

## 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). Beginning in FY2025, the formula was amended to provide additional support for English Learners. The formula also adjusts for local revenue generating capacity and overall poverty level, as well as the concentration of children living in poverty.

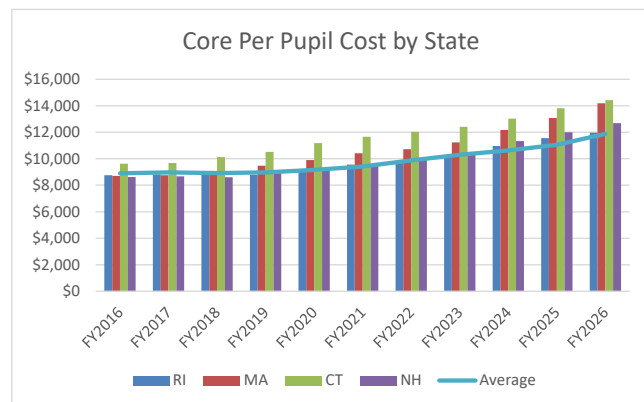
The Act included a multi-year transition plan to ease districts into the new formula, allowing time for school districts and municipal governments to adjust for gains or losses in education aid. The plan provided a transition period of ten years from the formula implementation in FY2012 for those districts 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 FY2026, the formula aid to the districts, charter schools, and state schools increases by \$46.1 million to fully fund the formula, partially offset by a decrease of \$9.2 million in Enrollment Transition funding and an increase of \$3.5 million in the Poverty Loss Stabilization Fund. An additional increase of \$2.3 million is provided through categorical aid, including stabilization funding for Central Falls, Davies, and the Met.

### 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 October 2024, adjusted for projected charter and state 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 FY2026 Budget, the core-instructional amount is \$13,322, an increase of \$705 or 5.6 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 \$5,728 ( $\$13,322 \times 0.40 = \$5,728$ ) for each student whose family income is at or below one hundred eighty-five percent (185%) of federal poverty guidelines. Article 7 of the Governor's recommended FY2026 Budget would increase the student success factor weight from 40.0 percent to 43.0 percent, an additional \$400 per student, for those districts with a pre-kindergarten through

6th grade poverty density at or above 60.0 percent. This is the poverty density indicator used in calculating the state share ratio for a district. The amendment impacts five districts in FY2026: Central Falls, Newport, Pawtucket, Providence, and Woonsocket, as well as those charter and state schools with students from these districts.

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.

Article 7 Fiscal Impact	
District	3.0% Additional SSF
Central Falls	\$544,152
Newport	200,801
Pawtucket	1,443,255
Providence	4,278,415
Woonsocket	1,404,602
<b>District Total</b>	<b>\$7,871,225</b>
Charter Schools	2,519,512
Davies	82,207
Met School	127,731
Nowell Academy	41,297
Urban Collaborative	42,687
Youth Build Academy	34,041
<b>Total</b>	<b>\$10,718,700</b>

**Step 4: Multilingual Learner Factor (20.0 percent):** Article 8 of the FY2025 Budget as Enacted shifts English Learners (EL) categorical aid into the funding formula, changes the name to Multilingual Learner (MLL), and increases the weight from 15.0 percent to 20.0 percent. The weight still applies to the three lowest proficiency categories as identified through the World-class Instructional Design and Assessment (WIDA) assessments tool. Local education agencies (LEAs) are required to report annually by September 1 to the Department of Elementary and Secondary Education outlining the planned and prior use of the MLL funds to provide services to MLL students as required by the Commissioner of Elementary and Secondary Education. While the funds are no longer distributed on a reimbursement basis, the Department is required to ensure consistency with best practices.

**Step 5 - 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.

$$\text{Total Foundation Budget} = (\$13,322 \times \text{RADM}) + (0.4 \times \$13,322 \times \text{students in poverty}) + (0.2 \times \$13,322 \times \text{MLL students})$$

Pursuant to Article 7, for those districts with a pre-kindergarten through 6th grade poverty density at or above 60.0 percent, the student in poverty would be calculated as  $(0.43 \times \$13,322 \times \text{students in poverty})$ .

**Step 6 - 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 FY2025, this adjustment impacts Pawtucket, Providence, West Warwick, Woonsocket, 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.

*Analyst Note: Beginning with the FY2027 education aid calculation, the community property values may no longer contain motor vehicle values since FY2023 is the last year vehicles can be taxed. It has yet to be determined if a motor vehicle value will be used in the assessed community property value. Another adjustment will occur for the FY2028 aid calculation due to the tangible property tax exemption enacted in the FY2024 Budget as Enacted.*

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 7 - 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.

Article 8 of the FY2024 Budget as Enacted promulgated RIGL 16-7.2-3(f)(3) requiring the Department to report and compare local contributions to education aid and to report compliance to each school committee and city or town council. Based on information provided by the Department, in FY2023 four districts did not fund the full local share: Central Falls, Pawtucket, Providence, and Woonsocket.

