

## Education Aid

The Education Adequacy Act (2010-S-2770, Substitute A as Amended) provided a new school funding formula that creates a single methodology for distributing state aid to all public schools. The core principle behind the formula is that state funding should follow the student; therefore, the distribution of state funds changes annually based on shifts in enrollment. This formula applies to all public schools, charter schools, the Davies Career and Technical School, and the Metropolitan Career and Technical Center. The Act does not change the funding methodology for the School for the Deaf, since it is an education program that already has a state, federal and local share.

Beginning in FY2012, the formula established a per-pupil spending amount and allocated this funding based on student enrollment, adjusting for poverty (as measured by the number of families whose income is below 185.0 percent of the federal poverty guidelines). The formula also adjusts for local revenue generating capacity and overall poverty level, as well as the concentration of children living in poverty.

The Act included a multi-year transition plan to ease districts into the new formula, allowing time for school districts and municipal governments to adjust for gains or losses in education aid. The plan provided a transition period of ten years from the formula implementation in FY2012 for those districts projected to receive less school aid than they did in the previous year, and seven years for those districts projected to receive more. FY2021 was the final year of the transition plan.

In FY2023, the formula aid to the districts, charter schools, and state schools increases by \$23.0 million to fully fund the formula, hold districts harmless relative to the FY2022 funding formula distribution, and correct for a property tax data error that occurred in FY2022. Categorical aid is level funded, except that group home aid decreases by \$662,927.

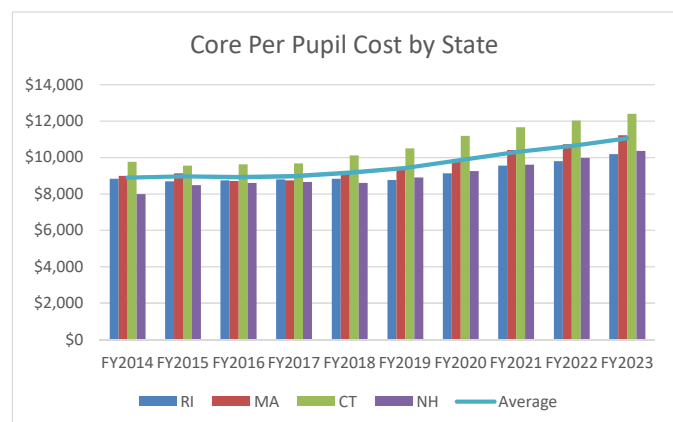
### HOW THE FORMULA WORKS

**Step 1 - Student Enrollment:** Student enrollment is based on resident average daily membership (RADM), which refers to the average number of students who are residents of the community and were enrolled in the school district during the prior school year. The Budget is based on enrollment data as of March 2021 with projected charter school enrollments.

*Analyst Note: In an effort to hold local education agencies (LEAs) harmless from enrollment declines due to the COVID-19 pandemic, the FY2022 Budget as Enacted provided that, in FY2022, the enrollment used to calculate education aid would be the greater of March 2020 or March 2021, adjusted for charter school growth.*

**Step 2 - Core Instruction Amount:** The core instruction amount provides a base level of funding per pupil (\$11,050 in FY2023, a 3.9 percent increase from the FY2022 Budget as Enacted). It is derived from the average of northeast regional expenditure data from Rhode Island, Massachusetts, Connecticut and New Hampshire, as published by the National Center for Education Statistics (NCES).

**Step 3 - High Need Student Weight (40.0 percent):** The Act includes a single factor to adjust the core instruction amount to address the effects of poverty and other factors influencing educational need. The student success factor, also referred to as the high need student weight, increases the core instruction amount by 40.0 percent, or \$4,420 based



on the FY2023 core instruction amount of \$11,050 ( $\$11,050 \times 0.40 = \$4,420$ ), for each student whose family income is at or below one hundred eighty-five percent (185%) of federal poverty guidelines.

**Step 4 - Total Foundation Budget:** The total foundation budget for each school district is calculated by adding the product of the total core instruction amount and the total student success factor weight.

$$\text{Total Foundation Budget} = (\$11,050 \times \text{RADM}) + (0.40 \times \$11,050 \times \text{students in poverty})$$

**Step 5 - State Share Ratio:** The Education Adequacy Act creates a new share ratio by adding a wealth measure, based on the concentration of children living in poverty, to the single equalized weighted assessed valuation (EWAV) previously used to determine a district's ability to pay for the cost of education. The total foundation budget equals the student enrollment and the high-need student weight of the district multiplied by the core instruction amount. The State's share of the total foundation budget is the state share ratio calculated as follows:

$$\text{State Share Ratio (SSR)} = \sqrt{\frac{\text{SSRC}^2 + \%PK - 6\text{poverty}^2}{2}}$$

By squaring each factor, the formula amplifies the greater of the two variables. Consequently, school districts with less capacity to raise revenue than the State as whole and a higher concentration of child poverty look relatively poorer, while districts with a higher capacity to raise revenue and lower concentrations of poverty look relatively wealthier. Those poorer districts with the higher SSR will receive a greater portion of the calculated education costs as state aid than the wealthier districts.

The EWAV share ratio is based on each community's total assessed property value and median family income, relative to districts across the State. The total community property value includes motor vehicles, personal property and State payments in lieu of taxes. These values are brought to full market value based on market experience and then adjusted by the median family income. The higher the EWAV share ratio, the less capacity the community has relative to the rest of the state for generating locally derived revenue to support schools and the more state aid the community will receive. While similar to the share ratio used in the school construction formula to determine the state's share of debt service obligations, the Education Adequacy Act adjusted the EWAV calculation to increase the State share of total education budget.

The distribution includes an update to the median family income (MFI) component of the EWAV based on the socio-economic data from the American Community Survey (ACS) provided by the United States Census Bureau. The index used to adjust for MFI is the ratio of the median family income of the municipality relative to the median family income statewide as reported in the American Community Survey (ACS) provided by the United States Census Bureau.

**Step 6 - State Share of Foundation Budget:** The State's share of the total foundation budget equals the state share ratio, discussed above, times the total foundation budget. Unlike many foundation formulas, the statute neither requires a minimum nor sets a maximum local spending level beyond the limits in the maintenance of effort requirements found in RIGL 16-7-23 and 16-7-23.1. Nonetheless, a municipality is responsible, to some degree, for the difference between the state share and the total foundation amount.

#### TABLE

The table on the following page provides a step-by-step calculation of each district's recommended formula distribution for FY2023.

