



FY2011
State Aid to Cities and Towns

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Senate Committee on Finance

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Introduction

Rhode Island municipalities derive the majority of their revenues from property taxes. In FY2010, municipalities collected approximately \$2,015.0 million in property taxes, which is 18.1% more than the State collects in personal income and sales taxes combined (Source: RI Department of Revenue). Data presented by the Tax Foundation indicates that the average property tax bill on a median home in the State was \$3,534 in FY2008, which is 86.3% higher than the national average of \$1,897. Recent data (2008) also shows Rhode Island ranking 7th highest in the United States in terms of property tax burden as measured by property tax collections per \$1,000 of personal income (Source: U.S. Census Bureau; Tax Foundation calculations).

State aid to local government is designed in part to provide an alternative revenue source for communities as well as to help support selected programs operated at the local level. In fact, as reported in Rhode Island Public Expenditure Council's (RIPEC) Summary of the Governor's FY2010 Budget Request Report, since FY2000, nearly \$0.12 of every new dollar of spending went to increases in local aid.

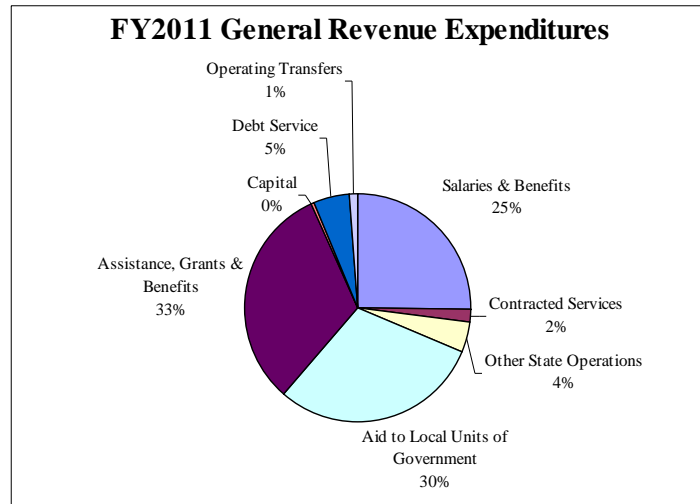
State aid to local governmental entities is provided for a range of purposes, such as supporting the cost of conducting statistical updates of property values and providing funding for school districts to construct school facilities.

There have been a number of efforts to provide direct and indirect property tax relief to taxpayers in Rhode Island. The State has completed the phase-out of local inventory taxes and has erased the excise tax on the first \$500 of motor vehicle value. The State has increased its total local aid program from \$586.1 million in FY2000 to \$833.0 million in FY2010, an increase of \$246.9 million, or 42.1%. In 2006 the General Assembly passed S-3050 entitled "Relating to Taxation – Property Taxes", which limits local property tax levy growth to no more than 4.50% in FY2011, decreasing the cap to 4.0% growth by FY2013.

Rhode Island's FY2011 total State budget of \$7,864.1 million includes \$1,053.9 million in local aid to cities and towns, of which nearly \$838.7 million is General Revenue. This represents 13.4% of all fund spending, but 29.4% of General Revenue spending.

There have been a number of recent changes in State aid to local government. Major changes include:

- Elimination of funding for the General Revenue Sharing program;
- Decrease in the motor vehicle excise tax exemption from \$6,000 to \$500, along with a decrease in funding for reimbursements from \$117.2 million in FY2010 to \$10.0 million in FY2011;
- Stimulus Funds: Rhode Island is expected to receive Federal Stabilization Funds through the American Recovery and Reinvestment Act of 2009 totaling approximately \$134.9 million over a three-year period (FY2009 – FY2011) to help states avoid reductions for higher and lower education. The General Assembly allocated \$38.3 million in FY2009, \$50.6 million in FY2010 and \$18.6 million in FY2011 from Federal Stabilization Funds (Stimulus Aid) to local school districts.
- Pension Reform: The FY2009 Budget and FY2010 Supplemental Budget included pension reforms that will save an estimated \$62.0 million in local contributions toward teacher retirement. Reforms include



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changes in the retirement age; change from a 3 year to a 5 year compensation base when calculating final compensation, and changes in the Cost of Living Adjustment. Local Aid to Education was reduced by the amount of local savings resulting from these pension changes. (See School Aid – Pension Revisions for additional details).

Pension Savings	FY2009 Budget Changes		FY2010 Budget Changes	
	FY2009 General Revenue	FY2010 General Revenue	FY2010 General Revenue	FY2011 General Revenue
State	(\$1.5)	\$15.0	\$3.3	\$5.7
Teachers (State)	18.5	15.0	4.0	4.2
Total State	\$17.0	\$30.0	\$7.3	\$9.9
Teachers (Local)	\$27.5	\$22.5	\$5.9	\$6.1
Total State & Local	\$44.5	\$52.5	\$13.2	\$16.0

\$ in millions

This report is intended as a reference guide to major State aid programs, providing a summary of each major local aid program, the methodology and distribution of aid, and a summary of the recently adopted education aid formula. Please contact the Senate Fiscal Office at 401-222-2480 if you have any questions or comments.

Municipal Aid

The State provides funding to municipalities in two forms: Direct Aid and Indirect Aid. Direct Aid is money which has been appropriated by the General Assembly from specific programs in the State's annual Budget. This money is then distributed by the Department of Administration to the cities and towns based on formulas prescribed in State statutes. Indirect Aid, also referred to as "Pass-Through" Aid, is money received by the Department of Administration from outside sources such as hotels, restaurants, and communications companies, and distributed to cities and towns. It is not appropriated during the budget process, and therefore is not included in the Budget. In the case of Public Service Corporation Tax, the funds are distributed based on community population relative to the State's population. Meal and Beverage taxes and Hotel taxes are distributed to the communities from which the tax revenue originated.

DIRECT MUNICIPAL AID

The State gives aid directly to cities and towns for purposes other than public education in the form of municipal aid. Municipal aid has evolved over time, from programs where the State has provided resources to support communities with a significant presence of non-taxable property to programs designed to share the State's revenue base. Since FY2006, total State municipal aid has decreased from \$266.4 million to \$93.9 million in FY2011 – a net decrease of \$172.5 million, or 64.8%, during this 5-year period.

The majority of municipal aid has been through the tax relief program under the Motor Vehicle Excise Tax Program and the State's General Revenue Sharing Program. In FY2009, \$135.4 million was provided by the State for the Motor Vehicle Excise Tax Program. However, in FY2010, this amount was reduced to \$117.2 million, and in FY2011, this amount is reduced to \$10.0 million. In FY2009 and FY2010, there were significant changes in support for the General Revenue Sharing Program. In FY2008, the State provided \$55.1 million in General Revenue Sharing. However, this was reduced to \$25.0 million in FY2009, and subsequently not funded in FY2010 and FY2011.

Aid Program	Municipal Aid						Change - FY 2006 - 2011	
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	Actual	Percent
Payment in Lieu of Taxes	\$27.0	\$27.8	\$27.8	\$27.6	\$27.6	\$27.6	\$0.6	2.2%
Distressed Communities	10.6	10.2	10.4	10.4	10.4	10.4	(\$0.2)	-1.9%
Motor Vehicle Excise Tax	117.6	136.2	135.3	135.4	117.2	10.0	(\$107.6)	-91.5%
State Aid to Libraries								
Grant-in-Aid	8.4	8.7	8.7	8.7	8.7	8.7	\$0.3	3.6%
Library Construction	2.6	2.8	2.7	2.6	2.7	2.5	(\$0.1)	-3.8%
General Revenue Sharing	65.0	65.1	55.1	25.0	0.0	0.0	(65.0)	-100.0%
<i>Total Direct Aid</i>	<i>\$231.2</i>	<i>\$250.8</i>	<i>\$240.0</i>	<i>\$209.6</i>	<i>\$166.6</i>	<i>\$59.2</i>	<i>(\$172.0)</i>	<i>-74.4%</i>
Public Service Corporations Tax	\$12.2	\$10.3	\$10.3	\$9.2	\$10.2	\$10.2	(\$2.0)	-16.4%
Meals & Beverage Tax	17.6	18.8	18.7	18.8	19.0	18.8	\$1.2	6.8%
Hotel Tax	5.4	5.7	5.8	5.6	5.1	5.7	\$0.3	5.6%
<i>Total - Indirect Aid</i>	<i>\$35.2</i>	<i>\$34.9</i>	<i>\$34.9</i>	<i>\$33.6</i>	<i>\$34.3</i>	<i>\$34.7</i>	<i>(\$0.5)</i>	<i>-1.4%</i>
Total Aid	\$266.4	\$285.6	\$274.9	\$243.2	\$200.9	\$93.9	(\$172.5)	-64.8%

\$ in millions

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Payment in Lieu of Tax Exempt Property (PILOT) – RIGL 45-13-5.1

The PILOT program was established in 1986 to reimburse cities and towns for property taxes that would have been due on real property owned by nonprofit higher education institutions and nonprofit hospitals if it were subject to taxation. In 1988 the program was expanded to include any State owned and operated hospital, veterans’ residential facility, or correctional facility occupied by more than one hundred (100) residents, which is exempted from taxation by State law. The policy behind the implementation was to offset the costs to the community for providing public safety or other ordinary services to the properties and facilities covered by the statute.

Fiscal Year	PILOT Funding Trends		
	Total Funding	Percent Change	Percent Reimbursed
2000	\$16.1	1.3%	27.0%
2001	17.6	9.6%	27.0%
2002	18.1	3.0%	27.0%
2003	18.2	0.1%	24.8%
2004	21.7	19.6%	27.0%
2005	22.7	4.6%	26.3%
2006	27.0	18.7%	27.0%
2007	27.8	2.9%	27.0%
2008	27.8	0.0%	25.4%
2009	27.6	-0.7%	25.2%
2010	27.6	0.0%	23.8%
2011	27.6	0.0%	21.1%

\$ in millions

Distribution: The original reimbursement rate was 25.0% of all tax that would have been collected had the property been taxable. In 1997, the General Assembly increased the reimbursement rate to 27.0%, effective in FY1998. The baseline assessed property values for this program have grown from \$1,969.2 million in 2000 to \$5,152.5 million in 2011.

Nineteen communities currently receive funding from this program. Providence receives \$19.1 million (69.2%) of the \$27.6 million appropriated. This is due to reimbursements for 6 hospitals (Butler, Miriam, Rhode Island, Roger Williams, St. Joseph’s and Women & Infants) and 4 private colleges (Brown, Johnson & Wales, Providence College, and Rhode Island School of Design) located within the City. Cranston receives \$4.2 million due mainly to the location of the Pastore Center within that City.

Funding: Since FY2008, State appropriations for the PILOT program have equaled less than 27.0% of all tax that would have been collected had the property been taxable. In FY2011, the budget includes \$27.6 million, which in effect represents 21.1% of all taxes that would have been collected had the property been taxable.

Distressed Communities Relief Program – RIGL 45-13-12

Established in 1990, this program provides State assistance to Rhode Island communities with the highest property tax burdens relative to the wealth of taxpayers. Four indices are used to determine eligibility:

- percent of tax levy to full value of property;
- per capita income;
- percent of personal income to full value of property; and
- per capita full value of property.

Each community is ranked by each distress index and any community that falls into the lowest 20% of at least three (3) of the preceding four (4) indices is eligible to receive assistance (15% prior to FY2005). Since the inception of the program, eight communities have received funding through this program: Burrillville, Central Falls, East Providence, North Providence, Pawtucket, Providence, West Warwick, and Woonsocket.

Distribution: The funds are distributed to eligible communities based on the community's tax levy relative to the tax levy of all eligible communities. Any newly qualifying community or community returning to the program will receive 50.0% of the funding it would be entitled to in the first year, and then the full amount thereafter. The remaining 50.0% would be distributed to the other distressed communities to soften the fiscal impact of the new eligible community. Any community that no longer qualifies will receive 50.0% of the prior year's allocation for the first year, and no funding thereafter.

Funding: The Distressed Communities Relief Program was originally funded from a \$5.0 million annual contribution from the Video Lottery Terminal revenue and a portion of State revenues collected from the real estate conveyance tax. Beginning in FY2008, funding for this program came from State appropriations and a 0.19% share of all video lottery net terminal income.

For FY2009 and FY2010, \$10.4 million was appropriated to seven (7) qualifying municipalities. It should be noted that the allocation to municipalities is based on current distressed community index rankings.

For FY2011, \$10.4 million has been appropriated for Distressed Communities Relief, with the allocation to municipalities based on current qualifying data. East Providence is now eligible for Distressed Community Relief, and North Providence is no longer eligible. By statute, East Providence will receive an allocation of 50.0% of what it would have received in FY2011, and North Providence will receive an allocation of 50.0% of what it received in FY2010. In FY2012, East Providence will receive 100% of its allocation, and North Providence will not receive any funding.

Distressed Communities Relief		
Fiscal Year	Total Funding	Percent Change
2000	\$6.6	7.1%
2001	7.3	10.5%
2002	7.6	4.7%
2003	8.1	6.6%
2004	7.5	-7.5%
2005	9.5	26.5%
2006	10.6	11.6%
2007	10.2	-4.6%
2008	10.4	2.3%
2009	10.4	0.0%
2010	10.4	0.0%
2011	10.4	0.0%

\$ in millions

Motor Vehicle Excise Tax - RIGL 44-34.1-1

The Motor Vehicle and Trailer Excise Tax Elimination Act of 1998 was enacted to restructure the tax system by reducing local reliance on property taxes in an effort to improve Rhode Island's tax competitiveness, and provide broad-based property tax relief to the residents of Rhode Island. This is a tax that reaches corporations and private individuals as well as homeowners and renters alike. There are material differences in values and tax rates among communities, with tax rates varied from a low of \$9.75 per \$1,000 in vehicle value in New Shoreham to a high of \$76.78 in Providence. Tax avoidance issues are also of concern, where some taxpayers could potentially register their car in a different community or state to minimize or avoid the auto excise tax. Phase-out of the motor vehicle excise tax would eliminate these inequities.

Motor Vehicle Exemptions	
Fiscal Year	Total Exemption
2000	\$1,500
2001	2,500
2002	3,500
2003	4,500
2004	4,500
2005	4,500
2006	5,000
2007	6,000
2008	6,000
2009	6,000
2010	6,000
2011	500

Pursuant to RIGL 44-34.1-1, as amended by the FY2003 Appropriations Act, Article 3, the motor vehicle excise tax is reduced in FY2003 and thereafter and may be phased-out subject to annual review and appropriation by the General Assembly. The reduction applies to all motor vehicles and trailers, including leased vehicles. The tax assessor in each city and town is required to reduce the retail value of each vehicle based on the exemption schedule provided below. In other words, the first \$1,500 of the value could not be taxed in FY2000. This increased to \$6,000 in FY2010; however, it has been reduced to \$500 for FY2011.

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Distribution: The Motor Vehicle Excise Tax Elimination Act requires that the cities and towns receive reimbursements from State General Revenues equal to the amount of tax revenue lost through the application of the exemptions.

- Between FY2000 and FY2008 the reimbursements were calculated assuming a 100% collection rate.
- Under the program as originally designed, the base tax rate was indexed for inflation by applying the annual change in the December consumer price index – all urban consumers (CPI-U). This practice reimbursed the cities and towns for any tax rate increases that may have occurred had the rate not been frozen.
- In 2003 the General Assembly accepted the Governor’s recommendation to end the CPI-U adjustment, beginning in FY2004.
- In FY2009, the reimbursements were calculated assuming a 98.0% collection rate.
- In FY2010, the reimbursements were calculated assuming an 86.2% collection rate.
- For FY2011, reimbursements are prorated based on an appropriation of \$10.0 million.
- Lost revenues are determined using a base tax rate fixed at the FY1998 level for each city and town, except the Town of Johnston, which is fixed at the FY1999 level.
- Under current law, the tax rolls upon which the reimbursements are calculated are updated to provide the actual data that would have been used by the municipalities had the phase-out not been enacted.

Municipalities receive reimbursements from the State on a quarterly basis on August 1, November 1, February 1, and May 1. Each payment represents 25.0% of the amount calculated for reimbursement; however, the February and May payments may differ due to the final certified and reconciled motor vehicle levy information.

