

# Governor's FY 2025 Budget: Articles

Staff Presentation to the House Finance  
Committee  
March 7, 2024

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# Introduction

## Topics

Topics		
2024-H 7225	Article 8, Education	Core Instruction Amount
		English Learner Funding Increase
		Reduced-Price Meal Subsidy
2024-H 7400		Universal School Meals

# Education Aid - Overview

	<b>FY 2024 Enacted</b>	<b>FY 2025 Gov</b>	<b>Chg. To Enacted</b>
Formula Aid	\$1,148.2	\$1,168.2	\$20.0
Categorical Funding	72.4	96.8	24.4
Set-Aside Funds	1.0	1.8	0.8
Teacher Retirement	132.7	132.3	(0.5)
School Housing Aid	104.2	106.2	2.0
<b>Total</b>	<b>\$1,458.6</b>	<b>\$1,505.3</b>	<b>\$46.8</b>

\$ in millions

# Education Aid

- Governor - \$46.8M above enacted
  - Caps core instruction growth at 5-yr inflation
    - 3.9% for FY 2025 -\$20M
    - Unaltered growth would be 6.2%\* - \$26M more
  - Enrollment down – 1.6%
  - Increases ELL support - \$16.6 M
    - Moves per pupil weights from 15% to 25%
    - 2023 Assembly increased from 10% to 15%
  - Creates reduced price meal subsidy - \$0.8M
  - Adjusts funding for other items - \$9.3M

# Education Aid

Categorical Funding	FY 2024 Enacted	FY 2025 Gov	Chg. to Enacted
High-Cost Special Education	\$15.0	\$15.0	\$ -
Career and Technical	4.5	4.5	-
Early Childhood	22.9	30.0	7.2
Non-Public Transportation	3.5	3.9	0.5
Regional District Transportation	7.2	7.3	0.1
English Language Learners	19.4	36.1	16.6
<b>Total</b>	<b>\$72.4</b>	<b>\$96.8</b>	<b>\$24.4</b>

\$ in millions

- Teacher retirement \$132.3 million; \$0.5M less
- School construction \$106.2 million, \$2.0M more

# Article 8 - Education

<b>Governor FY 2025 Recommended Budget</b>	
<b>Article 8</b>	
Core Instruction Amount Growth Cap	\$(26.3)
English Learner Funding	13.9
School Meal Subsidy	0.8
<b>Total</b>	<b>\$(11.6)</b>

\$ in millions

- Elements that require law changes
  - Other items changing through appropriation recommendations
- Most aid subject to March 2024 data update

# Education Aid

- Funding formula includes
  - Core instruction amount per pupil
  - Single poverty weight as proxy for need
    - 185% of federal poverty level
      - Previously used lunch counts
      - Currently 1.6X pupils who get certain mean tested benefits
  - State share ratio that considers a district's ability to generate revenues & its poverty concentration
    - Relative measure - ranges from 4.0% to 97.1%

# Education Aid

<b>FY 2024 Enacted</b>	<b>Non Poverty*</b>	<b>Poverty</b>
Core instruction amount	\$11,876	\$11,876
40% weight	-	4,750
Per student total	\$11,876	\$16,626

\*185 % Federal Poverty Level

- This is the basis for the rest of calculation
- Core instruction amount based on RI, MA, CT & NH averages – updated annually
- Then share ratio is applied to determine state share

# Article 8 - Education

- Additional state funding to address specific issues/shortcomings with formula
  - Most subject to appropriation
- Some adopted with funding formula
  - High-cost special education students
  - High-cost career and technical programs
  - Early childhood education programs
  - Transportation
  - Limited bonus for regionalized district

# Article 8 - Education

- More added later to address other issues
  - FY 2017 English language learners and school of choice density aid
  - FY 2018 funding for regionalized districts transportation separated and increased
  - FY 2018 3-year program to support new school resource officers
  - FY 2024 enrollment & poverty stabilization funds

