Elementary and Secondary Education

FY 2013 Revised and FY 2014 Operating and Capital Budgets
Staff Presentation
March 26, 2013
## Summary By Program

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>Enacted</th>
<th>FY 2013 Gov. Rev.</th>
<th>FY 2014 Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aid Programs</td>
<td>$937.2</td>
<td>$938.0</td>
<td>$967.3</td>
</tr>
<tr>
<td>Operations</td>
<td>254.1</td>
<td>263.1</td>
<td>251.9</td>
</tr>
<tr>
<td>School for the Deaf</td>
<td>7.0</td>
<td>7.0</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,198.2</td>
<td>$1,208.1</td>
<td>$1,226.0</td>
</tr>
</tbody>
</table>
# Summary By Program

<table>
<thead>
<tr>
<th>Change to Enacted (In millions)</th>
<th>FY 2013 Gov. Rev.</th>
<th>FY 2014 Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aid Programs</td>
<td>$0.9</td>
<td>$30.1</td>
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<tr>
<td>Operations</td>
<td>9.1</td>
<td>(2.2)</td>
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<tr>
<td>School for the Deaf</td>
<td>-</td>
<td>(0.2)</td>
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<tr>
<td>Total</td>
<td>$9.9</td>
<td>$27.7</td>
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</table>
## Summary By Fund Source

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>Enacted</th>
<th>FY 2013 Gov. Rev.</th>
<th>FY 2014 Governor</th>
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<tbody>
<tr>
<td>General Revenues</td>
<td>$935.4</td>
<td>$930.2</td>
<td>$964.6</td>
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<tr>
<td>Federal</td>
<td>230.8</td>
<td>238.0</td>
<td>225.7</td>
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<tr>
<td>Restricted Receipts</td>
<td>25.6</td>
<td>26.6</td>
<td>27.7</td>
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<tr>
<td>Other Funds</td>
<td>6.5</td>
<td>13.3</td>
<td>7.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,198.2</strong></td>
<td><strong>$1,208.1</strong></td>
<td><strong>$1,226.0</strong></td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Change to enacted (In millions)</th>
<th>FY 2013 Gov. Rev.</th>
<th>FY 2014 Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues</td>
<td>($5.2)</td>
<td>$29.3</td>
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<tr>
<td>Federal</td>
<td>7.2</td>
<td>(5.0)</td>
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<tr>
<td>Restricted Receipts</td>
<td>0.9</td>
<td>2.0</td>
</tr>
<tr>
<td>Other Funds</td>
<td>6.9</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9.9</strong></td>
<td><strong>$27.7</strong></td>
</tr>
</tbody>
</table>
FY 2014 Department by Program

- Education Aid: 61%
- School Construction: 6%
- Deaf: 1%
- Teacher Retirement: 7%
- Administration: 20%
- Central Falls: 3%
- Davies: 1%
- Met School: 1%
FY 2014 Department by Source

- Federal Funds: 18%
- Restricted Receipts: 2%
- Other: 1%
- General Revenues: 79%
Target Budget

• Budget Office provided a general revenue target of $966.4 million
  • Current service adjustments of $32.8 million
  • 7% reduction of $1.8 million
• Request is $0.2 million above target
FY 2013 Revised Major Changes – Aid Programs

Current Law Requirements

- Housing Aid
  - ($2.5 million)
- Teacher Retirement
  - ($2.9 million)
- Group Home Aid
  - $60,000
- Education Aid Data Update – Charter Schools
  - $6,367
FY 2014 Education Aid

• Funds third year of funding formula
• Uses June 30, 2012 student enrollment data adjusted for FY 2014 projected charter school enrollments
• Assumes 3 new charter schools for 2013-2014 school year – received pre-approval
  • Final approval in June or July
• Department will provide March enrollment data in April
## FY 2014 Major Changes – Aid Programs

