

Elementary and Secondary Education

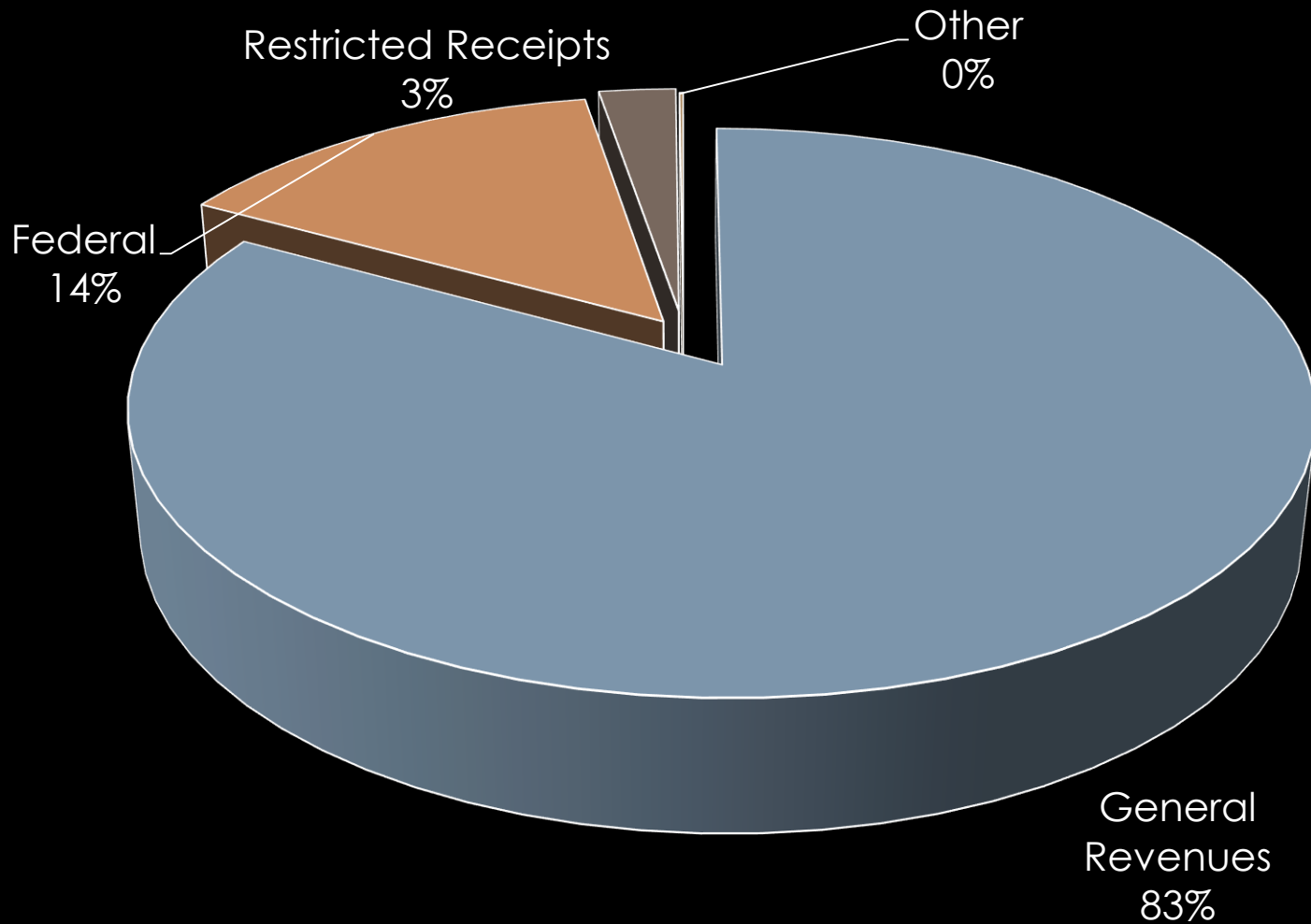
FY 2019 Revised, FY 2020 Operating
and Capital Budgets
Staff Presentation
March 27, 2019

