

Education Aid

The Education Adequacy Act (2010-S-2770, Substitute A as Amended) provided a new school funding formula that creates a single methodology for distributing state aid to all public schools. The core principle behind the formula is that state funding should follow the student; therefore, the distribution of state funds changes annually based on shifts in enrollment. This formula applies to all public schools, charter schools, the Davies Career and Technical School, and the Metropolitan Career and Technical Center. The Act does not change the funding methodology for the School for the Deaf, since it is an education program that already has a state, federal and local share.

Beginning in FY2012, the formula established a per-pupil spending amount and allocated this funding based on student enrollment, adjusting for poverty (as measured by the number of families whose income is below 185.0 percent of the federal poverty guidelines). The formula also adjusts for local revenue generating capacity and overall poverty level, as well as the concentration of children living in poverty.

The Act includes a multi-year transition plan to ease districts into the new formula, allowing time for school districts and municipal governments to adjust for gains or losses in education aid. The plan provides a transition period of ten years from the formula implementation in FY2012 for those districts projected to receive less school aid than they did in the previous year, and seven years for those districts projected to receive more. FY2021 is the final year of the transition plan.

In FY2021, the formula aid to the districts, charter schools, and state schools increases by \$31.0 million, categorical aid increases by \$3.9 million, and group home aid decreases by \$183,171. FY2021 represents the tenth year of the transition period; consequently, the Budget assumes the formula is fully phased in for all districts.

HOW THE FORMULA WORKS

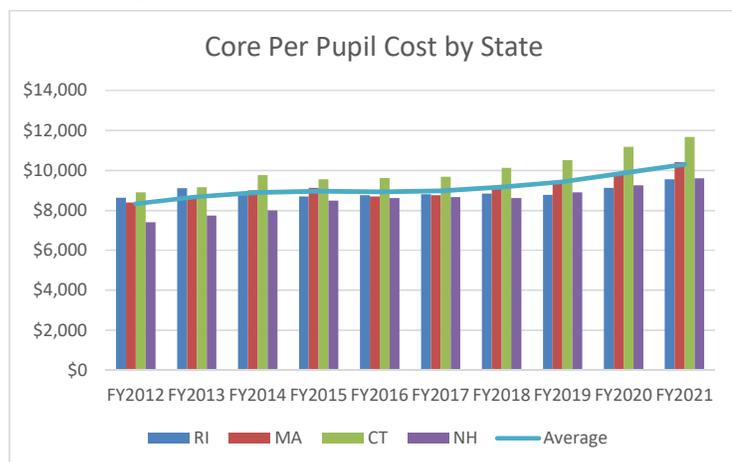
Step 1 - Student Enrollment: Student enrollment is based on resident average daily membership (RADM), which refers to the average number of students who are residents of the community and were enrolled in the school district during the prior school year. The Budget is based on enrollment data as of March 2019 with projected charter school enrollments and will be updated based on the March 2020 data.

Step 2 - Core Instruction Amount: The core instruction amount provides a base level of funding per pupil (\$10,310 in FY2021, a 4.4 percent increase from the FY2020 Budget as Enacted). It is derived from the average of northeast regional expenditure data from Rhode Island, Massachusetts, Connecticut and New Hampshire, as published by the National Center for Education Statistics (NCES).

Step 3 - High Need Student Weight (40.0 percent): The Act includes a single factor to adjust the core instruction amount to

address the effects of poverty and other factors influencing educational need. The student success factor, also referred to as the high need student weight, increases the core instruction amount by 40.0 percent, or \$4,124 based on the FY2021 core instruction amount of \$10,310 ($\$10,310 \times 0.40 = \$4,124$), for each student whose family income is at or below one hundred eighty-five percent (185%) of federal poverty guidelines.

Step 4 - Total Foundation Budget: The total foundation budget for each school district is calculated by adding the product of the total core instruction amount and the total student success factor weight.



$$\text{Total Foundation Budget} = (\$10,310 \times \text{RADM}) + (0.40 \times \$10,310 \times \text{students in poverty})$$

Step 5 - State Share Ratio: The Education Adequacy Act creates a new share ratio by adding a wealth measure, based on the concentration of children living in poverty, to the single equalized weighted assessed valuation (EWAV) previously used to determine a district’s ability to pay for the cost of education. The total foundation budget equals the student enrollment and the high-need student weight of the district multiplied by the core instruction amount. The State’s share of the total foundation budget is the state share ratio calculated as follows:

$$\text{State Share Ratio (SSR)} = \sqrt{\frac{SSRC^2 + \%PK - 6poverty^2}{2}}$$

By squaring each factor, the formula amplifies the greater of the two variables. Consequently, school districts with less capacity to raise revenue than the State as whole and a higher concentration of child poverty look relatively poorer, while districts with a higher capacity to raise revenue and lower concentrations of poverty look relatively wealthier. Those poorer districts with the higher SSR will receive a greater portion of the calculated education costs as state aid than the wealthier districts.

The EWAV share ratio is based on each community’s total assessed property value and median family income, relative to districts across the State. The total community property value includes motor vehicles, personal property and State payments in lieu of taxes. These values are brought to full market value based on market experience and then adjusted by the median family income. The higher the EWAV share ratio, the less capacity the community has relative to the rest of the state for generating locally derived revenue to support schools and the more state aid the community will receive. While similar to the share ratio used in the school construction formula to determine the state’s share of debt service obligations, the Education Adequacy Act adjusted the EWAV calculation to increase the State share of total education budget.

The distribution includes an update to the median family income (MFI) component of the EWAV based on the socio-economic data from the American Community Survey (ACS) provided by the United States Census Bureau. The index used to adjust for MFI is the ratio of the median family income of the municipality relative to the median family income statewide as reported in the American Community Survey (ACS) provided by the United States Census Bureau.