FY2023 Governor's Education Aid Calculator<sup>1</sup>

Districts	Poverty RADM (based on March 2021 Data)		B	Core Instruction Funding (C = \$11,050)		Student Success Factor Funding (F = 0.4*\$11,050 = \$4,420)		Total Foundation D+G+H	% Poverty PK6	EWAJ	State Share Ratio	State Share of Foundation Budget H*J=I	FY2022 Enacted (excludes group home and categoricals)	Change in State Funding
	A	PK-12 RADM (based on March 2021 Data adjusted for projected FY2023 PSOC growth)		A+C=D	B+F=G	D+G+H	K							
Barrington	3,383	124	537,382,150	5548,080	537,930,230	4.3%	36.2%	25.8%	59,777,358	57,924,118	51,853,240			
Burrillville	2,090	577	23,094,500	2,550,340	25,644,840	31.7%	59.0%	47.4%	12,145,330	13,780,456	(1,635,127)			
Charlestown	721	177	7,967,050	561,340	8,528,390	19.4%	-	13.7%	1,169,914	1,291,300	(121,387)			
Coventry	4,352	809	48,089,600	3,575,780	51,665,380	20.4%	61.1%	45.5%	23,532,914	24,066,104	(533,190)			
Cranston	10,041	3,074	110,953,050	13,587,080	124,540,130	34.4%	64.3%	51.6%	64,218,825	68,482,484	(4,263,658)			
Cumberland	4,501	666	49,736,050	2,943,720	52,679,770	18.9%	51.6%	38.9%	20,469,904	20,401,578	68,326			
East Greenwich	2,534	140	28,000,700	618,800	28,619,500	6.8%	24.7%	18.1%	5,184,515	4,305,850	878,666			
East Providence	4,863	2,130	53,736,150	9,414,600	63,150,750	43.7%	60.2%	52.6%	33,217,925	36,103,488	(2,885,563)			
Foster	204	56	2,254,200	247,520	2,501,720	25.3%	49.8%	39.5%	988,121	1,057,919	(69,798)			
Glocester	532	63	5,878,600	278,460	6,157,060	12.0%	51.5%	37.4%	2,302,218	2,422,153	(119,935)			
Hopkinton	1,101	186	12,166,050	822,120	12,988,170	18.2%	55.5%	41.3%	5,364,201	5,590,417	(226,216)			
Jamestown	643	31	7,105,150	137,020	7,242,170	4.3%	-	3.0%	220,202	291,969	(71,766)			
Johnston	3,206	907	35,426,300	4,008,940	39,435,240	32.2%	55.0%	45.1%	17,771,779	19,496,027	(1,724,248)			
Lincoln	3,168	728	35,006,400	3,217,760	38,224,160	25.7%	51.1%	40.4%	15,460,007	15,940,955	(480,948)			
Little Compton	312	38	3,447,600	167,960	3,615,560	12.8%	-	9.1%	327,243	432,020	(104,776)			
Middletown	2,045	626	22,597,250	2,766,920	25,364,170	29.5%	23.4%	26.6%	6,753,279	8,132,606	(1,379,327)			
Narragansett	1,128	127	12,464,400	561,340	13,025,740	14.3%	-	10.1%	1,317,114	2,178,394	(861,280)			
Newport	1,933	1,215	21,359,650	5,370,300	26,729,950	68.1%	-	48.2%	12,871,533	14,752,903	(1,881,371)			
New Shoreham	148	24	1,635,400	106,080	1,741,480	6.0%	-	4.2%	73,885	211,086	(137,201)			
North Kingstown	3,654	555	40,376,700	2,453,100	42,829,800	18.7%	26.1%	22.7%	9,723,874	11,216,037	(1,492,163)			
North Providence	3,428	1,517	37,879,400	6,705,140	44,584,540	44.7%	69.2%	58.3%	25,971,652	26,608,402	(636,749)			
North Smithfield	1,609	146	17,779,450	645,320	18,424,770	13.0%	47.3%	34.7%	6,390,886	6,204,807	186,079			
Pawtucket	8,284	6,049	91,538,200	26,736,580	118,274,780	72.7%	86.4%	79.8%	94,435,765	95,061,517	(625,752)			
Portsmouth	2,197	213	24,276,850	941,460	25,218,310	11.1%	-	7.8%	1,979,356	3,062,524	(1,083,168)			
Providence	20,164	16,925	222,812,200	74,808,500	297,620,700	84.2%	86.2%	85.2%	253,590,302	272,489,702	(18,899,401)			
Richmond	1,112	144	12,287,600	636,480	12,924,080	15.0%	54.8%	40.2%	5,192,232	5,149,642	42,590			
Scituate	1,228	108	13,569,400	477,360	14,046,760	10.6%	21.6%	17.0%	2,389,849	2,358,211	31,637			
Smithfield	2,366	253	26,144,300	1,118,260	27,262,560	11.1%	37.0%	27.3%	7,446,747	6,817,709	629,038			
South Kingstown	2,792	386	30,851,600	1,706,120	32,557,720	16.2%	-	11.5%	3,729,529	4,559,972	(830,443)			
Tiverton	1,666	244	18,409,300	1,078,480	19,487,780	16.0%	39.1%	29.9%	5,821,613	6,774,565	(952,952)			
Warwick	8,220	2,514	90,831,000	11,111,880	101,942,880	29.7%	42.8%	36.8%	37,552,705	39,218,717	(1,666,012)			
Westerly	2,519	687	27,834,950	3,036,540	30,871,490	30.1%	-	21.3%	6,570,661	7,937,325	(1,366,663)			
West Warwick	3,528	1,855	38,984,400	8,199,100	47,183,500	54.3%	73.7%	64.7%	30,542,306	30,857,785	(315,478)			
Woonsocket	5,645	4,360	62,377,250	19,271,200	81,648,450	77.7%	89.5%	83.8%	68,427,880	69,995,691	(1,567,811)			
Bristol-Warren <sup>2</sup>	3,061	544	33,824,050	2,404,480	36,228,530	-	-	-	10,100,912	11,345,723	(1,244,811)			
Exeter-West Greenwich <sup>3</sup>	1,571	190	17,359,550	839,800	18,199,350	-	-	-	4,215,272	4,242,989	(27,717)			
Charlho	-	-	-	-	-	-	-	-	-	-	-			
Foster-Glocester <sup>2</sup>	1,135	123	12,541,750	543,660	13,085,410	-	-	-	4,981,316	5,104,253	(122,937)			
Central Falls	2,554	2,473	28,221,700	10,930,660	39,152,360	92.4%	97.6%	95.0%	37,208,669	38,557,253	(1,348,583)			
<b>District Total</b>	<b>123,638</b>	<b>50,934</b>	<b>\$1,366,199,900</b>	<b>\$225,128,860</b>	<b>\$1,591,328,160</b>				<b>\$849,437,793</b>	<b>\$894,424,651</b>	<b>(\$44,986,858)</b>			
Charter School Total	12,879	8,613	142,312,950	38,068,561	180,381,511	-	-	-	141,485,560	124,327,778	17,157,783			
Davis	893	386	9,867,650	1,706,120	11,573,770	-	-	-	8,823,425	8,589,670	233,755			
Met School	811	576	8,861,550	2,545,920	11,507,470	-	-	-	8,397,189	8,259,898	137,291			
Urban Collaborative	119	118	1,314,950	521,560	1,836,510	-	-	-	1,558,325	1,630,145	(71,820)			
<b>Total</b>	<b>138,340</b>	<b>60,627</b>	<b>\$1,528,657,000</b>	<b>\$267,970,441</b>	<b>\$1,796,627,441</b>				<b>\$1,009,702,293</b>	<b>\$1,037,232,142</b>	<b>(\$27,529,849)</b>			

<sup>1</sup> Based on March 2021 enrollment updated for projected charter school growth. Expected to be updated when March 2022 data is available.

