



DelTech pushes for new tax; Added property levy would help fund building projects

By Drew Volturo, Delaware State News

DOVER - Delaware Technical & Community College will ask the governor and General Assembly next year to create a new property tax to help fund more than \$160 million in construction projects at the school's four campuses.

College president Dr. Orlando J. "Lonnie" George unveiled the proposal Wednesday morning during the school's budget hearing for fiscal 2008.

DelTech, which celebrates its 40th anniversary next year, is nearing capacity for its accredited programs and growth has outpaced funding, Dr. George said.

"This is a serious challenge the college is facing," Dr. George said. "We're at a crossroads and more than ever, we'll need (the state's) help to write the next chapter of the college."

That help would come in the form of a statewide property tax assessed by DelTech's board of trustees and capped by the legislature.

The tax would be phased in over a decade, generating about \$22.5 million in annual revenue by the 10th year.

"This would be local taxes that support local people for local jobs," Dr. George said.

A former speaker of the House of Representatives, Dr. George admitted residents and legislators alike are against the idea of a new tax, but he said he would take his message to the public to convince them of the need for the funding source.

"We have to make a connection with Delawareans," he said. "We have to do a good educational job (about the proposal)."

DelTech took the first step Wednesday, videotaping Dr. George's hour-long budget presentation to post it on the school's Web site.

The number of Delaware high school students enrolling at DelTech, Dr. George said, soared by 400 students this fall to 1,575, and overall enrollment has reached 14,000 and could hit 18,000 by 2020.

He said those figures would continue to climb due to the Student Excellence Equals Degree program, which pays qualified state high school students to attend DelTech or the University of Delaware's associate's degree program, and an economy that requires more job skills beyond high school to obtain better-paying

jobs.

"Our current facilities just won't handle the projected enrollment," said Dr. George, adding that more than 1,200 hours of instructional time each week are held at satellite locations off campus.

"We are at 96 percent capacity for our accredited programs. If we don't take action now, we will be forced to limit access to the college."

Dr. George identified a need for eight buildings at DelTech's four campuses, including a student services wing and health science building at the Terry Campus in Dover and a conference and training center and health science building at the Owens Campus in Georgetown.

The new facilities would cost \$162.2 million.

However, capital funds from the state have seesawed between \$3.5 million and \$8.8 million a year during the last five years, making it difficult for the college to plan accordingly.

And projects that receive state money take several years to fully fund, slowing construction, Dr. George said.

A property tax, also referred to as a community college infrastructure fund, would produce a more predictable revenue stream that would be sufficient to fund construction projects, he said.

"And governors and legislatures in more than 20 states use this method already to fund community colleges, so there is precedent," he said.

Under the proposal, which came from a task force report issued Wednesday, DelTech's board of trustees would be authorized to set and collect the taxes, but the legislature would cap the tax the school could collect.

The system would mirror one used by the state's vocational school districts, which can impose a countywide property tax to generate revenue.

But unlike the vo-tech districts, DelTech's tax would be statewide.

Dr. George noted that DelTech's board of trustees is appointed by the governor and confirmed by the state Senate, the same method used for the vo-tech boards.

The tax would be phased in, with a homeowner with a house assessed at the median value of \$174,400 paying about \$16 in the first year, producing \$7.4 million in revenue.

The rate would increase during the next 10 years, but would be capped for the same homeowner at about \$50 a year, generating \$22.5 million in annual revenue.

Michael S. Jackson, director of the state Office of Management and Budget's budget development office, said the proposal will be considered with all other requests submitted by more than 30 state agencies throughout the month.

The funding plan, Mr. Jackson said, could be included in Gov. Ruth Ann Minner's proposed fiscal 2008 budget, which she will roll out in January, or it could be added later.

"There is a precedent in several other states, so we will be looking at the model in other states as we deliberate," Mr. Jackson said.

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