

State of Delaware
Equalization Committee

FISCAL YEAR 2024
RECOMMENDATIONS

Per 14 Del. C. §1707(i)

April 2023

Equalization Committee Membership:

Laura V. Sturgeon, Senator
Kimberly Williams, Representative
Dan Shelton, Superintendent, Christina School District
Steven Lucas, Superintendent, Lake Forest School District
Shawn Larrimore, Superintendent, Laurel School District
Sara Croce, Business Manager, Milford School District
Jill Floore, Business Manager, Brandywine School District
Wali Rushdan, State Board of Education
Taylor Hawk, Delaware State Education Association
Alonna Berry, Office of the Governor
Kiley Thompson, Controller General's Office
Nicholas Konzelman, Office of Management and Budget
Arsene Aka, Department of Finance

Staff to Committee (Department of Education)

Kim Klein, Associate Secretary, Operations Support
Jennifer Carlson, Director of Finance
Sandra Jani, Education Associate

Other Participants

Ed Ratledge, University of Delaware
Monica Moriak

EXECUTIVE SUMMARY

The Equalization Committee continues to review issues dealing with the equitable funding of education within the State, specifically the Equalization formula. The purpose of the Equalization formula is to allocate state resources to districts inversely on their ability to raise revenues through their local property tax base. This allocation is an attempt to ensure that each district has substantially the same level of resources with which to educate each student.

The committee continues to find that a major issue in attempting to equalize school finances is the inconsistencies in current assessment practices related to property valuation. As the committee has tried over time to correct misalignment of equalization dollars due to the lack of reassessment, the formula has grown more and more unreliable. The Equalization formula relies on data from property assessments, which must be made current for the formula to adequately serve its purpose.

In 2020, a ruling by the Delaware Chancery Court found that the property taxing systems in each of the State's three counties to be unconstitutional and not in keeping with Delaware law. The committee recognizes the upcoming county reassessments that are a result of the recent ruling will resolve the reassessment issue short-term once implemented. Based on the status of the county reassessments the expected impact to the Equalization formula will be FY 2026.

After years of discussions on the challenges of this formula and the lack of solid options that do not create hardships for districts, the Committee is recommending holding the Fiscal Year 2024 per unit equalization values consistent with Fiscal Year 2009 values.

BACKGROUND

The last major revision of the equalization formula occurred in 1984. One of the significant changes made was instituting a methodology for establishing a district's wealth that required an assessment-to-sales price study of real estate in each district. This study was necessitated by the fact that each county has a different assessment policy. The first such study in March 1989 would have resulted in a significant decrease in funding among the New Castle County school districts with significant increases to those in Kent and Sussex counties had the formula remained intact. That situation led to the establishment of the Equalization Policy Committee by the Governor in 1989. Subsequent legislation called for a committee to be appointed by the Secretary of Education to review the formula annually and make recommendations as needed. Since that time the Equalization Committee has made numerous modifications and adjustments to the formula to attempt to minimize losses, control gains and ensure equity statewide.

In March 2023, the Equalization Committee was provided with the most recent Assessment-to-Sales Ratio Study prepared by the University of Delaware and data showing the impact of updating the formula. The committee determined that the formula was still not having the desired impact.

This report will review the current equalization formula, including impacts by district, and recommendations for Fiscal Year 2024 Equalization funding.

CONCERNS WITH THE EXISTING FINANCE SYSTEM

Overview

There are many facts and published reports, which indicate that Delaware has a sound education financing system in place. Delaware provides state funding to cover approximately two-thirds of the total cost of public education, one of the highest proportions of state funding in the nation. Since Fiscal Year 1984, equalization funding has increased from \$7.7 M or 3.1% of the education budget to \$104.0 M or 5.7% of the education budget in FY 2023 (excluding the appropriated amount for the Delaware Advisory Council on Career and Technical Education).

Despite the many positive aspects of Delaware's funding system, several areas need improvement. There is still a sizable difference in the ability of districts to raise funds to enhance their educational programs to address student and school accountability measures and many funding areas still create an inequitable burden on poorer districts. In the past, the Equalization Committee has recommended a series of changes to address some of the deficiencies. However, over time, these adjustments are just not accomplishing their intended goals as the formula continues to produce volatile results in response to the implementation of these changes.

Reassessment

It is apparent to the Committee that a major flaw with the existing Equalization formula is not so much the formula but rather the data. For many years, the Committee has struggled with the effects of shifts in the relative wealth of districts as determined by the annual revisions to the assessment-to-sales ratios. Given the different assessment policies in each county, these ratios are used to estimate the market value of property in each district in order to determine relative wealth. Refer to Table 1 to see the impact of current year adjustments. More important than the shift in wealth is the fact that this can best be described as a shift in a district's paper wealth. While the market value of property has been changing in the districts, the lack of a uniform statewide rolling reassessment policy means that the district's tax base (i.e. assessed value) has not changed consistent with the change in its market value of real estate.

As the market value of property in a district (as determined by the assessment-to-sales price study) increases, it is deemed to be wealthier and is expected to generate more revenues from local taxes thereby entitling it to less equalization funding. However, since there is no consistent reassessment practice in place, the district's tax base is not increasing in proportion to its market value. Refer to Table 2 for information on the changes in assessed value within each district. So, while a district loses equalization funding, the funding is not replaced by an increase in its tax base. It can only be replaced by a change in the tax rate through referendum. This is an unintended consequence of the formula and has placed a heavy burden on many local districts. It will likely cause even greater problems if the market value of real estate continues to change at current rates. To further

compound the problem, the effect of these changes is to lower a district's effort which may further reduce what they are eligible to receive in equalization funding.

