

# Elementary and Secondary Education

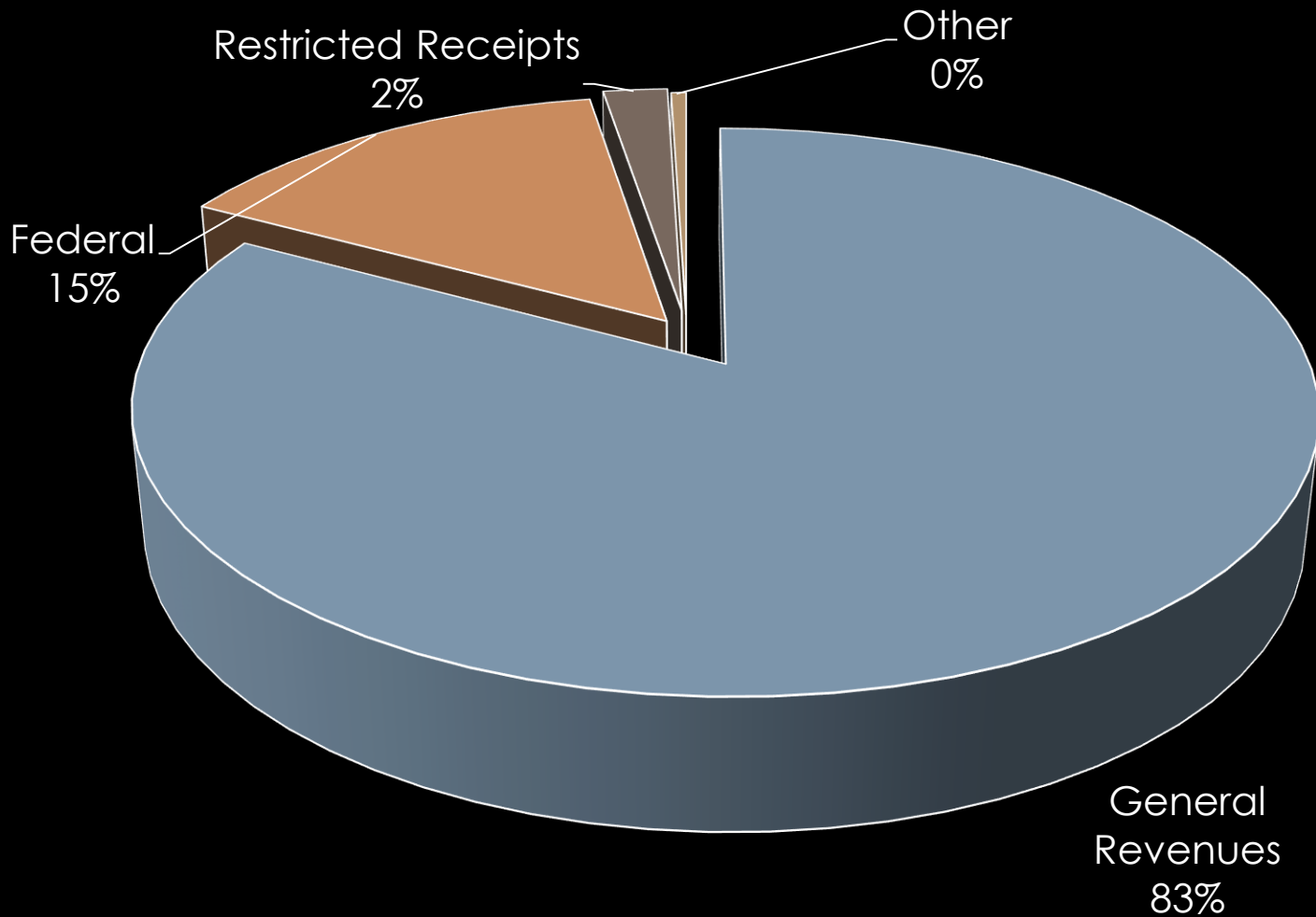
FY 2017 Revised and FY 2018  
Operating and Capital  
Budgets  
Staff Presentation  
April 10, 2017

