LAUNCH EVENT: UNDERSTANDING SCHOOL FUNDING, BASICS AND BEYOND

March 17, 2023
ROB RESCIGNO
Assistant Vice President
Partnerships and Community Affairs, Associate Professor,
Wilmington University
ASHLEY LOCKWOOD
State Teacher of the Year
5th Grade Teacher, Lulu Ross Elementary School
LAUNCH EVENT: UNDERSTANDING SCHOOL FUNDING, BASICS AND BEYOND

March 17, 2023
BETTINA TWEARDY RIVEROS

Chief Public Affairs Officer,
Chief Health Equity Officer,
ChristianaCare
WHO IS IN THE ROOM TODAY?

- Nonprofits: 32.4%
- Educators: 31.1%
- State/Gov. Officials: 6.8%
- Higher Ed: 6.1%
- Business: 6.1%
- Parents: 17.6%
The Vision Coalition of Delaware is a public-private partnership composed of a broad range of Delawareans who work together to improve Delaware public education.

The coalition’s leadership developed the Vision 2015 plan in 2006. Ten years later, they collaborated with Delawareans to develop a new 10-year plan.

Over 4,000 Delawareans shared their ideas, perspectives, and opinions during the plan development process. The plan, Student Success 2025, aimed to prepare every Delaware student for a lifetime of success.
STUDENT SUCCESS 2025 RECOMMENDS:

1. Allocating funding to respond to individual student needs
2. Updating our system so funds follow students
3. Allowing students to take courses across schools, online and in higher education
4. Increasing equity and flexibility
5. Building more transparent and efficient systems
HEARING FROM OUR AUDIENCE

LEADERSHIP

EQUITY

TRAUMA-INFORMED CARE

STATE BUDGET

SUPPORTING EDUCATORS

EARLY LEARNING + PRE-K

SPECIAL EDUCATION

PREVENTION
UPCOMING MEETINGS

SEN. ELIZABETH "TIZZY" LOCKMAN
Vice-Chairperson, Redding Consortium, Senate Education Committee Vice Chair and Senate Majority Whip
RICHARD MORSE

Senior Counsel, Community Legal Aid Society, Inc. (CLASI)
In re Delaware Public Schools Litigation

Delawareans for Educational Opportunity and NAACP of Delaware

v.

State Officials and County Officials

Community Legal Aid Society
Arnold & Porter law firm
ACLU of Delaware
Reports, Statement, Action

2001
- Report of the Wilmington Neighborhood School Committee - Statute

2008
- Report of the Wilmington Education Task Force – Senate Joint Resolution

2015
- Report of the Governor’s advisory group

2015
- General Assembly Joint Resolution:
  - Delaware’s education funding system does not reflect the needs of today’s children, teachers, schools and districts. It lacks the flexibility, transparency, and innovation necessary to allow the state to target resources to students in poverty, students with disabilities, English language learners and other high needs children.

2017
- State education funding reduced by $26 million.
### Meeting State Proficiency Standards

<table>
<thead>
<tr>
<th></th>
<th>ELA/Reading</th>
<th>Math</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3rd Grade</strong></td>
<td>• 37% of low-income students</td>
<td>• 39% of low-income students</td>
</tr>
<tr>
<td></td>
<td>• 32% of English language learners</td>
<td>• 40% of English language learners</td>
</tr>
<tr>
<td></td>
<td>• 21% of students with disabilities</td>
<td>• 24% of students with disabilities</td>
</tr>
<tr>
<td><strong>11th – 12th grade</strong></td>
<td>• 34% of low-income students</td>
<td>• 12% of low-income students</td>
</tr>
<tr>
<td></td>
<td>• 6% of English language learners</td>
<td>• 5% of English language learners</td>
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<tr>
<td></td>
<td>• 7% of students with disabilities</td>
<td>• 5% of students with disabilities</td>
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</table>
### State Track: State response – Funding:

