Rhode Island’s Funding Formula After Ten Years: Education Finance in the Ocean State

The Third in a Series on Municipal Finance

April 2022
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<td>AEWAV – Adjusted Equalized Weighted Assessed Value</td>
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<td>ADM – Average Daily Membership</td>
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<td>BEP – Basic Education Program</td>
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<td>ESEA – Elementary and Secondary Education Act</td>
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<td>ESSA – Every Student Succeeds Act</td>
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<td>ESSER – Elementary and Secondary School Emergency Relief</td>
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<td>FY – Fiscal Year</td>
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<td>FRPL – Free and Reduced-Price Lunch</td>
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<td>IDEA – Individuals with Disabilities Education Act</td>
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<td>LEA – Local Education Agency</td>
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<td>LEP – Limited English Proficiency</td>
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<td>MOE – Maintenance of Effort</td>
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<td>NCES – National Center for Education Statistics</td>
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<td>RADM – Resident Average Daily Membership</td>
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<td>SSF – Student Success Factor</td>
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I. Introduction

While government plays a large role in many aspects of modern American life, there is perhaps no area of government that affects as many people or is as fundamental to the workings of our society as our public elementary and secondary education system. Most American children—50.7 million students as of 2018—spend their formative years attending public schools, which are foundational to the creation and maintenance of a strong economy and a functioning democracy.1 The importance of public education in the U.S. is reflected in the sheer size of the investment of public dollars into this system each year. State and local governments spent $717.7 billion on elementary and secondary education in fiscal year (FY) 2019, a figure that represents 18.1 percent of all state and local expenditures that year.2 This public investment also supports a significant employment sector; as of 2019, total school staff—including teachers, administrators, and support staff—numbered 6.7 million nationwide.3

Going back centuries, the American system of public education has adhered to the principle that elementary and secondary education should be a local exercise. When it comes to financing education, however, the respective roles of federal, state, and local governments have become deeply intertwined and vary both among and within states. While local administration may be an important feature of American public education, stark socioeconomic inequalities among municipalities and differences among states have given rise to a complex patchwork of state funding formulas and federal grant programs aimed to assist local governments in providing a sufficient education to students.

The workings of Rhode Island’s education finance system are highly consequential for the finances of every municipality in the state—education is by far the largest local expenditure in Rhode Island, comprising 60.1 percent of all municipal spending in FY 2019.4 This report seeks to describe this system, which collectively educates over 130,000 students across 63 local education agencies (LEAs), which include regular school districts, regional school districts, state-run schools, and charter schools.5 Rhode Island has 36 traditional school districts, including 32

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1 As of 2018, there were 50.7 million public elementary and secondary school students, compared to 5.7 million private school students and 1.6 million homeschooled students. U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 2020.
2 U.S. Census Bureau, 2019 Annual Survey of State and Local Government Finances; RIPEC calculations.
4 R.I. Division of Municipal Finance, Rhode Island Municipal Transparency Portal; Rhode Island Department of Education (RIDE), UCOA data; RIPEC calculations. Education expenditures funded by state education aid are categorized as local expenditures for purposes of this calculation.
5 This figure includes over 2,000 students enrolled in public pre-kindergarten programs. RIDE, October 2021 enrollment data.
municipal school districts and four regional school districts (Bristol-Warren, Chariho, Foster-Glocester, and Exeter-West Greenwich).

This report describes how Rhode Island’s education finance system attempts to account and adjust for two key factors that have provoked greater involvement by state and federal governments in matters of education finance nationwide. The first is the variation in socioeconomic and demographic characteristics among public school populations. Education finance systems typically recognize that certain student populations—including students from disadvantaged backgrounds, students with special needs, and those who speak English as a second language—require greater resources. As of October 2021, 40.6 percent of Rhode Island public school students qualified for free or reduced-price lunch (FRPL), 15.9 percent had individualized education plans, and 11.3 percent were categorized as limited English proficient (LEP); however, certain districts have proportions of these student populations that are significantly higher than the statewide total.

The second key factor is that districts with higher proportions of students requiring greater resources are frequently constrained in raising local revenues for education and other essential municipal services due to a lack of property wealth. Despite efforts by Rhode Island policymakers to account for these factors in targeting state aid, inequalities persist.

In addition to this introduction, there are five sections in this report. Section II summarizes the history of education finance in both the United States and Rhode Island. Section III gives an overview of education revenues in Rhode Island, including an analysis of the state’s education funding formula, and compares Rhode Island’s education revenue mix to that of the New England region and the U.S. Section IV breaks down education expenditures across Rhode Island districts and compares education spending in Rhode Island to the region and nation. Finally, Section V provides RIPEC comments and policy recommendations.

This report is the third in a series on municipal finance. The first, “An Introduction to Municipal Finance in Rhode Island,” provided a foundational overview of the state’s structures of municipal finance. The second, “A System Out of Balance: Property Taxation Across Rhode Island,” supplied an in-depth analysis of property taxation, by far the largest source of local revenue in the state. Subsequent reports in RIPEC’s municipal finance series will focus on other major expenditure categories. As with the other reports in this series, this report includes figures available

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6 Chariho Regional School District encompasses the towns of Charlestown, Richmond, and Hopkinton. Foster and Glocester appear as municipal districts and as a combined regional district because the towns operate their own elementary schools but share a middle school and a high school. The great majority—91.0 percent—of Rhode Island public school students attend traditional school districts. The remaining 9.0 percent attend state or charter public schools. School district enrollment figures are included in the appendix of this report. RIDE, October 2021 enrollment data; RIPEC calculations.

7 Free or Reduced-Price Lunch is a federal program that is frequently used as a proxy measure for low-income students. Students with annual household incomes under 185 percent of the federal poverty line, or $51,338 for a family of 4 in 2022, qualify for the program. RIDE, October 2021 enrollment data; U.S. Department of Health and Human Services, Annual Update of the HHS Poverty Guidelines, January 21, 2022.


on RIPEC’s website that allow for user interaction and manipulation. The data dashboard that corresponds with this report is available [here](#).
II. The History of Education Finance

This section provides a general overview of the structure of school funding programs throughout U.S. and Rhode Island history, dating from the colonial period to present.

School Funding in the United States

The Origins of Locally Administered Education

The local character of public schools in the United States dates to the 17th century when religious instruction was the primary motive for the earliest colonial schools. Approaches to establish and operate schools differed across the colonies based on prevailing local religious beliefs. Such was the case in colonial Massachusetts, where some of the earliest statutes on education were enacted. The Massachusetts Law of 1647, which required towns to either support the salary of a teacher or set up a grammar school, was enacted directly on behalf of the Puritan church, which was concerned that voluntary schooling in homes was insufficient to establish the literacy required of followers of Puritan religious theory.10

The earliest compulsory education laws were weakly enforced, and significant numbers of children received the bulk of their education in family settings.11 Access to formalized schools was highly unequal in terms of income, race, and gender, among other factors. However, in the mid-19th century, a period of rapid urbanization coincided with a successful movement, mostly in Northern states, to establish free, non-denominational schools. As part of this movement, state governments began to assert a larger role in both shaping and financing systems of public education, including the enactment of more effective compulsory education laws and elimination of tuition fees.12 While local governments maintained primary responsibility for raising education revenues, states began increasing education appropriations after the Civil War, and by 1890, 18.4 percent of government revenues for public schools came from state governments.13

Property Taxation for Public Education

By 1915, every state in the U.S. had enacted a compulsory education law and consistent streams of tax revenues became necessary to support rapidly growing public school systems, a

responsibility that continued to fall primarily on local governments.\(^{14}\) During this period, property taxes became the primary means of raising revenue for local governments and thus became closely associated with education finance—from 1902 to 1932, total local revenues in the U.S. grew by $5.28 billion, with property tax revenue accounting for $3.54 billion, or 67.0 percent, of that growth.\(^{15}\) From 1903 to 1930, total revenue receipts for public elementary and secondary education grew from $253 million to $2.09 billion, with the share raised by local governments remaining constant above 80 percent.\(^{16}\)

**Federal Involvement in Education Finance**

The federal government remained distant from matters of education finance until the 20\(^{th}\) century, when growing attention was paid to inequities in school funding.\(^{17}\) In 1930, the state with the lowest expenditures per student, Georgia, spent less than one quarter per student than the state with the highest per pupil expenditures, New York. Several initiatives were proposed in Congress that sought to equalize these inequities between the late 19\(^{th}\) century and the mid-20\(^{th}\) century, but none were successful.\(^{18}\)

It was not until President Lyndon Johnson’s Great Society initiatives that the federal government began taking a more significant role in financing elementary and secondary education. Johnson’s administration linked federal involvement in education finance to his War on Poverty program and proposed a system of categorical aid targeted to schools with relatively high levels of student poverty.\(^{19}\) Such was the framework established in the Elementary and Secondary Education Act (ESEA), signed into law in 1965.\(^{20}\) The largest program within ESEA was Title I, which directed targeted grants to schools in areas with high concentrations of low-income families.\(^{21}\)


\(^{15}\) John Joseph Wallis, “A History of Property Tax in America,” Department of Economics at the University of Maryland and the National Bureau of Economic Research; RIPEC calculations.


\(^{17}\) Although the U.S. Department of Education was created in 1867, its role was only to collect data about schools, and it would later be relegated below the cabinet level for over 100 years due to concerns about federal involvement in local schools. U.S. Department of Education, “An Overview of the U.S. Department of Education,” 2010.


ESEA today remains the foundation for federal involvement in education finance. The law has been refined and updated in the decades since—in 2015, it was reauthorized as the Every Student Succeeds Act (ESSA), a reform and rebranding effort that supplanted the No Child Left Behind Act (2001).22 The core function of federal education finance law remains largely the same, however—leveraging federal resources to supplement state and local financing of education, particularly for districts serving large numbers of students living in poverty.

In the last two years, the federal government responded to the challenges presented to public schools by the COVID-19 pandemic with a large infusion of federal funds. Through three separate pandemic relief bills passed over the course of one year, Congress allocated $190.5 billion in Elementary and Secondary School Emergency Relief (ESSER) funds, most of which flowed directly to LEAs.23

Constitutional Approaches to Education

In the 1960s, while the federal government sought to address disparities in education funding, the inequitable features of state education finance systems came under greater scrutiny. In 1968, parents in San Antonio, Texas filed a class-action lawsuit alleging that the system used for distributing education funding by the State of Texas violated the 14th Amendment to the Constitution.24 The case reached the U.S. Supreme Court and, in 1973, the Court’s majority ruled in favor of the state, writing that the court could not find that disparities in school financing were “the product of a system that is so irrational as to be invidiously discriminatory.”25

The San Antonio Independent School District v. Rodriguez ruling is considered a landmark and highly controversial decision to this day and was consequential in spurring efforts across the country to enshrine the constitutional right to an adequate public education at the state level.26 California became the first state to do so in 1976. Presently, constitutional guarantees to education have been established in 26 states, either through amendments to state constitutions or by way of court decisions.27

There is a large body of research that seeks to measure the effects of state constitutional guarantees, which in theory give state courts standing to mandate changes to education finance systems. A 2021 study from the Federal Reserve Bank of Minneapolis on the effects of enacted constitutional provisions between 1990 and 2018 shows that successful amendments led to higher per pupil

23 States received proportional allocations of ESSER funds according to their usual distribution of Title-IA funds under ESSA. National Conference of State Legislatures, Elementary and Secondary School Emergency Relief Fund Tracker.
25 Ibid.
spending, smaller class sizes, and better student performance on standardized tests. The authors of that study conclude that constitutional provisions frequently act as a catalyst for legislative reforms that preempt potential judicial involvement.\textsuperscript{28} On the other hand, several studies show that court-mandated reforms to education finance systems have a mixed record—while successful litigation has often led to higher per pupil expenditures, in some cases, these increases were ultimately smaller than in states without court-mandated education reform over the same period.\textsuperscript{29}

**School Funding in Rhode Island**

*Colonial Beginnings Through the 19th Century*

Unlike neighboring states, where church and state were closely intertwined, early colonial Rhode Island, due to its status as a haven of religious freedom, did not enact laws declaring the provision of education to be an essential duty of the government.\textsuperscript{30} Nevertheless, the four earliest settlements in Rhode Island—Newport, Providence, Warwick, and Portsmouth—all designated public land for schools between 1639-1716.\textsuperscript{31} Towns moreover supported schools in a variety of limited ways, including assisting with the construction of school buildings and partial payment of a schoolmaster’s salary. Towns were permitted to hold private lotteries to raise funds for these purposes, but local governments during this period generally saw education as a family matter. As such, schools relied primarily on private tuition payments rather than public support, and therefore operated almost exclusively for the benefit of wealthier residents.\textsuperscript{32}

The first law requiring the establishment of free schools in Rhode Island was the Act of 1800. The Act attempted to establish a shared financial responsibility for funding schools between the state and its cities and towns.\textsuperscript{33} However, the Act failed to the extent that several towns refused to


\textsuperscript{30} Ellwood Patterson Cubberley, *Public education in the United States, a study and interpretation of American educational history; an introductory textbook dealing with the larger problems of present-day education in the light of their historical development*, (Boston: Houghton Mifflin, 1919).

