

**Assessment-To-Sales Ratio Study
for Division III Equalization Funding:
2013 Project Summary**

prepared for the

**State of Delaware
Office of Management and Budget**

by

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Background

The goal of this study is to estimate the current assessment-to-sales ratio for real property in each of the State's school districts. These ratios will allow the State of Delaware to properly allocate Delaware's Division III funds according to the equalization formula described in the provisions of Title 14, Chapter 1707(b)(5), Delaware Code.

Table 1
Division III and Total
State Educational Budget
(in Millions of Dollars)

Fiscal Year	Division III	Total	Percent of
	Budget	Budget	Total
1988-1989	25.1	358.5	7.0
1989-1990	29.2	377.4	7.7
1990-1991	32.7	401.1	8.2
1991-1992	36.0	422.8	8.5
1992-1993	39.1	431.4	9.1
1993-1994	41.1	457.6	9.0
1994-1995	42.1	475.9	8.8
1995-1996	44.0	530.1	8.3
1996-1997	46.5	554.8	8.4
1997-1998	49.1	609.6	8.1
1998-1999	51.6	637.5	8.1
1999-2000	53.8	666.7	8.1
2000-2001	55.9	720.2	7.8
2001-2002	58.9	773.5	7.6
2002-2003	61.4	795.0	7.7
2003-2004	63.0	816.6	7.7
2004-2005	64.7	887.0	7.3
2005-2006	68.3	966.4	7.1
2006-2007	71.7	1070.9	6.7
2007-2008	74.4	1112.9	6.7
2008-2009	77.3	1150.6	6.7
2009-2010	78.1	1121.1	7.0
2010-2011	79.0	1044.2	7.6
2011-2012	80.0	1109.7	7.2
2012-2013	81.1	1168.7	6.9
2013-2014	82.2	1217.8	6.7

Source: Budget of the State of Delaware

The assessment-to-sales ratio is a critical variable in the formula that allocates Division III funds to school districts in Delaware. The growing importance of these funds to the State's school districts is illustrated in Table 1. Division III moneys have risen from \$25.1 million in the 1988-89 school year to \$82.2 million in the 2013-2014 school year, 227%. The Division III appropriation as a percentage of total state educational appropriations over the past 20 years has declined to 6.7% by the 2013-2014 school year. The percentage reached its peak in 1992-1993. After that the percentage has

been in a shallow decline for the most part. Given the growth in Division III over the years, it is incumbent on the State of Delaware to use accurate assessment-to-sales ratios in the formula that distributes these equalization funds.

The assessment-to-sales ratios provided by this research will be used to determine the "total full valuation" of real property within each of the State's sixteen regular school districts and three vocational districts. The total full valuation of real property is an important ingredient in the Division III equalization formula.

The Delaware Code defines "total full valuation" as the total assessed valuation of taxable real property divided by the most current assessment-to-sales price ratio. The Delaware Office of Management and Budget is charged with conducting, in accordance with nationally accepted standards and practices, an assessment-to-sales ratio study by school district every year in order to establish the most current ratios.

Having accurate measures of the assessment-to-sales ratios for each school district is critical since those school districts that have a lower "total full valuation" of property compared to the others in the state (other factors held constant) receive larger Division III allocations. The nominal assessment-to-sales ratios are 1.0, 0.60, and 0.50 for New Castle, Kent and Sussex County school districts respectively. However, these ratios do not reflect changes in property values since the last complete reassessments. In the ratio study conducted in 2013, the aggregate estimated ratios were 0.325, 0.132, and 0.091 for New Castle, Kent and Sussex County, respectively.

The methodology underlying this study follows nationally accepted procedures. To obtain valid assessment-to-sales ratios it was necessary to analyze official records of property assessment and property transfers maintained by each county.

a. The sales data were screened using statistical procedures to eliminate transactions that did not take place at the true market value.

b. For all districts, the assessment-to-sales ratios were estimated for each of four types of property namely residential, business, farmland, and residential unimproved (vacant lots). An aggregate ratio for each school district was calculated by weighting the four ratios by the percentage of total assessments represented by that type of property. Adjustments were also made for districts where the boundaries crossed county lines.

c. The sales data used in the study included property transfers occurring during the period January 1, 2012, to June 30, 2013. As a result, the assessment-to-sales ratios are centered in September of 2012.

d. Sample sizes were sufficiently large to obtain statistical significance at conventionally accepted 95% confidence level.

Methodology

The goal of this study is to estimate the *average* assessed-to-sales ratio for selected classes of property in each school district. There is no attempt to assign a specific value to any particular piece of property. To derive the average ratio, an estimate is required for the current market value of property and the current assessment of the same property.

There are three basic ways to value real property, namely cost of construction, comparable sales, and income. The latter applies only to business property. The cost and income methodologies are required for a full reassessment such as those conducted in Sussex County in 1974, Kent County in 1986, and New Castle County in 1983. During a full reassessment, all three methods are used where appropriate, and a new market value is assigned to every piece of property in the jurisdiction. The current study employs only the comparable sales approach, since the other methodologies were not required to satisfy the intent of the legislation.

The data elements required for this study are drawn from two sources. The first source is the database of property transfers. Data elements used include the sales price, school district, type of property, and the date of the transfer. The date of transfer is used to identify those transfers that occurred during the study period.

The second source is the county assessment file. It contains a record for each property located in the county. The key data extracted from this database are the school district, type of property, and assessed value for all properties regardless of whether the property was sold during the time period. The sales data coupled with matching records from the assessment file are used to develop the average assessment-to-sales ratios. The primary use of the assessment file is to correctly weight the ratios by property class.

Many property transfers are not "arm's length transactions." That is, they occur at prices unrelated to their market values, e.g., \$1, \$10, or \$100. These are obviously not market transactions and are excluded in order to satisfy the specific requirements of the study. Unfortunately, there are other transfers (some not so easily identified), that also do not take place at the true market value of the property. Since the sales database contains 42,894¹ transactions during the reference period of the study, it is not practical and it is not cost-effective to interview all parties involved in the transaction to determine whether the price reported was full-value. (This problem was addressed by the Assessment Practices Review Committee created by the General Assembly.) Thus, a statistical approach, taken

¹Kent County –6,266; New Castle County –17,150; Sussex County –19,478.

from the field of exploratory data analysis, is used to identify aberrant values coupled with a careful examination of the excluded transactions.

The screening procedure begins by identifying extreme values. In this instance, property transfers with calculated sales ratios of greater than 100.0 were considered extreme. A sales ratio of 100.0 occurs when the market value obtained from the assessment database was 100 times larger than the stated sales price. For example, a property selling for \$100 that has an assessed value of \$10,000 according to the assessment file, would have a sales ratio of 100. All of these transactions were automatically excluded. In the second phase, the median sales ratio for each property class was calculated. The median is that value that lies at the center of the ordered set of ratios, i.e., 50% of the ratios are higher and 50% are lower than that value. It is a measure of central tendency that is unaffected by extreme values.

In addition, the quartiles were located. The lower quartile is that ratio where 25% of all the ratios are lower than its value. The upper quartile is that ratio where 25% of all transactions are higher than its value. Fifty percent of all transactions are contained in the h-spread, the distance between the lower and upper quartiles, with the median at the center. If the median sales ratio was .6 and the 25th percentile was .2 and the 75th percentile was .9 then the h-spread is .7.

The "step size" is defined as 1.5 times the h-spread. Any observation that is less than the lower hinge or quartile (25%) minus one step was considered an outlier and was rejected. Furthermore, any value that was greater than the upper hinge (75%) plus one step was also targeted for exclusion. The boundaries were calculated separately for each county and property type. The end result of this screening process produced files with 2,642, 5,836 and 8,579 observations for Kent, New Castle, and Sussex counties respectively². The screened data sets were then analyzed using a number of statistical procedures to determine the most appropriate model for use in deriving the final ratios.

The data were also analyzed to determine if the transactions in one district might be unduly weighted to one side or the other of the center of the 18 month period. An analysis of the timing of the transfer showed differences between the districts to be of less than a month on the average.

