



State of Rhode Island and Providence Plantations
DEPARTMENT OF EDUCATION
Shepard Building
255 Westminster Street
Providence, Rhode Island 02903-3400

Enclosure 7c
December 1, 2014

Deborah A. Gist
Commissioner

December 1, 2014

TO: Members of the Council on Elementary and Secondary Education

FROM: Deborah A. Gist, Commissioner 

RE: **Approval of the FY 2015 Revised Budget, FY 2016 Current Service Level, and FY 2016 Constrained Budget Proposals**

FY 2015 Revised Budget

The FY 2015 revised budget submission contains an overall \$.5M increase in general revenue when compared with the FY 2015 enacted budget. This is due to an increase of \$.5M in housing aid and an increase of \$45k in group home aid.

FY 2016 Current Service Level Budget Submission

The Department's FY 2016 current service level (CSL) budget submission requests a total of \$1.3 billion, including \$1.05 billion in General Revenue expenditures. It includes a \$50.8M increase (5%) in General Revenue expenditures from the FY 2015 enacted level. The largest increase is \$40.6M (80% of the proposed increase) to fund Year 5 of the funding formula and its attendant categorical funds for early learning, career and technical education, transportation, and high cost special education. An increase of \$3.3M in teacher retirement is the second largest increase.

Within the overall increase, the FY 2016 CSL budget also contains approximately \$4M to continue strengthening our schools and the teaching profession. We are seeking \$2.5M to restore Progressive Support and Intervention funds to their previous funding level in order to support the schools and districts in need of improvement. These funds were eliminated from the Department's budget when it was awarded the Race to the Top funds in 2010. The remaining \$1.5M of the \$4M request will provide LEAs continued access to the statewide systems that support knowledge/data management and lesson/curriculum-sharing. This request of an additional \$4M includes grant opportunities to the field; software licenses and maintenance fees; increased bandwidth for statewide instructional technology; and funding for three positions focusing on performance management and educator quality that were not included in the 2015 enacted budget.

The requested increases are partially offset by \$1M in savings from the original group home aid targets due to data adjustments and \$0.2M each from the continued phase out of Project Vision and the elimination of the Channel 36 pass-through grant.

FY 2016 Constrained Budget Submission

The Department has also prepared a FY 2016 constrained budget that achieves \$. 9M in savings from across the Department. This reduction represents approximately half the 7.5% reduction target received from the State Budget Office. The Department strongly believes these are the only reductions available that will not seriously compromise the work or stymie the momentum of the Department and LEAs. The additional requests found in the CSL budget are all included in the constrained budget with the exception of the reinstatement of Progressive Support and Intervention and E-rate expansion. The Constrained Budget reductions include the final phase-out of the state funds for Project Vision (\$.2M); the phase-out of Channel 36 funding (\$.3M); savings in fees for a legal settlement (\$.1M), and RI School for the Deaf vacancy savings (\$.3M). Previous Constrained Budget submissions have included the elimination of the school breakfast administrative support aid (\$0.3M) and the elimination of the reimbursement to LEA's for the purchase of non-public textbooks (\$0.2M). These recommendations have never been approved by the General Assembly and are not included in 2016 Constrained Budget.

The Department's FY16 CSL budget does not include additional staff to support early learning in Rhode Island. Early learning is a priority and at its current staffing level of .75 FTE, is insufficient for long-term sustainability. The Rhode Island Department of Education, along with community and district partners, is applying for a federal grant that would accelerate pre-kindergarten expansion throughout the state. Should this grant be funded, RIDE will need to supplement the current .75 FTE with 3 additional early learning staff members.

RECOMMENDATION: That, the Rhode Island Board Education approves the FY 2015 Revised Budget, FY 2016 Current Service Level and FY 2016 Constrained Proposals as transmitted to the Rhode Island State Budget Office.