<sup>2</sup> Calculations based on component district data as required by the Superior Court decision in Town of Warren v. Bristol-Warren Regional School District, et al. Source: Rhode Island Department of Education

## CHARTER AND STATE SCHOOLS

The education funding formula calculation for charter and state schools funds students as if they were still in the sending district, with the same core instruction amount, high-need student weight, and state share ratio. The aid, however, is distributed directly to the charter or state school. In FY2023, the Budget provides \$141.5 million in funding formula aid to charter schools, an increase of \$17.2 million. This increase is primarily driven by enrollment. In FY2023, charter school enrollment increases by 1,242 students, or 10.7 percent, relative to the FY2022 Budget as Enacted.

**Sending District Tuition:** Under the formula, the funding mechanism for charter and state schools changed significantly. Previously sending district tuition per-student was based on the per-pupil expenditure of the sending district, without deductions, the formula allowed sending districts to retain 5.0 percent of the per-pupil expenditure as indirect aid. The indirect aid was intended to cover residual costs from the transfer of the student from the district to the charter school. Today, the sending district tuition is calculated by dividing the local appropriation to education from property taxes, net debt service and capital projects, by the district resident average daily membership (RADM), or enrollment: there is no indirect aid retained by the sending district.

$$\text{Tuition} = (\text{local appropriation to education} - \text{debt service} - \text{capital projects} / \text{District RADM}) - \text{local tuition reduction}$$

**Local Charter and State School Tuition Reduction:** Article 11 of the FY2017 Budget changed the above calculation to subtract a district-specific amount from the tuition paid for each student attending a charter or state school. The amount of the reduction is calculated based on differences in expenses between each district and charter schools. The expenditure data used for the calculation is the prior previous fiscal year; consequently, the calculation of unique costs for FY2023 is based on FY2021 data from the Uniform Chart of Accounts (UCOA). The reduction will be the greater of 7.0 percent of the district's per-pupil funding or the per-pupil value of each district's costs in the delineated expenditure categories. The categories include each district's costs for non-public textbooks, transportation for non-public students, retiree health benefits, out-of-district special education tuition and transportation, services for students age eighteen to twenty-one, pre-school screening and intervention, career and technical education tuition and transportation costs, debt service, and rental costs minus the average charter school expenses for the same categories. For districts using the reduction for costs categories, there is an additional reduction for tuition payments to mayoral academies, where teachers do not participate in the state's teacher retirement system, equivalent to the per-pupil, unfunded liability cost. The local tuition rate reductions pursuant to RIGL 16-7.2-5(c) were not available in time for the publication of this report.

In FY2011, the State paid the total tuition costs of students attending the Davies and Met Schools, while the local districts provided transportation. Pursuant to the new funding formula, however, the State payment to these state schools is calculated by the same method used to calculate school district and charter school payments. The formula requires local districts to pay state school tuition, but allows the districts to charge the state and charter schools for transportation costs. Local payments are made to the charter or state school on a quarterly basis. Failure to make a payment could result in the withholding of state education aid to the district of residence.

In FY2011, prior to the implementation of the current funding formula, charter school funding was based on the per-pupil expenditure of the sending district; however, the State paid 5.0 percent of the per-pupil expenditure as indirect aid to the sending district, and a portion of the remaining 95.0 percent based on the share ratio of the sending district. The expenditure was based on the reference year as defined in RIGL 16-7-16(11) providing a two-year lag. Each quarter, the charter school billed the sending district for the portion of the per-pupil expenditure not paid by the State.

Please see the following examples for further clarification of the charter school formula used in FY2011.

<b>Calculation</b>	<b>District A</b>	<b>District B</b>
Per Pupil Expenditure:	\$8,000	\$8,000
Share Ratio:	70.0%	30.0%
Indirect Aid to Sending District:	\$400 (5.0% of \$8,000)	\$400 (5.0% of \$8,000)
State Share to Charter School:	\$5,320 (70.0% of (\$8,000 minus 5.0%))	\$2,280 (30.0% of (\$8,000 minus 5.0%))
District Share to Charter School:	\$2,280 (30.0% of (\$8,000 minus 5.0%))	\$5,320 (70.0% of (\$8,000 minus 5.0%))

## FY2023 FUNDING FORMULA ADJUSTMENTS

**Pandemic Hold Harmless Fund:** The Budget includes \$49.7 million to ensure districts do not experience a reduction in funding formula aid relative to FY2022 due to losses associated with the pandemic or enrollment shifts to other schools. The by-district distribution of the aid is provided in the aid tables later in this report.

**FY2022 Property Tax Data Adjustment:** As discussed previously, the Education Adequacy Act distributes education aid funding based on local revenue generating capacity and overall poverty level through a state share ratio. The share ratio is based on the concentration of children living in poverty and the equalized weighted assessed valuation (EWAV) for each district. The EWAV is a wealth index based on each community's total assessed property value and median family income per student, relative to districts across the State. The total community property value includes motor vehicles, personal property and State payments in lieu of taxes.

Subsequent to the passage of the FY2022 Budget, the Division of Municipal Finance became aware of errors in the property tax data used to calculate education aid. Since RIGL 16-7-20(e)(1)-(2) provides that errors are to be corrected in the subsequent fiscal year, the Budget includes \$842,582 in FY2023 to realign the aid payments to the LEAs experiencing an increase in aid due to the correction. The by-district distribution of the increase is provided in the aid tables later in this report.

Since the index is based on relative community wealth, however, the errors, once corrected, impacted the distribution of aid to numerous districts by varying degrees, resulting in an increase to some and a decrease to others. The table shows the districts that would have experienced decreases but are held harmless through Article 10 of the FY2023 Budget.

