

**WARWICK PUBLIC SCHOOLS**  
**PROFESSIONAL INSTRUCTION AND**  
**FISCAL AUDIT REPORT**

**PHASE I**  
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## **I. INTRODUCTION**

As commissioned by the Warwick School Committee, with the support of the Warwick City Council, this Audit report (“Audit Report”) analyzes the curriculum, instruction, assessment, and fiscal practices of the Warwick Public Schools (“District” or “Warwick Public Schools” or “Warwick”). Structurally, so that this Report may serve as a historical document, it is organized into the following sections: (I) Introduction, (II) Executive Summary, (III) History and Context, (IV) Process, (V) Methodology, (VI) Budget Comparison and Analysis, (VII) Programmatic Review and Recommendations (forthcoming in Phase II), (VIII) District Budget Analysis, and (IX) Conclusion.

Conducted in two phases, the Audit Report specifically (1) compares the allocation of the District’s resources with the allocation of resources in Cranston, East Providence, Woonsocket, East Greenwich, Coventry, and Cumberland school districts; (2) analyzes the current fiscal year (“FY”) budget and supports the District’s FY21 proposed budget; (3) identifies the District’s compliance issues with the respect to the Rhode Island Department of Education (“RIDE”) Basic Education Program (“BEP”) standards, as well as other applicable laws and regulations; and (4) recommends measures for the District to undertake to achieve compliance. Relative to these purposes, Phase I of the Audit Report evaluates the District’s fiscal circumstances and practices, while Phase II Audit will evaluate the District’s education programming. This Audit Report, dated November 1, 2019, constitutes Phase I of the Audit Report with Phase II to follow on or before December 6, 2019.

## **II. EXECUTIVE SUMMARY**

### **A. PHASE I**

Though the District is the fourth largest school district in Rhode Island according to the Rhode Island Department of Education’s (“RIDE”) October 1, 2018 enrollment reports, and is categorized as an “urban” district by RIDE, it more closely resembles the demographics of suburban districts in Rhode Island. Specifically, the District more closely resembles the demographics of suburban districts with respect to the percentage of students that could be characterized as educationally disadvantaged and more costly to educate.

One could thus expect the District’s spending to align closer to suburban, rather than urban district spending levels. However, in most expenditure categories and subcategories analyzed, it appears that the District’s spending levels track the comparison districts and districts state wide. However, the areas where Warwick tends to outpace the comparison districts, like salaries and benefits, comprise the bulk, or more than 80%, of the overall budget. Moreover, it appears that the District employs more teachers per student than the selected comparison districts. Attention to these items is critical for both the District’s long and short term sustainability.

Along these line, the District is at or near the top of the range for certified staff salaries, health care benefits and buy-backs, longevity, and advanced increment pay. In fact, the District appears at or near the top of the range for certified staff in the entire state. The District is

similarly financially constrained by certain components of the classified staff contract. Accordingly, the District should work with the certified personnel bargaining unit to ensure, to the extent possible, that successor agreements are sustainable and do not financially restrain the District's ability to offer a high-quality education to its resident students and retain high-quality and effective staff. Notably, even if reasonable and designed to ensure the District's financial health, the School Committee and District Administrators should be mindful of its approach in working with its employees. Though changes may be in order, the District may wish to consider incremental changes to support the retention of effective staff.

In addition, the District should work to update its collective bargaining agreements to ensure compliance with law, regulation, and the orderly operation of the schools. Specifically, the District should further analyze the restriction of the number of students with disabilities in mainstream classrooms and longevity components of the collective bargaining agreement for certified personnel to ensure such components are consistent with the law.

The District must also continue to review its out-of-district placements, both to career and technical programs and pursuant to IEPs, and transportation costs. The District's out-of-district special education placement rate appears high relative to the suburban comparison districts, but low in relation to the selected urban districts. Further analysis of out-of-district placements, expected in Phase II of this project, will likely provide additional insight into whether such placement decisions are consistent with the District's obligations to educate students with disabilities in the least restrictive environment. The number of students attending career and technical education programs outside of the District is significant, but the number of students from other districts attending the District's 15 career and technical education programs is also significant. Additionally, the District's transportation costs, considering its out-of-district obligations and the logistics of navigating a geographically large City, appear reasonable. Further analysis of all of these components of the District's operations is nevertheless warranted in Phase II of this project.

Lastly, at present, without yet considering Phase II's findings relative to the review of the District's education programming, and in order to meet its anticipated needs, the District's FY21 budget likely requires an \$8,000,000 increase relative to FY20. Phase II's programmatic review, further analyzing both its compliance with the BEP and other legal obligations, as well as its ability to meet its anticipated needs, will likely shed additional light on anticipated changes to the District's FY21 budget. Regardless of the outcome of Phase II of this project, the District must explore contractual concessions from its collective bargaining units. Otherwise, pursuant to R.I. Gen. Laws § 16-7.1-5, the District may confront "progressive support and intervention strategies" in the near future.

### III. HISTORY AND CONTEXT

#### A. CITY OF WARWICK

The City of Warwick (“City”) is located in Kent County, Rhode Island. The City consists of 35.05 square miles of land, with 2,359 people per square mile.<sup>1</sup> The estimated population of Warwick as of July 1, 2018 was 82,672 people.<sup>2</sup> By population, Warwick is the second largest city in Rhode Island.<sup>3</sup> As of October 1, 2018, there were 8,800 students in the Warwick school district.<sup>4</sup> Only the school districts of Cranston, Providence, and Pawtucket serve a larger number of students.<sup>5</sup>

According to the 2010 Census, 91.6% of the City population identifies as White, 1.2% identify as Black or African American, 0.2% American Indian and Alaska Native, 2.8% Asian, 2.5% Two or More Races, and 5.3% identify as Hispanic or Latino.<sup>6</sup> Additionally, an estimated 9.9% of the population speaks a language other than English at home.<sup>7</sup> The median income for all households in the City is \$71,191, and the median income of family households is \$87,369.<sup>8</sup> The mean income for all households in the City is \$86,001, and the mean income for family households is \$101,518.<sup>9</sup> The employment rate is 67.7% of City residents ages 16 and older.<sup>10</sup> 6.2% of families with children under the age of eighteen have an annual income below the poverty level.<sup>11</sup>

#### B. WARWICK PUBLIC SCHOOLS

The City is home to 19 public schools. The District consists of the Warwick Early Learning Center at John Brown Francis, 13 elementary schools, 2 middle schools, 2 senior high schools, and the Warwick Area Career & Technical Center.<sup>12</sup> The total student population in the Warwick Public Schools as of October 1, 2018 was 8,800.<sup>13</sup> The total number of teachers employed by Warwick Public Schools for the 2017-2018 School Year was 806 for a ratio of

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<sup>1</sup> *Quick Facts, Warwick city, Rhode Island*, U.S. CENSUS BUREAU (2010), <https://www.census.gov/quickfacts/fact/table/warwickcityrhodeisland/LND110210#LND110210>

<sup>2</sup> *Id.*

<sup>3</sup> *Rhode Island City & Town Resident Population: Census 2010*, RHODE ISLAND DEPARTMENT OF LABOR AND TRAINING (2010), <http://www.dlt.ri.gov/lmi/pdf/townpop.pdf>.

<sup>4</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data*, RHODE ISLAND DEPARTMENT OF EDUCATION (2018), <http://www.eride.ri.gov/reports/reports.asp>.