\textsuperscript{31} Charles Carroll, *Public Education in Rhode Island*, (Providence: E.L. Freeman Company, 1918).


\textsuperscript{33} The Act of 1800 remitted 20 percent of taxes paid to the state by towns and mandated that these funds be used to establish and operate schools. Charles Carroll, *Public Education in Rhode Island*, (Providence: E.L. Freeman Company, 1918).
organize schools as required. The Act was repealed in 1803, leaving the state without a unified system of public schooling for the next 25 years.

In 1828, the General Assembly enacted legislation to establish a state education fund financed by lotteries and auctions. Cities and towns received a disbursement proportional to their under-16 population and were given the authority to raise a maximum local appropriation of up to twice the amount received from the state fund. The Act of 1828 also established municipal school committees. Unlike the Act of 1800, municipalities were not required to make public schools free, leading to greater willingness among the state’s cities and towns to participate. Across the state, towns began electing school committees, establishing school districts, and raising revenues for schoolhouses and teachers.

Beginning in the mid-19th century, the roles of the state and local governments in financing education evolved as Rhode Island began adopting many of the progressive education reforms that were taking hold in other Northern states. The 1845 Barnard School Act eliminated the maximum local appropriation for education and instead conditioned state aid on a minimum level of town support. In 1849, the General Assembly enacted a state property tax to fund education after proposals to set equal state and local shares of education funding failed. Tuition fees were abolished in 1868, and in 1882, local support of public schools was made mandatory.

**Constitutional Approaches to Education in Rhode Island**

As the General Assembly was grappling with how to approach government’s role in providing public education, so were the authors of Rhode Island’s constitution, adopted in 1842. Article XII, Section 1 of the constitution provides that “it shall be the duty of the general assembly to promote public school, and to adopt all means which they may deem necessary and proper to secure to the

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34 A notable exception is Providence, where a local movement supporting the establishment of free education was led by the Providence Association of Mechanics and Manufacturers. Upon passage of the Act of 1800, the city established a system of free schools that would become the model for future efforts to convince other municipalities to follow suit. Ryan Nadeau, “New Technology, Old Problem: Developing OER Policies to Provide Low-Cost Materials for Rhode Island’s Public Universities.”


38 Ibid; The Act was named for Henry Barnard, who had been appointed by Governor Arthur Fenner to study the condition of Rhode Island’s school system. His report recommended a host of reforms, including that the state increase its appropriation to schools such that cities and towns would be compelled to make reforms in the interest of making public education more equitable. Will Seymour Monroe, *The educational labors of Henry Barnard; a study in the history of American pedagogy*, (Syracuse, N.Y.: C.W. Bardeen, 1893); Henry Barnard, *Report on the Condition and Improvement of the Public Schools of Rhode Island*, (Providence: B. Cranston & Company, 1846).

39 When private tuition payments were abolished, three-fourths of local governments relied on this revenue source to fund schools. Charles Carroll, *Public Education in Rhode Island*, (Providence: E.L. Freeman Company, 1918).
people the advantages and opportunities of education.\textsuperscript{40} The constitution also outlawed the use of lotteries for raising public funds, a popular method for raising education revenues at the time.\textsuperscript{41}

In 1986, Rhode Island voters approved a new state constitution with proposed amendments and alterations adopted through a year-long constitutional convention. The convention worked to modernize the language of the 1842 constitution and remove sections that had been nullified by subsequent amendments. The convention also considered 290 resolutions that proposed substantive changes and additions.\textsuperscript{42} Although several proposals to amend the constitutional language on public education were considered, Article XII, Section I was fundamentally unchanged in the version approved by voters.\textsuperscript{43}

\textit{The City of Pawtucket vs. Sundlun}

By the second half of the 20\textsuperscript{th} century, Rhode Island had moved to a “percentage equalizing” model of education finance, whereby cities and towns received formula-based reimbursement from the state for a portion of their educational expenses based on their relative level of local property wealth. The Foundation Level School Support Act of 1960 guaranteed a minimum reimbursement of 25 percent, leading to relatively high levels of reimbursement for wealthier communities by the 1980s.\textsuperscript{44}

The state began phasing out the minimum-share ratio in 1991. That year, Rhode Island was thrown into economic recession as a result of the credit union crisis. Due to severe budget shortfalls, the General Assembly instituted a cap on state operations aid which resulted in a pro rata reduction in state funding for districts. The state’s share of operations aid for public schools dropped sharply as a result, from 52.3 percent in 1991 to 38.1 percent in 1992.\textsuperscript{45}

Reductions in state aid spurred a lawsuit against the state by the cities of Pawtucket, Woonsocket, and West Warwick, which argued that the state’s system for distributing education aid violated Article XII of the state constitution. \textit{The City of Pawtucket et. al. vs. Sundlun} reached the Rhode Island Supreme Court in 1995, where the case was decided in favor of the state. Although the court’s justification was wide-ranging, the majority opinion’s essential ruling was that Article XII

\begin{itemize}
\item \textsuperscript{40} Rhode Island State Constitution, Article XII, Section 1 (1842). This language, and the rest of the contents of Article XII, were similar to approaches to education in the proposed People’s Constitution (1841-1842) and Landholders’ Constitution (1842).
\item \textsuperscript{41} Charles Carroll, \textit{Public Education in Rhode Island}, (Providence: E.L. Freeman Company, 1918).
\item \textsuperscript{42} Office of the R.I. Secretary of State, “\textit{Annotated Edition: Constitution of the State of Rhode Island and Providence Plantations},” 1988. Twenty-six resolutions were submitted for consideration by the Convention, which were consolidated into 14 ballot questions. Voters approved 17 resolutions across eight of the ballot questions.
\item \textsuperscript{43} \textit{City of Pawtucket v. Sundlun}, 662 A.2d 40 (R.I. 1995).
\item \textsuperscript{44} The minimum reimbursement level fluctuated in subsequent years. Rhode Island Public Expenditure Council, \textit{“Funding our Future – An Approach to Fund Education in RI,”} April 2007. In the 1988-1989 school year, the state provided the minimum share of 28 percent reimbursement to nine municipalities, five of which would have qualified for less than five percent reimbursement based on levels of local property wealth. \textit{City of Pawtucket v. Sundlun}, 662 A.2d 40 (R.I. 1995).
\item \textsuperscript{45} \textit{City of Pawtucket v. Sundlun}, 662 A.2d 40 (R.I. 1995).
\end{itemize}
of the Rhode Island Constitution gave the General Assembly “unreviewable discretion” on matters of education, thereby foreclosing the possibility of significant judicial intervention into the state’s education finance system.46

Since the decision in City of Pawtucket vs. Sundlun, reformers have debated whether the state should pursue an amendment to the Rhode Island Constitution that would give the courts greater standing to rule on the adequacy and fairness of the education finance system. In 2021, the Rhode Island Senate passed Senate Bill 205, which would have put this question to voters, but the bill did not advance in the House of Representatives.47 Similar legislation was again passed by the Rhode Island Senate in March 2022 and is currently pending in the House of Representatives.48

The Education Funding Formula

Despite the upholding of the status quo by the Rhode Island Supreme Court in City of Pawtucket vs. Sundlun, the General Assembly moved forward with reforms designed to make K-12 funding more equitable. In 1994, the minimum state share was fully phased out and the Assembly weighted the statutory formula to provide additional funding for districts serving a high number of students living in poverty, appropriating $46 million in “poverty weight” aid, which was distributed to districts according to the number of students eligible for FRPL.49 In the wake of City of Pawtucket vs. Sundlun, it also was acknowledged that the state needed a stable funding formula to direct state aid based on relative property wealth and the concentration of student poverty. In the early 2000s, lawmakers conducted various studies on the creation and implementation of a permanent funding formula, but no action was taken, and by 2009, Rhode Island was the only state in the country without a specific formula enacted in statute for determining education aid.50

Action by the federal government helped to advance efforts to establish Rhode Island’s education funding formula. As part of the American Recovery and Reinvestment Act of 2009, $4.35 billion was allocated to the United States Department of Education for the Race to the Top initiative. The initiative set up a competitive grant process, whereby states received funding based on how they scored on certain metrics.51 A key aspect of Race to the Top scoring was demonstrating increased attention to education funding, particularly to increase funding for low-achieving LEAs. Thus, the

46 Ibid. In its majority opinion, the Court argued that the decision of the 1986 Constitutional Convention not to fundamentally alter Article XII, despite receiving several proposals to do so and given the movement among other states to institute stronger constitutional language on the matter of education finance, indicated that “the framers of the 1986 Constitution did not intend to alter the state’s approach to funding education or to impose new constitutional requirements upon the General Assembly in respect to Education.”
47 Senate Bill S205, 2021.
48 Senate Resolution 2095, 2022.
50 Ibid.
51 The metrics encouraged a focus on turning around low-performing schools, attracting and training high-quality teachers, and building up capacity and data systems. William G. Howell, “Results of President Obama’s Race to the Top,” Education Next, 2015.
state had an incentive in the form of federal grant dollars to address the inequities in district funding.52

Beginning in fall 2009, State Education Commissioner Deborah Gist and the State Board of Regents convened a study and design team to develop a funding formula proposal. The group was tasked with proposing a funding structure that met a set of pre-approved principles—education dollars should follow the student across different schools or districts, the state should identify a target level of per pupil cost necessary to educate each student, and the formula should determine how much of that necessary education expense should respectively be provided by the state and by local government. Public information sessions and stakeholder discussions were held in early 2010 to solicit feedback. Legislation reflecting the design team’s recommended language successfully advanced through the General Assembly and was signed into law by Governor Donald Carcieri in June 2010.53

The new funding formula instituted a ten-year phase-in period, beginning in FY 2012. This phasing was due in part to the redistribution of aid away from certain communities that no longer qualified for the same level of state support under the new formula.54 For the districts receiving less state aid under the new formula, reductions were phased in over the course of the full ten-year period. For districts receiving more state aid under the new formula, increases were phased in over a seven-year period. As of FY 2021, the formula was fully phased in.55

Section III contains an overview and analysis of how Rhode Island’s funding formula operates.

52 Lesli A. Maxwell, “R.I. Aims at Equity in Funding Formula,” EducationWeek, 2010. In the 2009-10 school year, per pupil expenditures in Rhode Island ranged widely between districts, from a low of $10,544 in Cumberland to a high of $35,687 in New Shoreham. While New Shoreham is a statistical outlier, Jamestown, the district with the second highest per pupil expenditures, spent $24,597. Rhode Island Public Expenditure Council, “Results: Education in Rhode Island 2011,” December 2011.
54 Ibid.
55 R.I. House Fiscal Advisory Staff, Rhode Island Education Aid, September 2021.
III. Education Revenues

This section describes how revenues for K-12 education are raised at all three levels of government and distributed to LEAs in Rhode Island. It also compares the state’s education finance system to the region and nation—both in terms of the total amount of revenues raised and the mix of revenue streams.

Revenue Overview

Education revenues in Rhode Island totaled $2.60 billion in FY 2020, $2.42 billion of which was collected for traditional school districts. As shown in Figure 1, Rhode Island dedicates relatively high levels of revenues to finance its K-12 education system compared to the United States but is relatively low in this measure compared to other New England states. In FY 2019, Rhode Island LEAs collected $19,169 in per pupil revenues, ninth highest among all states, and 20.2 percent higher than the national total of $15,656 per pupil. However, Rhode Island ranked fifth of six New England states in per pupil education revenues that year.

![Figure 1: Per Pupil K-12 Education Revenues, FY 2019](image)


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56 FY 2020 is the last year for which a complete Rhode Island data set is available. Total revenues exclude transfers between LEAs in the form of tuition payments, which are counted as revenue raised by traditional districts. RIDE, UCOA data; RIPEC calculations.