Funding: For FY2011, the General Assembly decreases the motor vehicle exemption from \$6,000 to \$500. The State will reimburse municipalities for the exemption, ratably reduced to an appropriation of \$10.0 million. Further, the General Assembly allows municipalities to provide an additional exemption in excess of \$500; however, these additional exemptions will not be subject to reimbursement (see table). The Assembly provides fire districts the authority to levy a tax on motor vehicles, but without reimbursement. For FY2011 and future years, the Assembly permits municipalities and fire districts to assess motor vehicles at a tax rate equal to or less than the rate used in FY2010, but no higher, and provides that the State will reimburse municipalities and fire districts using a tax rate equal to or lower than the rate in effect in FY2010, but no higher.

Motor Vehicle Excise Tax		
Fiscal Year	Total Funding	Change
2000	\$47.3	112.2%
2001	76.6	62.0%
2002	99.6	30.0%
2003	100.2	0.6%
2004	105.0	4.8%
2005	105.0	0.0%
2006	117.6	12.1%
2007	136.2	15.8%
2008	135.3	-0.7%
2009	135.4	0.0%
2010	117.2	-13.4%
2011	10.0	-91.5%

\$ in millions

The following table provides a summary of the motor vehicle exemption amount given by each community for FY2011. Fifteen municipalities, or 38.5%, are giving their residents the minimum \$500 exemption; 24 municipalities, or 61.5%, are giving their vehicle owners an exemption greater than the minimum \$500 exemption. Of the 24 municipalities offering a higher exemption, 13, or 33.3% are maintaining the FY2010 exemption of \$6,000. This means that a community offering an exemption higher than \$500 will have to absorb the loss in State aid in their operating budget.

Motor Vehicle Excise Tax Exemptions		
Minimum \$500	\$1,000 - \$3,400	\$6,000
Barrington	Bristol	Coventry
Charlestown	Burrillville	East Greenwich
Cranston	Central Falls	East Providence
Cumberland	Glocester	Foster
Exeter	Lincoln	Jamestown
Hopkinton	Middletown	Little Compton
Johnston	North Kingstown	Narragansett
North Providence	Pawtucket	Newport
North Smithfield	Portsmouth	New Shoreham
Richmond	Smithfield	Providence
South Kingstown	West Warwick	Scituate
Warren		Tiverton
Westerly		Warwick
West Greenwich		
Woonsocket		

Source: Division of Municipal Finance

Property Tax Revaluation – RIGL 44-5-11.6

Rhode Island law requires municipalities to conduct full property revaluations every nine years and statistical updates at year three (3) and year six (6). Communities are responsible for appropriating funds to cover the costs of full property revaluations; however, State law requires that the State reimburse municipalities for 100% of the first statistical update, not to exceed \$20 per parcel. Reimbursements for subsequent updates are set at 80% (up to \$16 per parcel) for the second statistical update and 60% (up to \$12 per parcel) for the third and subsequent statistical revaluations.

In FY2011, 7 communities are scheduled for their third statistical update (Barrington, Cranston, East Greenwich, Foster, Middletown, Pawtucket and Woonsocket), and four communities are scheduled for a full revaluation (Exeter, Narragansett, Newport, and Tiverton).

Property Tax Revaluation		
Fiscal Year	State Reimbursement	Change
2001	\$1.5	
2002	1.0	-32.7%
2003	1.6	55.4%
2004	2.3	47.5%
2005	0.7	-70.6%
2006	1.2	70.9%
2007	2.1	78.0%
2008	0.7	-66.5%
2009	1.1	61.9%
2010	1.6	41.3%
2011	1.0	-37.5%

\$ in millions

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State of Rhode Island's Schedule of Property Revaluations & Statistical Updates

Municipality	2000*	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Barrington			update			revaluation			update			update	
Bristol		revaluation			update			revaluation			update		
Burrillville	update			revaluation			update			update			revaluation
Central Falls	update			revaluation			update			update			revaluation
Charlestown		update			revaluation			update			update		
Coventry		update			update			revaluation			update		
Cranston			update			revaluation			update			update	
Cumberland		update			revaluation			update			update		
East Greenwich			update			revaluation			update			update	
East Providence				update			revaluation			update			update
Exeter			revaluation			update			update			revaluation	
Foster			update			update			revaluation			update	
Glocester		revaluation			update			update			revaluation		
Hopkinton			revaluation			update					update		
Jamestown	update			revaluation			update			update			revaluation
Johnston	update			revaluation			update			update			revaluation
Lincoln	update			revaluation			update			update			revaluation
Little Compton	revaluation			update			update			revaluation			update
Middletown			update			update			revaluation			update	
Narragansett			revaluation			update			update			revaluation	
New Shoreham				revaluation			update			update			revaluation
Newport		revaluation				update			update			revaluation	
North Kingstown	update			revaluation			update			update			revaluation
North Providence		update			revaluation			update			update		
North Smithfield	update			revaluation			update			update			revaluation
Pawtucket			update			update			revaluation			update	
Portsmouth		update			update			revaluation			update		
Providence	revaluation			update			update			revaluation			update
Richmond		revaluation			update			update			revaluation		
Scituate	revaluation			update			update			revaluation			update
Smithfield	update			revaluation			update			update			revaluation
South Kingstown	update			revaluation			update			update			revaluation
Tiverton			revaluation			update			update			revaluation	
Warren				update			revaluation			update			update
Warwick				update			revaluation			update			update
West Greenwich		revaluation			update			update			revaluation		
West Warwick	update			revaluation			update			update			revaluation
Westerly	revaluation			update			update			revaluation			update
Woonsocket			update				update			revaluation		update	

First Update
Second Update
Third Update

Source: RI Division of Municipal Finance

* Represents annual assessment date of Dec. 31 for the respective year.

Funding: For FY2010, the General Assembly appropriated \$1.6 million to reimburse communities for costs associated with statistical updates. For FY2011, the General Assembly included \$1.0 million for this program.

Library Aid

Two programs provide financial assistance to libraries – grant-in-aid support for local public library services and assistance for construction and capital improvements of any free public library. A portion of library aid is disbursed directly to local libraries, which include private libraries, while other aid is disbursed to the individual cities and towns.

Grant-in-Aid – RIGL 29-6: This statute requires that the State support public libraries. RIGL 29-6-2 provides that this funding be at least 25.0% of the amount appropriated and expended in the second preceding fiscal year by the city or town from local tax revenues.

Library Aid is distributed based on the city or town's expenditure level as a percentage of the total expenditures

Fiscal Year	Library Aid			Total Aid	Percent Change
	Grant in Aid	Construction			
2000	\$5.7	\$1.6		\$7.3	38.7%
2001	6.0	2.0		8.0	10.2%
2002	6.3	2.0		8.3	4.1%
2003	6.6	2.2		8.8	5.2%
2004	7.6	2.1		9.7	10.5%
2005	8.1	2.5		10.6	9.0%
2006	8.4	2.6		11.0	4.4%
2007	8.7	2.8		11.5	4.0%
2008	8.7	2.7		11.4	-0.4%
2009	8.8	2.6		11.4	-0.4%
2010	8.7	2.7		11.5	0.7%
2011	8.7	2.5		11.2	-2.5%

\$ in millions

by all communities statewide. State grant-in-aid funds cannot be used to supplant local funds. Furthermore, RIGL 29-6-2 requires grant-in-aid funding to reach 25.0% of local expenditures by FY2000. The 2002 General Assembly implemented a ratable reduction clause in the event that the total amount of the grants as calculated under the formula exceeds the amount appropriated. Previously, in order to be eligible for these funds, cities and towns had to maintain their level of support for public library services at 100.0% of the previous year's funding from the local tax base. However, in FY2009, the General Assembly enacted legislation which would allow communities to fund their public libraries at 80.0% of the prior year's level in order to be eligible for these funds. For FY2010, municipalities would again be allowed to fund their public libraries at 80.0% of the previous year's allocation and still be eligible for State Library Aid. This provision was not extended to FY2011.

For FY2010 and FY2011, the General Assembly has included \$8.7 million per year in Library Aid.

Public Library Construction Reimbursement (RIGL 29-6-6): This statute authorizes the State to make grants to a municipality or a free public library for construction or capital improvements. The State reimburses up to 50.0% of the cost of approved local library construction projects. The State share is reimbursable over a period not to exceed twenty (20) years, and payments are calculated to include the interest incurred through borrowing. The Library Board of Rhode Island has established a policy outlining priorities and maximum allowable square foot costs for proposed projects. The General Assembly appropriated \$2.7 million in Library Construction Aid for FY2010, which was the actual amount of projects reimbursed by the Office of Library and Information Services. For FY2011, the General Assembly appropriated \$2.5 million.

General Revenue Sharing (RIGL 45-13-1)

Beginning in FY1994, 1.0% of total State tax revenues from the second prior fiscal year were earmarked for general State Aid to cities and towns. This amount was required to increase annually, beginning in FY1999, until reaching 4.7% in FY2010. The incremental increase was implemented to offset revenues lost by the municipalities due to the State's requirement to phase-out local inventory taxes, and the increase was calculated to provide approximately \$5.0 million in additional revenue annually.

The 2002 General Assembly delayed the incremental increase for FY2003 by one year and provided subsequent adjustments in the schedule. In FY2004, 2.7% of total State tax revenues from FY2002 were apportioned to cities and towns. When the delay was implemented in FY2003, there was no adjustment made to the schedule for the inventory phase-out. FY2008 was the last year for the inventory tax, which was 10% of the 1999 rate.

For FY2007, the Governor recommended freezing the level of funding at the FY2006 level and also recommended freezing the phase-up at 3.0% for FY2008 and beyond. The General Assembly froze the program at the FY2006 level but left the phase-up to 4.7% in FY2011.

For FY2008, the General Assembly concurred with the Governor's proposal to freeze General Revenue Sharing payments at the FY2007 level and fix future amounts at 3.0% of tax revenues, ending the phase-up.

General Revenue Sharing			
Fiscal Year	Total Funding	Percent Change	% of State Revenues
2000	\$27.6	39.8%	1.7%
2001	33.5	21.5%	2.0%
2002	43.6	30.2%	2.4%
2003	48.3	10.7%	2.4%
2004	51.4	6.5%	2.7%
2005	52.4	1.9%	*
2006	65.0	23.9%	3.0%
2007	65.1	0.2%	*
2008	55.1	-15.4%	*
2009	25.0	-54.6%	*
2010	0.0	-100.0%	0.0%
2011	0.0	0.0%	0.0%

\$ in millions

** Funding determined by appropriation, not as a percentage of State revenue.*

10 | Municipal Aid

In the FY2009 Supplemental Budget, the Governor had recommended eliminating General Revenue Sharing. The General Assembly did not concur, and appropriated \$25.0 million in General Revenue Sharing in FY2009, which was \$30.1 million less than originally enacted.

In FY2010 and FY2011, the General Assembly concurred with the Governor in recommending \$0.00 for General Revenue Sharing.

INDIRECT MUNICIPAL AID

Indirect Aid, also referred to as “Pass-Through Aid,” is money collected by the Department of Revenue from outside sources, such as hotel, restaurants, and communications companies, and distributed, or passed through, to cities and towns. It is not appropriated during the budget process, and therefore is not in the Budget as Enacted. In the case of Public Service Corporation Tax, the funds are distributed based on community population relative to the State’s population. Meal and Beverage taxes and Hotel taxes are distributed to the communities from which the tax revenue originated.

Public Service Corporation Tax (PSCT) – RIGL 44-13-13

The tangible personal property of telegraph, cable, and telecommunications corporations and express corporations (a transportation company that uses boats or trains) is exempt from local taxation, and instead is subject to taxation by the State. Companies are required to report the value of their tangible personal property to the Division of Taxation annually, by March 1.

The State Tax Administrator applies the State’s average assessment ratio and the State’s average tax rate to the value of tangible personal property of each company to calculate the amount of tax due. The “average assessment ratio” is the total statewide assessed valuation divided by the statewide full market value of the valuation. The “average property rate” is the total statewide property levy divided by the total statewide assessed valuation.

Public Service Corporation Tax		
Fiscal Year	Total Funding	Percent Change
2000	\$12.8	13.6%
2001	13.7	7.2%
2002	16.7	21.8%
2003	18.0	7.9%
2004	16.3	-9.4%
2005	14.6	-10.5%
2006	12.2	-16.5%
2007	10.3	-15.2%
2008	10.3	0.0%
2009	9.2	-11.1%
2010	10.2	10.9%
2011	10.2	0.0%

Funding: Collections from this tax have decreased from a peak of \$18.0 million in FY2003 to \$9.2 million in FY2009. The average property tax rate has declined as the total assessed valuation increased dramatically due to large increases in real estate values over this same period of time. This has resulted in a reduced tax rate being applied to Public Service Corporation Tax assets, which now carry a lower value. In order to stop this downward trend in revenue to support local communities, the 2009 General Assembly amended the law to require that the tax rate applied in a given tax year shall not be less than the rate applied in the previous tax year, preserving \$646,000 of tax revenue to the municipalities in FY2010.

Distribution: The revenue from this tax flows through the State: it is not appropriated. The Department of Revenue may receive payment of reasonable administrative expenses, not to exceed 0.75% of the proceeds. The remainder of the revenue is deposited into a Restricted Receipt account and apportioned to the cities and towns based on the ratio of each municipality’s population relative to the total population of the State.

Meals and Beverage Local Sales and Use Tax – RIGL 44-18-18.1

During the 2003 session, the General Assembly enacted a 1.0% gross receipt tax on retail sales of meals and beverages in or from, eating and/or drinking establishments. Beverages include all non-alcoholic

beverages, as well as alcoholic beverages. A meal is any prepared food or beverage offered for sale which is ready for immediate consumption.

Funding: This 1.0% gross receipts tax is in addition to all other taxes and fees currently imposed on meals and beverages. The revenue from this tax flows through the State; it is not appropriated. Taxes are collected by the retailer and submitted to the Division of Taxation.

Distribution: The Division of Taxation distributes these funds monthly, (although State law requires distribution at least quarterly), to the city or town where the meals and beverages were delivered. For FY2010 municipalities received \$19.0 million. The estimate for FY2011 was based on the FY2009 actual receipts of \$18.8 million, and no growth was anticipated.

Meals & Beverage Tax			
Fiscal Year	Total Funding	Change	Percent Change
2004	\$13.5		
2005	17.2	3.7	27.3%
2006	17.6	0.4	2.5%
2007	18.8	1.2	6.9%
2008	18.7	(0.1)	-0.4%
2009	18.8	0.1	0.3%
2010	19.0	0.2	1.1%
2011	18.8	(0.2)	-1.1%

*FY2011 is estimated
\$ in millions*

Hotel Tax – RIGL 44-18-36.1

The State levies a 5.0% gross receipts tax on charges for occupancy of any space furnished in buildings or structures with a minimum of three rooms that are kept, used, maintained, advertised or held out to the public to be a space where living quarters are supplied for pay to transient use (30 days or less). This tax is collected by the hotel and remitted to the Division of Taxation on a monthly basis. This tax is in addition to all other taxes and fees currently imposed.

Distribution: The Division of Taxation collects the 5.0% tax and is responsible for distribution, except for the City of Newport, which is authorized to collect and disburse taxes from all hotels physically located in the city. Funds are distributed as follows:

- 47.0% is distributed to the regional tourism district where the hotel is located (except for the City of Providence, where 16.0% is distributed to the Greater Providence-Warwick Convention and Visitors’ Bureau and 31.0% is distributed to the Convention Authority of the City of Providence; and Warwick, where 16.0% is distributed to the Greater Providence-Warwick Convention and Visitors’ Bureau and 31.0% is distributed to the Warwick regional tourism district);
- 25.0% is distributed to the city or town where the hotel which generated the tax is physically located;
- 21.0% is deposited as State General Revenues; and
- 7.0% is distributed to the Greater Providence-Warwick Convention and Visitors’ Bureau

An additional 1.0% tax, which was enacted in FY2005, is distributed in total to the city or town where the occupancy occurred.

