

SURVEY OF ELEVEN LOCAL SCHOOL DISTRICTS IN RHODE ISLAND ABOUT THE FUNDING FORMULA ENACTED IN 2010

The League of Women Voters of Rhode Island has conducted a survey of eleven local school districts during the 2013-2014 school year about the education funding formula enacted by the General Assembly in 2010. The League circulated a letter requesting survey participation to all of the school districts with the support of the RI State Superintendents Association; see Appendix A. The following school districts participated in survey interviews conducted by League members: Barrington, Burrillville, Chariho, East Providence, Foster-Glocester, Johnston, Pawtucket, Providence, Smithfield, Westerly, and Woonsocket.

The survey consisted of five questions; see the second page of Appendix A. The questions and the school district responses follow.

Question 1: *Rhode Island Department of Education (RIDE) defines three components of the formula. The first is the Core Instructional Amount (CIA) which for FY 2013 is \$8,679 (for FY 2014 is \$8,897) per student enrolled. Is this amount adequate for your district costs of instruction, which include salaries and supplies but exclude benefits and school construction? Please comment.*

- One said that the formula is fair and equitable.
- One said that the state education funding formula which was enacted in 2010 is certainly "a step in the right direction" and compliments Commissioner Gist for her efforts in getting it passed.
- All responded that there is never enough funding from the state..
- Eight said that the current CIA is not enough and needs to be raised. One said that the CIA is just not enough to meet the children's intellectual, physical, and psychological needs; for a regular child, \$13,000 would be adequate. It was said that there is a gap between the child's ability and his learning progress; we can educate the child only with the resources that we have. It was said that the CIA amount is not adequate to address the common core, the related student assessments, staff training for teaching the common core and materials and equipment necessary for all students to use in the classroom. It does not cover the cost of the technology needed to carry out the mandate that every child have access to a computer for testing. It does not provide the funds needed rewire the many schools that need it in order to even plug in the large number of computers that are now required..
- One asks how one can know whether a district is actually spending the "core amount" for instruction. Since RIDE has been collecting data using a Uniform Chart of Accounts for several years, they would like to see some concrete information on how much the categories which were used to calculate the "core amount" actually cost. They have not been able to get that information.
- One said that the basic education program cost needs to be tied to the funding available under the formula so that it does not become impossible to meet the goals with the amount

made available.

- Four said that they appreciate having a consistent, predictable funding formula to enable schools to project revenue and to plan for their student’s needs. It was said that the formula is an improvement over the previous situation, which made planning so difficult.
- One said that they continue to evaluate what is needed and to distinguish this from what would be nice to have.
- One said that their teacher salaries were low and principal salaries are inadequate to attract good candidates.
- One said that they have a problem with the funding at the kindergarten level. They would like to provide all-day kindergarten. To do that, they would they need about twice the number of teachers they now have at that level

Question 2: *The second formula component is the Student Success Factor (SSF), which is the amount of additional funding that many students need to achieve school success. Districts receive an additional 40% of the CIA for each student who is enrolled in the federal free and reduced price lunch program (FRPL). Do you think this way of categorizing students with special needs provides sufficient funds for your students? Please comment.*

- One said that this is a fair way of categorizing students.
- Three districts said the SSF is a help in that it recognizes that poverty does correlate with some special needs, but the poverty multiplier (of 40%) is insufficient to cover poverty costs.
- One said that they have a low enrollment in the FRPL program because their parents won’t apply and complete the paperwork. Families qualify for the free lunch program but are too proud to apply.
- One said that free lunch students tend to have greater needs than reduced price students, and they should be given greater weight in the formula.
- Five said that numbers of both English Language Learner (ELL) and Special Education (SE) students should be used in the formula. For one, around 24% of the student body is in special education; and nearly 60% is either Hispanic or Southeast Asian with problems of assimilation, citizenship, and language. Another asked, why use numbers of poor children as an approximation when the actual number of ELL and SE has been part of reporting requirements for districts for years? These students often require additional support staff which raises costs.
- One said that many other states use the FRPL designation as an indicator of poverty, but most of those have additional percentages for ELL and SE students.
- Five said that SE children need to be given extra weight in the formula.

- One noted that mental health needs to be factored into the formula. They have seen an increase in the number of students with symptoms at younger ages that include autism and behavior problems.
- One said that ELL should be given extra weight.
- One said they have little need for ELL instruction.
- One said that their number of ELL students is still small but growing. The number is right around 5% which is the baseline for a lot of services being required by law for ELL students. While most of students requiring ELL go to one elementary school there are a handful scattered around in other schools and by law those other children cannot be moved out of their neighborhood schools. This is not cost effective.
- One said the needs of Gifted and Talented children should be considered by the formula.
- Three said that the formula should factor in mobility. One district has 6,200 students in the school system at any given time but processes 7,200 students annually with many children moving in and out of the schools. Another reports that their students have a 30% mobility rate which means children come into the district, leave during the school year, and sometimes reappear a few months after leaving. This mobility has created significant gaps in the children's learning and increases the need for special education. By the time the testing is completed and an individualized learning program has been agreed upon for the child, the child may have moved to another district. This is a huge assessment and adjustment burden.

