Special Legislative Task Force to Study Rhode Island's Education Funding Formula

Findings and Recommendations

Submitted to the

Rhode Island Senate

January 28, 2020

TABLE OF CONTENTS

SPECIAL LEGISLATIVE TASK FORCE TO STUDY RHODE ISLAND'S EDUCATION FUNDING FORMULA

Members

Senator Ryan W. Pearson, Chair
District 19; Cumberland and Lincoln

Senator Sandra Cano
District 8; Pawtucket

Senator Louis P. DiPalma
District 12; Little Compton, Middletown, Newport, and Tiverton

Senator Harold M. Metts
District 6; Providence

Senator Melissa A. Murray
District 24; Woonsocket and North Smithfield

Senator Thomas J. Paolino
District 17; Lincoln, North Providence, and North Smithfield

Senator Gordon E. Rogers
District 21; Coventry, Foster, Scituate, and West Greenwich

Senator Adam J. Satchell
District 9; West Warwick

Senator James A. Seveney
District 11; Bristol, Portsmouth, and Tiverton

Senator William J. Conley Jr., *Ex-Officio*
District 18; East Providence and Pawtucket

Senator Hanna M. Gallo, *Ex-Officio*
District 27; Cranston and West Warwick

State of Rhode Island and Providence Plantations

SENATOR
RYAN W. PEARSON
Senior Deputy Majority Leader
District 19

Room 209, State House
Providence, Rhode Island 02903

Bus: 401-276-5597
Fax: 401-222-4263

sen-pearson@rilegislature.gov

Senate Chamber

Secretary,
Committee on Finance

Chair, Finance Subcommittee on
Education and Commerce

Committee on Education

January 28, 2020

Dear Colleagues:

Thank you for your support last session to initiate a review of the education funding formula. The review is timely, and is the first substantive review completed in the ten years since its passage. Annually, we appropriate $1 billion in aid to local education agencies, and it is imperative the General Assembly periodically assess the effectiveness of this investment.

I am pleased today to forward to you the findings and recommendations of the Senate Task Force.

Now reaching full implementation, the formula has delivered 280 million additional dollars to schools across our state, helping to provide supports to students, while reducing the burden on property taxes.

Of the many topics we have taken on in the legislature, the outpouring of interest from every corner of the state has been impressive. This is indicative of the strong base of Rhode Islanders who are dedicated to the cause of improving our schools. It also has given us a strong foundation to make the recommendations presented today. Over the course of several months, the Task Force heard from the Department of Education, academia, superintendents, school committees, teachers, students, and municipal leaders.

Our recommendations today have been developed in consultation with the Department of Education and Commissioner Infante-Green. Additionally, they were shared with Governor Raimondo in December.

Given the complexity and importance to our state, the Task Force has split recommendations between items for immediate action (to be completed this legislative session, where fiscally possible) and long term (to begin now, but see completion in following years).

Money is absolutely not a silver bullet – but it is an absolute necessity. A well-funded district with poor leadership and lax instructional support will struggle, period. On the contrary, a district with strong leadership and desire to build strong curriculum and instructional supports will equally struggle if they lack the funding necessary.

My home community of Cumberland serves as an example of this. For years, Cumberland sat as the lowest funded district in Rhode Island, while also having leadership challenges. The district fell from its role academically. It has taken years of focus at the local level to ensure strong school leadership, and then later providing new funding (state and local) that Cumberland has used well, investing in key curriculum and instructional support.

Today, Cumberland is still at the bottom of statewide spending, just barely meeting the state minimum for core instruction, but academic performance is now impressive.

This example illustrates that spending alone does not always equate to performance. However, it also demonstrates that spending below state minimums calculated to provide the Basic Education Plan (the minimum) is destructive to districts and academic progress.

A major recommendation within our report today is that state minimums should be adhered to, never less. Too many communities took the opportunity to scale back their local contributions to schools in the last decade because of the state's investment. Rather than new state dollars going to classroom supports, they often went to offset local funds.

Designed to ensure equity for students no matter the district they attend, the "Education Equity and Property Tax Relief Act" (aka the funding formula) has failed to ensure that equity. We know today that students in Woonsocket, Pawtucket, and Providence are not receiving the minimum core funding per student. This is often masked when comparing overall Rhode Island per-pupil funding to neighboring states, as some local governments have decided to spend more local dollars on education. The greater-than-minimum spending in those districts, however, does not make the underfunding in others any less.

The Task Force also recommends a series of actions to make the formula more responsive to on-the-ground needs and new costs to districts. These include recommendations accounting for unexpected student growth, transportation and tuition costs, and year-over-year instability in state aid.

Also, of great concern to the Task Force is the organizational capability and capacity of the Department of Education. Last year, the General Assembly acted on a series of education reform initiatives to transform the Department from one of compliance reporting to one that is truly the state's academic leader supporting districts. Commissioner Infante-Green shares this goal, and I have been encouraged by her tenacity through each of our meetings.

Her tenacity, however, must be met with the organizational resources needed to make the academic progress we desire happen. Through our review process this fall, it became clear that the Department is not equipped with the right personnel to fulfill the mission we seek of them.

The Department heavily relies on outside assistance to understand the funding formula and the Uniform Chart of Accounts (UCOA), both enacted a decade ago. In fact, the Department has not even updated the Basic Education Plan, which serves as the foundation of the formula in the last decade, and it was relayed to us the only use for the UCOA data today is for federal reporting.

The data available in UCOA is immense, and has the power to tell us where districts could reduce non-core costs, where they could better allocate dollars and find ways to match spending to academic needs. The very mission the state engaged Ernst and Young to complete this year for Providence is something that could have been completed by state personnel, if we had staff trained to do it. Analysis of spending should be completed on an ongoing basis to support all districts to better focus dollars academically, and is prudent to ensure our annual $1 billion investment is effective.

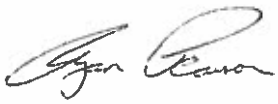
The Department's ability to complete other important work, such as implementing the reform initiatives around curriculum and accountability passed last session, is also questionable, given presentations to the Task Force this fall. These issues combined indicate a strong need for the Commissioner to complete a full analysis of Department personnel to reallocate staff where possible and work with the General Assembly during the budget process to seek incremental FTE where required.

While the FY2021 budget process began with a deficit, it is important to remember that education is an investment that can power our state through the next recession. In a positive economic year, we should be in a surplus position, not a deficit. Our economic strategy of the last five years to reinvent the Rhode Island economy by providing new and stable revenue sources is underway, but not complete. One of the ways to ensure that strategy is successful is to invest in education. It is precisely what we saw our neighbors to the north in Massachusetts do, prior to the last recession. While our immediate recommendations may not all be able to be fully funded in our current budget year, the Task Force believes any funding available for education be prioritized to these recommendations.

We owe it to students to act as swiftly as possible; every year resources are not available is a year they lose academically. Our education system has the power to ensure a better future for not only our students of today, but all Rhode Islanders. A strong education system leads to a stronger economy, improved economic and social prosperity, and, importantly, hope for all in our state.

I look forward to working with you, the House of Representatives, Governor Raimondo, and all Rhode Islanders to implement these recommendations.

Sincerely,



Ryan Pearson
Chairman
Special Legislative Task Force to Study Rhode Island's Education Funding Formula

Findings and Recommendations of the Task Force

Education remains a top priority of the Senate. The future of our state depends on our ability to prepare a vibrant workforce to meet the needs of employers today and tomorrow. Education is not only the pathway for individuals, but it is the foundation of a strong economy, as we have seen our neighbors to the north in Massachusetts demonstrate over decades. As global economies continue to transform, Rhode Island's strategic geographic location between two major metropolitan centers ensures strong opportunity. To capitalize on this, our state must prepare and invest in education today and remain steady in our course.

Based on testimony received during five public hearings, the Task Force recommends both near-term and long-term solutions to the following findings. Near-term recommendations are areas where action can be taken in the 2020 legislative session, while long-term recommendations will require additional work by stakeholders before final legislative enactment.

Some of the near-term recommendations have a state fiscal impact for FY2021. As the General Assembly begins the budget consideration process for FY2021, it is understood that not all recommendations may be able to be fully funded in this legislative session. The Task Force determined that, rather than attempt to fit recommendations within a predetermined fiscal impact, that the right action was to honestly identify the areas needing attention and begin the process to address them. These recommendations, however, are intended to offer a priority list for funding in the FY2021 budget to the legislature directing any PK-12 incremental expenditures above and beyond the core funding formula. In addition, the Task Force suggests that any recommendations not able to be fully funded in FY2021 be enacted subject to a phase-in of the fiscal impact.

NEAR-TERM RECOMMENDATIONS

For the following findings, the Task Force recommends specific actions for the 2020 Legislative Session:

1. The Local Share Is Not Consistently Funded or Understood.

The State Share Ratio (SSR) provides a minimum expectation for what a community should contribute each year to their schools – also known as the local share. While the state share for education aid has steadily increased in recent years, many Local Education Agencies (LEAs) have either reduced funding or provided only modest increases over the six-year period. With the exception of four communities, from FY2012 through FY2018, communities have decreased their local share of funding. In other words, state money has displaced local money instead of increasing the total resources available for education, which is counter to the intent of the funding formula. Further, an analysis of FY2018 showed that the following communities are not even meeting the core minimum per-pupil spending amount: Woonsocket ($13.5MM), Pawtucket ($13.2MM), and Providence ($6.4MM).

- **Recommendation #1: Require the Rhode Island Department of Education (RIDE) to publish annual state and local share calculations as part of the budget process.** The Task Force also recommends requiring communities to meet their local share beginning with the FY2022 budget. If a community does not believe they can meet their obligation for FY2022, their chief executive must notify RIDE and the Division of Municipal Finance by November 2020. The chief executive, in consultation with the state, shall provide a municipal plan to meet their local share no later than FY2027.

  Estimated Fiscal Impact: No state fiscal impact.

2. The organizational capability and capacity of RIDE is uncertain.

The Task Force is concerned about the organizational capability and capacity of RIDE and understands that the General Assembly needs to support a shared vision with the Commissioner to transform RIDE from a compliance-based organization to a support-oriented resource for LEAs. The Task Force has significant

concerns overall, and specifically, in the capability of RIDE to execute the requirements of the curriculum and accountability reform acts passed in the last legislative session.

- **Recommendation #2: Repurpose full-time employee (FTE) positions where possible to meet the needs of a support-based organization, and provide additional positions as needed to expand the capacity of RIDE, ensuring reform acts passed last session are soundly implemented.** The Task Force encourages the Commissioner to perform a full organizational analysis to determine RIDE's current capability and capacity. FTE levels need to be adjusted to meet the need, but roles also need to be reevaluated if no longer needed. The Task Force respectfully requests the Commissioner to work collaboratively with the General Assembly through the FY2021 budget process in order to determine an appropriate FTE level that ensures RIDE can fulfill its mission.

Estimated Fiscal Impact: TBD (Governor's FY2021 budget requested 9.0 new FTE for a total cost of $1.4MM)

3. Qualification for the Free and Reduced Lunch Program (FRLP) is an imperfect measure of counting students experiencing poverty, students who are English Language Learners (ELL), or students with Individual Education Plans (IEPs).

The hesitance of qualified families to submit the necessary FRLP forms is impacting the allocation of the Student Success Factor (SSF) funding, which provides additional support for students from low-income families, ELL students, and students with IEPs. Based on the testimony of Dr. Kenneth Wong, during the process of designing the funding formula, the committee chose one data point to identify students in need of this additional support: eligibility for the free and reduced lunch program. Dr. Wong testified that there is a high correlation between the concentration of high-need students and the concentration of poverty. In 2018, there was a 96.1 percent correlation statewide between poverty and ELL. Nonetheless, if families are not filling out the necessary forms, the state funding for these students will not be there. The Governor has created a new categorical fund to address ELL needs, however, that does not address the issue that the need for the categorical funding is driven by the failure of the funding formula itself to identify and count all ELL students accurately. The categorical by design is incongruent to the structure of the funding formula.

- **Recommendation #3: Expand the trigger for providing the Student Success Factor (SSF) funding to include students identified as ELL and repurpose ELL categorical funding to support this need.**

  Estimated Fiscal Impact: Based on student data provided by RIDE, expanding the SSF to all identified ELL students regardless of FRLP status would cost about $7.7 million in FY2021 and expand the SSF to 2,695 ELL students. Compared to the Governor's FY2021 budget, this recommendation would cost $0.2 million.

4. The annual volatility in the State Share Ratio for the Community (SSRC) unfairly impacts communities, and does not provide the stability the formula intended, in terms of the amount of state education aid a community can expect each year.

Changes in the personal income or property value data due to revaluation in a community can cause significant shifts in the amount of education aid a community receives from the state. The Division of Municipal Finance uses the five-year average of median family income, as reported by the Federal Census Bureau in the American Community Survey, to help RIDE calculate SSRC; however, due to the relatively small population of some municipalities, changes in the data can have a significant impact on the SSRC from year to year, resulting in substantial drops in education aid to a given community. Annual fluctuations in community share ratios can be significant, unpredictable, and hard for communities to plan for. Smoothing those out will allow communities to plan and recoup funds at a steady pace within their annual tax levy increases. The biggest fluctuations are usually due to changes in the median family income or property evaluations/re-evaluations in the communities; however, changes in the number of students experiencing poverty can also make a considerable difference.

- **Recommendation #4: Smooth the volatility of the SSRC by capping the amount that education aid to a community can decrease in any one fiscal year at 1.0 percent of the community's previous education aid appropriation from the state.**

  Estimated Fiscal Impact: Based on Governor's proposed FY2021 budget, projected to cost $0.9MM.

5. The transportation costs caused by requirements in the federal Every Student Succeeds Act (ESSA) are a burden to many communities.

Transportation for foster youth required pursuant to ESSA is costly to many communities and is not an expense currently contemplated in the funding formula. The decision of where to place foster youth is made in the best interest of the child by the Department of Children Youth and Families (DCYF) and RIDE; however, the LEAs are responsible for the student's education, including transportation to and from school. While DCYF may try to keep a student within his or her original LEA for continuity, there is a shortage of foster homes in many communities. Students placed in a foster home outside of their original LEA require specific transportation from the foster home, wherever it is located, to school.

- **Recommendation #5: Expand the current categorical funding for transportation to include a reimbursement for costs associated with transporting foster youth pursuant to ESSA.**

  Estimated Fiscal Impact: Based on information received from RIDE, ESSA transportation for out-of-district foster youth is projected to cost about $5.0 million in FY2020.

6. Enrollment changes are not being addressed by the funding formula in a timely manner.

The student demographics used in the funding formula to determine the state appropriation and distribution of education aid come from data reported in March of every year and can become outdated by the time the target school year begins. The funding formula should be responsive to enrollment changes that occur between March and the beginning of the school year. RIGL 16-7.2-3(c) requires RIDE to report the updated average daily membership as of October 1, but education aid is not updated in response. These enrollment numbers should be taken into account, as they provide a more accurate picture of the students the LEAs are serving in that school year.

- **Recommendation #6: Establish a reserve to fund enrollment growth that occurs between the enacted budget and the October 1 update.** The Task Force recommends the creation of a fund to address enrollment growth that occurs between the March 1 update, on which the enacted budget is based, and October 1. Such funds may be used to address significant growth in enrollment in the enacted fiscal year.

  Estimated Fiscal Impact: In FY2021, the October 1 data increases the cost of the education funding formula, per RIDE's estimate, by $2.6 million; however, future impacts are indeterminable. FY2020 is the first budget where the October update was calculated, and in that year, the cost projection decreased significantly from October to March.

7. Tax Treaties entered into after May 15, 2005 are not an exemption to the value of property used to calculate the state share ratio for the community.

Pursuant to RIGL 45-13-14(a)(3), property whose tax levy or assessment is based on a tax treaty agreement or tax stabilization agreement in force prior to May 15, 2005 is exempt from the property valuation of the relevant city or town when calculating the community's relative wealth for the funding formula's SSR. For communities with such exempt properties, such as Brown University or Providence Place Mall, the property wealth of the community is calculated as if the exempt property does not exist. Any treaties entered into after this date are included in the valuation, distorting the true tax capacity of the community.

- **Recommendation #7: Tax Treaties entered into after May 15, 2005 should be exempted from the property valuation of the city or town for the purpose of calculating the SSR.**

  Estimated Fiscal Impact: Indeterminable at this time.

8. Charter school tuitions are not tied to any investment strategy to improve student outcomes.

Charter school proponents have successfully advocated in the last decade to expand choice, allowing students to exit underperforming schools for the promise of a superior charter school education. However, the Board of Education has failed in its responsibility, delegated to it by the General Assembly, to make prudent investment decisions. School choice can be costly as systems are duplicated, and the investment of limited state and local dollars must be made where student outcomes truly improve. The Task Force heard from high-performing LEAs that are under charter school tuition pressure despite the fact that the LEA's schools are outperforming the receiving charter. Any available charter seats should be reserved for students leaving an underperforming school.

- **Recommendation #8: Implement a Massachusetts-style model, where the total amount of an LEA's budget (calculated by taking the sum of reduced state aid and local tuition payments due to charter enrollment) that can be allocated to charter school tuitions is tied to an LEA's student performance data.** Additionally, for new charter enrollments, the local tuition due to a charter school would be 100 percent when the receiving charter is outperforming the sending school. When the sending school is outperforming the receiving charter, the local tuition paid by the sending LEA shall be no more than 50 percent of the local tuition calculation.

  Pursuant to Massachusetts law, district tuition payments to charter schools are capped at either 9.0 percent or 18.0 percent of the district's net school spending, in any fiscal year. [MGL Ch. 71, Sec. 89(i)(2)]. The cap is 18.0 percent if the district is performing in the bottom 10.0 percent "of all statewide student performance scores released in the 2 consecutive school years" before the student submits the charter school application. [MGL Ch. 71, Sec. 89(i)(3)]

  Estimated Fiscal Impact: No state impact.

9. Career and technical education (CTE) pathways are being used for non-academic reasons.

The Task Force is concerned about testimony indicating that students and their families are pursuing career and technical pathways for non-academic reasons. The testimony pointed out that with the advent of the Governor's Workforce Initiative, there was movement to expand CTE offerings to students across the state, especially in high-need career areas. While the Task Force supports the intent of the expansion, the testimony presented indicated that the execution has led to two main problems: First, a sending LEA must pay tuition to the receiving LEA, even if the sending LEA offers the same coursework. Second, the definition of CTE has been greatly expanded. Unfortunately, this expansion has opened the door for abuses of the system.

- **Recommendation #9: Empower LEA superintendents to provide approval for students to attend pathways at an alternative LEA based on the student's academic interests and the quality of offerings at the home LEA versus the pathway at the other.** Decisions would be appealable to the Commissioner of Education.

  Estimated Fiscal Impact: No state impact.

10. Categorical funding has not been funded as designed.

Categorical funding for high-cost special education and transportation was intended to provide additional resources for needs beyond the core funding formula and for certain high-cost items; however, the categories have not been appropriated as designed increasing core funding gaps as local dollars are used to supplant these costs.

- **Recommendation #10: Fully fund high-cost special education and transportation categorical aid.**

  Estimated Fiscal Impact: Based on the data used in the Governor's FY2021 Budget, it would cost an additional $8.2 million to fully fund high-cost special education at $12.7 million, and $4.3 million to fully fund transportation at $12.0 million.

LONG-TERM FINDINGS

The long-term findings of the Task Force are significant bodies of work that will require time and resources. The task force recommends they be enacted into statute requiring each to be completed over the next one to two years.

11. The data collected in the Uniform Chart of Accounts (UCOA) is not being used to find efficiencies and guide LEAs in the best use of their funds, as intended.

Enacted over a decade ago, UCOA was intended to provide the state insight into local spending decisions. With this insight, the state would have the ability to determine the efficiency of school operations and provide guidance concerning the allocation of resources. The Task Force was alarmed when RIDE testified that the data is only used to complete federal reports. The recent Ernst and Young financial report on Providence schools is an example of the type of work that could be done in-house by RIDE for all LEAs, if resourced appropriately. This oversight is not only critical for student outcomes, but it is also what the Task Force expects to happen in a department charged with managing the state's PK-12 education system – a $1 billion annual investment.

- **Recommendation #11: Establish a statutory requirement for RIDE to use UCOA data to increase effectiveness and efficiency.** In addition, the Task Force recommends establishing an incentive fund, which would involve the state sharing non-core costs with LEAs, if efficiency benchmarks are met/overall non-core costs are minimized by LEAs.

12. Neither the Basic Education Plan (BEP), nor the cost data mapping have been updated in more than ten years. These underpin the entire funding formula.

The Basic Education Plan (BEP) is a set of departmental regulations schools must follow to ensure they are providing a basic level of academic and support programs to students. The BEP was revised in 2009 but originated in 1983 pursuant to statutory changes requiring the Board of Education to adopt regulations that determined the basic level of funding needed to support education Rhode Island. The BEP is intended to be read along with other state and federal requirements. The core funding amount, which is the underpinning of the $1 billion education funding formula, is mapped to the BEP. Given that the BEP has not been updated in over a decade, RIDE should review the document to determine if it meets the needs of students today, and ensure the costs are appropriately mapped to the National Center for Education Statistics (NCES) data.

- **Recommendation #12: RIDE shall conduct a review and propose updates to the BEP and core expense mapping by October 1, 2020 to coincide with the FY2022 budget process.** RIDE shall be required to bi-annually complete this exercise after 2020.

13. There is no basic education standard of additional supports needed for ELL students that is mapped to UCOA or NCES data to confirm whether the student success factor funding is sufficient for this population.

The SSF funding established when the formula was initially designed was intended to provide the additional support necessary for students from low-income families, ELL students, and students with IEPs. Based on the testimony of Dr. Kenneth Wong, during the process of designing the funding formula, the committee chose one data point to identify students in need of this additional support -- eligibility for the free and

reduced lunch program – due to high correlation of students who need additional support to this single measure.

However, the SSF weight of 40.0 percent was arbitrarily chosen after a cursory look at the weights used in other states around the country, based on different core structures. Therefore, there is no certainty that the 40.0 percent weight is sufficient to cover the additional cost of educating an ELL student. Data is available in UCOA and through NCES to help determine a validated weight or dollar amount needed to support ELL students.

This is another area where the Governor's creation of the new categorical fund for ELL needs ignores a core issue, and by design, is incongruent to the structure of the funding formula.

- **Recommendation #13: RIDE shall create a BEP standard for ELL students and map expense data (UCOA and/or NCES) to an ELL standard to determine the appropriate ELL weight to formula aid by October 1, 2020.**

14. It is unclear if the SSF is the appropriate weight for the additional funding provided to support students with IEPs and students experiencing poverty.

Similar to recommendation thirteen, the SSF weight of 40.0 percent was arbitrarily chosen after a cursory look at the weights used in other states around the country, which were based on different core structures. Therefore, there is no certainty that the 40.0 percent weight is sufficient to cover the additional cost of educating students experiencing poverty or those with an IEP.

- **Recommendation #14: RIDE shall review of the 40.0 percent weight for students experiencing poverty and those with special education needs to determine the appropriateness of the weight by October 1, 2020.**

15. After implementing the funding formula adjustments recommended in this report and/or making a policy decision on the share of education expenditures that should be funded by local property taxes, the current SSR of 47.5 percent may no longer be appropriate.

The SSR addresses the questions of how much funding the state gives the LEAs for education aid and how those state dollars are distributed. To decide this, the SSR considers two factors: the community's capacity to generate revenue, and the concentration of low-income students. This gives us the SSRC. In determining the SSRC, the relative ability of the LEA to raise revenue is multiplied by 0.475. If we were to raise this weight to 0.9, a community's contribution to education, or the local share, would be higher. Conversely, if the multiplier were lowered to 0.1, the local contribution would be lower, and the state share would be higher. The 0.475 represents the community's ability to raise revenue for education. The state share can be adjusted by changing this multiplier. However, this is just one of the two factors used to determine the SSR, which determines the distribution of education aid: the poverty concentration is the other, and both are used in the quadratic mean to calculate the final ratio. In addition, consideration should be given to applying the SSRC ratio to determine the local share of teacher pension contributions.

- **Recommendation #15: After considering all short- and long-term recommendations, the state shall reset the SSR based on overall state and local affordability, and what the share of education funded by property taxes should be including the local teacher pension contribution.**

Hearing Summaries

The Task Force held five meetings to explore and analyze issues surrounding the funding formula in Rhode Island, by gathering information from local and national experts in the field of education aid, as well as concerned organizations and citizens. Each hearing was televised and recorded through Capitol Television.

HEARING 1 – OCTOBER 16, 2019

The first hearing of the Task Force laid the framework for how the education funding formula works, and introduced the results from an initial evaluation of whether the application of the formula was achieving the four core principles around which it was designed:

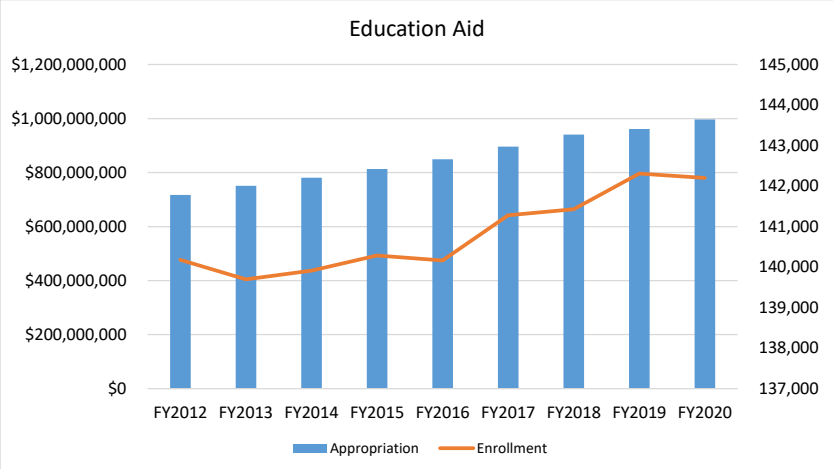
1) All children should have access to an adequate and meaningful education regardless of their residence or economic means;
2) A school funding system should treat property taxpayers equitably, limit the portion of school budgets financed by property taxes, and establish sufficient cost controls on spending;
3) The state should ensure that its school funding structure adequately reflects the different needs of students, and responds to educational inequities among the state's school districts;
4) The state education funding system should provide a predictable amount and source of funding to ensure stability in the funding of schools

The video of the October 16, 2019 hearing of the Senate Task Force to Study Rhode Island's Education Funding Formula can be found here:

http://ritv.devosvideo.com/show?video=0b09c9ced4fa&apg=ed687894.

Funding Formula 101 Overview

The funding formula was established in 2010 through a Joint Legislative Committee. The Committee relied on assistance from the Rhode Island Department of Education and Dr. Kenneth Wong, from Brown University, to develop a single research-based, data-driven methodology for distributing aid. The formula, implemented in FY2012 and phased in over seven to ten years, created a single methodology for distributing education aid to all local education agencies (LEAs) and is based on the principle that the money follows the student. From FY2012 to FY2020, state support to education has increased by $280.0 million, roughly 40.0 percent, with an average annual growth of 4.2 percent. This does not include aid for non-distributed categories, such as early childhood, and career and technical education.



The funding formula is grounded in the per-pupil cost of educating an average student to the standards established in the Basic Education Plan (BEP), which is a set of regulations promulgated by the Board of Education that provide the standards for the public education system. The key components of the formula include:

- **Core Instruction Amount**: A regional average from Rhode Island, Massachusetts, Connecticut, and New Hampshire of expenditures from cost categories that are mapped to the requirements of the Basic Education Plan (BEP) ($9,871 in FY2020)
- **Student Success Factor**: Additional funding of 40.0 percent of the core amount ($3,948 in FY2020) for each student whose family income is at or below 185.0 percent of federal poverty guidelines ($47,639 in 2019 for family of 4)
- **State Share Ratio**: Designed to determine a district's relative ability to generate revenue to support education, as well as student need in the district
- **Categorical Funding**: Additional funding to address needs beyond the core services and for certain high-cost items

Results of initial evaluation of funding formula

Core instruction funding has two components: a state share, and a local share. Data from FY2018 shows that three districts are not contributing enough local dollars to reach the intended per-student funding amount. The same three districts are not fully funding the student success factor. These three districts represent 70.0 percent of the state's overall English Language Learner population and 45.0 percent of the students in poverty.

LEA	Core Over/(Unde	Per Pupil Core Over/(Unde
Woonsocket	($13,487,935)	($2,336)
Pawtucket	($13,283,590)	($1,507)
Providence	($6,403,263)	($281)

Statewide, the percentage of district budgets spent on non-core expenses varies widely, showing the potential to realize efficiencies.

	Non-Core Instruction Amount Expenditures		Total FY2018	Measures/Metrics	
LEA	State	Local Share	Total FY2018 Expenditures from State & Local Sourc	Core Over/(Unde	% Non-Core Adjuste
Jamestown	$0	4,977,443.97	$12,074,410	$1,117,192	41%
Little Compton	$0	2,657,055.76	$7,017,800	$763,350	38%
Middletown	$0	9,407,470.81	$35,895,508	$3,626,352	26%
Newport	$0	10,647,772.01	$40,778,536	$5,713,202	26%
Bristol Warren	$0	13,219,192.28	$51,591,738	$5,068,706	26%
Woonsocket	$0	19,587,834.14	$75,095,456	($13,487,935)	25%
Scituate	$0	5,574,234.15	$21,979,397	$3,237,932	25%
East Providence	$0	21,081,109.50	$83,001,682	$4,336,615	25%
Johnston	$0	14,516,286.22	$57,658,841	$8,422,116	24%
Westerly	$0	14,272,881.18	$56,224,495	$12,265,327	24%
North Providence	$0	13,866,910.60	$55,481,601	$4,258,972	24%
Tiverton	$0	7,069,149.36	$30,003,021	$4,083,748	24%
Foster	$0	928,418.51	$3,952,006	$377,313	23%
Providence	$0	106,047,669.94	$380,090,850	($6,403,263)	23%
		$243,853,428	$910,845,341		24%
Exeter-West Greenwich	$0	7,538,599.25	$31,205,380	$7,765,311	23%
North Smithfield	$0	6,056,545.49	$25,354,177	$2,628,302	22%
Portsmouth	$0	8,389,161.60	$37,764,198	$6,588,488	22%
Warwick	$0	37,870,606.13	$165,851,694	$33,336,461	22%

	Non-Core Instruction Amount Expenditures		Total FY2018	Measures/Metrics	
LEA	State	Local Share	Total FY2018 Expenditures from State & Local Sourc	Core Over/(Unde	% Non-Core Adjuste
Narragansett	$0	6,055,246.98	$27,107,566	$8,181,969	22%
West Warwick	$0	12,095,357.09	$55,465,945	$5,153,547	21%
Pawtucket	$0	29,265,016.96	$121,361,425	($13,283,590)	21%
Lincoln	$0	14,364,144.64	$54,187,110	$9,979,075	21%
Burrillville	$0	7,268,533.18	$32,371,934	$1,105,504	21%
South Kingstown	$0	13,845,755.18	$59,956,532	$15,279,115	21%
North Kingstown	$0	14,178,823.63	$63,760,856	$11,080,939	20%
Foster-Glocester	$0	4,097,103.33	$20,368,607	$5,490,318	20%
East Greenwich	$0	7,501,352.58	$37,790,607	$6,969,419	20%
Cranston	$0	31,954,936.59	$153,296,305	$12,670,021	19%
Chariho	$0	11,233,266.65	$54,124,349	$11,634,257	19%
Smithfield	$0	6,925,437.52	$37,756,102	$7,684,927	18%
Glocester	$0	1,537,751.83	$8,605,206	$1,780,403	18%
Coventry	$0	12,649,469.11	$68,746,738	$8,781,370	18%
Cumberland	$0	14,602,568.16	$63,054,789	$3,690,965	18%
Barrington	$0	8,307,986.59	$48,581,914	$8,912,644	17%
New Shoreham	$0	779,162.26	$4,871,104	$2,948,399	16%
Central Falls	$0	10,182,514.10	$41,720,733	$131,120	15%

Districts with a high percentage of students attending charter schools are adversely impacted by the funding formula. Sending-district tuition is calculated by dividing the local appropriation to education from property taxes, net debt service and capital projects, by the district enrollment. This tuition calculation is based on the assumption that the core instruction amount is fully funded, which leads to significant inequities when the number of charter school seats increases.

	Providence Today	Providence +1,000 Charter Seats	Change
RADM	22,790	21,790	(1,000)
Charter Enrollment	4,076	5,076	1,000
Charter Tuitions	$17,432,612	$21,709,504	$4,276,892
Non Core Expenses	*$106,047,670*	*$110,324,562*	*$4,276,892*
State Aid	*$245,114,202*	*$234,355,027*	*($10,759,175)*
Local Aid	$134,976,648	$134,976,648	($0)
Total Expenditures	$380,090,850	$369,331,675	($10,759,175)
Foundation Amount	*$280,446,443*	*$268,140,763*	*($12,305,680)*
Core Gap	($6,403,263)	($9,129,639)	($2,726,376)
Core Gap per student	**($281)**	**($419)**	**($138)**

Providence would need to save $15.0 million from the shift of 1,000 students to charter schools in order to break even.

As shown in red, state aid decreases by $10.7 million while non-core expenses increase by $4.3 million, for net impact of $15.0 million.

HEARING 2 – NOVEMBER 7, 2019

The second hearing of the Task Force focused on the Basic Education Plan (BEP) and how the BEP determines the core foundation amount. The video of the November 7, 2019 hearing of the Senate Task Force to Study Rhode Island's Education Funding Formula can be found here:

http://ritv.devosvideo.com/show?video=210766a6991d&apg=ed687894.

Stephen Osborn, Chief for Innovation, Rhode Island Department of Education

Mr. Osborn testified that the Basic Education Plan (BEP) is a set of departmental regulations schools must follow to ensure they are providing a basic level of academic and support programs to students. It is intended to be read along with other state and federal requirements. The BEP aims to provide an overarching set of regulatory standards that guide and lead the Rhode Island public education system. The BEP was revised in 2009, but originated in 1983 pursuant to statutory changes requiring the Board of Regents to adopt regulations that determined the basic level of funding needed to support education Rhode Island. Originally the BEP was based more on prescriptive inputs for education; however, in 2009 the revisions were designed to look more at outcomes and what programs should be available to students. The BEP is intended to be read along with other state and federal requirements. Every school is required to have a basic level of academic and support programs to make sure the school is meeting the standards. While not every school is expected to provide every program in the BEP, the school is required to provide access to the programs, such as engineering. The BEP has not been updated in more than ten years.

Sections of the BEP incorporated in the core instruction amount of state education funding include: support for teachers and classroom materials; guidance counselors, nurses, supervision for extra-curricular activities, and instructional support; school operations and business services; leadership and administration. Items excluded from the core amount include, but are not limited to, teacher retirement, food service, transportation, building maintenance, utilities, and federal fund expenditures.

To ensure that the BEP requirements are met, the Department of Elementary and Secondary Education (Department) has been developing systems for school accountability.

Dr. Kenneth K. Wong, Director of the Urban Education Policy Program and the Walter and Leonore Annenberg Professor of Education Policy at Brown University

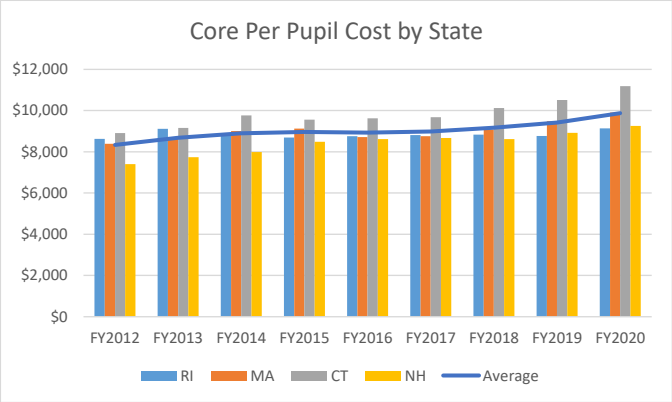
Major design features of the funding formula include five main principles:

- The core instruction amount for each student is based on actual expenditure data reflecting the cost of teaching and learning conditions every child should receive to achieve the learning goals. Supplemental

categorical aid is provided outside the formula to provide support to certain high-cost items. "Student Success Factor" provides additional support for low-income students.

