

Funding and Governance Work Group

REDDING CONSORTIUM FOR EDUCATIONAL EQUITY

SEPTEMBER 10, 2020



Meeting Norms and Orientation to Zoom

- Please mute yourself when not talking
- You can use the chat function to ask questions or you can unmute yourself
- When speaking please start by identifying yourself
- Quick introduction to the different areas of Zoom
- Please note this meeting is being recorded and may be posted for the public

Welcome & Roll Call

Timeline

Goal for Funding and Governance Work Group:

***Shift focus from governance/redistricting to funding**

October 2020—Deliverable draft submitted and presented to full Consortium for review

December 2020—Final deliverable submitted and presented to full Consortium for approval

***Keeping in mind active court cases and decisions**, one on property reassessment and the other on state funding for education

Proposed Focus Areas

Short-term funding focus:

- Referendum Reform
- New Castle County Tax District

◦ **Background research:**

- Opportunity funds—monitoring and making information transparent
- CARES Act funds—monitoring and making information transparent

◦ **Long-term funding focus:**

- Financial needs for high poverty schools (adequacy)
- Systemic issues in the DE funding system

Upcoming Meeting Dates

- Next Funding and Governance Work Group meeting is scheduled for **September 24, 2020, 5:00-6:30 p.m.**
 - We will begin our conversation on **referendum reform**
- Next Full Body Consortium meeting is scheduled for October 22, 2020, 5:00-7:00 p.m.

Delaware Public Education Funding 101

REDDING CONSORTIUM FOR EDUCATIONAL EQUITY

Presentation Overview

History of Delaware's Public Education System

Overview of Delaware's Public Schools

Delaware in Context

Overview of Public Education Revenue Sources

- State Funding
- Local Funding
- Federal Funding

Challenges (Equity Lens)

Recent Funding Updates

Why Money Matters

CFOs Presentation

Appendix: Funding Terms



History of Delaware's Public Education

1897

Constitution established Delaware schools as segregated.

1954

Brown v Board of Education ruled that separate but equal was unconstitutional and called for desegregation of public schools.

1974

U.S District Court declares Delaware a Unitary System. Eleven districts are made one to attain desegregation in Northern New Castle County

1995-1996

Court ordered Federal supervision of desegregation ends. Busing continues to the Christina School District.

1996

School Choice program approved.

1920s

Black Students began attending the 89 schools built by P.S. duPont

1954-1974

No action taken to implement desegregation

1980-1981

The Christina School District is created including portions of the Newark School District and a portion of Wilmington

1995

Charter School Legislation leads to the creation of the Newark Charter school and the Las Americas ASPIRA Charter school.

2000

The Neighborhood Schools Act which stated that Elementary school students now attend the school closet to home. Due to this the Christina District schools in Wilmington were re-segregated

Delaware Overview (2018-2019)

There are more than 139,000 students enrolled in Delaware public schools

There are 19 school districts and 25 charter schools in Delaware

Students of color 77,350 (52%) make up over half of the overall student population

Over the past 10 years, the Hispanic/Latino student population increased by more than 9,000 students- a 71% increase (2)

Over the past 10 years, the percentage of special education students and English Learners have increased by 28% and 77% respectively

Source: Delaware Department of Education

American Indian, Black or African American, Hispanic/Latino, *Other*

(2) <http://rodelde.org/ataglance/Rodel-2018-2019-Delaware-Public-Education-at-a-Glance.pdf>

Delaware in Context



Poll Question

Delaware in Context

State	Funding Mechanism	Per Pupil	Special Education Funding	ELL Funding	At Risk Funding*	Gifted and Talented Funding	School Funding Litigation
DE	Resource-Allocation Model	\$16,502	Yes	Yes	No	Yes	2018
PA	Hybrid Foundation and Hold-Harmless	\$18,851	Yes	Yes	Yes (\$6,000 per student)	Yes	2014, 2017
NJ	Foundation Formula	\$21,189	Yes	Yes	Yes (\$4,000 to \$5,000 per student)	No	1975, 1998, 2000, 2002, 2008
MD	Foundation Formula	\$14,848	Yes	Yes	Yes (\$9,000 per student)	No	1990s

Source: Education Commission of the States, 2019, <https://www.ecs.org/50-state-comparison-k-12-funding/>, United States Census. (2017). 2015 Annual Survey of School System Finances, Rodel Foundation School Finance at a glance.