### FY2022 Property Tax Adjustment Hold Harmless

<b>Districts</b>	<b>Amount</b>
Barrington	(\$21,460)
Burrillville	(13,399)
Coventry	(27,535)
East Greenwich	(15,188)
East Providence	(30,104)
Glocester	(3,535)
Hopkinton	(7,234)
Johnston	(18,625)
Lincoln	(19,565)
Middletown	(10,378)
North Kingstown	(132,843)
North Providence	(21,299)
North Smithfield	(10,191)
Richmond	(7,227)
Scituate	(7,077)
South Kingstown	(655)
Tiverton	(9,980)
Warwick	(45,365)
West Warwick	(21,912)
Bristol-Warren	(15,867)
Exeter-West Greenwich	(12,913)
Foster-Glocester	(4,993)
<b>District Total</b>	<b>(\$457,344)</b>
Charter School Total	(7,683)
Met School	(674)
<b>Total</b>	<b>(\$465,700)</b>

## NON-FORMULA PROVISIONS

**Group Homes:** The Group Home aid category was created by the General Assembly in 2001 to provide state support to districts hosting group homes in exchange for relieving the resident sending district of financial responsibility for students placed in group homes. When enacted, the Act maintained the current funding for group homes as a categorical grant program; however, the FY2017 Budget as Enacted increased the per-bed funding amount. The Group Home aid category provides \$17,000 annually per bed, except for group home beds associated with Bradley Hospital Children's Residential and Family Treatment (CRAFT) Program, which received \$26,000 per bed. The FY2023 Budget includes \$2.3 million to fund group home beds. This is \$662,927 less than the FY2022 Budget as Enacted. This adjustment represents the most recent update on the number of group home beds per district and the decrease required pursuant to RIGL 16-7-22(1)(ii) to reduce the average daily membership of a district by the number of group home beds used in the group home aid calculation.

Based on the final December 31, 2021, report from the Department of Children, Youth, and Families, the FY2022 Revised Budget remains consistent with enacted levels.

District	FY2022 Enacted		Group Home Aid				FY2023 Enacted Total Aid	
	Total Aid	Number of Beds	FY2023 Number of Beds	Change in Number of Beds	Aid change due to bed count	Aid change due to RIGL 16-7-22(1)(ii)		Total Change
Burrillville	\$75,207	8	-	(8)	(\$136,000)	\$60,793	(\$75,207)	\$0
Coventry	81,928	8	8	-	-	(2,299)	(2,299)	79,629
East Providence	497,179	39	34	(5)	(85,000)	51,150	(33,850)	463,329
Lincoln	85,147	8	8	-	-	797	797	85,944
Newport	129,961	14	14	-	-	3,747	3,747	133,708
North Providence	130,183	16	16	-	-	(2,370)	(2,370)	127,813
North Smithfield	96,893	8	-	(8)	(136,000)	39,107	(96,893)	-
Pawtucket	110,064	22	20	(2)	(34,000)	16,897	(17,103)	92,961
Portsmouth	609,672	40	30	(10)	(170,000)	33,901	(136,099)	473,573
Providence	371,569	91	57	(34)	(578,000)	424,094	(153,906)	217,663
Smithfield	105,752	8	-	(8)	(136,000)	30,248	(105,752)	-
South Kingstown	119,650	8	8	-	-	2,173	2,173	121,823
Warwick	272,738	24	24	-	-	(1,506)	(1,506)	271,232
Woonsocket	34,510	8	-	(8)	(136,000)	101,490	(34,510)	-
Bristol-Warren <sup>1</sup>	106,071	10	10	-	-	(43)	(43)	106,028
Exeter-West Greenwich	123,410	9	9	-	-	(10,106)	(10,106)	113,304
<b>Total</b>	<b>\$2,949,934</b>	<b>321</b>	<b>238</b>	<b>(83)</b>	<b>(\$1,411,000)</b>	<b>\$748,073</b>	<b>(\$662,927)</b>	<b>\$2,287,007</b>

<sup>1</sup> Based on final 12/31/2020 report from the Department of Children, Youth and Families. The FY2022 Revised Budget is consistent with the Budget as Enacted.

**Categorical Programs:** When the education funding formula was passed in 2010, five categorical funds were identified that would not be distributed according to the formula, but pursuant to other methodologies intended to address the priorities and funding needs of the districts. These categories include Transportation, High-Cost Special Education, Career & Technical Education, Early Childhood, and the Regionalization Bonus. Article 11 of the FY2017 Budget as Enacted added two new aid categories: English Learners and the Density Fund. The Density Fund support ended in FY2019 but was reestablished in FY2022. Article 9 of the FY2019 Budget as Enacted included a temporary aid category to support new Resource Officers at public middle and high schools, which expired after FY2021. (The Central Falls, Davies and Met School Stabilization Funds are addressed in the Department of Elementary and Secondary Education section of this analysis.)

The FY2023 Budget includes funding for all of these categories, except the Regionalization Bonus and the School Resource Officer Support.

- **Transportation:** This fund provides funding for transporting students to out-of-district, non-public schools and for 50.0 percent of the local costs associated with transporting students within regional school districts. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at \$7.7 million in FY2023, level with the FY2022 Budget as Enacted.

Categorical	FY2023 Governor's Education Aid	
	Change from Enacted	Total Funding
Transportation	\$0.0	\$7.7
Early Childhood	-	14.9
High-Cost Special Education	-	4.5
Career & Tech. Schools	-	4.5
English Learners	-	5.0
Regionalization Bonus	-	-
School Resource Officer Support	-	-
Density Aid	-	1.0
<b>Total</b>	<b>\$0.0</b>	<b>\$37.5</b>

*\$ in millions*

- **Early Childhood Education:** This fund is designed to increase access to voluntary, free, high-quality pre-kindergarten programs. The funds will be distributed through a request for proposals process targeting communities in three tiers, with the first tier having the highest concentration of children at

risk for poor educational outcomes. The Budget funds this category at \$14.9 million in FY2023, level with the FY2022 Budget as Enacted.

- **High-Cost Special Education:** This fund reimburses districts for instructional and related services provided to a student pursuant to an Individual Education Plan (IEP). The State reimburses costs that exceed five times the combined core instruction and student success factor funding (currently \$77,350 for FY2023). The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at \$4.5 million in FY2023, level with the FY2022 Budget as Enacted. An additional \$7.8 million would be needed to fully fund this category.
- **Career and Technical Schools:** This fund contributes toward the initial investment needed to transform existing programs or create new programs and the costs associate with facilities, equipment maintenance and repair, and supplies associated with higher-cost programs at career and technical schools. The Budget funds this category at \$4.5 million in FY2023, level with the previous year.
- **English Learners:** Article 11 of the FY2017 Budget as Enacted established a categorical fund for English Learners (EL). The fund provides additional aid of 10.0 percent of the per-pupil core instruction amount for each qualified EL student. In FY2023, the per-pupil weight is \$1,105, to reflect 10.0 percent of the \$11,050 core instruction amount. This amount is then multiplied by the state share ratio. The formula is provided below.

