



SENATE FISCAL OFFICE
REPORT

FY2021 BUDGET AS ENACTED: EDUCATION AID

2020-H-7171 SUBSTITUTE A

JANUARY 4, 2021

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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 includes 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 provides 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 is the final year of the transition plan.

In FY2021, the formula aid to the districts, charter schools, and state schools increases by \$36.8 million, categorical aid decreases by \$675,000, and group home aid decreases by \$183,171. FY2021 represents the tenth and final year of the transition period; consequently, the Budget assumes the formula is fully phased in for all districts.

HOW THE FORMULA WORKS

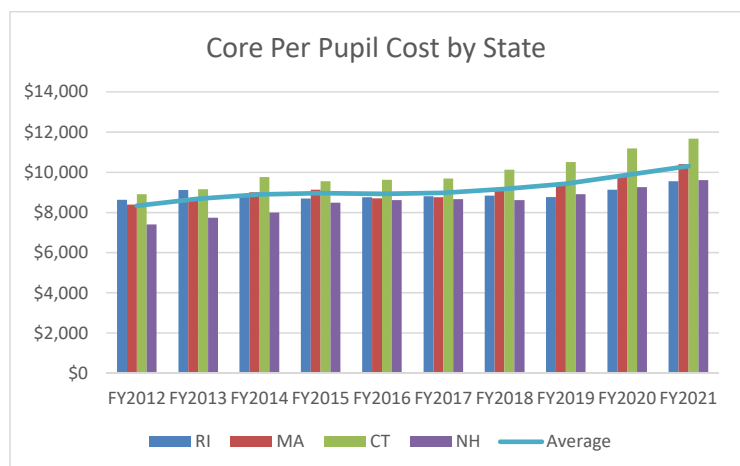
Step 1 - Student Enrollment: Student enrollment is based on resident average daily membership (RADM), which refers to the average number of students who are residents of the community and were enrolled in the school district during the prior school year. The Budget is based on enrollment data as of March 2020 with projected charter school enrollments.

Step 2 - Core Instruction Amount: The core instruction amount provides a base level of funding per pupil (\$10,310 in FY2021, a 4.4 percent increase from the FY2020 Budget as Enacted). It is 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).

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 student success factor, also referred to as the high need student weight, increases the core instruction amount by 40.0 percent, or \$4,124 based on the FY2021 core instruction amount of \$10,310 ($\$10,310 \times 0.40 = \$4,124$), for each student whose family income is at or below one hundred eighty-five percent (185%) of federal poverty guidelines.

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.



$$\text{Total Foundation Budget} = (\$10,310 \times \text{RADM}) + (0.40 \times \$10,310 \times \text{students in poverty})$$

Step 5 - State Share Ratio: The Education Adequacy Act creates a new share ratio by adding a wealth measure, based on the concentration of children living in poverty, to the single equalized weighted assessed valuation (EWAV) previously used to determine a district's ability to pay for the cost of education. 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:

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

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 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 EWAV share ratio 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 EWAV calculation to increase the State share of 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.

TABLE

The table on the following page provides a step-by-step calculation of each district's recommended formula distribution for FY2021.

