

## *A Funding Formula for Rhode Island:*

- Child-Centered
- Equitable
- Accountable

Providing what our children need to succeed

Rhode Island Department of Education  
In cooperation with Dr. Kenneth Wong, Brown University

February 26, 2010



# Outline

1. Guiding Principles
2. The Proposed Formula
  - Core Instructional Amount
  - Student Success Factor
  - State Share Ratio
3. Benefits of the Formula
4. Other Key Recommendations



# Guiding Principles

1. Build a strong foundation for all children.
2. Improve equity among districts and schools.
3. Be transparent and consistent.
4. Be financially responsible.
5. Use New England & RI data and empirical research.



# The Proposed Formula

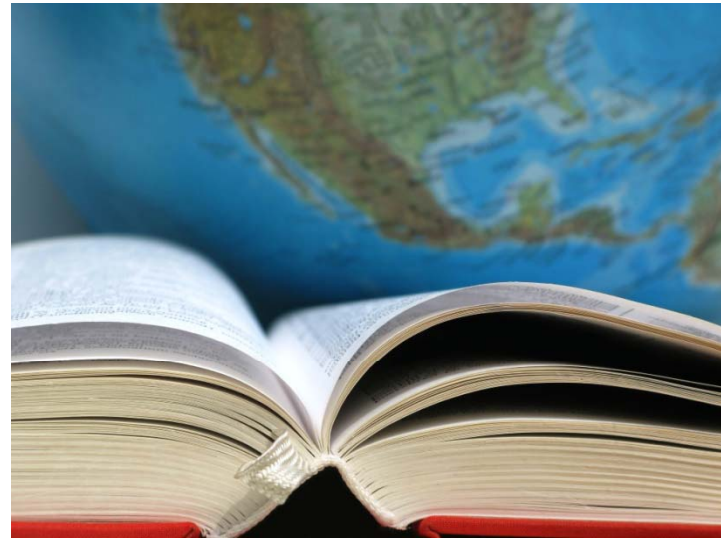
Includes 3 Key Components:

- 1) Core Instructional Amount
- 2) Student Success Factor
- 3) State Share Ratio

# Funding the Basic Education Program: The Core Instructional Amount

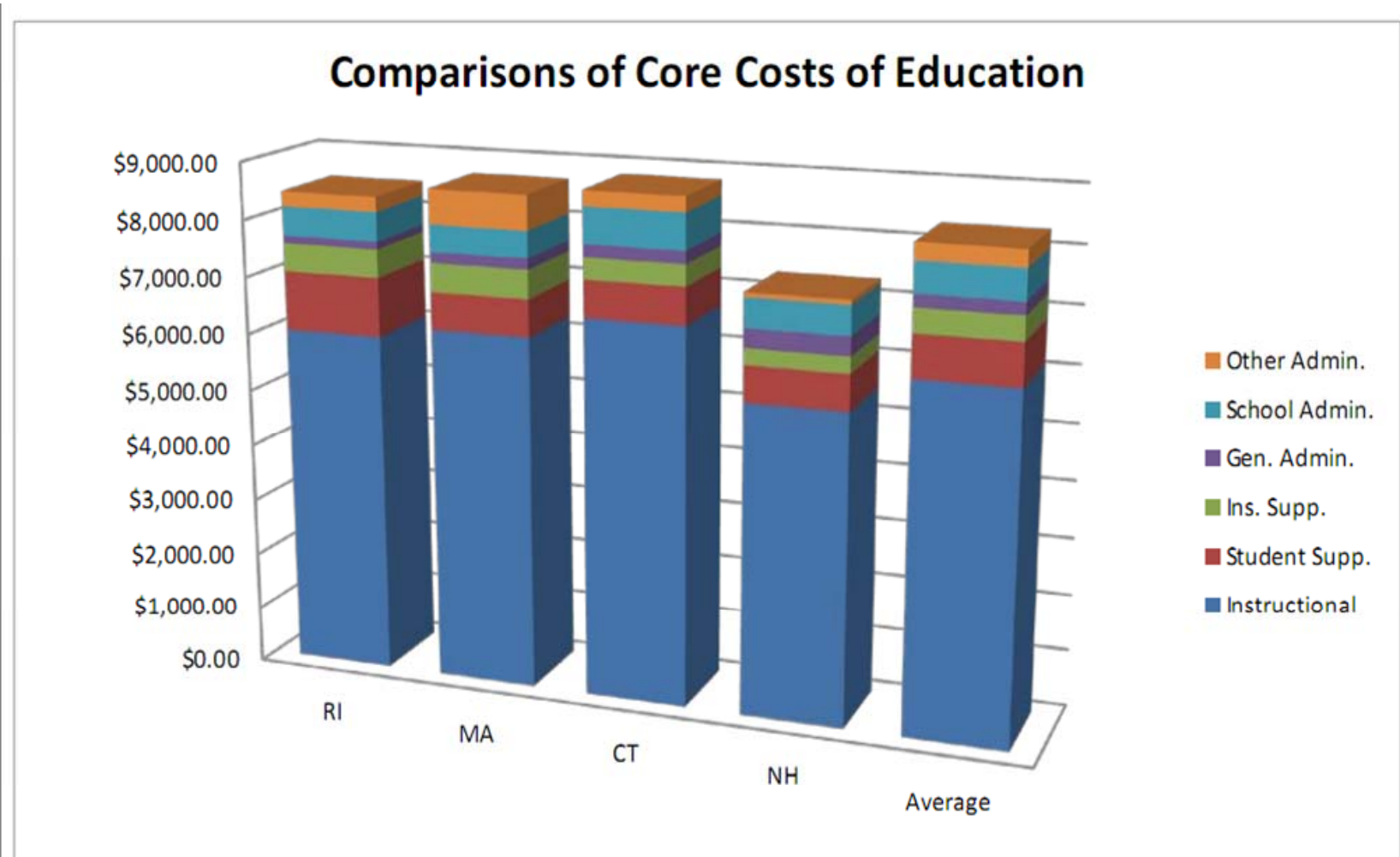
## Recommended RI Core Instructional Amount to Include\*:

