

Appendix C: MOE Waiver Request

This form must be used for the submission of a request for a waiver of the requirements noted below. For assistance, please contact your State mailbox, which is [State].oese@ed.gov .

State Rhode Island

On behalf of my State, I request a waiver of the following State maintenance of effort (MOE) requirements for the following fiscal years:

Please check all that apply:

- FY 2020 MOE requirement for elementary and secondary education under section 18008 of the CARES Act.
- FY 2020 MOE requirement for higher education under section 18008 of the CARES Act.
- FY 2021 MOE requirement for elementary and secondary education under section 18008 of the CARES Act.
- FY 2021 MOE requirement for higher education under section 18008 of the CARES Act.
- FY 2022 MOE requirement for elementary and secondary education under section 317(a) of the CRRSA Act and section 2004(a) of the ARP Act.
- FY 2022 MOE requirement for higher education under section 317(a) of the CRRSA Act and section 2004(a) of the ARP Act.
- FY 2023 MOE requirement for elementary and secondary education under section 2004(a) of the ARP Act.
- FY 2023 MOE requirement for higher education under section 2004(a) of the ARP Act.

Data for State support and overall State spending

A State must resubmit the baseline data for FYs 2017, 2018, and 2019 (baseline years) as part of this MOE waiver request. If these baseline data differ from a State’s previously submitted data, please provide a description of the reason for the change. Additionally, a State must submit MOE data for the years in which it is requesting this waiver.

	State support for elementary and secondary education	State support for higher education	Overall State spending *
FY 2017	\$ 1,093,116,823	\$ 172,069,995	\$ 3,672,460,276
FY 2018	\$ 1,141,248,462	\$ 178,548,741	\$ 3,798,699,465
FY 2019	\$ 1,166,622,285	\$ 185,519,105	\$ 3,924,049,865
FY 2020	\$ 1,174,630,386	\$ 179,957,898	\$ 3,936,561,372
FY 2021	\$ 1,258,710,734	\$ 189,309,003	\$ 4,078,639,040
FY 2022	\$ 1,306,508,556	\$ 210,267,170	\$ 4,550,811,637
FY 2023	\$	\$	\$

*For overall State spending, a State may request a waiver based on final allocations or appropriations. For more information, see FAQ 10.

Additional submission requirements

In an attachment, please provide:

1. A description of the extent to which the State experienced fiscal burdens in preventing, preparing for, and responding to the coronavirus and an explanation of how those fiscal burdens affected the State’s ability to maintain fiscal effort (e.g., the status of and any changes to the State’s rainy day fund, whether the State experienced a decline in revenues, or an increase in other emergency expenses resulting from the pandemic, such as expenses related to health care, unemployment insurance, or support for small businesses); and

2. Documentation and data supporting the description of the State’s fiscal burdens (e.g., revenue data, appropriation tables, unemployment statistics, etc.) including any State action that impacted State revenue (e.g., tax increases or decreases).
3. In addition, in its waiver request, a State should submit information on the relevant factors listed below to support its request. The Secretary may ask States for additional information after States submit the MOE waiver request form.

In determining whether to grant a State an MOE waiver, the Secretary may consider factors such as:

Has the State increased support for education?

The Department understands that it is possible that a State has maintained or increased overall funding for education and the proportion of the State budget for education has still declined because of increases in other areas of the budget (e.g., public health). In these cases, the Secretary may consider:

- Has total State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?
- Has total State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?
- Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?
- Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?
- Has the State appropriated an increase in State funding for K-12 education and for higher education for future fiscal years?

Are there exceptional circumstances that caused the State to be unable to maintain support for education?

If a State’s support for education declined, the Secretary may consider:

- Are there specific severe effects of the COVID-19 pandemic on the State’s economy that necessitated reductions in support for elementary and secondary education and for higher education?
- What steps did the State take to avoid and/or minimize such reductions?
- Did the State use Coronavirus State and Local Fiscal Recovery Funds awarded by the U.S. Department of the Treasury under section 9901 of the ARP Act to support elementary and secondary education and higher education?
- How did reductions in support for elementary and secondary education and for higher education compare to other budget categories?
- Did the State take steps that reduced or will it take steps to proactively reduce its financial resources in a way that impacted or will impact its ability to meet MOE requirements (e.g., tax changes (and in what context), additional contributions to rainy day funds)? If so, what was the impact of the reduction (e.g., to what extent were its resources reduced or will its resources be reduced)?

Has the State used or will it use ESSER, GEER, or Higher Education Emergency Relief (HEER) funding to replace State funding for education?

It is important for the Department to understand the State’s use of pandemic-related Federal funds when reviewing a request for a waiver. The Secretary may therefore consider:

- Will all unallocated ESSER or GEER funds relevant to the waiver be used to provide net new resources to K-12 schools and to higher education and not be used to replace existing State commitments to K-12 education and to higher education?
- Will all unallocated HEER funds be used to provide net new resources to higher education and not be used to replace existing State commitments to higher education?
- Has the State previously used any ESSER, GEER, or HEER funds to replace State funding for education?

