

**Wilmington Education Improvement Commission  
Funding Student Success Committee  
September 22, 2015 Meeting**

The meeting was called to order by co-chairs Jill Floore and Mike Jackson at 2:10 p.m.

The co-chairs welcomed everyone to the second meeting of the Funding Student Success Committee of the Wilmington Education Improvement Commission (WEIC) and then led the room in a round of introductions.

**State Public Education Revenue Base**

The committee began by reviewing the history of the state public education revenue base (***See attached document "State Public Education Revenue Base"***). Mike Jackson explained that looking at 2008 as a baseline, there has been a net reduction of \$25.4 million in categorical funds that schools receive from the state. These categorical funds, which are outside the unit count, support programs like tuition reimbursement, math specialists, and reading resource teachers. Additionally, districts have experienced several reductions in divisional funding, professional development, and pupil transportation.

Mike Jackson explained that in FY16, the Education Sustainment Fund was created to help schools recover some of the reductions in funding. Allocation of this fund is proportional based on pupil enrollment.

Bob Silber clarified that prior to Fiscal Year 2011, districts did contribute a local share to pupil transportation costs, and those costs increased once the state shifted its funding approach.

Jill Floore clarified that while there have been reductions in state funding for education in these areas, overall education expenditures have risen because of student enrollment growth. As a result, there is less money per student.

The committee agreed that this history impacts today's situation and should be addressed in the committee's final report and recommendations.

**Creation of a Low-Income Unit to Supplement Existing Classroom Funding**

The committee reviewed the fiscal note for House Bill 117 (***see attached HB 117 Fiscal Note***), which was introduced last session by Representative Heffernan and was considered part of the WEAC legislative agenda. The bill, which was reported out of the House Education Committee but remained in the House Appropriations Committee at the end of session, would provide schools with one additional unit of funding for every 250 low-income students enrolled. The committee endorsed the bill's intention to provide more support for schools serving high concentrations of low-income students, but believed that the funding mechanism outlined in the bill did not do enough to provide comprehensive support.

Dan Rich set the expectation that the WEAC recommendations are a foundation on which WEIC and its committees should build. The committee should feel free to explore other options it believes will more effectively accomplish the objectives outlined in the WEAC report.

### **Funding For Low-Income Students and English Language Learners**

The committee then discussed alternate ways to provide additional funds to schools serving high concentrations of low income students as well as English Language Learners. The following options were considered:

- **Weighted student funding:** Under this approach, funding would follow students directly rather than be allocated through units. The funding formula would provide a foundation amount for all students plus additional weights for certain categories such as low income and English Language Learner.
  - Many committee members stated that getting rid of the unit system is an unnecessary measure when it is possible to provide additional support for these students within systems that already exist. Many committee members praised the unit system for being transparent and consistent/formulaic. Emily Falcon raised the concern that due to changes in USED reporting methods, schools lack certain student-level identifiers that would be required for funding to follow the student.
  - One member suggested moving away from the unit system and having weighted funding allocated at the school level rather than at the student level. Jill Floore commented that this objective can be accomplished without eliminating the unit system and is very similar to the needs-based funding model that currently exists to fund special education.
- **Modifications to current unit funding system:** Dan Rich reminded the committee that WEAC recommended either a weighted student funding system or a modification within the current unit system to provide additional funding for student needs. WEAC proposed not necessarily waiting for a change in the funding system in order to provide additional supports.
  - **Needs Based Funding:** Jill stated that needs based funding exists in Delaware – where units are allocated based on identified student needs -- but only for special education, not for other categories like ELL and low-income. The committee discussed the idea of adding unit categories under the needs based funding system for ELL and low income.
  - **Multiplier:** A second option considered by the committee was establishing a building-level multiplier where schools with a certain percentage of low income and ELL students would have a certain multiplier added to their funding.