Budget Presentation

FY 2015 Revised and FY 2016 Budgets

Rhode Island Board of Education

December 1, 2014



FY15 Revised

Proposed FY15 revised budget adjustment of \$539k (approximately .05% of budget)

- *State aid*: Increase in aid for new group home beds (+\$45k)
- *Housing aid*: School housing aid savings from bond refinancing less than anticipated: (+\$480k)



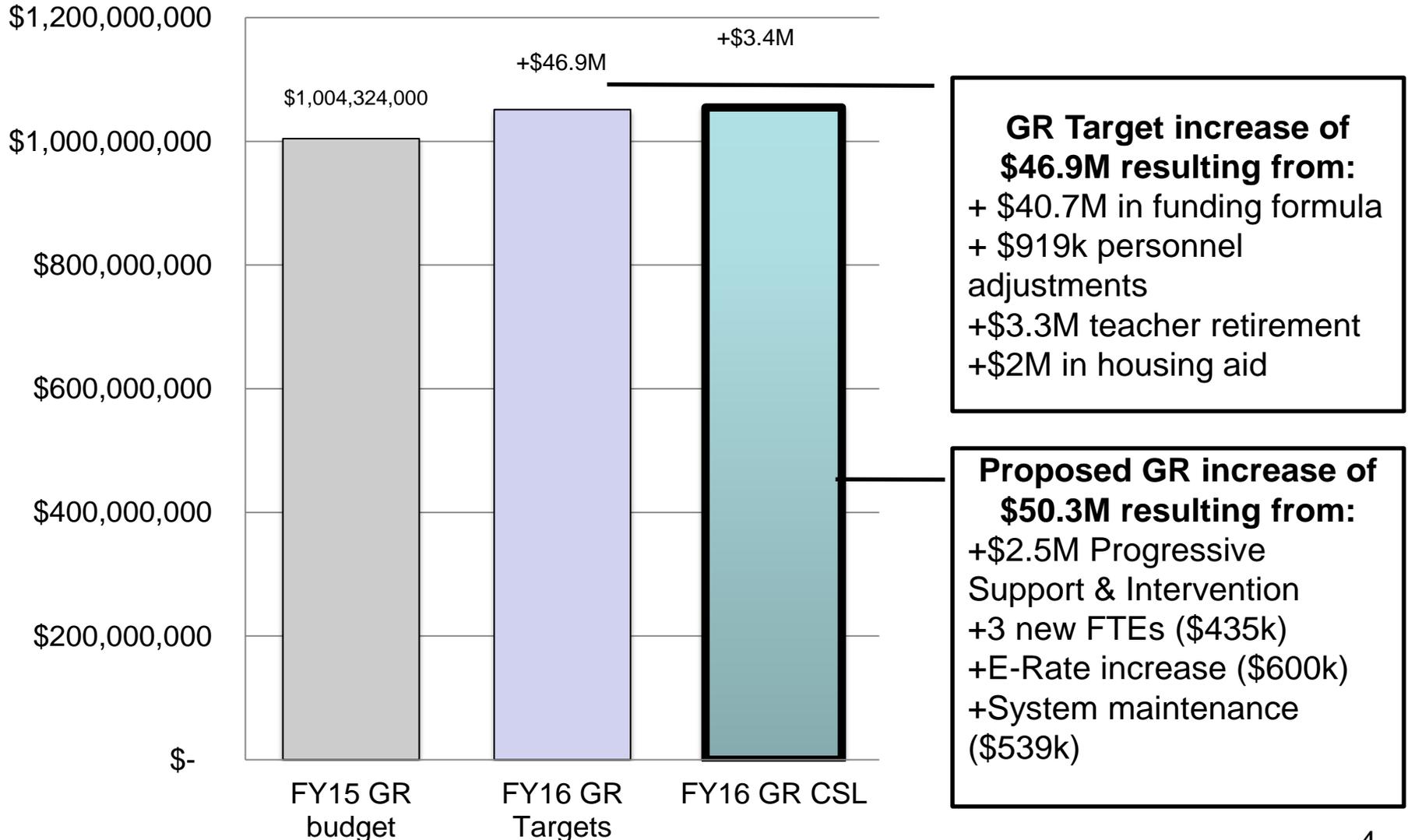
FY16 Current Service Level

Funding Sources	FY15 Enacted	FY16 CSL Proposed	Change
General Revenue	\$1,004,324	\$1,054,667	\$50,343
Federal Funds	\$208,462	\$199,818	(\$8,644)
Restricted Receipts	\$26,885	\$28,985	\$2,100
RICAP	\$5,887	\$7,209	\$1,322
Other Funds	\$359	\$359	0
<i>Total</i>	<i>\$1,245,917</i>	<i>\$1,291,038</i>	<i>\$45,121</i>

