

**Assessment-To-Sales Ratio Study
for Division III Equalization Funding:
2001 Project Summary**

prepared for the

**State of Delaware
Office of the 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.

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 \$7.7 million in the 1983-84 school year to \$58.9 million in the 2001-2002 school year. As a result, Division III as a percentage of total state educational appropriations has risen from 3.1% to 7.6% by the 2001-2002 school year, although it has been declining as a percentage its peak in 1992-1993. 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.

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

Fiscal Year	Division III Budget	Total Budget	Percent of Total
1983-1984	7.7	247.3	3.1
1984-1985	13.2	265.7	5.0
1985-1986	16.1	293.1	5.5
1986-1987	21.7	309.7	7.0
1987-1988	24.1	329.9	7.3
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

Source: Budget of the State of Delaware

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 State Budget Office 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 2000, the aggregate estimated ratios were 0.44, 0.34, and 0.13 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, 2000, to June 30, 2001. As a result, the assessment-to-sales ratios are centered in September of 2000.

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 39,580¹ 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 – 2,173; New Castle County – 25,752; Sussex County - 11,655.

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 200.0 were considered extreme. A sales ratio of 200.0 occurs when the market value obtained from the assessment database was 200 times larger than the stated sales price. For example, a property selling for \$100 that has an assessed value of \$20,000 according to the assessment file, would have a sales ratio of 200. 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 12,289, 1,762, and 8,198 observations for New Castle, Kent, 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 eighteen 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. 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 9/00	Old Ratio	Old Full Value	New Ratio	New Full Value
New Castle County					
Appoquinimink	\$880,690,070	0.419	\$2,101,885,609	0.415	\$2,123,873,335
Brandywine	\$3,171,582,252	0.444	\$7,143,203,270	0.430	\$7,376,712,700
Christina	\$4,985,055,622	0.460	\$10,837,077,439	0.432	\$11,546,713,353
Colonial	\$2,274,289,718	0.453	\$5,020,507,104	0.442	\$5,140,452,075
Red Clay	\$4,862,318,314	0.474	\$10,258,055,515	0.455	\$10,690,923,741
Total	\$16,173,935,976	0.457	\$35,360,728,937	0.439	\$36,878,675,204
Kent County					
Caesar Rodney	\$467,582,800	0.365	\$1,281,048,767	0.351	\$1,333,369,623
Capital	\$919,750,800	0.402	\$2,287,937,313	0.374	\$2,457,598,268
Lake Forest	\$302,889,600	0.346	\$875,403,468	0.330	\$916,910,372
Milford					
Kent	\$168,712,200	0.381	\$442,814,173	0.361	\$467,847,664
Sussex	\$88,790,518	0.130	\$683,003,985	0.127	\$698,282,442
Smyrna					
New Castle	\$84,340,770	0.410	\$205,709,195	0.413	\$204,173,628
Kent	\$247,957,100	0.361	\$686,861,773	0.345	\$718,803,640
Total	\$2,280,023,788	0.353	\$6,462,778,675	0.335	\$6,796,985,636
Sussex County					
Cape Henlopen	\$630,333,715	0.131	\$4,557,340,271	0.122	\$5,146,286,393
Delmar	\$33,988,915	0.133	\$252,210,998	0.129	\$263,613,009
Indian River	\$837,280,983	0.137	\$5,851,537,269	0.129	\$6,467,650,353
Laurel	\$89,246,253	0.135	\$644,448,940	0.131	\$682,704,728
Seaford	\$161,385,807	0.145	\$1,089,056,467	0.141	\$1,142,912,913
Woodbridge					
Kent	\$25,087,100	0.318	\$76,878,936	0.307	\$81,708,326
Sussex	\$72,117,502	0.141	\$499,761,950	0.127	\$568,866,578
Total	\$1,849,440,275	0.137	\$12,971,234,829	0.129	\$14,353,742,301

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.