# Summary By Program

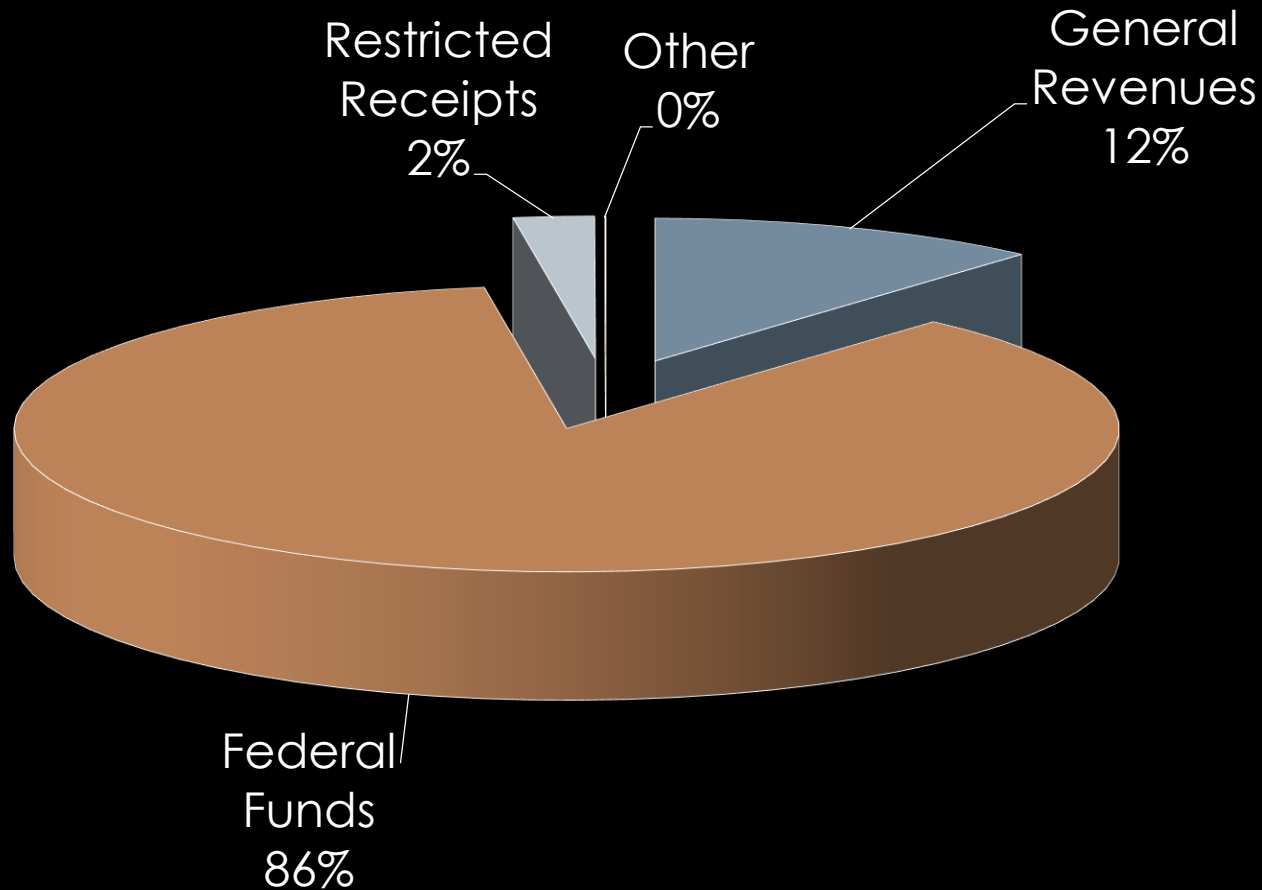
	FY 2017 Enacted	FY 2017 Gov. Rev.	FY 2018 Governor	FY 2018 Gov. Chg. to Enacted
Aid Programs	\$1,114.3	\$1,117.2	\$1,163.6	\$49.3
Operations	232.2	233.6	227.4	(4.8)
School for the Deaf	7.4	7.4	7.5	0.0
<b>Total</b>	<b>\$1,354.0</b>	<b>\$1,358.1</b>	<b>\$1,398.5</b>	<b>\$44.5</b>

*(In millions)*

# FY 2018 Department by Source



# FY 2018 Admin & School for Deaf



# Target Budget

- Budget Office provided a general revenue target of \$1,153.3 million
  - Current service adjustments of \$42.1 million
  - 8.0% reduction of \$1.6 million
- Constrained request is \$12.8 million above target
- Governor's budget is \$5.3 million above target

