

The Local Share(s) Disparity for District, Charter and State Schools

The Law:

By law, “the local share of education funding” for each city and town in Rhode Island “shall be the local per-pupil cost calculated by dividing the local appropriation to education from property taxes, net of debt service and capital projects...by the average daily membership¹ for each city and town, pursuant to § 16-7-22, for the reference year.²” (RIGL § 16-72.-5)

The Current Practice:

As noted in Issue Brief #8, in addition to debt services and capital projects, RIDE *also* nets out the total local funding that flowed from each city/town to charter and state schools in the applicable reference year *before* calculating the local share that will follow students to charter and state schools in the coming year.

The Result:

This results in *two different local shares*; one smaller local share that follows each city/town resident who attends a charter or state public school, and a larger local share that follows each resident of that city/town who attends one of its district public schools.

Example:

In FY 16 Cumberland’s local appropriation for education in the applicable reference year, net of debt service and capital project costs, was \$38,690,573 and its average daily membership was 4,857.

According to the statutory formula, Cumberland’s local share should be ***\$7,966 per pupil***.

However, in FY 16, the local share that follows Cumberland residents to charter and state public schools is only ***\$7,506 per pupil***.

As a result, in FY 16, roughly ***\$460 per pupil*** (about 6%) of the local share of education funding that is meant to follow Cumberland residents to charter and state public schools will be diverted to the district.

Cumulative Projected Impact:

- On average, the netting out of local funding of public schools of choice in the reference year decreased the local share funding that charter and state schools will receive in FY 16 by ***\$361 per pupil in FY 16***.
- Projections show the impact of this practice will ***increase by 17% in FY 17 (to \$420 per pupil)***, and by another ***20% in FY 18 (to \$506 per pupil)***.³
- A fair comparative analysis of the local share of education funding must recognize that, although by law there is only one per pupil cost, in practice, there are currently two local per pupil shares – one that follows students to district schools, and another that follows students to charter and state schools.

¹ The Average Daily Membership pursuant to § 16-7-22 is, functionally, the resident average daily membership. This is the number of public elementary and secondary school students (regardless of which type of public school they might attend) that reside in a particular city or town in a particular year. This number does not include residents who attend private schools.

² The reference year for purposes of this statute is two years prior to the year for which the local share is being calculated. See the example above – for purposes of FY 16 calculations, the 2013-14 school year was the applicable reference year.

³ These increases are primarily driven by variables in the applicable reference years, such as the phase-in of the full local share for charter and state school students and changes in the number of city/town residents attending public schools of choice.

Effect of Deducting Charter & State School Tuition Payments on Charter Sector

BREAKDOWN BY EACH CHARTER SCHOOL (FOR FISCAL YEAR 2016)

Charter School	FY16		
	Projected ADM	Loss Per Pupil (Actual - Corrected)	Projected Revenue Loss
Achievement First Rhode Island	520	\$ (296)	\$ (153,937)
Beacon Charter School	276	\$ (157)	\$ (43,222)
Blackstone Academy	247	\$ (443)	\$ (109,307)
Blackstone Valley Prep, A RI Mayoral Academy	1,397	\$ (461)	\$ (644,403)
Highlander	458	\$ (282)	\$ (129,144)
International Charter	342	\$ (306)	\$ (104,670)
Kingston Hill Academy	185	\$ (255)	\$ (47,116)
Learning Community	557	\$ (499)	\$ (277,904)
Paul Cuffee Charter School	786	\$ (320)	\$ (251,810)
Rhode Island Nurses Institute Middle College	193	\$ (286)	\$ (55,116)
RISE	48	\$ (61)	\$ (2,905)
Segue Institute for Learning	238	\$ (630)	\$ (149,914)
Sheila Skip Nowell Leadership Academy	157	\$ (290)	\$ (45,593)
SouthSide Charter School	48	\$ (320)	\$ (15,378)
The Compass School	164	\$ (262)	\$ (43,001)
The Greene School	166	\$ (229)	\$ (37,956)
The Hope Academy	72	\$ (313)	\$ (22,562)
Trinity Academy for the Performing Arts	208	\$ (320)	\$ (66,637)
Village Green Virtual	208	\$ (296)	\$ (61,501)
TOTAL	6,270	\$ (361)	\$ (2,262,075)