To the best of my knowledge and belief, all of the information in this MOE data submission are true and correct and the

failure to submit accurate data may result in liability under the False Claims Act, 31 U.S.C. § 3729 et seq.; OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR part 180, as adopted and amended as regulations of the Department in 2 CFR part 3485; and 18 USC § 1001, as appropriate, and other enforcement actions.

Brian M. Daniels		(401) 574-8430
Governor or Chief State School Officer or Authorized Representative (Typed or Printed Name)		Telephone
Digitally signed by Brian Daniels Date: 2022.06.10 17:22:36 -04'00'		06/10/2022
		Date
Signature	School Officer or Authorized Representative	Date

Public Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0745. Public reporting burden for this collection of information is estimated to average 2 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain or retain benefit under section 18008 of the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, Division M, Section 317 of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) Act, and Section 2004(a) of the American Rescue Plan Act of 2021 (ARP Act) If you have any comments concerning the accuracy of the time estimate, suggestions for improving this individual collection, or if you have comments or concerns regarding the status of your individual form, application or survey, please contact Britt Jung, Office of State and Grantee Relations, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20202-6450, email: SGR@ed.gov directly.



OFFICE OF MANAGEMENT & BUDGET

Brian M. Daniels, Director

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8430
Fax: (401) 222-6436

MEMORANDUM

To: United States Department of Education
From: Brian Daniels, Director, Office of Management & Budget
Date: June 10, 2022
Subject: **Maintenance of Effort Waiver Request Submission**



As demonstrated in the accompanying request, in FY 2022 the State of Rhode Island increased support for elementary, secondary, and higher education, with State education appropriations exceeding the average levels of support during fiscal years 2017-2019. However, the State has not attained compliance with the Maintenance of Effort (MOE) requirements, primarily due to the State increasing aid to municipalities, as well as addressing various areas of need in health and human services, capital investment and pension liabilities. Due to these targeted investments the state is unable to comply with the proportional requirement of the MOE under the CRSSA and ARP Acts, despite consistent efforts to increase support for education in excess of what the funding formula for Rhode Island education aid was designed to accommodate.

The following waiver request attachment includes data based on the State's FY 2022 Enacted Budget. In addition, the waiver discusses various changes to the FY 2022 Enacted Budget included in the Governor's Revised FY 2022 Budget. The State anticipates submitting revised data as FY 2022 actual expenditures become available.

Thank you for consideration of our request.



OFFICE OF MANAGEMENT & BUDGET

Brian M. Daniels, Director

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8430
Fax: (401) 222-6436

MOE Waiver Request

1. A description of the extent to which the State experienced fiscal burdens in preventing, preparing for, and responding to the coronavirus and an explanation of how those fiscal burdens affected the State's ability to maintain fiscal effort (e.g., the status of and any changes to the State's rainy day fund, whether the State experienced a decline in revenues, or an increase in other emergency expenses resulting from the pandemic, such as expenses related to health care, unemployment insurance, or support for small businesses)

State Fiscal Changes and Actions

State support for elementary and secondary education in Rhode Island is driven by the Education Aid Funding Formula. This is an equity-driven formula whose principles include that funding should follow the student and that community fiscal capacity and student need should be weighted when determining the extent of state support. The Education Aid Funding Formula was enacted in FY 2010, implemented in FY 2012, and funding education at the formula-determined level is generally accepted as "full" state funding for education by local stakeholders. The formula incorporates a wide range of factors, including a per-student core instruction amount, a poverty factor adjustment to the core instruction amount, and a state share ratio, which is calculated using municipal property values, median family income, and student poverty status. These factors are used to calculate aid that each Local Education Agency (LEA) receives, and all data elements are recalculated annually. Therefore, full funding of Education Aid Funding Formula has, for the past decade, been the measure by which State support for elementary and secondary education is measured in Rhode Island.

Since the onset of the COVID-19 Pandemic, Rhode Island has taken exceptional steps to ensure that the direct and indirect impacts of the pandemic did not have an adverse fiscal impact on state support for K-12 education. Rhode Island has experienced a statewide decrease in student enrollment compared to pre-pandemic levels. In March 2021, statewide student enrollment had decreased by 3,995 students compared to March 2020. Recognizing the decrease in enrollment, the Rhode Island General Assembly enacted legislation to hold school districts harmless from the impacts of the COVID-19 pandemic on student enrollment for FY 2022. For FY 2022, school districts will receive aid based on student enrollment in either March 2020 or March 2021, whichever is greater. For any community in which enrollment was higher in March 2020, enrollment is adjusted for students enrolling in new and expanding charter schools for FY 2022. This legislative change resulted in an increase of \$39.7 million in FY 2022 aid to Rhode Island public schools compared to the true funding formula calculation.

