

Education Aid

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

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

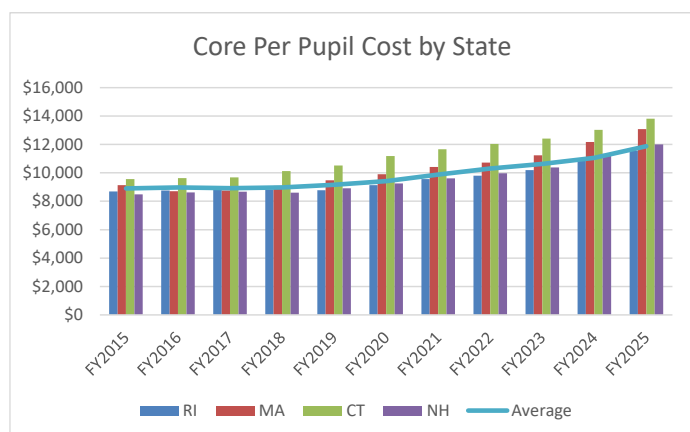
The Act included a multi-year transition plan to ease districts into the new formula, allowing time for school districts and municipal governments to adjust for gains or losses in education aid. The plan provided a transition period of ten years from the formula implementation in FY2012 for those districts projected to receive less school aid than they did in the previous year, and seven years for those districts projected to receive more. FY2021 was the final year of the transition plan. However, the FY2024 Budget as Enacted provided a Poverty Loss Stabilization Fund and a Transition Fund for enrollment loss.

In FY2025, the formula aid to the districts, charter schools, and state schools increases by \$17.7 million to fully fund the formula. The new Enrollment Transition provides an additional \$5.1 million partially offset by a decrease in the Poverty Loss Stabilization Fund of \$4.5 million. An additional increase of \$18.8 million is provided through categorical aid, including \$16.6 million for English Learners.

HOW THE FORMULA WORKS

Step 1 - Student Enrollment: Student enrollment is based on resident average daily membership (RADM), which refers to the average number of students who are residents of the community and were enrolled in the school district during the prior school year. The Budget is based on enrollment data as of March 2023, adjusted for projected charter school enrollments.

Step 2 - Core Instruction Amount: The core instruction amount provides a base level of funding per pupil derived from the average of northeast regional expenditure data from Rhode Island, Massachusetts, Connecticut and New Hampshire, as published by the National Center for Education Statistics (NCES). In the Governor's FY2025 Budget, the increase in the core-instructional amount is capped at the average five-year annual percentage change in the consumer price index, for FY2025 that is 3.9 percent or \$459, providing a per-pupil amount of \$12,335. Under current law, the core amount would be \$12,617, an increase of 6.2 percent.



Step 3 - High Need Student Weight (40.0 percent): The Act includes a single factor to adjust the core instruction amount to address the effects of poverty and other factors influencing educational need. The

weight provides an additional \$4,934 ($\$12,335 \times 0.40 = \$4,934$) for each student whose family income is at or below one hundred eighty-five percent (185%) of federal poverty guidelines.

The statute requires that the weight be applied to each child whose family income is at or below 185.0 percent of the federal poverty guidelines. Traditionally, these students were tracked primarily through eligibility for the federal free and reduced lunch program (FRLP); however, Article 10 of the FY2023 Budget as Enacted required the Department of Elementary and Secondary Education (Department) to submit, as part of its FY2024 budget request, a poverty measure that does not rely on the administration of the school lunch programs. The Governor recommended and the General Assembly agreed to using certification data from programs including the Supplemental Nutrition Assistance Program (SNAP). The counts from this data source are then multiplied by a factor of 1.6, as recommended by the U.S. Department of Agriculture (USDA) and the U.S. Department of Education for the Community Eligibility Provision (CEP) of the Healthy, Hunger-Free Kids Act of 2010.

According to the Office of Management and Budget (OMB), “extensive research was conducted” to determine the new poverty measure, including the experiences of other states. Several criteria were considered including “comparable eligibility requirement to the FRLP, timeliness, and data quality. Furthermore, data sharing agreements with DHS [Department of Human Services] related to the use of direct certification were already in existence.” Based on the review, it was determined that “direct certification would result in a reliable calculation of education aid while minimizing administrative burden.”

According to the U.S. Department of Education, the “function of the 1.6 multiplier is to provide an estimate of the percentage of students eligible for free and reduced-price meals in participating CEP schools, groups of schools, or LEAs that is comparable to the poverty percentage that would be obtained in a non-CEP school. The number of students directly certified is a subset of the total number of students eligible for free and reduced-price meals. Using only the number of identified students would result in lower poverty percentages for CEP schools or LEAs.” (see page 4 of Guidance for The Community Eligibility Provision). Communities participating in the CEP agree not to collect FRLP forms.

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

$$\text{Total Foundation Budget} = (\$12,335 \times \text{RADM}) + (0.4 \times \$12,335 \times \text{students in poverty})$$

Step 5 - State Share Ratio: The Education Adequacy Act creates a share ratio by adding a wealth measure, based on the concentration of children living in poverty, to the single State Share Ratio for the Community (SSRC) previously used to determine a district’s ability to pay for the cost of education. In FY2024, the Governor uses the direct certification data discussed under the SSF above to measure the percentage of Pre-Kindergarten through sixth grade students living in poverty, instead of the free and reduced-lunch data used traditionally.

The total foundation budget equals the student enrollment and the high-need student weight of the district multiplied by the core instruction amount. The State’s share of the total foundation budget is the state share ratio calculated as follows:

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

Pursuant to the FY2024 Budget as Enacted, however, if a district has a PK through 6 poverty rate greater than 50.0 percent and the SSR calculation results in a ratio less than the SSRC, then the SSRC will be used.

In FY2024, this adjustment impacts Pawtucket, West Warwick, and Central Falls, as highlighted in the table.

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

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

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

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

Poverty Loss Stabilization Fund: The FY2024 Budget as Enacted established funding to reduce the impact of a reduction in the community state share ratio. If the share ratio decreases by more than 2.0 percent, relative to the prior year, the formula provides 50.0 percent of the resulting reduction in funding formula aid.

Enrollment Transition Fund: To address the significant enrollment declines seen across the State, the FY2024 Budget as Enacted established an Enrollment Transition Fund providing 40.0 percent of the funding formula aid lost as a result of enrollment declines, relative to the previous year, in year one and 25.0 percent in year two.

TABLE

The table on the following page provides a step-by-step calculation of each district's formula distribution for FY2025.