An analysis of variance procedure was used to test the hypothesis of no difference in the ratios between school districts of a county for a given property type. If there was a difference, other analyses were performed to decide whether to use the estimated ratio for each school district and property type

²Other cases were excluded where the transaction was clearly an error or was due to a data processing problem. For example, there were multiple reports of transactions at the same price when a single property was transferred and was subsequently subdivided. The sales price was carried with each sub-divided property.

or the countywide average. Each sales ratio was tested for the existence of a statistical difference between the calculated ratio for each school district and that for the county for each property type. If there was no difference, the countywide average was used for that district.

Since the estimates at the county level are much more stable, in particular for property types other than residences, a different procedure was used to provide more stability in the ratios where the ratio was statistically different from the county mean. If the mean for the property type-district was below the 95% confidence interval for the property type-county and the two confidence intervals did not overlap, the upper end of the district's confidence interval was used in the calculations. If the two confidence intervals overlapped, the lower end of the county interval was used.

If the mean for the property type-district was above the 95% confidence interval for the property type-county and the two confidence intervals did not overlap, the lower end of the district's confidence interval was used in the calculations. If the two confidence intervals overlapped, the upper end of the county interval was used.

This procedure has several advantages. First, it takes into account the small sample sizes and resulting standard errors for the smaller districts. Second, it makes maximum use of information at the largest relevant geographic jurisdiction and consequently minimizes changes in ratios generated by short-term variations in market prices. Third, it still captures value changes in individual districts.

Results

Table 2 shows the estimates produced by the sales ratio study. Included in Table 2 are the estimated assessment-to-sales ratios for each school district using 18 months of sales. These total ratios are derived by weighting the separate ratios calculated for each class of property by the proportion of assessed value in that class.

Table 2
Assessment-to-Sales Ratios
by School District

School District	Assessed Value 9/13	Old Ratio	Old Full Value	New Ratio	New Full Value
New Castle County					
Appoquinimink	\$1,858,277,279	0.322	\$5,765,034,287	0.327	\$5,677,207,393
Brandywine	\$3,408,232,578	0.320	\$10,644,010,335	0.310	\$10,989,794,107
Christina	\$5,452,440,589	0.340	\$16,058,002,879	0.330	\$16,545,725,562
Colonial	\$2,762,894,451	0.336	\$8,218,035,741	0.330	\$8,379,721,149
Red Clay	\$5,181,731,416	0.328	\$15,807,181,747	0.326	\$15,910,427,772
NCC Total*	\$18,769,028,933	0.330	\$56,824,757,605	0.325	\$57,797,148,039
Kent County					
Caesar Rodney	\$823,425,700	0.145	\$5,682,807,576	0.136	\$6,049,724,694
Capital	\$1,243,466,600	0.157	\$7,901,219,926	0.130	\$9,557,918,204
Lake Forest	\$468,956,800	0.140	\$3,342,851,921	0.134	\$3,486,988,824
Milford		0.122		0.114	
Kent	\$250,383,200	0.142	\$1,767,148,611	0.123	\$2,037,985,495
Sussex	\$141,840,286	0.098	\$1,448,933,933	0.101	\$1,410,560,287
Smyrna		0.157		0.146	
New Castle	\$105,452,620	0.317	\$332,492,616	0.358	\$294,272,055
Kent	\$579,796,400	0.143	\$4,045,759,150	0.131	\$4,412,616,161
KC Total*	\$3,398,491,800	0.148	\$22,977,470,333	0.132	\$25,778,224,586
Sussex County					
Cape Henlopen	\$1,078,303,454	0.086	\$12,542,217,300	0.084	\$12,763,244,856
Delmar	\$48,196,995	0.105	\$460,282,500	0.099	\$485,357,389
Indian River	\$1,385,173,964	0.095	\$14,639,119,793	0.094	\$14,796,712,149
Laurel	\$117,260,220	0.097	\$1,210,422,167	0.096	\$1,216,656,021
Seaford	\$203,195,255	0.103	\$1,973,543,915	0.102	\$1,988,799,550
Woodbridge					
Kent	\$32,463,100	0.137	\$237,683,150	0.139	\$237,683,150
Sussex	\$116,339,187	0.095	\$1,224,098,012	0.094	\$1,234,001,205
SC Total*	\$3,090,309,361	0.092	\$33,498,617,620	0.091	\$33,895,331,457

*Total refers to the entire county including pieces in other parts of the table.

Source: Center for Applied Demography & Survey Research, University of Delaware

Two assessment-to-sales ratios are presented for Smyrna, Milford, and Woodbridge since those school districts cross county lines.

It should also be noted that the impact of the changes in ratios measured by this study are tempered by requirements of the enabling legislation. No district can suffer more than a 5% decrease and no district can receive more than a 5% increase as a result of this study. Since some districts are likely to be affected by these limits, the adjustment process will continue in the years to come.

Housing markets in Delaware do not necessarily move together. Thus, there is no guarantee that the allocation formula will be affected in the same way every time. This argues for keeping the adjustment process as flexible and continuous as possible. Further, the districts should be encouraged to use the 95% rule in forecasting their allocations for future years.

The ratios estimated over the last twenty years are shown in Table 3. In 1983, the date of the last reassessment in New Castle County, the ratio was set at 1.0. The ratio has declined to .330 as of September 2011. In Kent County where the ratio was set at .60 in 1986, this study estimates the ratio as 0.148. The last reassessment in Sussex County was completed in 1974 when the ratio was set at 0.5. That ratio is estimated in this study as 0.092 for September, 2011.

Table 3
Assessment-to-Sales Ratios
1992-2012
(Based on 18 Months of Sales)

