RI Funding Formula: a UCOA perspective from Cumberland
Concern #1

The formula is not creating equity across schools and districts as intended.

Some districts have inadequate revenue to direct to a student's Core Instructional Amount (i.e., $8900 is not allocated to every student).

Concern #2

State appropriation is not necessarily going where it was intended to go (to students via Core Instructional Amount).

Concern #3

No local appropriation - beyond maintenance of effort - is required to meet local share of the Core Instructional Amount.

Non-core expenses outpace local appropriation and negatively impact available dollars to Core Instructional Amount.

Concern #4

There are fewer local dollars directed to students in 2015 than 2010.

Concern #5

Without a funding solution, the 2018 "fiscal cliff" will accelerate the deterioration of student programs and academic supports.
RI's Funding Formula

Guiding Principles

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

Includes 3 Key Components:

- Core Instructional Amount
- Student Success Factor
- State Share Ratio

Source: RI DOE State Funding Formula Presentation
Core Instructional Amount

~$8900

The core instruction amount is estimated to adequately fund student instructional needs as described in the Basic Education Program (BEP).

NOTE: The core amount is not guaranteed to every student. Mandatory and/or contractual non-core costs become priorities in the budget and student need is secondary.
Student Success Factor

Provides additional funding to support student needs beyond the core amount applied to PK-12 students eligible for Free and Reduced Price Lunch.
Goal: **closing student achievement gaps**

40% * Core Instruction Amt

**NOTE:** When the core instruction amount is not fully funded it provides **less funding** to FRPL students as well.
State Share Ratio

State share ratio considers a district’s revenue generating capacity taking into account property values, median family income, and the concentration of at risk students.

**NOTE:** To assure the full Core Instruction Amount is available for every student, a local share should be **required** in the formula.
5. Leadership

4. Other

3. Operations

2. Pupil & Teacher Support

1. Face to Face Teaching

In general, Core & Non-Core expenses are grouped in UCOA Categories

Core Instructional Amount
1. Face to Face Teaching
2. Pupil and Teacher Support
3. Leadership

Non-Core Amount
1. Operations
2. Other

Uniform Chart of Accounts

The Uniform Chart of Accounts or UCOA is a standardized account-code structure which allows districts to use the same account codes and methods for tracking revenue and expenses. This not only allows for an apples-to-apples comparison between districts, but also helps districts in their financial decision-making processes to ensure that their investments are driven toward improving instruction and advancing learning.
In general, Core & Non-Core expenses are grouped in UCOA Categories

Core Instructional Amount
1. Face to Face Teaching
2. Pupil and Teacher Support
3. Leadership

Non-Core Amount
1. Operations
2. Other
From 2010 to 2015 UCOA was used to determine how our money was spent
Cumberland Revenue

From 2010 - 2015 revenue changes:
$3.3 MM increase Local Appropriation
$5.0 MM increase State Appropriation

Where did the Local increase go?
• 2/3 went to charter tuition increases (+$2.2MM)
• 1/3 went to pension increases (+$1.6MM)
• -$500K gap ($3.3MM- $3.8MM) from State $
• No new local dollars went toward the Core Instruction

Where did the State increases go?
After non-Core expenses are paid, the TOTAL available increase that has been directed toward classrooms since 2010 is:

$1.5MM

NOT the $5.0MM increase in the State appropriation. Rather, State $ also went to the non-Core expenses.
### Non-core Expenses and Remaining $ for Core