- Funding follows the student to ensure LEAs are funded at their current enrollment and need levels.
- The percent of costs paid by the state is based on local fiscal capacity and concentrated poverty levels.
- The formula was phased in over several years to allow the state and districts to adjust to the changes.

The core instruction amount is the average of verifiable data from the Nation Center of Education Statistics (NCES) for four regional states: Connecticut, Massachusetts, New Hampshire, and Rhode Island. New England states were used to account for regional cost differences. The value of the NCES data is that they use a standardized coding system across states, allowing for the use of comparable expenditure functions. Using the data from other states helps to ensure that Rhode Island is in alignment with New England states. This analysis is updated annually. From FY2012 to FY2020, per-pupil core instruction increased by $1,538, or 18.5 percent, with an average annual growth of 2.2%.



Analyst Note: It may be noted that the FY2020 core amount is based on FY2014 expenditures, adjusted by CPI-U for 2015 through May of 2018. This is due to the time needed to collect and verify the NCES data.

Based on discussions with the Department of Education and other stakeholders, as well as a scan of what other states were doing, the priority for core costs are those that directly support face-to-face instruction and student supports. Therefore, salaries for teachers and teacher aides, classroom supplies and textbooks, salaries for guidance counselors, psychologists, speech pathologists, coaches, summer school teachers, and supervisors in extra-curricular activities are all included, as are curriculum and professional development costs, business and administrative costs.

Costs that are excluded are generally those that are subject to local discretion that leads to wide variances among districts, such as retiree health, transportation, safety, food service, maintenance, and utilities. Also excluded are expenditures from federal funds, restricted receipts, or other funds. The expenditures are tracked through the expenditure codes; consequently, the inclusion of an expenditure for something such as school safety depends on the code used. For example, a resource officer may be included as a support service but could also be a municipal expense instead of a school expense. In addition, expenses for chrome books, equipment for a computer lab, electronic text books may be coded as instruction materials.

Factors driving up the core costs, those that directly support face-to-face instruction, include changes in student demographics and expenditures by peer states. According to the Department, from FY2008 to the present, the percentage of low-income students statewide has increased from about 37.9 percent to 47.6 percent. If these trends continue and if the General Assembly continues to fully fund the formula as currently designed, the annual costs of the funding formula are expected to continue to increase annually.

Analyst Note: The data in the simulators used to calculate education aid indicate that from FY2012 to FY2018 the RAMD has increased from 141,119 to 141,426, with poverty increasing from 43.9 percent to 48.3 percent.

The Student Success Factor (SSF) focused on poverty because the higher the concentration of poverty, the more challenging the learning conditions; however, Dr. Wong recommended revisiting the weight assigned to it, 40.0 percent, due to changing demographics.

Statewide, districts are spending significant resources on certain items not included in the core amount, such as transportation ($91.4 million in FY2017) and safety ($7.2 million in FY2017). It may be time to revisit the sole local responsibility of non-core costs as they are growing and becoming a big expenditure.

Timothy Duffy, Executive, Director, Rhode Island Association of School Committees

Mr. Duffy participated in the Joint Committee that developed the funding formula. Some things to address, now that it has been in place for ten years:

- The core instruction amount. New Hampshire tends to lower what the core amount should be. Our demographic profile is more akin to New Jersey. We are more urban. Second to NJ for percentage of urban communities within the state. Consider examining the amount spent by states more analogous to our demographic profile, such as New Jersey.
- Add a local contribution requirement. Rhode Island's "maintenance of effort" has allowed some communities to make minimal increases to support education. The discrepancy in growing local support as led to an inequity in funding.
- Consider increasing the state's pension contribution from 40.0 percent to at least 50.0 percent. In Massachusetts, the state pays the entire employer share.
- High-cost special education reimbursements are prorated because it is funded at $4.5 million, while the actual cost is closer to $20.0 million. Also, these costs are included in charter school tuition payments, even though high-cost students are not attending charter or state-run schools.

Tracey Belliveau, Special Educator, Woonsocket

Ms. Belliveau asked the Task Force to think about special education as a statewide issue instead of a district issue. Consider deciding what amount the districts are expected to pay, and anything above that would be shared by the state and the districts.

Districts cannot control who moves in. Many special education families move to Woonsocket because lower cost and safer than many other districts. We need to think outside box and make special education a statewide problem. Inclusion is very expensive.

John Ward, Woonsocket

Mr. Ward testified that no one from the Department has ever communicated what municipalities should contribute to support education. Consider publishing the expectation. If a district cannot meet the obligation, they develop a plan with the state.

Additional testimony included:

- Increase the state's pension contribution, fully fund English Language Learner programs, and account for conventional public housing.

  Woonsocket gets 80.0 percent in state education aid, but 40.0 percent for pensions. A community receiving 20.0 percent in state aid gets the same 40.0 percent.

  - Also, the 40.0 percent poverty adjustment was probably designed to make the formula fit the available funding. Poverty not the same everywhere you go. Two pieces affect tax payers. Children living in poverty in most communities live in houses that are fully taxed. In Providence, Newport, Woonsocket, and Pawtucket, children in poverty live in public housing, for which the communities receive a payment in lieu of taxes (PILOT), but no property taxes. In Woonsocket, more than 10.0 percent of students come out of Conventional Public Housing. PILOT funding is less than $50,000, and taxes forgone are almost $600,000.

- Looking at Equalized Weighted Value shows that Providence pays 1.98 percent of their EWAV value for education, while West Warwick and Woonsocket pay 1.5 percent, the highest percentage of their EWAV value for education. The state average is 1.05 percent. Barrington pays less that 1.0 percent. Woonsocket would rise to 2.85 percent if increased local funding by the $13.5 million identified in the funding formula assessment.

Senator Pearson points out that, for years we have shirked our responsibility to be fully transparent and talk about it out loud: the formula implies that there is a local contribution. As long as that local contribution is not being made, we are not meeting the obligations of the formula. The State had not been meeting its obligation for a number of years that is why we had the phase in. The State has now made up its share. But we have an assumption about what the communities can and cannot pay. The first step in understanding if that is realistic is publishing the number and making sure people understand what that number and obligation is. Massachusetts requires a local contribution. If the district cannot meet that obligation, they meet with the State and come up with a plan. For the time it takes to fulfill the plan the state back fills the money.

Tim Ryan, Rhode Island School Superintendents Association

Mr. Ryan testified that the funding formula is a very good thing. It has benefited public education immensely, but it does need a few tweaks. The Every Student Succeeds Act (ESSA) transportation is a huge cost. Woonsocket paid $500,000 to bus students in foster care back to their school of origin. Warwick paid half a million. You never know where the kids will be, but the cost is allocated to the district of origin. It is very different from traditional transportation. These are kids under a federal requirement to be bused.

Special education is included in the tuition districts pay to charter schools, but charter schools do not have the same special education costs. There are fixed costs in the district no matter if some students go to a charter.

RIG 16-64 Current law (§16-64) requires districts to pay special education costs for students in group homes. This can be a burden on small districts. Consider removing this phrase from the statute.

Paige Clausius-Parks, Senior Policy Analyst, Rhode Island Kids Count

Ms. Clausius-Parks submitted a report entitled "Making the Grade 2019: How Fair is School Funding in Your State" which examines three categories:

1. Level of education funding
2. Funding effort
3. Funding distribution between lower and higher need populations

Rhode Island received a grade of "B" for both level of education funding and funding effort, but received a "D" for funding distribution. The report goes into more detail about that; however, in summary, Rhode Island has a high concentration of poverty for our students relative other states. This impacts the local level of funding. States with a similar concentration of poverty as Rhode Island include Mississippi, New Mexico, and Ohio, and all scored better.

HEARING 3 – NOVEMBER 19, 2019

The third hearing focused on the student success factor, categorical aid, and high-cost areas identified by the Rhode Island Superintendents' Association. The video of the November 19, 2019 hearing of the Senate Task Force to Study Rhode Island's Education Funding Formula can be found here:

http://ritv.devosvideo.com/show?video=813f76fc13f3&apg=ed687894.

Dr. Kenneth K. Wong, Director of the Urban Education Policy Program and the Walter and Leonore Annenberg Professor of Education Policy at Brown University

The Student Success Factor (SSF) was created because students come to the classroom with different learning needs. The Committee that designed the funding formula chose one data point to identify students in need of this additional support: eligibility for the free and reduced lunch program. Additionally, this single indicator was used to avoid the over-identification of high-need students for a financial incentive.

Categorical funding, such as high-cost special education or career and technical education, was used to support certain expenses instead of a weight.

Analyst Note: Pursuant to federal guidelines, Article 11 of FY2017 Budget as Enacted changed the poverty indicator from children eligible for free or reduced lunch to students whose family income is below 185.0 percent of the federal poverty guidelines. This income level is the same threshold that was used for the free and reduced lunch program.

The Committee decided on the 40.0 percent weight for the SSF due to:

1. What the state budget could support, realistically.
2. What other states were doing. Some used a different weight, and others used several different weights for different categories of students. Rhode Island is in the middle. New Jersey has been considered particularly generous in assigned weights to certain categories of students. However, among the states, the weights are being applied to different combinations of core or base expenses.

In Rhode Island, for every 1.0 percent increase in the weight of the SSF, the cost would increase by about $6.0 million.

While the weights provided for English Language Learners (ELL), poverty, and special education vary significantly from state to state, the actual impact on performance is mixed. For example, Connecticut and Massachusetts are higher performing states than Rhode Island, but there are still wide performance gaps between ethnic and income groups.

The decision to have one weight for poverty, ELL, and special education instead of multiple weights was because there is a high correlation between the concentration of high-need students and the concentration of poverty.

The core instruction amount used in the Rhode Island is quite comprehensive and it includes numerous professionals, paraprofessionals, teachers, counselors, and specialists that are not included in other state formulas; consequently, much of these costs associated with these subgroups are included in the calculation of the core amount. Furthermore, there is a high correlation between the concentration of high need students and the concentration of poverty. In 2018, statewide there is a 96.1 percent correlation between poverty and ELL. For students with individual education plans (IEPs) the statewide correlation is 93.5 percent.

From FY2012 through 2018, funding for higher need students has increased significantly (63.0 percent for ELL; 6.5 percent for special education), mostly from general funds. Among districts, total foundation and state aid are highly correlated to the concentration of high needs students, especially those from low income backgrounds. However, the data on charter schools indicates that aid is going to a number of charter schools with a lower concentration of ELL students relative to the concentration of poverty students.

Because the ELL population is increasing faster than the poverty concentration, Dr. Wong recommended as follows:

1. Consider the connection between the core amount and the student weights.
2. Continue to maintain strong correlations between total foundation dollars and student needs.
3. Build partnerships between the state and districts in supporting ELL and students with disabilities, which represent 9.0 percent and 15.0 percent of total student population respectively.

Tim Ryan, Rhode Island Superintendents' Association

Mr. Ryan testified that the funding formula has served us well and the State has not wavered from its obligation. Categorical aid is a big part of that support and are used to fill in the gaps. Forty years ago in Newport, we had poverty but not the ELL population. We only had the Naval War College families. We did not have the school based career and technology programs, we had regional centers. One of the gaps, however, is that the formula does not have a minimum municipal contribution.

Colleen Burns Jermain, Ed. D, Superintendent of Newport Public Schools

Superintendent Jermain testified that Newport has about 2,200 students:

- 68.0 percent free and reduced lunch
- 18.0 percent have IEPs, which is a little above state average.
- Approximately 39.0 percent white, 32.0 percent Hispanic, and 20.0 percent black.

In the first quarter of FY2019, the percentage of ELL students in Newport increased from 12.1 percent to 17.5 percent, and it is still rising. These increases are due to the arrival of 125 new students.

At different levels there are different needs. At elementary level Newport has immersion teachers. At the elementary level, teachers do their best to communicate with students and families.

Of these new students, many are free/reduced lunch eligible; however, some people do not want to fill out applications. Many of these new students have years of interrupted education, have endured trauma-based journeys to the United States, and have been separated from their families. Often at the high school level, they are 16 to 18 males who are in this country to work in order to support their families back home. The district is working hard to support them in getting their GED.

Many families hesitate to fill out the forms necessary for the district to confirm free/reduced lunch status or Impact Aid, which may be available the school is near a government base. Impact aid helps the City of Newport tremendously. The families do not have to work on the base by living in public housing there is federal impact aid that Newport is eligible for..

With regard to the ELL population, the need is growing faster than the resources can keep up. Teachers cannot communicate with students, and the formula is not keeping up. The ELL categorical funds are not enough. There is an immediate need for interpreters, additional ELL staff, and professional development for all staff, including the Superintendent.

Bob Mitchell, Superintendent, Cumberland Public Schools

Superintendent Mitchell testified that Cumberland is a top-five performing district despite spending less per pupil than any other district in the state. There is a $3,000 difference between Cumberland's per-pupil expenditure and the state average.

Cumberland has been hit particularly hard by charter school tuitions. In 2008, 25 students attended charter schools, and the total tuition cost to the district was $125,000. In 2019, 471 students attend charters, which costs nearly $4.0 million. Cumberland is also out-performing Blackstone Valley Prep the largest receiving charter for Cumberland.

He explained that, even if Cumberland is level-funded, the charters still get the money. Woonsocket is paying around $4.0 million in charter tuition. If Rhode Island is going to have school choice, it needs to face the fiscal reality of the decision and fund the system that we have in place. We have to understand the fiscal reality of the decisions we make and be sure we have the right reasons for investing and understand the return on investment.

Phil Thornton, Superintendent, Warwick Public Schools

In the last several years, there has been a change in how students access Career and Technical Education (CTE). For many years, CTE centers located across the State were the primary means for students to access CTE and were characterized by instructors with experience in the relevant field working with students over a number of years. However, with the advent of the Governor's Workforce Initiative there was movement to expand CTE offerings to students across the state. While the intent of expansion was good, the execution has led to two main problems. First, districts must pay tuition to the other districts even if the sending district has the same coursework. Second, the definition of CTE has been greatly expanded.

In FY2017, Warwick paid out $561,000. This year $2.1 million, and in two years looking at $3.5 million for CTE alone. Districts are compelled to pay their per-pupil expenditure even if it is more than what it costs the receiving district to educate a student. Warwick, having one of the higher per-pupil expenditures, over paid by $260,000 for CTE this year relative to what it costs the receiving district to educate the child.

The definition of CTE has been greatly broadened. Under the concept of pathways, any district can put three courses together with an internship. The length of program can vary, and be minimal, sometimes one-third of the time the sending district offers. For example, West Warwick has a Business Finance Academy program with over 1,200 contact hours plus an internship. Compare that to business pathway recently opened in North Kingstown where students can take one half-year class per year and it still counts as CTE. The CTE pathway expansion has turned into a school choice vehicle for a subset of students in the State. The West Warwick program has been available for years; however, it is only since the new pathway opened in a different zip code that we are seeing a great increase in interest in business. This year alone in Warwick we have 14 students at North Kingstown for business and 6 at Ponaganset for the same. Warwick has a strong CTE program for culinary yet the district is paying tuition to Coventry for culinary. Districts are advertising in other districts and even offering free bus rides to attract business. CTE is now an engine for districts to make money.

I believe families are seeking out programs in other districts with a genuine desire to pursue a pathway. I also believe the pathway initiative is being used by some to attend a high school in a different zip code for a certain sports team. This year 44 applications have gone for initial approval at the CTE Board for next year's school year. One third are for art and music type programs. While these programs are meaningful for students, I am not sure art and music programs were thought of as high-demand, 20th Century programming by the Workforce Board; and yet, these program have been approved as new pathways in North Kingstown and Ponagansett in recent years. Warwick and other districts are now pursing approval for an arts and music pathway; however, there is concern, based on information from RIDE staff, that the goal post for approval of these program has been moved by requiring internship partners that will commit to offering employment to students at the end of the program.

If we want to have school choice in Rhode Island than we need to fully fund school choice. We have a legacy of creating choice options within the State but we have never readily addressed the funding implications. Instead, we have passed on most of the cost to districts. With the re-examination of the funding formula, we have an opportunity to tackle the issue of choice in Rhode Island. If we want choice, we need to fully fund choice maybe by adding a choice component to the formula. Perhaps, while considering funding options, there should be a moratorium on new student CTE applications.

Pat McGee, Superintendent, Woonsocket Education Department

Mr. McGee testified that Woonsocket struggles with the Every Student Succeeds Act (ESSA) transportation costs. From FY2018 to FY2019, the transportation costs for general education students have increased from $67,091 to $405,495, and the cost for transporting displaced students has increased from $4,481 to $259,425. These costs include students placed in foster care and shelters. It has had a large fiscal impact.

Another area of concern in Woonsocket is the mental health of students. They have tried to increase the number of social workers and psychologists, but they have to choose between reading specialists and social workers.

Relative to ESSA transportation, the decision of where the student is placed is made with DCYF and RIDE; however, the districts are responsible for the student's education. Even though DCYF may try to keep a student within the district for continuity, there is a shortage of foster homes in Woonsocket.

He noted that the school department has been effectively level-funded by the City since FY2014, while there have been a fairly dramatic increases in State support. The bump in State funding has allowed the district to get its head close to the surface, but not above water; however, many cuts have been made under when the Budget Commission went into place.

HEARING 4 - NOVEMBER 21, 2019

The fourth hearing focused on calculating the state share ratio. Senator Pearson also showed data from the National Conference of State Legislators (NCSL) on state share ratios across the country. The video of the November 21, 2019 hearing of the Senate Task Force to Study Rhode Island's Education Funding Formula can be found here:

http://ritv.devosvideo.com/show?video=9e76362ca545&apg=ed687894.

Dr. Kenneth K. Wong, Director of the Urban Education Policy Program and the Walter and Leonore Annenberg Professor of Education Policy at Brown University

Dr. Wong explained that the state share ratio (SSR) is based on two factors: the local capacity to generate revenue, and the local concentration of low-income students.

The capacity to generate revenue through taxes reflects the ability of the municipality to provide education services. The concentration of poverty is an indicator of the relative cost of providing education services, since lower-income students tend to be more expensive to educate.

The capacity to raise revenue is measured through the Equalized Assessed Valuation (EWAV), determined from assessed property values and the median family income of the community relative to the state. The concentration of poverty looks at the percentage of prekindergarten through sixth grade students living in poverty, measured by free and reduced lunch participation. These grades were used because data indicated that students in higher grades are less likely to identify themselves due to stigma and peer effect.

The "quadratic mean" calculation is used because it gives the larger of the two values a greater weight. This is designed to respond to shifting demographics of students that may impact the cost of education. The concentration of poverty measure is separate from the wealth measure factor and is intended to measure the local demand and greater burden on a community with concentrated poverty.

In determining the State Share Ratio for the Community (SSRC), the relative ability of the district to raise revenue is multiplied by 0.475. If this weight were raised to 0.9, the local contribution would be higher. Conversely, if the multiplier were lowered to 0.1, the local contribution would be lower.

Deciding the state share ratio provides an expectation for a local share. While the state share for foundation spending has steadily increased in recent years, many Local Education Agencies (LEAs) either reduced funding or provided modest increases on an annual average over the six year period. With the exception of four communities, from FY2012 through FY2018, communities have decreased their local share of funding. It appears that state money has displaced local money instead of increasing the total resources available.

Dr. Wong also reminded the Task Force that the funding formula is multifaceted and interdependent, so if change one component one needs to consider the impact on other components.

Stephan Coleman, Chief, Division of Municipal Finance

Mr. Coleman testified that the Division of Municipal Finance (DMF) produces the Adjusted Equalized Weighted Assessed Valuation (AEWAV) and provides it to the Department of Education, which uses that data to produce the State Share Ratio for Community (SSRC). Ultimately, the AEWAV redistributes the assessments for all municipalities by adjusting the sales and median family income.

If the AEWAV per pupil "wealth" of the community is greater than 2.1 times the state "wealth" per student the SSRC will be zero, basically 0.475 times 2.1 equals 1.0. If the 0.475 used in the SSRC calculation was lowered, fewer communities would reach zero share. However, the SSRC is one of two factors used to determine the percentage of state funding provided to a community. The quadratic mean also includes the percentage of prekindergarten through sixth-grade students and this factor would drive the share ratio calculation for a community with a value of zero for the SSRC.

RIGL§16-7-21 and §45-13-14 set the parameters for the calculation of the AEWAV. Pursuant to RIGLs §16-7-21 and §45-13-14, the DMF uses three main data sources for the valuation: the tax roll report, the sales abstract file, and tax treaty information.

Current law (§45-13-14) requires the computation be based on the "full value of all property," but identifies certain exemptions. For communities with exempt properties, the wealth of the community is calculated as if the exempt property does not exist, such as Brown University or Providence Place Mall.

In addition to the AEWAV, the concentration of poverty among prekindergarten through sixth grade students influences the calculation of the state and local shares of education funding.

The DMF website has information on municipal contracts, pensions, and other post-employment benefits. It also has access to the Municipal Transparency Portal (MTP), which is a central location for municipal financial information with several ways to compare communities.

When looking at the fund descriptions, a municipality may be able to use "unassigned" balances for education costs; however, determining whether a fund balance in a certain municipality could be used to fill a gap in education funding would require a deeper dive beyond the data in the portal. .

Mark Dunham, Director of Finance and Statewide Efficiencies, Rhode Island Department of Education

The Rhode Island Department of Education (Department) receives the AEWAV data from the Division of Municipal Finance (DMF), and updates the share ratios annually. The data received in the summer of FY2019 determines the FY2021 state share.

Student data is generated by each Local Education Agency (LEA) and submitted to the Department. The June 30, 2019 student enrollment data is used for the FY2021 share ratio calculation, and March 2020 data will be used for the FY2021 enacted education aid distribution. The March 2019 data is used for the education aid distribution in the Governor's recommendation. The state share ratio calculation is not altered with the March update.

Since there is no minimum, or floor, for the SSRC, the share ratio for some communities would be zero without the prekindergarten through 6th grade poverty concentration.

Per RIGL §16-7-20, the factor used to determine the SSRC is 0.475. The 0.475 results in a base state share of 52.5 percent of total education funding, but that will vary based on a municipality's ability to pay.

Mr. Dunham testified also testified that annual fluctuations in community share ratios can be significant, unpredictable, and hard to plan for. Smoothing those out could be helpful. The biggest fluctuations are usually due to changes in the median family income or evaluations/re-evaluations of property in the communities; however, changes may also occur due to differences in enrollment or student demographics.

A look at national share ratios

Senator Pearson reviewed information from around the country regarding education funding with the Task Force. He noted that, based on information from the National Conference of State Legislators (NCSL), Rhode Island's funding of education with a greater portion of local property taxes is consistent with other New England states. As for per-pupil expenditures, Rhode Island follows the national trend, but when the nation started to reduce funding in 2010, Rhode Island saw less of decrease and has rebounded more quickly.

Data from 2016 showed that 36.1 percent of the country's education funding came from local sources and 47.3 percent came from state sources. In Rhode Island, those numbers were 49.2 percent and 41.4 percent, respectively.

Further, on average from FY200 to FY2018, states spent 19.6 percent of their budgets on K-12 education, while Rhode Island spent 14.7 percent.

Cheryl McWilliams, Interim Superintendent of Pawtucket School Department

Superintendent McWilliams testified that Pawtucket has the same challenges as other urban districts, like high-cost students moving into the district, which changes the demographics. In addition, complying with Every Student Succeeds Act (ESSA) transportation requirements is costly. From last year to this year, Pawtucket saw a 485.0 percent increase in ESSA transportation costs. As a result, Ms. McWilliams recommended adding ESSA transportation to the core education funding.

Ms. McWilliams testified that the school district does try to reduce costs -- they share their IT department with the City, for example.

HEARING 5 – DECEMBER 10, 2019

The fifth hearing focused on the financial data found in the Uniform Chart of Accounts (UCOA) system; specifically, whether expenditures could be linked to performance, used to determine benchmark costs, or help identify best practices. The hearing also included an overview of the school accountability and rating systems. The video of the December 10, 2019 hearing of the Senate Task Force to Study Rhode Island's Education Funding Formula can be found here:

http://ritv.devosvideo.com/show?video=219900dfb8bf&apg=ed687894.

Mark Dunham, Director of Finance and Statewide Efficiencies, Rhode Island Department of Education

Mr. Dunham testified that responding to the Task Force's questions presented a challenge. Using UCOA data alone to make value judgments about spending efficiency and academic performance outcomes would not be fair to districts. , This would require looking deeper into unique characteristics concerning why districts are spending as they are.

UCOA data is only used for federal reporting requirements. The Department does not use it for internal analysis. It is posted on the Department's website, and districts are encouraged to discuss the data amongst themselves.

Task Force members pointed out that until we start looking at the UCOA data in terms of outcomes, we will not know what we can learn. UCOA was designed to be used to ensure that funding was put to the best use for the best outcomes. To not use it to the fullest extent possible to examine things such as whether spending for ELL programs the way we have been is helping students progress is a waste.

Current laws require the Department to collect data on the cost of high-cost special education at different thresholds in addition to the five times currently used. According to the Department, that data has been and continues to be collected.

Task Force members noted that the Department should be using UCOA data to help districts find ways to change spending habits to improve outcomes and efficiencies. This sort of analysis should be routine. The Task Force wants the Department to be able to answer the questions on the meeting agenda. (*See Appendix for Agenda.)* The Task Force expressed concern that answering these questions was not part of the regular function of the Department.

- What do top performing districts look like vs. mid performing vs. low performing when it comes to how they allocate their money? Look at what are the percentages of district budgets spent on certain areas, aggregate that data, and sort by district performance levels in RICAS or some performance measure.
- What can we learn from UCOA data on the efficiency of districts and where they are allocating their money? To answer this question, we should focus on non-core costs since those costs are likely not impacting what is happening in the classroom. Can we learn anything by looking at this data around expenditures as percentage of budget or per pupil, especially if we look at food services and transportation costs, as they seem to be a bigger part of non-core costs?
- Can UCOA be used to track expenditures to specific areas such as expenses meant to serve ELL students or students with an IEP? UCOA shows target expenses but not full cost for those students because the relevant codes do not capture the general education costs. These costs would, however, reflect the expenses of an ELL coordinator or curriculum. We would need to identify whether using a head count or full-time equivalent measure of per pupil.
- Can expenditure data be linked to RICAS performance data generally and/or by sub-groups, i.e. ELL or students with an IEP? The Department expressed concerns about causality, but will put data together.
- Do we have data to show us how much it should cost to educate a student living in poverty or an English Learner in Rhode Island to a standard issued by RIDE? Mark has never seen anything linking the Basic Education Plan (BEP) specifically to cost or poverty status to cost. To answer this question, we would also need to know if there is a standard for education and, if so, what is that standard.
- Can UCOA and/or other data be used to set benchmarks for how much should be spent per pupil in specific areas to meet performance goals? This is not something RIDE can accomplish in the near future.

Scott Gausland, Director of Data and Technology Services, Rhode Island Department of Education on school and district performance relative to ESSA

Mr. Gausland testified that the Department has public dashboards on its website that could be combined with the other data sets currently at the Department to create the information the Task Force is looking for.

He also discussed the star rating system. A school's rating is only as high as its weakest indicator. The system looks at academic performance; absenteeism and suspension rates; and college and career readiness. Each of these measures includes multiple factors that go into determining a school's performance.

For accountability, teacher chronic absenteeism is measured. There is also a place on the report for teacher qualifications and experience.

In 2019, the Department added two new accountability measures at the high school level, called the "Diploma Plus" measures: the "Commissioner's Seal" and "Postsecondary Success".

RIGL 16-97.1-1 is a new law that requires information about teacher and administrator success to be incorporated into the assessment reports by January 1, 2020. It is unclear if the Department will be able to meet this deadline.

According to additional testimony, districts would like to get RICAS test data sooner; however, the Department only has one person to process the data. By comparison, Massachusetts has a team of psychometricians. The process of receiving the data from the vendor, cleaning it, and running the analysis takes time. This year, the Department successfully pressured the test vendor to expedite receipt of the data. Upon questioning from Task Force members, the Department noted that, while its FY2021 budget request does include 17 new full-time employee positions, it does not include one for purpose of helping process RICAS data more quickly.

Rob Zarnetske, Town Manager Manger, South Kingstown

Mr. Zarnetske testified that aid to South Kingstown has been cut in half over the last eleven years. The funding formula hurts South Kingstown in two ways:

1. It aggregates all data, so it looks like everyone in South Kingstown owns an expensive beach home. .
2. The formula exaggerates this problem by not using the quadratic mean instead of the arithmetic mean.

Projected state aid for South Kingstown in FY2021 is $4.6 million, while the projected transportation costs are $4.4 million.

Mr. Zarnetske recommended that costs for transportation and maintenance of school buildings be included in the formula. In addition, he proposed disaggregating the averages of data he mentioned at the beginning of his testimony.

Joanne DeVoe, Warren, Rhode Island

Ms. DeVoe has been working with education formulas for many years. She was with the Baltimore public schools in the Finance Department, where she worked on the funding formula. She testified that these formulas need to be true equity formulas, with the state share determined through an equity measure of some sort. In her written testimony, she shows what the state share would be if based only on the equity factor, instead of including the student poverty concentration. Most of the children in the state would benefit from using just the equity formula.

APPENDIX

SENATE RESOLUTION

AGENDAS with presentations and written submissions

October 16, 2019:	Agenda and Presentation
November 7, 2019:	Agenda and Presentation
November 19, 2019:	Agenda, Presentations, and Written Submissions
November 21, 2019:	Agenda, Presentations, and Written Submissions
December 10, 2019:	Agenda, Presentations, and Written Submissions

2019 -- S 1042

========
LC002937
========

S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

_____

S E N A T E R E S O L U T I O N

CREATING A SPECIAL LEGISLATIVE TASK FORCE TO STUDY RHODE ISLAND'S EDUCATION FUNDING FORMULA

Introduced By: Senators Pearson, Conley, and McCaffrey

Date Introduced: June 28, 2019

Referred To: Placed on the Senate Consent Calendar

RESOLVED, That a special task force be and the same is hereby created consisting of nine (9) members: nine (9) of whom shall be members of the Senate, not more than seven (7) from the same political party, to be appointed by the President of the Senate. The chairs of the Senate Finance Committee and Senate Education Committee shall serve as ex-officio members.

In lieu of any appointment of a member of the legislature to a permanent advisory commission, a legislative study commission, or any task force created by a General Assembly resolution, the appointing authority may appoint a member of the general public to serve in lieu of a legislator.

The purpose of said task force shall be to review and recommend changes or modifications to the implementation of the State's education funding formula established pursuant to the Rhode Island General Laws.

The task force shall assess whether the current formula is meeting the needs of students, districts, and taxpayers and shall include, but not be limited to, review of the core principles of the education equity and property tax relief act, which are as follows:

1. All children should have access to an adequate and meaningful education regardless of their residence or economic means;

2. An education funding system should treat property taxpayers equitably, limit the portion of school budgets financed by property taxes, and establish sufficient cost controls on spending;

3. The state should ensure that its education funding structure adequately reflects the different needs of students, and responds to educational inequities among the state's school districts; and

4. The state education funding system should provide a predictable amount and source of funding to ensure stability in the funding of education aid.

The task force shall identify options to fund the formula and related impacts to local property tax levies and review the appropriate level of funding by the state and local communities.

Forthwith upon passage of this resolution, the members of the task force shall meet at the call of the President of the Senate and organize. The President of the Senate shall select a chairperson from among its members.

Vacancies in said task force shall be filled in like manner as the original appointment.

The membership of said task force shall receive no compensation for their services.

All departments and agencies of the state shall furnish such advice and information, documentary and otherwise, to said task force and its agents as is deemed necessary or desirable by the task force to facilitate the purposes of this resolution.

The Joint Committee on Legislative Services is hereby authorized and directed to provide suitable quarters for said task force; and be it further

RESOLVED, That the task force shall issue a report on its findings and recommendations to the Senate no later than January 2, 2020, and said task force shall expire on January 5, 2021.

========
LC002937
========

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

S E N A T E R E S O L U T I O N

CREATING A SPECIAL LEGISLATIVE TASK FORCE TO STUDY RHODE ISLAND'S EDUCATION FUNDING FORMULA

***

This resolution would create an nine (9) member special task force whose purpose it would be to make a comprehensive study of Rhode Island's Education Funding Formula and who would report on its findings and recommendations to the Senate no later than January 2, 2020, and at least bi-annually thereafter, and said task force shall expire on January 5, 2021.

========
LC002937
========

SPECIAL LEGISLATIVE TASK FORCE TO STUDY RHODE ISLAND'S EDUCATION FUNDING FORMULA

NOTICE OF MEETING

DATE: Wednesday, October 16, 2019
TIME: 5:30 P.M.
PLACE: Room 313 - State House

AGENDA:

I. Opening remarks – *Senator Ryan Pearson, Task Force Chair*
II. Funding formula overview
III. Results of initial evaluation of funding formula
IV. Public input on the impact of the education funding formula and opportunities moving forward
V. Plan for next meeting(s)

Please contact Kelly Carpenter at kcarpenter@rilegislature.gov with any questions regarding this meeting.