*Education Commission of the States defines at-risk as students who qualify for free or reduced priced lunches through the National School Lunch Program, meaning that their family income falls below 130% or 185% of the federal income poverty line, respectively.

Delaware in Context

- Delaware has a primarily resource-based funding formula. It determines the cost of delivering education in a district based on the cost of the resources, such as staff salaries and course materials, required to do so.
- Delaware ranks 13th in the nation for per pupil spending. That's a lag behind PA (7th), NJ (5th), DC (1), and NY (2)
- Delaware is one of only seven states to still use a unit funding formula.
- Delaware has an old funding system, one of the oldest in the country, and is one of only four states that doesn't provide additional recurring state funding for English learners or low-income/at-risk students.
- Furthermore, basic special education funding is not provided by the state for students with disabilities in kindergarten through third grade.*
- Up until 2018 Delaware was 1 of only 4 states where no education funding litigation was attempted.

Source: SchoolFunding.info A Project of the Center for Educational Equity at Teachers College <http://www.schoolfunding.info/litigation-map/delaware/#1484014246781-67d7bfcb-eb16>, funded.edbuild.org/state/DE; *In 2018 Rep Kim Williams has championed extending state funding for k-3 basic special education services. The fiscal note for this is \$11 million and \$2.9 million was granted in 2018

Delaware Funding Overview

State funding is primarily allocated through a unit system

- Districts earn Division I units (staff) based off the number of students in their schools at the time of the 9/30 enrollment count

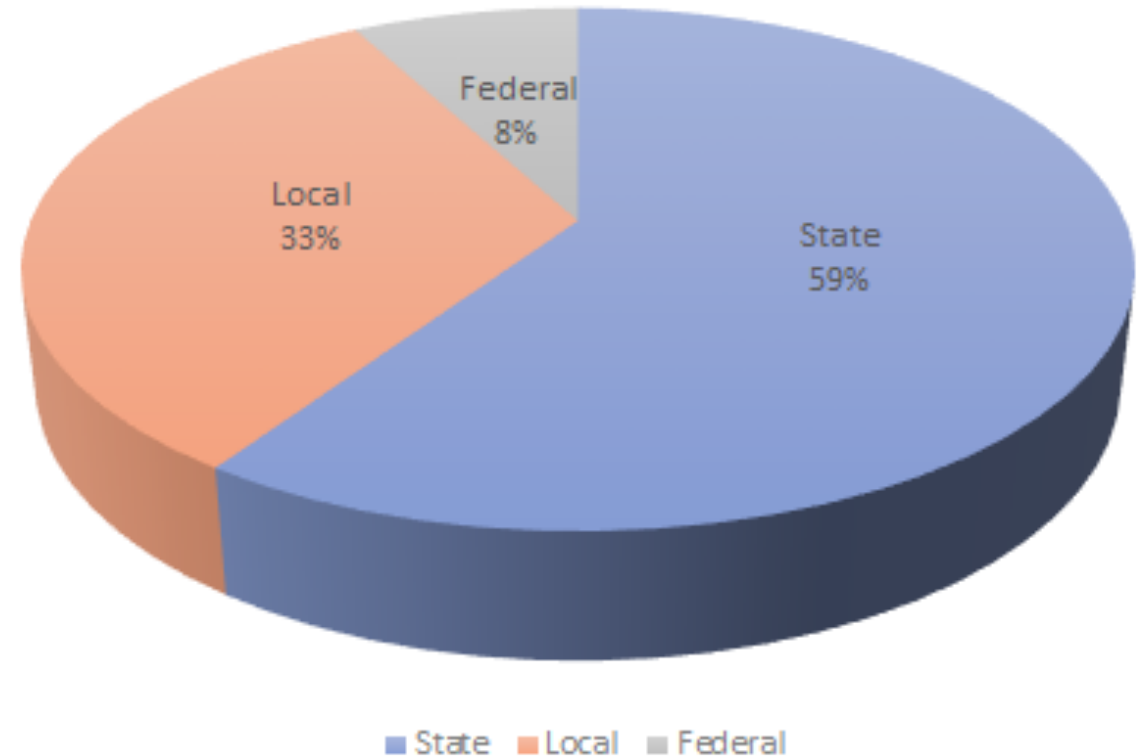
Local funding consists of 4 primary components: each constitutes a tax rate applied to the assessed value of real estate within the district

