

EQUITY IN EDUCATION

*Learning from Local and
National Funding Solutions*

December 6, 2024

Welcome to Wilmington University!

Dover Campus

Dr. Lindsay Rice

Vision Coalition Leadership
Team

Senior Director of Academic
Partnerships, Wilmington
University

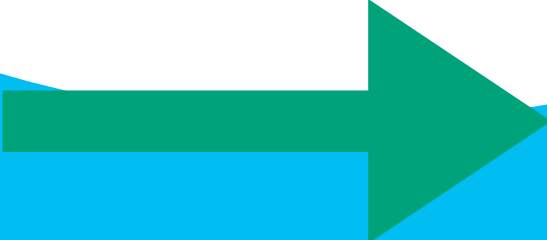


 @VisionCoalitionDE

 @VCDelaware

 @vcofdelawar

2035: Delaware's Next 10-Year Plan for Public Education



Fall Public Survey and
Spring Town Halls

700 Delawareans



Fall Townhalls
**100 Delawareans
and students**



Steering Committee & Working Groups

180 Delawareans



**10-Year Vision
for Education
2025-2035**

Coming Spring 2025

Lylie Bataille

Sussex Technical High School



 @VisionCoalitionDE

 @VCDelaware

 @vcofdelawar

Jon Cooper

Vision Coalition Leadership
Team

Director of Health and
Wellness, Colonial School
District



 @VisionCoalitionDE

 @VCDelaware

 @vcofdelawar

Marcus Wright

Vision Coalition Leadership
Team

Member, Seaford School
District Board



 @VisionCoalitionDE

 @VCDelaware

 @vcofdelawar

Leadership Team

A private-public partnership composed of a broad range of Delawareans working together to improve public education



Shelly Cecchetti, Kent-Sussex
Leadership Alliance



Jon Cooper,
Colonial School District



Katrina Daniels,
The Colwyck Center



Carlos de los Ramos,
Delaware Hispanic Commission



Joe DePaulo,
College Ave Student Loans



Kevin Dickerson,
POLYTECH School District



Dorrell Green,
Red Clay School District



Gary Henry,
University of Delaware



Paul Herdman,
Rodel



Logan Herring,
Kingswood Community Center



Mark Holodick,
Del. Sec. of Education



Stephanie Ingram,
DSEA



Lisa Lawson,
Brandywine School
District



Kirsten Olson,
Children & Families
First



Rob Rescigno,
So. Regional Education Board



Lindsay Rice,
Wilmington University



Shelley Rouser,
Delaware State University



Justina Thomas,
Del. Technical Community College



Bettina Tweardy Riveros (Chair),
ChristianaCare



Margie Lopez Waite,
Las Americas ASPIRA Academy



Marcus Wright,
Seaford School Board, Del State University

Equity in Education Series

Money Matters

June
2023

*AIR Report
Release Event*

December
2023

March
2023

October
2023

*Understanding
School Funding,
Basics and
Beyond*

*Supporting
Students'
Needs*

Agenda

- **What's Underway in Delaware**
 - Equalization
 - Opportunity Funding
 - Public Education Funding Commission
 - Public Education Compensation Committee
- **National Landscape**
 - Flexibility
 - Increased Funding
 - Referendum
 - State and Local Shares
 - Transitioning to a New System
- Q&A
- **How Other States Moved Forward: What Can Delaware Learn?**
- Q&A
- Wrap

What's Underway in Delaware

Kim Klein

Associate Secretary of
Finance and Operations,
Delaware Department of
Education

Jennifer Carlson

Finance Director,
Delaware Department of
Education

PUBLIC EDUCATION COMPENSATION COMMITTEE



PECC Background

The Public Education Compensation Committee was created by Senate Bill 100 (as amended by Senate Amendment 1) of the 151st General Assembly and enacted on June 30, 2022.

The overall charge of the group was to review Delaware's educator compensation structure and its ability to compete within the geographical region and develop recommendations.

To address salary schedules, PECC met from July 2022 to October 2023 and provided a report that included recommendations to ensure geographically competitive salaries within public education.



PECC Membership

- Chair: Mark Holodick, Secretary of Education
- Ruth Ann Miller, Controller General
- Cerron Cade, Director of the Office of Management & Budget
- Stephanie Ingram, President, Delaware State Education Association
- Tammy Croce, Executive Director, Delaware Association of School Admin.
- David Kohan, Educator
- Sara Hale, School Financial Officer
- Sean Sokolowski, School Financial Officer
- Eric Anderson, (now former) Charter Head of School
- Heath Chasanov, (now former) District Superintendent
- Johnathan Starkey, (formerly of) Office of the Governor
- Representative Kim Williams
- Senator Laura Sturgeon
- Representative Michael Smith
- Senator Brian Pettyjohn

*Note: In January 2023, Eric Anderson replaced Frank Newton who left public education. In August 2023, Sean Sokolowski replaced Chuck Longfellow who retired.



