



House Education Committee Meeting Minutes 9.24.19

Chair Jaques called the meeting to order at 1:03 pm. Members present included Reps. Chukwuocha, Smith, Collins, Postles, Briggs King, and Ramone.

Chair Jaques introduced and welcomed Lauren Freemire and Karole Dachelet from the Education Commission of the States (ECS). He thanked them for coming to speak before the House Education Committee on weighted student funding.

Ms. Freemire said ECS serves policy leaders around the country with their education policy needs.

Ms. Dachelet provided an overview of their presentation, stating that the following would be covered: history of school funding reform; overview of K-12 funding mechanisms across the country; foundation formula (weighted student funding model); resource allocation system; funding special populations; and 2019 legislative trends in school finance reform.

History of School Funding Reform

Ms. Dachelet stated that there are five generations of school funding formulas that have been utilized over time and across the country:

- Formulas that involve a flat payment;
- Formulas that take district wealth into account;
- Formulas that take district wealth and student need into account;
- Formulas that provide flexibility to school districts; and
- Formulas that ensure resources are targeted to the student.

Overview of K-12 Funding Mechanisms Across the Country

Ms. Dachelet stated that there four types of funding models currently used across the country for K-12 education:

1. Foundation formula;
2. Resource allocation formula;
3. Hybrid foundation formula; and
4. Other.

Ms. Dachelet said the foundation formula is the most common type of education funding formula, and is currently utilized in 36 states. The resource allocation formula is used in eight states, and the hybrid foundation formula is only used in four states. She stated that Delaware is one of the eight states that uses a resource allocation formula to fund its K-12 public education system, and explained that the “other” category applies to Vermont and Wisconsin, which use their own type of education funding formula.

Foundation Formula: Weighted Student Funding Model

Ms. Dachelet explained that most states use a foundation formula since it is easy to establish, easily adjustable in order to meet changing educational needs and economic circumstances, and it provides school districts with greater autonomy.

She added that other states stay away from this formula because:

- States want to control their expenditures;
- Court rulings have influenced their funding system; and
- The foundation formula was not complex enough to meet their school districts' needs.

Ms. Dachelet then identified and discussed the five components of a foundation formula: states first need to determine the foundation/base amount, then count students with weights, multiply the student count by the foundation amount, determine the state share versus the local share, and then add on outside funding (i.e. capital, transportation, etc.). She added that foundation formulas can be adjusted to include different policy choices, such as class size requirements, teacher salary schedules, and targeted funding for certain programs or student groups; and concluded the discussion by stating that foundation formulas become less flexible with mandates for school districts to abide by.

Resource Allocation System

Ms. Dachelet stated that states choose the resource allocation funding formula for the following reasons:

- It provides school districts with a predictable level of resources, although not necessarily with a predictable level of funding;
- It allows policymakers to see what their education dollars are being spent on; and
- It allows for the state to control most of the education policy expenditure decisions.

States do not use the resource allocation formula because:

- It requires the state to adjust the formula on a regular basis;
- It requires the state to constantly adjust for the non-teacher related costs of education (i.e. supplies, technology, testing, etc.); and
- It requires the state to adjust the formula every time school districts want to change the way they deliver education services or create new services.

Ms. Dachelet continued to say that because of their inflexible design, resource allocation formulas have difficulty adapting to newer education programs such as charter schools, competency-based education, dual/concurrent enrollment, non-traditional career and tech programs, open enrollment programs, and student mobility during the school year.

Funding Special Populations

Ms. Dachelet identified four categories of high-need student populations: the economically disadvantaged, English language learners (ELL), gifted and talented, and special education. States are able to take several different approaches for funding for special education by utilizing a multiple student weight system, a single student weight system, a census-based system, a resource allocation model, a reimbursement system, a block grant, or high-cost students system.

Ms. Dachelet discussed three states that use foundation funding formulas and how they fund special education: Maryland uses the single student weight system, New Jersey uses both census-based system and high-cost students system, and Pennsylvania uses the multiple student weight system. She continued to discuss four states

that use resource allocation funding formulas and how they fund special education: Both Delaware and Tennessee use the resource allocation model, South Dakota uses both the census-based system and multiple student weight system, and the state of Washington uses the single student weight system.

Ms. Dachelet stated that the resource allocation model allocates resources instead of dollars based on the number of special education students identified by the school district. These school districts then inform their state of their expenditures for special education students and receive reimbursement.

2019 Legislative Trends in School Finance Reform

Ms. Dachelet stated that ECS has tracked about 717 bills brought forth and/or passed from all 50 states this year that deal with school finance reform. The three emergent themes in school finance reform legislation are special populations funding, shifting revenue sources, providing school districts with more flexibility.

She reviewed changes states need to make to modernize their school funding formula, such as defining the desired student outcomes, aligning the school funding system to desired outcomes, and reviewing funding system periodically to ensure it is aligned with the student achievement goals.

Ms. Dachelet mentioned eight states that adopted new school funding formulas between the years 2000 and 2017. She said these states' changes occurred through litigation, approval from the Governor and voters, or were legislative led changes. She discussed the school funding transition process and several topics that have come up in most states:

- Will current grant programs be maintained or will they be rolled into the new formula?
- Will any area of funding not be addressed in the new formula (i.e. capital, transport, food services, etc.)?
- How will students be counted?
- Will funding be adjusted for district size, cost of doing business, or geographic location?
- How will the state determine the "wealth" of a school district?

In response to these topics of concern, Ms. Dachelet discussed what states have done to ease the transition to new funding formulas:

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

Chair Jaques asked how states that changed their school funding formulas counted their students.

Ms. Dachelet responded that these states base their funding formulas on a current student count instead of previous student count.

