

## Delaware Education Funding: A Summary of the Current System and Recommended Changes

*Delaware’s current education funding system poses challenges for educators and prevents the state from providing equitable, flexible, and sufficient funding to meet students’ needs. The table below describes some of these challenges and how Delaware compares to other states.*

Action Area	Delaware’s System	How does Delaware compare to other states?	What has been recommended in Delaware? <i>(As of June 2016)</i>
<p><b>Funding based on student needs</b> where money follows the student</p>	<p>Funding provided in units rather than dollars per pupil, which creates inequalities. There is an additional \$500 per English learners and about \$300 per low-income students (about 2-3% more) for school year 2019-2020, with the intention of investing for three years total and evaluating results. Some additional special allocations have been provided in the past, but these have been fragmented and unpredictable from year to year.</p>	<p>Delaware 1/8 states that still uses unit based system. Research suggests systems should provide 100%-200% more for high needs populations. Regional neighbors invest 30-99% more</p>	<ul style="list-style-type: none"> <li>➤ <b>Vision 2015 (2006):</b> “Create a weighted student funding formula to provide different funding for students with different needs. Students who need more support to meet the standards should receive additional funding.”</li> <li>➤ <b>LEAD Committee (2008):</b> “LEAD’s vision is that a reformed funding system for public education in Delaware will achieve the following goals: provide equitable access to resources; provide sufficient resources; allocate funds on a direct per-student basis; target funds to meet student needs; allow for flexibility in resource use and support innovation in education delivery; and, support a transparent and easy-to-understand funding structure.”</li> <li>➤ <b>Wilmington Education Task Force (2008):</b> “Funding formulas must reflect the diverse needs of the students and the classroom. Implement a weighted-student funding formula statewide to reflect the diverse needs of students and to ensure that schools have adequate and equitable funding needed to provide quality schools and academic offerings. Provide greater flexibility in funding formulas in order to direct funding to the school building and classroom level in response to students needs and where learning takes place.”</li> <li>➤ <b>Rodel Teacher Council Blueprint for Personalized Learning in Delaware (2014):</b> “Move toward a more responsive and flexible funding system that addresses the unique needs of students through a foundation funding system, allocating funds to districts based on the needs of their students.”</li> <li>➤ <b>Student Success 2025 (2015):</b> “Increase funding system equity by factoring student needs into funding allocations and update the system so that funding follows each student, enabling them to take courses from a variety of approved providers (e.g. other district and charter schools, distance learning, higher education organizations).”</li> <li>➤ <b>Wilmington Education Advisory Committee (2015):</b> “Approve a weighted student funding formula or a modification to the current unit count formula that incorporates allocations for schools with high concentrations of students in poverty and English learners and that expands basic special education status to grades K–3.”</li> <li>➤ <b>Wilmington Education Improvement Commission (2015):</b> “Adopt a weighted student funding formula or a modification of the current unit formula that incorporates allocations for school with high concentrations of student in poverty and English language learners and expands basic special education support to grades K-3.”</li> <li>➤ <b>Senate Joint Resolution 4 (2015):</b> “...the Education Funding Improvement Commission to conduct a comprehensive review of Delaware’s public education</li> </ul>