FY2021 Enacted Education Aid Calculator¹

Districts	PK-12 RADM (Projected based on March 2020 Data adjusted for FY2021 PSOC growth)		Poverty RADM (Projected based on March 2020 Data)		Core Instruction Funding (C = \$10,310)		Student Success Factor Funding (F = 0.4*\$10,310 = \$4,124)		Total Foundation PK6 EWAJ		State Share Ratio		State Share of Foundation Budget		FY2020 Enacted (excludes group home and categoricals)		Change in State Funding		FY2021 (Year 10) formula L/A; If - is L/A	
	A	B	A*B	B	A*C=D	B*F=G	D+G+H	PK6	EWAJ	I	H*I=J	K	J-K=L	If + is L/A; If - is L/A						
Barrington	3,416	145	\$35,218,960	\$597,980	\$35,816,940	4.7%	22.7%	16.4%	\$5,871,029	\$5,693,721	\$177,308	\$177,308								
Burrillville	2,238	785	23,073,780	3,237,340	26,311,120	37.0%	66.4%	53.7%	14,142,025	12,926,571	1,215,454	1,215,454								
Charlestown	740	156	7,629,400	643,344	8,272,744	22.4%	0.0%	15.8%	1,310,336	1,543,188	(232,853)	(232,853)								
Cohasset	4,502	1,207	46,415,620	4,977,668	51,393,288	31.5%	56.2%	45.6%	23,412,703	24,332,697	(919,994)	(919,994)								
Cranston	10,189	4,109	105,048,590	16,945,516	121,994,106	43.6%	66.3%	56.1%	68,450,816	64,319,722	4,131,094	4,131,094								
Cumberland	4,617	921	47,601,270	3,798,204	51,399,474	23.2%	52.0%	40.3%	20,695,039	21,547,453	(852,414)	(852,414)								
East Greenwich	2,572	173	26,517,320	713,452	27,230,772	7.4%	15.4%	12.1%	3,289,856	2,531,530	758,326	758,326								
East Providence	5,036	2,443	51,921,160	10,074,932	61,996,092	50.0%	63.4%	57.1%	35,396,348	35,472,845	(76,497)	(76,497)								
Foster	227	64	2,340,370	263,936	2,604,306	22.6%	51.2%	39.6%	1,030,628	1,149,740	(119,113)	(119,113)								
Glocester	553	73	5,701,430	301,052	6,002,482	12.9%	48.3%	35.4%	2,121,901	2,164,338	(42,437)	(42,437)								
Hopkinton	1,137	236	11,722,470	973,264	12,695,734	23.6%	56.4%	43.2%	5,488,552	5,169,861	318,691	318,691								
Jamestown	655	36	6,753,050	148,464	6,901,514	7.6%	0.0%	5.4%	370,888	425,899	(55,011)	(55,011)								
Johnston	3,288	1,372	33,899,280	5,658,128	39,557,408	43.5%	50.7%	47.2%	18,685,883	17,893,657	792,226	792,226								
Lincoln	3,171	829	32,693,010	3,418,796	36,111,806	28.2%	51.3%	41.4%	14,948,129	14,269,740	678,389	678,389								
Little Compton	344	49	3,546,640	202,076	3,748,716	15.0%	0.0%	0.0%	397,611	403,530	(5,919)	(5,919)								
Middletown	2,175	694	22,424,250	2,862,056	25,286,306	29.7%	32.3%	31.0%	7,845,644	7,533,193	312,451	312,451								
Narragansett	1,211	220	12,485,410	907,280	13,392,690	23.3%	0.0%	16.5%	2,206,524	2,217,917	(11,393)	(11,393)								
Newport	2,088	1,471	21,527,280	6,066,404	27,593,684	70.7%	0.0%	50.0%	13,794,759	12,377,253	1,417,506	1,417,506								
New Shoreham	134	26	1,381,540	107,224	1,488,764	16.9%	0.0%	12.0%	177,909	130,462	47,447	47,447								
North Kingstown	3,747	793	38,631,570	3,270,332	41,901,902	26.6%	29.6%	28.1%	11,791,198	10,417,472	1,373,726	1,373,726								
North Providence	3,561	1,680	36,713,910	6,928,320	43,642,230	47.8%	64.2%	56.6%	24,700,268	22,896,007	1,804,261	1,804,261								
North Smithfield	1,655	311	17,063,050	1,282,564	18,345,614	21.5%	41.2%	32.9%	6,028,551	5,716,299	312,252	312,252								
Pawtucket	8,641	6,139	89,088,710	25,317,236	114,405,946	72.7%	87.4%	80.4%	91,967,189	89,623,419	2,343,770	2,343,770								
Portsmouth	2,295	359	33,661,450	1,480,516	35,141,966	18.1%	0.6%	12.8%	3,219,595	3,428,751	(209,155)	(209,155)								
Providence	22,719	19,451	234,232,890	80,215,924	314,448,814	85.2%	85.4%	85.3%	268,225,023	259,312,069	8,912,954	8,912,954								
Richmond	1,135	172	11,701,850	709,328	12,411,178	17.9%	50.4%	37.8%	4,693,797	4,640,585	53,212	53,212								
Scituate	1,269	147	13,083,390	606,228	13,689,618	14.8%	23.0%	19.3%	2,647,517	2,767,459	(119,943)	(119,943)								
Smithfield	2,378	366	24,517,180	1,509,384	26,026,564	16.5%	26.7%	22.2%	5,776,314	6,081,263	(304,949)	(304,949)								
South Kingstown	2,918	514	30,084,580	2,119,736	32,204,316	19.6%	0.0%	13.9%	4,463,290	5,102,341	(639,050)	(639,050)								
Tiverton	1,758	407	18,124,980	1,678,468	19,803,448	27.6%	44.9%	37.3%	7,380,299	7,166,770	213,529	213,529								
Warwick	8,619	2,819	88,861,890	11,625,556	100,487,446	36.5%	38.6%	37.6%	37,747,785	38,179,304	(431,519)	(431,519)								
Westerly	2,683	875	27,661,730	3,608,500	31,270,230	36.7%	0.0%	26.0%	8,114,881	8,550,266	(435,385)	(435,385)								
West Warwick	3,607	1,933	37,188,170	7,971,692	45,159,862	56.3%	73.0%	65.2%	29,438,359	27,009,115	2,429,244	2,429,244								
Woonsocket	5,933	4,612	61,169,230	19,019,888	80,189,118	79.6%	91.1%	85.5%	68,596,553	63,607,000	4,989,553	4,989,553								
Bristol-Warren ²	3,163	940	32,610,530	3,876,560	36,487,090	-	-	-	12,630,626	13,046,782	(416,156)	(416,156)								
Exeter-West Greenwich ²	1,643	273	16,939,330	1,125,852	18,065,182	-	-	-	4,226,297	5,038,413	(812,116)	(812,116)								
Charlton	-	-	-	-	-	-	-	-	-	38,320	-	(38,320)	(38,320)							
Foster-Glocester ²	1,149	188	11,846,190	775,312	12,621,502	-	-	-	4,636,715	4,676,149	(39,434)	(39,434)								
Central Falls	2,812	2,732	28,991,720	11,266,768	40,258,488	91.8%	97.4%	94.6%	38,101,208	33,484,704	4,616,504	4,616,504								
District Total	129,978	59,720	\$1,340,073,180	\$246,285,280	\$1,586,358,460				\$874,022,047	\$842,885,805	\$31,136,242	\$31,136,242								
Charter School Total	10,585	7,394	109,131,350	30,492,856	139,624,206	-	-	-	108,849,009	101,037,838	7,811,171	7,811,171								
Davies	885	544	9,124,350	2,243,456	11,367,806	-	-	-	8,764,580	8,816,032	(51,452)	(51,452)								
Met School	780	603	8,041,800	2,486,772	10,528,572	-	-	-	7,695,945	7,542,871	153,074	153,074								
Urban Collaborative	133	112	1,371,230	461,888	1,833,118	-	-	-	1,555,465	1,539,913	15,552	15,552								
Total	142,361	68,373	\$1,467,741,910	\$281,970,252	\$1,749,712,162				\$1,000,887,045	\$961,822,460	\$39,064,587	\$39,064,587								