School District	9/92	9/93	9/94	9/95	9/96	9/97	9/98	9/99	9/00	9/01	9/02	9/03	9/04	9/05	9/06	9/07	9/08	9/09	9/10	9/11	9/12
New Castle County																					
Appoquinimink	0.515	0.508	0.481	0.476	0.473	0.452	0.432	0.419	0.415	0.368	0.355	0.323	0.282	0.243	0.245	0.266	0.267	0.293	0.310	0.322	0.327
Brandywine	0.568	0.554	0.529	0.536	0.519	0.524	0.474	0.444	0.430	0.396	0.370	0.333	0.283	0.255	0.246	0.250	0.263	0.273	0.299	0.320	0.310
Christina	0.531	0.594	0.547	0.530	0.511	0.515	0.496	0.460	0.432	0.375	0.380	0.338	0.315	0.277	0.255	0.240	0.260	0.284	0.312	0.340	0.330
Colonial	0.603	0.606	0.534	0.544	0.511	0.516	0.487	0.453	0.442	0.392	0.394	0.334	0.299	0.257	0.241	0.241	0.246	0.278	0.308	0.336	0.330
Red Clay	0.586	0.564	0.550	0.545	0.529	0.533	0.509	0.474	0.455	0.401	0.401	0.350	0.305	0.264	0.254	0.258	0.259	0.280	0.301	0.328	0.326
NCC Total*	0.565	0.574	0.540	0.536	0.517	0.519	0.491	0.458	0.439	0.389	0.384	0.339	0.301	0.263	0.250	0.249	0.257	0.281	0.306	0.330	0.325
Kent County																					
Caesar Rodney	0.430	0.408	0.392	0.391	0.368	0.362	0.360	0.365	0.351	0.323	0.300	0.283	0.251	0.217	0.197	0.172	0.124	0.130	0.136	0.145	0.136
Capital	0.466	0.431	0.416	0.409	0.370	0.371	0.388	0.402	0.374	0.350	0.317	0.300	0.248	0.217	0.198	0.178	0.126	0.131	0.140	0.157	0.130
Lake Forest	0.424	0.399	0.383	0.371	0.347	0.353	0.340	0.346	0.330	0.312	0.303	0.268	0.229	0.204	0.188	0.163	0.121	0.116	0.127	0.140	0.134
Milford																					
Kent	0.452	0.420	0.423	0.408	0.353	0.368	0.372	0.381	0.361	0.316	0.307	0.290	0.238	0.207	0.208	0.171	0.123	0.124	0.132	0.142	0.123
Sussex	0.170	0.148	0.162	0.145	0.154	0.150	0.133	0.130	0.127	0.128	0.107	0.087	0.077	0.068	0.068	0.070	0.081	0.090	0.092	0.098	0.101
Smyrna																					
New Castle	0.485	0.500	0.474	0.468	0.489	0.451	0.430	0.410	0.413	0.333	0.341	0.306	0.242	0.207	0.205	0.293	0.246	0.294	0.297	0.317	0.358
Kent	0.431	0.399	0.377	0.364	0.352	0.356	0.356	0.361	0.345	0.312	0.304	0.279	0.247	0.209	0.189	0.163	0.122	0.124	0.132	0.143	0.131
KC Total*	0.421	0.392	0.383	0.371	0.348	0.348	0.348	0.353	0.335	0.312	0.289	0.265	0.226	0.197	0.195	0.171	0.124	0.127	0.135	0.148	0.132
Sussex County																					
Cape Henlopen	0.174	0.157	0.159	0.159	0.165	0.148	0.136	0.131	0.122	0.106	0.089	0.070	0.063	0.058	0.061	0.067	0.072	0.077	0.080	0.086	0.084
Delmar	0.161	0.154	0.163	0.169	0.155	0.152	0.123	0.133	0.129	0.126	0.111	0.095	0.081	0.066	0.069	0.068	0.074	0.085	0.091	0.105	0.099
Indian River	0.172	0.160	0.163	0.162	0.157	0.157	0.137	0.137	0.129	0.115	0.103	0.081	0.070	0.062	0.064	0.071	0.080	0.085	0.088	0.095	0.094
Laurel	0.167	0.157	0.154	0.156	0.153	0.153	0.128	0.135	0.131	0.122	0.109	0.096	0.082	0.068	0.063	0.069	0.078	0.089	0.089	0.097	0.100
Seaford	0.175	0.168	0.173	0.181	0.165	0.154	0.129	0.145	0.141	0.131	0.127	0.103	0.087	0.069	0.064	0.066	0.076	0.093	0.091	0.103	0.102
Woodbridge																					
Kent	0.424	0.377	0.364	0.340	0.325	0.316	0.320	0.318	0.307	0.296	0.298	0.277	0.236	0.198	0.182	0.158	0.119	0.120	0.123	0.137	0.139
Sussex	0.162	0.163	0.159	0.173	0.155	0.147	0.118	0.141	0.127	0.118	0.113	0.093	0.078	0.065	0.063	0.069	0.075	0.089	0.087	0.095	0.094
SC Total*	0.174	0.161	0.163	0.164	0.161	0.154	0.136	0.137	0.129	0.114	0.100	0.080	0.070	0.062	0.063	0.069	0.077	0.083	0.086	0.092	0.091

* Total refers to the entire county including pieces in other parts of the table.

Source: Center for Applied Demography & Survey Research, University of Delaware

The study centered on September, 2012 shows that the ratios finally have reversed and reflect decreases indicating rising market prices. During this recent period, ratios in New Castle County have decreased and are similar to those that existed prior to the development of the housing bubble. Ratios fell in all of the county school districts with the exception of Appoquinimink which had enjoyed a larger share of the price appreciation during the bubble is still adjusting. Kent County, which had been

growing at the slowest rate in the state through 2001, saw property values in 2001-2008 increase substantially. Most of the districts in Kent showed small decreases in housing values during recent years although some districts had larger losses than others. Even during the crisis, some district ratios continued to decline but at a much slower rate. In this year's study, a reversal did take place in Kent as well. Sussex County real estate prices have been mixed but over all prices began to move higher creating slightly lower ratios in some but not all districts. The pattern in Sussex County over the decade appears to be significant price moves followed by stabilization and it appears to have reached that point.

The estimates provided in Table 3 could lead one to conclude that there are "winners and losers" when the formula is updated. However, it is very much like the outcome of a reassessment. If the property was undervalued prior to the reassessment, taxes will rise to the proper level. If the property was overvalued prior to the reassessment, taxes on that property will fall. If the property was fairly valued, there will be no change. In a like manner, districts that are now receiving less have received "over-payments" in the past. Those receiving new funds were certainly under allocated funds in the past.

The legislation that required the conduct of this study recognized that distortions would occur in one of the main factors of the formula, the total full-value of real estate. This distortion would become worse with time and only with periodic updates would the formula produce the intended distribution of funds. Thus, the results should not be cast in terms of "winners and losers," but in the restoration of an equitable distribution of Division III funds as intended by the General Assembly.

APPENDIX A

Property Assessment

	Residential	Non-Residential	Total
New Castle County			
Appoquinimink	1,529,016,589	329,260,690	1,858,277,279
NCC Tax District (e)	10,456,800,791	6,348,498,243	16,805,299,034
Brandywine(f)	2,244,669,368	1,163,563,210	3,408,232,578
Christina(f)	3,031,011,063	2,421,429,526	5,452,440,589
Colonial(f)	1,402,360,417	1,360,534,034	2,762,894,451
Red Clay(f)	3,778,759,943	1,402,971,473	5,181,731,416
Total New Castle County	11,985,817,380	6,677,758,933	18,663,576,313
Kent County			
Caesar Rodney	702,982,400	120,443,300	823,425,700
Capital	729,651,600	513,815,000	1,243,466,600
Lake Forest	384,913,000	84,043,800	468,956,800
Milford(KC)(a)	154,724,900	95,658,300	250,383,200
Milford(SC)(a) (g)	115,178,475	26,661,811	141,840,286
Smyrna(NCC)(b)	79,363,270	26,089,350	105,452,620
Smyrna(KC)(b)	473,073,800	106,722,600	579,796,400
Total Kent County	2,639,887,445	973,434,161	3,613,321,606
Sussex County			
Cape Henlopen (g)	896,044,405	182,259,049	1,078,303,454
Delmar (g)	30,953,263	17,243,732	48,196,995
Indian River (g)	1,136,714,932	248,459,032	1,385,173,964
Laurel (g)	81,953,993	35,306,227	117,260,220
Seaford (g)	129,014,706	74,180,549	203,195,255
Woodbridge(KC)(c)	28,584,800	3,878,300	32,463,100
Woodbridge(SC)(c) (g)	72,255,135	44,084,052	116,339,187
Total Sussex County	2,375,521,234	605,410,941	2,980,932,175
Total State	17,001,226,059	8,256,604,035	25,257,830,094
Vocational Districts			
New Castle	11,985,817,380	6,677,758,933	18,663,576,313
Polytech(KC)(d)	2,473,930,500	924,561,300	3,398,491,800
Polytech(NCC)(d)	79,363,270	26,089,350	105,452,620
Sussex	2,462,114,909	628,194,452	3,090,309,361
Total	17,001,226,059	8,256,604,035	25,257,830,094
	12,065,180,650	6,703,848,283	18,769,028,933

Assessment and Tax Rates - Delaware Public Schools 2013-14

Table 1
District Assessment, Number of Capitations and Authorized Tax Rates
For Debt Service, Current Expense, Tuition, Match and Total Levies
2013-14