Action Area	Delaware's System	How does Delaware compare to other states?	What has been recommended in Delaware? <i>(As of June 2016)</i>
			<p>funding system and make recommendations to modernize and strengthen the system....including transitioning to a student-focused funding system and weighting funding based on demographic characteristics of students”</p> <ul style="list-style-type: none"> <li>➤ <b>Wilmington Education Strategy Think Tank (2016):</b> “Immediate adoption of a student-weighted funding approach to address the lack of adequate resources for high needs students. We recommend further an assessment of the need to include additional factors beyond low income and ELL status; some mechanism to review regularly the weighing factors and weight amounts; further study on alternatives to a unit-based structure that ensure stability, flexibility, and efficacy in improving equity.”</li> <li>➤ <b>Education Equity Delaware (2016):</b> “We support additional resources for students with greater needs, with a priority on those that are living in poverty and English language learners—and, we support a gradual transition away from the unit system to a foundation formula in which every student is guaranteed the same base amount of funding each year that would follow them to their public school of choice—and that would then be supplemented with additional resources (or “weights”) based on their needs.”</li> </ul>
<p><b>Flexibility</b> Grant schools and districts increased flexibility to determine how to best use the funds they receive from the state.</p>	<p>Districts and schools have limited flexibility in how they use funds. Sixty-seven percent of funds are allocated through position-equivalent units (not dollars). About 17 percent of state funds are flexible at the district level, and about eight percent are flexible at the school level.</p>	<p>Few states have funding systems as prescriptive or inflexible as Delaware's.</p>	<ul style="list-style-type: none"> <li>• <b>Vision 2015 (2006):</b> Distribute funds directly to districts and schools, giving districts flexibility in how these funds are spent, along with accountability for results.</li> <li>• <b>LEAD Committee (2008):</b> Grant districts and schools increased flexibility to determine how they use their resources.</li> <li>• <b>Wilmington Education Task Force (2008):</b> Provide greater flexibility in funding formulas in order to direct funding to the school building and classroom level in response to students needs and where learning takes place.</li> <li>• <b>Rodel Teacher Council Blueprint for Personalized Learning in Delaware (2014):</b> Grant funding flexibility, especially in ways that grant additional autonomy to schools and districts with regard to staffing and purchasing to support personalized learning.</li> <li>• <b>Flexible Funding Working Group (2014):</b> Developed a model to grant up to five local school districts the opportunity to participate in a pilot to give them greater flexibility/local control in how they utilize staff and financial resources provided by the State, thereby maximizing resources to support student learning.</li> <li>• <b>Student Success 2025 (2015):</b> Allocate a larger portion of district/school funding in flexible funds so that district and school leaders can expand the ways they educate children to meet specific student needs, rather than in one-size-fits-all categories.</li> <li>• <b>Wilmington Education Improvement Commission (2015):</b> Establish weighted unit funding to address the needs of low-income and English language learners should be flexible for districts.</li> </ul>

Action Area	Delaware's System	How does Delaware compare to other states?	What has been recommended in Delaware? <i>(As of June 2016)</i>
<b>Property tax assessment</b>	Property values have not been reassessed in decades and do not reflect current real estate values. This affects the amount raised through referenda and also allocated through equalization.	The majority of states conduct regular assessments of property values on a more frequent basis. These are automatically conducted every year or every few years.	<ul style="list-style-type: none"> <li>➤ <b>Fair and Equitable Property Assessment (2000):</b> The committee recommended imposing uniform standards for property tax reassessment, enacting licensing and certification standards for county assessors, standardize the base year for assessments, adjust assessments annually and remove revenue caps after reassessments.</li> <li>➤ <b>LEAD Committee (2008):</b> Uniformly assess property values on a more frequent and rolling basis.</li> <li>➤ <b>Legislative Task Force on Property Tax Reassessment (2008):</b> Rolling statewide reassessment in partnership with counties effective 2013.</li> <li>➤ <b>League of Women Voters: Study Property Tax Reassessment in Delaware (2010):</b> To keep assessments more in line with market values, most states have periodic or rolling reassessments.</li> <li>➤ <b>Wilmington Education Advisory Committee (2015):</b> The resource base supporting public education must be strengthened at both the state and local levels. After 30 years of inaction, property reassessment needs to be implemented without further delay and be undertaken on a regular schedule that reflects national best practices.</li> <li>➤ <b>Equalization Committee (2015):</b> For many years, Committee has endorsed the 2008 tax reassessment task force recommendations. 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 increases.</li> <li>➤ <b>Student Success 2025 (2015):</b> Conduct property tax reassessment on a consistent, rolling basis to enable a more sustainable, sufficient revenue and accurate equalization process.</li> <li>➤ <b>Wilmington Education Improvement Commission (2015):</b> Implement rolling property reassessment.</li> </ul>
<b>Equalization</b>	Equalization funding does not make up for the significant differences in school districts' ability to raise enough funds to educate all students.	The majority of states provide adequate operational funding levels to all districts to ensure that every district can meet the needs of its students regardless of local property values.	<ul style="list-style-type: none"> <li>➤ <b>LEAD Committee (2008):</b> Link the state share of education funds to local property values to equalize the local property tax yield for any given local tax rate.</li> <li>➤ <b>Legislative Task Force on Property Tax Reassessment (2008):</b> Revise formula to counterbalance local discrepancies.</li> <li>➤ <b>Equalization Committee (2015):</b> Gradually unfreeze the formula after Fiscal Year 2016 to begin to address the current inequities.</li> <li>➤ <b>Wilmington Education Improvement Commission (2015):</b> The Commission endorses the recommendations of the Fiscal Year 2016 report of the Equalization Committee</li> </ul>

