A Funding Formula for Rhode Island:

• Child-Centered
• Equitable
• Accountable

Providing what our children need to succeed

Rhode Island Department of Education
Outline

1. Guiding Principles

2. Components of the Formula
   – Core Instructional Amount
   – Student Success Factor
   – State Share Ratio

3. Benefits of the Formula

4. Other Legislative Highlights
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.
Funding 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

The RI Core Instructional Amount Includes*:

- 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.
Student Success Factor

Goal: To close student achievement gaps

• Provides additional funding to support student needs beyond the core amount
  – 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
Funding Formula Calculation

\[(PK-12 \text{ RADM} \times \text{Core Instructional Amount}) + (PK-12 \text{ FRPL} \times \text{Student Success Factor}) = \text{Core Instruction & Student Success Total}\]

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

\[ \text{State Share Ratio (SSR)} = \sqrt{\frac{\text{SSRC}^2 + \text{%PK6FRPL}^2}{2}} \]

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.

- **SSRC (State Share Ratio for the Community)**: A calculation of a district’s revenue-generating capacity. It is a number between 0% and 100% based on each district’s assessed real estate values and a median income value.
Additional Funding for Special Programs

The formula includes additional funding for the following programs (to be transitioned over a ten year period):

- **Extraordinary costs related to special education students.** The state will assume these costs when they exceed five times the core foundation amount (total core instruction plus student success factor times five).

- **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 last year.** This grows the Pre-K initiatives over 10 years.

- **Central Falls Stabilization Fund.** This fund assures that appropriate funding is available to support the district.

- **Transportation Fund.** This fund will provide funding for non-public out-of-district transportation and 50% of the costs for regional school district transportation.

- **Regional School District Bonus.** This fund will provide 2% of the state’s share of the foundation in year 1 and 1% in year 2. This bonus phases out in year 3.
Benefits of the Formula:

- Provides more resources for 79% 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 Legislative Highlights

1. Redistributes the base through a multi-year transition plan not to exceed 7 years for underfunded districts and 10 years for overfunded districts.

2. Implements money follows the student which will impact how local districts plan and budget.

3. Includes charter schools, Davies Career and Technical Center, and the Metropolitan Regional Career and Technical Center.

4. Requires the core instruction per pupil amount to be updated annually.

5. Uses the Uniform Chart of Accounts data to maintain fiscal accountability by establishing efficiency benchmarks for instruction, leadership, and operations.

6. Increases housing aid minimum state reimbursement
ANY QUESTIONS?

For additional information, visit our website at www.ride.ri.gov (Click on Funding Formula Link on Home Page)