

STATE OF DELAWARE



EXECUTIVE DEPARTMENT DOVER

EXECUTIVE ORDER
NUMBER: One Hundred Four

TO: ALL STATE DEPARTMENTS AND AGENCIES

RE: EDUCATION FINANCE REFORM COMMITTEE

WHEREAS, a flexible, efficient system of financing public education is imperative to the dynamic improvement process of education reform; and

WHEREAS, while the current unit funding system employed to finance education in Delaware is predictable, the system is somewhat inflexible with regard to the use of funds provided; and

WHEREAS, the student head count does not provide the same incentive to keep children in school after September 30th that a system based on funding measures such as Average Daily Attendance (ADA) or Average Daily Membership (ADM) might provide; and

WHEREAS, administrative and support overhead costs may be an area where significant financial savings can be obtained through restructuring; and

WHEREAS, there may be significant superior alternatives to the system of local district taxation which requires referendum; and

WHEREAS, the referendum requirement limits the availability of local funds, requires voter approval for local school districts to raise tax rates, and provides no adjustment mechanism for local funding to keep pace with inflationary cost increases; and

WHEREAS, differing assessment periods and practices have led to widely varying tax rates across district and county lines; and

WHEREAS, these differing rates, while equalized using full valuation studies, may result in the perception of inequitable tax burdens; and

WHEREAS, school district consolidation may provide significant financial savings; and

WHEREAS, the State of Delaware ranks eighth in the nation in the percentage of public education funding that comes from the state level; and

WHEREAS, the State of Delaware ranks 44th in the nation in the percentage of public education funding that comes from the local level; and

WHEREAS, local funding promotes community involvement in the school district and provides a higher degree of district accountability, and

WHEREAS, it is in the best interest of the students enrolled in Delaware's public schools to provide an equal educational opportunity for all; and

WHEREAS, it is in the best interest of the state to fully examine these and other issues related to the education finance system and to move forward with improvements.

NOW THEREFORE, I, Michael N. Castle, by virtue of the authority vested in me as Governor of the State of Delaware, do hereby declare and order as follows:

1. The Education Finance Reform Committee is hereby established.

2. The committee shall:

a) Evaluate and formulate a plan for restructuring the current unit funding system to provide greater flexibility for the reallocation of funds for strategies to achieve high performance, and the ability to respond to emerging educational needs.

b) Evaluate and, if determined to be an appropriate alternative, formulate a plan for the consolidation of local school districts.

c) Make recommendations concerning the financial impact of county-wide tax rates and procedures to standardize property assessments across counties.

d) Make recommendations on the use of staffing funds, particularly requirements for certificated personnel.

e) Make recommendations on alternatives to the September 30th head count methodology such as Average Daily Attendance (ADA) or Average Daily Membership (ADM) as a basis for local district funding.

f) Evaluate and formulate a plan for revising the referendum based local tax mechanism to provide local districts with the ability to make inflationary adjustments to local tax rates, automatically match equalization funding, or make recommendations on the use of other systems that will ease the ability of districts to raise local funds.

g) Make recommendations on bringing administrative and support overhead costs in line with national patterns and the potential for resource redistribution or savings that may result from this action.

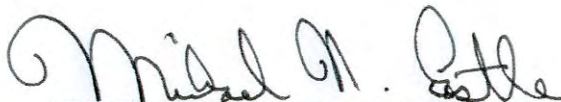
3. The committee shall produce an interim report focusing on substantive areas that the committee determines to be most critical, and accompanied by appropriate legislative proposals, by May 15, 1992. Future recommendations shall be formulated into draft legislation and shall be accompanied by a report recommending strategies for public review and consensus building, and shall be presented by December 15, 1992. The committee chairman will create subcommittees as is necessary to complete the tasks outlined in this order.

4. The committee members shall be appointed by the Governor unless otherwise noted and shall be composed of the following:

- a. A member of the State Board of Education selected by the State Board President.
- b. Four members of the General Assembly, two from each house and one from each caucus.
- c. The Budget Director or designee.
- d. The Controller General or designee.
- e. The State Superintendent for Public Instruction or designee.
- f. A representative from the Governor's Office.

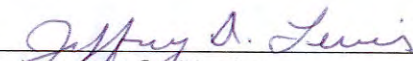
- g. Two local school district Superintendents.
- h. Two local school district Business Managers.
- i. Two local school district Board Members.
- j. One representative of DSEA.
- k. One representative of the State PTA.
- l. Seven members of the business community, one of whom will serve as Chair.
- m. Three at-large members representing the civic community.

Approved this 10th day of
January, 1992.



Governor

Attest:



Secretary of State



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