The changes in ratios from September 1999 to September, 2000 were smaller than those observed in the previous year. The largest changes occurred in Christina (.028), Capital (.028), Red Clay (.019), and Woodbridge (.019). In New Castle County the average ratio declined by .019 although there was considerable variation among the districts. The average decline in Sussex County districts was 0.008. The sales ratio in Kent County declined by 0.018. These results continue to support the reasoning for completing this study annually. Property values have been increasing across the state in a fairly steady fashion. It is important to note that this is undoubtedly related to the continual expansion of the economy during the past six years. The current downturn may be reflected in housing prices in the next year or two.

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 thirteen years are shown in Table 3. The column labeled 9/86 contains the values being used in the formula without benefit of a ratio study. These were corrected by the first study that used information centered on September, 1987. The major effect of that work was felt in New Castle County where the ratio declined from 1.0 to 0.635. The changes in Kent and Sussex were significantly less.

Table 3
Assessment-to-Sales Ratios
1986-2000

School District	9/86	9/87	9/90	9/92	9/93	9/94	9/95	9/96	9/97	9/98	9/99	9/00
New Castle County												
Appoquinimink	1.000	0.643	0.434	0.515	0.508	0.481	0.476	0.473	0.452	0.432	0.419	0.415
Brandywine	1.000	0.623	0.512	0.568	0.554	0.529	0.536	0.519	0.524	0.474	0.444	0.430
Christina	1.000	0.640	0.527	0.531	0.594	0.547	0.530	0.511	0.515	0.496	0.460	0.432
Colonial	1.000	0.626	0.508	0.603	0.606	0.534	0.544	0.511	0.516	0.487	0.453	0.442
Red Clay	1.000	0.642	0.543	0.586	0.564	0.550	0.545	0.529	0.533	0.509	0.474	0.455
Total	1.000	0.635	0.523	0.565	0.574	0.540	0.536	0.517	0.519	0.491	0.458	0.439
Kent County												
Caesar Rodney	0.600	0.583	0.418	0.430	0.408	0.392	0.391	0.368	0.362	0.360	0.365	0.351
Capital	0.600	0.588	0.461	0.466	0.431	0.416	0.409	0.370	0.371	0.388	0.402	0.374
Lake Forest	0.600	0.676	0.444	0.424	0.399	0.383	0.371	0.347	0.353	0.340	0.346	0.330
Milford												
Kent	0.600	0.624	0.442	0.452	0.420	0.423	0.408	0.353	0.368	0.372	0.381	0.361
Sussex	0.251	0.223	0.175	0.170	0.148	0.162	0.145	0.154	0.150	0.133	0.130	0.127
Smyrna												
New Castle	1.000	0.629	0.519	0.485	0.500	0.474	0.468	0.489	0.451	0.430	0.410	0.413
Kent	0.600	0.611	0.405	0.431	0.399	0.377	0.364	0.352	0.356	0.356	0.361	0.345
Total	0.600	0.567	0.418	0.421	0.392	0.383	0.371	0.348	0.348	0.348	0.353	0.335
Sussex County												
Cape Henlopen	0.251	0.205	0.169	0.174	0.157	0.159	0.159	0.165	0.148	0.136	0.131	0.122
Delmar	0.251	0.234	0.192	0.161	0.154	0.163	0.169	0.155	0.152	0.123	0.133	0.129
Indian River	0.251	0.223	0.174	0.172	0.160	0.163	0.162	0.157	0.157	0.137	0.137	0.129
Laurel	0.251	0.234	0.168	0.167	0.157	0.154	0.156	0.153	0.153	0.128	0.135	0.131
Seaford	0.251	0.252	0.192	0.175	0.168	0.173	0.181	0.165	0.154	0.129	0.145	0.141
Woodbridge												
Kent	0.600	0.617	0.507	0.424	0.377	0.364	0.340	0.325	0.316	0.320	0.318	0.307
Sussex	0.251	0.234	0.187	0.162	0.163	0.159	0.173	0.155	0.147	0.118	0.141	0.127
Total	0.251	0.222	0.176	0.174	0.161	0.163	0.164	0.161	0.154	0.136	0.137	0.129

