



# State of Rhode Island and Providence Plantations

GENERAL ASSEMBLY  
HOUSE FISCAL ADVISORY STAFF

February 19, 2019

Honorable Justine A. Caldwell  
8 Aurora Road  
East Greenwich, Rhode Island 02818

Dear Representative Caldwell:

The following information is provided in response to your inquiry regarding education aid to the Town of East Greenwich.

As you are aware, FY 2012 was the first year of the new funding formula’s implementation, which is being phased in over a ten-year period. Districts that received more state funding had the additional funding phased in over seven years; beginning in FY 2018, only districts that are receiving less state aid will have the remaining loss phased in. Because East Greenwich was a gaining community, the funding formula was fully phased in with the FY 2018 budget. Beginning in FY 2019, any formula changes from one year to the next are realized in total and are not subject to a transition period. The table below shows education aid to East Greenwich from FY 2014 through the FY 2019 enacted budget, as well as an estimate of FY 2020 aid provided by the Department of Elementary and Secondary Education. It also shows the state share ratio, which reflects the state’s participation in funding education; the higher the share ratio, the more of the total cost of education the state covers.

Education Aid to East Greenwich						
	Formula	Categorical		Change to	State Share	
	Aid*	Aid	Total	Prior Year	Ratio	
<b>FY 2014</b>	\$ 2,266,168	\$ 57,400	\$ 2,323,568	\$ 368,332	16.9%	
<b>FY 2015</b>	\$ 2,393,843	\$ 75,712	\$ 2,469,555	\$ 145,987	12.7%	
<b>FY 2016</b>	\$ 2,770,431	\$ 141,136	\$ 2,911,567	\$ 442,012	15.9%	
<b>FY 2017</b>	\$ 2,626,313	\$ 184,154	\$ 2,810,467	\$ (101,100)	8.7%	
<b>FY 2018</b>	\$ 2,535,361	\$ 204,580	\$ 2,739,941	\$ (70,526)	9.7%	
<b>FY 2019</b>	\$ 2,950,351	\$ 217,034	\$ 3,167,385	\$ 427,444	12.3%	
<b>FY 2020 Est.</b>	\$ 2,487,529	\$ 193,217	\$ 2,680,746	\$ (486,639)	9.9%	

\*Includes aid for full day kindergarten

The totals in the previous table reflect formula aid and categorical aid directly distributed to districts, which includes funding for transportation of out-of-district non-public school students, English language learners, and high cost special education. It does not include career and technical



or early childhood education categories. The table also does not show the state’s reimbursement for school construction. As you can see, the Department’s FY 2020 education aid estimate for East Greenwich is \$2.7 million, \$0.5 million less than the enacted FY 2019 budget. This change results from the decline in East Greenwich’s state share ratio, which is measured using two factors: the full value of local property and the median family income as determined by the last five years of census data.

As you can see in the table below, East Greenwich’s state share ratio was 9.7 percent in FY 2018, increased to 12.3 percent in FY 2019, and declined for FY 2020 to 9.9 percent. The state share reflects the community’s per pupil wealth as compared to the per pupil wealth of the rest of the state. The formula measures state and community wealth using two factors: the full value of local property and the median family income as determined by the most recent census.

The methodology used to calculate the full value of local property, done by the Division of Municipal Finance, uses the past two years of sales in a community, including both residential and commercial. For each sale, the Division calculates the ratio of the assessed value of the property, which is obtained from the tax assessor, to the actual sale price. Data used for the FY 2020 calculation show that the market value of properties in East Greenwich increased relative to their assessed value.

Adjusted median family income also rose 9.9 percent over the prior year. For your reference, I have enclosed a longer more technical description of the state share ratio calculation, as well as actual calculations for both FY 2020 and FY 2019. The House Fiscal Advisory Staff annually publishes this calculation in the Rhode Island Education Aid book.

<b>Funding Formula Aid to East Greenwich</b>				
	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2020 Est.</b>
	<b>Enacted</b>	<b>Enacted</b>	<b>Aid Estimate</b>	<b>Change to</b>
				<b>Enacted</b>
March Enrollment	2,477	2,480	2,480	-
Poverty Enrollment	170	160	160	-
Core Instruction Funding	\$ 22,696,751	\$ 23,366,560	\$ 24,480,080	\$ 1,113,520
Student Success Factor				
Funding	623,084	603,008	631,744	28,736
<b>Total Foundation</b>	<b>\$ 23,319,835</b>	<b>\$ 23,969,568</b>	<b>\$ 25,111,824</b>	<b>\$ 1,142,256</b>
<i>State Share Ratio</i>	<i>9.7%</i>	<i>12.3%</i>	<i>9.9%</i>	<i>-2.4%</i>
<b>State Education Aid</b>	<b>\$ 2,535,361</b>	<b>\$ 2,950,351</b>	<b>\$ 2,487,529</b>	<b>\$ (462,822)</b>