Step 6 - State Share of Foundation Budget: The State’s share of the total foundation budget equals the state share ratio, discussed above, times the total foundation budget. Unlike many foundation formulas, the statute neither requires a minimum nor sets a maximum local spending level beyond the limits in the maintenance of effort requirements found in RIGL 16-7-23 and 16-7-23.1. Nonetheless, a municipality is responsible, to some degree, for the difference between the state share and the total foundation amount.

TABLE

The table on the following page provides a step-by-step calculation of each district’s recommended formula distribution for FY2021.

FY2021 Enacted Education Aid Calculator¹

Districts	PK-12 RADM (Projected based on March 2019 data adjusted for FY2021 PSOC growth)		Poverty RADM (Projected based on March 2019 Data)		Core Instruction Funding (C = \$10,310)		Student Success Factor Funding (F = 0.4*\$10,310 = \$4,124)		Total Foundation		% Poverty PK6		EWAV		State Share Ratio		State Share of Foundation Budget		FY2020 Enacted (excludes group home and categorical)		Change in State Funding		FY2021 (Year 10) formula change If + is L/1; If - is L/1	
	A	B	B	B	A*C-D	B*F-G	D+G+H	D-G+H	PK6	EWAV	I	H*I=J	K	J-K=L	M	N	O	P	Q	R	S	T	U	V
Barrington	3,349	130	\$34,528,190	\$536,120	\$5,361,210	\$35,064,310	4.7%	22.7%	16.4%	\$5,747,660	\$5,693,721	\$53,939	\$53,939	1,246,487	1,246,487									
Burrillville	2,264	734	23,341,840	3,027,016	26,368,856	37.0%	66.4%	53.7%	14,173,058	12,926,571	1,246,487	1,246,487												
Charlestown	757	171	7,804,670	705,204	8,509,874	22.4%	0.0%	15.8%	1,347,895	1,543,188	(195,293)	(195,293)												
Coventry	4,632	1,338	47,755,920	5,517,912	53,273,832	31.5%	56.2%	45.6%	24,269,403	24,332,697	(63,294)	(63,294)												
Cranston	10,153	4,152	107,677,430	17,122,848	124,800,278	43.6%	66.3%	56.1%	68,342,059	64,319,722	4,022,337	4,022,337												
Cumberland	4,619	938	47,621,890	3,868,312	51,490,202	23.2%	52.0%	40.3%	20,731,569	21,547,453	(815,884)	(815,884)												
East Greenwich	2,527	155	26,053,370	639,220	26,692,590	7.4%	15.4%	12.1%	3,224,836	2,531,530	693,306	693,306												
East Providence	5,108	2,544	52,663,480	10,491,456	63,154,936	50.0%	63.4%	57.1%	36,057,984	35,472,845	585,139	585,139												
Foster	256	65	2,639,360	268,060	2,907,420	22.6%	51.2%	39.6%	1,150,582	1,149,740	842	842												
Glocester	525	68	5,412,750	280,432	5,693,182	12.9%	48.3%	35.4%	2,012,562	2,164,338	(151,776)	(151,776)												
Hopkinton	1,113	236	11,475,030	973,264	12,448,294	23.6%	56.4%	43.2%	5,381,580	5,169,861	211,719	211,719												
Jamestown	666	49	6,866,460	202,076	7,068,536	7.6%	0.0%	5.4%	379,864	425,899	(46,035)	(46,035)												
Johnston	3,288	1,409	33,899,280	5,810,716	39,709,996	43.5%	50.7%	47.2%	18,757,961	17,893,657	864,305	864,305												
Lincolln	3,086	793	31,816,660	3,270,332	35,086,992	28.2%	51.3%	41.4%	14,523,917	14,269,740	254,177	254,177												
Little Compton	351	49	3,618,810	202,076	3,820,886	15.0%	0.0%	10.6%	405,266	403,530	1,736	1,736												
Middletown	2,177	619	22,444,870	2,552,756	24,997,626	29.7%	32.3%	31.0%	7,756,075	7,533,193	222,882	222,882												
Narragansett	1,227	235	12,650,370	969,140	13,619,510	23.3%	0.0%	16.5%	2,243,894	2,217,917	25,977	25,977												
Newport	2,074	1,373	21,382,940	5,662,252	27,045,192	70.7%	0.0%	50.0%	13,520,554	12,377,253	1,143,301	1,143,301												
New Shoreham	132	24	1,360,920	98,976	1,459,896	16.9%	0.0%	12.0%	174,459	130,462	43,997	43,997												
North Kingstown	3,744	815	38,600,640	3,361,060	41,961,700	26.6%	29.6%	28.1%	11,808,025	10,417,472	1,390,553	1,390,553												
North Providence	3,515	1,562	36,239,650	6,441,688	42,681,338	47.8%	64.2%	56.6%	24,156,431	22,896,007	1,260,424	1,260,424												
North Smithfield	1,655	295	17,063,050	1,216,580	18,279,630	21.5%	41.2%	32.9%	6,006,868	5,716,299	290,569	290,569												
Pawtucket	8,649	6,273	89,171,190	25,869,852	115,041,042	72.7%	87.4%	80.4%	92,477,722	89,623,419	2,854,303	2,854,303												
Portsmouth	2,302	365	23,733,620	1,505,260	25,238,880	18.1%	0.6%	12.8%	3,232,006	3,428,751	(196,745)	(196,745)												
Providence	22,487	18,624	231,840,970	76,805,376	308,646,346	85.2%	85.4%	85.3%	263,275,514	259,312,069	3,963,445	3,963,445												
Richmond	1,138	180	11,732,780	742,320	12,475,100	17.9%	50.4%	37.8%	4,717,972	4,640,585	77,386	77,386												
Scituate	1,288	224	13,279,280	923,776	14,203,056	14.8%	23.0%	19.3%	2,746,814	2,767,459	(20,646)	(20,646)												
Smithfield	2,406	361	24,805,860	1,488,764	26,294,624	16.5%	26.7%	22.2%	5,835,807	6,081,263	(245,456)	(245,456)												
South Kingstown	2,965	500	30,569,150	2,062,000	32,631,150	19.6%	0.0%	13.9%	4,522,447	5,102,341	(579,894)	(579,894)												
Tiverton	1,763	450	18,176,530	1,855,800	20,032,330	27.6%	44.9%	37.3%	7,465,598	7,166,770	298,829	298,829												
Warwick	8,761	2,897	90,325,910	11,947,228	102,273,138	36.5%	38.6%	37.6%	38,418,575	38,179,304	239,270	239,270												
Westerly	2,745	920	28,300,950	3,794,080	32,095,030	36.7%	0.0%	26.0%	8,328,923	8,550,266	(221,343)	(221,343)												
West Warwick	3,590	1,789	37,012,900	7,377,836	44,390,736	56.3%	73.0%	65.2%	28,936,989	27,009,115	1,927,874	1,927,874												
Woonsocket	5,909	4,507	60,921,790	18,586,868	79,508,658	79.6%	91.1%	85.5%	68,014,464	63,607,000	4,407,464	4,407,464												
Bristol-Warren ²	3,219	1,070	33,187,890	4,412,680	37,600,570	-	-	-	13,028,444	13,046,782	(18,337)	(18,337)												
Exeter-West Greenwich ²	1,619	270	16,691,890	1,113,480	17,805,370	-	-	-	4,167,942	5,038,413	(870,471)	(870,471)												
Charlro	-	-	-	-	-	-	-	-	-	38,320	(38,320)	(38,320)												
Foster-Glocester ²	1,140	192	11,753,400	791,808	12,545,208	-	-	-	4,610,790	4,676,149	(65,359)	(65,359)												
Central Falls	2,645	2,316	27,269,950	9,551,184	36,821,134	91.8%	97.4%	94.6%	34,848,047	33,484,704	1,363,343	1,363,343												
District Total	129,844	58,692	\$1,338,691,640	\$242,045,808	\$1,580,737,448				\$866,800,556	\$842,885,805	\$23,914,751	\$23,914,751												
Charter School Total	10,578	7,413	109,059,180	30,571,212	139,630,392	-	-	-	108,518,041	101,037,838	7,480,203	7,480,203												
Davies	859	540	8,856,290	2,226,960	11,083,250	-	-	-	8,525,127	8,816,032	(290,905)	(290,905)												
Met School	783	544	8,072,730	2,243,456	10,316,186	-	-	-	7,403,617	7,542,871	(139,254)	(139,254)												
Urban Collaborative	138	109	1,422,780	449,516	1,872,296	-	-	-	1,584,599	1,539,913	44,685	44,685												
Total	142,202	67,298	\$1,466,102,620	\$277,536,952	\$1,743,639,572				\$992,831,940	\$961,822,460	\$31,009,481	\$31,009,481												

