



**To:** Council President Rachel M. Miller,  
Majority Leader Pedro J. Espinal, Chairwoman Helen Anthony  
**CC:** All other members of the Providence City Council  
**From:** Providence City Council Policy Staff  
**Date:** May 21, 2025  
**Re:** Providence Public School Department Proposed Budget

This memo provides a breakdown of the Providence Public School District (PPSD) FY2025–2026 budget as it has been presented to date. The budget was first introduced to the Providence School Board Finance Committee on May 14, and is scheduled for full School Board review on May 21 and City Council Finance Committee review on May 22.

### ***PPSD BUDGET***

#### **Appropriation Ordinance Differences from FY2024-2025 to FY2025-2026**

Category	FY25, Final (\$)	FY26, Proposed (\$)	Change
Salaries	200,684,650	206,606,318	5,921,668
Substitute Teachers	7,610,625	7,920,000	309,375
Overtime	489,900	479,875	(10,025)
After School	124,216	165,257	41,041
Charter School Tuition	33,902,364	36,063,436	2,161,072
Services	122,069,364	128,799,378	6,730,014
Supplies	4,019,041	4,599,064	580,023
Benefits & Special Items	110,993,476	113,114,201	2,120,725
Capital	1,251,776	878,808	(372,968)
Utilities	6,029,809	7,256,135	1,226,326
GRAND TOTAL	445,048,116	461,253,904	16,205,788

#### **Breakdown of PPCD's appropriation ordinance:**

##### **1. Salaries**

- One of the main drivers of the increase in salaries is the cost-of-living increases. PPCD is still in bargaining with all 3 teachers unions, so these increases are estimates.
- There was also an increase in expenses for substitute teachers, but this increase was not explained.
- There were also funding shifts for certain programs, such as Extended School Year (ESY), which is a summer program that provides special education and related services outside of regular school hours, and Pre-K screening for teachers over the summer (PPSD have increased the number of Pre-K teams as well). Programs such as these were being



funded through Elementary & Secondary School Emergency Relief (ESSER) funds, but these funds have since run out and programs are now shifting into the local budget.

- There is a reduction of about 95 FTEs, which has contributed to some savings, preventing overall salaries from having increased even more so.

## 2. Services

- Increases in transportation services:
  - The First Student contract rate is increasing by 3%. Transportation overall is increasing by 10% - which is due to these increasing rates but also increasing usage, especially transportation over the summer (ESY).
  - There are students who go out-of-district to private or state schools and use statewide transportation. These rates have increased also by a few percentage points at least, which has led to an increase of about \$5.9 million.
  - They are anticipating needing to add additional buses to transport students from swing spaces, mainly Asa Messer and RFK.

## 3. Increases in special education services:

- There have been increases in spending for speech therapists, often or entirely due to vacancies. Also, they do predict this trend will continue through next year as it is a real struggle to hire speech therapists.
- Health service providers, which include nursing contracts, also saw an increase in spending. While most full-time vacancies have been closed, there have been an increase in one-on-one nurses for medical reasons.
- The full-time nurses are PPSD employees. If there are vacancies, they may have a contracted nurse come while they are recruiting for FTE.

## 4. Public schools of choice

- \$2.1 million increase from last year. This is a function of both the number of students increasing and the rate that PPSD has to pay increasing.
- Per-Pupil Rate = Prior FY LEA contribution to schools / total eligible enrollment (about 26,000 students)
  - Total eligible enrollment = the total number of students in Providence eligible to be enrolled in PPSD.
- PPSD pays tuition to charter schools, which is equal to:
  - Per-pupil rate x students from Providence enrolled in charter schools.
  - For FY26, PPSD is paying 36,063,436 towards charter school tuition.
- The per-pupil rate will increase particularly for next year given the increased maintenance of effort.
- Tuition to other schools which includes mostly students who attend CTE programs, the Met, and Davies. Over the past few years, the number of students going to these schools has increased significantly.