¹ Based on March 2020 enrollment updated for projected charter school growth.

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 FY2021, the Budget provides \$108.8 million in funding formula aid to charter schools, an increase of \$7.8 million representing roughly one quarter of total statewide increase. This increase is primarily driven by enrollment. Charter school enrollment increases by 458 students, relative to the FY2020 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 FY2021 is based on FY2019 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 FY2021 Budget includes \$3.0 million to fund group home beds. This is \$183,171 less than the FY2020 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, 2019, report from the Department of Children, Youth, and Families, the FY2020 Revised Budget includes an increase of \$34,000 for Bristol-Warren for an increase of two beds.

District	FY2020 Enacted		Group Home Aid FY2021 Change from Enacted				FY2021 Enacted Total Aid	
	Total Aid	Number of Beds	FY2021 Number of Beds	Number of Beds	Aid change due to bed count	Aid change due to RIGL 16- 7-22(1)(ii)		Total Change
Burrillville	\$80,022	8	8	-	\$0	(\$6,087)	(\$6,087)	\$73,935
Coventry	83,543	8	8	-	-	(147)	(147)	83,396
Cranston	37,602	4	-	(4)	(68,000)	30,398	(37,602)	-
East Providence	509,554	39	39	-	-	(5,954)	(5,954)	503,600
Lincoln	89,418	8	8	-	-	(1,217)	(1,217)	88,201
Newport	145,520	14	14	-	-	(8,543)	(8,543)	136,977
North Providence	148,781	16	16	-	-	(7,489)	(7,489)	141,292
North Smithfield	100,435	8	8	-	-	(2,380)	(2,380)	98,055
Pawtucket	126,901	22	22	-	-	(8,167)	(8,167)	118,734
Portsmouth	557,258	36	34	(2)	(34,000)	(8,103)	(42,103)	515,155
Providence	476,104	95	88	(7)	(119,000)	55,421	(63,579)	412,525
Smithfield	219,137	16	16	-	-	1,607	1,607	220,744
South Kingstown	118,333	8	8	-	-	1,663	1,663	119,996
Warwick	279,648	24	24	-	-	(1,778)	(1,778)	277,870
Woonsocket	44,244	8	8	-	-	(7,023)	(7,023)	37,221
Bristol-Warren ¹	90,976	8	10	2	34,000	(26,500)	7,500	98,476
Exeter-West Greenwich	125,677	9	9	-	-	(1,872)	(1,872)	123,805
Total	\$3,233,154	331	320	(11)	(187,000)	3,829	(\$183,171)	\$3,049,983

¹ Based on final 12/31/2019 report from the Department of Children, Youth and Families., the FY2020 Revised Budget includes an increase of \$34,000 for Bristol-Warren, for an increase of 2 beds.

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. The Density Fund support ended in FY2019. Article 9 of the FY2019 Budget as Enacted

included a temporary aid category to support new Resource Officers at public middle and high schools. (The Central Falls, Davies and Met School Stabilization Funds are addressed in the Department of Elementary and Secondary Education section of this analysis.)

The FY2021 Budget includes funding for all of these categories, except the Regionalization Bonus.

- 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 funds this category at \$7.7 million in FY2021, level with the FY2020 Budget as Enacted.