Hotel Tax		
Fiscal Year	Total Funding	Percent Change
2000	\$2.7	
2001	3.3	22.2%
2002	2.9	-12.1%
2003	2.7	-6.9%
2004	2.8	3.7%
2005	3.6	28.6%
2006	5.4	50.0%
2007	5.7	5.6%
2008	5.8	1.8%
2009	5.6	-3.4%
2010	5.1	-8.9%
2011	5.7	11.8%

*FY2011 is estimated
\$ in millions*

FY2010 Revised Direct Municipal Aid to Cities and Towns

Municipalities	FY2009	General				Distressed		Motor Vehicle		Library *		Total FY2010 Municipal Aid	Change from FY2009
		Revenue Sharing	Payment In Lieu of Taxes	Communities Relief Fund	Communities Relief Fund	Excise Tax	Grant-in-Aid	Construction	Library Construction				
Barrington	\$3,523,979	-	\$48,732	-	-	\$2,580,390	\$321,077	\$78,384	\$3,028,583			(\$495,396)	
Bristol	2,557,526	-	610,478	-	-	1,307,455	58,525	254,562	2,231,020			(326,506)	
Burrillville	4,069,759	-	70,809	508,392	-	2,389,629	91,281	321,209	3,381,320			(688,439)	
Central Falls	2,514,685	-	21,220	289,687	-	1,219,326	76,209	-	1,606,442			(908,243)	
Charlestown	724,284	-	-	-	-	441,247	45,556	-	486,803			(237,481)	
Coventry	3,531,743	-	-	-	-	2,537,939	189,995	-	2,727,934			(803,809)	
Cranston	18,697,694	-	3,560,464	-	-	10,455,590	567,846	67,104	14,651,004			(4,046,690)	
Cumberland	3,836,876	-	119	-	-	2,438,572	242,267	202,116	2,883,074			(953,802)	
East Greenwich	1,690,492	-	7,861	-	-	1,165,558	106,867	79,302	1,359,588			(330,904)	
East Providence	7,889,148	-	54,586	-	-	5,321,134	472,150	129,954	5,977,824			(1,911,324)	
Exeter	1,157,660	-	-	-	-	859,087	32,881	69,882	961,850			(195,810)	
Foster	1,010,873	-	476	-	-	759,861	33,174	-	793,511			(217,362)	
Glocester	1,502,091	-	-	-	-	1,052,490	67,171	-	1,119,661			(382,430)	
Hopkinton	966,727	-	-	-	-	727,489	28,196	-	755,685			(211,042)	
Jamestown	618,363	-	-	-	-	375,993	74,753	57,979	508,725			(109,638)	
Johnston	6,169,047	-	-	-	-	4,341,587	105,464	-	4,447,051			(1,721,996)	
Lincoln	3,465,826	-	-	-	-	2,523,037	176,403	-	2,699,440			(766,386)	
Little Compton	358,182	-	-	-	-	246,033	25,583	-	271,616			(86,566)	
Middletown	1,682,328	-	-	-	-	972,216	130,962	64,409	1,167,587			(514,741)	
Narragansett	1,681,143	-	-	-	-	1,041,634	120,292	-	1,161,926			(519,217)	
Newport	3,885,328	-	755,574	-	-	1,527,934	355,526	256,109	2,895,143			(990,185)	
New Shoreham	282,947	-	-	-	-	79,784	93,402	63,443	236,629			(46,318)	
North Kingstown	3,448,021	-	6,509	-	-	2,423,460	236,452	39,125	2,705,546			(742,475)	
North Providence	7,540,945	-	458,386	1,021,040	-	4,188,776	174,633	-	5,842,835			(1,698,110)	
North Smithfield	2,480,733	-	50,330	-	-	1,882,872	57,152	-	1,990,354			(490,379)	
Pawtucket	14,453,267	-	349,427	1,497,807	-	8,706,958	415,117	-	10,969,309			(3,483,958)	
Portsmouth	2,009,511	-	-	-	-	1,342,618	100,332	219,436	1,662,386			(347,125)	
Providence	56,906,903	-	19,679,744	5,294,786	-	20,839,552	2,237,328	380,668	48,432,078			(8,474,825)	
Richmond	981,530	-	-	-	-	713,145	26,120	-	739,265			(242,265)	
Scituate	1,906,744	-	-	-	-	1,364,266	92,783	-	1,457,049			(449,695)	
Smithfield	5,044,630	-	457,696	-	-	3,029,033	244,438	-	3,731,167			(1,313,463)	
South Kingstown	2,917,861	-	139,325	-	-	1,876,190	199,346	38,752	2,253,613			(664,248)	
Tiverton	1,748,807	-	-	-	-	1,212,910	91,028	-	1,303,938			(444,869)	
Warren	1,362,806	-	-	-	-	950,808	49,036	-	999,844			(362,962)	
Warwick	17,469,229	-	1,026,754	-	-	11,937,783	669,452	173,652	13,807,641			(3,661,588)	
Westerly	3,699,644	-	124,648	-	-	2,597,344	281,816	-	3,003,808			(695,836)	
West Greenwich	702,883	-	-	-	-	526,676	23,819	-	550,495			(152,388)	
West Warwick	4,957,404	-	-	946,360	-	2,695,205	188,581	78,107	3,908,253			(1,049,151)	
Woonsocket	8,309,963	-	157,271	826,382	-	4,652,576	207,774	165,296	6,009,299			(2,300,664)	
<i>Subtotal</i>	<i>\$207,757,584</i>	-	<i>27,580,409</i>	<i>10,384,454</i>	-	<i>115,304,157</i>	<i>8,710,787</i>	<i>2,739,489</i>	<i>164,719,296</i>			<i>(43,038,288)</i>	
Fire Districts	1,875,837	-	-	-	-	1,875,837	-	-	1,875,837			-	
Total	\$209,633,421	\$0	\$27,580,409	\$10,384,454	\$0	\$117,179,994	\$8,710,787	\$2,739,489	\$166,595,133			(\$43,038,288)	

*Providence Library Aid includes \$1,012,378 for the Statewide Reference Library Resource Grant

FY2011 Direct Municipal Aid to Cities and Towns

Municipality	FY2010	General Revenue						Distressed Communities Relief Fund	Motor Vehicle Excise Tax	Library* Grant-in-Aid	Library Construction	Total FY 2011 Municipal Aid	Change from FY2010
		General Revenue Sharing	Payment In Lieu of Taxes	Distressed Communities Relief Fund	Motor Vehicle Excise Tax	Library* Grant-in-Aid	Library Construction						
Barrington	\$3,028,583	-	\$85,188	-	242,052	-	417	68,009	34,283	-	102,709	\$726,839	(\$2,301,744)
Bristol	2,231,020	-	579,478	-	115,695	-	-	93,327	68,546	-	161,873	1,064,528	(1,166,492)
Burrillville	3,381,320	-	66,485	487,620	209,664	-	-	64,210	28,903	-	93,113	1,201,190	(2,180,130)
Central Falls	1,606,442	-	19,133	267,573	84,881	-	-	36,592	76,368	-	170,939	448,299	(1,158,143)
Charlestown	486,803	-	-	-	40,332	-	-	388,128	96,481	-	484,609	86,776	(400,027)
Covenry	2,727,934	-	-	-	221,760	-	-	68,009	34,283	-	102,709	420,124	(2,307,810)
Cranston	14,651,004	-	4,234,275	-	935,250	-	-	64,210	28,903	-	93,113	5,798,763	(8,852,241)
Cumberland	2,883,074	-	109	-	213,692	-	-	64,210	28,903	-	93,113	666,789	(2,216,285)
East Greenwich	1,359,588	-	7,589	-	122,717	-	-	36,592	76,368	-	170,939	310,608	(1,048,980)
East Providence	5,977,824	-	91,068	757,605	446,641	-	-	388,128	96,481	-	484,609	1,874,655	(4,103,169)
Exeter	961,850	-	-	-	78,760	-	-	68,009	34,283	-	102,709	181,327	(780,523)
Foster	793,511	-	417	-	68,009	-	-	68,009	34,283	-	102,709	181,327	(780,523)
Glocester	1,119,661	-	-	-	93,327	-	-	93,327	68,546	-	161,873	102,709	(690,802)
Hopkinton	755,685	-	-	-	64,210	-	-	64,210	28,903	-	93,113	161,873	(593,812)
Jamestown	508,725	-	-	-	36,592	-	-	36,592	76,368	-	170,939	170,939	(337,786)
Johnston	4,447,051	-	-	-	388,128	-	-	388,128	96,481	-	484,609	484,609	(3,962,442)
Lincoln	2,699,440	-	-	-	231,852	-	-	231,852	179,391	-	411,243	411,243	(2,288,197)
Little Compton	271,616	-	-	-	25,292	-	-	25,292	26,702	-	51,994	51,994	(219,622)
Middletown	1,167,587	-	-	-	89,716	-	-	89,716	123,398	-	276,144	276,144	(891,443)
Narragansett	1,161,926	-	-	-	97,870	-	-	97,870	113,169	-	211,039	211,039	(950,887)
Newport	2,895,143	-	832,133	-	141,041	-	-	141,041	364,548	-	1,587,756	1,587,756	(1,307,387)
New Shoreham	236,629	-	-	-	7,639	-	-	7,639	94,072	-	163,583	163,583	(73,046)
North Kingstown	2,705,546	-	5,795	-	223,404	-	-	223,404	246,625	-	513,827	513,827	(2,191,719)
North Providence	5,842,835	-	455,764	510,516	358,372	-	-	358,372	154,613	-	1,479,265	1,479,265	(4,363,570)
North Smithfield	1,990,354	-	-	-	169,671	-	-	169,671	61,584	-	231,255	231,255	(1,759,099)
Pawtucket	10,969,309	-	376,910	1,517,555	672,510	-	-	672,510	398,156	-	2,965,131	2,965,131	(8,004,178)
Providence	1,662,386	-	-	-	106,594	-	-	106,594	99,917	-	206,511	206,511	(1,455,875)
Providence	48,432,078	-	19,072,758	5,111,263	1,736,030	-	-	1,736,030	2,214,294	-	28,499,554	28,499,554	(19,932,524)
Richmond	739,265	-	-	-	58,139	-	-	58,139	21,874	-	80,013	80,013	(659,252)
Scituate	1,457,049	-	-	-	123,750	-	-	123,750	92,532	-	216,282	216,282	(1,240,767)
Smithfield	3,731,167	-	428,500	-	279,437	-	-	279,437	254,642	-	962,579	962,579	(2,768,588)
South Kingstown	2,253,613	-	124,067	-	169,260	-	-	169,260	205,999	-	9,992	509,318	(1,744,295)
Tiverton	1,303,938	-	-	-	108,006	-	-	108,006	90,485	-	198,491	198,491	(1,105,447)
Warren	999,844	-	-	-	82,216	-	-	82,216	51,162	-	133,378	133,378	(866,466)
Warwick	13,807,641	-	956,335	-	1,074,121	-	-	1,074,121	657,409	-	2,862,905	2,862,905	(10,944,736)
Westerly	3,003,808	-	109,895	-	229,647	-	-	229,647	287,122	-	626,664	626,664	(2,377,144)
West Greenwich	550,495	-	-	-	49,116	-	-	49,116	24,649	-	73,765	73,765	(476,730)
West Warwick	3,908,253	-	134,510	925,685	227,176	-	-	227,176	171,415	-	1,397,589	1,397,589	(2,510,664)
Woonsocket	6,009,299	-	377,431	806,641	377,431	-	-	377,431	195,110	-	1,680,852	1,680,852	(4,328,447)
<i>Subtotal</i>	164,719,296	-	27,580,409	10,384,458	10,000,000	-	-	10,000,000	8,710,789	-	59,132,279	59,132,279	(105,587,017)
Fire Districts	1,875,837	-	-	-	-	-	-	-	-	-	-	-	(1,875,837)
Total	\$166,595,133	-	\$27,580,409	\$10,384,458	\$10,000,000	-	-	\$10,000,000	\$8,710,789	-	\$59,132,279	\$59,132,279	(\$107,462,854)

*Providence Library Aid includes \$1,012,378 for the Statewide Reference Library Resource Grant

FY2011 Indirect Local Aid to Cities and Towns						
Municipality	Public Service Corporation Tax	Meals and Beverage Tax	Hotel Tax	FY2010 Total Indirect Aid		
Barrington	\$163,557	\$119,179	-	\$282,736		
Bristol	218,500	318,548	32,171	569,219		
Burrillville	153,609	166,966	-	320,575		
Central Falls	184,066	82,663	-	266,729		
Charlestown	76,425	98,886	20,110	195,421		
Coventry	327,405	332,829	68,972	729,206		
Cranston	770,853	1,317,327	21,302	2,109,482		
Cumberland	309,629	346,547	-	656,176		
East Greenwich	125,913	389,810	347	516,070		
East Providence	473,467	710,794	28,592	1,212,853		
Exeter	58,785	63,081	-	121,866		
Foster	41,563	17,846	525	59,934		
Glocester	96,740	57,561	1,828	156,129		
Hopkinton	76,201	39,880	-	116,081		
Jamestown	54,671	65,241	8,663	128,575		
Johnston	274,183	406,973	6,037	687,193		
Lincoln	203,223	585,041	80,793	869,057		
Little Compton	34,940	27,577	313	62,830		
Middletown	168,565	566,748	523,876	1,259,189		
Narragansett	159,103	473,967	72,199	705,269		
Newport	257,457	1,552,832	1,842,035	3,652,324		
New Shoreham	9,822	208,610	216,593	435,025		
North Kingstown	256,008	430,806	15,650	702,464		
North Providence	315,181	365,348	-	680,529		
North Smithfield	103,255	155,376	6,430	265,061		
Pawtucket	709,481	640,642	52,887	1,403,010		
Portsmouth	166,766	159,493	8,093	334,352		
Providence	1,688,352	3,912,275	1,339,041	6,939,668		
Richmond	70,230	101,458	3,477	175,165		
Scituate	100,396	55,036	4,102	159,534		
Smithfield	200,452	480,155	42,574	723,181		
South Kingstown	271,518	516,680	110,949	899,147		
Tiverton	148,396	146,356	-	294,752		
Warren	110,471	205,217	-	315,688		
Warwick	834,442	2,199,207	857,006	3,890,655		
Westerly	223,333	589,951	152,178	965,463		
West Greenwich	49,449	79,531	60,193	189,173		
West Warwick	287,661	330,731	96,590	714,982		
Woonsocket	420,333	491,063	40,487	951,883		
Total	\$10,194,401	\$18,808,231	\$5,714,013	\$34,716,645		

FY2010 Revised Indirect Local Aid to Cities and Towns						
Municipality	Public Service Corporation Tax	Meals and Beverage Tax	Hotel Tax	FY2010 Total Indirect Aid		
Barrington	\$163,557	\$135,553	-	\$299,110		
Bristol	218,500	303,168	27,888	549,556		
Burrillville	153,609	172,887	-	326,496		
Central Falls	184,066	88,173	-	272,239		
Charlestown	76,425	97,087	14,900	188,412		
Coventry	327,405	333,263	65,392	726,060		
Cranston	770,853	1,321,908	22,783	2,115,544		
Cumberland	309,629	350,310	-	659,939		
East Greenwich	125,913	428,133	299	554,345		
East Providence	473,467	729,001	28,224	1,230,692		
Exeter	58,785	71,128	-	129,913		
Foster	41,563	17,376	305	59,244		
Glocester	96,740	54,010	1,575	152,325		
Hopkinton	76,201	43,754	14	119,969		
Jamestown	54,671	80,395	8,179	143,245		
Johnston	274,183	429,028	7,811	711,022		
Lincoln	203,223	609,715	75,279	888,217		
Little Compton	34,940	39,576	10,152	84,668		
Middletown	168,565	561,285	524,477	1,254,327		
Narragansett	159,103	460,758	68,719	688,580		
Newport	257,457	1,526,834	1,410,360	3,194,651		
New Shoreham	9,822	225,939	208,092	443,853		
North Kingstown	256,008	419,321	12,940	688,269		
North Providence	315,181	344,523	-	659,704		
North Smithfield	103,255	160,440	1,900	265,595		
Pawtucket	709,481	633,198	45,340	1,388,019		
Portsmouth	166,766	166,628	6,233	339,627		
Providence	1,688,352	3,961,890	1,219,142	6,869,384		
Richmond	70,230	102,635	3,237	176,102		
Scituate	100,396	52,460	3,647	156,503		
Smithfield	200,452	513,546	87,816	801,814		
South Kingstown	271,518	536,657	102,001	910,176		
Tiverton	148,396	151,924	-	300,320		
Warren	110,471	202,368	-	312,839		
Warwick	834,442	2,151,135	792,815	3,778,392		
Westerly	223,333	593,704	160,114	977,151		
West Greenwich	49,449	95,914	70,142	215,505		
West Warwick	287,661	322,737	91,916	702,314		
Woonsocket	420,333	494,686	37,806	952,825		
Total	\$10,194,401	\$18,983,047	\$5,109,498	\$34,286,946		

School Aid

The majority of State aid goes to support local school expenditures throughout the State. School aid has evolved a great deal over time. Since 1995, the State has not had an established school aid formula, when Rhode Island ceased using its power-equalizing formula and moved towards annually distributing school aid in an ad hoc fashion. However, the FY2010 General Assembly passed 2010-S-2770 Substitute A as Amended – The Education Adequacy Act, which establishes an education funding formula. The new funding formula, which goes into effect for the FY2012 school year, increases aid to districts where student enrollments have increased or that serve high numbers of low-income students, and reduces aid to districts that have experienced a decrease in the number of enrolled students or serve fewer poor students.