## 5. Supplies

- One of the smallest appropriation categories (along with capital and utilities).
- Driven mostly by the school budgets, decided mainly by principles.
- Notable changes include the educational supplies line item: this includes the adoption of a new English Language Development (ELD) curriculum, which is a DOJ-mandated, green-lit curriculum for students learning English.

## 6. Capital



- This category does NOT include buildings.
- This category includes longer-lasting items such as furniture, technology, and other equipment, rather than school supplies (classroom supplies like paper, pencils).
- No major changes

7. Utilities

- Entered into an agreement with the City for the next year to pay \$1.5 million for \$3 million worth of energy credits (net savings of \$1.5 million).

**Breakdown of PPSD's Compensation & Classification ordinances:**

- Many positions eliminated and consolidated.
- The step that each teacher is on (their pay grade), is not presented clearly in this ordinance. However, it was noted that 75-80% of teachers are on step 12 (highest pay grade).
  - There are more step 12 teachers at PPSD elementary schools and high schools with less turnover.
- Student based budgeting
  - The SBB Model redistributes local funds, managed by principals, to schools according to each school's total enrollment and the identified needs of their students. The total dollars allocated to a school is based on the number of students and their needs.
  - SBB allocates dollars to schools through a formula that combines the following components:
    - School Foundation: This is a flat sum provided to each school, regardless of enrollment, to ensure school viability and cover basic operating costs.
    - Student Base Weight: Assigned to all students, regardless of student characteristics, and serves to enable schools to support all students.
    - Poverty: This is a weight that accounts for the needs of students experiencing poverty, adjusts by school-level, and considers the concentration of poverty within a school-site.
    - Multilingual Learners: The multi-lingual learner weights are determined based on the needs of multi-lingual learners and the costs of associated services to support those students.
    - Special Education: The special education weights are determined based on the needs of students with disabilities and the costs of associated services to support those needs.
- When schools build their budgets, they use the average teacher salary rather than actual salary. Last year, this average was \$84,000. This means that actual expenses per school will be higher or lower depending on whether the actual teachers' salaries at the schools are above or below average.
- The actual spending of the schools will be higher or lower depending on whether the actual teachers' salaries at the schools are above or below average. It doesn't change the decision-making at the school level, as in, schools won't have less money for supplies if they have more senior teachers. Some schools will be over budget and other schools will be under budget.
- Schools highlighted whose staff increased or decreased notably:
  - Kizirian and Spaziano Elementary, increase: both adding a 6<sup>th</sup> grade class and Kizirian will have assigned classes from Asa Messer. Seeing increases in school staff at these schools mainly due to the fact that there will be more students.

**Providence City Council**

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- Esek Hopkins, decrease: not taking a 6<sup>th</sup> grade class next year as the school is phasing out and will be relocated at Kennedy.
- High schools in general decreased. The two drivers of this include:
  - A smaller incoming 9<sup>th</sup> grade class compared to the outgoing 12<sup>th</sup> grade class.
  - There was a 7<sup>th</sup> period added to classes to enable students to take more electives, this led to an increase in staff but overall, there was still a net reduction in staff (not just teachers) at the high school level.

