

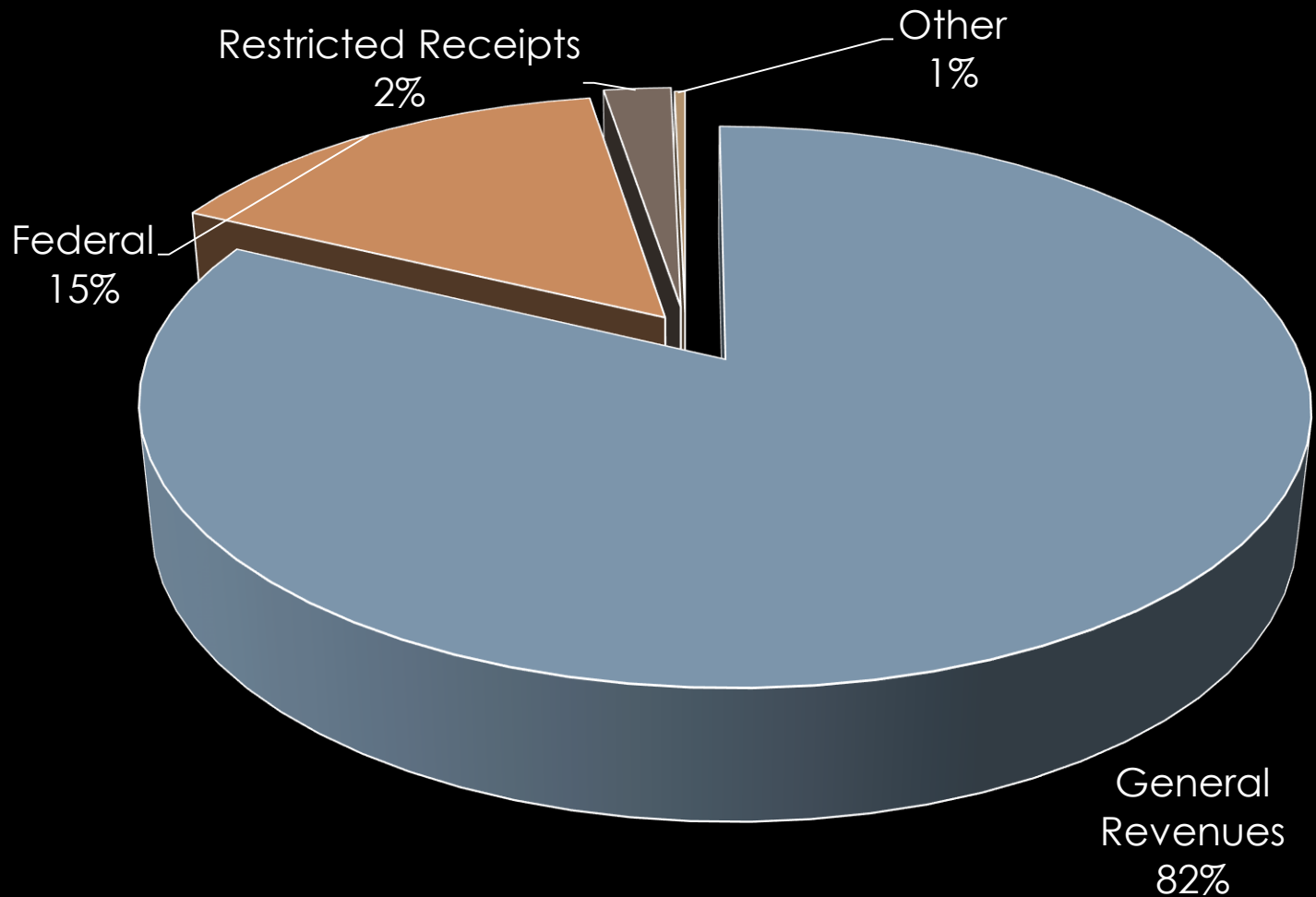
# Elementary and Secondary Education

FY 2016 Revised and FY 2017  
Operating and Capital  
Budgets  
Staff Presentation  
April 12, 2016