Rhode Island spends more per pupil, as well as for teacher salaries, than the national average. According to the U.S. Census Bureau, in 2008, Rhode Island spent \$13,539 per pupil, ranking it 8th highest in the nation, and was approximately 32.0% higher than the national average of \$10,259 per pupil. Among the other New England States, Rhode Island per pupil spending was behind both Vermont (\$14,300) and Connecticut (\$13,848), and only slightly higher than Massachusetts (\$13,454). In terms of teacher salaries, Rhode Island's average teacher salary of \$59,636 ranked 9th highest, and was 7.7% above the national average of \$55,350. Among the other New England States, Rhode Island teacher salaries were behind both Massachusetts (\$68,000) and Connecticut (\$64,350).

New England Ranking of Per Pupil Spending and Teacher Salaries				
Region and State	Average Per Pupil Spending FY2007-2008*	Rank	2009-2010 Average Salary for Classroom Teachers**	Rank
50 States and DC	\$10,259		\$55,350	
Connecticut	13,848	2	64,350	2
Maine	11,572	6	46,106	6
Massachusetts	13,454	4	68,000	1
New Hampshire	11,619	5	51,365	4
Rhode Island	13,539	3	59,636	3
Vermont	14,300	1	49,053	5

*Source: National Education Association, Rankings and Estimates, December 2009

**Source: Public Education Finances 2008, U.S. Census Bureau

Rhode Island also stands out in terms of the spending level supported by property taxes. Nationally, states provide approximately 48.3% of the funding to support public education, whereas Rhode Island provides 39.9% to support local schools, ranking Rhode Island 41st among the 50 states. Among the other New England states, Rhode Island's support to public education was comparable to both Massachusetts (41.9%) and Connecticut (39.6%). Conversely, the level of support coming from the property tax is much higher than average. Rhode Island's public schools receive approximately 56.0% of their support from property taxes as compared to 43.5% nationally, which ranks Rhode Island 6th highest among the 50 states.

Despite the relative position of the State in terms of support, the State has provided increases in its support for schools. Since FY2000, total State school aid has increased from \$583.4 million to \$816.7 million in FY2011 – an increase of \$233.3 million, or 40.0%, during this period. Because of increasing fiscal pressures, the FY2011 amount is \$31.4 million less than the \$848.1 million appropriated in FY2008, a decrease of 3.7%.

Rhode Island distributes school aid using a wide range of variables, such as the share of children eligible for free and reduced lunch, the number requiring language assistance, as well as the number of group homes located within each jurisdiction. School aid currently consists of various categories of aid, including General Aid, Group Home Aid and various investment funds. In addition, the State reimburses

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communities for a portion of the cost of construction of new school facilities, and provides 40.0% of the employer pension contributions for teacher retirement.

FY2011 School Aid of \$816.7 million represents an increase of \$14.7 million over the final FY2010 Budget. Most of the growth in aid has been driven by increasing pension contribution requirements and significant growth in the School Housing Aid program.

Other recent aid developments include the Federal Stabilization Aid provided by the Stimulus Act and Pension Reform Legislation.

- Rhode Island is expected to receive Federal Stabilization Funds through the American Recovery and Reinvestment Act of 2009 totaling approximately \$134.9 million over a three-year period (FY2009 – FY2011) to help states avoid reductions for higher and lower education. The General Assembly allocated \$38.3 million in FY2009, \$50.6 million in FY2010 and \$18.6 million in FY2011 from Federal Stabilization Funds (Stimulus Aid) to local school districts. In turn, General Revenue aid to school districts was reduced by \$38.3 million in FY2009, \$50.4 million in FY2010 and \$18.6 million in FY2011. This supplanting of funds is revenue neutral in FY2009 and FY2011 and an increase of \$0.2 million in FY2010.
- The FY2009 and FY2010 Budgets included pension revisions that saved an estimated \$44.5 million net General Revenue savings in FY2009, \$63.7 million in FY2010 and \$16.0 million in FY2011. However, State General School Aid was reduced by the equivalent amount saved by the local school districts in their share of the pension contribution.
- The 2010 General Assembly adopted Article 13 which allows communities to contribute an amount not less than 95.0% of its local contribution for schools as of June 30, 2009 for the fiscal years ending June 30, 2010 and June 30, 2011. This could result in estimated Statewide savings of up to \$58.0 million to municipalities in each of these years, if they choose to exercise this option.

Aid Program	School Aid						Change - FY 2006 - 2011	
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	Actual	Percent
General Aid	\$448.4	\$478.0	\$478.0	\$396.0	\$390.3	\$413.2	(\$35.2)	-7.9%
Central Falls	41.3	43.3	43.9	42.6	43.3	42.9	1.6	3.9%
Stimulus Funding	0.0	0.0	0.0	38.3	44.1	15.4	15.4	0.0%
Permanent School Fund	0.0	0.0	0.0	7.9	0.0	0.0	0.0	0.0%
Literacy Set Aside	13.0	13.0	13.0	13.0	13.0	13.0	0.0	0.0%
Student Equity Fund	71.6	71.6	71.6	71.6	71.6	71.6	0.0	0.0%
Student Technology Fund	3.4	3.4	3.4	3.4	3.4	3.4	0.0	0.0%
Early Childhood Fund	6.6	6.6	6.6	6.6	6.6	6.6	0.0	0.0%
Student Language Assistance	31.7	31.7	31.7	31.7	31.7	31.7	0.0	0.0%
Professional Development	5.8	5.8	5.8	0.0	0.0	0.0	(5.8)	-100.0%
Targeted School Aid	20.0	20.0	20.0	20.0	20.0	20.0	0.0	0.0%
Full Day Kindergarten	4.2	4.2	4.2	4.2	4.2	4.2	0.0	0.0%
Vocational Technical Fund	1.5	1.5	1.5	1.5	1.5	1.5	0.0	0.0%
Group Home Aid	9.0	9.0	10.3	9.9	9.6	9.0	0.0	0.0%
Charter School Aid	22.4	25.2	28.2	30.1	32.1	37.8	15.4	68.8%
<i>Total Operating Aid</i>	<i>\$678.9</i>	<i>\$713.3</i>	<i>\$718.2</i>	<i>\$676.8</i>	<i>\$671.4</i>	<i>\$670.3</i>	<i>(\$8.6)</i>	<i>-1.3%</i>
School Construction Aid	\$47.2	\$46.8	\$49.7	\$54.1	\$58.3	\$70.8	\$23.6	50.0%
State Teacher Retirement Contribution	58.6	67.3	80.2	76.3	72.3	75.6	17.0	29.0%
<i>Total Other Aid</i>	<i>\$105.8</i>	<i>\$114.1</i>	<i>\$129.9</i>	<i>\$130.4</i>	<i>\$130.6</i>	<i>\$146.4</i>	<i>\$40.6</i>	<i>38.4%</i>
Total Aid	\$784.7	\$827.4	\$848.1	\$807.2	\$802.0	\$816.7	\$32.0	4.1%

\$ in millions

The following outlines the different categories of education aid that are in use through FY2011. The General Assembly adopted a new education funding formula which will be implemented for FY2012. (See Education Funding Formula section beginning on page 35)

General Aid – RIGL 16-7.1-15

General Aid is used by local school districts to support their general operations. General Laws contain hold harmless language to ease the transition into the Rhode Island Student Investment Initiative by providing that each school district (including the State operated district of Central Falls) will receive as a base at least the same amount of school aid as received in FY1998. By implementing the hold harmless language, this aid category effectively contains previous funding classifications such as Operations Aid, Special Education Aid, Conventional Public Housing, Distressed District, Limited English, Vocational Education, and the Regionalization Bonus. The Rhode Island Student Investment Initiative (also known as Article 31) eliminated financing of these categories and folded them into General Aid. Minimum increases are provided in this section as is language excluding full day kindergarten and indirect charter school aid from the minimum aid calculations.

Central Falls – RIGL 16-1-12

In 1991, it was determined that the City of Central Falls could not afford to meet its contractual, legal and regulatory obligations related to school funding because its tax base had sustained little or no growth or several years. The school district was reorganized as of July 1, 1991, under the authority of RIGL 16-1-12, and has been under the control of the State Department of Elementary and Secondary Education since FY1993, (RIGL 45-52.1, the “Central Falls – Fiscal Emergency Act”). The State is responsible for 100.0% of the education expenditures for the Central Falls School District. From FY1993 to FY2011, funding for the Central Falls School District has increased by more than 286.6%. The Department of Education provides oversight, monitors the school finances, and requires the district to submit budget-to-actual expenditure monthly reports. For FY2011, the General Assembly included a decrease of \$1.4 million in general school aid to Central Falls, providing a total of \$43.0 million.

Central Falls Funding					
Fiscal Year	Total Funding	Percent Change	Fiscal Year	Total Funding	Percent Change
1993	\$15.0		2003	34.4	3.5%
1994	16.1	7.5%	2004	35.6	3.5%
1995	18.4	13.6%	2005	37.8	6.1%
1996	19.1	4.0%	2006	41.3	9.3%
1997	19.6	2.9%	2007	43.9	6.2%
1998	21.5	9.3%	2008	44.0	0.3%
1999	24.6	14.8%	2009	42.0	-4.5%
2000	27.3	10.7%	2010	44.4	5.7%
2001	31.5	15.5%	2011	43.0	-3.2%

\$ in millions

Literacy Set-Aside – RIGL 16-7.1-15

Literacy Set Aside funds are restricted for use by local school departments for literacy programs. The State provides 3.0% of each of the following aid categories to be used to fund the purposes and activities of RIGL 16-67, the Rhode Island Literacy and Dropout Prevention Act of 1967: General Aid, Student Equity,

and Early Childhood. The FY2011 Budget as Enacted funds Literacy Set-Aside at \$13.0 million. Funding for this program has been frozen since FY2006.

Student Equity Investment Fund – RIGL 16-7.1-8

The General Assembly created the Student Equity Investment Fund in 1997 to target students identified as those requiring additional educational services to improve performance in mathematics, reading, and writing. Funds are distributed based on each district's proportion of children eligible for USDA reimbursable school meals relative to the total number of such students statewide. These resources are used to close student performance gaps in accordance with the district's strategic plan.

The FY2011 Budget as Enacted funds the Student Equity Investment Fund Investment Fund at \$71.6 million. Funding for this program has been frozen since FY2006, and the distribution has not been updated to reflect changes in each district's proportion of children eligible for free and reduced priced meals relative to the total number of such students statewide.

Student Technology Investment Fund – RIGL 16-7.1-12

The General Assembly established the Student Technology Investment Fund in 1997 to help students meet the demands of the 21st century by providing schools and teaching staff with up-to-date educational technology and training. These funds are distributed based on each district's proportion of their average daily membership in the reference year, as defined in RIGL 16-7-16. Funds may be used for the following purposes:

- Curriculum development to improve teaching and learning;
- In-service professional development to support the effective use of technology in schools; and
- Infrastructure requirements such as equipment, software, and networking of systems.

Fund resources must be used to close student performance gaps in accordance with the district's strategic plan and be consistent with the technology plan of the Rhode Island Comprehensive Strategy. School districts may use funds received under this category of education aid to replace up to 35.0% of the amount the district spent for technology related expenditures in the previous fiscal year.

The FY2011 Budget as Enacted funds the Student Technology Investment Fund at \$3.4 million. Funding for this program has been frozen at \$3.4 million since FY2000, and the distribution has not been updated to reflect changes in enrollment.

Early Childhood Investment Fund – RIGL 16-7.1-11

The Early Childhood Investment Fund was established in 1997 to provide schools and teaching staff with resources to begin improving student performance and to provide early care and pre-kindergarten programs. Fund resources are used to close student performance gaps in accordance with the district's strategic plan and in coordination with the literacy set-aside funds (RIGL 16-67). In addition, the funds may be used for early childhood pilot programs, including Child Opportunity Zones (COZs), that combine and/or leverage some or all of the following State, federal, and/or local funds insofar as allowable: student equity investment funds; literacy set-aside; special education funds; Title I funds; and any other appropriate funds.

Funds are distributed based on each district's proportion of their average daily membership for grades kindergarten through and including third grade in the reference year, as defined in RIGL 16-7-16, relative to the statewide average daily membership for the same grades in the same fiscal year.

The FY2011 Budget as Enacted funds the Early Childhood Investment Fund at \$6.8 million. Funding for this program has been frozen since FY2003, and the distribution has not been updated to reflect changes in enrollment.

Student Language Assistance Investment Fund – RIGL 16-7.1-9

The General Assembly established the Student Language Assistance Investment Fund in 1997 to target State resources to assist students who require additional language education services. Funds are distributed based on each district's proportion of full time equivalent, limited English proficiency students statewide in the reference year as defined in RIGL 16-7-16. These resources are used to close student performance gaps in accordance with the district's strategic plan.

The FY2011 Budget as Enacted funds the Student Language Assistance Investment Fund at \$31.7 million. Funding for this program has been frozen since FY2004, and the distribution has not been updated to reflect changes in enrollment.

Professional Development Investment Fund – RIGL 16-7.1-10

The Professional Development Investment Fund was established in 1997 to continue developing the skills of Rhode Island's teachers and staff. Funds are distributed based on a pupil-teacher ratio that is adjusted annually. School districts may use funds received under this category to replace up to, but not more than, 50.0% of the amount the school district spent for professional development programs in the previous fiscal year. The expenditure of these funds shall be determined by a committee at each school consisting of the school principal, two teachers selected by the teaching staff of the school, and two parents of students attending the school. Collaborative programs are encouraged. These resources must be used to close student performance gaps in accordance with the district's strategic plan.

For FY2009, the Governor recommended eliminating \$5.8 million in Professional Development Funds, representing the entire amount of funding for this program. The General Assembly concurred and eliminated \$5.8 million in Professional Development funds in both FY2009 and FY2010. This funding was not restored in FY2011.

Targeted School Aid – RIGL 16-7.1-16

Targeted School Aid funds are distributed to each district with a tax effort below 1.0 as calculated pursuant to RIGL 16-7.1-6 and with a free and reduced lunch count in grades K-3 greater than forty percent (40.0%). Districts receive aid based on their proportional average daily membership relative to the average daily membership of all districts eligible for aid under this section. Targeted funds may be used in new or expanded programs for:

- early childhood education;
- helping schools to improve instruction;
- reducing class size at the elementary level;
- after school programming;
- teacher mentoring; or
- other programs the commissioner believes will result in increased student performance.

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In 2002, the General Assembly adopted the Governor's recommendation to require that 5.0% of the funds allocated by this section be set-aside and spent only with prior approval from the Commissioner of Elementary and Secondary Education to increase student and school performance.

The FY2011 Budget as Enacted funds Targeted School Aid at \$20.0 million. Funding for Targeted School Aid has been frozen at this level since FY2004.

Full Day Kindergarten Investment Fund – RIGL 16-7.1-11.1

This student investment fund was created by the 2000 General Assembly to provide funding on a per pupil basis for districts with full day kindergarten programs. Under current law, the distribution, based on the community tax effort as calculated pursuant to RIGL 16-7.1-6, is as follows:

- a tax effort of below 0.6 receives \$1,500 per pupil;
- a tax effort of below 1.0 receives \$1,000 per pupil; and,
- all others receive \$500 per pupil.