<sup>5</sup> *Id.*

<sup>6</sup> *Quick Facts, Warwick city, Rhode Island*, *supra* note 1.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *See Warwick School District*, WARWICK PUBLIC SCHOOLS, <https://www.warwickschools.org/about-wps/> (October 9, 2019).

<sup>13</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data*, *supra* note 4.

11.1:1 students per teacher.<sup>14</sup> Further, 28.8% of the students in the Warwick Public Schools were eligible for the Free and Reduced Price Lunch program.<sup>15</sup>

As compared to the statewide average of 9.5%, 160 students, or 1.8% of the Warwick Public School district are English Language Learners.<sup>16</sup> 1,357 or 15.4% of the students in the district have an individualized education program (IEP), compared to the statewide average of 15.6%.<sup>17</sup> Finally, according to RIDE data from October 2018, 77.7% of the Warwick Public Schools student population is White, 2.7% of the students is Black or African American, and 11% identifies as Hispanic or Latino.<sup>18</sup> Moreover, 4.4% of the students are Asian, 0.4% of the students identify as Native American, and 3.9% are two or more races.<sup>19</sup>

In 2019, 37.9% of Warwick Public School students tested met or exceeded expectations for reading skills according to the RIDE Comprehensive Assessment System.<sup>20</sup> This percentage was close to that of all students tested in Rhode Island, for which 38.5% met or exceeded expectations. Finally, 26.5% of Warwick Public Schools students tested met or exceeded expectations in math.<sup>21</sup> This percentage is slightly below the average of all students in Rhode Island, as the overall average for math was 29.8%.<sup>22</sup>

The Warwick School Committee is comprised of elected members responsible for the entire care, control, and management of the public schools pursuant to R.I. Gen. Laws § 16-2-9 and the Warwick City Charter.<sup>23</sup> Its members are Chairperson, Karen Bachus; Vice Chair, Judith Cobden; Clerk, Nathaniel Cornell; and Kyle Adams and David Testa.<sup>24</sup> Pursuant to R.I. Gen. Laws § 16-2-11, the District’s Superintendent serves as the School Committee’s chief administrative agent and manages the care and supervision of the schools. Dr. Phillip Thornton has served as the Superintendent of the Warwick Public Schools since October 2015.<sup>25</sup> Dr. Thornton’s career includes four years of experience as Superintendent in Cumberland, Rhode Island, Superintendent in North Kingstown, Rhode Island, as well as many years as a history teacher and a school administrator.<sup>26</sup> Overseen by the Superintendent, the District’s services are organized across 10 departments: Academics, Athletics, Buildings & Grounds, Business Office,

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<sup>14</sup> *Rhode Island Department of Education: ReportCard*, RHODE ISLAND DEPARTMENT OF EDUCATION (2018), <https://reportcard.ride.ri.gov/>. Note: The ratio was calculated using 2017-18 student and teacher counts.

<sup>15</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data*, *supra* note 4.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.* Note: numbers are from October 2018 and have been rounded to the nearest tenth of a percent.

<sup>19</sup> *Id.*

<sup>20</sup> *Rhode Island Assessment Data Pool: RICAS 2018-2019*, RHODE ISLAND DEPARTMENT OF EDUCATION (2019), <https://lms.backpack.education/public/ride>.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *See Warwick School Committee*, WARWICK PUBLIC SCHOOLS, <https://www.warwickschools.org/about-wps/school-committee/> (October 9, 2019).

<sup>24</sup> *See id.*

<sup>25</sup> *See Office of the Superintendent*, WARWICK PUBLIC SCHOOLS, <https://www.warwickschools.org/administration/office-of-the-superintendent/> (October 9, 2019).

<sup>26</sup> *See id.*



Grants, Human Resources, Non-Instructional Student Services, Special Services, Technology, and Transportation.<sup>27</sup>

All students in Warwick Public Schools grades K-5 are zoned to attend 1 of the 13 elementary schools.<sup>28</sup> The total student population for the 13 elementary schools for the 2018-2019 School Year was 3,881 students.<sup>29</sup> After elementary school, all students in Warwick grades 6-8 are zoned to attend either Veterans Memorial Middle School located on 2401 West Shore Road (“Veterans Memorial”) or Winman Middle School located on 575 Centerville Road (“Winman”).<sup>30</sup> The total student population for Veterans Memorial for the 2018-2019 School Year was 1,179 students.<sup>31</sup> The total student population for Winman for the 2018-2019 School Year was 776 students.<sup>32</sup> The total student population for Veterans Memorial for the 2018-2019 School Year was 1,179 students.<sup>33</sup>

Upon completing Winman or Veterans Memorial, all students in Warwick grades 9-12 are zoned to attend either Pilgrim High School located on 111 Pilgrim Parkway (“Pilgrim”) or Toll Gate High School located on 575 Centerville Road (“Toll Gate”).<sup>34</sup> Students may also attend the Warwick Area Career & Technical Center located at 575 Centerville Road, Building 5.<sup>35</sup> The total student population for Pilgrim for the 2018-2019 school year was 1,379 students.<sup>36</sup> The total student population for Toll Gate for the 2018-2019 school year was 1,217 students. According to District administration, the total student population for the Warwick Area Career & Technical Center (including the Finance Academy located at West Warwick High School) for the 2018-2019 school year was 425 including 270 students from Warwick and 155 students from other districts.

#### **i. CTE PROGRAMS AND PUBLIC CHARTER SCHOOLS**

In addition to District schools, subject to certain limitations, students residing in Warwick may also attend (a) any RIDE-approved career and technical education program in the state in or outside of Warwick, (b) any RIDE-approved public charter schools serving Warwick, or (c) The Metropolitan Regional Career and Technical Center (“The Met”), or (d) the William M. Davies, Jr. Career and Technical High School (“Davies”).<sup>37</sup> When a student residing in Warwick attends a career and technical education program outside of Warwick, a charter public school, The Met, or Davies, the District is responsible for directing local aid associated with the student to the

<sup>27</sup> See *Departments*, WARWICK PUBLIC SCHOOLS, <https://www.warwickschools.org/departments/> (October 9, 2019).

<sup>28</sup> See *Elementary Schools*, WARWICK PUBLIC SCHOOLS, <https://www.warwickschools.org/elementary-schools/> (October 9, 2019).

<sup>29</sup> See *Rhode Island Department of Education: ReportCard*, *supra* note 14.

<sup>30</sup> See *Middle Schools*, WARWICK PUBLIC SCHOOLS, <https://www.warwickschools.org/junior-high-schools/> (October 9, 2019).

<sup>31</sup> See *id.*

<sup>32</sup> See *Rhode Island Department of Education: ReportCard*, *supra* note 14.

<sup>33</sup> See *id.*

<sup>34</sup> See *High Schools*, WARWICK PUBLIC SCHOOLS, <https://www.warwickschools.org/high-schools/> (October 9, 2019).

<sup>35</sup> See *id.*

<sup>36</sup> See *Rhode Island Department of Education: ReportCard*, *supra* note 14.

<sup>37</sup> See generally 200-RICR-20-10-3.5; see also R.I.G.L. § 16-45 *et seq.*

receiving school and the state aid associated with the student is also directed to the receiving school.<sup>38</sup>

In the 2018-19 school year, 94 students residing in Warwick attended career and technical education programs outside of Warwick, including The Met and Davies. For the 2019-20 school year, it is estimated that 131 students residing in Warwick attend career and technical education programs outside of Warwick, including The Met and Davies. In the 2018-19 school year, 101 students residing in Warwick attended charter public schools. For the 2019-20 school year, it is estimated that 106 students residing in Warwick attend public charter schools.