- Current Expense
- Debt Service
- Match Tax
- Tuition

Federal funding allocated yearly through Consolidated Application Process

Sources of Educational Revenue in Delaware (2018-2019)

- State: \$1,520,171,053
- Local: \$835,154,217
- Federal: \$200,925,708

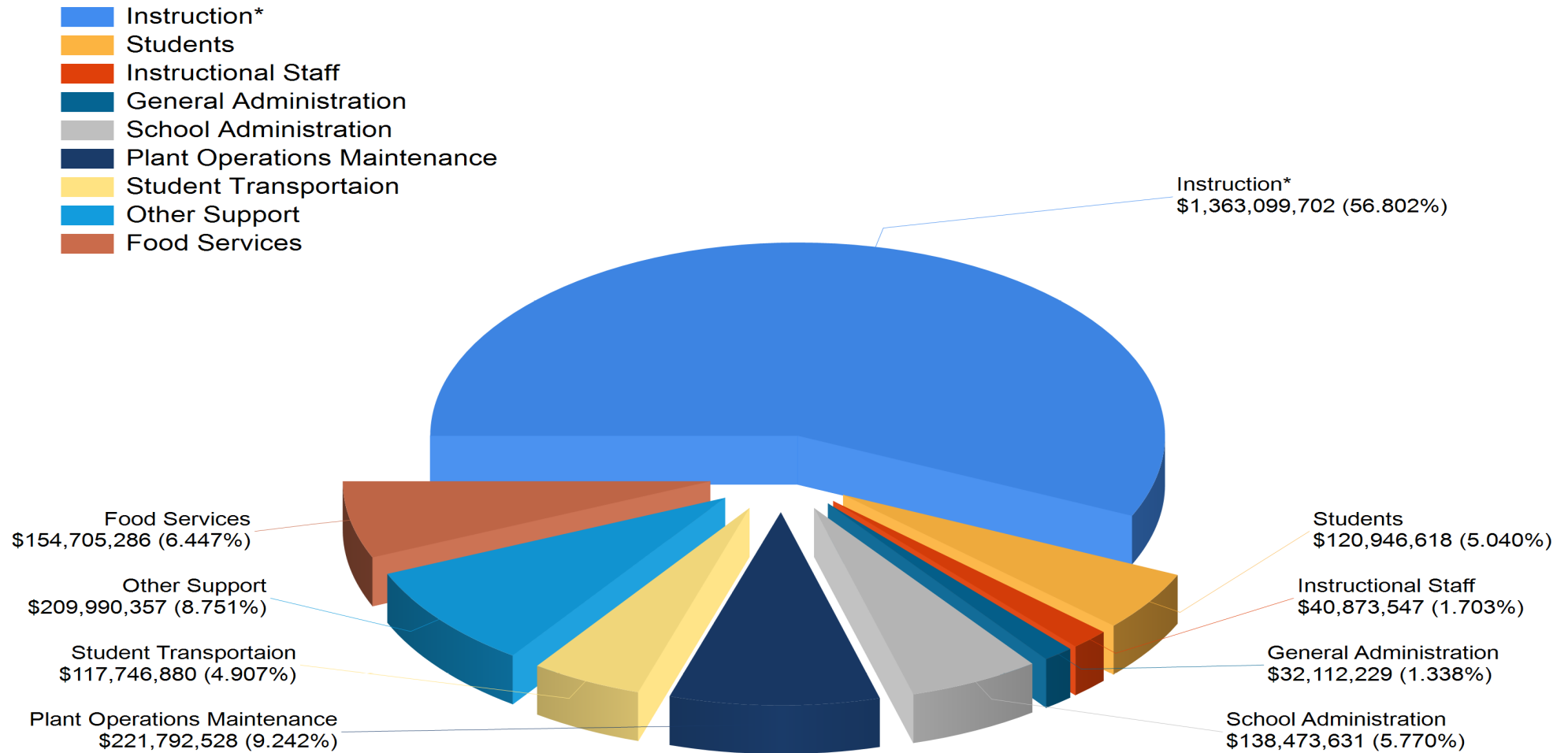


Source: Delaware School Finance 101 presentation: https://www.doe.k12.de.us/cms/lib/DE01922744/Centricity/Domain/366/Education%20101_Meeting%201%20-%202011-2-15.pdf