¹ Based on March 2019 enrollment updated for projected charter school growth. Will be updated for March 2020 data.

² Calculations based on component district data as required by the Superior Court decision in Town of Warren v. Bristol Warren Regional School District, et. al. Source: Rhode Island Department of Education

CHARTER AND STATE SCHOOLS

The education funding formula calculation for charter and state schools funds students as if they were still in the sending district, with the same core instruction amount, high-need student weight, and state share ratio. The aid, however, is distributed directly to the charter or state school. In FY2021, the Budget provides \$108.5 million in funding formula aid to charter schools, an increase of \$7.5 million representing roughly one quarter of total statewide increase. This increase is primarily driven by enrollment. Charter school enrollment increases by 451 students, relative to the FY2020 Budget as Enacted.

Sending District Tuition: Under the formula, the funding mechanism for charter and state schools changed significantly. Previously sending district tuition per-student was based on the per-pupil expenditure of the sending district, without deductions, the formula allowed sending districts to retain 5.0 percent of the per-pupil expenditure as indirect aid. The indirect aid was intended to cover residual costs from the transfer of the student from the district to the charter school. Today, the sending district tuition is calculated by dividing the local appropriation to education from property taxes, net debt service and capital projects, by the district resident average daily membership (RADM), or enrollment: there is no indirect aid retained by the sending district.

$$\text{Tuition} = (\text{local appropriation to education} - \text{debt service} - \text{capital projects} / \text{District RADM}) - \text{local tuition reduction}$$

Local Charter and State School Tuition Reduction: Article 11 of the FY2017 Budget changed the above calculation to subtract a district-specific amount from the tuition paid for each student attending a charter or state school. The amount of the reduction is calculated based on differences in expenses between each district and charter schools. The expenditure data used for the calculation is the prior previous fiscal year; consequently, the calculation of unique costs for FY2021 is based on FY2019 data from the Uniform Chart of Accounts (UCOA). The reduction will be the greater of 7.0 percent of the district's per-pupil funding or the per-pupil value of each district's costs in the delineated expenditure categories. The categories include each district's costs for non-public textbooks, transportation for non-public students, retiree health benefits, out-of-district special education tuition and transportation, services for students age eighteen to twenty-one, pre-school screening and intervention, career and technical education tuition and transportation costs, debt service, and rental costs minus the average charter school expenses for the same categories. For districts using the reduction for costs categories, there is an additional reduction for tuition payments to mayoral academies, where teachers do not participate in the state's teacher retirement system, equivalent to the per-pupil, unfunded liability cost. The local tuition rate reductions pursuant to RIGL 16-7.2-5(c) were not available in time for the publication of this report.

In FY2011, the State paid the total tuition costs of students attending the Davies and Met Schools, while the local districts provided transportation. Pursuant to the new funding formula, however, the State payment to these state schools is calculated by the same method used to calculate school district and charter school payments. The formula requires local districts to pay state school tuition, but allows the districts to charge the state and charter schools for transportation costs. Local payments are made to the charter or state school on a quarterly basis. Failure to make a payment could result in the withholding of state education aid to the district of residence.

In FY2011, prior to the implementation of the current funding formula, charter school funding was based on the per-pupil expenditure of the sending district; however, the State paid 5.0 percent of the per-pupil expenditure as indirect aid to the sending district, and a portion of the remaining 95.0 percent based on the share ratio of the sending district. The expenditure was based on the reference year as defined in RIGL 16-7-16(11) providing a two-year lag. Each quarter, the charter school billed the sending district for the portion of the per-pupil expenditure not paid by the State.