For many years the recommendation of the Committee has been for the State to move forward with recommendations outlined in the Reassessment Report dated November 26, 2008. New Castle County property has not been reassessed since 1983; Kent County property has not been reassessed since 1986; and Sussex County property has not been reassessed since 1974. The completion of the upcoming county reassessments will provide more reliable data on a district's wealth, ensure equity among taxpayers, and allow for the equalization model to function as intended. **Reassessments must occur on a regular basis to prevent the current volatility in the equalization formula and distribution.**

Support Beyond Full Effort

The equalization formula is intended to provide equity among districts to a point. Beyond that point, districts earn what they can generate from their local tax bases without any additional state support. In the current formula, this point is referred to as the authorized amount and is set at \$29,650. The underlying concept is that if a district levied the appropriate tax rate, it would receive \$29,650 through a combination of property taxes and state equalization funds. The state portion of this amount varies based upon each district's wealth. There are no additional state resources made available to a district if they exceed this required level of taxation. As a result, property wealthy districts have the ability to generate considerably more funds with small tax rate increases than their less wealthy counterparts. This creates significant funding disparities as districts assess higher tax rates. Refer to Table 3 for a comparison of per unit funding by district. The statewide average per unit funding is \$64,564 but the amounts range from \$28,389 to \$111,772. Fifteen districts are below the statewide average, which suggests that they are among the poorest and that those above the average have the greatest property wealth. While no district should be penalized when its tax payers elect to provide additional support for education, the inability for poorer districts to raise this level of revenue without astronomical tax rates will perpetuate this funding disparity. Some form of equalization beyond the required level could help to minimize funding disparities. In addition, the lack of equalization in the other tax areas further exacerbates the

problem of poorer districts that must enact significantly higher tax rates to meet their obligations to students.

EQUALIZATION FORMULA REVISIONS

The implementation of the newest assessment-to-sales ratios this past year continues to result in significant changes in the estimated market value of property within each district. See Table 1. While these changes have an impact as to the relative wealth among districts, they have no bearing on the amount of tax revenues collected by a district. The changes in the actual assessed value of property in each district is a more critical factor in determining the actual tax collections because it is against the assessment value that a district's tax rate is applied to raise local taxes. See Table 2.

Other information that can be useful in comparing the relative financial status of each district is presented in several attached tables. Table 3 shows the estimated total amount of current expense and equalization funding available on a per unit basis for each district. Tables 4 and 5 show the estimated Fiscal Year 2023 property tax using the FY 2024 assessment ratio for homes with market values of \$100,000 and \$200,000. Table 4 is the current expense tax, which is for school purposes such as local salary supplements and instructional supplies. Table 5 is the total tax bill, which in addition to the current expense tax rate also includes tuition, match and debt service rates. Table 6 utilizes FY 2022 Report Card data and shows the per pupil expenditures from all funding sources, exclusive of adult education programs, construction and debt service.

In a continuing attempt to dampen the effects of the volatile changes in a district's wealth as a result of the changing assessment-to-sales ratios, the Committee is maintaining the "smoothing" of the ratios by averaging the ratios from the past three years analysis as provided in Table 7.

CONCLUSION

The Committee continues to express concerns about recommending the implementation of artificial strategies that continue to erode the original purpose of the Equalization Formula. The Committee strongly urges the Administration and General Assembly to take actions to address the inherent challenges created by the current system, in order to provide equitable funding statewide. The committee requests inquiry to produce effective legislative solutions to produce the sales data while the committee is waiting for reassessment by the county. The Committee's recommendations include the following:

1. **Short Term:** Continue to freeze the Equalization formula at Fiscal Year 2009 levels, given the limited amount of time for school districts to prepare for the changes that would result from unfreezing the formula. The impact of continuing to freeze the formula through Fiscal Year 2024 is that some school districts that should be receiving greater levels of Equalization funding via an unfrozen formula will continue to forgo this additional revenue, and school districts that should be receiving less Equalization funding will continue to receive greater levels of State support than they are otherwise entitled to receive. Table 8 is a summary of these impacts to the district formula values.

2. **Long Term:** Reassess property statewide every five years, including unassessed real property, and investigate how to promulgate rules and regulations to require mandatory reporting of actual sales value publicly. The Committee uniformly agrees the impact of a lack of property reassessment and throughout the State, and its impact on Equalization, is as such: as a school district's market value of property increases the Equalization formula recognizes this as an indication that a particular school district is wealthier and is expected to generate additional local property tax revenue thereby decreasing State Equalization funding. However, given a lack of reassessment practices, property assessments are not increasing in proportion to market value and school districts that lose Equalization funding do not have the ability to offset the loss via current expense taxes without sizable property tax increase.

Table 1. Assessment - Sales Ratios

District	FY 2023	FY 2023	Old Full Value	FY 2024	New Full Value	% Change
	Assessed Value	Adj Ratio		Adj Ratio		
Appoquinimink	\$2,615,848,503	0.262	\$9,984,154,592	0.245	\$10,676,932,665	6.9%
Brandywine	\$3,445,863,188	0.260	\$13,253,319,954	0.246	\$14,007,573,935	5.7%
Christina	\$5,597,445,044	0.275	\$20,354,345,615	0.260	\$21,528,634,785	5.8%
Colonial	\$3,136,236,771	0.271	\$11,572,829,413	0.257	\$12,203,255,918	5.4%
Red Clay	\$5,469,521,224	0.264	\$20,717,883,424	0.247	\$22,143,810,623	6.9%
NCC Total	\$20,381,239,800		\$75,882,532,998		\$80,560,207,927	6.2%
NCCDIST	\$17,649,066,227		\$65,898,378,406		\$69,883,275,261	6.0%
Caesar Rodney	\$996,961,600	0.194	\$5,138,977,320	0.194	\$5,138,977,320	0.0%
Capital	\$1,375,168,300	0.205	\$6,708,138,049	0.214	\$6,426,020,093	-4.2%
Lake Forest	\$558,137,200	0.186	\$3,000,737,634	0.187	\$2,984,690,909	-0.5%
Milford Total	\$472,203,343		\$3,816,991,695		\$3,989,549,315	4.5%
KC	\$289,810,900	0.196	\$1,478,627,041	0.204	\$1,420,641,667	-3.9%
SC	\$182,392,443	0.078	\$2,338,364,654	0.071	\$2,568,907,648	9.9%
Smyrna Total	\$858,114,170		\$4,432,086,911		\$4,409,914,332	-0.5%
NCC	\$116,325,070	0.250	\$465,300,280	0.230	\$505,761,174	8.7%
KC	\$741,789,100	0.187	\$3,966,786,631	0.190	\$3,904,153,158	-1.6%
TOTAL	\$4,000,629,200		\$23,096,931,608		\$22,949,151,968	-0.6%
Cape Henlopen	\$1,459,158,027	0.070	\$20,845,114,671	0.064	\$22,799,344,172	9.4%
Delmar	\$61,685,749	0.080	\$771,071,863	0.075	\$822,476,653	6.7%
Indian River	\$1,851,008,568	0.076	\$24,355,375,895	0.070	\$26,442,979,543	8.6%
Laurel	\$132,895,096	0.079	\$1,682,216,405	0.073	\$1,820,480,767	8.2%
Seaford	\$222,556,755	0.083	\$2,681,406,687	0.077	\$2,890,347,468	7.8%
Woodbridge	\$177,931,458		\$2,016,919,125		\$2,166,313,186	7.4%
KC	\$38,762,100	0.185	\$209,524,865	0.188	\$206,181,383	-1.6%
SC	\$139,169,358	0.077	\$1,807,394,260	0.071	\$1,960,131,803	8.5%
TOTAL	\$4,048,865,996		\$52,352,104,645		\$56,941,941,789	8.8%
Statewide	\$28,430,734,996		\$151,331,569,251		\$160,451,301,684	6.0%