POSTED: THURSDAY, OCTOBER 10, 2019, 10:10 AM

10.16.19

Legislative Task Force to Study the Education Funding Formula

Opening Remarks

Principles of the Formula

- The 2010, the Education Equity and Property Tax Relief Act ("Act") was enacted in order to address (1) the need for an equitable distribution of resources among the state's school districts, (2) property tax relief, and (3) a predictable method of distributing education aid;
- The legislative intent of the Act was to create a funding formula designed to ensure educational opportunity to every student in each city or town on substantially equal terms;
- The funding formula created by the Act was designed around four core principles:
  1) All children should have access to an adequate and meaningful education regardless of their residence or economic means;
  2) A school funding system should treat property taxpayers equitably, limit the portion of school budgets financed by property taxes, and establish sufficient cost controls on spending;
  3) The State should ensure that its school funding structure adequately reflects the different needs of students, and responds to educational inequities among the state's school districts;
  4) The state education funding system should provide a predictable amount and source of funding to ensure stability in the funding of schools

3

Task Force Preliminary Hearing Outline

Hearing 1 - Today
- Funding Formula 101 Overview
- Analysis of Formula Today
- Public Comment on Success/Opportunities of Formula

Hearing 2
- Overview of the Basic Education Plan and how it was mapped to costs as the foundation of the formula
- Market basket costs since implementation review
- Determining a core vs. non-core cost

Hearing 3
- Student success factor – understanding the unique needs of student populations such as poverty, ELL and special education
- What are student success factor funds used for today?
- New models or programs to be considered for inclusion in formula such as dual language immersion or Pre-Kindergarten

Hearing 4
- State Share Ratio Calculation Deep Dive
- Sharing of core vs. non-core costs
- Charter and CTE tuitions as a non-core cost
- Ability and willingness of communities to meet local share

Hearing 5
- Accountability standards – how do we ensure dollars reach targeted intent? What does RIDE oversight look like?
- Overview of what UCOA data tells us today about how funds are being spent
- Strategies for reducing non-core costs

4

Funding Formula 101 Overview

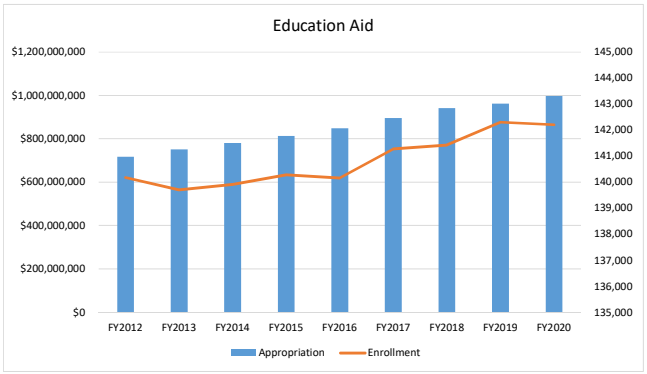
The History

- Joint Legislative Committee to Establish a Permanent Education Foundation Aid Formula for Rhode Island, established in P.L. in 2004
- RIDE partnered with Dr. Kenneth Wong, Education Department Chair at Brown University, to provide technical assistance for the development of research-based, data-driven methodology for distributing aid.
- The work was predicated on the assumption that the existing system was not underfunded
- The formula creates a single methodology for distributing education aid to all Local Education Agencies (LEAs) and is based on the principle that the money follows the student, established through P.L. in 2010
- Implemented in FY2012, phased in over 7 to 10 years

State Education Support

- From FY2012 to FY2020, state support to education aid has increased by $280.0 million
- An average annual growth of 4.2 percent

➢ This does not include aid for non-distributed categories such as early childhood, and career and technical



7

The Key Components

- **Core Instruction Amount**: A regional average of the amount needed to adequately fund the Basic Education Plan (BEP) ($9,871 in FY2020)
- **Student Success Factor**: Additional funding of 40.0 percent of core amount ($3,948 in FY2020) for each student whose family income is at or below 185.0 percent of federal poverty guidelines ($47,639 in 2019 for family of 4)
- **State Share Ratio**: Designed to determine a district's relative ability to generate revenue to support education as well as student need
- **Categorical Funding**: Additional funding to address needs beyond the core services and for certain high-cost items

8

Core Instruction Amount

Average expenditure of core costs in RI, MA, CT, and NH

- **Includes** costs related to student instructional needs
  - Face-to-face teaching
  - Classroom materials
  - Pupil, teacher, and program support
  - Business, central, & other support services
  - Purchased services for business, central, or other support services
  - General administration

Costs mapped to meeting the Basic Education Plan

- **Excludes** costs deemed within local control, funded federally or by other state programs, or that can be consolidated into statewide or regional efficiencies
  - Teacher retirement
  - Food Service
  - Transportation
  - Utilities & maintenance
  - Debt service
  - Out-of-district tuition
  - Non-public textbooks
  - Expenditures funded by federal funds

9

Student Success Factor

- Single weight (40%) of core instruction amount to address the effects of poverty and other factors influencing educational need.
- The Joint Committee decided to use a single weight to account for additional costs for students in poverty, English language learners, special education etc.

10

Total Foundation Amount

Total Foundation Amount represent the amount of funding necessary to meet the needs of the students in the district as described by the Basic Education Plan

To calculate the total foundation amount, we take the sum of two products

- PK-12 enrollment of the district multiplied by the core amount PLUS
- number of students meeting the poverty criteria multiplied by the student success factor which is 40% of core amount

(PK-12 ADM * core amount)
+ (Poverty ADM * (0.4 * core amount))
Total Foundation Amount

11

State Share Ratio

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

SSRC (State Share Ratio for the Community) = $1 - (0.475 * \frac{(\frac{DistrictEWAV}{DistrictRADM})}{(\frac{StateEWAV}{StateRADM})})$

EWAV = Equalized Weighted Assessed Valuation as defined pursuant to RIGL 16-7-21
RADM = Resident Average Daily Membership pursuant to RIGL 16-7-22

%PK-6 poverty = the percentage of students in grades PK-6 whose family income is at or below 185.0 percent of federal poverty guidelines

- Squaring the factors increases the weight of the largest indicator

12

State Education Aid

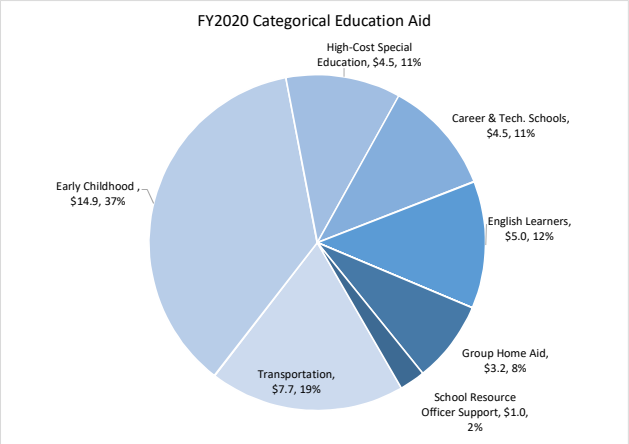
State Share = State Share Ratio * Total Foundation Amount

- Directs state funding to greatest student need, whether due to district capacity to pay or poverty concentration

13

Categorical Aid

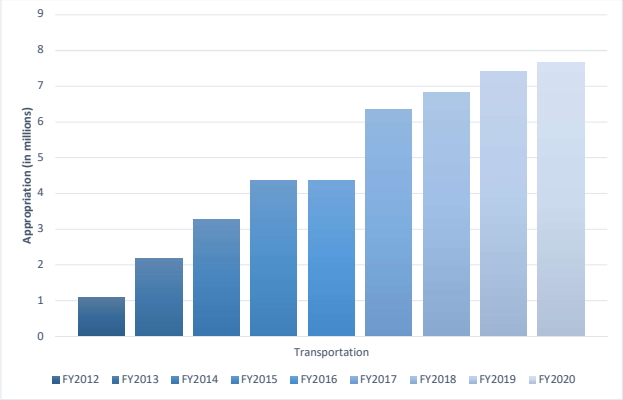
- Additional funding to address needs beyond the core services and for certain high-cost items. In FY2020 totals $40.8 million
- Categorical aid is subject to a pro-rata reduction based on the amount appropriated, except Group Home, Early Childhood, School Resource Officer Support
- Group Home Aid was in place before the formula and remained untouched



14

Categorical Aid: Transportation

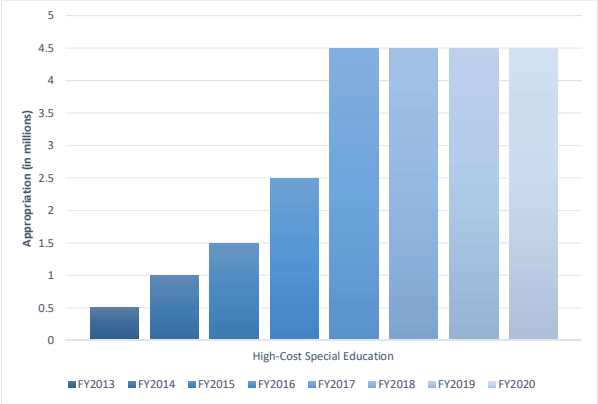
- Funding for cost associated with transporting students to out-of-district non-public schools, and
- For 50.0 percent of costs associated with transporting within regional school districts
- To fully fund in FY2020: $9.9 million



15

Categorical Aid: High-Cost Special Education

- Reimburses districts for instructional and related service costs in excess of five times the combined core and student success factor funding ($69,100 in FY2020)
- Provided pursuant to an Individual Education Plan (IEP)
- To fully fund in FY2020: $15.9 million



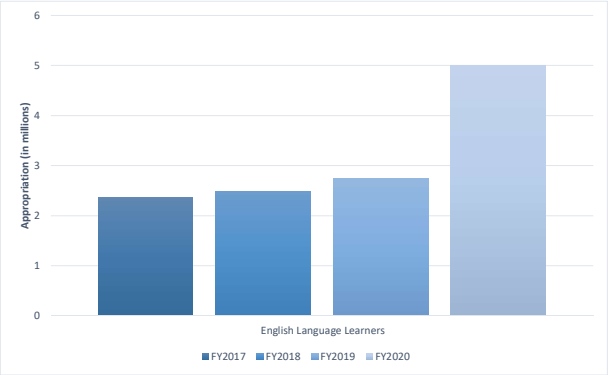
16

Categorical Aid: English Learners

- Provides additional aid of 10.0 percent of the per-pupil core amount instruction amount ($987 in FY2020) for each qualified EL student. This amount is then multiplied by the state share ratio. (added in FY2017)

((Per-pupil core instruction amount x number of EL students) x 10.0 percent) x state share ratio

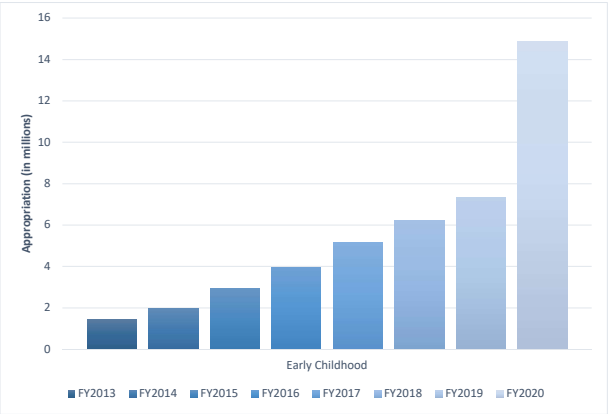
- To fully fund in FY2020: $7.8 million



17

Categorical Aid: Early Childhood

- Designed to increase access to voluntary, free, high-quality pre-kindergarten programs.
- Funds are distributed through a competitive RFP process.
- In FY2015-FY2019 used a match for federal funds



18

Categorical Aid: Career and Technical

- Contributes toward the initial investment needed to transform existing programs or create new programs, and the costs associated with facilities, equipment maintenance and repair, and supplies associated with higher-cost programs.

19

Categorical Aid

- **Group Home:** $17,000 annually per bed, except for Bradley Hospital Children's Residential and Family Treatment (CRAFT) Program beds which receive $26,000.
- **Regionalization Bonus**: Contributes toward cost associated with regionalizing districts. In the first year, provides 2.0 percent of state's share to total foundation budget. In the second year provides 1.0 percent. Phased out in the third year.
- **School Resource Officer Support**: (added in FY2019) For FY2019 through FY2021, the State will reimburse one-half the the cost of salaries and benefits for qualifying positions created after July 1, 2018.

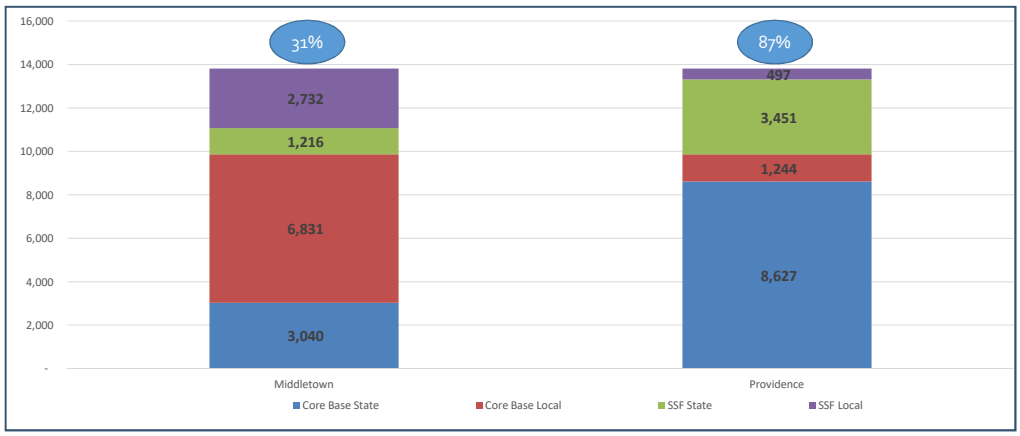
20

Evaluation of Formula Results

FY2018 Data – General Fund

Total Foundation Amount Model Example

All children should have access to an adequate and meaningful education regardless of their residence or economic means



Equity still not fully achieved statewide

"All children should have access to an adequate and meaningful education regardless of their residence or economic means;"

- The adequacy in this principle was measured by ensuring all students formulaically received the same core funding.
- Core funding has two components a state share phased in over 7/10 years and a local share.
- A review of actual data shows that 3 districts are not receiving the core amount per student as envisioned.
- For each of these districts the core variance is driven by the local share.

LEA	Core Over/(Under	Per Pupil Core Over/(Unde
Woonsocket	($13,487,935)	($2,336)
Pawtucket	($13,283,590)	($1,507)
Providence	($6,403,263)	($281)

23

Student success factor not fully funded in three communities

"The State should ensure that its school funding structure adequately reflects the different needs of students, and responds to educational inequities among the state's school districts;"

- Due to strong correlation between poverty levels and student needs such as ELL and special ed; poverty as measured by the free and reduced lunch measurement is the driver of this factor.
- 3 Districts are funded at levels less than 100% of this factor
- These 3 districts represent 70% of the state's overall ELL population and 45% of the state's students in poverty.
- ELL categorical funding of $5MM statewide is incongruent to formula and shows its insignificance to the scope of underfunding to these students within the base formula

LEA	Student Success Factor	SSF Funded	% Funded
Woonsocket	16,097,558	$2,609,623	16%
Pawtucket	24,626,479	$11,342,889	46%
Providence	71,621,673	$65,218,410	91%

24

Woonsocket local contribution doesn't meet non-core expense

	FY 18 Formula Core Share Breakdown		Core Instruction Amount Expenditures		Non-Core Instruction Amount Expenditures		Total FY2018	Measures/Metrics	
LEA	State	Local	FY 18 State Appropriation	Local Share	State	Local Share	Total FY2018 Expenditures from State & Local Sources	Core Over/(Under)	Per Pupil Core Over/(Under)
Woonsocket	$59,336,179	$ 9,659,378	$ 59,367,500	$ (3,859,878)	$0	19,587,834.14	$75,095,456	($13,487,935)	($2,336)

- The local contribution to education is so small in Woonsocket it does not even cover non-core expenses.
- $3.9MM of state aid meant for core instruction is being diverted to fund non-core costs in Woonsocket.

25

% of budgets spent on non-core varies widely showing potential efficiency opportunities

	Non-Core Instruction Amount Expenditures		Total FY2018	Measures/Metrics	
LEA	State	Local Share	Total FY2018 Expenditures from State & Local Sources	Core Over/(Under)	% Non-Core Adjusted
Jamestown	$0	4,977,443.97	$12,074,410	$1,117,192	41%
Little Compton	$0	2,657,055.76	$7,017,800	$763,350	38%
Middletown	$0	9,407,470.81	$35,895,508	$3,626,352	26%
Newport	$0	10,647,772.01	$40,778,536	$5,713,202	26%
Bristol Warren	$0	13,219,192.28	$51,591,738	$5,068,706	26%
Woonsocket	$0	19,587,834.14	$75,095,456	($13,487,935)	25%
Scituate	$0	5,574,234.15	$21,979,397	$3,237,932	25%
East Providence	$0	21,081,109.50	$83,001,682	$4,336,615	25%
Johnston	$0	14,516,286.22	$57,658,841	$8,422,116	24%
Westerly	$0	14,272,881.18	$56,224,495	$12,265,327	24%
North Providence	$0	13,866,910.60	$55,481,601	$4,258,972	24%
Tiverton	$0	7,069,149.36	$30,003,021	$4,083,748	24%
Foster	$0	928,418.51	$3,952,006	$377,313	23%
Providence	$0	106,047,669.94	$380,090,850	($6,403,263)	23%
		$243,853,428	$910,845,341		24%
Exeter-West Greenwich	$0	7,538,599.25	$31,205,380	$7,765,311	23%
North Smithfield	$0	6,056,545.49	$25,354,177	$2,628,302	22%
Portsmouth	$0	8,389,161.60	$37,764,198	$6,588,488	22%
Warwick	$0	37,870,606.13	$165,851,694	$33,336,461	22%

	Non-Core Instruction Amount Expenditures		Total FY2018	Measures/Metrics	
LEA	State	Local Share	Total FY2018 Expenditures from State & Local Sources	Core Over/(Under)	% Non-Core Adjusted
Narragansett	$0	6,055,246.98	$27,107,566	$8,181,969	22%
West Warwick	$0	12,095,357.09	$55,465,945	$5,153,547	21%
Pawtucket	$0	29,265,016.96	$121,361,425	($13,283,590)	21%
Lincoln	$0	14,364,144.64	$54,187,110	$9,979,075	21%
Burrillville	$0	7,268,533.18	$32,371,934	$1,105,504	21%
South Kingstown	$0	13,845,755.18	$59,956,532	$15,279,115	21%
North Kingstown	$0	14,178,823.63	$63,760,856	$11,080,939	20%
Foster-Glocester	$0	4,097,103.33	$20,368,607	$5,490,318	20%
East Greenwich	$0	7,501,352.58	$37,790,607	$6,969,419	20%
Cranston	$0	31,954,936.59	$153,296,305	$12,670,021	19%
Chariho	$0	11,233,266.65	$54,124,349	$11,634,257	19%
Smithfield	$0	6,925,437.52	$37,756,102	$7,684,927	18%
Glocester	$0	1,537,751.83	$8,605,206	$1,780,403	18%
Coventry	$0	12,649,469.11	$68,746,738	$8,781,370	18%
Cumberland	$0	14,602,568.16	$63,054,789	$3,690,965	18%
Barrington	$0	8,307,986.59	$48,581,914	$8,912,644	17%
New Shoreham	$0	779,162.26	$4,871,104	$2,948,399	16%
Central Falls	$0	10,182,514.10	$41,720,733	$131,120	15%

26

High % choice communities continue to be impacted by mechanics of formula

	Providence Today	Providence +1,000 Charter Seats	Change
RADM	22,790	21,790	(1,000)
Charter Enrollment	4,076	5,076	1,000
Charter Tuitions	$17,432,612	$21,709,504	$4,276,892
Non Core Expenses	*$106,047,670*	*$110,324,562*	*$4,276,892*
State Aid	*$245,114,202*	*$234,355,027*	*($10,759,175)*
Local Aid	$134,976,648	$134,976,648	($0)
Total Expenditures	$380,090,850	$369,331,675	($10,759,175)
Foundation Amount	*$280,446,443*	*$268,140,763*	*($12,305,680)*
Core Gap	($6,403,263)	($9,129,639)	($2,726,376)
Core Gap per student	**($281)**	**($419)**	**($138)**

- Charter tuition element of formula has base assumption that core amount is fully funded leading to pronounced expansion of inequity when charter seats expand
- PVD total savings must be $15MM from loss of 1,000 students to break even

Revenue decreases by $10.7MM while expenses increase $4.3MM for net impact of $15MM

Decrease in foundation amount only down $12.3MM increasing core funding gap on whole and per student w/o offsetting additional non-core expense reduction or increased local contribution

27

Statewide Summary

LEA	Core Over/(Unde	Per Pupil Core Over/(Unde
Woonsocket	($13,487,935)	($2,336)
Pawtucket	($13,283,590)	($1,507)
Providence	($6,403,263)	($281)
Central Falls	$131,120	$52
Burrillville	$1,105,504	$476
Cumberland	$3,690,965	$820
East Providence	$4,336,615	$832
North Providence	$4,258,972	$1,231
Cranston	$12,670,021	$1,244
Foster	$377,313	$1,418
West Warwick	$5,153,547	$1,498
North Smithfield	$2,628,302	$1,548
Bristol Warren	$5,068,706	$1,584
Middletown	$3,626,352	$1,643
Jamestown	$1,117,192	$1,776
Coventry	$8,781,370	$1,901
Little Compton	$763,350	$2,047
Tiverton	$4,083,748	$2,210

LEA	Core Over/(Unde	Per Pupil Core Over/(Unde
Scituate	$3,237,932	$2,415
Johnston	$8,422,116	$2,617
Barrington	$8,912,644	$2,657
Newport	$5,713,202	$2,692
East Greenwich	$6,969,419	$2,814
Portsmouth	$6,588,488	$2,818
North Kingstown	$11,080,939	$2,868
Smithfield	$7,684,927	$3,226
Glocester	$1,780,403	$3,267
Lincoln	$9,979,075	$3,384
Warwick	$33,336,461	$3,678
Chariho	$11,634,257	$3,686
Westerly	$12,265,327	$4,323
Exeter-West Greenwich	$7,765,311	$4,738
South Kingstown	$15,279,115	$4,872
Foster-Glocester	$5,490,318	$5,023
Narragansett	$8,181,969	$6,357
New Shoreham	$2,948,399	$25,417

28

																				FY18 CORE	9,163	FY2018 core instruction amount									
									Instruction Amount FY2018		FY 2018 Formula Core Amount			FY 18 Formula Core Share Breakdown		Core Instruction Amount Expenditures		Non-Core Instruction Amount Expenditures			Total FY2018	Measures/Metrics									
LEA	FY18 RADM	FY18 FRL	FRL %	Local FY2018 Property Tax Levy	SSRC	PK-6 Poverty	FY2018 State Share Ratio		State Share	Local Share	Total Formula Core Amount	Base Core	Student Success Factor	State	Local	FY 18 State Appropriation	Local Share	State	Local Share		Total FY2018 Expenditures from State & Local Sources	Core Over/(Under)	Per Pupil Core Over/(Under)	% Non-Core	Local Charter Expense	Local Charter Enrollment	Share per Charter Student	% District Charter	Non-Core Less Charters	% Non-Core Adjusted
Barrington	3,355	169	5%	$ 63,031,469	21.8%	5.5%	15.9%		$1,457	$7,706	$ 31,361,284	$ 30,741,865	619,419	$4,986,444	$26,374,840	$ 5,157,779	$ 35,116,149	$0	8,307,986.59		$48,581,914	$8,912,644	$2,657	17%	$23,698	3	$7,899	0%	$8,284,289	17%
Bristol Warren	3,199	1,089	34%	$ 65,824,301			37.8%		3,462	5,701	$ 33,303,840	$ 29,312,437	3,991,403	$12,584,377	$20,719,463	$ 14,194,634	$ 24,177,912	$0	13,219,192.28		$51,591,738	$5,068,706	$1,584	26%	$40,779	5	$8,156	0%	$13,178,413	26%
Burrillville	2,321	745	32%	$ 31,973,214	68.0%	35.8%	54.3%		4,976	4,187	$ 23,997,897	$ 21,267,323	2,730,574	$13,030,858	$10,967,039	$ 13,040,423	$ 12,062,978	$0	7,268,533.18		$32,371,934	$1,105,504	$476	22%	$351,929	54	$6,517	2%	$6,916,605	21%
Central Falls	2,530	2,244	89%	$ 15,379,184	97.5%	90.5%	94.1%		8,622	541	$ 31,407,099	$ 23,182,390	8,224,709	$29,554,080	$ 1,853,019	$ 33,123,272	$ (1,585,053)	$0	10,182,514.10		$41,720,733	$131,120	$52	24%	$4,125,131	1291	$3,195	51%	$6,057,383	15%
Chariho	3,156	638	20%	$ 61,115,258			34.2%		3,135	6,028	$ 31,256,826	$ 28,918,428	2,338,398	$10,694,808	$20,562,018	$ 11,724,893	$ 31,166,190	$0	11,233,266.65		$54,124,349	$11,634,257	$3,686	21%	$963,429	84	$11,469	3%	$10,269,838	19%
Coventry	4,619	1,362	29%	$ 71,872,986	59.9%	34.1%	48.7%		4,462	4,701	$ 47,315,899	$ 42,323,897	4,992,002	$23,042,843	$24,273,056	$ 23,060,907	$ 33,036,362	$0	12,649,469.11		$68,746,738	$8,781,370	$1,901	18%	$525,162	63	$8,336	1%	$12,124,308	18%
Cranston	10,185	4,187	41%	$ 190,460,481	60.5%	43.6%	52.7%		4,829	4,334	$ 108,671,347	$ 93,325,155	15,346,192	$57,269,800	$51,401,547	$ 57,303,969	$ 64,037,399	$0	31,954,936.59		$153,296,305	$12,670,021	$1,244	21%	$2,619,177	303	$8,644	3%	$29,335,760	19%
Cumberland	4,503	955	21%	$ 65,009,834	54.6%	24.7%	42.4%		3,885	5,278	$ 44,761,255	$ 41,260,989	3,500,266	$18,978,772	$25,782,483	$ 18,967,499	$ 29,484,721	$0	14,602,568.16		$63,054,789	$3,690,965	$820	23%	$3,538,959	461	$7,677	10%	$11,063,610	18%
East Greenwich	2,477	170	7%	$ 56,169,911	9.9%	9.5%	9.7%		889	8,274	$ 23,319,835	$ 22,696,751	623,084	$2,262,024	$21,057,811	$ 2,535,361	$ 27,753,893	$0	7,501,352.58		$37,790,607	$6,969,419	$2,814	20%	$125,483	10	$12,548	0%	$7,375,870	20%
East Providence	5,214	2,676	51%	$ 104,965,886	65.0%	55.7%	60.5%		5,544	3,619	$ 57,583,957	$ 47,775,882	9,808,075	$34,838,294	$22,745,663	$ 34,854,923	$ 27,065,649	$0	21,081,109.50		$83,001,682	$4,336,615	$832	25%	$409,090	63	$6,493	1%	$20,672,019	25%
Exeter-West Greenwich	1,639	241	15%	$ 32,940,478			25.8%		2,365	6,798	$ 15,901,470	$ 15,018,157	883,313	$4,103,823	$11,797,647	$ 4,949,253	$ 18,717,528	$0	7,538,599.25		$31,205,380	$7,765,311	$4,738	24%	$402,844	31	$12,995	2%	$7,135,755	23%
Foster	266	57	21%	$ 12,660,536	51.8%	25.4%	40.8%		3,739	5,424	$ 2,646,274	$ 2,437,358	208,916	$1,079,680	$ 1,566,594	$ 1,142,883	$ 1,880,704	$0	928,418.51		$3,952,006	$377,313	$1,418	23%				0%	$928,419	23%
Foster-Glocester	1,093	209	19%		52.3%	19.8%	39.5%		3,619	5,544	$ 10,781,186	$ 10,015,159	766,027	$4,258,568	$ 6,522,617	$ 4,623,249	$ 11,648,254	$0	4,097,103.33		$20,368,607	$5,490,318	$5,023	20%	$24,613	3	$8,204	0%	$4,072,491	20%
Glocester	545	80	15%	$ 21,348,946	52.5%	15.8%	38.8%		3,555	5,608	$ 5,287,051	$ 4,993,835	293,216	$2,051,376	$ 3,235,675	$ 2,389,577	$ 4,677,877	$0	1,537,751.83		$8,605,206	$1,780,403	$3,267	18%				0%	$1,537,752	18%
Jamestown	629	59	9%	$ 20,006,404	0.0%	10.7%	7.6%		696	8,467	$ 5,979,774	$ 5,763,527	216,247	$454,463	$ 5,525,311	$ 452,432	$ 6,644,534	$0	4,977,443.97		$12,074,410	$1,117,192	$1,776	41%	$48,857	3	$16,286	0%	$4,928,587	41%
Johnston	3,218	1,428	44%	$ 75,406,445	57.3%	47.2%	52.5%		4,811	4,352	$ 34,720,440	$ 29,486,534	5,233,906	$18,228,231	$16,492,209	$ 18,225,966	$ 24,916,589	$0	14,516,286.22		$57,658,841	$8,422,116	$2,617	25%	$537,081	50	$10,742	2%	$13,979,205	24%
Lincoln	2,949	770	26%	$ 54,709,117	49.6%	30.9%	41.3%		3,784	5,379	$ 29,843,891	$ 27,021,687	2,822,204	$12,325,527	$17,518,364	$ 12,332,011	$ 27,490,955	$0	14,364,144.64		$54,187,110	$9,979,075	$3,384	27%	$2,769,824	236	$11,737	8%	$11,594,320	21%
Little Compton	373	49	13%	$ 12,026,972	0.0%	13.7%	9.7%		889	8,274	$ 3,597,394	$ 3,417,799	179,595	$348,947	$ 3,248,447	$ 397,073	$ 3,963,671	$0	2,657,055.76		$7,017,800	$763,350	$2,047	38%				0%	$2,657,056	38%
Middletown	2,207	720	33%	$ 47,025,116	28.7%	32.8%	30.8%		2,822	6,341	$ 22,861,685	$ 20,222,741	2,638,944	$7,041,399	$15,820,286	$ 7,862,135	$ 18,625,902	$0	9,407,470.81		$35,895,508	$3,626,352	$1,643	26%	$12,775	1	$12,775	0%	$9,394,696	26%
Narragansett	1,287	294	23%	$ 50,416,486	0.0%	22.7%	16.1%		1,475	7,688	$ 12,870,350	$ 11,792,781	1,077,569	$2,072,126	$10,798,223	$ 2,102,116	$ 18,950,203	$0	6,055,246.98		$27,107,566	$8,181,969	$6,357	22%	$206,328	12	$17,194	1%	$5,848,919	22%
New Shoreham	116	22	19%	$ 9,877,419	0.0%	15.1%	10.7%		980	8,183	$ 1,143,542	$ 1,062,908	80,634	$122,359	$ 1,021,183	$ 122,100	$ 3,969,842	$0	779,162.26		$4,871,104	$2,948,399	$25,417	16%				0%	$779,162	16%
Newport	2,122	1,357	64%	$ 74,591,664	0.0%	65.9%	46.6%		4,270	4,893	$ 24,417,562	$ 19,443,886	4,973,676	$11,378,584	$13,038,978	$ 11,378,178	$ 18,752,586	$0	10,647,772.01		$40,778,536	$5,713,202	$2,692	26%				0%	$10,647,772	26%
North Kingstown	3,863	847	22%	$ 77,202,378	27.3%	26.1%	26.7%		2,447	6,716	$ 38,501,093	$ 35,396,669	3,104,424	$10,279,792	$28,221,301	$ 10,705,101	$ 38,876,931	$0	14,178,823.63		$63,760,856	$11,080,939	$2,868	22%	$1,283,047	110	$11,664	3%	$12,895,776	20%
North Providence	3,460	1,542	45%	$ 70,742,639	67.0%	46.3%	57.6%		5,278	3,885	$ 37,355,718	$ 31,703,980	5,651,738	$21,516,894	$15,838,825	$ 21,512,305	$ 20,102,385	$0	13,866,910.60		$55,481,601	$4,258,972	$1,231	25%	$784,169	88	$8,911	3%	$13,082,742	24%
North Smithfield	1,698	303	18%	$ 33,897,089	40.5%	23.0%	32.9%		3,015	6,148	$ 16,669,330	$ 15,558,774	1,110,556	$5,484,209	$11,185,120	$ 5,842,519	$ 13,455,113	$0	6,056,545.49		$25,354,177	$2,628,302	$1,548	24%	$403,905	44	$9,180	3%	$5,652,640	22%
Pawtucket	8,813	6,719	76%	$ 105,819,759	87.4%	79.8%	83.7%		7,669	1,494	$ 105,379,998	$ 80,753,519	24,626,479	$88,203,058	$17,176,940	$ 88,188,641	$ 3,907,767	$0	29,265,016.96		$121,361,425	($13,283,590)	($1,507)	24%	$3,282,976	1260	$2,606	14%	$25,982,041	21%
Portsmouth	2,338	372	16%	$ 52,436,990	10.1%	17.3%	14.2%		1,301	7,862	$ 22,786,548	$ 21,423,094	1,363,454	$3,235,690	$19,550,859	$ 3,821,874	$ 25,553,162	$0	8,389,161.60		$37,764,198	$6,588,488	$2,818	22%	$9,259	1	$9,259	0%	$8,379,903	22%
Providence	22,790	19,541	86%	$ 363,331,867	86.9%	87.9%	87.4%		8,008	1,155	$ 280,446,443	$ 208,824,770	71,621,673	$245,110,191	$35,336,252	$245,114,202	$ 28,928,978	$0	106,047,669.94		$380,090,850	($6,403,263)	($281)	28%	$17,432,612	4076	$4,277	18%	$88,615,058	23%
Scituate	1,341	240	18%	$ 28,980,746	28.5%	16.3%	23.2%		2,126	7,037	$ 13,167,231	$ 12,287,583	879,648	$3,054,798	$10,112,433	$ 3,548,201	$ 12,856,962	$0	5,574,234.15		$21,979,397	$3,237,932	$2,415	25%	$99,994	9	$11,110	1%	$5,474,240	25%
Smithfield	2,382	360	15%	$ 57,541,414	32.8%	16.5%	26.0%		2,382	6,781	$ 23,145,738	$ 21,826,266	1,319,472	$6,017,892	$17,127,846	$ 6,009,184	$ 24,821,481	$0	6,925,437.52		$37,756,102	$7,684,927	$3,226	18%	$109,535	9	$12,171	0%	$6,815,903	18%
South Kingstown	3,136	572	18%	$ 71,328,981	8.9%	20.8%	16.0%		1,466	7,697	$ 30,831,662	$ 28,735,168	2,096,494	$4,933,066	$25,898,596	$ 6,478,789	$ 39,631,988	$0	13,845,755.18		$59,956,532	$15,279,115	$4,872	23%	$1,127,673	78	$14,457	2%	$12,718,082	21%
Tiverton	1,848	523	28%	$ 38,207,315	34.1%	34.4%	34.3%		3,143	6,020	$ 18,850,124	$ 16,933,224	1,916,900	$6,465,592	$12,384,531	$ 6,456,229	$ 16,477,642	$0	7,069,149.36		$30,003,021	$4,083,748	$2,210	24%				0%	$7,069,149	24%
Warwick	9,063	3,165	35%	$ 230,002,820	44.0%	36.4%	40.4%		3,702	5,461	$ 94,644,627	$ 83,044,269	11,600,358	$38,236,429	$56,408,198	$ 38,216,746	$ 89,764,342	$0	37,870,606.13		$165,851,694	$33,336,461	$3,678	23%	$1,229,657	106	$11,601	1%	$36,640,950	22%
West Warwick	3,440	1,827	53%	$ 63,961,530	73.9%	51.2%	63.6%		5,828	3,335	$ 38,217,040	$ 31,520,720	6,696,320	$24,306,038	$13,911,003	$ 24,295,114	$ 19,075,473	$0	12,095,357.09		$55,465,945	$5,153,547	$1,498	22%	$203,000	22	$9,227	1%	$11,892,357	21%
Westerly	2,837	1,007	35%	$ 71,222,108	0.0%	40.9%	28.9%		2,648	6,515	$ 29,686,287	$ 25,995,431	3,690,856	$8,579,337	$21,106,950	$ 8,690,035	$ 33,261,579	$0	14,272,881.18		$56,224,495	$12,265,327	$4,323	25%	$740,204	51	$14,514	2%	$13,532,677	24%
Woonsocket	5,773	4,392	76%	$ 59,954,187	90.9%	80.9%	86.0%		7,880	1,283	$ 68,995,557	$ 52,897,999	16,097,558	$59,336,179	$ 9,659,378	$ 59,367,500	$ (3,859,878)	$0	19,587,834.14		$75,095,456	($13,487,935)	($2,336)	26%	$814,389	326	$2,498	6%	$18,773,445	25%
	121,910															$775,794,237			$481,757,055	$1,991,603,026			24%	$43,829,170	8,791			$437,927,885	22%
																			511,557,826										

Source: FY18 UCOA Data

SPECIAL LEGISLATIVE TASK FORCE TO STUDY RHODE ISLAND'S EDUCATION FUNDING FORMULA

NOTICE OF MEETING

DATE: Thursday, November 7, 2019
TIME: 4:00 P.M.
PLACE: Room 313 – State House

AGENDA:

I. Opening remarks – Senator Ryan Pearson, Task Force Chair

II. Presentation by Dr. Kenneth K. Wong, Director of the Urban Education Policy Program and the Walter and Leonore Annenberg Professor of Education Policy at Brown University, and the Rhode Island Department of Education

   a. Overview of the Basic Education Plan: What is it and how was it created

   b. Mapping costs to the Basic Education Plan and how the core instruction amount was determined

   c. How has the cost of the core amount changed over time

   d. What expenses are considered non-core costs and why were they excluded from the state share

III. Public input on the impact of the education funding formula and opportunities moving forward

IV. Plan for next meeting(s)

Please contact Kelly Carpenter at kcarpenter@rilegislature.gov or Lisa Nelson at lnelson@rilegislature.gov with any questions regarding this meeting.