### PPSD Local Budget Projected Revenue

	2024-2025	2025-2026	2025-2026
	Budget	March Data	Change
	Updates		
Enacted Aid	\$284,752,093	\$297,520,983	\$12,768,890
Enrollment Loss Transition Fund	5,064,825	0	(5,064,825)
Enrollment Loss Transition Fund	2,448,524	1,549,217	(899,307)
High Cost Special Ed Categorical Funding	1,341,441	4,178,198	2,836,757
Group Home Aid	109,622	71,924	(37,698)
Subtotal	293,716,505	303,320,322	9,603,817
City Aid	143,546,611	147,000,000	3,453,389
Medicaid	5,700,000	6,000,000	300,000
Fund Balance	0	2,583,582	2,583,582
Indirect Cost	1,500,000	1,250,000	(250,000)
Miscellaneous	585,000	1,100,000	515,000
Subtotal	151,331,611	157,933,582	6,601,971
<b>Total Local Budget Revenues</b>	<b>\$445,048,116</b>	<b>\$461,253,904</b>	<b>\$16,205,788</b>
<b>Other State Aid</b>			
Non-Public Transportation Offset	502,097	726,751	224,654
Subtotal	502,097	726,751	224,654
<b>Total State Aid</b>	<b>\$294,218,602</b>	<b>\$304,047,073</b>	<b>\$9,828,471</b>

Overall, state aid to PPSD is increasing. If the success factor (an additional 43% weight per student experiencing poverty) does not pass the General Assembly, state aid increases nearly \$10 million, whereas if it does pass, state aid increases by nearly \$15 million. This increase is largely due to increases in MLL students and those who need high-cost special education.

There are decreases in the enrollment loss transition funds from FY25 which is because there is a smaller enrollment decline this year compared to last year. There is also a decrease in group home aid.

\*Note: PPSD reports “enacted aid” differently than the state. “Enacted aid” in this breakdown represents the RIDE’s reported “Education Aid,” which is equal to the sum of the formula aid, group home aid, high-cost special education aid, and regional transportation aid. This is explained further below. “Enacted aid,” as reported by the state, is TOTAL aid to the district, which includes the non-public transportation offset. In the chart created below, “enacted aid” follows the RIDE definition.



## State Education Funding Formula

Budget Component	Meaning	Amount (FY25)	Amount (FY26) *Without 3% success factor increase	Change over FY25-26 (\$)
Formula Aid	Includes MLL + core instructional amount.	\$292,265,442	\$299,070,200 *success factor if passed = additional \$4,837,430	6,804,758
Group Home Aid	Defined below	\$109,622	\$71,924	(37,698)
High-Cost Special Ed. Categorical	Defined below	\$1,341,441	\$4,178,198	2,836,757
Regional Transportation Categorical	Defined below	\$0	\$0	0
Education Aid	Formula aid + categorical aid (group home, special education, transportation)	\$293,716,505	\$308,157,752	14,441,247
Non-public Transportation Offset	Defined below	\$600,029	\$726,751	126,722
MLL (included in Formula Aid)	20% of the core funding	\$14,329,422	\$16,788,824	2,459,402
ENACTED AID	Total state aid to a district	\$294,316,534	\$304,047,073	9,730,539

### The funding formula & how it works:

- The formula has two main components: core instruction and the student success factor.
- Core instruction:
  - Identifies the primary costs of educating a student, such as instructional staff, student support, and administrative salaries, and finds the average level of these costs in Rhode Island and surrounding states, known as the “core instruction amount per pupil.”
  - The core instruction amount is equal to:
    - Total student enrollment x core instruction amount per pupil
  - The core instruction per pupil for FY26 is \$13,322 per pupil.
- Student success factor (SSF):
  - This component requires that a weight (40%) be applied to each child whose family income is at or below 185% of the federal poverty level.<sup>1</sup>
  - It is calculated by adding 40% of the core instruction amount for each economically disadvantaged student in the district.
  - In FY26, this equals \$5,329 (40% of core amount) multiplied by each economically disadvantaged student.

<sup>1</sup> <https://www.rilegislature.gov/Special/comdoc/Senate%20Finance%205212020/FY2025%20Education%20Aid.pdf>





- In the Governor's proposed budget for FY26, it is recommended that the SSF is increased from 40% to 43%. If passed, Providence would receive an additional \$4,837,430 from the 3% increase.
- Multilingual Learner Funding:
  - 20% weight applied to each multilingual learner. This is not categorical.
  - For FY26 it is \$2,664 per MLL student (20% of core)
- The total foundation budget for each school district is calculated by adding the product of the total core instruction amount and the total student success factor weight.
  - **Total Foundation Budget = (\$12,335 x RADM) + (0.4 x \$12,335 x students in poverty)<sup>2</sup>**
- Non-core instructional components of the funding formula: food service, building upkeep, utilities, and maintenance, charter school tuition payments, and benefits paid to current retirees.