Table 2. Assessed Value Comparison

District	Assessed Value	Assessed Value	% Change
	2021-22	2022-23	
Appoquinimink	\$2,518,920,495	\$2,615,848,503	3.8%
Brandywine	\$3,429,497,562	\$3,445,863,188	0.5%
Christina	\$5,558,039,604	\$5,597,445,044	0.7%
Colonial	\$3,075,593,875	\$3,136,236,771	2.0%
Red Clay	\$5,356,261,653	\$5,469,521,224	2.1%
NCC Total	\$20,054,638,259	\$20,381,239,800	1.6%
NCCDIST	\$17,419,392,694	\$17,649,066,227	1.3%
Caesar Rodney	\$964,069,100	\$996,961,600	3.4%
Capital	\$1,362,407,400	\$1,375,168,300	0.9%
Lake Forest	\$545,470,200	\$558,137,200	2.3%
Milford Total	\$458,631,643	\$472,203,343	3.0%
KC	\$282,512,100	\$289,810,900	2.6%
SC	\$176,119,543	\$182,392,443	3.6%
Smyrna Total	\$831,533,970	\$858,114,170	3.2%
NCC	\$116,325,070	\$116,325,070	0.0%
KC	\$715,208,900	\$741,789,100	3.7%
TOTAL	\$3,908,238,000	\$4,000,629,200	2.4%
Cape Henlopen	\$1,395,151,127	\$1,459,158,027	4.6%
Delmar	\$60,976,249	\$61,685,749	1.2%
Indian River	\$1,784,481,401	\$1,851,008,568	3.7%
Laurel	\$131,030,529	\$132,895,096	1.4%
Seaford	\$219,621,805	\$222,556,755	1.3%
Woodbridge	\$174,084,393	\$177,931,458	2.2%
KC	\$38,570,300	\$38,762,100	0.5%
SC	\$135,514,093	\$139,169,358	2.7%
TOTAL	\$3,902,894,747	\$4,048,865,996	3.7%
Statewide	\$27,865,771,006	\$28,430,734,996	2.0%
NCC Vo-Tech	\$19,938,313,189	\$20,264,914,730	1.6%
Polytech	\$4,024,563,070	\$4,116,954,270	2.3%
NCC	\$116,325,070	\$116,325,070	0.0%
KC	\$3,908,238,000	\$4,000,629,200	2.4%
Sussex Tech	\$3,902,894,747	\$4,048,865,996	3.7%

Table 3. Estimated Current Expense and Equalization Funding

District	Estimated Current Expense		Total Funds	September 2022	
	Revenue	Equalization *		Unit Count	Funds Per Unit
Appoquinimink	\$35,784,808	\$15,091,972	\$50,876,780	967.31	\$52,596
NCCDIST	\$82,597,630		\$82,597,630	4,065.31	
Brandywine	\$47,242,784	\$5,379,203	\$52,621,987	832.05	\$63,244
Christina	\$94,708,770	\$8,620,552	\$103,329,322	1,290.18	\$80,089
Colonial	\$35,063,127	\$4,896,685	\$39,959,812	753.24	\$53,051
Red Clay	\$60,602,295	\$7,738,427	\$68,340,722	1,189.84	\$57,437
New Castle County Total	\$355,999,414		\$397,726,253	5,032.62	
Caesar Rodney	\$9,639,423	\$12,138,247	\$21,777,670	613.49	\$35,498
Capital	\$16,364,503	\$8,907,481	\$25,271,984	560.32	\$45,103
Lake Forest	\$5,392,488	\$5,512,794	\$10,905,282	265.60	\$41,059
Milford	\$9,171,794	\$5,649,856	\$14,821,650	323.57	\$45,807
KC	\$3,300,946		\$3,300,946		
SC	\$5,870,848		\$5,870,848		
Smyrna	\$10,991,256	\$9,711,341	\$20,702,597	488.99	\$42,337
NCC	\$1,219,668		\$1,219,668		
KC	\$9,771,588		\$9,771,588		
Kent County Total	\$51,559,464		\$93,479,183	2,251.97	
Cape Henlopen	\$29,153,977	\$702,761	\$29,856,738	532.83	\$56,034
Delmar	\$1,188,400	\$1,830,996	\$3,019,396	88.81	\$33,998
Indian River	\$43,860,902	\$1,270,838	\$45,131,740	850.52	\$53,064
Laurel	\$2,171,327	\$3,033,544	\$5,204,871	183.34	\$28,389
Seaford	\$6,098,055	\$4,513,075	\$10,611,130	265.96	\$39,897
Woodbridge	\$3,758,391	\$3,236,783	\$6,995,174	193.31	\$36,186
KC	\$385,759		\$385,759		
SC	\$3,372,632		\$3,372,632		
Sussex County Total	\$86,231,051		\$100,819,049	2,114.77	
Regular and Special Total	\$493,789,929		\$592,024,485	9,399.36	
NCC Vo-Tech	\$30,397,372	\$2,837,351	\$33,234,723	380.24	\$87,405
Polytech	\$5,562,602	\$1,794,601	\$7,357,203	92.51	\$79,529
NCC	\$125,747		\$125,747		
KC	\$5,436,855		\$5,436,855		
Sussex Tech	\$11,134,381	\$160,164	\$11,294,545	101.05	\$111,772
Vo-Tech Total	\$47,094,355		\$47,094,355	573.80	
Statewide	\$540,884,284	\$103,026,671	\$643,910,955	9,973.16	\$64,564
* Reflects FY23 actual earned at FROZEN rate					