<table>
<thead>
<tr>
<th>School Year(s)</th>
<th>K-3 Basic Special Ed</th>
<th>Low Income and ELL</th>
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<tbody>
<tr>
<td>Pre-suit</td>
<td>0</td>
<td>$1M</td>
</tr>
<tr>
<td>Suit filed (2018)</td>
<td>0</td>
<td>$6M</td>
</tr>
<tr>
<td>MTD denied (2019)</td>
<td>0</td>
<td>$25M</td>
</tr>
<tr>
<td>Settlement</td>
<td></td>
<td></td>
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<tr>
<td>2021 &amp; 2022</td>
<td>$4 million</td>
<td>$35M</td>
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<tr>
<td>2023</td>
<td>$7.38 million</td>
<td>$50M</td>
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<tr>
<td>2024</td>
<td>$11.9 million</td>
<td>$60M</td>
</tr>
<tr>
<td>Future</td>
<td>Increases with student numbers</td>
<td>Increases with student numbers</td>
</tr>
<tr>
<td>2022, 2023 &amp; 2024</td>
<td></td>
<td></td>
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<tr>
<td>2023 &amp; 2024</td>
<td>$6.1M additional for ECAP</td>
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</table>
Additional Settlement Terms

- No supplanting and no decrease in existing programs for Disadvantaged Students to pay for the LI and ELL supplemental funding
- ELL and LI funding to be made part of Delaware Code Education Title
- 98% at the LI/ELL students’ school
- Annual reporting on LI and ELL spending by school

**Independent assessment funding system (due January 2014)**
- Independent ombudsperson program (starting September 2021)
- Suit reinstated if General Assembly does not approve & $1M breakup fee
- Jurisdiction retained for enforcement and reinstatement
- Public equity statements required for capital bond referenda
Independent Funding Assessment

Provides for a holistic assessment of the Delaware public school system financing to be completed by an organization that is independent of the State by January 2024. The assessment shall consider total funding levels, the mechanisms for raising and distributing education revenue at the state and local level, and make recommendations for improvements to equity and efficiency. The Parties agreed that the assessment shall not obligate the State to take any action and is limited to providing information concerning potential modifications and improvements to the financing of Delaware’s public school system.
Statewide property reassessment

10% local revenue increase
DREW ATCHISON

Senior Researcher, American Institutes for Research (AIR)
Delaware Public Education Funding Assessment

Drew Atchison

March 17, 2023
Evaluating State Systems of Education Funding
Key Goals of State Funding Formulas

• **Adequate** – Provide sufficient resources for all students to meet the state’s educational goals

• **Equitable** - Account for differences in the costs of providing an equal educational opportunity across schools/districts and the students they serve
  – Provide more resources to schools/districts that need more

• **Wealth Neutral** - Account for differences in ability to raise local revenue (mostly via property taxes)
  – Achieving adequate funding levels should not depend on the property wealth of the community
Key Study Questions

• **Equity and Wealth Neutrality**
  – How is existing school funding/spending distributed with respect to student needs and other characteristics that affect cost (e.g., district or school size)?
  – To what extent are school funding levels dependent on local revenue capacity?

• **Adequacy**
  – Are current funding/spending levels sufficient to meet the state’s educational goals?
  – How should funding be distributed across districts to provide equal educational opportunity?
Analytic Approach and Data Collections
Overview of Main Data Collection/Analysis Activities

Data Collection Activities
- Policy/Document Scan
- Extant/Administrative Data
- Primary Data Collection

Data Analysis Activities
- State Comparative Analysis
- Student Outcomes, Equity, Cost-Function Adequacy
- Professional Judgement Adequacy Analysis
- Perceptions of Current System
Types of Adequacy Analyses

• Professional Judgement
  – Expert educators specify resources necessary to meet outcome goals for hypothetical schools that vary in student need.
  – Determine the cost of those resources how they vary with respect to student need.

• Cost-Function
  – Use existing data on student outcomes and education spending to determine the appropriate level of spending to meet specified outcomes for schools with differing student needs.
Project Timeline and Progress
## Project Timeline

<table>
<thead>
<tr>
<th>Project Task</th>
<th>Summer 2022</th>
<th>Fall 2022</th>
<th>Winter 2023</th>
<th>Spring 2023</th>
<th>Summer 2023</th>
<th>Fall 2023</th>
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</thead>
<tbody>
<tr>
<td>Develop analysis plan</td>
<td></td>
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<tr>
<td>State comparative analysis</td>
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<td></td>
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<tr>
<td>Collect administrative data</td>
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<tr>
<td>Conduct interviews with district and charter school leaders</td>
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<tr>
<td>Conduct administrative data analysis</td>
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<tr>
<td>Conduct professional judgment panels and analyze data</td>
<td></td>
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<tr>
<td>Develop models of funding formulas</td>
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<tr>
<td>Develop report and recommendations</td>
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<tr>
<td>Disseminate Findings</td>
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What to Expect In the Report
What to Expect in the Report

• Comparison of Delaware’s current system to other states

• Strengths and weaknesses of Delaware’s current system
  – Is there evidence of unequal opportunity?
  – Is the current distribution of funding/spending equitable to students and taxpayers?
  – Is the current system adequate?