Summary By Program

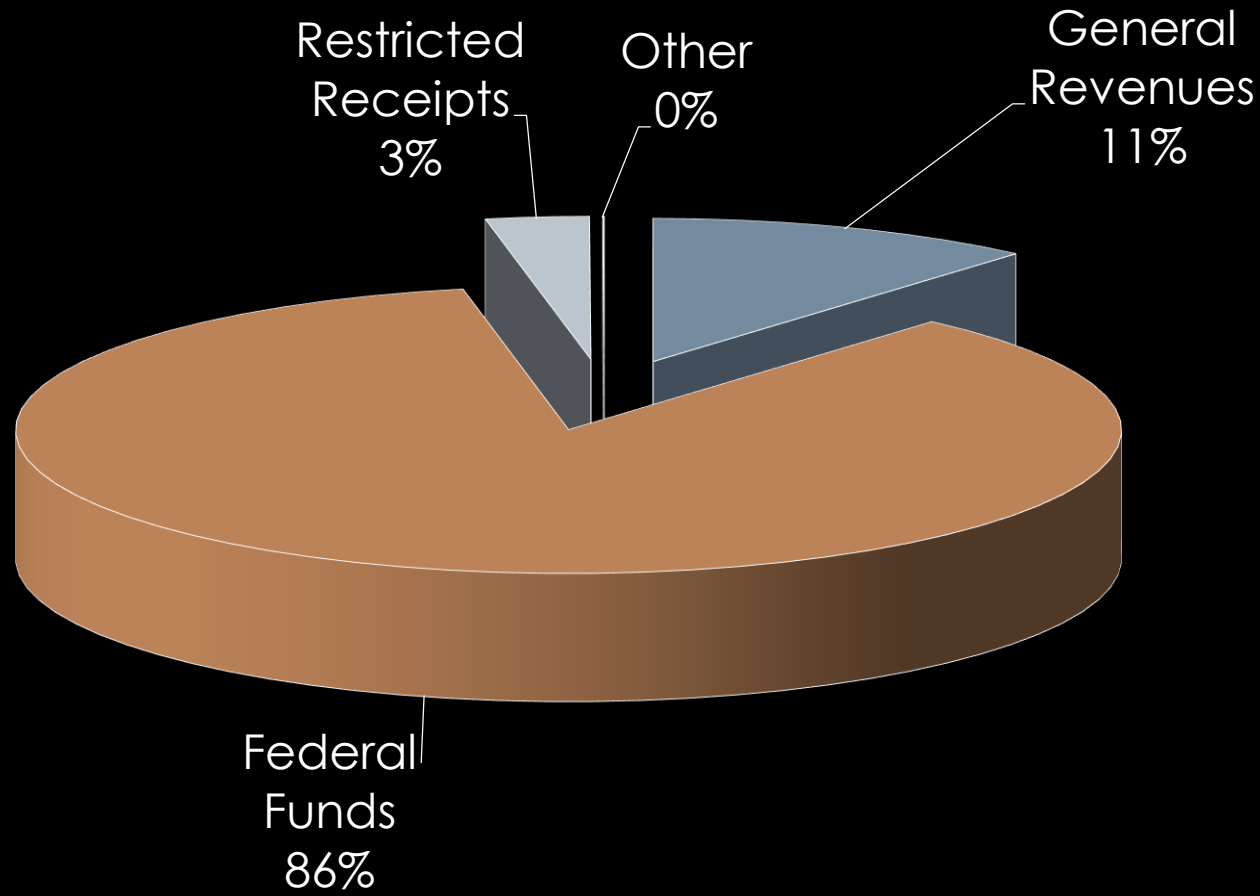
	FY 2019 Enacted	FY 2019 Gov. Rev.	FY 2020 Governor	FY 2020 Gov. Chg. to Enacted
Aid Programs	\$1,197.1	\$1,199.3	\$1,240.7	\$43.6
Operations	239.1	244.1	239.9	0.8
School for the Deaf	8.0	7.9	8.2	0.2
Total	\$1,444.2	\$1,451.4	\$1,488.8	\$44.5
FTE	321.1	323.1	328.1	7.0

(\$ In millions)

FY 2020 Department by Source



FY 2020 Admin & School for Deaf



Target Budget

- Budget Office provided a general revenue target of \$1,209.0 million
 - Current service adjustments of \$21.4 million
 - 5.0% reduction of \$1.0 million
- Constrained request only excluded requests for funding new initiatives

Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
 - Information technology, capital asset management & maintenance, & human resources
- Costs previously budgeted in DOA
 - 2018 Assembly included costs in user agency budgets
 - Final FY 2018 & FY 2019 budget

Centralized Services

General Revenues	FY 2019 Enacted	FY 2019 Revised	Chg. to Enacted	FY 2020	Chg. to Enacted
IT	\$115,905	\$126,618	\$10,713	\$126,618	\$10,713

Statewide Savings Initiatives

- Governor distributes statewide general revenue savings enacted for FY 2019 in the Department of Administration
 - Prompt Payment - \$0.4 million
 - Vendors voluntarily offer a discount if payments are received within an agreed upon date
 - Contracts - \$3.0 million
 - Effort to reduce costs of certain commodities
 - Food, maintenance, office equipment, telecommunications
 - Insurance - \$0.5 million
 - Reductions in policies for property & crime

Statewide Savings Initiatives

Initiative	FY 2019 Revised	FY 2020
Prompt Payment	\$(3,415)	\$(3,415)
Contract	(55,845)	(57,114)
Insurance	(21,166)	(21,178)
Total	\$(80,426)	\$(81,707)

- Non general revenue savings are not reflected

Staffing

Full-Time Positions	FTE	Chg. To Enacted
Enacted Authorization	321.1	-
FY 2019 Gov. Revised	323.1	2.0
FY 2020 Request	327.1	6.0
FY 2020 Governor	328.1	7.0
FY 2020 Funded FTE	316.8	(4.3)
Filled as of March 16	291.0	(30.1)
FY 2018 Average Filled	298.3	(22.8)