All numbers in thousands



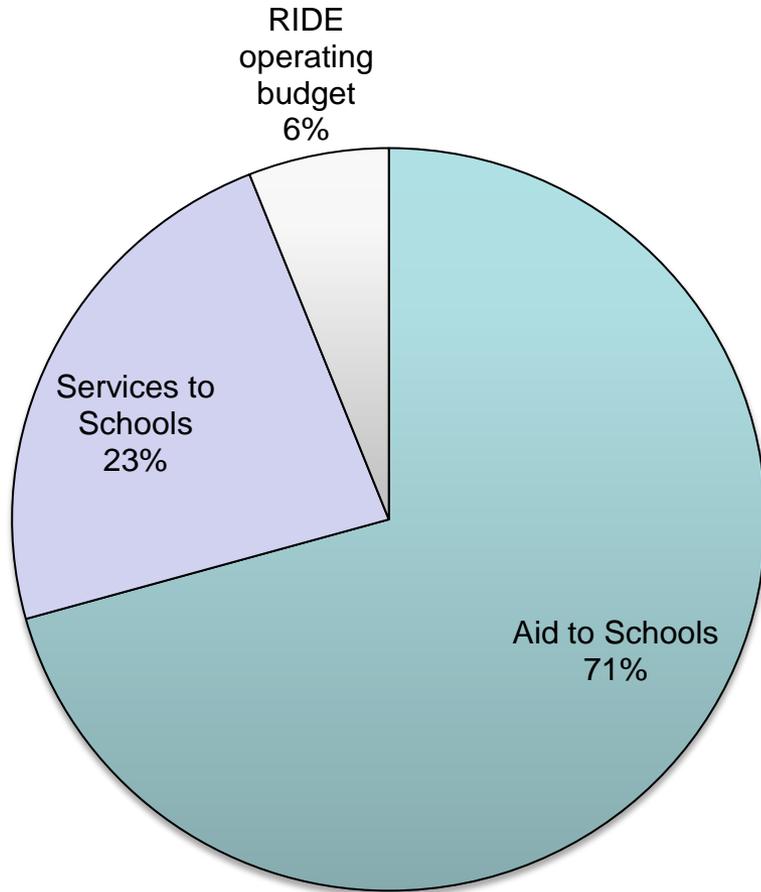
FY16 Current Service Level





FY16 Current Service Level

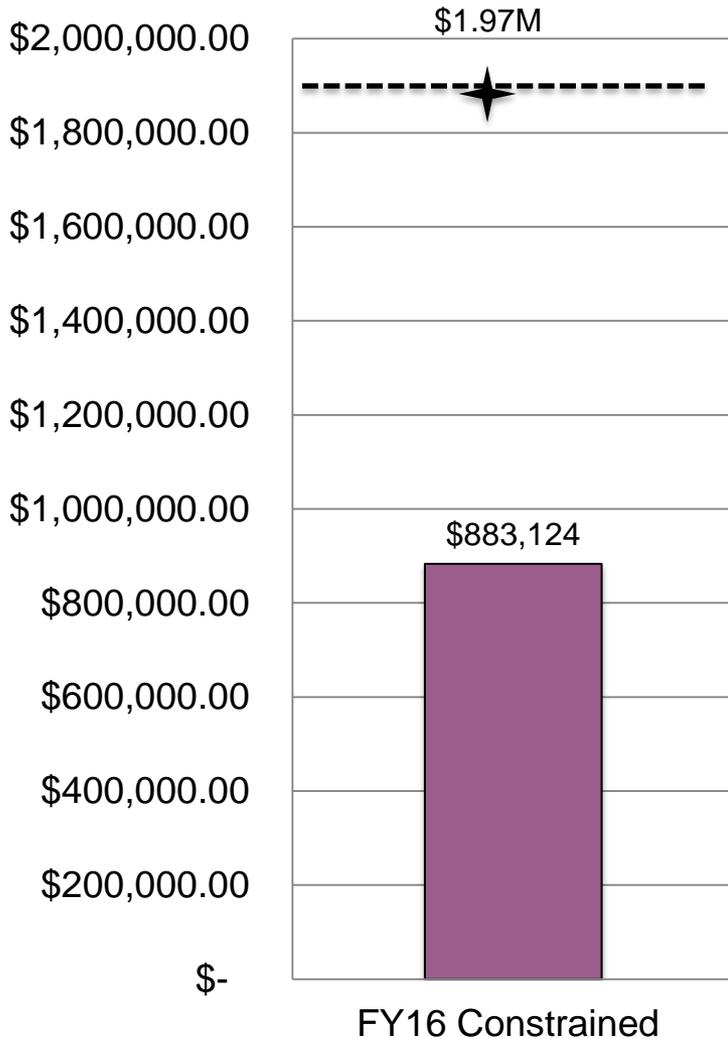
Detail of FY16 \$3.4M Proposed Current Service Level Increase (from target)