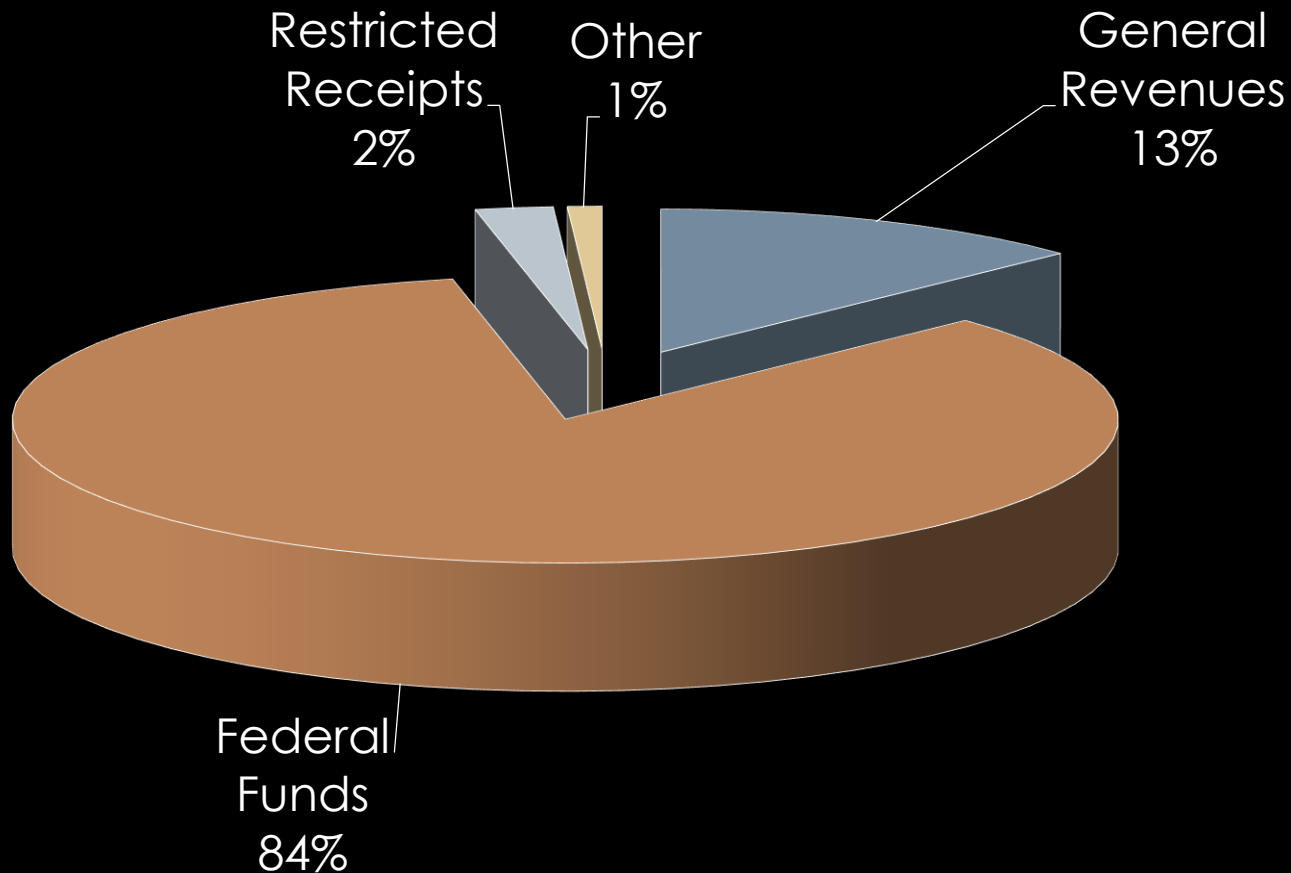
# Summary By Program

(in millions)	FY 2016 Enacted	FY 2016 Gov. Rev.	FY 2017 Governor	FY 2017 Gov. Chg. to Enacted
Aid Programs	\$1,071.5	\$1,072.4	\$1,106.1	\$34.6
Operations	229.6	237.6	236.9	7.3
School for the Deaf	7.4	7.3	7.4	0.0
<b>Total</b>	<b>\$1,308.5</b>	<b>\$1,317.4</b>	<b>\$1,350.4</b>	<b>\$41.9</b>

# FY 2017 Department by Source



# FY 2017 Admin & School for Deaf



# Target Budget

- Budget Office provided a general revenue target of \$1,101.5 million
  - Current service adjustments of \$35.7 million
  - 7.5% reduction of \$1.9 million
- Constrained request is \$2.8 million above target
- Governor's budget is \$7.7 million above target

# Full-Time Equivalent Positions

	FTEs	Chg. To Enacted
Enacted Authorization	337.4	-
FY 2016 Gov. Revised	339.4	2.0
FY 2017 Request	341.4	4.0
FY 2017 Governor	339.4	2.0
FY 2015 Average Filled	312.2	(25.2)
Filled as of March 19	301.4	(36.0)