• Modeling an equitable and adequate system
  – What would an equitable and adequate funding system look like?

• Recommendations for achieving an equitable and adequate system
Reports from Other States

- New Hampshire – Cost-Function Approach

- Vermont – Cost-Function Approach

- California – Professional Judgment Approach
Meet me at lunch if interested in these types of studies and experiences in other states.

Next up, Secretary Mark Holodick!
SESSION II
Delaware’s Education Funding System in the National Landscape

MICHAEL GRIFFITH
Senior Researcher and Policy Analyst, Learning Policy Institute

STEPHANIE LEVIN
Research Manager, Learning Policy Institute
Delaware School Funding
How States Fund Their Schools

Michael Griffith – Senior Researcher and Policy Analyst
Stephanie Levin – Research Manager

March 17, 2023
Today’s Presentation

1. What is a school funding formula?
2. What is a good formula?
3. The formulas that states use
4. What is a foundation formula?
What is a Funding formula

Primary Funding Formula
(About 70% to 90% of Funding)

+ 

Categorical Funding
(Capital, Transportation, and others)

= 

Total State Funding
(Sometime confusingly referred to as the “State Funding Formula”)
**Adequate:** Funding is sufficient to meet current state education requirements for all students, these can include:

- **Inputs:** seat time, class sizes, 1-to-1 computers
- **Outcomes:** test scores graduation rates, college going

**Equitable:**

- All districts have access to a relatively equal level of resources and
- All students have access to relatively equal educational offerings
Flexible: Districts can use their resources to meet their unique needs

Adaptable: The formula can adapt to changes in the way that educational services are delivered with little to no adjustment
The Evolution of State Primary Funding Formulas

1st Generation: Flat payment
2nd Generation: Takes district wealth into account
3rd Generation: Takes both relative wealth & student needs into account (State makes expenditure decisions)
4th Generation: 3rd gen but LEA makes expenditure decisions
5th Generation: Ensuring that the resources are better targeted to the student
School Funding Formulas in Each State

- **Foundation Programs (38)**
- **Other (6)**

LEARNING POLICY INSTITUTE
How A Foundation Formula Works

1. Determine foundation/base amount

2. Count students with weights

3. Multiply student count by the foundation amount

4. Determine state vs. local split

5. Add on categorical funding (capital, transportation, other)
What are Funding Weights?

- Weights are the additional funding that states provide to high-need student groups.
- Most common weights are for at-risk, English language learners, and special education students.
- The weights (when multiplied by the foundation amounts) should equal the cost of educating a high-need student.
Why do so Many States Use a Foundation Formula?

• Easy to establish

• Easily adjusted to meet a state’s/district’s educational needs and economic circumstances

• Provides districts with greater autonomy in decision making
Foundation formulas can be adjusted to include various policy choices, such as:

- Class size requirements
- Teacher salary schedules
- Targeted funding for certain programs/student groups

The more mandates that are added the less flexibility districts will have
What should a foundation amount be?
- The amount of funding needed to allow a general education student to achieve state standards

Ranges in states from:
- $4,015 – Louisiana
- $11,525 – Connecticut
How is a Foundation Amount Determined?

- Based on research (California, Maryland)
- Based on past year expenditures (Maine, Nebraska, and Nevada)
- Based on educational inputs including student/teacher ratios (Georgia and Ohio)
- Based on how much money the state has (Everyone else)
Measuring a District's Ability to Pay

- Using income as part of the measure for a district’s ability to pay can make sense.
- If income is used incorrectly it can lead to directing more funds to high-wealth areas.
  - The gap between high-income and low-income districts is smaller than the gap between high and low property wealth districts.
Let’s talk school funding!
Questions or Comments?

Mike Griffith: mgriffith@learningpolicyinstitute.org

Stephanie Levin: slevin@learningpolicyinstitute.org
Public Education
Funding Overview

Kim Klein
Associate Secretary, Operations Support
Fund Sources

• State/General Funds:
  o Appropriated annually through the Operating Budget.

• Local Funds:
  o Includes funds that are raised through local taxes, cafeteria revenues, facility rentals, and local grants.

• Federal Funds:
  o Includes Title funds, IDEA, Perkins and others allocated by the federal government.