District	Assessed Valuation of Real Estate	Number Of Capitations	Debt Service		Current Expense			Tuition		Match		Total Levies		
			Tax Rate	Levy Per Cap	Residential Tax Rate	Non- Residential	Levy Per Cap	Tax Rate	Levy Per Cap	Tax Rate	Levy Per Cap	Residential Rate	Non- Residential	Levy Per Cap
New Castle County														
Appoquinimink	1,858,277,279		0.3317		0.9490	0.9490		0.3920		0.0800		1.7527	1.7527	
NCC Tax District (e)	16,805,299,034		0.0000		0.4680	0.4680		0.0000		0.0000		0.4680	0.4680	
Brandywine(f)	3,408,232,578		0.2500		1.0910	1.0910		0.3320		0.0375		1.7105	1.7105	
Christina(f)	5,452,440,589		0.1350		0.9520	0.9520		0.4100		0.0320		1.5290	1.5290	
Colonial(f)	2,762,894,451		0.1950		0.7380	0.7380		0.2500		0.0550		1.2380	1.2380	
Red Clay(f)	5,181,731,416		0.1360		0.7580	0.7580		0.3270		0.0520		1.2730	1.2730	
Total New Castle County	18,663,576,313													
Kent County														
Caesar Rodney	823,425,700	19,582	0.2100		0.5400	0.5400	12.00	0.3548		0.1402		1.2450	1.2450	12.00
Capital	1,243,466,600		0.5350		0.8800	0.8800		0.3600		0.0750		1.8500	1.8500	
Lake Forest	468,956,800	11,396	0.1450	5.00	0.8257	0.8257	10.00	0.2583		0.0873		1.3163	1.3163	15.00
Milford(KC)(a)	250,383,200		0.2579		0.6144	0.6144		0.3610		0.0359		1.2692	1.2692	
Milford(SC)(a) (g)	141,840,286		0.6060		2.0481	2.0481		0.8485		0.0844		3.5870	3.5870	
Smyrna(NCC)(b)	105,452,620		0.1980		0.6760	0.6760		0.1774		0.0753		1.1267	1.1267	
Smyrna(KC)(b)	579,796,400		0.2891		0.7580	0.7580		0.2590		0.1100		1.4161	1.4161	
Total Kent County	3,613,321,606													
Sussex County														
Cape Henlopen (g)	1,078,303,454		0.3610		1.6280	1.6280		0.8970		0.0910		2.9770	2.9770	
Delmar (g)	48,196,995	2,659	0.6200	3.00	1.5600	1.5600	10.00	1.4400		0.1894		3.8094	3.8094	13.00
Indian River (g)	1,385,173,964	33,955	0.3200	5.00	1.8600	1.8600	7.00	0.5300		0.0330		2.7430	2.7430	12.00
Laurel (g)	117,260,220	6,572	1.0540		1.5000	1.5000	24.30	0.7890		0.2460		3.5890	3.5890	24.30
Seaford (g)	203,195,255		0.6600		2.0200	2.0200		0.4135		0.2665		3.3600	3.3600	
Woodbridge(KC)(c)	32,463,100	750	0.3250		0.7130	0.7130	8.82	0.2390		0.0840		1.3610	1.3610	8.82
Woodbridge(SC)(c) (g)	116,339,187	5,825	0.9870		1.7240	1.7240	8.82	0.7240		0.2550		3.6900	3.6900	8.82
Total Sussex County	2,980,932,175													
Total State	25,257,830,094													
Vocational Districts														
New Castle	18,663,576,313		0.0100		0.1400	0.1400						0.1500	0.1500	
Polytech(KC)(d)	3,398,491,800		0.0190		0.1171	0.1171				0.0011		0.1372	0.1372	
Polytech(NCC)(d)	105,452,620		0.0156		0.0963	0.0963				0.0009		0.1128	0.1128	
Sussex	3,090,309,361		0.0192		0.2350	0.2350				0.0057		0.2599	0.2599	
Total	25,257,830,094													

- (a) Milford: Separate tax rates in Kent and Sussex Counties.
(b) Smyrna: Separate tax rates in New Castle and Kent Counties.
(c) Woodbridge: Separate tax rates in Kent and Sussex Counties.
(d) Polytech: Separate tax rates in New Castle and Kent Counties.

- (e) New Castle County Tax District collects current expense taxes for these four districts as specified in Title 14, Delaware Code.
(f) Brandywine, Christina, Colonial and Red Clay: all have additional tax rates since the 1981 changes to Delaware Code through successful referenda.
(g) Sussex County districts' residential property assessment values reflect exclusion of residential exceptions as reported by Sussex County Council.

NOTE: New Castle County Assessment as of March 13, 2013; Kent County Assessment as of April 15, 2013;
and Sussex County Assessment as of June 30, 2013 (Sussex County figures used for the 2013 annual tax billing and as of 6/30/13 due to conversion to new billing system).
NOTE: Tax rates are per \$100 of assessed value

Table 2
Estimated Amount of Tax Collectible for Debt Service, Current Expense, Tuition and Match
2013-14

District	Debt Service	Current Expense	Tuition	Match	Total Amount
New Castle County					
Appoquinimink	6,163,906	17,635,051	7,284,447	1,486,622	32,570,026
NCC Tax District	0	78,648,799	0	0	78,648,799
Brandywine(a)	8,520,581	37,183,817	11,315,332	1,278,087	58,297,817
Christina(a)	7,360,795	51,907,234	22,355,006	1,744,781	83,367,816
Colonial(a)	5,387,644	20,390,161	6,907,236	1,519,592	34,204,633
Red Clay(a)	7,047,155	39,277,524	16,944,262	2,694,500	65,963,441
Total New Castle County	34,480,081	245,042,586	64,806,283	8,723,582	353,052,532
Kent County					
Caesar Rodney	1,729,194	4,681,483	2,921,514	1,154,443	10,486,634
Capital	6,652,546	10,942,506	4,476,480	932,600	23,004,132
Lake Forest	736,967	3,986,136	1,211,315	409,399	6,343,817
Milford	1,505,290	4,443,385	2,107,398	209,601	8,265,674
Smyrna	1,884,988	5,107,716	1,688,746	717,182	9,398,632
Total Kent County	12,508,985	29,161,226	12,405,453	3,423,225	57,498,889
Sussex County					
Cape Henlopen	3,892,675	17,554,780	9,672,382	981,256	32,101,093
Delmar	306,798	778,463	694,037	91,285	1,870,583
Indian River	4,602,332	26,001,921	7,341,422	457,107	38,402,782
Laurel	1,235,923	1,918,603	925,183	288,460	4,368,169
Seaford	1,341,089	4,104,544	840,212	541,515	6,827,360
Woodbridge	1,253,773	2,295,141	919,883	323,934	4,792,731
Total Sussex County	12,632,590	52,653,452	20,393,119	2,683,557	88,362,718
Total State	59,621,656	326,857,264	97,604,855	14,830,364	498,914,139
Vocational Districts					
New Castle	1,866,358	26,129,007	0	0	27,995,365
Polytech	662,164	4,081,185	0	38,332	4,781,681
Sussex	593,339	7,262,227	0	176,148	8,031,714
Total	3,121,861	37,472,419		214,480	40,808,760
Total State - All Districts	62,743,517	364,329,683	97,604,855	15,044,844	539,722,899
Percentage	11.63	67.50	18.08	2.79	100.0

(a) The New Castle County Tax District collects current expense taxes as specified in Title 14, Delaware Code for these four districts.

Assessment and Tax Rates - Delaware Public Schools 2013-14

Table 3
Assessed and Full Valuation of Real Estate
2013-14

District	Assessed Valuation 2013-14	Assessment To Sales Ratio(a)	Full Valuation 2013-14
New Castle County			
Appoquinimink	1,858,277,279	0.308	6,033,367,789
NCC Tax District	16,805,299,034		55,052,381,692
Brandywine	3,408,232,578	0.297	11,475,530,566
Christina	5,452,440,589	0.312	17,475,771,119
Colonial	2,762,894,451	0.307	8,999,656,192
Red Clay	5,181,731,416	0.303	17,101,423,815
Total New Castle County	18,663,576,313		61,085,749,481
Kent County			
Caesar Rodney	823,425,700	0.137	6,010,406,569
Capital	1,243,466,600	0.143	8,695,570,629
Lake Forest	468,956,800	0.128	3,663,725,000
Milford(KC)(b)	250,383,200	0.133	1,882,580,451
Milford(SC)(b)	141,840,286	0.093	1,525,164,366
Smyrna(NCC)(c)	105,452,620	0.303	348,028,449
Smyrna(KC)(c)	579,796,400	0.133	4,359,371,429
Total Kent County	3,613,321,606		26,484,846,893
Sussex County			
Cape Henlopen	1,078,303,454	0.081	13,312,388,321
Delmar	48,196,995	0.094	512,733,989
Indian River	1,385,173,964	0.089	15,563,752,404
Laurel	117,260,220	0.092	1,274,567,609
Seaford	203,195,255	0.096	2,116,617,240
Woodbridge(KC)(d)	32,463,100	0.127	255,614,961
Woodbridge(SC)(d)	116,339,187	0.090	1,292,657,633
Total Sussex County	2,980,932,175		34,328,332,157
Total State	25,257,830,094		121,898,928,531
Vocational Districts			
NCCVT	18,663,576,313		61,085,749,481
Polytech(KC)(e)	3,398,491,800		24,867,269,039
Polytech(NCC)(e)	105,452,620		348,028,449
Sussex	3,090,309,361		35,597,881,562
Total	25,257,830,094		121,898,928,531

- (a) Assessment-to-Sales Ratio Used in FY 14 Equalization Formula
(b) Milford: Separate Assessment to Sales Ratios in Kent and Sussex Counties.
(c) Smyrna: Separate Assessment to Sales Ratios in New Castle and Kent Counties
(d) Woodbridge: Separate Assessment to Sales Ratios in Kent and Sussex Counties.
(e) Polytech: Separate Assessment to Sales Ratios in New Castle and Kent Counties.