Action Area	Delaware's System	How does Delaware compare to other states?	What has been recommended in Delaware? <i>(As of June 2016)</i>
<b>Local referendum</b>	Although the local referendum system gives voters in each school district a voice in how their taxes are spent, it also means that districts must conduct referenda every few years to cover operations and capital costs.	The majority of states provide easier ways for all school districts to raise the funds they need..	<ul style="list-style-type: none"> <li>➤ <b>Vision 2015 (2006):</b> Set the state share of education funding high enough so that schools do not need to rely on local funding referenda to educate all students to Vision 2015 standards.</li> <li>➤ <b>LEAD Committee (2008):</b> Enable all districts to raise taxes up to a limit without voter approval, as vo-tech districts do today.</li> <li>➤ <b>Equalization Committee (2015):</b> Unfreeze Equalization formula and include options for school districts to offset lost Equalization funding with local tax receipts, without referendum.</li> <li>➤ <b>Wilmington Education Improvement Commission (2015):</b> Until property reassessment occurs, district impacted by redistricting must be authorized by the General Assembly to enact tax rate adjustments, not to exceed an established inflation threshold.</li> </ul>
<b>Transparency</b>	The current unit funding system is complex, making communication and transparency difficult.	Funds follow the student so it is clear how resources are being allocated. Districts and schools are better able to estimate the funding they are expected to receive each year.	<ul style="list-style-type: none"> <li>• <b>Vision 2015 (2006):</b> “Ensure that budget information is transparent, understandable and readily available to all invested parties, from principals to taxpayers.”</li> <li>• <b>LEAD Committee (2008):</b> “Provide a simple and easily understood accounting of how education dollars are allocated at the school and district levels and make that data available electronically in a straightforward summary in the context of like schools and districts.”</li> <li>• <b>Student Success 2025 (2015):</b> Publicly share district and school budgets as well as key district/school financial performance metrics in formats that are accessible to the public; “Make the expenditure of those dollars easily understood by taxpayers so that they can encourage maximizing the use of every dollar.”</li> <li>• <b>Education Equity Delaware (2016):</b> “Delaware spends more than a billion dollars a year on education and it is nearly impossible to evaluate the impact of our investments under the current funding formula. In order to make the most of these investments and know whether students’ needs are adequately being met, we need to understand how money is being spent. But the complicated unit system hinders our ability to participate—as parents, as taxpayers, as advocates. We all deserve a voice, not just the few who know how to work the system.”</li> <li>• <b>Wilmington Education Strategy Think Tank (2016):</b> “Improved transparency of state, district and school-level expenditures and resources, so the public may better understand the connection between expenditures and outcomes, and better hold the Department of Education, districts and schools accountable.”</li> </ul>

Note: Please follow up with [jzammith@rodelde.org](mailto:jzammith@rodelde.org) if interested in sources.