PECC Recommendations

Employee Group	Recommendation	FY25	FY26	FY27	FY28	Total per Employee Group:
1305: Teachers and Administrators	2% + \$1,875	\$51,838,806	\$52,552,715	\$53,599,083	\$54,668,393	\$212,658,997
1308: Secretaries	2% + \$500 & 5 to 3 collapse	\$1,407,799	-	-	-	\$1,407,799
1311: Custodians	2% & 6 to 4 collapse & stipends	\$2,472,787	-	-	-	\$2,472,787
1322: Food Service	2.5%	\$1,771,234	-	-	-	\$1,771,234
1324: Paraprofessionals	1% & stipends	\$3,096,586	-	-	-	\$3,096,586
Bus Drivers	\$25 per hour	\$4,362,613	-	-	-	\$4,362,613
IT Employees	1:150 Div I Units, fractionals	\$6,446,395	-	-	-	\$6,446,395
Total per Year:		\$71,396,220	\$52,552,715	\$53,599,083	\$54,668,383	\$232,216,411



FY 2025 Actions

Employee Group	Recommendation	FY25	FY26	FY27	FY28	Total per Employee Group:
1305: Teachers and Administrators	2% + \$1,875	\$51,838,806	\$52,552,715	\$53,599,083	\$54,668,393	\$212,658,997
1308: Secretaries	2% + \$500 & 5 to 3 collapse	\$1,407,799	-	-	-	\$1,407,799
1311: Custodians	2% & 6 to 4 collapse & stipends	\$2,472,787	-	-	-	\$2,472,787
1322: Food Service	2.5%	\$1,771,234	-	-	-	\$1,771,234
1324: Paraprofessionals	1% & stipends	\$3,096,586	-	-	-	\$3,096,586
Bus Drivers	\$25 per hour	\$4,362,613	-	-	-	\$4,362,613
IT Employees	1:150 Div I Units, fractionals	\$6,446,395	-	-	-	\$6,446,395
Total per Year:		\$71,396,220	\$52,552,715	\$53,599,083	\$54,668,383	\$232,216,411



PECC – Next Steps

PECC also established a subgroup called the Teacher Career Ladder Working Group to make recommendations around the remaining charge of the committee.

That subgroup has continued to meet and presented recommendations at their November 2024 meeting.

PECC will continue those conversations, and we expect a vote on recommendations at their next meeting.

Stay tuned ...

EQUALIZATION



What is the Equalization?

The purpose of Equalization is to allocate state resources to districts inversely to their ability to raise revenues through the local property tax base.

14 Del. C. § 1707 (Division III equalization funding) - 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.

Below are the components of the equalization formula:

- School district ability
- State average ability
- Authorized amount



Equalization Committee

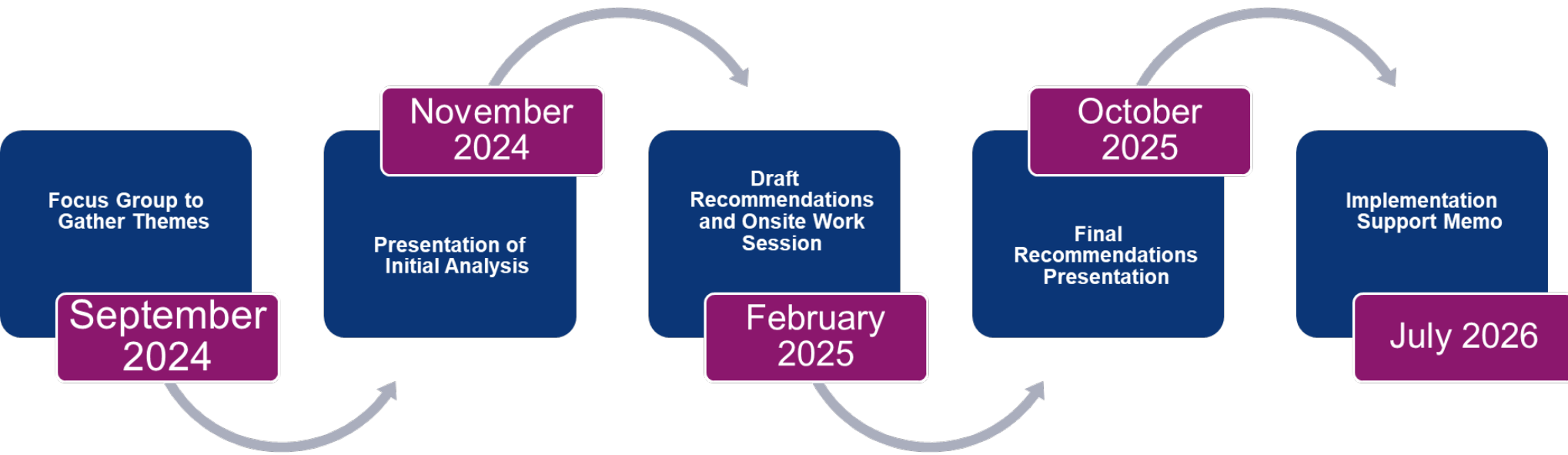
- Senator Laura Sturgeon
- Representative Kim Williams
- Matthew Burrows, Superintendent, Appoquinimink
- Jill Floore, Chief Financial Officer, Brandywine
- Sara Hale, Chief Financial Officer, Milford
- Taylor Hawk, Delaware State Education Association
- Shawn Larrimore, Superintendent, Laurel
- Nisha Lodhavia, State Board of Education
- Steven Lucas, Superintendent, Lake Forest
- Jon Sheehan, Office of the Governor
- Ruth Ann Miller, Controller General
- Nicholas Konzelman, Office of Management and Budget
- Melissa Marlin, Department of Finance