# FY 2016 Rev. Changes - Aid Programs

- Current law updates: \$7,291 less
  - Group Homes: \$180,000 more
  - Education Aid Data Update - Charter Schools: \$98,000 less
  - Textbook Loans: \$89,291 less

# FY 2017 Major General Revenue Changes

Item <i>(in millions)</i>	Change to Enacted
Funding Formula (incl. Central Falls & Met)	\$32.6
Davies Career and Tech	1.4
Categorical Funds	8.3
Group Home Aid	(1.1)
School Housing Aid	(10.9)
Teacher Retirement	6.3
Education Telecommunications Access Fund	0.5
Continuation of Race to the Top Activities	1.0
New Department Initiatives	3.5



# FY 2017 Education Aid

- Fully funds 6<sup>th</sup> year of funding formula
  - \$857.7 million including Central Falls and the Met
- Uses March 2015 student enrollment data adjusted for FY 2017 projected charter school enrollments
  - Department will provide March enrollment data in April
- 2010 Assembly adopted a funding formula effective for FY 2012

# FY 2017 Education Aid

- Funding formula includes
  - Core instruction amount per pupil
  - Single poverty weight as a proxy for student need
    - number of students eligible for free & reduced price lunch
  - State share ratio that considers the district's ability to generate revenues and its poverty concentration
  - Ranges from 7.4% to 94.3%

# FY 2017 Education Aid

<b>FY 2017</b>	<b>Not Eligible for FRPL</b>	<b>Eligible for FRPL</b>
Core instruction amount	\$8,979	\$8,979
40% weight	-	3,592
<b>Per student amount</b>	<b>\$8,979</b>	<b>\$12,571</b>

- This is the basis for the rest of the calculation
- Core Instruction amount based on New England averages – updated annually

# FY 2017 Education Aid

- Charter & state schools subject to formula
  - State share ratio = that of sending district
  - Local share = per pupil cost of sending district
  - Currently 22 charter schools/ 2 state schools
    - 7.5% of total enrollment
  - Impacts to districts are different

# FY 2017 Education Aid

- Budget includes legislation to repeal requirement passed by 2014 Assembly
  - Effective FY 2017, state will provide full, rather than transitioned aid, to any district converting from ½ day to full-day K for FY 2015 or after
    - 13 converted to full-day K in FY 2015 or after
- Budget removes \$2.5 million
- Governor requested amendment to remove repeal

# Central Falls

- Funded pursuant to funding formula
  - Was fully state supported prior to FY 2012
- \$38.9 million for FY 2017
  - \$0.7 million less than enacted
  - Includes \$4.6 million stabilization funding

# Metropolitan Career & Technical School

- Funded pursuant to funding formula
  - Local share of funding from districts that send students to the school
- \$9.5 million for FY 2017
  - \$0.3 million less than enacted
  - Includes \$0.3 million from new stabilization fund for state schools
- Was fully state supported prior to FY 2012
  - Similar to Central Falls w/ lump sum allocation
- Loss of \$0.3 million in local share from proposal to reduce payments by \$355

# Davies Career & Technical School

- Four-year high school - students apply
- Funded pursuant to funding formula
  - State aid determined through funding formula
  - 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
- Loss of \$0.3 million in local share from proposal to reduce payments by \$355



# Davies Career & Technical School

	FY 2016 Enacted	FY 2016 Gov. Rev.	FY 2017 Governor	FY 2017 Gov. to Enacted
General Revenues	\$11.6	\$11.6	\$13.0	\$1.4
Federal Funds	1.3	1.4	1.4	(0.0)
Restricted Receipts	4.3	4.4	3.9	(0.3)
<b>Total (in millions)</b>	<b>\$18.9</b>	<b>\$18.7</b>	<b>\$19.9</b>	<b>\$0.9</b>
FTEs	126.0	126.0	126.0	-

- General revenue increase reflects stabilization funding
- 126.0 positions, staff are state employees

# Article 11, Stabilization Funds

- New stabilization fund for state schools
  - Mitigate some of the losses in funding from the implementation of the funding formula
  - Recognizes additional costs associated with running a stand-alone school that offers both academic and career/tech education
  - \$2.3 million for FY 2017
    - \$2.0 million for Davies
    - \$0.3 million for Met School
- No new funding in career & Tech categorical funds

# Article 11, Stabilization Funds

- Amends Central Falls Stabilization Fund
  - Currently annual review determines amount of state and city appropriation
  - City has been receiving funds since FY 2015 with no local contribution
  - Article removes annual determination
    - Proposed change removes blanket requirement for city contribution, which is not currently being followed
    - Replaces it with requirement that RIDE develop criteria for determining amount in any given year

