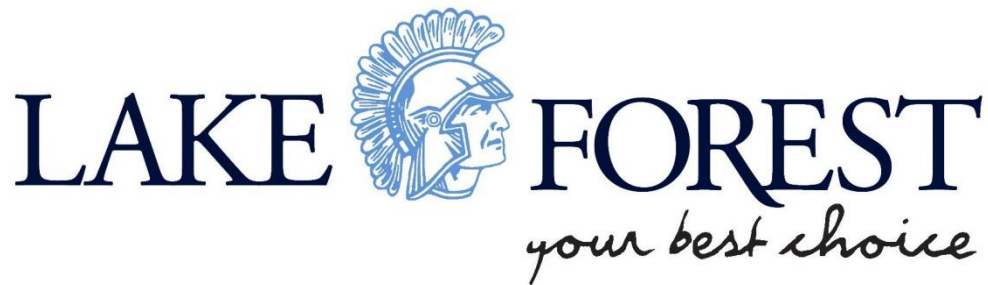


# School Finance Committee

February 9, 2023

Superintendent, Steven Lucas



# Purpose of this Presentation

- 1) Update the Board about the work of the School Finance Committee.
- 2) Propose Board vote.



# Definitions

- 1) **Assessed Value**- Amount property is taxed on. This is usually around 1/5 or 1/6 of market value.
- 2) **Referendum**- Direct vote by the people in a specific community on a proposal, law, or political issue.
- 3) **Operating Funds**- The funds an organization uses to conduct day to day business.
- 4) **Capital Funds**- Funds used for capital projects such as buildings or major improvements.
- 5) **District Reserve**- Funds to cover future obligations, emergency expenses, and large swings in cashflow.



# Our “Why”?

- 1) Our District has been functioning effectively on the same local operating revenue base for the past 8 school years.
- 2) Operating costs have escalated and will continue to escalate.
- 3) Additional revenue will be needed for the District to operate with a balanced budget.



# School Finance Committee

Four main areas affected by increasing costs:

- Staff recruitment and retention
- School safety and security
- Transportation
- Technology



# Chief Financial Officer

Mr. Kurt Kelemen

302-280-3020 ext. 105



# Financial Reference Numbers

- \$0.01 Current Exp Tax = \$55,566 in Annual District Receipts
- \$0.01 Current Exp Tax = \$3.38 Avg Annual Assessment
- \$1.6122 School Tax = \$546.19 in Taxes for Avg Assessment
- 1% Local Pay Raise = ~\$100,000 Cost Increase
- \$100,000 Cost Increase= 1.8 ¢ Tax Increase



# Current Annual School Tax



**Rate:** 1.6122 per \$100 of assessed Value

**Average Assessed Value:** \$33,878

**Total Cost:** \$546 per year (\$45.50 per month)



\*



## School Tax Cost to Average Property in the Lake Forest School District (Current Rates on Top Row)

Tax Rate in \$ Current Expense (Total tax)	Rate Increase	Annual Cost	Annual Increase	Monthly Cost	Monthly Increase
<b>.9508 (1.6122)</b>	<b>0</b>	<b>\$546.19</b>	<b>0</b>	<b>\$45.52</b>	<b>0</b>
<b>.9608 (1.6222)</b>	.01	\$549.57	\$3.38	\$45.70*	.18
<b>1.2008 (1.8622)</b>	.25	\$630.69	\$84.50	\$52.56	\$7.04
<b>1.2508 (1.9122)</b>	.30	\$647.59	\$101.40	\$53.97	\$8.45
<b>1.3208 (1.9822)</b>	.37	\$671.25*	\$125.06*	\$55.94*	\$10.42*

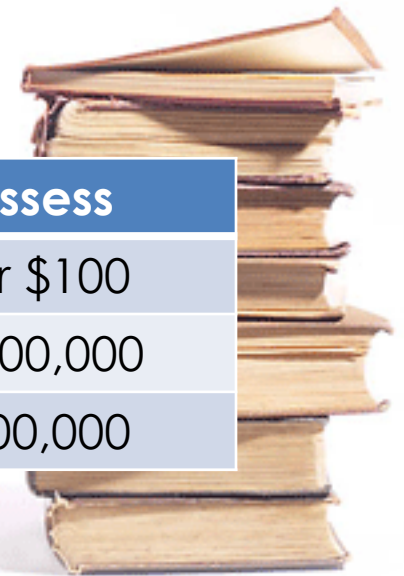


\*Some calculations corrected from the February 9, 2023 Board Presentation. The original Presentation numbers can be found attached to the Board Agenda from the 2/9/2023 Meeting.