## ii. IDEA

Pursuant to the Individuals with Disabilities Education Act and the Council on Elementary and Secondary Education's Regulations Governing the Education of Children with Disabilities, if the District cannot provide a free and appropriate public education in the least restrictive environment within district schools, the District must place, and pay for the student to attend, an appropriate setting outside of the District.<sup>39</sup> In the 2018-19 school year, the District placed 112 students out-of-district. For the 2019-20 school year, District administration estimated that the District will place 107 total students out-of-district.<sup>40</sup>

## C. BASIC EDUCATION PLAN

Pursuant to R.I. Gen. Laws § 16-60-4, RIDE determines and oversees the standards for the Rhode Island public education system. Promulgated by RIDE, the Basic Education Plan outlines the rights of every student in the Rhode Island public education system. The BEP is regulatory in nature and, as such, has the full force of law.<sup>41</sup>

Together with other federal and state laws and regulations, the BEP sets forth the basic standards to help ensure that high-quality education is available to all public school students, regardless of where they live or go to school. The BEP was revised in 2009 to reflect 21st century knowledge and skills. It is based on the idea that an aligned and cohesive education system is required to ensure that all Rhode Island students are adequately prepared for life beyond high school.<sup>42</sup>

Central to the concept of equal educational opportunity is the presence of a basic level of academic and support programs that demonstrate substantial compliance with established qualitative standards, coupled with a demonstrated commitment to continuous improvement, including a sufficiency of resources dedicated to those efforts.<sup>43</sup> Though each Local Education

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<sup>38</sup> See R.I.G.L. § 16-7 *et seq.*; see also R.I.G.L. § 16-7.2 *et seq.*

<sup>39</sup> See 20 U.S.C. 33 § 1400 *et seq.*; 200-RICR-20-30-6.

<sup>40</sup> Note: these out-of-district total includes students placed within the West Bay Collaborative.

<sup>41</sup> See 200-RICR-20-10-1 (RIDE's BEP).

<sup>42</sup> See *Basic Education Program*, RHODE ISLAND DEPARTMENT OF EDUCATION, [www.ride.ri.gov/InformationAccountability/Accountability/BasicEducationProgram.aspx#1654786-organization-of-the-bep](http://www.ride.ri.gov/InformationAccountability/Accountability/BasicEducationProgram.aspx#1654786-organization-of-the-bep) (October 9, 2019).

<sup>43</sup> *Id.*

Agency (“LEA”), such as the Warwick Public Schools, may offer additional options to its students, each student must be provided equal access to at least the services that are described in these regulations. It is not required that every school offer every service detailed in the BEP, but it is required that LEAs ensure equal access to mandated services for each and every student.<sup>44</sup>

#### D. CARUOLO ACT

The General Assembly enacted R.I. Gen. Laws § 16-2-21.4 in 1995, so called the “Caruolo Act” after its sponsor and former Rhode Island State Representative George Caruolo.<sup>45</sup> Under the Caruolo Act, a school committee may bring a lawsuit against its appropriating authority, the city or town council, if it failed to appropriate an amount of funding adequate to meet the District’s statutory, regulatory, and contractual obligations.<sup>46</sup>

The Caruolo Act creates a “four-step process for the reconciliation of school funding disputes.”<sup>47</sup> A school committee must first adhere to the amount appropriated by the city or town council.<sup>48</sup> The school committee must then “petition the Commissioner of Education in writing to seek alternatives for the district to comply with state regulation and/or provide waivers with respect to certain regulatory requirements concerning the extent or quality of educational programs.”<sup>49</sup> “Third, if the alternatives or waivers are denied the school committee can request the appropriating authority to reconsider its appropriation decision.”<sup>50</sup> And, fourth and finally, “the school committee may seek additional appropriations following its compliance with the foregoing by filing an action” in the Providence County Superior Court. The School Committee bears the burden at trial of showing “that it lacks the ability to adequately run the schools for that school year with a balanced budget within the previously authorized appropriation.”<sup>51</sup>

#### E. RECENT DISTRICT HISTORY

The District enrollment has been steadily declining over the past ten years. In the 2009-2010 School Year, Warwick Public Schools had an enrollment of 10,507 students.<sup>52</sup> By the 2011-2012 School Year, the number of students attending Warwick Public Schools had dropped below 10,000 students. During the 2012-2013, 2013-2014, and 2014-2015 School Years, the District’s enrollment was 9,675, 9,373, and 9,277, respectively.<sup>53</sup> The enrollment was around 9,100 during the 2015-2016 and 2016-2017 School Years, and continued to decline thereafter.<sup>54</sup> During the 2017-2018 School Year, the number of students registered in the District dropped to

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<sup>44</sup> See *id.*

<sup>45</sup> Samuel D. Zurier, Esq., *Separation of Powers and Rhode Island's Constitutional Right to A Public Education*, R.I.B.J., May/June 2009; see also R.I. Gen. Laws § 16-2-21.4.

<sup>46</sup> *Id.*; see also R.I. Gen. Laws § 16-2-21.4.

<sup>47</sup> *Coventry Comm. v. Coventry Town Council*, No. C.A. 95-6253, 1996 WL 936874, at \*1–2 (R.I. Super. Jan. 17, 1996)

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data*, *supra* note 4.

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

8,953, and it was 8,800 as of the 2018-2019 School Year, which is the lowest enrollment the District has seen in ten years.<sup>55</sup>

Consequently, more than one-third of the District's school space was not being utilized, particularly at the junior high school level.<sup>56</sup> As a result of this decline, beginning in 2016, the District began to implement a school consolidation plan.<sup>57</sup> Part of the plan included closing two of the District's junior high schools, and converting one high school to a middle school and the remaining junior high school to a middle school.<sup>58</sup> With respect to elementary schools, the District decided to close two schools and repurpose two others, which resulted in one school being used to house the Warwick Early Learning Center at John Brown Francis and turning another elementary school into an annex of the Warwick Area Career and Technical Center.<sup>59</sup> Additionally, a major part of this multi-year consolidation plan was a necessary reduction in staffing as well as staff reassignments.<sup>60</sup>

## F. BUDGET APPROPRIATION

For FY20, the City Council originally appropriated \$123,982,464 to the District. The Warwick School Committee responded that it required an additional \$7,700,000 in order to meet the District's FY20 needs and comply with the BEP. The City Council originally refused the School Committee's request for the increased funding.

The School Committee consequently published a Request for Proposal on June 13, 2019 ("District RFP") in contemplation of a Caruolo Action.<sup>61</sup> The District RFP provided that "Warwick Public Schools ("WPS") hereby seeks requests for proposals ("RFP") from professional service providers to audit Curriculum, Instruction, Assessment and Fiscal program practices of Warwick Public Schools."<sup>62</sup> It continued that the "desired outcomes of the project are to be aligned with Rhode Island Department of Education ("RIDE") Basic Education Program ("BEP") standards" and that "[t]he opinions expressed by the selected bidder(s) may be used to support the school department's FY2020 Proposed Budget and/or in actions that may be undertaken in a so-called 'Caruolo Action' as contemplated under R.I. Gen. Laws § 16-2-21.4(b)."<sup>63</sup>

The School Committee subsequently hired the law firm of Barton Gilman LLP, pursuant to this competitive bidding process, to conduct the above-described audit. Barton Gilman LLP engaged the assistance of individuals, with background and experience in elementary education, secondary education, special education, and school finance, with the appropriate certifications and experiences, to assess the District's curriculum, instruction, assessment, and fiscal program

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<sup>55</sup> *Id.*

<sup>56</sup> *WPS School Consolidation News*, WARWICK PUBLIC SCHOOLS (2018), <https://consolidation.warrickschools.org/>.