Staffing

FY 2020 Governor Recommendation		
	ELSEC	Statewide
Gross Salaries (in millions)	\$28.2	\$1,249.1
Turnover (in millions)	(0.9)	(42.9)
Turnover %	3.3%	3.4%
Turnover FTE	10.7	529.0
FY 2020 FTE recommended	328.1	15,413.1
Funded FTE	317.4	14,884.1
Filled as of March 16	291.0	14,123.6
Funded but not filled	26.4	760.5

FY 2019 Rev. General Revenue Changes

- Aid Programs:
 - Current Law Updates:
 - Charter schools: \$124,045 more
 - Group homes: \$119,000 more
 - 7 additional beds in Portsmouth & Exeter
 - School Resource Officer Aid: \$1.8 million savings
 - Underfunds current requests by \$16,702
 - Textbook reimbursement: \$151,424 savings
- Teacher retirement: \$635,098 more

FY 2020 Major General Revenue Changes

Item	Change to Enacted
Funding Formula (incl. Central Falls, Met & Davies)	\$29.8
School for the Deaf	0.2
Early Childhood/Universal Pre-K	9.3
Other Categorical Funds	0.8
Group Home Aid	(0.4)
Teacher Retirement	6.2
New & Ongoing Initiatives	0.8
Personnel	0.5
Total	\$47.2

\$ in millions

FY 2020 Education Aid

- Fully funds 9th year of funding formula
 - \$958.9 million including Central Falls and the Met
 - \$29.8 million more than enacted
- Uses March 2018 student enrollment data adjusted for FY 2020 projected charter school enrollments
 - Department will provide March enrollment data in April

FY 2020 Education Aid

- The 2018 Assembly required RIDE to report updated funding formula estimate based on October 1 enrollment to avoid major adjustments after the budget is submitted
 - Due December 1
 - RIDE reported to Budget Office
 - Excluding Central Falls & state schools, would require \$3.7 million more
 - Governor's budget does not include any additional funding based on this estimate
 - Recommendation is \$5.0 million less

Governor Adjustments to Aid

- The Governor's FY 2020 budget includes 2 adjustments to education aid
 - Impact of Municipal Finance error on FY 2019 data applied to FY 2020 aid
 - Net increase to districts of \$18,947
 - Impact varies significantly across districts
 - Impact of Article 15 proposal to shift education costs at the Training School/residential facilities from DCYF to locals
 - \$1.3 million reduction to 10 communities

FY 2020 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 6.3% to 94.9%

FY 2020 Education Aid

FY 2020	Not Eligible for FRPL	Eligible for FRPL
Core instruction amount	\$9,871	\$9,871
40% weight	-	3,948
Per student amount	\$9,871	\$13,819

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

FY 2020 Education Aid

- Charter & state schools subject to formula
 - State share ratio = that of sending district
 - Local share = local per pupil funding adjusted for the greater of 7% or districts unique costs
 - Currently 24 charter schools/2 state schools
 - Combined, 8.4% of total enrollment
 - Impacts to districts are different

Central Falls

- Funded pursuant to funding formula
 - Was fully state supported prior to FY 2012
- \$41.1 million for FY 2020
 - \$0.3 million more than enacted
 - Includes \$8.4 million stabilization funding
- Enrollment continues to decline
 - 3,500 students In FY 2008
 - 2,490 students in FY 2018
 - Primarily due to the growth of charter schools

Metropolitan Career & Technical School

- Funded pursuant to funding formula
 - Local share of funding from districts that send students to the school
- \$9.3 million for FY 2020
 - Consistent with enacted
 - Includes \$1.9 million from stabilization funding
- Fully state supported prior to FY 2012
 - Similar to Central Falls w/ lump sum allocation
- Loss of \$0.5 million from funding formula shifted to stabilization fund

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
- Fully state supported prior to FY 2012
- Loss of \$0.6 million from funding formula shifted to stabilization fund

Davies Career & Technical School

	FY 2019 Enacted	FY 2019 Gov. Rev.	FY 2020 Governor	FY 2020 Gov. to Enacted
General Revenues	\$13.7	\$13.7	\$13.7	\$0.0
Federal Funds	1.3	1.7	1.4	0.1
Restricted Receipts	3.9	4.0	3.8	(0.1)
Other Funds	-	0.1	0.1	0.1
Total (in millions)	\$18.9	\$19.4	\$19.0	\$0.1
FTEs	126.0	126.0	126.0	-

- Staff are state employees

Categorical Funds

- State funding outside the base formula & subject to appropriation:
 - High-cost special education students
 - Career & technical programs
 - Early childhood education programs
 - Transportation (Regional & Non-Public)
 - English language learners
 - School Resource Officers (3 years only)
- Designed to fill gaps not resolved by formula

Categorical Funds

- Categorical funding was anticipated to grow over 10 years
 - Level funded in Gov out-year projections
- Teacher retirement and school construction aid do not go through formula
 - Teacher retirement: state pays equal share (40%) for every district's teacher retirement costs regardless of base salary
 - Housing aid reimbursements determined by separate formula

FY 2020 Categorical Funds

Categorical Funds	FY 2020 Governor	Change to Enacted
English Language Learners	\$5,000,000	\$ 2,255,061
School of Choice Density	-	(478,350)
High Cost Special Ed	4,500,000	-
Career & Technical	4,500,000	-
School Resource Officers	1,000,000	(1,000,000)
Transportation	7,411,360	-
Early Childhood	15,553,081	8,193,081
Total	\$37,964,441	\$8,969,792