**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 FY2026.

FY2026 Education Aid Calculator - Governor Recommendation																					
Districts	PK-12 RADM	Direct Cert	A	B	X	MILL (prof 1-3)	Core Instruction Funding	Student Success Factor Poverty Concentration Adjustment	Student Success Factor Funding (F = 0.4*\$13,322 = \$5,329 or 0.43*\$13,322 = \$5,728)	MILL Funding (Y = 0.2*\$13,322 = \$2,664)	Total Foundation	PK6	P	W	I	State Share Ratio	State Adjusted RIGL 16-7.2-A(a)	State Share of Foundation Budget	FY2025 Enacted (excludes group home and categories)	Change in State Funding	
																					% Direct (1.6 factor)
Barrington	3,295	113	181	54	543,895,990	40.0%	\$963,447	\$143,878	\$45,003,315	7.1%	30.5%	22.1%	22.1%	59,965,262	\$1,418,578	13,485,997	13,485,997	13,485,997	13,485,997	13,485,997	13,485,997
Burrillville	2,011	268	429	12	26,790,542	40.0%	2,284,989	31,973	29,107,504	28.5%	59.0%	46.3%	46.3%	13,485,997	13,485,997	13,485,997	13,485,997	13,485,997	13,485,997	13,485,997	13,485,997
Charlestown	668	64	102	2	8,899,096	40.0%	545,669	5,329	9,450,094	21.7%	15.3%	15.3%	15.3%	1,514,709	1,514,709	1,514,709	1,514,709	1,514,709	1,514,709	1,514,709	1,514,709
Coxsack	4,072	571	914	24	54,247,484	40.0%	4,868,392	63,946	59,179,521	28.8%	61.1%	47.8%	47.8%	28,266,044	28,266,044	28,266,044	28,266,044	28,266,044	28,266,044	28,266,044	28,266,044
Granston	9,712	1,822	2,915	956	129,383,264	40.0%	15,534,518	2,547,166	147,464,948	39.4%	64.6%	53.5%	53.5%	78,900,776	77,102,194	77,102,194	77,102,194	77,102,194	77,102,194	77,102,194	77,102,194
Cumberland	4,819	401	642	229	64,198,718	40.0%	3,418,958	610,148	68,227,824	17.5%	55.9%	41.4%	41.4%	28,259,253	26,341,736	26,341,736	26,341,736	26,341,736	26,341,736	26,341,736	26,341,736
East Greenwich	2,488	116	186	35	33,145,136	40.0%	989,025	93,254	34,227,415	7.3%	17.2%	13.2%	13.2%	4,522,230	6,243,354	6,243,354	6,243,354	6,243,354	6,243,354	6,243,354	6,243,354
East Providence	4,989	1,077	1,723	244	66,463,458	40.0%	9,182,588	650,114	76,296,160	40.4%	59.9%	51.1%	51.1%	38,978,938	37,431,252	37,431,252	37,431,252	37,431,252	37,431,252	37,431,252	37,431,252
Foster	238	22	35	1	3,170,636	40.0%	187,574	2,664	3,360,874	21.9%	47.1%	36.7%	36.7%	1,234,411	1,178,178	1,178,178	1,178,178	1,178,178	1,178,178	1,178,178	1,178,178
Glocester	564	37	59	4	7,513,608	40.0%	315,465	10,658	7,839,731	12.4%	52.0%	37.8%	37.8%	2,963,460	2,902,861	2,902,861	2,902,861	2,902,861	2,902,861	2,902,861	2,902,861
Hopkinton	1,109	134	214	4	14,774,098	40.0%	1,142,495	10,658	15,927,250	26.3%	59.2%	45.8%	45.8%	7,295,593	6,709,736	6,709,736	6,709,736	6,709,736	6,709,736	6,709,736	6,709,736
Jamestown	555	17	27	1	7,393,710	40.0%	144,943	2,664	7,541,318	7.1%	5.0%	5.0%	5.0%	378,609	297,632	297,632	297,632	297,632	297,632	297,632	297,632
Johnston	3,346	633	1,013	256	44,575,412	40.0%	5,397,009	682,086	50,654,507	37.8%	56.0%	47.8%	47.8%	24,200,028	23,368,076	23,368,076	23,368,076	23,368,076	23,368,076	23,368,076	23,368,076
Lincoln	3,281	420	672	80	43,709,482	40.0%	3,580,954	213,152	47,503,388	25.0%	57.3%	44.2%	44.2%	20,999,299	18,481,613	18,481,613	18,481,613	18,481,613	18,481,613	18,481,613	18,481,613
Little Compton	263	13	21	4	3,503,686	40.0%	110,839	10,658	3,625,183	12.0%	8.5%	8.5%	8.5%	307,607	326,439	326,439	326,439	326,439	326,439	326,439	326,439
Middletown	1,888	250	400	149	25,151,936	40.0%	2,131,520	396,996	27,680,452	30.8%	7.9%	23.3%	23.3%	6,185,729	6,722,115	6,722,115	6,722,115	6,722,115	6,722,115	6,722,115	6,722,115
Narragansett	932	108	173	3	12,416,104	40.0%	920,817	7,993	13,344,914	18.5%	13.1%	13.1%	13.1%	1,745,712	1,757,494	1,757,494	1,757,494	1,757,494	1,757,494	1,757,494	1,757,494
Newport	1,723	655	1,048	319	22,953,806	43.0%	6,003,426	849,944	29,807,176	67.8%	47.9%	47.9%	47.9%	14,971,108	14,971,108	14,971,108	14,971,108	14,971,108	14,971,108	14,971,108	14,971,108
New Shoreham	126	4	6	10	1,678,572	40.0%	34,104	26,644	1,739,320	8.0%	5.7%	5.7%	5.7%	98,391	74,570	74,570	74,570	74,570	74,570	74,570	74,570