FY2025 Education Aid Calculator - Governor Recommendation¹

Districts	PK-12 RADM	Direct Cert	Direct Cert x Factor (1.6) RADM	Core Instruction Funding (C = \$12,335)	Student Success Factor Funding (F = 0.4*\$12,335 = \$4,934)	Total Foundation	% Direct Cert (1.6 factor) PK6			State Share Ratio	State Share Adjusted RIGL 16-7.2-4(a)	State Share of Foundation Budget	FY2024 Enacted (excludes group home and categoricals)	Change in State Funding
							P	W	I					
	A	B	B	A*C=D	B*F=G	D+G=H	P	W	I		IF P>0.5 and W<.1, then = W	H*I=J	K	J-K=L
Barrington	3,286	121	194	\$40,532,810	\$955,222	\$41,488,032	7.7%	37.1%	26.8%	26.8%	\$11,115,774	\$10,346,999	\$768,774	
Burrillville	2,020	329	526	24,916,700	2,597,258	27,513,958	30.7%	59.3%	47.2%	47.2%	12,991,396	12,904,573	86,823	
Charlestown	684	84	134	8,437,140	663,130	9,100,270	22.9%	-	16.2%	16.2%	1,473,583	1,347,679	125,905	
Coventry	4,168	617	987	51,412,280	4,870,845	56,283,125	26.3%	59.7%	46.1%	46.1%	25,962,875	25,200,762	762,113	
Cranston	9,737	2,083	3,333	120,105,895	16,444,035	136,549,930	39.4%	65.6%	54.1%	54.1%	73,886,762	71,840,320	2,046,442	
Cumberland	4,743	488	781	58,504,905	3,852,467	62,357,372	19.0%	54.6%	40.9%	40.9%	25,490,974	24,039,982	1,450,991	
East Greenwich	2,504	103	165	30,886,840	813,123	31,699,963	7.9%	25.9%	19.1%	19.1%	6,069,612	5,386,895	682,717	
East Providence	5,075	1,238	1,981	62,600,125	9,773,267	72,373,392	40.7%	59.7%	51.1%	51.1%	36,976,288	35,844,734	1,131,554	
Foster	220	30	48	2,713,700	236,832	2,950,532	26.8%	47.9%	38.8%	38.8%	1,145,143	1,127,337	17,806	
Glocester	546	38	61	6,734,910	299,987	7,034,897	12.5%	54.9%	39.8%	39.8%	2,800,852	2,859,443	(58,591)	
Hopkinton	1,093	148	237	13,482,155	1,168,371	14,650,526	26.1%	58.0%	45.0%	45.0%	6,588,837	6,263,725	325,112	
Jamestown	570	21	34	7,030,950	165,782	7,196,732	5.7%	-	4.0%	4.0%	290,065	319,561	(29,496)	
Johnston	3,257	671	1,074	40,175,095	5,297,142	45,472,237	38.9%	58.0%	49.4%	49.4%	22,455,207	21,291,119	1,164,087	
Lincoln	3,275	513	821	40,397,125	4,049,827	44,446,952	27.2%	51.1%	40.9%	40.9%	18,193,550	16,694,774	1,498,776	
Little Compton	277	26	42	3,416,795	205,254	3,622,049	12.4%	-	8.8%	8.8%	317,586	279,472	38,114	
Middletown	1,966	312	499	24,250,610	2,463,053	26,713,663	28.0%	19.8%	24.2%	24.2%	6,477,829	6,842,405	(364,575)	
Narragansett	1,011	107	171	12,470,685	844,701	13,315,386	18.8%	-	13.3%	13.3%	1,770,095	1,983,316	(213,220)	
Newport	1,791	687	1,099	22,091,985	5,423,453	27,515,438	72.0%	-	50.9%	50.9%	14,008,574	14,077,237	(68,664)	
New Shoreham	127	4	6	1,566,545	31,578	1,598,123	6.4%	-	4.5%	4.5%	72,323	94,704	(22,381)	
North Kingstown	3,513	526	842	43,332,855	4,152,454	47,485,309	28.4%	25.9%	27.2%	27.2%	12,905,918	11,142,827	1,763,091	
North Providence	3,500	796	1,274	43,172,500	6,283,942	49,456,442	40.7%	71.0%	57.9%	57.9%	28,619,623	27,354,244	1,265,380	
North Smithfield	1,660	170	272	20,476,100	1,342,048	21,818,148	20.9%	45.9%	35.7%	35.7%	7,780,885	7,343,688	437,198	
Pawtucket	7,679	3,020	4,832	94,720,465	23,841,088	118,561,553	68.8%	84.7%	77.2%	77.2%	100,421,635	101,240,632	(818,996)	
Portsmouth	2,031	170	272	25,052,385	1,342,048	26,394,433	14.8%	-	10.5%	10.5%	2,762,225	2,597,715	164,510	
Providence	18,465	8,492	13,587	227,765,775	67,039,245	294,805,020	86.2%	84.5%	85.4%	85.4%	251,628,562	262,261,735	(10,633,173)	
Richmond	1,052	131	210	12,976,420	1,034,166	14,010,586	21.3%	57.1%	43.1%	43.1%	6,037,652	5,664,511	373,141	
Scituate	1,163	94	150	14,345,605	742,074	15,087,679	14.8%	27.0%	21.8%	21.8%	3,284,889	3,410,780	(125,891)	
Smithfield	2,397	200	320	29,566,995	1,578,880	31,145,875	13.1%	41.2%	30.6%	30.6%	9,521,294	8,703,479	817,816	
South Kingstown	2,415	298	477	29,789,025	2,352,531	32,141,556	21.4%	-	15.1%	15.1%	4,863,688	5,063,712	(200,024)	
Tiverton	1,599	191	306	19,723,665	1,507,830	21,231,495	21.0%	27.9%	24.7%	24.7%	5,242,524	5,469,710	(227,186)	
Warwick	7,927	1,430	2,288	97,779,545	11,288,992	109,068,537	34.3%	44.5%	39.7%	39.7%	43,331,517	42,784,774	546,743	
Westerly	2,257	401	642	27,840,095	3,165,654	31,005,749	35.0%	-	24.7%	24.7%	7,673,531	7,847,731	(174,200)	
West Warwick	3,557	1,138	1,821	43,875,595	8,983,827	52,859,422	57.7%	72.9%	65.7%	65.7%	38,534,519	37,221,502	1,313,017	
Woonsocket	5,425	2,660	4,256	66,917,375	20,999,104	87,916,479	88.7%	88.7%	88.7%	88.7%	77,981,917	80,001,773	(2,019,856)	
Bristol-Warren ²	2,806	409	654	34,612,010	3,283,810	37,840,820	-	-	-	-	10,303,413	11,000,792	(737,378)	
Exeter-West Greenwich ²	1,530	130	208	18,872,550	1,026,272	19,898,822	-	-	-	-	5,260,331	4,853,740	406,591	
Charlho	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foster-Glocester ²	1,072	94	150	13,223,120	742,074	13,965,194	-	-	-	-	5,515,848	5,463,033	52,815	
Central Falls	2,339	985	1,576	28,851,565	7,775,984	36,627,549	74.4%	97.1%	86.5%	86.5%	35,565,350	37,635,874	(2,070,524)	
District Total	118,737	28,955	46,328	\$1,464,620,895	\$228,582,352	\$1,693,203,247					\$925,322,648	\$925,847,288	(\$524,639)	
Charter School Total	13,840	5,324	8,518	170,716,400	42,029,786	212,746,186	-	-	-	-	171,217,305	153,888,559	17,328,745	
Davies	889	246	394	10,965,815	1,942,022	12,907,837	-	-	-	-	10,225,184	9,945,832	279,352	
Met School	787	303	485	9,707,645	2,392,003	12,099,648	-	-	-	-	8,690,789	8,597,594	93,195	
Urban Collaborative	129	80	128	1,591,215	631,552	2,222,767	-	-	-	-	1,897,226	1,840,097	57,129	
Youth Build Academy	160	94	150	1,973,600	742,074	2,715,674	-	-	-	-	2,317,942	1,892,543	425,399	
Total	134,542	35,002	56,003	1,659,575,570	276,319,789	1,935,895,359					\$1,119,671,094	\$1,102,011,913	\$17,659,181	