Effect of Deducting Charter & State School Tuition Payments on Charter Sector

BREAKDOWN BY EACH CHARTER SCHOOL (FISCAL YEAR 2017 PROJECTIONS)

Charter School	FY17 (Projected)		
	ADM	Loss Per Pupil	Total Revenue Loss
Achievement First Rhode Island	678	\$ (353)	\$ (239,573)
Beacon Charter School	321	\$ (220)	\$ (70,506)
Blackstone Academy	305	\$ (498)	\$ (151,979)
Blackstone Valley Prep, A RI Mayoral Academy	1,716	\$ (537)	\$ (921,682)
Highlander	532	\$ (337)	\$ (179,322)
International Charter	348	\$ (365)	\$ (127,132)
Kingston Hill Academy	220	\$ (284)	\$ (62,499)
Learning Community	558	\$ (577)	\$ (321,761)
Paul Cuffee Charter Sch	774	\$ (387)	\$ (299,357)
Rhode Island Nurses Institute Middle College	250	\$ (360)	\$ (90,060)
RISE	105	\$ (72)	\$ (7,517)
Segue Institute for Learning	240	\$ (733)	\$ (175,866)
Sheila Skip Nowell Leadership Academy	240	\$ (315)	\$ (75,506)
SouthSide Charter School	72	\$ (387)	\$ (27,847)
The Compass School	183	\$ (293)	\$ (53,554)
The Greene School	178	\$ (267)	\$ (47,549)
The Hope Academy	108	\$ (377)	\$ (40,742)
Trinity Academy for the Performing Arts	204	\$ (387)	\$ (78,900)
Village Green Virtual	245	\$ (357)	\$ (87,415)
TOTAL	7,277	\$ (420)	\$ (3,058,768)
	Growth Rate of Per Pupil Revenue Loss Due to RIDE Interpretation	17%	f

Effect of Deducting Charter & State School Tuition Payments on Charter Sector

BREAKDOWN BY EACH CHARTER SCHOOL (FISCAL YEAR 2018 PROJECTIONS)

Charter School	FY18 (Projected)		
	ADM	Loss Per Pupil	Total Revenue Loss
Achievement First Rhode Island	678	\$ (431)	\$ (292,536)
Beacon Charter School	321	\$ (283)	\$ (90,898)
Blackstone Academy	305	\$ (590)	\$ (179,926)
Blackstone Valley Prep, A RI Mayoral Academy	1,716	\$ (646)	\$ (1,108,075)
Highlander	532	\$ (408)	\$ (216,873)
International Charter	348	\$ (430)	\$ (149,495)
Kingston Hill Academy	220	\$ (308)	\$ (67,867)
Learning Community	558	\$ (698)	\$ (389,290)
Paul Cuffee Charter Sch	774	\$ (470)	\$ (363,984)
Rhode Island Nurses Institute Middle College	250	\$ (435)	\$ (108,864)
RISE	105	\$ (115)	\$ (12,099)
Segue Institute for Learning	240	\$ (900)	\$ (215,952)
Sheila Skip Nowell Leadership Academy	240	\$ (383)	\$ (91,868)
SouthSide Charter School	72	\$ (470)	\$ (33,859)
The Compass School	183	\$ (309)	\$ (56,594)
The Greene School	178	\$ (318)	\$ (56,576)
The Hope Academy	108	\$ (460)	\$ (49,669)
Trinity Academy for the Performing Arts	204	\$ (470)	\$ (95,934)
Village Green Virtual	245	\$ (429)	\$ (105,038)
TOTAL	7,277	\$ (506)	\$ (3,685,398)
	Growth Rate of Per Pupil Revenue Loss Due to RIDE Interpretation		20%

Effect of Deducting Charter & State School Tuition Payments on Charter Sector

BREAKDOWN BY EACH MUNICIPALITY (FISCAL YEAR 2016)