Poll Question

Actual Expenses Delaware School Finance (2018-2019)



Source: 2018-2019 Fiscal district financial report Regular School <https://www.doe.k12.de.us/site/handlers/filedownload.ashx?moduleinstanceid=11358&dataid=24493&FileName=Fiscal%20district%20financial%20report%20REGULAR%20SCH OOL V3.pdf>

State Funding

State Funding—Unit System

Delaware has a unit-based system for public education funding also called a resource allocation model.

The unit system means that Delaware allocates teaching positions based on the following student enrollment formula:

- Preschool: 1 unit for 12.8 students
- Kindergarten - 3rd grade: 1 unit for 16.2 students
- 4th-12 Regular Ed: 1 Unit for 20 students
- 4th-12th Special Ed: 1 unit for 8.4 students
- PreK-12 Intensive Special Ed: 1 unit for 6 students
- PreK-12 Complex Special ed: 1 unit for 2.6 students

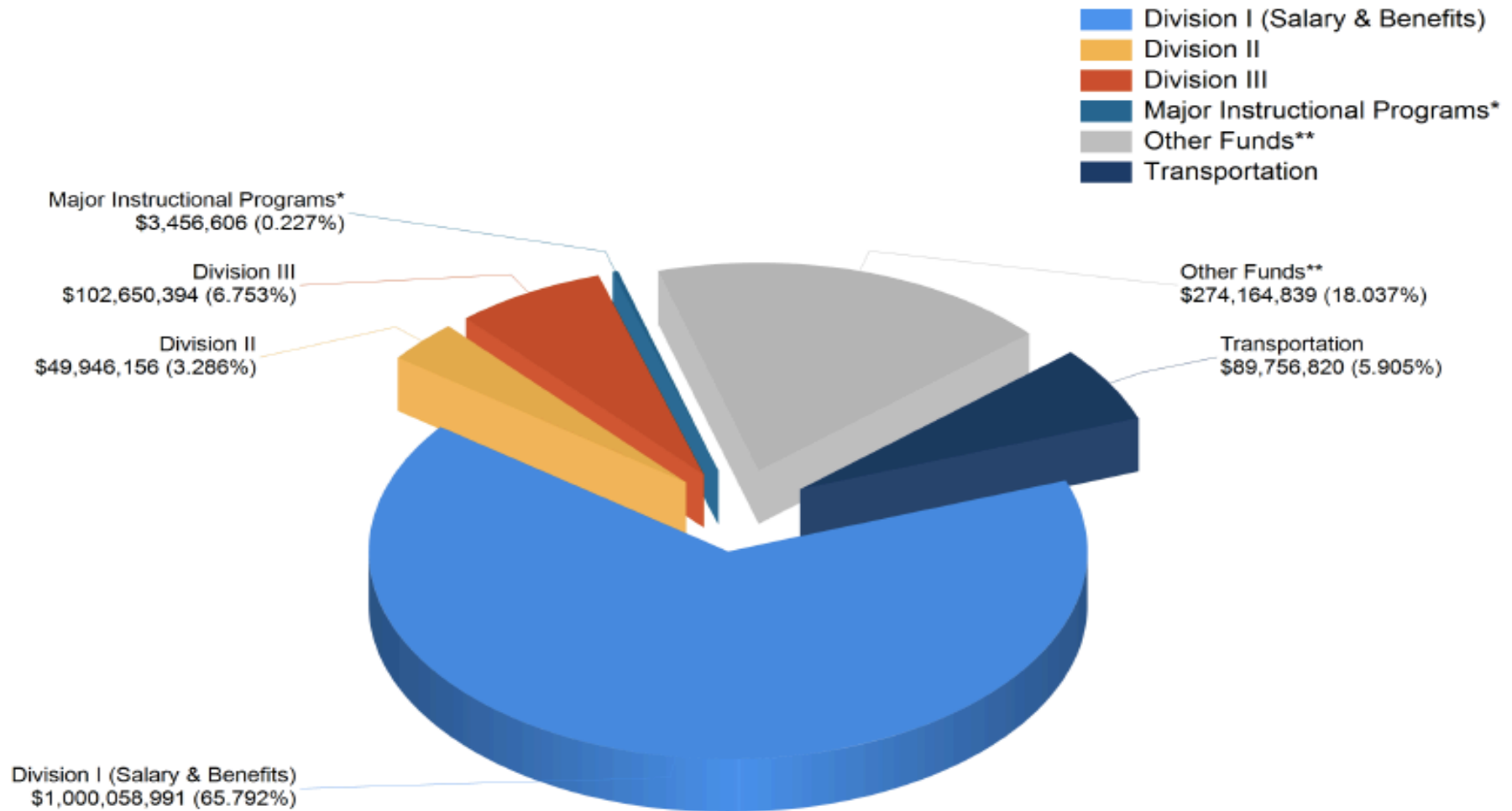
State Funding

A unit is comprised of three categories:

- Division I (Teachers)
- Division II (All Other Costs and Energy)
- Division III (Equalization)

These three components make up the state resources supporting a classroom

Revenue Receipts State Appropriations (2018-2019)



*Major Instructional Programs include: Academic Excellence, Related Services for Disabled.

**Other Funds Include: Substitute Teachers, Homebound, Driver Education Cars, Technology Grants, Staff Development, Pregnant Students, Summer Vocational, Private Placements, Minor Capital Improvements, School Discipline Programs, etc

***Percentage totals may vary due to rounding

Source: 2018-2019 Fiscal district

financial report Regular School https://www.doe.k12.de.us/site/handlers/filedownload.ashx?moduleinstanceid=11358&dataid=24493&FileName=Fiscal%20district%20financial%20report%20REGULAR%20SCHOOL_V3.pdf

Local Funding



Poll Question

Local Funding

Four components of local tax rate:

- Current Expenses – set by referendum
- Debt Service – set by referendum
- Match Tax – Local board action
- Tuition Tax – Local board action