# Core Instruction Background

- Core instruction amount
  - Basis of most formula education aid
  - Calculated annually using average expenditure and enrollment data from RI, MA, CT, and NH
    - Specific expenses in state law include instruction and instruction support, some operating and leadership cost
  - Does not include teacher retirement costs, transportation, debt service

# Education Aid

<b>Core Instruction</b>	<b>FY 2024 Enacted</b>	<b>FY 2025 Current Law</b>	<b>FY 2025 Gov.</b>
Calculated amount	\$11,876	\$12,617	\$12,335
% Chg. from prior year	7.5%	6.2%	3.9%

- FY 2025 Governor's budget proposes to cap increase to 5-year inflation average
  - 3.9% increase
- Under current law increase is 6.2%
  - Average annual change since 2012 would be 4.0%

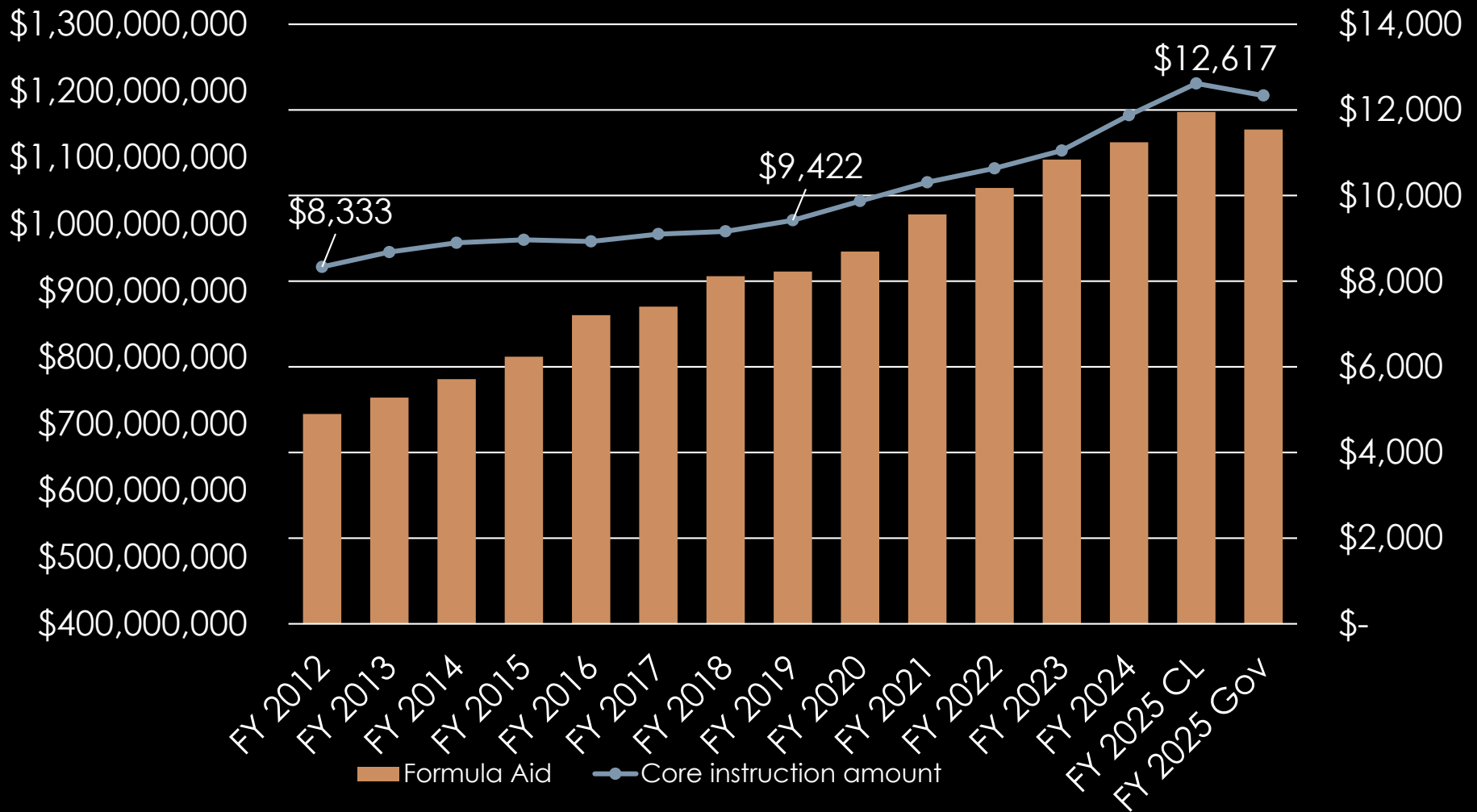
# Education Aid

Fiscal Year	Core Instruction Growth	CPI Annual Change	CPI 5-year Average	May CPI Avg Gov
2018	0.7%	2.2%	1.5%	1.2%
2019	2.8%	2.1%	1.3%	1.3%
2020	4.8%	1.6%	1.4%	1.6%
2021	4.4%	2.3%	1.5%	1.5%
2022	3.2%	<b>7.2%</b>	1.7%	1.5%
2023	3.9%	<b>6.3%</b>	2.0%	2.3%
2024	7.5%	2.9%	<b>3.1%</b>	<b>3.7%</b>
2025	6.2%	2.4%	<b>3.9%</b>	<b>3.9%</b>

# Article 8 - Education

	<b>FY 2012</b>	<b>FY 2025 Gov</b>	<b>Change to FY 2012</b>		<b>Avg. Annual Chg.</b>
Per Pupil Core	\$8,333	\$12,335	\$4,002	48.0%	3.7%
Enrollment	140,913	134,542	(6,371)	-4.5%	-0.3%
Students in Poverty	63,446	56,003	(7,443)	-11.7%	-0.9%
