

**Testimony to Committee Studying Funding Formula
Rhode Island School Superintendents Association
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Co-Chairs Bryant and Sweitzer and Members of the Committee to Study the Funding Formula

Good afternoon. It is our pleasure to honor your request that the Rhode Island School Superintendents' Association deliver testimony regarding the current funding formula to you.

I am Barry Ricci, Superintendent of Schools of the Chariho Regional School District and this is Dr. Phil Auger, Superintendent of Schools of the North Kingstown School Department. You should know that we have been appointed to make this presentation on behalf of RISSA.

To be clear about the position of our Association, we believe that a high quality public education should be available to all students. Should high quality public education not be available to all students, the Association acknowledges the entitlement of students to approved, publicly funded educational alternatives. Finally, we believe that alternatives to the traditional system of public education must guarantee federally protected rights and provide educational services that represent a substantial improvement over those provided by the traditional school district. The approval of new charter schools and the expansion of existing charter schools should not negatively impact students attending the traditional school district, nor should students attending those charter schools receive an education inferior to that which they were receiving in the traditional school district.

While we understand that today's topic is funding, please know that Superintendents from across Rhode Island, those in urban, suburban, and rural districts, are very interested in a more comprehensive discussion with decision-makers about the relationship between traditional districts and charter schools. As an example and in order to provide you with a just a glimpse into our thinking, I want to start by telling you the brief story of a seventeen and 1/2 year old young man who withdrew from Chariho last week to pursue his GED. He transferred to Chariho about a year and a half ago from a charter school. The young man reported to me when he arrived in Chariho that charter school personnel told him that he was a negative influence on the other students and that he was not welcome to return. This student is a victim of this dysfunctional relationship.

To offer further insight into our thinking, you will want to know that traditional school districts are often charged tuition for students who never attend the charter school. Our state law, which must be changed, requires payment for students registered in the

charter schools as of August 15th. It matters not if the student registered in the charter on August 15th (1) ever steps foot in the charter school, (2) is enrolled in two charter schools which would result in two invoices for the same student, or (3) is enrolled in both the charter school and the traditional school district. In all cases, the traditional school district is expected to forward tuition to the charter school because of unverified August 15th registration data.

Our current funding formula is based on the principle of “the money follows the student”; school choice is at its core. Let’s explore the impact of this on a number of Rhode Island school districts. When “the money follows the student” out of the traditional district, it is not possible to reduce an equal amount in expenditures. Overall, in 2013-2014, North Kingstown had 118 students who attended local charters with Kingston Hill (69), Compass (36), Green (9), Highlander (2), and Nowell (2). Total charter school expenditures for these students was \$1,221,393. We estimate that we could educate those same students for approximately \$428,132—this would result in a savings of \$793,261. And these students’ education would be in schools ranked amongst the highest in RI and our nation by the Rhode Island Department of Education and the US Department of Education.

Of the 69 students from North Kingstown at Kingston Hill Academy, for instance, only 7 students, or 10.1%, are eligible for free or reduced price lunch. In North Kingstown, the district-wide percentage of elementary students eligible for free and reduced price lunch is 30.8%. Many of the North Kingstown students attending Kingston Hill Academy and Compass School are from our southernmost neighborhoods (geographically closest to KHA) which feed into either Hamilton Elementary (a recent Regents Commended School), Stony Lane Elementary (a recent Regents Commended School and Blue Ribbon School and recently ranked #16 nationwide by Bestschools.org), and move on to Wickford Middle School (Commended for the past two years), and North Kingstown High School (a Leading School). In fact, all North Kingstown schools perform well above the state average academically. All of these measures are from RIDE’s own accountability system. In North Kingstown, we are alarmed that we are forced to spend almost \$800,000 for students who, by RIDE’s own definition, clearly do not need an alternative. In fact, by all measures, the \$800,000 is funding an inferior education for our resident students.