Each of the four constitutes a tax rate applied to assessed value of real estate within the district.

Other components that affect local funding:

- Referendum and referendum reform
- New Castle County Tax District

Federal Funding

Federal Funding

Types of funding:

- Title I – IV funding (Every Student Succeeds Act)
- Individuals with Disabilities Act (IDEA)

Process:

- Funding initially distributed to the DDOE and the school's districts must submit an application (Consolidated Application Process) yearly.
- Supplemental and restricted as to purpose and the time period during which the money may be spent.

Source: Delaware School Finance 101 https://www.doe.k12.de.us/cms/lib/DE01922744/Centricity/Domain/366/Education%20101_Meeting%201%20-%2011-2-15.pdf

Source: Delaware School Administration Funding Analysis <https://pdfs.semanticscholar.org/7a4a/14bb9ee222edbbba03e74c51366871c8d985b.pdf>

Capital Financing

- The state funds between 60% to 80% of capital construction projects based on the district's ability
- Requires passage of local referendum
- The state also funds Minor Capital Improvements. Local expenditures must match the State's share (60% State/40% local)

Charter School Funding

- Unable to levy taxes of their own
- Charters receive the unit allotment earned by home school district
 - Credit toward unit transfers with student
- Charters receive a share of local revenue from students' home school district with some exclusion (i.e., debt service, minor capital)
- State does not provide funding for charter school facilities

Recent Funding Updates

OPPORTUNITY FUNDING

- Weighted funding for high-needs students
- 75 Million over three years
 - 60 Million in Opportunity Funding
 - 15 Million in Mental Health and Reading Support

Source: Opportunity
Funding <https://governor.delaware.gov/opportunity-funding/>

CARES ACT FUNDING

- "Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Pub. L. No. 116-136 (March 27, 2020), which provides substantial relief to children and educators who have been profoundly affected by the Novel Coronavirus Disease."

