

CTE Funding Working Group

Final Proposal



RIDE

Career and Technical Education
Funding Working Group

Version: February 13, 2018

Summary

Based on the recommendations made by the CTE Funding Working Group (CTEFWG) and the CTE Board of Trustees (CTEBOT), the Rhode Island Department of Education (RIDE) has developed the following funding proposal to govern the allocation of state and local funding to support career and technical education. The purpose of this proposal is fulfill RIDE's responsibilities as established by the K-12 Council's regulations on CTE to "Establish and manage a funding methodology for Career and Technical Education consistent with applicable state statutes and these Regulations that is designed to support the reasonable and necessary costs for the administration and implementation of RIDE-approved career preparation programs."

The proposal will take effect on July 1, 2018 and will be phased in over a three-year period, starting with newly enrolled students in CTE programs who begin attending after July 1, 2018. Receiving districts with enrolled students in CTE prior to June 30, 2018 will be eligible bill sending districts for those students using the receiving district's prior methodology.

Guiding Design Principles

The CTEFWG identified five design principles to guide the process on how to best fund career and technical education in Rhode Island. The design principles:

- **Provide equity.** There should be one funding formula that is used for schools and districts to bill for career and technical education.
- **Support the full cost of career and technical education.** The formula should acknowledge the unique costs related to the high cost of CTE including, but not limited to, equipment and serving as a state CTE center.
- **Braid state and federal funds that support CTE.** The formula should consider the allocation of other resources, but not double-count costs already accounted for through other funding sources.
- **Be responsive to the needs of industry.** The formula must be nimble enough to allow schools and districts to respond ever-evolving needs of Rhode Island's employers.
- **Provide clarity to all stakeholders.** The formula must be publicly accessible and easily understandable by all audiences. Additionally, there must be a transparent process with annual deadlines for potential updates to the formula that supports fiscal planning with school committees and town councils.

Proposal

Effective July 1, 2018, RIDE is proposing a new approach to fund CTE with state and local fund. The proposal will be phased in over a three-year period. Students attending prior to June 30, 2018, will be eligible to be billed under the methodology used by their receiving districts when they first attended the program.

As always, LEAs have the opportunity to enter into local or regional agreements to support expenses related CTE, as well as enrollment processes for students between districts. RIDE encourages the development of such agreements. The purpose of this proposal is not to usurp the decisions of local leaders but instead to provide a de facto common comparability in funding for all RIDE-approved CTE programs for LEAs that cannot come to agreement. This methodology fully aligns to the funding methodology and process by Davies, the Met and Rhode Island's charter schools. This proposal will make sure that the education of children are funded at the same level of financial support despite the governance structure of the school they choose to attend.

RIDE has and will continue to approach this proposal with full humility. CTE is growing and is a bright spot in our educational system. RIDE knows that we at the state level have the ability to create challenges and obstacles through this proposal that do not currently exist that could potentially slow the progress of this important work. We want to avoid this at all costs. It is our intent to review the funding methodology and contents of this proposal regularly to make sure we have not created new challenges to advance the important goal of increasing career education outcomes for our children. Additionally, RIDE recognizes that the best leadership is the leadership that happens closest to children by leaders in schools and communities. As such, RIDE will not stand in the way of any local agreement that LEAs and local leaders feel are in their best interests related to supporting the education of children attending RIDE-approved CTE programs.

In lieu of a mutually developed local agreement, RIDE-approved CTE programs (receiving districts) shall use the following process to bill the district of residence (sending districts) for enrolling out of district student CTE programs:

1. Local Per Pupil Aid

Receiving districts will be eligible to bill sending districts for local aid in accordance to the process and amounts established for local aid as described in the Education Equity and Property Tax Relief Act established in Rhode Island General Law 16-7.2-5. As is permitted by the Met and Davies and charter schools, the amount of local per pupil aid for sending districts will also take into account a reduction of the greater of 7% in the local aid contribution or the per-pupil value of the district's unique or fixed costs, as described in 16-7.2-5(c).

In the case that a sending district has a state and local state per pupil share 25% higher than the state average, the receiving district will bill an amount not to exceed 125% of the average of the state and local share.

State and Local Aid amounts by community are included in [Attachment A](#).

2. State Per Pupil Aid

Receiving districts will be eligible to bill sending districts for state aid. The state aid amount will be established by methodology outlined in the Education Equity and Property Tax Relief Act established in Rhode Island General Law 16-7.2-5. Unlike the Met, Davies or charter schools the sending district receives the state per pupil for the student. As such, the receiving district will be eligible to bill the sending district quarterly for the state per pupil aid amount. This includes student success factor funding if applicable.

RIDE will explore opportunities to transition the enrollment of out of district CTE students to a receiving district's average daily membership. For FY19 the receiving district will need to bill the sending district for the state share of the per pupil aid amount.

State and Local Aid amounts by community are included in [Attachment A](#).

Implementation Date: July 1, 2018. Students who began attending CTE prior to June 30, 2018 will continue to be funded under the previously existing methodology until June 30, 2021.