North Kingstown	3,570	476	762	59	47,559,540	40.0%	4,058,414	157,200	51,775,154	25.1%	23.5%	24.3%	24.3%	12,588,179	13,120,180	13,120,180	13,120,180	13,120,180	13,120,180	13,120,180	13,120,180
North Providence	3,424	666	1,066	339	45,614,528	40.0%	5,678,369	903,232	52,196,129	40.6%	70.1%	57.3%	57.3%	29,898,793	29,606,271	29,606,271	29,606,271	29,606,271	29,606,271	29,606,271	29,606,271
North Smithfield	1,636	126	202	38	21,794,792	40.0%	1,074,286	101,247	22,910,325	18.3%	54.5%	40.7%	40.7%	9,337,854	7,857,620	7,857,620	7,857,620	7,857,620	7,857,620	7,857,620	7,857,620
Pawtucket	7,737	2,703	4,325	1,622	103,072,314	43.0%	24,774,444	4,321,657	132,168,415	66.3%	83.5%	75.0%	75.0%	110,360,626	107,328,506	107,328,506	107,328,506	107,328,506	107,328,506	107,328,506	107,328,506
Portsmouth	2,012	164	262	29	26,803,864	40.0%	1,398,277	77,268	28,279,409	14.0%	9.9%	9.9%	9.9%	2,830,867	2,830,867	2,830,867	2,830,867	2,830,867	2,830,867	2,830,867	2,830,867
Providence	18,790	7,918	12,669	7,117	250,320,380	43.0%	72,572,714	18,965,535	341,855,629	84.0%	84.5%	84.3%	84.5%	288,868,006	284,752,093	284,752,093	284,752,093	284,752,093	284,752,093	284,752,093	284,752,093
Richmond	1,062	114	182	7	14,147,964	40.0%	971,973	18,651	15,138,588	21.9%	54.9%	41.8%	41.8%	6,327,151	6,228,750	6,228,750	6,228,750	6,228,750	6,228,750	6,228,750	6,228,750
Situate	1,170	75	120	5	15,586,740	40.0%	639,456	13,322	16,239,518	12.4%	35.3%	26.5%	26.5%	4,296,342	3,357,790	3,357,790	3,357,790	3,357,790	3,357,790	3,357,790	3,357,790
Smithfield	2,336	171	274	25	31,120,192	40.0%	1,457,960	66,610	32,644,762	15.1%	42.5%	31.9%	31.9%	10,411,223	9,812,560	9,812,560	9,812,560	9,812,560	9,812,560	9,812,560	9,812,560
South Kingstown	2,343	255	408	39	31,213,446	40.0%	2,174,150	103,912	33,491,508	21.3%	0.00	15.1%	15.1%	5,044,782	4,997,562	4,997,562	4,997,562	4,997,562	4,997,562	4,997,562	4,997,562
Thiverton	1,573	185	296	10	20,955,506	40.0%	1,577,325	26,644	22,559,475	22.9%	23.6%	23.3%	23.3%	5,245,672	5,361,007	5,361,007	5,361,007	5,361,007	5,361,007	5,361,007	5,361,007
Warwick	7,961	1,342	2,147	227	106,056,442	40.0%	11,441,999	604,819	118,103,260	34.2%	46.4%	40.8%	40.8%	48,137,765	44,822,207	44,822,207	44,822,207	44,822,207	44,822,207	44,822,207	44,822,207
Westerly	2,215	357	571	46	29,508,230	40.0%	3,043,811	122,562	32,674,603	35.5%	25.1%	25.1%	25.1%	8,202,074	7,912,662	7,912,662	7,912,662	7,912,662	7,912,662	7,912,662	7,912,662
West Warwick	3,515	932	1,491	147	46,826,830	40.0%	7,946,307	391,667	55,164,803	56.4%	75.7%	66.8%	66.8%	41,759,756	39,595,027	39,595,027	39,595,027	39,595,027	39,595,027	39,595,027	39,595,027
Woonsocket	5,458	2,457	3,931	1,012	72,711,476	43.0%	22,519,722	2,696,373	97,927,571	85.0%	89.4%	87.5%	87.5%	87,547,248	82,151,150	82,151,150	82,151,150	82,151,150	82,151,150	82,151,150	82,151,150
Bristol-Warren <sup>1</sup>	2,732	358	573	54	36,395,704		3,052,337	143,878	39,594,918					10,577,437	10,538,060	10,538,060	10,538,060	10,538,060	10,538,060	10,538,060	10,538,060
Exeter-West Greenwich <sup>2</sup>	1,533	114	182	12	20,422,826		971,973	31,973	21,426,572					7,144,314	5,395,150	5,395,150	5,395,150	5,395,150	5,395,150	5,395,150	5,395,150
Charlton																					
Foster-Glocester <sup>2</sup>	1,011	62	99	6	13,468,542		528,617	15,986	14,013,145					5,250,433	5,590,751	5,590,751	5,590,751	5,590,751	5,590,751	5,590,751	5,590,751
Central Falls	2,407	880	1,408	1,206	32,066,054	43.0%	8,065,672	3,213,266	43,344,992	72.3%	96.7%	85.4%	85.4%	41,914,637	42,508,401	42,508,401	42,508,401	42,508,401	42,508,401	42,508,401	42,508,401
<b>District Total</b>	<b>118,564</b>	<b>26,080</b>	<b>41,728</b>	<b>14,387</b>	<b>\$1,579,509,608</b>		<b>\$31,704,537</b>	<b>\$38,332,723</b>	<b>\$1,849,546,868</b>					<b>\$1,019,239,271</b>	<b>\$990,445,746</b>	<b>\$990,445,746</b>	<b>\$990,445,746</b>	<b>\$990,445,746</b>	<b>\$990,445,746</b>	<b>\$990,445,746</b>	<b>\$990,445,746</b>
Charter School Total	14,159	5,035	8,056	2,727	188,626,198		45,851,127	7,265,819	241,743,144					194,069,700	178,322,887	178,322,887	178,322,				