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

<sup>61</sup> See Warwick Public Schools Professional Instruction and Fiscal Auditing Services Bid #9-0032.

<sup>62</sup> *Id.*

<sup>63</sup> *Id.*

for evaluation of whether the district is meeting its statutory, regulatory, and contractual obligations (“Audit Team”).<sup>64</sup>

Thereafter, the School Committee and the City Council committed to resolve the dispute over the appropriation. On July 20, 2019, the City Adopted Resolution PCR-114-19 (“City Resolution”).<sup>65</sup> The City Resolution resolved that “there has been a long running disagreement between the Warwick School Committee and the City Council over the question of whether the School Committee has adequate funding for the Warwick School Department for fiscal years 2018-2019 and fiscal year 2019-2020.”<sup>66</sup> It continued that the “Warwick School Committee asserted that it needed an additional \$4 Million for the fiscal year that ended June 30, 2019 and has asserted that it needed \$7.7 Million in additional funding for fiscal year 2019-2020 and the City has denied that the additional funding was necessary for either fiscal year.”<sup>67</sup> The City Resolution finally provided “the City Council and the Warwick School Committee desire to resolve the funding issues for the two fiscal years.”<sup>68</sup>

Consequently, the City Council appropriated an additional \$3,985,474.00 (for a total of \$127,967,938) to the District conditioned upon its (1) review of its budgeted line items in comparison to comparable districts<sup>69</sup>; and (2) presentation of an expenditure reduction plan.<sup>70</sup> On July 23, 2019, the District adopted a Resolution in Response to the City’s Resolution PCR-114-19 Amended Sub B (“District Resolution”).<sup>71</sup> The District Resolution mirrored the City Resolution, and the Warwick School Committee agreed to comply with the Warwick City Council’s contingencies for the additional appropriation (“Contingency Agreement”).

#### IV. PROCESS

Delivered in two phases, the Audit Report serves the dual purpose of meeting: (I) the Contingency Agreement reached by the District and City through their respective resolutions (“Phase I”); and (II) the District’s original RFP concerning BEP compliance (“Phase II”). Phase I of the Audit Report evaluates the District’s fiscal circumstances and practices relative to select urban and suburban school districts, analyzes the current FY budget, and supports the District’s FY21 proposed budget. Phase II will evaluate the District’s educational performance by comparing its practices with its statutory and regulatory obligations. In accordance with the District’s RFP and City and District Resolutions, the Audit Report and Audit Team have undertaken this work consistent with the below timeline.

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<sup>64</sup> The Audit Team is Matthew R. Plain, Esq. (Legal), Alexander Prignano (Finance), Lori McEwen, Ph.D (Education), Carol Brown, M. Ed., (Special Education). *See Appendix.*

<sup>65</sup> *See* Warwick City Council Resolution PCR-114-19.

<sup>66</sup> *Id.*

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> Note: The City Resolution requires a line-by-line comparison of the District’s Budget with Cranston. The District Finance office has/is conducting this comparison in parallel with the work of the Audit Team.

<sup>70</sup> *Id.*

<sup>71</sup> *See* Warwick School Committee’s Resolution in Response to the Warwick City Council’s Resolution PCR-114-19 Amended Sub B.

PHASE I:

1. On or Before November 1, 2019:  
Submit report (1) comparing the allocation of the District's resources with the allocation of resources in the Cranston, East Providence, Woonsocket, East Greenwich, Coventry, and Cumberland school districts; (2) analyzing the District's current Fiscal Year budget and supporting the District's Fiscal Year 2021 proposed budget;
2. On or Before November 8, 2019:  
Brief School Committee Chair Regarding Budget Review.
3. On or Before November 15, 2019:  
Present Budget Review to Finance Subcommittee.
4. On or Before November 29, 2019:  
Present Budget Review to School Committee.

PHASE II:

5. On or Before December 6, 2019:  
Submit Programmatic Audit Report and Recommendations, including the potential impact of the same on the proposed FY21 Budget.
6. On or Before December 13, 2019:  
Brief School Committee Chair Regarding Programmatic Audit Report and Recommendations.
7. On or Before December 27, 2019:  
Presentation of Programmatic Audit Report and Recommendations to School Committee.

**V. METHODOLOGY**

To complete the Audit Report, as applicable to Phase I and Phase II, the Audit Team conducted (a) document review; (b) administrative and staff interviews; (c) budget and expenditure comparisons with select and urban and suburban districts; (d) CBA analysis, and (e) budget review and evaluation.

**A. DOCUMENT REVIEW**

To the extent they existed, the Audit Team specifically obtained and examined the below written documents.

- Curriculum Documents: core and non-core curriculum; instructional guidance for students with disabilities, English learners; above-grade learners; intervention guidance to support struggling learners; direction regarding the expected rigor of standards; alignment



of instructional materials to support curriculum delivery; formative assessment at the lesson, unit and benchmark levels; and formative and summative assessments to improve teaching and learning.

- *Budgetary, Financial and Contractual Documents*: current fiscal budget; in-house fiscal reports; and current contracts with faculty, administration, and staff.
- *Administrative and Operational Documents*: organizational charts; employee handbooks; policy and procedure manuals; communications protocols; continuous improvement plans; professional development program; facilities and physical plant program; and transportation program.
- *Programmatic Documents*: extra-curricular, co-curricular, and intramural programs; Interscholastic League athletics; and career and technical education program.

The Audit Team additionally acquired pertinent, publicly-available district information from various state and community-based agencies, including RIDE. Notably, different student counts may be reflected throughout this Audit Report because of available data and sources as well as different methods of counting students (e.g., attendance vs. enrollment) being used to generate data.

## B. INTERVIEWS

The Audit Team interviewed select administrative and staff from the various District schools and Central Office. The Audit Team specifically interviewed the District's central office administrators; building administrators at the elementary, middle, and high school levels; and key personnel within the special education department. The Audit Team further examined the District's programs for English language learners; co-curricular, athletics, and intramural; career and technical education; transportation; and facilities, as well as interviewed key personnel at each program.

## C. DISTRICTS AND EXPENDITURES

RIDE categorizes the districts of Cranston, East Providence, and Woonsocket as urban districts and the districts of East Greenwich, Coventry, and Cumberland as suburban districts.<sup>72</sup> These districts were selected to provide an instructive point of comparison for Warwick with and to mix of urban and suburban school districts. The Audit Team tracked the percent of budget that Warwick, each comparison district, and districts statewide devoted to individual expenditure categories. This process highlighted areas where Warwick tended to devote higher (or lower) portions of its budget to particular categories or subcategories. The Audit Team then conducted

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<sup>72</sup> See generally *RESULTS: Education in Rhode Island (2016)*, RHODE ISLAND PUBLIC EXPENDITURE COUNCIL, <http://www.ripec.org/pdfs/2016-Results-Report.pdf> at 15; *RI NECAP Results for Students in Grades 3-8*, RHODE ISLAND DEPARTMENT OF EDUCATION (Oct. 2007), <https://www.ride.ri.gov/Portals/0/Uploads/Documents/Instruction-and-Assessment-World-Class-Standards/Assessment/NECAP/Results/Oct2007-NECAP-Location.pdf> (classifying districts as urban, urban ring, or suburban).

further analysis of the components of a particular category or subcategory in an effort to explain significant discrepancies. To provide critical context to the resource allocation comparison, the Audit Report also provides and considers each district's demographics at a municipal and school district level

Concerning expenditures, RIDE requires all school districts to report expenditures in accord with the Uniform Chart of Accounts ("UCOA") functions.<sup>73</sup> The UCOA functions are grouped into five (5) major categories: (1) Face-To-Face Teaching, (2) Pupil & Teacher Support, (3) Operations, (4) Other Commitments, and (5) Leadership.<sup>74</sup> Using RIDE's most recent expenditure data (FY18), the Audit Team compared the District's expenditures by UCOA functions to that of the urban districts of Cranston, East Providence, Woonsocket and the suburban districts of East Greenwich, Coventry, and Cumberland.

