

Elementary and Secondary Education

FY 2014 Revised and FY 2015
Operating and Capital Budgets
Staff Presentation
March 25, 2014

Summary By Program

(In millions)	Enacted	FY 2014 Gov. Rev.	FY 2015 Governor
Aid Programs	\$967.2	\$967.4	\$1,007.3
Operations	252.0	253.2	235.1
School for the Deaf	6.8	7.0	6.8
Total	\$1,226.0	\$1,227.5	\$1,249.2

Summary By Program

Change to Enacted (In millions)	FY 2014 Gov. Rev.	FY 2015 Governor
Aid Programs	\$0.2	\$40.1
Operations	1.2	(16.9)
School for the Deaf	0.2	-
Total	\$1.6	\$23.2

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Summary By Fund Source

(In millions)	Enacted	FY 2014 Gov. Rev.	FY 2015 Governor
General			
Revenues	\$964.7	\$961.1	\$1,007.2
Federal	225.7	228.8	208.5
Restricted			
Receipts	27.7	26.0	27.3
Other Funds	7.9	11.6	6.2
Total	\$1,226.0	\$1,227.5	\$1,249.2

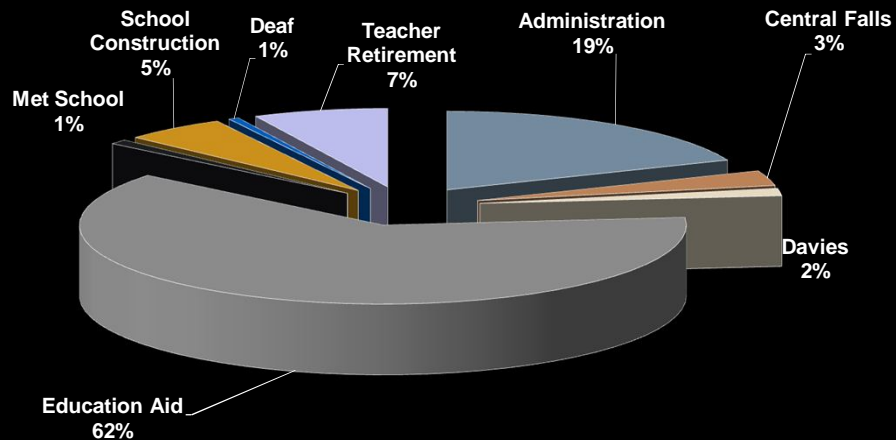
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Summary By Fund Source

Change to enacted (In millions)	FY 2014 Gov. Rev.	FY 2015 Governor
General Revenues	(\$3.6)	\$42.5
Federal	3.1	(17.3)
Restricted Receipts	(1.7)	(0.4)
Other Funds	3.7	(1.6)
Total	\$1.6	\$23.2

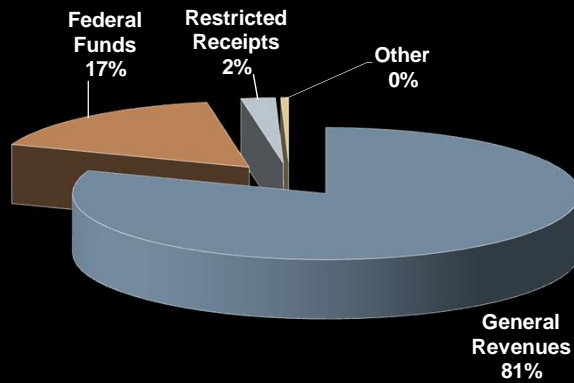
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FY 2015 Department by Program



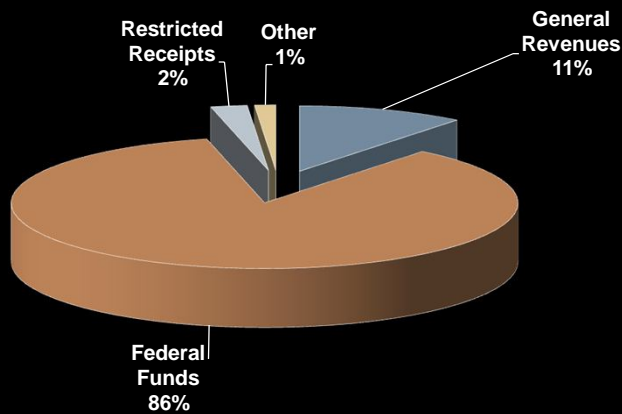
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FY 2015 Department by Source