Please see the following examples for further clarification of the charter school formula used in FY2011.

Calculation	District A	District B
Per Pupil Expenditure:	\$8,000	\$8,000
Share Ratio:	70.0%	30.0%
Indirect Aid to Sending District:	\$400 (5.0% of \$8,000)	\$400 (5.0% of \$8,000)
State Share to Charter School:	\$5,320 (70.0% of (\$8,000 minus 5.0%))	\$2,280 (30.0% of (\$8,000 minus 5.0%))
District Share to Charter School:	\$2,280 (30.0% of (\$8,000 minus 5.0%))	\$5,320 (70.0% of (\$8,000 minus 5.0%))

NON-FORMULA PROVISIONS

Group Homes: The Group Home aid category was created by the General Assembly in 2001 to provide state support to districts hosting group homes in exchange for relieving the resident sending district of financial responsibility for students placed in group homes. When enacted, the Act maintained the current funding for group homes as a categorical grant program; however, the FY2017 Budget as Enacted increased the per-bed funding amount. The Group Home aid category provides \$17,000 annually per bed, except for group home beds associated with Bradley Hospital Children’s Residential and Family Treatment (CRAFT) Program, which received \$26,000 per bed. The FY2021 Budget includes \$3.0 million to fund group home beds. This is \$183,171 less than the FY2020 Budget as Enacted. This adjustment represents the most recent update on the number of group home beds per district and the decrease required pursuant to RIGL 16-7-22(1)(ii) to reduce the average daily membership of a district by the number of group home beds used in the group home aid calculation.

District	FY2020 Enacted		Group Home Aid				FY2021 Enacted Total Aid	
	Total Aid	Number of Beds	FY2021 Number of Beds	Number of Beds	Aid change due to bed count	Aid change due to RIGL 16-7-22(1)(ii)		Total Change
Burrillville	\$80,022	8	8	-	\$0	(\$6,087)	(\$6,087)	\$73,935
Coventry	83,543	8	8	-	-	(147)	(147)	83,396
Cranston	37,602	4	-	(4)	(68,000)	30,398	(37,602)	-
East Providence	509,554	39	39	-	-	(5,954)	(5,954)	503,600
Lincoln	89,418	8	8	-	-	(1,217)	(1,217)	88,201
Newport	145,520	14	14	-	-	(8,543)	(8,543)	136,977
North Providence	148,781	16	16	-	-	(7,489)	(7,489)	141,292
North Smithfield	100,435	8	8	-	-	(2,380)	(2,380)	98,055
Pawtucket	126,901	22	22	-	-	(8,167)	(8,167)	118,734
Portsmouth	557,258	36	34	(2)	(34,000)	(8,103)	(42,103)	515,155
Providence	476,104	95	88	(7)	(119,000)	55,421	(63,579)	412,525
Smithfield	219,137	16	16	-	-	1,607	1,607	220,744
South Kingstown	118,333	8	8	-	-	1,663	1,663	119,996
Warwick	279,648	24	24	-	-	(1,778)	(1,778)	277,870
Woonsocket	44,244	8	8	-	-	(7,023)	(7,023)	37,221
Bristol-Warren ¹	90,976	8	10	2	34,000	(26,500)	7,500	98,476
Exeter-West Greenwich	125,677	9	9	-	-	(1,872)	(1,872)	123,805
Total	\$3,233,154	331	320	(11)	(187,000)	3,829	(\$183,171)	\$3,049,983

¹ Based on final 12/31/2019 report from the Department of Children, Youth and Families. The FY2020 Revised Budget includes an increase of \$34,000 for Bristol-Warren, for an increase of 2 beds.

Categorical Programs: When the education funding formula was passed in 2010, five categorical funds were identified that would not be distributed according to the formula, but pursuant to other methodologies intended to address the priorities and funding needs of the districts. These categories include Transportation, High-Cost Special Education, Career & Technical Education, Early Childhood, and the Regionalization Bonus. Article 11 of the FY2017 Budget as Enacted added two new aid categories: English Learners and the Density Fund. The Density Fund support ended in FY2019. Article 9 of the FY2019 Budget as Enacted included a temporary aid category to support new Resource Officers at public middle and high schools.

(The Central Falls, Davies and Met School Stabilization Funds are addressed in the Department of Elementary and Secondary Education section of this analysis.)

The FY2021 Budget includes funding for all of these categories, except the Regionalization Bonus. Please note that the \$3.9 million increase in aid represents general revenue only and the table does not include the \$1.0 million in Opioid Stewardship Fund restricted receipts for School Resource Officer Support. Also, the table does not include \$3.3 million in general revenue support for early childhood education that the Governor recommends filtering through the funding formula.

- Transportation:** This fund provides funding for transporting students to out-of-district, non-public schools and for 50.0 percent of the local costs associated with transporting students within regional school districts. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at \$7.7 million in FY2021, level with the FY2020 Budget as Enacted.

Categorical	Change from Enacted	Total Funding
Transportation	\$0.0	\$7.7
Early Childhood ¹	1.4	16.3
High-Cost Special Education	-	4.5
Career & Tech. Schools	-	4.5
English/Multilingual Learners	2.5	7.5
Regionalization Bonus	-	-
School Resource Officer Support ²	-	1.0
Total	\$3.9	\$41.5

¹ This does not include the \$3.3 million in support transitioned to the funding formula.

² This does not include the \$1.0 million in Opioid Stewardship Fund restricted receipts.
\$ in millions

- Early Childhood Education:** This fund is designed to increase access to voluntary, free, high-quality pre-kindergarten programs. The funds will be distributed through a request for proposals process targeting communities in three tiers, with the first tier having the highest concentration of children at risk for poor educational outcomes. The Budget funds this category at \$16.3 million in FY2021, an increase of \$1.4 million in general revenue over the FY2020 Budget as Enacted.

