

FAIRNESS TO RHODE ISLAND STUDENTS AND TAXPAYERS

The League of Women Voters of Rhode Island studied the financing of public education and approved a consensus position in 2011 which supports formulas that provide, "... equality of opportunity through a system of taxation that is sufficient, equitable, flexible and coordinated among the different levels of government." The League also has a long standing position that government programs must be transparent.

Education foundation formulas emerged in the 1960s as a way of having state and local governments share current expenses so that the state can provide equity by supplementing localities that have a low tax basis and many children to educate. A formula which RI used until 1995 calculated the local wealth per pupil and compared it to the state average wealth per pupil. That formula was frozen from 1995 until 2010 so became increasingly inequitable because of shifts in tax basis and enrollment. The current 2010 formula uses the 1995 calculation; increases the total state share from 50% to 52.5% (RIGL 16-7-20); and gives equal weight to the percentage of poor children by using a quadratic mean calculation (RIGL 16-7.2-4). Table 1 compares the 1995 wealth per pupil formula with the current 2010 one; the 1995 one costs the state around \$11 million more. The League published a report using RI FY 2014 data ("Education Formulas and Fairness to the Taxpayers", posted on the RIDE website under the Working Group, Other Materials, submitted prior to 11/14) which concluded that the quadratic mean formula is less fair than the wealth per pupil formula because its local shares are paid with a wider range of local tax rates; Woonsocket was paying the highest rate, 75% above state average. Some districts with very high percentages of poor children would get more money with the wealth per pupil formula than the current one. The League suggests giving more state funds to districts with high concentrations of poor children in a categorical program rather than in the foundation formula.

The 2010 formula which uses a quadratic mean calculation is not transparent and should use straight mean instead. Table 2 shows that this change would result in losses for all. These losses are less than \$100 per pupil for half of the locals; and of more than \$500 per pupil for only four towns, all of which are wealthy. This move would save the state over \$15 million which could be used to finance increases for English Language Learners, and Special Education.

Table 1, REVISED: COMPARISON OF 1995 WEALTH PER PUPIL (WPP) FORMULA WITH 50% TOTAL STATE SHARE WITH 2010 QUADRATIC MEAN (QM) FOUNDATION FORMULA, RHODE ISLAND, FY 2016