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

The study centered on September, 1990 showed further declines in the ratios but, this time they were seen in all three counties. This time period corresponded with the peak of the real estate boom accompanying the economic expansion of the 1980's. By the time the next study was undertaken, New Castle County had suffered through a significant down turn in real estate prices, particularly in commercial real estate, but also in residential prices as well. Losses exceeding 20% of 1990 purchase prices were not uncommon. According to local real estate professionals the market is only now beginning to recover, and the ratios reflect those market conditions. This year properties in New Castle

County continue grow in value and are now significantly above those that existed in 1990 at the peak of the last economic expansion. This is true for all districts in New Castle County. In Kent County, which is growing at the slowest rate, property values in 2000 increased after remaining stable or even declining over the last four years. All of the districts had gains although some districts had gains larger than others. Sussex County real estate prices have begun increasing again after being stable for several years. In fact the pattern in Sussex County over the decade appears to be significant price moves followed by stabilization.

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

Table 1
District Assessment, Number of Capitulations, and Authorized Tax Rates
For Debt Service, Current Expense, Tuition, Match and Total Levies
2001-02

2001-02													Total Levies		
District	Assessed Valuation of Real Estate	Number Of Capitations	Debt Service		Current Expense			Tuition		Match		Debt & Current			
			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	880,690,070		0.2430		0.5600	0.5600		0.1300		0.0100		0.9430	0.9430		
NCC Tax District (e)	15,293,245,906		0.0000		0.4680	0.4680		0.0000		0.0000		0.4680	0.4680		
Brandywine(f)	3,171,582,252		0.0513		0.3260	0.3260		0.0950		0.0300		0.5023	0.5023		
Christina(f)	4,985,055,622		0.0750		0.2420	0.2420		0.1500		0.0280		0.4950	0.4950		
Colonial(f)	2,274,289,718		0.0400		0.1920	0.3180		0.1680		0.0310		0.4310	0.5570		
Red Clay(f)	4,862,318,314		0.0140		0.2270	0.3080		0.1740		0.0240		0.4390	0.5200		
Total New Castle County	16,173,935,976														
Kent County															
Caesar Rodney	467,582,800	13,310	0.2320		0.4800	0.4800	12.00	0.2439		0.0741		1.0300	1.0300	12.00	
Capital	919,750,800		0.1510		0.6300	0.6300		0.2160		0.0410		1.0380	1.0380		
Lake Forest	302,889,600	9,287	0.1300	5.00	0.6970	0.6970	10.00	0.2600		0.0793		1.1663	1.1663	15.00	
Milford(KC)(a)	168,712,200	3,111	0.1500	10.00	0.5320	0.5320	18.90	0.1800		0.0490		0.9110	0.9110	28.90	
Milford(SC)(a)	88,790,518	6,322	0.4650	10.00	1.4940	1.4940	18.90	0.5580		0.1520		2.6690	2.6690	28.90	
Smyrna(NCC)(b)	84,340,770		0.3050		0.5360	0.5360		0.2270		0.0400		1.1080	1.1080		
Smyrna(KC)(b)	247,957,100		0.3090		0.6800	0.6800		0.2300		0.0400		1.2590	1.2590		
Total Kent County	2,280,023,788														
Sussex County															
Cape Henlopen	630,333,715		0.1400		1.4280	1.4280		0.3400		0.0730		1.9810	1.9810		
Delmar	33,988,915	2,179	1.2000	3.00	1.1600	1.1600	10.00	0.8200		0.1700		3.3500	3.3500	13.00	
Indian River	837,280,983	21,013	0.3000	5.00	1.3650	1.4550	7.00	0.3000		0.0320		1.9970	2.0870	12.00	
Laurel	89,246,253	6,533	0.2100	10.00	1.2300	1.2300	14.30	0.7800		0.1700		2.3900	2.3900	24.30	
Seaford	161,385,807	8,547	0.3200		1.3400	1.3400	20.00	0.5300		0.2000	1.100	2.3900	2.3900	21.10	
Woodbridge(KC)(c)	25,087,100	747	0.2810		0.3100	0.3100	7.70	0.4100		0.0630		1.0640	1.0640	7.70	
Woodbridge(SC)(c)	72,117,502	3,797	0.4780		1.1200	1.1200	7.70	0.6960		0.1060		2.4000	2.4000	7.70	
Total Sussex County	1,849,440,275														
Total State															
20,303,400,039															
Vocational Districts															
New Castle	16,173,935,976		0.0010		0.1000	0.1000						0.1010	0.1010		
Polytech(KC)(d)	2,131,979,600		0.0059		0.0638	0.0738				0.0014		0.0711	0.0811		
Polytech(NCC)(d)	84,340,770		0.0054		0.0587	0.0678				0.0013		0.0654	0.0745		
Sussex	1,913,143,693		0.0265		0.1971	0.1971				0.0041		0.2277	0.2277		
Total	20,303,400,039														