Equalization RFP

- DOE released a Request for Proposal (RFP) seeking professional services to complete an assessment of the components of the existing Equalization funding formula and to develop recommendations around a new allocation methodology.
- The Public Consulting Group LLC (PCG) was selected.

Status of Work





Preliminary Findings

- The formula achieves its original intent to partially mitigate the impact of differential school taxable property wealth.
- The Equalization Committee's assertion that the system was broken due to lack of reassessment is valid.
- Use of sale prices as a factor in the formula's measures of ability and effort is problematic.
- The definition of wealth per unit has not properly shifted.
- The charter school equalization per-unit rate calculation is prorated by students, not by units.
- There is a moderate to strong correlation between property wealth per resident unit and local share of teacher salaries.



Preliminary Considerations

- Incorporate reassessment data
- Ensure an equitable distribution of funds
- Assess long-term and short-term financial impact of any recommended changes
- Based on data and best practices of other states
- Incorporate components that can be modified for future years and market conditions
- Analyze tax exemptions and the impact of different tax rates on residential and commercial properties
- Analyze the New Castle County Tax Pool to determine funding implications on the four districts
- Recommend changes to the Delaware Code

OPPORTUNITY FUND



Opportunity Fund

- Result of 2020 legal settlement agreement
 - Funding phased in
 - Fiscal Year 2025 is final year of phase-in
 - Per student amounts must be maintained in future years
- Provides additional funds for low-income and multilingual learners (MLL)
- Intended to reduce educational disparities



Opportunity Fund

- Beginning in Fiscal Year 2023 the per student funding is allocated at the school level
 - LEAs must allocate 98% of funds to the schools that earned the funds
- LEAs must submit an expenditure plan each year by the end of July
- LEAs must complete an annual expenditure report for the prior year by January



Opportunity Fund

Opportunity Fund History			
Fiscal Year	Flex Funding	Mental Health / Reading Supports	TOTAL Budgeted
FY 2018	\$1,000,000	\$0	\$1,000,000
FY 2019	\$6,000,000	\$0	\$6,000,000
FY 2020	\$20,000,000	\$5,000,000	\$25,000,000
FY 2021	\$20,000,000	\$5,000,000	\$25,000,000
FY 2022	\$30,000,000	\$8,000,000	\$38,000,000
FY 2023	\$30,000,000	\$8,000,000	\$38,000,000
FY 2024	\$45,000,000	\$8,000,000	\$53,000,000
FY 2025	\$55,000,000	\$8,000,000	\$63,000,000
FY 2026*	\$58,840,400	\$8,000,000	\$66,840,400

**FY 2026 amounts were requested in the FY 2026 budget; actual budgeted amounts TBD.*



Opportunity Fund

Opportunity Fund Per Student History		
Fiscal Year	Low-Income Allocation per Student	MLL Allocation per Student
FY 2020	\$300.00	\$500.00
FY 2021	\$310.75	\$517.75
FY 2022	\$524.25	\$600.00
FY 2023	\$616.35	\$616.35
FY 2024	\$874.80	\$874.80
FY 2025	\$987.52	\$987.52
FY 2026*	\$987.52	\$987.52

**FY 2026 amounts were requested in the FY 2026 budget; actual budgeted amounts TBD, but per student allocations cannot be less than FY 2025.*

Public Education Funding Commission



Marcus Wright

Member, Seaford School Board
Vice Chair, PEFC



**Senator Laura
Sturgeon**

Chair, Senate Education Committee
Chair, PEFC

Public Education Funding Commission **PEFC**

- Established by legislative resolution (SCR 201)
- 31 members
 - Including community-based orgs, educators, legislators, policy
- Charge: **Discuss** the AIR report recommendations, **learn** from experts, and **create a roadmap** for how best to implement the recommendations
 - Hybrid system specific to Delaware's context

