



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-6300
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State Fiscal Note for Bill Number:

2025-S 0036

Date of State Budget Office Approval: Monday, February 24, 2025

Date Requested: Thursday, January 23, 2025

Date Due: Saturday, February 15, 2025

<i>Impact on Expenditures</i>	<i>Impact on Revenues</i>
FY 2025 N/A	FY 2025 N/A
FY 2026 \$760,899	FY 2026 N/A
FY 2027 \$812,717	FY 2027 N/A

Explanation by State Budget Office:

This act amends RIGL 16-7.2-6, entitled "Categorical Programs, State Funded Expenses," and increases the bonus awarded to regionalized school districts from 1.0 percent to 2.0 percent of the State's share of "Foundation Education Aid" allocated to each regionalized district. This 2.0 percent bonus will be awarded in all subsequent years.

Summary of Facts and Assumptions:

The Rhode Island public school system consists of the following four regional school districts:

Chariho Regional School District (Charlestown, Richmond, and Hopkinton)

Bristol-Warren Regional School District (Bristol and Warren)

Exeter-West Greenwich School District (Exeter and West Greenwich)

Foster-Glocester School District (Foster and Glocester)

The State's share of the "Foundation Education Aid" includes the Core Instruction Funding and the Student Success Factor calculated through the Education Aid Funding Formula and does not include the Enrollment Transition Fund or Poverty Stabilization aid enacted in the FY 2024 budget.

With the creation of the Education Aid Funding Formula (FY 2012) the bonuses previously awarded to regional districts were eliminated. Instead, districts which had regionalized as of July 1, 2010, received a regionalization bonus of 2.0 percent of the State's share of Foundation Education Aid, or in the case of Chariho a 2.0 percent bonus on the State's share of its component communities. Current law requires that in the second year, the regional bonus is set at 1.0 percent of the State's share of Foundation Education Aid, and ceases in the third year. Since all applicable districts were regionalized prior to the creation of the funding formula, the last bonus appropriated was in FY 2014, year two of the formula.



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Beginning in FY 2026 a 2.0 percent regionalization bonus will be applied to the Foundation Education Aid for all four regional school districts and will be distributed to all regional school district every fiscal year going forward.

FY 2025:

The bill reinstates the regionalization bonus beginning in FY 2026, and for this reason no expenditure impact is reported in FY 2025.

FY 2026:

This analysis was completed prior to the Department of Elementary and Secondary Education's (RIDE) March 2025 update to Resident Average Daily Membership (RADM), therefore, the FY 2026 fiscal impact assumes October 2024 enrollments for all regional school districts. The final fiscal impact of this bill is dependent on the March 2025 update to the funding formula.

Under current law the projected FY 2026 Foundation Education Aid for each regional school district is as follows:

Chariho Regional School District: \$15,072,787

Bristol-Warren Regional School District: \$10,577,437

Exeter-West Greenwich School District: \$7,144,314

Foster-Glocester School District: \$5,250,433

Total: \$38,044,971

Applying the 2.0 percent Regionalization Bonus to the FY 2026 Foundation Education Aid [foundation education aid * 0.02 = regionalization bonus] results in the following FY 2026 fiscal impact:

Chariho Regional School District: \$301,456

Bristol-Warren Regional School District: \$211,549

Exeter-West Greenwich School District: \$142,886

Foster-Glocester School District: \$105,009

Total: \$760,899



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FY 2027:

Under current law, the Budget Office assumes that education aid is projected to grow by 6.81 percent in FY 2027, applying this growth rate to the FY 2026 Foundation Education Aid [FY 2026 foundation education aid * 1.0681 = FY 2027 foundation education aid] results in the following projected FY 2027 Foundation Education Aid:

Chariho Regional School District: \$16,099,244

Bristol-Warren Regional School District: \$11,297,760

Exeter-West Greenwich School District: \$7,630,842

Foster-Glocester School District: \$5,607,987

Total: \$40,635,834

Applying the 2.0 percent Regionalization Bonus to the projected FY 2027 Foundation Education Aid [foundation education aid * 0.02 = regionalization bonus] results in the following projected FY 2027 fiscal impact:

Chariho Regional School District: \$321,985

Bristol-Warren Regional School District: \$225,955

Exeter-West Greenwich School District: \$152,617

Foster-Glocester School District: \$112,160

Total: \$812,717

Comments on Sources of Funds:

The Regionalization Bonus categorical is financed using general revenues, allocated to the Education Aid program of the Department of Elementary and Secondary Education (RIDE).



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Summary of Fiscal Impact:

As discussed above, this legislation presents a general revenue impact of \$760,899 in FY 2026 and \$812,717 in FY 2027, for the Education Aid program. District bonuses are estimated as follows:

FY 2026:

School District	FY 2026 Core Aid	FY 2026 Bonus
Chariho	\$15.1 Million	\$301,456
Bristol / Warren	\$10.6 Million	\$211,549
Exeter/West Grnch.	\$7.1 Million	\$142,886
Foster / Glocester	\$5.3 Million	\$105,009
Total	\$38.0 Million	\$760,899

FY 2027:

School District	FY 2027 Core Aid	FY 2027 Bonus
Chariho	\$16.1 Million	\$321,985
Bristol / Warren	\$11.3 Million	\$225,955
Exeter/West Grnch.	\$7.6 Million	\$152,617
Foster / Glocester	\$5.6 Million	\$112,160
Total	\$40.6 Million	\$812,717

Budget Office Signature: 

Fiscal Advisor Signature: 