(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.

NOTE: New Castle County Assessment as of March 15, 2001; Kent County Assessment as of May 31, 2001; and Sussex County Assessment as of March 1, 2001.

NOTE: Tax rates are per \$100 of assessed value

Table 2
Estimated Amount of Tax Collectible for Debt Service, Current Expense, Tuition
and Match
2001-02

District	Estimated Amount of Tax Collectible				Total Amount
	Debt Service	Current Expense	Tuition	Match	
New Castle County					
Appoquinimink	2,140,077	4,931,864	1,144,897	88,069	8,304,907
NCC Tax District	0	71,572,391	0	0	71,572,391
Brandywine(a)	1,627,022	10,339,358	3,013,003	951,475	15,930,858
Christina(a)	3,738,792	12,063,835	7,477,583	1,395,816	24,676,026
Colonial(a)	909,716	5,862,075	3,820,807	705,030	11,297,628
Red Clay(a)	680,725	12,122,220	8,460,434	1,166,956	22,430,335
Total New Castle County	9,096,332	116,891,743	23,916,724	4,307,346	154,212,145
Kent County					
Caesar Rodney	1,084,792	2,404,117	1,140,434	346,479	4,975,822
Capital	1,388,824	5,794,430	1,986,662	377,098	9,547,014
Lake Forest	440,191	2,204,011	787,513	240,191	3,671,906
Milford	760,274	2,402,363	799,133	217,631	4,179,401
Smyrna	1,023,427	2,138,175	761,755	132,919	4,056,276
Total Kent County	4,697,508	14,943,096	5,475,497	1,314,318	26,430,419
Sussex County					
Cape Henlopen	882,467	9,001,165	2,143,135	460,144	12,486,911
Delmar	414,404	416,061	278,709	57,781	1,166,955
Indian River	2,616,908	11,738,847	2,511,843	267,930	17,135,528
Laurel	252,747	1,191,151	696,121	151,719	2,291,738
Seaford	516,435	2,333,510	855,345	332,173	4,037,463
Woodbridge	415,216	920,475	604,795	92,249	2,032,735
Total Sussex County	5,098,177	25,601,209	7,089,948	1,361,996	39,151,330
Total State	18,892,017	157,436,048	36,482,169	6,983,660	219,793,894
Vocational Districts					
New Castle	161,739	16,173,936	0	0	16,335,675
Polytech	130,341	1,476,060	0	30,944	1,637,345
Sussex	506,983	3,770,806	0	78,439	4,356,228
Total	799,063	21,420,802		109,383	22,329,248
Total State - All Districts	19,691,080	178,856,850	36,482,169	7,093,043	242,123,142
Percentage	8.13	73.87	15.07	2.93	100.0

(a) New Castle County Tax District Collects Current Expense taxes for these four districts as specified in Title 14.