In FY2001, this statute was amended to provide that any funding under this section is in addition to any and all aid received by the district and to any minimum aid increases.

The FY2011 Budget as Enacted funds Full Day Kindergarten at \$4.2 million. Funding for the Full-Day Kindergarten Investment Fund has been frozen at this level since FY2007 at the FY2006 level of \$4.2 million, and the distribution has not been updated to reflect changes in enrollment.

Vocational Technical Equity Fund – RIGL 16-7.1-19

The General Assembly established the Vocational Technical Equity Fund in FY2001 to appropriate an amount per student for those attending a locally operated career and technical center based on enrollments reported for the previous academic year. For FY2001, FY2002 and FY2003, this category provided \$500 per student. In FY2003 and thereafter, funding under this section is limited to those students enrolled in programs that are part of the State certified career and technical system.

The FY2011 Budget as Enacted funds the Vocational Technical Equity Fund at \$1.5 million. Funding for the Vocational Technical Equity fund has been frozen since 2007 at the FY2006 level of \$1.5 million, and the distribution has not been updated to reflect changes in enrollment.

Group Home Aid – RIGL 16-64-1.1

Prior to FY2002, communities that had group homes were required to provide educational services to children placed in those homes. The community that is "hosting" the group home would then bill the communities where the parents of each child reside for these educational services. Often the communities who received the bill challenged whether the parents of the child in the group home resided in their town. Due to the transience of many of the families in question, residency could be extremely difficult to prove; consequently, this "bill back" system drove up legal expenses for the towns and left many of the bills unpaid.

In FY2002, the General Assembly enacted legislation to create this aid category in an attempt to correct a longstanding problem relating to communities being reimbursed for educational services they provide to children placed into group homes by the Department of Children, Youth, and Families (DCYF). The change created a per-bed allotment to districts in which the group home beds are located. This legislation provided that the host community would receive aid on a per pupil rate intended to reflect the average cost per pupil based on the blend of regular education and special education costs. While it was understood that

a blended average rate would not necessary reimburse a community for the precise cost of educating each student, the task force felt that the savings from eliminating the old bill back system would offset any difference.

The 2007 General Assembly enacted legislation to ensure that the payment of group home aid more closely reflects the actual number of group home beds each community has at the time of the budget. The legislation mandates that increases in beds prior to December 31st of each budget year shall be paid as part of the supplemental budget for that year and included in the budget year recommendation. Decreases in beds will not result in a decrease in aid for the current year but will be adjusted in the subsequent year. The Assembly also increased the per bed amount from \$15,000 to \$22,000 for the group home beds associated with Bradley Hospital's Children's Residential and Family Treatment (CRAFT) Program, which provides hospital-based residence for children who struggle with psychiatric, emotional and/or behavioral problems. The FY2011 Budget as Enacted contains \$8.9 million for Group Home Aid.

Charter School Aid – RIGL 16-77.1-2

Legislation allowing charter schools in Rhode Island was approved by the General Assembly in 1995, and the first charter school opened in Rhode Island in 1997. The Board of Regents of Elementary and Secondary Education is responsible for the granting of a charter and the reauthorization of charter schools. This decision is based upon a recommendation by the Commissioner of Elementary and Secondary Education and/or a local school committee. According to Rhode Island law, those allowed to apply for charters include: existing public schools, groups of public school personnel, public school districts, Rhode Island-based non-profit institutions, a group of public school districts, and Rhode Island-based colleges and universities.

Current law provides indirect cost support for charter school students' resident school districts. The indirect cost support is calculated as 5.0% of the resident district's per pupil cost, taken right off the top before any other calculations are done. This additional State Aid is for assisting local school districts to undertake the indirect costs borne by a district when its student attends a charter public school. It should be noted that pursuant to RIGL 16-77.1-2(f), the local school district continues to report enrolled charter school students in the total census and receives aid for these students pursuant to the provisions of RIGL 16-7.1. The FY2011 Budget as Enacted contains \$1.2 million in Indirect Charter School Aid.

There are currently 13 charter schools in Rhode Island (one of which is a mayoral academy), with two new schools scheduled to open in September 2010. They provide educational services to 3,376 students.

Charter School	09-10 Charter School Enrollment														Total
	K	1	2	3	4	5	6	7	8	9	10	11	12		
Beacon	-	-	-	-	-	-	-	-	-	58	62	44	57	221	
Blackstone	-	-	-	-	-	-	-	-	-	43	39	39	43	164	
Compass	16	17	17	18	18	18	18	17	14	-	-	-	-	153	
Cuffee	54	53	55	54	54	54	58	55	47	-	-	-	-	484	
Democracy Prep*	75	-	-	-	-	-	-	-	-	-	-	-	-	75	
Highlander	33	36	35	36	36	18	18	35	33	-	-	-	-	280	
International	54	53	53	49	47	45	-	-	-	-	-	-	-	301	
Kingston Hill	41	41	21	21	21	32	-	-	-	-	-	-	-	177	
Learning Community	61	64	64	61	57	58	36	-	-	-	-	-	-	401	
N.E. Laborers	-	-	-	-	-	-	-	-	-	49	56	53	85	243	
Segue*	-	-	-	-	-	-	59	-	-	-	-	-	-	59	
Textron	-	-	-	-	-	-	-	-	-	58	46	36	37	177	
Times 2	51	51	51	51	51	48	48	69	67	42	50	28	34	641	
	385	315	296	290	284	273	237	176	161	250	253	200	256	3,376	

Source: RI League of Charter Schools

*opened September 2009

The State also provides aid directly to charter schools. The State's share of the per pupil amount for each student attending a public charter school is calculated by subtracting the 5.0% per pupil indirect cost from

the resident district’s per pupil cost. The resident district’s share ratio, which reflects state and community wealth based on the full value of property and the median family income as determined by the most recent census, is then applied to the reduced per pupil cost. The local share of the per pupil cost to be paid directly to the charter school is the remaining per pupil cost after the indirect cost and State share have been subtracted from the total per pupil cost. This statute does provide for a ratable reduction if less than 100.0% of the expenditures are appropriated.

Please see the examples below for further clarification:

Calculation	District A	District B
Per Pupil Expenditure:	\$8,000	\$8,000
Share Ratio:	70%	30%
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% of (\$8,000 minus 5%))	\$2,280 (30% of (\$8,000 minus 5%))
District Share to Charter School:	\$2,280 (30% of (\$8,000 minus 5%))	\$5,320 (70% of (\$8,000 minus 5%))

The 2008 General Assembly enacted legislation permitting the creation of a new type of charter school known as a “Mayoral Academy.” Mayoral Academies are charter schools created by a mayor of any city or town, acting through a non-profit organization which enrolls students from more than one city or town including both urban and non-urban communities and which offers an equal number of enrollments to students on a lottery basis. Mayoral academies are to have a board of trustees or directors, comprised of representatives from each included city or town, which is chaired by a mayor of an included city or town.

Charter School Funds		
Fiscal Year	Total Funding	Percent Change
2000	\$2.8	
2001	3.8	36.5%
2002	6.2	63.3%
2003	9.4	52.3%
2004	12.6	34.4%
2005	16.9	33.8%
2006	21.1	25.0%
2007	24.3	15.1%
2008	28.1	15.4%
2009	30.0	6.8%
2010	31.6	5.3%
2011	37.8	19.6%

\$ in millions

Mayoral academies must follow the same procedures for the creation of a charter schools; however; teachers and administrators within mayoral academies are not subject to prevailing wages and benefits and are not subject to the State teacher retirement system. Mayoral academy employees are not deemed to be public employees; however, the mayoral academy, upon written notice to the Commissioner of Elementary and Secondary Education (Commissioner), may elect to have these benefits applied to its teachers, administrators and employees. The Commissioner may grant variances to mayoral academies from the following provisions set forth in RIGL 16-77-11 7: Chapter 13 (teachers' tenure) and Chapter 16 (teachers' retirement).

The 2009 General Assembly provided \$1.5 million in funding in FY2010 for “charter school initiatives”. Approximately \$700,000 of this money was used to fund Democracy Prep Blackstone Valley, the first mayoral academy in Rhode Island, which opened in September 2009 with 76 kindergarten students. The 2010 General Assembly appropriated an additional \$1.5 million to allow Democracy Prep to add a first grade and a fifth grade, with 176 new students.

The FY2010 General Assembly passed S-2734 Sub A known as the “Charter Public School Act of Rhode Island. This legislation provides a new structure for the creation, operation and funding of charter schools. This legislation makes distinctions for district charter schools, independent charters and mayoral academies.

SCHOOL HOUSING AID

The School Housing Aid program was created under RIGL 16-7-35-41 to provide municipalities with partial reimbursements for local expenditures on educational capital improvements. The program was designed to guarantee adequate school facilities for all public school children in the State and prevent the cost of school facilities from interfering with the effective operation of the schools.

- School Housing Aid reimbursements are calculated based on a two-year reference for formula factors similar to the operation aid share ratio calculation. Consequently, a community would be reimbursed in FY2011 based on the district’s FY2009 wealth and enrollment levels compared to the aggregate of district wealth and enrollments statewide. The poorer a community is relative to the State average, the higher their State reimbursement. The minimum share for each district is 30.0% in FY2011. Beginning in FY2012, the minimum housing aid share ratio will be increased by 5.0% increments each year until the minimum share ratio is 40.0%. This new minimum share ratio applies only to projects completed after June 30, 2010.
- Reimbursement is calculated based on the total project cost, including bond interest, and is reimbursed over the life of the bonds. However, if a community fails to specify or identify the appropriate reimbursement schedule, the commissioner of elementary and secondary education may at his or her discretion set up to a five (5) year reimbursement cycle for projects under five hundred thousand dollars (\$500,000); up ten (10) years for projects up to three million dollars (\$3,000,000); and up to twenty (20) years for projects over three million dollars (\$3,000,000).

Housing Aid By District		
District	FY 2010 Aid	Projected FY 2011 Aid
Barrington	\$712,371	\$680,556
Burrillville	1,588,425	1,571,568
Central Falls	1,935,543	1,878,651
Coventry	1,626,572	1,444,374
Cranston	2,059,819	2,700,604
Cumberland	1,831,329	1,882,792
East Greenwich	285,674	736,318
East Providence	1,156,449	842,876
Foster	27,822	-
Glocester	199,953	269,075
Jamestown	139,224	179,072
Johnston	511,312	581,847
Lincoln	1,363,574	1,364,630
Little Compton	39,488	58,756
Middletown	428,928	445,011
Narragansett	796,649	716,375
Newport	623,228	713,680
New Shoreham	236,030	219,443
North Kingstown	1,267,081	1,236,238
North Providence	1,221,290	1,058,803
North Smithfield	1,133,701	1,016,295
Pawtucket	2,305,195	2,165,771
Portsmouth	670,569	532,669
Providence	17,797,981	26,252,493
Scituate	259,928	443,173
Smithfield	293,343	838,992
South Kingstown	1,042,384	945,667
Tiverton	766,861	904,266
Warwick	1,203,438	1,216,003
Westerly	1,543,070	1,507,440
West Warwick	1,251,818	981,411
Woonsocket	1,762,910	6,121,853
Bristol-Warren	2,440,170	2,872,268
Exeter-West Greenwich	991,728	936,172
Chariho	1,193,930	1,806,465
Foster-Glocester	4,386,150	3,357,600
Subtotal	\$57,093,937	\$70,479,207
Cuffee	123,942	111,031
CVS Highlander	0	105,000
Kingston Hill	60,771	61,372
Learning Community	65,891	84,171
Times 2 Academy	954,574	933,946
	\$1,205,178	\$1,295,520
Unspecified savings		(1,000,000)
Budget as Enacted	\$58,299,115	\$70,774,727

24 | School Aid

- In FY1997, RIGL 16-7-40 and 16-7-44 were amended to increase School Housing Aid through two components:
 - Increased the school housing aid ratio for regional school districts undertaking renovation projects.
 - Expanded the definition of the type of renovations and the funding mechanisms that qualify for school housing aid, to include lease revenue bonds, capital leases, and capital reserve funds. Prior to this, only projects supported by general obligation bonds were reimbursable under this program. This resulted in rapid growth of the program.
- In 1999, RIGL 16-77.1-5 was enacted to provide that public charter schools sponsored by a district may access the school housing aid program.

In FY2004 the program was amended further (RIGL 16-7-40):

- To provide a bonus for cities and towns to renovate career and technical centers when ownership is transferred from the State to the host municipality. For such communities the school housing aid share ratio would be increased by 4.0% for the renovation and/or repair of these buildings.
- To provide that the State would not reimburse communities for debt service costs on bonds not approved by the voters or issued by a municipal building authority prior to June 30, 2003, unless the bonds for these projects are issued through the Rhode Island Health, Education and Building Corporation.
- To clarify that the only funding mechanisms allowed under the program were bonds, capital leases and capital reserve funds.

School Construction Aid		
Fiscal Year	Total Funding	Percent Change
2000	\$25.5	13.2%
2001	30.8	20.5%
2002	33.2	7.9%
2003	38.2	15.1%
2004	40.7	6.6%
2005	43.9	7.6%
2006	47.2	7.6%
2007	46.8	-0.8%
2008	49.7	6.1%
2009	54.1	9.0%
2010	58.3	7.8%
2011	70.8	21.4%

\$ in millions

In 2007, the Board of Regents adopted new school construction regulations, which require a two-stage process for approval of all construction projects. Three (3) new FTE positions were added to supervise the Housing Aid program. In FY2008, the General Assembly passed legislation requiring that all bonds, notes and other forms of indebtedness, other than interim finance mechanisms, issued in support of school housing projects shall require passage of an enabling act by the General Assembly.

Providence Housing Aid

The Governor's FY2009 Revised budget recommendation included a \$9.5 million General Revenue reduction for the City of Providence to correct for an overpayment of School Housing Aid funding in previous years. The General Assembly included language in the FY2009 Revised budget that outlined the procedures calculating overpayment reimbursements as this issue has surfaced on multiple occasions. Under the formula set forth in Article 14, the repayment in the current case would occur over seven years. Thus, the General Assembly decreased Education Aid to the City of Providence in FY2009 by \$1.3 million. This decrease in General Revenue aid will occur annually until FY2015.

Housing Aid - Qualified School Construction Bond (QSBC) Program

The American Recovery and Reinvestment Act (ARRA) of 2009, Section 1521 (a) of Title I, provides new bonding authority for state and local governments through the Qualified School Construction Bond (QSCB)

program. Under this program, the federal government provides bondholders with a tax credit in lieu of a cash interest payment. The most likely structure would be a zero coupon bond with annual sinking fund payments. The sinking fund would be invested, building up additional resources to pay the principal when due. The school district is then generally only responsible for repaying the amount borrowed and the associated issuance costs. QSCBs can be used to finance new construction, rehabilitation, or repair of public school facilities, acquisition of land on which a public school facility will be constructed, and/or new equipment to be used in such facilities (cannot refinance previous debt - new projects only).

According to the Rhode Island Department of Education, the State has been allocated \$44.4 million in QSBC issuance authority for CY2009 and an additional \$41.3 million for CY2010. Of the \$44.4 million in authority for CY2009, \$22.3 million has been allocated by the Federal government to the City of Providence, and \$22.0 million is for State allocation to other school districts. To date, the following communities have received QSBC allocations: Providence (\$22.3 million); Warwick (\$3.9 million), Westerly (\$3.9 million), Chariho Regional School District (\$4.8 million), and Central Falls (\$5.0 million). The State will still be reimbursing communities at the same housing aid ratios as is provided under traditional debt mechanisms.

INDIRECT SCHOOL AID

Permanent School Fund (RIGL 16-4)

Prior to 2008, the Permanent School Fund was funded from the duties paid to the State by auctioneers, to be used for the promotion and support of public education. The 2008 General Assembly enacted legislation to provide that additional revenues gained from the expanded hours at the State's gambling facilities would be deposited into the Permanent School Fund to be distributed on a pro-rata basis to school districts, up to a \$14.1 million cap. These funds would be in addition to the base amount of education aid provided in the FY2009 budget. These revenues would be distributed based on actual receipts and would not represent guaranteed funding amounts.