Question 3: *The third formula component is the State Share Ratio, which is the percentage of the total program cost that the state will pay. This is calculated first by comparing the local school district taxable wealth per pupil to the state average taxable wealth per pupil. The resulting percentage, called the State Share Ratio for the Community (SSRC), is higher when the district's wealth per pupil is lower. Then the SSRC is adjusted using a quadratic mean to give equal weight to both the SSRC and the percentage of students in pre-K to 6 in the local district who receive FRPL. Do you think that this is an equitable way of determining the state share? Please comment.*

- One said that there are winners and losers with the formula, but the state is clearly trying to be equitable, and the formula is at least more predictable than the old patchwork funding that preceded it.
- One said that when the community has the means, it does not need as much state funds.
- One responded that they are fortunate to receive additional state aid under the new formula.
- One said that the current state share ratio is better than what was in place previously but not totally adequate, especially when the rate of poverty is under reported and documented.
- One said that their state share ratio should be higher.

- One said that their low poverty rate puts the town at a disadvantage with this formula.
- Two said that a big problem is that when the state gives more funding, the town feels less need to increase funding. The law says that the town cannot reduce funding, but when they “level fund” the schools, it’s really like a cutback since contractual increases in salaries as well as inflation mean that the same amount of money doesn’t go as far.
- One said that when the state reduced their school funding share, their local community felt no obligation to increase their share of school funding.
- One said that the adjustment percentage for poor children needs to be extended to grade 12, not stopped at grade 6.
- One asked the following questions:
How is the current phase in schedule going to be paid for?
Who calculates the taxable wealth of a district?
How accurate are the real estate assessments?
- Another asked these questions:
The local school district taxable wealth per pupil and the state average taxable wealth per pupil is determined by whom and how often?
How is the process reviewed for establishing the State Share Ratio?
What is the audit cycle for applications for free and reduced priced lunches?
- One said that the use of the quadratic mean has been controversial. Using a simple average would make the funding process much easier to understand.

Question 4: *Are there changes that you think should be made to the formula? How do you think these changes would improve the quality of education and financing for your district?*

- Two said that the formula is too incomprehensible; it needs to be completely transparent.
- One said that the whole formula needs to be reviewed on an on-going basis.
- One said that RIDE needs to be held accountable for the data used to calculate the formula.
- One said the funding does not provide for the many mandates required of the schools.
- One asks, does success go down if formula money is taken away in districts that still must meet the state mandates? Does it go up if a district receives more money but it is not tied to the student groups that require higher spending levels?
- One said that with declining enrollments, there are some fixed costs that do not go down; a class with 25 students costs the district the same as a class with 30 students, so per pupil costs increase at the same time state share contributions decrease.

- One said they don't feel the formula is working right, but do not know how to fix it since there is not enough money to cover everything they feel is needed.
- One said that many health and traditional safety needs need to be funded.
- Two said the formula should include the cost of transportation. School systems are required to provide small buses for handicapped students and these buses need to be air-conditioned.
- One said the state is making a good effort by providing categorical funds for districts with high SE costs.
- Two said that the SE categorical aid is inadequate; it was said that the regulations to provide it amount to an unfunded mandate.
- One said that the formula does not provide pass through funds for SE children who are sent out of the district; these costs represent 5% of this district's entire expenses.
- One said that state funding should approach 50% of school costs.
- One questioned the schedule for phasing in the current formula: those receiving less have less phased in over 10 years, while those receiving more have more phased in over 7 years. They said that these schedules should be the same length.
- One said that a shorter time period would help for phasing in the larger equalization increases.
- One said the formula should provide for new initiatives such as upgraded technology and all-day kindergarten.
- Two said that the formula should provide for the maintenance of school buildings, including the wiring upgrade to accommodate electronic devices.
- One said that transportation to private and charter schools is an expense for the school district that should be covered in the funding formula.
- One said that the children in the group homes in their district have serious emotional, cognitive and behavioral difficulties. The Department of Children, Youth and Families is trying to pass on the significant cost of educating these students to their school district.
- One believes that the formula should have a two year funding cycle for planning purposes.
- One said that the formula should provide consideration for greater emphasis on early childhood programs.
- One said they were concerned that staff retirement costs are not covered by the formula.
- Two said that the formula should factor in the cost of maintaining the school buildings

which is a major expense for school districts.