District	FY16		
	Projected ADM	Loss Per Pupil (Actual - Corrected)	Projected Revenue Loss for Charter School Students
Barrington	5	\$ (18)	\$ (91)
Burrillville	20	\$ (50)	\$ (995)
Central Falls	1,155	\$ (630)	\$ (727,523)
Coventry	50	\$ (81)	\$ (4,048)
Cranston	166	\$ (148)	\$ (24,624)
Cumberland	404	\$ (460)	\$ (177,411)
East Greenwich	4	\$ (32)	\$ (130)
East Providence	63	\$ (90)	\$ (5,644)
Foster-Glocester	-	\$ (62)	-
Foster	4	-	-
Glocester	1	-	-
Jamestown	4	\$ (207)	\$ (827)
Johnston	25	\$ (158)	\$ (3,943)
Little Compton	-	\$ (22)	-
Lincoln	187	\$ (507)	\$ (94,801)
Middletown	3	\$ (79)	\$ (236)
Narragansett	18	\$ (199)	\$ (3,576)
Newport	-	\$ (134)	-
New Shoreham	-	-	-
North Kingstown	109	\$ (261)	\$ (28,448)
North Providence	59	\$ (194)	\$ (11,463)
North Smithfield	28	\$ (103)	\$ (2,889)
Pawtucket	963	\$ (306)	\$ (294,416)
Portsmouth	1	\$ (33)	\$ (33)
Providence	2,459	\$ (320)	\$ (787,787)
Scituate	8	\$ (18)	\$ (140)
Smithfield	8	\$ (85)	\$ (677)
South Kingstown	85	\$ (359)	\$ (30,490)
Tiverton	1	\$ (43)	\$ (43)
Westerly	44	\$ (160)	\$ (7,048)
Warwick	64	\$ (98)	\$ (6,271)
Woonsocket	195	\$ (49)	\$ (9,605)
West Warwick	22	\$ (62)	\$ (1,359)
Bristol-Warren	10	\$ (47)	\$ (475)
Exeter-West Greenwich	37	\$ (236)	\$ (8,743)
Chariho	68	\$ (295)	\$ (20,065)
TOTAL	6,270	\$ (359)	\$ (2,253,801)

Effect of Deducting Charter & State School Tuition Payments on Charter Sector

BREAKDOWN BY EACH MUNICIPALITY (FISCAL YEAR 2017 PROJECTED)

District	FY17 (Projected)		Total Revenue Loss for Charter School Students
	Charter ADM	Loss Per Pupil	
Barrington	4	\$ (35)	\$ (139)
Burrillville	37	\$ (54)	\$ (2,014)
Central Falls	1,289	\$ 733)	\$ (944,548)
Coventry	53	\$ (87)	\$ (4,628)
Cranston	201	\$ (129)	\$ (25,957)
Cumberland	505	\$ (507)	\$ (255,791)
East Greenwich	9	\$ (57)	\$ (509)
East Providence	72	\$ (121)	\$ (8,731)
Foster-Glocester	7	-	-
Foster	-	\$ (153)	-
Glocester	-	\$ (93)	-
Jamestown	3	\$ (321)	\$ (964)
Johnston	29	\$ (106)	\$ (3,085)
Little Compton	-	\$ (32)	-
Lincoln	252	\$ (680)	\$ (171,290)
Middletown	2	\$ (63)	\$ (126)
Narragansett	22	\$ (275)	\$ (6,052)
Newport	-	\$ (129)	-
New Shoreham	-	-	-
North Kingstown	132	\$ (324)	\$ (42,735)
North Providence	74	\$ (240)	\$ (17,746)
North Smithfield	35	\$ (109)	\$ (3,828)
Pawtucket	1,121	\$ (341)	\$ (382,379)
Portsmouth	2	\$ (39)	\$ (77)
Providence	2,806	\$ (387)	\$ (1,085,267)
Scituate	5	\$ (53)	\$ (266)
Smithfield	7	\$ (85)	\$ (594)
South Kingstown	91	\$ (368)	\$ (33,443)
Tiverton	-	\$ (88)	-
Westerly	45	\$ (181)	\$ (8,165)
Warwick	69	\$ (93)	\$ (6,447)
Woonsocket	238	\$ (66)	\$ (15,691)
West Warwick	33	\$ (46)	\$ (1,518)
Bristol-Warren	4	\$ (72)	\$ (289)
Exeter-West Greenwich	35	\$ (233)	\$ (8,142)
Chariho	95	\$ (298)	\$ (28,347)
TOTAL	7,277	\$ (420)	\$ (3,058,768)
	Growth Rate of Per Pupil Revenue Loss Due to RIDE Interpretation		17%