English Language Learners

- \$5.0 million; \$2.3 million more than enacted
- Funding for evidence-based programs proven to increase outcomes
 - Monitored by RIDE
 - Based on criteria determined by Commissioner
 - Wide discretion
- 2017 Assembly made category permanent
 - Previously enacted for FY 2017 only

English Language Learners

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

Example:

Calculation

<u>10% of Core Instruction amount</u>	<u>10% x \$9,871</u>
	\$987
<u>x Number of Eligible Students</u>	<u>29</u>
	\$28,623
<u>x State Share Ratio</u>	<u>64.8%</u>
	<u>\$18,548</u>

High Cost Special Education

- \$4.5 million; same as enacted level
- Excess costs related to high-cost special education students
 - Prorated to appropriation, based on costs
 - \$15.9 million of expenses; \$11.4 million more than recommended aid
- 2017 Assembly required data collection on costs exceeding 2X & 3X per pupil amount
 - \$69.2 million of expenses under 2x
 - \$44.9 million of expenses under 3x

Career & Tech Education

- \$4.5 million
 - Same as enacted level
 - Help transform existing programs or create new programs; offset costs associated with facilities, equipment maintenance, repairs, and supplies
 - Based on applications from public and state schools

Transportation

- Regional Transportation \$4.4 million
 - Same as enacted level
 - Funding to mitigate excess costs of transporting pupils to within regional districts
- Non-Public Transportation \$3.0 million
 - Same as enacted
 - Mitigates excess costs of transporting pupils to out-of-district public schools

Early Childhood

	General Revenues	Permanent School Funds	Total Aid Category	Expiring Fed. Funds
Enacted	\$6.2	1.1	\$7.4	\$5.6
FY 2020	\$15.6	-	\$15.6	\$1.3
Chg to Enacted	\$9.3	(1.1)	\$8.2	\$(4.2)

- Used to support prekindergarten classrooms in low-income areas
 - Would support Governor's universal pre-k, Article 10
- Sites selected through a request for proposals process

Article 10

- Articles 10 establishes voluntary universal pre-k
 - Program to expand until it serves demand
 - Every 4-year-old for whom one is sought
 - Hearing held on March 6
- 60 classrooms and 1,080 children served in each FY 2018 & FY 2019
 - 18 children per classroom in 11 communities
 - Funding would support 260 new seats & 10 new classrooms
 - Would upgrade another 280 existing seats to “high quality”

Article 10

- Governor's out-year estimates level fund the program at \$15.6 million
- January 16 news report suggests future program cost of approx. \$47 million
 - Estimate provided by Governor's staff
 - Assumes use of federal funding
- Governor's plan expands to 7,000 slots
Appears to cost \$10,000 per student
 - Could cost \$70 million without other sources
 - Not in out year budget estimates