Chair Jaques asked how these states handled the diversity in wealth in their school districts in their transitions.

Ms. Dachelet responded that it varies from state to state, but that ECS can follow up and provide the committee with examples to address this question.

Sen. Sokola asked if there are any trends that show if funding formula transitions were legislatively mandated or judicially mandated.

Ms. Dachelet responded that ECS will follow up with a more specific response.

Rep. Smith asked how the cases for adopting new school funding formulas came about in these states.

Ms. Dachelet responded that issues over equity and quality of education caused these changes to occur in these states with the goal to make education more equitable and constitutional.

Rep. Smith asked what state is considered the best model for the most equitable transition.

Ms. Dachelet responded that ECS is a nonpartisan organization that does not pass judgements on which states' school funding mechanisms are better than others, since there are so many unique factors that make for a good model for a specific state. She emphasized that each state has different needs and therefore different models work best for different states.

Rep. Ramone stated that district design and best practices are important to focus on when creating a more successful educational environment. He asked which of the 50 states has a district design similar to Delaware.

Ms. Dachelet responded that ECS will look into this and provide the committee with a response.

Rep. Ramone continued to say that every student needs to come out of Delaware's education system ready to be successful in the world. He asked which states have the best practices that Delaware can learn from.

Ms. Dachelet responded that ECS will look into which states Delaware can learn from and get back to the committee.

Rep. Postles asked for clarification on the resource allocation model for funding special education in regards to distributing the resources but not the dollars.

Ms. Dachelet said that distributing the resources refers to the distribution of teachers/staff positions per student rather than actual dollars being assigned per student.

Rep. Briggs King stated that each student has different needs and therefore requires different levels of funding to best address those needs. She asked what the timeline is for a school funding transition.

Ms. Dachelet responded that the timeline varies from state to state and depends on the availability of funds. She said the transition process is a multi-year one, with the first few years being dedicated to garnering support.

Rep. Collins stated he hopes these meetings are not all about money, but about improving education. He emphasized that the legislature should not change anything until there is a method in place that shows a change is actually going to help our students.

Chair Jaques emphasized that these conversations are about the improvement of academics and not only focused on the costs. He continued to emphasize that every child deserves a quality education.

Rep. Baumbach asked for clarification on the difference between resources and funding.

Ms. Dachelet stated that under resource allocation, a school district is guaranteed to get a certain number of teachers/positions filled for the amount of students in the school, while dollar per pupil means money allocated for that particular student is guaranteed.

Rep. Baumbach asked Ms. Dachelet what her definition of gifted and talented student is.

Ms. Dachelet responded that ECS does not have its own definition of gifted and talented. She stated that each state has its own definition, but that generally these are students who need additional resources to perform academically.

Secretary Bunting of the Delaware Department of Education (DOE) thanked the speakers for their presentation. She stated that DOE is looking to improve the school funding model currently in place, and that DOE is looking forward to ECS's report.

Superintendent Kevin Fitzgerald of the Caesar Rodney School District asked if there was any research that indicates less money was being spent after the states adopted their new school funding formulas.

Ms. Dachelet responded that ECS does not track that kind of information, and that she is not aware of any data that does track it.

Chair Jaques opened the floor to public comment.

Robert Overmiller stated his disapproval over the special education legislation that was passed this past session due to his belief that it motivated school districts to push students out of their needed special education services.

Jason Hale, Chief Financial Officer for the Brandywine School District, said he is very interested in being a part of the conversation about school funding transition. He thanked the speakers for their presentation.

Tammy Croce, Executive Director of the Delaware Association of School Administrators (DASA), asked how the states that made recent changes to their school funding formulas defined what their desired student outcomes were.

Ms. Dachelet said ECS will look into this and get back to the committee to pass along.

Kristin Dwyer of the Delaware State Education Association (DSEA) asked how many states have statues that require them to periodically go back and review their funding systems.

Ms. Dachelet responded that ECS will look into this.

Rep. Collins asked if any states that compare their public school outcomes with those of private schools.

Ms. Dachelet said that ECS only focuses on public schools.

Rep. Smith thanked Chair Jaques for hosting these meetings and expressed concern that half of the House Education Committee does not take the time to show up to these meetings.

Rep. Baumbach expressed his appreciation for how proactive both the House and Senate Education Committees have been. He emphasized that Delaware General Assembly needs to be proactive so that they have the say in what happens with education funding, and not the lawsuit.

Rep. Briggs King stated that this is not the first time the General Assembly is experiencing issues with the state's education funding system. She said herself and Chair Jaques previously served on a committee for 18 months to examine this topic. She commended Chair Jaques for creating a platform for the Education Committees to come together and discuss this issue.

Chair Jaques emphasized that it will take a lot of work and effort to make a change in education. He stated that changes should not be made too quickly in order to do it right. He thanked Ms. Dachelet and Ms. Freemire for their presentation.

Rep. Ramone said he hopes everyone is here to fix the state's education system, not change it. He emphasized that students need to be funded in a successful environment.

Chair Jaques reiterated his commitment to ensuring every child in Delaware receives a quality education.

Sen. Sokola thanked Ms. Dachelet and Ms. Freemire for their presentation and hopes that everyone will take advantage of ECS as a resource.

Chair Jaques announced that the next out-of-session House Education Meeting will take place on October 23rd in the House Majority Hearing Room at 1:00 pm to 2:30 pm.

Chair Jaques adjourned the meeting at 2:13 pm.

Respectfully Submitted by:

Lauren Barkachy, Legislative Aide

Speaker List

Robert Overmiller, Resident

Jason Hale, Brandywine School District

Tammy Croce, Delaware Association of School Administrators

Kristin Dwyer, Delaware State Education Association