Subsequent to the Department’s distribution of its estimated funding formula aid shown above, the Governor released her FY 2020 recommended budget. The recommendation includes an audit adjustment to data used to calculate FY 2019 aid. Following enactment of the FY 2019 budget, the Division of Municipal Finance adjusted the local property value data that is used to calculate the state’s share of education costs, the apparent result of input errors by the Division.





Honorable Justine A. Caldwell

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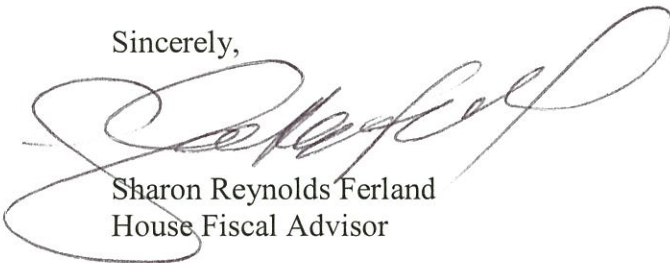
Updating the data, in turn, impacted the state's share of education formula aid for nearly all local education agencies. While there is no established procedure, either in regulation or state law, for altering formula aid in the case of an audit that produces different results than the official certifications, the Governor's recommended budget includes an adjustment to reflect the impact of this correction to the data, but in FY 2020. The Department subsequently notified districts in mid-February; the impact of this change for East Greenwich would be a reduction of \$143,710, shown in the table below.

<b>Governor Recommended Aid to East Greenwich</b>				
	<b>FY 2019</b>	<b>FY 2020 Est.</b>	<b>FY 2020 Gov. Rec.</b>	<b>Gov. Rec. Chg. to Est.</b>
Formula Aid	\$ 2,950,351	\$ 2,487,529	\$ 2,343,819	\$ (143,710)
Categorical Aid	217,034	193,217	193,217	-
<b>Total</b>	<b>\$ 3,167,385</b>	<b>\$ 2,680,746</b>	<b>\$ 2,537,036</b>	<b>\$ (143,710)</b>

It should be noted that final education aid may change from the Governor's recommended budget. Current law requires the funding formula be updated for March enrollments, which the Department of Elementary and Secondary Education typically reports in April.

I hope you find this information useful. Please feel free to call me at 222-1163 if you have additional questions regarding this matter.

Sincerely,



Sharon Reynolds Ferland  
House Fiscal Advisor

cc: Honorable Marvin L. Abney, Chairman, House Finance Committee  
Enclosures



## Calculation of State Share Ratio

The following table shows the calculation of each community's state share ratio for the purpose of the new education funding formula. The share ratio formula considers the district's ability to generate revenues and its poverty concentration.

**A.** The assessed value of real and tangible personal property for each city and town as of December 31 of the third preceding calendar year in accordance with Rhode Island General Law, Section 16-7-21. The assessed value as of December 31, 2015, is used for FY 2020 calculations. Property value is certified annually by the Department of Revenue, Division of Municipal Finance, based on local sales data and appraisals.

**B.** The adjusted equalized weighted assessed property valuations for the third preceding calendar year per current law, as of December 31, 2015, as reported by the Department of Revenue's Division of Municipal Finance. The total assessed local property value of a community is adjusted for differences in local assessment rates to allow the reporting of figures comparable on a statewide basis, resulting in the equalized weighted assessed valuation (EWAV).

The valuations are then adjusted by the ratio that the community's median family income bears to the statewide median family income, as reported in the most recent federal census data. Use of both the property value and the median family income is an attempt to compensate for districts that have significant disparity between median family income and the full value of property. Once community wealth is determined, it is divided by pupil counts to calculate the per pupil wealth for each community compared to the per pupil wealth for the state as a whole.

**C.** The FY 2020 student counts based on the resident average daily membership as of June 30, 2018. Average daily membership calculates an average of the number of days all students are formally members of a district and/or a school per year.

**D.** The resulting relative per pupil community wealth is then multiplied by 0.475 and subtracted from 1.0, yielding the district's share ratio. The result is multiplied by 100 to convert the share ratio to a percentage.