**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 FY2026, the Governor’s recommended budget provides \$201.0 million in funding formula aid to charter schools, an increase of \$16.1 million or 8.7 percent. This increase is primarily driven by enrollment. In FY2025, charter school enrollment increases by 442 students, or 3.1 percent, relative to the FY2025 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 per-pupil amount is then reduced by the greater of:

1. 7.0 percent of the district’s per-pupil funding, or
2. The district’s per-pupil cost of certain, unique expenditures, such as 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, minus the average charter school per-pupil cost for these items, as reported in the uniform chart of accounts.

If a district triggers option 2, then there is an additional reduction for tuition payments to mayoral academies where teachers do not participate in the state teacher’s retirement system equal to the per-pupil cost of the unfunded liability for the preceding year.

There is a two-year lag in the data such that FY2026 tuition rates are based on FY2024 contributions and expenditures. The local tuition rate reductions pursuant to RIGL 16-7.2-5(c) were not available in time for the publication of this report.

To address “the budgetary uncertainty that current law creates for local districts, charter schools, and mayoral academies”, Article 7 caps the reduction in local tuition to charter schools and mayoral academies at 14.0 percent, beginning in FY2026. For illustrative purposes, the table to the right shows additional costs for districts had the cap been in place in FY2025. FY2026 costs to districts from the proposal are unknown at this time.

The following table shows the districts that have triggered the Option 2 reduction in the last five years, as well as the FY2025 charter and state school enrollment for these districts and the average tuition reduction over the five-year period.

**Article 7 - Local Tuition Reduction  
Capped at 14.0 Percent  
(Based on FY2025 Data)**

<b>District</b>	<b>Local Tuition Costs</b>
Jamestown	\$26,760
Johnston	-
Woonsocket	737,504
Bristol-Warren	-
Exeter-West Greenwich	-
Foster-Glocester	-
Central Falls	857,945
<b>District Total</b>	<b>\$1,622,208</b>

Districts	FY2025 Enrollment		FY2021 through FY2025		
	Charter and State Schools	Mayoral Academy	Number of Times Triggered Option 2	Average Charter and State School Tuition Reduction	Average Mayoral Academy Tuition Reduction
Jamestown	12		5	-15.9%	
Johnston	81		4	-11.5%	
Newport	31		3	-9.3%	
North Providence <sup>1</sup>	127	133	1	-10.8%	-10.8%
Pawtucket <sup>1</sup>	1,382	1,064	1	-8.9%	-34.8%
Woonsocket <sup>1</sup>	332	518	3	-17.1%	-51.9%
Bristol-Warren	29		3	-10.8%	
Exeter-West Greenwich	57		3	-8.4%	
Foster-Glocester	2		5	-14.5%	
Central Falls <sup>1</sup>	1,065	682	2	-13.1%	-32.5%

<sup>1</sup> District is currently within the catchment area of a mayoral academy.

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 receive \$26,000 per bed. The FY2026 Budget includes \$1.9 million to fund group home beds. This is \$24,312 more than the FY2025 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 statute to reduce the average daily membership of a district by the number of

group home beds used in the group home aid calculation. Article 8 of the FY2025 Budget as Enacted amended the average daily membership calculation to exclude beds at the CRAFT program at Bradley Hospital from the decrease applied to Group Home beds pursuant to RIGL 16-7-22(1)(ii); consequently, these beds receive the per-pupil funding formula aid in addition to the \$22,000 per bed categorical aid.

Based on the final December 31, 2024, report from the Department of Children, Youth, and Families, the FY2025 Revised Budget increases by 18 beds and \$306,000.

District	FY2025 Enacted		Group Home Aid <sup>1</sup> FY2026			FY2025 Revised		
	Total Aid	Number of Beds	FY2026 Number of Beds	Net Change (bed amount - formula adjustment)		FY2026 Total Aid	Revised Total Aid	Change from Enacted
				Change in Number of Beds				
Coventry	\$70,815	8	8	-	(\$6,081)	\$64,734	\$70,815	\$0
East Providence <sup>2</sup>	611,557	36	35	(1)	(16,541)	595,016	611,557	-
Lincoln	78,157	8	8	-	(8,115)	70,042	78,157	-
Newport	72,064	9	7	(2)	(15,654)	56,410	72,064	-
North Providence	108,452	16	8	(8)	(57,920)	50,532	108,452	-
North Smithfield	-	-	4	4	37,672	37,672	68,000	68,000
Pawtucket	38,736	19	20	1	(10,205)	28,531	55,736	17,000
Portsmouth	272,726	18	30	12	181,884	454,610	476,726	204,000
Providence	109,622	57	58	1	(37,698)	71,924	126,622	17,000
Smithfield	69,601	6	5	(1)	(14,342)	55,259	69,601	-
Warwick	249,560	25	24	(1)	(24,005)	225,555	249,560	-
Bristol-Warren	96,083	10	10	-	1,709	97,792	96,083	-
Exeter-West Greenwich	101,477	9	9	-	(6,391)	95,086	101,477	-
<b>Total</b>	<b>\$1,878,849</b>	<b>221</b>	<b>226</b>	<b>5</b>	<b>\$24,312</b>	<b>\$1,903,161</b>	<b>\$2,184,850</b>	<b>\$306,000</b>

<sup>1</sup> Based on final 12/31/2024 report from the Department of Children, Youth and Families. In the FY2025 Revised Budget, a total of 18 beds were added relative to the enacted level, including 4 in North Smithfield, 1 in Pawtucket, 12 in Portsmouth, and 1 in Providence.