POSTED: WEDNESDAY, OCTOBER 30, 2019, 3:55 P.M.

Core Instruction Amount: School Funding Formula in Rhode Island

Dr. Kenneth Wong
Director, Urban Education Policy Program
Brown University
Presentation at the Senate Finance Committee, Rhode Island
November 7, 2019

Design Features in the 2010 Funding Formula

- Core instruction amount for each student
- "Student Success Factor" to provide additional support for students from low-income background
- State and local funding follows the student
- Determinants of state aid to districts based on local fiscal capacity and concentrated poverty
- Gradual phase-in process
- Outside the formula: supplemental Categorical grants

Design Feature: Core Instruction Amount

- Proposed $8,295 per student amount for core instruction in spring 2010, with annual adjustment (FY2020- $9,871)
- Based on verifiable NCES data
- Cost based on averaging the core instruction amount in Connecticut, Massachusetts, New Hampshire, and Rhode Island

Design Feature: Core Instruction Amount

- Instructional Staff
  - Salaries for teachers (regular, part-time, substitute, hospital-based, sabbatical, home-bound), teacher aides,
- Other Instructional Service
  - Salaries and contracts for technical and professional services, supplies, textbooks, professional dues and fees
- Student Support
  - Salaries for social workers, guidance counselors, staff in health, psychology, speech pathology, and audiology, nurses, coaches, bus supervisors, summer school teachers, supervisors in extra-curricular activities

- Other Student Support
  - Salaries for supervisors of instruction, library and media staff, computer lab staff, curriculum coordinators, in-service teacher training staff; salaries and contracts for professional services, supplies textbooks, professional dues and fees
- General District Administration
  - Salaries for school board members, school board staff, superintendent, central office staff, and purchased services and contracts
- School-level Administration
  - Salaries for principals, department chairs, administrative staff; purchased services; supplies; and professional dues and fees
- Staff Benefits (60%)
  - Fringe benefits for Instructional, Administrative, and Support Staff

Core Instruction: BEP/UCOA Function

- **UCOA Function 100: Face to Face Teaching & Classroom Materials**: G13-2
- All Teachers: Includes full- and part-time teachers for all programs, teacher
- assistants, and substitute teachers
- All Fringe Benefits: Fringe benefits except Teacher Retirement
- All Purchased Services: Contracted technical and professional services
- Instructional Supplies and Textbooks
- Dues, fees, professional memberships

Core Instruction: BEP/UCOA Function

- **UCOA Function 200: Pupil, Teacher & Program Support** G13-1.2, G13.3, G13.4, G-14, G15-2.2
- Social workers, guidance counselors, nurses, psychologists, occupational, physical and speech pathologists, audiology
- Supplemental amounts for coaching, supervising extracurricular activities, bus supervision, summer school teaching
- All Fringe Benefits except Retirement for staff in this category
- Instructional Support Services including Library and Media, Computer Lab
- Staff, Curriculum Coordinators, Professional Development, and PD Staff
- Purchased services: Contracted labor and equipment for any of the salaried categories listed above
- Supplies, books, periodicals, curricular books, films, slides, tapes, video tapes, television programs, reference books not in classroom
- Dues and fees for professional membership in organizations

Core Instruction: BEP/UCOA Function

- **UCOA Function 300 Operations** (Selected Items) G15-2, G15-2.1, G15-2.3, G15-2.3.2, G15-2.4
- Business, Central and other supports services
- All Fringe Benefits except Retirement for staff in this category
- Purchased services: Individuals contracted to perform business, central or other support services

Core Instruction: BEP/UCOA Function

- **UCOA Function 500 Leadership**: G-15, G15-1.2
- General Administration: Salaries for Superintendent and staff, School Board
- and Negotiations
- All Fringe Benefits except Retirement for staff in this category
- Purchased Services: Expenditures for legal firms, election services, staff
- relations, negotiation services
- Supplies: Books, periodicals, general supplies, paper, printing materials for
- board and for budget
- Dues and fees for membership to professional organizations
- Salaries for School Principal and Staff and Department Chairs
- All Fringe Benefits except Retirement for staff in this category
- Purchased Services: Consultants, school scheduling firms, administrative
- staff in service training
- School Admin. - Supplies Books, periodicals and general supplies
- Dues and fees for professional organizations. Miscellaneous expenditures for
- goods and services

Core Instruction: BEP/UCOA Function

- **Items not in the core instruction amount:**
- Teacher Retirement (separate state funding mechanism where costs are shared 60% at the local level and 40% at the state level)
- Food Service, Transportation, Safety, Building Upkeep, Utilities and
- Maintenance, Budgeted Contingencies, Debt Service, Capital Projects,
- Retiree Benefits, Out of District Tuition and Transportation, Non Public
- Textbooks, Enterprise/Community Service, and Claims and Settlements
- Expenditures funded by Federal funds

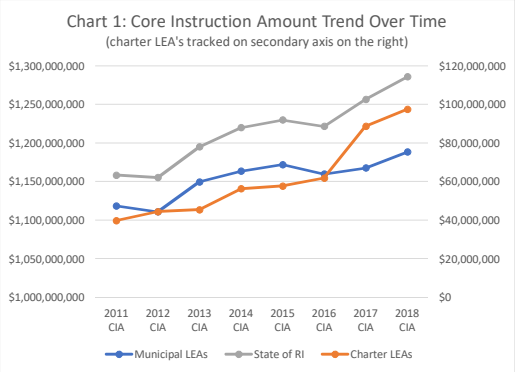
Core Instruction as a Funding Component

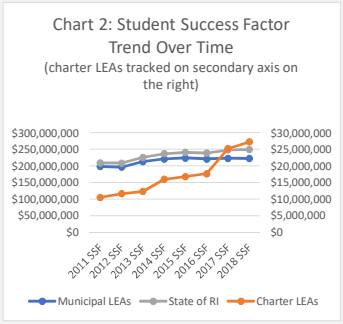
- *Resident students x **core instruction amount** = core instruction funding*
- *Free/reduced lunch eligible students x student success factor =student success factor funding*
- ***Core instruction funding** + student success funding = total foundation*
- *The following slide shows the itemized amounts in Core (and non Core, in bold type) functions*

Function Description	Actual Spending FY13	Actual Spending FY17	% Change
Academic Interventions	$2,636,680.71	$3,949,848.36	49.80%
Enterprise and Community Service Operations	$1,661,712.74	$2,297,917.72	38.29%
Student Health and Services	$16,670,503.78	$22,499,460.36	34.97%
Staff Development and Support	$38,810,447.15	$49,377,411.54	27.23%
Pupil-Use Technology and Software	$23,370,549.80	$29,490,947.18	26.19%
Data Processing	$11,171,423.14	$13,627,327.60	21.98%
Deputies, Sr Admin, Researchers, Pgm Evaluators	$11,144, 575.75	$13,561,393.89	21.69%
Principals and Assistant Principals	$60,314,892.74	$71,900,390.86	19.21%
Transportation	$77,285,414.29	$91,422,667.48	18.29%
Safety	$6,063,312.21	$7,171,430.97	18.28%
Business Operations	$40,935,993.46	$47,780,723.22	16.72%
Instructional Materials/Trips/Supplies	$26,246,862.36	$30,288,208.92	15.40%
Instructional Paraprofessionals	$75,198,062.04	$86,578,046.82	15.13%
Superintendent and School Board	$14,919,475.75	$17,174,011.88	15.11%
School Office	$36,045,794.85	$40,927,548.86	13.54%
Therapists, Psychologists et al	$124,677,674.80	$141,521,031.97	13.51%
Student Health/Services	$31,347,394.70	$35,570,690.97	13.47%
Food Service	$54,280,983.53	$61,324,760.49	12.98%
Substitutes	$23,899,862.67	$26,985,631.98	12.91%
Extracurricular	$19,159,237.01	$21,396,896.25	11.68%
Program Management	$34,688,140.71	$38,595,661.52	11.26%
Guidance and Counseling	$41,291,036.17	$45,509,980.77	10.22%
Building Upkeep/Utilities/Maintenance	$160,075,566.50	$175,146,243.75	9.41%
Instructional Teachers	$1,015,714,708.4	$1,099,353,660.60	8.23%
Legal	$3,668,122.82	$3,969,176.62	8.21%
Curriculum Development	$13,152,430.27	$13,851,166.90	5.31%
Library and Media	$25,218,071.33	$25,217,789.77	0.00%
Retiree Benefits and Other	$40,345,194.41	$30,485,042.71	-24.44%
Claims and Settlements	$1,460,804.07	$857,776.70	-41.28%
Sabbaticals	$181,461.07	$101,531.04	-44.05%
Academic Student Assessment	$8,685,370.81	$2,706,769.01	-68.84%

CORE INSTRUCTION FUNDING TREND

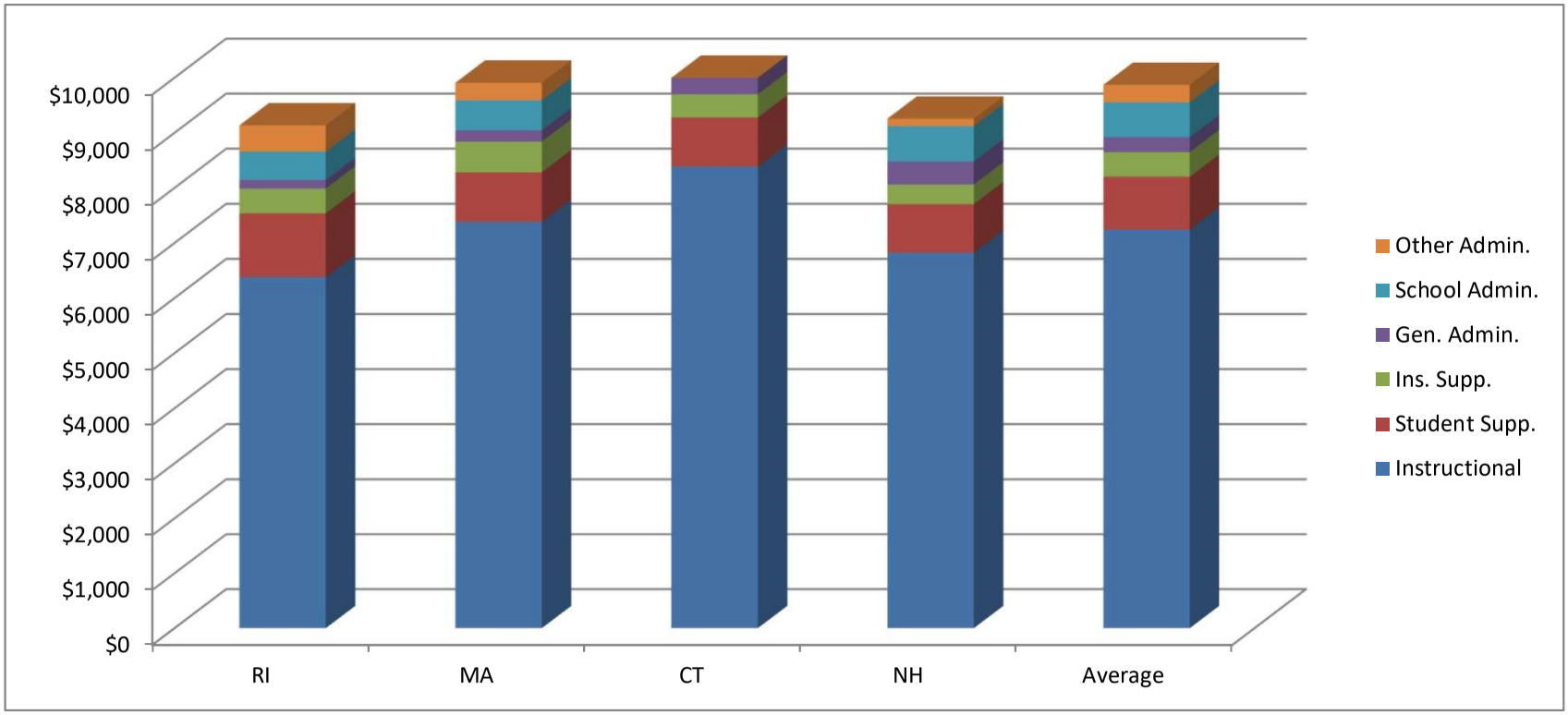
- Core instruction & student success factor dollar amounts have increased steadily and predictably over the last several years





The Core Instruction Per Pupil Amount = $9,871

FY 2020



	Instructional	Student Supp.	Ins. Supp.	Gen. Admin.	School Admin.	Other Admin.	Average
RI	$6,380	$1,159	$450	$156	$516	$476	$9,135
MA	$7,382	$903	$556	$204	$545	$319	$9,909
CT	$8,386	$893	$420	$309	$829	$347	$11,183
NH	$6,825	$880	$357	$418	$642	$135	$9,257
Average	$7,243	$959	$446	$272	$633	$319	**$9,871**

SPECIAL LEGISLATIVE TASK FORCE TO STUDY RHODE ISLAND'S EDUCATION FUNDING FORMULA

NOTICE OF MEETING

DATE: Tuesday, November 19, 2019
TIME: 5:30 P.M.
PLACE: Room 313 - State House

AGENDA

I. Opening remarks – Senator Ryan Pearson, Task Force Chair

II. Presentation by Dr. Kenneth K. Wong, Director of the Urban Education Policy Program and the Walter and Leonore Annenberg Professor of Education Policy at Brown University

   a. History of the student success factor
      i. How was the weight determined
      ii. What unique populations was it meant to serve
   b. How are the student success factor funds used today
   c. Alternative models to address this need

III. Presentation by Tim Ryan and members of the Rhode Island School Superintendents' Association
   a. Bob Mitchell, Cumberland: Charter school Tuitions
   b. Phil Thornton, Warwick: Career and Technical Education Tuitions
   c. Colleen Jermain, Newport: English Language Learners
   d. Pat McGee, Woonsocket: Every Student Succeeds Act (ESSA) transportation, lack of a minimum municipal contribution to education

IV. The importance of investing in prekindergarten education and models to consider moving forward

V. Public input on the impact of the education funding formula and opportunities moving forward

VI. Plan for next meeting(s)

Please contact Kelly Carpenter at kcarpenter@rilegislature.gov or Lisa Nelson at lnelson@rilegislature.gov with any questions regarding this meeting.

POSTED: THURSDAY, NOVEMBER 14, 2019, 4:40 P.M.

Student Success Factor in the School Funding Formula

Dr. Kenneth Wong
Director, Urban Education Policy Program
Brown University
Presentation at the Senate Finance Committee
November 19, 2019

Student Success Factor

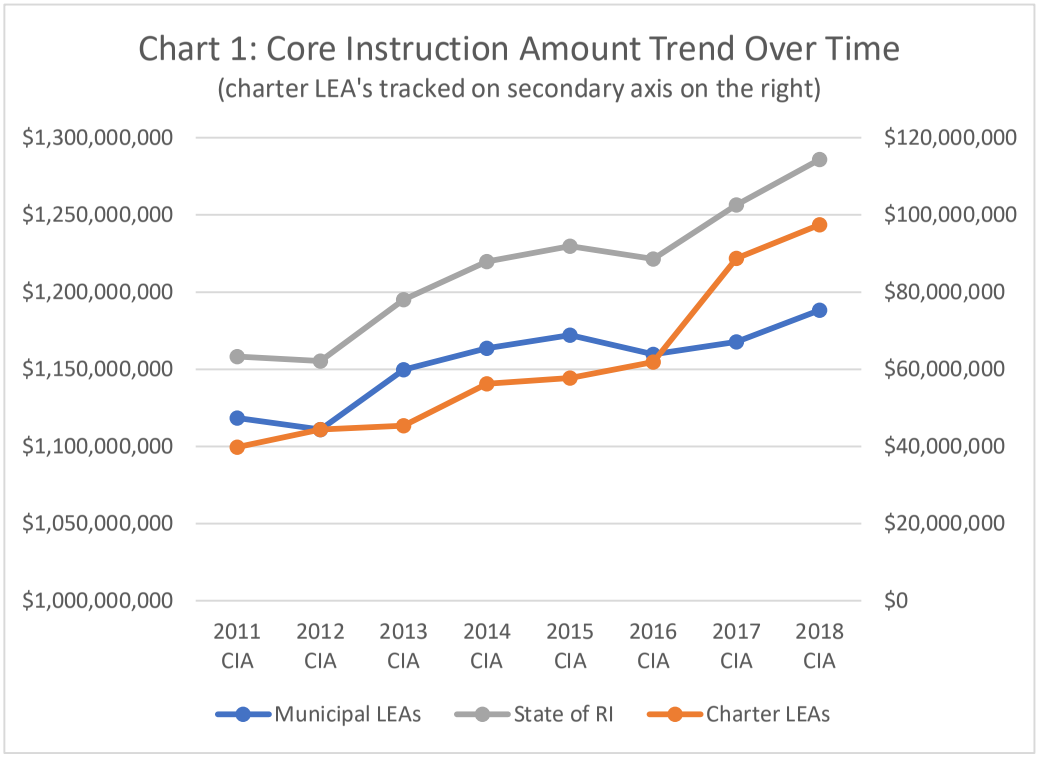
- An additional 40 percent of the core instruction amount is allocated to children who are eligible for free and reduced-price school lunch program (FRPL)
- The design of 2010 formula did not include additional weights for ELLs and high-cost special education students to avoid over-identification, a concern raised by the 2007 *Funding Our Future* report:
- "[T]he formula must ensure there are not unintended "incentives" for over-identification of student need. For example, one would not want to design a weighted student count that encouraged school districts to increase student counts in certain higher cost areas in order to receive additional resources."
- Categorical funding for high-cost special education students, English Language Learners, early childhood, career & technical programs, and school construction

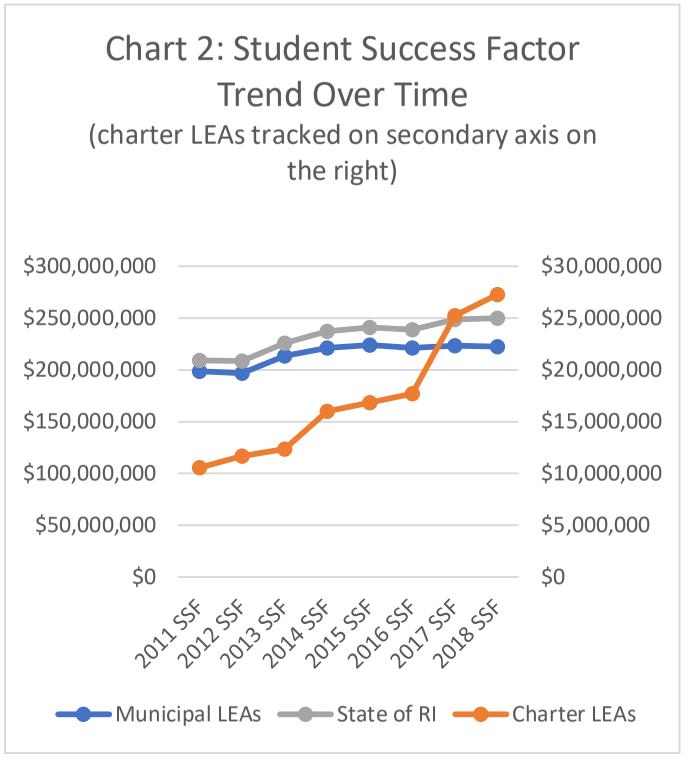
SSF as a Key Funding Component

- *A. core instruction funding = No. of Resident students x core instruction amount*
- *B. student success factor funding = No. of Free/reduced lunch eligible students x student success factor (additional 40%) x core instruction amount*
- *Total foundation = Core instruction funding (A) + student success funding (B)*

Core Instruction and SSF Funding Trend

- Core instruction & student success factor dollar amounts have increased over the years





Student Weights in New England and Selected States

State	ELL Weight	Poverty Weight
CT	15%	33%
ME	50-70% by density	15%
NH	$684.45	$1,780 on average
VT	20%	25%
RI	Categorical	40%
NY	50%	12%
NJ	50%	47%-57% by density

Core instruction amount and weights: Considering the Connections

State	Core or Base	Poverty	Special Education	ELL
RI	Broad base that includes instructional, classroom, school supplies, textbooks and equipment, t eachers, administrative costs, librarians and program supports.	Weight :Student Success Factor of 40% of core instructional amount applied for students eligible for free and reduced lunch	Categorical: State addresses "high-cost" special education students	Some costs are included in base, others in the Student Success Factor
NH	Limited base that includes Staff, instructional materials, technology, teacher development, facilities operations & maintenance, and transportation – roughly $3,500 per student	Categorical: towns that are in the bottom 8th of property wealth receive $2,000 per pupil Towns that are the second lowers 8th receive $1,250 per pupil	Categorical: $1,856 per pupil	Categorica l: receive $685 per pupil
ME	Moderate base that Includes 97% of basic classroom and instruction cost, support programs and some benefits	Weight: 15% of base rate	Weight: 27% of base rate	Weight: 50-70% based on density

1. **Rhode Island has a relatively comprehensive core instruction amount**
2. **Some states have higher weights but a much smaller core instruction amount**

Low-income status and other high needs status are correlated

- *2010 Act: All children should have access to an adequate and meaningful education regardless of their residence or economic means*
- Students' low-income status is highly correlated with English Language Learner status as well as IEP status, suggesting funding formula's aim to address the education needs of all students

	Correlation (n=60)	Correlation (without urban core, n=56)
Free/Reduced Lunch Students	.961	.826
LEP / ELL Students		
	Correlation (n=60)	Correlation (without urban core, n=56)
Free/Reduced Lunch Students	.935	.916
IEP Students		

Charter LEAs and high needs students

- For Charter LEAs, total foundation funding and state aid are correlated to concentration of high needs students, especially those who come from low income background

Group	2017 Correlation Between Status and Total State Aid CHARTER LEAs	2018 Correlation Between Status and Total State Aid CHARTER LEAs
# of ELL Students	.721	.691
# of FRPL Students	.988	.984
# of IEP Students	.946	.931

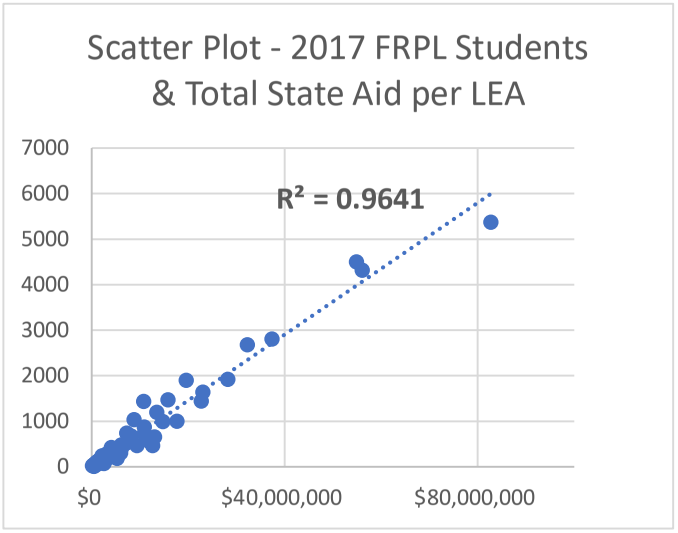
Group	2017 Correlation Between Status and Total Foundational Funding CHARTER LEAs	2018 Correlation Between Status and Total Foundational Funding CHARTER LEAs
# of ELL Students	.667	.725
# of FRPL Students	.979	.980
# of IEP Students	.953	.931

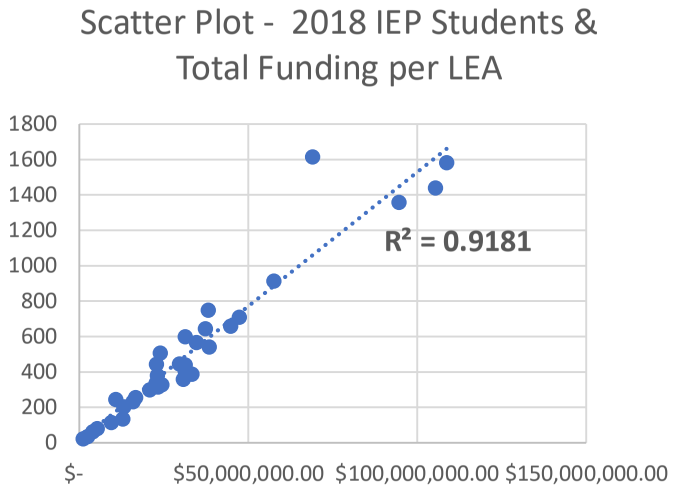
State Aid Correlated with Low Income Students

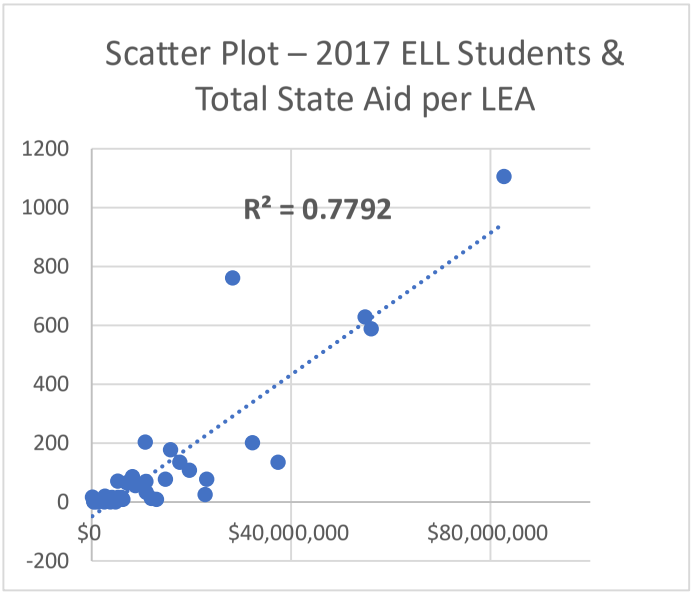
- For municipal LEAs, total foundation funding and state aid are highly correlated to concentration of high needs students, especially those who come from low income background
- See correlational plots for all LEAs on the next slide

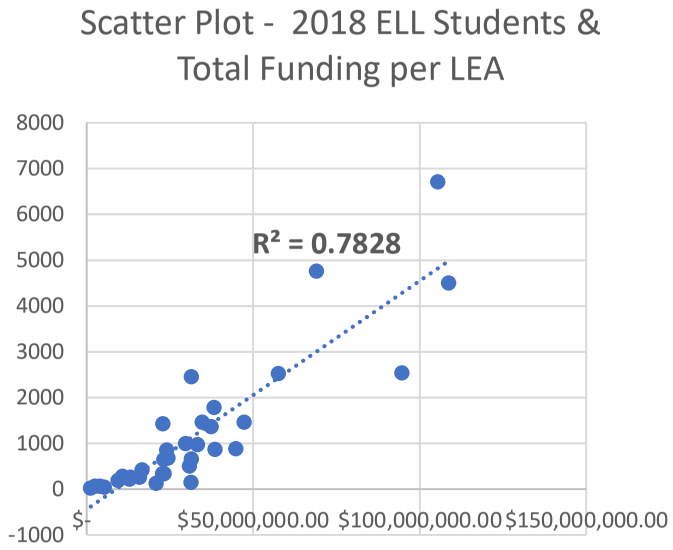
Group	2017 Correlation Between Status and Total State Aid MUNICIPAL LEAs	2018 Correlation Between Status and Total State Aid MUNICIPAL LEAs
ELL Students	.958	.955
FRPL Students	.993	.997
IEP Students	.953	.959

Group	2017 Correlation Between Status and Total Foundational Funding MUNICIPAL LEAs	2018 Correlation Between Status and Total Foundational Funding MUNICIPAL LEAs
ELL Students	.978	.904
FRPL Students	.963	.966
IEP Students	.973	.981









Four scatter plot examples from 2017/2018 showing R-Squared coefficient of determination (funding correlated to the variation in high needs students for all LEAs)

Growing Support for ELLs and Students with Disabilities (UCOA all funding sources: FY2012-18)

Year	Spending on ELLs	Spending on Students with Disabilities
2012	$31.7M	$527.8M
2015	$41.3M	$532.8M
2018	$51.8M	$562.3M
% Increase	63%	6.5%

Implications

- Consider the connections between core amount and student weights (Student Success Factor)
- Continue to maintain strong correlations between total foundation dollars and student needs
- Strengthen state-local partnership in supporting ELLs and students with disabilities (9% and 15% of the total student population in RI respectively)

Special Legislative Task Force to Study Rhode Island's Education Funding Formula

Newport Public Schools – English Language Learners
Presented by: Colleen Burns Jermain, Ed. D.
November 19, 2019

Demographics

Dramatic shifts in just the first quarter of school

	September 2019 Enrollment	September 2019 ELL	Percentage	November 2019 Enrollment	November 2019 ELL	Percentage
District	2124	257	12.10%	2186	382	17.47%
RHS	695	83	11.94%	691	113	16.35%
TMS	606	74	12.21%	615	104	16.91%
Pell	823	100	12.15%	880	165	18.75%

Students and Families

Students:

- Interrupted years of education
- Trauma-based journeys to the United States
- Separation from families

Families:

- Important forms and papers: Collection of forms is a challenge as families are often hesitant to fill out and return
  - Free and reduced lunch
  - Impact Aid

Impacts on classroom instruction

- Culture and climate of a school; communication
- Graduation rates - 17 yr. olds
- Testing and assessments
  - Newly arrived students have to take the Math portion of state assessments even if the student arrived just the day before (students are exempt from ELA for 1 year)

Funding

- Funding for FY 2020 based on previous years' numbers
- We need real-time solutions to address real-time data
- Resources needed:
  - Interpreters
  - Additional ELL staff
  - Professional development

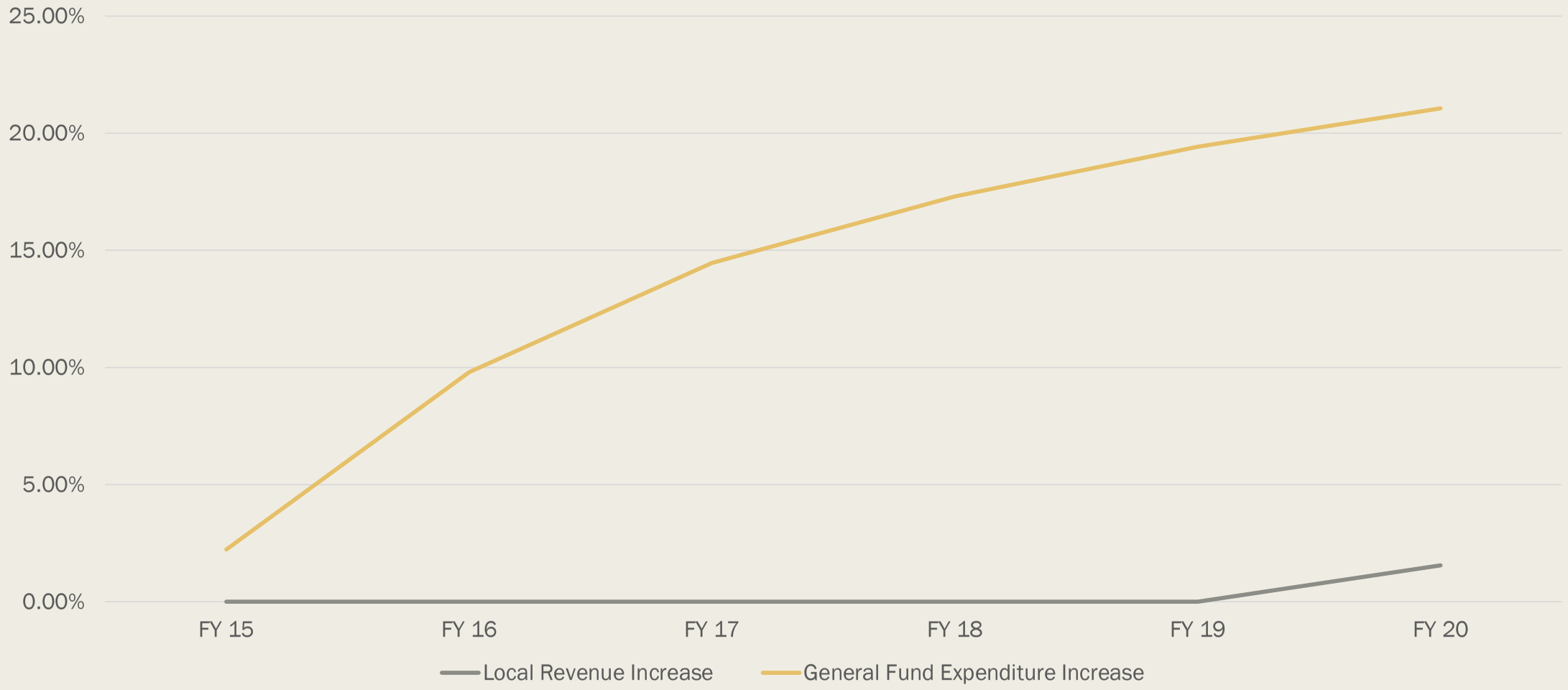
FY 18 vs FY 19 Statewide Transportation

FY 18 RIDE Transportation													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
General Education	2,239.20	2,038.00	692.07	416.92	416.92	416.92	754.28	754.28	754.28	19,536.00	19,536.00	19,536.00	67,090.87
Students with Disabilities	45,954.43	27,373.15	61,834.58	59,940.95	59,940.95	59,940.95	69,076.36	69,076.36	69,076.36	60,696.00	60,696.00	60,696.00	704,302.09
Private School										220.00	1,752.91	1,753.00	3,725.91
Displaced Students			6,466.42	5,419.85	5,419.85	5,419.85	230.64	230.64	230.64	7,021.00	7,021.00	7,021.00	44,480.89
Total	48,193.63	29,411.15	68,993.07	65,777.72	65,777.72	65,777.72	70,061.28	70,061.28	70,061.28	87,473.00	89,005.91	89,006.00	819,599.76
FY 19 RIDE Transportation													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
General Education			44,450.00	52,111.00	50,516.00	38,540.57	52,970.00	44,102.00	47,083.00	46,486.00		29,236.00	405,494.57
Students with Disabilites	66,865.00	53,553.00	67,024.00	74,833.00	68,325.00	52,708.19	80,981.91	67,177.21	69,595.66	67,925.06		39,987.00	708,975.03
Private School										1,140.03		1,155.00	2,295.03
Displaced Students			19,237.00	29,480.00	29,650.00	25,260.00	34,803.00	30,839.00	38,629.00	30,726.00		14,801.00	253,425.00
Total	66,865.00	53,553.00	130,711.00	156,424.00	148,491.00	116,508.76	168,754.91	142,118.21	155,307.66	146,277.09	-	85,179.00	1,370,189.63

Local Share Revenue vs General Fund Expenditures

Year	Local Contribution	Total General Fund Expenses	Year Over Year Change	
FY 12	12,964,157	66,237,138		
FY 13	19,554,302	65,352,724	(884,414)	
FY 14	16,166,330	66,658,326	1,305,602	
FY 15	16,166,330	68,144,554	1,486,228	
FY 16	16,166,330	73,302,992	5,158,438	
FY 17	16,166,330	76,719,054	3,416,062	
FY 18	16,166,330	78,896,944	2,177,890	
FY 19	16,166,330	80,572,482	1,675,538	*Unaudited
FY 20	16,416,330	81,896,425	1,323,943	*Budgeted