Group Home Aid

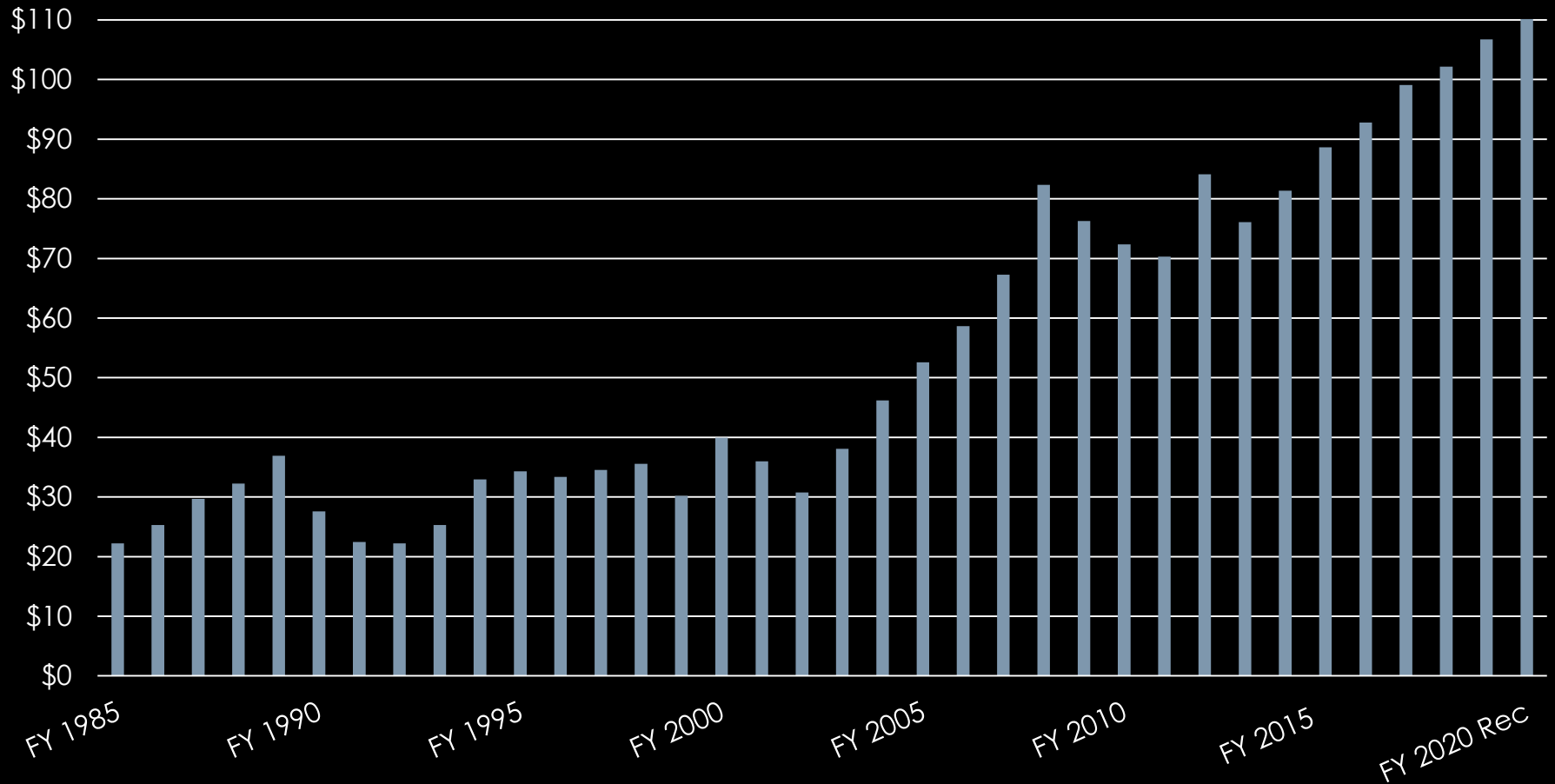
- FY 2019 Revised
 - \$119,000 more for 7 additional beds
- FY 2020 Budget
 - \$3.2 million, \$0.4 million less than enacted
 - Based on 324 beds
- Group Home aid based on number of beds open as of December 31
 - Gov Rec uses preliminary data
 - DCYF submitted report on February 19
 - Adds 7 beds & would require \$35,080 more

Teacher Retirement

- \$112.3 million for FY 2020
 - \$6.2 million more than enacted
- State pays 40% share of employer contribution
 - Employers pay difference between teachers' share and amount needed to support system
 - Participation by charter schools vary – mayoral academies are exempt
- Teachers contribute 8.75% of salary statutorily

Teacher Retirement

Teacher Retirement (in millions)



School Housing Aid Overview

- State reimburses cities and towns for a share of projects
 - Includes principal and interest
- State shares based on district's wealth compared to aggregate state wealth
 - Minimum state share is 35%
 - 20 communities for FY 2019
 - Charter schools are at 30%
- Reimbursed starting the fiscal year after completion of project

School Housing Aid

	Traditional School Housing Aid	SBA Capital Fund	Total
FY 2016	\$70.9	\$20.0	\$90.9
FY 2017	\$69.0	\$11.0	\$80.0
FY 2018	\$69.1	\$10.9	\$80.0
FY 2019 Enacted	\$69.4	\$10.6	\$80.0
FY 2019 Gov. Rev	\$65.3	\$14.7	\$80.0
FY 2020 Gov. Rec.	\$79.0	\$1.0	\$80.0
Change to Enacted	\$9.5	\$(9.5)	\$ -

\$ in millions

School Housing Aid

- Voters approved \$250 million GO bond for school construction in Nov. 2018
 - Unlocked new, temporary incentives to increase state share ratio up to 20%
 - Out-year estimates do not assume any impacts of this change
- For FY 2019 & FY 2020 the difference between the annual appropriation & actual aid must be used for technical assistance to districts
 - \$4.1 million in FY 2019

School Housing Aid

- Bond funding used for up front aid
 - Projects approved through November 2020
 - 2021 approvals subject to available funding
 - Projects approved between May 1, 2015 & January 1, 2019 that are not completed or already bonded through RIHEBC
- 15% of the state share is offered up-front for eligible projects
 - Districts enter MOU with SBA
 - Funding provided on approved invoices
 - Have 2 years to spend