Assessment and Tax Rates - Delaware Public Schools 2013-14

Table 4
Comparison of Residential Real Estate Tax Rates
2012-13 to 2013-14

District	Debt Service			Current Expense			Tuition			Match			Total Levies		
	12-13	13-14	Change	12-13	13-14	Change	12-13	13-14	Change	12-13	13-14	Change	12-13	13-14	Change
New Castle County															
Appoquinimink	0.3367	0.3317	-0.0050	0.7990	0.9490	0.1500	0.3920	0.3920	0.0000	0.0750	0.0800	0.0050	1.6027	1.7527	0.1500
NCC Tax District(a)	0.0000	0.0000	0.0000	0.4680	0.4680	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.4680	0.4680	0.0000
Brandywine	0.2500	0.2500	0.0000	1.0910	1.0910	0.0000	0.2620	0.3320	0.0700	0.0375	0.0375	0.0000	1.6405	1.7105	0.0700
Christina	0.1350	0.1350	0.0000	0.9520	0.9520	0.0000	0.3500	0.4100	0.0600	0.0290	0.0320	0.0030	1.4660	1.5290	0.0630
Colonial	0.1900	0.1950	0.0050	0.3880	0.7380	0.3500	0.2200	0.2500	0.0300	0.0600	0.0550	-0.0050	0.8580	1.2380	0.3800
Red Clay	0.1360	0.1360	0.0000	0.7580	0.7580	0.0000	0.2420	0.3270	0.0850	0.0280	0.0520	0.0240	1.1640	1.2730	0.1090
Kent County															
Caesar Rodney	0.2100	0.2100	0.0000	0.5400	0.5400	0.0000	0.3684	0.3548	-0.0136	0.1266	0.1402	0.0136	1.2450	1.2450	0.0000
Capital	0.5300	0.5350	0.0050	0.8800	0.8800	0.0000	0.4300	0.3600	-0.0700	0.0690	0.0750	0.0060	1.9090	1.8500	-0.0590
Lake Forest	0.1450	0.1450	0.0000	0.6970	0.8257	0.1287	0.2281	0.2583	0.0302	0.0868	0.0873	0.0005	1.1569	1.3163	0.1594
Milford(KC)(b)	0.2962	0.2579	-0.0383	0.6144	0.6144	0.0000	0.2614	0.3610	0.0996	0.0445	0.0359	-0.0086	1.2165	1.2692	0.0527
Milford(SC)(b)	0.6975	0.6060	-0.0915	2.0481	2.0481	0.0000	0.6154	0.8485	0.2331	0.1049	0.0844	-0.0205	3.4659	3.5870	0.1211
Smyrna(NCC)(c)	0.1978	0.1980	0.0002	0.6760	0.6760	0.0000	0.1530	0.1774	0.0244	0.0268	0.0753	0.0485	1.0536	1.1267	0.0731
Smyrna(KC)(c)	0.2965	0.2891	-0.0074	0.7580	0.7580	0.0000	0.2293	0.2590	0.0297	0.0402	0.1100	0.0698	1.3240	1.4161	0.0921
Sussex County															
Cape Henlopen	0.3280	0.3610	0.0330	1.6280	1.6280	0.0000	0.9220	0.8970	-0.0250	0.0990	0.0910	-0.0080	2.9770	2.9770	0.0000
Delmar	0.6000	0.6200	0.0200	1.5600	1.5600	0.0000	1.4200	1.4400	0.0200	0.1774	0.1894	0.0120	3.7574	3.8094	0.0520
Indian River	0.3150	0.3200	0.0050	1.7450	1.8600	0.1150	0.5300	0.5300	0.0000	0.0330	0.0330	0.0000	2.6230	2.7430	0.1200
Laurel	1.0705	1.0540	-0.0165	1.5000	1.5000	0.0000	0.8355	0.7890	-0.0465	0.1724	0.2460	0.0736	3.5784	3.5890	0.0106
Seaford	0.6600	0.6600	0.0000	2.0200	2.0200	0.0000	0.4225	0.4135	-0.0090	0.2175	0.2665	0.0490	3.3200	3.3600	0.0400
Woodbridge(KC)(d)	0.3570	0.3250	-0.0320	0.7130	0.7130	0.0000	0.2390	0.2390	0.0000	0.0630	0.0840	0.0210	1.3720	1.3610	-0.0110
Woodbridge(SC)(d)	1.0860	0.9870	-0.0990	1.7240	1.7240	0.0000	0.7240	0.7240	0.0000	0.1900	0.2550	0.0650	3.7240	3.6900	-0.0340
Vocational Districts															
New Castle	0.0200	0.0100	-0.0100	0.1300	0.1400	0.0100	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1500	0.1500	0.0000
Polytech(KC)(e)	0.0190	0.0190	0.0000	0.1171	0.1171	0.0000	0.0000	0.0000	0.0000	0.0011	0.0011	0.0000	0.1372	0.1372	0.0000
Polytech(NCC)(e)	0.0156	0.0156	0.0000	0.0963	0.0963	0.0000	0.0000	0.0000	0.0000	0.0009	0.0009	0.0000	0.1128	0.1128	0.0000
Sussex	0.0405	0.0192	-0.0213	0.2350	0.2350	0.0000	0.0000	0.0000	0.0000	0.0056	0.0057	0.0001	0.2811	0.2599	-0.0212

(a) The New Castle County Tax District collects current expense taxes as specified in Title 14, Delaware Code for these four districts.

(b) Milford: Separate Assessment to Sales Ratios in Kent and Sussex Counties.

(c) Smyrna: Separate Assessment to Sales Ratios in New Castle and Kent Counties.

(d) Woodbridge: Separate Assessment to Sales Ratios in Kent and Sussex Counties.

(e) Polytech: Separate Assessment to Sales Ratios in New Castle and Kent Counties.

Assessment and Tax Rates - Delaware Public Schools 2013-14

Table 5
Assessed Valuation of Real Estate
2009-10 to 2013-14

District	2009-10	2010-11	2011-12	2012-13	2013-14
New Castle County					
Appoquinimink	1,697,379,205	1,752,213,781	1,776,455,193	1,813,106,162	1,858,277,279
NCC Tax District	16,552,077,312	16,652,359,626	16,672,067,829	16,745,934,358	16,805,299,034
Brandywine	3,350,928,686	3,355,733,609	3,375,703,729	3,387,676,095	3,408,232,578
Christina	5,462,624,928	5,495,924,872	5,448,358,642	5,447,391,193	5,452,440,589
Colonial	2,654,099,085	2,683,995,758	2,717,493,982	2,749,061,924	2,762,894,451
Red Clay	5,084,424,613	5,116,705,387	5,130,511,476	5,161,805,146	5,181,731,416
Total	18,249,456,517	18,404,573,407	18,448,523,022	18,559,040,520	18,663,576,313
Kent County					
Caesar Rodney	773,498,700	787,574,300	791,472,000	807,110,800	823,425,700
Capital	1,201,171,940	1,229,753,000	1,224,745,900	1,239,720,700	1,243,466,600
Lake Forest	431,580,700	454,370,400	457,089,600	462,285,200	468,956,800
Milford	377,202,709	384,974,310	380,398,160	386,800,284	392,223,486
Smyrna	612,160,805	629,928,870	654,216,948	671,795,220	685,249,020
Total	3,395,614,854	3,486,600,880	3,507,922,608	3,567,712,204	3,613,321,606
Sussex County					
Cape Henlopen	982,046,090	1,002,088,178	1,028,238,433	1,050,952,378	1,078,303,454
Delmar	45,509,721	45,851,671	46,534,996	47,224,160	48,196,995
Indian River	1,295,752,026	1,317,370,410	1,337,448,043	1,358,241,464	1,385,173,964
Laurel	115,649,884	116,689,514	117,474,077	118,123,596	117,260,220
Seaford	199,733,147	199,669,917	200,712,367	202,225,107	203,195,255
Woodbridge	148,827,556	144,236,114	145,272,414	146,760,952	148,802,287
Total	2,787,518,424	2,825,905,804	2,875,680,330	2,923,527,657	2,980,932,175
Total State	24,432,589,795	24,717,080,091	24,832,125,960	25,050,280,381	25,257,830,094