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FY 2015 Admin & School for Deaf by Source



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Mission

- The mission of the Department of Elementary and Secondary Education is to lead and support schools and communities in ensuring that all students achieve at the high levels needed to lead fulfilling and productive lives, to succeed in academic and employment settings, and to contribute to society

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Strategic Plan

- Primary objective of the Strategic Plan is ensure all RI students are ready for success in college and challenging careers
- Five priorities identified:
 - Educator excellence
 - Accelerate school performance
 - Establish high-standards
 - Data systems
 - Efficient resource investment

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Educator Excellence

- Standards for certification of educators
- Professional development
- Educator evaluation systems
- Recognition of successful educators
- Support for teacher assistants

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Accelerate School Performance

- Develop innovative educational strategies including virtual learning
- New accountability system
- Expand early education
- Improve adult education

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Establish High Standards

- Provide technical assistance for standards-based curriculum
- Common Core State Standards
- Develop model curricula for math, language arts, science, and social studies

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Data Systems

- Department Data Warehouse
- Integrate internal data systems with external systems
- Tools to help educators:
 - Instructional Management System
 - Educator Performance Support System
- Tools to help public:
 - Infoworks Live!
 - Growth Model Visualization Tool

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Efficient Resource Investment

Department Identified Examples	Total savings* (millions)
Food-service contract	\$5.0
Transportation system	\$10.0
School supply contract	\$1.0
Uniform Chart of Accounts	N/A

**Department's estimate of savings to date*

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Target Budget

- Budget Office provided a general revenue target of \$1,010.2 million
 - Current service adjustments of \$47.8 million
 - 7% reduction of \$2.3 million
- Constrained request \$0.1 million above target

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Target Budget Request

Item	FY 2014 Enacted	FY 2015 Unconstrained*	FY 2015 Constrained*
Progress. Suppt. & Intervent.	\$ -	\$2,700,000	\$ -
Teacher Assessment	\$ -	\$544,824	\$ -
Data Systems	\$ -	\$495,225	\$ -
Professional Development	\$ -	\$447,052	\$ -
Teacher Evaluation	\$ -	\$305,000	\$ -
Muni. Oversight FTE	\$ -	\$194,156	\$ -
School Breakfast Aid	\$270,000	\$ -	(\$270,000)
Textbook Aid	\$240,000	\$ -	(\$240,000)
Programming Revisions	\$ -	\$27,863	(\$287,887)
School for the Deaf Layoffs	\$ -	\$ -	(\$305,307)

*Change to enacted

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Board of Education

- 2012 Assembly enacted legislation to abolish the Board of Governors for Higher Education and the Board of Regents
 - Effective January 1, 2013
 - Created a new 11 member Rhode Island Board of Education
- Governor appointed new board members
- Senate confirmed all on March 5, 2013
- First meeting of new board March 11, 2013

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Board of Education

- Enacted to address concerns:
 - College readiness
 - Remedial education needs
 - Overall connection between lower and higher education

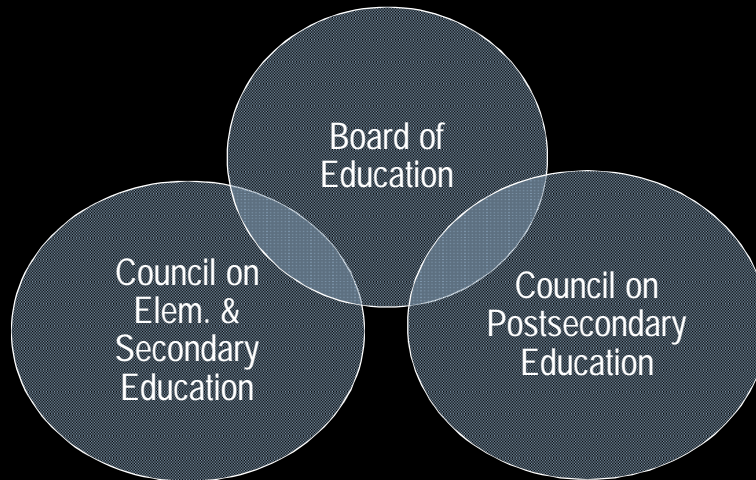
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Article 20

- Includes legislation to restructure the Board of Education
- 15 members
 - Appointed by the Governor
 - With advice and consent of the Senate
 - Members also serve on one of two councils