School Housing Aid

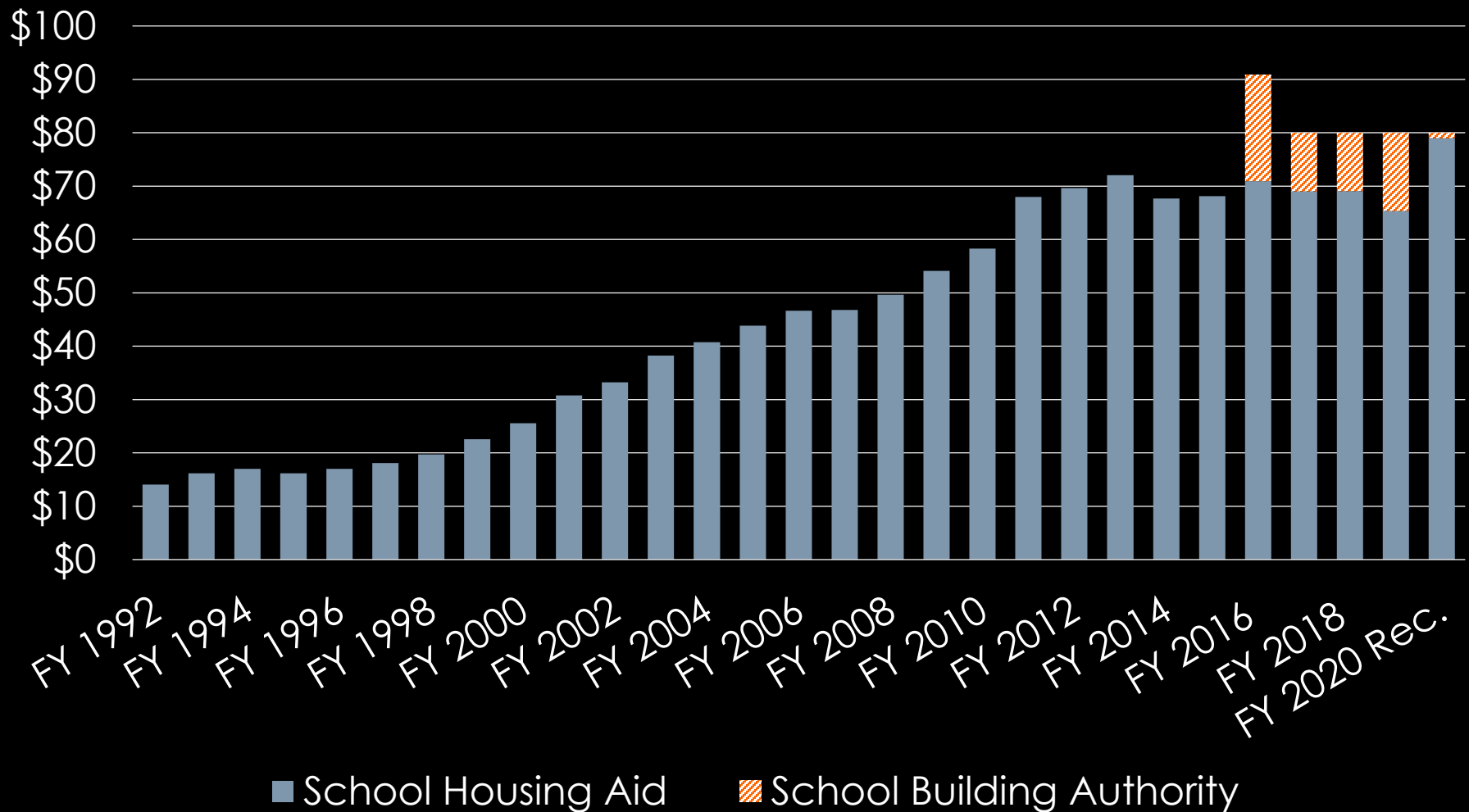
As of January 2019	Remaining Project Costs	State Share	15% of State Share
Existing Approvals	\$538.5	\$357.5	\$53.5
Projected FY 2019 Approvals	906.5	857.6	128.3
Projected FY 2020 Approvals	782.0	455.5	68.2
Total	\$2,227.0	\$1,670.5	\$250.0

\$ in millions

Out-year estimates fund program at \$80 million annually, projections up to \$140 million by FY 2027

School Housing Aid

Historical Expenditures (in millions)



Education Telecommunications Access Fund (E-Rate)

- Provides 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)

	Enacted	FY 2019 Rev.	FY 2020 Governor	Chg. To Enacted
General Revenues	\$0.4	\$0.4	\$0.4	\$(0.0)
Restricted Receipts	1.2	1.0	1.0	(0.2)
Total	\$1.6	\$1.4	\$1.4	\$(0.2)

\$ in millions

New Initiatives - Student Mental Health

- Governor recommends \$590,000 from general revenues for a new student mental health initiative
 - Would support mental & behavioral health training, curricula, and other materials
- Department also awarded a \$9.0 million, 5-year grant for mental health & academic achievement
 - Includes \$1.4 million for FY 2019 & \$1.8 million for FY 2020
 - 1.0 new FTE

Mandatory School Meal Programs

- 2000 Assembly established mandatory, universal school breakfast
 - Requirement previously limited to districts based on specific poverty guidelines
 - Assembly has provided annual funding for administrative costs
 - Since FY 2012, has been \$270,000 each year
 - Funding is prorated to districts based on the number of meals served

Mandatory School Meal Programs

- Article 15 – heard March 6
 - Requires schools with 70% + students eligible for free/reduced meals to offer school breakfast after instructional day has officially begun
 - Requires schools eligible for Community Eligibility Provision to participate
 - School provides free lunch to all students
 - Fed reimbursement based on formula rather than per meal
- Governor includes \$55,000 from general revenues for implementation
 - In addition to \$270,000 included in enacted budget for school breakfast admin