# Statewide Savings

- Assessment to salaries that funds workers' comp., unemployment & unused leave
  - Lowered from enacted based on experience
    - Savings of \$1.2 million in FY 2017
    - Savings of \$1.5 million in FY 2018
- Medical benefit cost growth
  - Lower than initial estimates
    - Savings of \$2.6 million in FY 2018
- Total impact to Department
  - \$49,969 in FY 2017; \$150,758 in FY 2018

# Full-Time Equivalent Positions

	FTEs	Chg. To Enacted
Enacted Authorization	325.1	-
FY 2017 Gov. Revised	325.1	-
FY 2018 Request	327.1	2.0
FY 2018 Governor	325.1	-
FY 2016 Average Filled	300.8	(24.3)
Filled as of April 1	299.8	(25.3)

# Cost Allocations of Governor's Office Staff

Agency	% Time	FY 2017 Cost	FY 2018 Cost
DOA (2)	50/50	\$150,236	\$154,585
EOC	50	54,950	98,617
DLT	100	71,384	-
EOHHS (2)	50/50	182,928	188,007
<b>RIDE</b>	<b>50</b>	<b>108,383</b>	<b>110,613</b>
OPC	50	53,472	55,003
DPS (2)	50/25	69,271	95,817
DOT	100	82,572	91,923
<b>Total</b>		<b>\$773,196</b>	<b>\$794,565</b>



# FY 2017 Rev. Changes - Aid Programs

- Current law updates:
  - Group Homes: \$68,000 more
    - 4 additional beds in Providence

# FY 2018 Major General Revenue Changes

Item	Change to Enacted
Funding Formula (incl. Central Falls & Met)	\$43.3
Davies Career and Tech	0.8
Categorical Funds	0.5
Group Home Aid	(0.7)
Teacher Retirement	1.6
New Department Initiatives	0.5
Administrative Personnel	0.3

*(In millions)*

# FY 2018 Education Aid

- Fully funds 7<sup>th</sup> year of funding formula
  - \$906.9 million including Central Falls and the Met
- Uses March 2016 student enrollment data adjusted for FY 2018 projected charter school enrollments
  - Department will provide March enrollment data in April
- 2010 Assembly adopted a funding formula effective for FY 2012

# FY 2018 Education Aid

- Funding formula includes
  - Core instruction amount per pupil
  - Single poverty weight as a proxy for student need
    - number of students eligible for free & reduced price lunch
  - State share ratio that considers the district's ability to generate revenues and its poverty concentration
    - Ranges from 7.6% to 94.1%

# FY 2018 Education Aid

<b>FY 2018</b>	<b>Not Eligible for FRPL</b>	<b>Eligible for FRPL</b>
Core instruction amount	\$9,163	\$9,163
40% weight	-	3,665
<b>Per student amount</b>	<b>\$9,163</b>	<b>\$12,828</b>

- This is the basis for the rest of the calculation
- Core Instruction amount based on New England averages – updated annually

# FY 2018 Education Aid

- Charter & state schools subject to formula
  - State share ratio = that of sending district
  - Local share = local per pupil funding adjusted for the greater of 7% or districts unique costs
  - Currently 22 charter schools/ 2 state schools
    - 7.7% of total enrollment
  - Impacts to districts are different

# Central Falls

- Funded pursuant to funding formula
  - Was fully state supported prior to FY 2012
- \$39.4 million for FY 2018
  - \$0.3 million more than enacted
  - Includes \$6.8 million stabilization funding

# Metropolitan Career & Technical School

- Funded pursuant to funding formula
  - Local share of funding from districts that send students to the school
- \$9.3 million for FY 2018
  - Consistent with enacted
  - Includes \$0.8 million from stabilization funding
- Fully state supported prior to FY 2012
  - Similar to Central Falls w/ lump sum allocation
- Loss of \$0.6 million in local share from formula



# Davies Career & Technical School

- Four-year high school - students apply
- Funded pursuant to funding formula
  - State aid determined through funding formula
  - Local share of funding from districts that send students to the school
    - Flow into a restricted receipt account to partially offset the loss of state aid
- Fully state supported prior to FY 2012
- Loss of \$0.7 million from funding formula