¹ Based on October 2023 enrollment updated for projected 2023-2024 charter school growth. Expected to be updated when March 2024 data is available.

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

Source: Rhode Island Department of Education

CHARTER AND STATE SCHOOLS

The education funding formula calculation for charter and state schools funds students as if they were still in the sending district, with the same core instruction amount, high-need student weight, and state share ratio. The aid, however, is distributed directly to the charter or state school. In FY2025, the Budget provides \$176.7 million in funding formula aid to charter schools, an increase of \$20.1 million. This increase is primarily driven by enrollment. In FY2025, charter school enrollment increases by 852 students, or 6.6 percent, relative to the FY2024 Budget as Enacted.

Sending District Tuition: Under the formula, the funding mechanism for charter and state schools changed significantly. Previously sending district tuition per-student was based on the per-pupil expenditure of the sending district, without deductions, the formula allowed sending districts to retain 5.0 percent of the per-pupil expenditure as indirect aid. The indirect aid was intended to cover residual costs from the transfer of the student from the district to the charter school. Today, the sending district tuition is calculated by dividing the local appropriation to education from property taxes, net debt service and capital projects, by the district

resident average daily membership (RADM), or enrollment: there is no indirect aid retained by the sending district.

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

Local Charter and State School Tuition Reduction: Article 11 of the FY2017 Budget changed the above calculation to subtract a district-specific amount from the tuition paid for each student attending a charter or state school. The amount of the reduction is calculated based on differences in expenses between each district and charter schools. The expenditure data used for the calculation is the prior previous fiscal year; consequently, the calculation of unique costs for FY2023 is based on FY2021 data from the Uniform Chart of Accounts (UCOA). The reduction will be the greater of 7.0 percent of the district’s per-pupil funding or the per-pupil value of each district’s costs in the delineated expenditure categories. The categories include each district’s costs for non-public textbooks, transportation for non-public students, retiree health benefits, out-of-district special education tuition and transportation, services for students age eighteen to twenty-one, pre-school screening and intervention, career and technical education tuition and transportation costs, debt service, and rental costs minus the average charter school expenses for the same categories. For districts using the reduction for costs categories, there is an additional reduction for tuition payments to mayoral academies, where teachers do not participate in the state’s teacher retirement system, equivalent to the per-pupil, unfunded liability cost. The local tuition rate reductions pursuant to RIGL 16-7.2-5(c) were not available in time for the publication of this report.

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

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

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

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

NON-FORMULA PROVISIONS

Group Homes: The Group Home aid category was created by the General Assembly in 2001 to provide state support to districts hosting group homes in exchange for relieving the resident sending district of financial responsibility for students placed in group homes. When enacted, the Act maintained the current funding for group homes as a categorical grant program; however, the FY2017 Budget as Enacted increased the per-bed funding amount. The Group Home aid category provides \$17,000 annually per bed, except for group home beds associated with Bradley Hospital Children’s Residential and Family Treatment (CRAFT) Program, which received \$26,000 per bed. The FY2025 Budget includes \$1.8 million to fund group home

beds. This is \$74,758 less than the FY2024 Budget as Enacted. This adjustment represents the most recent update on the number of group home beds per district and the decrease required pursuant to RIGL 16-7-22(1)(ii) to reduce the average daily membership of a district by the number of group home beds used in the group home aid calculation.

Based on the final December 31, 2022, report from the Department of Children, Youth, and Families, the FY2024 Revised Budget increases by 9 beds and \$153,000.

District	FY2024 Enacted		Group Home Aid ¹ FY2025 Change from Enacted					FY2024		
	Total Aid	Number of Beds	FY2025	Change in	Aid change	Aid change due	Total Change	FY2025 Total	Revised Total Aid	Change from Enacted
			Number of Beds	Number of Beds	due to bed count	to RIGL 16-7-22(1)(ii)		Aid		
Burrillville	\$0	-	-	-	\$0	\$0	\$0	\$0	\$0	\$0
Coventry	74,889	8	8	-	-	(2,617)	(2,617)	72,272	74,889	-
East Providence	458,072	35	36	1	17,000	(18,696)	(1,696)	456,376	475,072	17,000
Lincoln	83,789	8	8	-	-	(4,339)	(4,339)	79,450	83,789	-
Newport	76,500	9	9	-	-	(2,627)	(2,627)	73,873	76,500	-
North Providence	119,386	16	16	-	-	(7,279)	(7,279)	112,107	119,386	-
North Smithfield	-	-	-	-	-	-	-	-	-	-
Pawtucket	79,743	19	19	-	-	(34,653)	(34,653)	45,090	79,743	-
Portsmouth	275,950	18	18	-	-	(2,480)	(2,480)	273,470	275,950	-
Providence	138,359	50	57	7	119,000	(128,529)	(9,529)	128,830	257,359	119,000
Smithfield	73,562	6	6	-	-	(3,237)	(3,237)	70,325	73,562	-
South Kingstown	-	-	-	-	-	-	-	-	-	-
Warwick	248,975	24	25	1	17,000	(12,494)	4,506	253,481	265,975	17,000
Woonsocket	-	-	-	-	-	-	-	-	-	-
Bristol-Warren	100,921	10	10	-	-	(3,186)	(3,186)	97,735	100,921	-
Exeter-West Greenwich	110,250	9	9	-	-	(7,621)	(7,621)	102,629	110,250	-
Total	\$1,840,396	212	221	9	\$153,000	(\$227,758)	(\$74,758)	\$1,765,638	\$1,993,396	\$153,000