Local Share Revenue vs General Fund Expenditures



RI Department of Education
FY2018 Per Pupil Expenditures - Sorted by Net PPE

No.	LEA	Average Daily Membership	Total Expenditures from all sources of funds	Total Per Pupil	Debt Service	Less Debt Service PPE	Capital Projects	Less Capital Projects PPE	Net Per Pupil (Less Debt & Capital)
410	RI School for Deaf	70	$ 8,265,211	$117,693	$ -	$ -	$ -	$ -	$117,693
220	New Shoreham	119	$ 5,343,286	$44,864	$ 14,000	$ 118	$ 405,856	$ 3,408	$41,339
180	Little Compton - **Note 1**	243	$ 7,274,618	$29,893	$ -	$ -	$ -	$ -	$29,893
150	Jamestown -**Note 1**	483	$ 12,754,170	$26,391	$ -	$ -	$ 117,553	$ 243	$26,148
200	Narragansett	1,296	$ 29,076,743	$22,434	$ 84,618	$ 65	$ 523,803	$ 404	$21,965
360	Westerly	2,740	$ 59,184,978	$21,603	$ -	$ -	$ -	$ -	$21,603
210	Newport	2,194	$ 45,534,574	$20,752	$ -	$ -	$ -	$ -	$20,752
320	South Kingstown	3,042	$ 62,314,781	$20,482	$ -	$ -	$ -	$ -	$20,482
400	Davies Career & Technical Center	845	$ 17,106,819	$20,250	$ -	$ -	$ -	$ -	$20,250
970	Exeter-W. Greenwich Regional	1,634	$ 33,447,714	$20,473	$ 654,434	$ 401	$ 514,268	$ 315	$19,758
350	Warwick	8,879	$ 176,049,527	$19,828	$ -	$ -	$ 2,155,551	$ 243	$19,585
420	Metropolitan C&TC	780	$ 15,055,534	$19,311	$ 16,357	$ 21	$ 433,183	$ 556	$18,735
040	Central Falls	2,705	$ 50,706,866	$18,743	$ -	$ -	$ 189,115	$ 70	$18,674
160	Johnston	3,251	$ 61,123,960	$18,802	$ 58,699	$ 18	$ 511,402	$ 157	$18,627
430	Urban Collab Acccelerated Prog	134	$ 2,621,778	$19,633	$ 141,000	$ 1,056	$ -	$ -	$18,577
170	Lincoln	3,064	$ 56,591,281	$18,468	$ -	$ -	$ 141,454	$ 46	$18,422
690	Southside Elmentary Charter	93	$ 1,722,557	$18,438	$ 117,536	$ -	$ 2,400	$ 26	$18,412
280	Providence	23,275	$ 428,381,903	$18,405	$ 194,703	$ 8	$ 174,366	$ 7	$18,390
300	Scituate	1,275	$ 23,084,290	$18,106	$ 2,500	$ 2	$ 129,820	$ 102	$18,002
190	Middletown	2,169	$ 41,142,324	$18,973	$ -	$ -	$ 2,146,782	$ 990	$17,983
120	Foster	277	$ 5,051,770	$18,236	$ -	$ -	$ 70,329	$ 254	$17,982
980	Chariho Regional	3,159	$ 70,939,681	$22,453	$ 8,890,550	$ 2,814	$ 5,366,730	$ 1,699	$17,941
990	Foster-Glocester Regional	1,255	$ 27,928,559	$22,258	$ 4,898,058	$ 3,904	$ 634,872	$ 506	$17,849
960	Bristol-Warren Reginoal	3,195	$ 61,301,585	$19,186	$ 2,750,685	$ 861	$ 2,436,872	$ 763	$17,562
330	Tiverton	1,820	$ 32,156,419	$17,670	$ -	$ -	$ 335,123	$ 184	$17,486
570	Academy for Career Exploration	194	$ 3,470,214	$17,844	$ 84,000	$ 432	$ -	$ -	$17,412
230	North Kingstown	3,891	$ 68,716,343	$17,659	$ 427,661	$ 110	$ 1,192,112	$ 306	$17,243
100	E Providence	5,255	$ 90,997,093	$17,317	$ 35,503	$ 7	$ 1,179,827	$ 225	$17,086
590	Learning Community	568	$ 9,976,306	$17,558	$ 216,856	$ 382	$ 150,153	$ 264	$16,912
130	Glocester	535	$ 9,054,565	$16,909	$ -	$ -	$ 130	$ 0	$16,909
310	Smithfield	2,380	$ 40,111,286	$16,854	$ -	$ -	$ 42,868	$ 18	$16,836
380	W Warwick	3,562	$ 59,831,349	$16,799	$ -	$ -	$ 450,159	$ 126	$16,672
240	N Providence	3,587	$ 59,666,787	$16,633	$ 17,215	$ 5	$ 451,881	$ 126	$16,502
270	Portsmouth	2,407	$ 40,121,334	$16,672	$ -	$ -	$ 428,008	$ 178	$16,494
630	Trinity Academy	207	$ 3,415,511	$16,461	$ -	$ -	$ -	$ -	$16,461
600	Segue Institute	236	$ 4,041,688	$17,105	$ -	$ -	$ 165,635	$ 701	$16,404
671	Achievement First Mayoral	914	$ 15,331,875	$16,774	$ 345,444	$ 378	$ 103,500	$ 113	$16,283
070	Cranston	10,208	$ 165,471,985	$16,210	$ 1,620	$ 0	$ 440,732	$ 43	$16,166
480	Highander Charter School	555	$ 9,339,772	$16,817	$ 493,354	$ 888	$ 58,120	$ 105	$15,824
510	Paul Cuffee Charter	796	$ 12,773,426	$16,047	$ 164,264	$ 206	$ 16,492	$ 21	$15,820
500	N. E. Laborers Career & Const.	154	$ 2,643,408	$17,199	$ 218,734	$ 1,423	$ -	$ -	$15,776
090	East Greenwich	2,462	$ 39,038,710	$15,854	$ -	$ -	$ 202,160	$ 82	$15,772
620	The Greene School	200	$ 4,225,990	$21,163	$ 74,091	$ 371	$ 1,026,701	$ 5,142	$15,650
550	The Compass Charter School	168	$ 2,925,224	$17,437	$ 194,895	$ 1,162	$ 109,687	$ 654	$15,622
030	Burrillville	2,250	$ 35,129,002	$15,615	$ -	$ -	$ 5,365	$ 2	$15,612
060	Coventry	4,686	$ 73,252,562	$15,633	$ -	$ -	$ 136,707	$ 29	$15,604
250	North Smithfield	1,705	$ 26,454,695	$15,516	$ -	$ -	$ 4,444	$ 3	$15,513
260	Pawtucket	8,814	$ 139,710,750	$15,851	$ -	$ -	$ 3,624,504	$ 411	$15,439
660	Nowell Leadership Academy	159	$ 2,599,432	$16,329	$ 144,370	$ 907	$ -	$ -	$15,422
520	Kingston Hill Academy	189	$ 3,142,288	$16,605	$ 223,921	$ 1,183	$ 6,526	$ 34	$15,388
010	Barrington	3,359	$ 50,559,739	$15,052	$ 107,240	$ 31.93	$ -	$ -	$15,020
560	Times 2 Academy	732	$ 12,192,544	$16,663	$ 1,256,046	$ 1,717	$ 25,922	$ 35	$14,911
530	International Charter School	361	$ 5,497,563	$15,238	$ 247,958	$ 687	$ -	$ -	$14,550
390	Woonsocket	5,956	$ 89,745,093	$15,068	$ -	$ -	$ 3,204,345	$ 538	$14,530
080	Cumberland	4,613	$ 67,792,336	$14,697	$ -	$ -	$ 783,024	$ 170	$14,527
680	The Hope Academy	143	$ 2,073,922	$14,458	$ 392,750	$ -	$ -	$ -	$14,458
640	RI Nurses Middle Level College	265	$ 4,427,741	$16,707	$ 610,643	$ 2,304	$ -	$ -	$14,403
540	Blackstone Academy Charter	345	$ 4,875,706	$14,139	$ 223,822	$ 649	$ -	$ -	$13,490
650	Village Green Virtual Charter	223	$ 3,457,505	$15,476	$ 519,733	$ 2,326	$ 15,556	$ 70	$13,080
610	RIMA-Blackstone Valley	1,822	$ 25,872,157	$14,199	$ 2,308,228	$ 1,267	$ 441,630	$ 242	$12,690
580	Beacon Charter School	367	$ 4,823,360	$13,135	$ 238,578	$ 650	$ 38,933	$ 106	$12,379
700	RISE Prep Mayoral Academy	161	$ 1,890,203	$11,764	$ -	$ -	$ 27,503	$ -	$11,764
	State Totals	**142,428**	**$ 2,528,810,394**	**$17,755**	**$ 26,370,066**	**$ 185.15**	**$ 30,622,103**	**$ 215.00**	**$17,355**

Note 1: Jamestown and Little Compton do not have high schools and pay tuition to send their students in grades 9-12 to high schools in other communities. This results in higher per pupil expenditure costs since ADM (Average Daily Membership) does not capture these students. Tuition payments are, however, included in the total expenditures. Adding the RADM (Resident Average Daily Membership) for these high school students going outside the district, the per pupils in these districts would be as follows:

District	RADM	Total PPE	Net PPE
Jamestown	662	$ 19,268	$ 19,090
Little Compton	364	$ 19,991	$ 19,991

Source: FY18 UCOA Data
Created: 6/21/19

SPECIAL LEGISLATIVE TASK FORCE TO STUDY RHODE ISLAND'S EDUCATION FUNDING FORMULA

NOTICE OF MEETING

DATE: Thursday, November 21, 2019
TIME: 5:30 P.M.
PLACE: Room 313 - State House

AGENDA

I. Opening remarks – Senator Ryan Pearson, Task Force Chair

II. Presentation by Dr. Kenneth K. Wong, Director of the Urban Education Policy Program and the Walter and Leonore Annenberg Professor of Education Policy at Brown University
   a. History of the development of the share ratio calculation

III. Presentation by Steve Coleman, Chief, Division of Municipal Finance
   a. What is Municipal Finance's role in the share ratio calculation
   b. What goes into the valuation and wealth measures used in the EWAV
   c. Ability of communities to fund the local share

IV. Presentation by the Rhode Island Department of Elementary and Secondary Education
   a. How does the EWAV data from Municipal Finance become the community share ratio used in the formula distribution

V. A look at national share ratios

VI. Public input on the impact of the education funding formula and opportunities moving forward

VII. Plan for next meeting(s)

Please contact Kelly Carpenter at kcarpenter@rilegislature.gov or Lisa Nelson at lnelson@rilegislature.gov with any questions regarding this meeting.

POSTED: TUESDAY, NOVEMBER 19, 2019, 3:20 P.M.

State Share Ratio in the School Funding Formula

Dr. Kenneth Wong
Director, Urban Education Policy Program
Brown University
Presentation at the Senate Finance Committee
November 21, 2019

Design Features in Funding Formula

- Core instruction amount for each student
- “Student success factor” to provide additional support for students from low-income background
- State and local funding follows the student
- **State Share Ratio: Determinants of state aid to LEAs based on local capacity to generate revenue and local concentration of low income students**
- Gradual phase-in process

State Share Ratio

- State Share Ratio (SSR) determines the distribution of state dollars to each LEA
- SSR takes into consideration two factors **simultaneously**:
  - 1. Local variation in revenue generating capacity
  - 2. local variation in the concentration of low income students
- SSR addresses different combinations of these two factors, such as high local revenue capacity but a high concentration of student poverty, and low local revenue capacity with a low concentration of student poverty.

State Share Ratio Calculation: Multiple Steps

$$SSRC = 1 - \left(0.475 * \frac{\text{District EWAV/District RADM}}{\text{State EWAV/State RADM}}\right)$$

$$State\ Share\ Ratio\ (SSR) = \sqrt{\frac{SSRC^2 + \%PK6POVERTY^2}{2}}$$

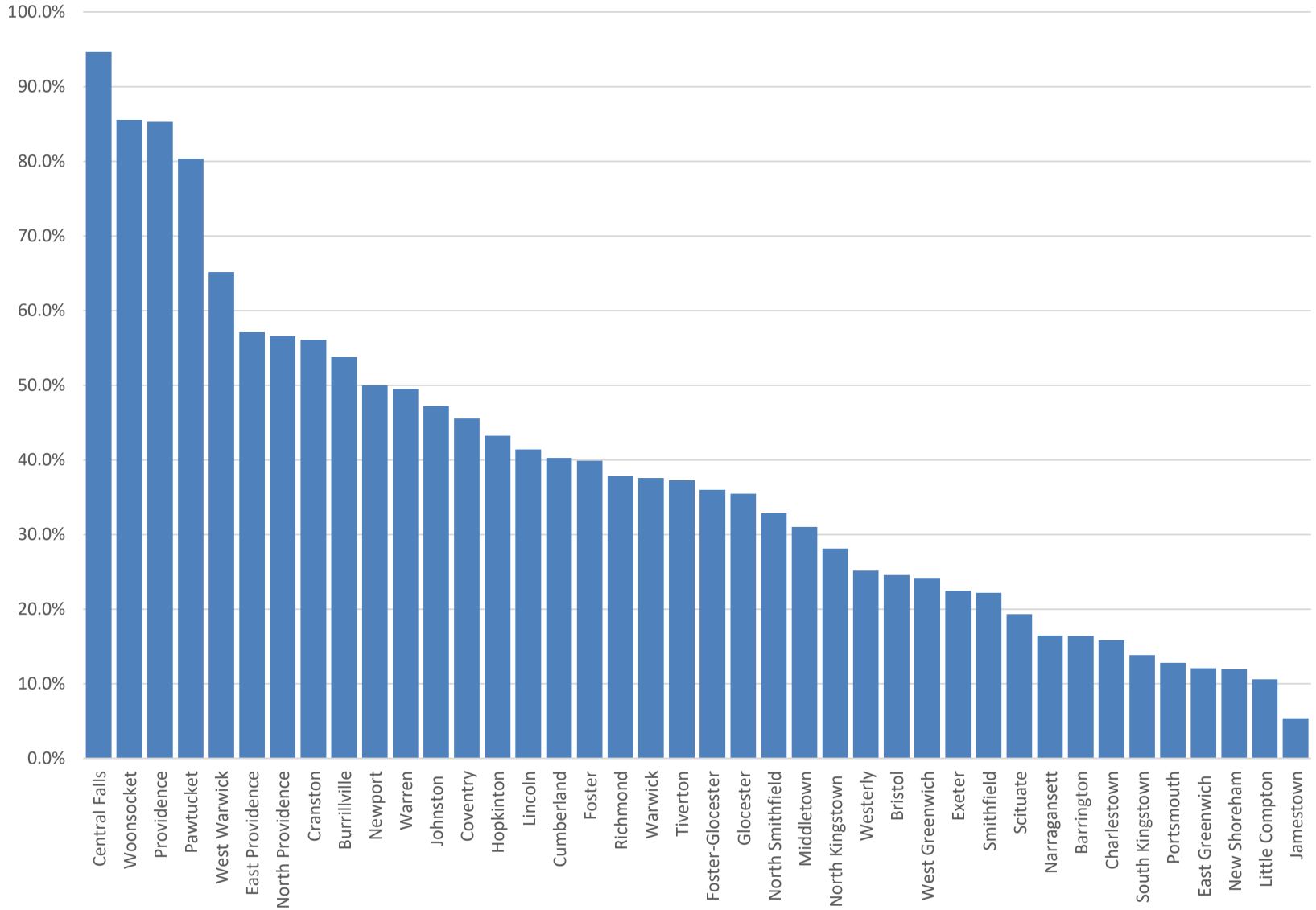
State Share Ratio calculation

- **SSRC** (State Share Ratio for the Community) is derived from a calculation of a district's revenue generating capacity relative to all local communities. It is a number between 0% and 100% based on district assessed real estate values and median family income value.
- **FRPL** is the percentage of students in grades PK-6 enrolled in the free and reduced price lunch program.
- **Quadratic mean**: *square* each value, *add* up the square, *divide* by two, then take the *square root*
- **Quadratic mean** has the effect of (1) taking into consideration two factors simultaneously (revenue capacity and poverty), and (2) giving greater weight on the larger of the two values compared to a normal mean calculation.
  - For example, LEAs with (a) higher local revenue capacity and a **higher** concentration of student poverty and (b) **lowe**r local revenue capacity but a lower concentration of student poverty will both have a higher state share under this calculation than a normal mean.
  - Take two values, 10 and 4: Normal mean = 7; Quadratic mean = 7.615

State Share Ratio (SSR) affected by SSRC (State Share Ratio for Community)

- **EWAV** is the Equalized Weighted Assessed Valuation (R.I.G.L. 16-7-21) and is calculated by the Division of Municipal Finance. EWAV includes assessed property values adjusted for median family income for the city or town as compared to the statewide median family income.
- **RADM** is the Resident Average Daily Membership (student count) and is calculated by RIDE. RADM counts the students based on the LEAs where they reside.
- **0.475** as a modifying weight: higher weight/value in local revenue capacity results in smaller value for SSRC; lower weight or local revenue capacity value results in higher value for SSRC (as derived from the subtraction of the value from 1.0)

State Share Ratio across LEAs



Maintenance of Local Effort: Local Contribution to Foundation Amount (Core + SSF)

- While state share for foundation spending steadily increased in recent years, LEAs either reduced local funding or provided modest increase on an annual average over the 6 year period
- LEAs that provided the highest rate of increase on an annual average included: East Greenwich (3.6% increase per year over the 6 year period), Barrington (2.5%), Cumberland (1.17%), North Providence (1.14%), Providence (0.93%), and Cranston (0.85%).
- Many LEAs reduced their local funding shares over the 6-year period from 2012-2018.

Local Shares in Total Foundational Amount (Core + SSF)

LEAs	2012	2015	2018	Change in Local Shares 2012-2018
JOHNSTON	56.28%	48.21%	47.51%	-8.77
KINGSTON HILL	78.76%	73.87%	72.25%	-6.50
FOSTER	65.50%	59.57%	59.21%	-6.29
NORTH PROVIDENCE	47.78%	43.87%	42.41%	-5.37
BEACON	35.61%	31.34%	30.30%	-5.31
LINCOLN	63.74%	60.44%	58.68%	-5.06
EAST PROVIDENCE	44.41%	43.09%	39.47%	-4.93
WOONSOCKET	18.74%	15.83%	13.95%	-4.79
BRISTOL WARREN	66.95%	63.28%	62.21%	-4.74
CRANSTON	50.36%	45.68%	47.27%	-3.09
PAWTUCKET	19.27%	16.66%	16.31%	-2.96
WEST WARWICK	39.24%	37.28%	36.43%	-2.81
NEWPORT	55.38%	53.26%	53.40%	-1.98
BURRILLVILLE	47.47%	46.40%	45.66%	-1.81
WARWICK	61.41%	58.68%	59.62%	-1.79
CENTRAL FALLS	7.44%	4.59%	5.93%	-1.50
INTERNATIONAL	22.51%	20.62%	21.10%	-1.42
COVENTRY	52.52%	51.74%	51.26%	-1.25
PROVIDENCE	13.19%	11.96%	12.60%	-0.59
CUMBERLAND	57.94%	57.81%	57.63%	-0.32
EAST GREENWICH	87.11%	87.32%	90.30%	3.19
BARRINGTON	79.59%	78.75%	84.10%	4.52
RICHMOND	57.40%	60.92%	63.67%	6.26
SCITUATE	67.69%	67.49%	76.78%	9.09

Local Shares in Total Foundational Amount (Core + SSF)

LEAs	2012	2018	Change in $ Local Shares 2012-2018
JOHNSTON	$16,354,358.33	$16,494,474.00	$140,116
KINGSTON HILL	$1,288,950.51	$1,353,274	$64,323
FOSTER	$1,499,818.65	$1,566,737.00	$66,918
NORTH PROVIDENCE	$14,828,498.54	$15,843,413.00	$1,014,914
BEACON	$786,326.28	$248,561.00	($537,765)
LINCOLN	$19,315,474.79	$17,511,880.00	($1,803,595)
EAST PROVIDENCE	$23,943,863.38	$22,729,034.00	($1,214,829)
WOONSOCKET	$11,489,849.15	$9,628,057.00	($1,861,792)
BRISTOL WARREN	$21,955,361.85	$20,719,463.00	($1,235,899)
CRANSTON	$48,870,066.74	$51,367,378.00	$2,497,311
PAWTUCKET	$18,232,833.13	$17,191,357.00	($1,041,476)
WEST WARWICK	$13,525,095.63	$13,921,926.00	$396,830
NEWPORT	$11,602,896.15	$13,039,384.00	$1,436,488
BURRILLVILLE	$11,143,918.73	$10,957,474.00	($186,445)
WARWICK	$56,532,267.90	$56,427,881.00	($104,387)
CENTRAL FALLS	$2,087,612.36	$1,863,968.00	($223,644)
INTERNATIONAL	$747,461.66	$1,251,846.00	$504,384
COVENTRY	$24,422,899.88	$24,254,992.00	($167,908)
PROVIDENCE	$33,472,643.73	$35,332,241.00	$1,859,597
CUMBERLAND	$24,088,772.57	$25,793,756.00	$1,704,983
EAST GREENWICH	$17,357,905.04	$21,057,330.00	$3,699,425
BARRINGTON	$22,977,072.18	$26,375,481.00	$3,398,409
RICHMOND	$5,956,254.63	$7,327,075.00	$1,370,820
SCITUATE	$9,629,680.91	$10,110,363.00	$480,682

Maintenance of Effort – local contributions to Foundational spending

- Change in local funding share in the foundation amount suggests that LEAs either reduced local funding or provided modest increase on an annual average during FY12 through FY18
- Maintenance of local effort and other fiscal support strategies (formula-based and categorical grants) merit further study as the Task Force considers ways to strengthen the state-local partnership in funding education

Report 3.1

K-12 Per Pupil Revenue

SYs 2001–02 to 2015–16

Source: State Fiscal Reports, NCES.

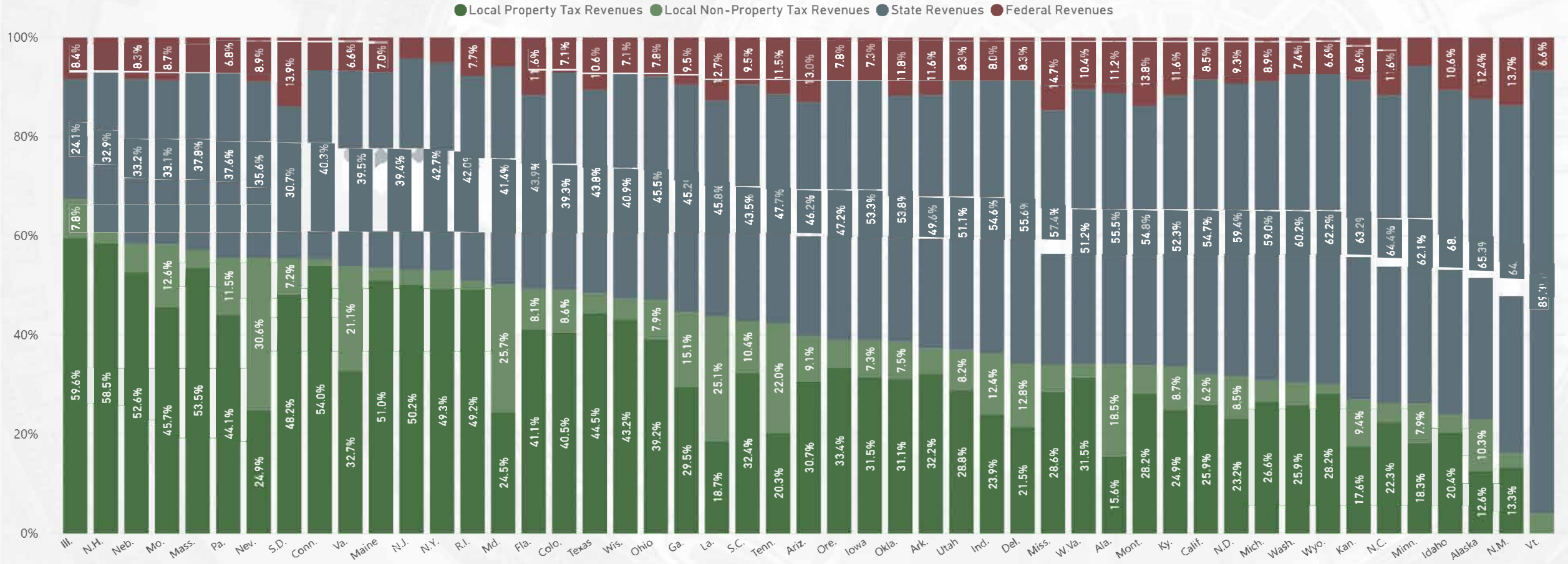
View as $

Adjust for Inflation... Adjusted | Non-adjusted

Adjust for Regional Costs... Adjusted | Non-adjusted

Select by Year...

2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016



Information last update January 2019.

Report 1.2

K-12 Per Pupil Current Expenditures at a Glance

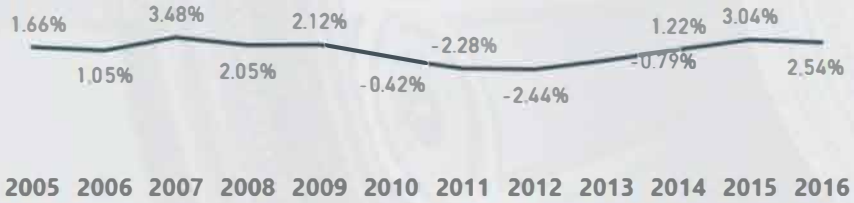
SYs 2001–02 to 2015–16

Source: State Fiscal Reports, NCES.

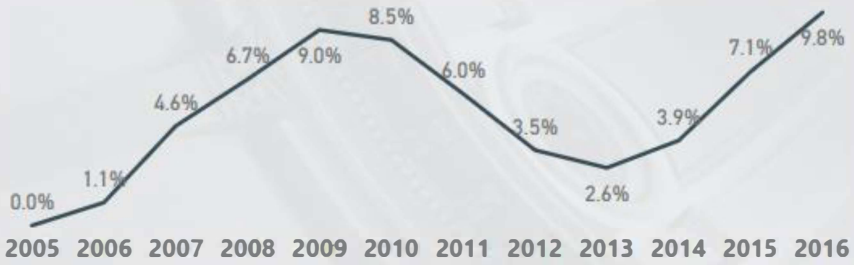
Select by State...	Adjust for Inflation...		Adjust for Regional Costs...	
Rhode Island	Adjusted	Non-adjusted	Adjusted	Non-adjusted

United States

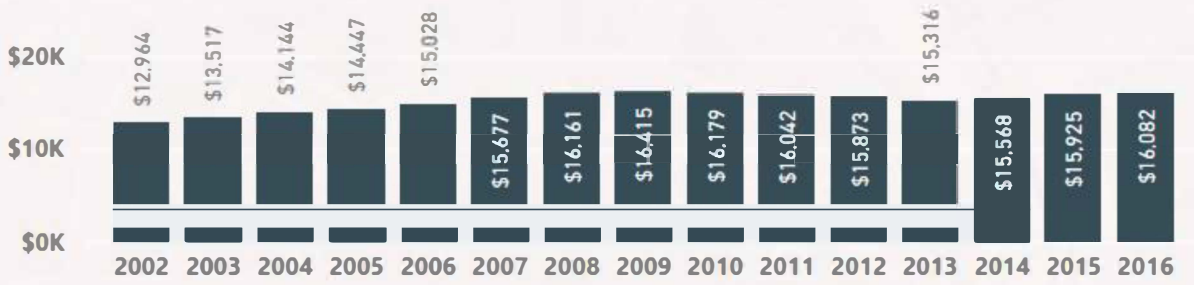
Year-over-year percent change



Percent difference from 2005

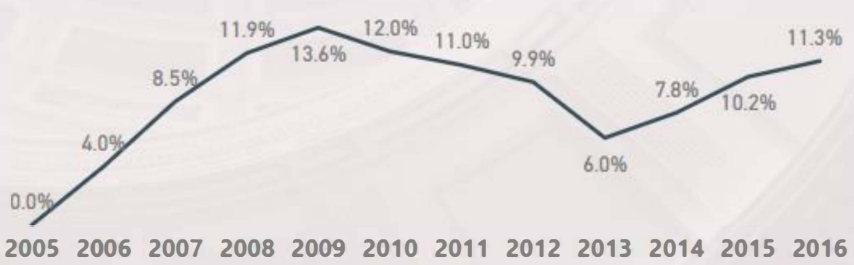


Rhode Island



Year-over-year percent change

Percent difference from 2005



Info on revenue sources

Technical Information and Sources

Information last update January 2019.

Report 1.0

K-12 Per Pupil Current Expenditures at a Glance

SYs 2001–02 to 2015–16

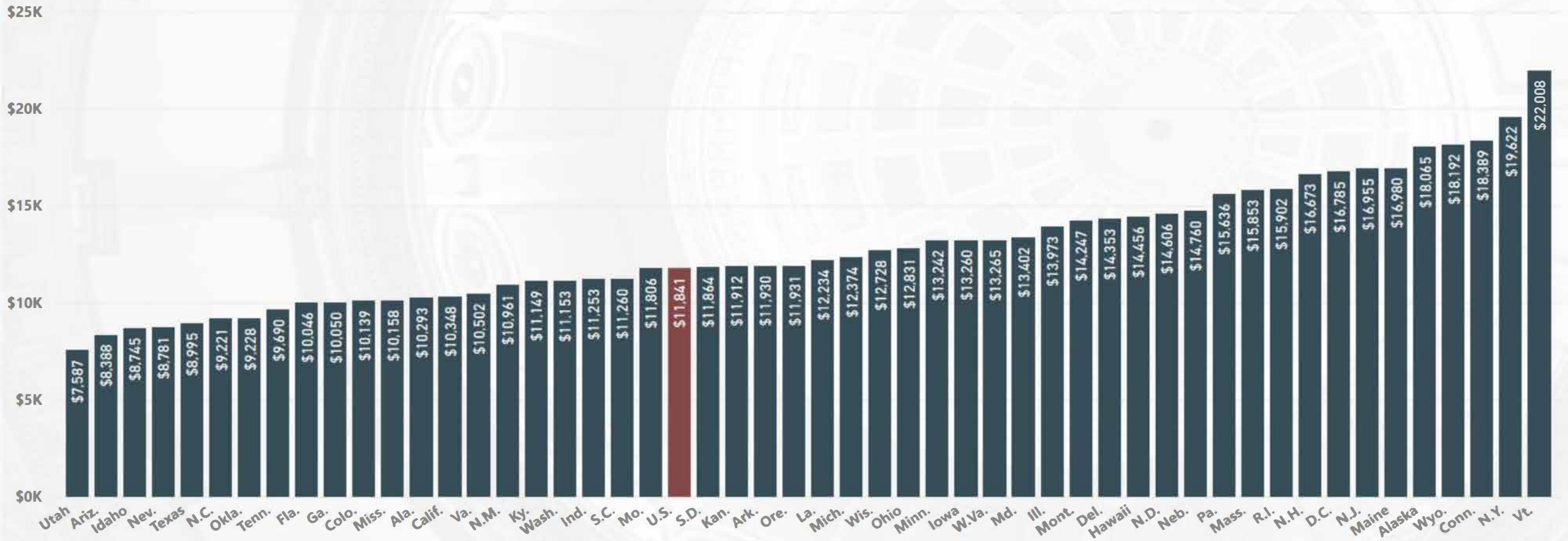
Source: State Fiscal Reports, NCES.

Adjust for Inflation... Adjusted | Non-adjusted

Adjust for Regional Cost Differences... Adjusted | Non-adjusted

Select by Year...

2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2019 | 2020



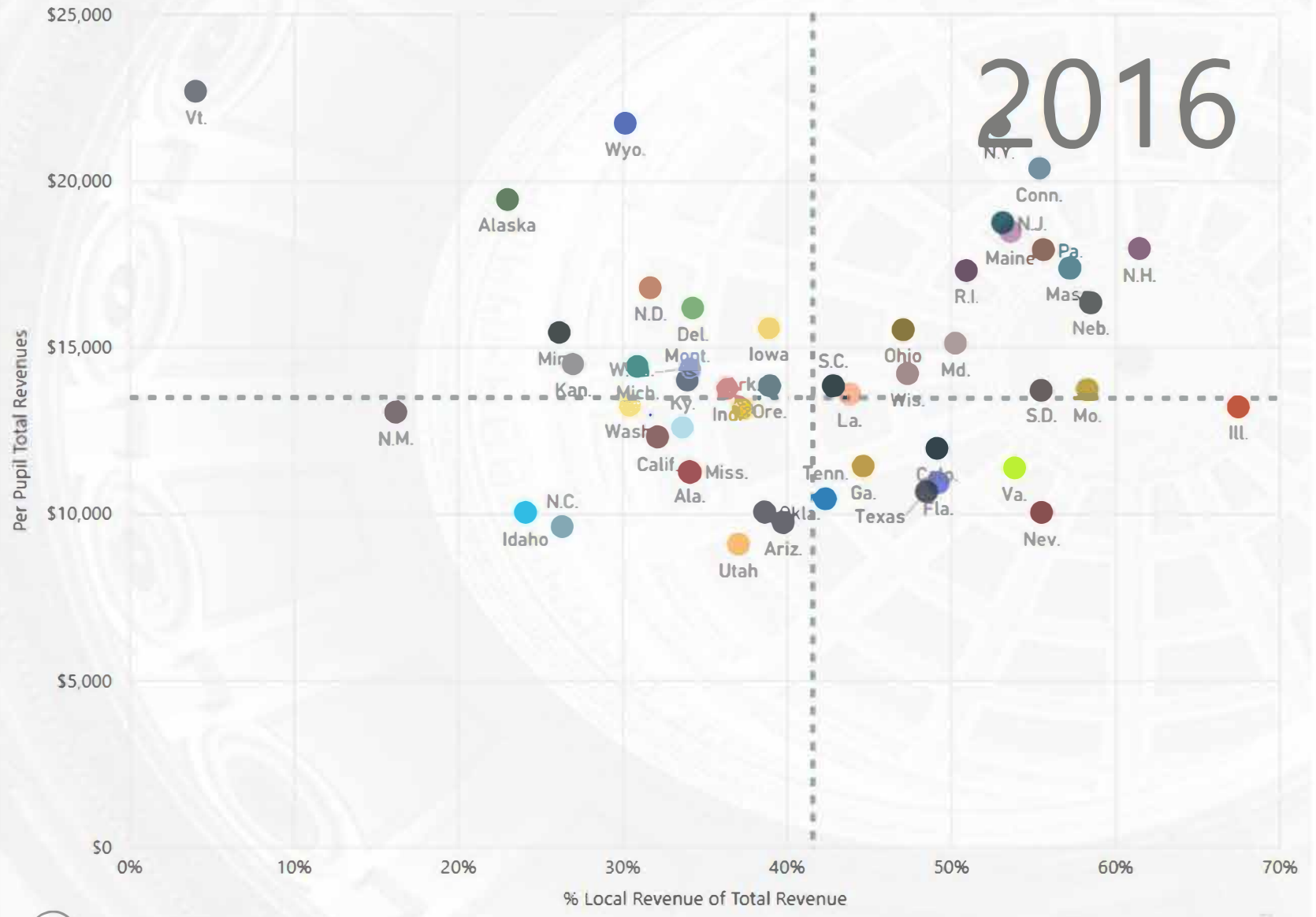
Technical Information and Sources

Information last update January 2019.

Total Revenue vs. Local Revenue

SYs 2001–02 to 2015–16

Source: NCES



Report 3.0

K-12 Per Pupil Revenue

SYs 2001–02 to 2015–16

Source: State Fiscal Reports, NCES.