The committee came to a general consensus to pursue one of the two options for modifying the current unit funding system. The committee affirmed that they will not be defining the exact weights or multipliers but instead recommend a process for do so. The committee intends to show what the financial implications could be of each choice.

Conversation focused on the questions that would need to be answered in order to modify the current unit funding system. When submitting its recommendations, the committee will need to have answers for some of these short-term questions and outline a process to answer others.

- How do we define “high concentrations of low-income”? -- Dan Rich stated that the WEAC report used 40% as the baseline for defining high poverty schools. Bob Silber urged the group to be explicitly clear in its definition in order to ensure consistent reporting statewide. He suggested that the group consider whether to start with a higher threshold and then phase in supports for schools that have a lower concentration poverty but still face similar challenges
  - Bill Doolittle stated the importance of not just looking at low income as an indicator, but also the underlying risk factors such as trauma, social emotional challenges, crime, and housing. These risk factors differentiate urban poverty from rural poverty and greatly impact the supports that students need. Emily Falcon pointed out that the system currently lacks a way to identify all those factors.
- How do we set weights/multipliers? – Many committee members suggested that the group look to other states for lessons in how much additional funding should be given to serve ELL and low-income students.
- What is the right amount? : The committee was split on how to approach the work. Some urged the committee to first fully define the needs of students and then fund all the supports required to meet those needs. Others pointed out that “What is the right amount” doesn’t necessarily have an answer and that the committee should define a sustainable model for determining how to allocate additional resources to schools. The committee chairs reminded the group that there is another WEIC committee charged with recommending specific supports to serve students and schools in poverty and stated the need to keep the state budget context in mind.
- How do we account for students who fall into multiple categories? -- The committee recognized that some students will fall into multiple categories, which will need to be considered in the committee’s recommendations. For instance, a student could be an English Language learner and low-income. The committee could recommend that a school receive the total amount of both ELL and low-income funding or instead receive a third amount that is not quite the total but greater than the each individual allocation.
- How can we implement? – The committee discussed the following options: using Red Clay as the pilot, using the four city school districts in a pilot, or implementing statewide. The question was raised about how to ensure accountability for scaling up statewide after a pilot ends. Members discussed how long it took for the pilot of needs-based funding for special education to be implemented statewide.
- How do we fund this? -- The committee discussed the option of state-wide property taxes but concluded that this conversation needed to be continued when the committee discussed reassessment.

The committee also discussed the following issues pertaining to its work plan:

- **Statewide impact:** The committee wrestled with the difficulty of separating funding issues specific to the city with those that have statewide impact. Ultimately, the committee recognized that it needs to have discussions about statewide funding systems in order to fulfill its legal charge, and will remain aware that involvement from stakeholders from all three counties will need to be included in the processes recommended by this committee.
- **Level of specificity of committee recommendations:** The committee continued to discuss the level of detail needed to present to the State Board and the amount of research that should be undertaken before the policymakers approve a direction. Local school boards and legislators will likely want to know the concrete amount of funding being allocated before they support any plan; but, in some cases concrete funding for the long term cannot be determined unless the processes to address those issues (like allocation formulas and reassessment) are approved. Representative Williams urged the committee to consider the long term funding plans, not just short term support, that will be needed if Red Clay assumes responsibility for the additional students. She also advised the committee to use very specific language or else their intent may be interpreted differently.

### **Providing a K-3 Basic Special Education Unit**

The committee reviewed the fiscal note for House Bill 30 (*see attached HB 30 Fiscal Note*), a bill considered part of the WEAC legislative agenda. The bill was introduced last session by Representative Kim Williams, who was also in attendance at the meeting. The bill was reported out of the House Education Committee but remained in the House Appropriations Committee at the end of session. It would change the level of funding supporting students in basic special education in grades Kindergarten through Third Grade from 1 unit of funding for every 16.2 pupils to 1 unit of funding for every 8.4 pupils.