¹ Based on final 12/31/2023 report from the Department of Children, Youth and Families. In the FY2024 Revised Budget, a total of 9 beds were added relative to the enacted level, including 1 in East Providence, 7 in Providence, and 1 in Warwick.

Categorical Programs: When the education funding formula was passed in 2010, five categorical funds were identified that would not be distributed according to the formula, but pursuant to other methodologies intended to address the priorities and funding needs of the districts. These categories include Transportation, High-Cost Special Education, Career & Technical Education, Early Childhood, and the Regionalization Bonus. Article 11 of the FY2017 Budget as Enacted added two new aid categories: English Learners and the Density Fund. In the FY2024 Budget, the Density Aid Fund was replaced with the Enrollment Transition fund, which is included in the funding formula distribution. The FY2019 Budget as Enacted included a temporary aid category to support new Resource Officers at public middle and high schools, which expired after FY2021. (The Central Falls, Davies and Met School Stabilization Funds are addressed in the Department of Elementary and Secondary Education section of this analysis.)

The FY2025 Budget includes funding for all of the active categories, except the Regionalization Bonus. The total increase in categorical aid is \$24.3 million for all school districts, charter schools, Davies Career & Technical School (Davies), and the Metropolitan Career and Technical School (Met).

- Transportation:** This fund provides funding for transporting students to out-of-district, non-public schools and for 50.0 percent of the local costs associated with transporting students within regional school districts. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget fully funds this category at \$11.2 million in FY2025, an increase of \$596,096 over the FY2024 Budget as Enacted

Categorical	FY2025 Governor's Education Aid	
	Change from Enacted	Total Funding
Transportation	\$0.6	\$11.2
Early Childhood	7.2	30.0
High-Cost Special Education	-	15.0
Career & Tech. Schools	-	4.5
English Learners	16.6	36.1
Regionalization Bonus	-	-
Group Home Aid	(0.1)	1.8
Total	\$24.3	\$98.6

\$ in millions

- Early Childhood Education (2.0 FTE positions):** This fund is designed to increase access to voluntary, free, high-quality pre-kindergarten programs. The funds will be distributed through a request for proposals (RFP) process targeting communities in three tiers, with the first tier having the highest concentration of children at risk for poor educational outcomes. These funds are paid to providers through the RFP process and, consequently, are not included in the distribution tables. Provisory language in Article 1 of the budget requires the Department to prioritize funding to four-years olds whose family income is at or below 185.0 percent of federal poverty guidelines and who reside in communities with higher concentrations of low-performing schools. The Budget funds this category at \$30.0 million in FY2025, an increase of \$7.2 million in general revenue over the FY2024 Budget as Enacted. Of the total increase, \$6.9 million is to fund 35 new classrooms, for a total of 2,997 seats, \$239,861 for 2.0 new FTE positions, including 1.0 support staff, for the Pre-K program expansion. The FY2024 Budget as Enacted provided \$100,000 in general revenue to support these positions for six months. The FY2025 Budget provides additional funding to fully support these positions and move them from grant-funded, term-limited status to permanent.

District	FY2024 Pre-K Enrollment		
	Total Seats	Low-income Seats	Percentage Low-Income
Bristol-Warren	56	28	50.0%
Central Falls	144	134	93.1%
Coventry	76	38	50.0%
Cranston	216	108	50.0%
East Providence	214	107	50.0%
Johnston	36	18	50.0%
Lincoln	18	9	50.0%
Middletown	36	18	50.0%
Newport	36	26	72.2%
North Kingstown	18	9	50.0%
North Providence	36	18	50.0%
Pawtucket	202	144	71.3%
Providence	710	610	85.9%
South Kingstown	18	17	94.4%
Warwick	144	72	50.0%
West Warwick	72	19	26.4%
Westerly	36	18	50.0%
Woonsocket	296	228	77.0%
Total	2,364	1,621	68.6%

Article 10 of the FY2023 Budget as Enacted required the Department of Education (RIDE), the Department of Human Services, and the Children’s Cabinet to develop the [Rhode Island Pre-K expansion plan](#) to expand the Pre-K program to 5,000 seats over five years beginning in FY2024, including children ages three and four.

- High-Cost Special Education:** This fund reimburses districts for instructional and related services provided to a student pursuant to an Individual Education Plan (IEP). The State reimburses costs that exceed four times the combined core instruction and student success factor funding (currently \$69,076 for FY2025). The FY2024 Budget as Enacted lowered this threshold from five times. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at \$15.0 million in FY2025, consistent with the FY2024 Budget as Enacted and \$7.0 million less the \$22.0 million in eligible reimbursements.
- Career and Technical Schools:** This fund 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 at career and technical schools. The Budget level funds this category at \$4.5 million in FY2025.
- English Learners:** When established through Article 11 of the FY2017 Budget as Enacted, the English Learners (EL) categorical fund provided a 10.0 percent weight and was often not fully funded to meet the qualified reimbursements. The FY2024 Budget as Enacted increased the weight to 15.0 percent and eliminated the ratable reduction clause, requiring the category to be fully funded; consequently, the fund currently provides additional aid of 15.0 percent of the per-pupil core instruction amount for each qualified EL student multiplied by the state share ratio. The WIDA (World-Class Instructional Design and Assessment) Kindergarten-MODEL and the WIDA Screener 1-12 grade are used to identify EL students. The WIDA ACCESS (Assessing Comprehension and Communication in English State to

State) is used for monitoring and growth in grade K-12. WIDA is a consortium of state departments of education that developed the ACCESS test that is administered annually to English Learners to monitor the student’s language development. The models classify student into six proficiency categories. The categorical aid is used for the three lowest categories: entering, emerging, and developing.

