State Share Ratio in the School Funding Formula

Dr. Kenneth Wong
Director, Urban Education Policy Program
Brown University
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Design Features in Funding Formula

- Core instruction amount for each student
- “Student success factor” to provide additional support for students from low-income background
- State and local funding follows the student
- **State Share Ratio: Determinants of state aid to LEAs based on local capacity to generate revenue and local concentration of low income students**
- Gradual phase-in process

State Share Ratio

- State Share Ratio (SSR) determines the distribution of state dollars to each LEA
- SSR takes into consideration two factors **simultaneously**:
  - 1. Local variation in revenue generating capacity
  - 2. local variation in the concentration of low income students
- SSR addresses different combinations of these two factors, such as high local revenue capacity but a high concentration of student poverty, and low local revenue capacity with a low concentration of student poverty.

State Share Ratio Calculation: Multiple Steps

$$SSRC = 1 - \left(0.475 * \frac{\text{District EWAV/District RADM}}{\text{State EWAV/State RADM}}\right)$$

$$State\ Share\ Ratio\ (SSR) = \sqrt{\frac{SSRC^2 + \%PK6POVERTY^2}{2}}$$

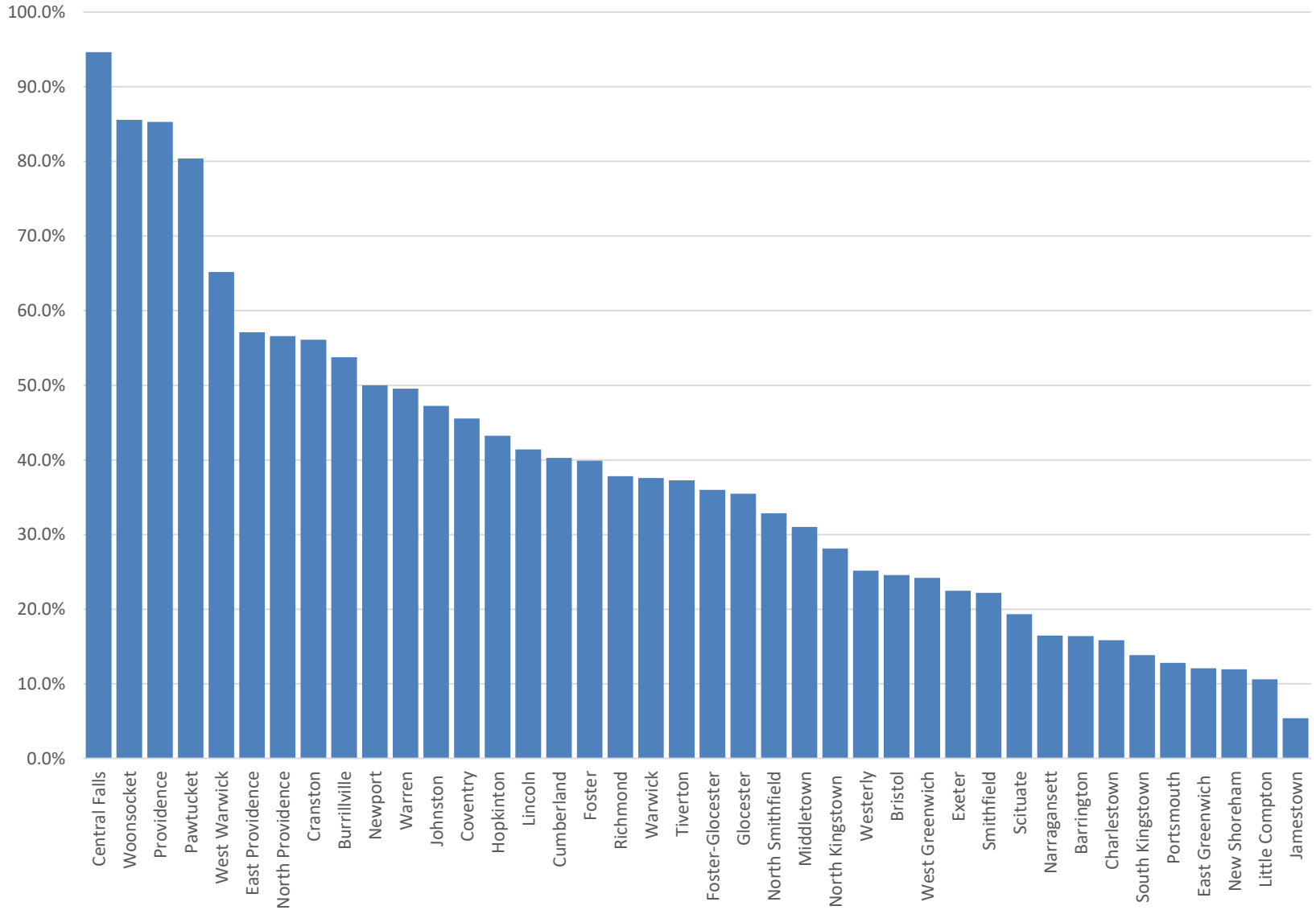
State Share Ratio calculation

- **SSRC** (State Share Ratio for the Community) is derived from a calculation of a district's revenue generating capacity relative to all local communities. It is a number between 0% and 100% based on district assessed real estate values and median family income value.
- **FRPL** is the percentage of students in grades PK-6 enrolled in the free and reduced price lunch program.
- **Quadratic mean**: *square* each value, *add* up the square, *divide* by two, then take the *square root*
- **Quadratic mean** has the effect of (1) taking into consideration two factors simultaneously (revenue capacity and poverty), and (2) giving greater weight on the larger of the two values compared to a normal mean calculation.
  - For example, LEAs with (a) higher local revenue capacity and a **higher** concentration of student poverty and (b) **lowe**r local revenue capacity but a lower concentration of student poverty will both have a higher state share under this calculation than a normal mean.
  - Take two values, 10 and 4: Normal mean = 7; Quadratic mean = 7.615