Item	Amount	Details
E-rate	\$600k	Increase bandwidth to keep up with demand
Progressive Support & Intervention	\$2.5M	Direct aid to schools/districts in need of improvement
Systems maintenance	\$539k	Maintain key systems that serve schools/districts
3 New FTEs	\$435k	FTEs to support ed. quality & performance management



FY16 Constrained Budget



Proposed Reduction	Amount	Detail
School for Deaf	\$261k	Vacancies
Channel 36	\$250k	Pass-thru grant
Project Vision	\$247k	Year 2 of 3 year phase-out
Administrative expenses: DOJ	\$125k	Reduction in estimated cost
<i>Total</i>	\$883k	

Other Considerations		
School Breakfast	\$270K	District subsidy
Non-public textbook	\$240k	District reimbursement
Group Home Savings	\$980k	Statewide savings



Rhode Island Department of Education

FY16 Budget Summary

Program	<u>A</u> FY 2015 Enacted Budget	<u>B</u> Budget Office Target Adds/ Data Updates	<u>C</u> Proposed Changes Current Service Level	<u>D</u> (<u>A+B+C</u>) FY 2016 Current Service Level Budget Request	<u>E</u> FY 2016 Constrained Budget Request
ACES (RIDE operating)	\$20,379,459	\$629,952	\$337,234	\$21,346,645	\$21,221,645
Davies CTE	\$12,225,917	(\$576,563)	\$7,449	\$11,656,803	\$11,656,803
RI School for the Deaf	\$5,907,421	\$289,158	-	\$6,196,579	\$5,935,121
Metropolitan CTE	\$10,501,360	(\$588,633)	-	\$9,912,727	\$9,912,727
Education Aid	\$758,820,708	\$41,279,669	\$2,119,141	\$802,219,518	\$799,119,518
Central Falls	\$39,010,583	\$546,838	0	\$39,557,421	\$39,557,421
School Housing Aid	\$67,949,504	\$2,000,000	\$957,606	\$70,907,110	\$70,907,110
Teacher's Retirement	\$89,529,396	\$3,341,154	0	\$92,870,550	\$92,870,550
Total	\$1,004,324,348	\$46,921,575	\$3,421,430	\$1,054,667,353	\$1,051,180,895



FY 16 Budget Summary

State Education Aid

Change in Funding Formula, FY15 – FY16	
Total FY15 Education Aid	\$813,319,593
+ Funding Formula Distribution Increase (Year 5)	\$33,460,337
+ Categorical Fund Increase	\$4,087,840
+ Full Day K Implementation	\$1,222,343
+ Central Falls Stabilization Funds	\$1,890,791
Total FY16 Education Aid	\$853,980,903
Change from FY15	\$40,661,310 (5.0%)

* Includes formula funding for all local districts, all charter schools, and all state schools except for the School for the Deaf. Also includes enacted funding for categorical funds.

** Includes the projected amount needed to accommodate anticipated data updates, including student enrollment changes, the core instruction per pupil, and the state share ratio. Amounts are subject to change with annual spring data updates.