The current law formula is provided below.

$(\text{Per-pupil core instruction amount} \times \text{number of EL students}) \times 15.0 \text{ percent} \times \text{state share ratio} = \text{additional state support per EL student}$

The Governor recommends increasing the weight from 15.0 percent to 25.0 percent of the core amount. The Budget provides \$36.1 million in FY2025 to fully fund this category with a core amount of \$12,335 and a 25.0 percent weight, an increase of \$16.6 million relative to the previous fiscal year. Under current law, with a core amount of \$12,617 and a 15.0 percent weight, the increase would be \$2.7 million relative to the FY2024 Budget as Enacted, \$13.9 million less than the Governor’s recommendation for EL.

The funds are restricted to providing new services to EL students and must be managed in accordance with requirements enumerated by the Commissioner. The Department is required to collect performance reports and approve the use of funds prior to expenditure to ensure the funded activities align to innovative and expansive activities. As mentioned only qualified expense will be reimbursed., according to a letter from the Department to district Superintendents, dated June 23, 2023, the funds may not be used for activities the district is currently funding from other sources. In addition, the Department “must ensure the funds are used to (Source: House Bill 7171):

1. Increase the number of new bilingual classrooms and programs;
2. Increase capacity of multilingual educators and English to Speakers of Other Language (ESOL) certified teachers;
3. Provide continuous training to retain multilingual and ESOL certified teachers;
4. Increase the knowledge and capacity of building administrators about MLL students to better support them;
5. Provide training for general education teachers to become certified in ESOL; and
6. Provide training for instructional coaches and personnel supporting differently-abled students to serve multilingual students.”

Analyst Note: “House Bill 7171” refers to the Governor’s FY2021 Recommended Budget. This is the year that the State shut down due to COVID-19 and this bill language was never passed into law. This language is not in the Department’s current regulations, nor is it posted publicly on the website.

Article 8 of the FY2024 Budget as Enacted requires the Department to report, as part of the FY2025 budget submission, the number of EL students whose family income is at or below 185 percent of federal poverty guidelines and segment the populations by proficiency. In addition, the Department is required to prepare an expense report for EL education and recommend a funding solution. While the full report is available upon request, the report noted that 79.0 percent of the multilingual learner students (MLL) are enrolled in Central Falls, Providence, Pawtucket, and Woonsocket schools and the charter schools that draw from these districts. In addition, approximately 80.0 percent of the enrolled MLL students qualify for free or reduced lunch. The “recommended changes (to categorical aid) are:

- Increase weight from 15% to 25% of core expenses for the three lowest proficiency categories, approximately 80% of the students.

- Entering -Emerging -Developing
- Add a 15% weight to the next three proficiency categories (there are six in total).
 - Expanding -Bridging -Reaching English Proficiency
- Add 15% weight for the first two years after exiting the MLL program.
 - Monitoring
- All MLL students are included in the weight allocation, including those that may be included in other formula categories such as the student success factor and special education.”
- **Regionalization Bonus:** This fund provides a bonus to regionalized districts and those that may regionalize in the future. In the first year, the bonus is 2.0 percent of the State’s share of the total foundation aid. In the second year, the bonus is 1.0 percent of the State’s share and in the third year the bonus phases out. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. This category has not been funded since FY2014, as no new regional districts have been formed.

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

FY2025 Education Aid - Governor Recommendation ¹

District	FY2024 Enacted (excludes group home and categoricals)	FY2025 Formula Change	Enrollment Transition Fund	Poverty Loss Stabilization Fund	Transportation	High-cost Special Education (>\$66,506)	Group Home Aid ²	English Learners	Stabilization Funding	FY2025 Aid
Barrington	\$10,346,999	\$768,774	\$154,164	\$0	\$211,913	\$313,877	\$0	\$34,701	\$0	\$11,830,429
Burrillville	12,904,573	86,823	336,714	0	30,041	316,114	-	16,017	-	13,690,282
Charlestown	1,347,679	125,905	35,546	-	-	-	-	-	-	1,509,130
Coventry	25,200,762	762,113	558,694	-	51,892	553,261	72,272	19,915	-	27,218,909
Cranston	71,840,320	2,046,442	958,854	-	788,882	796,634	-	1,358,247	-	77,789,379
Cumberland	24,039,982	1,450,991	-	-	20,358	169,908	-	195,393	-	25,876,633
East Greenwich	5,386,895	682,717	53,172	-	133,871	608,406	-	14,171	-	6,879,231
East Providence	35,844,734	1,131,554	-	-	-	866,634	456,376	278,867	-	38,578,164
Foster	1,127,337	17,806	18,524	22,333	13,442	68,219	-	2,394	-	1,270,055
Glocester	2,859,443	(58,590)	61,557	-	29,899	115,660	-	-	-	3,007,969
Hopkinton	6,263,725	325,112	72,383	-	-	-	-	-	-	6,661,220
Jamestown	319,561	(29,496)	12,664	16,322	-	349,446	-	124	-	668,621
Johnston	21,291,119	1,164,087	82,269	-	217,006	1,012,774	-	313,702	-	24,080,957
Lincoln	16,694,774	1,498,776	-	-	-	206,844	79,450	80,786	-	18,560,630
Little Compton	279,472	38,114	17,214	-	-	-	-	-	-	334,800
Middletown	6,842,405	(364,575)	192,178	284,579	-	249,161	-	74,778	-	7,278,526
Narragansett	1,983,316	(213,220)	101,263	125,723	-	194,571	-	820	-	2,192,472
Newport	14,077,237	(68,664)	632,466	-	-	58,746	73,873	469,427	-	15,243,086
New Shoreham	94,704	(22,381)	4,009	11,419	-	-	-	1,675	-	89,426
North Kingstown	11,142,827	1,763,091	212,171	-	-	139,556	-	56,154	-	13,313,800
North Providence	27,354,244	1,265,380	23,480	0	139,093	524,549	112,107	565,691	-	29,984,544
North Smithfield	7,343,688	437,198	46,957	-	44,530	80,819	-	15,396	-	7,968,588
Pawtucket	101,240,632	(818,996)	3,248,733	-	253,264	1,115,695	45,090	3,361,562	-	108,445,979
Portsmouth	2,597,715	164,510	92,792	-	-	364,203	273,470	4,518	-	3,497,207
Providence	262,261,735	(10,633,173)	11,387,904	-	600,029	1,310,651	128,830	17,511,435	-	282,567,412
Richmond	5,664,511	373,141	153,495	-	-	-	-	-	-	6,191,148
Scituate	3,410,780	(125,891)	83,520	109,096	37,086	98,000	-	1,343	-	3,613,934
Smithfield	8,703,479	817,816	74,677	-	52,818	121,099	70,325	21,682	-	9,861,896
South Kingstown	5,063,712	(200,024)	298,767	-	140,673	526,936	-	18,665	-	5,848,729
Tiverton	5,469,710	(227,186)	159,850	106,520	-	188,260	-	6,092	-	5,703,246
Warwick	42,784,774	546,743	1,049,386	-	40,108	1,529,968	253,481	175,194	-	46,379,655
Westerly	7,847,731	(174,200)	402,060	80,244	-	358,533	-	32,817	-	8,547,186
West Warwick	37,221,502	1,313,017	298,198	-	51,359	153,640	-	222,557	-	39,260,273
Woonsocket	80,001,773	(2,019,856)	1,954,010	-	13,308	815,177	-	2,158,141	-	82,922,553
Bristol-Warren ³	11,040,792	(737,378)	418,072	355,425	2,614,277	724,131	97,735	38,049	-	14,551,102
Exeter-West Greenwich ³	4,853,740	406,591	88,127	75,189	1,636,275	344,753	102,629	9,100	-	7,516,404
Chariho	-	-	-	-	3,180,528	251,724	-	12,134	-	3,444,386
Foster-Glocester ³	5,463,033	52,815	123,361	33,388	852,419	93,507	-	2,425	-	6,620,947
Central Falls	37,635,874	(2,070,524)	1,635,908	-	73,628	234,770	-	3,344,657	11,126,174	51,980,487
District Total	\$925,847,288	(\$524,639)	\$25,043,140	\$1,220,238	\$11,226,699	\$14,856,226	\$1,765,638	\$30,418,628	\$11,126,174	\$1,020,979,393
Charter School Total	153,888,559	17,328,745	-	-	-	143,774	-	5,309,090	-	176,670,169
Davies	9,945,832	279,352	-	-	-	-	-	67,777	7,261,117	17,554,078
Met School	8,597,594	93,195	-	-	-	-	-	178,651	2,050,244	10,919,684
Urban Collaborative	1,840,097	57,129	-	-	-	-	-	86,860	-	1,984,085
Youth Build Academy	1,892,543	425,399	-	-	-	-	-	26,321	-	2,344,263
Total	\$1,102,011,913	\$17,659,181	\$25,043,140	\$1,220,238	\$11,226,699	\$15,000,000	\$1,765,638	\$36,087,327	\$20,437,535	\$1,230,451,672