<table>
<thead>
<tr>
<th>Categorical Fund</th>
<th>FY 2014 Governor</th>
<th>Change to Enacted</th>
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</thead>
<tbody>
<tr>
<td>High Cost Special Education</td>
<td>$1,000,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Career and Technical</td>
<td>$3,500,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Early Childhood</td>
<td>$2,450,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$3,263,520</td>
<td>$1,087,840</td>
</tr>
<tr>
<td>Regionalization Bonus</td>
<td>$-</td>
<td>$(412,951)</td>
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</table>
FY 2014 Major Changes – Aid Programs

- Teacher Retirement - $82.5 million
  - $4.3 million more based on FY 2014 planning values and payroll growth assumptions
  - Removes $1.5 million for one time supplemental payment

- Housing Aid - $71.1 million
  - $3.4 million less based on districts’ estimations of when projects will be completed
  - 2011 Assembly instituted a 3-year moratorium on new approvals through July 1, 2014 – report due from Department
FY 2014 Major Changes – Aid Programs

• Group Home Aid - $7.1 million
  • $1.1 million less than enacted based on current law requirements to fund beds open as of December 31

• Permanent School Fund - $0.3 million
  • From duties paid to state by auctioneers
  • Adds $0.1 million to support reform efforts for persistently lowest achieving districts
    • Department had requested $0.5 million for FY 2013 and $1.3 million for FY 2014 based on total fund balance
Salaries and Benefits

- $21.1 million - excluding state schools
  - $1.2 million less than enacted including $0.6 million more from general revenues
  - Reflects delay in hiring Race to the Top Early Childhood grant positions
  - Assumes $0.7 million in turnover savings
    - Equivalent to 5.6 FTEs
## Salaries and Benefits

### Full-Time Equivalent Positions

<table>
<thead>
<tr>
<th></th>
<th>FTEs</th>
<th>Chg. To Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time Positions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enacted Authorized</td>
<td>355.4</td>
<td>-</td>
</tr>
<tr>
<td>FY 2014 Request</td>
<td>357.4</td>
<td>2.0</td>
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<tr>
<td>FY 2014 Governor</td>
<td>357.4</td>
<td>2.0</td>
</tr>
<tr>
<td>FY 2012 Average Filled</td>
<td>314.1</td>
<td>(41.3)</td>
</tr>
<tr>
<td>Filled as of March 23</td>
<td>328.0</td>
<td>(27.4)</td>
</tr>
</tbody>
</table>
New Positions

- 2.0 new positions for FY 2013 and FY 2014
  - Work on municipal oversight initiatives associated with legislation passed by 2012 Assembly
- Responsible for:
  - Review and analysis of school district financial data
  - Identify LEAs at risk of year-end or structural deficit
  - Monitor for compliance with approved budget model and best practices in school finance
- Funded through turnover savings elsewhere in Dept. – request was for $0.3 million from GR
Education Telecommunications Access Fund

- $400,000 from general revenues for FY 2013 and FY 2014
  - Request was for $400,000 for FY 2013 and $700,000 for FY 2014
- Fund designed to provide financial assistance for qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet
- Enacted budget excluded general revenues because of incorrect information that principal payment on $20.0 million IT bond could be used as state match
# Education Telecommunications Access Fund

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider Contracts (Bandwidth)</td>
<td>$1,146,709</td>
<td>$971,453</td>
<td>$1,045,543</td>
<td>$3,163,705</td>
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<tr>
<td>Salaries and Benefits</td>
<td>66,106</td>
<td>85,586</td>
<td>86,884</td>
<td>283,576</td>
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<tr>
<td>One-time Expenses</td>
<td>31,500</td>
<td>-</td>
<td>17,545</td>
<td>49,045</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td>$1,244,315</td>
<td>$1,057,039</td>
<td>$1,149,973</td>
<td>$3,451,326</td>
</tr>
<tr>
<td>Revenues</td>
<td>$1,218,920</td>
<td>$1,159,636</td>
<td>$1,189,711</td>
<td>$3,568,267</td>
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<tr>
<td><strong>Difference</strong></td>
<td>($25,394)</td>
<td>$102,597</td>
<td>$39,738</td>
<td>$116,940</td>
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</tbody>
</table>
Vision Services