As a result of the pandemic and other longstanding State policies, various funding shifts have occurred across State-funded programs. Taken together, these shifts have resulted in a lower proportion of state expenditures dedicated to education support compared to the baseline

period, even though per-pupil and total education expenditures have steadily increased. These expenditure shifts include:

- In FY 2022, State support for non-education programs, such as municipal aid, is expected to grow faster than funding for education compared to FY 2021 and the baseline period. Rhode Island's municipal aid is budgeted in the State's Department of Revenue (DOR). In FY 2018 DOR's actual expenditures were 3.9 percent of total state expenditures, in the FY 2022 Enacted Budget DOR's expenditures have grown to 5.9 percent of total expenditures. The growth represents an increase of \$106.8 million from FY 2018 to FY 2022. State-provided aid to municipalities is a substantial source of revenue for local governments and indirectly supports the municipal share of education aid. The FY 2022 Enacted Budget appropriates \$199.6 million in unrestricted aid to Rhode Island municipalities. The local education appropriation is the single largest expense for all Rhode Island municipalities. Based on self-reported data, in FY 2020 on average the local appropriation to education was 50.5% of a municipality's total expenditures.
- Eleanor Slater Hospital, a state-operated Long-Term Acute Care Hospital, is required to have at least fifty percent of the patient census with a primary diagnosis of medical versus psychiatric in order to maintain its Medicaid billing status. Since FY 2020, over fifty percent of the hospital's patient census has psychiatric primary diagnosis and as a result, the State has been required to supplant the loss of Medicaid billing with general revenue expenditures to maintain hospital operations. In FY 2022 it is projected that the inability to bill Medicaid will result in additional state general revenue expenditures of approximately \$30.0 million.
- While not education aid, the state has made significant investment in services for youth. The FY 2022 Enacted Budget added 75 front line worker positions and \$9.4 million in the Department of Children, Youth, and Families (DCYF) to provide the necessary services to Rhode Island's children and needed for the Department to achieve accreditation.
- The FY 2022 Enacted Budget includes an appropriation of \$39.0 million in Rhode Island's Medicaid program as a contingency in the case the federal government ends the COVID-19 public health emergency and the associated enhanced Federal Medical Assistance Percentage (FMAP).
- Included in the FY 2022 Enacted Budget is a \$25.0 investment into a Housing Production Fund to increase in the supply of affordable housing in Rhode Island over the long term.
- The FY 2022 Enacted Budget includes an additional \$52.0 million to finance existing obligations made under the Rebuild Rhode Island Tax Credit program. The intention of this investment is to pre-fund tax credits and sales and use tax exemptions which will be redeemed over current and future fiscal years to avoid budget fluctuations.
- Included in the FY 2022 Enacted Budget is an appropriation of \$15.0 million to establish a body camera grant program intended to supply state and local law enforcement officials with body worn cameras.
- In FY 2022 a contract negotiation was settled with State employees, included in the contract was a cost-of-living-adjustment retroactively applied to July 1, 2020, which was paid in FY 2022. This has resulted in approximately \$17 million in the current year for work performed in FY 2021. Furthermore, these retroactive payments for work performed

in the prior fiscal year distort the State’s MOU calculation because they exclusively impact non-education related expenditures, as the State does not directly finance local education agency personnel. The contract was finalized after the enactment of the FY 2022 budget and is not represented in the numbers below but will be included in the FY 2022 final actual expenditures.

In order to meet the FY 2022 MOE requirement, based on education support appropriated in the FY 2022 Enacted Budget, Rhode Island would need to reduce non-education expenditures by \$174,178,088. The chart below shows various non-education required investments discussed above that are contributing to Rhode Island’s non-compliance with the MOE provision in FY 2022.

Non-Education Investments	FY 2022 Enacted Budget
Rebuild RI Existing Commitments	\$52,000,000
Enhanced FMAP Contingency	\$39,000,000
Elanor Slater- Medicaid Supplantation	\$30,000,000
Housing Production Fund	\$25,000,000
Municipal Aid	\$16,000,000
Body Worn Camera Statewide Project	\$15,000,000
DCYF Accreditation Investments	\$9,000,000
Total	\$186,000,000

Possible One-Time Transfers in FY 2022

Furthermore, while the FY 2022 expenditure actuals are not yet available, the Office of Management and Budget projected an operating surplus of \$618.4 million for Fiscal Year 2022. As a result, in addition to the shifts in state expenditures described above, the revised FY 2022 budget will likely include substantial one-time expenditures as well as one-time transfers to other state funds.

These transfers and set asides (1) would not necessarily be expended for their end use during FY 2022 and (2) do not represent ongoing operating commitments. Rather, they are intended to facilitate multi-year investments. Such transfers include:

- \$100.0 million transfer to the Rhode Island Capital Fund as state match through FY 2024 in anticipation of federal funds provided through the federal Infrastructure Investment and Jobs Act. The federal law requires a state match for a wide range of transportation and infrastructure projects that include roads, bridges, highways, and transit facilities, among others.
- \$21.9 million as state match for the next two years to access federal funding available for clean water and drinking water improvements
- \$62.0 million to pay down unfunded liabilities dating back to a financial downturn in 1991 and 1992 which resulted in deferred pension contributions.
- \$210.0 million transfer to the Rhode Island Capital Fund for state facility improvements to help address longstanding deferred maintenance of state buildings and facilities. This amount includes \$108.2 million for construction of a new state-operated medical hospital.