¹ Based on Oct 2023 enrollment updated for projected charter school growth.

² Based on final 12/30/2023 final report from the Department of Children, Youth and Families. In the FY2024 Revised Budget, a total of 9 beds were added relative to the enacted level, including 1 in East Providence, 7 in Providence, and 1 in Warwick.

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

Source: Rhode Island Department of Education

The following table shows the difference in education aid relative to the FY2023 Budget as Enacted.

FY2025 Governor Recommended Education Aid - Change to FY2024 Budget as Enacted²

Districts	FY2024 Enacted (includes group home and categoricals)	FY2025 Formula Change	Enrollment Transition Fund	Poverty Loss Stabilization Fund	Transportation	High-cost Special Education (>\$69,076)	Group Home ¹	English Learners	Stabilization Funding	Total Change	FY2025 Education Aid
Barrington	\$11,101,246	\$768,774	\$108,844	\$0	(\$78,801)	(\$91,319)	\$0	\$21,684	\$0	\$729,182	\$11,830,428
Burrillville	14,124,620	86,823	(49,733)	(395,365)	10,831	(95,205)	0	8,311	-	(434,339)	13,690,281
Charlestown	1,372,841	125,905	10,384	-	-	-	-	-	-	136,289	1,509,130
Coventry	26,376,051	762,113	(92,033)	-	3,666	164,091	(2,617)	7,638	-	842,858	27,218,909
Cranston	74,422,252	2,046,442	415,409	-	154,123	59,442	-	691,712	-	3,367,128	77,789,379
Cumberland	24,359,167	1,450,991	-	-	(15,184)	(37,188)	-	118,847	-	1,517,466	25,876,633
East Greenwich	6,085,015	682,717	28,599	-	22,462	50,899	-	9,540	-	794,217	6,879,232
East Providence	39,186,557	1,131,554	-	(1,757,349)	(3,004)	(99,370)	(1,696)	121,473	-	(608,392)	38,578,165
Foster	1,222,365	17,806	(11,115)	22,333	13,442	2,830	-	2,394	-	47,690	1,270,055
Glocester	2,890,505	(58,590)	61,557	-	29,899	84,598	-	-	-	117,464	3,007,969
Hopkinton	6,340,957	325,112	(4,849)	-	-	-	-	-	-	320,263	6,661,220
Jamestown	794,918	(29,496)	(2,387)	16,322	-	(110,618)	-	(118)	-	(126,297)	668,621
Johnston	22,428,574	1,164,087	(49,361)	-	50,003	320,424	-	167,070	-	1,652,223	24,080,958
Lincoln	17,721,522	1,498,776	-	(710,359)	-	5,011	(4,339)	50,018	-	839,107	18,560,629
Little Compton	362,326	38,114	(10,328)	(55,312)	-	-	-	-	-	(27,526)	334,800
Middletown	7,897,254	(364,575)	(56,262)	(327,599)	-	120,221	-	9,487	-	(618,728)	7,278,526
Narragansett	2,256,135	(213,220)	(32,745)	85,357	-	96,665	-	281	-	(63,663)	2,192,473
Newport	15,212,110	(68,664)	(109,164)	-	-	(3,905)	(2,627)	215,336	-	30,977	15,243,086
New Shoreham	151,991	(22,381)	(583)	(39,836)	-	-	-	234	-	(62,566)	89,425
North Kingstown	11,921,360	1,763,091	(28,552)	(348,269)	-	(22,923)	-	29,092	-	1,392,441	13,313,800
North Providence	29,046,056	1,265,380	(14,088)	(507,184)	(25,847)	(92,913)	(7,279)	320,419	-	938,488	29,984,543
North Smithfield	7,606,634	437,198	(28,174)	-	17,007	(71,738)	-	7,661	-	361,954	7,968,588
Pawtucket	107,174,138	(818,996)	9,237	-	9,643	590,186	(34,653)	1,516,423	-	1,271,841	108,445,979
Portsmouth	3,593,688	164,510	(17,376)	(233,090)	-	(11,489)	(2,480)	3,445	-	(96,481)	3,497,207
Providence	282,866,332	(10,633,173)	3,284,184	-	97,932	(645,252)	(9,529)	7,606,918	-	(298,920)	282,567,412
Richmond	5,770,526	373,141	47,481	-	-	-	-	-	-	420,622	6,191,148
Scituate	3,717,597	(125,891)	(19,381)	109,096	(35,048)	(32,952)	-	514	-	(103,663)	3,613,934
Smithfield	8,926,874	817,816	74,677	-	(9,526)	43,259	(3,237)	12,034	-	935,023	9,861,897
South Kingstown	5,923,005	(200,024)	33,413	-	34,991	44,693	-	12,652	-	(74,276)	5,848,729
Tiverton	6,961,353	(227,186)	27,891	(681,548)	-	(379,238)	-	1,973	-	(1,258,107)	5,703,246
Warwick	45,898,470	546,743	(34,896)	-	13,901	(139,071)	4,506	90,002	-	481,185	46,379,655
Westerly	8,781,097	(174,200)	(51,930)	80,244	-	(101,057)	-	13,031	-	(233,912)	8,547,185
West Warwick	37,983,651	1,313,017	(178,919)	-	3,435	23,598	-	115,492	-	1,276,622	39,260,273
Woonsocket	82,872,750	(2,019,856)	796,332	-	(18,365)	229,616	-	1,062,075	-	49,802	82,922,553
Bristol-Warren	14,619,453	(737,378)	4,597	181,203	265,693	203,058	(3,186)	17,664	-	(68,350)	14,551,103
Exeter-West Greenwich	7,269,662	406,591	(34,097)	19,059	(113,318)	(29,473)	(7,621)	5,601	-	246,742	7,516,404
Charlho	3,184,800	-	-	-	180,779	73,377	-	5,430	-	259,586	3,444,386
Foster-Glocester	6,659,257	52,815	31,465	33,388	(25,127)	(133,276)	-	2,425	-	(38,310)	6,620,947
Central Falls	51,643,349	(2,070,524)	984,205	-	12,509	10,790	-	1,400,159	-	337,138	51,980,487