Effect of Deducting Charter & State School Tuition Payments on Charter Sector

BREAKDOWN BY EACH MUNICIPALITY (FISCAL YEAR 2018 PROJECTED)

District	FY18 (Projected)		
	Charter ADM	Loss Per Pupil	Total Revenue Loss for Charter School Students
Barrington	4	\$ (38)	\$ (153)
Burrillville	37	\$ (62)	\$ (2,310)
Central Falls	1,289	\$ (900)	\$ (1,159,841)
Coventry	53	\$ (103)	\$ (5,480)
Cranston	201	\$ (167)	\$ (33,513)
Cumberland	505	\$ (634)	\$ (320,241)
East Greenwich	9	\$ (43)	\$ (391)
East Providence	72	\$ (134)	\$ (9,640)
Foster-Glocester	7	\$ -	-
Foster	-	\$ (68)	-
Glocester	-	\$ (49)	-
Jamestown	3	\$ (357)	\$ (1,070)
Johnston	29	\$ (121)	\$ (3,501)
Little Compton	-	\$ (44)	-
Lincoln	252	\$ (817)	\$ (205,778)
Middletown	2	\$ (72)	\$ (144)
Narragansett	22	\$ (320)	\$ (7,039)
Newport	-	\$ (138)	-
New Shoreham	-	\$ -	-
North Kingstown	132	\$ (349)	\$ (46,075)
North Providence	74	\$ (310)	\$ (22,969)
North Smithfield	35	\$ (173)	\$ (6,058)
Pawtucket	1,121	\$ (374)	\$ (419,444)
Portsmouth	2	\$ (46)	\$ (91)
Providence	2,806	\$ (470)	\$ (1,319,561)
Scituate	5	\$ (85)	\$ (424)
Smithfield	7	\$ (111)	\$ (774)
South Kingstown	91	\$ (415)	\$ (37,784)
Tiverton	-	\$ (141)	-
Westerly	45	\$ (207)	\$ (9,327)
Warwick	69	\$ (132)	\$ (9,139)
Woonsocket	238	\$ (113)	\$ (26,846)
West Warwick	33	\$ (71)	\$ (2,351)
Bristol-Warren	4	\$ (104)	\$ (418)
Exeter-West Greenwich	35	\$ (298)	\$ (10,426)
Chariho	95	\$ (259)	\$ (24,612)
TOTAL	7,277	\$ (506)	\$ (3,685,398)
	Growth Rate of Per Pupil Revenue Loss Due to RIDE Interpretation		20%

Effect of Deducting Charter and State School Tuition Payments on Charter Sector_FY16 to FY18

Sources

1. Student Membership Data for InSite_UCOA PPE Calculations, 2014-15 (from RIDE's Frequently Requested Education Data site)
2. Student Membership Data for InSite_UCOA PPE Calculations, 2013-14 (from RIDE's Frequently Requested Education Data site)
3. Student Membership Data, October 1, 2015 (from RIDE's Frequently Requested Education Data site)
4. Projected Charter School Membership, 2016-17 (distributed to charter business managers, November 2015)
5. UCOA Revenue File, 2013-14
6. UCOA Expenditures File, 2013-14
7. Local Share Per Pupil Transition Plan, Charter and State Schools (distributed to charter business managers, November 2014)
8. "FY2016 Local Share Per Pupil – Charter Schools, Davies, and Met School"

Methodology

FY2016

- A. Calculate Corrected Local Share Per Pupil: Divide each district's FY14 charter school tuition payments (Source: 6) by the district's FY14 RADM (2). Add this amount to the actual FY16 local share per pupil for charter schools (8).
- B. Calculate each district's projected 2016 charter school tuition payments by charter school: For each district, multiply each charter school's October 1, 2015, membership for that district (3) by the actual FY16 local share per pupil for charter schools (8).
- C. Calculate each district's CORRECTED projected 2016 charter school tuition payments by charter school: For each district, multiply each charter school's October 1, 2015, membership for that district (3) by the corrected FY16 local share per pupil (see A).
- D. Determine the total loss of revenue for charter school students by district: Subtract the CORRECTED projected local revenues for charter school students by district (C) from the projected total local revenues for charter school students by district (B).
- E. Determine the total loss of revenue for charter school students by charter school: Subtract the CORRECTED projected local revenues for charter school students by charter school (C) from the projected total local revenues for charter school students by charter school (B).
- F. Determine the total revenue loss per pupil: Divide the total cumulative revenue difference by the total FY16 charter membership (3). This analysis is done at the charter school level, the district level, and the charter school sector-wide level.