Assessment and Tax Rates - Delaware Public Schools 2013-14

Table 6
Combined Tax Rates on Assessed Valuation of Real Estate
(Rates per \$100 of Assessed Value)
2013-14

District	Debt Service	Current Expense	Tuition	Match	Total
New Castle County					
Appoquinimink	0.3317	0.9490	0.3920	0.0800	1.7527
NCC Tax District	0.0000	0.4680	0.0000	0.0000	0.4680
Brandywine (a)	0.2500	1.0910	0.3320	0.0375	1.7105
Christina (a)	0.1350	0.9520	0.4100	0.0320	1.5290
Colonial (a)	0.1950	0.7380	0.2500	0.0550	1.2380
Red Clay (a)	0.1360	0.7580	0.3270	0.0520	1.2730
Kent County					
Caesar Rodney	0.2100	0.5685	0.3548	0.1402	1.2735
Capital	0.5350	0.8800	0.3600	0.0750	1.8500
Lake Forest	0.1572	0.8500	0.2583	0.0873	1.3528
Milford (KC) (b)	0.2579	0.6144	0.3610	0.0359	1.2692
Milford (SC) (b)	0.6060	2.0481	0.8485	0.0844	3.5870
Smyrna (NCC) (c)	0.1980	0.6760	0.1774	0.0753	1.1267
Smyrna (KC) (c)	0.2891	0.7580	0.2590	0.1100	1.4161
Sussex County					
Cape Henlopen	0.3610	1.6280	0.8970	0.0910	2.9770
Delmar	0.6366	1.6152	1.4400	0.1894	3.8812
Indian River	0.3323	1.8772	0.5300	0.0330	2.7725
Laurel	1.0540	1.6362	0.7890	0.2460	3.7252
Seaford	0.6600	2.0200	0.4135	0.2665	3.3600
Woodbridge (KC) (d)	0.3250	0.7334	0.2390	0.0840	1.3814
Woodbridge (SC) (d)	0.9870	1.7682	0.7240	0.2550	3.7342
Vocational Districts					
New Castle County	0.0100	0.1400	0.0000	0.0000	0.1500
Polytech (KC) (e)	0.0190	0.1171	0.0000	0.0011	0.1372
Polytech (NCC) (e)	0.0156	0.0963	0.0000	0.0009	0.1128
Sussex County	0.0192	0.2350	0.0000	0.0057	0.2599

- (a) The New Castle County Tax District collects current expense taxes as specified in Title 14, Delaware Code for these four districts.
(b) Milford: Separate Assessment to Sales Ratios in Kent and Sussex Counties.
(c) Smyrna: Separate Assessment to Sales Ratios in New Castle and Kent Counties
(d) Woodbridge: Separate Assessment to Sales Ratios in Kent and Sussex Counties.
(e) Polytech: Separate Assessment to Sales Ratios in New Castle and Kent Counties.

Assessment and Tax Rates - Delaware Public Schools 2013-14

Table 7
Combined Tax Rates on Full Valuation of Real Estate
(Rates per \$100 of Full Value)
2013-14

District	Debt Service	Current Expense	Tuition	Match	Total
New Castle County					
Appoquinimink	0.1022	0.2923	0.1207	0.0246	0.5398
NCC Tax District	0.0000	0.1429	0.0000	0.0000	0.1429
Brandywine (a)	0.0742	0.3240	0.0986	0.0111	0.5079
Christina (a)	0.0421	0.2970	0.1279	0.0100	0.4770
Colonial (a)	0.0599	0.2266	0.0767	0.0169	0.3801
Red Clay (a)	0.0412	0.2297	0.0991	0.0158	0.3858
Kent County					
Caesar Rodney	0.0288	0.0779	0.0486	0.0192	0.1745
Capital	0.0765	0.1258	0.0515	0.0107	0.2645
Lake Forest	0.0201	0.1088	0.0331	0.0112	0.1732
Milford	0.0442	0.1304	0.0618	0.0062	0.2426
Smyrna	0.0400	0.1085	0.0359	0.0152	0.1996
Sussex County					
Cape Henlopen	0.0292	0.1319	0.0727	0.0074	0.2412
Delmar	0.0598	0.1518	0.1354	0.0178	0.3648
Indian River	0.0296	0.1671	0.0472	0.0029	0.2468
Laurel	0.0970	0.1505	0.0726	0.0226	0.3427
Seaford	0.0634	0.1939	0.0397	0.0256	0.3226
Woodbridge	0.0810	0.1482	0.0594	0.0209	0.3095
Vocational Districts					
New Castle County	0.0031	0.0428	0.0000	0.0000	0.0459
Polytech	0.0026	0.0162	0.0000	0.0002	0.0190
Sussex County	0.0017	0.0204	0.0000	0.0005	0.0226

Assessment and Tax Rates - Delaware Public Schools 2013-14

(a) The New Castle County Tax District collects current expense taxes as specified in Title 14, Delaware Code for these four districts.

APPENDIX B

§ 1707. Division III equalization funding.

(a) Any school district which provides funds from local taxation for current operating expenses in excess of basic state appropriations, under Divisions I and II of this chapter, shall be eligible for state funds on a matching basis in accordance with this section.

(b) In the application of the formula, the following definitions shall apply:

(1) "School district ability" means the total full valuation of all taxable real property within the school district as of July 1 of the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated, divided by the number of units of pupils, excluding those units in special schools administered by a school district which are supported by a tuition tax, in the public schools of the school district as of September 30 of the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated. In the case of a vocational-technical school district, the school district ability shall be determined by dividing the total full valuation of all taxable real property located within the vocational-technical school district by the total number of units in the public schools located in the vocational-technical school district's attendance area, excluding those units assigned to special schools as defined herein and those units assigned to the vocational-technical school district, as of September 30 of the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated. In the case of a school district created under the provisions of § 1028(k) of this title, 2 school district abilities shall be computed. "Tax district ability" shall be computed by dividing the total full valuation of all taxable real property located in the school tax district in the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated, by the number of units of pupils, excluding those units in special schools administered by all school districts in the school tax district, in the public schools of the school tax district as of September 30 of the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated. "Individual district ability" shall be computed as specified in the first sentence of this paragraph.

(2) "State average ability" means the total full valuation of all taxable real property in the State as of July 1 in the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated divided by the total number of units of pupils in the public schools of the State, excluding those units assigned to vocational-technical school districts and those assigned to special schools as defined in paragraph (1) of this subsection, as of September 30 of the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated.

(3) "Authorized amount" means \$27,000 for Fiscal Year 2000 and as established in the annual State Budget Appropriation Act thereafter.

(4) "Units of pupils" means the total number of Division I units as specified in § 1703 of this title.