Table 4. Current Expense School Property Taxes

District	County	FY 2024 Assessment Ratio	Current Expense Tax Rate Per \$100 Assessed Value	Current Expense Taxes On Home Valued at	
				\$100,000	\$200,000
Appoquinimink	N	0.217	1.3680	\$296.86	\$593.71
Brandywine*	N	0.218	1.3710	\$298.88	\$597.76
Christina*	N	0.227	1.6920	\$384.08	\$768.17
Colonial*	N	0.226	1.1180	\$252.67	\$505.34
Red Clay*	N	0.220	1.1080	\$243.76	\$487.52
Caesar Rodney	K	0.198	0.9500	\$188.10	\$376.20
Capital	K	0.230	1.1900	\$273.70	\$547.40
Lake Forest	K	0.194	0.9508	\$184.46	\$368.91
Milford	K	0.219	1.1390	\$249.44	\$498.88
	S	0.063	3.2188	\$202.78	\$405.57
Smyrna	N	0.194	1.0485	\$203.41	\$406.82
	K	0.201	1.3173	\$264.78	\$529.55
Cape Henlopen	S	0.055	1.9980	\$109.89	\$219.78
Delmar	S	0.068	1.8710	\$127.23	\$254.46
Indian River	S	0.064	2.3500	\$150.40	\$300.80
Laurel	S	0.068	1.5000	\$102.00	\$204.00
Seaford	S	0.069	2.7400	\$189.06	\$378.12
Woodbridge	K	0.196	0.9840	\$192.86	\$385.73
	S	0.063	2.3790	\$149.88	\$299.75
NCC Vo-Tech	N	0.250	0.1500	\$37.50	\$75.00
Polytech	N	0.237	0.1081	\$25.62	\$51.24
	K	0.183	0.1359	\$24.87	\$49.74
Sussex Tech	S	0.070	0.2750	\$19.25	\$38.50

*Current Expense rate does not include the New Castle County Tax Rate.

Table 5. Total School Property Taxes

District	County	FY 2024 Assessment Ratio	Total School Property Tax Rate Per \$100 Assessed Value	Total Taxes On Home Valued at	
				\$100,000	\$200,000
Appoquinimink	N	0.217	2.5833	\$560.58	\$1,121.15
Brandywine*	N	0.218	2.0705	\$451.37	\$902.74
Christina*	N	0.227	2.6630	\$604.50	\$1,209.00
Colonial*	N	0.226	1.7050	\$385.33	\$770.66
Red Clay*	N	0.220	1.8300	\$402.60	\$805.20
Caesar Rodney	K	0.198	1.8950	\$375.21	\$750.42
Capital	K	0.230	2.3891	\$549.49	\$1,098.99
Lake Forest	K	0.194	1.6122	\$312.77	\$625.53
Milford	K	0.219	1.6615	\$363.87	\$727.74
	S	0.063	4.6957	\$295.83	\$591.66
Smyrna	N	0.194	1.6524	\$320.57	\$641.13
	K	0.201	2.0766	\$417.40	\$834.79
Cape Henlopen	S	0.055	3.9722	\$218.47	\$436.94
Delmar	S	0.068	4.0453	\$275.08	\$550.16
Indian River	S	0.064	3.2829	\$210.11	\$420.21
Laurel	S	0.068	4.2478	\$288.85	\$577.70
Seaford	S	0.069	4.0923	\$282.37	\$564.74
Woodbridge	K	0.196	1.6800	\$329.28	\$658.56
	S	0.063	4.5560	\$287.03	\$574.06
NCC Vo-Tech	N	0.250	0.1740	\$43.50	\$87.00
Polytech	N	0.237	0.1247	\$29.55	\$59.11
	K	0.183	0.1569	\$28.71	\$57.43
Sussex Tech	S	0.070	0.3357	\$23.50	\$47.00

*Total School Property Tax rate does not include the New Castle County Tax Rate.

Table 6. Expenditures Per Pupil - FY 2022

District	
Appoquinimink	\$15,692
Brandywine	\$20,281
Christina	\$22,100
Colonial	\$19,732
Red Clay	\$20,570
Caesar Rodney	\$14,327
Capital	\$16,629
Lake Forest	\$16,151
Milford	\$14,959
Smyrna	\$15,275
Cape Henlopen	\$16,936
Delmar	\$11,695
Indian River	\$16,659
Laurel	\$14,893
Seaford	\$18,024
Woodbridge	\$16,414
NCC Vo-Tech	\$19,803
Polytech	\$18,993
Sussex Tech	\$20,451

District average includes all schools within the district, and may include special schools or schools with special programs which may influence the overall district average. District average spending does not include Statewide/Countywide schools which serve students across districts.

Several types of expenditures were excluded from the spending per student calculation since they are not directly associated with pre-kindergarten through grade twelve learning, such as adult education. Other items are one-time in nature and may distort the data, such as building acquisition.