- One said the formula should cover the legally required costs for bus monitors, pensions, and health care which districts have no control over.
- Two said there needs to be funding to upgrade schools for safety to prevent shooters entering; to train teachers and staff in emergency management and to establish a protocol for health professionals in case of attack.

Question 5: *Are there other comments about the formula that you would like to share?*

- One said that economic development is crucial for the town and the schools.
- Two said that teacher pensions are a huge expense, but their teachers are in a state pension fund that they have no control over that cost. The individual cities and towns have no input in the negotiations but are forced to comply with whatever is formulated in private sessions between state and union officials.
- One district opposes local funding of charter schools. If the state wants these schools, then the state should pay the full cost of them. This district sees charter schools as draining resources from public education.
- One said that losing students to charter schools causes pretty much the same problem as declining enrollments in general: fixed costs stay the same, state contributions go down, and per pupil costs go up.
- One said the fact that the charter schools are not held to the same standards and mandates as the public schools is a major point of contention.
- One expressed concern about the funding for charter schools and recommended that the RIDE conduct a cash flow analysis of them.
- One said most states contribute to the costs of busing.
- One said that bus monitors are another expense the town must pay for without any assistance from the state.
- One said that housing aid should continue to be in a separate formula; with an increase in the percentage of housing aid coming from the state.
- One questioned the time, effort, and expense of textbooks for resident private school students. Is this cost included in the per pupil cost?
- One said that the formula is politically driven. Since all kinds of communities have to be helped by their legislators, it is unrealistic to expect any formula to supply sufficient resources for poor children.

– One said that the formula provision that the state pay SE costs only after the district pays five times the CIA cost is inadequate. It fails to provide the full cost of social workers, behavioral specialists, psychiatrists, medical and cognitive testing, or pay the cost of out of district placements. For their 100 or so out of district students, the price tag is \$5 million dollars. The RI Department of Children, Youth & Families tells the district where to place the children in its care but hands the district the bill for these extra services.

– One would like the League of Women Voters of RI to make a freedom of Information request from RIDE for all core Instruction spending by every district in the state.

Other Comments related to school financing:

– Two favor a statewide teachers' contract; one of them said it would make poorer communities more competitive in recruitment and would give the state greater flexibility in negotiating health care benefits.

– One said that a statewide teachers' contract is something to wish for, but impractical considering the rivalry between the NEA and AFT and New England's culture of localism.

– One said they have received 3 years of level funding from the town but the per pupil cost increases each year.

– One objected to the state's 4% cap on property tax increases. Their town can ask for a waiver of the 4% cap but is reluctant to do that.

– One seemed very concerned about the adversarial relationship between the School Administration and the Board of Education on one side, and the City Council, on the other. When times are hard and there isn't enough money to go around, the school system is perceived as making ever-escalating and unreasonable demands on the city.

– Two have sued the state of RI on the state education aid issue and couldn't comment about the court suit.

– One said that their particular situation as an urban poverty zone, with a low tax base, many ELL students, and more special education students than most schools, put it in a particularly difficult position.

– One pointed out that whereas many states have a statute stating that free education is a right of citizenship, RI does not.

– One said that a state budget commission scrutinizes the district's educational finances rather than the school board and city council. The city can control some spending; other expenditures require commission approval. Under the previous school administration there had been mismanagement in the school department totaling \$10 million dollars. up through FY 2011. The city has level funded the school department.

– Two say that the towns are in regional school districts are feeling betrayed because the

State promised additional regionalization bonus that they no longer get.

– One regional school district says that their per pupil costs include operating and debt service costs which are difficult for them to separate out when talking budget with towns.

– One said that regional school district bus costs are higher because their students are just not within walking distance of the school like many are within cities.

– To stretch scarce dollars, one has entered a consortium with three other to apply for grants, buy oil and light bulbs and share professional development experts.

– One said that law and policy should provide incentives for the outcomes that are desired, like good financial management, in addition to funding by head counts. For that reason categorical grants are also good, including grants for increasing career technical programs.

– One said that if any school is failing, the state should step in.

--One said that the state needs to hold municipalities accountable for adequate funding of schools.

– One said that the federal government should provide more funds for SE to enable districts to comply with the Individuals with Disabilities Act (IDEA).

– One said that its schools provide universal breakfast with the meals eaten in the classrooms, a setting that tries to replicate a family meal, something missing from the lives of many of their children.