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Article 20



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Article 20

Full Board

- Advice and consent on hiring commissioners
 - Elementary and Secondary Education
 - Postsecondary Education
- Budget review and consent
- Develop a performance funding formula for public higher education

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Article 20

- Councils have most of the statutory authority and responsibility currently held by Board of Education
- Seven members on each council appointed by the Governor
- Governor also appoints council chairs

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Salaries and Benefits

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	357.4	-
FY 2015 Request	364.4	7.0
FY 2015 Governor	340.9	(16.5)
FY 2013 Average Filled	324.1	(33.3)
Filled as of March 8	325.7	(31.7)

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FY 2014 Revised Major Changes – Aid Programs

Current Law Requirements

- Housing Aid
 - (\$2.3 million)
- Teacher Retirement
 - (\$0.8 million)
- Education Aid Data Update – Charter Schools
 - (\$90,130)

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FY 2015 Major Changes

Program	Change to Enacted*
Funding Formula	\$35.5
Central Falls	\$0.5
Met Career and Tech	(\$0.6)
Categorical Funds	\$3.1
Group Home Aid	(\$1.0)
Textbook and School Breakfast	(\$0.5)
Teacher Retirement	\$8.1
School Housing Aid	(\$2.0)

**In millions*

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FY 2015 Education Aid

- Fully funds fourth year of funding formula
 - \$792.3 million including Central Falls and the Met
- Uses March 2013 student enrollment data adjusted for FY 2015 projected charter school enrollments
- Assumes 3 new charter schools for 2014-2015 school year – received pre-approval
 - Final approval in May
- Department will provide March enrollment data in April

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FY 2015 Education Aid

- The 2010 Assembly adopted a funding formula to be effective with the FY 2012 budget
- Distributes aid to all districts, charter schools and the state schools: Davies and Metropolitan Career and Technical Schools
- Based on the principle that the money follows the student
- Includes
 - Core instruction amount per pupil
 - Single poverty weight as a proxy for student support
 - State share ratio that considers the district's ability to generate revenues and its poverty concentration

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Central Falls

- Funded pursuant to funding formula
 - State aid determined by funding formula calculation
- Had been fully state supported prior to FY 2012
- \$38.8 million for FY 2015
 - \$0.5 million more than enacted
 - Includes \$1.8 million stabilization fund

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Metropolitan Career & Technical School

- Funded pursuant to funding formula
 - State aid determined by funding formula calculation
 - Local share of funding from districts that send students to the school
- Had been fully state supported prior to FY 2012
 - Similar to Central Falls with lump sum allocation
- \$10.5 million for FY 2015
 - \$0.5 million less than enacted

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FY 2015 Major Changes – Aid Programs

Categorical Fund	FY 2015 Governor	Change to Enacted
High Cost Special Education	\$1,500,000	\$500,000
Career and Technical	\$3,500,000	\$500,000
Early Childhood	\$2,950,000	\$1,000,000
Transportation	\$4,351,360	\$1,087,840
Total	\$12,301,360	\$3,087,840

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Categorical Funds

- High Cost Special Education
 - Excess costs related to high-cost special education students
- Career and Technical Education
 - Help transform existing programs or create new programs and offset costs associated with facilities, equipment maintenance, repairs and supplies

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Categorical Funds

- Early Childhood
 - Used to increase access to voluntary, free, high quality pre-kindergarten programs
 - Distributed to pre-kindergarten sites selected through a request for proposals process
- Transportation
 - Provided to mitigate excess costs associated with transporting students to out-of-district non-public schools and within regional school districts

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FY 2015 Major Changes – Aid Programs

- Group Home Aid – Current Law
 - Current law requires a fixed payment of \$15,000 for each bed open as of December 31 outside the other formula distributions
 - Currently 448 beds, 19 less than enacted
 - Current law requirement: \$6.9 million

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FY 2015 Major Changes – Aid Programs

- Group Home Aid- Proposal
 - \$6.1 million
 - Proposal reduces enrollment by the number of group home beds
 - Applies the deduction to group home aid instead of education aid
 - \$1.0 million less than enacted
 - \$0.8 million less than current law requirement

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FY 2015 Major Changes – Aid Programs

- Textbook Reimbursement
 - Article 28 eliminates reimbursement requirement for savings of \$240,000
 - Requirement to provide textbooks unchanged
- School Breakfast
 - Article 28 removes state appropriation requirement for savings of \$270,000
 - Requirement to provide breakfast unchanged

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FY 2015 Major Changes – Aid Programs