- \$50.0 million for the state’s Information Technology Investment Fund, funding that would be utilized over multiple years to implement necessary information technology projects, such as a replacement of the Department of Labor and Training’s legacy mainframe with a modern system for Temporary Disability Insurance and employer tax functions, as well as an Electronic Medical Records Hospital Information System for the state-operated Eleanor Slater Hospital.

Given that there are no assurances that the \$618.4 million in FY 2022 surplus was guaranteed to recur, these investments were deliberately chosen to defray past liabilities, prefund anticipated liabilities and multi-year projects, and make targeted non-recurring investments.

Bond Expenditures

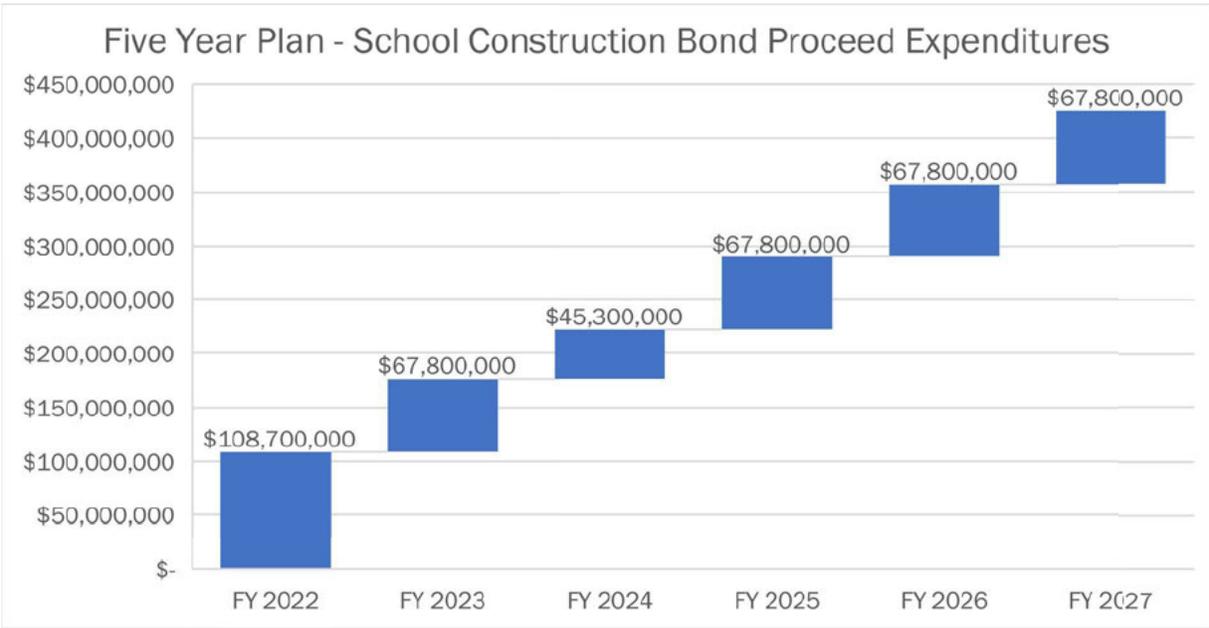
In addition to education aid support, the state has supported several rounds of school construction bonds, which provide pay-as-you-go funding to LEAs across the state improve and replace school buildings across the state. While this is not included in the below general revenue state education support totals, it does represent substantial state support for education that continues to be accessed by municipalities in FY 2022.

In FY 2019, Rhode Island voters approved the Statewide School Construction Bond. The bond activated access to \$250 million in upfront funding to support the state share of foundation school housing aid.

Furthermore, the FY 2023 Governor’s Recommended Budget proposes substantial additional investments in K-12 and higher education, including:

- A new tranche of \$250.0 million in state borrowing to support the rehabilitation and new construction of K-12 schools throughout Rhode Island. \$200.0 million provides ongoing support for the existing Statewide School Construction Bond program, mentioned above, while the remaining \$50.0 million capitalizes the Local Equity Initiative to finance smaller dollar projects that make immediate improvements to health, safety, energy-efficiency and learning spaces in existing school buildings. Combined with the \$250 million bond approved in FY 2019, Rhode Island anticipates investing \$425.2 million to repair or replace Rhode Island’s structurally deficient schools. The chart below highlights the anticipated expenditures by fiscal year.
- \$50.0 million investment in the University of Rhode Island - Narragansett Bay Campus to update and expand facilities at the school of oceanography, supporting research and development in ocean-based renewables, marine trade and defense, and aquaculture and fisheries
- \$12.0 million to upgrade and renovate Community College of Rhode Island facilities

While capital expenditures are not included as part of the higher education MOE calculation, as described above the state has and will continue to make substantial capital investments supporting both K-12 and higher education.