*(Per-pupil core instruction amount x number of EL students) x 10.0 percent x state share ratio = additional state support per EL student*

This support is then ratably reduced based on the total amount appropriated.

The Article restricted the funds to provide new services to EL students and required that the funds be managed in accordance with requirements enumerated by the Commissioner. The Article also required the Department to collect performance reports and approve the use of funds prior to expenditure to ensure the funded activities align to innovative and expansive activities. Distribution is subject to a pro-rata reduction based on the funds available. The Budget provides \$5.0 million in FY2023, level with the previous fiscal year; however, an additional \$6.4 million would be needed to fully fund this category.

- **Regionalization Bonus:** This fund provides a bonus to regionalized districts and those that regionalize in the future. In the first year, the bonus is 2.0 percent of the State's share of the total foundation aid. In the second year, the bonus is 1.0 percent of the State's share and in the third year the bonus phases out. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. This category has not been funded since FY2014, as no new regional districts have been formed.
- **School Resource Officer Support:** Article 9 of the FY2019 Budget as Enacted established an aid category to support new Resource Officers at public middle and high schools. The program provides support for districts to add Resource Officers but does not mandate their use. For FY2019 through FY2021, the State will reimburse one half the cost of salaries and benefits for qualifying positions created after July 1, 2018; however, for schools with fewer than 1,200 students, only one resource officer position is eligible for reimbursement. Schools with 1,200 or more students may receive reimbursement for up to 2 positions. Each resource officer can only be assigned to one school. The Budget does not fund this category since the program expired in FY2021.
- **Density Aid:** Article 10 of the FY2022 Budget as Enacted reestablished density aid for districts where 5.0 percent or more of the average daily membership (ADM) are enrolled in a charter or state school

and provided \$1.0 million in education aid for FY2022. The category provides one \$500 payment for each new resident student enrolled in a charter or state school. For FY2022, the aid was calculated based on the number of new students attending a public school of choice since FY2019. FY2019 is the last year density aid was provided. In subsequent fiscal years, the \$500 will be paid for each new charter or state school student relative to the previous year. In FY2023, the Budget includes \$1.0 million to level fund this category.

*Analyst Note: The Budget provides \$1.0 million in funding; however, based on the qualifying new seats, only \$642,000 is distributed to districts.*

The table on the following page shows the education aid including the formula distribution, categorical aid, and group home aid.



FY2023 Governor's Education Aid<sup>1</sup>

District	FY2022 Enacted (excludes group home and categoricals)	FY2023 Formula Change	Hold Harmless	Adjustment for FY2022 Property Tax Data		Density Aid	Transportation	High-cost Special Education (>\$77,350)	Group Home Aid <sup>2</sup>	English Learners	Stabilization Funding	FY2023 Aid
				\$	%							
Barrington	\$7,924,118	\$1,853,240	\$0	\$0	\$184,032	\$90,554	\$0	\$4,139	\$0	\$0	\$10,056,083	
Burrillville	13,780,456	(1,635,127)	1,635,127	-	37,784	169,227	-	691	-	-	13,988,159	
Charlestown	1,291,300	(121,387)	121,387	-	-	-	-	0	-	-	1,291,300	
Coventry	24,066,104	(533,190)	533,190	-	-	21,777	22,841	3,768	79,629	3,768	24,194,119	
Cranston	68,482,484	(4,263,659)	4,263,659	-	-	809,197	286,687	159,080	-	159,080	69,737,449	
Cumberland	20,401,578	68,326	-	748,963	12,000	116,775	13,174	16,261	-	16,261	21,377,077	
East Greenwich	4,305,850	878,666	-	-	2,911	98,980	98,980	1,763	-	1,763	5,422,975	
East Providence	36,103,488	(2,885,563)	2,885,563	-	-	22,387	166,380	41,977	463,329	41,977	36,778,084	
Foster	1,057,919	(69,798)	69,798	3,290	-	-	-	-	-	-	1,083,595	
Glocester	2,422,153	(119,935)	119,935	-	-	25,901	-	-	-	-	2,448,054	
Hopkinton	5,590,417	(226,216)	226,216	-	-	-	-	603	-	-	5,591,020	
Jamestown	291,969	(71,766)	71,766	-	-	-	88,284	-	-	-	380,253	
Johnston	19,496,027	(1,724,248)	1,724,248	-	179,181	282,703	-	35,744	-	35,744	19,993,656	
Lincoln	15,940,955	(480,948)	480,948	-	5,500	-	110,853	7,676	85,944	7,676	16,150,928	
Little Compton	432,020	(104,776)	104,776	-	-	-	-	-	-	-	432,020	
Middletown	8,132,606	(1,379,327)	1,379,327	-	-	26,284	-	13,085	-	13,085	8,171,976	
Narragansett	2,178,394	(861,280)	861,280	-	-	7,829	-	49	-	49	2,186,273	
Newport	14,752,903	(1,881,371)	1,881,371	-	-	14,019	133,708	65,843	-	65,843	14,966,473	
New Shoreham	211,086	(137,201)	137,201	-	-	21,221	-	248	-	248	232,555	
North Kingstown	11,216,037	(1,492,163)	1,492,163	-	-	53,679	-	6,076	-	6,076	11,275,792	
North Providence	26,608,402	(636,749)	636,749	-	25,000	177,416	452,064	55,274	127,813	55,274	27,445,969	
North Smithfield	6,204,807	186,079	-	-	-	19,790	80,429	3,038	-	3,038	6,494,144	
Pawtucket	95,061,517	(625,752)	625,752	-	27,500	216,277	26,853	92,961	92,961	473,999	95,899,107	
Portsmouth	3,062,524	(1,083,168)	1,083,168	-	-	17,886	98,526	473,573	-	229	3,652,739	
Providence	272,489,702	(18,899,401)	18,899,401	-	502,500	465,403	665,207	2,685,036	217,663	2,685,036	277,025,510	
Richmond	5,149,642	42,590	-	-	-	-	-	782	-	782	5,193,014	
Scituate	2,358,211	31,637	-	-	51,356	105,256	-	-	-	-	2,546,461	
Smithfield	6,817,709	629,038	-	-	63,775	11,593	-	2,259	-	2,259	7,524,374	
South Kingstown	4,559,972	(830,443)	830,443	-	137,189	123,652	121,823	1,338	-	1,338	4,943,973	
Tiverton	6,774,565	(952,952)	952,952	-	-	209,562	-	727	-	727	6,984,854	
Warwick	39,218,717	(1,666,012)	1,666,012	-	31,668	676,070	271,232	19,717	-	19,717	40,217,404	
Westerly	7,937,325	(1,366,663)	1,366,663	-	-	60,496	-	5,075	-	5,075	8,002,895	
West Warwick	30,857,785	(315,478)	315,478	-	36,597	-	-	24,569	-	24,569	30,918,950	
Woonsocket	69,995,691	(1,567,811)	1,567,811	-	22,500	37,083	91,913	257,329	-	257,329	70,404,516	
Bristol-Warren <sup>3</sup>	11,345,723	(1,244,811)	1,244,811	-	-	1,578,926	93,510	6,417	106,028	6,417	13,130,604	
Exeter-West Greenwich <sup>3</sup>	4,242,989	(27,717)	27,717	-	-	1,026,722	179,859	546	113,304	546	5,563,420	
Charlho	-	-	-	-	-	1,806,949	8,094	-	-	-	1,815,043	
Foster-Glocester <sup>3</sup>	5,104,253	(122,937)	122,937	5,233	-	437,464	47,977	364	-	364	5,595,290	
Central Falls	38,557,253	(1,348,583)	1,348,583	-	47,000	67,485	50,744	512,851	-	512,851	49,380,826	
<b>District Total</b>	<b>\$894,424,652</b>	<b>(\$44,986,859)</b>	<b>\$48,676,435</b>	<b>\$757,486</b>	<b>\$642,000</b>	<b>\$7,661,360</b>	<b>\$4,482,808</b>	<b>\$2,287,007</b>	<b>\$4,406,553</b>	<b>\$10,145,493</b>	<b>\$928,496,936</b>	
Charter School Total	124,327,778	17,157,783	925,642	81,896	-	17,192	-	558,237	-	-	143,068,528	
Davies	8,589,670	233,755	-	2,988	-	-	-	4,304	-	4,304	15,418,617	
Met School	8,259,898	137,291	-	-	-	-	-	23,443	-	23,443	9,502,741	
Urban Collaborative	1,630,145	(71,820)	71,820	212	-	-	-	7,463	-	7,463	1,637,820	
<b>Total</b>	<b>1,037,232,143</b>	<b>(\$27,529,850)</b>	<b>\$49,675,897</b>	<b>\$842,582</b>	<b>\$642,000</b>	<b>\$7,661,360</b>	<b>\$4,500,000</b>	<b>\$2,287,007</b>	<b>\$5,000,000</b>	<b>\$17,815,503</b>	<b>\$1,098,124,642</b>	