# Categorical Funds

- State funding outside the base formula & subject to appropriation:
  - High-cost special education students
  - High-cost career & technical programs
  - Early childhood education programs
  - Transportation
- Designed to fill gaps not resolved by formula

# Categorical Funds

- Categorical funding was anticipated to grow over 10 years
- Teacher retirement and school construction aid do not go through formula
  - State pays equal share (40%) for every district's teacher retirement costs regardless of salary base
    - Participation by charter schools vary – mayoral academies are exempt

# FY 2017 Categorical Funds

Categorical Funds	FY 2017 Governor	Change to Enacted
English Language Learners	2,494,939	2,494,939
School of Choice Density Aid	2,634,492	2,634,492
High Cost Special Ed	\$4,500,000	\$2,000,000
Career & Technical	3,500,000	-
Early Childhood	5,160,000	1,210,000
Transportation	4,351,360	-
<b>Total</b>	<b>\$22,640,791</b>	<b>\$8,339,431</b>

# Article 11, English Language Learners

- Funding for evidence-based programs proven to increase outcomes
- Monitored by RIDE
- Based on criteria determined by Commissioner
  - Wide discretion
- FY 2017 is intended to be first of 2-year phase up to \$5.0 million total for FY 2018

# Article 11, English Language Learners

- Calculation is 10% of core instruction amount, adjusted for state share ratio

## Example:

## Calculation

10% of Core Instruction amount      10% x \$8,979

\$898

x Number of Eligible Students      29

\$26,039

x State Share Ratio      64.8%

\$16,866

[Year one funding is 50% = \$8,433]



# Article 11, School of Choice Density Aid

- \$300 for every student attending charter or state school
  - At least 5% of district's students enrolled
  - \$2.6 million for FY 2017
    - 6 districts eligible for funding
  - Amount to be recalculated every 3 years as determined by Commissioner
- Also reduces local payments to charter & state schools by \$355 per student
  - No state budget impact

# High Cost Special Education

- Excess costs related to high-cost special education students
  - Prorated to appropriation, based on costs
- Article 11 reduces threshold for eligibility from 5x to 4x
  - Effective FY 2018
  - Absent additional resources, could reduce share of funding for some districts as total is split among more students
- No data available on the impacts

# Career & Tech Education

- \$3.5 million
  - Same as enacted level
  - Help transform existing programs or create new programs; offset costs associated with facilities, equipment maintenance, repairs, and supplies
  - Prorated to appropriation, based on applications from public and state schools

# Early Childhood

- \$5.2 million
  - \$1.2 million more than enacted
  - To increase access to voluntary, free, high quality pre-kindergarten programs
  - Distributed to pre-K sites selected through a request for proposals process

# Transportation

- \$4.4 million
  - Same as enacted level
    - Amount has not increased since funding was first provided in FY 2015
  - Funding to mitigate excess costs of transporting pupils to out-of-district non-public schools & within regional districts

# Group Home Aid

- FY 2016 Revised
  - \$180,000 more for 12 additional beds
- FY 2017 Budget
  - \$4.0 million, \$1.1 million less than enacted
  - Based on 396 beds
  - Funding reflects impact of group home beds on enrollment for funding formula
- Group Home aid based on number of beds open as of December 31

# School Housing Aid

	FY 2017 Governor	Change to Enacted
Traditional School Housing Aid	\$70,907,110	-
School Building Authority Fund*	9,092,890	(10,907,110)
<b>Total</b>	<b>\$80,000,000</b>	<b>(\$10,907,110)</b>
GO Debt for Nov. 2016 ballot	\$40,000,000	\$40,000,000

\*enacted budget included \$20.0 million from debt restructuring

# Housing Aid Overview

- State reimburses cities and towns for a share of school capital projects
  - Includes principal and interest
- State shares based on district's wealth compared to aggregate state wealth
  - Minimum state share is 35%
    - 22 communities for FY 2016
  - Charter schools are at 30%
- Reimbursed starting the fiscal year after completion of project



# Article 5, Question 5

- \$40.0 million from GO bonds deposited into School Building Authority Capital Fund
  - repair, upgrade & modernize public schools
    - Health and safety projects
    - STEAM investments
    - Career & technical education learning space
  - Annual debt service of \$3.3 million assuming 5% and 20-year term
  - Total cost of \$64.1 million

# Article 5, Question 5

- 2015 Assembly created new School Building Authority Capital Fund
- Administered by School Building Authority at RIDE
- FY 2016 enacted budget includes \$20.0 million from debt service restructuring savings to start the Fund
- Fund in addition to traditional school housing aid program