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<tbody>
<tr>
<td>Bldg. Upkeep, Utilities, &amp; Maintenance (In)</td>
<td>$4,195,189.74</td>
<td>$4,220,524.18</td>
<td>$3,848,128.72</td>
<td>$4,039,163.80</td>
<td>$4,002,860.81</td>
<td>$5,740,596.32</td>
<td>-$1,545,406.58</td>
<td>26.92%</td>
<td>28%</td>
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<tr>
<td>Total Cost of Teacher Retirement</td>
<td>$2,680,716.11</td>
<td>$2,849,331.28</td>
<td>$3,273,968.81</td>
<td>$3,712,673.62</td>
<td>$3,867,098.64</td>
<td>$4,307,537.25</td>
<td>-$1,626,821.14</td>
<td>37.77%</td>
<td>21%</td>
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<tr>
<td>Transportation In-District</td>
<td>-$1,990,848.48</td>
<td>-$2,046,153.58</td>
<td>-$1,864,481.99</td>
<td>-$2,243,119.99</td>
<td>-$2,725,466.20</td>
<td>-$2,485,236.21</td>
<td>-$494,387.73</td>
<td>19.89%</td>
<td>12%</td>
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<tr>
<td>Pass Through-Charter School Tuitions</td>
<td>-$279,164.54</td>
<td>-$626,994.35</td>
<td>-$1,150,862.61</td>
<td>-$1,669,550.19</td>
<td>-$2,180,742.63</td>
<td>-$2,476,975.51</td>
<td>-$2,197,810.97</td>
<td>88.73%</td>
<td>12%</td>
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<tr>
<td>Food Service</td>
<td>-$1,189,079.30</td>
<td>-$1,356,966.00</td>
<td>-$1,582,542.39</td>
<td>-$1,725,857.82</td>
<td>-$1,884,760.10</td>
<td>-$2,030,845.86</td>
<td>-$841,766.56</td>
<td>41.45%</td>
<td>10%</td>
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<td>Expenditures Funded by Federal Funds</td>
<td>-$3,104,915.27</td>
<td>-$3,098,107.92</td>
<td>-$3,359,844.24</td>
<td>-$2,232,117.68</td>
<td>-$2,007,628.01</td>
<td>-$1,800,814.31</td>
<td>-$1,304,100.96</td>
<td>72.42%</td>
<td>9%</td>
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<td>Pass Through-Special Education Tuitions</td>
<td>-$1,560,914.04</td>
<td>-$1,690,206.47</td>
<td>-$1,887,536.90</td>
<td>-$1,417,627.65</td>
<td>-$1,392,044.88</td>
<td>-$1,125,912.83</td>
<td>$435,000.21</td>
<td>-38.64%</td>
<td>5%</td>
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<td>Pass Through-Transportation - Out of Dist</td>
<td>-$557,815.55</td>
<td>-$612,392.90</td>
<td>-$556,657.86</td>
<td>-$493,315.68</td>
<td>-$455,453.81</td>
<td>-$413,945.47</td>
<td>$153,870.08</td>
<td>-37.17%</td>
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**Expenses Not Included in CORE Calculation:**

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<tbody>
<tr>
<td>-$15,640,943.97</td>
<td>-$16,796,784.65</td>
<td>-$18,778,955.05</td>
<td>-$18,328,392.44</td>
<td>-$19,083,833.82</td>
<td>-$20,817,109.72</td>
<td>-$5,176,165.75</td>
<td>4.16%</td>
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**Net Amt Available for CORE Calculation**