Highest Share Ratio	92.6%	97.1%	4.5%	4.9%	0.4%
Avg. Share Ratio	38.7%	38.3%	-0.4%	-1.0%	-0.1%
Avg. Weighted	52.6%	54.9%	2.3%	4.4%	0.2%
Aid Per Student	\$5,074	\$8,488	\$3,414	67.3%	5.2%

# Formula & Core Instruction Growth



# Formula Aid Change

<b>Governor FY 2025 Change to Current Law</b>	
Aid to Districts	\$(21.2)
Aid to Charters & State Schools	(4.5)
Enrollment Transition Fund	(0.3)
Poverty Loss Fund	(0.4)
<b>Total</b>	<b>\$(26.3)</b>

\$ in millions

- Core instruction change also carries through
  - English learner categorical funding amount
  - Special education funding distribution

# Article 8 – English Learner Funding

- Supports English language learners in most intensive programs
  - For high-quality, evidence-based services proven to increase outcomes
  - Spending monitored & approved by RIDE
  - Criteria determined by Commissioner
- Current law weight is 15% of core amount
  - 2023 Assembly increased from 10% percent and required full funding
- Also known as Multilingual Learner

# Article 8 – English Learner Funding

- 2023 Assembly required RIDE to
  - Evaluate the number of students who qualify as multilingual learners
  - Categorize them by WIDA level
    - Standard for English language proficiency assessment for students in Grades 1-12
  - Recommend funding solution to meet their needs
- RIDE submitted information in its FY 2025 budget request