Source: 2022 Report Card: <https://reportcard.doe.k12.de.us/index.html>

Table 7. Three Year Sales Ratio Calculation

District	FY 2024	FY 2022	FY 2022	FY 2022	FY 2022 Adjusted	FY 2023	FY 2023	FY 2023	FY 2023 Adjusted	FY 2024	FY 2024	FY 2024	FY 2024 Adjusted	Adj Full Value	Adj Full Value	Actual Full Value
	Using Assessed Value	Ratio	Full Value	Ratio	Full Value	Ratio	Full Value	Ratio	Full Value	Ratio	Full Value	Ratio	Full Value	% Change	% Change	% Change
Appoquinimink	\$2,615,848,503	0.267	\$9,797,185,404	0.274	\$9,546,892,347	0.250	\$10,463,394,012	0.262	\$9,984,154,592	0.217	\$12,054,601,396	0.245	\$10,676,932,665	6.9%		7.9%
Brandywine	\$3,445,863,188	0.274	\$12,576,143,022	0.277	\$12,439,939,307	0.245	\$14,064,747,706	0.260	\$13,253,319,954	0.218	\$15,806,711,872	0.246	\$14,007,573,935	5.7%		7.7%
Christina	\$5,597,445,044	0.293	\$19,103,908,000	0.293	\$19,103,908,000	0.259	\$21,611,756,927	0.275	\$20,354,345,615	0.227	\$24,658,348,211	0.260	\$21,528,634,785	5.8%		7.2%
Colonial	\$3,136,236,771	0.292	\$10,740,536,887	0.290	\$10,814,609,555	0.254	\$12,347,388,862	0.271	\$11,572,829,413	0.226	\$13,877,153,854	0.257	\$12,203,255,918	5.4%		7.2%
Red Clay	\$5,469,521,224	0.279	\$19,604,018,724	0.282	\$19,395,465,333	0.243	\$22,508,317,794	0.264	\$20,717,883,424	0.220	\$24,861,460,109	0.247	\$22,143,810,623	6.9%		7.2%
NCC Total	\$20,381,239,800		\$71,821,792,037		\$71,300,814,542		\$80,995,605,301		\$75,882,532,998		\$91,258,275,442		\$80,560,207,927		6.4%	
NCCDIST	\$17,649,066,227		\$62,024,606,633		\$61,753,922,195		\$70,532,211,289		\$65,898,378,406		\$79,203,674,046		\$69,883,275,261		6.7%	
Caesar Rodney	\$996,961,600	0.201	\$4,960,007,960	0.202	\$4,935,453,465	0.182	\$5,477,810,989	0.194	\$5,138,977,320	0.198	\$5,035,159,596	0.194	\$5,138,977,320	0.0%		2.0%
Capital	\$1,375,168,300	0.220	\$6,250,765,000	0.210	\$6,548,420,476	0.193	\$7,125,224,352	0.205	\$6,708,138,049	0.230	\$5,978,992,609	0.214	\$6,426,020,093	-4.2%		-5.5%
Lake Forest	\$558,137,200	0.194	\$2,876,995,876	0.193	\$2,891,902,591	0.174	\$3,207,685,057	0.186	\$3,000,737,634	0.194	\$2,876,995,876	0.187	\$2,984,690,909	-0.5%		1.5%
Milford Total	\$472,203,343		\$3,711,876,028		\$3,693,603,829		\$4,152,573,768		\$3,816,991,695		\$4,218,455,586		\$3,989,549,315	4.5%	3.3%	
KC	\$289,810,900	0.211	\$1,373,511,374	0.201	\$1,441,845,274	0.183	\$1,583,666,120	0.196	\$1,478,627,041	0.219	\$1,323,337,443	0.204	\$1,420,641,667	-3.9%		15.3%
SC	\$182,392,443	0.078	\$2,338,364,654	0.081	\$2,251,758,556	0.071	\$2,568,907,648	0.078	\$2,338,364,654	0.063	\$2,895,118,143	0.071	\$2,568,907,648	9.9%		9.9%
Smyrna Total	\$858,114,170		\$4,251,450,782		\$4,246,347,313		\$4,753,978,827		\$4,432,086,911		\$4,290,106,798		\$4,409,914,332	-0.5%	4.4%	
NCC	\$116,325,070	0.260	\$447,404,115	0.263	\$442,300,646	0.237	\$490,823,080	0.250	\$465,300,280	0.194	\$599,613,763	0.230	\$505,761,174	8.7%		9.7%
KC	\$741,789,100	0.195	\$3,804,046,667	0.195	\$3,804,046,667	0.174	\$4,263,155,747	0.187	\$3,966,786,631	0.201	\$3,690,493,035	0.190	\$3,904,153,158	-1.6%		12.1%
KC TOTAL	\$4,000,629,200	0.206	\$22,051,095,647		\$22,315,727,674	0.195	\$24,717,272,994		\$23,096,931,608	0.218	\$22,399,710,464		\$22,949,151,968	-0.6%	3.5%	
Cape Henlopen	\$1,459,158,027	0.070	\$20,845,114,671	0.072	\$20,266,083,708	0.066	\$22,108,454,955	0.070	\$20,845,114,671	0.055	\$26,530,145,945	0.064	\$22,799,344,172	9.4%		6.1%
Delmar	\$61,685,749	0.078	\$790,842,936	0.080	\$771,071,863	0.078	\$790,842,936	0.080	\$771,071,863	0.068	\$907,143,368	0.075	\$822,476,653	6.7%		0.0%
Indian River	\$1,851,008,568	0.075	\$24,680,114,240	0.080	\$23,137,607,100	0.071	\$26,070,543,211	0.076	\$24,355,375,895	0.064	\$28,922,008,875	0.070	\$26,442,979,543	8.6%		5.6%
Laurel	\$132,895,096	0.077	\$1,725,910,338	0.081	\$1,640,680,198	0.073	\$1,820,480,767	0.079	\$1,682,216,405	0.068	\$1,954,339,647	0.073	\$1,820,480,767	8.2%		5.5%
Seaford	\$222,556,755	0.085	\$2,618,314,765	0.085	\$2,618,314,765	0.077	\$2,890,347,468	0.083	\$2,681,406,687	0.069	\$3,225,460,217	0.077	\$2,890,347,468	7.8%		10.4%
Woodbridge Total	\$177,931,458		\$1,994,650,781		\$1,957,405,625		\$2,175,170,875		\$2,016,919,125		\$2,406,803,245		\$2,166,313,186		3.0%	
KC	\$38,762,100	0.207	\$187,256,522	0.198	\$195,768,182	0.160	\$242,263,125	0.185	\$209,524,865	0.196	\$197,765,816	0.188	\$206,181,383	-1.6%		29.4%
SC	\$139,169,358	0.077	\$1,807,394,260	0.079	\$1,761,637,443	0.072	\$1,932,907,750	0.077	\$1,807,394,260	0.063	\$2,209,037,429	0.071	\$1,960,131,803	8.5%		6.9%
SC TOTAL	\$4,048,865,996		\$52,654,947,731		\$50,391,163,258		\$55,855,840,211		\$52,352,104,645		\$63,945,901,297		\$56,941,941,789	8.8%	3.9%	
Statewide	\$28,430,734,996		\$146,527,835,415		\$144,007,705,474		\$161,568,718,507		\$151,331,569,251		\$177,603,887,204		\$160,451,301,684	6.0%	5.1%	10.3%