In the 2015 Special Commission Study, many districts provided similar testimony that they were forced to send exorbitant financial resources to local charters, many of which were not providing students with more effective alternatives, The Cumberland School District provided testimony that it would save over \$1.4 million, South Kingstown, \$887,000, and Lincoln over \$1.3 million if their charter students were educated in their own public schools.

And in Charho, during the last school year, a total of 88 students attended charter and state schools. If all of those students returned to Charho, the Charho budget could have been reduced by \$729,000. Thus, it cost Charho taxpayers \$729,000 to provide school choice for 88 students, many of whom attended charter and state schools that

perform at lower, and in some cases dramatically lower levels than the Chariho schools from which they left. Last year, one such school had a 9% proficiency rate in science, another had a 14% proficiency rate in math. In spite of talk of charter school accountability by the Rhode Island Department of Education, no charter school has ever been closed in RI.

When “the money follows the student”, all of the money follows, even for expenses of the traditional district not born by the charter school. The per pupil expenditure of the traditional school districts includes high cost special education expenses through age 21 and related transportation expenses, career and technical education and related transportation expenses, transportation and textbooks for private school students, interscholastic sports, preschool and child outreach programs, retiree health care costs and other expenses. An example may help. Traditional districts spent a total of \$60.5 M for out-of-district placements and \$13 M for related transportation for severely disabled students, charter schools spent a combined \$185,000. For the most part, these costs are not borne by the charter and state schools, yet our per pupil payment to the charters includes these costs. The result is an inflated and excessive per pupil transfer of funds from the traditional district to the charter school.

The Rhode Island School Superintendents’ Association has overwhelmingly voted to advocate for the following six principles as necessary to redefine the relationship between charter schools and traditional public schools:

1. We call for an immediate freeze on new charter applications and a halt to the expansion of existing charters until the funding formula is made fair,
2. R.I.G.L.16-77.1 states that charter schools will receive the per pupil amount of the district of residence. RISSA supports that this amount be reduced by the expenses borne by the district and not by the charters,
3. We demand greater efficiency: the School House Report identified surplus buildings in districts, yet the Board of Education continues to expand existing charters and approve new proposals, thus compounding the problem of surplus facilities. Furthermore, it is fiscally irresponsible to create a parallel school system of charters when students could be educated more economically in their home district,
4. We recommend local voter approval of charter budgets and expansion. Currently, once the Board of Education approves a charter, there is no local oversight of the charter budget despite the significant financial responsibility of the sending district,
5. We recommend that tuitions for the charter school be denied when the performance of the district schools exceeds that of the charter, and
6. We recommend that districts are held harmless via the receipt of state aid when students leave for charters and districts are unable to reduce expenses.

In 2010, despite warnings, we started down a slippery slope. We made a risky bet and based our funding formula on school choice, hoping that providing choice would fix all that ails our system of public education. As a result, we’ve built an expensive parallel system of public education that is costing the taxpayers of Rhode Island millions of new

dollars in state aid to education. With the knowledge that we have both exceptional charter schools and exceptional traditional public schools, with both being innovative and incubators of creative thinking and best practice, and with the knowledge that when all factors are considered, charter schools and traditional public schools perform at about the same level, we must ask ourselves if this huge investment of public dollars has been worth it. While RISSA supports that all children of RI are entitled to a high quality public education, we don't see a high cost parallel system as the answer. We call for freedom from restrictive laws and regulations for all public schools, we call for adequate financial resources for all children, we call for federally protected rights for all students, and we call for real competition whereby the money follows the student only when the student is offered a superior, not inferior, education.

Finally, we call for an audit of existing laws, regulations, policies, guidance, and data collections and the subsequent repeal or refinement of any that divert resources from the core mission of our public schools - preparing students for college and careers. Simply adding more resources and/or equitably distributing resources will not maximize outcomes. We must target resources to impact proven instructional strategies, instructional quality, and instructional leadership.

Thank you.