# Article 5, Question 5

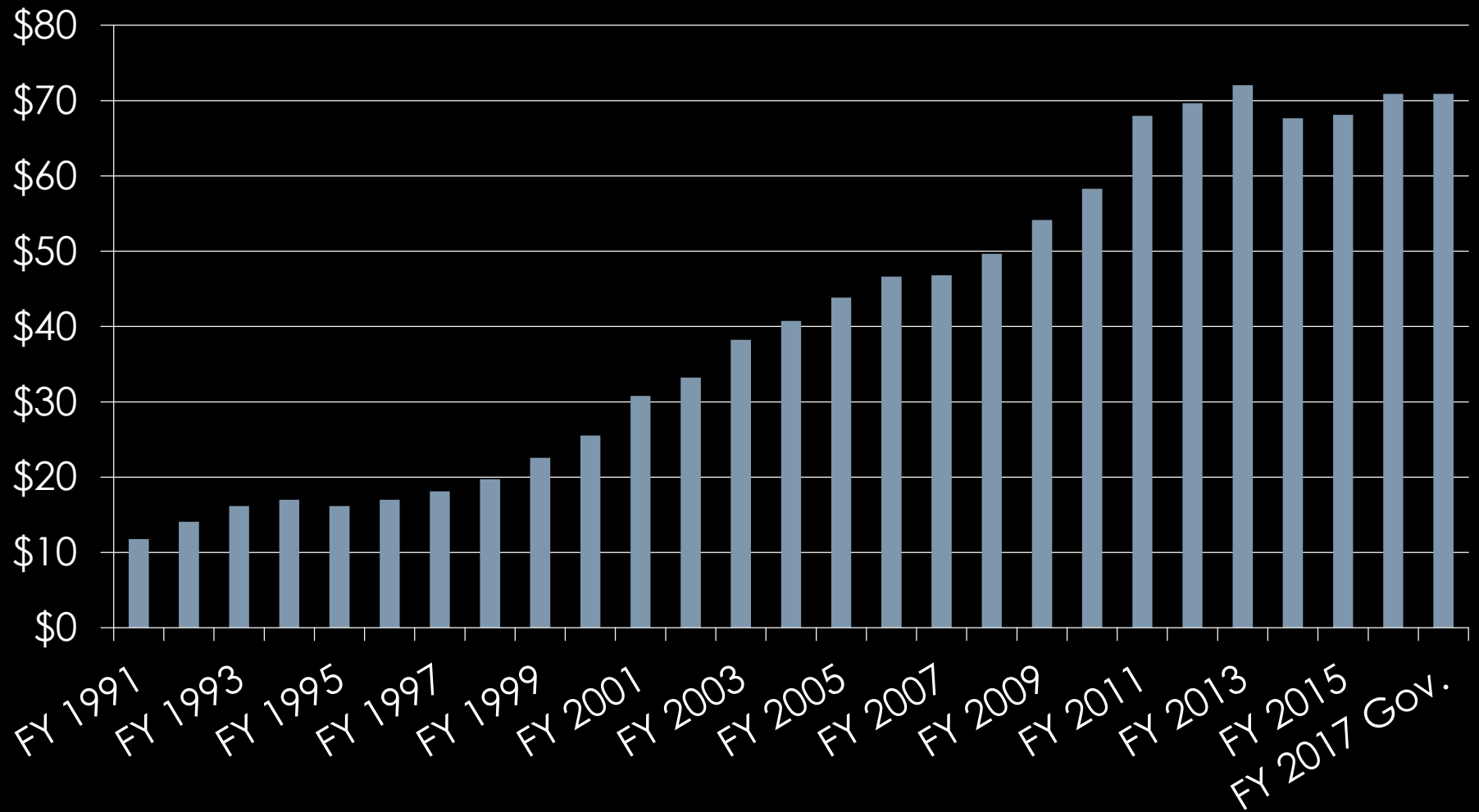
- Governor's FY 2016 budget indicated intention for \$80.0 million per year for school housing aid, beginning in FY 2017
  - Funding for existing housing aid program with remaining funding, up to the \$80 million limit, for SBA
- Council decides which program best suits district's and state's needs

# Article 5, Question 5

- Current law allows RIDE to use funding from School Building Authority Fund for “one-time or limited expenses”
- Department has contracted for a statewide assessment
  - RIHEBC has pledged \$1.0 million
  - \$3.4 million from SBA Fund
    - Funds from FY 2015 bond refinancing savings
  - Study to be completed by end of June 2017
  - Will identify what statewide need actually is