Select by State... Rhode Island

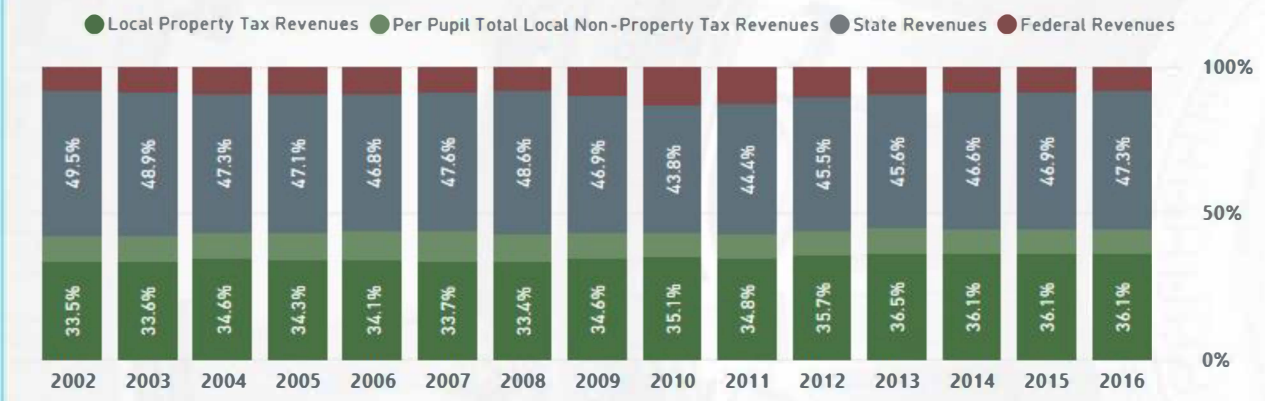
Adjust for Inflation... Adjusted | Non-adjusted

Adjust for Regional Costs... Adjusted | Non-adjusted

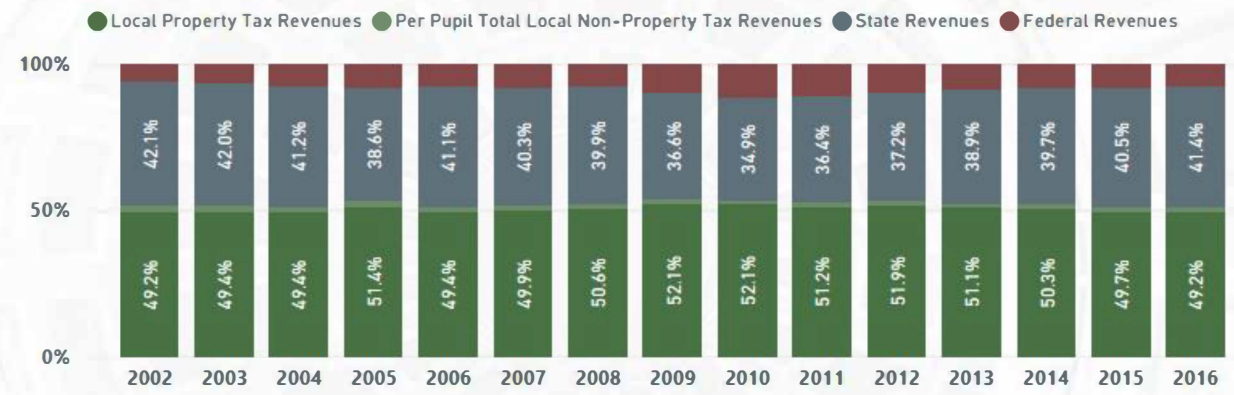
View as $ | View as %

Technical Information and Sources

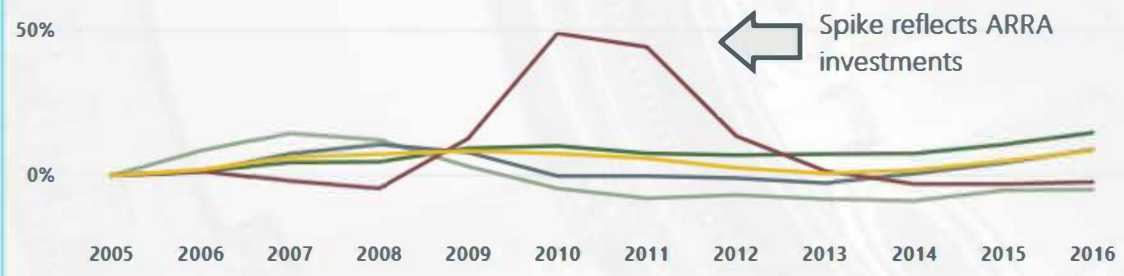
United States



Rhode Island



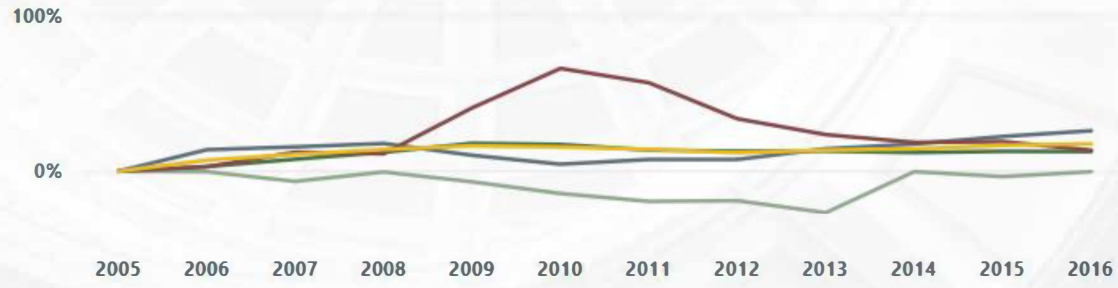
Percentage difference from 2005



View Year-over-Year % Changes

Click here

Percentage difference from 2005



Report 4.0a

State Expenditures

FYs 2000 to 2018

Source: NASBO

Sort Information by Fund Type

Technical Information and Sources

Information last update January 2019

Select by State Fund Type...

Bonds | Federal Funds | General Fund | Other State Funds | **Total**

Adjust for Inflation...

Adjusted | **Non-adjusted**

Adjust for Population...

Nominal | Per Capita

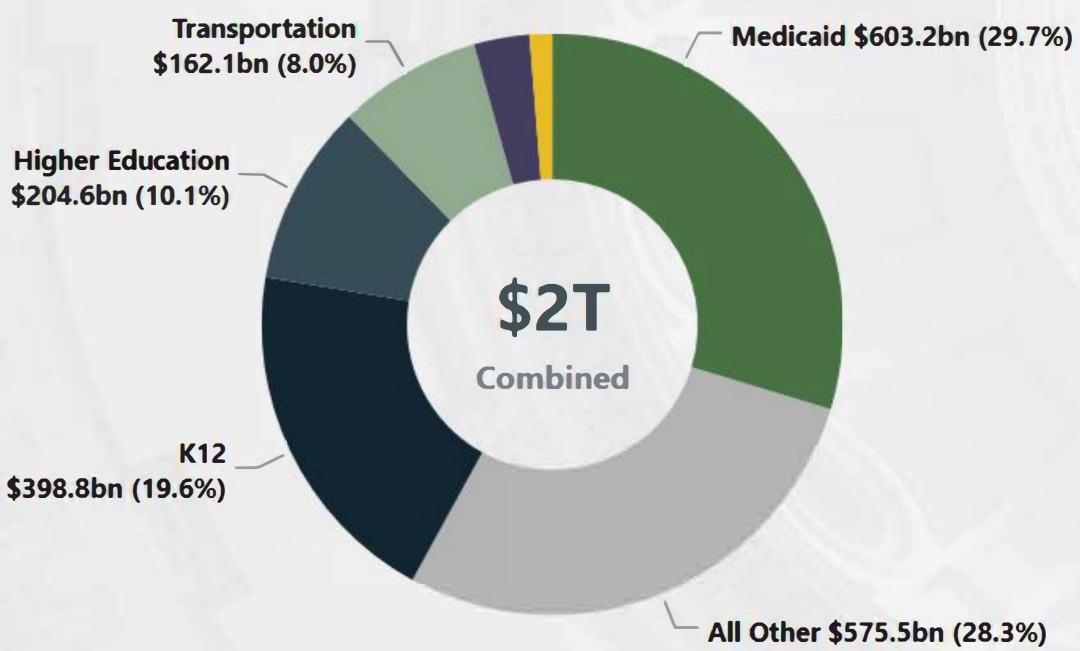
Select by Year...

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 **2018** 2019

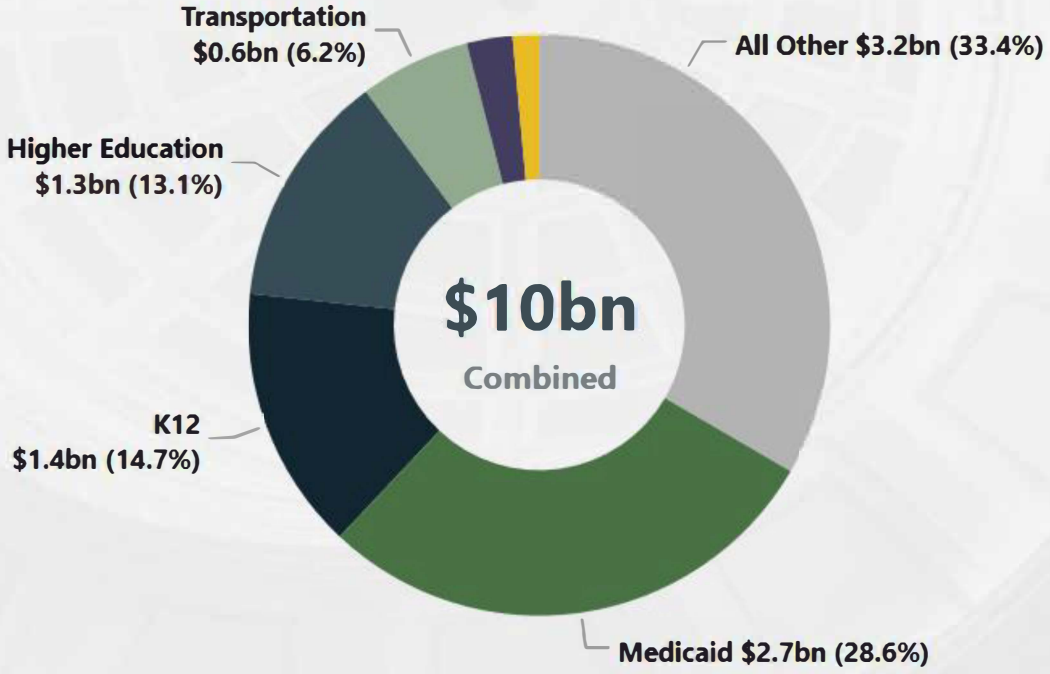
Select by...

Rhode Island

Average for United States



Rhode Island



Technical Information and Sources

DEFINITIONS

Federal revenues include direct grants-in-aid to schools or agencies, funds distributed through a state or intermediate agency and revenues in lieu of taxes to compensate a school district for nontaxable federal institutions within a district's boundary.

Intermediate sources of revenue include those revenues collected by education service agencies with fundraising capabilities. Education service agencies operate between the state and local government levels. One example is New York's Board of Cooperative Educational Services (BOCES). Intermediate revenues are included in local revenue totals.

Local revenues include revenues from such sources as local property and nonproperty taxes, investments and student activities such as textbook sales, transportation and tuition fees and food service revenues. Tuition and transportation fees collected from other local education agencies are not included.

State revenues include both direct funds from state governments and funds in lieu of taxation. Revenues in lieu of taxes are paid to compensate a school district for nontaxable state institutions or facilities within the district's boundary.

# # #

Inflation adjusted using the Consumer Price Index; adjusted to the 2015–16 school year.

Regional cost adjustments made using the Comparable Wage Index (see access to source below). Calculations made by NCSL.

CONTACT

Daniel G. Thatcher, JD
Program Director | Education
National Conference of State Legislatures
303.856.1646 (o)
daniel.thatcher@ncsl.org

SOURCES

– Baker, B. D., Di Carlo, M., Srikanth, A., & Weber, M. (2019, April). School Finance Indicators Database. Rutgers Graduate School of Education/Albert Shanker Institute.

– National Association of State Budget Officers (NASBO). (Selected Years). State Expenditure Reports. Washington, D.C.: NASBO.

– National Center for Education Statistics (NCES). (Selected years). National Public Education Financial Survey Data. Institute of Education Sciences, U.S. Department of Education.

– Taylor, L. (2016). Comparable Wage Index (CWI). The Bush School of Government and Public Service, Texas A&M University.

– U.S. Bureau of Labor Statistics. (Selected Years). Consumer Price Index (CPI).

– U.S. Census Bureau. (2018). *2016 Public Elementary-Secndary Education Finance Data* (All Data Items (F-33)). Washington, D.C.

RI Education Funding Formula

How does the EWAV data from Municipal Finance become the community share ratio used in the formula?

Rhode Island Department of Education

State Share Ratio Calculation

- RIDE updates the state share ratios annually (summer 2019 determines FY 2021 state share)
- Receive EWAV data from Municipal Finance by August 1st
- All student data is generated by the LEA and submitted to RIDE (June 30, 2019 EOY data used for FY 2021 state share ratio)
- The average daily membership data includes all resident students of the district and gives credit for any time the student was an enrolled member of the district

State Share Ratio Calculation

Determination of the state Share Ratio for each Community (SSRC), which shall not be less than zero:

$$SSRC = 1 - (0.475 * \frac{District\ EWAV / District\ RADM}{State\ EWAV / State\ RADM})$$

Calculation of the State Share Ratio (SSR):

$$State\ Share\ Ratio\ (SSR) = \sqrt{\frac{SSRC^2 + \%PK6FRPL^2}{2}}$$

Factor in Determination of SSRC

- RIGL 16-7-20 sets factor at .475; .50 in previous education aid
- Reciprocal relationship – if factor .475, then overall state support 52.5% of the base (1-.475=.525)
- Represents the overall state share of funding the state is striving for (individual share will vary based on municipal capacity to pay)
- +/- 1 in this factor – on average changes SSRC by 1.9%; approximately $6.5 million in formula aid

State Share Ratio Changes

- Average annual decrease to State Share Ratio is 0.4% (five year period)
- Individual districts increase and decrease
- FY 2021 state share ratio changes:

  < 0.5% - 7 communities

  0.5% < 1.0% - 10 communities

  1.0% < 2.0% - 10 communities

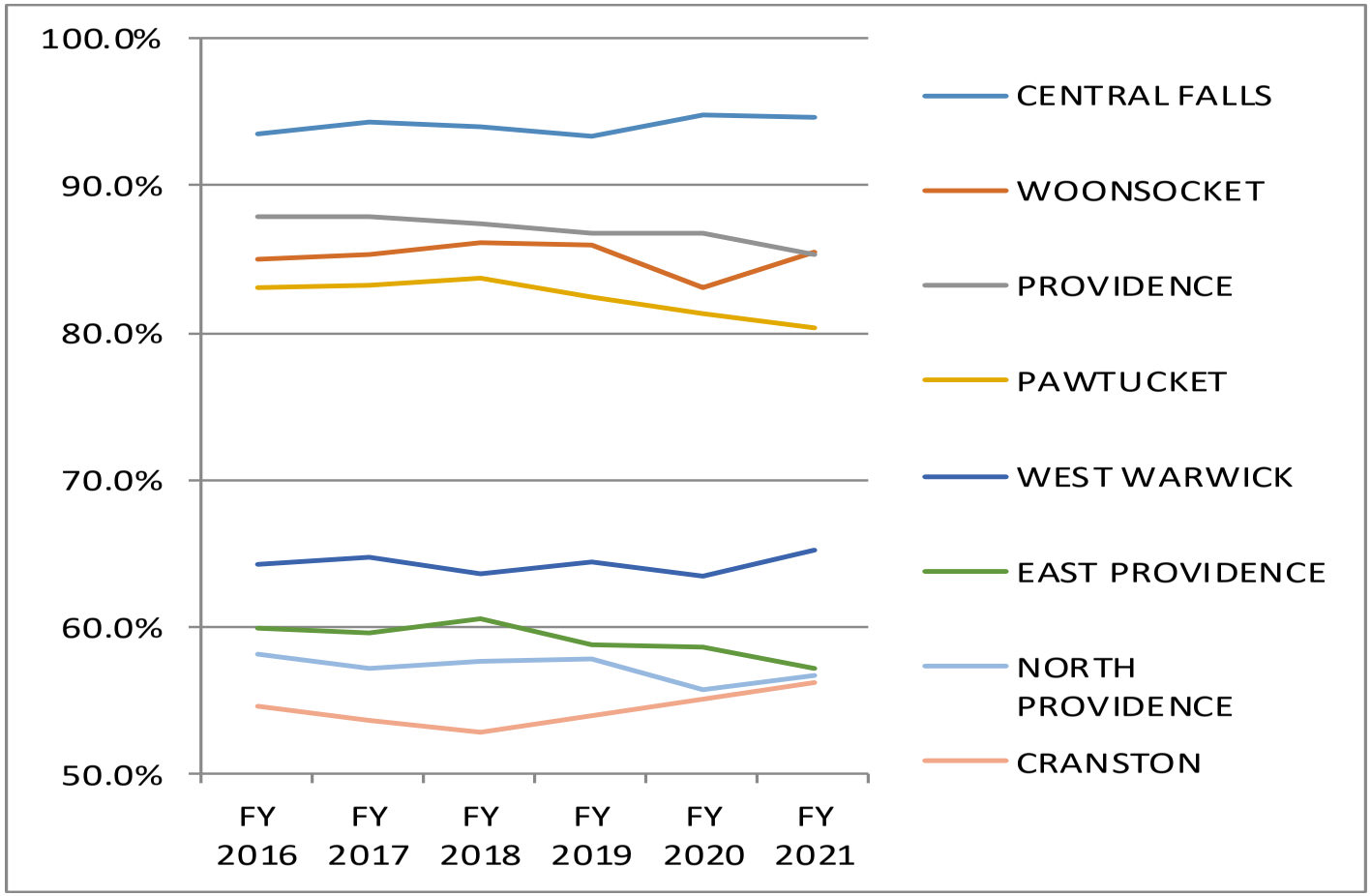
  > 2.0% - 13 communities

Additional Information

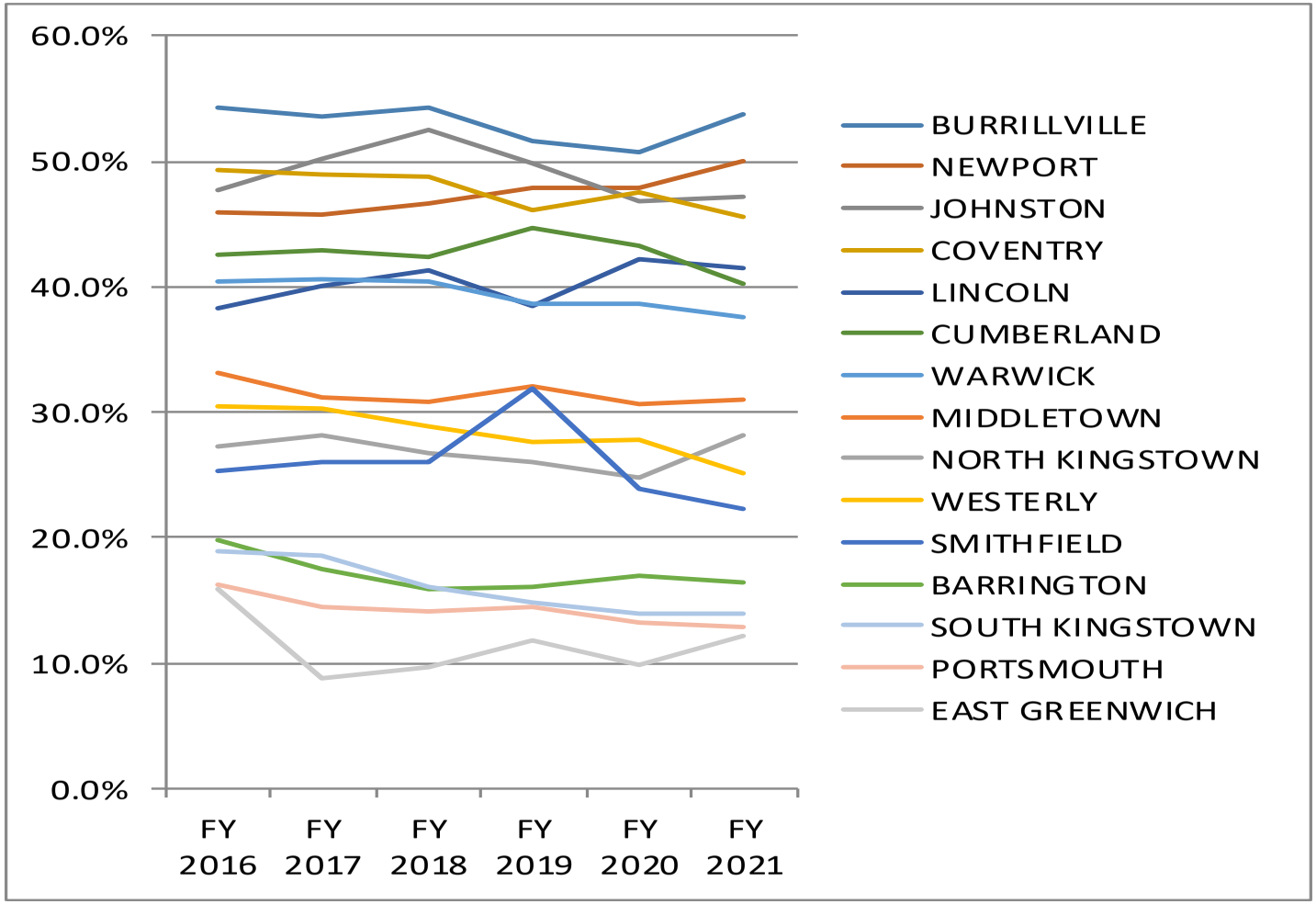
Additional information about the funding formula and supporting calculations may be accessed at:

https://www.ride.ri.gov/FundingFinance/FundingSources/StateEducationAid.aspx

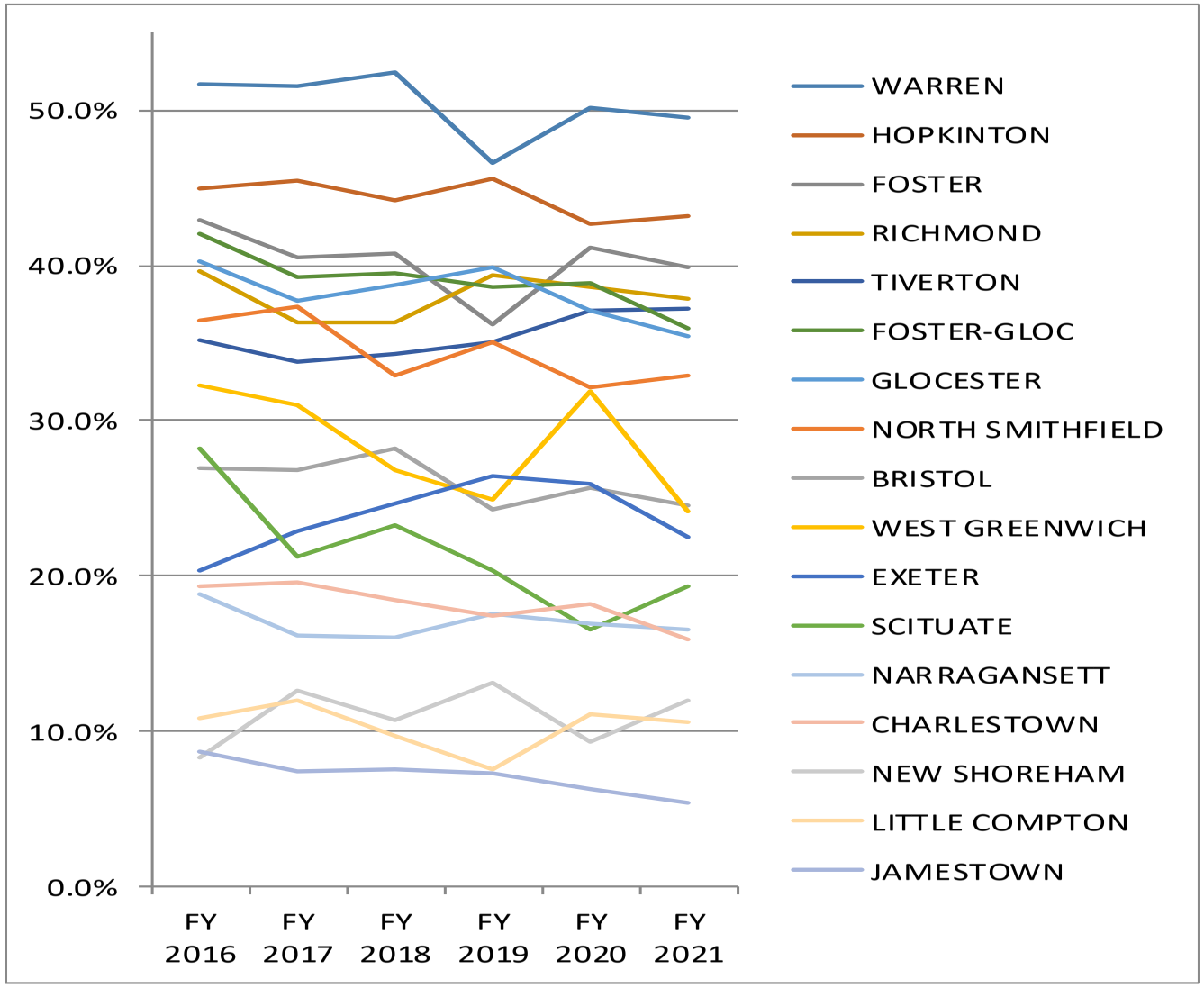
State Share Ratio in Urban/Urban Ring



State Share Ratio > 2000 students



State Share Ratio < 2000 students



Presentation to Education Funding Formula Task Force

November 2019

Stephen Coleman
Chief, Division of Municipal Finance

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

Task Force Questions Posed to DMF

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

1. What is Municipal Finance's role in the share ratio?
2. What goes into the valuation and wealth measures used in the AEWAV, including how non-profits and tax treaties are valued?
3. What causes the volatility of the personal income measure and what, if anything, can be done to fix it?
4. Do the wealth measures and calculations reflect a community's ability to raise revenue to pay for education?
5. An introduction to the portal, with necessary disclaimers.

Question 1

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

- DMF produces the Adjusted Equalized Weighted Assessed Valuation (AEWAV). The Rhode Island Department of Education (RIDE) utilizes this report to determine the State Share Ratio Community (SSRC)
  - It is important to note that DMF provides the AEWAV data to RIDE who calculates the SSRC. However, to help answer some of the questions posed by the task force the division has added some slides explaining the SSRC

Question 1: State Share Ratio Community (SSRC)

- SSRC takes the AEWAV by municipality divided by the enrollment for that municipality's school district and compares this ratio to that of the state as a whole
  - (1-((M AEWAV / M Enrollment)/(S AEWAV / S Enrollment)*.475))
- If calculation results in something less than 0 law requires the SSRC to be 0
- Essentially, any municipality with a AEWAV “wealth” per student that is greater than 2.105 times that of the state “wealth” per student will result in a 0 SSRC
  - FY20 Education Aid, 8 municipalities with a 0 SSRC

Question 1: SSRC Quadratic Mean

- The SSRC by itself does not determine the percent of Total Foundational state funding
- The results of the SSRC are one half of the determining factor, the SSRC Quadratic Mean is ultimately what determines percent of state funding
  - The second half is Pre-K through 6 poverty as a percent of enrollment
- The Quadratic mean of the ratio for Pre-K through 6 and the SSRC is used to determine the amount of state funding to the local district. This is achieved by multiplying the SSRC Quadratic Mean by the Total Foundation amount that RIDE calculates based on enrollments and the per pupil cost

Question 2

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

- Two main laws set the parameters for DMF's calculation of the AEWAV
  - R.I. Gen. Laws §16-7-21
  - R.I. Gen. Laws §45-13-14
- Three main data sources
  - DOA/Classification of Tax Roll Report (assessments)
  - Sales Abstract File (Used to generate ratio of assessment)
  - Tax Treaty information (Items and adjustments to DOR/Classification of Tax Roll Report)

Question 2: AEWAV Data

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

- FY21 Education Aid utilizes:
  - 2017 AEWAV submitted August 1, 2019 is based on:
    - 12-31-16 assessments
    - 2016 and 2015 sales
    - 2017 Median Family Income
      - Made available by US Federal Census American Community Survey in December 2018

Question 2: R.I. Gen. Laws §16-7-21

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

- Section (1) Assessed value as of December 31 of the third preceding calendar year
  - Weighted by bringing the valuation to the “true and market value”
- Section (3) EWAV adjusted by ratio of median family income
  - Median family income as reported in the “latest available federal census data”

Question 2: R.I. Gen. Laws §45-13-14

- When computing “relative wealth” for the purpose of distributing state aid in accordance with title 16
  - It shall be based on “the full value of all property”
    - Exemptions to full value of assessment for the following:
      - State Aid PILOT Assessments
      - Tax treaty/tax stabilization/PILOT entered prior to May 15, 2005
      - Any property exempt from taxation under state law (mandatory not permissive)
      - Any property subject to chapter 27 of title 44

Question 2: DOA/Classification of Tax Roll Report

- DOA Report and the Classification of Tax Roll Report group assessments by tax classification code (reflect assessment and number of parcels)
  - DOA Report is generated by local assessors software system
  - Classification of Tax Roll Report is a manual report formatted by the state several years ago
- Both reports utilize a tax classification code structure (two digit code, 01 through 99) including but not limited to:
  - Code 1 = Residential One Family
  - Code 2 = Two to Five Family
  - Code 3 = Apartments

Question 2: Sales Abstract File

- Structured text file that is electronically generated by the municipality
- File contains all sales for the submitting municipality for a given time period
  - DMF utilizes “arms length” transactions to determine the ratio of assessment
- DMF utilizes this text file to feed the “Boomer” software system
  - Software calculates sales ratios to be utilized in AEWAV which are ultimately reflected as the Ratio of Assessment
  - Software contains preset parameters, e.g. Any individual sale with a sales ratio less than 30 or greater than 140

Question 2: Tax Treaty Information

- Report sent to DMF by local assessor reflecting assessments and levy generated from properties that are not taxed at 100%
- Each municipality reports these types of properties differently
  - DMF works with the assessors to refine data submissions

Question 2: AEWAV results

- Essentially, AEWAV takes assessments from a specific point and time and determines a total state assessment. This total state assessment is then redistributed based on a municipalities sales and median family income.

Question 3

- R.I. Gen. Laws §16-7-21 requires that the AEWAV include median family income as reported in the "latest available federal census data"
- Available federal census data on median family income
  - 1-year estimates
    - Only available for areas with populations of 65,000 or more
    - Based on 2017 population data only 4 municipalities would be available
  - 1-year supplemental estimates
    - Only available for areas with populations of 20,000 or more
    - Based on 2017 population data only 18 municipalities would be available
  - 5-year estimates (Used in AEWAV)
    - Available for all areas
    - DMF utilizes the 5 year estimate for the AEWAV

Question 3: 5-Year Estimate Fluctuations YOY change in Median Family Income

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

- State median family income year over year change from 2014 to 2017
  - 0.69, 1.13%, 2.17%, 4.48%
- Average median family income for all municipalities year over year change from 2014 to 2017
  - 1.31%, 0.37%, 2.03%, 4.00%
- 2017 municipal year over year change
  - High, 16.34% (West Greenwich)
  - Median, 3.86% (Cranston)
  - Low, -18.45% (Little Compton)
  - Standard Deviation, 5.63%

Question 3: Solution

- If the state wanted to minimize fluctuations in median family income it would require a legislative change to allow DMF to utilize something other than the “latest available federal census data”
  - A possible suggestion would be to do a 3 to 5 year smoothing

Question 4

- This question cannot be directly answered by DMF. If the question was: Does the AEWAV reflect the relative wealth of a municipality? The answer would be yes
  - However, the AEWAV is not the sole data point utilized in the determination of the State Share Ratio Quadratic Mean, as a result the AEWAV cannot be entirely representative of how much education funding will ultimately will come from state versus local dollars
    - Currently, state funding is determined by multiplying the Total Foundational amount (which in theory would represent total education expense at local level) by the SSRC Quadratic Mean which weights PK-6 poverty at the same level as the AEWAV per student ratio (SSRC)
  - It could be argued that a municipality's ability to raise revenue for any service provided to its citizens are limited by two main factors, the tax levy cap and the tax capacity of its citizens
    - The AEWAV is a metric approximating the latter; although the AEWAV feeds the SSRC Quadratic Mean the ultimate funding level percentage derived can be different

Question 4: AEWAV Outcomes

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

- AEWAV ultimately redistributes the assessments for all municipalities by adjusting assessments by sales and median family income
- The 5 largest redistributions of assessments downward, 2017 AEWAV
  - Central Falls, 40% (AEWAV assessment / Original assessment before adjustments)
  - Woonsocket, 50%
  - Pawtucket, 63%
  - Providence, 64%
  - West Warwick, 81%
- The 5 largest redistributions of assessments upward, 2017 AEWAV
  - Exeter, 126%
  - Narragansett, 131%
  - Jamestown, 137%
  - Barrington, 154%
  - East Greenwich, 162%

Question 4: Moody's ratings as of 11/14/19

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

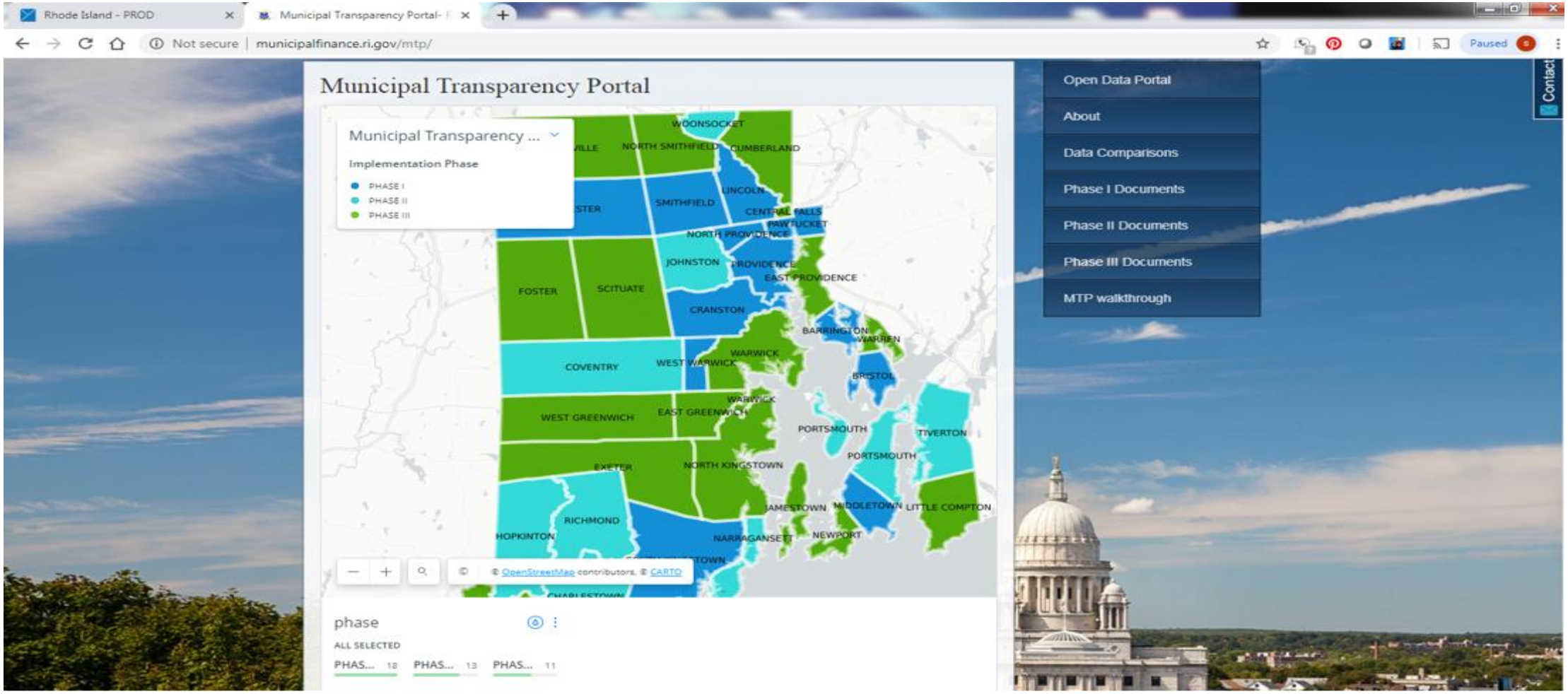
- Moody's rates 34 municipalities (Exeter, Foster, Little Compton, Glocester, and West Greenwich excluded)
- The 5 largest redistributions of assessments downward, 2017 AEWAV
  - Central Falls, Ba1 (rank lowest)
  - Woonsocket, Baa3 (rank 2nd from lowest)
  - Pawtucket, A3 (rank 5th from lowest)
  - Providence, Baa1 (rank tied for 3rd from lowest)
  - West Warwick, Baa1 (rank tied for 3rd from lowest)
- The 5 largest redistributions of assessments upward, 2017 AEWAV
  - Exeter, N/A (rank N/A)
  - Narragansett, Aa2 (rank tied 2nd from highest)
  - Jamestown, Aa1 (rank tied for highest)
  - Barrington, Aa1 (rank tied for highest)
  - East Greenwich, Aa1 (rank tied for highest)

Question 5

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

- The Municipal Transparency Portal was part of the governor's budget passed for FY2017
- The Municipal Transparency Portal (MTP) creates a centralized location for municipal financial information – an important effort to enhance transparency and provide citizens with a clear and uniform view of key financial data for their city or town. It also provides the ability to make meaningful comparisons among communities, foster collaboration, and facilitate exploration of shared services among communities.