**E.** The percentage of students in poverty status in pre-kindergarten through 6th grade as of June 30, 2018. Poverty status is defined as being at 185 percent of federal poverty guidelines.

**F.** The calculation in Column **F** is the square root of the sum of the state share ratio for the community calculation in Column **D** squared plus the district's percentage of students in poverty status in grades pre-kindergarten through 6th in Column **E** squared, divided by two.

$$\text{State Share Ratio (SSR)} = \sqrt{\frac{\text{SSRC}^2 + \%PK6FRPL^2}{2}}$$

**G.** Column **G** shows what the share ratio was for FY 2019. It uses property valuations as of December 31, 2014 and student counts as of June 30, 2017.

**H.** Column **H** shows the difference between the share ratio for FY 2020 and that for FY 2019.



## FY 2020 State Share Calculation

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
<i>District</i>	<i>Assessed Value 12/31/15</i>	<i>Adjusted EWAV 12/31/15</i>	<i>June 2018 Student Count*</i>	<i>Adjusted EWAV</i>
Barrington	\$ 3,038,657	\$ 4,601,259,072	3,366	23.5%
Bristol	2,842,537,429	2,785,602,001	1,964	20.6%
Burrillville	1,681,891,888	1,564,451,271	2,323	62.3%
Charlestown	2,353,396,361	2,588,709,343	890	0.0%
Coventry	3,361,396,680	3,539,287,492	4,741	58.2%
Cranston	7,374,295,401	6,582,943,336	10,516	65.0%
Cumberland	3,709,982,803	3,920,849,682	5,097	56.9%
East Greenwich	2,396,344,048	3,925,757,951	2,482	11.5%
East Providence	4,392,100,304	3,363,849,720	5,348	64.8%
Exeter	829,191,619	946,150,023	773	31.5%
Foster	227,685,192	226,075,021	278	54.5%
Glocester	423,510,828	473,034,581	534	50.4%
Hopkinton	880,711,943	903,585,835	1,118	54.8%
Jamestown	2,274,384,047	3,010,676,298	662	0.0%
Johnston	2,890,720,281	2,987,477,193	3,375	50.5%
Lincoln	2,883,051,612	2,891,273,451	3,342	51.6%
Little Compton	2,013,355,524	2,596,782,207	364	0.0%
Middletown	2,900,850,007	2,715,493,377	2,205	31.1%
Narragansett	4,680,883,374	6,807,581,514	1,280	0.0%
Newport	6,035,278,080	5,965,268,148	2,174	0.0%
New Shoreham	1,676,826,769	1,769,340,076	119	0.0%
North Kingstown	4,161,345,526	5,251,434,977	3,875	24.2%
North Providence	2,578,512,801	2,358,298,286	3,742	64.7%
North Smithfield	1,637,330,616	1,884,137,952	1,763	40.2%
Pawtucket	3,923,926,105	2,443,124,816	10,635	87.1%
Portsmouth	3,246,778,374	4,156,017,212	2,301	-1.1%
Providence	11,566,235,908	6,486,077,808	27,956	87.0%
Richmond	863,620,971	992,717,110	1,142	51.4%
Scituate	1,581,787,033	1,914,400,023	1,327	19.3%
Smithfield	2,763,944,798	3,010,015,506	2,409	30.1%
South Kingstown	4,657,373,798	5,644,797,813	3,166	0.2%
Tiverton	2,007,531,682	1,886,629,628	1,842	42.7%
Warren	1,203,327,674	1,006,915,597	1,256	55.1%
Warwick	9,537,359,242	9,593,428,927	9,032	40.6%
West Greenwich	891,360,767	941,008,075	906	41.9%
West Warwick	2,185,057,618	1,802,252,749	3,621	72.1%
Westerly	5,904,160,309	5,132,349,768	2,854	0.0%
Woonsocket	1,887,252,772	1,052,557,909	6,318	90.7%
Foster/Glocester	929,088,007	997,006,058	1,158	51.8%
Central Falls	513,387,168	188,104,104	4,201	97.5%
<b>Total</b>	<b>\$ 117,870,814,015</b>	<b>\$120,906,721,910</b>	<b>142,455</b>	

