

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

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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.

Finance System Components	Delaware’s System	How does Delaware compare to other states?	What has been recommended in Delaware?
Funding based on student needs	The system does not provide additional support for students with significant needs, including those who are low-income, gifted, and English Language Learners (ELL). Some additional special allocations have been provided in the past, but these have been fragmented and unpredictable from year to year.	Delaware is one of only 4 states that doesn’t provide additional resources for English Language Learners ¹ and one of approximately 15 states that doesn’t provide additional resources for low-income students. ²	<ul style="list-style-type: none"> ➤ Vision 2015 (2006)³: create a weighted student funding formula to provide different funding for students with different needs. ➤ LEAD Committee (2008)⁴: distribute funds to each district and school based on student needs, using a funding formula that is “weighted” to provide extra dollars to students who need extra support ➤ Wilmington Education Task Force (2008)⁵: funding formulas must reflect the diverse needs of the students and the classroom. ➤ Student Success 2025 (2015)⁶: Increase funding system equity by factoring student needs into funding allocations and update the system so that funding follows each student. ➤ Wilmington Education Advisory Committee recommendations (2015)⁷: The governor and state legislature should 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 language learners and that expands special education status to grades K–3.
Local referendum	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, similar to the way Delaware’s vocational school districts are funded. ⁴	<ul style="list-style-type: none"> ➤ LEAD Committee (2008)⁴: enable all districts to raise taxes up to a limit without voter approval, as vo-tech districts do today.
Property tax assessment	Property values have not been reassessed in decades (40	The majority of states conduct regular	<ul style="list-style-type: none"> ➤ Fair and Equitable Property Assessment (2000)⁹: The committee recommended imposing uniform

	years in Sussex County, 31 in New Castle, and 28 in Kent) and do not reflect current real estate values. This affects the amount raised through referenda and also allocated through equalization.	assessments of property values on a more frequent basis. These are automatically conducted every year or every few years. ⁸	<p>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.</p> <ul style="list-style-type: none"> ➤ LEAD Committee (2008)⁴: uniformly assess property values on a more frequent and rolling basis ➤ Legislative Task Force on Property Tax Reassessment (2009)¹⁰: rolling statewide reassessment in partnership with counties effective 2013. ➤ Student Success 2025 (2015)⁶: Conduct property tax reassessment on a consistent, rolling basis to enable a more sustainable, sufficient revenue and accurate equalization process ➤ Wilmington Education Advisory Committee recommendations (2015)⁷: 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.
Equalization	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. ⁴	<ul style="list-style-type: none"> ➤ LEAD Committee (2008)⁴: Link the state share of education funds to local property values to equalize the local property tax yield for any given local tax rate. ➤ Legislative Task Force on Property Tax Reassessment (2009)¹⁰: revise formula to counterbalance local discrepancies ➤ Equalization Committee (2014)¹¹: Action must be taken by the General Assembly to establish a new method to determine the distribution of equalization dollars in the future.
Flexibility	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 8 percent are flexible at	Few states have funding systems as prescriptive or inflexible as Delaware's. ¹	<ul style="list-style-type: none"> ➤ Vision 2015 (2006)³: Distribute funds directly to districts and schools, giving districts flexibility in how these funds are spent, along with accountability for results. ➤ LEAD Committee (2008)⁴: grant districts and schools increased flexibility to determine how they use their resources. ➤ Wilmington Education Task Force (2008)⁵: Provide greater flexibility in funding formulas in

	the school level. ¹²		<p>order to direct funding to the school building and classroom level in response to students needs and where learning takes place.</p> <ul style="list-style-type: none"> ➤ Student Success 2025 (2015)⁶: 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. ➤ Flexible Funding Working Group (2014)¹²: developed a model to grant up to 5 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.
Transparency	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. ¹	<ul style="list-style-type: none"> ➤ Vision 2015 (2006)³: Ensure that budget information is transparent, understandable, and readily available to all interested parties, from principals to taxpayers. ➤ LEAD Committee (2008)⁴: 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. ➤ Student Success 2025 (2015)⁶: Create incentives at the local and state levels to increase efficiency, particularly for sharing of services such as technology or professional development across districts and public charter schools. Publicly share district and school budgets as well as key district/school financial performance metrics in formats that are accessible to the public

¹ [Education Commission of the States, "Understanding State School Funding"](#) (2012).

² [Education Commission of the States, "State funding mechanisms for English Language Learners"](#) (2015).

³ [Vision 2015](#). (2006).

⁴ [LEAD Committee](#), Report on Education Funding in Delaware (2008).

⁵ [Wilmington Education Task Force Final Report](#). (2008).

⁶ [Student Success 2025](#), Vision Coalition (2015)

⁷ [Wilmington Education Advisory Council](#), Strengthening Wilmington Education: An Action Agenda (2015).

⁸ [Tax Foundation](#) (2010). *State Provisions for Property Reassessment*. Analysis based on property tax reassessment schedules as stated in state code in 2010.

⁹ DSEA, Fair and Equitable Property Assessments (2000).

¹⁰ [Legislative Task Force on Property Tax Reassessment](#) (2008).

¹¹ Equalization Committee, Report and Recommendations (2014).

¹² Funding Flexibility Work Group Report (2014).