Assumption

- For all four quarters, charter schools will bill and be paid for 100% of the October 1, 2015, membership.

FY2017

- A. Calculate Reference Year (FY15) charter and state school tuition payments by district: Multiply each resident district's FY15 charter school ADM (1) by the FY15 charter share per pupil (7). Multiply each resident district's FY15 state school ADM (1) by the FY15 state school share per pupil (7). Add the two products together.
- B. Calculate projected FY17 local shares by district: For each district, subtract capital and debt service expenditures (6) and the amount calculated in A from the local tax appropriation (5). Divide by FY15 RADM (1).¹
- C. Calculate CORRECTED Projected Local Share Per Pupil: For each district, subtract capital and debt service expenditures (6) from the local tax appropriation (5). Divide by FY15 RADM (1).²
- D. Calculate each district's projected 2017 charter school tuition payments by charter school: For each district, multiply each charter school's FY17 projected membership for that district (4) by the amount calculated in B.
- E. Calculate each district's CORRECTED projected 2017 charter school tuition payments by charter school: For each district, multiply each charter school's FY17 projected membership for that district (4) by the amount calculated in C.
- F. Determine the total loss of revenue for charter school students by district: Subtract the CORRECTED projected local revenues for charter school students by district (E) from the projected total local revenues for charter school students by district (D).
- G. Determine the total loss of revenue for charter school students by charter school: Subtract the CORRECTED projected local revenues for charter school students by charter school (E) from the projected total local revenues for charter school students by charter school (D).
- H. Determine the total revenue loss per pupil: Divide the total cumulative revenue difference by the total projected FY17 charter membership (4). This analysis is done at the charter school level, the district level, and the charter school sector-wide level.

Assumptions

- FY15 Local Tax Appropriations and FY15 expenditures on Capital & Debt Service are held constant from FY14 (latest available UCOA data).
- For Central Falls, non-Core expenditures are held constant from FY14 (latest available UCOA data)
- In reference year FY15, charter and state schools billed and received payment for 100% of resident charter and state school students (per Source 1).
- For all four quarters, charter schools will bill and be paid for 100% of the projected FY17 membership by district.

¹ Central Falls calculation: $((\text{Reference Year Expenditures on Non-Core} - \text{Reference Year Expenditures on Charter and State School Tuitions}) / \text{Reference Year RADM}) + \text{Reference Year "Local" Contribution to Core Per Pupil}$. For FY17, the reference year "local" contribution the core per pupil is \$551.

² Central Falls calculation: $(\text{Reference Year Expenditures on Non-Core} / \text{Reference Year RADM}) + \text{Reference Year "Local" Contribution to Core Per Pupil}$. For FY17, the reference year "local" contribution the core per pupil is \$551.

FY2018

- A. Calculate Reference Year (FY16) charter and state school tuition payments by district: Multiply each resident district's October 1, 2015, charter school and state school membership (3) by the FY16 charter and state school share per pupil (8).
- B. Calculate per pupil effect of charter and state school tuition payments deduction: For each district, divide the amount calculated in A by the October 1, 2015, resident membership (3).
- C. Determine the total loss of revenue for charter school students by district: For each district, multiply the amount calculated in B by the district's projected charter school membership (4).
- D. Determine the total loss of revenue for charter school students by charter school: For each charter school multiply the amount calculated in B for each district by the projected FY18 membership by each district (4).
- E. Determine the total revenue loss per pupil: Divide the total cumulative revenue difference by the total projected charter membership (4). This analysis is done at the charter school level, the district level, and the charter school sector-wide level.

Assumptions

- In reference year FY16, charter and state schools billed and received payment for 100% of resident charter and state school students (per October 1, 2015, membership data).
- FY18 charter school membership by resident is held constant from projected FY17 charter school membership by resident district (4).