\*Includes charter and state school students



## FY 2020 State Share Calculation

<i>District</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>
	<i>FY 2018 % Students in Poverty</i>	<i>FY 2020 State Share Ratio</i>	<i>FY 2019 State Share Ratio</i>	<i>Change to Share Ratio</i>
Barrington	4.8%	17.0%	16.4%	0.6%
Bristol	29.8%	25.6%	24.1%	1.5%
Burrillville	35.3%	50.6%	51.3%	-0.7%
Charlestown	25.7%	18.2%	17.5%	0.7%
Coventry	33.4%	47.4%	46.0%	1.4%
Cranston	42.7%	55.0%	54.3%	0.6%
Cumberland	22.5%	43.3%	44.2%	-0.9%
East Greenwich	8.0%	9.9%	12.3%	-2.4%
East Providence	51.5%	58.5%	58.6%	-0.1%
Exeter	18.6%	25.9%	25.8%	0.0%
Foster	20.5%	41.2%	35.9%	5.3%
Glocester	14.8%	37.1%	39.6%	-2.4%
Hopkinton	25.1%	42.6%	45.3%	-2.7%
Jamestown	8.9%	6.3%	7.3%	-1.0%
Johnston	42.8%	46.8%	49.6%	-2.8%
Lincoln	29.8%	42.1%	38.0%	4.1%
Little Compton	15.6%	11.0%	7.5%	3.5%
Middletown	30.3%	30.7%	32.1%	-1.4%
Narragansett	24.0%	17.0%	17.6%	-0.6%
Newport	67.6%	47.8%	47.9%	-0.1%
New Shoreham	13.2%	9.3%	13.1%	-3.7%
North Kingstown	25.3%	24.8%	22.9%	2.0%
North Providence	45.0%	55.7%	57.6%	-1.9%
North Smithfield	21.3%	32.2%	34.8%	-2.6%
Pawtucket	75.0%	81.3%	82.4%	-1.1%
Portsmouth	18.6%	13.2%	14.1%	-0.9%
Providence	86.5%	86.8%	87.0%	-0.2%
Richmond	18.2%	38.6%	39.0%	-0.4%
Scituate	13.3%	16.6%	19.9%	-3.3%
Smithfield	15.4%	23.9%	31.7%	-7.8%
South Kingstown	19.6%	13.9%	14.7%	-0.8%
Tiverton	30.6%	37.1%	34.9%	2.3%
Warren	44.7%	50.2%	46.4%	3.8%
Warwick	36.7%	38.7%	38.5%	0.2%
West Greenwich	16.7%	31.9%	25.8%	6.1%
West Warwick	53.2%	63.4%	64.1%	-0.8%
Westerly	39.2%	27.7%	27.6%	0.1%
Woonsocket	74.5%	83.0%	86.0%	-3.0%
Foster/Glocester	18.2%	38.8%	38.3%	0.6%
Central Falls	92.2%	94.8%	93.3%	1.5%
<b>Total</b>				



### FY 2019 State Share Ratio Calculation

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
<i>District</i>	<i>Assessed Value 12/31/14</i>	<i>Adjusted EWAV 12/31/14</i>	<i>June 2017 Student Count*</i>	<i>Adjusted EWAV</i>
Barrington	\$ 2,971,381,455	\$ 4,487,237,834	3,348	22.5%
Bristol	2,812,240,766	2,915,559,519	1,965	14.2%
Burrillville	1,505,646,492	1,471,360,213	2,358	63.9%
Charlestown	2,339,712,992	2,326,622,454	925	63.9%
Coventry	3,318,479,638	3,510,226,563	4,692	56.7%
Cranston	7,101,128,371	6,668,056,104	10,462	63.2%
Cumberland	3,616,224,397	3,657,270,609	5,016	57.8%
East Greenwich	2,403,927,578	3,670,279,841	2,494	14.9%
East Providence	4,208,568,816	3,284,640,620	5,322	64.3%
Exeter	824,541,401	952,339,925	800	31.2%
Foster	233,639,801	249,226,536	266	45.8%
Glocester	431,633,108	437,254,673	549	54.0%
Hopkinton	870,111,178	802,116,343	1,135	59.1%
Jamestown	2,204,679,913	2,844,483,582	636	0.0%
Johnston	2,696,642,926	2,652,643,716	3,287	53.3%
Lincoln	2,660,746,634	2,929,460,983	3,149	46.2%
Little Compton	1,915,178,581	2,616,982,341	375	0.0%
Middletown	2,865,043,655	2,732,372,900	2,223	28.9%
Narragansett	4,667,872,091	6,176,323,256	1,307	0.0%
Newport	5,278,926,218	5,456,503,985	2,127	-48.3%
New Shoreham	1,696,672,869	1,830,781,180	115	0.0%
North Kingstown	4,157,262,586	5,494,759,226	3,971	20.0%
North Providence	2,478,427,168	2,051,015,734	3,633	67.4%
North Smithfield	1,528,077,702	1,679,601,789	1,744	44.3%
Pawtucket	3,906,176,293	2,293,127,581	10,568	87.5%
Portsmouth	3,207,282,472	3,687,207,027	2,348	9.2%
Providence	10,468,240,529	6,377,752,884	27,461	86.6%
Richmond	856,283,943	986,844,832	1,186	51.9%
Scituate	1,480,469,963	1,746,497,304	1,329	24.0%
Smithfield	2,601,386,811	2,439,232,905	2,411	41.5%
South Kingstown	4,383,461,230	5,305,668,464	3,247	5.5%
Tiverton	1,985,424,031	1,965,802,753	1,850	38.6%
Warren	1,185,631,291	1,087,290,595	1,241	49.3%
Warwick	9,081,688,132	9,434,655,760	9,174	40.5%
West Greenwich	850,428,018	996,357,003	867	33.6%
West Warwick	2,085,458,670	1,670,525,637	3,477	72.2%
Westerly	6,033,453,062	5,145,694,165	2,900	0.0%
Woonsocket	1,805,110,928	954,009,438	6,150	91.0%
Foster/Glocester	903,766,971	932,578,246	1,107	51.3%
Central Falls	473,848,488	174,512,648	4,086	97.5%
<b>Total</b>	<b>\$ 116,094,877,168</b>	<b>\$116,094,877,168</b>	<b>141,301</b>	