School	Total	Adj. Property Value (AEWAV) defined by	SSRC at 50%	State Share 50% State	%FRPL	SSR At 52.5%	State Share 52.5% State	Difference WPP minus QM	PK-12 RADM	Difference Per Pupil
District	Foundation	by RI Laws 16-7-21	State	WPP	PK-6	State	QM			
A	B	C	D	E = B x D	F	G	H	I = E - H	J	K = I / J
Barrington	\$29,932,013	\$4,294,620,703	28.7%	\$8,587,388	7.1%	19.7%	\$5,908,863	\$2,678,525	3,287	\$815
Bristol	\$20,550,470	\$3,232,457,336	13.8%	\$2,838,608	34.4%	26.9%	\$5,531,571	(\$2,692,963)	2,047	(\$1,316)
Burrillville	\$24,325,229	\$1,455,405,851	66.8%	\$16,257,282	37.6%	54.2%	\$13,185,082	\$3,072,200	2,395	\$1,283
Central Falls	\$30,956,947	\$209,007,560	95.6%	\$29,587,654	89.8%	93.8%	\$28,935,258	\$652,396	2,579	\$253
Charlestown	\$8,781,581	\$2,517,075,414	0.0%	\$0	27.9%	19.3%	\$1,695,198	(\$1,695,198)	890	(\$1,905)
Coventry	\$46,291,680	\$3,244,729,537	61.6%	\$28,527,825	30.7%	49.3%	\$22,822,432	\$5,705,393	4,615	\$1,236
Cranston	\$103,463,021	\$6,876,888,665	62.0%	\$64,154,052	44.8%	54.6%	\$56,496,162	\$7,657,890	9,879	\$775
Cumberland	\$43,388,294	\$3,977,780,117	51.2%	\$22,215,487	24.6%	42.5%	\$18,429,047	\$3,786,440	4,449	\$851
E. Greenwich	\$21,725,395	\$3,416,411,240	21.2%	\$4,596,310	9.1%	15.9%	\$3,459,628	\$1,136,682	2,365	\$481
E. Providence	\$56,382,106	\$3,509,132,211	63.5%	\$35,821,127	55.5%	59.8%	\$33,713,223	\$2,107,904	5,252	\$401
Exeter	\$7,292,390	\$1,096,153,397	21.1%	\$1,536,672	19.8%	20.3%	\$1,477,074	\$59,598	758	\$79
Foster	\$6,573,579	\$555,184,744	54.8%	\$3,605,029	22.1%	42.9%	\$2,787,739	\$817,290	671	\$1,218
Glocester	\$11,885,953	\$1,045,263,729	54.0%	\$6,421,891	19.8%	40.2%	\$4,905,964	\$1,515,927	1,241	\$1,222
Hopkinton	\$11,004,653	\$920,303,420	55.3%	\$6,082,500	27.2%	44.9%	\$4,942,670	\$1,139,830	1,123	\$1,015
Jamestown	\$5,933,549	\$3,208,545,248	0.0%	\$0	12.3%	8.7%	\$516,065	(\$516,065)	641	(\$805)
Johnston	\$33,438,931	\$2,872,305,347	50.7%	\$16,948,958	46.5%	47.7%	\$15,955,417	\$993,541	3,179	\$313
Lincoln	\$29,608,819	\$3,289,228,476	39.8%	\$11,783,596	30.8%	38.3%	\$11,347,945	\$435,651	2,982	\$146
Little Compton	\$3,522,989	\$2,466,907,667	0.0%	\$0	15.3%	10.8%	\$381,143	(\$381,143)	371	(\$1,027)
Middletown	\$22,989,600	\$2,749,617,693	34.6%	\$7,943,388	32.5%	33.2%	\$7,634,244	\$309,144	2,293	\$135
N. Kingstown	\$38,088,634	\$5,102,235,650	29.0%	\$11,037,432	26.2%	27.3%	\$10,406,634	\$630,798	3,921	\$161
N. Providence	\$36,851,213	\$2,168,942,173	66.0%	\$24,337,106	48.2%	58.1%	\$21,422,571	\$2,914,535	3,486	\$836
N. Smithfield	\$16,932,845	\$1,712,200,950	47.1%	\$7,967,491	21.9%	36.4%	\$6,165,009	\$1,802,482	1,765	\$1,021
Narragansett	\$12,861,677	\$5,886,860,460	0.0%	\$0	26.7%	18.9%	\$2,428,253	(\$2,428,253)	1,323	(\$1,835)
Newport	\$22,780,685	\$5,534,084,319	0.0%	\$0	65.0%	46.0%	\$10,470,445	(\$10,470,445)	2,044	(\$5,123)
Pawtucket	\$104,075,482	\$2,461,386,518	84.9%	\$88,319,832	79.6%	83.1%	\$86,509,234	\$1,810,598	8,874	\$204
Portsmouth	\$23,080,666	\$3,853,245,896	13.5%	\$3,105,229	17.2%	16.3%	\$3,757,012	(\$651,783)	2,430	(\$268)
Providence	\$270,530,899	\$6,717,133,206	83.7%	\$226,464,180	89.7%	87.8%	\$237,581,739	(\$11,117,559)	22,507	(\$494)
Richmond	\$10,988,582	\$1,023,555,447	51.4%	\$5,650,531	20.9%	39.5%	\$4,354,592	\$1,295,939	1,150	\$1,127
S. Kingstown	\$31,980,096	\$5,253,197,490	13.0%	\$4,144,060	21.4%	19.0%	\$6,069,482	(\$1,925,422)	3,294	(\$585)
Scituate	\$13,765,190	\$1,693,333,481	35.5%	\$4,887,377	19.1%	28.3%	\$3,889,513	\$997,864	1,433	\$696
Smithfield	\$22,427,136	\$3,003,765,973	30.4%	\$6,807,858	19.3%	25.3%	\$5,670,341	\$1,137,517	2,354	\$483
Tiverton	\$17,911,354	\$1,999,179,390	39.0%	\$6,986,961	30.6%	35.2%	\$6,298,331	\$688,630	1,789	\$385
W. Greenwich	\$8,347,680	\$925,672,609	43.3%	\$3,614,282	16.4%	32.3%	\$2,699,962	\$914,320	891	\$1,026
Warren	\$13,524,134	\$1,079,316,141	54.0%	\$7,300,047	49.0%	51.7%	\$6,987,307	\$312,740	1,280	\$244
Warwick	\$91,588,781	\$9,404,110,189	42.7%	\$39,151,860	37.2%	40.4%	\$36,970,172	\$2,181,688	8,965	\$243
West Warwick	\$36,703,008	\$1,776,956,166	71.5%	\$26,248,857	56.4%	64.2%	\$23,553,167	\$2,695,690	3,405	\$792
Westerly	\$31,496,198	\$5,785,156,386	0.0%	\$0	43.0%	30.4%	\$9,576,605	(\$9,576,605)	3,065	(\$3,125)
Woonsocket	\$68,477,760	\$1,142,596,841	89.4%	\$61,227,480	80.8%	85.2%	\$58,241,231	\$2,986,249	5,890	\$507
Total/Average	\$1,391,569,862	\$120,008,081,460		\$794,158,351			\$783,268,210	\$10,890,141	130,999	\$83

