



## **Fiscal Year 2022 Tax Rate**

June 24, 2021  
Lake Forest Board of Education

# School Taxes

A property tax is charged to all individuals that own property within the Lake Forest School District (the District). All rates are set in accordance with Title 14, Chapter 19 of the Delaware Code. This tax is based upon the assessed value of the property and is expressed in dollars and cents per \$100 of assessed value. In Kent County, property assessments have not been updated since 1986. Any increase/decrease in property assessments impacts the amount of revenue the District will collect in any given year. The following describes each category of school tax:

**Current Operating Expense Tax:** This tax rate is intended to cover normal operational expenditures of the District and can only be increased through referendum. The last Operating Expense referendum occurred in 2012.

**Debt Service Tax:** This covers principal and interest payments on the District's share of outstanding debt, issued as a result of major capital projects approved through referendum. The last major capital project referendum occurred in 2014. The Lake Forest Board of Education (the Board) sets this rate annually.

**Match Tax:** This provides districts a mechanism to obtain funding to match the State's funding in areas such as minor capital improvements, technology maintenance, extra time, reading/math specialists, and the new Opportunity Grant funding. In most cases, the State mandates a local match be collected before disbursing funds to local districts. The Board sets this rate annually.

**Tuition Tax:** This rate is intended to cover the costs of students within the District that have special needs, often requiring them to attend special schools outside of the District and/or for accommodations to be provided to appropriately service them within the District. The Board sets this rate annually.

		<b>FY21</b>		<b>FY22</b>		<b>Difference +(-)</b>
Current Expense	\$	0.9508	\$	0.9508	\$	-
Debt Service	\$	0.0808	\$	0.0808	\$	-
Match	\$	0.1328	\$	0.1517	\$	0.0189
Tuition	\$	0.4152	\$	0.3131	\$	(0.1022)
Total	\$	1.5796	\$	1.4964	\$	(0.0833)

\* A capitation tax will be assessed on all individuals over the age of 18 within the District that the above figures do not reflect.