FY24 Equalization Calculation

Table 1 - District Tax Rate Report

DISTRICT NAME	ADJUSTED ASSESSMENT TO SALES RATIO	2022-23 DIVISION III PER UNIT	ACTUAL 2022-23 Units (less intensive & complex)	2022-23 CURRENT EXP TAX RATE	2022-23 CURRENT EXP CAPITATION TAX RATE	2022-23 ASSESSED VALUE OF REAL ESTATE	2022-23 NUMBER OF CAPITATIONS
APPOQUINIMINK	0.245	\$15,602	769.00	1.3680		\$2,615,848,503	
NCC TAX DISTRICT		\$6,465	2,638.92	0.4680		\$17,649,066,227	
BRANDYWINE	0.246	\$0	587.07	1.3710		\$3,445,863,188	
CHRISTINA	0.260	\$0	709.06	1.6920		\$5,597,445,044	
COLONIAL	0.257	\$0	491.18	1.1180		\$3,136,236,771	
RED CLAY	0.247	\$0	851.61	1.1080		\$5,469,521,224	
NEW CASTLE TOTAL			3,407.92			\$20,264,914,730	
CAESAR RODNEY	0.194	\$19,861	447.74	0.9500	\$12.00	\$996,961,600	14,024
CAPITAL	0.214	\$14,796	361.41	1.1900		\$1,375,168,300	
LAKE FOREST	0.187	\$20,756	225.58	0.9508	\$10.00	\$558,137,200	8,572
MILFORD		\$17,461	266.28			\$472,203,343	
KENT	0.204			1.1390		289,810,900	
SUSSEX	0.071			3.2188		182,392,443	
SMYRNA		\$19,860	344.36			\$858,114,170	
NEW CASTLE	0.230			1.0485		\$116,325,070	
KENT	0.190			1.3173		\$741,789,100	
KENT TOTAL			1,645.37			\$4,260,584,613	
CAPE HENLOPEN	0.064	\$1,225	358.29	1.9980		\$1,459,158,027	
DELMAR	0.075	\$20,617	81.79	1.8710	\$10.00	\$61,685,749	3,426
INDIAN RIVER	0.070	\$1,483	595.61	2.3500	\$7.00	\$1,851,008,568	51,743
LAUREL	0.073	\$16,546	158.57	1.5000	\$24.30	\$132,895,096	7,321
SEAFORD	0.077	\$16,969	198.31	2.7400		\$222,556,755	
WOODBIDGE		\$16,744	141.26			\$177,931,458	492
KENT	0.188			0.9840	\$8.82	\$38,762,100	7,006
SUSSEX	0.071			2.3790	\$8.82	\$139,169,358	
SUSSEX TOTAL			1,533.83			\$3,905,235,653	
REGULAR TOTAL			6,587.12			\$28,430,734,996	
NCC VO-TECH		\$7,462	329.10	0.1500		\$20,264,914,730	
POLYTECH		\$19,399	88.70			\$4,116,954,270	
NEW CASTLE				0.1359		\$116,325,070	
KENT				0.1081		\$4,000,629,200	
SUSSEX VOTECH		\$1,585	91.07	0.2750		\$4,048,865,996	
VOTECH TOTAL			508.87			28,430,734,996	
TOTAL Intensive and Complex Units			2,877.17				
TOTAL STATE			9,973.16			\$28,430,734,996	