Categorical	FY2021 Enacted Education Aid	
	Change from Enacted	Total Funding
Transportation	\$0.0	\$7.7
Early Childhood ¹	-	14.9
High-Cost Special Education	-	4.5
Career & Tech. Schools	-	4.5
English/Multilingual Learners	-	5.0
Regionalization Bonus	-	-
School Resource Officer Support	(0.7)	0.3
Total	(\$0.7)	\$36.8

\$ in millions

- Early Childhood Education:** 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 process targeting communities in three tiers, with the first tier having the highest concentration of children at risk for poor educational outcomes. The Budget funds this category at \$14.9 million in FY2021, level with the FY2020 Budget as Enacted.
- 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 five times the combined core instruction and student success factor funding (currently \$72,170 for FY2021). The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at \$4.5 million in FY2021, level with the FY2020 Budget as Enacted.
- Career and Technical Schools:** This fund contributes toward the initial investment needed to transform existing programs or create new programs and the costs associate 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 FY2021, level with the previous year.
- English Learners:** Article 11 of the FY2017 Budget as Enacted established a categorical fund for English Learners (EL). The fund provides additional aid of 10.0 percent of the per-pupil core instruction amount for each qualified EL student. In FY2021, the per-pupil weight is \$1,031, to reflect 10.0 percent of the \$10,310 core instruction amount. This amount is then multiplied by the state share ratio. The formula is provided below.

$$(Per-pupil\ core\ instruction\ amount \times number\ of\ EL\ students) \times 10.0\ percent \times state\ share\ ratio = additional\ state\ support\ per\ EL\ student$$

This support is then ratably reduced based on the total amount appropriated.

The Article restricted the funds to provide new services to EL students and required that the funds be managed in accordance with requirements enumerated by the Commissioner. The Article also required the Department to collect performance reports and approve the use of funds prior to expenditure to ensure the funded activities align to innovative and expansive activities. Distribution is subject to a pro-rata reduction based on the funds available. The Budget provides \$5.0 million in FY2021, level with the previous fiscal year; however, an additional \$4.5 million would be needed to fully fund this category.

- **Regionalization Bonus:** This fund provides a bonus to regionalized districts and those that 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.
- **School Resource Officer Support:** Article 9 of the FY2019 Budget as Enacted established an aid category to support new Resource Officers at public middle and high schools. The program provides support for districts to add Resource Officers but does not mandate their use. For FY2019 through FY2021, the State will reimburse one half the cost of salaries and benefits for qualifying positions created after July 1, 2018; however, for schools with fewer than 1,200 students, only one resource officer position is eligible for reimbursement. Schools with 1,200 or more students may receive reimbursement for up to 2 positions. Each resource officer can only be assigned to one school. The Budget includes \$325,000 in general revenue for this category in FY2021, \$675,000 less than the FY2020 Budget as Enacted but consistent with actual expenditures. \$201,060 was spent in FY2019.