3. CTE Categorical – High Cost

RIDE will establish cost benchmarks for all approved programs to account for the increased marginal cost of providing high-quality CTE. CTE program cost benchmarks will align to the CTE high cost categorical. In future years, cost benchmarks will be approved by the CTE Board of Trustees and published by November 1 for the upcoming school year. The methodology will be determined by reviewing the most recent year of submitted Uniform Chart of Accounts (UCOA) expenses and labor market information for the upcoming school year. Districts will be ineligible to bill for the marginal cost of programming that is not aligned to priority sectors that lead to high-skill high-growth careers, as determined by the Governor's Workforce Board. As such, programs aligned to high-skill high-demand programs will receive prioritized funding increases than other programs to support Rhode Island's children in graduating prepared for family sustaining career success and to make sure we meet the evolving needs of employers. RIDE reserves the right to prorate funding to programs depending on the amount of funding allocated to support the CTE Categorical.

Proposed cost benchmarks for FY19 are included in [Attachment B](#).

Additionally, LEAs will only receive one cost categorical award per child if the child is enrolled in multiple career and technical education programs.

Implementation Date: July 1, 2018

4. CTE Categorical - Program Equipment Fund

RIDE will dedicate an annual amount of funding no less than \$1M per year from the CTE categorical, depending on the amount of funding to support the CTE Categorical, to create the Program Equipment Fund to support equipment costs related to providing CTE programs that prepare students for high-skill high-

demand careers. All eligible center-based program proposals will have priority over comprehensive high school based programs to access this fund.

The CTEBOT will develop the criteria to create an investment schedule for the Program Equipment Fund. The schedule will be based off the best practices of industry. The schedule will be reviewed and approved by the CTEBOT annually before funds are allocated.

Implementation Date: July 1, 2018

5. Innovative Program Development/New Program Development

RIDE will dedicate funding from the CTE categorical to support the creation of new CTE programs that support students in entering high-skill high-demand careers. RIDE will only invest funding in program development after the High Cost Categorical and the Program Equipment Fund have been satisfied based upon the amount of CTE High Cost Categorical funding allocated.

Implementation Date: July 1, 2018

6. Housing Aid for CTE Centers

To affirm Rhode Island's commitment to state created CTE, RIDE is proposing to introduce a permanent 4% weight to the housing aid formula for CTE centers. When CTE centers were transitioned from state-control to local-control the General Assembly provided a 4% weight to the housing aid formula for CTE centers for two years after the transfer. Due to downturns in the economy and the moratorium on housing aid no CTE centers took advantage of this opportunity.

This change will require legislation from the General Assembly.

All schools listed in the aforementioned ten state career and technical centers would be eligible to receive an increase in housing aid reimbursement.

Implementation Date: Upon enactment from the General Assembly

7. Perkins Federal Funds

Each year Perkins federal funds provide more than \$4M to Rhode Island's schools and districts. As such, it is a valuable source of funds to support CTE and should not be viewed in isolation of state resources.

RIDE is proposing no changes to the distribution of Perkins funding at this time.

RIDE will take additional steps to make sure all LEAs are aware of the opportunity provided through Perkins funds by requiring CTE centers to publish all deadlines and deliverables associated with Perkins funding on the RIDE website for the school year starting on July 1, 2019, with several centers piloting the process for July 1, 2018. RIDE will support CTE Centers in aligning timelines to district planning cycles.

RIDE will require that districts that forgo Perkins funding sign an assurance from their superintendent and school committee chair that they are forgoing the ability to receive Perkins funds for the upcoming school year.

In the event that Perkins is reauthorized by the federal government current processes may change how RIDE administers the grant and its associated requirements.

Implementation Date: Pilot for July 1, 2018 July 1, 2019

8. Transportation

RIDE is proposing no changes to how sending and receiving districts allocate costs related to school transportation. RIDE recognizes that transportation is an integral factor to regional partnerships developed to support CTE and to support students in taking advantage of high quality CTE programs.

As such, RIDE will develop a working group to review transportation and its impact on providing students access to high quality career and technical education programs. This will include a review of the connection between CTE regions and transportation regions, how statewide transportation contracts can support work-based learning and increase student participation in high quality career and technical education program. The working group will begin meeting in June 2018 and will make recommendations in the fall of 2018.

Implementation Date: June 1, 2018 – working group convenes, July 1, 2019 – potential start of working group recommendations.

9. Sharing Best Practices

RIDE will work with the CTEBOT and CTE Directors to develop guidance related to best practices and model processes for enrolling out-of-district CTE students. The goal of the guidance is to provide clear and consistent processes to support students and families who seek enrollment in RIDE approved CTE programs.

Implementation Date: Immediately

Definitions

Receiving District

A district that enrolls a student into a RIDE-approved CTE program. The receiving district will be responsible for educating the student in question.

Sending District

A district that has a student of residence in the geographic boundaries of that district enroll in a RIDE-approved CTE program. The sending district will be responsible for costs associated with the enrolling in a RIDE-approved CTE program for the student in question.