- Teacher Retirement - \$89.8 million
 - \$8.1 million more than enacted based on FY 2015 planning values and payroll growth assumptions
- Housing Aid - \$67.9 million
 - \$2.0 million less than enacted based on districts' estimations of when projects will be completed
 - 2011 Assembly instituted a 3-year moratorium on new approvals
 - Ends June 30, 2014

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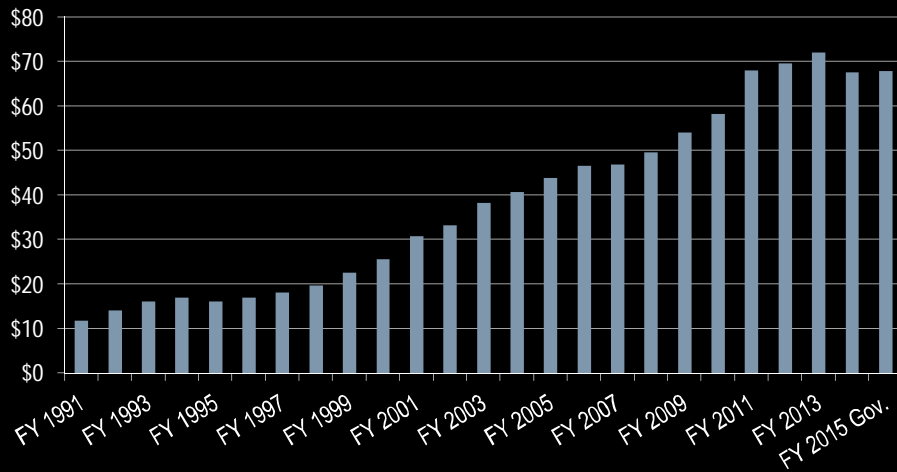
Housing Aid Overview

- State reimburses cities and towns for a share of school capital projects
 - Includes principal and interest
- State shares are based on a district's wealth compared to aggregate state wealth
- Minimum state share is 35%
 - 18 communities for FY 2014

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School Housing Aid

Historical Expenditures
(in millions)



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School Housing Aid

- Rhode Island General Law § 16-7-41.1
 - “Notwithstanding the provisions of this section, the board of regents shall not grant final approval for any project between June 30, 2011 and June 30, 2014 except for projects that are necessitated by immediate health and safety reasons”
 - “The department of elementary and secondary education shall develop recommendations for further cost containment strategies in the school housing aid program”

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School Housing Aid

- Public Schoolhouse Assessment in 2013
- Findings:
 - School districts have many older buildings that are costly to maintain
 - Excess capacity exists at every school level in Rhode Island
 - Middle schools have excess capacity of 25.0 percent
- House Finance hearings held in 2013

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School Housing Aid

Recommendation	Authority	How will it Save?
Consolidate districts, Regionalization	State/ District	Consolidate facilities with excess capacity, fewer buildings. Fewer administrators
Require capital reserve fund	Districts	Less money out to bond, less debt
School closures	Districts	No more building maintenance
Grade reconfiguration	Districts	Maximize existing building facilities
Energy Efficient Maintenance and Operations	Districts	Utility savings
Energy Efficient School Design	Districts	Utility savings

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School Housing Aid

- Recommendations mostly focus on items under district control
- Other items to consider
 - Scope of work
 - Funding formula

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Education Telecommunications Access Fund

- \$1.5 million total, \$400,000 from general revenues for FY 2014 and FY 2015
- Designed to provide financial assistance for qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet
- Supported by a \$0.26 monthly surcharge levied on each residence and business telephone line
 - \$400,000 less than enacted to reflect projected receipts

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Vision Services

- Recommendation: \$246,666
 - \$250,000 less than enacted, for teaching and consultation services to blind or visually impaired children, families and educational staff
- Second year of three year transition of costs from state funds to local education agencies

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Adult Education

(In millions)	General Revenues	HRIC	Total
FY 2013 Spent	\$2.0	\$3.5	\$5.5
FY 2014 Enacted	\$2.0	\$3.8	\$5.8
FY 2015 Request	\$2.0	\$3.8	\$5.8
FY 2015 Governor	\$2.0	\$3.8	\$5.8
Change to Enacted	-	-	-

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Adult Education

- 25% GED or pre-GED preparation
 - Roughly 1,500 students a year
- 50% ELL
 - Roughly 3,000 students a year
- 25% for low level literacy
 - Between 1st and 5th grade equivalent
 - Roughly 1,500 students a year