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

FY2021 Education Aid - Change to FY2020 Revised Budget¹

Districts	FY2020 Revised (general revenue only)	FY2021 Add ESSER Fund to Base	FY2021	High-cost					FY2021 Education Aid	
			(Year 10) Formula Change	Transportation	Special Education	Group Home ²	English Learners	Stabilization Funding		Total Change
Barrington	\$5,793,144	\$79,799	\$177,308	\$49,668	\$48,603	\$0	(\$7)	\$0	\$355,371	\$6,148,514
Burrillville	12,769,778	394,852	1,215,454	137	(21,730)	(6,087)	(310)	-	1,582,317	14,352,095
Charlestown	1,500,283	42,905	(232,853)	-	-	-	(234)	-	(190,182)	1,310,101
Coventry	23,839,614	623,392	(919,994)	2,128	17,934	(147)	1,607	-	(275,078)	23,564,536
Cranston	63,319,609	2,304,283	4,131,094	(21,541)	69,136	(37,602)	(2,694)	-	6,442,676	69,762,285
Cumberland	21,156,213	530,621	(852,414)	10,160	(40,607)	-	(4,822)	-	(357,062)	20,799,151
East Greenwich	2,654,888	69,858	758,326	9,571	(1,942)	-	210	-	836,023	3,490,910
East Providence	34,938,983	1,343,727	(76,497)	(502)	183,652	(5,954)	(5,847)	-	1,438,580	36,377,563
Foster	1,162,529	52,429	(119,113)	(16,679)	(13,519)	-	-	-	(96,881)	1,065,648
Glocester	2,122,433	149,926	(42,437)	(18,702)	6,954	-	-	-	95,740	2,218,174
Hopkinton	5,026,130	143,731	318,691	-	-	-	(16)	-	462,406	5,488,537
Jamestown	367,339	98,636	(55,011)	-	(5,383)	-	-	-	38,242	405,580
Johnston	17,628,324	660,667	792,226	(29,857)	74,745	-	1,179	-	1,498,961	19,127,285
Lincoln	13,942,508	476,313	678,389	-	103,751	(1,217)	(1,058)	-	1,256,178	15,198,686
Little Compton	370,318	33,278	(5,919)	-	-	-	(8)	-	27,351	397,669
Middletown	7,328,849	263,613	312,451	-	(11,525)	-	821	-	565,359	7,894,208
Narragansett	2,071,420	184,416	(11,393)	-	16,983	-	(52)	-	189,953	2,261,373
Newport	11,785,296	795,683	1,417,506	-	35,059	(8,543)	9,124	-	2,248,828	14,034,124
New Shoreham	120,292	12,538	47,447	-	(1,875)	-	89	-	58,199	178,491
North Kingstown	10,040,278	452,552	1,373,726	-	1,286	-	5	-	1,827,569	11,867,847
North Providence	22,661,931	720,309	1,804,261	(24,880)	113,996	(7,489)	7,555	-	2,613,753	25,275,683
North Smithfield	5,702,069	182,153	312,252	647	13,169	(2,380)	(1,389)	-	504,452	6,206,522
Pawtucket	87,687,655	3,618,740	2,343,770	(34,659)	(752,267)	(8,167)	(31,437)	-	5,135,980	92,823,635
Portsmouth	3,805,654	243,247	(209,155)	-	36,275	(42,103)	(117)	-	28,147	3,833,800
Providence	249,428,645	14,390,236	8,912,954	3,601	(348,038)	(63,579)	(60,751)	-	22,834,423	272,263,068
Richmond	4,511,569	129,017	53,212	-	-	-	183	-	182,412	4,693,980
Scituate	2,612,742	211,568	(119,943)	10,121	13,485	-	-	-	115,231	2,727,973
Smithfield	6,255,014	202,518	(304,949)	50,262	22,724	1,607	538	-	(27,301)	6,227,713
South Kingstown	5,080,327	352,990	(639,050)	12,615	45,511	1,663	(618)	-	(226,890)	4,853,438
Tiverton	7,045,176	194,599	213,529	-	22,988	-	(721)	-	430,396	7,475,572
Warwick	37,273,112	1,488,005	(431,519)	1,286	113,176	(1,778)	(345)	-	1,168,824	38,441,936
Westerly	8,104,087	552,501	(435,385)	-	34,211	-	(223)	-	151,103	8,255,190
West Warwick	26,132,784	961,349	2,429,244	(12,191)	24,434	-	(380)	-	3,402,455	29,535,239
Woonsocket	60,672,681	3,308,150	4,989,553	(2,673)	32,582	(7,023)	(1,767)	-	8,318,822	68,991,503
Bristol-Warren ^{3,5}	14,336,241	485,476	(416,156)	54,538	48,147	7,500	(1,652)	-	177,854	14,514,094
Exeter-West Greenwich ³	6,276,926	142,555	(812,116)	(26,746)	118,048	(1,872)	(463)	-	(580,594)	5,696,332
Chariho	2,148,599	-	(38,320)	10,660	14,889	-	-	-	(12,770)	2,135,829
Foster-Glocester ³	5,177,548	90,511	(39,434)	(29,760)	8,402	-	390	-	30,108	5,207,656
Central Falls ⁴	40,922,734	1,575,794	4,616,504	2,795	(50,758)	-	97,111	(1,484,109)	4,757,337	45,680,071
District Total	\$833,773,723	\$37,562,934	\$31,136,242	\$0	(\$27,505)	(\$183,171)	\$3,898	(\$1,484,109)	\$67,008,289	\$900,782,012
Charter School Total	98,083,349	3,371,196	7,811,171	-	27,505	-	(4,664)	-	11,205,208	109,288,557
Davies	13,428,233	269,601	(51,452)	-	-	-	(1,189)	83,453	300,413	13,728,646
Met School	9,036,744	316,356	153,074	-	-	-	3,327	(153,074)	319,683	9,356,427
Urban Collaborative	1,459,729	85,140	15,552	-	-	-	(1,371)	-	99,320	1,559,049
Total	\$955,781,778	\$41,605,227	\$39,064,587	\$0	(\$0)	(\$183,171)	(\$0)	(\$1,553,730)	\$78,932,913	\$1,034,714,691

¹ Based on March 2020 enrollment updated for projected charter school growth.² Based on final 12/31/2019 report from the Department of Children, Youth and Families. The FY2020 Revised Budget includes an increase of \$34,000 for Bristol-Warren, for an increase of 2 beds.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.⁴ FY2020 Revised deducted \$1,575,794 from Central Falls Formula aid but added \$500,000 in stabilization funding.⁵ In Bristol-Warren there is a Group Home bed adjustment of \$34,000 in FY2020 Revised.

Source: Rhode Island Department of Education

The following table shows the difference in education aid relative to the FY2020 Revised Budget.