57 U.S. figure represents a total, not an average, of states. Rankings do not include Washington D.C. U.S. Census Bureau, 2019 Annual Survey of School System Finances.
As highlighted in Figure 2, states differ in the extent to which they rely on revenues from local, state, and federal governments to finance K-12 education. Nationwide, in FY 2019, 46.7 percent of education revenues came from state sources, while 45.6 percent were derived from local sources, and 7.7 percent from federal sources. Comparatively, Rhode Island has a heavier reliance on local revenues, with 52.1 percent of total education revenues derived from local sources in FY 2019, 14th highest in the nation. Relatively heavy reliance on local education revenues is characteristic of the New England region; among New England states, Rhode Island’s local revenue reliance in FY 2019 was smaller than only Vermont, which ranked 49th highest in the country and is somewhat unique in deriving nearly all education revenues from state sources.\(^{58}\) State revenues made up 40.8 percent of total FY 2019 education revenues in Rhode Island (37th highest among states) and 7.1 percent of total education revenues in the Ocean State were from federal sources (29th highest).\(^{59}\)

While Rhode Island’s K-12 education system relies on local sources for most of its education revenues and is more reliant on local funds than the nation overall, the most significant trend within Rhode Island’s education finance system over the past decade has been an increase in the state share of total revenues. State revenues were significantly smaller than local revenues in FY 2012, making up 32.0 percent of total revenues while local revenues made up 58.2 percent of total

\(^{58}\) Like other New England states, Vermont’s education system relies heavily on property tax revenue. In Vermont, however, property tax rates are set according to levels of education spending. Much of this revenue is transferred to the state, which then disburses education aid to LEAs according to voter-approved levels of per pupil expenditures. Vermont Legislative Joint Fiscal Office, “Introduction to Vermont’s Education Finance System,” January 2019.\(^{59}\) U.S. Census Bureau, 2019 Annual Survey of School System Finances. 2019 is the last year for which 50-state rankings are available. Subsequent figures rely on finance data from the Rhode Island Department of Education (RIDE), which provide more recent data as of FY 2020 but report an FY 2019 revenue mix of 55 percent local, 38 percent state, and 8 percent federal. RIDE, UCOA data.
revenues. However, state revenues contributed to 60.8 percent of the total growth in education revenues between FY 2012 and FY 2020, such that the proportion of state revenues increased by 5.3 percentage points over that period (from 32.0 percent to 37.3 percent), as demonstrated in Figure 3.\(^6^0\)

![Figure 3: Rhode Island K-12 Education Revenues by Source](image)

The extent to which Rhode Island districts rely on state, local, and federal revenue varies widely across the state, as shown in Figure 4. While comprising 37.3 percent of total K-12 education revenues statewide in FY 2020, state aid comprises over half of total revenues in four districts—Providence, Woonsocket, Pawtucket, and Central Falls.\(^6^1\) At the other extreme, state aid is less than ten percent of total revenues in seven districts.\(^6^2\) Similarly, the local share of education revenues is 54.7 percent statewide, but represents over 90 percent of total revenues in four districts and less than one third of total revenues in four districts.\(^6^3\) These wide variations are primarily the result of state financing policy, in particular the state’s education funding formula, discussed at length below.

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\(^6^0\) RIDE, UCOA data; RIPEC calculations.

\(^6^1\) RIDE, UCOA data. Revenues from state sources make up 83.9 percent of total revenues in the Central Falls School District. RIDE has had financial responsibility for Central Falls schools since the district was taken over by the state in July 1991 at the request of the city. See: R.I. Division of Municipal Finance, City of Central Falls, Rhode Island: Audited Financial Statements and Supplementary Information, for the Fiscal Year Ended June 30, 2018.

\(^6^2\) Those districts are: New Shoreham, Jamestown, East Greenwich, Little Compton, Narragansett, South Kingstown, and Portsmouth. RIDE, UCOA data.
Local Revenue

Despite a decline in the local share of education revenues in Rhode Island over the past decade, local education revenues have continued to grow on a nominal basis and remain the largest source of education funding in the state. Between FY 2014 and FY 2019, local education revenues in Rhode Island grew by 10.0 percent, slightly lower than the 12.6 percent growth in total municipal
general revenues over the same period. 64 Rhode Island municipalities raised a collective $1.46 billion in education revenues in FY 2020. 65 Unlike the state government, which provides aid to districts determined by a formula in statute, local governments have rather wide discretion to determine their level of contribution to schools. Consequently, many of the financial disparities between districts result from local factors, particularly a municipality’s relative property wealth, its ability or willingness to raise revenue from property taxation, and its general allocation of resources across municipal services.

**School Governance**

Local districts in Rhode Island, whether comprising a single municipality or operating as a regional district, are managed by locally elected school committees. 66 School committees are responsible for developing school budgets but have no power to raise funds through taxation or other means. After adopting a budget, school committees present their proposed spending plan to the city or town council, which holds the power to raise the requisite revenues. 67

Funding disputes between school committees and city or town councils are resolved through a process spelled out in the Caruolo Act, enacted by the Rhode Island General Assembly in 1995. If a school budget is not large enough to meet federal and state requirements, school committees may petition the Rhode Island Department of Education (RIDE) to relax or otherwise alter those requirements. If not approved, the committee may seek additional appropriations, first by petitioning the city or town council and then through legal action in the Rhode Island superior court. 68

**Property Taxation**

As described in Section II of this report, property taxation became the primary revenue source for local governments as spending on public schools began to grow rapidly in the early part of the 20th century. Today, property taxes and education finance are closely intertwined in Rhode Island, as property tax remains the dominant source of local revenue, accounting for 60.4 percent of overall municipal revenues in FY 2019. 69

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64 RIDE, UCOA data; U.S. Census Bureau, *Annual Survey of State and Local Government Finances*; RIPEC calculations. FY 2019 is the last year for which total municipal general revenues are available.

65 Ibid.

66 Every district in Rhode Island has a publicly elected school committee except for Providence, which has a mayor-appointed school committee.

67 Rhode Island Public Expenditure Council, “An Introduction to Municipal Finance in Rhode Island,” April 2021. School committees for regional school districts are comprised of members elected by each of the municipalities covered by the district. Regional school committees meet independently with the city or town council of each municipality contained within the district to seek approval of the school district budget. R.I. Gen. Laws §16-2-21.3.

68 For regional school districts, the school committee may submit a written request for additional appropriations to each municipality contained within the district. R.I. Gen. Laws §16-2-21.4.

However, local revenues—and property taxes by extension—do not play a primary role in financing education in every municipality. The share of local revenues as a proportion of total education revenues was less than one-quarter in three Rhode Island communities and greater than 90 percent in four communities in FY 2020.\textsuperscript{70} This wide disparity reflects stark inequalities among municipalities in their ability to raise sufficient revenue from property taxes, a factor directly accounted for in the state’s education funding formula. Property wealth across communities can be compared using per capita gross assessed value, or the per person value of the total property a municipality could tax, discounting only the value of property made exempt by state and federal law, and disregarding local exemptions. In FY 2019, Central Falls had the state’s lowest per capita gross assessed value—$26,427—while six municipalities had per capita values greater than $250,000. Statewide, the per capita gross assessed value for FY 2019 was $120,716.\textsuperscript{71}

Municipalities with relatively small property tax bases generally rely on higher property tax rates to raise revenue for basic government services, including education. In addition to the burden high rates place on taxpayers, municipalities with low levels of property wealth are challenged to meaningfully increase their local contribution to education in response to student needs or growing enrollment. The four communities with the lowest reliance on local revenues for education—Central Falls, Woonsocket, Pawtucket, and Providence—all impose relatively high property tax burdens on taxpayers.\textsuperscript{72}

\textit{Maintenance of Effort}

Maintenance of effort (MOE) is a common requirement in public finance, whereby governments, typically state and local, are required to maintain levels of funding for certain programs or services as a condition of accepting an intergovernmental grant. Such provisions are designed to ensure that intergovernmental grants supplement, rather than supplant, existing funding. Presently, Rhode Island’s MOE law for K-12 education requires that school districts maintain education funding at least at the same level from year-to-year. Districts are not required to increase local funds year-over-year regardless of increases in student enrollment but may reduce local funding proportionally to account for a decrease in enrollment.\textsuperscript{73}

\textsuperscript{70} The communities relying on local revenues for less than 25.0 percent of total education revenues are Central Falls (2.0 percent), Woonsocket (18.8 percent), and Pawtucket (23.8 percent). The communities where local revenues make up over 90 percent of total education revenues are Little Compton (90.5 percent), East Greenwich (90.6 percent), Jamestown (93.0 percent), and New Shoreham (95.8 percent). RIDE, UCOA data.

\textsuperscript{71} New Shoreham, Little Compton, Jamestown, Narragansett, Charlestown, Newport, and Westerly each had per capita gross assessed value above $250,000. Rhode Island Public Expenditure Council, “\textit{A System Out of Balance: Property Taxation Across Rhode Island},” January 2022.

\textsuperscript{72} A business operating in Central Falls with $1 million in assessed commercial real property and $200,000 in assessed tangible property would face tax a tax burden of $42,330 in FY 2022, the highest in the state. The burden for that business would be $36,700 in Providence, $34,750 in Woonsocket, and $29,020 in Pawtucket, compared to the statewide median of $19,440. Ibid.

\textsuperscript{73} If facing enrollment decreases, districts have the option of demonstrating MOE on a per pupil, rather than nominal, basis. R.I. Gen. Laws §16-7-23. Additionally, districts identified as “high local contribution communities”—defined as those districts that fund at least 85.0 percent of the Basic Education Plan (BEP) with local funds—or those identified as “high per pupil expenditure communities”—defined as those districts meeting the full BEP and state benchmarks
This MOE level funding requirement allows for municipalities to decrease their per pupil local contribution to education if student enrollment increases and nominal funding stays the same. For example, Providence kept its local education contribution at the same level from FY 2012 to FY 2016 while enrollment in Providence schools increased by 1.5 percent. As a result, the local per pupil contribution by the City of Providence declined from $5,311 in FY 2012 to $5,233 in FY 2016.74

Funding Follows the Student

While the reforms instituted with Rhode Island’s education funding formula primarily govern the state’s share of K-12 education funding, the local share is affected by a principle built into the formula that local funding should follow students who attend public school outside of their home district, whether at a state school, public charter school, or another district. The state uses yearly enrollment data to ensure that per pupil funding raised by the sending school district—the district where the student lives—is allocated to the receiving LEA, where the student is enrolled.75

At the time the funding formula was implemented, sending districts were required to allocate to receiving districts the entire local payment rate, calculated as the per pupil local property tax allocation for education in the sending district.76 In 2016, a change was implemented that allowed sending districts to reduce the amount of local dollars sent to charter and state schools by using a formula meant to adjust for the unique financial obligations faced by sending districts. The change allowed sending districts to reduce their contribution by the greater of two figures: (1) seven percent of the local payment rate or (2) the per pupil value of certain expenses incurred by sending districts minus the average per pupil cost for such expenses incurred by all public charter schools.77 Based on this provision, 8.9 percent of local education funding was held back statewide in FY 2021. Most districts held back seven percent while seven communities held back amounts ranging between 9.5 percent and 25.8 percent.78

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74 Providence Public School Department; RIDE, October enrollment data; RIPEC calculations.
76 This calculation includes all public school students residing in the community, regardless of whether they attend school within or outside the district, and does not include costs incurred from debt service or capital projects. RIDE, “Funding Formula Reference Guide - Spring 2018.”
77 Eligible expenses include “non-public textbook and transportation, retiree health benefits, out-of-district special education tuition and transportation, services for students ages 18-21, pre-school screening and intervention, career and technical education tuition and transportation, debt service, and rent.” Rhode Island Public Expenditure Council, “An Analysis of Charter Public Schools in Rhode Island,” June 2021. This calculation does not apply to Central Falls schools, which are under the financial control of the state. RIDE maintains a separate calculation to determine the city’s local payment rate. RIDE, “Funding Formula Reference Guide: Spring 2018.”
78 Those municipalities are Bristol-Warren (11.8 percent held back), Foster-Glocester (25.0 percent), Jamestown (10.7 percent), Johnston (9.1 percent), North Providence (15.9 percent), Pawtucket (24.1 percent), and Woonsocket (25.8 percent).
State Revenues

The second largest component of education revenues in Rhode Island—totaling $995.5 million in FY 2020—is state aid, which is primarily comprised of direct aid allocated through the state’s education funding formula. Other sources of state education funding include categorical funding, school construction aid, and teacher pension contributions. In general, the adoption and implementation of the state’s funding formula has resulted in a greater investment in K-12 education by the state, with state education aid growing at a rate exceeding the growth of total state revenues; from FY 2014 through FY 2019, education revenues from state sources increased by 22.7 percent, compared to growth in overall state general revenues of 17.6 percent.79

The state’s education funding formula is designed in large part to direct greater state aid to those districts with less ability to raise money from property taxes and other local sources. Consequently, municipalities that can collect greater levels of per pupil local revenues, such as New Shoreham and Jamestown, receive only minimal allocations of state formula aid that amount to small proportions of their overall education funding (respectively 2.3 percent and 3.0 percent in FY 2020). On the other end of the spectrum, municipalities with smaller property tax bases rely heavily on state aid. State aid made up a majority of FY 2020 education revenues in Central Falls (83.9 percent), Pawtucket (63.9 percent), Woonsocket (63.8 percent), and Providence (55.9 percent).80 These four districts represented 30.7 percent of all K-12 students attending traditional school districts in FY 2020.81

Resident Average Daily Membership

States use a variety of measures to calculate the student population for the purposes of determining state aid under their respective funding formulas. Rhode Island is one of 23 states that use a membership average, which aims to calculate enrollment throughout the school year to account for fluctuations.82 In Rhode Island, enrollment is determined using Resident Average Daily Membership (RADM), which is calculated by dividing the aggregate number of days of school enrollment of all pupils residing within a district by the number of days in which school was in

percent). Five municipalities had no resident students attending charter schools and thus held back no local contributions. In total, traditional districts paid out local contributions of $52.2 million to charter schools in support of 10,609 students FY 2021. Rhode Island Public Expenditure Council, “An Analysis of Charter Public Schools in Rhode Island,” June 2021.

79 RIDE, UCOA data; U.S. Census Bureau, Annual Survey of State and Local Government Finances; RIPEC calculations.

80 RIDE, UCOA data. Because the state assumes financial control over Central Falls schools, its high reliance on state aid is not a direct function of the funding formula.