# Traditional School Housing Aid

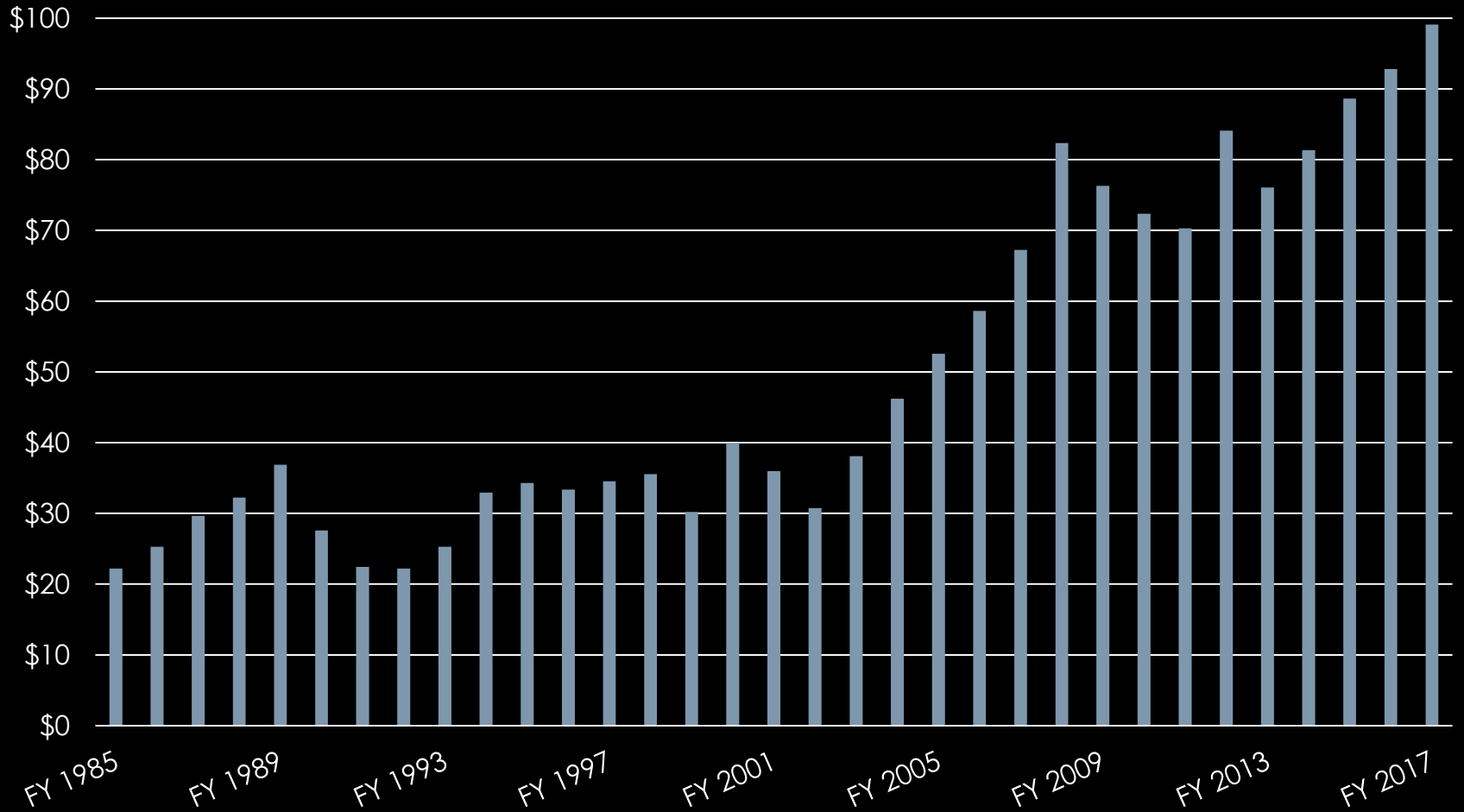
Historical Expenditures (in millions)



# Teacher Retirement

- \$99.1 million for FY 2017
  - \$6.3 million more than enacted
- State pays 40% share of employer contribution
  - Employers pay difference between teachers' share and amount needed to support system
- Teachers contribute 8.75% of salary
  - Set in General Laws

# Teacher Retirement



# Education Telecommunications Access Fund (E-Rate)

- 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 & business telephone line
- Technology upgrades and Race to the Top funded projects increased availability and usage of internet