Teachers  
Teacher Aides  
Guidance Counselor  
Librarian  
School Administration  
District Administration  
Administrative Support  
Some Portion of Benefits  
Instructional, Classroom, and  
School Supplies  
Textbooks and Equipment  
Pupil, Teacher, and Program Supports



\* Some costs will be funded locally, such as retiree benefits, transportation, debt service, and capital projects.

# Recommended Core Instructional Amount for RI: \$8,295



# Student Success Factor

Goal: To close student achievement gaps

- Provides additional funding to support student needs beyond the core amount
  - Proposed : 0.40 of Core Instructional Amount applied to PK-12 students eligible for Free and Reduced Price Lunch
- Based on research and methods used by more than 22 states
- Builds on the previous work and research done by RIDE and other stakeholders

# Proposed Calculation

(PK-12 RADM x \$8,295 Core Instructional Amount )

+

(PK-12 FRPL x (\$8,295 x 40% Student Success Factor)

=

Core Instruction & Student Success Total  
Prior to State and Local Share Calculation

RADM = Resident Average Daily Membership. Counts students based on the district where they reside and gives the district credit for any time that the student is an enrolled member of the district. Charter and state school students are excluded from district totals.

FRPL = The actual number of PK-12 students receiving Free and Reduced Price Lunch; our poverty indicator.

# State Share Ratio

$$\text{State Share Ratio (SSR)} = \sqrt{\frac{EWAV^2 + \%K6FRPL^2}{2}}$$

Addresses 2 Key Questions:

- ❖ How do we account for differences in the revenue-generation capacity of communities?
- ❖ How do we allocate funding to communities based on the supports that students need?

## Key Definitions:

- ❖ **FRPL:** The actual number of students grades K-6 receiving Free or Reduced-Price Lunch; our poverty indicator for each district.
- ❖ **EWAV:** A calculation of a district's revenue-generating capacity. It is a number between 0 and 1 based on each district's assessed real estate values and a median income value.

# Additional Funding for Special Programs

This proposal includes additional funding for certain programs:

- **Extraordinary costs related to special education students.** The state will assume these costs when they exceed a threshold to be established, which is beyond the district's combined Core Instructional Amount and Student Success Factor amount.
- **Certain start-up and maintenance costs for Career and Technical Education programs.** Funding will be provided through a state grant program.
- **RI launched our Pre-K program this year.** This proposal grows the Pre-K initiatives over 10 years.
- **State stabilization funds for the Central Falls Public Schools.** This district is 100% state funded. This formula assumes that the City will contribute to its student at approximately \$1M per year for a total of \$5.8M over six years.

# Benefits of the Formula:

- Provides more resources for **71%** of the students in Rhode Island
- Funds the **Basic Education Program**, which includes funding for Special Education students, English Language Learners, and Career and Technical Education students
- In addition to the Core Instructional Amount, additional **Student Success Factor** funds are distributed to districts based on the number of students with high-intensity needs



# Other Key Recommendations

1. Every three years, conduct a high-quality “costing-out” study to update the formula.
2. Review existing legislation and statutes on education spending to determine what adjustments may be needed.
3. Finalize the list of state-funded special programs and estimate their cost.
4. Use Uniform Chart of Accounts data to establish efficiency benchmarks for instruction, leadership, and operations.
5. Obtain and analyze RI salary and benefit information to identify salary inequities among districts.

# Stay Involved!

Sign up for RIDE news and updates at  
[www.ride.ri.gov/ride/subscribe.aspx](http://www.ride.ri.gov/ride/subscribe.aspx)