<sup>2</sup> Article 8 of the FY2025 Budget as Enacted eliminated the funding formula adjustment for group home beds associated with the CRAFT program at Bradley Hospital.

**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 FY2025 Budget moved English Learners into the 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 FY2026 Budget includes funding for all of the active categories, except the Regionalization Bonus. The total decrease in categorical aid is \$1.7 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 to districts that use the statewide transportation contract for transporting students to out-of-

Categorical	FY2026 Governor's Education Aid	
	Change from Enacted	Total Funding
Transportation	\$1.2	\$12.5
Early Childhood	(1.0)	28.9
High-Cost Special Education	-	15.0
Career & Tech. Schools	(2.0)	4.5
Regionalization Bonus	-	-
Group Home Aid	0.0	1.9
<b>Total</b>	<b>(\$1.7)</b>	<b>\$62.8</b>

\$ in millions

district, non-public schools within the resident district’s transportation region as defined by RIGL 16-21.1-2, 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 \$12.5 million in FY2026, an increase of \$1.2 million over the FY2025 Budget as Enacted.

**Early Childhood Education:** This fund is designed to increase access to voluntary, free, high-quality pre-kindergarten programs. The funds are 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-year 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 \$28.9 million in FY2026, a decrease of \$1.0 million in general revenue to align with program costs. According to the Department, \$25.9 million of the funding supports seats in schools, while \$3.0 million provides support for professional development, technical assistance, early childhood mental health supports, and program monitoring including Bright Stars. The \$1.0 million removed from the fund was previously used to support infant and toddler programs in the Department of Human Services. 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.

RI Pre-K Districts	FY2025 Pre-K Enrollment			
	Number of classrooms	Total seats	Low-Income seats	Percentage Low-Income
Bristol-Warren	3	56	28	50.0%
Central Falls	9	163	152	93.3%
Coventry	4	76	38	50.0%
Cranston	14	256	128	50.0%
Exeter-West Greenwich	1	20	10	50.0%
East Providence	11	214	107	50.0%
Johnston	3	54	27	50.0%
Lincoln	3	56	28	50.0%
Middletown	4	76	38	50.0%
Newport	2	36	18	50.0%
North Kingstown	1	18	9	50.0%
North Providence	3	54	27	50.0%
Pawtucket	15	282	201	71.3%
Portsmouth	1	20	10	50.0%
Providence	40	740	640	86.5%
Smithfield	2	38	19	50.0%
South Kingstown	1	18	18	100.0%
Warwick	7	126	63	50.0%
West Warwick	5	90	45	50.0%
Westerly	3	56	37	66.1%
Woonsocket	20	360	300	83.3%
<b>Statewide Total</b>	<b>152</b>	<b>2,809</b>	<b>1,943</b>	<b>69.2%</b>

Source: Rhode Island Department of Education

- **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 \$74,600 for FY2026). 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 FY2026, consistent with the FY2025 Budget as Enacted and \$15.6 million less than the \$30.6 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 funds this category at \$4.5 million in FY2026, a decrease of \$2.0 million from the FY2025 Budget as Enacted.



The FY2025 Budget as Enacted provided \$2.0 million to support new career and technical education programs, not currently offered in any school, that address high growth, high-wage careers. The funds are being distributed through a competitive process. The deadline to apply was February 28, 2025. The funding will be obligated by June 30, 2025. Program planning is expected to occur in FY2026 with the new programs opening in FY2027.

- **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.
- **English Learners/Multilingual Learners:** The FY2025 Budget as Enacted shifted the English Learners (EL) categorical aid into the funding formula, changed the name to Multilingual Learners (MLL), and increased the weight from 15.0 to 20.0 percent of the per-pupil core instruction amount for each qualified EL student multiplied by the state share ratio. When established through Article 11 of the FY2017 Budget as Enacted, the 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.

EL students are identified through the WIDA (World-Class Instructional Design and Assessment) Kindergarten-MODEL and the WIDA Screener 1-12 grade. 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 20.0 percent weight is applied to students in the three lowest categories: entering, emerging, and developing.

While included as part of the funding formula, the calculation used is provided below.

$(\text{Per-pupil core instruction amount} \times 20.0 \text{ percent}) \times \text{number of EL students} \times \text{state share ratio} =$   
additional state support per MLL student

While no longer distributed on a reimbursement basis, districts are required to report annually to the Department of Elementary and Secondary Education on the planned and prior year use of MLL funds to provide services in accordance with the requirements set forth by the Commission of Elementary and Secondary Education. The Department is responsible for reviewing the use of funds to ensure consistency with established best practices.

*Analyst Note: The Council on Elementary and Secondary Education approved updated MLL/EL regulations on February 26, 2025. Updates include extending the deadline for districts to meet the updated MLL/EL regulation requirements from FY2030 to FY203, clarifying professional learning requirements, encouraging the expansion of bilingual/dual language programs, and increasing family and student engagement. The deadline was extended in response to public feedback requesting more time, flexibility, and supports for the implementation of the regulations. The presentation to the Council regarding the new regulations can be found [here](#).*

Article 8 of the FY2024 Budget as Enacted required 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 was 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.”