Public Education Funding Commission PEFC

- Mark Holodick, Sec. of Education
- Ruth Ann Miller, Controller General
- Cerron Cade, OMB
- Sen. Laura Sturgeon
- Rep. Kim Williams
- Sen. Eric Buckson
- Rep. Kevin Hensley
- Taylor Hawk, DSEA
- Tammy Croce, DASA
- Kevin Carson, Chiefs Association
- David Tull, DSBA
- Emily Falcon, Colonial SD
- Jill Floore, Brandywine SD
- Nick Johnson, POLYTECH SD
- Michele Marinucci, Academy of Dover
- Jose Aviles Riveria, Las Americas Aspira Academy
- Evelyn Edney, Early College HS
- Crystal Nelson, Red Clay SD
- April Albury -Harmon, Seaford SD
- Melissa Tracy, Odyssey Charter
- Karen Ewing, Christina SD
- Heather Hitchens, Lake Forest SD
- Cassie Queen, Indian River SD
- Sarah Celestin, Red Clay SD
- Carlton Lampkins, Communities in Schools
- Jennifer Fuqua, La Esperanza
- Britney Mumford, DECAN
- Madeleine Bayard, Rodel
- Meedra Surratte, Parent Info Center
- Marcus Wright, Seaford SD
- Lisa Lawson, Brandywine SD

PEFC Timeline



Governor Elect

Matt Meyer

“We must fully fund our public schools...and fund English language learners and low-income students more equitably.”



Matt Meyer unveils the most extensive education policy in the history of gubernatorial campaigns, earning accolades from Delaware educators

WITN22, April 2024

MEYER

DEMOCRAT FOR GOVERNOR

THE EDUCATION SYSTEM
DELAWARE DESERVES

National Landscape

Expert Discussion
with Learning
Policy Institute



Michael Griffith

National Landscape

- Flexibility
- Increased Funding
- Funding for Student Needs
- Referendum
- State and Local Share
- Transitioning to a New System

School Funding Transition Process

Since 2000 several states have adopted new school funding formulas:

- *Arkansas (2002)* *Litigation*
- *California (2013)* *Governor/voter approved*
- *Illinois (2017)* *Legislative led change*
- *Kansas (2017)* *First litigation then legislative*
- *Maryland (2002)* *Legislative led change*
- *Ohio (2013)* *First litigation then legislative*
- *Pennsylvania (2015)* *Legislative led change*
- *Rhode Island (2010)* *Legislative led change*
- *Tennessee (2021)* *Legislative/Gov led change*
- *Wyoming (2001)* *Litigation*

Successful School Funding Commissions

	Delaware		Illinois	Maryland	Maryland	Tennessee
Year	2024		2016	1999	2016	2021
Name	Public Education Funding Commission		Illinois School Funding Commission	Thornton Commission	Kirwan Commission	TISA Steering Committee
Commission Members	28 members appointed by the legislature and the governor		25 members 20 legislators and 5 gubernatorial appointments	21 members 8 appointed by the legislature and 13 appointed by the governor	25 members legislators, district representatives, & education advocates	21 members districts, schools, parents, elected officials, & community partners
Time Scale	Planned for 18 months		One year	Two-years	Two-years (extended to a 3rd year)	One year

School Funding Transition Process

Common Questions

- Will current grant programs be maintained, or will they be rolled into the formula?
- Will any area of funding not be addressed in the new formula (capital, transportation, food services)?
- How will the new formula address:
 - State/local funding split
 - Determining district “wealth”
 - Student counts
 - District size
 - Cost of doing business/geographic location

What states have done to ease the transition

- ▶ Gradually transition to the new funding formula
- ▶ Ensure that funding levels for individual districts are “held harmless”
- ▶ Create minimum payments in the formula
- ▶ Allow for certain mandates or programs be retained
- ▶ Educate the public & train district staff about the new formula

School Funding Conversation





Questions?
Ask the Experts

What Can Delaware Learn from Other States?



Marcus Wright
Moderator,
Vision Coalition



Riya Gupta
Strong Schools Maryland



Gary Henry
University of Delaware,
Vision Coalition



**Qubilah
Huddleston**
The Education Trust



**Senator Laura
Sturgeon**
Co-Chair, PEFC



Jennie Williamson
The Education Trust (MA)