FY2021 Education Aid - Change to FY2020 Revised Budget¹

Districts	FY2020 Revised (general revenue only)	FY2021 Add ESSER Fund to Base	FY2021 (Year 10) Formula Change	Transportation	High-cost Special Education	Group Home ²	English Learners	Stabilization Funding	Total Change	FY2021 Education Aid
Barrington	\$5,793,144	\$79,799	\$177,308	\$49,668	\$48,603	\$0	(\$7)	\$0	\$355,371	\$6,148,514
Burrillville	12,769,778	394,852	1,215,454	137	(21,730)	(6,087)	(310)	-	1,582,317	14,352,095
Charlestown	1,500,283	42,905	(232,853)	-	-	-	(234)	-	(190,182)	1,310,101
Coventry	23,839,614	623,392	(919,994)	2,128	17,934	(147)	1,607	-	(275,078)	23,564,536
Cranston	63,319,609	2,304,283	4,131,094	(21,541)	69,136	(37,602)	(2,694)	-	6,442,676	69,762,285
Cumberland	21,156,213	530,621	(852,414)	10,160	(40,607)	-	(4,822)	-	(357,062)	20,799,151
East Greenwich	2,654,888	69,858	758,326	9,571	(1,942)	-	210	-	836,023	3,490,910
East Providence	34,938,983	1,343,727	(76,497)	(502)	183,652	(5,954)	(5,847)	-	1,438,580	36,377,563
Foster	1,162,529	52,429	(119,113)	(16,679)	(13,519)	-	-	-	(96,881)	1,065,648
Glocester	2,122,433	149,926	(42,437)	(18,702)	6,954	-	-	-	95,740	2,218,174
Hopkinton	5,026,130	143,731	318,691	-	-	-	(16)	-	462,406	5,488,537
Jamestown	367,339	98,636	(55,011)	-	(5,383)	-	-	-	38,242	405,580
Johnston	17,628,324	660,667	792,226	(29,857)	74,745	-	1,179	-	1,498,961	19,127,285
Lincoln	13,942,508	476,313	678,389	-	103,751	(1,217)	(1,058)	-	1,256,178	15,198,686
Little Compton	370,318	33,278	(5,919)	-	-	-	(8)	-	27,351	397,669
Middletown	7,328,849	263,613	312,451	-	(11,525)	-	821	-	565,359	7,894,208
Narragansett	2,071,420	184,416	(11,393)	-	16,983	-	(52)	-	189,953	2,261,373
Newport	11,785,296	795,683	1,417,506	-	35,059	(8,543)	9,124	-	2,248,828	14,034,124
New Shoreham	120,292	12,538	47,447	-	(1,875)	-	89	-	58,199	178,491
North Kingstown	10,040,278	452,552	1,373,726	-	1,286	-	5	-	1,827,569	11,867,847
North Providence	22,661,931	720,309	1,804,261	(24,880)	113,996	(7,489)	7,555	-	2,613,753	25,275,683
North Smithfield	5,702,069	182,153	312,252	647	13,169	(2,380)	(1,389)	-	504,452	6,206,522
Pawtucket	87,687,655	3,618,740	2,343,770	(34,659)	(752,267)	(8,167)	(31,437)	-	5,135,980	92,823,635
Portsmouth	3,805,654	243,247	(209,155)	-	36,275	(42,103)	(117)	-	28,147	3,833,800
Providence	249,428,645	14,390,236	8,912,954	3,601	(348,038)	(63,579)	(60,751)	-	22,834,423	272,263,068
Richmond	4,511,569	129,017	53,212	-	-	-	183	-	182,412	4,693,980
Scituate	2,612,742	211,568	(119,943)	10,121	13,485	-	-	-	115,231	2,727,973
Smithfield	6,255,014	202,518	(304,949)	50,262	22,724	1,607	538	-	(27,301)	6,227,713
South Kingstown	5,080,327	352,990	(639,050)	12,615	45,511	1,663	(618)	-	(226,890)	4,853,438
Tiverton	7,045,176	194,599	213,529	-	22,988	-	(721)	-	430,396	7,475,572
Warwick	37,273,112	1,488,005	(431,519)	1,286	113,176	(1,778)	(345)	-	1,168,824	38,441,936
Westerly	8,104,087	552,501	(435,385)	-	34,211	-	(223)	-	151,103	8,255,190
West Warwick	26,132,784	961,349	2,429,244	(12,191)	24,434	-	(380)	-	3,402,455	29,535,239
Woonsocket	60,672,681	3,308,150	4,989,553	(2,673)	32,582	(7,023)	(1,767)	-	8,318,822	68,991,503
Bristol-Warren ^{3,5}	14,336,241	485,476	(416,156)	54,538	48,147	7,500	(1,652)	-	177,854	14,514,094
Exeter-West Greenwich ³	6,276,926	142,555	(812,116)	(26,746)	118,048	(1,872)	(463)	-	(580,594)	5,696,332
Chariho	2,148,599	-	(38,320)	10,660	14,889	-	-	-	(12,770)	2,135,829
Foster-Glocester ²	5,177,548	90,511	(39,434)	(29,760)	8,402	-	390	-	30,108	5,207,656
Central Falls ⁴	40,922,734	1,575,794	4,616,504	2,795	(50,758)	-	97,111	(1,484,109)	4,757,337	45,680,071
District Total	\$833,773,723	\$37,562,934	\$31,136,242	\$0	(\$27,505)	(\$183,171)	\$3,898	(\$1,484,109)	\$67,008,289	\$900,782,012
Charter School Total	98,083,349	3,371,196	7,811,171	-	27,505	-	(4,664)	-	11,205,208	109,288,557
Davies	13,428,233	269,601	(51,452)	-	-	-	(1,189)	83,453	300,413	13,728,646
Met School	9,036,744	316,356	153,074	-	-	-	3,327	(153,074)	319,683	9,356,427
Urban Collaborative	1,459,729	85,140	15,552	-	-	-	(1,371)	-	99,320	1,559,049
Total	\$955,781,778	\$41,605,227	\$39,064,587	\$0	(\$0)	(\$183,171)	(\$0)	(\$1,553,730)	\$78,932,913	\$1,034,714,691

¹ Based on March 2020 enrollment updated for projected charter school growth.