Ongoing Initiatives

FY 2020 Governor	General Revenues	Federal Funds	Other Funds
PSAT/SAT	\$500,000	\$133,600	\$-
Recovery High School	500,000	-	-
Principal Empowerment & Training	500,000	-	-
Computer Science for RI	260,000	-	-
Advanced Coursework Network	150,000	-	500,000
Curriculum Development	200,000	-	-
Total	\$2,110,000	\$133,600	\$500,000

Ongoing Initiatives- CS4RI

- The FY 2020 budget includes \$260,000 for Computer Science for RI
 - \$50,000 more from GR than enacted
- FY 2018 funding transferred to RIC
 - Office of Innovation ran CS4RI initiative
 - Funded courses schools could incorporate into curriculum & annual summit
- Beginning in FY 2019, funds remain at RIDE to provide students with post-secondary credentials

Ongoing Initiatives- Advanced Coursework Network

- The FY 2020 budget includes \$650,000 for Advanced Coursework Network
 - \$50,000 more from GR than enacted
 - One-time increase of \$200,000 from permanent school funds
- Allows students to take courses on-line or in-person from other districts, non-profits & postsecondary institutions
 - 47 districts and schools participating
 - Covers costs including tuition, fees, exams and textbooks

Ongoing Initiatives - Curriculum Development

- Enacted budget includes \$100,000 for high quality early learning curriculum
 - \$50,000 - materials & coaching
 - \$50,000 - develop & implement
- Governor adds \$100,000 for curriculum development
 - Help districts evaluate & select curricula
 - Address specific needs of students with disabilities

Federal Funds

	Pass-thru to Locals	Departme nt Grants	Contracts	Personnel & Other	Total
Title I	\$55.6	\$ -	\$0.2	\$1.0	\$56.8
School Lunch	\$30.8	0.9	-	0.1	\$31.8
Other Nutrition	\$14.3	10.3	0.7	0.8	\$26.0
Special Ed	\$42.0	0.1	4.2	2.4	\$48.8
Vocational & Adult Ed	\$4.7	2.3	0.0	1.7	\$8.8
Teacher Quality	\$9.8	-	-	0.6	\$10.4
ESSA	\$5.5	-	-	0.0	\$5.5
All Other	\$5.7	7.6	7.6	2.6	\$23.6
Total	\$168.3	\$21.3	\$12.7	\$9.3	\$211.6

\$ in millions

School Climate Transformation Grant

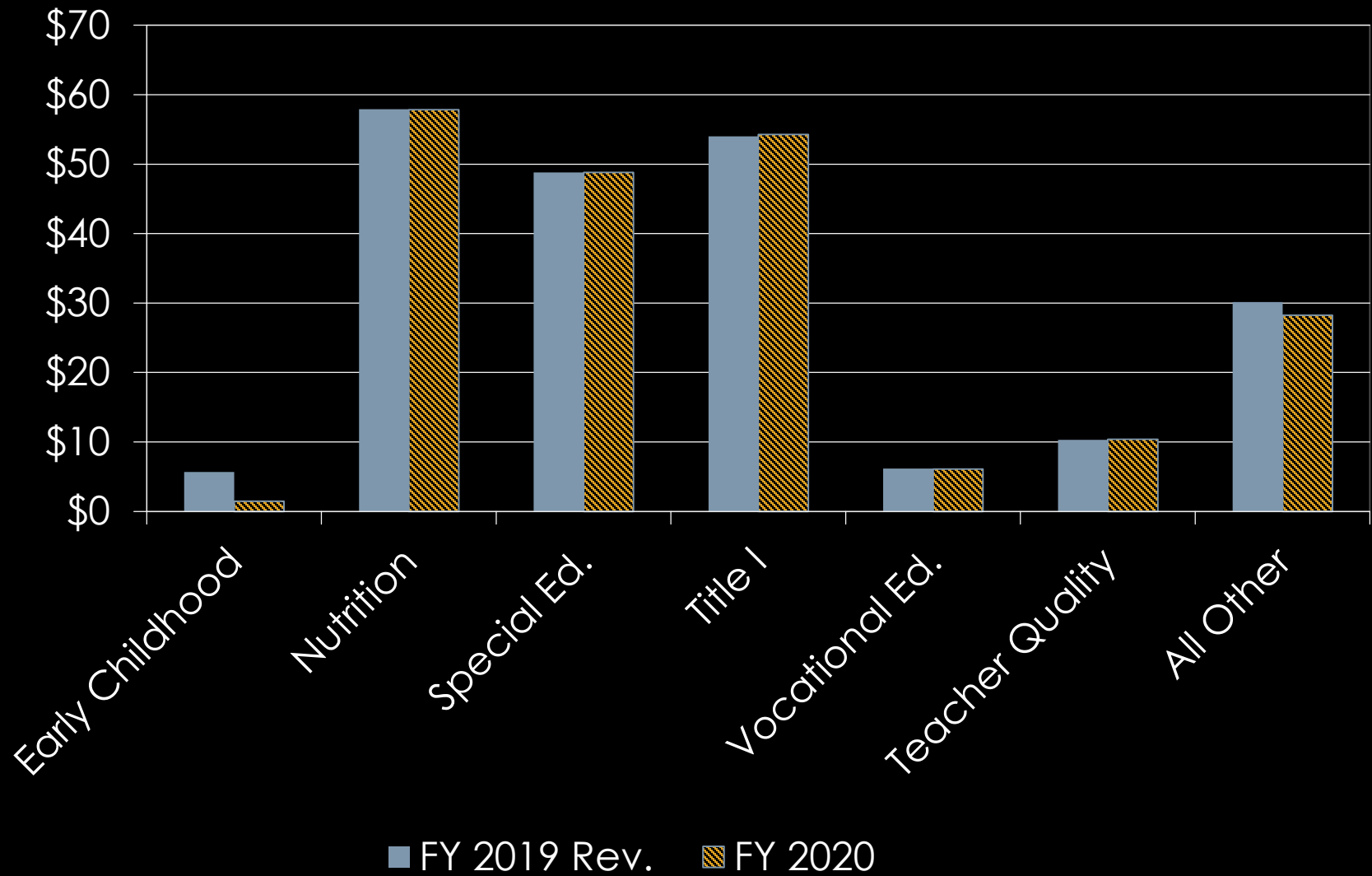
- Awarded a 5-year, \$2.5 million federal grant to address school climate
 - Student social, emotional & behavioral needs
- Includes \$0.5 million for FY 2019 and \$0.6 million for FY 2020
 - 1.0 new FTE