<sup>1</sup> Based on March 2021 enrollment updated for projected charter school growth. Expected to be updated when March 2022 data is available.

<sup>2</sup> Based on final 1/4/2022 report from the Department of Children, Youth and Families.

<sup>3</sup> Calculations based on component district data as required by the Superior Court decision in Town of Warren v. Bristol Warren Regional School District, et. al.

Source: Rhode Island Department of Education

The following table shows the difference in education aid relative to the FY2022 Budget as Enacted.

FY2023 Governor's Education Aid - Change to FY2022 Budget as Enacted<sup>1</sup>

Districts	FY2022 Enacted (includes group home and categories)	FY2023 Formula Change	Hold Harmless	Adjustment for FY2022 Property Tax Data	Density Aid	Transportation	Education	Special Education	Group Home <sup>2</sup>	English Learners	Stabilization Funding	Total Change	FY2023 Education Aid
Barrington	\$8,232,393	\$1,853,240	\$0	\$0	\$39,481	\$68,729	\$0	(\$302)	(567)	-\$1,823,690	\$10,056,083		
Barre	13,994,930	(1,635,127)	1,635,127	(23,500)	5,803	86,699	(75,207)	(567)	(75)	-	13,988,158		
Charlestown	1,291,375	(121,387)	121,387	-	-	-	-	-	-	-	1,291,300		
Coventry	24,191,220	(533,190)	533,190	-	7,448	(1,990)	(2,299)	(261)	2,899	-	24,194,118		
Cranston	69,876,885	(4,263,659)	4,263,659	-	(115,863)	(30,446)	-	6,873	(139,436)	-	69,737,449		
Cumberland	20,556,190	68,326	-	748,963	12,000	(3,273)	(4,218)	(910)	820,888	-	21,377,077		
East Greenwich	4,542,049	878,666	-	-	48,162	(46,153)	-	252	880,926	-	5,422,975		
East Providence	36,956,354	(2,885,563)	2,885,563	-	(3,651)	(138,213)	(33,850)	(2,555)	(178,269)	-	36,778,085		
Foster	1,106,412	(69,798)	69,798	3,290	(16,074)	(10,033)	-	-	(22,817)	-	1,083,595		
Glocester	2,481,208	(119,935)	119,935	-	(11,701)	(21,453)	-	-	(33,154)	-	2,448,054		
Hopkinton	5,590,838	(226,216)	226,216	-	-	-	-	182	182	-	5,591,020		
Jamestown	339,230	(71,766)	71,766	-	-	41,043	-	(20)	41,023	-	380,253		
Johnston	19,970,937	(1,724,248)	1,724,248	-	(57,255)	83,817	-	(3,843)	22,719	-	19,983,656		
Lincoln	16,231,922	(480,948)	480,948	-	5,500	(85,916)	797	(1,375)	(80,994)	-	16,150,928		
Little Compton	432,020	(104,776)	104,776	-	-	-	-	-	-	-	432,020		
Middletown	8,185,474	(1,379,327)	1,379,327	-	-	(11,674)	-	(1,825)	(13,498)	-	8,171,976		
Narragansett	2,196,991	(861,280)	861,280	-	-	(10,534)	-	(184)	(10,718)	-	2,186,273		
Newport	15,005,285	(1,881,371)	1,881,371	-	-	(29,189)	3,747	(13,370)	(38,812)	-	14,966,473		
New Shoreham	237,000	(137,201)	137,201	-	-	(3,957)	-	(489)	(4,445)	-	232,555		
North Kingstown	11,302,964	(1,492,163)	1,492,163	-	-	(25,956)	-	(1,216)	(27,172)	-	11,275,792		
North Providence	27,298,295	(636,749)	636,749	-	(14,500)	(31,364)	195,516	392	147,674	-	27,445,969		
North Smithfield	6,372,462	186,079	-	-	2,708	28,044	(96,893)	1,743	121,682	-	6,494,144		
Pawtucket	96,013,908	(625,752)	625,752	-	(74,500)	29,998	(74,334)	(17,103)	(114,801)	-	95,899,108		
Portsmouth	3,800,557	(1,083,168)	1,083,168	-	-	17,888	(29,485)	(136,099)	(120)	(147,818)	3,652,739		
Providence	277,047,845	(18,899,401)	18,899,401	-	(187,000)	147,788	316,273	(153,906)	(145,490)	-	277,025,510		
Richmond	5,150,039	42,590	-	-	-	(2,622)	(18,167)	-	385	-	5,193,014		
Rhinecliff	2,535,612	31,637	-	-	-	(54,975)	(29,596)	(105,752)	256	-	2,546,460		
Smithfield	7,085,404	629,038	-	-	(55,552)	29,216	2,173	(1,031)	(25,194)	-	7,524,374		
South Kingstown	4,969,167	(830,443)	830,443	-	-	(88,801)	-	(254)	88,546	-	4,943,973		
Tiverton	6,896,308	(952,952)	952,952	-	-	417	(54,607)	(1,506)	(54,267)	-	6,984,854		
Warwick	40,271,672	(1,666,012)	1,666,012	-	-	(80,683)	-	(142)	(80,825)	-	40,217,405		
Westerly	8,083,720	(1,366,663)	1,366,663	-	-	(20,533)	-	3,015	(26,766)	-	8,002,895		
West Warwick	30,945,716	(315,478)	315,478	-	(49,000)	31,300	32,922	(34,510)	(173)	-	30,918,951		
Woonsocket	70,423,976	(1,567,811)	1,567,811	-	-	59,033	(58,414)	(43)	(50)	-	70,404,516		
Bristol-Warren <sup>3</sup>	13,130,077	(1,244,811)	1,244,811	-	-	93,139	11,870	(10,106)	(126)	-	13,130,603		
Exeter-West Greenwich <sup>3</sup>	5,468,643	(27,717)	27,717	-	-	18,068	(50,069)	-	(32,001)	-	5,563,420		
Charlho	1,847,044	-	-	-	-	(108,564)	(64,690)	(22)	(168,043)	-	1,815,043		
Foster-Glocester <sup>3</sup>	5,763,334	(122,937)	122,937	5,233	-	(31,087)	45,761	-	(18,745)	1,000,000	5,952,991		
Central Falls	48,422,397	(1,348,583)	1,348,583	-	(37,500)	(108,564)	(64,690)	-	958,429	-	49,380,826		