• Request enacted level of $745,000 for teaching and consultation services to blind or visually impaired children, families and educational staff

• Districts currently pay 1/3 of hourly costs, state pays 1/3 and 1/3 is federal

• Governor recommends shifting all expenses to districts over a 3-year period
  • Savings of $0.2 million for FY 2014
## Adult Education

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>General Revenues</th>
<th>HRIC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012 Spent</td>
<td>$1.9</td>
<td>$3.5</td>
<td>$5.4</td>
</tr>
<tr>
<td>FY 2013 Enacted</td>
<td>$2.0</td>
<td>$3.5</td>
<td>$5.5</td>
</tr>
<tr>
<td>FY 2014 Request</td>
<td>$2.3</td>
<td>$3.8</td>
<td>$6.1</td>
</tr>
<tr>
<td>FY 2014 Target Request</td>
<td>$2.0</td>
<td>$3.8</td>
<td>$5.8</td>
</tr>
<tr>
<td>FY 2014 Governor</td>
<td>$2.0</td>
<td>$3.8</td>
<td>$5.8</td>
</tr>
<tr>
<td>Change to Enacted</td>
<td>-</td>
<td>$0.3</td>
<td>$0.3</td>
</tr>
</tbody>
</table>
Adult Education

- 25% GED or pre-GED preparation
  - Roughly 1,500 students a year
- 50% ESL
  - Roughly 3,000 students a year
- 25% for low level literacy
  - Between 1\textsuperscript{st} and 5\textsuperscript{th} grade equivalent
  - Roughly 1,500 students a year
Transition Grant to Channel 36

- 2012 Assembly provided state support to RI Public Telecommunications Authority through July 1, 2013
  - Article 18 heard on February 26
- Governor provides $0.4 million in GR support for public television for FY 2014
- Funding intended to be first of 2-year plan to assist in transition from a state agency to control of the RI PBS Foundation
Community Service Grants

• Enacted level of $0.8 million for 15 grants
  • COZs
  • United Way Summer Program
  • Hasbro Children’s Hospital
  • Year Up
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
  - $30.0 million for FY 2013
  - $25.8 million for FY 2014
- Building state and local capacity
- Data collection and analysis
- Principal leadership
- Educator effectiveness
Race to the Top

- 50% of grant will go to districts
- 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
Race to the Top- Early Learning Challenge

- $50.0 million over 4 years and 13 FTEs
- 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
Federal Grants – In Millions

- Race to the Top
- RTTT - Early Learning
- Education Jobs Fund
- Nutrition
- Special Education
- Title I
- Vocational Education
- Teacher Quality
- All Other

FY 2013 Rev.  FY 2014
Federal Grants - Sequestration

- $3.6 million cut to Title 1
  - 50 jobs and 4,448 fewer students served
- $3.5 million cut to Special Education
  - 40 jobs and 145 fewer infants and children served
- $0.4 million cut to career and tech education
  - 2,006 fewer students served
- $0.9 million cut in professional development funds
  - 1,000 teachers impacted
Federal Grants - Sequestration

- Race to the Top grant not impacted
- Some districts already providing layoff notices to up to 25% of federally funded employees
  - March 1 deadline for notification of nonrenewal of contracts
- Department could experience some staff reductions for FY 2014 but has not estimated how many
School for the Deaf

• Purpose: furnish the state’s deaf children a system of free appropriate public education

• 71 students
  • 68 from Rhode Island
  • 3 from out of state – tuition charged
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
  - Approved by 2009 Assembly
## School for the Deaf

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>FY 2013 Enacted</th>
<th>FY 2013 Gov. Rev.</th>
<th>FY 2014 Request</th>
<th>FY 2014 Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues</td>
<td>$6.2</td>
<td>$6.2</td>
<td>$6.4</td>
<td>$6.1</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>0.3</td>
<td>0.5</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Restricted Receipts</td>
<td>0.5</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7.0</strong></td>
<td><strong>$7.0</strong></td>
<td><strong>$7.1</strong></td>
<td><strong>$6.8</strong></td>
</tr>
<tr>
<td>FTEs</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
</tbody>
</table>