81 Providence makes up 17.5 percent of K-12 students attending traditional districts. RIDE, Funding Formula Calculations; RIPEC calculations.

session, excluding students attending charter and state schools. For purposes of the funding formula, RADM data for the fiscal year beginning July 1 is calculated in March of every year using aggregate enrollment data from the current school year.

**Foundation Aid**

The core concept of Rhode Island’s funding formula is the determination of a district’s foundation cost, which is the total cost of educating a student—according to a pre-determined set of cost inputs—multiplied by the RADM, plus an additional weight for students living in poverty. The first component of the foundation cost is the core instructional cost, which seeks to quantify the per student cost for core instructional expenses. The adopted calculation is based on data from the National Center for Education Statistics (NCES) and includes the cost of seven categories of core services, listed in Figure 5, across four states: Connecticut, Massachusetts, New Hampshire, and Rhode Island. The chosen expenses align with the Basic Education Plan (BEP), a set of regulations within RIDE that identify academic standards which all public schools are required to meet. The designers of the formula chose a mix of New England states to account for region-specific costs for the included expenses.

At the time of the formula’s adoption, the design team determined the 2010 core instructional amount by taking 2005 spending data from the NCES and adjusting by a regional consumer price

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83 In addition to students attending schools in their resident districts, aggregate days of school attendance by students attending outside of their district of residence are counted for the resident district if the resident district is paying local tuition for that student to attend a RIDE-approved school in another city or town. To avoid double counting, a district’s aggregate school attendance is decreased by the aggregate attendance days of nonresident pupils attending school in that city or town. R.I. Gen. Laws § 16-7-22.

84 RIDE also publishes a statewide enrollment count in October of every year. FY 2020 RADM was 142,202, while October 2019 enrollment was 143,557.


index.\textsuperscript{87} By law, this process is repeated yearly to verify the accuracy of spending data—for FY 2022, the core instructional amount reflected spending data from FY 2016, adjusted upward for consumer inflation between 2017-2020.\textsuperscript{88} Figure 6 shows the inputs in the FY 2022 core instruction amount, which totaled $10,635.

<table>
<thead>
<tr>
<th></th>
<th>Instructional</th>
<th>Student Support</th>
<th>Instructional Support</th>
<th>General Admin.</th>
<th>School Admin.</th>
<th>Other Admin.</th>
<th>Total</th>
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<td>NH</td>
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<td>$472</td>
<td>$693</td>
<td>$155</td>
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<tr>
<td>Average</td>
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<td>$1,047</td>
<td>$497</td>
<td>$307</td>
<td>$692</td>
<td>$346</td>
<td>$10,635</td>
</tr>
</tbody>
</table>

Source: RIDE, FY 2022 Core Instruction Supporting Detail.

The other component of the core foundation cost is the Student Success Factor (SSF), a funding mechanism that recognizes that students living in poverty require greater educational resources than other students. The SSF is equal to 40 percent of the core instructional amount, or $4,254 per eligible student in FY 2022, and is applied to students from families with income at or below 185 percent of the federal poverty line, the same cutoff used for the FRPL program.\textsuperscript{89}

When the formula was enacted, SSF eligibility was determined through FRPL participation, but in FY 2017, the state was required to change its eligibility standard pursuant to federal guidance.\textsuperscript{90} References to FRPL eligibility in state statute were amended to instead refer to the income threshold for FRPL eligibility—students from families with income at or below 185 percent of the federal poverty line.\textsuperscript{91} Although participation in the FRPL program was removed from state statute, the program still plays a role in determining SSF eligibility. According to RIDE, LEAs receive information about SSF-eligible students based on state data on participation in the Supplemental Nutrition Assistance Program (SNAP), but rely on income verification forms, including applications for FRPL, to confirm SSF eligibility for students from families not enrolled in SNAP.

\textsuperscript{87} 2005 data was chosen because economic instability in the years between 2005-2010 caused fluctuations in education spending in the sample states, including Rhode Island, where the General Assembly enacted budget freezes. Kenneth K. Wong, “The Design of the Rhode Island School Funding Formula: Toward a Coherent System of Allocating State Aid to Public Schools,” August 2011.

\textsuperscript{88} The core instructional cost grew by an annual average of 2.2 percent between FY 2012 and FY 2020. R.I. Senate, “Special Legislative Task Force to Study Rhode Island’s Education Funding Formula,” January 28, 2020.

\textsuperscript{89} R.I. Gen. Laws § 16-7.2-3; RIDE, FY 2022 Funding Formula Calculations.

\textsuperscript{90} The United States Department of Agriculture issued guidance to states clarifying that data from the FRPL program was not intended to be used to determine student poverty and recommended that states using FRPL data for this purpose use another indicator to track and identify student poverty. R.I. House Fiscal Advisory Staff Presentation, House Committee on Finance, March 31, 2016.

\textsuperscript{91} R.I. Senate, “Special Legislative Task Force to Study Rhode Island’s Education Funding Formula,” January 28, 2020.
In Rhode Island, the income threshold for SNAP eligibility is 185 percent of the federal poverty line for most households—generally consistent with the SSF eligibility standard.92

The SSF bonus funding was applied to 68,373 students in FY 2021, or almost half—48.0 percent—of the state’s total RADM. SSF funding for these students totaled $282.0 million, or 16.1 percent of the core instructional cost in FY 2021.93 Students from the four districts that were most reliant on state revenues as a share of total revenues in FY 2020—Central Falls, Pawtucket, Woonsocket, and Providence—accounted for nearly half (47.5 percent) of the state’s total SSF-eligible students in FY 2020.94

*State Share Ratio*

While the total foundation cost attempts to quantify the cost of educating every K-12 student within a given district, the formula uses a separate calculation to determine the State Share Ratio (SSR), or the share of the foundation cost to be covered by the state. The SSR calculation accounts for differences in municipalities’ ability to raise property tax revenue and their proportion of economically disadvantaged students.

The first step used to determine the SSR is to calculate the State Share Ratio for the Community (SSRC). The SSRC quantifies a municipality’s ability to raise local revenues, with lower values corresponding to greater property wealth and tax capacity. The formula for SSRC relies on a measure of wealth per student that uses adjusted equalized weighted assessed value (AEWAV), a measure of the value of all real and tangible personal property in each municipality, along with RADM data.95 The SSRC represents a weighted ratio of the wealth per student in a district to the statewide wealth per student. The complete formula for the SSRC can be found in the Appendix of this report. The second component used in the SSR calculation is a community’s concentration of child poverty, measured by the percentage of students in prekindergarten through sixth grade who qualify for FRPL. The designers of the funding formula chose to measure child poverty for

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92 The SNAP eligibility threshold is 200 percent of the federal poverty line for households with an adult 60 years or older or someone with a disability, and 185 percent of the federal poverty line for all other households. R.I. Department of Human Services, *Supplemental Nutrition Assistance Program (SNAP): Eligibility and How to Apply*.

93 Like total enrollment, enrollment of SSF-eligible students is calculated using RADM. 58,720 of the students eligible for SSF in FY 2021 attended traditional school districts, comprising 45.9 percent of the RADM in traditional districts. RIDE, *FY 2021 Funding Formula Calculations*; RIPEC calculations.

94 Students from Central Falls, Pawtucket, Woonsocket, and Providence accounted for 54.2 percent of the state’s SSF-eligible students attending traditional school districts in FY 2020. RIDE, *FY 2020 Funding Formula Calculations*; RIDE, UCOA data; RIPEC calculations.

95 R.I. Gen Laws § 16-7-21. AEWAV is calculated each year by the R.I. Division of Municipal Finance, first by drawing upon sales data to update individual towns’ property value assessments. The updated assessment is then adjusted to account for differences in the median family income in each community, using estimates from the U.S. Census Bureau’s American Community Survey. Communities with a higher median family income than the statewide median receive an upward adjustment in their AEWAV calculation. See R.I. Division of Municipal Finance, 2018 AEWAV.
PreK through sixth grade because data showed that students in this age group are more likely to participate in the FRPL program if eligible than students in grades seven through twelve.96

To determine the SSR, the funding formula uses a quadratic mean to give greater weight to the larger of the two factors—the SSRC and the percentage of students in PreK through sixth grade living in poverty—rather than a standard mean, which would give equal weight to both factors.97 The full formula for the SSR is included in this report’s Appendix. The state determines its appropriation of formula aid to individual districts by multiplying a district’s total foundational cost (the core instructional amount plus the SSF funding) by its SSR. As an example of these calculations, Figure 7 uses the City of North Providence, which has a mix of education revenues nearly identical to the mix of education revenues statewide.98 Tables showing the complete funding formula calculations for each of Rhode Island’s 36 traditional school districts are included in this report’s Appendix.

<table>
<thead>
<tr>
<th>Figure 7</th>
<th>Rhode Island Education Funding Formula Calculations for North Providence FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>PreK-12 RADM</td>
</tr>
<tr>
<td>B</td>
<td>Per Pupil Core Instructional Cost</td>
</tr>
<tr>
<td>C</td>
<td>Core Instruction Funding (A * B)</td>
</tr>
<tr>
<td>D</td>
<td>Students Below 185% FPL RADM</td>
</tr>
<tr>
<td>E</td>
<td>Student Success Factor Funding ((B * .40%) * D)</td>
</tr>
<tr>
<td>F</td>
<td>Total Foundation Cost (C + E)</td>
</tr>
<tr>
<td>G</td>
<td>Percent below 185% FPL in PreK-6</td>
</tr>
<tr>
<td>H</td>
<td>State Share Ratio for the Community</td>
</tr>
<tr>
<td>I</td>
<td>State Share Ratio (Quadratic Mean of G &amp; H)</td>
</tr>
<tr>
<td>F</td>
<td>Total Foundational Cost</td>
</tr>
<tr>
<td>I</td>
<td>State Share Ratio</td>
</tr>
<tr>
<td>F * I</td>
<td>State Formula Funding Appropriation</td>
</tr>
</tbody>
</table>

Note: RADM is resident average daily membership and FPL is Federal Poverty Line. Source: RIDE FY 2021 Funding Formula Calculations.

98 In FY 2020, North Providence derived 55.4 percent of education revenue from local sources, 37.5 percent from state sources, and 7.1 percent from federal sources. RIDE, UCOA data.
**COVID-Related Hold Harmless Funding**

Between October 2019 and October 2021, enrollment in Rhode Island public schools declined by 4,991 students, or 3.5 percent, as a result of the public health concerns and extended disruptions to in-person learning caused by the COVID-19 pandemic. As shown in Figure 8, the decrease in enrollment in Rhode Island was concentrated in traditional districts, which decreased by 6,554 students, or 4.9 percent. Conversely, charter school enrollment increased by 1,523 students, or 14.3 percent. The traditional school districts experiencing the largest proportional enrollment declines during this period were Little Compton (11.8 percent), Westerly (10.2 percent), South Kingstown (9.5 percent), Jamestown (9.2 percent), and Providence (9.1 percent). Just four school districts—Smithfield, Cumberland, Lincoln, and Foster-Glocester—experienced a growth in enrollment.

![Figure 8
Rhode Island Public School October Enrollment
2017-2021](image_url)

Source: RIDE October enrollment data.

To prevent large declines in state formula aid to LEAs due to lower enrollment, the state enacted a “hold harmless” provision for the calculation of FY 2022 formula aid. In determining a district’s total foundation cost, the greater of RADM as of March 2020 or March 2021 was used. Additionally, districts’ SSF enrollment was calculated as the higher of March 2020 or March 2021.

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99 October enrollment counts typically differ from the RADM figures calculated for purposes of distributing state formula aid. RIDE, October enrollment data; Rhode Island Public Expenditure Council, “Elementary and Secondary Education in the Pandemic: An Analysis of School Reopening and Distance Learning in Rhode Island,” October 2020. There was a decrease in public school enrollment across the U.S. in this time frame, with national public school enrollment declining by 3 percent between the 2019-20 and 2020-21 school years, and some states seeing declines of up to 5 percent. National Center for Education Statistics, “Nation’s Public School Enrollment Dropped 3 Percent in 2020-21,” June 28, 2021.

100 RIDE, October enrollment data; RIPEC calculations.
in terms of percentage of overall RADM.\textsuperscript{101} For FY 2023, Governor Daniel J. McKee’s proposed budget extends this hold harmless by ensuring that districts receive at least as much state formula aid as in FY 2022. The combination of the hold harmless provision adopted for FY 2022 and the governor’s hold harmless proposal for FY 2023 would cost $49.7 million more in FY 2023 than if the funding formula were to operate without a hold harmless provision, $48.7 million of which is attributable to traditional school districts.\textsuperscript{102} Providence, which experienced a 9.1 percent decline in enrollment between 2019 and 2021, would receive over one-third of the total hold harmless funding under the governor’s proposal. Six districts would receive no funding due to the FY 2023 hold harmless provision because they either gained students or experienced only minimal declines that did not impact their formula aid.\textsuperscript{103} Figure 9 shows the decline in enrollment between October 2019 and October 2021 by district, and the proposed distribution of hold harmless funds for FY 2023.