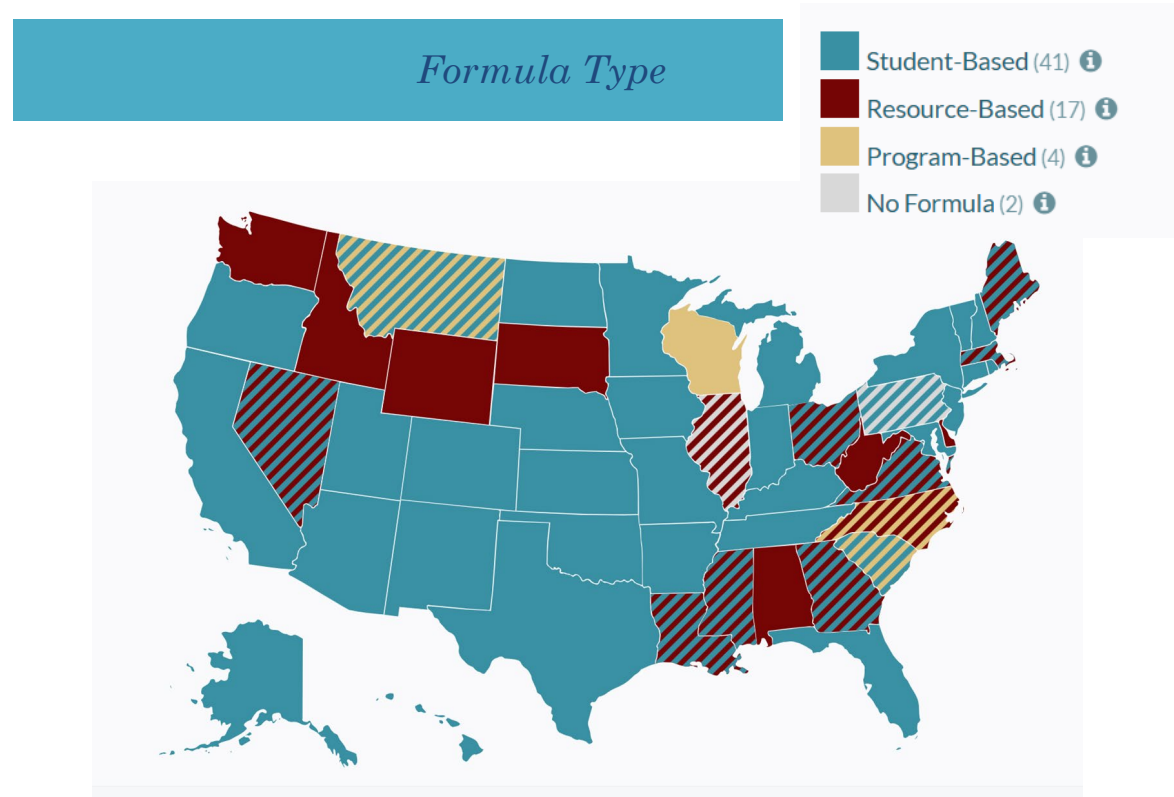
Learning from Other States

- National Trends
- Student Outcomes
- Policies to Prioritize
- Success Factors
- Messages and Messengers
- Advocacy

School Funding National Trends

What we're seeing:

- 41 states have a primarily student-centered formula
- Additional funding for certain student groups
 - Students with disabilities
 - English learners
 - Students from low-income backgrounds
 - Rural students
- Additional funding to address concentrated poverty at the district level



Source: [FundEd](#)

Examining the Reach of Targeted School Funding

Julien Lafortune, Joseph Herrera, and Niu Gao (2023)

Key study findings include:



Spending increased most in high-needs districts



Concentrated poverty grants boosted math and reading scores



Longer exposure to increased funding matters



There's room for districts to improve how well they target funds to students with the most needs

How Tennessee Achieved Change

Most Powerful Messengers

- **Executive Branch**
 - Governor
 - Tennessee Department of Education
- **Rural superintendents**
 - Able to reach legislators and elevate school funding as a top priority
- **Disability community**
 - Important to stakeholders across geographies and other lines of difference

Key Advocacy Strategies

- **Structured, comprehensive community engagement**
 - Town halls
 - Public comment
 - Working groups
- **Focus on student needs, not systems**
 - Emphasize ways that funding impacts real students
- **Maintain urgency**
 - Lean into the current momentum

School Funding Reform and Governance

Talking Points

Gary T. Henry

School of Education & Biden School of
Public Policy and Administration

School Funding Reform & Governance

School funding legislation often include governance provisions

- Accountability for
 1. Expenditure of funds
 2. Intended use of the funds by receiving units
 3. Outcomes and performance of schools and districts
- Increase public confidence in reforms
- Tied to increased flexibility to run schools
- Independent authority and funding to collect data and report findings

Two Examples of State Education Finance Governance Reforms

Governor Zell Miller (GA) proposed education finance reforms to establish Universal Pre-Kindergarten, HOPE Scholarship, & other education finance reforms

- Worked with legislature to establish Council for School Performance with independent, appointed board and ~\$0.5 - 1M annual funds, issued nation's first set of comprehensive school funding reports along with Pre-K and HOPE reports & partnered with press to ensure public access to easily understood funding and performance information

Governor Jim Hunt proposed significant increases in school funding to move NC teacher salaries to top 10 in the nation