CTE Tuition workbook using data used for the FY 2024 funding formula

Core Instruction Amount: \$11,876

District where the student is coming from:	State Share of Funding Formula Aid	State Funding Formula per-pupil (Core x State Share)	State Funding Formula per-pupil for a student in poverty (Core x 1.4 x State Share)	Local share per-pupil	Combined State and Local per-pupil	Combined State and Local per-pupil, for a student in poverty
BARRINGTON	25.2%	\$2,992	\$4,189	\$13,333	\$16,325	\$17,522
BRISTOL	20.8%	\$2,476	\$3,467	\$12,703	\$15,179	\$16,170
BURRILLVILLE	48.1%	\$5,707	\$7,990	\$8,750	\$14,457	\$16,740
CENTRAL FALLS	97.2%	\$11,543	\$16,161	\$2,996	\$14,539	\$19,157
CHARLESTOWN	15.0%	\$1,782	\$2,495	\$12,969	\$14,751	\$15,464
COVENTRY	45.9%	\$5,456	\$7,639	\$10,242	\$15,698	\$17,881
CRANSTON	53.5%	\$6,358	\$8,901	\$8,638	\$14,996	\$17,539
CUMBERLAND	40.5%	\$4,816	\$6,742	\$8,539	\$13,355	\$15,281
EAST GREENWICH	17.3%	\$2,058	\$2,881	\$13,829	\$15,887	\$16,710
EAST PROVIDENCE	51.4%	\$6,100	\$8,540	\$9,123	\$15,223	\$17,663
EXETER	28.5%	\$3,388	\$4,743	\$15,579	\$18,967	\$20,322
FOSTER	40.3%	\$4,789	\$6,705	\$15,605	\$20,394	\$22,310
FOSTER-GLOC (Foster student)	40.3%	\$4,789	\$6,705	\$13,301	\$18,090	\$20,006
FOSTER-GLOC (Glocester student)	39.6%	\$4,708	\$6,591	\$13,301	\$18,009	\$19,892
GLOCESTER	39.6%	\$4,708	\$6,591	\$11,919	\$16,627	\$18,510
HOPKINTON	44.1%	\$5,238	\$7,333	\$12,969	\$18,207	\$20,302
JAMESTOWN	4.5%	\$533	\$746	\$15,887	\$16,420	\$16,633
JOHNSTON	48.7%	\$5,782	\$8,095	\$10,020	\$15,802	\$18,115
LINCOLN	39.3%	\$4,662	\$6,527	\$11,366	\$16,028	\$17,893
LITTLE COMPTON*	8.0%	\$953	\$1,334	\$24,615	\$21,992	\$24,266
MIDDLETOWN	26.4%	\$3,133	\$4,386	\$12,961	\$16,094	\$17,347
NARRAGANSETT*	15.2%	\$1,803	\$2,524	\$22,318	\$21,992	\$24,266
NEWPORT	51.2%	\$6,080	\$8,512	\$12,805	\$18,885	\$21,317
NEW SHOREHAM*	6.0%	\$707	\$990	\$38,013	\$21,992	\$24,266
NORTH KINGSTOWN	24.1%	\$2,861	\$4,006	\$14,008	\$16,869	\$18,014
NORTH PROVIDENCE	57.4%	\$6,814	\$9,539	\$8,250	\$15,064	\$17,789
NORTH SMITHFIELD	36.2%	\$4,295	\$6,013	\$11,829	\$16,124	\$17,842
PAWTUCKET	84.9%	\$10,083	\$14,116	\$2,961	\$13,044	\$17,077
PORTSMOUTH	10.0%	\$1,188	\$1,663	\$15,413	\$16,601	\$17,076
PROVIDENCE	85.6%	\$10,164	\$14,230	\$4,610	\$14,774	\$18,840
RICHMOND	40.7%	\$4,828	\$6,760	\$12,969	\$17,797	\$19,729
SCITUATE	23.2%	\$2,757	\$3,860	\$15,885	\$18,642	\$19,745
SMITHFIELD	28.5%	\$3,385	\$4,739	\$12,588	\$15,973	\$17,327
SOUTH KINGSTOWN	15.3%	\$1,822	\$2,550	\$18,625	\$20,447	\$21,175
TIVERTON	25.7%	\$3,052	\$4,272	\$14,173	\$17,225	\$18,445
WARREN	41.6%	\$4,938	\$6,913	\$12,703	\$17,641	\$19,616
WARWICK	39.8%	\$4,731	\$6,624	\$14,422	\$19,153	\$21,046
WESTERLY	25.3%	\$3,001	\$4,201	\$18,412	\$21,413	\$22,613
WEST GREENWICH	22.2%	\$2,632	\$3,685	\$15,579	\$18,211	\$19,264
WEST WARWICK	74.2%	\$8,812	\$12,337	\$8,389	\$17,201	\$20,726
WOONSOCKET	89.3%	\$10,607	\$14,850	\$2,194	\$12,801	\$17,044

*Capped at 125% of the state average for one or both categories

125% of the state average

\$21,992

\$24,266