Notes: Headings for Columns G and H have been corrected to read 52.5% rather than 50% State Share.

Data in Columns A, B, F, G, H, and J is from, "FY 2016 Formula Calculations (updated March 2015)", RIDE.

Data for Foster and Glocester is estimated by combining data from Foster, Glocester, and the Foster/Glocester Regional School District.

--Column B: Total Foundation is the cost of the current RI Quadratic Mean foundation program.

--Column C: AEWAV is from, "2012 Adjusted Equalized Weighted Assessed Valuations of RI Municipalities", RI Department of Municipal Finance.

--Column D: SSRC, State Share Ratio for the Community is the 1995 wealth per pupil (WPP) formula state share percentage with 50% total state share as determined by R.I.G.L. 16-7-20 at that time.

--Column E: State Share at 50% total state share Wealth Per Pupil formula is column B multiplied by column D.

--Column F: % FRPL PK-6 is percentage of children grades prekindergarten through 6 registered in federal free and reduced price lunch program.

--Column G: SSR is State Share Ratio for the QM formula.

--Column H: State Share 52.5% state is the state share ratio (SSR) from the quadratic mean calculation multiplied by the Total Foundation.

--Column I: Difference is the State Share for the 1995 Wealth Per Pupil Formula minus that of the 2010 Quadratic Mean Formula

--Column J: PK-12 RADM is the Resident Average Daily Membership as defined in R.I.G.L. 16-7-21.

--Column K: Difference Per Pupil is the difference between the state share for the 1995 WPP Formula and that of the 2010 QM formula.

Table 2: COMPARISON OF STATE SHARES OF A STRAIGHT MEAN FOUNDATION FORMULA AND 2010 QUADRATIC MEAN FOUNDATION FORMULA, RHODE ISLAND, FY 2016