Pursuant to Article 10, beginning in FY2021, the Department of Elementary and Secondary Education will be required to include students enrolled in approved pre-kindergarten classrooms in the average daily membership. From the statutory language, however, it is unclear what is meant by “approved” or “average daily membership”, as no definitions are provided. A broad interpretation could mean that any student attending a licensed pre-kindergarten program in Rhode Island would be included in the average daily membership (ADM) for the district of residence. The ADM would then be used to calculate the foundation aid for the district, the local tuition for charter and state schools, and the state share ratio. Funding the prekindergarten seats through the funding formula is projected to save \$251,095 relative to the amount of funding provided to these districts through the categorical program in FY2020. This “savings” will be reinvested into the program in addition to the \$1.4 million added to the categorical and the \$3.3 million in the funding formula for FY2021.

Impact of Funding Prekindergarten through Funding Formula
(This table does not include FY2021 early childhood categorical funds)

District	Seats	FY2021 Share Ratio	FY2020 Early Childhood Categorical	FY2021 Governor Formula Aid	Difference
Central Falls	90	94.6%	\$927,602	\$1,202,128	\$274,526
Cranston	18	56.1%	170,133	122,641	(47,492)
East Providence	160	57.1%	1,525,518	1,130,197	(395,321)
Johnston	18	47.2%	190,000	103,248	(86,752)
Pawtucket	72	80.4%	765,170	769,114	3,944
Total	358		\$3,578,423	\$3,327,328	(\$251,095)

- High-Cost Special Education:** This fund reimburses districts for instructional and related services provided to a student pursuant to an Individual Education Plan (IEP). The State reimburses costs that exceed five times the combined core instruction and student success factor funding (currently \$72,170 for FY2021). The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at \$4.5 million in FY2021, level with the FY2020 Budget as Enacted.

- **Career and Technical Schools:** This fund contributes toward the initial investment needed to transform existing programs or create new programs and the costs associate with facilities, equipment maintenance and repair, and supplies associated with higher-cost programs at career and technical schools. The Budget funds this category at \$4.5 million in FY2021, level with the previous year.
- **English Learners:** Article 11 of the FY2017 Budget as Enacted established a categorical fund for English Learners (EL). The fund provides additional aid of 10.0 percent of the per-pupil core instruction amount for each qualified EL student. In FY2021, the per-pupil weight is \$1,031, to reflect 10.0 percent of the \$10,031 core instruction amount. This amount is then multiplied by the state share ratio. The formula is provided below.

(Per-pupil core instruction amount x number of EL students) x 10.0 percent x state share ratio = additional state support per EL student

This support is then ratably reduced based on the total amount appropriated.

The Article restricted the funds to provide new services to EL students and required that the funds be managed in accordance with requirements enumerated by the Commissioner. The Article also required the Department to collect performance reports and approve the use of funds prior to expenditure to ensure the funded activities align to innovative and expansive activities. Distribution is subject to a pro-rata reduction based on the funds available. The Budget provides \$7.5 million in FY2021, an increase of \$2.5 million over the previous fiscal year; however, an additional \$2.0 million would be needed to fully fund this category.

Article 10 of the FY2021 Budget changes the categorical for English Learners (EL) to multilingual learners (MLL); however, the statute does not provide a definition for “multilingual learner”, and makes other changes to the categorical including new language clarifying how the funds may be used and repealing the language intended to prevent the displacement of local funds.

- **Regionalization Bonus:** This fund provides a bonus to regionalized districts and those that regionalize in the future. In the first year, the bonus is 2.0 percent of the State’s share of the total foundation aid. In the second year, the bonus is 1.0 percent of the State’s share and in the third year the bonus phases out. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. This category has not been funded since FY2014, as no new regional districts have been formed.
- **School Resource Officer Support:** Article 9 of the FY2019 Budget as Enacted established a new aid category to support new Resource Officers at public middle and high schools. The program provides support for districts to add Resource Officers but does not mandate their use. For FY2019 through FY2021, the State will reimburse one half the cost of salaries and benefits for qualifying positions created after July 1, 2018; however, for schools with < 1,200 students, only one resource officer position is eligible for reimbursement. Schools with \geq 1,200 students may receive reimbursement for up to 2 positions. Each resource officer can only be assigned to one school. The Budget includes \$1.0 million in general revenue for this category in FY2021, level with FY2020 Budget as Enacted. The FY2020 Revised Budget reduces this category to reflect projected expenditures of \$325,000. \$201,060 was spent in FY2019.

The Article 10 expands the state support for school resource officers to include mental health professionals. Pursuant to the article, in FY2021 a district would be reimbursed for one-half of the cost of salaries and benefits for additional mental health professionals provided the district commits to funding the position beyond FY2021 in the absence of state funds. The categorical sunsets after FY2021, so no additional funding is available. In addition to the \$1.0 million general revenue that was

provided in FY2021, the Budget provides an additional \$1.0 million in Opioid Stewardship Funds to support the expanded application.

Article 13 of the FY2020 Budget as Enacted established an opioid registration fee paid quarterly to the Opioid Stewardship Fund by all manufacturers, distributors, and wholesalers of opioids. The total amount of the fund is set at \$5.0 million and licensees pay their share of the total based on the licensee's in-state market share of opioid sales. The \$5.0 million is subject to indirect cost recoveries, adjusting the total available restricted receipts to \$4.5 million. The FY2021 Budget allocates \$58,096 for 1.0 Supervising Accountant to administer the funds. The remaining \$4.4 million is distributed among the Departments of Children, Youth, and Families, Elementary and Secondary Education, Corrections, and the Office of the Health Insurance Commissioner (OHIC), for substance abuse programs and projects.

Pursuant to the expanded categorical, "mental health professionals" include, but are not limited to, student assistance counselors, school counselors, social workers, and school psychologists. Districts may not eliminate current mental health professional positions to create new ones, and if the demand for the funds is greater than the amount appropriated, the Department will prioritize distribution based on, but not limited to, current mental health capacity in the school and demonstrated need.