The UCOA Face-to-Face Learning category includes the following subcategories: (1) Instructional Teachers (teachers' salaries and benefits); (2) Substitute Teachers; (3) Instructional Teacher Assistants (including special education, preschool and kindergarten teacher assistants and benefits); (4) Pupil Use Technology (computer supplies including software); and (5) Instructional Materials (all material including textbooks).

The UCOA Pupil and Teacher Support category includes the following subcategories: (1) Guidance and Counseling (staff, supplies and software); (2) Library and Media (staff, supplies and software); (3) Extracurricular (advisors, coaches, and transportation); (4) Non-instructional Student Health (interpreters, truancy officer, detention, volunteers); (5) Academic Interventions (behavioral coach and child find screeners); (6) Student Health Services (nursing salaries and benefits, medical supplies); (7) Curriculum Development (department head, Literacy and Math district-wide coordinators); (8) Staff Development (professional development, substitute coverage); (9) Sabbaticals; (10) Program Management (superintendent, assistant superintendent, special education secretaries salaries and benefits, supplies); (11) Student Support Services (psychologists, social workers, 1:1 teacher assistants, speech/language); and (12) Academic Student Assessments (testing forms).

The UCOA Operations category includes the following subcategories: (1) Student Transportation (day transportation and monitors, and in-district regular and special education); (2) Food Services (breakfast and lunch operations); (3) Safety (crossing guards' salaries and benefits); (4) Building Upkeep, Utilities, Maintenance (includes utilities and maintenance); (5) Data Processing (includes technology salaries and supplies); and (6) Business Operations (includes office staffing and supplies).

The UCOA Other Commitments category includes the following subcategories: (1) Contingencies (unanticipated expenses); (2) Pass-Through Tuitions (charters, out-of-district, special education, career and technical education); (3) Enterprise Operations; (4) Retiree Benefits (health and dental); (5) Claims and Settlements (includes office staffing and supplies).

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<sup>73</sup> See *RIDE's Uniform Chart of Accounts*, RHODE ISLAND DEPARTMENT OF EDUCATION, [www.ride.ri.gov/FundingFinance/SchoolDistrictFinancialData/UniformChartofAccounts.aspx](http://www.ride.ri.gov/FundingFinance/SchoolDistrictFinancialData/UniformChartofAccounts.aspx)

<sup>74</sup> *Id.*



The UCOA Leadership category includes the following subcategories: (1) Principal and Assistant Principals (all principals salaries and benefits); (2) School Office (school secretaries salaries and benefits, office Supplies); (3) Deputies, Senior Administrator (assistant superintendent, special education director, deputies salaries and benefits); (4) Superintendent, School Committee (superintendent and school committee salary, benefits, and travel); and (5) Legal (attorney salary and benefits, litigation, etc.).

#### **D. CBA REVIEW**

The Audit Team employed a two-step process in analyzing the District's collective bargaining agreements. The Audit Team first reviewed the material terms of the contract, with a specific emphasis on certain financial components of the CBA. The Audit Team then compared these terms to the terms governing similarly situated teachers in other districts, namely Cranston, Woonsocket, East Providence, Coventry, and East Greenwich.

#### **E. BUDGET ANALYSIS**

Upon analyzing the District's current budget alongside additional District documents and with input from key staff, the Audit Team's financial expert arrived at determinations regarding the budget and adjustments required going into FY21 so that the District can meet its obligations. Notably, this component of Phase I was conducted from a financial perspective. Certain budget lines referenced below may need to be further adjusted (increasing or decreasing) depending on the findings of Phase II of the Audit Report, which will evaluate the District's education programming.

### **VI. BUDGET COMPARISON AND ANALYSIS**

#### **A. DISTRICT COMPARISON**

As explained above, using the most recent UCOA information available from RIDE, the Audit Report compares the District's allocation of resources with the allocation of resources in certain other urban and/or suburban communities and/or school districts.

*Chart 1: City and District Demographics*

|  | WARWICK  | COVENTRY | CRANSTON | EAST GREENWICH | EAST PROVIDENCE | WOONSOCKET | CUMBERLAND | RHODE ISLAND (statewide) |
|--|----------|----------|----------|----------------|-----------------|------------|------------|--------------------------|
| <b>Total population<sup>75</sup></b>                         | 82,672   | 34,698   | 81,274   | 13,103         | 47,476          | 41,603     | 34,977     | 1,057,315                |
| <b>Households w/ children under 18<sup>76</sup></b>          | 26.1%    | 33%      | 29.9%    | 36.1%          | 26.9%           | 31%        | 32.7%      | 30.1%                    |
| <b>Students in district<sup>77</sup></b>                     | 8,800    | 4,723    | 10,479   | 2,535          | 5,262           | 6,050      | 4,675      | 143,436                  |
| <b>Teachers in district<sup>78</sup></b>                     | 806      | 385      | 865      | 196            | 431             | 424        | 353        | 11,956                   |
| <b>Student-Teacher Ratio<sup>79</sup></b>                    | 11.1:1   | 12.3:1   | 12:1     | 12.7:1         | 12.2:1          | 14.1:1     | 13.2:1     | 12:1                     |
| <b>Median family household income<sup>80</sup></b>           | \$87,369 | \$92,185 | \$82,271 | \$146,234      | \$70,178        | \$47,608   | \$97,905   | \$79,043                 |
| <b>Per Pupil Expenditures<sup>81</sup></b>                   | \$19,585 | \$15,604 | \$16,166 | \$15,772       | \$17,086        | \$14,530   | \$14,527   | \$17,355                 |
| <b>% families w/ income below poverty level<sup>82</sup></b> | 6.2%     | 4.8%     | 6.6%     | 2.7%           | 7.9%            | 22%        | 5.3%       | 9.5%                     |
| <b>FRL Students<sup>83</sup></b>                             | 28.8%    | 31%      | 42.9%    | 5.1%           | 48%             | 78.7%      | 18.8%      | 47.4%                    |
| <b>ELL Students<sup>84</sup></b>                             | 1.8%     | 0.7%     | 6.1%     | 0.8%           | 4.3%            | 10%        | 2.9%       | 9.5%                     |

<sup>75</sup> *Quick Facts*, U.S. CENSUS BUREAU (2010), <https://www.census.gov/quickfacts/fact/table/US/PST045218>.

<sup>76</sup> *Profile of General Population and Housing Characteristics: 2010 Demographic Profile Data*, U.S. CENSUS BUREAU (2010), <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>.

<sup>77</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data*, *supra* note 4.

<sup>78</sup> *Rhode Island Department of Education: ReportCard*, *supra* note 14. Note: this data is from the 2017-2018 school year.