State Share Ratio (SSR) affected by SSRC (State Share Ratio for Community)

- **EWAV** is the Equalized Weighted Assessed Valuation (R.I.G.L. 16-7-21) and is calculated by the Division of Municipal Finance. EWAV includes assessed property values adjusted for median family income for the city or town as compared to the statewide median family income.
- **RADM** is the Resident Average Daily Membership (student count) and is calculated by RIDE. RADM counts the students based on the LEAs where they reside.
- **0.475** as a modifying weight: higher weight/value in local revenue capacity results in smaller value for SSRC; lower weight or local revenue capacity value results in higher value for SSRC (as derived from the subtraction of the value from 1.0)

State Share Ratio across LEAs



Maintenance of Local Effort: Local Contribution to Foundation Amount (Core + SSF)

- While state share for foundation spending steadily increased in recent years, LEAs either reduced local funding or provided modest increase on an annual average over the 6 year period
- LEAs that provided the highest rate of increase on an annual average included: East Greenwich (3.6% increase per year over the 6 year period), Barrington (2.5%), Cumberland (1.17%), North Providence (1.14%), Providence (0.93%), and Cranston (0.85%).
- Many LEAs reduced their local funding shares over the 6-year period from 2012-2018.

Local Shares in Total Foundational Amount (Core + SSF)

LEAs	2012	2015	2018	Change in Local Shares 2012-2018
JOHNSTON	56.28%	48.21%	47.51%	-8.77
KINGSTON HILL	78.76%	73.87%	72.25%	-6.50
FOSTER	65.50%	59.57%	59.21%	-6.29
NORTH PROVIDENCE	47.78%	43.87%	42.41%	-5.37
BEACON	35.61%	31.34%	30.30%	-5.31
LINCOLN	63.74%	60.44%	58.68%	-5.06
EAST PROVIDENCE	44.41%	43.09%	39.47%	-4.93
WOONSOCKET	18.74%	15.83%	13.95%	-4.79
BRISTOL WARREN	66.95%	63.28%	62.21%	-4.74
CRANSTON	50.36%	45.68%	47.27%	-3.09
PAWTUCKET	19.27%	16.66%	16.31%	-2.96
WEST WARWICK	39.24%	37.28%	36.43%	-2.81
NEWPORT	55.38%	53.26%	53.40%	-1.98
BURRILLVILLE	47.47%	46.40%	45.66%	-1.81
WARWICK	61.41%	58.68%	59.62%	-1.79
CENTRAL FALLS	7.44%	4.59%	5.93%	-1.50
INTERNATIONAL	22.51%	20.62%	21.10%	-1.42
COVENTRY	52.52%	51.74%	51.26%	-1.25
PROVIDENCE	13.19%	11.96%	12.60%	-0.59
CUMBERLAND	57.94%	57.81%	57.63%	-0.32
EAST GREENWICH	87.11%	87.32%	90.30%	3.19
BARRINGTON	79.59%	78.75%	84.10%	4.52
RICHMOND	57.40%	60.92%	63.67%	6.26
SCITUATE	67.69%	67.49%	76.78%	9.09

Local Shares in Total Foundational Amount (Core + SSF)

LEAs	2012	2018	Change in $ Local Shares 2012-2018
JOHNSTON	$16,354,358.33	$16,494,474.00	$140,116
KINGSTON HILL	$1,288,950.51	$1,353,274	$64,323
FOSTER	$1,499,818.65	$1,566,737.00	$66,918
NORTH PROVIDENCE	$14,828,498.54	$15,843,413.00	$1,014,914
BEACON	$786,326.28	$248,561.00	($537,765)
LINCOLN	$19,315,474.79	$17,511,880.00	($1,803,595)
EAST PROVIDENCE	$23,943,863.38	$22,729,034.00	($1,214,829)
WOONSOCKET	$11,489,849.15	$9,628,057.00	($1,861,792)
BRISTOL WARREN	$21,955,361.85	$20,719,463.00	($1,235,899)
CRANSTON	$48,870,066.74	$51,367,378.00	$2,497,311
PAWTUCKET	$18,232,833.13	$17,191,357.00	($1,041,476)
WEST WARWICK	$13,525,095.63	$13,921,926.00	$396,830
NEWPORT	$11,602,896.15	$13,039,384.00	$1,436,488
BURRILLVILLE	$11,143,918.73	$10,957,474.00	($186,445)
WARWICK	$56,532,267.90	$56,427,881.00	($104,387)
CENTRAL FALLS	$2,087,612.36	$1,863,968.00	($223,644)
INTERNATIONAL	$747,461.66	$1,251,846.00	$504,384
COVENTRY	$24,422,899.88	$24,254,992.00	($167,908)
PROVIDENCE	$33,472,643.73	$35,332,241.00	$1,859,597
CUMBERLAND	$24,088,772.57	$25,793,756.00	$1,704,983
EAST GREENWICH	$17,357,905.04	$21,057,330.00	$3,699,425
BARRINGTON	$22,977,072.18	$26,375,481.00	$3,398,409
RICHMOND	$5,956,254.63	$7,327,075.00	$1,370,820
SCITUATE	$9,629,680.91	$10,110,363.00	$480,682

Maintenance of Effort – local contributions to Foundational spending

- Change in local funding share in the foundation amount suggests that LEAs either reduced local funding or provided modest increase on an annual average during FY12 through FY18
- Maintenance of local effort and other fiscal support strategies (formula-based and categorical grants) merit further study as the Task Force considers ways to strengthen the state-local partnership in funding education