# Davies Career & Technical School

	FY 2017 Enacted	FY 2017 Gov. Rev.	FY 2018 Governor	FY 2018 Gov. to Enacted
General Revenues	\$12.6	\$12.6	\$13.4	\$0.8
Federal Funds	1.4	1.5	1.4	(0.0)
Restricted Receipts	3.9	3.9	3.7	(0.2)
<b>Total (in millions)</b>	<b>\$17.9</b>	<b>\$18.0</b>	<b>\$18.5</b>	<b>\$0.5</b>
FTEs	126.0	126.0	126.0	-

- General revenue increase reflects stabilization funding
- 126.0 positions, staff are state employees

# Stabilization Funds

- Stabilization fund for state schools
  - Mitigate some of the losses in funding from the implementation of the funding formula
  - Recognizes additional costs associated with running a stand-alone school that offers both academic and career/tech education
  - \$3.8 million for FY 2018
    - \$3.0 million for Davies
    - \$0.8 million for Met School

# Categorical Funds

- State funding outside the base formula & subject to appropriation:
  - High-cost special education students
  - Career & technical programs
  - Early childhood education programs
  - Transportation
  - English language learners (FY 2017 only)
  - Charter School density aid (3 years only)
- Designed to fill gaps not resolved by formula

# Categorical Funds

- Categorical funding was anticipated to grow over 10 years
  - Level funded in Gov out-year projections
- Teacher retirement and school construction aid do not go through formula
  - State pays equal share (40%) for every district's teacher retirement costs regardless of salary base
    - Participation by charter schools vary – mayoral academies are exempt

# FY 2018 Categorical Funds

Categorical Funds	FY 2018 Governor	Change to Enacted
English Language Learners*	\$2,494,939	\$ -
School of Choice Density Aid	938,900	(553,325)
High Cost Special Ed	4,500,000	-
Career & Technical	4,500,000	-
Early Childhood	6,240,000	1,080,000
Transportation	6,351,360	-
<b>Total</b>	<b>\$25,025,199</b>	<b>\$526,675</b>

*\*Enacted for FY 2017 only*

# Article 18, English Language Learners

- Funding for evidence-based programs proven to increase outcomes
- Monitored by RIDE
- Based on criteria determined by Commissioner
  - Wide discretion
- Funding was enacted for FY 2017 only
  - Proposes to make funding category permanent

# Article 18, English Language Learners

- Calculation is 10% of core instruction amount, adjusted for state share ratio

<b>Example:</b>	<b>Calculation</b>
<u>10% of Core Instruction amount</u>	<u>10% x \$9,163</u>
	\$916
<u>x Number of Eligible Students</u>	<u>29</u>
	\$26,564
<u>x State Share Ratio</u>	<u>64.8%</u>
	<u>\$17,213</u>



# High Cost Special Education

- \$4.5 million; same as enacted level
- Excess costs related to high-cost special education students
  - Prorated to appropriation, based on costs
  - \$14.6 million of expenses; \$10.1 million more than categorical
- 2016 Assembly required data collection on costs exceeding 4X per pupil amount
  - Increases # students by 245 & reimbursements by \$10.2 million to \$24.8 million

# Career & Tech Education

- \$4.5 million
  - Same as enacted level
  - Help transform existing programs or create new programs; offset costs associated with facilities, equipment maintenance, repairs, and supplies
  - Prorated to appropriation, based on applications from public and state schools

# Early Childhood

- \$6.2 million
  - \$1.1 million more than enacted
  - Leverages \$6.0 million in federal funds
  - To increase access to voluntary, free, high quality pre-kindergarten programs
  - Distributed to pre-K sites selected through a request for proposals process

# Transportation

- \$6.4 million
  - Same as enacted level
  - Funding to mitigate excess costs of transporting pupils to out-of-district public schools & within regional districts

# Group Home Aid

- FY 2017 Revised
  - \$68,000 more for 4 additional beds
- FY 2018 Budget
  - \$4.1 million, \$0.7 million less than enacted
  - Based on 397 beds
  - Funding reflects impact of group home beds on enrollment for funding formula
- Group Home aid based on number of beds open as of December 31