Municipal Transparency Portal links



^This visualization allows user to select their municipality which will present user with link to that municipalities datasets. Additionally, they can click on links to right of map visualization to navigate to different portions of the portal (Data.ri.gov)

Municipalities and Regional School Districts

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

Phase I Municipalities/Regional School Districts

Barrington

Bristol

Cranston

Glocester

Lincoln

Middletown

North Providence

Pawtucket

Providence

Smithfield

South Kingstown

West Warwick

Bristol Warren Regional School District

^Each Municipal and Regional School District has their own emblem on the portal which the user can click on to access that entity's datasets

Datasets

- Each municipality and or regional school district has datasets by fiscal year, which will include:
  - PDF Transparency Reports for:
    - Municipal Data Report (Audit)
    - Adopted Budget Survey
    - Budget to Actual (1, 2, and3)
  - .CSV file (essentially excel)
    - Raw audited data file
    - In the future we will include budget and projected data for municipalities and school districts
  - Dataset Visualization

Dataset Visualization

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

Save

Barrington

License

License Not Specified

Other Access

The information on this page (the dataset metadata) is also available in these formats.

JSON | RDF

via the DKAN API

Social

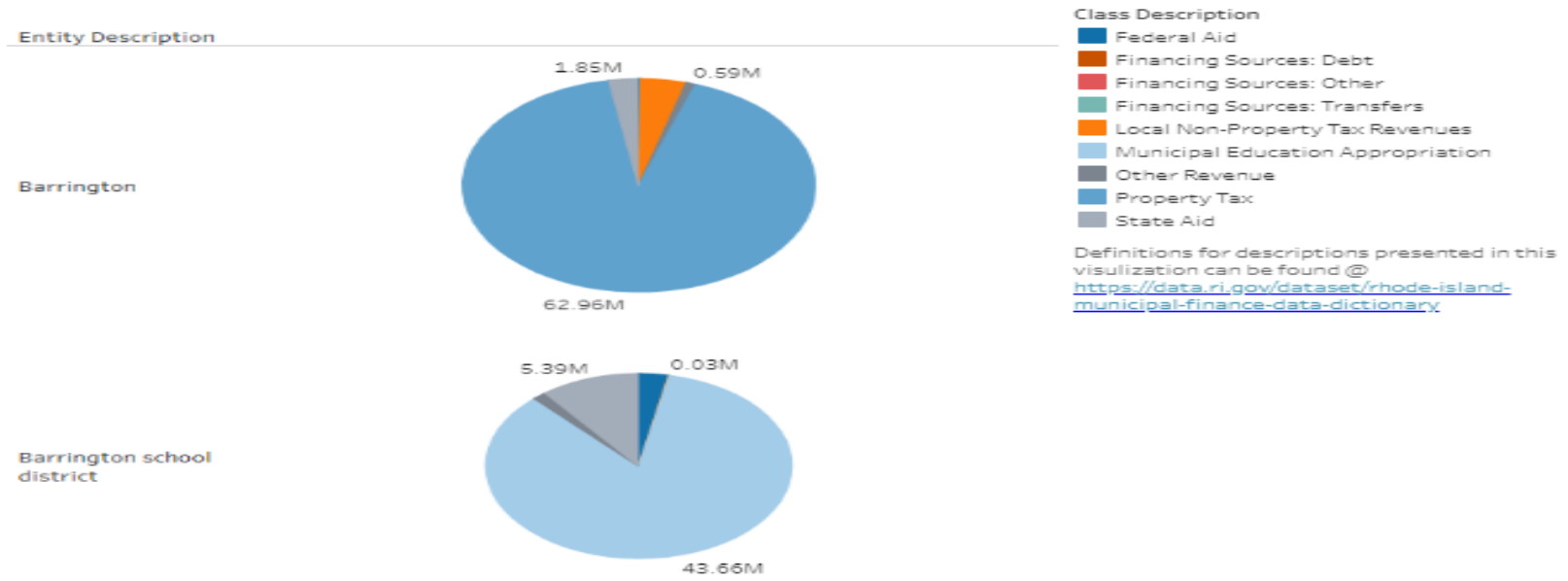
Twitter
LinkedIn
Reddit

Barrington | Finance Data FY2018

Finance and Budgeting

Barrington | Finance Data FY2018

Revenue & Sources by Class Description | Expense & Uses by Group Description



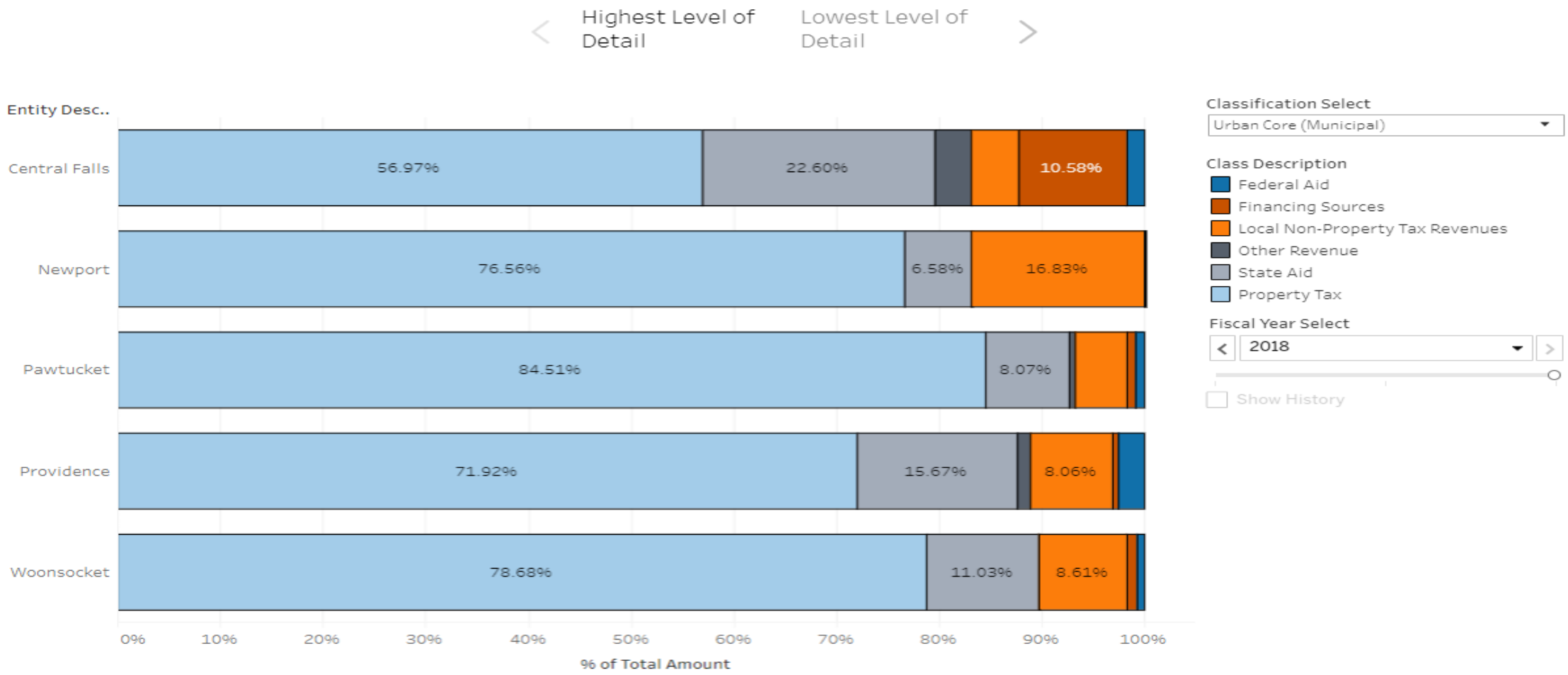
^Each dataset has a pie chart visualization, separated by revenues and expenses (one for municipality and one for school district)

Data Comparison Visualizations

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

- All data comparison visualizations on data.ri.gov (all slides following)
  - Give user the ability to segment represented municipalities or school districts by Rural, Suburban, Urban Core, Urban Ring, and just Regional School Districts
  - Give user the ability to sort data by fiscal year
    - FY2016 was first year of portal and had 12 participants, FY2017 was second year with 25, FY2018 all fully phased into portal with 43 entities (39 municipalities, 4 regional school districts)
  - Give user the ability to hover over item to get description and amounts (tooltip)
    - All tooltips include selection criteria from visualization (classification, legend item, fiscal year, ect..)
    - Some tooltips also include definitions for legend item
  - Give user the ability to include or exclude legend items
  - Give user the ability to choose the depth of data represented by selecting the highest level of detail or the lowest level of detail (Expense visualization has an intermediate level)
  - All visualization color schemes are created based on color blindness (as result some colors are duplicated
    - However, user can select legend item to highlight only that item from the visualization

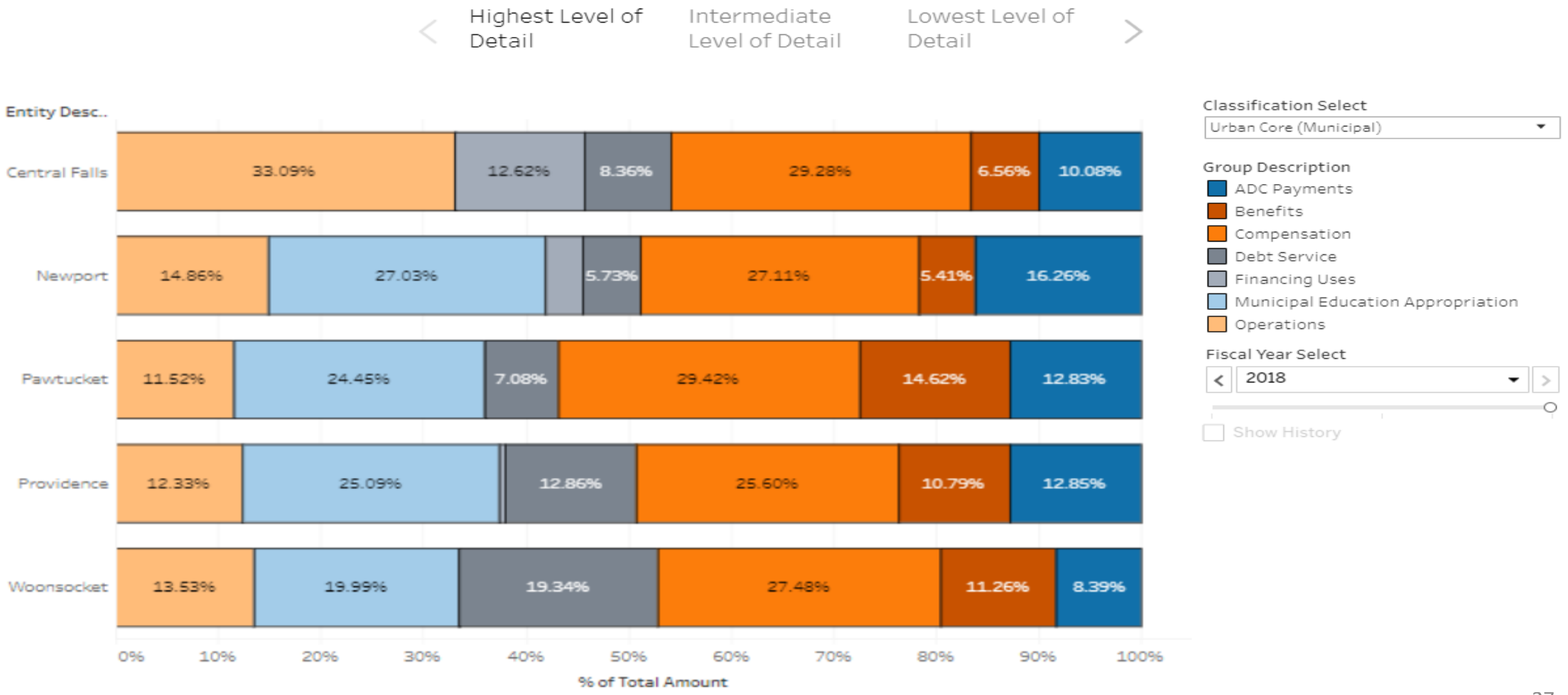
Revenue/Source Data Comparisons for all Municipalities and School Districts



^This visualization shows a user, on a broad level, where the different major revenue streams are derived from for a given municipality

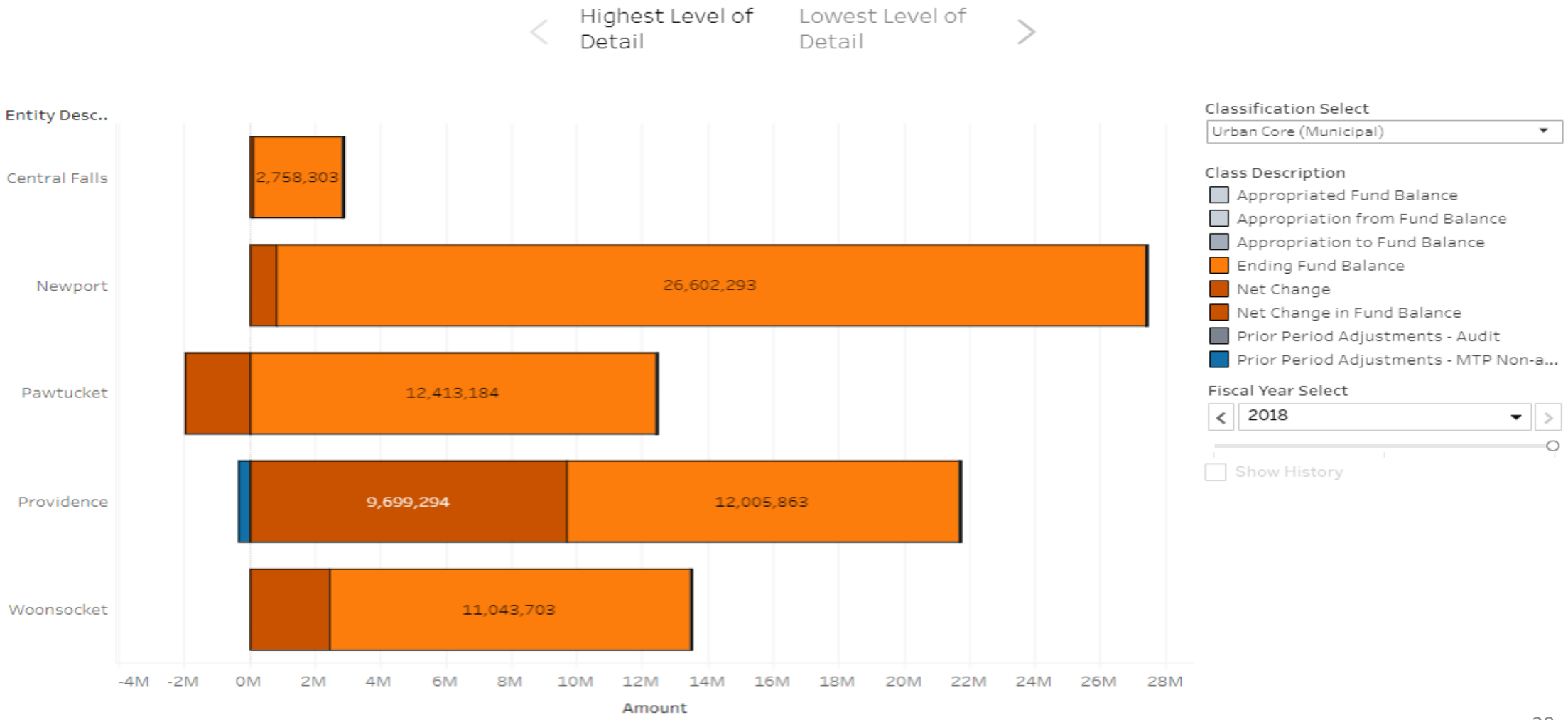
Expense/Uses Data Comparisons for all Municipalities and School Districts

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE



^ This visualization shows a user the total expenses spent on each category

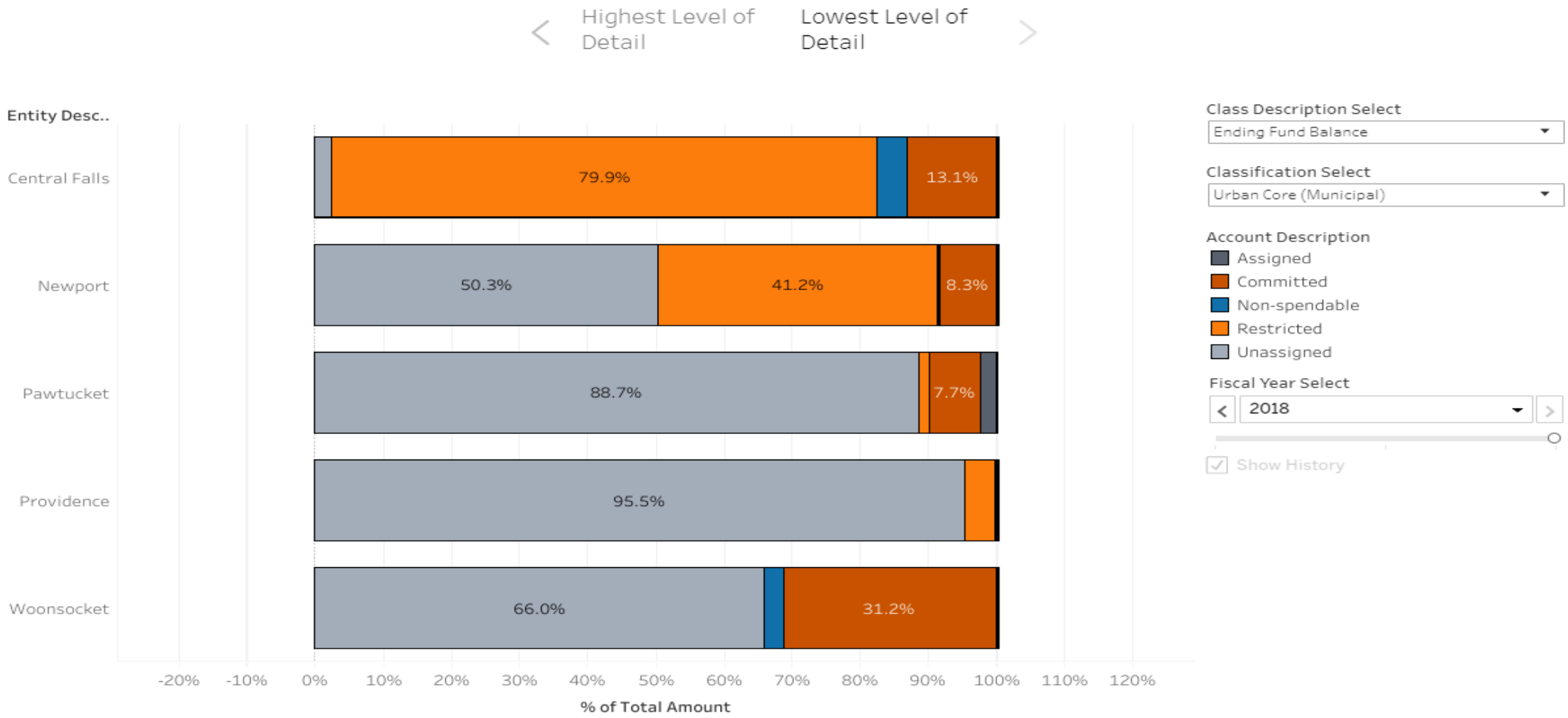
Fund Balance Data Comparisons for all Municipalities and School Districts



^This visualization allows user to see the current status of fund balance available to the municipality

Fund Balance Data Comparisons for all Municipalities and School Districts

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE



^This visualization allows user to drill down to determine what makes up the broader categories of fund balance

SPECIAL LEGISLATIVE TASK FORCE TO STUDY RHODE ISLAND'S EDUCATION FUNDING FORMULA

NOTICE OF MEETING

DATE: Tuesday, December 10, 2019
TIME: 4:30 P.M.
PLACE: Room 313 - State House

AGENDA

I. Opening remarks – *Senator Ryan Pearson, Task Force Chair*
II. Presentation by the Rhode Island Department of Education on disparities in core versus non-core spending in districts
    a. What do top performing districts look like vs. mid performing vs. low performing when it comes to how they allocate their money
    b. What can we learn from UCOA data on the efficiency of districts and where they are allocating their money?
    c. Can UCOA be used to track expenditures to specific areas such as expenses meant to serve ELL students or students with an IEP
    d. Can expenditure data be linked to RICAS performance data generally and/or by sub- groups i.e. ELL or students with an IEP
    e. Do we have data to show us how much it should cost to educate a student living in poverty or an English Learner in RI to a standard issued by RIDE
    f. Can UCOA and/or other data be used to set benchmarks for how much should be spent per pupil in specific areas to meet performance goals
III. Presentation by the Rhode Island Department of Education on school and district performance relative to ESSA
    a. How is student performance measured
    b. What does the star rating system actually tell us about a specific school or district
    c. How are graduation rates measured
    d. When does performance trigger state involvement/intervention
    e. How does the state support low performing and struggling schools
IV. Public input on the impact of the education funding formula and opportunities moving forward
V. Plan for next meeting(s)

Please contact Kelly Carpenter at kcarpenter@rilegislature.gov or Lisa Nelson at lnelson@rilegislature.gov with any questions regarding this meeting.

POSTED: WEDNESDAY, DECEMBER 4, 2019, 11:50 A.M.

School Accountability

2019 Overview & Results

December 10, 2019

RIDE Rhode Island Department of Education

Meeting Objectives

- Overview of ESSA school accountability
- Review Rhode Island's star rating system
- Review Rhode Island's school improvement process
- Review School Report Card platform
- Review 2019 results

Shared Vision

Partnership

Next Steps

School Report Card Release Timeline

November 7th – Embargoed star ratings to schools and districts.

November 8th – November 12th – Presentations and opportunities for 1-on-1 meetings with school and district leaders to discuss star ratings.

November 14th – Public release of 2019 school report cards.

Ongoing – Meeting with school and district leaders to discuss their star ratings.

ESSA School Accountability

2019 is the second year of school accountability under ESSA. In 2018 we switched to a **rules-based star rating system**.

Rhode Island's approach to accountability and school improvement was jointly developed by the Committee of Practitioners (CoP), a group of parents, teachers, school and district leaders.

School accountability provides us the opportunity to comparably review the progress of our schools and to learn what's working and where we need to make improvements. **All schools, of all star levels, should be continually reassessing their strategies for student learning and achievement.**

What changed in 2018?

 Rhode Island's accountability system has **updated indicators** to meet ESSA requirements and represent our values.

 Rhode Island now uses **Star Ratings**, which are clear and user-friendly.

 This is a **rule-based classification system** that combines all indicators through norm- and criterion-based rules to determine Star Ratings.*

**By contrast, index systems sum points across all indicators.*

What's new for 2019?

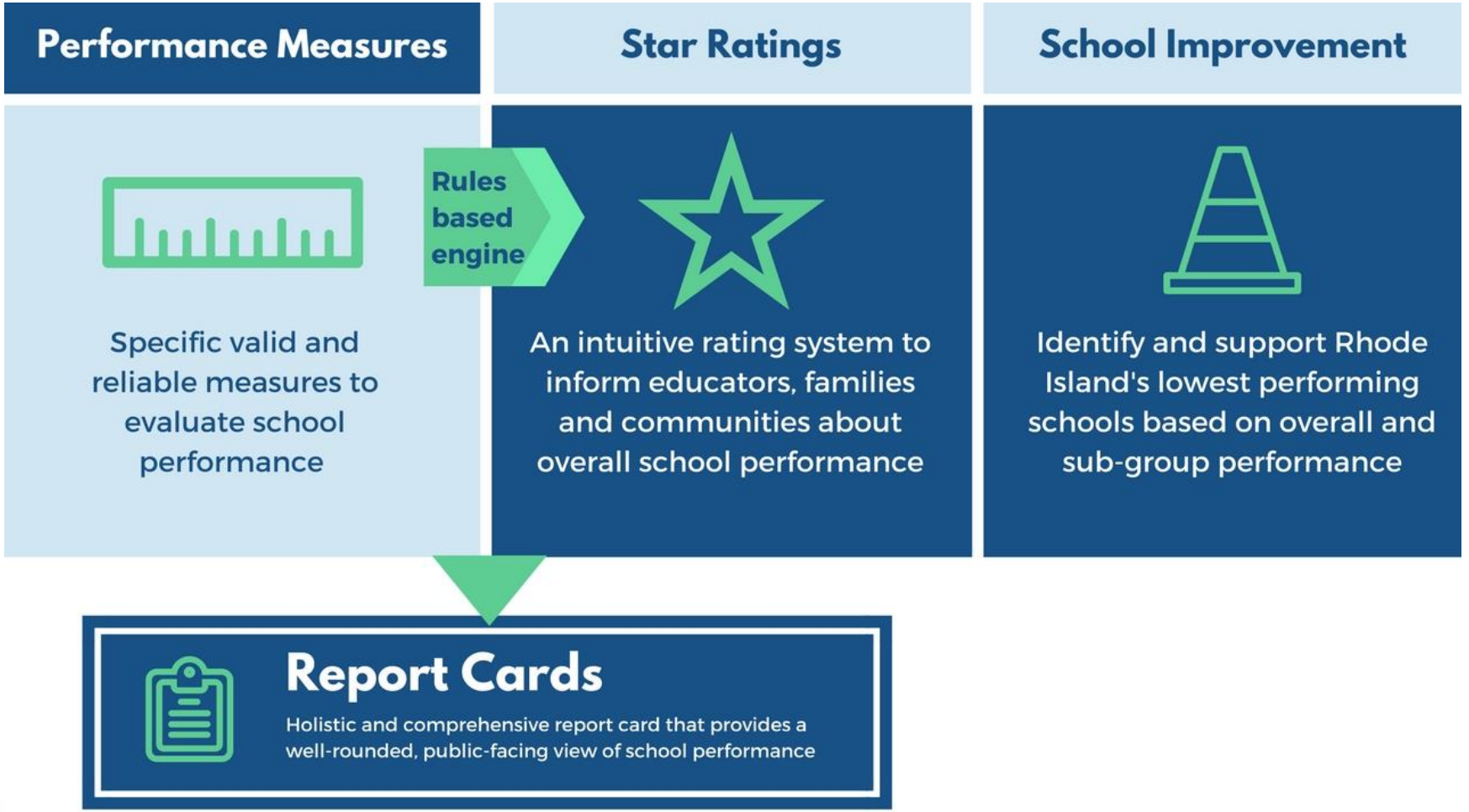
Rhode Island's accountability system has **two new measures** at the high school level

- **Commissioner's Seal** – measures high school graduate proficiency
- **Postsecondary Success** – measures high school graduate credential attainment

Together, these are the 'Diploma Plus measures'. The star chart has also been updated to accommodate the additional measures.

These measures were written into Rhode Island's ESSA plan but due to data collections requirements could not be phased in until 2019.

What are the components of Rhode Island's accountability system?



What measures do we use to evaluate school performance?

Academic Performance

- Achievement
- Growth
- English Language Proficiency
- Science

Student Success

- Student Absenteeism
- Teacher Absenteeism
- Suspension Rate
- Exceeding Expectations

College & Career Readiness

- Graduation Rate
- Commissioner's Seal
- Postsecondary Success

**Science Proficiency will be added in 2021.*

Academic Performance Measures

Component	Metric(s)/Tools	Students Included	Years Included	Notes
Achievement	RICAS, DLM, SAT	All students; grades 3-8 and 11	Two years	The lowest 5% of schools on these two measures will be identified for **comprehensive support and improvement**.
Growth	RICAS, PSAT/SAT	All students; grades 3-8 and 10-11**		
English Language Proficiency	ACCESS 2.0	All students receiving English Learner (EL) supports	Two years	This measures growth based on a student's English language proficiency in the prior year.
Science Proficiency*	RI NGSA	Grade 5, 8, and 11	Two years	Testing the assessment Spring 2018; First operational test Spring 2019; Added to accountability system after Spring 2021 administration

**Science Proficiency will be added in 2021.*

Student Success Measures

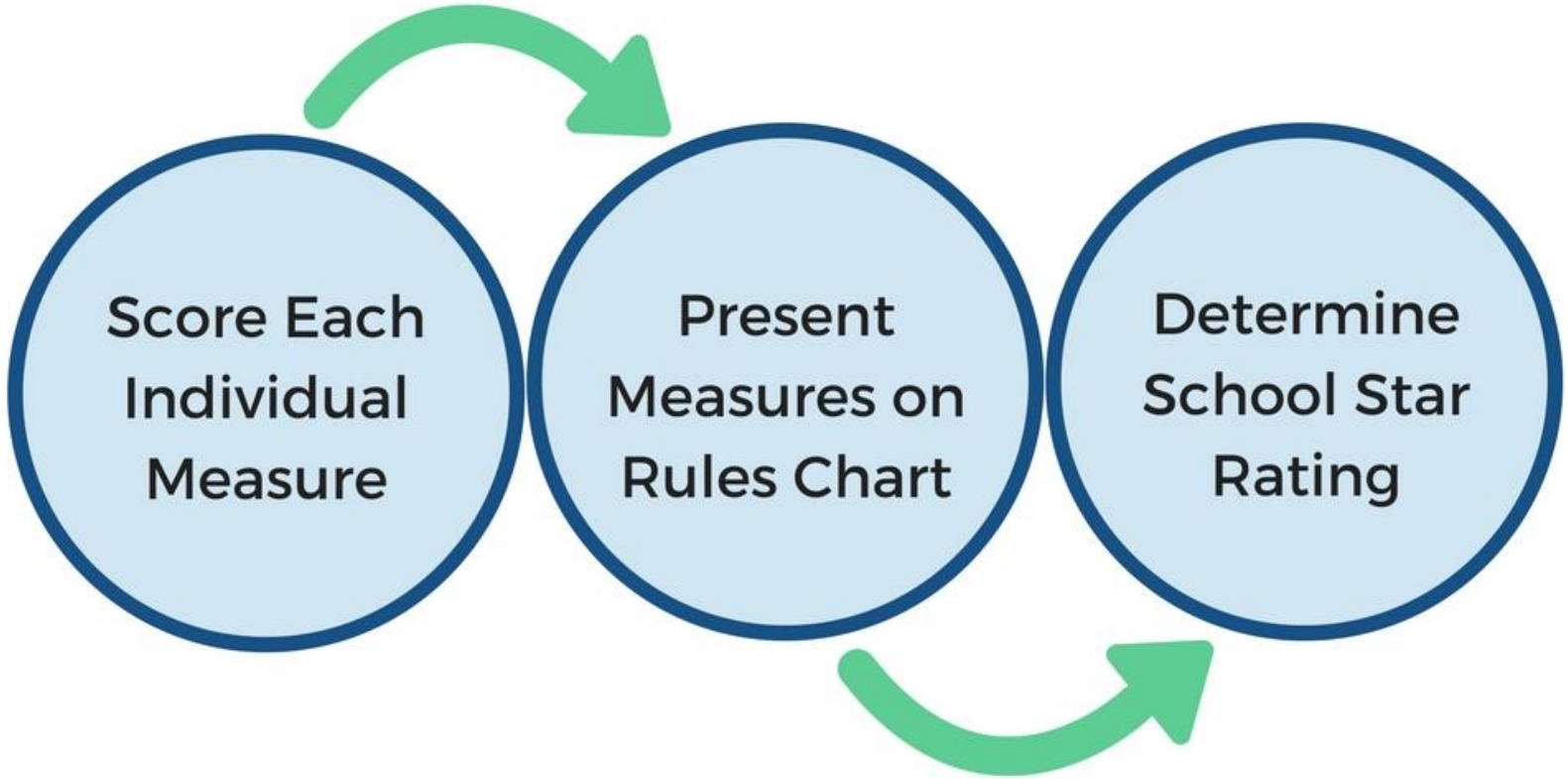
Component	Metric(s)/Tools	Students Included	Years Included	Notes
Student Chronic Absenteeism	Student Attendance Data Collection	All Students	One year	The percent of students absent 10% of days or more
Teacher Chronic Absenteeism	Teacher Attendance Data Collection	All Students	One year	The percent of teachers absent 10% of days or more
Suspension Rate	Discipline Data Collection	All Students	One year	The out-of-school suspension rate
Exceeds Academic Expectations	RICAS, DLM, SAT	All students; grades 3-8, and 11	Two years	The percent of students who earn the top score on the state assessments

College & Career Readiness Measures

Component	Metric(s)/Tools	Students Included	Years Included	Notes
Graduation	4-5-6 year composite graduation rate	High school only. All students in the applicable 9th grade cohorts	One year (three cohorts)	Equal weights to 4-, 5-, and 6- year graduation rates
Commissioner's Seal	RIDE-approved English language arts and mathematics assessments	All high school graduates	One cohort	Starting in 2021, students will receive an official Commissioner's Seal on their diplomas; until then, this represents the percentage who would earn it.
Postsecondary Success	CTE credentials, dual and concurrent college credits, AP credit, IB credit	All high school graduates	One cohort	Measures the proportion of students who have one or more credential or college credit

**Commissioner's Seal and Postsecondary Success are new in 2019.*

How are School Star Ratings Determined?



What do School Star Ratings mean?

Star Rating	Means a school has...
★★★★★	Strong performance on all indicators
★★★★	Generally strong performance
★★★	Some areas of weakness
★★	Weaknesses at the overall school level
★	The lowest performance in terms of achievement and growth or graduation

2019 School Star Rating Performance Levels - Updated

Star Rating	Achievement – ELA and Math (Max. 8 Points)	Growth – ELA and Math (Max. 6 Points)	English Language Proficiency (Max. 4 Points)	Graduation Rate (Max. 5 Points)	Commissioner's Seal & Postsecondary Success (Max. 6 Points)	Exceeds Expectations, Absenteeism, & Suspension (Max. 15 Points)	# of Low-Performing Subgroups
★★★★★	6-8 points (3-4 per subject)	4-6 points (2-3 per subject)	3-4 points	4-5 points	5-6 points	12-15 points**	None
★★★★	5-6 points (2-4 per subject)		2 points		4 points (2+ per indicator)	10-11 points**	1 subgroup
★★★	7-11 total points*			3 points	3-4 points	7-9 points**	More than 1 subgroup
★★	5-6 total points*		1 point	2 points	2 points	5-6 points**	
★	2 points	2 points		1 point			

Identify the number of points earned in each column…

This school does not have enough English Learners for the ELP measure.