2. Documentation and data supporting the description of the State’s fiscal burdens (e.g., revenue data, appropriation tables, unemployment statistics, etc.) including any State action that impacted State revenue (e.g., tax increases or decreases).

State Appropriations for Education and Non-Education Programs

As noted above, in FY 2022 State support for non-education programs, such as municipal aid, is expected to grow faster than funding for education compared to FY 2021 and the baseline period. The charts below highlight Rhode Island’s consistent expansion of education support, but also document how non-education investments have grown at a slightly faster pace than education support since FY 2017. Note: FY 2017 - FY 2021 data represents actual expenditures and FY 2022 data represents the FY 2022 Enacted Budget.

Fiscal Year	Elementary and Secondary Education Support	Higher Education Support	Non-Education Expenditures
FY 2017	1,093,116,823	172,069,995	2,407,273,458
FY 2018	1,141,248,461	178,548,741	2,478,902,263
FY 2019	1,166,622,284	185,519,105	2,571,908,476
FY 2020	1,174,630,387	179,957,898	2,581,973,087
FY 2021	1,258,710,734	189,309,003	2,630,619,303
FY 2022	1,306,508,556	210,267,170	3,034,035,911

Fiscal Year	Elementary and Secondary Education Support	Higher Education Support	Non-Education Expenditures
FY 2017	29.8%	4.7%	65.5%
FY 2018	30.0%	4.7%	65.3%
FY 2019	29.7%	4.7%	65.5%
FY 2020	29.8%	4.6%	65.6%
FY 2021	30.9%	4.6%	64.5%
FY 2022	28.7%	4.6%	66.7%

3. In addition, in its waiver request, a State should submit information on the relevant factors listed below to support its request. The Secretary may ask States for additional information after States submit the MOE waiver request form. In determining whether to grant a State an MOE waiver, the Secretary may consider factors such as: Has the State increased support for education?

	Elementary and Secondary Education Support	Higher Education Support
FY 2021 MOE Requirement	1,133,662,523	178,712,614
FY 2021 Actual Support	1,258,710,734	189,309,003
Support In Excess Of FY 2021 MOE Requirement	\$125,048,211	\$10,596,389

In FY 2021 Rhode Island spent an additional \$125.0 million in elementary and secondary education support and an additional \$10.6 in higher education support than what was required by the MOE described in the CARES Act for FY 2021. The FY 2022 Enacted Budget represents an increase in both elementary and secondary education and higher education support compared to FY 2021 expenditures. Rhode Island has continued to increase investments into public education but needed investments in other areas of state expenditures, and financing of pre-existing commitments, have resulted in Rhode Island failing to meet the proportional requirement of the MOE.

4. Has total State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?

While FY 2022 expenditure actuals have yet to be finalized, the below data for FY 2022 shows the appropriated funding level included in the FY 2022 Enacted Budget. The level of support for both K-12 education and higher education represent increases from the prior fiscal year.

K-12 Education

Rhode Island’s education support consists of seven distinct programs. For context, a description of each program is as follows:

- *Education Aid.* Primarily driven by the Education Aid Funding Formula, an enrollment and means based formula, distributed to Local Education Agencies (LEAs or districts) to finance the state’s portion of education expenditures. Other “categorical” funding is also included within this program includes additional support for “Multilingual Learners” and “High-Cost Special Education,” among others.
- *Central Falls School District.* Primarily driven by the Education Aid Funding Formula, state budget presentations itemize this aid separately as the state provides full financial support for the operations of the Central Falls School District.
- *Davies Career and Tech.* Primarily driven by the Education Aid Funding Formula, Davies is a state financed and operated career and technical school.
- *Met. Career and Tech.* Primarily driven by the Education Aid Funding Formula, the Metropolitan Career and Technical School is a state financed career and technical school.

- *RI School for the Deaf.* Financed outside of the Education Aid Funding Formula, the RI School for the Deaf (RISD) is financed and operated by the State.
- *School Construction Support.* A means-based reimbursement program, distributed on a sliding scale determined though fiscal capacity, financing portions of LEA construction projects.
- *Teachers' Retirement.* Distributed as a reimbursement to LEAs for the State's portion, or 40.0 percent, of the employer's portion of retirement costs.

RI State Support for Elementary and Secondary Education: General Revenue			
Program	Actuals FY 2021	Enacted FY 2022	FY 2022 Growth From FY 2021
Education Aid	986,771,773	1,023,707,116	36,935,343
Central Falls School District	45,109,045	47,702,746	2,593,701
Davies Career and Tech.	13,717,317	14,437,904	720,587
Met. Career and Tech.	9,342,007	9,342,007	-
RI School for the Deaf	6,881,155	7,402,627	521,472
School Construction Support	80,000,000	80,000,000	-
Teachers' Retirement Program	116,889,437	123,916,166	7,026,729
Total Support	\$1,258,710,734	\$1,306,508,566	\$47,797,832

The FY 2022 Enacted Budget represents an increase of \$47.8 million compared to the FY 2021 actual expenditures. The enacted budget includes financing to hold school districts harmless from the impacts of the COVID-19 Pandemic on student enrollment for FY 2022, an exceptional policy decision made to maintain a high level of local education support. Student enrollment in the 2020-2021 academic year decreased compared to the 2019-2020 academic year, and the updated enrollment data would have otherwise resulted in a reduction of \$39.7 million in aid compared to the Recommended Budget.