- Worked with legislature to establish the nation's most comprehensive educational accountability system, including mandating collection and reporting of school performance information, teacher & principal working conditions, student wellbeing, and ensure public access to data and findings

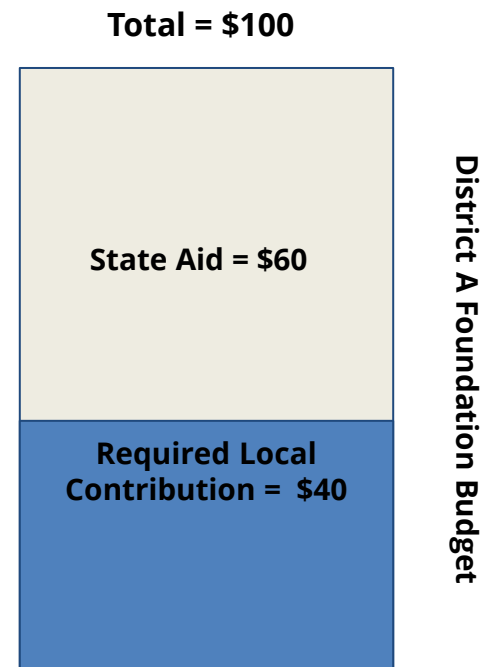
Funding in Massachusetts

Chapter 70 Formula: 3 Core Components

1) **Step 1: State calculates a “foundation budget” for each school district**, which establishes a minimum spending level to provide an “adequate education”
→ *Accounts for different costs across demographic groups*

2) **Step 2: Determine “required local contribution”** - i.e. how much local revenue the community is expected to contribute (largely based on property & income tax)

3) **Step 3: Calculate state aid** - The state subtracts the “required local contribution” level from the total foundation budget to determine how much “state aid” the district should receive.



Foundation budget establishes a minimum spending level, but many districts contribute additional local revenue and spend well above what the formula requires

Student Opportunity Act (SOA) of 2019

- **Goal was to provide more equitable school finance and state support for local schools by updating the foundation budget formula. Key components included:**

- **Increased funding rates for low-income students**, ensuring districts with greater concentrations of low-income students get higher funding rates (maximum of 100%)
- **Increased funding rates for ELs**, particularly in high school
- **Increased funding rates for special education students**
- Increased cost assumptions for other elements in the formula, including health care for educators and guidance counselors

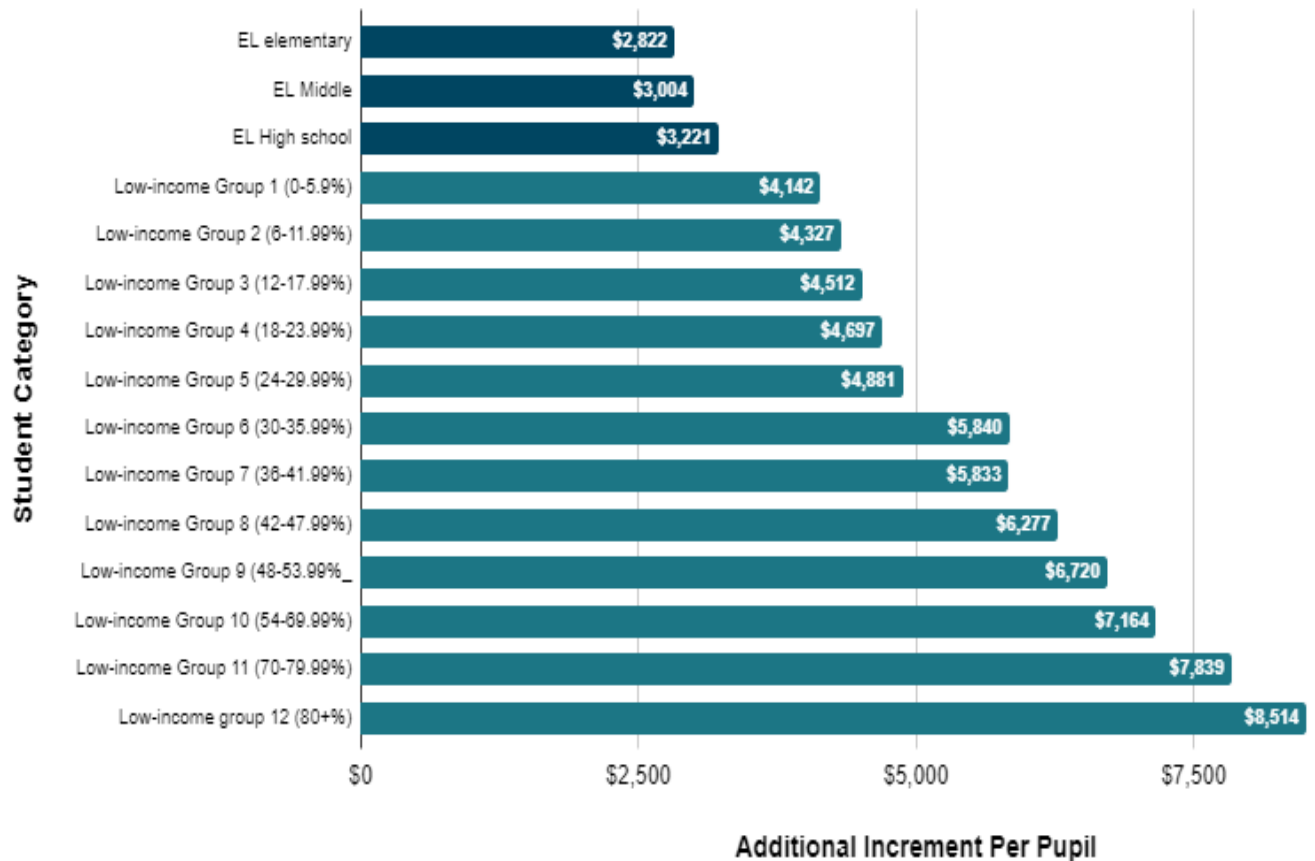
- Required each district to develop a 3-year “SOA plan” outlining how they will utilize new funds to address student learning disparities across different student groups.
- Changes still being phased in (6 year phase-in schedule)