School	Total		%FRPL	Straight Mean	State Share Straight Mean	Quad. Mean	State Share Quadratic Mean	Difference Straight Minus Quad.	PK-12 RADM	Gain or (Loss) / Pupil
District	Foundation	SSRC	PK-6	SSR	Mean	SSR	Mean			
A	B	C	D	E=(C+D)/2	F = B x E	G	H	I = F - H	J	K = I / J
Barrington	\$29,932,013	27.0%	7.1%	17.1%	\$5,103,408	19.7%	\$5,908,863	(\$805,455)	3,287	(\$245)
Bristol	\$20,550,470	16.3%	34.4%	25.4%	\$5,209,544	26.9%	\$5,531,571	(\$322,027)	2,047	(\$157)
Burrillville	\$24,325,229	66.8%	37.6%	52.2%	\$12,697,770	54.2%	\$13,185,082	(\$487,312)	2,395	(\$203)
Central Falls	\$30,956,947	97.0%	89.8%	93.4%	\$28,913,788	93.8%	\$28,935,258	(\$21,470)	2,579	(\$8)
Charlestown	\$8,781,581	0.0%	27.9%	14.0%	\$1,225,031	19.3%	\$1,695,198	(\$470,167)	890	(\$528)
Coventry	\$46,291,680	62.6%	30.7%	46.7%	\$21,595,069	49.3%	\$22,822,432	(\$1,227,363)	4,615	(\$266)
Cranston	\$103,463,021	62.9%	44.8%	53.9%	\$55,714,837	54.6%	\$56,496,162	(\$781,325)	9,879	(\$79)
Cumberland	\$43,388,294	54.8%	24.6%	39.7%	\$17,225,153	42.5%	\$18,429,047	(\$1,203,894)	4,449	(\$271)
E. Greenwich	\$21,725,395	20.6%	9.1%	14.9%	\$3,226,221	15.9%	\$3,459,628	(\$233,407)	2,365	(\$99)
E. Providence	\$56,382,106	63.8%	55.5%	59.7%	\$33,631,926	59.8%	\$33,713,223	(\$81,297)	5,252	(\$15)
Exeter	\$7,292,390	20.7%	19.8%	20.3%	\$1,476,709	20.3%	\$1,477,074	(\$365)	758	(\$0)
Foster	\$2,765,894	56.5%	22.1%	39.3%	\$1,086,996	42.9%	\$1,186,543	(\$99,547)	283	(\$352)
Foster-Gloc	\$10,695,744	54.5%	23.8%	39.2%	\$4,187,384	42.1%	\$4,497,742	(\$310,358)	1,106	(\$281)
Glocester	\$4,997,894	53.3%	19.8%	36.6%	\$1,826,730	40.2%	\$2,009,418	(\$182,688)	523	(\$349)
Hopkinton	\$11,004,653	57.4%	27.2%	42.3%	\$4,654,968	44.9%	\$4,942,670	(\$287,702)	1,123	(\$256)
Jamestown	\$5,933,549	0.0%	12.3%	6.2%	\$364,913	8.7%	\$516,065	(\$151,152)	641	(\$236)
Johnston	\$33,438,931	48.9%	46.5%	47.7%	\$15,950,370	47.7%	\$15,955,417	(\$5,047)	3,179	(\$2)
Lincoln	\$29,608,819	44.6%	30.8%	37.7%	\$11,162,525	38.3%	\$11,347,945	(\$185,420)	2,982	(\$62)
Little Compton	\$3,522,989	0.0%	15.3%	7.7%	\$269,509	10.8%	\$381,143	(\$111,634)	371	(\$301)
Middletown	\$22,989,600	33.9%	32.5%	33.2%	\$7,632,547	33.2%	\$7,634,244	(\$1,697)	2,293	(\$1)
N. Kingstown	\$38,088,634	28.4%	26.2%	27.3%	\$10,398,197	27.3%	\$10,406,634	(\$8,437)	3,921	(\$2)
N. Providence	\$36,851,213	66.6%	48.2%	57.4%	\$21,152,596	58.1%	\$21,422,571	(\$269,975)	3,486	(\$77)
N. Smithfield	\$16,932,845	46.6%	21.9%	34.3%	\$5,799,499	36.4%	\$6,165,009	(\$365,510)	1,765	(\$207)
Narragansett	\$12,861,677	0.0%	26.7%	13.4%	\$1,717,034	18.9%	\$2,428,253	(\$711,219)	1,323	(\$538)
Newport	\$22,780,685	0.0%	65.0%	32.5%	\$7,403,723	46.0%	\$10,470,445	(\$3,066,722)	2,044	(\$1,500)
Nw Shoreham	\$1,110,643	0.0%	11.7%	5.9%	\$64,973	8.3%	\$91,885	(\$26,912)	116	(\$232)
Pawtucket	\$104,075,482	86.5%	79.6%	83.1%	\$86,434,688	83.1%	\$86,509,234	(\$74,546)	8,874	(\$8)
Portsmouth	\$23,080,666	15.3%	17.2%	16.3%	\$3,750,608	16.3%	\$3,757,012	(\$6,404)	2,430	(\$3)
Providence	\$270,530,899	85.9%	89.7%	87.8%	\$237,526,129	87.8%	\$237,581,739	(\$55,610)	22,507	(\$2)
Richmond	\$10,988,582	52.0%	20.9%	36.5%	\$4,005,338	39.6%	\$4,354,592	(\$349,254)	1,150	(\$304)
S. Kingstown	\$31,980,096	16.2%	21.4%	18.8%	\$6,012,258	19.0%	\$6,069,482	(\$57,224)	3,294	(\$17)
Scituate	\$13,765,190	35.1%	19.1%	27.1%	\$3,730,366	28.3%	\$3,889,513	(\$159,147)	1,433	(\$111)
Smithfield	\$22,427,136	30.1%	19.3%	24.7%	\$5,539,503	25.3%	\$5,670,341	(\$130,838)	2,354	(\$56)
Tiverton	\$17,911,354	39.2%	30.6%	34.9%	\$6,251,063	35.2%	\$6,298,331	(\$47,268)	1,789	(\$26)
W. Greenwich	\$8,347,680	42.7%	16.4%	29.6%	\$2,466,739	32.3%	\$2,699,962	(\$233,223)	891	(\$262)
Warren	\$13,524,134	54.2%	49.0%	51.6%	\$6,978,453	51.7%	\$6,987,307	(\$8,854)	1,280	(\$7)
Warwick	\$91,588,781	43.3%	37.2%	40.3%	\$36,864,484	40.4%	\$36,970,172	(\$105,688)	8,965	(\$12)
West Warwick	\$36,703,008	71.1%	56.4%	63.8%	\$23,398,168	64.2%	\$23,553,167	(\$154,999)	3,405	(\$46)
Westerly	\$31,496,198	0.0%	43.0%	21.5%	\$6,771,683	30.4%	\$9,576,605	(\$2,804,922)	3,065	(\$915)
Woonsocket	\$68,477,760	89.1%	80.8%	85.0%	\$58,171,857	85.1%	\$58,241,231	(\$69,374)	5,890	(\$12)
Total/Average	\$1,391,569,862				\$767,592,757		\$783,268,210	(\$15,675,453)	130,999	(\$120)