<b>District Total</b>	<b>\$924,247,852</b>	<b>(\$44,986,859)</b>	<b>\$48,676,435</b>	<b>\$757,486</b>	<b>(\$368,500)</b>	<b>(\$0)</b>	<b>(\$9,074)</b>	<b>(\$662,927)</b>	<b>(\$157,478)</b>	<b>\$1,000,000</b>	<b>\$4,249,084</b>	<b>\$928,496,935</b>	
Charter School Total	124,745,401	17,157,783	925,642	81,896	-	9,074	-	148,733	-	-	18,323,127	143,068,528	
Davies	14,437,989	233,755	-	2,988	-	-	-	1,230	742,655	-	980,628	15,418,617	
Met School	9,358,555	137,291	-	-	-	-	-	6,895	144,186	-	9,502,741		
Urban Collaborative	1,636,988	(71,820)	71,820	212	-	-	-	620	832	-	1,637,820		
<b>Total</b>	<b>\$1,074,426,785</b>	<b>(\$27,529,850)</b>	<b>\$49,673,897</b>	<b>\$842,582</b>	<b>(\$368,500)</b>	<b>(\$0)</b>	<b>(\$0)</b>	<b>(\$662,927)</b>	<b>\$0</b>	<b>\$1,742,655</b>	<b>\$23,697,857</b>	<b>\$1,098,124,644</b>	

<sup>1</sup> Based on March 2021 enrollment updated for projected charter school growth. Expected to be updated when March 2022 data is available.

<sup>2</sup> Based on final 1/4/2022 report from the Department of Children, Youth and Families.

<sup>3</sup> Calculations based on component district data as required by the Superior Court decision in Town of Warren v. Bristol Warren Regional School District, et. al.

Source: Rhode Island Department of Education

## SCHOOL CONSTRUCTION AID

In 1960, the school housing aid program was enacted by the General Assembly to guarantee adequate school facilities for all public school children in the state, and to prevent the cost of constructing and repairing facilities from interfering with the effective operation of the schools. Applications for aid to support the construction and renovation of school buildings are submitted to and evaluated by the Rhode Island Department of Elementary and Secondary Education (RIDE). State aid is provided for approved projects based on a percentage of cost. The percentage provided by the State to the school district is determined based on a share ratio designed to measure a community's need. For FY2023, the minimum state share is 35.0 percent and the maximum is 96.9 percent for Central Falls: the state share for charter schools is 30.0 percent.

The 2010 General Assembly passed legislation increasing the minimum share ratio from 30.0 percent in FY2011 to 35.0 percent in FY2012 and to 40.0 percent in FY2013. The 2012 General Assembly froze the reimbursement rate at 35.0 percent, but provided that projects completed after June 30, 2010, that received approval from the Board of Regents by June 30, 2012, receive the 40.0 percent minimum.

The 2011 General Assembly enacted legislation limiting the approval of new projects between FY2012 and FY2015, to those necessitated by immediate health and safety reasons. Any project requested during the moratorium was reported to the chairs of the House and Senate Finance Committees. Furthermore, any project approval granted prior to the adoption of the school construction regulations in 2007, which was currently inactive, had not receive voter approval, or had not been previously financed, was deemed no longer eligible for reimbursement. Article 22 of the FY2015 Budget extended the moratorium from June 30, 2014, to May 1, 2015, limiting the approval of new projects between FY2012 and FY2015 to those necessitated by immediate health and safety conditions.

As part of the 2011 legislation, RIDE was charged with developing recommendations for further cost containment strategies in the school housing aid program. The following recommendations were submitted on March 22, 2012:

- Establish capital reserve funds on the state and local level.
- Reduce the minimum share ratio.
- Limit costs associated with bonding by establishing a mechanism to allow districts with poor bond ratings to borrow at a lower interest rate, reduce the State's reimbursement rate on interest, and provide incentives for districts to refinance bonds.

Article 13 of the FY2014 Budget as Enacted provided an incentive to communities to refinance existing school housing bonds by allowing communities to receive 80.0 percent of the total savings, instead of distributing the savings based on the state share ratio. The increased savings to the communities would only apply to refinancing done between July 1, 2013, and December 31, 2015. The table shows the estimated savings realized through the incentive.

Article 9 of the FY2019 Budget as Enacted provided temporary incentives to encourage districts to improve the condition of public school buildings in Rhode Island, established a permanent incentive for school safety and security projects, and established school maintenance expenditure requirements.