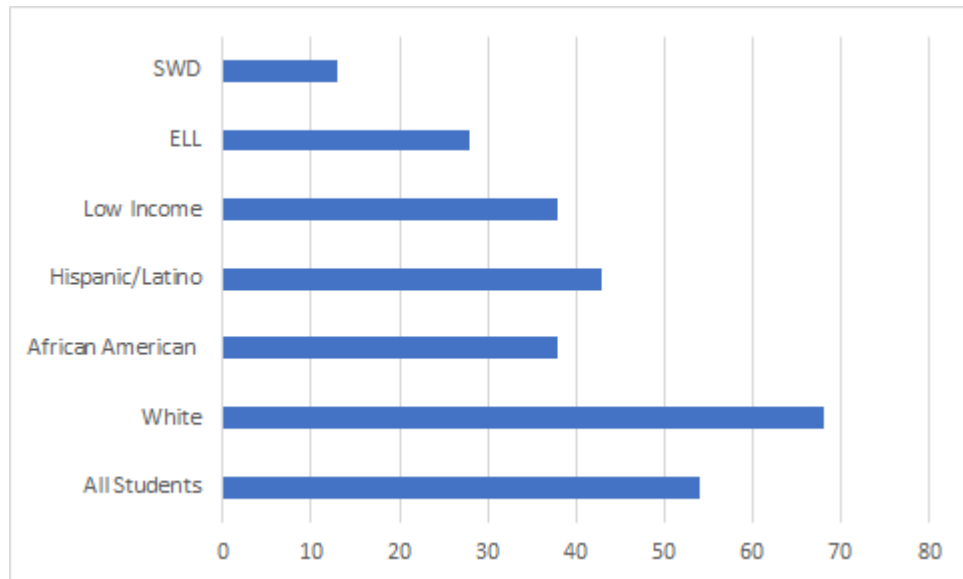
Source: Delaware Cares Act
Waivers <https://www.doe.k12.de.us/Page/4199>

Challenges (Equity Lens)

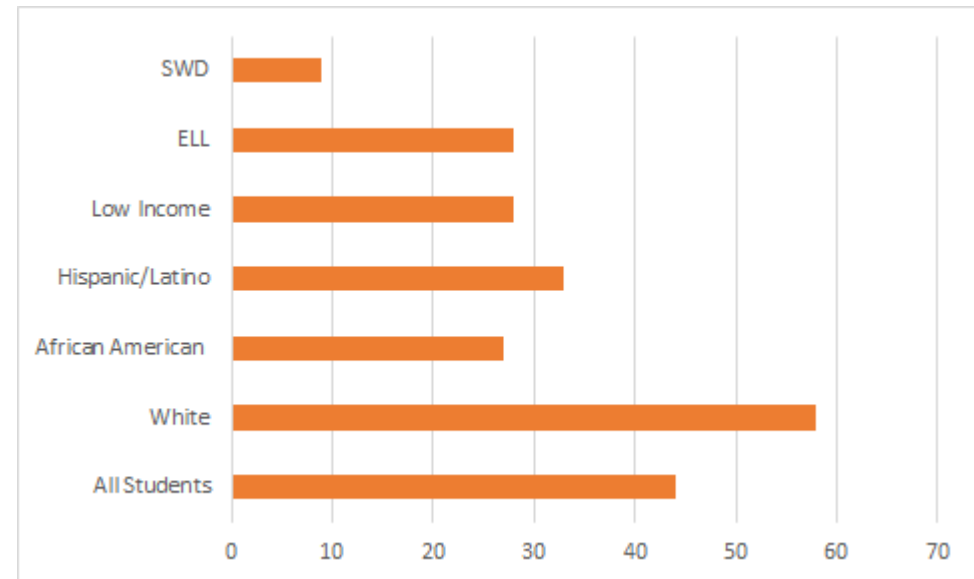
- Delaware has failed to provide sufficient recurring funds to students from low-income families, students with disabilities, and students who are English language learners.
- The state's education funding often provides more support for children who are well off than it provides for children living in poverty.
- Delaware's "equalization formula" does not solve inter-district and per-pupil funding disparities. The state funding formula is inflexible. Districts may be diverse in regard to having high needs and low needs schools. Due to this inflexibility, districts have difficulty providing targeted funding to high needs schools.

