



# RI's Education Funding Formula

***State and Local Share Funding  
Basic Education Program  
03/27/2014***

# Percent of Town Contribution to District Schools is Declining

Town allocation to district schools (minus charter tuitions)

2009	2010	2011	2012	2013	2014
68.07%	68.76%	68.77%	67.11%	64.51%	63.51%

# RI Funding Formula for the Basic Education Plan

- Created by General Law 16-7
- Composed of State Share and Local Share
- Intent to provide an adequate level of funding to support student learning for ALL public school students
- Serves as the FUNDING SOURCE for the Basic Education Plan

# RIDE FAQs

## 2. Why did RI need a funding formula?

RI was the only state in the country without an education aid funding formula. This allowed measurable disparities and inequities to develop between school districts. It was time for a transparent data-based formula aimed at distributing an adequate level of funding to support student learning. A funding formula enables **local school and municipal leaders to plan the use of their resources to support the Basic Education Program (BEP)**

## 17. How is this funding formula related to the BEP?

The funding formula provides a basic level of academic and support functions to ensure that sufficient resources are available for every student to have an equitable educational opportunity. The funding formula aligns with the standards established in the BEP for local education agencies that include leadership and management of the educational system, curriculum, instruction and assessment, and supports and services for student learning.

# RIDE FAQs (Continued)

**18. Clarify the definition of “adequate per-pupil funding level” that districts must fund education at in terms of components and \$ amounts as outlined in the FAQ.**

**Adequate** per-pupil funding level means that the combination of state, local, and federal funds should be sufficient to fund the BEP and other approved programs required by law. Funding for the BEP is calculated as the core instruction amount and the student success factor total prior to application of the state share ratio.

**33. Explain why charter and state school students are not counted in the RADM, yet districts are to send local share to them.**

The amount that the local communities would pay in local tuitions represents the per pupil local property tax contribution. Parents of charter and state school students reside in the communities and pay the required property taxes. If the student chooses to go to a public school outside of the district school system, the related property tax would follow the student. Therefore, **when school districts submit their budgets, they will be advocating for all public school children that reside in a community regardless of what public school they attend.**

# RIGL § 16-7-24

**§ 16-7-24 Minimum appropriation by a community for approved school expenses.** – Each community shall appropriate or otherwise make available to the school committee for approved school expenditures during each school year, to be expended under the direction and supervision of the school committee of that community, an amount, which, together with state education aid and federal aid: (1) shall be not less than the costs of the basic program during the reference year, (2) plus the costs in the reference year of all optional programs shared by the state; provided, however, that the state funds provided in accordance with § 16-5-31 shall not be used to supplant local funds. The board of regents for elementary and secondary education shall adopt regulations for determining the basic education program and the maintenance of local appropriation to support the basic education program. **A community that has a local appropriation insufficient to fund the basic education program pursuant to the regulations described in this section and all other approved programs shared by the state and required in law shall be required to increase its local appropriation in accordance with § 44-5-2 or find efficiencies in other non-education programs to provide sufficient funding to support the public schools.**

# Statutory Obligations

- We are compliant with statutes regarding state and local funding for charter schools and mayoral academies.
  - *345 students*
- We are not compliant with statutes regarding local share of funding for district schools.
  - *4596 students*

# State Share Ratio

RIGL 16.7.2

The Funding Formula is composed of BOTH a State Share and a Local Share.

- The State Share has a 7-year transition plan to address the gap
  - *Includes YTY increases of approximately \$700K*
  - *This is Year 4 of the transition*
  - **Cumberland's State Share is underfunded by approximately \$2.8M this year**
- The State Share for Cumberland students who attended charter schools including the Mayoral Academy **is fully funded.**



# Local Share Ratio RIGL 16.7.2

The Funding Formula is composed of BOTH a State Share and a Local Share.

- Cumberland has no plan in place to address the Local Share gap to support the Basic Education Plan for our district schools.
  - *The FY14 Gap is approximately: \$8.2M*
  - *Cumberland **is not in compliance** with RI General Law 16-7*
  - *Cumberland **is not honoring** the intent of the funding formula to provide EQUAL access for ALL students*
- A 5-year plan **is in place** to fund the local share for **charter schools**.
  - *Annual per student increase is \$418*
  - *The Local Share of the BEP for charter schools **will be fully funded** in FY16*

# Accumulated Gaps (State and Town)

Fiscal Impact of School Funding Phase-In on Underfunded Cities and Towns

Community	Population	<u>\$ Underfunded</u>	<u>Fy 2012 loss</u>	3 Year Loss	6 Year Loss
Barrington	16310	\$ 3,524,868	\$ 3,524,868	\$ 7,049,736	\$ 8,812,170
Coventry	35014	\$ 3,572,088	\$ 3,572,088	\$ 7,144,176	\$ 8,930,220
Cranston	80,387	\$ 14,091,150	\$ 14,091,150	\$ 28,182,300	\$ 35,227,875
Cumberland	33506	\$ 5,146,974	\$ 5,146,974	\$ 10,293,948	\$ 12,867,435

2014 estimated 4-year State Share loss: \$14.9M

Fiscal Impact of Underfunded Local School Funding on Cumberland

FY12	FY13	FY14 (est)	3 YR LOSS
\$7,313,608	\$6,647,623	\$8,191,079	\$22,152,311

# Underfunding at Any Level

- Underfunding state or town contributions in any capacity negatively impacts district schools and charter schools.
- As a district, we struggle/cannot provide:
  - *Updated text books to meet Common Core requirements*
  - *Comprehensive K-12 World Language, STEM, and Music programs*
  - *Gifted programming*
  - *Improved supports for struggling students*
  - *Full roll-out of technology to support a 21<sup>st</sup> century learning environment*