# Article 8 – English Learner Funding

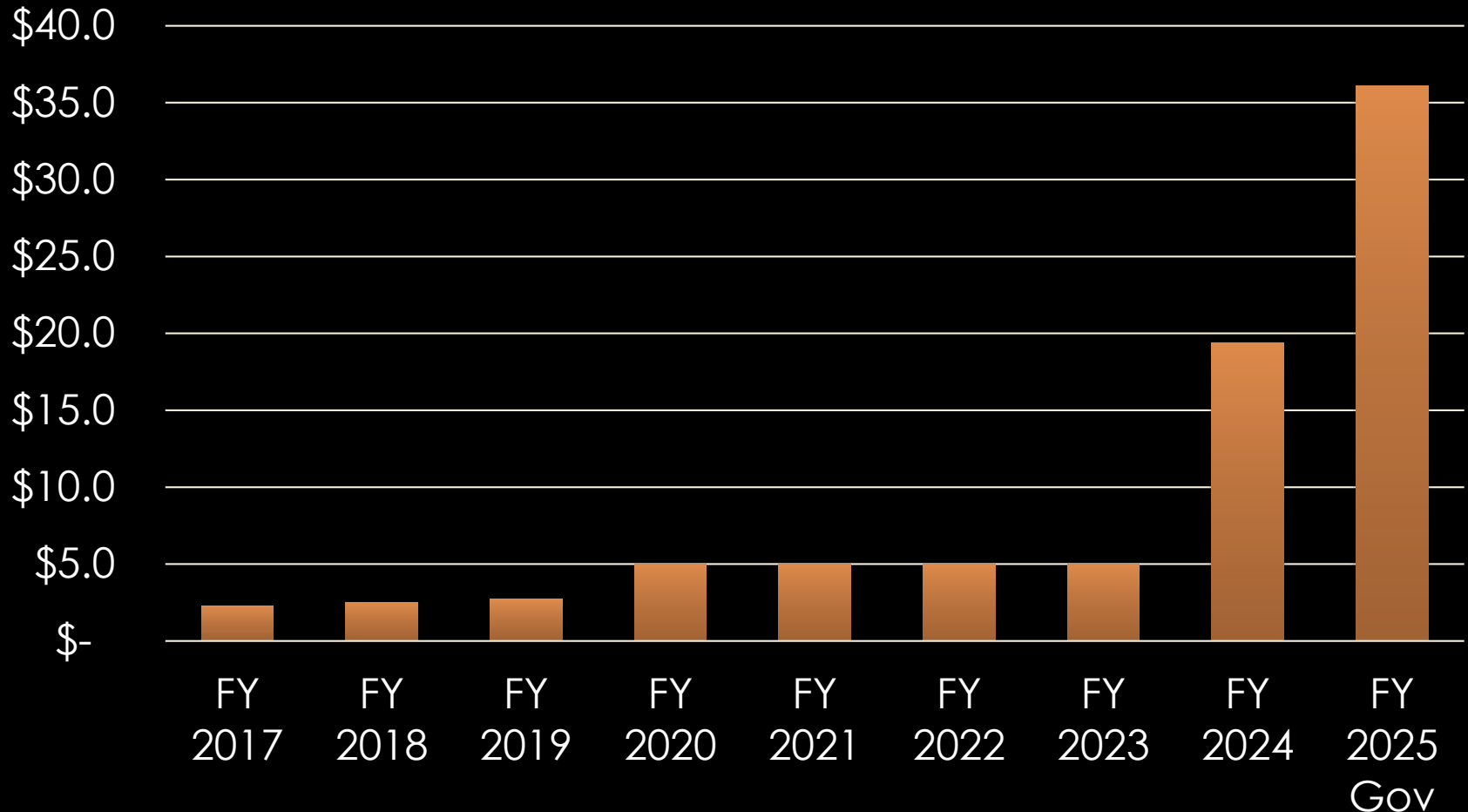
- RIDE identified 19,091 total “MLLs”
  - 14.2% of students statewide
  - 14,760 in highest need categories
- Article 8 equal to ~ \$1,000 more per student

<b>WIDA Category - Funding weight</b>	<b>Pre-FY 2024</b>	<b>Current Law</b>	<b>RIDE Req</b>	<b>Gov Article 8</b>
Highest Need (1-3)	10%	15%		25%
Lower Needs (4-6)	N/A		15%	N/A
Monitored (2-yrs post exit)			15%	N/A