# Education Telecommunications Access Fund (E-Rate)

(in millions)	Enacted	FY 2016 Rev.	FY 2017 Governor	Chg. To Enacted
General Revenues	\$0.4	\$0.4	\$0.9	\$0.5
Restricted Receipts	1.8	1.5	0.9	(0.9)
Total	\$2.2	\$1.8	\$1.8	(\$0.4)

# Continuation of RTTT Activities

Activity	General Revenues
Early Learning Challenge	\$350,000
Early Learning (3.3 FTEs)	219,700
Teacher Evaluation & Assessment Tools	290,000
Performance Management (1.0 FTE)	72,491
Education Specialist (1.0 FTE)	107,843
<b>Total</b>	<b>\$1,040,034</b>

- \$50.0 million to improve education for pre-school students over 4 years; ends December 31, 2016
  - Develop high quality programs
  - Promote early learning and development outcomes

# Early Learning Challenge

- Governor recommends \$350,000 to continue the kindergarten entry profile survey initiative begun with RTTT funds
  - Districts can receive technical assistance and strategic planning support
  - To build capacity and sustainability for high-quality kindergarten curriculum and instruction

# Early Learning 3.3 FTEs

- \$0.2 million & 3.3 FTEs to continue programs created under RTTT
  - Will work on initiatives to expand high quality pre-kindergarten programs
  - Specific positions not identified yet

# Teacher Evaluation & Assessment Tools

- \$290,000 for 2 initiatives
  - \$140,000 to continue teacher evaluation support systems
    - Maintenance of software that provides schools with access to teacher certification system
  - \$150,000 for annual license fee to maintain student assessment tools, training and supports for teachers
    - Used by teachers to assess students

# Other New RTTT Staff

- \$0.1 million and 1.0 FTE
  - Responsible for continuing the Department's performance management system
- \$0.1 million and 1.0 FTE
  - Education specialist to support the RI Evaluation Model and provide technical assistance to local education agencies

# New Department Initiatives

Initiative	FY 2017 General Revenues
Fellowships for Instructional Excellence	\$750,000
Innovation/Empowerment Fund	1,000,000
Principal Empowerment & Training	1,000,000
Computer Science	260,000
PSAT/SAT	500,000
<b>Total</b>	<b>\$3,510,000</b>

# Fellowships for Instructional Excellence

- \$750,000 for 5 teachers to enter into 2-year fellowships at RIDE
  - Competitive fellowships
  - Create a statewide cohort focused on promoting best practices
  - Same fellowship program Department had several years ago
  - Department pays district for the salary & benefit costs of the participating teachers



# Innovation/Empowerment Fund

- \$1.0 million
- Would provide competitive grants to schools to promote:
  - Innovation
  - Flexibility
  - Best practices
- Likely range from \$25,000 to \$50,000

# Principal Empowerment & Training

- \$1.0 million related to new empowerment schools proposal
  - Build pipeline of instructional leaders and principals
  - Support growth of sitting principals
  - Strengthen in-state principal preparation programs
- Approximately 35 educators from 5 – 8 schools would participate

# Empowerment Schools

- Governor requested an amendment
- Establishes empowerment schools
  - Voluntary program
  - Managed collaboratively by principal and faculty on site
    - Still under district leadership of superintendent and school committee
  - Regulatory and statutory flexibility
  - School-based autonomy