Nationwide, states have adopted, or are considering adopting, a variety of hold harmless proposals. Researchers have

\begin{table}[h]
\centering
\begin{tabular}{|l|c|c|c|}
\hline
\textbf{District} & \textbf{Enrollment Change Oct. 19-Oct. 21} & \textbf{Funds From Proposed Hold Harmless Provision} \\
& Nominal & Percent & \\
\hline
Barrington & -20 & -0.6% & N/A \\
Burrillville & -119 & -5.3% & $1,635,127$ \\
Central Falls & -177 & -6.2% & $1,348,583$ \\
Coventry & -156 & -3.4% & $533,190$ \\
Cranston & -217 & -2.1% & $4,263,659$ \\
Cumberland & 56 & 1.2% & N/A \\
East Greenwich & -43 & -1.7% & N/A \\
East Providence & -198 & -3.8% & $2,885,563$ \\
Foster & -18 & -7.5% & $69,798$ \\
Glocester & -18 & -3.2% & $119,935$ \\
Jamestown & -45 & -9.2% & $71,766$ \\
Johnston & -191 & -5.9% & $1,724,248$ \\
Lincoln & 41 & 1.3% & $480,948$ \\
Little Compton & -28 & -11.8% & $104,776$ \\
Middletown & -60 & -2.8% & $1,379,327$ \\
Narragansett & -72 & -5.6% & $861,280$ \\
Newport & -179 & -8.3% & $1,881,371$ \\
New Shoreham & -6 & -4.4% & $137,371$ \\
North Kingstown & -78 & -2.0% & $1,492,163$ \\
North Providence & -121 & -3.4% & $636,749$ \\
North Smithfield & -52 & -3.1% & N/A \\
Pawtucket & -657 & -7.5% & $625,752$ \\
Portsmouth & -179 & -7.4% & $1,083,168$ \\
Providence & -2180 & -9.1% & $18,899,401$ \\
Scituate & -30 & -2.4% & N/A \\
Smithfield & 10 & 0.4% & N/A \\
South Kingstown & -274 & -9.5% & $830,443$ \\
Tiverton & -81 & -4.6% & $952,952$ \\
Warwick & -442 & -5.1% & $1,666,012$ \\
Westerly & -270 & -10.2% & $1,368,943$ \\
West Warwick & -67 & -1.8% & $315,478$ \\
Woonsocket & -363 & -6.0% & $1,567,811$ \\
Bristol-Warren & -232 & -7.3% & $1,244,811$ \\
Exeter-West Greenwich & -91 & -5.5% & $27,717$ \\
Charlestown & -38 & -1.2% & $347,603$ \\
Foster-Glocester & 41 & 3.0% & $122,937$ \\
\hline
\textbf{District Total} & -6554 & -4.9% & $48,676,435$ \\
\hline
\end{tabular}
\caption{School District Enrollment Changes and Proposed FY 2023 Hold Harmless Funding}
\end{table}

\textsuperscript{101} In addition to the loss of SSF funding as a result of eligible students disenrolling, there was additional concern expressed by the McKee administration about challenges in properly counting eligible students who remained enrolled but experienced disruptions to in-person schooling. R.I. Office of Management and Budget, “\textit{Fiscal Year 2023 Budget Proposal – Executive Summary}.”

\textsuperscript{102} $465,700 in additional hold harmless funding is proposed to ensure districts do not lose funding due to data corrections in the calculations of local property value data for FY 2022 formula aid. Current law requires that when data corrections affect the state’s distribution of formula aid, adjustments are made in the following fiscal year. Governor McKee is proposing to hold districts harmless from data corrections that would have resulted in declines in formula aid for FY 2023. R.I. House Fiscal Advisory Staff, “\textit{FY 2023 Budget Analysis, Section VI: Special Reports},” \textsuperscript{103} RIDE. \textit{October enrollment data}; RIPEC calculations. If no hold harmless is enacted for FY 2023, formula aid will decrease by $25.4 million compared to the FY 2022 enacted budget. R.I. Office of Management and Budget, “\textit{Fiscal Year 2023 Budget Proposal – Executive Summary}.”
raised questions about the fiscal sustainability of these proposals, including the prospect of a fiscal cliff for districts that do not see their enrollments return to pre-pandemic levels when hold harmless provisions are lifted.\textsuperscript{104}

\textit{Categorical Funding}

Apart from state education aid distributed through the funding formula, Rhode Island allocates categorical funding to LEAs for certain education expenses. Categorical aid is a relatively minor portion of state K-12 education spending; in FY 2022, categorical aid totaled $37.5 million, just 2.9 percent of overall state education expenditures.\textsuperscript{105} Expenses eligible for categorical aid and their total state allocations for FY 2022 are depicted in Figure 10. Funding for the establishment and expansion of free public pre-kindergarten programs is the largest spending category, totaling $14.9 million and representing well over a third (39.6 percent) of categorical funding in FY 2022.\textsuperscript{106} Transportation—the next largest category at $7.7 million, or 20.4 percent, of FY 2022 categorical funding—comprises payments to LEAs to cover the cost of transporting students to non-public schools outside of their home districts and partial reimbursements for transportation costs within Rhode Island’s four regional school districts. The remainder of categorical funding is divided among expenses for educating multilingual learners and students with high-cost special needs, career and technical programs, and aid to districts with relatively high proportions of students enrolled in charter and state schools.\textsuperscript{107}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure10.png}
\caption{State Categorical Education Funding, FY 2022 ($ millions)}
\end{figure}

\begin{itemize}
\item Figure 10: State Categorical Education Funding, FY 2022 ($ millions)
\item School of Choice Density Aid is allocated to districts with at least 5.0 percent of students enrolled in a state or charter school.
\end{itemize}

\begin{itemize}
\item \textsuperscript{104} Hannah Jarmolowski and Marguerite Roza, “\textit{Proceed with caution: With enrollment drops, states are looking to hold district budgets harmless},” The Edunomics Lab, February 2021.
\item \textsuperscript{105} R.I. House Fiscal Advisory Staff, “\textit{FY 2022 Budget as Enacted: Section VI: Special Reports}”; RIPEC calculations.
\item \textsuperscript{106} Ibid. Early Childhood categorical funds function as a required state match to a federal grant program. RIDE, \textit{Issue Brief 7: Funding Formula Categorical Funds}.
\item \textsuperscript{107} Ibid. State categorical funding for both high-cost special education and career and technical education represents only a partial reimbursement of the total costs LEAs incur for these expenses. School of Choice Density Aid is allocated to districts with at least 5.0 percent of students enrolled in a state or charter school.
\end{itemize}
School Construction

In Rhode Island, school construction is a major expense item shared by the state government and LEAs, with significantly higher proportions of state funding for projects in communities with lower property wealth. As of FY 2021, state reimbursement ratios for traditional school districts ranged from a minimum of 35.0 percent for 18 municipalities up to 96.7 percent for Central Falls. Changes were implemented to the state’s formula for funding school construction in 2019 after a 2017 task force report found that the level of school construction spending was insufficient to address current deficiencies and keep up with future needs. In response, the state incentivized LEAs to undertake more construction projects by agreeing to temporarily increase the state share by offering additional state reimbursement for projects that meet certain criteria up to a maximum of 20.0 percentage points. The state also changed the financing structure of its construction aid to a partial pay-as-you-go system, whereby LEAs receive 15.0 percent of the state’s share up front, rather than receiving the full state share as reimbursement after a project is completed. To fund these up-front payments, the General Assembly authorized a $250 million general obligation school construction bond that was approved by Rhode Island voters in 2018.

Since the implementation of this new school construction financing system, over $1 billion in new construction projects have been approved by RIDE. Aid to LEAs for completed school construction projects totaled $80.0 million in FY 2022, and the governor’s FY 2023 budget proposes a total of $88.5 million in school construction aid. The yearly cost is projected to increase to $130.8 million in FY 2026 as the state-incentivized projects, which must begin by the 2022-2023 school year, are completed. In his FY 2023 budget, Governor McKee has proposed a second $250 million school construction bond to be put to the voters in the November 2022 election.

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108 Charter public schools are reimbursed at a maximum rate of 30.0 percent. RIDE, FY 2022 Share Ratios.
109 The state offered 5.0 percent additional reimbursement for projects that enhanced student health and safety, enhanced educational offerings such as early education and career and technical education, replaced over-utilized facilities or increased utilization of under-utilized facilities, or consolidated two or more buildings. Districts cannot have their state share increased by more than half of their regular share. R.I. House Fiscal Advisory Staff, Rhode Island Education Aid, September 2021.
110 R.I. Office of the General Treasurer, “Moving Forward: A Progress Report on Rhode Island School Construction,” April 2021. The state also has required LEAs to meet minimum levels of annual investment in school maintenance. LEAs must spend a minimum of 3.0 percent of their operating budget, a minimum of 3.0 percent of the replacement value of the school building, or a minimum of $3 per square foot of building space. These minimum levels were required starting in FY 2022. A phase-in period began in FY 2019. RIDE, Reading the Blueprint: What’s New in School Construction.
111 Ibid.
113 R.I. House Fiscal Advisory Staff, “FY 2022 Budget as Enacted: Section VI: Special Reports.”
114 R.I. Office of Management and Budget, “Fiscal Year 2023 Budget Proposal – Executive Summary.” As part of the proposed $250 million bond, $50 million would be allocated to fund the state’s facility equity initiative, which funds school construction projects in the five LEAs with school construction reimbursement rates over 65 percent: Central Falls, Woonsocket, Pawtucket, Providence, and West Warwick. RIDE, Facility Equity Initiative.
Teacher Retirement

A final major category of expense shared by the state and local governments is the employer share of teacher retirement costs, which is equal to the difference between the employee share (8.75 percent of salary) and the yearly amount deemed necessary to support the system, as determined by the State Employees’ Retirement System. Of the employer share, the state government pays 40.0 percent, and the respective municipality pays 60.0 percent.\textsuperscript{115} The cost to the state for its share of teacher retirement contributions was $124.0 million in FY 2022, and the governor’s proposed budget recommends $130.9 million for this budget item in FY 2023.\textsuperscript{116}

Federal Funding

In total, Rhode Island LEAs received $212.9 million in federal education funding in FY 2020, the most recent year for which LEA-specific data is available.\textsuperscript{117} Over the past decade, the fiscal impact of federal education programs in Rhode Island has steadily declined, with the proportion of federal funds as a percentage of total revenues decreasing each year between FY 2012 and FY 2018.\textsuperscript{118}

Due to the wide range in demographic characteristics among Rhode Island municipalities, there is great variation in the proportion of total revenues attributable to federal funding among districts. Federal funding ranges from a low of 1.9 percent of overall revenues (in New Shoreham) to a high of 17.3 percent (in Woonsocket). As of FY 2020, only five districts relied on federal funding for more than ten percent of total revenues, making federal programs a small but not insignificant component of the overall education finance framework in Rhode Island.\textsuperscript{119}

ESSA/IDEA Funds

Rhode Island LEAs receive most of their federal funds through ESSA and IDEA programs. ESSA funds break down into four main tranches, which together totaled $69.1 million in FY 2022. Title I grants, which were established through the original ESEA are allocated according to a formula to LEAs that serve a higher proportion of students from low-income backgrounds, totaled $51.6 million in Rhode Island in FY 2022, accounting for 74.7 percent of all ESSA funding that year.\textsuperscript{120}

\textsuperscript{115} R.I. House Fiscal Advisory Staff, “\textit{FY 2022 Budget as Enacted; Section VI; Special Reports}.”
\textsuperscript{116} R.I. Office of Management and Budget, “\textit{Fiscal Year 2023 Budget Proposal – Executive Summary}.”
\textsuperscript{117} RIDE, UCOA data.
\textsuperscript{118} Ibid. Federal funding made up 9.3 percent of total revenues in FY 2012 and fell to 6.8 percent in FY 2018 before increasing beginning in FY 2019. On a nominal basis, federal education revenues decreased every year between FY 2012 and FY 2016, before increasing in FY 2017.
\textsuperscript{119} Those municipalities are: Central Falls (14.0 percent), Newport (10.0 percent), Pawtucket (12.3 percent), Providence (14.3 percent), and Woonsocket (17.3 percent). RIDE, UCOA data.
\textsuperscript{120} RIDE, \textit{FY 2021 Consolidated ESSA Allocations to LEAs}; RIPEC calculations.
Title II provides funding to support and attract quality teachers and administrators.\textsuperscript{121} Title III is a program dedicated to helping districts educate students learning English as a second language.\textsuperscript{122} Title IV is a consolidation of several previous grant programs.\textsuperscript{123} Other sources of federal funds include Medicaid reimbursement, career and technical education funding from the Perkins Act, and funding for school meals from the United States Department of Agriculture.\textsuperscript{124}

Separately from ESSA funding, in FY 2022 Rhode Island districts received $43.6 million in funding through the Individuals with Disabilities Education Act (IDEA) to supplement the cost of educating children with disabilities.\textsuperscript{125} A breakdown of ESSA and IDEA funds received by Rhode Island LEAs in FY 2022 is shown in Figure 11.