3-Feb-23

charter units
total units

1,186.35
11,159.51

FY24 Equalization Calculation

DISTRICT NAME	2022-23 ADJUSTED FULL VALUE OF REAL ESTATE	2022-23 REAL ESTATE TAX COLLECTIBLE	2022-23 CAPITATION TAX COLLECTIBLE	2022-23 CURRENT EXPENSE TAX COLLECTIBLE	2022-23 DISTRICT ABILITY	2022-23 DISTRICT EFFORT	2022-23 ABILITY INDEX
APPOQUINIMINK	\$10,676,932,665	\$35,784,807.52	\$0.00	\$35,784,807.52	13,884,178	0.00335160	0.569996901
NCC TAX DISTRICT	\$69,883,275,261	\$82,597,629.94	\$0.00	\$82,597,629.94	26,481,771	0.00118194	1.08717475
BRANDYWINE	\$14,007,573,935	\$47,242,784.31	\$0.00	\$47,242,784.31	23,860,143	0.00337266	0.979547196
CHRISTINA	\$21,528,634,785	\$94,708,770.14	\$0.00	\$94,708,770.14	30,362,219	0.00439920	1.246481492
COLONIAL	\$12,203,255,918	\$35,063,127.10	\$0.00	\$35,063,127.10	24,844,774	0.00287326	1.019969945
RED CLAY	\$22,143,810,623	\$60,602,295.16	\$0.00	\$60,602,295.16	26,002,291	0.00273676	1.067490298
NEW CASTLE TOTAL	\$80,560,207,927	\$355,999,414.18	\$0.00	\$355,999,414.18			
CAESAR RODNEY	\$5,138,977,320	\$9,471,135.20	\$168,288.00	\$9,639,423.20	11,477,593	0.00187575	0.471197672
CAPITAL	\$6,426,020,093	\$16,364,502.77	\$0.00	\$16,364,502.77	17,780,416	0.00254660	0.729951902
LAKE FOREST	\$2,984,690,909	\$5,306,768.50	\$85,720.00	\$5,392,488.50	13,231,186	0.00180672	0.543189168
MILFORD	\$3,989,549,315	\$9,171,794.11	\$0.00	\$9,171,794.11	14,982,535	0.00229895	0.615088518
KENT	\$1,420,641,667	\$3,300,946.15	\$0.00	\$3,300,946.15			
SUSSEX	\$2,568,907,648	\$5,870,847.96	\$0.00	\$5,870,847.96			
SMYRNA	\$4,409,914,332	\$10,991,256.17	\$0.00	\$10,991,256.17	12,806,117	0.00249240	0.525738503
NEW CASTLE	\$505,761,174	\$1,219,668.36	\$0.00	\$1,219,668.36			
KENT	\$3,904,153,158	\$9,771,587.81	\$0.00	\$9,771,587.81			
KENT TOTAL	\$22,949,151,968	\$51,305,456.75	\$254,008.00	\$51,559,464.75			
CAPE HENLOPEN	\$22,799,344,172	\$29,153,977.38	\$0.00	\$29,153,977.38	63,633,772	0.00127872	2.612401943
DELMAR	\$822,476,653	\$1,154,140.36	\$34,260.00	\$1,188,400.36	10,055,956	0.00144490	0.412834232
INDIAN RIVER	\$26,442,979,543	\$43,498,701.35	\$362,201.00	\$43,860,902.35	44,396,467	0.00165870	1.822639335
LAUREL	\$1,820,480,767	\$1,993,426.44	\$177,900.30	\$2,171,326.74	11,480,613	0.00119272	0.471321661
SEAFORD	\$2,890,347,468	\$6,098,055.09	\$0.00	\$6,098,055.09	14,574,895	0.00210980	0.598353411
WOODBIDGE	\$2,166,313,186	\$3,692,258.09	\$66,132.36	\$3,758,390.45	15,335,645	0.00173492	0.629584999
KENT	\$206,181,383	\$381,419.06	\$4,339.44	\$385,758.50			
SUSSEX	\$1,960,131,803	\$3,310,839.03	\$61,792.92	\$3,372,631.95			
SUSSEX TOTAL	\$56,941,941,789	\$85,590,558.71	\$640,493.66	\$86,231,052.37			
REGULAR TOTAL	\$160,451,301,684	\$492,895,429.63	\$894,501.66	\$493,789,931.29	24,358,339	0.00082894	
NCC VO-TECH	\$80,560,207,927	\$30,397,372.10	\$0.00	\$30,397,372.10	23,639,114	0.00390730	0.970473135
POLYTECH	\$20,586,425,704	\$4,482,765.94	\$0.00	\$4,482,765.94	12,511,730	0.00403929	0.513652854
NEW CASTLE		\$158,085.77	\$0.00	\$158,085.77			
KENT		\$4,324,680.17	\$0.00	\$4,324,680.17			
SUSSEX VOTECH	\$59,304,668,053	\$11,134,381.49	\$0.00	\$11,134,381.49	38,664,434	0.00316213	1.58731815
VOTECH TOTAL	\$160,451,301,684	\$46,014,519.52	\$0.00	\$46,014,519.52			
TOTAL Intensive and Complex Units							
TOTAL STATE	\$160,451,301,684	\$538,909,949.15	\$894,501.66	\$539,804,450.81	24,358,339		

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FY24 Equalization Calculation

DISTRICT NAME	2022-23 EFFORT INDEX (COMPUTED)	2022-23 EFFORT INDEX	5% OF THE AMOUNT AUTHORIZED	95% OF THE PRIOR YEAR	BASIC FORMULA PER UNIT	2023-24 DIVISION III FORM. OR FLOOR	*excluding referendum 105% OF THE PRIOR YEAR
APPOQUINIMINK	4.043226226	1.00000000	\$1,483	\$14,822	\$16,975	\$16,975	\$16,382
NCC TAX DISTRICT	1.425838032	1.00000000	\$1,483	\$6,142	\$5,474		
BRANDYWINE	4.068632105	1.00000000	\$0	\$0	\$0	\$6,142	\$6,788
CHRISTINA	5.307005853	1.00000000	\$0	\$0	\$0	\$6,142	\$6,788
COLONIAL	3.466177404	1.00000000	\$0	\$0	\$0	\$6,142	\$6,788
RED CLAY	3.301509669	1.00000000	\$0	\$0	\$0	\$6,142	\$6,788
NEW CASTLE TOTAL							
CAESAR RODNEY	2.262821031	1.00000000	\$1,483	\$18,868	\$19,172	\$19,172	\$20,854
CAPITAL	3.072108816	1.00000000	\$1,483	\$14,056	\$13,418	\$14,056	\$15,536
LAKE FOREST	2.17954442	1.00000000	\$1,483	\$19,718	\$17,571	\$19,718	\$21,794
MILFORD	2.773360457	1.00000000	\$1,483	\$16,588	\$15,972	\$16,588	\$18,334
KENT							
SUSSEX							
SMYRNA	3.006720351	1.00000000	\$1,483	\$18,867	\$17,959	\$18,867	\$20,853
NEW CASTLE							
KENT							
KENT TOTAL							
CAPE HENLOPEN	1.542592863	1.00000000	\$1,483	\$1,164	(\$28,443)	\$1,483	\$1,286
DELMAR	1.743070918	1.00000000	\$1,483	\$19,586	\$20,470	\$20,470	\$21,648
INDIAN RIVER	2.000981314	1.00000000	\$1,483	\$1,409	(\$10,881)	\$1,483	\$1,557
LAUREL	1.438848093	1.00000000	\$1,483	\$15,719	\$19,169	\$19,169	\$17,373
SEAFORD	2.545172065	1.00000000	\$1,483	\$16,121	\$16,344	\$16,344	\$17,817
WOODBIDGE	2.09293872	1.00000000	\$1,483	\$15,907	\$15,650	\$15,907	\$17,581
KENT							
SUSSEX							
SUSSEX TOTAL							
REGULAR TOTAL							
NCC VO-TECH	4.713601139	1.00000000	\$1,483	\$7,089	\$8,069	\$8,069	\$7,835
POLYTECH	4.872826277	1.00000000	\$1,483	\$18,429	\$18,228	\$18,429	\$20,369
NEW CASTLE							
KENT							
SUSSEX VOTECH	3.814652389	1.00000000	\$1,483	\$1,506	(\$5,648)	\$1,506	\$1,664
VOTECH TOTAL							
TOTAL Intensive and Complex Units							
TOTAL STATE							