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Transition Grant to Channel 36

- 2012 Assembly provided state support to RI Public Telecommunications Authority through July 1, 2013
- Governor provides \$0.3 million in general revenue support for public television for FY 2015
 - \$50,000 less than enacted
- Funding intended to be second of 2-year plan to assist in transition from a state agency to control of the RI PBS Foundation

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Race to the Top

- \$75.0 million over 4 years and 22 FTEs
 - \$1.6 million for FY 2011
 - \$17.6 million for FY 2012
 - \$26.7 million for FY 2013
 - \$20.0 million for FY 2014
 - \$8.7 million for FY 2015
- Building state and local capacity
- Data collection and analysis
- Principal leadership
- Educator effectiveness

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Race to the Top

- 50% of grant goes to districts
 - Only for activities in the approved state grant application
- State share used for personnel and to build infrastructure and support systems
 - Educator evaluation system
 - Training educators to use common core standards
 - Developing new program to support novice teachers
 - Support to lowest-achieving schools
 - Implement new data systems: certification, educator performance, instructional management

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Race to the Top

- 22.0 positions created by the grant
 - Personnel include transformation specialists, data managers/analysts, grants management, and clerical support
 - Work with school districts to develop budgets and work plans, oversee the Department's performance management process, data collection and analysis, and administrative support

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Requested Initiatives

- Department requested 8.0 positions to continue Race to the Top programs (not recommended by Governor)

Program	Positions	Funding
Teacher Assessment	1.5	\$0.5 million
Data Systems	2.0	\$0.5 million
Professional Development	2.0	\$0.4 million
Teacher Evaluation	2.5	\$0.3 million
Total	8.0	\$1.7 million

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Requested Initiatives

- Progressive Support and Intervention
 - Restore \$2.7 million in general revenue funding
 - Eliminated in FY 2012 because of overlap with Race to the Top
- New Municipal Oversight Positions
 - \$0.2 million for the 2.0 positions to work on municipal oversight initiatives associated with 2012 legislation
- Neither recommended by Governor

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Salaries and Benefits: Administration

- FY 2014: \$20.7 million, \$11.3 million or 54.6 percent from general revenues
 - \$0.3 million less than enacted, including \$0.2 million less from general revenues
 - Salary and benefit adjustments
 - Assumes \$1.1 million in turnover savings

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Salaries and Benefits: Administration

- FY 2015: \$20.0 million, \$11.8 million or 59 percent from general revenues
 - \$1.0 million less than enacted including \$0.3 million more from general revenues
 - Salary and benefit adjustments and ending of Race to the Top grant
 - Assumes \$1.6 million in turnover savings
 - Funds 156.4 positions, 90.4 from general revenues

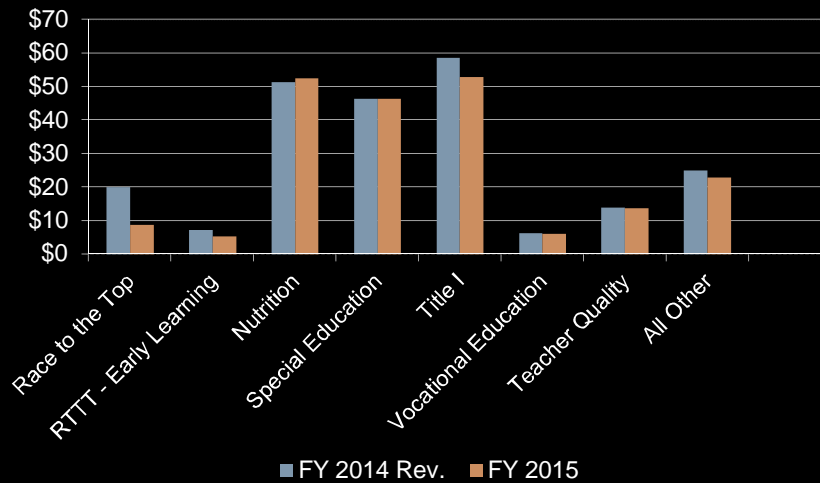
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Race to the Top- Early Learning Challenge

- \$50.0 million over 4 years and 13 FTEs
 - \$7.2 million in FY 2014; \$5.4 million in FY 2015
- Improve education for pre-school students
 - Develop high quality programs
 - Promote early learning and development outcomes
- Grant also involves funding and positions in human service agencies
 - 21.5 positions state wide

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Federal Grants – In Millions