# School Housing Aid

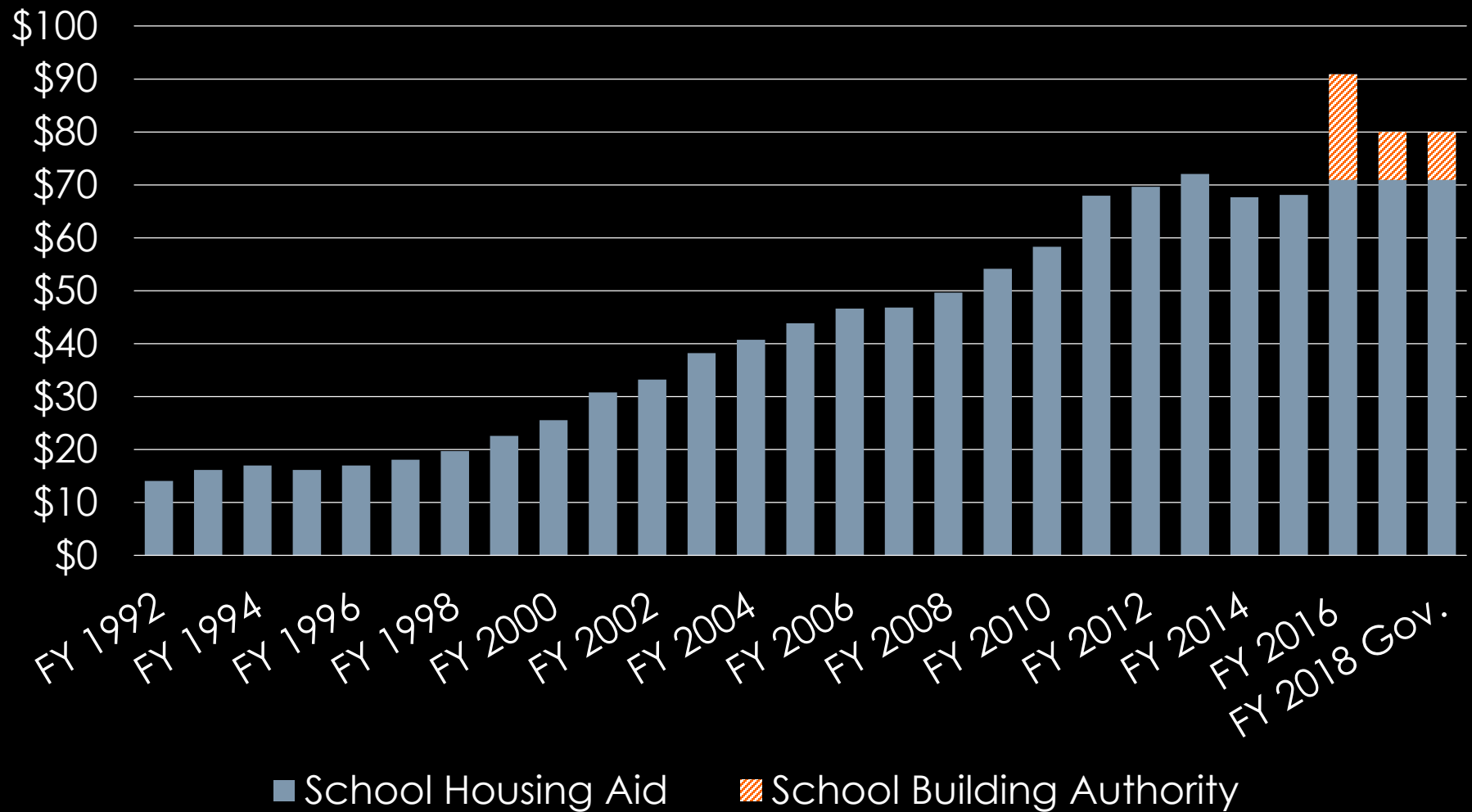
	Traditional School Housing Aid	School Building Authority	Total
FY 2015	\$68,100,072	N/A	\$68,100,072
FY 2016	\$70,907,110	20,000,000	\$90,907,110
FY 2017 Enacted	\$70,907,110	9,092,890	\$80,000,000
FY 2017 Gov. Rev.	\$70,907,110	9,092,890	\$80,000,000
FY 2018 Gov. Rec.	\$70,907,110	9,092,890	\$80,000,000
Change to Enacted	\$ -	-	\$ -

# Housing Aid Overview

- State reimburses cities and towns for a share of school capital projects
  - Includes principal and interest
- State shares based on district's wealth compared to aggregate state wealth
  - Minimum state share is 35%
    - 20 communities for FY 2017
  - Charter schools are at 30%
- Reimbursed starting the fiscal year after completion of project