3-Feb-23

FY24 Equalization Calculation					
DISTRICT NAME	2023-2024 DIVISION III PER UNIT	ACTUAL 2022-23 UNITS	FORMULA 2023-24 STATE EQUALIZATION	FROZEN 2023-24 STATE EQUALIZATION	DIFFERENCE FORMULA VS FROZEN AMOUNT
APPOQUINIMINK	\$16,382	967.31	\$15,846,472	\$15,091,971	(\$754,502)
NCC TAX DISTRICT		4,065.31			
BRANDYWINE	\$6,142	832.05	\$5,110,451	\$5,379,203	\$268,752
CHRISTINA	\$6,142	1,290.18	\$8,398,952	\$8,620,543	\$221,591
COLONIAL	\$6,142	753.24	\$4,676,953	\$4,899,467	\$222,514
RED CLAY	\$6,142	1,189.84	\$7,386,299	\$7,738,427	\$352,128
NEW CASTLE TOTAL		5,032.62	\$41,419,127	\$41,729,610	\$310,483
CAESAR RODNEY	\$19,172	613.49	\$11,687,404	\$12,138,246	\$450,842
CAPITAL	\$14,056	560.32	\$8,520,724	\$8,907,481	\$386,756
LAKE FOREST	\$19,718	265.60	\$5,237,101	\$5,512,794	\$275,693
MILFORD	\$16,588	323.57	\$5,367,379	\$5,649,856	\$282,477
KENT					
SUSSEX					
SMYRNA	\$18,867	488.99	\$9,225,774	\$9,711,341	\$485,567
NEW CASTLE					
KENT					
KENT TOTAL		2,251.97	\$40,038,383	\$41,919,718	\$1,881,335
CAPE HENLOPEN	\$1,286	532.83	\$715,799	\$702,757	(\$13,043)
DELMAR	\$20,470	88.81	\$1,817,941	\$1,830,996	\$13,055
INDIAN RIVER	\$1,483	850.52	\$1,263,467	\$1,270,838	\$7,371
LAUREL	\$17,373	183.34	\$3,185,166	\$3,033,544	(\$151,622)
SEAFORD	\$16,344	265.96	\$4,346,850	\$4,513,075	\$166,225
WOODBIDGE	\$15,907	193.31	\$3,074,982	\$3,236,783	\$161,800
KENT					
SUSSEX					
SUSSEX TOTAL		2,114.77	\$14,404,205	\$14,587,992	\$183,786
REGULAR TOTAL		9,399.36	\$95,861,715	\$98,237,320	\$2,375,605
NCC VO-TECH	\$7,835	380.24	\$2,969,308	\$2,827,949	(\$141,360)
POLYTECH	\$18,429	92.51	\$1,704,867	\$1,794,601	\$89,735
NEW CASTLE					\$0
KENT					\$0
SUSSEX VOTECH	\$1,506	101.05	\$152,181	\$160,164	\$7,983
VOTECH TOTAL		573.80	\$4,826,356	\$4,782,715	(\$43,642)
TOTAL Intensive and Complex Units					
TOTAL STATE		9,973.16	\$100,688,071	\$103,020,035	\$2,331,963

3-Feb-23 Charter units 1,186.35
Total units 11,159.51
Charters FY 22 \$ 9,646,811.00

Table 8. FY 2024 Summary

District	FY23 Units	Formula Frozen		No Ceilings or Floors		5% Ceiling/Floor from Previous Fiscal Year	
		FY24 Unit Value	Total Cost	"True" Formula Amount	Total Cost	FY24 Formula Unfrozen	Total Cost
APPOQUINIMINK	967.31	\$15,602	\$15,091,971	\$16,975	\$16,420,087	\$16,382	\$15,846,472
BRANDYWINE	832.05	\$6,465	\$5,379,203	\$5,474	\$4,554,642	\$6,142	\$5,110,451
CHRISTINA	1,290.18	\$6,465	\$8,620,543	\$5,474	\$7,790,005	\$6,142	\$8,398,952
COLONIAL	753.24	\$6,465	\$4,899,467	\$5,474	\$4,200,722	\$6,142	\$4,676,953
RED CLAY	1,189.84	\$6,465	\$7,738,427	\$5,474	\$6,633,203	\$6,142	\$7,386,299
TOTAL NEW CASTLE	5,032.62						
CAESAR RODNEY	613.49	\$19,861	\$12,138,246	\$19,172	\$11,667,270	\$19,172	\$11,687,404
CAPITAL	560.32	\$14,796	\$8,907,481	\$13,418	\$8,163,106	\$14,056	\$8,520,724
LAKE FOREST	265.60	\$20,756	\$5,512,794	\$17,571	\$4,666,858	\$19,718	\$5,237,101
MILFORD	323.57	\$17,461	\$5,649,856	\$15,972	\$5,174,768	\$16,588	\$5,367,379
SMYRNA	488.99	\$19,860	\$9,711,341	\$17,959	\$8,781,771	\$18,867	\$9,225,774
TOTAL KENT	2,251.97						
CAPE HENLOPEN	532.83	\$1,225	\$702,757	(\$28,443)	(\$11,986,779)	\$1,286	\$715,799
DELMAR	88.81	\$20,617	\$1,830,996	\$20,470	\$1,817,941	\$20,470	\$1,817,941
INDIAN RIVER	850.52	\$1,483	\$1,270,838	(\$10,881)	(\$8,766,269)	\$1,483	\$1,263,467
LAUREL	183.34	\$16,546	\$3,033,544	\$19,169	\$3,514,253	\$17,373	\$3,185,166
SEAFORD	265.96	\$16,969	\$4,513,075	\$16,344	\$4,346,850	\$16,344	\$4,346,850
WOODBIDGE	193.31	\$16,744	\$3,236,783	\$15,650	\$3,025,302	\$15,907	\$3,074,982
TOTAL SUSSEX	2,114.77						
NCC VOTECH	380.24	\$7,462	\$2,827,949	\$8,069	\$3,057,990	\$7,835	\$2,969,308
POLYTECH	92.51	\$19,399	\$1,794,601	\$18,228	\$1,686,272	\$18,429	\$1,704,867
SUSSEX VOTECH	101.05	\$1,585	\$160,164	(\$5,648)	(\$570,730)	\$1,506	\$152,181
TOTAL VOTECH	573.80						
TOTAL STATE	9,973.16		\$103,020,035		\$74,177,262		\$100,688,071