Updated Formula: Student Weights

FY25 Base Rates, Per pupil

PreK/HalfDay K	\$4,875
Kind- Full	\$9,751
Elementary	\$9,805
Junior/Middle	\$9,432
High School	\$11,333
Vocational	\$16,860
SpEd -In school	\$31,333
SpED -out of district	\$38,915

Additional Increments for ELs & Low-Income Students, FY25

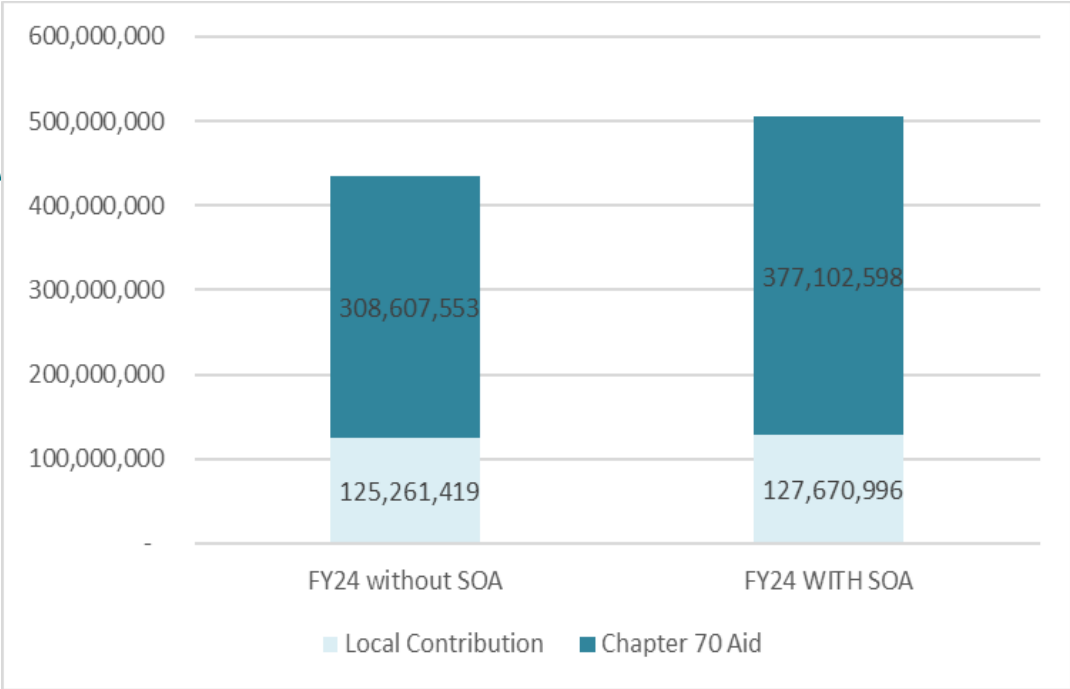


FY 25 Foundation Budget, Per Pupil Example

Sample Student	Base Enrollment Rate	Incremental Enrollment Rate	Total Per Pupil
4th Grader	\$9,806	n/a	\$9,806
4th Grader ELL	\$9,806	\$2,822	\$12,628
4th Grader Low-income (Group 12)	\$9,806	\$8,514	\$18,320
4th grader ELL & Low-income (Group 12)	\$9,806	\$2,822 + \$8,514	\$21,142

SOA Outcomes

- Significant increases in state aid, largely benefiting districts with highest needs (e.g. Worcester)
- Impact of additional funds on student outcomes still unclear



*Under SOA, Worcester received an **additional \$68M** in state aid in FY24, while required local contribution only rose by \$2M*

Funding in Maryland

Maryland Blueprint Funding Formula

The Blueprint funding formula has **12 components**, each one providing funding for different programs or initiatives, supporting students to be successful in each aspect of their educational experience.