# Property Tax Reassessment

- Scheduled to effect June 2024 tax rates
- Reassessment - Revenue Neutral
- Some will pay more, but some will pay less (winners/losers)

	Before Reassess	After Reassess
Tax Rate	\$1.00 per \$100	\$0.33 per \$100
Total Assessments	\$500,000,000	\$1,500,000,000
Taxes Collected	\$5,000,000	\$5,000,000



# What if we do not seek a Revenue Increase?

Would require eventual limits on services/personnel.

- Staff compensation
- Safety/Security
- Technology
- Transportation



# Summary and Next Steps

- The District has operated within its means without a tax increase for the past 8 years.
- Increasing costs in personnel, transportation, and materials require matches in revenue to stay balanced.



# Committee Recommendation

- The Board votes to approve to proceed on an operating referendum campaign with a scheduled election date of May 6, 2023.



# Questions/Discussion



# 2012 Operating Referendum

- ✓ Instructional time and homebound instruction for students including additional tutoring and transportation to carry students home.
- ✓ Support transportation services necessitated by state budget cuts.
- ✓ Attract and retain high quality school staff including a fiscally responsible compensation policy.
- ✓ Ensure the Lake Forest School District maximizes its ability to qualify for maximum state funding for future Capital Referenda.
- ✓ Technology – Replacement, maintenance and computers for students in grades 4-12.
- ✓ School Resource Officers.
- ✓ Continuance of current instructional programs and operating expenses.



# 2014 Capital Referendum

## Central Elementary School

- **Additional Classroom for Computer Lab**
- ✓ Install front driveway to make one way entrance into the front parking lot
- ✓ CCTV Surveillance System Expansion and Improvements
- ✓ New Carpeting in various locations

## W T Chipman Middle School

- ✓ Renovate 2 Science Rooms to meet DOE regulations
- ✓ Enclosed Corridor between Gymnasium to Main School Building
- ✓ CCTV Surveillance System Expansion and Improvements
- ✓ Flooring Upgrades
- ✓ Site Improvements for Athletic fields
- **New Fencing**





# 2014 Capital Referendum

## Lake Forest High School

- ✓ Replace existing Agriculture Classroom Building (OCR compliance)
- Aquatics locker room floor upgrade
- ✓ Entrance Canopies @ Front Entrance & 4th Corridor (shelter students from weather)
- ✓ Selected Roof replacements
- ✓ Auditorium renovations (original addition 1978)
- ✓ New Turf Field in Football Stadium (use for all sports and community youth leagues)
- ✓ Resurface Outdoor Track (DIAA letter regarding need of repair)
- ✓ Reconfigured Athletic Practice Fields and renovation of field house
- ✓ Replace existing Pool filtration (original from 1978)
- New HVAC system for Pool (more than 25 years old)
- ✓ Other renovations, site improvements and upgrades



# 2014 Capital Referendum

## East Elementary School

- ✓ Relocate Main Office to create Secured Entrance
- ✓ New School-wide CCTV Surveillance System
- ✓ Electrical and Exterior Lighting Upgrades (safety)
- ✓ Building Envelope Improvements

## North Elementary School

- ✓ Reconfigure Main Office to create Secured Entrance
- ✓ Exterior Site Lighting at North Parking Lot
- ✓ Exterior Window Replacement
- ✓ Replace Lintels over Windows @ North Elevation