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School for the Deaf

- Purpose: furnish the state's deaf children a system of free appropriate public education and serve as a resource to school districts with deaf or hard of hearing children
- 67 students
 - 66 from Rhode Island
 - 1 from out of state – tuition charged

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School for the Deaf

- Unlike other state schools, School for the Deaf is not funded pursuant to funding formula
- State supports core program
- Sending districts billed for services that fall outside the core program, such as additional medical services and mental health counseling
 - Approved by 2009 Assembly

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School for the Deaf

(In millions)	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Request	FY 2015 Governor
General Revenues	\$6.1	\$5.9	\$6.1	\$5.9
Federal Funds	0.4	0.5	0.3	0.3
Restricted Receipts	0.3	0.5	0.6	0.6
Total	\$6.7	\$7.0	\$7.0	\$6.8
FTEs	60.0	60.0	59.0	60.0

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School for the Deaf – All funds

- Salaries and Benefits
 - \$5.8 million for 60.0 full-time positions
 - Appears to fund 56.0 positions, currently 53.0 filled
- Specialized Care Services
 - \$0.5 million for contracted services from speech pathologists, behavior specialists, and personal care attendants
- Other Operations
 - \$0.5 million for utilities, office costs, and maintenance

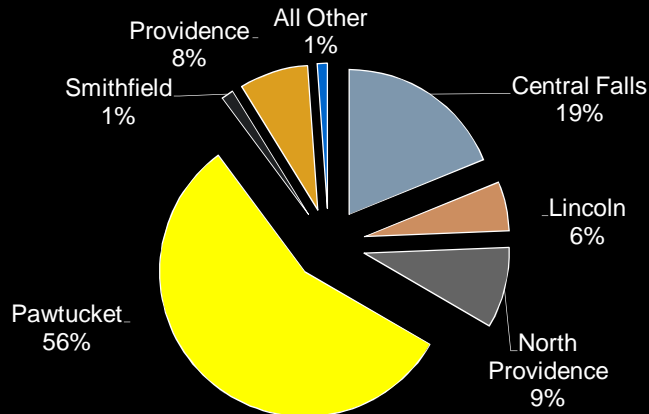
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Davies Career & Technical School

- Four-year high school - students apply
- 875 students as of June 2013
- Serves Central Falls, Lincoln, N. Providence, Pawtucket, Smithfield, and Providence

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Davies Career & Technical School



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Davies Career & Technical School

- Funded pursuant to funding formula
 - State aid determined by funding formula calculation
 - Local share of funding from districts that send students to the school
 - Flow into a restricted receipt account to partially offset the loss of state aid
- Had been fully state supported prior to FY 2012

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Davies Career & Technical School

- The Governor recommends \$17.6 million for operations, excluding capital
 - \$12.2 million from general revenues
 - \$0.6 million less than enacted
 - \$1.4 million from federal funds
 - \$3.7 million in local share funds from sending districts
 - \$0.4 million from other restricted sources
 - 126.0 FTEs

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Career & Tech - RICF

Project	Total Cost (In millions)	Start Date	End Date
Cranston	\$3.3	FY 2010	FY 2015
East Providence	\$1.1	FY 2011	FY 2014
Warwick	\$3.0	FY 2013	FY 2015
Woonsocket	\$3.2	FY 2013	FY 2015

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Davies - RICF

Project	Total Cost (In millions)	Start Date	End Date
Davies Roof	\$2.5	FY 2005	FY 2014
Davies HVAC	\$4.2	FY 2006	FY 2015
Davies Asset Protection	\$2.9	Perpetual	

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Met School- RICF

Project	Total Cost (In millions)	Start Date	End Date
East Bay Campus	\$8.8	FY 2006	FY 2014
Met HVAC	\$2.5	FY 2011	FY 2015
Met Asset Protection	\$0.5	Perpetual	

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Ongoing COPS Projects

Project	Total Cost (In millions)	Start Date	End Date
LEA Technology Infrastructure	\$20.0	FY 2013	FY 2015
Comprehensive Education Info. System	\$3.0	FY 2006	FY 2016
New School for the Deaf	\$30.0	FY 2009	FY 2014

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Annual Reporting Requirements

- 2013 Assembly enacted legislation requiring OMB to prepare, review and inventory all reports filed with Assembly
 - Report to be presented to Assembly as part of budget submission annually
- Office is required to submit 4 reports
 - Pending litigation (2)
 - State of Education
 - Status of Career and Technical Education
- Currently submitting all 4

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