# Article 8 – English Learner Funding

- Article 8 increases weight only
  - 15% to 25% for current eligible
  - No expanded eligibility
- Total funding - \$36.1 million
  - \$16.6 million more than enacted
  - \$13.9 million more than current law

# Article 8 – English Learner Funding



*\$ in millions*

# Article 8 – English Learning Funding

- Calculation is 25% of core instruction amount, adjusted for state share ratio

Example LEA	
Core instruction amount	\$12,335
25% equals	\$3,084
X number of eligible students	x 299
Equals	\$922,041
X State Share Ratio	50.9%
<b>Equals Total LEA MLL funding</b>	<b>\$469,427</b>

# Article 8 – School Meals

- Most school meals reimbursed by USDA
  - Depending on eligibility
  - RIDE data showed 58.0% of lunches & 71.7% of breakfasts were free or reduced-price in October 2023

<b>Federal Meal Reimbursements</b>	<u>Paid</u>		<u>Reduced-Price</u>		<u>Free</u>	
	Min.	Max.	Min.	Max.	Min.	Max.
Breakfast	\$0.38	\$0.38	\$1.98	\$2.43	\$2.28	\$2.73
Lunch	\$0.40	\$0.50	\$3.85	\$3.95	\$4.25	\$4.35

*FY 2024 Reimbursement data from USDA*

# FY 2024 Annual Income Criteria

Household Size	Federal Poverty Level	Reduced Price Meals 185% FPL	Free Meals 130% FPL
1	\$14,580	\$26,973	\$18,954
2	\$19,720	\$36,482	\$25,636
3	\$24,860	\$45,991	\$32,318
4	\$30,000	\$55,500	\$39,000
5	\$35,140	\$65,009	\$45,682
6	\$40,280	\$74,501	\$52,364
7	\$45,420	\$84,027	\$59,046
8	\$50,560	\$93,536	\$65,728
<b>Adjust for each add'l Member</b>	<b>\$5,140</b>	<b>\$9,509</b>	<b>\$6,682</b>

# Article 8 – School Meals

- Article 8 makes meals free for students whose families qualify for reduced-price meals
  - Students will not be charged
- Schools use federal/other sources first
  - State must pay any difference
    - \$0.8 million from general revenues added for ~6,500 eligible students
- H 7400 - all meals at no cost to students
  - State pays after federal funds maximized

# Article 8 – School Meals

- Community Eligibility Provision Option
  - School provides free lunch to all students
  - Federal reimbursement based on formula rather than each meal
    - Formula based on student participation in other means-tested programs
      - Such as SNAP or TANF
    - Does not always cover full cost of the food
  - Schools are eligible if 25% or more of their students are directly certified
    - Changed from 40% for 2023-2024 school year

# Article 8 – School Meals

- Participation in CEP has grown in recent years
  - Eligibility increased this year by about 50 schools with the 40% → 25% change

Community Eligibility Provision	FY 2019	FY 2024	FY 2024 Enrollment
	Schools		
Total	346	349	136,154
Eligible	95	148	65,474
Participating	34	85	37,508
Share of eligible	35.8%	57.4%	57.3%

# Schools Offering Free Meals through CEP

LEA/type of School	# of Schools
Providence*	36
Woonsocket*	9
Central Falls*	7
Pawtucket	7
North Kingstown	1
Charter Schools	20
Private Schools	5
<b>Total</b>	<b>85</b>

- Participating schools represent 27.5% of total October 2023 enrollment

*\*participates district-wide*

# Article 8 – School Meals

- CEP threshold change made some districts 100% eligible
  - East Providence
  - Newport
  - West Warwick
  - Pawtucket
- Schools in some non-participating districts newly eligible
  - Cranston, Johnston, Lincoln, North Providence, Warwick

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