Notes: Data in Columns A, B, C, D, G, H and J is from, "FY 2016 Formula Calculations (updated March 2015)", RIDE.

--Column B: Total Foundation is the cost of the current RI education foundation formula program.

--Column C: SSRC, the State Share Ratio for the Community is the wealth per pupil percentage as determined by R.I.G.L. 16-7-20.

--Column D: % FRPL PK-6 is the percentage of poor children PK-6 registered in the federal free and reduced price lunch program.

--Column E: Straight Mean SSR, State Share Ratio is the SSRC plus the % FRPL PK6 divided by 2, or (SSRC+%FRPL PK6)/2.

--Column F: State Share Straight Mean is the Total Foundation multiplied by Straight Mean SSR.

--Column G: Quadratic Mean SSR is the result of averaging the SSRC with the % FRPL PK6 in a quadratic mean calculation.

--Column H: State Share Quadratic Mean is the state share ratio (SSR) multiplied by the Total Foundation.

--Column I: Difference Straight Mean minus Quadratic Mean is state share of Straight Mean formula minus that of Quadratic Mean.

--Column J: PK-12 RADM is the Resident Average Daily Membership as defined in R.I.G.L. 16-7-21.

--Column K: Gain or (Loss) Per Pupil is the difference divided by the enrollment, Col. I divided by Col. J.