Star Rating	Achievement – ELA and Math (Max. 8 Points)	Growth – ELA and Math (Max. 6 Points)	English Language Proficiency (Max. 4 Points)	Graduation Rate (Max. 5 Points)	Commissioner's Seal & Postsecondary Success (Max. 6 Points)	Exceeds Expectations, Absenteeism, & Suspension (Max. 15 Points)	# of Low-Performing Subgroups
★★★★★	6-8 points (3-4 per subject)	4-6 points (2-3 per subject)	3-4 points	4-5 points	5-6 points	12-15 points**	None
★★★★	5-6 points (2-4 per subject)		2 points		4 points (2+ per indicator)	10-11 points**	1 subgroup
★★★	7-11 total points*			3 points	3-4 points	7-9 points**	More than 1 subgroup
★★	5-6 total points*		1 point	2 points	2 points	5-6 points**	
★	2 points	2 points		1 point			

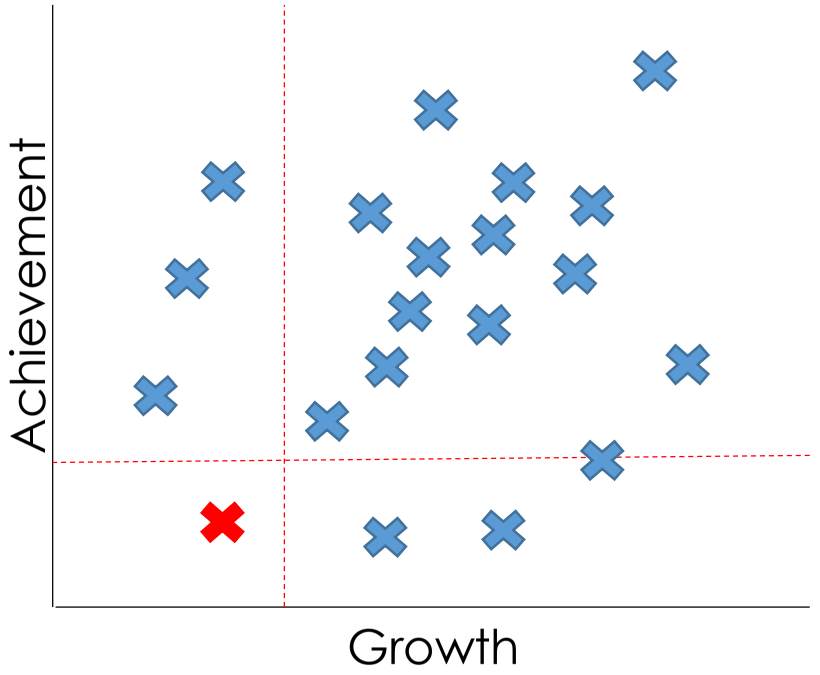
You are only as strong as your weakest indicator.

Star Rating	Achievement – ELA and Math (Max. 8 Points)	Growth – ELA and Math (Max. 6 Points)	English Language Proficiency (Max. 4 Points)	Graduation Rate (Max. 5 Points)	Commissioner's Seal & Postsecondary Success (Max. 6 Points)	Exceeds Expectations, Absenteeism, & Suspension (Max. 15 Points)	# of Low-Performing Subgroups
★★★★★	6-8 points (3-4 per subject)	4-6 points (2-3 per subject)	3-4 points	4-5 points	5-6 points	12-15 points**	None
★★★★	5-6 points (2-4 per subject)		2 points		4 points (2+ per indicator)	10-11 points**	1 subgroup
★★★	7-11 total points*			3 points	3-4 points	7-9 points**	More than 1 subgroup
★★	5-6 total points*		1 point	2 points	2 points	5-6 points**	
★	2 points	2 points		1 point			

Federal law (ESSA) requires identification of RI's lowest performing schools

A low performing school will be identified as a **1-Star School** in need of **"Comprehensive Support and Improvement"** if:

1) Both academic achievement and growth are in the bottom 5% of both measures;
2) Graduation rate is less than 67%; or
3) The school has the lowest score for all applicable non-graduation indicators, and one or two points for graduation if applicable.

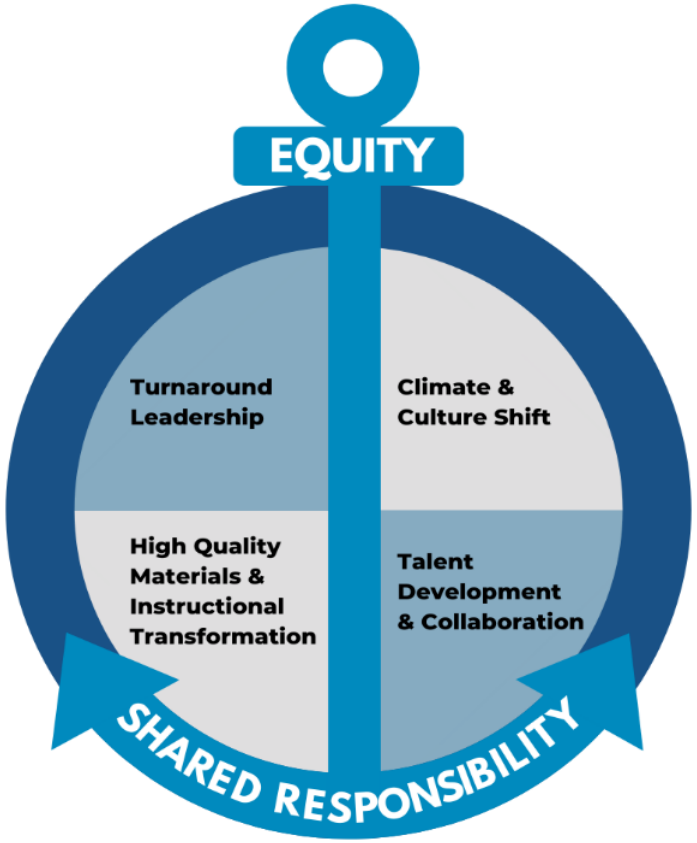


ESSA also requires Identification of RI schools with low performing student subgroups

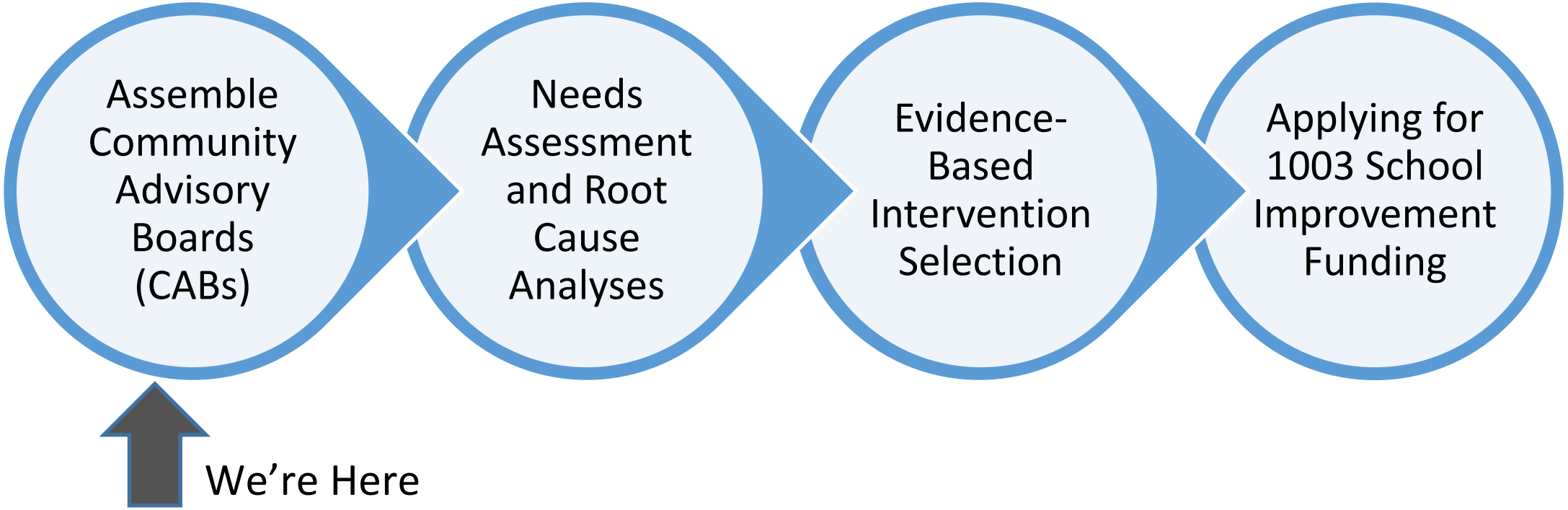
IF...	THEN...
a sub-group performs at a 1-star level	the school will be identified for **targeted support and improvement**
+	
a) is at the same level as the bottom 5% of all schools in both Achievement and Growth b) has a graduation rate of less than 67% OR c) has the lowest score for all applicable non-graduation indicators and one or two points for graduation, if applicable	the school will be identified for **additional targeted support and improvement**
+	
is identified for additional targeted support and improvement for **four consecutive years**	the school may be identified for **comprehensive support and improvement**

RIDE Rhode Island Department of Education

School Improvement Framework



School Improvement Process



School Improvement Timeline

Module 1	Module 2	Module 3	Module 4	Module 5
• Assembling Community Advisory Boards (CABs) • Supporting CABs and CSI Schools	• Conducting a Needs Assessment & identifying priority needs • Performing Root Cause Analyses	• Identifying Evidence Based Interventions (EBIs) • Selecting EBIs aligned to needs and root causes	• Writing a Comprehen-sive School Improvement Plan (CSIP) • Aligning resources to the CSIP	• Regularly monitoring progress of the CSIP • Annually reporting on CSIP progress to the Council
NOV - DEC	JAN - FEB	MARCH	APR - MAY	SEPT - JULY

Report Card Demo

2019 Results

	★★★★★	★★★★	★★★	★★	★	No Rating	Total
Elementary	16	33	90	28	8	11	186
Middle	4	3	26	15	9	0	57
High School	2	12	15	13	15	1	58
Non-Traditional Configuration	0	1	3	3	3	0	10
Grand Total	**22**	**49**	**134**	**59**	**35**	**12**	**311**

2019 Results

	★★★★★	★★★★	★★★	★★	★	No Rating	Total
Elementary	9%	18%	48%	15%	4%	6%	186
Middle	7%	5%	46%	26%	16%		57
High School	3%	21%	26%	22%	26%	2%	58
Non-Traditional Configuration	0%	10%	30%	30%	30%		10
Grand Total	**22**	**49**	**134**	**59**	**35**	**12**	**311**

2019 Comparison with 2018

2018 Star Rating	2019 Star Rating						
	★	★★	★★★	★★★★	★★★★★	No Rating	Total
★	25	10	1				36
★★	10	39	16		1		66
★★★		7	110	11	1		129
★★★★			5	31	4		40
★★★★★				6	15		21
No Rating		3	2	1	1	12	19
Grand Total	**35**	**59**	**134**	**49**	**22**	**12**	**311**

28 schools decreased in star rating.

44 schools increased in star rating.

232 schools stayed the same.

Reason for Star Rating 2019

Reason	# of Schools	Percent
Achievement & Growth	252	84%
Achievement (Growth n/a)	18	6%
English Language Proficiency (ELP)	9	3%
Graduation	1	< 1%
Diploma Plus	8	3%
School Quality and Student Success (SQSS)	9	3%
Subgroup Performance	5	2%

School are counted as only Achievement or Achievement & Growth if their star rating aligns with them.

Schools are counted under multiple reasons, if applicable, for ELP, Graduation, Diploma Plus, and SQSS.

Schools are only counted in Subgroup Performance if no other indicator is at that level.

Percentages are out of schools with Star Ratings.

Our Lowest Performing Schools - CSI

This year we have 22 schools identified for Comprehensive Support and Improvement (CSI).

8 schools exited from last year and 7 schools are new to identification.

District	# of Schools
Central Falls	1
Pawtucket	3
Providence	11
Woonsocket	2
Sheila Skip Nowell	2
Urban Collaborative	1
RI Sch for the Deaf	1
Chariho	1

Grade Span	# of Schools
Elementary	3
Middle	8
High	9
Other	2

Reason *(Can be Multiple)*	# of Schools
Achievement & Growth	17
Graduation	7
Overall Low Performance	9

School Subgroup Identification - ATSI

253 student subgroups are identified for Additional Targeted Support and Improvement (ATSI) across 117 schools. These groups would be identified for CSI if they were their own school.

Student Group	# of Schools
American Indian or Alaska Native Students	5
Asian Students	2
Black or African American Students	30
Hispanic Students	28
Students of Two or More Races	13
White Students	15
Economically Disadvantaged Students	28
Differently Abled Students	103
Multi-Lingual Learners	30

School Subgroup Identification - TSI

369 student subgroups are identified for Targeted Support and Improvement (TSI) across 158 schools. These groups would be at the one-star level if they were their own school.

Student Group	# of Schools
American Indian or Alaska Native Students	4
Asian Students	5
Black or African American Students	44
Hispanic Students	40
Students of Two or More Races	25
White Students	22
Economically Disadvantaged Students	45
Differently Abled Students	138
Multi-Lingual Learners	46

Questions?

Appendix

What is the Commissioner's Seal measure?

The Commissioner's Seal measure reports the percentage of high school graduates who **demonstrate high school proficiency in both math and ELA**.

Students have multiple opportunities to demonstrate proficiency on any approved assessment.

Approved Commissioner's Seal Assessments	
ELA	Math
SAT	
PSAT 10 & PSAT NMSQT	
ACT	
For Class of 2018, PARCC	
AP: English Language and Composition	AP: Calculus AB & BC
AP: English Literature and Composition	AP: Statistics

What is the Postsecondary Success measure?

The Postsecondary Success measure reports the proportion of high school graduates who **earn a credential beyond a high school diploma**.

Includes a small bonus for students who earn 2, or 3+ credentials, to encourage schools to keep going after the first credential.

All credentials are treated equally.

Credentials included:

- College Credit
- AP Credit
- Industry-Recognized CTE Credentials
- IB Credit

Scoring Individual Measures – Student Chronic Absenteeism

Elementary and Middle Schools	
Percent Chronically Absent (Student)	Student Chronic Absenteeism Points
>= 15 OR No data reported	1 Point
>= 5 AND < 15	2 Points
< 5	3 Points

High Schools	
Percent Chronically Absent (Student)	Student Chronic Absenteeism Points
>= 20 OR No data reported	1 Point
>= 10 AND < 20	2 Points
< 10	3 Points

Charts provided as an example for using cut scores. All cut scores are reported in the Report Card.
K-12 and 7-12 schools have alternate cuts determined by the statewide distribution of those grade spans.

2019 School Star Rating Performance Levels - Updated

Star Rating	Achievement – ELA and Math (Max. 8 Points)	Growth – ELA and Math (Max. 6 Points)	English Language Proficiency (Max. 4 Points)	Graduation Rate (Max. 5 Points)	Commissioner's Seal & Postsecondary Success (Max. 6 Points)	Exceeds Expectations, Absenteeism, & Suspension (Max. 15 Points)	# of Low-Performing Subgroups
★★★★★	6-8 points (3-4 per subject)	4-6 points (2-3 per subject)	3-4 points	4-5 points	5-6 points	12-15 points**	None
★★★★	5-6 points (2-4 per subject)		2 points		4 points (2+ per indicator)	10-11 points**	1 subgroup
★★★	7-11 total points*			3 points	3-4 points	7-9 points**	More than 1 subgroup
★★	5-6 total points*		1 point	2 points	2 points	5-6 points**	
★	2 points	2 points		1 point			

Cut points are set based on a combination of norm and criterion factors.
Science Proficiency will be added in 2021.

RIDE Rhode Island Department of Education

How did schools do in 2018?

Number of schools by Star Rating

	★★★★★	★★★★	★★★	★★	★	No Rating	Total
Elementary	14	27	90	31	13	11	186
Middle	3	2	27	14	9	0	55
High School	4	10	13	18	12	0	57
Non-Traditional Configuration	0	1	2	5	2	0	10

How did schools do in 2018?

Number of schools by Star Rating

	★★★★★	★★★★	★★★	★★	★	No Rating
Elementary	8%	15%	48%	17%	7%	6%
Middle	5%	4%	49%	25%	16%	0%
High School	7%	18%	23%	32%	21%	0%
Non-Traditional Configuration	0%	10%	20%	50%	20%	0%

Our lowest performing schools in 2018

24 schools were identified for comprehensive support and improvement in 2018. These schools have begun the school improvement process.

- 13 schools had been previously identified.
  - 12 were continuing; 1 exited and re-entered
  - 10 are subject to accelerated school redesign for having been identified as priority in 2017-18 and being identified as comprehensive in 2018-19.
- 11 were previously identified under the ESEA waiver.

Why were these schools identified as comprehensive?

- 16 of these schools were identified for **achievement and growth**
- 9 of these schools were identified for high school **graduation**
- 8 of these schools were identified for **overall low performance**
- Schools can be identified for multiple reasons.

Action Item: Districts with comprehensive schools will receive outreach by RIDE's school improvement team for a January 11th meeting to start the school improvement process.
**Attendance from the Superintendent, Principal, and at least one community member is required.*

Exiting Identification

- **Additional Targeted Support and Improvement (Low-Performing Subgroup)**
  - A school will no longer be identified as in need of targeted support and improvement if (1) the positive change in performance for that subgroup exceeds the statewide change in performance for that same subgroup and (2) the subgroup no longer falls inside the parameters from when they were identified.
  - Schools identified as Targeted Support and Improvement in the Lowest Performing Subgroups category for four consecutive years will be re-designated as in need of Comprehensive Support and Improvement
- **Comprehensive Support and Improvement**
  - A school identified due to low achievement and growth will no longer be identified as in need of comprehensive support and improvement if the school does not fall into the lowest 5% of all schools in achievement and growth for both the (1) current year and (2) the year they were identified.
  - A school identified due to failure to graduate at least one third or more of their students may exit once they graduate at least two thirds of their students.
  - A school identified with the lowest score for all non-graduation indicators and one or two points for graduation if applicable may exit once they no longer meet the criteria for the lowest score in all areas for the year in which they were identified and the current year.
  - Schools identified as in need of Comprehensive Support and Improvement for four consecutive years will be re-designated as in need of school redesign.*

** Schools identified as "Priority" in 2017-18 will have 2 years before being re-designated as in need of school redesign*

In 2018, 148 (nearly half of) schools were identified for low performing subgroups

	Targeted Support and Improvement (TSI)	Additional Targeted Support and Improvement (ATSI)
Total Subgroups	325	256
Total Schools with 1+ Subgroup Identified	148	131

Schools with subgroups identified for Additional Targeted Support and Improvement (ATSI) for **four consecutive years** may be re-designated as in need of Comprehensive Support and Improvement.

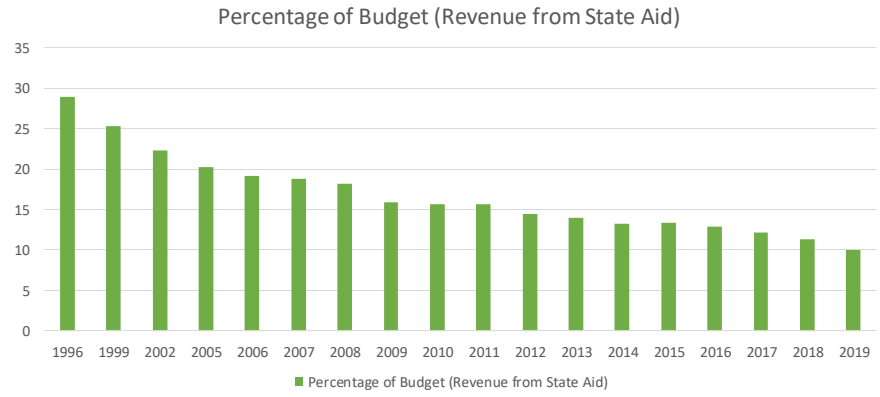
This kind of identification is new in 2018. RIDE will analyze trends with the 2019 data to determine whether we need to adjust exit criteria for subgroups.

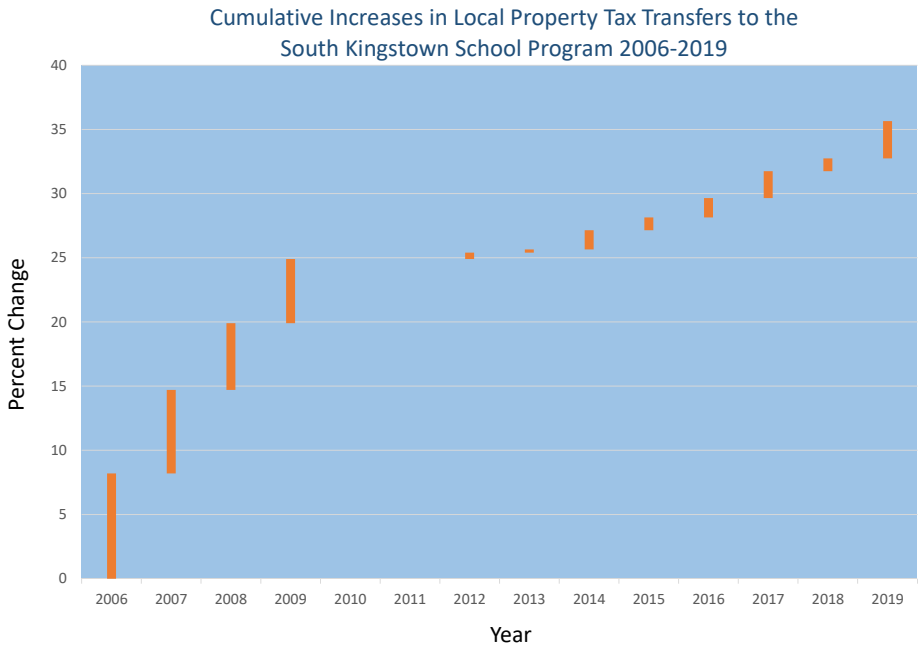
South Kingstown
Rhode Island

The Impact of the State School Funding Formula

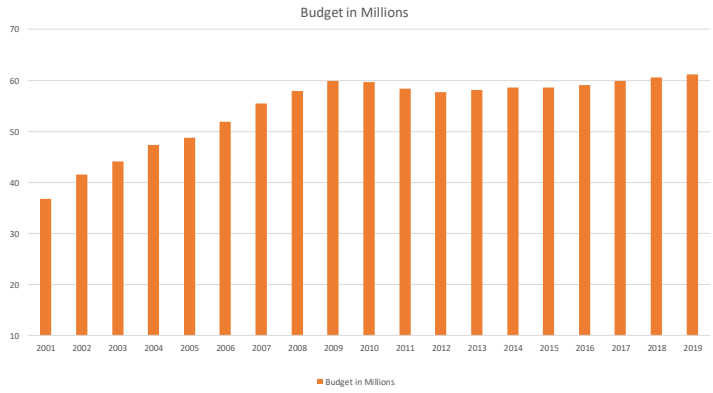
Rob Zarnetske, Town Manager
180 High Street, Wakefield, RI 02879
401.789-9331 x 1201

State Aid to South Kingstown 1996-Current





South Kingstown School Budget History



Year	State Aid	% Budget
1996	$7,433,939	28.90%
1999	$7,925,315	25.30%
2002	$9,221,139	22.30%
2005	$9,766,903	20.01%
2006	$9,948,816	19.16%
2007	$10,516,527	18.94%
2008	$10,571,518	18.25%
2009	$10,548,698	17.62%
2010	$10,364,027	17.39%
2011	$9,255,564	15.78%
2012 (FF year 1)	$8,444,527	14.45%
2013 (FF year 2)	$8,513,652	14.62%
2014 (FF year 3)	$8,131,786	13.87%
2015 (FF year 4)	$7,818,130	13.34%
2016 (FF year 5)	$7,621,000	12.89%
2017 (FF year 6)	$7,318,713	12.21%
2018 (FF year 7)	$6,837,992	11.29%
2019 (FF year 8)	$6,108,908	9.98%
2020 (FF year 9)	$5,443,387	8.66%
2021 (FF year 10) PROJECTED	$4, 617,000	TBD

Projected State Aid for 2021 = $4.617M

Projected Transportation Costs for 2021: $4.4M

After mandated transportation expenses, the State of Rhode Island will provide only $217,000 to support classroom instruction for 2,863 students in South Kingstown.

That's just . . .

$75.79

per student for the entire year!

How Did This Happen?

Core Instruction Amount * PK-12 ADM = Core Instructional Funding

+

Core Instruction Amount * 40% * Poverty ADM = "Student Success Factor" Funding

=

Total Foundation

*

State Share Ratio

=

Total State Formula Funding for the Municipality

$$SSRC = 1 - (0.475 * \frac{\text{District EWAV/District RADM}}{\text{State EWAV/State RADM}})$$

$$State\ Share\ Ratio\ (SSR) = \sqrt{\frac{SSRC^2 + \%PK6POVERTY^2}{2}}$$

Stereotyping Taxpayers

Income + Property Values / Number of Students

Arbitrary factor designed to balance revenue and expenditure accounts

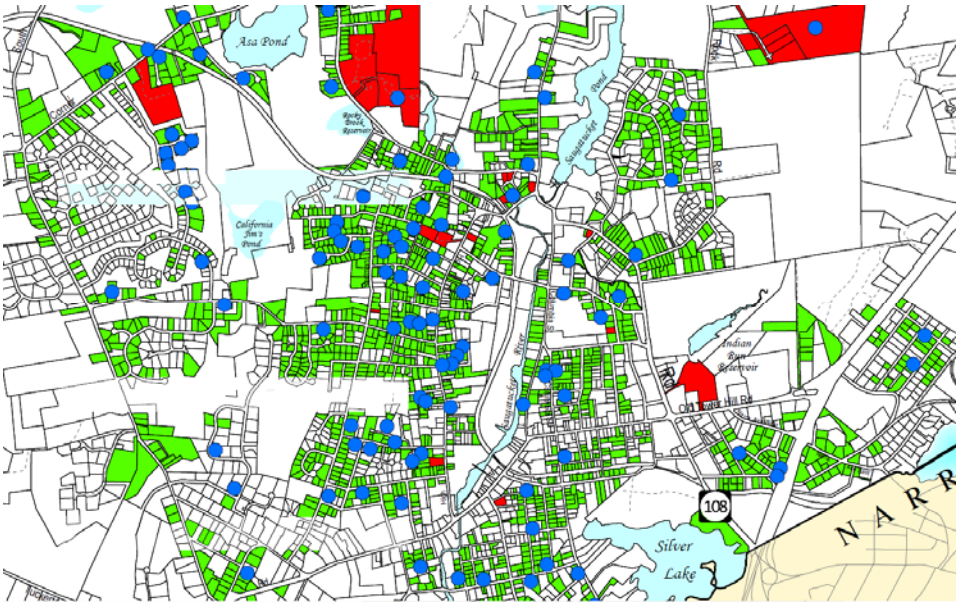
State Average Income + State Average Property Values / Number of Students Statewide

$$SSRC = 1 - (0.475 * \frac{\text{District EWAV/District RADM}}{\text{State EWAV/State RADM}})$$

EWAV Skew

The variables that make up the State Share Ratio for each Community (SSRC) are designed to eliminate distinctions within the community. The SSRC is based on arithmetic averages (arithmetic means) that describe the central point in a set of numbers; it ignore nuances and details about the community's population income and property values. In a Town like South Kingstown with relatively few homes, a small number high-values properties can make it look like everybody in town lives in an expensive home. Similarly, a small number of high-income earners can make it look like everyone in town has high income.

Low and Moderate Income Housing Units in Wakefield, RI (three measures)



Exaggerating the Stereotypes

After distinctions of income and wealth within each community have been eliminated from consideration through averaging, the Funding Formula doubles down on the EWAV characterization of wealth or poverty by squaring each community's SSRC score.

$$State\ Share\ Ratio\ (SSR) = \sqrt{\frac{SSRC^2 + \%PK6POVERTY^2}{2}}$$

A third income factor is then introduced into the formula and is itself weighted significantly.

Dividing by 2 serves the function of averaging the income and wealth numbers in the SSRC and the rate of elementary school poverty in each community.

$75.79

COMMENTS ABOUT THE EQUITY OF THE RI EDUCATION FUNDING FORMULA

by Joanne DeVoe, 67 King Street, Warren, joanned@qis.net, 401-247-3004

State education funding formulas should be both adequate and equitable. The current RI formula has a core instructional amount that is in line with the amounts of the other New England states. However, only about half of the formula's state share is determined by a measure of the local ability to raise funds. The current formula combines an equity measure with the local percentage of poor children using a quadratic mean equation.

The table attached is a comparison of the state share of the current formula for Fiscal Year 2020 with the state share that would have resulted from a formula that uses only the equity measure. This measure is based on a comparison of each city and town's property and income wealth per pupil with the state average property and income wealth per pupil. It has been on the RI books for many years.

The equity formula gives zero state share to some districts because their property and income wealth is so high. The current formula's percentage of poor children factor gives some state funds to every city & town because all have some poor children in their schools. Wealthy cities & towns have many children in private schools which increases the density of poor children in their public schools.

The last two columns on the table show the effect of subtracting the more equitable formula state share from the current formula state share. It shows that 28 cities & towns with 85% of the state's enrollment would have had a greater state share if only the equity measure were used. Only Newport & 10 towns got a greater state share with the current formula.

The RI formula should have its state share completely determined by an equity factor. I imagine that it would be difficult politically to have the General Assembly pass an education formula with an equity factor that would give some districts no funds even if it were phased in over 10 years like the current formula. However, I think that using the density of poor children as a factor in calculating state share makes no sense especially since the current formula calculates the cost of education by a counting of children that gives 40% greater weight to poor children than to all other children.

RI EDUCATION FORMULA 2020: COMPARISON OF STATE SHARE USING THE CURRENT EQUITABLE MEASURE OF PROPERTY AND INCOME TAX BASE TOGETHER WITH THE PERCENTAGE OF POOR CHILDREN (SSR); AND USING ONLY THE SAME EQUITABLE MEASURE OF PROPERTY AND INCOME TAX BASE (SSRC)							
	Total	SSR	SSR	SSRC	SSRC	SSR% Minus	SSR$ Minus
City or Town	Foundation	%	$	%	$	SSRC%	SSRC$
A	B	C	D = B x C	E	F = B x E	G = C – E	H = D – F
Barrington	$33,571,271	17.0%	$5,707,116	23.5%	$7,889,249	-6.5%	($2,182,133)
Bristol	$21,487,193	25.6%	$5,500,721	20.6%	$4,426,362	5.0%	$1,074,360
Burrillville	$25,411,902	50.6%	$12,858,422	62.3%	$15,831,615	-11.7%	($2,973,193)
Central Falls	$35,282,902	94.9%	$33,483,474	97.5%	$34,400,829	-2.6%	($917,355)
Charlestown	$8,187,007	18.2%	$1,490,035	0.0%	$0	18.2%	$1,490,035
Coventry	$51,025,173	47.4%	$24,185,932	58.2%	$29,696,651	-10.8%	($5,510,719)
Cranston	$116,961,479	55.0%	$64,328,813	65.0%	$76,024,961	-10.0%	($11,696,148)
Cumberland	$49,307,619	43.3%	$21,350,199	56.9%	$28,056,035	-13.6%	($6,705,836)
East Greenwich	$25,556,019	9.9%	$2,530,046	11.5%	$2,938,942	-1.6%	($408,896)
East Providence	$60,495,411	58.5%	$35,389,815	64.8%	$39,201,026	-6.3%	($3,811,211)
Exeter	$7,788,219	25.9%	$2,017,149	31.5%	$2,453,289	-5.6%	($436,140)
Foster	$6,843,351	41.2%	$2,819,461	54.5%	$3,729,626	-13.3%	($910,166)
Glocester	$13,402,070	37.1%	$4,972,168	50.4%	$6,754,643	-13.3%	($1,782,475)
Hopkinton	$11,947,858	42.6%	$5,089,788	54.8%	$6,547,426	-12.2%	($1,457,639)
Jamestown	$6,767,558	6.3%	$426,356	0.0%	$0	6.3%	$426,356
Johnston	$38,019,144	46.8%	$17,792,959	50.5%	$19,199,668	-3.7%	($1,406,708)
Lincoln	$33,592,987	42.1%	$14,142,648	51.6%	$17,333,981	-9.5%	($3,191,334)
Little Compton	$3,658,193	11.0%	$402,401	0.0%	$0	11.0%	$402,401
Middletown	$23,933,227	30.7%	$7,347,501	31.1%	$7,443,234	-0.4%	($95,733)
Narragansett	$13,069,204	17.0%	$2,221,765	0.0%	$0	17.0%	$2,221,765
Newport	$25,893,607	47.8%	$12,377,144	0.0%	$0	47.8%	$12,377,144
New Shoreham	$1,397,734	9.3%	$129,989	0.0%	$0	9.3%	$129,989
North Kingstown	$40,352,648	24.8%	$10,007,457	24.2%	$9,765,341	0.6%	$242,116
North Providence	$40,960,702	55.7%	$22,815,111	64.7%	$26,501,574	-9.0%	($3,686,463)
North Smithfield	$17,631,580	32.2%	$5,677,369	40.2%	$7,087,895	-8.0%	($1,410,526)
Pawtucket	$110,201,818	81.3%	$89,594,078	87.1%	$95,985,783	-5.8%	($6,391,705)
Portsmouth	$24,164,208	13.2%	$3,189,675	0.0%	$0	13.2%	$3,189,675
Providence	$298,917,570	86.8%	$259,460,451	87.0%	$260,058,286	-0.2%	($597,835)
Richmond	$12,003,136	38.6%	$4,633,210	51.4%	$6,169,612	-12.8%	($1,536,401)
Scituate	$13,598,290	16.6%	$2,257,316	19.3%	$2,624,470	-2.7%	($367,154)
Smithfield	$25,174,998	23.9%	$6,016,825	30.1%	$7,577,674	-6.2%	($1,560,850)
South Kingstown	$31,370,038	13.9%	$4,360,435	0.2%	$62,740	13.7%	$4,297,695
Tiverton	$19,179,353	37.1%	$7,115,540	42.7%	$8,189,584	-5.6%	($1,074,044)
Warren	$14,512,344	50.2%	$7,285,197	55.1%	$7,996,302	-4.9%	($711,105)
Warwick	$98,005,211	38.7%	$37,928,017	40.6%	$39,790,116	-1.9%	($1,862,099)
Westerly	$30,787,649	27.7%	$8,528,179	0.0%	$0	27.7%	$8,528,179
West Greenwich	$9,318,224	31.9%	$2,972,513	41.9%	$3,904,336	-10.0%	($931,822)
West Warwick	$42,520,320	63.4%	$26,957,883	72.1%	$30,657,151	-8.7%	($3,699,268)
Woonsocket	$76,638,444	83.0%	$63,609,909	90.7%	$69,511,069	-7.7%	($5,901,160)
TOTAL	$1,518,935,661		$838,973,067		$877,809,470		($38,836,403)
Notes:							
--Data for Total Foundation (Col. B), State Share Ratio % (SSR%, Col. C) and State Share Ratio Community % (SSRC%. Col E) are from "FY 2020 Formula Calculations, Final", RI Department of Education (RIDE).							
--Col. D is current formula's state share which uses a quadratic mean equation with equity and percent of poor children.							
--Col. F is a formula state share which uses only the current equity measure.							
--Cols G & H are the difference between the current state share and the equitable state share.							