



THE DESIGN OF THE RHODE ISLAND SCHOOL FUNDING FORMULA: TOWARD A COHERENT SYSTEM OF ALLOCATING STATE AID TO PUBLIC SCHOOLS

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Significance of RI School Funding Formula

- RI operated without a formula for 20 years
- The June 23, 2010 law ended the dubious label of being the last state in the union without a school funding formula
- Legislation defied the odds—absence of court mandates, recessionary climate that yields almost no additional state dollars, and resistance from districts that receive fewer state dollars
- Bill passed: 80% House & 70% Senate

Collaborative Process That Works

- State commissioner gained gubernatorial, legislative, and stakeholder support for school funding reform as part of the effort to compete for the federal Race to the Top funding
- State commissioner and independent design team (led by the author) developed a partnership of trust, data sharing and analysis, and coordinated communication
- Formula was publicly accessible and fine-tuned with inputs from stakeholders
- 70% of students in RI receive more state aid

Six Design Features

- Core instructional cost for each student
- “Student success factor” to support students who come from low-income, high-needs backgrounds
- State and local funding that follows the student
- Determinants of state aid to districts based on local fiscal capacity and concentrated poverty
- Gradual phase-in process
- System that connects resource allocation with educational accountability

1. Core Instructional Cost

- Proposes \$8,295 per student cost for core instructional services in spring 2010, with annually adjustment
- Based on verifiable NCEs data on salary and benefits of a wide range of instructional, administrative, and support staff
- Cost comes from averaging the core instructional costs of four New England states, namely Connecticut, Massachusetts, New Hampshire, and Rhode Island

1. Core Instructional Cost: 100%

- Instructional Staff
 - Salaries for teachers (regular, part-time, substitute, hospital-based, sabbatical, home-bound), teacher aides,
- Other Instructional Service
 - Salaries and contracts for technical and professional services, supplies, textbooks, professional dues and fees
- Student Support
 - Salaries for social workers, guidance counselors, staff in health, psychology, speech pathology, and audiology, nurses, coaches, bus supervisors, summer school teachers, supervisors in extra-curricular activities

1. Core Instructional Cost: 100%

- Other Student Support
 - Salaries for supervisors of instruction, library and media staff, computer lab staff, curriculum coordinators, in-service teacher training staff; salaries and contracts for professional services, supplies textbooks, professional dues and fees
- General District Administration
 - Salaries for school board members, school board staff, superintendent, central office staff, and purchased services and contracts
- School-level Administration
 - Salaries for principals, department chairs, administrative staff; purchased services; supplies; and professional dues and fees
- Staff Benefits (60%)
 - Fringe benefits for Instructional, Administrative, and Support Staff

2. Student Success Factor

- An additional 40 percent of the average pupil instructional cost is allocated to children who are eligible for free and reduced-price school lunch program (FRPL)
- 82 percent and 80 percent of the students are FRPL eligible in Providence and Central Falls, respectively. Several charter schools also have high percentage of their students eligible for FRPL
- Categorical funding for high-cost special education students, early childhood, career & technical programs, school construction, etc.

3. Funding Follows Students

- State uses the most current student information to track student transfers—from one district to another or from a regular public school to a charter school
- State uses enrollment data to process the transfer of state and local dollars directly without requiring the time-consuming invoicing process

4. Determinants of State Share

- Mathematical equation that simultaneously takes into account two factors:
 1. *Concentration of low-income students in the district*
 2. *Revenue-raising capacity, namely local property values adjusted by median income (or “equalized weighted assessed value”)*
- Formula supports districts that are gaining in concentrated poverty even though their overall fiscal capacity remains generally sound

5. Gradual Phase-in Process

- Transition needs to be carefully managed
- Districts that receive additional state aid will see a gradual increase of their aid over a period of seven years
- Districts that receive less state aid will have a gradual, 10-year phase-in period before the lower amount takes effect

6. Accountability and Transparency

- Requires all districts to use a common set of accounting codes (UCOA)
 - Allows the state and the public to monitor the connection between local resource allocation and educational practices (Basic Education Program).
- UCOA reports on resource allocation by:
 - Jurisdiction (district name)
 - Function (teaching staff or instructional materials)
 - Program (Title I or special education)
 - Subject (math or reading)
 - Spending object (textbooks)
 - Job assignment code for the staff in the specific activity (teachers in a classroom)
- Data for cross district and school comparison

Key Lessons

- Effective state leadership widens the policy window
- Independent analysis contributes to policy reform
- Formula designed in a context of fiscal responsibility
- Accountability and transparency can be institutionalized in reform implementation