# School Housing Aid

Historical Expenditures (in millions)



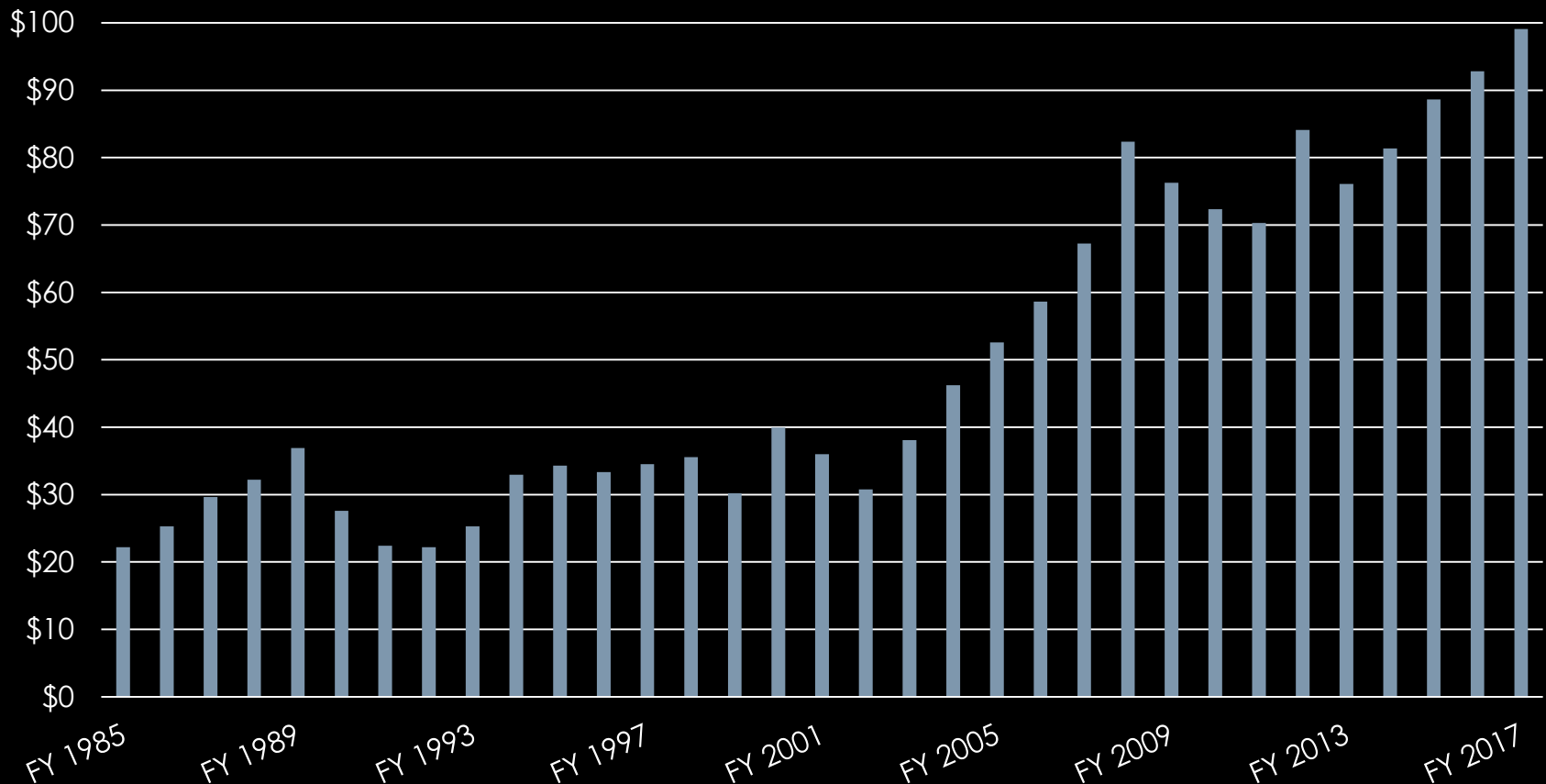


# Teacher Retirement

- \$100.7 million for FY 2018
  - \$1.6 million more than enacted
- State pays 40% share of employer contribution
  - Employers pay difference between teachers' share and amount needed to support system
- Teachers contribute 8.75% of salary
  - Set in General Laws