Table 3
Assessed and Full Valuation of Real Estate
2001-02

District	Assessed Valuation 2001-02	Assessment To Sales Ratio(a)	Full Valuation 2001-02
New Castle County			
Appoquinimink	880,690,070	0.419	2,101,885,609
NCC Tax District	15,293,245,906		33,258,843,328
Brandywine	3,171,582,252	0.444	7,143,203,270
Christina	4,985,055,622	0.460	10,837,077,439
Colonial	2,274,289,718	0.453	5,020,507,104
Red Clay	4,862,318,314	0.474	10,258,055,515
Total New Castle County	16,173,935,976		35,360,728,937
Kent County			
Caesar Rodney	467,582,800	0.365	1,281,048,767
Capital	919,750,800	0.402	2,287,937,313
Lake Forest	302,889,600	0.346	875,403,468
Milford(KC)(b)	168,712,200	0.381	442,814,173
Milford(SC)(b)	88,790,518	0.130	683,003,985
Smyrna(NCC)(c)	84,340,770	0.410	205,709,195
Smyrna(KC)(c)	247,957,100	0.361	686,861,773
Total Kent County	2,280,023,788		6,462,778,674
Sussex County			
Cape Henlopen	630,333,715	0.131	4,811,707,748
Delmar	33,988,915	0.133	255,555,752
Indian River	837,280,983	0.137	6,111,540,022
Laurel	89,246,253	0.135	661,083,356
Seaford	161,385,807	0.145	1,113,005,566
Woodbridge(KC)(d)	25,087,100	0.318	78,890,252
Woodbridge(SC)(d)	72,117,502	0.141	511,471,645
Total Sussex County	1,849,440,275		13,543,254,341
Total State	20,303,400,039		55,366,761,952
Vocational Districts			
NCCVT	16,173,935,976		35,360,728,937
Polytech(KC)(e)	2,131,979,600		5,652,955,746
Polytech(NCC)(e)	84,340,770		205,709,195
Sussex	1,913,143,693		14,147,368,074
Total	20,303,400,039		55,366,761,952

(a) Assessment-to-Sales Ratio Study for Division III Equalization Funding, Ratledge 2001.

(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.