## South Elementary School

- ✓ CCTV Surveillance System Expansion and Improvements



# Kent County Districts Local Salaries Comparison

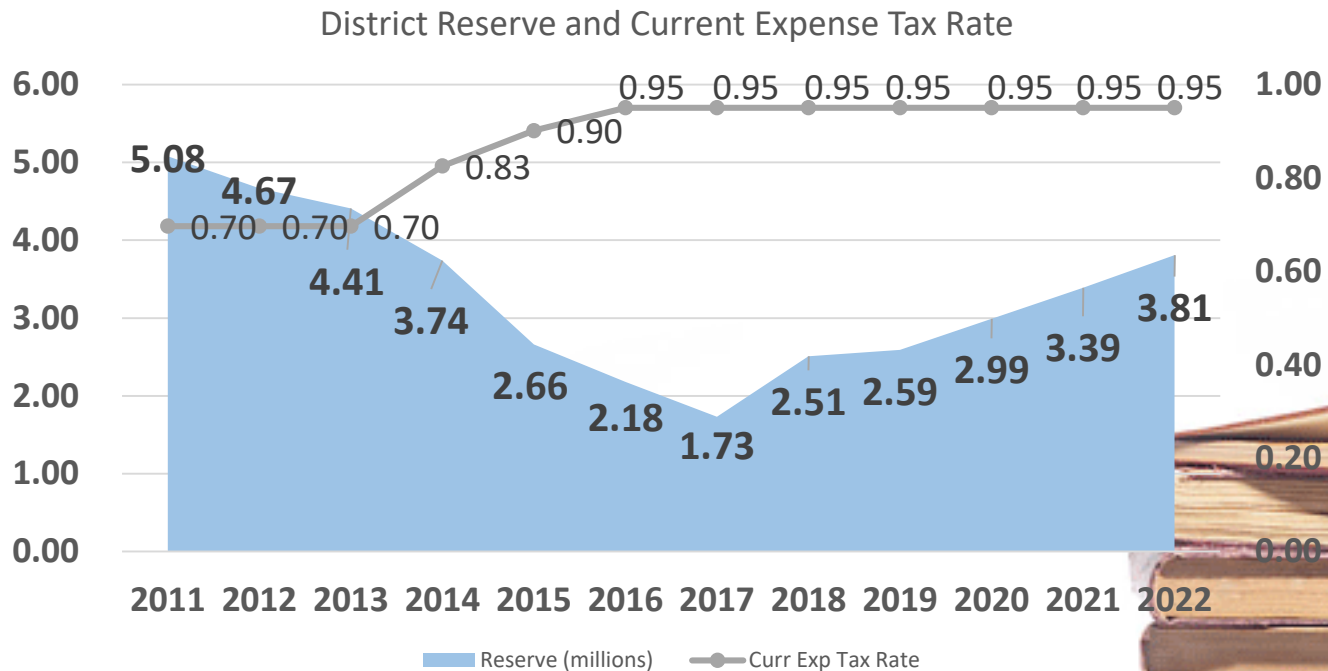
(Step)	BACHELOR (1)	MASTERS (10)	MASTERS +45 (15)	DOCTORATE (20)	Annual Health/Dental Support
<b>Polytech</b>	14,736	19,832	26,339	29,889	2,000
<b>Capital</b>	14,168	18,143	24,681	28,015	2,998
<b>Woodbridge</b>	13,748	19,484	25,135	28,358	0
<b>Milford</b>	13,681	18,174	23,660	29,607	500
<b>Smyrna</b>	13,582	19,162	24,027	26,729	0
<b>Caesar Rodney</b>	13,184	18,189	22,533	23,633	2,640
<b>Lake Forest</b>	12,628 (7)	18,512 (4)	21,796 (7)	23,909 (6)	240 (5)

Excluding Insurance Supplements, Lake is :

- ❖ 8.3% Below a Milford New Teacher
- ❖ 7.6% Below a Smyrna New Teacher
- ❖ 4.4% Below a CR New Teacher