² Based on final 12/31/2019 report from the Department of Children, Youth and Families. The FY2020 Revised Budget includes an increase of \$34,000 for Bristol-Warren, for an increase of 2 beds.

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.

⁴ FY2020 Revised deducted \$1,575,794 from Central Falls Formula aid but added \$500,000 in stabilization funding.

⁵ In Bristol-Warren there is a Group Home bed adjustment of \$34,000 in FY2020 Revised.

Source: Rhode Island Department of Education

The following table shows the difference in education aid relative to the Governor’s FY2021 Budget.

Changes to the Governor's FY2021 Education Aid				English Learners Aid			Transition PreK into Funding Formula ⁴		Total FY2021 Enacted Aid (includes Group Home and Categorys)
LEA	Governor's	March 2020	Difference	FY2021	FY2021	Difference	Formula ⁴	Total Change	
	Submission	Data Update		Governor	Enacted				
Barrington	\$53,939	\$177,308	\$123,369	\$3,724	\$2,483	(\$1,241)	\$0	\$122,128	\$6,148,515
Burrillville	1,246,487	1,215,454	(31,033)	872	582	(291)	-	(31,323)	14,352,095
Charlestown	(195,293)	(232,853)	(37,559)	128	86	(43)	-	(37,602)	1,310,421
Coventry	(63,294)	(919,994)	(856,700)	10,350	6,900	(3,450)	-	(860,150)	23,564,535
Cranston	4,022,337	4,131,094	108,757	207,608	138,410	(69,198)	(122,641)	(83,082)	69,762,285
Cumberland	(815,884)	(852,414)	(36,530)	27,443	18,296	(9,147)	-	(45,677)	20,799,151
East Greenwich	693,306	758,326	65,020	1,274	850	(425)	-	64,595	3,490,910
East Providence	585,139	(76,497)	(661,636)	77,829	51,888	(25,941)	(1,130,197)	(1,817,774)	36,377,563
Foster	842	(119,113)	(119,954)	-	-	0	-	(119,954)	1,065,648
Glocester	(151,776)	(42,437)	109,339	-	-	0	-	109,339	2,218,174
Hopkinton	211,719	318,691	106,972	351	234	(117)	-	106,855	5,488,786
Jamestown	(46,035)	(55,011)	(8,976)	-	-	-	-	(8,976)	405,580
Johnston	864,305	792,226	(72,079)	47,528	31,686	(15,842)	(103,248)	(191,168)	19,127,285
Lincoln	254,177	678,389	424,212	8,061	5,374	(2,687)	-	421,525	15,198,685
Little Compton	1,736	(5,919)	(7,655)	86	57	(29)	-	(7,683)	397,669
Middletown	222,882	312,451	89,569	19,889	13,260	(6,629)	-	82,940	7,894,208
Narragansett	25,977	(11,393)	(37,370)	668	446	(223)	-	(37,593)	2,261,373
Newport	1,143,301	1,417,506	274,205	94,515	63,012	(31,503)	-	242,702	14,034,125
New Shoreham	43,997	47,447	3,450	873	582	(291)	-	3,159	178,491
North Kingstown	1,390,553	1,373,726	(16,827)	9,818	6,546	(3,273)	-	(20,100)	11,867,847
North Providence	1,260,424	1,804,261	543,838	56,486	37,658	(18,827)	-	525,010	25,275,683
North Smithfield	290,569	312,252	21,683	1,600	1,067	(533)	-	21,150	6,206,522
Pawtucket	2,854,303	2,343,770	(510,533)	645,743	430,509	(215,234)	(769,114)	(1,494,881)	92,823,636
Portsmouth	(196,745)	(209,155)	(12,410)	520	346	(173)	-	(12,584)	3,833,800
Providence	3,963,445	8,912,954	4,949,509	4,378,430	2,924,121	(1,454,309)	-	3,495,199	272,263,068
Richmond	77,386	53,212	(24,175)	614	409	(205)	-	(24,379)	4,694,206
Scituate	(20,646)	(119,943)	(99,297)	-	-	0	-	(99,297)	2,727,973
Smithfield	(245,456)	(304,949)	(59,493)	2,701	1,801	(900)	-	(60,393)	6,227,713
South Kingstown	(579,894)	(639,050)	(59,156)	3,711	2,474	(1,237)	-	(60,393)	4,853,437
Tiverton	298,829	213,529	(85,299)	1,210	806	(403)	-	(85,702)	7,475,572
Warwick	239,270	(431,519)	(670,789)	33,223	22,150	(11,074)	-	(681,863)	38,441,936
Westerly	(221,343)	(435,385)	(214,042)	8,212	5,311	(2,901)	-	(216,944)	8,255,191
West Warwick	1,927,874	2,429,244	501,370	30,678	20,453	(10,225)	-	491,145	29,535,239
Woonsocket	4,407,464	4,989,553	582,089	380,371	253,589	(126,782)	-	455,307	68,991,503
Bristol-Warren ²	(18,337)	(416,156)	(397,818)	10,214	6,809	(3,404)	-	(401,223)	14,514,094
Exeter-West Greenwich ²	(870,471)	(812,116)	58,355	1,514	1,010	(505)	-	57,851	5,696,332
Chariho	(38,320)	(38,320)	-	-	-	-	-	-	2,135,033
Foster-Glocester ⁴	(65,359)	(39,434)	25,925	574	390	(184)	-	25,741	5,207,656
Central Falls ³	1,363,343	4,616,504	3,253,161	783,288	522,208	(261,080)	(1,202,128)	1,789,954	45,680,070
Subtotal District Aid	\$23,914,751	\$31,136,242	\$7,221,491	\$6,850,106	\$4,571,800	(\$2,278,307)	(\$3,327,327)	\$1,615,857	\$900,782,011
Charter School Total	7,480,203	7,811,171	330,968	620,393	408,533	(211,860)	-	119,108	109,288,557
Davies ¹	(290,905)	(51,452)	239,453	2,496	1,664	(832)	-	238,622	13,728,646
Met School ¹	(139,254)	153,074	292,327	21,629	14,420	(7,209)	-	285,118	9,356,426
Urban Collaborative	44,685	15,552	(29,134)	5,376	3,584	(1,792)	-	(30,926)	1,559,049
Total	\$31,009,481	\$39,064,587	\$8,055,106	\$7,500,000	\$5,000,000	(\$2,500,000)	(\$3,327,327)	\$2,227,779	\$1,034,714,691