Analyst Note: It is unclear whether priority would be given to school resource officer support or mental health professional support should the demand exceed the available funds, or what would happen should a district fail to fund positions beyond FY2021.

The following table shows the education aid including the formula distribution, categorical aid, and group home aid.

FY2021 Education Aid¹

	FY2020 Enacted (excludes group home and categoricals)	FY2021 (Year 10) Formula Change	Transition PreK into Funding Formula	High-cost Special Education (>\$72,170)	Group Home Aid ²	English Learners	Stabilization Funding	FY2021 Aid
Barrington	\$5,693,721	\$53,939	\$0	\$139,569	\$135,433	\$3,724	\$0	\$6,026,387
Burrillville	12,926,571	1,246,487	-	57,674	77,879	872	-	14,383,419
Charlestown	1,543,188	(195,293)	-	-	-	128	-	1,348,024
Coventry	24,332,697	(63,294)	-	12,015	49,521	10,350	-	24,424,685
Cranston	64,319,722	4,022,337	122,641	745,480	427,579	207,608	-	69,845,367
Cumberland	21,547,453	(815,884)	-	74,357	11,459	27,443	-	20,844,828
East Greenwich	2,531,530	693,306	-	74,702	125,503	1,274	-	3,426,315
East Providence	35,472,845	585,139	1,130,197	1,555	424,172	77,829	-	38,195,337
Foster	1,149,740	842	-	-	35,020	-	-	1,185,602
Glocester	2,164,338	(151,776)	-	-	96,273	-	-	2,108,835
Hopkinton	5,169,861	211,719	-	-	-	351	-	5,381,931
Jamestown	425,899	(46,035)	-	-	34,692	-	-	414,556
Johnston	17,893,657	864,305	103,248	180,588	229,127	47,528	-	19,318,452
Lincoln	14,269,740	254,177	-	-	156,981	8,061	-	14,777,160
Little Compton	403,530	1,736	-	-	-	86	-	405,352
Middletown	7,533,193	222,882	-	-	35,304	19,889	-	7,811,268
Narragansett	2,217,917	25,977	-	-	54,403	668	-	2,298,966
Newport	12,377,253	1,143,301	-	-	39,377	136,977	-	13,791,423
New Shoreham	130,462	43,997	-	-	-	873	-	175,332
North Kingstown	10,417,472	1,390,553	-	-	70,103	9,818	-	11,887,947
North Providence	22,896,007	1,260,424	-	120,340	276,124	141,292	-	24,750,673
North Smithfield	5,716,299	290,569	-	11,570	67,279	1,600	-	6,185,373
Pawtucket	89,623,419	2,854,303	769,114	153,114	154,090	118,734	645,743	94,318,517
Portsmouth	3,428,751	(196,745)	-	-	98,703	515,155	520	3,846,384
Providence	259,312,069	3,963,445	-	317,931	383,469	412,525	4,378,430	268,767,869
Richmond	4,640,585	77,386	-	-	-	614	-	4,718,585
Situate	2,767,459	(20,646)	-	35,180	45,276	-	-	2,827,270
Smithfield	6,081,263	(245,456)	-	136,125	92,728	2,701	-	6,288,106
South Kingstown	5,102,341	(579,894)	-	125,063	142,614	3,711	-	4,913,830
Tiverton	7,166,770	298,829	-	-	94,466	1,210	-	7,561,274
Warwick	38,179,304	239,270	-	5,535	388,596	277,870	33,223	39,123,799
Westerly	8,550,266	(221,343)	-	-	134,999	-	8,212	8,472,134
West Warwick	27,009,115	1,927,874	-	51,993	24,434	30,678	-	29,044,095
Woonsocket	63,607,000	4,407,464	-	9,815	94,325	37,221	380,371	68,536,197
Bristol-Warren ³	13,046,782	(18,337)	-	1,634,561	143,622	98,476	10,214	14,915,317
Exeter-West Greenwich ³	5,038,413	(870,471)	-	1,185,126	160,094	123,805	1,514	5,638,481
Charlro	38,320	(38,320)	-	2,040,025	95,008	-	-	2,135,033
Foster-Glocester ²	4,676,149	(65,359)	-	504,037	66,514	-	574	5,181,915
Central Falls	33,484,704	1,363,343	1,202,128	45,005	3,811	-	783,288	43,890,116
District Total	\$842,885,805	\$23,914,751	\$3,327,327	\$7,661,362	\$4,468,984	\$6,850,106	\$7,007,837	\$899,166,155
Charter School Total	101,037,838	7,480,203	-	-	31,015	-	620,393	109,169,450
Davies	8,816,032	(290,905)	-	-	-	2,496	5,245,993	13,773,615
Miet School	7,542,871	(139,254)	-	-	-	21,629	1,938,389	9,363,635
Urban Collaborative	1,539,913	44,685	-	-	-	-	5,376	1,589,975
Total	961,822,460	\$31,009,481	\$3,327,327	\$7,661,362	\$4,500,000	\$7,500,000	\$14,197,219	\$1,033,062,830

¹ Based on March 2019 enrollment updated for projected charter school growth. Will be updated for March 2020 data.

² Based on final 12/31/2019 report from the Department of Children, Youth and Families. The FY2020 Revised Budget includes an increase of \$34,000 for Bristol-Warren, for an increase of 2 beds.

³ Calculations based on component district data as required by the Superior Court decision in Town of Warren v. Bristol Warren Regional School District, et. al.

Source: Rhode Island Department of Education

The following table shows the difference in education aid relative to the FY2020 Budget as Enacted.