# Teacher Retirement

Teacher Retirement (in millions)



# Education Telecommunications Access Fund (E-Rate)

- Designed to provide financial assistance for qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet
- Supported by a \$0.26 monthly surcharge levied on each residence & business telephone line
- Technology upgrades and Race to the Top funded projects increased availability and usage of internet

# Education Telecommunications Access Fund (E-Rate)

(in millions)	Enacted	FY 2017 Rev.	FY 2018 Governor	Chg. To Enacted
General Revenues	\$0.4	\$0.4	\$0.4	\$-
Restricted Receipts	0.9	1.1	1.1	0.2
Total	\$1.3	\$1.5	\$1.5	\$0.2

# Kindergarten Entry Profile

- Governor recommends \$200,000 to continue the kindergarten entry profile survey initiative begun with RTTT funds
  - Districts can receive technical assistance and strategic planning support
  - To build capacity and sustainability for high-quality kindergarten curriculum and instruction

# Advanced Coursework Network

- Governor recommends \$550,000
  - \$300,000 from permanent school funds
  - \$250,000 from general revenues
- 2016 Assembly provided \$0.6 million from permanent school funds for pilot
  - Middle and high school students can access courses through network members

# FY 2017 Initiatives

General revenue funding consistent with enacted

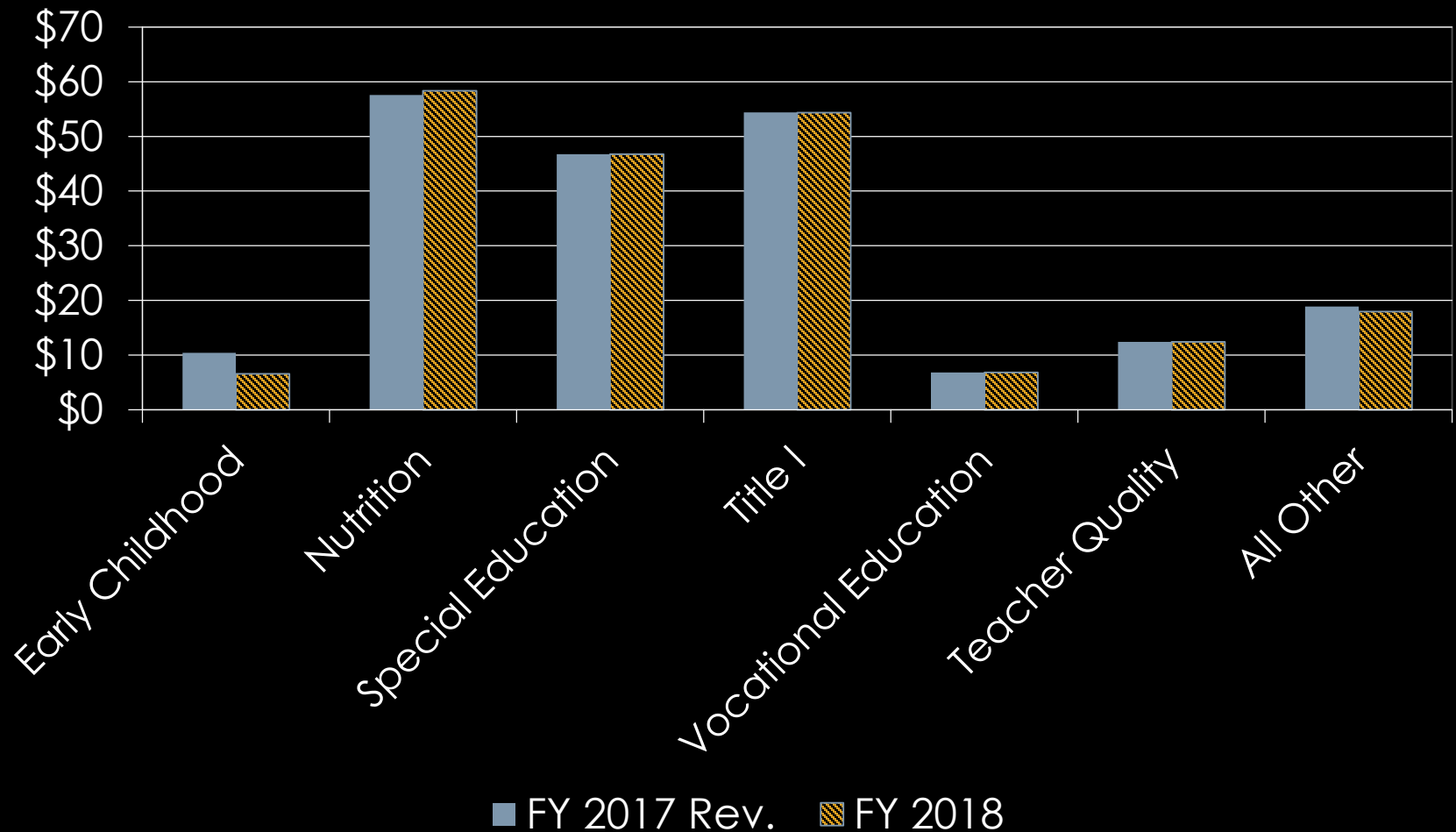
FY 2018 Governor Recommended Initiatives	General Revenues	Federal Funds
PSAT/SAT	\$500,000	\$133,600
Recovery High School	500,000	-
Principle Empowerment & Training	500,000	-
Computer Science for Rhode Island	260,000	-
<b>Total</b>	<b>\$1,760,000</b>	<b>\$133,600</b>