Debt service on $30 million new school construction shown in DOA’s budget- $2.5 million annually
School for the Deaf

- 2011 Assembly enacted legislation that authorizes School for the Deaf to rent or lease space in building
  - Any rental agreement must receive approval from school’s Board of Trustees and the state properties committee
- FY 2012 budget assumed $90,000 in restricted receipt rental income and reduced general revenue expenditures by $67,500
- FY 2013 budget removed rental income as School is not renting space – did not restore general revenues
Davies Career & Technical School

- Four-year high school - students apply
- 841 students as of October 2012
- Serves Central Falls, Lincoln, N. Providence, Pawtucket, Smithfield and Providence
Davies Career & Technical School

- Pawtucket: 57%
- Central Falls: 21%
- Providence: 8%
- Smithfield: 1%
- North Providence: 8%
- Lincoln: 5%
- All Other: 0%
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
Davies Career & Technical School

- The Governor recommends $16.8 million for operations, excluding capital
  - $12.7 million from general revenues
    - $0.7 million less than enacted
  - $1.5 million from federal funds
  - $2.2 million in tuition payments from local districts
  - $0.3 million from other restricted sources
  - 126.0 FTEs
Central Falls

- Funded pursuant to funding formula
  - State aid determined by funding formula calculation
  - Formula requires city to contribute; however, budget assumes that no local contribution will be made
- Had been fully state supported prior to FY 2012
- $38.2 million for FY 2014
  - $1.5 million less than enacted
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

• $11.1 million for FY 2014
  • $0.6 million less than enacted
# Career & Tech - RICF

<table>
<thead>
<tr>
<th>Project</th>
<th>Total Cost (In millions)</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cranston</td>
<td>$3.3</td>
<td>FY 2010</td>
<td>FY 2015</td>
</tr>
<tr>
<td>East Providence</td>
<td>$1.1</td>
<td>FY 2011</td>
<td>FY 2014</td>
</tr>
<tr>
<td>Warwick</td>
<td>$1.7</td>
<td>FY 2013</td>
<td>FY 2015</td>
</tr>
<tr>
<td>Woonsocket</td>
<td>$3.2</td>
<td>FY 2013</td>
<td>FY 2015</td>
</tr>
<tr>
<td>Newport</td>
<td>$1.2</td>
<td>FY 2011</td>
<td>FY 2013</td>
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</table>
## Davies - RICF

<table>
<thead>
<tr>
<th>Project</th>
<th>Total Cost (In millions)</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davies Roof</td>
<td>$3.0</td>
<td>FY 2013</td>
</tr>
<tr>
<td>Davies HVAC</td>
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<td>FY 2016</td>
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<tr>
<td>Davies Asset Protection</td>
<td>$2.8</td>
<td>Perpetual</td>
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</table>
## Met School- RICF

<table>
<thead>
<tr>
<th>Project</th>
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<th>End Date</th>
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<tbody>
<tr>
<td>East Bay Campus</td>
<td>$8.8</td>
<td>FY 2014</td>
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<tr>
<td>HVAC</td>
<td>$2.5</td>
<td>FY 2015</td>
</tr>
<tr>
<td>Met Asset Protection</td>
<td>$0.7</td>
<td>Perpetual</td>
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### Ongoing COPS Projects

<table>
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<tr>
<th>Project</th>
<th>Total Cost (In millions)</th>
<th>End Date</th>
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</thead>
<tbody>
<tr>
<td>LEA Technology Infrastructure</td>
<td>$20.0</td>
<td>FY 2015</td>
</tr>
<tr>
<td>Comprehensive Education Information System</td>
<td>$3.0</td>
<td>FY 2016</td>
</tr>
<tr>
<td>New School for the Deaf</td>
<td>$30.0</td>
<td>FY 2013</td>
</tr>
</tbody>
</table>
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