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

**FY2026 Education Aid - Governor's Recommendation<sup>1</sup>**

District	FY2025 Enacted (excludes group home and categoricals)	FY2026 Formula Change	Enrollment Transition Fund	Poverty Loss Stabilization Fund	Transportation	High-cost Special Education (>\$74,600)	Group Home Aid <sup>2</sup>	Stabilization Funding	FY2026 Aid
Barrington	\$11,418,578	(\$1,453,316)	\$75,442	\$1,046,175	\$248,979	\$307,387	\$0	\$0	\$11,643,245
Burrillville	13,266,956	219,041	92,008	-	101,798	294,729	-	-	13,974,532
Charlestown	1,514,709	(64,666)	27,522	40,093	-	-	-	-	1,517,658
Coventry	26,569,935	1,696,108	349,912	-	10,669	517,917	64,734	-	29,209,275
Cranston	77,102,194	1,798,582	553,276	-	1,004,724	1,281,642	-	-	81,740,418
Cumberland	26,341,736	1,917,517	-	-	42,137	154,297	-	-	28,455,687
East Greenwich	6,243,354	(1,721,124)	36,132	1,015,657	118,752	538,203	-	-	6,230,974
East Providence	37,431,252	1,547,686	182,630	-	10,046	658,817	595,015	-	40,425,446
Foster	1,178,178	56,233	-	34,996	16,264	4,086	-	-	1,289,757
Glocester	2,902,861	60,599	32,927	78,913	40,906	58,813	-	-	3,175,019
Hopkinton	6,709,736	585,857	18,450	-	-	-	-	-	7,314,044
Jamestown	297,632	80,977	6,321	-	-	175,116	-	-	560,046
Johnston	23,368,076	831,953	-	407,149	255,166	577,693	-	-	25,440,036
Lincoln	18,481,613	2,517,687	-	-	-	241,669	70,042	-	21,311,011
Little Compton	326,439	(18,832)	8,421	5,127	-	283	-	-	321,438
Middletown	6,722,115	(536,385)	125,271	263,269	-	162,000	-	-	6,736,269
Narragansett	1,757,494	(11,783)	62,739	-	-	106,239	-	-	1,914,690
Newport	14,971,701	(681,593)	346,653	442,614	-	-	56,409	-	15,135,784
New Shoreham	74,570	23,821	1,044	-	-	-	-	-	99,435
North Kingstown	13,120,180	(532,001)	50,592	741,833	-	81,851	-	-	13,462,454
North Providence	29,606,271	292,521	245,245	-	202,936	509,885	50,532	-	30,907,390
North Smithfield	7,857,620	1,480,233	0	-	28,505	131,324	37,672	-	9,535,355
Pawtucket	107,328,506	3,032,120	728,269	-	277,971	795,111	28,532	-	112,190,509
Portsmouth	2,830,867	(31,349)	26,309	79,986	-	235,669	454,610	-	3,596,093
Providence	284,752,093	4,115,914	4,125,374	-	726,751	4,275,595	71,924	-	298,067,651
Richmond	6,228,750	98,401	47,098	98,298	-	-	-	-	6,472,548
Scituate	3,357,790	938,552	10,808	-	75,024	58,033	-	-	4,440,208
Smithfield	9,812,560	598,663	164,284	-	90,472	64,980	55,259	-	10,786,218
South Kingstown	4,997,562	47,220	150,168	-	177,916	469,255	-	-	5,842,120
Tiverton	5,361,007	(115,335)	79,088	162,380	-	379,323	-	-	5,866,463
Warwick	44,822,207	3,315,558	200,326	-	47,750	687,569	225,555	-	49,298,965
Westerly	7,912,662	289,412	137,891	-	-	355,916	-	-	8,695,881
West Warwick	39,595,027	2,164,729	204,344	-	54,826	-	-	-	42,018,926
Woonsocket	82,151,150	5,396,098	833,791	-	0	483,613	-	-	88,864,652
Bristol-Warren <sup>3</sup>	10,538,060	39,377	235,945	239,481	2,786,555	674,318	97,793	-	14,611,529
Exeter-West Greenwich <sup>3</sup>	5,395,150	1,749,164	23,883	-	1,796,117	427,493	95,085	-	9,486,891
Chariho	-	-	-	-	3,328,715	97,843	-	-	3,426,558
Foster-Glocester <sup>3</sup>	5,590,751	(340,319)	163,053	142,562	971,266	33,288	-	-	6,560,602
Central Falls	42,508,401	(593,794)	947,301	-	56,557	125,991	-	10,826,174	53,870,631
<b>District Total</b>	<b>\$990,445,746</b>	<b>\$28,793,525</b>	<b>\$10,292,514</b>	<b>\$4,798,533</b>	<b>\$12,470,802</b>	<b>\$14,965,950</b>	<b>\$1,903,162</b>	<b>\$10,826,174</b>	<b>\$1,074,496,415</b>
Charter School Total	178,322,887	15,746,813	-	-	-	34,050	-	-	194,103,750
Davies	10,117,360	481,447	-	-	-	-	-	8,173,655	18,772,462
Met School	9,080,898	723,186	-	-	-	-	-	3,173,244	12,977,328
Nowell Academy	2,311,758	490,879	-	-	-	-	-	-	2,802,638
Urban Collaborative	2,111,614	150,521	-	-	-	-	-	-	2,262,135
Youth Build Academy	2,137,890	(312,621)	-	-	-	-	-	-	1,825,270
<b>Total</b>	<b>\$1,194,528,153</b>	<b>\$46,073,751</b>	<b>\$10,292,514</b>	<b>\$4,798,533</b>	<b>\$12,470,802</b>	<b>\$15,000,000</b>	<b>\$1,903,162</b>	<b>\$22,173,073</b>	<b>\$1,307,240,000</b>

<sup>1</sup> Based on October 2024 enrollment updated for projected PSOC.