Table 4
Comparison of Residential Real Estate Tax Rates
2000-01 to 2001-02

District	Debt Service			Current Expense			Tuition			Match			Total Levies		
	00-01	01-02	Change	00-01	01-02	Change	00-01	01-02	Change	00-01	01-02	Change	00-01	01-02	Change
New Castle County															
Appoquinimink	0.2430	0.2430	0.0000	0.5000	0.5600	0.0600	0.1000	0.1300	0.0300	0.0280	0.0100	-0.0180	0.8710	0.9430	0.0720
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	0.0400	0.0513	0.0113	0.2960	0.3260	0.0300	0.0950	0.0950	0.0000	0.0300	0.0300	0.0000	0.4610	0.5023	0.0413
Christina	0.0750	0.0750	0.0000	0.2150	0.2420	0.0270	0.1250	0.1500	0.0250	0.0280	0.0280	0.0000	0.4430	0.4950	0.0520
Colonial	0.0540	0.0400	-0.0140	0.1640	0.1920	0.0280	0.1400	0.1680	0.0280	0.0200	0.0310	0.0110	0.3780	0.4310	0.0530
Red Clay	0.0160	0.0140	-0.0020	0.2260	0.2270	0.0010	0.1310	0.1740	0.0430	0.0340	0.0240	-0.0100	0.4070	0.4390	0.0320
Kent County															
Caesar Rodney	0.2320	0.2320	0.0000	0.4800	0.4800	0.0000	0.2000	0.2439	0.0439	0.0741	0.0741	0.0000	0.9861	1.0300	0.0439
Capital	0.1420	0.1510	0.0090	0.6300	0.6300	0.0000	0.1170	0.2160	0.0990	0.0470	0.0410	-0.0060	0.9360	1.0380	0.1020
Lake Forest	0.1300	0.1300	0.0000	0.5170	0.6970	0.1800	0.2600	0.2600	0.0000	0.0793	0.0793	0.0000	0.9863	1.1663	0.1800
Milford(KC)(b)	0.1790	0.1500	-0.0290	0.5320	0.5320	0.0000	0.1990	0.1800	-0.0190	0.0540	0.0490	-0.0050	0.9640	0.9110	-0.0530
Milford(SC)(b)	0.4980	0.4650	-0.0330	1.4940	1.4940	0.0000	0.5540	0.5580	0.0040	0.1510	0.1520	0.0010	2.6970	2.6690	-0.0280
Smyrna(NCC)(c)	0.2930	0.3050	0.0120	0.4830	0.5360	0.0530	0.1560	0.2270	0.0710	0.0470	0.0400	-0.0070	0.9790	1.1080	0.1290
Smyrna(KC)(c)	0.3380	0.3090	-0.0290	0.6120	0.6800	0.0680	0.1800	0.2300	0.0500	0.0550	0.0400	-0.0150	1.1850	1.2590	0.0740
Sussex County															
Cape Henlopen	0.0620	0.1400	0.0780	1.3250	1.4280	0.1030	0.3630	0.3400	-0.0230	0.0500	0.0730	0.0230	1.8000	1.9810	0.1810
Delmar	1.2000	1.2000	0.0000	1.1600	1.1600	0.0000	0.8200	0.8200	0.0000	0.1700	0.1700	0.0000	3.3500	3.3500	0.0000
Indian River	0.1680	0.3000	0.1320	1.3590	1.3650	0.0060	0.2860	0.3000	0.0140	0.0410	0.0320	-0.0090	1.8540	1.9970	0.1430
Laurel	0.2100	0.2100	0.0000	1.2300	1.2300	0.0000	0.7800	0.7800	0.0000	0.1700	0.1700	0.0000	2.3900	2.3900	0.0000
Seaford	0.3200	0.3200	0.0000	1.3400	1.3400	0.0000	0.4500	0.5300	0.0800	0.2000	0.2000	0.0000	2.3100	2.3900	0.0800
Woodbridge(KC)(d)	0.1480	0.2810	0.1330	0.3100	0.3100	0.0000	0.3010	0.4100	0.1090	0.0530	0.0630	0.0100	0.8120	1.0640	0.2520
Woodbridge(SC)(d)	0.3190	0.4780	0.1590	1.1200	1.1200	0.0000	0.6480	0.6960	0.0480	0.1130	0.1060	-0.0070	2.2000	2.4000	0.2000
Vocational Districts															
New Castle	0.0000	0.0010	0.0010	0.1000	0.1000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1000	0.1010	0.0010
Polytech(KC)(e)	0.0073	0.0059	-0.0014	0.0638	0.0638	0.0000	0.0000	0.0000	0.0000	0.0014	0.0014	0.0000	0.0725	0.0711	-0.0014
Polytech(NCC)(e)	0.0062	0.0054	-0.0008	0.0546	0.0587	0.0041	0.0000	0.0000	0.0000	0.0012	0.0013	0.0001	0.0620	0.0654	0.0034
Sussex	0.0265	0.0265	0.0000	0.1971	0.1971	0.0000	0.0000	0.0000	0.0000	0.0041	0.0041	0.0000	0.2277	0.2277	0.0000

(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 tax rates in Kent and Sussex Counties.

(c) Smyrna: Separate tax rates in New Castle and Kent Counties.

(d) Woodbridge: Separate tax rates in Kent and Sussex Counties.

(e) Polytech: Separate tax rates in New Castle and Kent Counties.

Table 6
Combined Tax Rates on Assessed Valuation of Real Estate
(Rates per \$100 of Assessed Value)
2001-02