Adult Education

	FY 2019 Enacted	FY 2019 Gov. Rec.	FY 2020 Governor	Gov. Chg. To Enacted
Grants	\$7.2	\$7.5	\$7.5	\$0.3
Operating	1.1	0.9	1.0	(0.1)
Total	\$8.3	\$8.5	\$8.5	\$0.2
General Revenues	\$2.3	\$2.3	\$2.3	\$(0.0)
Federal Funds	2.4	2.7	2.7	0.2
Gov Workforce Board Funds	3.5	3.5	3.5	-
Total	\$8.3	\$8.5	\$8.5	\$0.2
FTE	3.0	3.0	3.0	-

\$ in millions

Federal Grants - In Millions



Administrative Personnel

- \$20.7 million for FY 2020 for 142.1 FTEs
 - \$1.3 million more than enacted; \$0.5 million more from general revenues
 - Adds 7.0 FTEs: Early Education, School Construction, & support new federal grants
 - Enacted budget transferred school construction staff to receipts from RIHEBC
 - \$0.9 million for FY 2020, \$0.3 million more than enacted
- FY 2019 revised rec. is \$28,556 more than enacted from all sources

Administrative Personnel

New Positions	FY 2019	FY 2020	Funding Source
Early Education/ Universal PreK Initiative	-	4.0	General Revenues
School Construction	-	1.0	RIHEBC
Mental Health Grant Admin	1.0	1.0	Federal Funds
School Climate Grant Admin	1.0	1.0	Federal Funds
Total	2.0	7.0	

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 2019 Enacted	FY 2019 Gov. Rev.	FY 2020 Governor	Gov. Chg. To Enacted
General Revenues	\$6.5	\$6.6	\$6.7	\$0.2
Federal Funds	0.6	0.5	0.5	(0.0)
Restricted Receipts	0.8	0.8	0.8	-
Other Funds	0.1	0.1	0.1	-
Total	\$8.0	\$7.9	\$8.2	\$0.2
FTEs	60.0	60.0	60.0	-

\$ in millions

- Currently 84 students
 - 79 from Rhode Island
 - 5 from out of state – tuition charged

Other

- Hasbro Children's Hospital
 - \$90,000 to support hospital school
 - Consistent with enacted budget
- Child Opportunity Zones (COZ)
 - Strengthen education, health and social services for students and their families as a strategy to accelerate student achievement
 - \$345,000; consistent with enacted budget
- Formerly community service grants

Capital Projects

Project	Total Cost	Start Date	End Date	Source
Davies Manufacturing	\$3.7	FY 2018	FY 2019	RICAP
Davies HVAC	5.1	FY 2006	FY 2021	RICAP
Davies Asset Protection	2.8	Perpetual		RICAP
Met Asset Protection	2.3	Perpetual		RICAP
RISD Asset Protection	0.3	Perpetual		RICAP
LEA Technology	19.8	FY 2013	FY 2019	COPS
School Construction Bond	250.0	FY 2020	FY 2023	GO
2 nd School Construction Bond	250.0	FY 2024	Post FY 2024	GO
Total	\$534.0			

(\$ In millions)

Capital Projects

- Capital budget assumes an additional \$250.0 million of general obligation bonds be submitted to voters in 2022
 - Supports school construction and renovation projects
 - \$50.0 million assumed for FY 2024
 - Remaining programmed in post-FY 2024
 - FY 2019 budget submission did not assume a 2nd ballot measure

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
- Department is required to submit 5 reports

Annual Reporting Requirements

Report	Date	Submitted/filed
Contingency Liabilities	Quarterly	Yes
Pending Litigation Report	Quarterly	Yes
State of Education	March 31	Yes
Career & Technical Education	Annually	Yes
Unified Approach to State Education Study	Once; July 1, 2017	Yes

Elementary and Secondary Education

FY 2019 Revised, FY 2020
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