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<tbody>
<tr>
<td>$37,370,570.60</td>
<td>$34,518,165.56</td>
<td>$36,635,271.84</td>
<td>$38,250,616.88</td>
<td>$39,049,537.46</td>
<td>$38,925,500.98</td>
<td>$1,554,930.38</td>
<td>4.16%</td>
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<tr>
<td>Face To Face Teaching</td>
<td>$30,060,679.36</td>
<td>$28,880,101.93</td>
<td>$31,280,501.84</td>
<td>$31,566,877.63</td>
<td>$31,281,313.09</td>
<td>$31,262,893.87</td>
<td>$1,202,214.51</td>
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<td>Pupil &amp; Teacher Support</td>
<td>$7,601,365.60</td>
<td>$6,477,463.11</td>
<td>$7,130,721.55</td>
<td>$7,172,175.16</td>
<td>$7,632,745.43</td>
<td>$8,426,729.45</td>
<td>$825,363.82</td>
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<tr>
<td>Operations</td>
<td>$8,799,143.26</td>
<td>$9,031,356.34</td>
<td>$8,889,139.32</td>
<td>$9,564,218.01</td>
<td>$11,073,697.61</td>
<td>$10,590,283.21</td>
<td>$1,791,199.95</td>
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<td>Other Commitments</td>
<td>$3,292,058.26</td>
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<td>$4,666,557.81</td>
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<td>Leadership</td>
<td>$3,258,268.09</td>
<td>$3,257,297.16</td>
<td>$3,247,139.81</td>
<td>$3,609,180.71</td>
<td>$3,212,125.25</td>
<td>$3,659,791.08</td>
<td>$401,522.99</td>
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<td>TOTAL GENERAL FUND, GRANT, AND OTHER</td>
<td>$53,011,514.57</td>
<td>$51,314,950.21</td>
<td>$55,414,226.89</td>
<td>$56,579,009.32</td>
<td>$58,133,371.28</td>
<td>$59,742,610.70</td>
<td>$6,731,096.13</td>
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<tr>
<td>EXPENSES NOT INCLUDED IN CORE CALCULATION</td>
<td>-$15,640,943.97</td>
<td>-$16,796,784.65</td>
<td>-$18,778,955.05</td>
<td>-$18,328,392.44</td>
<td>-$19,083,833.82</td>
<td>-$20,817,109.72</td>
<td>-$5,176,165.75</td>
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<tr>
<td>NET AMOUNT AVAILABLE FOR CORE CALCULATION</td>
<td>$37,370,570.60</td>
<td>$34,518,165.56</td>
<td>$36,635,271.84</td>
<td>$38,250,616.88</td>
<td>$39,049,537.46</td>
<td>$38,925,500.98</td>
<td>$1,554,930.38</td>
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<td>Town Allocation</td>
<td>36,202,000.00</td>
<td>35,840,000.00</td>
<td>36,202,000.00</td>
<td>37,202,000.00</td>
<td>38,690,000.00</td>
<td>39,587,000.00</td>
<td>3,385,000.00</td>
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<td>Non-Core Expenses</td>
<td>-$15,640,943.97</td>
<td>-$16,796,784.65</td>
<td>-$18,778,955.05</td>
<td>-$18,328,392.44</td>
<td>-$19,083,833.82</td>
<td>-$20,817,109.72</td>
<td>-$5,176,165.75</td>
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<tr>
<td>TOWN AMOUNT AVAILABLE FOR CORE EXPENDITURES</td>
<td>$20,561,056.03</td>
<td>$19,043,215.35</td>
<td>$17,423,044.95</td>
<td>$18,873,607.56</td>
<td>$19,606,166.18</td>
<td>$18,769,890.28</td>
<td>-$1,791,165.75</td>
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<tr>
<td>CORE EXPENDITURES AS A PERCENTAGE OF TOTAL EXPENDITURES</td>
<td>70.50%</td>
<td>67.27%</td>
<td>66.11%</td>
<td>67.61%</td>
<td>67.17%</td>
<td>65.16%</td>
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What are the Town's Priorities?

Cumberland Property Tax per thousand

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<tr>
<th></th>
<th>2011</th>
<th>2015</th>
<th>change</th>
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<tbody>
<tr>
<td>School</td>
<td>$11.20</td>
<td>$11.35</td>
<td>$0.15</td>
</tr>
<tr>
<td>Municipal</td>
<td>$4.44</td>
<td>$5.73</td>
<td>$1.29</td>
</tr>
</tbody>
</table>

% budget

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</thead>
<tbody>
<tr>
<td>School</td>
<td>72%</td>
<td>66%</td>
</tr>
<tr>
<td>Municipal</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5yr total change on a $200,000 home:

Schools: $30
Municipal: $238

State and Local Tax Cap severely limits any significant solution.
Recommendations

- **Require** a local share that aligns with the funding formula.
- **Confirm** non-core costs are not reducing dollars that should go to students.
- **Limit** "School Choice" to communities which cannot or will not fund local share to meet core instruction costs - esp. when district is meeting or exceeding expectations.
- **Evaluate** funding equity via an independent board.
- **Legislate** resources for **underfunded** districts (Not Caruolo path).
- **Remove** mayoral academy tuition from district budgets.
Some of the neediest communities do not fully support the Core Instruction Amount and have the largest disparities betwee:

- Cumberland
- Woonsocket
- Pawtucket
- Burrillville
- East Providence
Questions
"One of the **best investments** we can make is in education."

Governor Gina Raimondo, Sept 2015
Appendix
The **Uniform Chart of Accounts** or **UCOA**
A standardized account-code structure which allows districts to use the same account codes and methods for tracking revenue and expenses. This not only allows for an apples-to-apples comparison between districts, but also helps districts in their financial decision-making processes to ensure that their investments are driven toward improving instruction and advancing learning.
§ 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. The city of Central Falls annual local contribution to education shall be determined pursuant to subsection 16-7.2-6(d)