# Federal Funds

- \$203.5 million for FY 2018
  - \$169.0 million passed through to local districts
    - \$50.5 million for Title I
    - \$31.4 million for National School Lunch
  - \$15.4 million for grants awarded by Departments
  - \$19.1 million for all other expenses, including contracted services and personnel



# Federal Grants - In Millions



# Administrative Personnel

- \$18.4 million for FY 2018 for 139.1 FTEs
  - \$0.7 million less than enacted; \$0.3 million more from general revenues
  - Restores turnover equivalent to 2.0 FTEs
- FY 2017 revised recommendation is \$0.8 million less than enacted
  - \$0.1 million more from general revenues
    - Benefit rate changes
    - Statewide Savings
    - Restores turnover equivalent to 0.3 FTE

# School for the Deaf

- Purpose: furnish the state's deaf children a system of free appropriate public education and serve as a resource to school districts with deaf or hard of hearing children
- School for the Deaf is not funded through funding formula
  - State supports core program
  - Sending districts billed for services that fall outside the core program

# School for the Deaf

	FY 2017 Enacted	FY 2017 Gov. Rev.	FY 2018 Governor	Gov. Chg. To Enacted
General Revenues	\$6.3	\$6.3	\$6.4	\$0.0
Federal Funds	0.3	0.3	0.3	0.0
Restricted Receipts	0.8	0.8	0.8	-
Other Funds	0.1	0.1	0.1	-
<b>Total (in millions)</b>	<b>\$7.4</b>	<b>\$7.4</b>	<b>\$7.5</b>	<b>\$0.0</b>
FTEs	60.0	60.0	60.0	-

- 72 students
  - 66 from Rhode Island
  - 6 from out of state – tuition charged

# Rhode Island Capital Plan Funds

Project	Total Cost	Start Date	End Date
Warwick CTE	\$3.1	FY 2013	FY 2017
Woonsocket CTE	3.2	FY 2013	FY 2017
Davies Manufacturing	3.7	FY 2018	FY 2018
Davies HVAC	5.1	FY 2006	FY 2018
Davies Asset Protection	2.6	Perpetual	
Met HVAC	6.2	FY 2011	FY 2017
Met Asset Protection	1.8	Perpetual	
<b>Total</b>	<b>\$25.7</b>		

*(In millions)*

# Other

- Hasbro Children's Hospital
  - \$90,000 to support hospital school
  - Consistent with enacted budget
- Child Opportunity Zones (COZ)
  - Strengthen education, health and social services for students and their families as a strategy to accelerate student achievement
  - \$245,000; consistent with enacted budget
- Formerly community service grants

# Annual Reporting Requirements

- 2013 Assembly enacted legislation requiring OMB to prepare, review & inventory all reports filed with Assembly
- Report to be presented to Assembly as part of budget submission annually
- Department is required to submit 5 reports

# Annual Reporting Requirements

Report	Date	Submitted/filed
Contingency Liabilities	Quarterly	Yes
Pending Litigation Report	Quarterly	Yes
State of Education	March 31	Yes
Career & Technical Education	Annually	Yes
Unified Approach to State Education Study	Once on July 1, 2017	On Time



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