\textit{ESSER Funds}

Beginning in FY 2020, the downward trend in federal funds as a percentage of total education revenues in Rhode Island reversed as a result of direct aid to LEAs included in federal legislation enacted to respond to the COVID-19 pandemic. As depicted in Figure 12, Rhode Island LEAs received $581.5 million over the course of one school year (2020-2021) through three separate infusions of ESSER funds. LEAs are required to spend at least 20 percent of ESSER funds on addressing learning loss but were otherwise given broad authority to spend funds on operations, health and safety protocols,

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Figure11.png}
\caption{Rhode Island ESSA/IDEA Funding Allocations by Program, FY 2022 ($ millions)}
\end{figure}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Figure12.png}
\caption{Rhode Island ESSER Funding Allocations, FY 2020-2021} \hspace{1cm}
\end{figure}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Figure13.png}
\caption{Rhode Island ESSER Funding Allocations, FY 2021-2022} \hspace{1cm}
\end{figure}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Figure14.png}
\caption{Rhode Island ESSER Funding Allocations, FY 2022-2023} \hspace{1cm}
\end{figure}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Figure15.png}
\caption{Rhode Island ESSER Funding Allocations, FY 2023-2024} \hspace{1cm}
\end{figure}

\textsuperscript{121} National Center for Education Statistics, \textit{Title I Fast Facts}.
\textsuperscript{122} National Clearinghouse for English Language Acquisition, \textit{Title III Grant FAQs}.
\textsuperscript{123} Grants included in Title IV include those focused on enhancing student opportunities, student health and safety, and encouraging the use of technology for educational purposes.
\textsuperscript{124} RIDE, UCOA Data.
\textsuperscript{125} The federal government allocates IDEA Part B grants—the largest program within IDEA—to states based on their share of both the national child population and the national population of children living in poverty. Congressional Research Service, \textit{The Individuals with Disabilities Education Act (IDEA) Funding: A Primer}, August 29, 2019.
upgrading school buildings, and other costs related to the pandemic. Federal guidelines require that LEAs spend the final round of ESSER funds by September 30, 2023, ensuring that these funds will be a major factor in both local and state education finances over the next two calendar years.

For ESSER III, the final round of ESSER spending, RIDE is requiring that LEAs submit plans outlining spending strategies. As of April 2022, these plans are not yet available.

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**Figure 12**

Federal ESSER Funds for Rhode Island LEAs, 2020-2021

<table>
<thead>
<tr>
<th>Source</th>
<th>Funding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESSER I (CARES Act - March 2020)</td>
<td>$41.7</td>
</tr>
<tr>
<td>ESSER II (CRRSA - Dec. 2020)</td>
<td>$166.3</td>
</tr>
<tr>
<td>ESSER III (ARPA - March 2021)</td>
<td>$373.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$581.5</strong></td>
</tr>
</tbody>
</table>

Note: CARES is the Coronavirus Aid, Relief, and Economic Security Act, CRRSA is the Coronavirus Response and Relief Supplemental Appropriations Act, and ARPA is the American Rescue Plan Act.
Source: National Conference of State Legislatures.

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126 National Conference of State Legislatures, [Elementary and Secondary School Emergency Relief Fund Tracker](https://www.ncsl.org/research/education/elementary-and-secondary-school-emergency-relief-fund-tracker.aspx). This figure represents 90.0 percent of the total ESSER money allocated to Rhode Island, which is the minimum that must be sent to LEAs under federal guidelines. The remaining 10.0 percent, or $64.6 million in Rhode Island’s case, can be held back by the State Education Agency, or RIDE, which must spend 5.0 percent on learning loss, 1.0 percent on afterschool activities, and 1.0 percent on summer learning programs.

IV. Education Spending

This section begins with a brief review of the academic literature on the effects of education spending on student outcomes. It then turns to a comparison of the allocation of education spending in Rhode Island, New England, and the United States among different functional areas. Finally, it analyzes education spending among Rhode Island districts in terms of overall per pupil expenditures and through the framework of core and non-core expenses, as set forth in the state’s funding formula.

The Effects of Per Pupil Spending

There is a large body of academic research attempting to quantify the relationship between per pupil expenditures and student outcomes. Some of the earliest scholarship on the topic dates to the 1960s and in some instances demonstrated an inconsistent or statistically insignificant relationship between per pupil expenditures and student outcomes. However, some of this scholarship is now disputed based on methodological design and data quality. Additionally, contemporary research has focused less on the effects of overall spending, which can be allocated in different ways, and more on how increasing the quality or availability of certain resources affects outcomes. For example, teacher pay is a frequently studied variable in the context of student outcomes. Higher pay for teachers has been linked to higher teacher retention and quality, and improved student outcomes, including higher high school graduation rates. Likewise, research has shown that reduced class size has positive effects on student outcomes, including performance on standardized tests and college degree attainment.

Importantly, researchers have demonstrated that improved outcomes can be realized through education finance reform initiatives that address both the overall level and equitable distribution of funding. An important caveat related to the link between increased expenditures and educational improvement is the concept of diminishing rewards for higher income districts and schools. On this matter, there is a lack of consensus among education researchers. Many studies

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130 Much of the research on this topic is drawn from the Tennessee Student Teacher Achievement Ratio (STAR) experiment, which was a longitudinal analysis which began in 1985 and included 7,000 students across 79 schools. Researchers continue to analyze data from STAR today and have continued to identify positive effects from smaller class sizes across variables and using different methodologies. Spyros Konstantopoulos and Vicki Chung, “What are the Long-Term Effects of Small Classes on the Achievement Gap? Evidence from the Lasting Benefits Study,” American Journal of Education, vol. 116, no. 1 (2009); Susan Dynarski, Joshua Hyman, and Diane Whitmore Schanzenbach, “Experimental Evidence on the Effect of Childhood Investments on Postsecondary Attainment and Degree Completion,” Journal of Policy Analysis and Management, vol. 32, no. 4 (2013).
that identify benefits to increased expenditures across different variables show that positive outcomes are more pronounced for low-income students, schools, and districts, suggesting diminishing returns to increased expenditures in areas with relatively high levels of existing expenditures.\footnote{Carolyn Abott, et. al., “School District Operational Spending and Student Outcomes: Evidence from Tax Elections in Seven States,” Ed Working Paper: 20-25, Retrieved from Annenberg Institute at Brown University, 2020; C. Kirabo Jackson, Rucker C. Johnson, and Claudia Persico, “The Effects of School Spending on Education and Economic Outcomes: Evidence from School Finance Reforms,” The Quarterly Journal of Economics, vol. 131, no. 1 (2016): 157-218.} Alternatively, other research reveals no statistically significant difference between the effects of increased per pupil spending between students from different socioeconomic backgrounds, or between geographic areas with different characteristics or levels of baseline expenditures.\footnote{C. Kirabo Jackson and Clare Mackevicius, “The Distribution of School Spending Impacts,” National Bureau of Economic Research (2021).}

**Spending Overview**

In FY 2020, Rhode Island LEAs spent $2.62 billion on K-12 education, or $17,431 per pupil, net of debt service, capital projects, and tuition paid to other schools.\footnote{RIDE calculates and reports per pupil expenditures in several ways. The number used in this report reflects total expenditures net debt service, capital projects, and tuition paid to other public schools. Tuition payments are payments made from a district where a student resides (the sending district) to the public school that a resident student attends. These tuition payments are a particularly large expense item in Jamestown and Little Compton, which do not operate high schools and instead send tuition payments to the LEAs where their resident students attend high school. Tuition payments are also significant in communities where a high percentage of resident students attend charter and state schools, such as Central Falls. Average Daily Membership, which is calculated throughout the school year, is used in figures for per pupil expenditures. RIDE, FY 2020 Per Pupil Expenditures, Ibid; RIPEC calculations.} Among traditional school districts, total spending in FY 2020 was $2.39 billion, or $17,386 per pupil.\footnote{Total spending excludes adult education, community colleges, private school programs funded by public agencies, community services, debt service, and capital outlays. U.S. Department of Education, National Center for Education Statistics, Common Core of Data, “National Public Education Financial Survey,” 2018-19.}

**Expenditures by Function**

When categorized by function, which divides spending into the various tasks and duties undertaken by school personnel, most funding goes toward instructional costs, which includes instructor salaries and classroom materials. Nationwide, 60.4 percent of elementary and secondary expenditures were allocated to instructional costs in FY 2019, the year for which the most recent data is available. Support services, which includes student support, instructional staff support, administration, operation and maintenance, and transportation, accounted for 35.6 percent of expenditures.\footnote{Average Daily Membership, which is calculated throughout the school year, is used in figures for per pupil expenditures. RIDE, FY 2020 Per Pupil Expenditures, Ibid; RIPEC calculations.}

As shown in Figure 13, Rhode Island spent similar proportions on these functions as did the United States but allocated a higher proportion of spending to support services and a smaller proportion...
to instruction than all other New England states except Maine. However, as a state with high levels of investment in K-12 education, Rhode Island ranks highly on a per pupil basis in both instructional and student support expenditures. The Ocean State ranked seventh highest in the nation in per pupil expenditures on direct instruction ($10,553 per pupil) and sixth highest in per pupil support services ($6,503 per pupil) in 2018-19.\textsuperscript{137}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{fig13.png}
\caption{Education Spending by Function, FY 2019}
\end{figure}

Over one-quarter of Rhode Island’s spending on support services goes to student support, which includes guidance, health, and speech pathology services. Rhode Island LEAs spent relatively high amounts on this sub-function—in FY 2019, 10.6 percent of all expenditures went toward student support, the highest proportion in the nation, and the state ranked second highest in the nation in per pupil expenditures in this area. Conversely, the Ocean State spent a smaller proportion of overall expenditures on all other service categories except transportation and other services than did the nation. Rhode Island had higher per pupil expenditures than the U.S. in all support service categories, however.\textsuperscript{138} Figure 14 shows the breakdown of support services spending in Rhode Island and the U.S. in FY 2019.

\textsuperscript{137} Nationwide, per pupil instructional expenditures totaled $7,970 and per pupil support service expenditures totaled $4,700 in FY 2019. Rhode Island ranked 5\textsuperscript{th} highest among New England states in per pupil instruction expenditures and 3\textsuperscript{rd} highest in per pupil support service expenditures. Rankings do not include Washington D.C. U.S. Department of Education, National Center for Education Statistics, Common Core of Data, "National Public Education Financial Survey," 2018-19; RIPEC calculations.

\textsuperscript{138} Ibid; RIPEC calculations.
District Spending

In large part as a result of disparities in property wealth and local taxing capacity, Rhode Island districts vary in their overall levels of per pupil expenditures, as demonstrated in Figure 15. In FY 2020, eight school districts spent less than $16,000 per pupil, while nine spent more than $20,000 per pupil. Among traditional districts in Rhode Island, per pupil expenditures for FY 2020 were $17,398.\(^{139}\) Per pupil expenditure calculations use average daily membership (ADM), which is an aggregate measure of days of student enrollment divided by the total number of school days.\(^{140}\)

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\(^{139}\) RIDE, [FY 2020 Per Pupil Expenditures](https://www.ride.gov/fy2020-per-pupil-expenditures).

\(^{140}\) RIDE, [State Calculated Average Daily Membership (ADM)](https://www.ride.gov/state-calculated-average-daily-membership).
High-spending districts tend to be those located in communities with high levels of property wealth, but not all wealthy districts are high spending. The ratio of public school students to population is also a significant factor on per pupil spending; the three highest-spending districts—New Shoreham, Little Compton, and Narragansett—had among Rhode Island’s lowest number of
students per capita in 2020. Meanwhile, the municipalities with the state’s highest number of students per capita—Barrington and East Greenwich, respectively—were in the bottom six in per pupil expenditures despite having high per capita property wealth relative to the state overall.

Except for Providence, which spent slightly more than the statewide per pupil amount in FY 2020, districts that receive high levels of state support tend to have low total per pupil expenditures—Pawtucket and Woonsocket were in the bottom five in per pupil expenditures in FY 2020, while Central Falls was in the bottom ten.

**Uniform Chart of Accounts Data**

Since 2011, RIDE has reported district- and school-level expenditures through the Uniform Chart of Accounts (UCOA). The legislative intent of UCOA was to standardize the means through which LEAs report expenditures to allow state and local officials to make direct comparisons between schools and LEAs in the interest of improving student performance. In the FY 2022 budget, $300,000 was allocated to create two full-time equivalent positions within RIDE to produce annual reports making these comparisons based on UCOA data. UCOA data on district expenditures is categorized several different ways, including by location, function, program, and subject.

**Core and Non-Core Expenditures**

Using UCOA data, it is possible to separate educational spending into core and non-core expenditures for each district. Core expenditures are those that the state uses to calculate the per pupil instructional amount, which, as explained in Section III of this report, serves as the basis for the state’s funding formula. Despite its label, the core instructional amount includes a wide range of education expenses, including direct instructional costs but also support services and administrative costs. Likewise, non-core expenses are not necessarily unwarranted or unnecessary expenditures. Among non-core items are crucial expenses such as safety, transportation, and food service, some of which are funded by revenues from all three levels of government. Districts have little to no control over certain non-core expenses, including the pass-through payments that follow students to other LEAs. These payments are a relatively large non-core expense for certain districts, including Little Compton and Jamestown, which send all students in grades 9-12 to other

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141 New Shoreham, Little Compton, and Narragansett respectively had the sixth, seventh, and second lowest number of students per capita. U.S. Census Bureau, [2020 Census data](https://www.census.gov/); RIDE, RADM data.