Higher Education

Program	Actuals FY 2021	Enacted FY 2022	FY 2022 Growth From FY 2021
RI Promise Scholarship	7,124,956	17,275,838	10,150,882
University of Rhode Island	77,752,796	84,745,516	6,992,720
Rhode Island College	52,172,385	55,818,736	3,646,351
Community College of RI	52,258,866	52,427,080	168,214
Total Support	\$189,309,003	\$210,267,170	\$20,958,167

The FY 2022 Enacted Budget represents an increase of \$21.0 million compared to the FY 2021 Enacted Budget. This includes the unrestricted state appropriations to the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island, and the general revenue-funded Rhode Island Promise scholarship for qualified students to attend CCRI tuition-free. The FY 2022 Enacted Budget includes \$9.6 million in new general revenue

expenditures to support last dollar scholarships, previously financed by tuition savings fees and federal loan reserve funds.

5. Has total State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?

While the actual FY 2022 expenditures have yet to be finalized, the below data for FY 2022 shows the appropriated funding level included in the FY 2022 Enacted Budget.

K-12 Education

Rhode Island has consistently increased elementary and secondary education support compared to the previous fiscal year. Again, Rhode Island is requesting a waiver of the Maintenance of Effort provision because other areas of the State Budget, primarily municipal aid, are increasing at a faster rate than elementary and secondary education. Rhode Island did not enact a reduction in elementary and secondary education in FY 2022.

Fiscal Year	Education Support Growth
FY 2017	-
FY 2018	4.4%
FY 2019	2.2%
FY 2020	0.7%
FY 2021	7.2%
FY 2022	3.8%

(please see additional table on page 10)

Higher Education

Rhode Island has increased support for higher education in every year except FY 2020. In FY 2020, Rhode Island reduced state support for its public institutions by \$16.4 million in order to balance the budget while facing severe reductions in revenue forecasts. The decrease in state support was compensated for by using \$29.5 million in Higher Education Emergency Relief HEER fund support as part of the federal CARES Act. The state increased its support for higher education in FY 2021 while also allocating \$23.0 million from the Coronavirus Relief Fund to higher education institutions to help mitigate the costs of the ongoing public health emergency.

Fiscal Year	Education Support Growth
FY 2017	-
FY 2018	3.2%
FY 2019	4.5%
FY 2020	-3.2%
FY 2021	5.4%
FY 2022	9.2%

(please see additional table on page 10)

RI State Support for Elementary and Secondary Education: General Revenue						
Program	Actuals FY 2017	Actuals 2018	Actuals FY 2019	Actuals FY 2020	Actuals FY 2021	Enacted FY 2022
Education Aid	845,554,141	890,183,384	910,052,920	912,534,888	986,771,773	1,023,707,116
Central Falls School District	39,100,578	39,878,367	40,752,939	40,400,856	45,109,045	47,702,746
Davies Career and Tech.	12,590,092	13,399,536	13,647,518	13,429,495	13,717,317	14,437,904
Met. Career and Tech.	9,342,007	9,342,007	9,342,007	9,025,651	9,342,007	9,342,007
RI School for the Deaf	6,171,223	6,287,495	6,570,336	6,659,049	6,881,155	7,402,627
School Construction Support	80,000,000	80,000,000	80,000,000	79,664,215	80,000,000	80,000,000
Teachers' Retirement Program	100,358,782	102,157,673	106,256,564	112,916,232	116,889,437	123,916,166
Total Support	\$1,093,116,823	\$1,141,248,462	\$1,166,622,284	\$1,174,630,386	\$1,258,710,734	\$1,306,508,566

RI State Support for Higher Education: General Revenue						
Program	Actuals FY 2017	Actuals FY 2018	Actuals FY 2019	Actuals FY 2020	Actuals FY 2021	Enacted FY 2022
RI Promise Scholarship	-	3,006,655	5,578,442	6,830,194	7,124,956	17,275,838
University of Rhode Island	76,137,630	77,929,815	80,567,459	78,741,738	77,752,796	84,745,516
Rhode Island College	46,996,330	47,903,024	48,845,064	47,805,887	52,172,385	52,208,155
Community College of RI	48,936,035	48,709,247	50,528,140	46,280,079	52,258,866	52,427,080
Total Support	\$172,069,995	\$177,548,741	\$185,519,105	\$179,657,898	\$189,309,003	\$206,656,589

6. Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?