District Total	\$1,006,726,616	(\$524,639)	\$5,092,301	(\$4,508,910)	\$596,096	\$25,771	(\$74,758)	\$13,646,917	\$0	\$14,252,778	\$1,020,979,395
Charter School Total	156,608,570	17,328,745	-	-	-	(25,771)	-	2,758,624	-	20,061,598	176,670,169
Davies	15,663,857	279,352	-	-	-	-	-	48,660	1,562,208	1,813,669	17,554,078
Met School	10,682,968	93,195	-	-	-	-	-	106,610	36,910	236,715	10,919,683
Urban Collaborative	1,864,703	57,129	-	-	-	-	-	62,254	-	119,383	1,984,086
Youth Build Academy	1,892,543	425,399	-	-	-	-	-	26,321	-	451,720	2,344,263
Total	\$1,193,439,258	\$17,659,181	\$5,092,301	(\$4,508,910)	\$596,096	\$0	(\$74,758)	\$16,649,387	\$1,599,118	\$36,935,865	\$1,230,451,674

¹ Based on final 12/30/2023 final report from the Department of Children, Youth and Families. In the FY2024 Revised Budget, a total of 9 beds were added relative to the enacted level, including 1 in East Providence, 7 in Providence, and 1 in Warwick

² Based on October 2023 adjusted for 2024-25 PSOC.

Source: Rhode Island Department of Education

SCHOOL CONSTRUCTION AID

In 1960, the school housing aid program was enacted by the General Assembly to guarantee adequate school facilities for all public-school children in the state, and to prevent the cost of constructing and repairing facilities from interfering with the effective operation of the schools. Applications for aid to support the construction and renovation of school buildings are submitted to and evaluated by the Rhode Island Department of Elementary and Secondary Education (RIDE). State aid is provided for approved projects based on a percentage of cost. The percentage provided by the State to the school district is determined based on a share ratio designed to measure a community's need. For FY2024, the minimum state share is 35.0 percent and the maximum is 96.4 percent for Central Falls; the state share for charter schools is 30.0 percent.

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

The 2011 General Assembly enacted legislation that required RIDE to develop recommendations for cost containment strategies in the school housing aid program. The following recommendations were submitted on March 22, 2012:

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

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

The Budget provides \$106.2 million, an increase of \$2.0 million over the FY2024 Budget as Enacted. While the entire amount is expected to be used for housing aid entitlements, any surplus will be deposited into the School Building Authority Capital Fund. Based on December 2023 projections, housing aid entitlements are projected to increase to \$111.1 million in FY2026, \$125.4 million in FY2027, and \$152.7 million in FY2028. In FY2024, \$104.2 million was appropriated to the foundation program; however, \$101.5 was spent leaving \$2.7 million to be transferred to the Capital Fund in the FY2024 Revised Budget.

School Building Authority Capital Fund: Article 9 of the FY2016 Budget as Enacted designated the Department of Elementary and Secondary Education (Department) as the State's School Building Authority (SBA) and charged the Department with implementing a system of state funding for school facilities, managing the school housing aid program, and developing a project priority system. The Authority oversees two distinct funding mechanisms for school facilities: the Foundation Program, as enumerated in RIGL 16-7-35 through 16-7-47, and the School Building Authority Capital Fund (Capital Fund), as created through the article. The FY2016 Budget added 1.0 FTE position to the Department for a new construction manager to assist in developing procedures for the proposed Capital Fund. In FY2016, the Department received a

one-time, pass-through appropriation of \$20.0 million in new general revenue to capitalize the Capital Fund, which is held in trust and administered by the Rhode Island Health and Education Building Corporation (RIHEBC).

The FY2019 Budget as Enacted required the SBA to provide technical assistance and guidance to school districts on the necessity of school construction application process; and provided that for FY2019 and FY2020 the amount transferred from the Foundation Program was to be used for this purpose. According to the SBA, each of the 38 LEA's that requested technical assistance in FY 2019 and FY 2020 were provided with an award for a total of \$3.7 million.

