			
		Taxable	**% of tax base**
Residential	$	9,555,264,072	64.6%
Non-Residential	$	5,238,492,539	35.4%
Grand Total	$	14,793,756,611	100.00%

FY 2027 Values			
		Taxable	**% of tax base**
Residential	$	9,431,797,700	61.2%
Non-Residential	$	5,985,414,000	38.8%
Grand Total	**$**	**15,417,211,700**	**100.0%**

FY 2026 Operating revenue received:	$	72,101,794.57
Operating referendum revenue approved for FY 2027:	$	1,637,849.00
Growth rate allowed by HB 461 (1.1%):	$	793,119.74
Total operating revenue allowed in FY 2027:	**$**	**74,532,763.31**

RESIDENTIAL RATE CALCULATIONS		
Unadjusted Residential Tax Base:	**$**	**9,431,797,700**
Subtract value of parcels 'at risk on appeal'	$	51,180,094.78
Revised Residential Tax base:	$	9,380,617,605.22
Adjusted % of tax base:		63.68%
Residential share of operating revenue at pre-reassessment % (52.62%)	$	39,220,211.61
Residential tax rate with restored tax burden	$	0.41810

NON-RESIDENTIAL RATE CALCULATIONS		
Unadjusted NON-Residential Tax Base:	**$**	**5,985,414,000**
Subtract value of parcels 'at risk on appeal'	$	634,659,384.61
Revised Non-Residential Tax base:	$	5,350,754,615.39
Adjusted % of tax base:		36.32%
Balance of FY 26 revenue (total minus residential share or 47.38%):	$	35,312,551.70
Non-Residential tax rate with restored tax burden:	$	0.65995

Other rate calculations

Tuition revenue needed:	$	9,309,518.92
Debt Service revenue needed:	$	3,426,145.94
Match Tax revenue needed:	$	3,702,924.52

Total projected Operating revenue:	**$**	**74,532,763.31**

HB 462 Check (<1.85)
1.58

Residential tax components

Residential share of tuition revenue:	$	4,898,802.70
Residential share of debt service revenue:	$	1,802,887.25
Residential share of match revenue:	$	1,948,532.12
Residential tuition rate:	$	0.05222
Residential debt service rate:	$	0.01922
Residential match rate:	$	0.02077
Residential Operating Rate:	$	0.41810
Total tax rate:	$	0.51031

Non-Residential tax components

Non-residential share of tuition revenue:	$	4,410,716.22
Non-residential share of debt service revenue:	$	1,623,258.69
Non-residential share of match revenue:	$	1,754,392.40
Non-residential tuition rate:	$	0.08243
Non-residential debt service rate:	$	0.03034
Non-residential match rate:	$	0.03279
Non-residential Operating Rate:	$	0.65995
Total tax rate:	$	0.80551

Colonial School District Tax Rate
Fiscal Year 2017 Through 2027

Fiscal Year		Current Expense	Tuition	Debt Service	MCI/ Match	Total Rate
2027	**Residential**	**$0.41810**	**$0.05222**	**$0.01922**	**$0.02077**	**$0.51031**
	Non-Residential	**$0.65995**	**$0.08243**	**$0.03034**	**$0.03279**	**$0.80551**
2026	Residential	$0.37521	$0.04923	$0.00721	$0.02065	$0.45230
	Non-Residential	$0.61630	$0.08086	$0.01185	$0.03393	$0.74294
2025		$1.836	$0.290	$0.070	$0.100	$2.296
2024		$1.586	$0.310	$0.070	$0.100	$2.066
2023		$1.586	$0.345	$0.100	$0.142	$2.173
2022		$1.586	$0.372	$0.120	$0.095	$2.173
2021		$1.586	$0.372	$0.145	$0.090	$2.193
2020		$1.586	$0.362	$0.155	$0.090	$2.193
2019		$1.586	$0.372	$0.165	$0.070	$2.193
2018		$1.476	$0.332	$0.150	$0.045	$2.003
2017		$1.206	$0.332	$0.158	$0.040	$1.736

Assessment Data
New Castle County

School District	2027*			2026*			2025
	Residential	Non-Residential	Total	Residential	Non-Residential	Total	Total
Appoquinimink	14,123,161,500	2,021,865,500	16,145,027,000	13,423,935,000	1,939,768,100	15,363,703,100	2,782,772,500
Brandywine	12,617,980,900	3,620,416,800	16,238,397,700	12,650,859,200	3,537,119,000	16,187,978,200	3,496,061,599
Christina	17,164,927,100	8,469,065,900	25,633,993,000	17,427,372,600	8,388,309,900	25,815,682,500	5,665,301,433
Colonial	**9,431,797,700**	**5,985,414,000**	**15,417,211,700**	**9,644,580,100**	**5,686,068,600**	**15,330,648,700**	**3,159,413,645**
Red Clay	20,455,698,400	5,009,244,100	25,464,942,500	20,492,782,800	4,464,905,000	24,957,687,800	5,470,561,830
Smyrna	671,850,000	136,266,500	808,116,500	577,478,900	172,028,800	749,507,700	117,906,670
TOTAL	74,465,415,600	25,242,272,800	99,707,688,400	74,217,008,600	24,188,199,400	98,405,208,000	20,692,017,677

***Post re-assessment data reported here has not been adjusted to reflect pending appeals**