The committee discussed whether K-3 basic special education units should be funded using the need-based approach outlined in HB 30, or through a different approach (such as the additional options discussed above).

The committee decided to support the legislation as written to address a flaw in the existing needs-based funding system for special education.

### **Multiple Enrollment Certifications throughout the Year**

The committee next considered options for certifying enrollment counts after Mike Jackson framed their conversation around the handout (*See attached "Multi Dates for Enrollment Counts: Key Issues and Considerations"*). Jill Floore explained that student enrollment is accounted for only once a year – the “September 30<sup>th</sup> unit count” – which then dictates the level of state funding that a school receives for the entire year. School districts make staffing decisions based on this count. This approach does not effectively account for student transience, which is a particular issue in Wilmington. Jill provided the following example: If a

student with special needs registers after September 30<sup>th</sup> and requires a paraprofessional, that staffing position must be funded entirely with local funds since state funding is only allocated for students who are in the school as of September 30<sup>th</sup>.

The committee discussed the need for adjusting state funding to account for changing student enrollments, but some members raised the question of whether a new system had to be zero-sum. If the system were zero-sum, for instance, a district that experienced enrollment decreases during the year would lost money after a mid-year count would still be contractually obligated to pay staff. Mike Jackson clarified that the committee did not have to propose a zero-sum system.

Jill Floore recommended an approach modeled after the state's Interagency Collaborative Team (ICT), which reviews the expenditures for placements of children with disabilities in need of Unique Educational Alternatives. She recommended a system where districts could apply, based on a demonstration of need, to receive additional funds from the state to offset the impacts of student enrollment increases after the September 30<sup>th</sup> count.

The committee discussed the details of such a system including whether this would be easier administratively than a multi-count system, how "impact" would be defined, whether funding would be allocated for all students or certain types of students, what body would make these funding decisions at the state level, and what would happen if enrollment shifts again and students leave after the district has received additional funding. Jill Floore stated her preference for the funding to support all students at a school, rather than certain categories of students, and that schools should receive funding if they can demonstrate that class sizes have risen above the legal maximum due to enrollment increases.

Kevin Carson asked about an approach where funding or staff could follow transient students. Other committee members stated that employee contracts prevent staff from having to move with transient students.

The committee agreed that its recommendations will outline a process for how to design and implement a change to the enrollment count system that lets districts apply for supplemental funds.

### **Public Comment**

Members of the public, who were all invited to participate throughout the committee meeting, made a few additional comments at the conclusion of the meeting:

- There are 33 states with weighted student that could serve as examples for Delaware.
- The committee should examine the Delaware Lottery Commission's contributions to education through the General Fund.

The committee agreed to discuss the remaining agenda items at their next meeting. The meeting concluded at 4:10 p.m.

## Attendance

### **Funding Student Success Committee Members**

Jill Floore, Co-chair  
Mike Jackson, Co-chair  
Kevin Carson  
Kristin Dwyer  
Emily Falcon  
Ed Freel  
Jason Hale  
Scott Kessel  
Elizabeth Lewis  
Tizzy Lockman  
Mike Matthews  
Mike Piccio  
Robert Silber

### **Wilmington Education Improvement Commission Members**

Harrie Ellen Minnehan

### **Institute for Public Administration Staff**

Elizabeth Burland  
Neil Kirschling  
Dan Rich  
Kervin Zamora

### **Members of the Public**

Hope Bellamy  
Bill Doolittle  
Debbie Hamilton  
Paul Herdman  
Eric Loftus  
Laura Nash  
Haneef Salaam  
Donna Smallwood  
Meghan Wallace  
Representative Kim Williams

## State Public Education Revenue Base

Funding Student Success Committee

September 22, 2015

- Since FY 2008, funding has been reduced for certain programs by a net of **\$25.4 million** as detailed below.