<sup>79</sup> *Id.* Note: this data is based on teacher and student counts from the 2017-2018 school year. Numbers are rounded to the first decimal point.

<sup>80</sup> *American Community Survey 5-Year Estimates: Selected Economic Characteristics*, U.S. CENSUS BUREAU (2017), [https://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml).

<sup>81</sup> *Rhode Island Department of Education: Uniform Chart of Accounts*, RHODE ISLAND DEPARTMENT OF EDUCATION (2018), <http://ride.ri.gov/FundingFinance/SchoolDistrictFinancialData/UniformChartofAccounts.aspx>. Note: this data is from the 2017-2018 school year.

<sup>82</sup> *American Community Survey 5-Year Estimates: Selected Economic Characteristics*, *supra* note 80.

<sup>83</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data*, *supra* note 4. Note: numbers are from October 2018 and have been rounded to the nearest tenth of a percent.

<sup>84</sup> *Id.*

|  |                        | WARWICK | COVENTRY | CRANSTON | EAST GREENWICH | EAST PROVIDENCE | WOONSOCKET | CUMBERLAND | RHODE ISLAND (statewide) |
|--|------------------------|---------|----------|----------|----------------|-----------------|------------|------------|--------------------------|
| <b>Students with IEP<sup>85</sup></b>      |                        | 15.4%   | 15%      | 15.1%    | 11.8%          | 17.4%           | 26.7%      | 14.1%      | 15.6%                    |
| <b>RICAS<sup>86</sup></b><br>(% met/excee) | <b>Math</b>            | 26.5%   | 34.4%    | 27.9%    | 54.1%          | 28.2%           | 11.9%      | 55%        | 29.8%                    |
|  | <b>ELA</b>             | 37.9%   | 50.2%    | 41.4%    | 64.2%          | 35.5%           | 14.1%      | 61.3%      | 38.5%                    |
| <b>Student Race<sup>87</sup></b>           | White                  | 77.7%   | 90.3%    | 52.2%    | 82.2%          | 67.1%           | 43.1%      | 78.8%      | 56.6%                    |
|  | African American/Black | 2.7%    | 1.9%     | 4.7%     | 0.5%           | 11.4%           | 10.7%      | 2.8%       | 8.7%                     |
|  | Hispanic/Latino        | 11%     | 4.4%     | 28.1%    | 6.7%           | 9.9%            | 34.1%      | 11.5%      | 26.1%                    |
|  | Asian                  | 4.4%    | 1.8%     | 9.2%     | 6.1%           | 1.9%            | 5.5%       | 4.1%       | 3.5%                     |
|  | Native American        | 0.4%    | 0.4%     | 0.7%     | 0.1%           | 1.3%            | 0.5%       | 0.1%       | .8%                      |
|  | Two or more races      | 3.9%    | 1.1%     | 5.1%     | 4.4%           | 8.7%            | 6%         | 2.8%       | 4.4%                     |
| <b>City/Town Race<sup>88</sup></b>         | White                  | 91.6%   | 95.9%    | 81.1%    | 93.1%          | 82%             | 77.6%      | 93.9%      | 76.5%                    |
|  | African American/Black | 1.2%    | 1.2%     | 5.6%     | 0.4%           | 6.7%            | 8.6%       | 1.4%       | 13.4%                    |
|  | Hispanic/Latino        | 5.3%    | 1.7%     | 13.9%    | 3%             | 5.3%            | 17.3%      | 6.9%       | 18.3%                    |
|  | Asian                  | 2.8%    | 0.8%     | 5.8%     | 3.6%           | 3.3%            | 7.3%       | 2.5%       | 5.9%                     |
|  | Native American        | 0.2%    | 0%       | 0.3%     | 0.6%           | 0.1%            | 0.7%       | 0%         | 1.3%                     |
|  | Two or more races      | 2.5%    | 1.6%     | 2%       | 2%             | 5%              | 3.5%       | 1.3%       | 2.7%                     |

<sup>85</sup> *Id.*

<sup>86</sup> *Rhode Island Assessment Data Pool: RICAS 2018-2019, supra note 20.*

<sup>87</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data, supra note 4.* Note: numbers are from October 2018 and have been rounded to the nearest tenth of a percent.

<sup>88</sup> *Quick Facts, U.S. Census Bureau (2010), <https://www.census.gov/quickfacts/fact/table/US/PST045218>.*

**i. URBAN DISTRICTS**

**a. CRANSTON**

The City of Cranston is located in Providence County, Rhode Island. Cranston consists of 28.34 square miles and the population is an estimated 81,274.<sup>89</sup> There are 2,836 people per square mile.<sup>90</sup> According to the 2010 Census, 81.1% of the Cranston population is White.<sup>91</sup> 5.6% of the population is Black or African American, and 0.3% is American Indian or Alaska Native.<sup>92</sup> 5.8% identifies as Asian, and 13.9% identify as Hispanic or Latino.<sup>93</sup> 3.5% of the population identifies as two or more races.<sup>94</sup> 24.2% of the people living in Cranston speak a language other than English at home.<sup>95</sup> The median income of all households in the City of Cranston is \$64,282, and the mean income of those houses is \$80,166.<sup>96</sup> The median income of family households in Cranston is \$82,271, and the mean income of those households is \$94,152.<sup>97</sup> 6.6% of the families in Cranston have an annual income below the poverty level.<sup>98</sup> 62.9% of the population who is age 16 or older is employed.<sup>99</sup>

**1. CRANSTON PUBLIC SCHOOLS**

As of October 1, 2018, there were 10,479 students enrolled in the Cranston Public School District (“Cranston”).<sup>100</sup> 42.9% of those students qualified for the Free and Reduced Price School Lunch Program.<sup>101</sup> 6.1% of the district are English Language Learners.<sup>102</sup> According to RIDE Data from October 2018, 52.2% of the Cranston Public Schools student population is White, 4.7% is Black or African American, 28.1% identifies as Hispanic or Latino.<sup>103</sup> 9.2% of the student population is Asian, 0.7% is Native American, and 5.1% identify as two or more races.<sup>104</sup>

Moreover, 15.1% of the students in the district have an IEP.<sup>105</sup> In 2019, 41.4% of students tested met or exceeded expectations for reading skills according to the Rhode Island Common Assessment System.<sup>106</sup> This percentage was close to that of all students tested in

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<sup>89</sup> *Quick Facts, Cranston city, Rhode Island*. U.S. CENSUS BUREAU (2010), <https://www.census.gov/quickfacts/fact/table/cranstoncityrhodeisland,US/PST045218>

<sup>90</sup> *Id.*

<sup>91</sup> *Id.*

<sup>92</sup> *Id.*

<sup>93</sup> *Id.*

<sup>94</sup> *Id.*

<sup>95</sup> *Id.*

<sup>96</sup> *American Community Survey 5-Year Estimates: Selected Economic Characteristics*, *supra* note 80.

<sup>97</sup> *Id.*

<sup>98</sup> *Id.*

<sup>99</sup> *Id.*

<sup>100</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data*, *supra* note 4.

<sup>101</sup> *Id.*

<sup>102</sup> *Id.*

<sup>103</sup> *Id.* Note: numbers are from October 2018 and have been rounded to the nearest tenth of a percent.

<sup>104</sup> *Id.*

<sup>105</sup> *Id.*

<sup>106</sup> *Rhode Island Assessment Data Pool: RICAS 2018-2019*, *supra* note 20.

