

History of Rhode Island State Education Aid

Part I

At a meeting of LWVRI's Education Study Committee held on June 17, 2009, copies of the following document were distributed by Kristen Cole, Senior Financial Officer for Resource Allocation and Management for the RI Department of Education. LWVRI has added highlighting.

HISTORY OF EDUCATION AID

- **1955 – Foundation Program** – first funding system based on **per pupil flat grant** with a pool of funds for equalization
- **1960 – First version of Operations Aid formula** which established:
 - State share of locally determined expenditures based on share ratio;
 - Minimum guarantee of 25 percent; and
 - State Housing Aid program.
- **1964 – General Assembly increased the minimum guarantee to 30 percent**
- **1967 – General Assembly implemented several Thibeault Commission recommendations**, including:
 - Established Median Family Income Adjustment;
 - Excluded intangible personal property; and
 - Included Kindergarten students as ½ a student in student count.
- **1980 – General Assembly decreased the minimum guarantee to 28 percent**
- **1985 – Omnibus Property Tax Relief & Replacement Act** was enacted which:
 - **Required 2 percent increase in state share towards a goal of 50 percent** state share of education expenditures; and
 - Limited property tax levy growth to no more than 5.5 percent.
- **1988 – State share of education expenditures goal was increased to 60 percent and seven major categories of education aid** were established (Operations Aid, Special Education, Vocational Education, Literacy, Limited English Proficient, Conventional Public Housing, and Housing Aid[]). The method of distribution for these funds varied but was not based on weights.
- **1992 – In light of the state fiscal crisis, General Assembly capped the Operations Aid formula and decreased the minimum guarantee to 25 percent.**
- **1993 – General Assembly decreased the minimum guarantee to 15 percent with a provision to reduce to 9 percent the following year.**
- **1994 – Judge Needham declares the State's financing system unconstitutional** and voters approved a **non-binding referendum** directing the General Assembly to develop and

implement a new funding plan. **The Guaranteed Student Entitlement Program (GSE) was proposed.**

- **1995** – Supreme Court overturned the Needham decision. Ruled the Constitution assigned the General Assembly the duty to **support and promote – not establish** – a system of public education. **GSE [Guaranteed Student Entitlement Program] was not implemented.**
- **1998 – Article 31** was established, which enhanced Commissioner's **authority to intervene** in poor performing districts and **set performance standards and accountability measures.** **New categories of education aid** were established, including early childhood, language assistance, professional development, and targeted aid.