The FY2009 Revised Budget decreased General Education Aid to municipalities and regional school districts by \$4.3 million, which was the equivalent to the distributions a school district would have received from the Permanent School Fund. This provision of law ends on June 30, 2009; therefore, there is no budget recommendation for the Permanent School Fund in FY2010 or FY2011.

Teacher Retirement – RIGL 16-16-22

The State is responsible for funding a percentage of the employer's contribution to the Teacher's Retirement System, with the school districts contributing the balance. The employer's share is determined annually. The State's share has varied over the year; however, since 1993, the State has been required to make a contribution to teacher retirement equal to 40.0% of the employer's contribution. The school districts contribute 60.0% of the employer's contribution. In FY1991 and FY1992 the General Assembly deferred the State's contribution and most school districts followed suit. The State deferrals, valued at \$22.4 million in FY1991 and \$22.2 million in FY1992, were financed over 20 years. The annual calculation applied to the State contribution to teacher retirement includes an adjustment for the liability of the deferral. Five communities

Teacher Retirement Funds		
Fiscal Year	Total Funding	Percent Change
2000	\$40.0	32.3%
2001	36.0	-9.9%
2002	30.8	-14.5%
2003	38.1	23.8%
2004	46.2	21.4%
2005	52.6	13.8%
2006	58.6	11.5%
2007	67.3	14.7%
2008	80.2	19.3%
2009	76.3	-4.9%
2010	72.3	-5.2%
2011	75.6	4.6%

\$ millions

did not defer their share of the employer contribution: Burrillville, East Greenwich, Little Compton, New Shoreham, and North Smithfield. Consequently, these districts contribute a smaller percentage of teachers' salaries.

Pension Revisions

The FY2009 Budget included pension revisions that will save an estimated \$52.5 million in General Revenue in FY2010 and \$44.5 million net savings in FY2009. These figures are based on actuarial estimates provided by Gabriel, Roeder, Smith & Company (GRS). The savings are actually more than proposed by the Governor (\$42.1 million); however, State General School Aid was reduced by the equivalent amount saved by the local school districts in their share of the pension contribution. The enacted pension changes have no impact on any member who is eligible to retire as of September 30, 2009. The initiative *only* affects those that are *not eligible* to retire as of September 30, 2009.

For teachers who were NOT eligible to retire as of September 30, 2009, the plan:

- Establishes a retirement age of 62 for all employees regardless of Plan, with a methodology that proportionally changes age requirement based on years of service so the closer one is to retirement, the less the impact;
 - Plan A – proportional to 28 years or age 60 with 10 years (retain 80% cap);
 - Plan B – proportional to 59 and 29 years (retain 75% cap);
- Bases average final compensation for pension calculation on 5 years rather than 3 years.
- Freezes service credits earned as of September 30, 2009 - but requires that all future accruals are earned at the Plan B schedule.
- Purchased credits – Count towards total service time, do not count towards contributory time, i.e. vesting (current law), but must be purchased at full actuarial cost after June 16, 2009.
- COLA - Plan B at 3.0% or the change in CPI, which ever is lower (remains compounded).
- Must annually document disability status to Retirement Board;
 - Permanently disabled - continue current benefit of 66 2/3 of salary;
 - Disabled from service - benefit reduced from 66 2/3 to 50% of salary.

The FY2010 Supplemental Budget includes pension revisions that will save an additional \$9.9 million in General Revenue in FY2010 and \$10.3 million net savings in FY2011 by changing the COLA provision for State employees, teachers, and judges who are not eligible to retire upon enactment of the FY2011 Budget. The changes to the COLA provisions are as follows:

- Applies the COLA on the later of a member's third anniversary of retirement or the month following their 65th birthday; and
- Limits the COLA application to the first \$35,000 of annual retirement income (indexed to inflation).

State employees, teachers, and judges who were eligible to retire prior to the enactment of the change would not be impacted and may continue to work without forfeiture of their current COLA provisions. Note that this change is based on eligibility to retire and not the date of retirement.

Pension Savings	FY2009 Budget Changes		FY2010 Budget Changes	
	FY2009 General Revenue	FY2010 General Revenue	FY2010 General Revenue	FY2011 General Revenue
State	(\$1.5)	\$15.0	\$3.3	\$5.7
Teachers (State)	18.5	15.0	4.0	4.2
Total State	\$17.0	\$30.0	\$7.3	\$9.9
Teachers (Local)	\$27.5	\$22.5	\$5.9	\$6.1
Total State & Local	\$44.5	\$52.5	\$13.2	\$16.0

\$ in millions

The proposed savings in FY2011 for teachers is \$10.3 million, including \$4.2 million for the State's 40.0% share of teacher retirement costs and \$6.1 million for the local share of teacher retirement costs. Savings are \$21.9 million less than included in the Governor's proposal. Local aid to education was reduced by the \$6.1 million savings figure.

Progressive Support and Intervention (RIGL 16-7.1-5)

This program applies strategies consistent with the Comprehensive Education Strategy and the principles of the "School Accountability for Learning and Teaching" (SALT) for those schools and school districts that continue to fall short of performance goals. The Department of Elementary and Secondary Education ultimately exercises progressive levels of control over the school and/or district budget, program, and/or personnel if three years of supports by the state have been insufficient for the school and/or district to meet prescribed performance goals.

For FY2008, the General Assembly appropriated \$2.8 million for this program. For FY2009, funding was reduced by \$100,000. Up to that point, funding to support the Rhode Island Consortium for Instructional Leadership and Training was included in this budget line. The General Assembly instead chose to include this funding as a community service grant.

For FY2010, the General Assembly appropriated \$3.2 million for this program, and included \$700,000 for a preschool pilot program to increase school readiness and \$100,000 for extended learning time in the urban districts. For FY2011, the General Assembly appropriated \$2.7 million for this program and transfers the funding for the preschool program to a new category within the Department - "Early Childhood Demonstration".

School Breakfast Program

The School Breakfast Program was established in 1966 as a two-year pilot project designed to provide categorical grants to assist schools serving breakfasts to "nutritionally needy" children. Studies conclude that students who eat school breakfast increase their math and reading scores as well as improve their speed and memory in cognitive tests. The Rhode Island Department of Elementary and Secondary Education is responsible for administering the School Breakfast Program. The largest share of the School Breakfast Program (\$6.3 million in FY2010) is funded by the Federal Government. However, the State provides additional funding which is paid to school districts on a per breakfast served basis, to cover administrative costs, including the cost of hiring servers needed to effectively run the program and encourage participation.

The FY2008 Budget as Enacted provided \$600,000 as the State share for administrative cost reimbursement to districts for the School Breakfast Program. The Governor's FY2009 budget proposal eliminates this funding. The General Assembly did not concur with the Governor's proposal and restored \$300,000 for this program. For FY2010 and FY2011, the General Assembly appropriated \$300,000 for this program.

Textbook Loan Program – RIGL 16-23-2 and 16-23-3.1

Prior to FY2001, school committees furnished textbooks in the fields of mathematics, science, and modern foreign languages that appeared on the list of textbooks published by the Commissioner of Elementary and Secondary Education to resident students in grades K-12 attending non-public schools. This list was comprised of all the textbooks used in the three topic areas in each school district across the State. In FY2001, the General Assembly expanded the program to include English/language arts and history/social studies textbooks as those that must be available for loan to students in grades K-8. Since this expenditure is incurred at the local level, expanding the program without supporting appropriations would have presented an unfunded mandate to local communities: although communities already provided books for all subjects to public school students, the additional cost relates to loaning books to non-public school pupils. To avoid imposing an unfunded mandate on the communities, the General Assembly created a reimbursement program for the cost of providing English/language arts and history/social studies textbooks to students in grades K-8. In FY2004, this program was expanded to include students in grades 9-12.

Textbook Loan Program		
Fiscal Year	Total Funding	Percent Change
2001	\$0.1	
2002	0.4	300.0%
2003	0.2	-50.0%
2004	0.3	50.0%
2005	0.3	0.0%
2006	0.2	-33.3%
2007	0.3	50.0%
2008	0.3	0.0%
2009	0.3	0.0%
2010	0.2	-33.3%
2010	0.2	0.0%
2011	0.2	0.0%

\$ in millions

Physics First

This program encourages a new science curriculum structure whereby students learn physics first, developing a foundation of the concepts that will help them with their studies of chemistry and biology. This curriculum also supports more Rhode Island students to take advanced science coursework and is aligned to Rhode Island's Grade Span Expectations and the state assessments.

Funds are used by RIDE to provide professional development and materials to 10 schools engaged in the Physics First program. Specifically, the funds are used to purchase textbooks and scientific laboratory equipment and materials needed to implement the program, provide technical assistance, and provide professional development/graduate courses in support of the schools as they move through implementing the Physics, Chemistry, Biology courses of the Physics First sequence.

The ten schools currently involved are: East Providence High School, Woonsocket High School, Lincoln High School, Cranston West High School, Portsmouth High School, Tiverton High School, Central Falls High School, Cumberland High School, Textron Chamber of Commerce Academy (a charter school) and Ocean Tides (an alternative high school). The General Assembly appropriated \$250,000 for this program for FY2011.

FY2010 Revised School Aid

City/Town	FY2010 Enacted General Revenue Aid		FY2010 Total Enacted		Reductions				Total General Revenue Aid			Stabilization Allocation		Revised FY2010 School Aid		Change
	FY2010 Enacted	Stabilization Allocation	FY2010 Total Enacted	Total Enacted	Pension Reform	Stabilization Funds Shift	3% Across the Board	Stimulus Fee Reversal	Group Home Aid/Other	Revenue Aid	Stabilization Allocation	Revised FY2010 School Aid	Change			
Barrington	\$1,863,090	\$128,427	\$1,991,517	\$1,991,517	(\$135,433)	(\$40,936)	(\$55,893)	(\$1,150)	-	\$1,629,678	\$170,513	\$1,800,191	(\$191,326)			
Burrillville	12,928,167	684,478	13,612,645	13,612,645	(85,458)	(256,271)	(387,845)	(7,981)	30,000	12,220,612	948,730	13,169,342	(\$443,303)			
Charlestown	1,697,497	98,948	1,796,445	1,796,445	(19,889)	(34,868)	(50,925)	(1,048)	-	1,590,767	154,864	1,725,631	(\$70,814)			
Coventry	18,056,601	991,787	19,048,388	19,048,388	(228,036)	(362,740)	(541,698)	(11,147)	-	16,912,980	1,365,674	18,278,654	(\$769,734)			
Cranston	31,662,364	1,752,647	33,415,011	33,415,011	(432,365)	(637,887)	(949,871)	(19,546)	-	29,622,695	2,410,080	32,032,775	(1,382,236)			
Cumberland	11,829,002	654,948	12,483,950	12,483,950	(162,201)	(238,335)	(354,870)	(7,302)	-	11,066,294	900,586	11,966,880	(\$17,070)			
East Greenwich	1,503,975	96,326	1,600,301	1,600,301	(104,418)	(32,059)	(45,119)	(928)	-	1,321,451	129,312	1,450,763	(149,538)			
East Providence	24,499,858	1,328,384	25,828,242	25,828,242	(212,014)	(489,851)	(734,996)	(15,125)	-	23,047,872	1,833,360	24,881,232	(947,010)			
Foster	1,286,565	69,979	1,356,544	1,356,544	(12,812)	(25,753)	(38,397)	(794)	-	1,208,609	96,527	1,305,136	(51,408)			
Glocester	2,927,940	158,776	3,086,716	3,086,716	(25,473)	(58,544)	(87,838)	(1,808)	-	2,754,277	219,128	2,973,405	(113,311)			
Hopkinton	5,677,786	308,347	5,986,133	5,986,133	(66,523)	(113,589)	(170,334)	(3,505)	-	5,323,835	425,441	5,749,276	(236,857)			
Jamestown	398,901	26,278	425,179	425,179	(21,858)	(8,601)	(11,967)	(246)	-	356,229	35,124	391,353	(33,826)			
Johnston	9,596,568	531,110	10,127,678	10,127,678	(137,959)	(193,325)	(287,897)	(5,924)	-	8,971,463	730,358	9,701,821	(425,857)			
Lincoln	6,363,969	365,750	6,729,719	6,729,719	(154,324)	(130,023)	(190,919)	(3,929)	-	5,884,774	499,702	6,384,476	(345,243)			
Little Compton	296,650	18,221	314,871	314,871	(14,127)	(6,218)	(8,900)	(183)	-	267,222	24,622	291,844	(23,077)			
Middleton	9,533,084	518,598	10,051,682	10,051,682	(112,381)	(190,835)	(285,993)	(5,885)	-	8,937,990	715,319	9,653,309	(398,373)			
Narragansett	1,467,137	93,727	1,560,864	1,560,864	(76,711)	(31,239)	(44,014)	(906)	-	1,314,267	125,872	1,440,139	(120,725)			
Newport	10,744,683	586,477	11,331,160	11,331,160	(96,133)	(215,355)	(322,340)	(6,633)	-	10,104,222	808,465	10,912,687	(418,473)			
New Shoreham	64,987	5,254	70,241	70,241	(11,145)	(1,531)	(1,950)	(40)	-	50,323	6,826	57,149	(13,092)			
North Kingstown	10,631,113	592,155	11,223,268	11,223,268	(168,444)	(214,675)	(318,933)	(6,363)	-	9,922,498	813,392	10,735,890	(487,378)			
North Providence	12,081,507	661,166	12,742,673	12,742,673	(157,289)	(242,381)	(362,445)	(7,458)	-	11,311,934	911,004	12,222,938	(519,735)			
North Smithfield	4,344,329	238,830	4,583,159	4,583,159	(68,136)	(87,301)	(130,330)	(2,682)	-	4,035,880	328,814	4,384,694	(198,465)			
Pawtucket	62,176,676	3,311,223	65,487,899	65,487,899	(321,441)	(1,235,100)	(1,865,300)	(38,384)	15,000	58,731,451	4,584,707	63,316,158	(2,171,741)			
Portsmouth	5,923,071	331,008	6,254,079	6,254,079	(110,296)	(119,752)	(177,692)	(3,657)	60,000	5,571,674	454,416	6,026,090	(227,989)			
Providence	178,309,944	9,577,917	187,887,861	187,887,861	(919,185)	(3,553,037)	(5,349,298)	(110,077)	-	168,378,347	13,241,031	181,619,378	(6,268,483)			
Richmond	5,652,344	305,742	5,958,086	5,958,086	(66,225)	(112,916)	(169,570)	(3,489)	-	5,300,144	422,147	5,722,291	(235,795)			
Scituate	2,926,243	168,328	3,094,571	3,094,571	(64,238)	(59,808)	(87,787)	(1,806)	-	2,712,604	229,942	2,942,546	(152,025)			
Smithfield	4,992,643	283,754	5,276,397	5,276,397	(103,067)	(101,579)	(149,779)	(3,082)	-	4,635,136	388,414	5,023,550	(252,847)			
South Kingstown	9,224,287	521,147	9,745,434	9,745,434	(179,432)	(187,255)	(276,729)	(5,694)	-	8,575,177	714,097	9,289,274	(456,160)			
Tiverton	5,271,861	293,067	5,564,928	5,564,928	(80,711)	(106,376)	(158,156)	(3,255)	-	4,923,363	402,699	5,326,062	(238,866)			
Warwick	33,468,879	1,858,870	35,327,749	35,327,749	(507,425)	(675,119)	(1,004,066)	(20,662)	-	31,261,607	2,554,650	33,816,257	(1,511,492)			
Westerly	5,774,932	338,074	6,113,006	6,113,006	(159,749)	(118,819)	(173,248)	(3,565)	-	5,319,531	460,458	5,780,009	(332,997)			
West Warwick	18,738,108	1,009,842	19,747,950	19,747,950	(155,412)	(373,826)	(562,143)	(11,568)	-	17,635,159	1,395,236	19,030,395	(717,555)			
Woonsocket	44,074,702	2,342,811	46,417,513	46,417,513	(213,758)	(874,925)	(1,322,241)	(27,209)	-	41,636,569	3,244,945	44,881,514	(1,535,999)			
Bristol-Warren	18,764,456	1,009,726	19,774,182	19,774,182	(140,106)	(374,145)	(562,934)	(11,384)	-	17,675,687	1,395,455	19,071,142	(703,040)			
Charlton	378,758	19,679	398,437	398,437	-	(7,457)	(11,363)	(234)	-	359,704	27,370	387,074	(11,363)			
Exeter-West Greenwich	6,814,331	374,779	7,189,110	7,189,110	(90,588)	(136,959)	(204,430)	(4,207)	-	6,378,147	515,945	6,894,092	(295,018)			
Foster-Glocester	5,194,804	283,077	5,477,881	5,477,881	(53,124)	(155,844)	(154,055)	(3,207)	-	4,878,574	390,339	5,268,913	(208,968)			
Central Falls	42,507,399	2,167,539	44,674,938	44,674,938	(144,390)	(831,452)	(1,275,222)	(22,621)	-	40,233,714	3,021,611	43,255,325	(1,419,613)			
Subtotal	\$629,649,211	\$34,107,196	\$663,756,407	\$663,756,407	(\$5,812,274)	(\$12,584,897)	(\$18,889,476)	(\$385,085)	\$105,000	\$592,082,479	\$47,077,475	\$639,159,954	(\$24,596,753)			
Charter Schools	32,008,312	1,741,087	33,749,399	33,749,399	(60,473)	(197,752)	(960,249)	(8,344)	(386,330)	30,395,164	1,677,183	32,072,347	(1,677,052)			
Davies	14,056,193	718,226	14,774,419	14,774,419	(96,548)	(310,607)	(4,074)	(4,074)	-	13,644,964	818,848	14,463,812	(310,607)			
School for the Deaf	5,947,646	327,291	6,274,937	6,274,937	(43,994)	(132,322)	(1,856)	(1,856)	-	5,769,474	373,143	6,142,617	(132,320)			
Met School	12,187,381	571,386	12,758,767	12,758,767	(76,809)	(250,000)	(3,241)	(3,241)	-	11,857,331	651,436	12,508,767	(250,000)			
Total	\$693,848,743	\$37,465,186	\$731,313,929	\$731,313,929	(\$5,872,747)	(\$13,000,000)	(\$20,542,654)	(\$402,600)	(\$281,330)	\$653,749,412	\$50,597,785	\$704,347,197	(\$26,966,732)			