Rhode Island, for which 38.5% met or exceeded expectations.<sup>107</sup> 27.9% of the students tested in the district met or exceeded expectations in math.<sup>108</sup> This percentage is also close to the average of all students in Rhode Island, as the overall average for math was 29.8%.<sup>109</sup>

## b. WOONSOCKET

The City of Woonsocket is located in Providence County, Rhode Island. Woonsocket consists of 7.74 square miles of land.<sup>110</sup> An estimated 41,603 live in Woonsocket, with 5,321 people per square mile.<sup>111</sup> 77.6% of the Woonsocket population is White, 8.6% is Black or African American, and 0.7% of the population is American Indian and Alaska Native.<sup>112</sup> 17.3% of the population in Woonsocket identifies as Hispanic or Latino, and 7.3% identifies as Asian.<sup>113</sup> 3.5% of the population identifies as two or more races.<sup>114</sup> 26.1% of the population of Woonsocket speaks a language other than English at home.<sup>115</sup> The median income of all households in Woonsocket is \$38,340.<sup>116</sup> The mean income of all households is \$51,997.<sup>117</sup> The median income of family households is \$47,608.<sup>118</sup> The mean income of family households is \$61,741.<sup>119</sup> 22% of families in Woonsocket have annual incomes below the poverty level.<sup>120</sup> 60% of the population age 16 and older is employed.<sup>121</sup>

### 1. WOONSOCKET PUBLIC SCHOOLS

As of October 1, 2018, there were 6,050 students enrolled in the Woonsocket Public School District (“Woonsocket”).<sup>122</sup> 78.7% of those students are eligible for the Free or Reduced Price Lunch Program.<sup>123</sup> 602 or 10%, of the students in the district are English Language Learners.<sup>124</sup> Additionally, 26.7% of the students in the Woonsocket school district have an IEP.<sup>125</sup> According to RIDE Data from October 2018, 43.1% of the Woonsocket Public Schools student population is White, 10.7% is Black or African American, 34.1% identifies as Hispanic

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<sup>107</sup> *Id.*

<sup>108</sup> *Id.*

<sup>109</sup> *Id.*

<sup>110</sup> *Quick Facts, Woonsocket city, Rhode Island*, U.S. CENSUS BUREAU (2010), <https://www.census.gov/quickfacts/fact/table/woonsocketcityrhodeisland,US/PST045218>

<sup>111</sup> *Id.*

<sup>112</sup> *Id.*

<sup>113</sup> *Id.*

<sup>114</sup> *Id.*

<sup>115</sup> *Id.*

<sup>116</sup> *American Community Survey 5-Year Estimates: Selected Economic Characteristics*, *supra* note 80.

<sup>117</sup> *Id.*

<sup>118</sup> *Id.*

<sup>119</sup> *Id.*

<sup>120</sup> *Id.*

<sup>121</sup> *Id.*

<sup>122</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data*, *supra* note 4.

<sup>123</sup> *Id.*

<sup>124</sup> *Id.*

<sup>125</sup> *Id.*

or Latino.<sup>126</sup> 5.5% of the student population is Asian, 0.5% is Native American, and 6% identify as two or more races.<sup>127</sup>

Moreover, in 2019, 14.1% of a percent of students tested met or exceeded expectations for reading skills according to the Rhode Island Common Assessment System.<sup>128</sup> This percentage was much lower than that of all students tested in Rhode Island, for which 38.5% met or exceeded expectations.<sup>129</sup> Finally, 11.9% of students tested in the district met or exceeded expectations in math.<sup>130</sup> This percentage is also below the average of all students in Rhode Island, as the overall average for math was 29.8%.<sup>131</sup>

### c. EAST PROVIDENCE

The City of East Providence is located in Providence County, Rhode Island. An estimated 47,476 people live in East Providence.<sup>132</sup> East Providence consists of 13.24 square miles of land with 3,552 people live per square mile.<sup>133</sup> According to the U.S. Census, 82% of people in East Providence identify as White, 6.7% is Black or African American, and 0.1% is American Indian or Alaska Native.<sup>134</sup> 3.3% identify as Asian, and 5.3% are Hispanic or Latino.<sup>135</sup> 5% of the population identifies as two or more races.<sup>136</sup> 22.5% of the East Providence population speaks a language other than English at home.<sup>137</sup> The median income for all households in East Providence is \$54,707.<sup>138</sup> The mean income of all households is \$69,082.<sup>139</sup> The median income for family households in East Providence is \$70,178.<sup>140</sup> The mean income for families is \$81,136.<sup>141</sup> 7.9% of the families in East Providence have an annual income below the poverty level.<sup>142</sup> 65.1% of the population ages 16 and older are employed.<sup>143</sup>

### 1. EAST PROVIDENCE PUBLIC SCHOOLS

As of October 1, 2018, there were 5,262 students enrolled in the East Providence Public School District (“East Providence”).<sup>144</sup> 48% of those students qualify for the Free and Reduced

<sup>126</sup> *Id.* Note: numbers are from October 2018 and have been rounded to the nearest tenth of a percent.

<sup>127</sup> *Id.*

<sup>128</sup> *Rhode Island Assessment Data Pool: RICAS 2018-2019, supra note 20.*

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

<sup>131</sup> *Id.*

<sup>132</sup> *Quick Facts, East Providence city, Rhode Island, U.S. CENSUS BUREAU (2010), <https://www.census.gov/quickfacts/fact/table/eastprovidencacityrhodeisland,US/PST045218>*

<sup>133</sup> *Id.*

<sup>134</sup> *Id.*

<sup>135</sup> *Id.*

<sup>136</sup> *Id.*

<sup>137</sup> *Id.*

<sup>138</sup> *American Community Survey 5-Year Estimates: Selected Economic Characteristics, supra note 80.*

<sup>139</sup> *Id.*

<sup>140</sup> *Id.*

<sup>141</sup> *Id.*

<sup>142</sup> *Id.*

<sup>143</sup> *Id.*

<sup>144</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data, supra note 4.*

Price Lunch Program.<sup>145</sup> 228 students or 4.3% of the district are English Language Learners.<sup>146</sup> According to RIDE Data from October 2018, 67.1% of the East Providence Public Schools student population is White, 11.4% is Black or African American, 9.9% identifies as Hispanic or Latino.<sup>147</sup> 1.9% of the student population is Asian, 1.3% is Native American, and 8.7% identify as two or more races.<sup>148</sup>

Moreover, 17.4% of the students in the school district have an IEP.<sup>149</sup> In 2019, 35.5% of students tested met or exceeded expectations for reading skills according to the Rhode Island Common Assessment System.<sup>150</sup> This percentage was slightly below that of all students tested in Rhode Island, for which 38.5% met or exceeded expectations.<sup>151</sup> Finally, 28.2% of students in the district met or exceeded expectations in math.<sup>152</sup> This percentage is close to the average of all students in Rhode Island, as the overall average for math was 29.8%.<sup>153</sup>

## ii. SUBURBAN DISTRICTS

### a. EAST GREENWICH

The Town of East Greenwich is located in Kent County, Rhode Island. East Greenwich consists of 16.39 square miles of land.<sup>154</sup> The total population is 13,103 people, and there are 801.9 people per square mile.<sup>155</sup> 93.1% of East Greenwich is White, 0.4% of the population identifies as Black or African American, and 0.6% is American Indian or Alaskan Native.<sup>156</sup> 3.6% is Asian, and 3% of the population identifies as Hispanic or Latino.<sup>157</sup> 2% of the population identifies as two or more races.<sup>158</sup> 7.8% of people in East Greenwich speak a language other than English at home.<sup>159</sup> The median income for all households in East Greenwich is \$108,828.<sup>160</sup> The mean income for those households is \$148,590.<sup>161</sup> The median income for family households in East Greenwich is \$146,234.<sup>162</sup> The mean income for family

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<sup>145</sup> *Id.*

<sup>146</sup> *Id.*

<sup>147</sup> *Id.* Note: numbers are from October 2018 and have been rounded to the nearest tenth of a percent.

