Description of the Formula

State support is provided in five (5) major components.

Division I, employment costs, is allocated in accordance with state formulae.

Division II, Energy, is allocated on a student-based unit system. Energy funds may be used for heating oil, gas, or electricity.

Division III, Other, is allocated on a student-based unit system. Funds may be used for all operational costs other than employment costs, energy costs, transportation, or debt service.

Debt Service funding allocates between 60% and 80% of the cost of school construction in the districts and 100% for statewide special schools.

District-Based Components

Density/Sparsity of Small Schools
Does not apply.

Grade Level Differences

<table>
<thead>
<tr>
<th>Grade</th>
<th>Per Instructional Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>½ Day K</td>
<td>34.8</td>
</tr>
<tr>
<td>Full-Day K</td>
<td>17.4</td>
</tr>
<tr>
<td>1-3</td>
<td>17.4</td>
</tr>
<tr>
<td>4-6</td>
<td>20.2</td>
</tr>
<tr>
<td>7-12</td>
<td>20.2</td>
</tr>
</tbody>
</table>

Declining Enrollment or Growth
Guaranteed units no longer funded.
Capital Outlay and/or Debt Service
The state pays between 60% and 80% of approved projects; 100% for special schools and vocational schools. Bond issue must be approved by referendum. Bonded indebtedness is limited to 10% of the assessed valuation of the district.

Transportation
Transportation for eligible public school students is funded through a legislatively-directed transportation formula to provide funds to the districts for district- or contractor-provided school transportation. Transportation benefits are provided for pupils in grades K-6 whose legal residences are one (1) mile or more from the schools to which they would normally be assigned and for pupils in grades 7-12 whose legal residences are two (2) miles or more from the schools to which they would normally be assigned. Public charter schools are provided transportation funding for eligible students based on 75% of the average cost per student of transportation within the vocational district in which the charter school is located.

Pupil-Based Components

Special Education
Funding is provided through instructional units. Units for 12 categories are provided, ranging in size from four pupils per unit to 15 pupils per unit.

The State is phasing in a needs based funding system for special education students. Funding is based on three categories: basic, intensive, and complex with unit sizes of 8.4, 6.0, and 2.6.

Compensatory Education
Academic Excellence instruction units are provided on the basis of one unit per 250 pupils enrolled and funds are also provided for extra time for students at risk of not meeting state standard in core content areas.

English Language Learner/Bilingual Education
LEP no longer funded as separate program; now collapsed into State Fiscal Stabilization Funds.

Gifted and Talented Education
Program now collapsed into academic excellence units.

Other
Does not apply.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Does not apply.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Districts tax between 50% and 100% of the county assessed valuations.
Measure of Local Ability To Support Schools
Market value of property per unit of pupils

School District Budget and Tax Rate Procedures/Sources of Local Revenue
All 19 districts are fiscally independent. Increase in total tax rates for current operations must be approved by referendum. Voter approval is required for a tax increase. A maximum of two elections may be held each year; a simple majority is required for approval. Local revenue sources are: property tax (85%), interest (1%), tuition (5%), and other (9%).

State Support for Nonpublic Schools
The State provides driver education to all eligible Delaware residents attending public and private high schools. While the State does not transport pupils attending non-public schools, it does provide school transportation stipends to parents of eligible pupils.