(5) "Total full valuation" means the total assessed valuation of taxable property divided by the most current assessment to sales price ratio. The Budget Office shall conduct, in accordance with nationally accepted standards and practices, an assessment to sales price study, by school district, on an annual basis in order to establish the most current ratios and such studies shall be open to public review. Each county is required to make available to the State Budget Office, at the cost of reproduction only, machine-readable copies of its assessment and sales transactions files. In the event a county completes a general reassessment during the period between studies, the county's assessment to sales price ratio shall be equal to its rate of assessment, until a subsequent assessment to sales price study is completed.

(6) "Total assessed valuation" means the official total assessed value of taxable real property appearing on the assessment rolls of appropriate county governing body or bodies as the case may be.

(7) "Ability index" means the school district ability divided by the state average ability. In the case of a school district created under the provisions of § 1028(k) of this title, 2 ability indices shall be computed. "Tax district ability index" shall be computed by dividing the tax district ability by the state average ability. "Individual district ability index" shall be computed by dividing the individual district ability by the state average ability.

(8) "School district current expense revenue" means the product of the school district's current operating expense real estate tax rate times the total assessed valuation as of July 1 of the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated, plus the product of the school district's capitation tax for current operating expense, times the number of capitations as of July 1 of the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated, plus tuition tax expenditures for the school districts local cost of private placements/unique alternative programs and Part I of the Student Discipline Program for the second fiscal year preceding the fiscal year for which Division III funds are appropriated. In the case of a school district created under the provisions of § 1028(k) of this title, two values for current expense revenues shall be computed. "Tax district current expense revenue" shall be computed by multiplying the current operating expense real estate tax rate for the school tax district by the total assessed valuation of the school tax district as of July 1 of the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated. "Individual district current expense revenue" shall be computed as specified in the first sentence of this paragraph."

(9) "School district effort" means the school district's current expense revenue divided by the school district's total full valuation as of July 1 in the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated. In the case of a county vocational-technical school district, the school district effort means the school district's current expense revenue divided by the total number of units of pupils in the district in the year immediately preceding the fiscal year for which Division III funds are appropriated divided by the school district ability. In the case of a school district created under the provisions of § 1028(k) of this title, 2 values of school district effort shall be computed. "Tax district effort" shall be computed by dividing tax district current expense revenue by the total full valuation of taxable property in the school tax district as of July 1 of the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated. "Individual district effort" shall be computed by dividing individual district current expense revenue by the total full valuation of the school district as of July 1 in the fiscal year immediately preceding the fiscal year for which Division III funds are appropriated.

(10) "State average effort" means the authorized amount times 72% divided by the State average ability.

(11) "Effort index" means the school district effort divided by the state average effort. The effort index for any school district shall not be greater than 1.00. In the case of a school district created under the provisions of § 1028(k) of this title, 2 effort indices shall be computed. "Tax district effort index" shall be computed by dividing the tax district effort by the state average effort. "Individual district effort index" shall be computed by dividing the individual district effort by the state average effort.

(12) "Local district effort index" applies only to school districts created under the provisions of § 1028(k) of this title and means the lesser of 1 minus the tax district effort index or the individual district effort index, but shall be a number at least equal to zero.

(c) The formula for determining the sums to be allocated in Division III, to school districts other than those created under the provisions of § 1028(k) of this title, shall be as provided in this subsection. The State share per unit is equal to the authorized amount times the effort index times the quantity of 1 minus .72 times the ability index; provided, that in no case shall the State share be less than the equivalent of 10% of the authorized amount times the effort index. The State share for special schools as defined in subsection (b)(1) of this section, except Intensive Learning Centers serving pupils of 1 district only, shall be equal to the State share for the vocational-technical school district in the county in which the special school is located. Intensive Learning Centers that serve only students of 1 district shall receive a State share equal to the State share for the district operating the Intensive Learning Center. The State share per unit in any fiscal year shall not be less than 95% or more than 105% of the State share per unit in the preceding fiscal year, except as provided in subsection (e) of this section.

(d) The formula for determining the sums to be allocated in Division III, to school districts created under the provisions of § 1028(k) of this title, shall be provided in this subsection. The State share per unit is equal to the sum of the 2 amounts defined as follows. The "tax district share" is equal to the authorized amount times the tax district effort index times the quantity of 1 minus .72 times the tax district ability index; provided, that in no case shall the tax district share be less than the equivalent of 10% of the authorized amount times the tax district effort index. The "individual district share" is equal to the authorized amount times the local district effort index times the quantity of 1 minus .72 times the individual district ability index; provided, that in no case shall the individual district share be less than the equivalent of 10% of the authorized amount times the individual district ability index. The State share per unit, the sum of the tax district share and the individual district share, in any fiscal year shall not be less than 95% or more than 105% of the State share per unit in the preceding fiscal year, except as provided in subsection (e) of this section.

(e) In the case of a school district with an effort index less than 1.00, or a district created under § 1028(k) of this title where the sum of the tax district effort index and the individual district effort index is less than 1.00, that passes a current expense tax referendum to increase taxes in the fiscal year preceding the fiscal year for which Division III funds are appropriated, the State share per unit shall be determined as provided in this subsection. The State share per unit shall first be computed in accordance with the provisions of subsection (c) or subsection (d) of this section, whichever calculation is appropriate for a particular school district, excluding the 105% provision. The State share per unit shall then be calculated a second time using the appropriate formula from subsection (c) or subsection (d) except that the current expense tax rate(s) for real estate and capitation for the current fiscal year shall replace the rates for the immediately preceding fiscal year throughout the calculation. The 105% maximum provision shall also be excluded in this second calculation. The State share per unit shall be equal to the amount computed in the second calculation; provided, that in no case shall the State share per unit be greater than the State share per unit under the second calculation minus the State share per unit under the first calculation plus 105% of the State share per unit in the preceding fiscal year.

(f) The 95% provision contained in subsection (c) and subsection (d) assumes that a school district does not reduce its current expense revenue by reducing current expense tax rates on real estate or capitations. In the event that a school district does reduce its current expense tax rate(s), the 95% minimum shall not apply and the school district shall qualify for a state share per unit based upon the formula in subsection (c) or subsection (d) only.

(g) Total state equalization shall be computed by multiplying the state share per unit times the number of units of pupils enrolled in the school district, the vocational school district, or the special school in the fiscal year for which the Division III funds are appropriated.

(h) Division III funds shall be utilized to supplement funds appropriated under Division I, including legal expenses associated with collective bargaining, and Division II for the purpose of advancing education beyond the level authorized through the basic appropriations in Divisions I and II or through any other state or federal appropriation.

(i) A committee, composed of not less than 10 or more than 15 members, shall be appointed by the Secretary of the Department of Education to annually review and make recommendations on the equalization formula. The committee shall also be empowered to analyze other issues and concerns related to equalization that impact the State's ability to achieve the basic purpose of equalization for Delaware's school districts. The committee shall include at least the following: a representative of the State Board of Education; a representative from the Governor's Office designated by the Governor; at least 1 member each from the House of Representatives and the State Senate designated by the Speaker of the House and the President Pro Tempore of the Senate, respectively; the Secretary of Finance or the Secretary's designee; the State Budget Director or the Director's designee; the Controller General or the Controller General's designee; a representative of the State Education Association designated by that organization; and at least 3 representatives of the local school districts, 1 from each county.

(47 Del. Laws, c. 364, §§ 2C, 2D; 14 Del. C. 1953, § 1707; 49 Del. Laws, c. 286; 56 Del. Laws, c. 292, § 22; 57 Del. Laws, c. 114, §§ 1, 2; 59 Del. Laws, c. 465, § 1; 59 Del. Laws, c. 553, § 1; 63 Del. Laws, c. 438, § 1; 64 Del. Laws, c. 314, § 1; 66 Del. Laws, c. 85, § 255; 67 Del. Laws, c. 26, § 1; 67 Del. Laws, c. 393, § 1; 69 Del. Laws, c. 64, §§ 286-289; 70 Del. Laws, c. 118, §§ 271-275; 70 Del. Laws, c. 186, § 1; 70 Del. Laws, c. 425, §§ 297, 298; 70 Del. Laws, c. 473, § 97; 71 Del. Laws, c. 132, §§ 313-316; 71 Del. Laws, c. 180, § 105; 71 Del. Laws, c. 354, §§ 332-335; 72 Del. Laws, c. 94, § 332; 72 Del. Laws, c. 395, §§ 389-391.)