Reading Resource Teachers	(\$9,431,500)
Math Specialists	(\$3,071,700)
Limited English Proficiency	(\$1,625,000)
Technology Block Grant	(\$1,354,000)
School-Base Discipline	(\$8,213,900)
Tax Relief Allocation	(\$17,549,500)
Academic Excellence Allotment	(\$4,595,600)
Extra Time	(\$10,428,000)
Tuition Reimbursement	(\$1,100,000)
Teacher Cadre/Mentoring	(\$1,128,400)
<b>TOTAL REDUCTIONS</b>	<b>(\$58,497,600)</b>
<b>FY 2016 – Educational Sustainment Fund</b>	<b>\$28,150,900</b>
<b>FY 2016 – Technology Block Grant</b>	<b>\$2,250,000</b>
<b>FY 2016 DCAS Computers</b>	<b>\$2,650,000</b>
<b>TOTAL NET BASE REDUCTIONS</b>	<b>(\$25,446,700)</b>

- Districts have also experienced several reductions in division funding (operations) and professional development including:
- The Division II All Other Cost Unit (supplies) being decreased from \$3,279/unit to \$2,925/unit ***(would require \$3.8M in new State funding)***;
  - The Division II Energy Unit being decreased from \$2,678/unit to \$2,435/unit ***(would require \$2.6M in new State funding)***; and
  - Professional Development funding being reduced from \$2.9 million to \$1.6 million.
- Effective Fiscal Year 2011, the state implemented a cost share program where the State funds \$90 of the pupil transportation costs and districts support 10% of the total costs. ***The districts estimate this change impacts their local funds by \$7.1 million.***

<b>148TH GENERAL ASSEMBLY</b>	
<b>FISCAL NOTE</b>	
<b>BILL:</b>	HOUSE BILL NO. 117
<b>SPONSOR:</b>	Representative Heffernan
<b>DESCRIPTION:</b>	AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO THE CREATION OF A UNIT FOR LOW-INCOME STUDENTS.

**ASSUMPTIONS:**

1. This Act shall be effective the fiscal year after its enactment.
2. This Act will create a new funding source for students enrolled in Delaware public schools who are determined low-income according to the Department of Education. State funding will be provided at a rate of 1 unit of funding for every 250 low-income students enrolled.
3. This legislation will create an additional 186.65 state units of funding for students determined to be low-income.
4. A student unit of funding is \$66,072 while the local share of personnel costs is assumed to be \$28,497. A student unit of funding excludes Division II – Energy and All Other Costs funding and Division III – Equalization funding. Other employment costs are assumed at 30.08%.
5. Overall costs are assumed to grow 2.0% annually.

<u>Cost:</u>	<u>State Share</u>	<u>Local Share</u>
Fiscal Year 2016:	\$12,332,500	\$5,319,100
Fiscal Year 2017:	\$12,579,200	\$5,425,500
Fiscal Year 2017	\$12,830,800	\$5,534,000

Office of Controller General  
 April 30, 2015  
 MSJ:MSJ  
 0271480011

(Amounts are shown in whole dollars)

<b>148TH GENERAL ASSEMBLY</b>	
<b>FISCAL NOTE</b>	
BILL:	HOUSE BILL NO. 30
SPONSOR:	Representative K. Williams
DESCRIPTION:	AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO PUBLIC SCHOOLS.

**ASSUMPTIONS:**

1. This Act shall be effective the fiscal year after its enactment.
2. This Act will change the level of funding supporting students in basic special education in grades Kindergarten through Third Grade from 1 unit of funding for every 16.2 pupils to 1 unit of funding for every 8.4 pupils.
3. This legislation will generate an additional 136.54 state units of funding for students in grades Kindergarten through Third Grade that are enrolled as basic special education along with an additional 2.4 units for Related Services.
4. A state unit of funding is \$78,068 while the local share of personnel costs is assumed at \$28,497. Other employment costs are assumed at 30.08%.
5. Related Services funding, as defined by 14 Del. C. §1716A, for K-3 Basic Special Education is 1 unit of funding for every 57 units where the unit value is equal to a 10-month teacher with ten years of experience at the Master Degree level on the state supported salary schedule.
6. Overall costs are assumed to growth 2.0% annually.