¹ Changes in the funding formula distribution for the data update are offset by adjustments to the stabilization fund. \$43,653 in workshare savings is also deducted from the Davies stabilization fund.

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.

³ This does not reflect a change to the stabilization fund.

⁴ PreK funding moved back into categorical aid.

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 FY2021, as projected by the Department, the minimum state share is 35.0 percent and the maximum is 93.8 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 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 limiting the approval of new projects between FY2012 and FY2015, to those necessitated by immediate health and safety reasons. Any project requested during the moratorium was reported to the chairs of the House and Senate Finance Committees. Furthermore, any project approval granted prior to the adoption of the school construction regulations in 2007, which was currently inactive, had not receive voter approval, or had not been previously financed, was deemed no longer eligible for reimbursement. Article 22 of the FY2015 Budget extended the moratorium from June 30, 2014, to May 1, 2015, limiting the approval of new projects between FY2012 and FY2015 to those necessitated by immediate health and safety conditions.

As part of the legislation, RIDE was charged with developing recommendations for further 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 13 of the FY2014 Budget as Enacted provided an incentive to communities to refinance existing school housing bonds by allowing communities to receive 80.0 percent of the total savings, instead of distributing the savings based on the state share ratio. The increased savings to the communities would only apply to refinancing done between July 1, 2013, and December 31, 2015. The table shows the estimated savings realized through the incentive.

School Bond Refinancing Incentive Estimated Savings Summary			
Municipality	Local Savings	State Savings	Total Savings
Burrillville	\$391,582	\$97,896	\$489,478
Central Falls	485,690	121,423	607,113
Cumberland	392,456	98,136	490,592
Johnston	41,684	10,421	52,105
Lincoln	1,590,165	397,541	1,987,706
New Shoreham	329,114	82,278	411,392
North Kingstown	419,141	104,785	523,926
North Providence	492,390	123,098	615,488
Pawtucket	44,094	11,023	55,117
Portsmouth	208,533	52,135	260,668
Providence	5,854,680	1,463,670	7,318,350
South Kingstown	232,603	58,151	290,754
Tiverton	753,270	188,317	941,587
West Warwick	525,572	131,393	656,965
Woonsocket	728,129	182,083	910,212
Total Savings	\$12,489,103	\$3,122,350	\$15,611,453

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.

In FY2021, the Budget provides \$80.0 million, level funded with the FY2020 Budget as Enacted. For FY2021, the Department projects expenditures of \$79.0 million in school housing aid, an increase of \$319,486 from the FY2020 actual expenditures. The surplus will be deposited into the School Building Authority Capital Fund.

Based on the December 2020 projection from the School Building Authority, school housing aid reimbursements are expected to exceed the \$80.0 million traditionally built into the budget beginning in FY2023, with a projected cost of \$93.4 million. The projection increases to \$100.6 million in FY2024 and \$117.3 million in FY2025.

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). For FY2021, the Budget provides \$869,807 in general revenue from the surplus construction aid to the Capital Fund.

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 the "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.

In FY2019, RIHEBC supported \$737,735 in SBA personnel expenses, and \$775,492 in FY2020. In FY2021 the Budget projects \$766,270 in expenditures.

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