Student Achievement (2018-2019)

ELA: PERCENTAGE OF DELAWARE STUDENTS SCORING AT OR ABOVE GRADE LEVEL



MATH: PERCENTAGE OF DELAWARE STUDENTS SCORING AT OR ABOVE GRADE LEVEL



Source: Delaware Report Card, years 2018-2019 <https://reportcard.doe.k12.de.us/>

*SWD: Students with Disabilities; *ELL: English Language Learner

Why Money Matters

Baker's work answers three questions:

1. Does money matter?
2. Does schooling resources that cost money matter?
3. Do state school finance reforms that provide more equitable and adequate funding matter?

Conclusions:

1. On balance, in direct tests of the relationship between financial resources and student outcomes, money matters.
2. Schooling resources that cost money are positively associated with student outcomes,
3. Sustained improvements to the level and distribution of funding across local public-school districts lead to improvements in the level and distribution of student outcomes.

CFOs Funding Perspectives

PRESENTATION FROM NEW CASTLE COUNTY CHIEF FINANCIAL
OFFICERS

COVID-19 Impacts on Districts

ENROLLMENT & FUNDING

Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

FORMULA & USES

Property Reassessment Ruling & ACLU Funding Lawsuit

Student Equity

COVID-19 IMPACTS ON STUDENTS
OPPORTUNITY GRANTS

Questions?



Public Comment

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<https://www.solutionsfordelawareschools.com/>

Appendix: Definitions of State and Local Funding Terms

State Funding Terms

September 30, Enrollment Count: The total number of students enrolled in a school district as of September 30. This enrollment count is utilized to determine the number of units that a school district earns, which in turn determines the amount of state funding it will receive.

Unit or Unit of Pupils: A unit or unit of pupils is used to determine the number of state funded positions that a school district receives. Units are generated at the district level and the number is determined by the number of students, factoring in grade level and special education status, as of September 30. For example, 1 unit is earned for every 20 regular education students in grades 4–12.

State Funding Terms

Division I Funding: Determined by the number of units (generated by the total number and type of students; see unit definition below) a school district earns. The majority of positions employed in a school district are funded through this source. It is intended to provide approximately 60 to 70 percent of total salary according to a state salary scale for designated positions.

Division II Funding: Provides funding for “energy” expenses and “all other costs” including classroom resources such as textbooks and teaching supplies or other operational costs. Also provides funding for vocational-technical programs.

Division III Funding: “Equalization” funding provided to account for differences between school districts in regards to their ability to generate funding at the local level from property taxes. A school district’s ability to generate revenue at the local level is dependent on the total assessed value of the property within it.

State District Administrator Formulas

Superintendent: 1 per school district

Assistant Superintendent: 1 per 300 Division I units (max of 2)

Director: 1 for the first 200 Division I units plus 1 for each additional 100 units (maximum of 6 unless authorized by state code)

Administrative Assistant: 1 per school district

11-Month Supervisor: 1 for each 150 Division I units

Transportation Supervisor: 1 for every 7,000 or more transported students (based on total enrollment)

Food Services Supervisor: 1 if less than 500 units with 4 or more buildings with school lunch programs or 1 if having 500 units or more

Building and Grounds Supervisor:
1 per school district (requires a minimum of 95 custodial units). Note that 12 custodial units, which are classrooms, equal 1 custodial position.

Building-Level Administrator Formulas

Principal: One for each administrative unit in a school building or a combination of school buildings having 15 or more units of pupils

Assistant Principal: Assistant principals are earned at a rate of one full time for the first 30 or more Division I units of pupils or 65 percent of a unit for schools that enroll between 25 and 30 Division I units of pupils. A second assistant principal may be employed when a school reaches 55 Division I units of pupils or 65 percent of a unit for schools that enroll between 50 and 55 Division I units. Subsequent assistant principals may be employed on the basis of one additional assistant principal for each additional 20 Division I units following the first 55 Division I units of pupils. Up to half of the assistant principal units earned can be reclassified as supervisors per Title 14, Chapter 13, Section 1307 of the Delaware Code.