# District Reserve

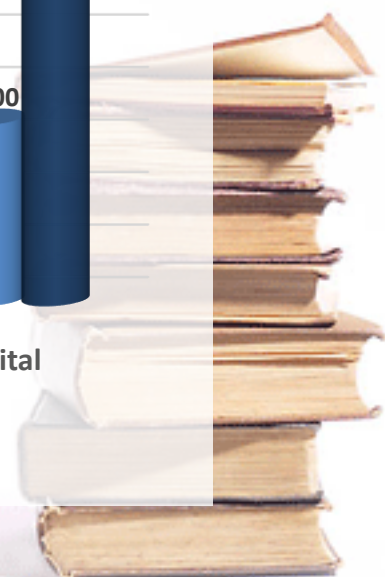
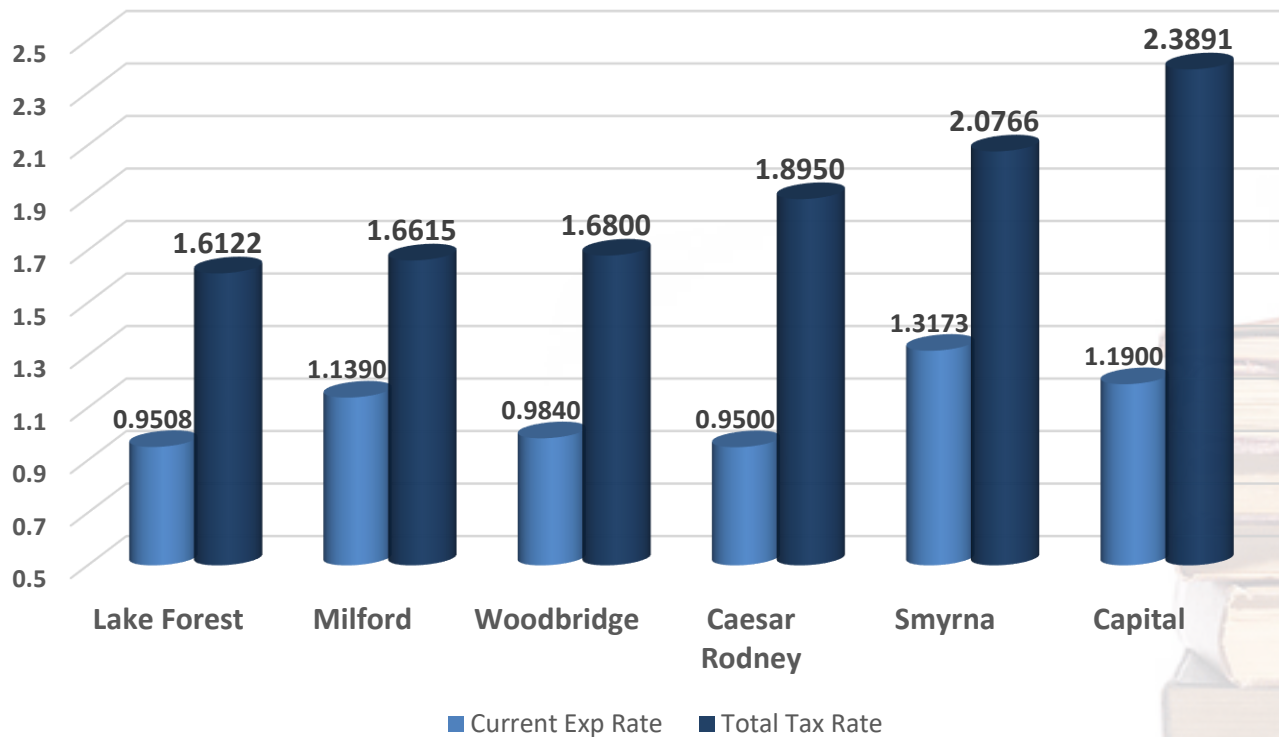


- Healthy Reserve is approximately 5% of Local Operating Revenue (\$2.6 Million).



# District Tax Rates

## Kent County School Districts



# District Current Expense Tax Receipts

## Kent County School Districts