142 Ibid.

143 RIDE, [FY 2020 Per Pupil Expenditures](https://ride.ri.gov/). RIDE, [Uniform Chart of Accounts Executive Summary](https://ride.ri.gov/). R.I. House Fiscal Advisory Staff, [Budget as Enacted: Fiscal Year 2022, Section I: Budget at a Glance](https://www.rihouse.gov/). Additional resources and statutory requirements to analyze and report on UCOA data was a recommendation made in the Rhode Island Senate’s Special Legislative Task Force to Study Rhode Island’s Education Funding Formula. The task force recommended adding these requirements after RIDE testified that UCOA was being used primarily for completing federal reporting requirements rather than as a tool to compare school and LEA finances. R.I. Senate, “[Special Legislative Task Force to Study Rhode Island’s Education Funding Formula](https://www.rihouse.gov/),” January 28, 2020.
LEAs, and to a lesser extent, districts with relatively high proportions of students attending charter public schools.\textsuperscript{146} Statewide, 25.5 percent of education expenditures were dedicated to non-core items and 74.5 percent to core items.\textsuperscript{147} As shown in Figure 16, while there are outlier districts, the proportion of non-core spending generally falls within a relatively narrow range among districts—28 of 36 districts allocated between 20 and 30 percent of expenditures to non-core items in FY 2020.\textsuperscript{148}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure16.png}
\caption{Proportion of Education Spending on Core and Non-Core Expenditures, FY 2020}
\end{figure}

\begin{itemize}
\item Barrington: 81.8\% Core, 18.2\% Non-Core
\item Bristol-Warren: 73.4\% Core, 26.6\% Non-Core
\item Burrillville: 75.4\% Core, 24.6\% Non-Core
\item Central Falls: 72.2\% Core, 27.8\% Non-Core
\item Charlestown: 79.6\% Core, 20.4\% Non-Core
\item Coventry: 78.5\% Core, 21.5\% Non-Core
\item Cranston: 77.7\% Core, 22.3\% Non-Core
\item Cumberland: 76.3\% Core, 23.7\% Non-Core
\item East Greenwich: 78.9\% Core, 21.1\% Non-Core
\item East Providence: 73.6\% Core, 26.4\% Non-Core
\item Exeter-West Greenwich: 74.6\% Core, 25.4\% Non-Core
\item Foster: 75.7\% Core, 24.3\% Non-Core
\item Foster-Glocester: 76.0\% Core, 24.0\% Non-Core
\item Glocester: 81.6\% Core, 18.4\% Non-Core
\item Jamestown: 58.2\% Core, 41.8\% Non-Core
\item Johnston: 72.9\% Core, 27.1\% Non-Core
\item Lincoln: 75.8\% Core, 24.2\% Non-Core
\item Little Compton: 61.4\% Core, 38.6\% Non-Core
\item Middletown: 69.5\% Core, 30.5\% Non-Core
\item Narragansett: 74.1\% Core, 25.9\% Non-Core
\item New Shoreham: 80.4\% Core, 19.6\% Non-Core
\item Newport: 71.3\% Core, 28.7\% Non-Core
\item North Kingstown: 76.2\% Core, 23.8\% Non-Core
\item North Providence: 74.7\% Core, 25.3\% Non-Core
\item North Smithfield: 76.0\% Core, 24.0\% Non-Core
\item Pawtucket: 74.2\% Core, 25.8\% Non-Core
\item Portsmouth: 72.9\% Core, 27.1\% Non-Core
\item Providence: 70.6\% Core, 29.4\% Non-Core
\item Scituate: 69.5\% Core, 30.5\% Non-Core
\item Smithfield: 80.4\% Core, 19.6\% Non-Core
\item South Kingstown: 74.7\% Core, 25.3\% Non-Core
\item Tiverton: 74.5\% Core, 25.5\% Non-Core
\item Warwick: 77.5\% Core, 22.4\% Non-Core
\item West Warwick: 76.4\% Core, 23.6\% Non-Core
\item Westerly: 72.9\% Core, 27.1\% Non-Core
\item Woonsocket: 72.2\% Core, 27.8\% Non-Core
\end{itemize}

Source: RIDE UCOA Data; RIPEC Calculations.

\textsuperscript{146} In FY 2020, pass-through payments accounted for more than 10 percent of total education expenditures in Jamestown (24.3 percent), Little Compton (17.4 percent), Central Falls (14.9 percent), North Providence (11.8 percent), West Warwick (11.8 percent), Pawtucket (11.0 percent), and East Providence (10.0 percent). RIDE, UCOA data; RIPEC calculations.

\textsuperscript{147} Ibid; Data does not include debt service or capital costs.

\textsuperscript{148} RIDE, UCOA data; RIPEC calculations.
Although the state funding formula does not require that districts allocate a particular proportion of expenditures to core expenses, school committees are required to provide enough funding to support the BEP, from which the list of core expenses was drawn when the formula was enacted. As shown in Figure 17, all districts had higher per pupil core expenditures than the $9,871 benchmark used in calculating funding formula aid for FY 2020. However, the state’s four most disadvantaged districts, which rely heavily on state aid—Central Falls, Pawtucket, Woonsocket, and Providence—all had lower per pupil core expenditures than the actual statewide level of per pupil spending on core expenditures. While the state’s allocation of formula aid to districts is calculated in part by providing a share of the core instructional amount for each student, Figure 17 includes core expenditures paid for by revenues from all sources, including federal funds and state categorical funds.

![Figure 17: Per Pupil Spending on Core Expenditures, FY 2020](image)

Note: New Shoreham spent $31,677 per pupil on core expenses in FY 2020.
Source: RIDE UCOA Data; RIPEC calculations.

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The design of the funding formula recognizes that students from disadvantaged backgrounds require more resources than those provided in the per pupil foundational amount. District-to-district comparisons of core per pupil expenditures therefore lack important context about the resources required in an individual district. This context can be provided by using the per pupil total foundational cost—which is a figure that includes both the core instructional amount, which is a statewide value, and the SSF funding, which accounts for the number of students living in poverty in the district. The per pupil foundational cost for a district is higher than the core instructional amount based on the proportion of students living in poverty.150

For such a comparison, it would be expected that targeted state formula aid and the supplemental aid provided by federal grant and state categorical programs would enable poorer districts to have core expenditures that meet or exceed their per pupil foundational cost. However, spending data for FY 2020 shows that this result does not hold true; including all revenue sources, Pawtucket and Woonsocket respectively spent $822 and $1,526 less per pupil on core expenses than the amount needed to reach the total foundational cost determined through the funding formula. Core per pupil expenditures in Central Falls and Providence, the two districts with the highest per pupil foundational costs based on their proportion of students eligible for the SSF, each exceeded their per pupil foundational cost, but only by relatively small amounts—$490 and $397, respectively. As shown in Figure 18, many districts with significantly smaller proportions of disadvantaged students exceed their per pupil foundational cost by relatively greater amounts, despite receiving relatively small shares of state aid.

Figure 18
District Per Pupil Core Expenditures Compared to Per Pupil Foundational Cost
FY 2020

Note: New Shoreham is excluded because it is a significant outlier due to its small size and high per pupil expenditures. In FY 2020, New Shoreham’s per pupil foundational amount was $10,589 and its core per pupil expenditures were $11,917. Jamestown and Little Compton are excluded because of large differences in their RADM and ADM due to both districts sending all resident high school students to other LEAs. These students are counted in the RADM but not the ADM.

Source: RIDE UCDA Data; RIDE FY 2020 Funding Formula Calculations; RIPEC calculations.

150 Per pupil total foundational cost uses the RADM calculations from the 2018-19 school used in determining formula aid for the 2019-2020 school year, while the per pupil core expenditures reflects ADM calculated during the 2019-2020 school year.
V. RIPEC Comments

K-12 education is fundamental to maintaining a strong economy and a functioning democracy and represents one of the largest areas of public investment in Rhode Island and by far the largest expenditure for the state’s cities and towns. Consequently, Rhode Island’s system for funding K-12 education is of great importance and deserves serious analysis in terms of the adequacy of resources, the equitable allocation of those resources, and their effectiveness in producing satisfactory student outcomes.

The overhaul of Rhode Island’s education finance system through the establishment of a state funding formula in 2010 has been successful in increasing the state’s share of overall education revenues and in targeting this increased aid to poorer districts. Since the implementation of the formula began in FY 2012, state funding has accounted for the greater portion of the overall increase in K-12 education revenues, even though local revenues remain the largest source of revenue overall. Through the funding formula, state funding was allocated more heavily toward those communities with a relatively limited capacity to raise local revenues and with greater concentrations of students living in poverty. Additionally, the state has achieved standardization of education finance data through UCOA, and the recently enacted statutory requirement that RIDE produce yearly comparative analyses of this data represents a positive development.

However, despite efforts to make education funding more equitable, some of Rhode Island’s poorest districts—both in terms of relative property wealth and the proportion of students from low-income families—are still among those with the lowest per pupil revenues and expenditures in the state. Despite receiving the three highest amounts of per capita state formula aid, Woonsocket, Pawtucket, and Central Falls rank in the bottom ten in per pupil expenditures, well below the statewide per pupil amount. In the case of Woonsocket and Pawtucket, the lack of resources is so stark that the districts’ spending on core expenditures does not meet the total foundational cost identified in the state’s funding formula, even when including expenditures funded from sources outside the formula, such as state categorical funds and federal resources, which are significant in the case of both districts. The disparities between these districts and high-spending districts are driven by fiscal capacity and other factors at the local level—wealthier districts are able to contribute local revenues above and beyond what the state identifies as the core cost of education, while low-wealth districts, constrained by relatively limited property wealth and relatively high property tax rates, are challenged in their ability to increase their local contribution.

Given these findings, policymakers should consider the following reforms.

**Increase the State Share of Education Revenues**

Despite the growth in state expenditures for K-12 education, Rhode Island’s system is still more reliant on local revenues, and particularly property tax revenue, than the nation overall. The state should consider changes to the funding formula to continue increasing the state’s share of

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education revenues, with the aim of moving the system toward a roughly even balance of state and local revenues, consistent generally with the mix of education revenues nationwide.

**Target State Aid to Support Disadvantaged Communities**

The state should ensure that greater state investments are targeted towards districts with relatively low property wealth and high proportions of students living in poverty, with an aim of bringing these communities at least to the current level of overall state per pupil expenditures. Policymakers should consider whether the 40 percent SSF bonus, which has not been updated since the formula’s inception, is sufficient to meet the needs of eligible students. Additionally, a built-in formula weight for LEP students, who often require greater resources beyond those needed by SSF-eligible students, is worthy of consideration. If the state applied an additional 10.0 percent bonus for the 15,638 students identified as LEP in FY 2022, it would equate to an additional $1,064 per LEP student, and a total expenditure of $16.6 million for FY 2022. While this cost would be shared between the state and districts according to the funding formula, the state could eliminate its categorical funding for LEP student support—which totaled $5.5 million in FY 2022—and allocate this funding towards the state’s share of additional formula aid.

**Strengthen Local MOE Requirements**

If the state does increase its share of revenues, it will be important to ensure that these funds supplement, rather than supplant, local funds. The state should require that local districts demonstrate MOE by maintaining at least the same level of spending year-over-year on a per pupil basis and consider removing exceptions in law which allow for local communities to decrease local contributions. Ensuring that local contributions keep up with enrollment will be especially important if recent declines in enrollment reverse. If this trend does not reverse, policymakers should consider phasing-out hold harmless provisions gradually over time, while phasing in stronger MOE requirements.

**Create a Discretionary Fund Within RIDE Tied to School Improvement**

While the state’s funding formula is based on educational expenses as inputs, there are no streams of funding that are meaningfully tied to educational outputs and outcomes. For FY 2021, the state allocated just $488,605 to RIDE for school improvement. Legislators should provide a dedicated stream of funding to RIDE that can be used to incentivize district- and school-level reforms, efficiencies, and student improvements. A model to consider is Massachusetts’ Targeted Assistance Grants program, which in FY 2020 used $2.1 million in state funds to match $2.3 million in Federal School Improvement funds to support school turnaround initiatives in low-performing districts. Turnaround initiatives should rely on evidence-based practices and take

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152 Massachusetts Department of Elementary and Secondary Education, Grants and Other Financial Assistance Programs: Targeted Assistance Grant (TAG).
local district needs and characteristics into account, and grants should be leveraged to both assist with turnaround costs and incentivize successful implementation.

**Use Federal Pandemic Relief Funds to Maximize Impact on Student Learning**

The $581.5 million in federal funds coming to LEAs across the state represent an extraordinary one-time opportunity for investment. It is essential that these funds are used strategically to address student learning loss, ideally at a proportion greater than the 20 percent required by law. While it may take years to quantify the learning lost because of disruptions to in-person schooling during the pandemic, early studies show that learning loss is likely to be more acute among students from disadvantaged backgrounds. Further, research suggests that a mix of short-term and long-term remediation efforts is likely to be the most effective method in helping students recover lost learning. Local districts should not delay in using a significant portion of their ESSER funds to help students catch up, including through summer and other out-of-school programs, investments in teacher training and retention efforts, and remedial programming in mathematics, in which just one in five Rhode Island students are proficient, according to the most recent Rhode Island Common Assessment System test.