State Non-Administrative Staff Formulas

Classroom Teacher: One for each Division I unit

Visiting Teacher: One for each 250 Division I units

Nurse: One for every 40 Division I units

Academic Excellence: One unit for every 250 students in grades K–12 (up to 30 percent may be cashed in)

Secretary: One for every 10 Division I units for the first 100 units and one additional for every 12 Division I units thereafter

Driver Education Teacher: One for every 125 tenth-grade students

Reading Cadre Position: One per school district

Source: Funding Public Education in Delaware Presentation by Chris Kelly and Dan Rich, University of Delaware, IPA Staff: <https://cpb-us-w2.wpmucdn.com/sites.udel.edu/dist/7/3504/files/2020/09/Funding-Public-Education-in-Delaware11119.dr-1-3.pdf>

Local Funding Terms

Four Components of Local Tax Rate: Each constitutes a tax rate applied to assessed value of real estate within the district.

Current Expense: Raised locally through rates set by referendum and funds general operations (such as staff salaries and benefits, classroom materials, etc.) and choice/charter payments. The primary source of local funding for school districts.

Debt Service: Raised locally through referendum and “pays principal and interest on school construction projects.”

Match Tax: : Local funding that does not require referendum and “funds state programs that authorize a local match” (minor capital improvements, technology maintenance, extra time, and reading and math resource teachers).

Tuition Tax: Local funding that does not require referendum and “funds special needs students in identified programs.”

Federal Funding Terms

Individuals with Disabilities Act (IDEA) Funding: The primary federal law that ensures that special education students receive a “Free and Appropriate Public Education.” Funding is provided through this source to support special education students.

Perkins Grant: Federal funding provided to support career and technical education programs.

Title I Funding: Title I of the Every Student Succeeds Act (ESSA, the primary federal law governing public education) provides funding to school districts to support low-income students.

Title II Funding: Title II of the Every Student Succeeds Act provides funding to school districts to promote professional learning, coaching, and the continuous improvement of teachers and administrators.

Consolidated Application Process: School districts must participate in this yearly to receive federal funding that is allocated for the districts through the Delaware Department of Education.

Opportunity Funds

Funding Formula: "...every district will receive a per-pupil appropriation of \$300 for every low-income student and \$500 for every English learner student that they can spend as they choose (according to plans approved by the Department)."

Source: Opportunity Funding 101 <http://rodelde.org/opportunity-funding-101/#:~:text=Through%20Opportunity%20Funding%2C%20every%20district,by%20the%20Department%20of%20Education>

Opportunity Funds

Opportunity Fund Investments by Districts

- Appoquinimink: \$584,100
- Brandywine: \$1,135,000
- Caesar Rodney: \$814,000
- Cape Henlopen: \$660,000
- Capital: \$1,146,200
- Christina: \$2,731,500
- Colonial: \$1,702,000
- Delmar: \$81,700
- Indian River: \$2,117,205
- Lake Forest: \$486,600
- Laurel: \$482,700
- Milford: \$871,300
- NCCVT: \$405,000
- Polytech: \$63,000

Source: Opportunity Funding https://governor.delaware.gov/wp-content/uploads/sites/24/2020/02/Opportunity-Funding_contracttotals.pdf

CARES Act Funds

- Delaware received approximately \$43 million dollars in CARES Act funding
- 90% of those funds must go to LEAs

States may reserve up to 10% of the funding they receive for state-level activities.

- 4.3 million to Department of Education
 - Delaware spent towards creating access to areas without or limited access
- Title I formula used to determine funding to LEAs.
 - Title I formula based on four formulas: Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants (EFIG)
- 12 guiding principles for “flexible” use were provided to respond to COVID-19. The Department of Education recommended 4 of the 12 guiding principles to LEAs.

Source: Presentation given by Jim Simmons, Chief Equity Officer at the DOE's Office of Equity and Inclusion: https://cpb-us-w2.wpmucdn.com/sites.udel.edu/dist/7/3504/files/2020/08/Office-of-Equity-Innovation_Jim-Simmons_August-13-2020.pdf

Source: Title I Allocation Formulas <https://www2.ed.gov/about/offices/list/oese/oss/technicalassistance/titleiallocationformulastitleiconfppt22018.pdf>

Source: <https://edtrust.org/the-equity-line/5-things-state-leaders-should-do-to-ensure-federal-stimulus-funds-for-schools-are-used-equitably/>