

TOWN OF EAST GREENWICH, RHODE ISLAND
A RESOLUTION IN SUPPORT OF STABILIZING
THE LEVEL OF STATE EDUCATIONAL AID

WHEREAS: The state of Rhode Island provides direct financial support to public schools and public school students through state aid; and

WHEREAS: The majority of state education aid allocated to municipalities is calculated annually by the state Division of Municipal Finance utilizing a complex state funding formula; and

WHEREAS: The state funding formula was designed to promote fairness and predictability in distributing state education aid to municipalities; and

WHEREAS: The funding formula state share ratio is unpredictable, because it is calculated using data, such as municipal property values, median family income, and student poverty status, that are vulnerable to economic, political, and social shifts; and

WHEREAS: Variable state share ratios resulted in a significant reduction in state education aid to many municipalities for fiscal year 2020, including a loss of \$486,000 to East Greenwich School District, negatively impacting the ability of school districts and municipalities to properly plan and resource educational requirements; and

WHEREAS: A state financial audit identified an error in the FY19 allocation of state aid to local municipalities; and

WHEREAS: A municipality, using reasonable and prudent measures to validate reported state education aid allocation, is not able to detect errors in the allocation amounts given the complexity of the state funding formula and the volume of statewide data elements involved in its calculation; and

WHEREAS: The current proposal to recover FY19 monies previously allocated in error by the state Division of Municipal Finance negatively impacts the state share of education aid for many municipalities, including a \$143,710 loss for the East Greenwich School District; and

WHEREAS: There is no established procedure, either in regulation or state law, for altering formula aid to correct errors made by the state; and

WHEREAS: The total anticipated loss in state aid to East Greenwich in FY20 is \$630,000, which represents a loss in excess of 20% from FY19 to FY20; and

WHEREAS: RI General Law §16-2-21 caps the budget increase a school district may request of its municipality, and RI General Law §44-5-2 caps the amount a municipality may levy in excess

of the amount levied by the municipality for its previous fiscal year with only limited exceptions regardless of variabilities in state aid or state errors in the calculation of state aid; and

WHEREAS: Recent statewide educational assessments of student learning have shown the need for sustained investment in K-12 education; and

NOW, THEREFORE BE IT RESOLVED: That the East Greenwich Town Council respectfully requests the Rhode Island General Assembly stabilize the level of state educational aid for Fiscal Years 2020 and 2021 at an amount no less than the highest level of state educational aid funding between either Fiscal Year 2018 or Fiscal Year 2019 funding except for adjustments based on enrollment changes; and

1. That the East Greenwich Town Council respectfully requests the Rhode Island Department of Education be directed to revisit the state funding formula to include calculations that account for the cap on municipal property tax revenue generation imposed by RI General Law §44-5-2, to include calculations that reduce the variability in the state share ratio, and to, at a minimum, smooth the variability over time so as to avoid wide swings in funding from one year to another.
2. That the East Greenwich Town Council respectfully requests that municipalities be held harmless for reasonable reliance on funding formula data provided by the state and for repayment of education aid allocated in error by the state.
3. A copy of this resolution is to be sent by the Town Clerk to the Superintendent of the East Greenwich School District, Representative Justine Caldwell, Senator Bridget Valverde, Senator Leonidas Raptakis and the Governor.

ATTEST:

Leigh A. Carney, CMC
Town Clerk

Adopted on _____ by the East Greenwich Town Council and voted _____.

DATE:
March 25, 2019