

COMMENTS ABOUT THE EQUITY OF THE RI EDUCATION FUNDING FORMULA
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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)