<b>School Bond Refinancing Incentive Estimated Savings Summary</b>			
<b>Municipality</b>	<b>Local Savings</b>	<b>State Savings</b>	<b>Total Savings</b>
Burrillville	\$391,582	\$97,896	\$489,478
Central Falls	485,690	121,423	607,113
Cumberland	392,456	98,136	490,592
Johnston	41,684	10,421	52,105
Lincoln	1,590,165	397,541	1,987,706
New Shoreham	329,114	82,278	411,392
North Kingstown	419,141	104,785	523,926
North Providence	492,390	123,098	615,488
Pawtucket	44,094	11,023	55,117
Portsmouth	208,533	52,135	260,668
Providence	5,854,680	1,463,670	7,318,350
South Kingstown	232,603	58,151	290,754
Tiverton	753,270	188,317	941,587
West Warwick	525,572	131,393	656,965
Woonsocket	728,129	182,083	910,212
<b>Total Savings</b>	<b>\$12,489,103</b>	<b>\$3,122,350</b>	<b>\$15,611,453</b>

While historically funded at \$80.0 million annually, for FY2023 based on current projections, the Budget provides \$88.5 million, an increase of \$8.5 million over the FY2022 Budget as Enacted. While the entire amount is expected to be used for housing aid entitlements, any surplus will be deposited into the School Building Authority Capital Fund. Based on December 2021 projections, housing aid entitlements are projected to increase to \$97.7 million in FY2024, \$122.3 million in FY2025, and \$128.3 million in FY2026.

**School Building Authority Capital Fund:** Article 9 of the FY2016 Budget as Enacted designated the Department of Elementary and Secondary Education (Department) as the State’s School Building Authority (SBA) and charged the Department with implementing a system of state funding for school facilities, managing the school housing aid program, and developing a project priority system. The Authority oversees two distinct funding mechanisms for school facilities: the Foundation Program, as enumerated in RIGL 16-7-35 through 16-7-47, and the School Building Authority Capital Fund (Capital Fund), as created through the article. The FY2016 Budget added 1.0 FTE position to the Department for a new construction manager to assist in developing procedures for the proposed Capital Fund. In FY2016, the Department received a one-time, pass-through appropriation of \$20.0 million in new general revenue to capitalize the Capital Fund, which is held in trust and administered by the Rhode Island Health and Education Building Corporation (RIHEBC). For FY2021, \$1.0 million in general revenue from the surplus construction aid was transferred to the Capital Fund. For FY2022, the Budget as Enacted provided \$590,814 in general revenue from the surplus construction aid to the Capital Fund; however, the revised budget provides a total of \$9.0 million in surplus funds. The increase is due to construction delays, caused by the COVID-19 pandemic, and bond refinancing. Several communities refinanced to take advantage of the low interest rates, saving a total of \$8.5 million in total debt service payments that was shared between the municipalities and the State. Beginning in FY2023, a surplus in construction aid is no longer projected; however, based on past experience, some surplus is likely but not at the recent levels.

Through Article 9, the FY2019 Budget as Enacted shifted the 3.0 FTE positions responsible for the administration of the school construction program from general revenue to a new school construction services restricted receipt account, and added 1.0 FTE Director of School Construction Services. The restricted receipt account, named the “School Construction Services”, is funded by the Rhode Island Health and Education Building Corporation (RIHEBC) from the School Building Authority Capital Fund, fees generated from the origination of municipal bonds and other financing vehicles used for school construction, and its own reserves. There is no limit on the amount or type of expenses that will be funded; however, Article 9 limited the fee that RIHEBC can impose on cities, towns and districts to one tenth of one percent (0.001) of the principal amount of the bond. In FY2021, RIHEBC collected \$303,180 in school bond fees. In FY2022, this revenue is estimated at \$207,000 and in FY2023 at \$250,000.

In FY2018, RIHEBC was required to transfer \$6.0 million to the State Controller. In FY2019, RIHEBC supported \$737,735 in SBA personnel expenses. In FY2020 personnel expenses increased to \$770,946, and \$677,946 in FY2021. In the FY2022 Budget as Enacted, \$500,000 in expenses was shifted back to general revenue, for a total of \$793,596 in funding, to bring the costs covered by RIHEBC back in line with projected fee revenue. In the FY2022 Revised Budget, RIHEBC is projected to contribute \$279,485 and general revenue expenditures are decreased to \$407,996. The decrease in general revenue in the FY2022 Revised Budget is due to turnover savings from a vacant position.

*Analyst Note: The allocation between the general revenue and the restricted receipts is based on the ratio of the \$500,000 general revenue appropriation relative to the most recent budget of \$800,000 for salaries and benefits when the office of fully staffed. The ratio is 62.3 percent general revenue to 36.7 percent restricted receipts.*

**Facility Equity Initiative Pilot Program:** At the January 11, 2022, meeting, the Council on Elementary and Secondary Education approved funding for the Facility Equity Initiative pilot program to provide pay-go funding for high priority projects in school districts with reimbursement rate over 65.0 percent, including

Central Falls, Pawtucket, Providence, West Warwick, and Woonsocket. This project would focus on high priority projects to improve the health and safety of students and promote equity across the State. The new Capital Fund will provide up-front funding instead of increasing the school construction allocation in the annual budget and reduce costs by eliminating interest payments on the funded projects.

The projects approved by the Council for FY2022 are supported with the \$9.0 million, from construction delays and bond refinancing, plus an additional \$3.0 million from prior year surpluses, and \$1.5 million in support from the Office of Energy Resources (OER) fund to the Facility Equity Initiative pilot program. The funding was distributed, in partnership with OER and the Office of Opportunity, Equity and Diversity (ODEO). After evaluating 53 applications from 5 LEAs, the funds were awarded to 5 districts on a priority basis designed to have the greatest impact on facility gaps between districts.

<b>FY2022 SBA Capital Fund</b>	
<b>Facility Equity Initiative</b>	
<b>Pilot Program</b>	
Central Falls	\$3.6
Pawtucket	4.4
Providence	4.5
West Warwick	0.5
Woonsocket	0.5
<b>Total</b>	<b>\$13.4</b>

While this program is only a pilot, should the \$250.0 million school construction bond be approved, Article 10 of the FY2023 Budget provides that \$50.0 million will be transferred to the School Building Authority Capital Fund to address high-priority projects including upgrades to lighting, heating, and ventilation systems to create facility equity among Rhode Island students. The SBA proposes to expand the pilot program to include all LEAs with free and reduced lunch rates over 40.0 percent, thus doubling the number of eligible schools. The expansion would extend the program to Cranston, East Providence, Johnston, Newport, North Providence, and certain charter schools.