Base Amount

Target Per-Pupil Foundation

Weighted Amount

Compensatory Education Aid

Concentration of Poverty Aid
(Per-Pupil Grant)

Prekindergarten Aid

Multilingual Learner Aid

Special Education Aid

Transitional Supplemental

Instruction Aid

College and Career Readiness
Aid

Career Ladder Aid

Program Aid

Concentration of Poverty Aid
(Personnel Grant)

Guaranteed Tax Base Aid

Comparable Wage Index Aid

Transportation Aid



Questions?
Ask the Experts

Wrap Up

- Thank you!
- Join future PEFC Meetings: next meeting – December 9 at 4 p.m., virtual
- Vision Coalition will keep you posted on funding and 2035 Plan
 - Sign up to stay engaged: bit.ly/VCCContact

 @ VisionCoalitionDE

 @ VCDelaware

 @ vcofdelaware

Appendix

 @VisionCoalitionDE

 @VCDelaware

 @vcofdelaware

Factors that led to Success

Unified Message & Pressure

especially from influential statewide organizations (e.g. State teachers union, superintendents, & Municipal leaders)

Political Will

Changes meant additional state aid for most districts, leading to political wins for legislators

Resources

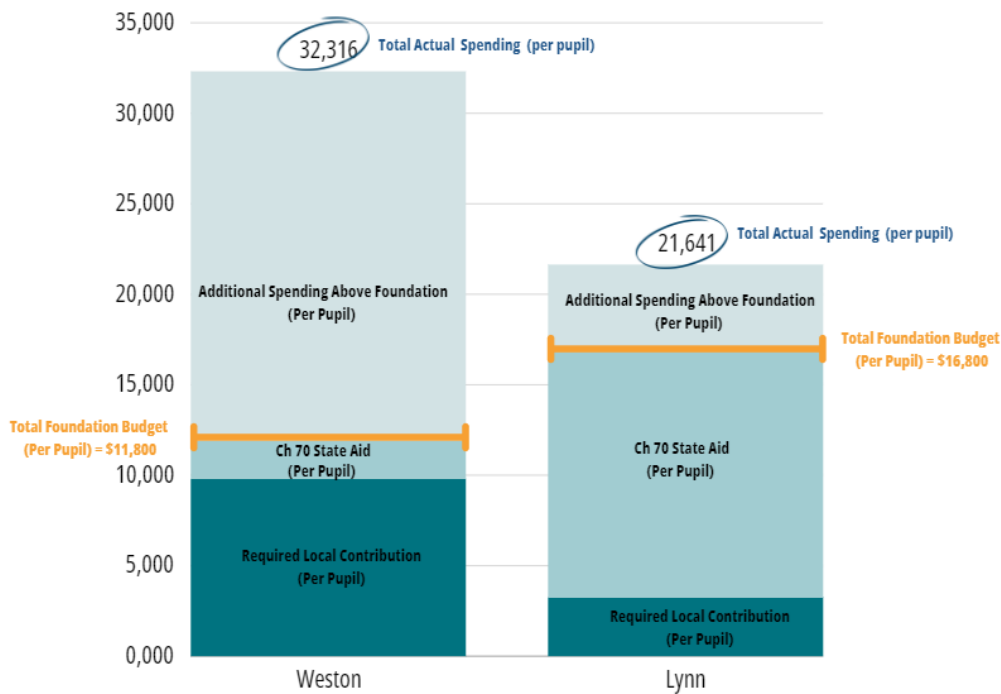
Favorable state revenue conditions made it easier to pass

Remaining Challenges

- Formula fails to counteract differences in local spending, contributing to disparate per pupil spending across districts (Weston vs. Lynn example)
- SOA adjustments have failed to account for dramatic increase in inflation (due to an inflation factor cap)
- “Minimum aid” provision ensures districts continue to receive state aid increases each year (largely benefits wealthier districts)
- Accountability Challenges: Difficult to track whether funds are actually being spent on the students who were meant to receive the additional resources

Example: Weston & Lynn

FY23 Foundation Budget vs Actual Spending, Per pupil



District Stats in FY23

	Weston	Lynn
Total Enrollment	1,965 FTE	17,808 FTE
% Low Income	6%	78%
Foundation Budget	\$11,800 per pupil	\$16,800 per pupil
State Aid	\$2,099 per pupil	\$13,585 per pupil

However, because there is no limit on how much districts can voluntarily contribute ABOVE the required contribution, wealthy districts like Weston end up spending more per pupil