Districts	FY2020 Enacted (includes group home and categorical)	FY2021 (Year 10) Formula Change	Transition Prek into Funding Formula	High-cost Special Education	Transportation	Home ²	English Learners	Stabilization Funding	Total Change	FY2020 Education Aid
Barrington	\$5,872,943	\$53,939	\$0	\$49,668	\$48,603	\$0	\$1,234	\$0	\$153,444	\$6,026,386
Burrillville	13,164,631	1,246,487	-	137	(21,730)	(6,087)	(20)	-	1,218,788	14,383,418
Charlestown	1,543,508	(195,293)	-	-	(192)	-	-	-	(195,485)	1,348,024
Coventry	24,463,006	(63,294)	-	2,128	17,934	(147)	5,057	-	(38,321)	24,424,685
Cranton	65,623,892	4,022,337	122,641	(21,541)	69,136	(37,602)	66,504	-	4,221,475	69,845,367
Cumberland	21,686,833	(815,884)	-	10,160	(40,607)	-	4,325	-	(842,006)	20,844,828
East Greenwich	2,724,746	693,306	-	9,571	(1,942)	-	634	-	701,569	3,426,315
East Providence	36,282,709	585,139	1,130,197	(502)	183,652	(5,954)	20,094	-	1,912,627	38,195,337
Foster	1,214,958	842	-	(16,679)	(13,519)	-	-	-	(29,356)	1,185,602
Glocester	2,272,359	(151,776)	-	(18,702)	6,954	-	-	-	(163,524)	2,108,835
Hopkinton	5,170,111	211,719	-	-	(5,383)	-	101	-	211,820	5,381,932
Jamestown	465,975	(46,035)	-	-	(5,383)	-	-	-	(51,419)	414,556
Johnston	18,288,992	864,305	103,248	(29,857)	74,745	-	17,021	-	1,029,461	19,318,453
Lincoln	14,418,821	254,177	-	-	103,751	(1,217)	1,629	-	358,340	14,777,161
Little Compton	403,595	1,736	-	-	-	-	21	-	1,757	405,352
Middletown	7,592,462	222,882	-	(11,525)	-	-	7,450	-	218,806	7,811,268
Narragansett	2,255,836	25,977	-	16,983	-	-	170	-	43,130	2,298,966
Newport	12,580,979	1,143,301	-	35,059	(8,543)	-	40,627	-	1,210,444	13,791,423
New Shoreham	132,830	43,997	-	(1,875)	-	-	380	-	42,502	175,332
North Kingstown	10,492,830	1,390,553	-	1,286	-	-	3,277	-	1,395,116	11,887,947
North Providence	23,382,239	1,260,424	-	(24,880)	113,996	(7,489)	26,383	-	1,368,434	24,750,673
North Smithfield	5,884,223	290,569	-	647	13,169	(2,380)	(856)	-	301,149	6,185,372
Pawtucket	91,306,395	2,854,303	769,114	(34,659)	(752,267)	(8,167)	183,797	-	3,012,122	94,318,517
Portsmouth	4,048,901	(196,745)	-	36,275	-	(42,103)	57	-	(202,516)	3,846,384
Providence	263,818,881	3,963,445	-	3,601	(348,038)	(63,579)	1,393,558	-	4,948,987	268,767,869
Richmond	4,640,812	77,386	-	-	-	-	388	-	77,774	4,718,586
Scituate	2,824,310	(20,646)	-	10,121	13,485	-	-	-	2,960	2,827,270
Smithfield	6,457,532	(245,456)	-	50,262	22,724	1,607	1,438	-	(169,425)	6,288,107
South Kingstown	5,433,317	(579,894)	-	12,615	45,511	1,663	619	-	(519,486)	4,913,831
Tiverton	7,239,774	298,829	-	-	22,988	-	(317)	-	321,499	7,561,274
Warwick	38,761,117	239,270	-	1,286	113,176	(1,778)	10,728	-	362,683	39,123,800
Westerly	8,656,588	(221,343)	-	-	34,211	-	2,678	-	(184,454)	8,472,134
West Warwick	27,094,133	1,927,874	-	(12,191)	24,434	-	9,845	-	1,949,962	29,044,095
Woonsocket	63,980,831	4,407,464	-	(2,673)	32,582	(7,023)	125,015	-	4,555,365	68,536,197
Bristol-Warren ³	14,821,717	(18,337)	-	54,538	48,147	7,500	1,753	-	93,600	14,915,317
Exeter-West Greenwich ³	6,419,481	(870,471)	-	(26,746)	118,048	(1,872)	41	-	(781,000)	5,638,481
Charlho	2,147,804	(38,320)	-	10,660	14,889	-	-	-	(12,770)	2,135,033
Foster-Glocester ³	5,268,059	(65,359)	-	(29,760)	8,402	-	574	-	(86,144)	5,181,915
Central Falls	41,998,527	1,363,343	1,202,128	2,795	(50,758)	-	358,191	(984,109)	1,891,589	43,890,116
District Total	\$870,836,658	\$23,914,751	\$3,327,327	\$0	(\$27,505)	(\$183,171)	\$2,282,204	(\$984,109)	\$28,329,498	\$899,166,156
Charter School Total	101,454,544	7,480,203	-	-	27,505	-	207,196	-	7,714,904	109,169,448
Davies	13,697,834	(290,905)	-	-	-	-	(357)	367,044	75,781	13,773,615
Met School	9,353,100	(139,254)	-	-	-	-	10,536	139,253	10,535	9,363,635
Urban Collaborative	1,544,868	44,685	-	-	-	-	421	-	45,106	1,589,975
Total	\$996,887,005	\$31,009,481	\$3,327,327	\$0	(\$0)	(\$183,171)	\$2,500,000	(\$477,812)	\$36,175,825	\$1,033,062,830

¹ Based on March 2019 enrollment updated for projected charter school growth. Will be updated for March 2020 data.
² Based on final 12/31/2019 report from the Department of Children, Youth and Families. The FY2020 Revised Budget includes an increase of \$34,000 for Bristol-Warren, for an increase of 2 beds.
³ Calculations based on component district data as required by the Superior Court decision in Town of Warren v. Bristol Warren Regional School District, et al.
Source: Rhode Island Department of Education

SCHOOL CONSTRUCTION AID

In 1960, the school housing aid program was enacted by the General Assembly to guarantee adequate school facilities for all public school children in the state, and to prevent the cost of constructing and repairing facilities from interfering with the effective operation of the schools. Applications for aid to support the construction and renovation of school buildings are submitted to and evaluated by the Rhode Island Department of Elementary and Secondary Education (RIDE). State aid is provided for approved projects based on a percentage of cost. The percentage provided by the State to the school district is determined based on a share ratio designed to measure a community's need. For FY2021, as projected by the Department, the minimum state share is 35.0 percent and the maximum is 93.8 percent for Central Falls; the state share for charter schools is 30.0 percent.