While the actual FY 2022 expenditures have yet to be finalized, the below data for FY 2022 shows the appropriated funding level included in the FY 2022 Enacted Budget.

K-12 Education

Fiscal Year	Student Enrollment
FY 2017	141,278
FY 2018	141,426
FY 2019	142,306
FY 2020	142,202
FY 2021	142,361
FY 2022	138,366

Rhode Island’s education Funding Formula is based on the March resident daily average membership enrollment data from the March prior to the start of the fiscal year. For example, the FY 2017 Funding Formula appropriations is based on the resident daily average membership in March 2016. The above chart shows Rhode Island’s enrollment by fiscal year. As noted above, Rhode Island’s student enrollment in FY 2022 has decreased compared to pre-pandemic levels. In order to continue to provide the highest level of education support, the FY 2022 Enacted Budget finances local education support for each school district on student enrollment in either March 2020 or March 2021, whichever is greater.

RI State Support for Elementary and Secondary Education: General Revenue (Per Pupil)			
Program	Enacted FY 2021	Enacted FY 2022	FY 2022 Growth From FY 2021
Education Aid ⁺	6,931	7,399	467
Central Falls School District*	16,042	18,015	1,973
Davies Career and Tech.*	15,500	16,168	668
Met. Career and Tech.*	11,977	11,519	(458)
RI School for the Deaf*	90,542	93,704	3,163
School Construction Support ⁺	562	578	16
Teachers' Retirement Program ⁺	821	896	74
Total Support	\$8,842	\$9,442	\$601
+ Per Pupil Expenditures represent statewide enrollment			
* Per Pupil Expenditures represent the specific LEAs enrollment			

On a per pupil basis the FY 2022 Enacted Budget increases education aid compared to FY 2021, except for the Met. Career and Tech School which was level funded compared to FY 2021, resulting in a slight decrease in per pupil spending for that specific program.

Higher Education

Fiscal Year	University of Rhode Island	Rhode Island College	Community College of Rhode Island	Total FTE Enrollment
FY 2017	14,793	6,937	8,998	30,728
FY 2018	14,995	6,745	9,246	30,986
FY 2019	14,691	6,429	8,899	30,019
FY 2020	14,748	6,278	9,065	30,091
FY 2021	14,573	6,209	8,592	29,374
FY 2022	14,573	5,868	8,592	29,033

RI State Support for Higher Education: General Revenue (Per FTE Enrollee)			
Program	Actuals FY 2021	Enacted FY 2022	FY 2022 Growth From FY 2021
RI Promise Scholarship			
University of Rhode Island*	5,335	5,815	480
Rhode Island College*	8,403	8,897	494
Community College of RI*	6,082	6,102	20
Total Support⁺	\$6,445	\$7,118	\$673
+ Per FTE Enrollee Expenditures represent total enrollment			
* Per Pupil Expenditures represent the specific institution's enrollment			

On a per FTE enrollee basis the FY 2022 Governor's Recommended Budget increases education aid compared to FY 2021. Note: The above chart includes the RI Promise Scholarship in the Total Support line but does not break it out separately.

7. Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?

While the actual FY 2022 expenditures have yet to be finalized, the below data for FY 2022 shows the appropriated funding level included in the FY 2022 Enacted Budget.

K-12 Education

Rhode Island has consistently increased elementary and secondary education support compared to the previous fiscal year on a statewide per pupil basis. Note that the totals shown in the "RI State Support for Elementary and Secondary Education: General Revenue (per pupil)" table above, the State school's (Davies Career and Tech, Met. Career and Tech, RI School for the Deaf) totals include supplementary operating funding that is provided separately from the education aid funding formula. While this operating support may fluctuate slightly from year-to-year, state schools are receiving their full education aid funding formula allotment in FY 2022.

RI State Support for Elementary and Secondary Education: General Revenue (Per Pupil)						
Program	Actuals FY 2017	Actuals 2018	Actuals FY 2019	Actuals FY 2020	Actuals FY 2021	Enacted FY 2022
Education Aid+	5,985	6,294	6,395	6,417	6,931	7,399
Central Falls School District*	15,830	15,762	15,845	15,257	16,042	18,015
Davies Career and Tech.*	14,389	16,401	16,094	15,634	15,500	16,168
Met. Career and Tech.*	11,421	11,692	11,992	11,527	11,977	11,519
RI School for the Deaf*	97,956	96,731	98,065	86,481	90,542	93,704
School Construction Support+	566	566	562	560	562	578
Teachers' Retirement Program+	710	722	747	794	821	896
Total Support	\$7,737	\$8,070	\$8,198	\$8,260	\$8,842	\$9,442
+ Per Pupil Expenditures represent statewide enrollment						
* Per Pupil Expenditures represent the specific LEAs enrollment						

Fiscal Year	Percent Change
FY 2017	-
FY 2018	4.3%
FY 2019	1.6%
FY 2020	0.8%
FY 2021	7.0%
FY 2022	6.8%