\*Includes charter and state school students



### FY 2019 State Share Ratio Calculation

<i>District</i>	<i>E</i> <i>FY 2018 %</i> <i>Students in</i> <i>Poverty</i>	<i>F</i> <i>FY 2019 State</i> <i>Share Ratio</i>	<i>G</i> <i>FY 2018 State</i> <i>Share Ratio</i>	<i>H</i> <i>Change to</i> <i>Share Ratio</i>
Barrington	5.6%	16.4%	15.9%	0.5%
Bristol	31.0%	24.1%	28.2%	-4.1%
Burrillville	34.4%	51.3%	54.3%	-3.0%
Charlestown	24.7%	48.5%	18.4%	30.1%
Coventry	31.7%	46.0%	48.7%	-2.8%
Cranston	43.5%	54.2%	52.7%	1.5%
Cumberland	23.7%	44.2%	42.4%	1.8%
East Greenwich	9.0%	12.3%	9.7%	2.6%
East Providence	52.3%	58.6%	60.5%	-1.8%
Exeter	19.0%	25.8%	24.7%	1.1%
Foster	21.8%	35.9%	40.8%	-4.9%
Glocester	14.9%	39.6%	38.8%	0.8%
Hopkinton	24.6%	45.3%	44.2%	1.1%
Jamestown	10.3%	7.3%	7.6%	-0.3%
Johnston	45.7%	49.7%	52.5%	-2.8%
Lincoln	27.5%	38.0%	41.3%	-3.3%
Little Compton	10.6%	7.5%	9.7%	-2.2%
Middletown	35.1%	32.2%	30.8%	1.3%
Narragansett	24.9%	17.6%	16.1%	1.6%
Newport	67.8%	58.9%	46.6%	12.3%
New Shoreham	18.5%	13.1%	10.7%	2.4%
North Kingstown	25.4%	22.9%	26.7%	-3.9%
North Providence	45.8%	57.6%	57.6%	0.0%
North Smithfield	21.3%	34.8%	32.9%	1.9%
Pawtucket	77.0%	82.4%	83.7%	-1.3%
Portsmouth	17.7%	14.1%	14.2%	-0.1%
Providence	87.4%	87.0%	87.4%	-0.4%
Richmond	18.8%	39.0%	36.3%	2.7%
Scituate	14.6%	19.9%	23.2%	-3.4%
Smithfield	16.8%	31.7%	26.0%	5.7%
South Kingstown	20.0%	14.7%	16.0%	-1.3%
Tiverton	30.7%	34.9%	34.3%	0.6%
Warren	43.2%	46.4%	52.4%	-6.0%
Warwick	36.3%	38.5%	40.4%	-1.9%
West Greenwich	14.2%	25.8%	26.8%	-1.1%
West Warwick	54.9%	64.1%	63.6%	0.6%
Westerly	39.0%	27.6%	28.9%	-1.3%
Woonsocket	80.7%	86.0%	86.0%	0.0%
Foster/Glocester	17.3%	38.3%	39.5%	-1.3%
Central Falls	89.0%	93.4%	94.1%	-0.7%
<b>Total</b>				



