



# Rhode Island Report

## A Detailed Look at Rhode Island's Funding Policies

## Rhode Island



### Funding Basics

#### Formula Type

Rhode Island has a primarily student-based funding formula. It assigns a cost to the education of a student with no special needs or services, called a base amount, and provides increased funding to education-specific categories of students. The categories of students considered in Rhode Island's funding policy are English-language learners, low-income students, students with high-cost disabilities, and students enrolled in career and technical education (CTE) programs.

Rhode Island expects school districts to contribute to the funding of their public schools, with the amount of the local share based on a district's property values and its students' level of financial need. Districts in Rhode Island are permitted to raise and keep additional local revenues for regular district operations.

Supplemental funding for English-language learners and low-income students is generated through the application of multipliers to the base amount. Services for students with high-cost disabilities and students enrolled in CTE programs are funded through program-specific allocations.

#### Base Amount

Rhode Island has a fixed base funding amount per student. For FY2022, the per-student base amount was \$10,635.

This means that an average student with no special needs or disadvantages would be funded at that level. This amount is assumed to include the cost of salaries, supplies, materials, and a portion of the benefits expenses for specialists and the materials they use, including costs associated with the education of children with special needs, which are not funded separately in the state's formula.

### Local Revenue

#### Expected Local Share

Rhode Island expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values and its students' level of financial need.

Once the state calculates the total amount of funding necessary for core instruction in each district, it calculates the share of the amount that will be covered by state aid. This is accomplished through a multistep formula that considers local property values, property values statewide, and the percentage of district students whose family income is at or below 185% of the federal poverty level. After the state calculates this share, the rest of the district's necessary funding is expected to be covered by local tax revenue.

However, school districts in Rhode Island that choose to do so may raise less or more money locally than the expected amount.

## Property Tax Floors and Ceilings

Rhode Island does not set a floor or a ceiling for local property tax rates, or a level above which voter approval is required. However, property tax rate increases, for all purposes, are limited to 4% per year, with some exceptions.

Local property tax rates are limited to 4% higher than the rates imposed the previous year, unless the city or town experiences one of four conditions: unexpected losses in non-property tax revenue, emergency situations, debt services payment obligations that grow more quickly than the tax rate, or growth that requires significant school building expenses. Cities and towns may exceed this limit with the approval of four-fifths of the governing body or the majority of voters present at a town meeting.

## Other Local Taxes for Education

School districts in Rhode Island receive local revenue only from property taxes.

## Student Characteristics

### Grade Level

Rhode Island does not differentiate funding based on students' grade levels.

### English-Language Learner

Rhode Island provides increased funding for English-language learners. It does so by applying a multiplier of 1.1 to the base per-pupil amount for these students.

However, the funds are subject to appropriation. In FY2022, the legislature appropriated \$5 million for English-language learners. If calculated costs exceed the appropriation, the appropriated funds will be distributed proportionally among eligible students.

### Poverty

Rhode Island provides increased funding for students from low-income households. It does so by applying a multiplier of 1.4 to the base per-pupil amount for these students.

Students are eligible for this supplemental funding if their family income is at or below 185% of the federal poverty level.

In addition, the percentage of students eligible for free or reduced-price lunch (FRL) under the National School Lunch Program in grades pre-K-6 are considered in the calculation of the state's share of the district's overall funding formula. The state shoulders a greater share of the funding burden in districts serving more FRL-eligible students in these grades.

### Special Education

Rhode Island does not provide increased funding for special education in most cases, and state funds are set aside only for students with extremely high-cost or atypical special needs.

The state's per-student base amount is based on average education expenditures across several Northeastern states and is intended to cover a portion of special education expenses. However, the state does provide separate funds to defray especially high special education costs (effectively, those exceeding five times the base amount) and fully supports the Hospital School at Hasbro Children's Hospital.

### Gifted

Rhode Island does not provide increased funding for gifted and talented students.

## Career and Technical Education

Rhode Island provides increased funding for career and technical education (CTE) programs. It does so through a grant for certain program start-up and maintenance costs.

The Career and Technical Fund supports the initial investment requirements needed to transform existing CTE programs or to create new comprehensive CTE programs and career pathways in critical, emerging industries. It also provides funding to offset the higher than average costs associated with highly specialized programs.

## District Characteristics

### Concentrated Poverty

Rhode Island does not provide increased funding for districts based on the concentrations of students from low-income households that they serve. However, Rhode Island does provide funding for individual students from low-income households (for more information, see "Poverty").

### Sparsity and/or Small Size

Rhode Island does not provide increased funding for sparse districts or for small schools or districts.

### Charter Funding

Funding for charter schools in Rhode Island is calculated based on local school district revenue.

Charter schools in Rhode Island receive funding based on the per-student cost in the local school district(s) where their students reside. Additional funding may be allocated to charter schools from the sending district if the charter school serves a higher share of students in some special need categories than does the district as a whole.

Charter schools in Rhode Island receive a share of local tax revenue from the district(s) where their students reside. The state department of education calculates a per-student local share for each district. A portion of local funding is retained by the sending district for fixed costs that do not follow the student to the school of choice.