Higher Education

RI State Support for Higher Education: General Revenue (Per FTE Enrollee)						
Program	Actuals 2017	Actuals 2018	Actuals 2019	Actuals FY 2020	Actuals FY 2021	Enacted FY 2022
RI Promise Scholarship University of Rhode Island*	5,147	5,197	5,484	5,339	5,335	5,815
Rhode Island College*	6,775	7,102	7,598	7,615	8,403	8,897
Community College of RI*	5,439	5,268	5,678	5,105	6,082	6,102
Total Support+	\$5,600	\$5,730	\$6,180	\$5,970	\$6,445	\$7,118
+ Per FTE Enrollee Expenditures represent total enrollment						
* Per Pupil Expenditures represent the specific institution's enrollment						

Fiscal Year	Education Support Growth
FY 2017	-
FY 2018	2.3%
FY 2019	7.9%
FY 2020	-3.4%
FY 2021	7.9%
FY 2022	10.4%

Rhode Island has increased support for higher education compared to the previous fiscal year on an FTE enrollee basis in every year except FY 2020. Note that the first chart above includes the RI Promise Scholarship in the Total Support line but does not break it out separately.

8. Has the State appropriated an increase in State funding for K-12 education and for higher education for future fiscal years?

K-12 Education

Rhode Island appropriates K-12 education and higher education funding on an annual basis. As a result, no funding for future fiscal years has been appropriated. The Governor’s FY 2023 Recommended Budget represents a \$40.1 million increase in education support compared to the FY 2022 Enacted Budget. Similar to FY 2022, the Governor has recommended a transition fund to hold school districts harmless from any losses in aid produced by the FY 2023 funding formula calculation.

Higher Education

Rhode Island appropriates K-12 education and higher education funding on an annual basis. As a result, no funding for future fiscal years has been appropriated. The Governor’s FY 2023 Recommended Budget represents an increase of \$5.7 million increase in appropriations to higher education. The recommended increase includes a total increase of \$15.3 million to Rhode Island’s 3 public higher education institutions offset by a decrease of \$9.6 million for the RI Promise last dollar scholarship. Available non-general revenue funds are able to support the scholarship’s expected expenditures in FY 2023, and general revenue financing is not needed next fiscal year.

9. Has the State used or will it use ESSER, GEER, or Higher Education Emergency Relief (HEER) funding to replace State funding for education?

Neither the FY 2022 Enacted Budget nor the FY 2023 Governor’s Recommended Budget uses ESSER, GEER or HEER funding to replace state funding for education. However, in FY 2020, there were shifts between funding sources for elementary and secondary education as well as higher education that resulted in a net increase in funding, as described below.

K-12 Education

In FY 2020 Rhode Island faced a substantial end-of-year budget deficit, as the public health emergency had dramatically decreased state revenues. In order to resolve this deficit, the state took several actions which ultimately provided \$50.0 million (all funds) in additional education aid to its Local Education Authorities (LEAs – school districts, public charters, and

state schools) when compared to the original enacted budget of the same year. This was accomplished by taking the following actions:

- An additional \$41.7 million distributed to LEAs through the Elementary and Secondary School Emergency Relief (ESSER) Fund program as part of the federal CARES Act. These funds were distributed according to federal rules in proportion with each LEA's federal Title 1, Part A distribution.
- An additional \$50.0 million distributed to LEAs from the Coronavirus Relief Fund as part of the federal CARES Act. This funding was distributed in proportion as ESSER funding and were spent in accordance with federal guidance.
- A \$41.7 million reduction in state funding formula aid in proportion with ESSER funding.

Higher Education

In FY 2020, Rhode Island reduced state operational support for its public institutions by \$16.4 million compared to original enacted budget. This reduction was distributed by institution as follows:

- University of Rhode Island: (\$7.0 million)
- Rhode Island College: (\$4.0 million)
- Community College of RI: (\$5.4 million)

In the same year, FY 2020, the institutions received \$29.5 million in Higher Education Emergency Relief HEER Fund support as part of the federal CARES Act. These funds were distributed by institution as follows:

- University of Rhode Island: \$11.2 million
- Rhode Island College: \$7.8 million
- Community College of RI: \$10.5 million

Finally, in FY 2021, the institutions were allocated an additional \$23.0 million in Coronavirus Relief Fund financing to help mitigate additional operating costs of the public health emergency. These funds were distributed per institution as follows:

- University of Rhode Island: \$14.0 million
- Rhode Island College: \$4.0 million
- Community College of RI: \$5.0 million

10. Will all unallocated ESSER or GEER funds relevant to the waiver be used to provide net new resources to K-12 schools and to higher education and not be used to replace existing State commitments to K-12 education and to higher education?

The Governor's Recommended Budget does not replace existing State commitments with unallocated ESSER or GEER funds.

11. Will all unallocated HEER funds be used to provide net new resources to higher education and not be used to replace existing State commitments to higher education?

The Governor's Recommended Budget does not replace existing State commitments with unallocated HEER funds.