Reduction in Education Aid is offset by savings due to decreased pension contributions

FY2011 School Aid													
General Revenue Changes													
City/Town	FY2010 Revised General Revenue	Pension Reform	Stabilization Fund Shift	OEER Add Back	Across the Board	Group Home Aid/Other	Stabilization Funds Backfill	Total General Revenue Changes	Total FY2011 General Revenue Aid	FY2011 Stabilization Allocation	Total FY2011 School Aid	Total Revised FY2010 School Aid	Change from FY2010 Revised
Barrington	\$1,629,678	(\$6,243)	\$40,936	\$1,150	(\$18,303)	-	\$62,323	\$79,863	\$1,709,541	\$68,151	\$1,777,692	\$1,800,191	(\$22,499)
Burrillville	12,220,612	(3,939)	256,271	7,981	(127,004)	-	369,232	502,561	12,723,173	326,139	13,049,312	13,169,342	(120,030)
Charlestown	1,590,767	(2,269)	34,868	1,048	(16,676)	-	51,242	68,213	1,638,980	49,284	1,708,264	1,725,631	(17,367)
Covearty	16,912,980	(10,512)	667,887	11,147	(177,385)	-	526,654	712,644	17,625,624	480,946	18,106,570	18,278,654	(172,084)
Cranston	29,622,695	(19,930)	637,887	19,546	(311,045)	-	927,617	1,254,076	30,876,770	852,976	31,729,746	32,052,775	(303,028)
Cumberland	11,066,294	(7,477)	238,335	7,302	(116,206)	-	346,606	468,561	11,534,854	318,784	11,853,638	11,966,879	(113,240)
East Greenwich	1,321,451	(4,814)	32,059	928	(14,775)	(105,000)	48,102	(43,499)	1,277,951	49,760	1,327,711	1,450,765	(123,053)
East Providence	23,047,872	(9,773)	489,851	15,125	(240,682)	(120,000)	709,297	843,818	23,891,690	640,267	24,531,957	24,881,232	(349,275)
Foster	1,208,609	(591)	25,753	794	(12,639)	-	37,314	50,631	1,259,240	33,780	1,293,020	1,305,135	(12,115)
Glocester	2,754,277	(1,174)	58,544	1,808	(28,764)	-	84,771	115,184	2,869,462	76,538	2,946,000	2,973,404	(27,405)
Hopkinton	5,323,835	(2,526)	113,589	3,505	(55,778)	-	164,534	223,324	5,547,159	148,729	5,695,888	5,749,276	(53,388)
Jamestown	356,229	(1,008)	8,601	246	(3,919)	-	12,969	16,889	373,118	13,728	386,846	391,354	(4,508)
Johnston	8,971,463	(6,359)	193,325	5,924	(94,275)	-	281,126	379,741	9,351,204	258,452	9,609,656	9,701,822	(92,166)
Lincoln	5,884,774	(7,114)	130,023	3,929	(62,518)	-	190,574	254,894	6,139,668	181,008	6,320,676	6,384,476	(63,800)
Little Compton	267,222	(651)	6,218	183	(2,914)	-	2,762	12,079	279,301	9,269	288,570	291,844	(3,274)
Middletown	8,937,990	(5,180)	190,835	5,885	(93,651)	-	276,522	374,411	9,312,401	250,345	9,562,746	9,653,308	(90,562)
Narragansett	1,314,267	(3,536)	31,239	906	(14,413)	-	46,814	61,010	1,375,277	48,407	1,423,684	1,440,138	(16,454)
Newport	10,104,222	(4,431)	215,355	6,633	(105,554)	-	312,243	424,246	10,528,468	283,585	10,812,053	10,912,687	(100,634)
New Shoreham	50,323	(513)	1,531	40	(638)	-	2,412	2,832	53,155	2,926	56,081	57,149	(1,068)
North Kingstown	9,922,498	(7,765)	214,675	6,563	(104,438)	-	312,591	421,626	10,344,124	289,005	10,633,129	10,735,891	(102,762)
North Providence	11,311,934	(7,251)	242,381	7,458	(118,686)	-	331,646	475,349	11,787,482	320,061	12,107,543	12,222,939	(115,395)
North Smithfield	4,055,880	(3,140)	87,301	2,682	(42,678)	-	126,783	170,948	4,226,828	115,855	4,342,683	4,384,693	(42,010)
Pawtucket	38,731,451	(14,917)	1,235,100	38,384	(610,812)	-	1,781,688	2,429,543	61,186,994	1,582,330	62,743,324	63,316,158	(572,834)
Portsmouth	5,571,674	(5,085)	119,752	3,657	(58,187)	-	174,488	234,625	5,806,299	161,798	5,968,097	6,026,090	(57,993)
Providence	168,378,347	(42,371)	3,533,037	110,077	(1,731,679)	(165,000)	5,134,411	6,838,476	175,216,822	4,596,217	179,813,039	181,619,379	(1,806,339)
Richmond	5,300,144	(2,241)	112,916	3,489	(55,528)	-	163,426	222,062	5,522,206	147,191	5,669,397	5,722,291	(52,894)
Scituate	2,712,604	(2,961)	59,808	1,806	(28,747)	-	87,671	117,577	2,830,181	83,341	2,913,522	2,942,546	(29,024)
Smithfield	4,635,136	(4,751)	101,579	3,082	(49,047)	(75,000)	148,549	124,412	4,739,548	139,730	4,899,278	5,023,551	(124,273)
South Kingstown	8,575,177	(8,271)	187,255	5,694	(90,618)	-	273,477	367,337	8,942,714	255,978	9,198,692	9,289,274	(90,582)
Tiverton	4,923,363	(3,720)	106,376	3,255	(51,790)	-	154,835	208,955	5,132,319	142,905	5,275,224	5,326,060	(50,837)
Warwick	31,261,607	(23,391)	675,119	20,662	(328,792)	-	982,462	1,326,060	32,587,667	906,046	33,493,713	33,816,257	(322,544)
Westerly	5,319,551	(7,364)	118,819	3,565	(56,732)	-	174,821	233,109	5,525,660	168,643	5,721,303	5,780,009	(58,706)
West Warwick	17,635,159	(7,164)	373,826	11,568	(184,080)	-	540,605	734,755	18,369,914	485,338	18,855,252	19,030,395	(175,143)
Woonsocket	41,636,569	(9,854)	874,925	27,209	(432,982)	(120,000)	1,261,658	1,600,956	43,237,525	1,118,508	44,356,033	44,881,514	(525,481)
Bristol-Warren	17,675,687	(6,459)	374,145	11,584	(184,339)	-	540,889	735,820	18,411,507	484,936	18,896,443	19,071,142	(174,699)
Charlton	359,704	-	7,457	234	(3,721)	-	10,702	14,672	374,376	9,291	383,667	387,074	(3,407)
Exeter-West Greenwich	6,378,147	(4,176)	136,959	4,207	(66,943)	(120,000)	198,928	148,975	6,527,122	181,826	6,708,948	6,894,092	(185,144)
Foster-Glocester	4,878,574	(2,449)	104,055	3,207	(51,033)	-	150,825	204,605	5,083,179	136,766	5,219,945	5,268,913	(48,968)
Central Falls	40,233,714	(6,656)	831,452	22,621	(417,585)	-	1,189,034	1,618,866	41,852,580	1,013,065	42,865,645	43,255,325	(389,680)
Subtotal	\$592,082,479	(\$267,925)	\$12,584,897	\$385,085	(\$6,185,556)	(\$705,000)	\$18,219,104	\$24,030,606	\$616,113,084	\$16,431,904	\$632,544,988	\$639,159,654	(\$6,614,666)
Charter Schools	30,395,164	(2,787)	197,752	8,344	(314,444)	-	445,942	6,326,003	36,722,067	1,048,600	37,770,667	32,371,245	5,399,422
Danvers	13,644,964	0	96,548	4,074	0	532,793	633,415	14,278,379	14,278,379	511,957	14,790,336	14,463,812	326,524
School for the Deaf	5,769,474	0	43,994	1,856	0	216,490	262,340	6,031,814	6,031,814	233,295	6,265,109	6,142,618	122,491
Met School	11,857,331	0	76,809	3,241	125,000	382,763	170,884	758,697	12,616,028	409,612	13,025,640	12,508,767	516,873
Total	\$653,749,311	(\$270,712)	\$13,000,000	\$402,600	(\$6,375,000)	\$6,419,142	\$18,835,930	\$32,011,961	\$685,761,372	\$18,635,368	\$704,396,740	\$704,646,096	(\$249,355)

Reduction in Education Aid is offset by savings due to decreased pension contributions

STIMULUS – FISCAL STABILIZATION

The Stimulus Act provides funding to avoid reductions in public higher and elementary and secondary education. Rhode Island is expected to receive approximately \$134.9 million over a three-year period (FY2009 – FY2011) to be used for higher and lower education. The General Assembly allocated \$38.3 million in FY2009, \$50.6 million in FY2010 and \$18.6 million in FY2011 from Federal Stabilization Funds (Stimulus Aid) to local school districts. In turn, General Revenue aid to school districts was reduced by \$38.3 million in FY2009, \$50.4 million in FY2010 and \$18.6 million in FY2011. This supplanting of funds is revenue neutral in FY2009 and FY2011, and an increase of \$200,000 in FY2010. These funds are included in State Aid as their use is not restricted.

Title I and Special Education

The Stimulus Act includes \$75.2 million in direct funding for two years (FY2010 and FY2011) for school districts under Title I and Special Education. Note that these funds are not included as State Aid in the earlier tables as these Federal Funds are restricted to the existing Federal Title I and Special Education Programs.

- **Education for Disadvantaged (Title I):** The Stimulus Act contains \$33.7 million for economically disadvantaged students in Rhode Island. These funds will be distributed to school districts based on a district's percentage of poor children, as measured by participation in the free or reduced priced meals program, which will receive more funds. For FY2010, the General Assembly included a distribution of \$25.3 million of these Federal Funds to local school districts, with \$8.4 million to be distributed in FY2011.
- **Special Education (IDEA):** The Stimulus Act contains \$41.5 million for Rhode Island students with disabilities to be distributed using three existing formula-driven programs to local education agencies (Part B – State Grants; Part B – Preschool Grants; and Part C – Infant and Toddler Grants). For FY2010, the General Assembly recommends a distribution of \$31.1 million of these Federal Funds to local school districts, with \$10.4 million to be distributed in FY2011.

Additional Federal Stimulus Funds

- **School Lunch Equipment:** The General Assembly included \$268,131 in FY2009 in Federal Stimulus funds for School Lunch equipment. These funds were distributed through competitive grants, with priority given to schools in which at least 50.0% of the students are eligible for free or reduced lunch. These funds are not included in the State Aid table.
- **School Improvement Grants:** Title I, Section 1003(g) of the Elementary and Secondary Education Act (ESEA) authorizes formula grants to State Educational Agencies (SEAs) to assist schools identified for improvement, corrective action, and restructuring. Funds are used for the purpose of strengthening the capacity of States to carry out their program improvement plans at schools identified as in need of improvement.

Rhode Island has been awarded \$12.5 million to improve its persistently lowest achieving schools through the School Improvement Grants (SIG) program. These funds are part of the \$3.5 billion that has been made available to states this spring from money set aside in the 2009 budget and the American Recovery and Reinvestment Act. These funds will be made available to schools that continue to perform in the bottom five percent of the state and do not show signs of growth or has graduation rates below 60 percent.

The \$12.5 million made available to Rhode Island will be distributed by the state to qualifying school districts. In order for a school district to apply for these funds, it must have a state-identified

"persistently lowest achieving" or a Tier III school -- a school that has failed to meet adequate yearly progress for two years and is not identified as a persistently lowest achieving school.

When school districts apply for these funds, they must indicate that they will implement one of the following four models in their persistently lowest achieving schools:

- **Turnaround Model:** Replace the principal, screen existing school staff, and rehire no more than half the teachers; adopt a new governance structure; and improve the school through curriculum reform, professional development, extending learning time, and other strategies.
- **Restart Model:** Convert a school or close it and re-open it as a charter school or under an education management organization.
- **School Closure:** Close the school and send the students to higher-achieving schools in the district.
- **Transformation Model:** Replace the principal and improve the school through comprehensive curriculum reform, professional development, extending learning time, and other strategies.
- **Education Technology:** Funds totaling \$3.2 million will be used to purchase up-to-date computers and software and provide professional development to ensure the technology is used effectively in the classroom.
- **Pre-School Grants:** Funds totaling \$1.7 million are to be used to support programs for Special Education pre-school children (age 3-5) to facilitate the continuation of services from the infant and families program (age 0-3) that is administered by the Department of Health. These funds are distributed to Local Educational Agencies (Leas) based on census counts and poverty levels.
- **Homeless Grants:** Homeless grant funds totaling \$175,966 are to be used to develop and enhance projects, which provide tutoring, and other educational related support activities and/or services to homeless children and their families. Grants will be awarded to school systems that have developed programs which document effective collaboration among school districts and service providers to ensure that homeless children in that district receive needed services. Any Local Educational Agencies (LEA) serving children and youth experiencing homelessness is eligible to apply for funds under this program.
- **Medicaid:** Medicaid funds totaling \$20,816 were allocated to the Rhode Island School for the Deaf in FY2010 to reflect an increase in Medicaid FMAP rates for hearing screening.