APPENDIX C

EQUALIZATION FORMULA
FY 2002
APPOQUINIMINK

State Share	= (State Share per Unit) (Number of Units in 2001-2002)
	= (\$ 13,587) (334) = \$ 4,538,058

State Share per Unit	= (Amount Authorized) (Effort Index) [1-(0.72)(Ability Index)]
	= (\$ 27,000) (1.000) [1-(0.72)(0.6899)]
	= (\$ 27,000) (1.000) (0.5032)
	= \$ 13,587

- (a) Must be at least 95% of 2000-01 allocation and at least 10% of amount authorized times the effort index. Cannot exceed 105% of 2000-01 allocation.

EQUALIZATION FORMULA
FY 2002
APPOQUINIMINK
(continued)

(B) Effort Index = $\frac{(\text{School District Current Expense Revenue in 2000-01})}{(\text{School District Full Valuation in 2000-01})}$
(cannot exceed 1.0)

$\frac{(\text{Authorized Amount}) (0.72)}{(\text{State Average Ability})^*}$

= $\frac{\$ 4,530,464}{\$ 1,891,083,914} = \frac{.002395}{.002177} = 1.1002 \text{ (1.0000)}$

$\frac{(\$ 27,000) (0.72)}{\$ 8,927,652}$

(C) Ability Index = $\frac{(\text{School District Full Valuation in 2000-01})}{(\text{District Units in 2000-01})}$

$\frac{(\text{Statewide Full Valuation in 2000-01})}{(\text{Statewide Units in 2000-01})}$

= $\frac{\$ 1,891,083,914}{307} = \frac{\$ 6,159,882}{\$ 8,927,652} = 0.6899$

$\frac{\$ 54,101,574,066}{6,060}$

* State Average Ability = $\frac{(\text{Statewide Full Valuation in 2000-01})}{(\text{Statewide Units in 2000-01})}$

Appendix D

Supplemental Tables

Assessment-to-Sales Ratios

1992-2012

(3-Year Moving Average)

School District	92-94	93-95	94-96	95-97	96-98	97-99	98-00	99-01	00-02	01-03	02-04	03-05	04-06	05-07	06-08	07-09	08-10	09-11	10-12
New Castle County																			
Appoquinimink	0.501	0.488	0.477	0.467	0.452	0.434	0.422	0.401	0.379	0.349	0.320	0.283	0.257	0.251	0.259	0.275	0.290	0.308	0.320
Brandywine	0.550	0.540	0.528	0.526	0.506	0.481	0.449	0.423	0.399	0.366	0.329	0.290	0.261	0.250	0.253	0.262	0.278	0.297	0.310
Christina	0.557	0.557	0.529	0.519	0.507	0.490	0.463	0.422	0.396	0.364	0.344	0.310	0.282	0.257	0.252	0.261	0.285	0.312	0.327
Colonial	0.581	0.561	0.530	0.524	0.505	0.485	0.461	0.429	0.409	0.373	0.342	0.297	0.266	0.246	0.243	0.255	0.277	0.307	0.325
Red Clay	0.567	0.553	0.541	0.536	0.524	0.505	0.479	0.443	0.419	0.384	0.352	0.306	0.274	0.259	0.257	0.266	0.280	0.303	0.318
Kent County																			
Caesar Rodney	0.410	0.397	0.384	0.374	0.363	0.362	0.359	0.346	0.325	0.302	0.278	0.250	0.222	0.195	0.164	0.142	0.130	0.137	0.139
Capital	0.438	0.419	0.398	0.383	0.376	0.387	0.388	0.375	0.347	0.322	0.288	0.255	0.221	0.198	0.167	0.145	0.132	0.143	0.142
Lake Forest	0.402	0.384	0.367	0.357	0.347	0.346	0.339	0.329	0.315	0.294	0.267	0.234	0.207	0.185	0.157	0.133	0.121	0.128	0.134
Milford																			
Kent	0.432	0.417	0.395	0.376	0.364	0.374	0.371	0.353	0.328	0.304	0.278	0.245	0.218	0.195	0.167	0.139	0.126	0.133	0.132
Sussex	0.160	0.152	0.154	0.150	0.146	0.138	0.130	0.128	0.121	0.107	0.090	0.077	0.071	0.069	0.073	0.080	0.088	0.093	0.097
Smyrna																			
New Castle	0.486	0.481	0.477	0.469	0.457	0.430	0.418	0.385	0.362	0.327	0.296	0.252	0.218	0.235	0.248	0.278	0.279	0.303	0.324
Kent	0.402	0.380	0.364	0.357	0.355	0.358	0.354	0.339	0.320	0.298	0.277	0.245	0.215	0.187	0.158	0.136	0.126	0.133	0.135
Sussex County																			
Cape Henlopen	0.163	0.158	0.161	0.157	0.150	0.138	0.130	0.120	0.106	0.088	0.074	0.064	0.061	0.062	0.067	0.072	0.076	0.081	0.083
Delmar	0.159	0.162	0.162	0.159	0.143	0.136	0.128	0.129	0.122	0.111	0.096	0.081	0.072	0.068	0.070	0.076	0.083	0.094	0.098
Indian River	0.165	0.162	0.161	0.159	0.150	0.144	0.134	0.127	0.116	0.100	0.085	0.071	0.065	0.066	0.072	0.079	0.084	0.089	0.092
Laurel	0.159	0.156	0.154	0.154	0.145	0.139	0.131	0.129	0.121	0.109	0.096	0.082	0.071	0.067	0.070	0.079	0.085	0.092	0.095
Seaford	0.172	0.174	0.173	0.167	0.149	0.143	0.138	0.139	0.133	0.120	0.106	0.086	0.073	0.066	0.069	0.078	0.087	0.096	0.099
Woodbridge																			
Kent	0.388	0.360	0.343	0.327	0.320	0.318	0.315	0.307	0.300	0.290	0.270	0.237	0.205	0.179	0.153	0.132	0.121	0.127	0.133
Sussex	0.161	0.165	0.162	0.158	0.140	0.135	0.129	0.129	0.119	0.108	0.095	0.079	0.069	0.066	0.069	0.078	0.084	0.090	0.092

Source: Center for Applied Demography & Survey Research, University of Delaware

Assessment to Sales Ratios*

by Type of Property and School District

9/2012

School District	Business	Farmland	Residential	Vacant Lots	Total
New Castle County					
Appoquinimink	0.329	0.440	0.323	0.104	0.327
Brandywine	0.329	0.440	0.302	0.104	0.310
Christina	0.329	0.440	0.330	0.104	0.330
Colonial	0.329	0.440	0.331	0.104	0.330
Red Clay	0.329	0.440	0.324	0.104	0.326
Kent County					
Caesar Rodney	0.152	0.156	0.243	0.109	0.227
Capital	0.152	0.156	0.264	0.092	0.217
Lake Forest	0.152	0.156	0.251	0.121	0.224
Milford					
Kent	0.152	0.156	0.247	0.069	0.205
Sussex	0.192	0.126	0.212	0.079	0.201
Smyrna					
New Castle	0.329	0.439	0.340	0.104	0.358
Kent	0.152	0.156	0.243	0.075	0.219
Sussex County					
Cape Henlopen	0.192	0.126	0.170	0.080	0.169
Delmar	0.192	0.126	0.224	0.080	0.199
Indian River	0.192	0.126	0.192	0.080	0.187
Laurel	0.192	0.126	0.212	0.080	0.193
Seaford	0.192	0.126	0.220	0.080	0.204
Woodbridge					
Kent	0.152	0.156	0.272	0.115	0.232
Sussex	0.192	0.126	0.206	0.080	0.189

Source: Center for Applied Demography & Survey Research, University of Delaware

*Note: The ratio in Kent County must be multiplied by 0.6 and ratio in Sussex County must be multiplied by 0.5. New Castle County taxes 100% so there is no adjustment.