• Bond/Capital Funds:
  o Includes Major Capital, Minor Capital and Architectural Barrier initiatives.
State Funds

September 30th Unit Count:

➢ Count of pupils enrolled
➢ Conducted annually
➢ Certified by the Department of Education
➢ Determines the amount of division funding appropriated in that fiscal/school year.
Units of Pupils:

1 Preschool Unit = 12.8 students
1 K-3 Regular Education Unit = 16.2 students
1 K-3 Basic Special Education Unit = 10.2 students
1 4-12 Regular Education Unit = 20 students
1 4-12 Basic Special Education Unit (Basic) = 8.4 students
1 Pre K-12 Intensive Special Education Unit (Intensive) = 6 students
1 Pre K-12 Complex Special Education Unit (Complex) = 2.6 students

Note: K-3 Basic Special Education will transition to 1:8.4 in Fiscal Year 2024.
Division I Funds:

- One unit pays the state share of salary and other employment costs, including health insurance for one teacher or two paraprofessionals.
- State share of salary and benefits is based on education and experience in accordance with the State salary schedule.
- Units generate other positions based on various formulas outlined in Delaware Code.
- The average unit value is $80,052, including other employment costs and health insurance.
State Funds

Division II Funds:

- Provides for resources in the classroom.
- One Division I unit generates one Division II unit.
- Two components:
  - All Other Costs ($2,925)
  - Energy ($2,387)
- Vocational programs generate additional Division II units depending on the type of program.
Division III Equalization Funds:

- Intended to alleviate local funding disparities between property rich and property poor districts.
- Designed to be inversely related to district ability to tax.
- Proportionately related to district effort in taxing.
- Districts’ individual Division III per unit values have remained frozen since Fiscal Year 2009.
Other State Entitlements and Block Grants:

- Academic Excellence
- Technology Block Grant
- Educational Sustainment
- Student Success Block Grant
- Opportunity Fund
- Private Placements
- Transportation
Local Funds

• Current Expense - general operations:
  o For the 16 geographical districts, the maximum current expense rate must pass referenda.
  o For the three vocational technical school districts, the maximum current expense rate can only be increased through legislative approval.

• Tuition - special needs students for Pre-K, Intense and Complex students (not the entire special education population):
  o Within a district, between districts and private placements.
Local Funds

• Match - State programs that authorize a local match.
  o Minor Capital - 60% State, 40% Local
  o Others - Reading and Math specialists, Technology, Extra Time, Student Success Block Grant and Opportunity Fund.

• Debt Service - pays principal and interest on local bonds authorized by referenda.
  o Debt Service rates do not need to be approved in referenda.
  o A “good faith” Debt Service estimate rate is given in a referendum campaign.
  o The local school board approves a Debt Service rate.
Local Funds

• Other local funds may include, but are not limited to:
  o Cafeteria/School Nutrition
  o Rentals/Building Use Fees
  o Athletic Gate Receipts
  o Interest Earnings
  o Indirect Costs
  o Private Grants
Choice / Charter

- Local funds follow a student to their school of choice, either another district or charter school.

- Amount per student is differentiated by needs-based special education category.

- Geographic school districts may have net inflow or outflow of funds based on the amount of choice students.
Federal Funds

- Federal funds are restricted to the purpose and time period during which money may be spent.

- The State receives and approves district applications and allocates funds to districts as subgrantees.

- Examples of federal funding allocations:
  - Elementary and Secondary Education Act (ESEA) Title Funds:
    - Title I (Improving Academic Achievement of Disadvantaged)
    - Title II (Improving Teacher Quality)
    - Title III (Immigrant Student Education Program and English Learner)
    - Title IV (Student Support and Academic Enrichment)
  - Perkins (Career and Technical Education)
  - Individual with Disabilities Education Act (IDEA)
Major Capital Funding

• Funding for district-owned buildings and facilities.

• Districts identify project needs and develop construction plans, with local board approval.

• Districts request a Certificate of Necessity (CN).

• Issuance of a CN is required prior to referendum.

• After passage of a referendum, State-share of funding is provided.

➢ 60% to 80% of total project cost
Minor Capital Improvements

• Allocated through the annual Capital Budget.

• Intended to maintain public education infrastructure.

• Funding for all school districts and charter schools.