<sup>2</sup> Based on the final 12/31/2024 report from the Department of Children, Youth and Families. In the FY2025 Revised Budget, a total of 18 beds were added relative to the enacted level, including 4 in North Smithfield, 1 in Pawtucket, 12 in Portsmouth, and 1 in Providence.

<sup>3</sup> 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.*

The following table shows the difference in education aid relative to the FY2025 Budget as Enacted.

FY2026 Governor Recommended Education Aid - Change to FY2025 Budget as Enacted<sup>2</sup>

Districts	FY2025 Enacted (includes group home and categoricals)	FY2025 Formula Change	Enrollment Transition Fund	Poverty Loss Stabilization Fund	Transportation	High-cost Special Education REVISED (>\$74,600)	Group Home <sup>1</sup>	Stabilization Funding	Total Change	FY2026 Education Aid
Barrington	\$12,112,556	(\$1,453,316)	(\$73,590)	\$1,046,175	\$37,066	(\$25,647)	\$0	\$0	(\$469,311)	\$11,643,245
Burrillville	13,955,064	219,041	(228,063)	-	71,757	(43,266)	-	-	19,468	13,974,532
Charlestown	1,548,074	(64,666)	(5,843)	40,093	-	-	-	-	(30,416)	1,517,658
Coventry	27,882,720	1,696,108	(243,473)	-	(41,223)	(78,778)	(6,081)	-	1,326,554	29,209,274
Cranston	79,545,544	1,798,582	(255,668)	-	215,842	436,117	-	-	2,194,873	81,740,418
Cumberland	26,537,195	1,917,517	-	-	21,779	(20,803)	-	-	1,918,493	28,455,688
East Greenwich	7,073,215	(1,721,124)	(16,098)	1,015,657	(15,119)	(105,557)	-	-	(842,241)	6,230,974
East Providence	39,085,945	1,547,686	45,432	-	10,046	(247,120)	(16,542)	-	1,339,502	40,425,446
Foster	1,305,398	56,233	(18,524)	12,018	2,822	(68,190)	-	-	(15,641)	1,289,757
Glocester	3,111,364	60,599	(19,756)	78,913	11,007	(67,109)	-	-	63,654	3,175,019
Hopkinton	6,787,526	585,857	(59,340)	-	-	-	-	-	526,517	7,314,044
Jamestown	709,899	80,977	(6,214)	(16,747)	-	(207,868)	-	-	(149,853)	560,046
Johnston	24,750,928	831,953	(82,269)	407,149	38,160	(505,885)	-	-	689,109	25,440,037
Lincoln	18,783,935	2,517,687	-	-	-	17,504	(8,115)	-	2,527,076	21,311,010
Little Compton	343,653	(18,832)	(8,793)	5,127	-	283	-	-	(22,215)	321,438
Middletown	7,396,997	(536,385)	(71,076)	(32,042)	-	(21,223)	-	-	(660,727)	6,736,270
Narragansett	2,206,347	(11,783)	(56,665)	(124,828)	-	(98,382)	-	-	(291,658)	1,914,690
Newport	15,725,702	(681,593)	(273,411)	442,614	-	(61,873)	(15,655)	-	(589,918)	15,135,784
New Shoreham	90,884	23,821	(3,496)	(11,774)	-	-	-	-	8,550	99,435
North Kingstown	13,494,792	(532,001)	(180,807)	741,833	-	(61,362)	-	-	(32,337)	13,462,454
North Providence	30,451,686	292,521	214,984	-	63,843	(57,724)	(57,920)	-	455,704	30,907,391
North Smithfield	8,034,416	1,480,233	(46,957)	-	(16,025)	46,017	37,672	-	1,500,940	9,535,356
Pawtucket	111,563,255	3,032,120	(1,968,682)	-	24,707	(450,686)	(10,204)	-	627,255	112,190,510
Portsmouth	3,588,844	(31,349)	(65,940)	79,986	-	(157,332)	181,884	-	7,250	3,596,093
Providence	294,316,535	4,115,914	(3,387,976)	-	126,722	2,934,154	(37,698)	-	3,751,116	298,067,651
Richmond	6,370,367	98,401	(94,518)	98,298	0	-	-	-	102,181	6,472,548
Scituate	3,690,303	938,552	(70,798)	(111,517)	37,938	(44,270)	-	-	749,905	4,440,208
Smithfield	10,126,170	598,663	103,949	-	37,654	(65,876)	(14,342)	-	660,048	10,786,218
South Kingstown	6,008,520	47,220	(144,329)	-	37,243	(106,535)	-	-	(166,400)	5,842,120
Tiverton	5,850,781	(115,335)	(97,913)	53,452	-	175,478	-	-	15,683	5,866,463
Warwick	46,787,158	3,315,558	(763,043)	-	7,642	(24,344)	(24,005)	-	2,511,807	49,298,965
Westerly	8,785,308	289,412	(269,313)	(82,745)	0	(26,782)	-	-	(89,427)	8,695,880
West Warwick	40,104,938	2,164,729	(93,854)	-	3,467	(160,354)	-	-	1,913,987	42,018,926
Woonsocket	85,082,626	5,396,098	(1,223,823)	-	(13,308)	(376,942)	-	-	3,782,025	88,864,652
Bristol-Warren	14,832,851	39,377	(195,090)	(126,163)	172,278	(113,433)	1,710	-	(221,322)	14,611,529
Exeter-West Greenwich	7,673,651	1,749,164	(72,137)	(76,163)	159,842	58,927	(6,392)	-	1,813,240	9,486,891
Charlton	3,455,443	-	-	-	148,187	(177,072)	-	-	(28,885)	3,426,558
Foster-Glocester	6,710,115	(340,319)	24,192	109,351	118,847	(61,584)	-	-	(149,513)	6,560,602
Central Falls	54,365,495	(593,794)	539,987	-	(17,071)	(123,986)	-	(300,000)	(494,864)	53,870,631
<b>District Total</b>	<b>\$1,050,246,199</b>	<b>\$28,793,525</b>	<b>(\$9,168,917)</b>	<b>\$3,548,687</b>	<b>\$1,244,103</b>	<b>\$108,498</b>	<b>\$24,312</b>	<b>(\$300,000)</b>	<b>\$24,250,209</b>	<b>\$1,074,496,404</b>
Charter School Total	178,465,435	15,746,813	-	-	-	(108,495)	-	-	15,638,318	194,103,753
Davies	18,131,389	481,447	-	-	-	-	159,626	-	641,073	18,772,462
Met School	11,131,142	723,186	-	-	-	-	1,123,000	-	1,846,186	12,977,328
Nowell Academy	2,311,758	490,879	-	-	-	-	-	-	490,879	2,802,638
Urban Collaborative	2,111,614	150,521	-	-	-	-	-	-	150,521	2,262,135
Youth Build Academy	2,137,890	(312,621)	-	-	-	-	-	-	(312,621)	1,825,270
<b>Total</b>	<b>\$1,264,535,427</b>	<b>\$46,073,750</b>	<b>(\$9,168,917)</b>	<b>\$3,548,687</b>	<b>\$1,244,103</b>	<b>\$0</b>	<b>\$24,312</b>	<b>\$982,626</b>	<b>\$42,704,565</b>	<b>\$1,307,240,000</b>