The 2010 General Assembly passed legislation increasing the minimum share ratio from 30.0 percent in FY2011 to 35.0 percent in FY2012 and to 40.0 percent in FY2013. The 2012 General Assembly froze the reimbursement rate at 35.0 percent, but provided that projects completed after June 30, 2010, that received approval from the Board of Regents by June 30, 2012, receive the 40.0 percent minimum.

The 2011 General Assembly enacted legislation limiting the approval of new projects between FY2012 and FY2015, to those necessitated by immediate health and safety reasons. Any project requested during the moratorium was reported to the chairs of the House and Senate Finance Committees. Furthermore, any project approval granted prior to the adoption of the school construction regulations in 2007, which was currently inactive, had not receive voter approval, or had not been previously financed, was deemed no longer eligible for reimbursement. Article 22 of the FY2015 Budget extended the moratorium from June 30, 2014, to May 1, 2015, limiting the approval of new projects between FY2012 and FY2015 to those necessitated by immediate health and safety conditions.

As part of the legislation, RIDE was charged with developing recommendations for further cost containment strategies in the school housing aid program. The following recommendations were submitted on March 22, 2012:

- Establish capital reserve funds on the state and local level.
- Reduce the minimum share ratio.
- Limit costs associated with bonding by establishing a mechanism to allow districts with poor bond ratings to borrow at a lower interest rate, reduce the State's reimbursement rate on interest, and provide incentives for districts to refinance bonds.

Article 13 of the FY2014 Budget as Enacted provided an incentive to communities to refinance existing school housing bonds by allowing communities to receive 80.0 percent of the total savings, instead of distributing the savings based on the state share ratio. The increased savings to the communities would only apply to refinancing done between July 1, 2013, and December 31, 2015. The table shows the estimated savings realized through the incentive.

Article 9 of the FY2019 Budget as Enacted provided temporary incentives to encourage districts to improve the condition of public school buildings in Rhode Island, established a permanent incentive for school safety and security projects, and established school maintenance expenditure requirements.

Municipality	Local Savings	State Savings	Total Savings
Burrillville	\$391,582	\$97,896	\$489,478
Central Falls	485,690	121,423	607,113
Cumberland	392,456	98,136	490,592
Johnston	41,684	10,421	52,105
Lincoln	1,590,165	397,541	1,987,706
New Shoreham	329,114	82,278	411,392
North Kingstown	419,141	104,785	523,926
North Providence	492,390	123,098	615,488
Pawtucket	44,094	11,023	55,117
Portsmouth	208,533	52,135	260,668
Providence	5,854,680	1,463,670	7,318,350
South Kingstown	232,603	58,151	290,754
Tiverton	753,270	188,317	941,587
West Warwick	525,572	131,393	656,965
Woonsocket	728,129	182,083	910,212
Total Savings	\$12,489,103	\$3,122,350	\$15,611,453

In FY2021, the Budget provides \$80.0 million, level funded with the FY2020 Budget as Enacted. For FY2021, the Department projects expenditures of \$79.1 million in school housing aid, an increase of \$145,222 from the FY2020 Budget as Enacted. The surplus will be deposited into the School Building Authority Capital Fund.

School Building Authority Capital Fund: Article 9 of the FY2016 Budget as Enacted designated the Department of Elementary and Secondary Education (Department) as the State's School Building Authority (SBA) and charged the Department with implementing a system of state funding for school facilities, managing the school housing aid program, and developing a project priority system. The Authority oversees two distinct funding mechanisms for school facilities: the Foundation Program, as enumerated in RIGL 16-7-35 through 16-7-47, and the School Building Authority Capital Fund (Capital Fund), as created through the article. The FY2016 Budget added 1.0 FTE position to the Department for a new construction manager to assist in developing procedures for the proposed Capital Fund. In FY2016, the Department received a one-time, pass-through appropriation of \$20.0 million in new general revenue to capitalize the Capital Fund, which is held in trust and administered by the Rhode Island Health and Education Building Corporation (RIHEBC). For FY2021, the Budget provides \$869,807 in general revenue from the surplus construction aid to the Capital Fund.

Through Article 9, the FY2019 Budget as Enacted shifted the 3.0 FTE positions responsible for the administration of the school construction program from general revenue to a new school construction services restricted receipt account, and added 1.0 FTE Director of School Construction Services. The restricted receipt account, named the "School Construction Services", is funded by the Rhode Island Health and Education Building Corporation (RIHEBC) from the School Building Authority Capital Fund, fees generated from the origination of municipal bonds and other financing vehicles used for school construction, and its own reserves. There is no limit on the amount or type of expenses that will be funded; however, Article 9 limited the fee that RIHEBC can impose on cities, towns and districts to one tenth of one percent (0.001) of the principal amount of the bond.

Article 10 of the FY2021 Budget raises the cap on the fee charged to municipalities from one tenth of one percent (0.001) to one percent (0.01) of the principal amount. The article also deletes the "one-time or limited" qualification making RIHEBC responsible for all the expenses of the SBA and expands the funds that can be used to include investment income generated by state and municipal funds held in trust by the Corporation.

The Budget requires RIHEBC to transfer \$1.0 million to the state controller by June 30, 2021, in addition to providing \$1.0 million in personnel expenses for the School Building Authority (SBA). In FY2018, RIHEBC was required to transfer \$6.0 million to the State Controller. In FY2019, RIHEBC supported \$737,735 in SBA personnel expenses, and in FY2020 RIHEBC is projected to provide \$775,492.