<u>Cost:</u>	<u>State Share</u>	<u>Local Share</u>
Fiscal Year 2016:	\$10,788,500	\$3,959,200
Fiscal Year 2017:	\$11,400,300	\$4,038,400
Fiscal Year 2018:	\$11,628,300	\$4,119,200

Office of Controller General  
 February 16, 2015  
 MSJ:MSJ  
 0271480005

(Amounts are shown in whole dollars)

# **Multi Dates for Enrollment Counts**

## **Key Issues and Considerations**

### **System and Staffing**

*Assessment of staffing and organizational structure at DOE, school districts and charter schools would need to occur to effectively implement multi-unit counts dates*

- School districts and charter schools are largely not organized where there is a single staff position dedicated to enrollment management. The process is layered where secretaries and principals in schools help manage enrollment counts in their respective buildings up and through directors, business officers, human resource officers, and Assistant Superintendents and Superintendents.
- Many of these positions focus on unit count issues during the month of September for the September 30<sup>th</sup> unit count where follow-up occurs through October in order to certify enrollment by the Department of Education. This is all in addition to their day-to-day functions for the school year.

*Enrollment data systems may need to be upgraded to account for multi-unit count dates*

- The statewide pupil accounting system, after the September 30 unit count, updates daily where school districts and charter schools receive a “kicker” list to resolve to ensure students are counted appropriately. These updates are NOT certified by DOE.
- Instituting additional enrollment counts with certification will require module changes to account for the certification as well as to continue the daily updates and may impact other databases that are tied into the statewide enrollment management system.

### **Financial Position Impact**

*School districts base staffing on September 30 unit counts (principals, assistant principals, nurses, food service workers, driver’s education, etc) and multi-unit count dates may affect their ability to meet state required financial position parameters and meet payroll obligations (particularly for less wealthy school districts)*

- School districts are required to submit three financial position statements indicating their ability or inability to have at least one month of funds in reserve at year end to meet payroll obligations until preliminary state funding is received. Districts would need to be in a financial position to handle potential mid-year changes in state funding resulting from multi-unit count dates.
- The same applies to charter schools with regard to impact on their financial position and ability to handle potential changes in state funding resulting from mid-year multi-unit count dates.
- Districts and charters who are unable to handle mid-year losses in state funding may need to employ reductions in force (which may require code changes) to remain in a steady financial position.

# Multi Dates for Enrollment Counts

## Key Issues and Considerations

### General Process Issues

*There are several dates for a number of process issues that may need to be reviewed and changed in lieu of instituting certified, multi-unit count dates during a school year, including, but not being limited to, the following:*

- How is the estimated unit count impact? Currently, school districts are guaranteed 98% of their estimated unit count on April 15 for the next school year. Will the final certified enrollment count in a multi-unit count scenario replace the estimated unit count?
- By April 1 of each year, charter schools are required to have an enrollment equal to 80% of their authorized capacity and by May 1 of each year are required to provide school districts with a report identifying students from districts who are enrolled in a charter school. Do the multi-unit counts affect these dates?
- Local school district billing for school choice and charter are based on the September 30<sup>th</sup> unit count. Would this process change as well to account for multi-unit counts?
- By November 30 of each year, districts transmit capacity for enrollment choice to DOE and can revise this projection through January 30 for the upcoming school year. Would these dates change with multi-unit count dates?
- The majority of district state funding for school district operations (including personnel) reverts to the General Fund on June 30 of each fiscal year if unspent. Does this change should districts receive additional state funding at the end of a fiscal year resulting from a final multi-unit count?
- Audit schedules, which are based on single unit count date of September 30, would need to be altered to the final unit count in a multi-unit count scenario.