

# FundEd: 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. It then accounts for the additional cost of educating specific categories of students both through program-specific allocations and by applying multipliers to the base amount to generate supplemental funding for certain students.

The categories of students generating supplemental funding in Rhode Island are English-language learners and low-income students. Services for students enrolled in career and technical education programs and highly disabled students are funded through program-specific allocations.

#### Base Amount

Rhode Island has a fixed base funding amount per student. For FY2018, the per-student base amount was \$9,163.

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 attaching to 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 multi-step formula that considers local property values, property values statewide, and the percentage of district students eligible for free or reduced price lunch under the National School Lunch Program. 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, an emergency situations, debt services payment obligations that grow more quickly than the tax rate, or growth that requires significant school building expenses. Moreover, 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.

## District 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 (ELLs). 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 FY2018, the legislature appropriated \$2.5 million for ELLs. 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 they qualify for free or reduced-price lunch (FRL) under the National School Lunch Program.

In addition, the percentage of FRL-eligible students in grades pre-K-6 is considered in the calculation of the state's share of the district's overall funding formula. Districts serving more FRL-eligible students in these grades see the state shoulder a greater share of the funding burden.

### Special Education

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

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.

## Sparsity and/or Small Size

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

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