District	Debt Service	Current Expense	Tuition	Match	Total
New Castle County					
Appoquinimink	0.2430	0.5600	0.1300	0.0100	0.9430
NCC Tax District	0.0000	0.4680	0.0000	0.0000	0.4680
Brandywine (a)	0.0513	0.3260	0.0950	0.0300	0.5023
Christina (a)	0.0750	0.2420	0.1500	0.0280	0.4950
Colonial (a)	0.0400	0.2578	0.1680	0.0310	0.4968
Red Clay (a)	0.0140	0.2493	0.1740	0.0240	0.4613
Kent County					
Caesar Rodney	0.2320	0.5142	0.2439	0.0741	1.0642
Capital	0.1510	0.6300	0.2160	0.0410	1.0380
Lake Forest	0.1453	0.7277	0.2600	0.0793	1.2123
Milford (KC) (b)	0.1684	0.5669	0.1800	0.0490	0.9643
Milford (SC) (b)	0.5362	1.6286	0.5580	0.1520	2.8748
Smyrna (NCC) (c)	0.3050	0.5360	0.2270	0.0400	1.1080
Smyrna (KC) (c)	0.3090	0.6800	0.2300	0.0400	1.2590
Sussex County					
Cape Henlopen	0.1400	1.4280	0.3400	0.0730	1.9810
Delmar	1.2192	1.2241	0.8200	0.1700	3.4333
Indian River	0.3125	1.4020	0.3000	0.0320	2.0465
Laurel	0.2832	1.3347	0.7800	0.1700	2.5679
Seaford	0.3200	1.4459	0.5300	0.2058	2.5017
Woodbridge (KC) (d)	0.2810	0.3329	0.4100	0.0630	1.0869
Woodbridge (SC) (d)	0.4780	1.1605	0.6960	0.1060	2.4405
Vocational Districts					
New Castle County	0.0010	0.1000	0.0000	0.0000	0.1010
Polytech (KC) (e)	0.0059	0.0668	0.0000	0.0014	0.0741
Polytech (NCC) (e)	0.0054	0.0611	0.0000	0.0013	0.0678
Sussex County	0.0265	0.1971	0.0000	0.0041	0.2277

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

(b) Milford: Separate tax rates in Kent and Sussex Counties.

(c) Smyrna: Separate tax rates in New Castle and Kent Counties.

(d) Woodbridge: Separate tax rates in Kent and Sussex Counties.

(e) Polytech: Separate tax rates in New Castle and Kent Counties.

Table 7
Combined Tax Rates on Full
Valuation of Real Estate
(Rates per \$100 of Full Value)
2001-02

District	Debt Service	Current Expense	Tuition	Match	Total
New Castle County					
Appoquinimink	0.1018	0.2346	0.0545	0.0042	0.3951
NCC Tax District	0.0000	0.2152	0.0000	0.0000	0.2152
Brandywine (a)	0.0228	0.1447	0.0422	0.0133	0.2230
Christina (a)	0.0345	0.1113	0.0690	0.0129	0.2277
Colonial (a)	0.0181	0.1168	0.0761	0.0140	0.2250
Red Clay (a)	0.0066	0.1182	0.0825	0.0114	0.2187
Kent County					
Caesar Rodney	0.0847	0.1877	0.0890	0.0270	0.3884
Capital	0.0607	0.2533	0.0868	0.0165	0.4173
Lake Forest	0.0503	0.2518	0.0900	0.0274	0.4195
Milford	0.0675	0.2134	0.0710	0.0193	0.3712
Smyrna	0.1147	0.2396	0.0853	0.0149	0.4545
Sussex County					
Cape Henlopen	0.0183	0.1871	0.0445	0.0096	0.2595
Delmar	0.1622	0.1628	0.1091	0.0226	0.4567
Indian River	0.0428	0.1921	0.0411	0.0044	0.2804
Laurel	0.0382	0.1802	0.1053	0.0230	0.3467
Seaford	0.0464	0.2097	0.0769	0.0298	0.3628
Woodbridge	0.0703	0.1559	0.1024	0.0156	0.3442
Vocational Districts					
New Castle County	0.0005	0.0457	0.0000	0.0000	0.0462
Polytech	0.0022	0.0252	0.0000	0.0005	0.0279
Sussex County	0.0036	0.0267	0.0000	0.0006	0.0309

(a) New Castle County Tax District collects current expense taxes as specified in Title 14, Delaware Code in the Desegregation Case 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)

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

= $\frac{\$ 4,530,464}{\$ 1,891,083,914}$

$\frac{(\$ 27,000) (0.72)}{\$ 8,927,652} = \frac{.002395}{.002177} = 1.1002 \text{ (1.0000)}$

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