  ➢ 60% State share (districts only)
Questions?
## Position Calculations

<table>
<thead>
<tr>
<th>Position</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Div I Teacher - K-3 Regular Education *</td>
<td>1 per 16.2 pupils</td>
</tr>
<tr>
<td>Div I Teacher - K-3 Basic Special Education *</td>
<td>1 per 10.2 pupils</td>
</tr>
<tr>
<td>Div I Teacher - 4-12 Regular Education *</td>
<td>1 per 20 pupils</td>
</tr>
<tr>
<td>Div I Teacher - 4-12 Basic Special Education *</td>
<td>1 per 8.4 pupils</td>
</tr>
<tr>
<td>Div I Teacher - Pre K-12 Intensive Special Education *</td>
<td>1 per 6 pupils</td>
</tr>
<tr>
<td>Div I Teacher - Pre K-12 Complex Special Education *</td>
<td>1 per 2.6 pupils</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>1 per charter school</td>
</tr>
<tr>
<td>11 Month Supervisor *</td>
<td>1 for each 150 Div I units</td>
</tr>
<tr>
<td>Transportation Supervisor *</td>
<td>1 for every 7,500 or more enrolled students</td>
</tr>
<tr>
<td>Principal</td>
<td>1 for first 15 or more Div I units</td>
</tr>
<tr>
<td>Assistant Principal #1</td>
<td>1 for first 30 or more Div I units; 0.65 for 25 to less than 30 Div I units</td>
</tr>
<tr>
<td>Assistant Principal #2</td>
<td>1 for first 55 or more Div I units; 0.65 for 50 to less than 55 Div I units</td>
</tr>
<tr>
<td>Assistant Principal #3 +</td>
<td>1 for each 20 Div I units beyond the first 55 Div I units</td>
</tr>
<tr>
<td>Visiting Teacher *</td>
<td>1 for each 250 Div I units</td>
</tr>
<tr>
<td>Driver Education Teacher *</td>
<td>1 for every 125 tenth grade students</td>
</tr>
<tr>
<td>Nurse *</td>
<td>1 for each 40 Div I units</td>
</tr>
<tr>
<td>Academic Excellence Units *</td>
<td>1 for each 250 pupils</td>
</tr>
<tr>
<td>Clerical Units</td>
<td>1 for every 10 units for the first 100 units; 1 for every 12 units thereafter</td>
</tr>
<tr>
<td>Custodial Units</td>
<td>TBD - Based on site evaluation</td>
</tr>
<tr>
<td>Cafeteria Manager</td>
<td>0.73 per charter school</td>
</tr>
<tr>
<td>Cafeteria Worker *</td>
<td>0.62 per 100 pupils</td>
</tr>
<tr>
<td>Related Services Specialist - Basic *</td>
<td>1 for each 57 Basic units</td>
</tr>
<tr>
<td>Related Services Specialist - Intensive *</td>
<td>1 for each 5.5 Intensive units</td>
</tr>
<tr>
<td>Related Services Specialist - Complex *</td>
<td>1 for each 3 Complex units</td>
</tr>
<tr>
<td>Counselor / Social Worker *</td>
<td>1 for each 325 K-5 students</td>
</tr>
<tr>
<td>School Psychologist *</td>
<td>1 for each 700 K-5 students</td>
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</table>

* Qualifies for fractional part of unit
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<thead>
<tr>
<th>Table</th>
<th>Topic</th>
<th>Expert</th>
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<tbody>
<tr>
<td>1</td>
<td>Digging Deeper: Delaware's State Funding Formula</td>
<td>Kim Klein, DDOE</td>
</tr>
<tr>
<td>2</td>
<td>Intentions and Outcomes of 2019 Lawsuit</td>
<td>Karen Lantz, formerly with ACLU</td>
</tr>
<tr>
<td>3</td>
<td>Independent Funding Assessments: Examples from Other States</td>
<td>Drew Atchison, AIR, Mike Griffith, LPI</td>
</tr>
<tr>
<td>4</td>
<td>What States Can do with Funding Systems to Support Equity for Students</td>
<td>Ivy Morgan, Education Trust</td>
</tr>
<tr>
<td>5</td>
<td>National Trends: How Other states are Rethinking their Funding systems</td>
<td>Indira Dammu, Bellwether</td>
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<td>6</td>
<td>National Landscape of Impact of Litigation: Lawsuits and System Change</td>
<td>Jennifer O’Neal, Bellwether</td>
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Thank you!

Find resources and later, recordings of our sessions:

visioncoalitionde.org
APPENDIX