#### State Share Ratio:<sup>3</sup>

- The State Share Ratio determines how much aid the state pays to each district. It's based on two main things:
  - Poverty Level: This is the percentage of students in pre-K through 6th grade who live in poverty.
  - District Wealth: This is measured by looking at the property wealth per student but adjusted for the median family income in the district.
- Instead of just averaging these two numbers with a regular mean, the state uses a quadratic mean.
  - Quadratic mean gives more influence to the larger of the two numbers (either poverty or wealth). A regular average wouldn't account these extremes, potentially underestimating need.
  - The quadratic mean makes sure that extreme values (like very high poverty) have a bigger impact, which results in more state aid.
- The formula has recently been amended to add a 20% weight for the portion of multilingual learners scoring at the lowest English proficiency levels and the proposed FY 2026 budget.
- The State's share of the total foundation budget equals:
  - The state share ratio x the total foundation budget

#### **Non-Core Components of Education Funding:**

1. Transportation
  - NON-PUBLIC OFFSET: This fund covers transportation costs for students attending out-of-district, non-public schools and reimburses 50% of local transportation costs within regional school districts. If funding is limited, reimbursements are reduced proportionally.
  - REGIONAL: After subtracting any federal funding, the state pays for half of student transportation costs within the region. The regional school district pays for the other half.
2. High-Need Special Education

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<sup>2</sup> [https://cdn.ymaws.com/rileague.org/resource/resmgr/edfundforum/ri\\_funding\\_formula\\_02-07-202.pdf](https://cdn.ymaws.com/rileague.org/resource/resmgr/edfundforum/ri_funding_formula_02-07-202.pdf)

<sup>3</sup> <https://webserver.rilegislature.gov/Statutes/TITLE16/16-7.2/16-7.2-4.htm>



- This fund reimburses school districts for the cost of providing special education services under a student's Individual Education Plane (IEP) when those costs exceed four times the standard per-pupil funding amount (ex. \$66,506 for FY24).
3. Group Home Aid
- Created in 2001, the Group Home aid program provides state funding to school districts that host group homes. The program is a categorical grant that gives a certain dollar amount per bed each fiscal year.
4. Enrollment Loss Transition Aid
- To help districts experiencing enrollment declines, the state provides 40% of the funding formula aid to the district lost due to enrollment declines, compared to the previous year.
  - The state provides 25% of this aid in the second year following a student leaving the district.
    - If student data is less than prior year:
      - ✓ 40% of the associated aid in year 1
      - ✓ 25% in next fiscal year
    - Compares March adjusted data
    - Uses effective state share per pupil

Example:

Funding Formula	\$1,000,000		
March Student Data	1,000		
Effective State Share PP	\$1,000		
March 2025 Data	1,000		
March 2024 Data	1,200		
	(200)		
		40% Yr 1	25% Yr 2
Loss of Aid due to Student Loss	(\$200,000)	\$80,000	\$50,000

- Ongoing funding source – no end date in statute

### CHARTER AND STATE SCHOOLS

- Charter and state schools are funded using the same education funding formula calculation, as if they were still in the sending district, with the same core instruction amount, high-need student weight, and state share ratio.
- Tuition to charter schools equals:
  - $(\text{Total LOCAL appropriation to education from prior FY}) / (\text{total number of students in Providence eligible for enrollment}) - \text{local tuition reduction}$
- School districts must pay charter public schools, Davies, and the Met Center quarterly, in July, October, January, and April for each of their students attending these schools. However, the first payment is due by August 15 instead of July.