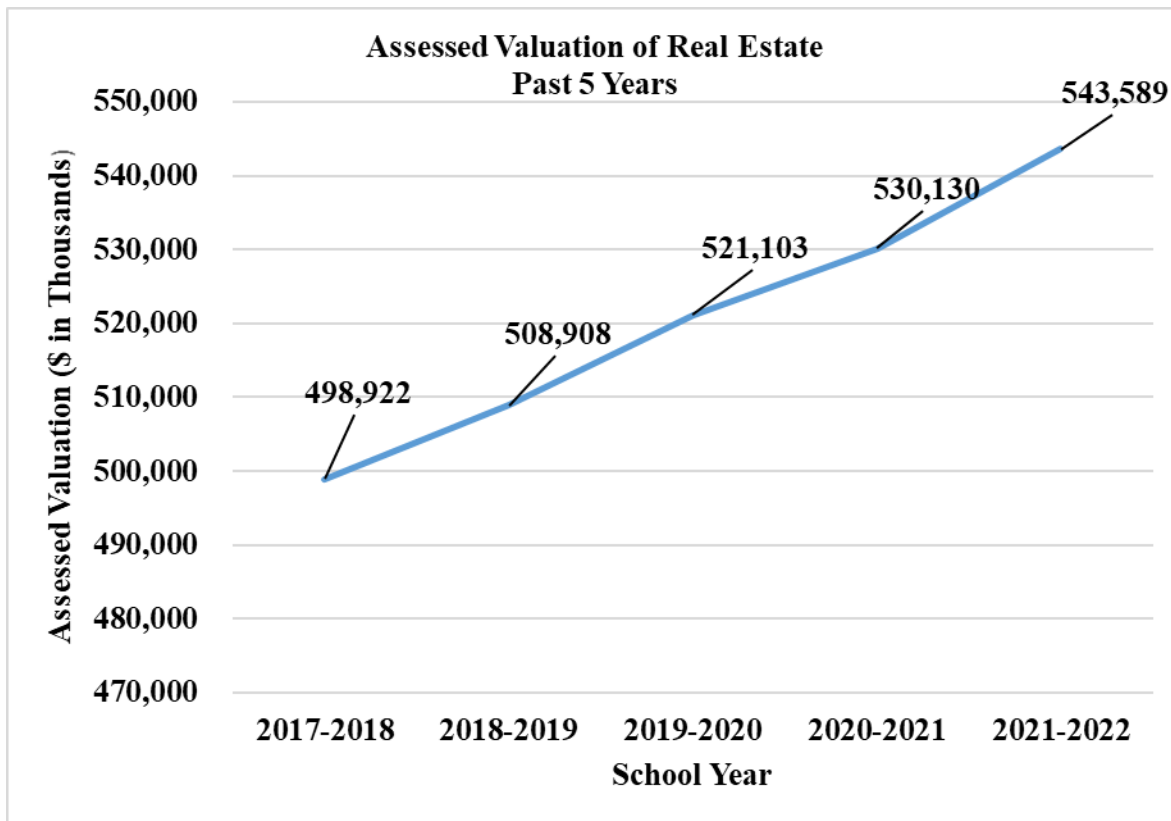
# Explanation of Changes

**Match Tax:** The Match Tax rate will require an increase for two reasons. We will receive more Minor Capital Improvement funds from the State hence our 40% share will also increase. Our Opportunity Fund allocation from the State is also increasing substantially from \$456 thousand to \$744 thousand. This allows us to pay the local salary amount of additional staff hired for targeted improvement areas in our schools.

**Tuition Tax:** Several factors led to a moderate decline in Tuition expenses in Fiscal Year 2021. Tuition to other in-state schools dropped for the second year in a row with the largest being our tuition for the Pre-K Early Choices program at the Delaware Early Childhood Center. Out-of-state tuition charges also dropped and the largest likely contributor to those declines was the reduction in transportation costs with in-school instruction sharply down. The District also experienced a decline in our Transportation costs for special education students as less children qualified for specialized transportation. Finally, we saw a decrease in Salaries or personnel costs from prior years as we shifted more staff from Tuition to Division I State funding. Tuition expenses are expected to climb back to over \$2 million; however, a reduced amount is needed for this fiscal year as we have sufficient cash reserves to absorb the increased costs. The tuition tax will likely go back up next year as we spend those reserves.

Tuition Expenses	
Fiscal Year	Amount Spent
Fiscal Year 2017	\$ 2,048,511.56
Fiscal Year 2018	\$ 1,997,686.21
Fiscal Year 2019	\$ 2,283,923.26
Fiscal Year 2020	\$ 2,041,278.91
Fiscal Year 2021	\$ 1,700,000.00
Assessed Value	Amount Needed to Collect
543,000,000	\$ 1,700,000.00

Tax Rate History					
School Year	Current Expense	Debt Service	Match	Tuition	Total
2012-2013	0.6970	0.1450	0.0868	0.2281	1.1569
2013-2014	0.8257	0.1450	0.0873	0.2583	1.3163
2014-2015	0.9017	0.1350	0.0652	0.3238	1.4257
2015-2016	0.9508	0.1250	0.0759	0.2981	1.4498
2016-2017	0.9508	0.1250	0.0735	0.3252	1.4745
2017-2018	0.9508	0.0625	0.0833	0.5565	1.6531
2018-2019	0.9508	0.0828	0.1205	0.4126	1.5667
2019-2020	0.9508	0.0812	0.1427	0.4140	1.5887
2020-2021	0.9508	0.0808	0.1328	0.4189	1.5833
2021-2022	0.9508	0.0808	0.1517	0.3131	1.4964



Kent County Districts ▾	School Year 2020-2021 Tax Rate
Capital	2.1897
Ceasar Rodney	1.8350
Smyrna	1.7118
Milford	1.7164
Woodbridge	1.6800
Lake Forest	1.5833

	Fiscal Year 2021	Fiscal Year 2022	Difference + (-)
Average Assessment	\$ 33,832.00	\$ 33,832.00	
Assessed Value Divided by \$100	\$ 338.32	\$ 338.32	
Total School Tax Rate	1.5833	1.4964	
Projected School Tax Average Taxpayer	\$ 535.66	\$ 506.25	<b>\$ (29.41)</b>