**Adopt a Constitutional Right to Education**

While there are many well-intentioned efforts to improve K-12 education in Rhode Island, reform, including needed changes to the state’s school funding system, is not currently being approached with the urgency demanded by the serious shortcomings within Rhode Island’s education system, which is approaching a state of crisis. Adopting a judicially enforceable right to a meaningful and adequate education in Rhode Island would stimulate the action needed to achieve serious legislative reform of school funding, as has been the experience in other states. With a judicially enforceable constitutional right to education, the courts would have standing to rule the current education finance system unconstitutional. The consequences of such a decision are difficult to predict, but in some states, courts have ruled that any system that relies primarily on local property taxes for education is inequitable and therefore unconstitutional.

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155 RIDE, Assessment Data Portal.
156 Such was the experience of Vermont, where the education finance system was ruled unconstitutional by the state Supreme Court in Brigham vs. State of Vermont in 1998. In response, the state moved to a system whereby local property taxes are sent to the state to fund education statewide. Communities that wish to receive higher levels of per pupil aid must increase local property taxes by a proportionate amount, regardless of local property wealth. Vermont Children’s Forum & Public Assets Institute, “A Citizen’s Guide to School Funding: Vermont’s Act 68.”
## Appendix

<table>
<thead>
<tr>
<th>Location</th>
<th>Enrollment</th>
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<td>Providence</td>
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<tr>
<td>Cranston</td>
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<td>Lincoln</td>
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<td>Portsmouth</td>
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<tr>
<td>New Shoreham</td>
<td>129</td>
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Source: RIDE October enrollment.
### Foundational Cost Calculations, FY 2022

<table>
<thead>
<tr>
<th>District</th>
<th>PK-12 RADM</th>
<th>Core Instructional Funding (A*$10,635)</th>
<th>Students Eligible for SSF (C*$4,254)</th>
<th>SSF Funding</th>
<th>Total Foundational Cost (B+D)</th>
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Total: 128,980 $1,371,702,300 59,187 $251,781,498 $1,623,483,798

Note: The RADM figures represent the higher of March 2020 or March 2021 calculations. The SSF figures are from March 2020 or March 2021, whichever year had a higher number of SSF-eligible students as a percentage of RADM.

Source: RIDE Funding Formula Calculations.
<table>
<thead>
<tr>
<th>District</th>
<th>% Pre-K-6 Students in Poverty</th>
<th>State Share Ratio for the Community (SSRC)</th>
<th>State Share Ratio (SSR)</th>
<th>Formula Aid (SSR * total foundation cost)</th>
<th>FY 2022 Enacted Aid</th>
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<tr>
<td>Barrington</td>
<td>5.1%</td>
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<td>$95,061,517</td>
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<tr>
<td>Providence</td>
<td>16.7%</td>
<td>0.0%</td>
<td>11.8%</td>
<td>$3,062,524</td>
<td>$3,062,524</td>
</tr>
<tr>
<td>Scituate</td>
<td>12.4%</td>
<td>20.0%</td>
<td>16.6%</td>
<td>$2,349,719</td>
<td>$2,358,211</td>
</tr>
<tr>
<td>Smithfield</td>
<td>15.7%</td>
<td>32.3%</td>
<td>25.4%</td>
<td>$6,817,709</td>
<td>$6,817,709</td>
</tr>
<tr>
<td>South Kingstown</td>
<td>19.4%</td>
<td>0.6%</td>
<td>13.7%</td>
<td>$4,559,185</td>
<td>$4,559,972</td>
</tr>
<tr>
<td>Tiverton</td>
<td>26.2%</td>
<td>38.8%</td>
<td>33.1%</td>
<td>$6,762,590</td>
<td>$6,774,565</td>
</tr>
<tr>
<td>Warwick</td>
<td>35.8%</td>
<td>39.7%</td>
<td>37.8%</td>
<td>$39,164,279</td>
<td>$39,218,717</td>
</tr>
<tr>
<td>Westerly</td>
<td>34.8%</td>
<td>0.0%</td>
<td>24.6%</td>
<td>$7,937,325</td>
<td>$7,937,325</td>
</tr>
<tr>
<td>West Warwick</td>
<td>56.4%</td>
<td>74.7%</td>
<td>66.2%</td>
<td>$30,831,490</td>
<td>$30,857,785</td>
</tr>
<tr>
<td>Woonsocket</td>
<td>79.9%</td>
<td>90.2%</td>
<td>85.2%</td>
<td>$69,995,691</td>
<td>$69,995,691</td>
</tr>
<tr>
<td>Bristol-Warren</td>
<td>30.0%</td>
<td>0.0%</td>
<td>30.0%</td>
<td>$11,326,683</td>
<td>$11,345,723</td>
</tr>
<tr>
<td>Bristol</td>
<td>23.0%</td>
<td>19.9%</td>
<td>21.5%</td>
<td>$4,841,908</td>
<td>$4,852,340</td>
</tr>
<tr>
<td>Warren</td>
<td>36.0%</td>
<td>48.8%</td>
<td>42.9%</td>
<td>$6,484,775</td>
<td>$6,493,383</td>
</tr>
<tr>
<td>Exeter-West Greenwich</td>
<td>22.6%</td>
<td>0.0%</td>
<td>22.6%</td>
<td>$4,227,493</td>
<td>$4,242,989</td>
</tr>
<tr>
<td>Exeter</td>
<td>20.1%</td>
<td>23.7%</td>
<td>22.0%</td>
<td>$1,889,165</td>
<td>$1,898,454</td>
</tr>
<tr>
<td>West Greenwich</td>
<td>16.0%</td>
<td>28.8%</td>
<td>23.3%</td>
<td>$2,338,328</td>
<td>$2,344,535</td>
</tr>
<tr>
<td>Foster-Glocester</td>
<td>39.2%</td>
<td>53.5%</td>
<td>39.2%</td>
<td>$5,103,495</td>
<td>$5,104,253</td>
</tr>
<tr>
<td>Foster</td>
<td>27.9%</td>
<td>48.4%</td>
<td>39.5%</td>
<td>$1,688,019</td>
<td>$1,682,786</td>
</tr>
<tr>
<td>Glocester</td>
<td>13.7%</td>
<td>53.5%</td>
<td>39.1%</td>
<td>$3,415,476</td>
<td>$3,421,468</td>
</tr>
<tr>
<td>Charlestown</td>
<td>21.4%</td>
<td>0.0%</td>
<td>15.1%</td>
<td>$1,291,300</td>
<td>$1,291,300</td>
</tr>
<tr>
<td>Richmond</td>
<td>16.3%</td>
<td>54.4%</td>
<td>40.2%</td>
<td>$5,140,970</td>
<td>$5,149,642</td>
</tr>
<tr>
<td>Hopkinton</td>
<td>21.0%</td>
<td>56.5%</td>
<td>42.6%</td>
<td>$5,581,736</td>
<td>$5,590,417</td>
</tr>
</tbody>
</table>

Note: Differences in formula aid and enacted aid reflect an adjustment made to account for new enrollment data from the Village Green public charter school. In addition, Central Falls received a $9.1 million state stabilization fund payment for FY 2022.

Source RIDE; R.I. House Fiscal Advisory Staff: Budget as Enacted, Fiscal Year 2022; RIPEC calculations.
## Figure 22
### Local K-12 Education Contribution, FY 2022

<table>
<thead>
<tr>
<th>District</th>
<th>Total Foundational Cost</th>
<th>State Share Ratio</th>
<th>Total Foundational Cost Local Share</th>
<th>FY 2022 Local Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrington</td>
<td>$36,945,990</td>
<td>21.4%</td>
<td>$29,039,548</td>
<td>$46,472,259</td>
</tr>
<tr>
<td>Bristol-Warren</td>
<td>$37,637,265</td>
<td>30.0%</td>
<td>$26,346,086</td>
<td>$39,020,179</td>
</tr>
<tr>
<td>Burrillville</td>
<td>$27,000,138</td>
<td>51.0%</td>
<td>$13,230,068</td>
<td>$20,554,891</td>
</tr>
<tr>
<td>Central Falls</td>
<td>$40,406,619</td>
<td>95.4%</td>
<td>$1,858,704</td>
<td>$13,275,795</td>
</tr>
<tr>
<td>Chariho</td>
<td>$34,431,876</td>
<td>34.9%</td>
<td>$22,415,151</td>
<td>$41,127,645</td>
</tr>
<tr>
<td>Coventry</td>
<td>$53,013,348</td>
<td>34.9%</td>
<td>$28,998,301</td>
<td>$47,078,589</td>
</tr>
<tr>
<td>Cranston</td>
<td>$125,548,302</td>
<td>42.6%</td>
<td>$21,332,898</td>
<td>$37,529,015</td>
</tr>
<tr>
<td>Cumberland</td>
<td>$52,717,695</td>
<td>40.1%</td>
<td>$31,577,899</td>
<td>$46,570,412</td>
</tr>
<tr>
<td>East Greenwich</td>
<td>$28,089,162</td>
<td>15.3%</td>
<td>$23,791,520</td>
<td>$36,357,563</td>
</tr>
<tr>
<td>East Providence</td>
<td>$63,950,382</td>
<td>56.4%</td>
<td>$27,882,367</td>
<td>$49,327,676</td>
</tr>
<tr>
<td>Exeter-West Greenwich</td>
<td>$18,634,647</td>
<td>22.6%</td>
<td>$14,423,217</td>
<td>$26,670,265</td>
</tr>
<tr>
<td>Foster</td>
<td>$2,686,401</td>
<td>39.5%</td>
<td>$1,625,273</td>
<td>$3,335,337</td>
</tr>
<tr>
<td>Foster-Glocester</td>
<td>$13,019,367</td>
<td>39.2%</td>
<td>$7,915,775</td>
<td>$16,131,209</td>
</tr>
<tr>
<td>Glocester</td>
<td>$6,191,697</td>
<td>39.1%</td>
<td>$3,770,743</td>
<td>$6,733,922</td>
</tr>
<tr>
<td>Jamestown</td>
<td>$7,119,069</td>
<td>4.1%</td>
<td>$6,827,187</td>
<td>$12,332,867</td>
</tr>
<tr>
<td>Johnston</td>
<td>$40,789,479</td>
<td>47.7%</td>
<td>$21,332,898</td>
<td>$37,529,015</td>
</tr>
<tr>
<td>Lincoln</td>
<td>$37,339,485</td>
<td>42.6%</td>
<td>$21,432,864</td>
<td>$41,786,267</td>
</tr>
<tr>
<td>Little Compton</td>
<td>$3,860,886</td>
<td>11.2%</td>
<td>$3,433,795</td>
<td>$7,065,707</td>
</tr>
<tr>
<td>Middletown</td>
<td>$26,083,401</td>
<td>31.1%</td>
<td>$17,971,463</td>
<td>$26,510,694</td>
</tr>
<tr>
<td>Narragansett</td>
<td>$13,814,865</td>
<td>15.8%</td>
<td>$11,632,116</td>
<td>$26,405,308</td>
</tr>
<tr>
<td>Newport</td>
<td>$28,463,514</td>
<td>51.8%</td>
<td>$13,719,414</td>
<td>$27,007,530</td>
</tr>
<tr>
<td>New Shoreham</td>
<td>$1,697,346</td>
<td>12.4%</td>
<td>$1,486,875</td>
<td>$5,070,965</td>
</tr>
<tr>
<td>North Kingstown</td>
<td>$43,222,767</td>
<td>25.6%</td>
<td>$32,157,739</td>
<td>$54,114,814</td>
</tr>
<tr>
<td>North Providence</td>
<td>$44,696,778</td>
<td>59.5%</td>
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<td>$32,850,260</td>
</tr>
<tr>
<td>North Smithfield</td>
<td>$18,898,395</td>
<td>32.8%</td>
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<td>$20,255,890</td>
</tr>
<tr>
<td>Pawtucket</td>
<td>$117,978,309</td>
<td>80.6%</td>
<td>$22,887,792</td>
<td>$32,805,937</td>
</tr>
<tr>
<td>Portsmouth</td>
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<td>11.8%</td>
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</tr>
<tr>
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<td>$14,121,153</td>
<td>16.6%</td>
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<td>$19,973,377</td>
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<tr>
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<td>25.4%</td>
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</tr>
<tr>
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<td>$33,219,486</td>
<td>13.7%</td>
<td>$28,668,416</td>
<td>$54,896,836</td>
</tr>
<tr>
<td>Tiverton</td>
<td>$20,427,708</td>
<td>33.1%</td>
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</tr>
<tr>
<td>Warwick</td>
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<tr>
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<td>$82,148,994</td>
<td>85.2%</td>
<td>$12,158,051</td>
<td>$16,416,330</td>
</tr>
</tbody>
</table>

Source: RIDE; RIPEC Calculations.
SSRC and SSR Formulas

\[ SSRC = 1 - (0.475 \times \frac{\text{DistrictEWAV}}{\text{DistrictRADM}} - \frac{\text{StateEWAV}}{\text{StateRADM}}) \]

\[ SSR = \sqrt{\frac{SSRC^2 + \%PKPOVERTY^2}{2}} \]