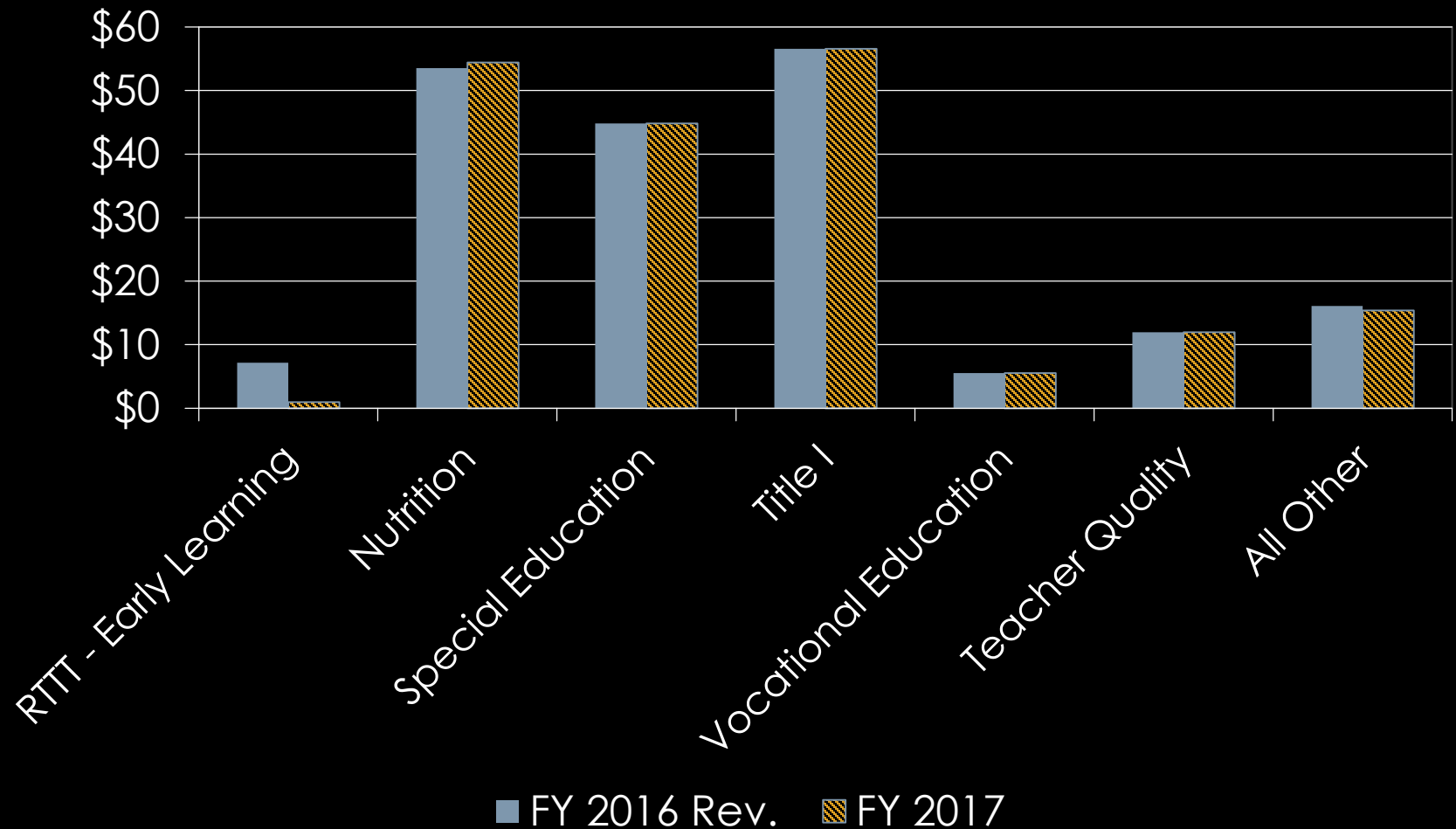
# Computer Science

- \$260,000
- To expand access to computer science courses for elementary and secondary education students
- In order to improve STEM education in RI schools

# PSAT/SAT

- \$500,000 to provide test free to all RI public school students
  - Intended to increase test participation to 100%
  - Plan is to offer test during class day
    - Currently given on Saturdays
- Currently CollegeBoard offers a test fee waiver for low income students

# Federal Grants - In Millions



# 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
- School for the Deaf is not funded through funding formula
  - State supports core program
  - Sending districts billed for services that fall outside the core program

# School for the Deaf

	FY 2016 Enacted	FY 2016 Gov. Rev.	FY 2017 Governor	Gov. Chg. To Enacted
General Revenues	\$6.3	\$6.2	\$6.3	\$0.0
Federal Funds	0.3	0.3	0.3	0.0
Restricted Receipts	0.8	0.8	0.8	-
Other Funds	0.1	0.1	0.1	-
<b>Total (in millions)</b>	<b>\$7.4</b>	<b>\$7.3</b>	<b>\$7.4</b>	<b>\$0.0</b>
FTEs	60.0	60.0	60.0	-

- 66 students
  - 62 from Rhode Island
  - 4 from out of state – tuition charged



# Rhode Island Capital Plan Funds

Project	Total Cost <i>(in millions)</i>	Start Date	End Date
Shepard Air Quality	\$0.2	FY 2017	FY 2018
Warwick CTE	\$3.1	FY 2013	FY 2017
Woonsocket CTE	\$3.2	FY 2013	FY 2017
Davies HVAC	\$5.1	FY 2006	FY 2018
Davies Asset Protection	\$2.5	Perpetual	
Met HVAC	\$6.2	FY 2011	FY 2016
Met Asset Protection	\$1.4	Perpetual	
<b>Total</b>	<b>\$21.7</b>		

# Annual Reporting Requirements

- 2013 Assembly enacted legislation requiring OMB to prepare, review & 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 & Technical Education
- Currently submitting all 4

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