MEMBERS OF THE LWVRI EDUCATION FINANCE SUBCOMMITTEE:

Janet Carroll	Susan Wells
Patty MacLeish	Wendy Holmes
Barbara Feldman	Linda Poole
Hollie Courage	Sandy Riojas
Maureen Romans	Susan Escherich
Marian Styles-McClintock	Derry Riding
Joanne DeVoe, Chairman	Mickie Bonneau

APPENDIX A: Letter sent to all RI school districts requesting survey participation

To: All Public School Superintendents in Rhode Island

Subject: League of Women Voters of RI Survey on “The Education Equity and Property Tax Relief Act”

The League of Women Voters of RI is inviting all RI school districts to participate in a survey about the RI education funding formula enacted in 2010. Four school districts have already taken part; seven others have agreed to be involved.

The League studied the funding of public education from 2009 to 2011 and then

adopted a consensus position; see first attachment below. Although we support using an equalization formula for financing education, members have concerns about some aspects of “The Education Equity and Property Tax Relief Act.” After two years of having this new formula in effect throughout the state, the League would now like to assess how well the local school district officials think it is working.

The League would like to interview either you or some one you designate for the survey; see the interview questions, the second attachment below. We intend to write a survey report which includes the views expressed while not attributing any particular view to any specific school district. If we do decide that we would like to quote someone by name, we will only do so if we have his or her permission to do so in advance. We intend to publish this report on our website, www.lwvri.org and to notify beforehand those who have contributed to it.

If you are interested in taking part in our survey, and have not already agreed to be involved, please let me know. Also, please contact me if you have any questions or concerns about this matter.

Sincerely,

Joanne DeVoe
League of Women Voters of Rhode Island
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First Attachment:

LWVRI POSITION ON FINANCING PUBLIC EDUCATION IN RHODE ISLAND

Approved by Convention, June 4th, 2011

The League of Women Voters of Rhode Island believes that any method of financing public education should provide equality of opportunity for education through a system of taxation that is sufficient, equitable, flexible and coordinated among the different levels of government.

The LWVRI believes further that the best way to fund education in Rhode Island is to divide the cost between the state and the cities and towns. The state’s total share of the funding of core instructional costs should be at least 50%. In determining the share that will be distributed to each city and town, the state should use a transparent formula that provides equitable funding for Rhode Island’s school children and that takes into account community wealth and student poverty level.

The state share of funding for public schools under a formula should be used for core instructional costs to include school personnel salaries, books and supplies, the cost of operating facilities, and teacher development. No state funds should be used to offset the cost of teacher and employee health benefit costs because these benefits are negotiated at the local level.

The League believes that the enrollment number should be averaged over a year. The League recognizes that students have different needs. To provide equality of opportunity, low income student enrollment should be given additional weight. The League supports using eligibility for the Federal Free and Reduced Price Lunch Program (FRPLP) as a measure of poverty level and student need. The League recommends that the use of poverty as an

indicator of student need be reassessed over time to assure that it does indeed reflect the requirements of the ESL (English as a second language) and other special needs student populations in an equitable manner.

When funding a regional school district, the state should determine its share by calculating the wealth and enrollment of each participating town separately and assess each city and town's per pupil's share accordingly. The funding should follow the student.

The League does not support a hold harmless position in any public education financing formula.

Finally, the League believes that when funding charter schools in Rhode Island, the funding should follow the student.

Second Attachment

LEAGUE OF WOMEN VOTERS OF RHODE ISLAND Local School District Interview about "The Education Equity and Property Tax Relief Act,"

The League of Women Voters of RI is interviewing staff in the local school districts to learn their views about the new education funding formula enacted in 2010 which is just completing its second year of operation.

Name, title and school district of the person being interviewed:

Date of Interview: _____

1. RIDE defines three components of the formula. The first is the Core Instructional Amount (CIA) which for FY 2013 is \$8,679 per student enrolled. Is this amount adequate for your district costs of instruction, which include salaries and supplies but exclude benefits and school construction? Please comment.
2. The second formula component is the Student Success Factor, which is the amount of additional funding that many students need to achieve school success. Districts receive an additional 40% of the CIA for each student who is enrolled in the federal free and reduced price lunch program (FRPL). Do you think this way of categorizing students with special needs provides sufficient funds for your students? Please comment.
3. The third formula component is the State Share Ratio, which is the percentage of the total program cost that the state will pay. This is calculated first by comparing the local school district taxable wealth per pupil to the state average taxable wealth per pupil. The resulting percentage, called the State Share Ratio for the Community (SSRC), is higher when the district's wealth per pupil is lower. Then the SSRC is adjusted using a quadratic mean to give equal weight to both the SSRC and the percentage of students in pre-K to 6 in the local district who receive FRPL. Do you think that this is an equitable way of determining the state share? Please comment.
4. Are there changes that you think should be made to the formula? How do you think these changes would improve the quality of education and financing for your district?
5. Are there other comments about the formula that you would like to share?