FY2010 Revised and FY2011 Direct Title I and IDEA Federal Stimulus to School Districts

City/Town	Title I			IDEA		
	FY2010 Revised	FY2011	Total	F2010 Revised	FY2011	Total
Barrington	\$0	\$0	\$0	\$529,857	\$176,619	\$706,476
Burrillville	183,701	61,234	244,935	526,417	175,472	701,889
Central Falls	1,492,474	497,491	1,989,965	727,838	242,613	970,451
Charlestown	-	-	-	-	-	-
Coventry	223,497	74,499	297,996	982,114	327,371	1,309,485
Cranston	1,201,951	400,650	1,602,601	2,208,097	736,032	2,944,129
Cumberland	216,149	72,050	288,199	920,155	306,718	1,226,873
East Greenwich	-	-	-	430,961	143,654	574,615
East Providence	645,326	215,109	860,435	1,352,490	450,830	1,803,320
Foster	19,595	6,532	26,127	70,852	23,617	94,469
Glocester	49,598	16,533	66,131	161,471	53,824	215,295
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	142,898	47,633	190,531
Johnston	285,954	95,318	381,272	737,162	245,721	982,883
Lincoln	165,940	55,313	221,253	640,701	213,567	854,268
Little Compton	21,431	7,144	28,575	88,004	29,335	117,339
Middletown	105,932	35,311	141,243	452,813	150,938	603,751
Narragansett	85,725	28,575	114,300	333,808	111,269	445,077
Newport	304,211	101,404	405,615	583,480	194,493	777,973
New Shoreham	6,124	2,041	8,165	19,331	6,444	25,775
North Kingstown	202,067	67,356	269,423	778,836	259,612	1,038,448
North Providence	288,403	96,134	384,537	745,148	248,383	993,531
North Smithfield	61,844	20,615	82,459	288,329	96,110	384,439
Pawtucket	2,404,181	801,394	3,205,575	2,317,509	772,503	3,090,012
Portsmouth	-	-	-	465,476	155,159	620,635
Providence	13,806,015	4,602,005	18,408,020	6,536,612	2,178,871	8,715,483
Richmond	-	-	-	-	-	-
Scituate	73,480	24,493	97,973	324,281	108,094	432,375
Smithfield	-	-	-	494,718	164,906	659,624
South Kingstown	142,672	47,557	190,229	716,847	238,949	955,796
Tiverton	89,399	29,800	119,199	375,713	125,238	500,951
Warwick	656,855	218,952	875,807	2,244,215	748,072	2,992,287
Westerly	175,124	58,375	233,499	624,332	208,111	832,443
West Warwick	369,842	123,281	493,123	796,511	265,504	1,062,015
Woonsocket	1,630,520	543,507	2,174,027	1,498,025	499,342	1,997,367
Bristol-Warren	192,269	64,090	256,359	756,236	252,079	1,008,315
Charlho	129,812	43,271	173,083	638,741	212,914	851,655
Exeter-W. Greenwich	-	-	-	352,933	117,644	470,577
Foster-Glocester	58,171	19,390	77,561	252,283	84,094	336,377
	<u>\$25,288,262</u>	<u>\$8,429,424</u>	<u>\$33,717,686</u>	<u>\$31,115,194</u>	<u>\$10,371,735</u>	<u>\$41,486,929</u>

Source: RIDE

Education Funding Formula

The Education Adequacy Act (2010-S-2770 Substitute A as Amended) provides 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 aid could change 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. There is no change in funding methodology to the School for the Deaf.

The formula establishes a per-pupil spending amount, and allocates this funding based on student enrollment, adjusting for poverty as measured by the number of students enrolled in the federal free or reduced price lunch program. It also attempts to account for local revenue generating capacity and overall poverty level by using the EWAV (Equalized Weighted Assessed Valuation), which includes an adjustment for median family income, and the concentration of pre-kindergarten through sixth grade students eligible for free or reduced price lunch.

The Act includes a multi-year transition plan to ease districts into the new formula allowing time to adjust for gains or losses in education aid. The plan provides a transition period of ten years for those districts projected to receive less school aid, and seven years for those districts projected to receive more aid. The chart at the end of this brief provides the current projections for the transition period. The actual distributions may vary as new enrollment, property wealth and poverty data becomes available and is entered into the formula.

HOW THE FORMULA WORKS

Step 1: Student Enrollment: Student enrollment is based on Resident Average Daily Membership (RADM), which is the average number of students who are residents of the community and are enrolled in the school district during the prior school year.

Step 2: Core Foundation Amount (\$8,295 per pupil): The Core Foundation Amount provides a base level of funding per pupil. 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 Foundation Amount to address the effects of poverty. The high need student weight, or Student Success Factor, increases the Core Foundation Amount by 40.0 percent, or \$3,318, for each student eligible for free or reduced price lunch (FRPL).

Step 4: Total Foundation Budget: Once the Core Foundation Amount, the RADM and the High Need Student Weight are determined, one can calculate the Total Foundation Budget for each school district by adding the product of the total core amount and the total high need student weight.

Step 5: State Share Ratio: The formula establishes a new share ratio calculation to determine the State's share of the Total Foundation Budget. The calculation is an average of two variables: the Equalized Weighted Assessed Valuation (EWAV) share ratio and the concentration of child poverty (percent of pre-kindergarten through sixth grade (PK-6) enrollment in subsidized lunch), weighted towards the larger of the two numbers.

By squaring each factor, the formula amplifies the greater of the two variables. 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 those school districts with higher capacity to raise revenue relative to the State average and lower concentrations of poverty look relatively wealthier.

The EWAV share ratio is based on each community's total assessed property value, relative to property values across the State. The total community property value includes motor vehicles, personal property and 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. The Act adjusted the EWAV share ratio calculation to increase the State's share of the total foundation budget.

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 Act sets neither a minimum nor a maximum local spending level beyond the limits in the maintenance of effort requirements. Nonetheless, the municipality will be responsible for the difference between the State share and the total foundation amount due to the need to provide total funding sufficient to meet student performance thresholds as defined in State and federal law.

NON-FORMULA PROVISIONS

Group Homes: The Act maintains the current funding for group homes as a categorical grant program, and provides \$15,000 per bed, except for group home beds associated with Bradley Hospital's Children's Residential and Family Treatment (CRAFT) Program that receive \$22,000 per bed.

Categorical Programs: The Act includes the following categories of aid that are outside the formula but subject to the transition plan.

- **High-Cost Special Education:** The Act includes a program for high-cost special education students. The program requires the State to reimburse the costs when they exceed five times the per-pupil combined Core Foundation Amount and High Need Student Weight, or, currently, \$58,065. The program provides for a pro-rata reduction in reimbursements based on available funding.
- **Vocational Education:** The Act provides a State categorical grant program to help districts with certain start-up and maintenance expenditures for high-cost career and technical education programs.
- **Pre-Kindergarten Programs:** The Act includes a program for early childhood education. The Department will recommend criteria for the allocation of appropriated funds.
- **Central Falls Stabilization:** Central Falls is currently 100 percent State funded, but the formula assumes that the district will increase its local school support. To ease the transition, this program provides additional aid to Central Falls to partially offset this increased obligation.
- **Transportation:** The Act 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.
- **Regionalization Bonus:** The Act includes a bonus to regionalized districts and for 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.

School Housing Aid: The Act increases the minimum share ratio for School Housing Aid from 30.0 to 40.0 percent over two years beginning in FY2011 for projects completed after June 30, 2010, and eligible for reimbursement in FY2012. This change does not apply to regional school districts that already receive a bonus of 2.0 percent for each regionalized grade.

Change in State Share					
School District	RIDE Proposal		2010-S-2770 Sub Aaa		Change to RIDE Proposal
	State Share	Total State Aid	State Share	Total State Aid	
Barrington	20.5%	\$5,761,510	23.0%	\$6,465,960	\$704,449
Burrillville	51.0%	11,891,862	52.1%	12,149,477	257,615
Charlestown	14.4%	1,279,383	14.4%	1,279,383	-
Coventry	46.2%	21,790,300	47.5%	22,403,447	613,148
Cranston	46.1%	43,035,214	47.5%	44,286,441	1,251,226
Cumberland	38.4%	16,562,596	40.1%	17,264,849	702,253
East Greenwich	7.5%	1,467,905	10.1%	1,993,657	525,753
East Providence	53.3%	28,656,283	54.4%	29,253,462	597,179
Foster	31.2%	669,369	33.2%	711,509	42,140
Glocester	40.4%	2,124,775	42.0%	2,205,709	80,934
Hopkinton	42.5%	4,793,030	44.0%	4,957,129	164,099
Jamestown	3.5%	205,291	3.5%	205,291	-
Johston	42.2%	12,408,904	43.7%	12,847,809	438,904
Lincoln	34.4%	9,771,116	36.2%	10,283,507	512,391
Little Compton	3.5%	126,870	3.5%	126,870	-
Middletown	30.1%	6,440,536	32.0%	6,844,917	404,381
Narrangansett	12.7%	1,607,955	12.7%	1,607,955	-
Newport	43.8%	9,186,000	43.8%	9,186,000	-
New Shoreham	9.9%	113,977	9.9%	113,977	-
North Kingstown	28.3%	10,400,013	30.3%	11,136,811	736,797
North Providence	43.7%	12,753,994	45.2%	13,174,022	420,028
North Smithfield	37.9%	6,177,099	39.6%	6,445,708	268,610
Pawtucket	77.7%	71,391,506	78.2%	71,878,267	486,762
Portsmouth	13.0%	2,968,986	15.6%	3,562,456	593,469
Providence	85.6%	213,624,835	86.0%	214,655,401	1,030,566
Richmond	38.7%	4,144,931	40.4%	4,317,639	172,708
Scituate	26.2%	3,745,520	28.4%	4,057,792	312,272
Smithfield	23.8%	5,057,223	26.1%	5,548,717	491,494
South Kingstown	17.3%	5,524,493	19.4%	6,201,449	676,956
Tiverton	24.0%	4,065,368	26.1%	4,423,514	358,146
Warwick	37.1%	35,402,357	38.8%	36,998,986	1,596,629
Westerly	24.1%	7,126,120	25.3%	7,491,449	365,329
West Warwick	58.5%	19,754,630	59.5%	20,076,467	321,837
Woonsocket	79.9%	49,977,065	80.3%	50,220,182	243,117
Bristol-Warren	32.4%	10,418,307	34.1%	10,970,079	551,772
Exeter-W. Greenwich	27.3%	4,490,491	29.4%	4,838,550	348,058
Foster-Glocester	37.8%	4,703,216	39.4%	4,909,842	206,627
Central Falls	92.3%	32,099,547	92.4%	32,148,783	49,235
Total		\$681,718,578		\$697,243,463	\$15,524,885

Transition Plan based on FY2010 Enacted										
School District	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change
Barrington	\$639,302	\$639,302	\$639,302	\$639,302	\$639,302	\$639,302	\$639,302	\$639,302	\$639,302	\$639,302
Burrillville	(106,958)	(106,958)	(106,958)	(106,958)	(106,958)	(106,958)	(106,958)	(106,958)	(106,958)	(106,958)
Charlestown	(51,654)	(51,654)	(51,654)	(51,654)	(51,654)	(51,654)	(51,654)	(51,654)	(51,654)	(51,654)
Coventry	497,181	497,181	497,181	497,181	497,181	497,181	497,181	497,181	497,181	497,181
Cranston	1,554,375	1,554,375	1,554,375	1,554,375	1,554,375	1,554,375	1,554,375	1,554,375	1,554,375	1,554,375
Cumberland	683,477	683,477	683,477	683,477	683,477	683,477	683,477	683,477	683,477	683,477
East Greenwich	71,266	71,266	71,266	71,266	71,266	71,266	71,266	71,266	71,266	71,266
East Providence	598,313	598,313	598,313	598,313	598,313	598,313	598,313	598,313	598,313	598,313
Foster	(64,467)	(64,467)	(64,467)	(64,467)	(64,467)	(64,467)	(64,467)	(64,467)	(64,467)	(64,467)
Glocester	(88,017)	(88,017)	(88,017)	(88,017)	(88,017)	(88,017)	(88,017)	(88,017)	(88,017)	(88,017)
Hopkinton	(102,739)	(102,739)	(102,739)	(102,739)	(102,739)	(102,739)	(102,739)	(102,739)	(102,739)	(102,739)
Jamestown	(21,975)	(21,975)	(21,975)	(21,975)	(21,975)	(21,975)	(21,975)	(21,975)	(21,975)	(21,975)
Johnston	406,131	406,131	406,131	406,131	406,131	406,131	406,131	406,131	406,131	406,131
Lincoln	527,244	527,244	527,244	527,244	527,244	527,244	527,244	527,244	527,244	527,244
Little Compton	(18,791)	(18,791)	(18,791)	(18,791)	(18,791)	(18,791)	(18,791)	(18,791)	(18,791)	(18,791)
Middletown	(272,404)	(272,404)	(272,404)	(272,404)	(272,404)	(272,404)	(272,404)	(272,404)	(272,404)	(272,404)
Narragansett	6,798	6,798	6,798	6,798	6,798	6,798	6,798	6,798	6,798	6,798
Newport	(166,208)	(166,208)	(166,208)	(166,208)	(166,208)	(166,208)	(166,208)	(166,208)	(166,208)	(166,208)
New Shoreham	6,252	6,252	6,252	6,252	6,252	6,252	6,252	6,252	6,252	6,252
North Kingstown	(8,335)	(8,335)	(8,335)	(8,335)	(8,335)	(8,335)	(8,335)	(8,335)	(8,335)	(8,335)
North Providence	98,546	98,546	98,546	98,546	98,546	98,546	98,546	98,546	98,546	98,546
North Smithfield	283,400	283,400	283,400	283,400	283,400	283,400	283,400	283,400	283,400	283,400
Pawtucket	1,058,963	1,058,963	1,058,963	1,058,963	1,058,963	1,058,963	1,058,963	1,058,963	1,058,963	1,058,963
Portsmouth	(207,489)	(207,489)	(207,489)	(207,489)	(207,489)	(207,489)	(207,489)	(207,489)	(207,489)	(207,489)
Providence	4,242,543	4,242,543	4,242,543	4,242,543	4,242,543	4,242,543	4,242,543	4,242,543	4,242,543	4,242,543
Richmond	(163,884)	(163,884)	(163,884)	(163,884)	(163,884)	(163,884)	(163,884)	(163,884)	(163,884)	(163,884)
Scituate	137,729	137,729	137,729	137,729	137,729	137,729	137,729	137,729	137,729	137,729
Smithfield	84,116	84,116	84,116	84,116	84,116	84,116	84,116	84,116	84,116	84,116
South Kingstown	(316,625)	(316,625)	(316,625)	(316,625)	(316,625)	(316,625)	(316,625)	(316,625)	(316,625)	(316,625)
Tiverton	(113,988)	(113,988)	(113,988)	(113,988)	(113,988)	(113,988)	(113,988)	(113,988)	(113,988)	(113,988)
Warwick	291,570	291,570	291,570	291,570	291,570	291,570	291,570	291,570	291,570	291,570
Westerly	197,174	197,174	197,174	197,174	197,174	197,174	197,174	197,174	197,174	197,174
West Warwick	47,688	47,688	47,688	47,688	47,688	47,688	47,688	47,688	47,688	47,688
Woonsocket	602,852	602,852	602,852	602,852	602,852	602,852	602,852	602,852	602,852	602,852
Bristol-Warren	(858,880)	(858,880)	(858,880)	(858,880)	(858,880)	(858,880)	(858,880)	(858,880)	(858,880)	(858,880)
Exeter-W. Greenwich	(201,859)	(201,859)	(201,859)	(201,859)	(201,859)	(201,859)	(201,859)	(201,859)	(201,859)	(201,859)
* Charho	(39,833)	(39,833)	(39,833)	(39,833)	(39,833)	(39,833)	(39,833)	(39,833)	(39,833)	(39,833)
* Foster-Glocester	(56,655)	(56,655)	(56,655)	(56,655)	(56,655)	(56,655)	(56,655)	(56,655)	(56,655)	(56,655)
** Central Falls	(1,251,478)	(1,251,478)	(1,251,478)	(1,251,478)	(1,251,478)	(1,251,478)	(1,251,478)	(1,251,478)	(1,251,478)	(1,251,478)
Total	\$7,922,679	\$7,922,679	\$7,922,679	\$7,922,679	\$7,922,679	\$7,922,679	\$7,922,679	\$7,922,679	\$7,922,679	\$7,922,679
<i>Total Charho</i>	<i>(\$358,111)</i>	<i>(\$358,111)</i>	<i>(\$358,111)</i>	<i>(\$358,111)</i>	<i>(\$358,111)</i>	<i>(\$358,111)</i>	<i>(\$358,111)</i>	<i>(\$358,111)</i>	<i>(\$358,111)</i>	<i>(\$358,111)</i>

* This line shows aid to the regional district.
 ** Under the previous distribution Central Fall was 100% State funded.

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401-222-2480

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