<sup>1</sup> Based on final 12/31/2024 report from the Department of Children, Youth and Families. In the FY2025 Revised Budget, a total of 18 beds were added relative to the enacted level, including 4 in North Smithfield, 1 in Pawtucket, 12 in Portsmouth, and 1 in Providence.

<sup>2</sup> Based on October 2024 adjusted for projected 2025-26 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 FY2026, the minimum state share is 35.0 percent and the maximum is 95.7 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 \$119.9 million, an increase of \$13.7 million over the FY2025 Budget as Enacted. Based on December 2024 projections, housing aid entitlements are projected to increase to \$131.8 million in FY2027, \$158.9 million in FY2028, and \$174.9 million in FY2029. 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 (Capital Fund) for distribution by the School Building Authority (SBA).

Prior to FY2023, the school construction program funding of \$80.0 million was effectively built into the base budget; however, with the issuance of state general obligation bonds stimulating increased construction, in the FY2023 Budget as Enacted the aid projection was estimated at \$88.5 million, and a surplus of \$3.8 million was transferred to the Capital Fund. Subsequent transfers include \$2.7 million in FY2024 and \$416,527 in FY2025.

The FY2025 Budget as Enacted included \$1.0 million in federal funds and 3.0 new FTE positions to reflect the award of a \$5.0 million, five-year grant from the United States Department of Education to support the Healthy Environments Advance Learning (HEAL) program in enhancing the indoor environmental conditions in public schools to reduce chronic absenteeism and improve student health. The focus of the program is on the five LEAs with the greatest need: Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket.

**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).

	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 Actual	3.8	50.0	53.8
FY2024 Actual	2.7	-	2.7
FY2025 Projected	0.4	-	0.4
<b>Total</b>	<b>\$54.5</b>	<b>\$70.0</b>	<b>\$79.5</b>

Source: Budget databases. \$ in millions

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.

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 was used for the [Get the Foam Out!](#) program and \$995,610 went 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.

The FY2026 Budget provides \$752,840 in total funding, including \$530,574 in general revenue and

	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 Actual	269,990	(242,491)	27,499
FY2025 Projected	541,400	(275,000)	266,400
<b>Total</b>	<b>\$2,175,847</b>	<b>(\$3,217,482)</b>	<b>(\$1,041,635)</b>

Source: RIHEBC February 10, 2025.

\$222,266 in restricted receipts, a total decrease of \$246,919 (24.7 percent) from the FY2025 Budget as Enacted. The FY2025 Revised Budget provides \$749,329 in total funding, including \$528,116 in general revenue and \$221,213 in restricted receipts from RIHBC, a net decrease of \$250,430 (25.0 percent) 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.

<b>FY2022 SBA Capital Fund</b>	
<b>Facility Equity Initiative</b>	
Central Falls	\$3.6
Pawtucket	4.4
Providence	4.5
West Warwick	0.5
Woonsocket	0.5
<b>Total</b>	<b>\$13.4</b>

*\$ in millions*

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 21<sup>st</sup> 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.

<b>FY2023 SBA Capital Fund</b>	
<b>Facility Equity Initiative Program</b>	
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
<b>Total</b>	<b>\$30.2</b>

*\$ in millions*