	Transfers to the Capital Fund		
	Foundation Program	Other General Revenue	Total
FY2016 Actual	\$0.0	\$20.0	\$20.0
FY2017 Actual	11.0	-	11.0
FY2018 Actual	10.9	-	10.9
FY2019 Actual	14.7	-	14.7
FY2020 Actual	1.0	-	1.0
FY2021 Actual	1.0	-	1.0
FY2022 Actual	9.0	-	9.0
FY2023 Projected	3.8	50.0	53.8
Total	\$51.4	\$70.0	\$79.5

Source: Budget databases. \$ in millions

In FY2022, the Budget as Enacted provided \$590,814 in general revenue from the surplus construction aid to the Capital Fund; however, the revised budget provided a total of \$9.0 million in surplus funds. The increase was due to construction delays, caused by the COVID-19 pandemic, and bond refinancing. Several communities refinanced to take advantage of the low interest rates, saving a total of \$8.5 million in total debt service payments that was shared between the municipalities and the State.

In FY2023, in addition to the \$250.0 million school building bond referendum in Article 5, the FY2023 Budget as Enacted provided \$50.0 million in general revenue to the School Building Authority to address high-priority projects including upgrades to lighting, heating, and ventilation systems to create facility equity among Rhode Island students.

In FY2024, \$104.2 million was appropriated to the foundation program; however, \$101.5 was spent leaving \$2.7 million to be transferred to the Capital Fund in the FY2024 Revised Budget. Of these funds \$1.7 million be used for the [Get the Foam Out!](#) program and \$995,610 will go toward the [WELL Initiative](#).

School Construction Services (restricted receipts): Through Article 9, the FY2019 Budget as Enacted shifted the 3.0 FTE positions responsible for the administration of the school construction program from general revenue to a new school construction services restricted receipt account, and added 1.0 FTE Director of School Construction Services.

The restricted receipt account, named "School Construction Services", is funded by the Rhode Island Health and Education Building Corporation (RIHEBC) from the School Building Authority Capital Fund, fees generated from the origination of municipal bonds and other financing vehicles used for school construction, and its own reserves. There is no limit on the amount or type of expenses that will be funded; however, Article 9 limited the fee that RIHEBC can impose on cities, towns and districts to one tenth of one percent (0.001) of the principal amount of the bond. The shortfall between the revenue and the transfer is funded from RIHEBC reserves. In addition to the transfers to the SBA, since 2006, RIHEBC has transferred \$14.3 million to the state general fund, including \$6.0 million in FY2018.

	School Construction Services		
	RIHEBC Bond Fee Revenue	Transferred to SBA	Difference
FY2019 Actual	\$681,447	(\$737,735)	(\$56,288)
FY2020 Actual	71,840	(770,946)	(699,106)
FY2021 Actual	303,180	(677,945)	(374,765)
FY2022 Actual	222,990	(257,613)	(34,623)
FY2023 Actual	85,000	(255,752)	(170,752)
FY2024 Projected	258,185	(265,500)	(7,315)
Total	\$1,622,642	(\$2,965,491)	(\$1,342,849)

Source: RIHEBC February 16, 2024.

The FY2025 Budget provides \$999,759 in total funding, including \$696,987 in general revenue and \$302,772 in restricted receipts, a total increase of \$3,903 over the FY2024 Budget as Enacted. The FY2024 Revised Budget provides \$992,388 in total funding, including \$691,021 in general revenue and \$301,367 in restricted receipts from RIHBC, a net decrease of \$3,468 from the enacted. In FY2023 2.0 new positions

and increased contracted services cost were added to manage the increased volume of applications related to the bond initiative.

Facility Equity Initiative Pilot Program: At the January 11, 2022, meeting, the Council on Elementary and Secondary Education approved funding for the Facility Equity Initiative pilot program to provide pay-go funding for high priority projects in school districts with reimbursement rates over 65.0 percent, including Central Falls, Pawtucket, Providence, West Warwick, and Woonsocket. This project would focus on high priority projects to improve the health and safety of students and promote equity across the State. The new Capital Fund will provide up-front funding instead of increasing the school construction allocation in the annual budget and reduce costs by eliminating interest payments on the funded projects.

The projects approved by the Council for FY2022 are supported with the \$9.0 million, from construction delays and bond refinancing, plus an additional \$3.0 million from prior year surpluses, and \$1.5 million in support from the Office of Energy Resources (OER) fund to the Facility Equity Initiative pilot program. The funding was distributed, in partnership with OER and the Division of Equity, Diversity, Inclusion (DEDI). After evaluating 53 applications from 5 LEAs, the funds were awarded to 5 districts on a priority basis designed to have the greatest impact on facility gaps between districts.

FY2022 SBA Capital Fund Facility Equity Initiative Pilot Program	
Central Falls	\$3.6
Pawtucket	4.4
Providence	4.5
West Warwick	0.5
Woonsocket	0.5
Total	\$13.4

While this program was only a pilot, with the approval of the \$250.0 million school construction bond in November 2022, Article 10 of the FY2023 Budget provided that \$50.0 million be transferred to the School Building Authority Capital Fund to address high-priority projects including upgrades to lighting, heating, and ventilation systems to create facility equity among Rhode Island students. The SBA expanded the pilot program to include the ten LEAs with a base reimbursement rate over 45.0 percent, thus doubling the number of eligible schools.

Of the \$50.0 million appropriated in FY2023, \$49.1 million was distributed as follows:

- \$26.0 million funded the Facility Equity Initiative, an additional \$4.0 million was contributed by the Office of Energy Resources.
- \$14.0 million (plus \$1.0 million from the career and technology school fund) was distributed through the 21st Century Technology and Equipment Funds to provide LEAs funds to ensure that learning spaces are equipped with technology, furniture, and equipment that support science technology, engineering, and math project-based learning.
- \$7.5 million was used for the Inside Out program to provide outdoor classrooms.
- \$1.6 million was awarded through the Menu for Success program providing students with the opportunity to design and operate food trucks.
- \$850,000 is being used toward the new W.E.L.L. Initiative to meet the holistic needs of student in the wake of the pandemic. Local education agencies will be eligible for up to \$150,000 depending on enrollment. LEAs will be provided with \$5,000 to conduct professional development to support the award. Additional funding for this initiative includes \$1.6 million in federal ESSER II funds and \$500,000 in Opioid Settlement funding.

FY2023 SBA Capital Fund Facility Equity Initiative Program	
Burrillville	\$0.3
Central Falls	4.2
Coventry	3.2
Cranston	1.9
East Providence	2.2
North Providence	2.8
Pawtucket	2.8
Providence	9.3
West Warwick	0.6
Woonsocket	2.9
Total	\$30.2