<sup>148</sup> *Id.*

<sup>149</sup> *Id.*

<sup>150</sup> *Rhode Island Assessment Data Pool: RICAS 2018-2019, supra note 20.*

<sup>151</sup> *Id.*

<sup>152</sup> *Id.*

<sup>153</sup> *Id.*

<sup>154</sup> *Quick Facts, East Greenwich town, Rhode Island, U.S. CENSUS BUREAU (2010),*

<https://www.census.gov/quickfacts/fact/table/eastgreenwichtownkentcountyrhodeisland,US/PST045218>

<sup>155</sup> *Id.*

<sup>156</sup> *Id.*

<sup>157</sup> *Id.*

<sup>158</sup> *Id.*

<sup>159</sup> *Id.*

<sup>160</sup> *American Community Survey 5-Year Estimates: Selected Economic Characteristics, supra note 80.*

<sup>161</sup> *Id.*

<sup>162</sup> *Id.*



households is \$189,296.<sup>163</sup> 2.7% of the families in East Greenwich have annual incomes below the poverty level.<sup>164</sup> 67.5% of the population age 16 and older are employed.<sup>165</sup>

## 1. EAST GREENWICH PUBLIC SCHOOLS

As of October 1, 2018, there were 2,535 students enrolled in the East Greenwich School District (“East Greenwich”).<sup>166</sup> 5% of those students are eligible for the Free and Reduced Price Lunch Program.<sup>167</sup> 21 students or 0.8 of the district are English Language Learners.<sup>168</sup> 11.8% of the students in the district have an IEP.<sup>169</sup> According to RIDE Data from October 2018, 82.2% of the East Greenwich Public Schools student population is White, 0.5% is Black or African American, 6.7% identifies as Hispanic or Latino.<sup>170</sup> 6.1% of the student population is Asian, 0.1% is Native American, and 4.4% identify as two or more races.<sup>171</sup>

Moreover, in 2019, 64.2% of students tested met or exceeded expectations for reading skills according to the Rhode Island Common Assessment System.<sup>172</sup> This percentage was significantly higher than that of all students tested in Rhode Island, for which 38.5% met or exceeded expectations.<sup>173</sup> Finally, 54.1% of students tested in the district met or exceeded expectations in math.<sup>174</sup> This percentage is also significantly higher than the average of all students in Rhode Island, as the overall average for math was 29.8%.<sup>175</sup>

### b. COVENTRY

The Town of Coventry is located in Kent County, Rhode Island. Coventry consists of 59.05 square miles of land, with 593 people per square mile.<sup>176</sup> The population of Coventry is 34,698 people.<sup>177</sup> 95.9% of Coventry’s population is White, 1.2% of the population is Black or African American, and 0.8% is Asian.<sup>178</sup> 1.7% identify as Hispanic or Latino, 1.6% identify as two or more races.<sup>179</sup> 6.1% of the Coventry population speak a language other than English at home.<sup>180</sup> The median income of all households in Coventry is \$68,633.<sup>181</sup> The median

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<sup>163</sup> *Id.*

<sup>164</sup> *Id.*

<sup>165</sup> *Id.*

<sup>166</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data, supra note 4.*

<sup>167</sup> *Id.*

<sup>168</sup> *Id.*

<sup>169</sup> *Id.*

<sup>170</sup> *Id.* Note: numbers are from October 2018 and have been rounded to the nearest tenth of a percent.

<sup>171</sup> *Id.*

<sup>172</sup> *Rhode Island Assessment Data Pool: RICAS 2018-2019, supra note 20.*

<sup>173</sup> *Id.*

<sup>174</sup> *Id.*

<sup>175</sup> *Id.*

<sup>176</sup> *Quick Facts, Coventry town, Rhode Island, U.S. CENSUS BUREAU (2010),*

[https://www.census.gov/quickfacts/fact/table/coventrytownkentcountyrhodeisland,US/PST045218.](https://www.census.gov/quickfacts/fact/table/coventrytownkentcountyrhodeisland,US/PST045218)

<sup>177</sup> *Id.*

<sup>178</sup> *Id.*

<sup>179</sup> *Id.*

<sup>180</sup> *Id.*

<sup>181</sup> *American Community Survey 5-Year Estimates: Selected Economic Characteristics, supra note 80.*



household income of family households is \$92,185.<sup>182</sup> The mean income of Coventry households is \$84,840.<sup>183</sup> The mean income of Coventry family households is \$101,966.<sup>184</sup> 70% of the population age 16 years and older in Coventry is employed.<sup>185</sup> 4.8% of the families in Coventry have income below the poverty level.<sup>186</sup>

## 1. COVENTRY PUBLIC SCHOOLS

As of October 1, 2018, there were 4,723 students in the Coventry Public School District (“Coventry”).<sup>187</sup> 31% of the students in Coventry Public Schools are eligible for the Free and Reduced Price Lunch program.<sup>188</sup> 35 students or 0.7% of the students in the district are English Language Learners.<sup>189</sup> 15% of the students in the Coventry Public School district have an IEP.<sup>190</sup> Finally, according to RIDE Data from October 2018, 90.3% of the Coventry Public Schools student population is White, 1.9% is Black or African American, and 4.4% identify as Hispanic or Latino.<sup>191</sup> 1.8% of the student population is Asian, 0.4% is Native American, and 1.1% identifies as two or more races.<sup>192</sup>

Moreover, in 2019, 52.2% of students tested met or exceeded expectations for reading skills according to the Rhode Island Common Assessment System.<sup>193</sup> This percentage exceeded that of all students tested in Rhode Island, for which 38.5% met or exceeded expectations.<sup>194</sup> Finally, 34.4% of students tested in the district met or exceeded expectations in math.<sup>195</sup> This percentage is close to the average of all students in Rhode Island, as the overall average for math was 29.8%.<sup>196</sup>

### c. CUMBERLAND

The Town of Cumberland is located in Providence County, Rhode Island. Cumberland consists of 26.45 square miles of land.<sup>197</sup> The Town has an estimated population 34,977 people, and there are 1,066 people per square mile.<sup>198</sup> 93.9% of the Cumberland population is White, 1.4% is Black or African American, and 2.5% identifies as Asian.<sup>199</sup> 6.9% of the population is

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<sup>182</sup> *Id.*

<sup>183</sup> *Id.*

<sup>184</sup> *Id.*

<sup>185</sup> *Id.*

<sup>186</sup> *Id.*

<sup>187</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data, supra note 4.*

<sup>188</sup> *Id.*

<sup>189</sup> *Id.*

<sup>190</sup> *Id.*

<sup>191</sup> *Id.* Note: numbers are from October 2018 and have been rounded to the nearest tenth of a percent.

<sup>192</sup> *Id.*

<sup>193</sup> *Rhode Island Assessment Data Pool: RICAS 2018-2019, supra note 20.*

<sup>194</sup> *Id.*

<sup>195</sup> *Id.*

<sup>196</sup> *Id.*

<sup>197</sup> *Quick Facts, Cumberland town, Rhode Island, U.S. CENSUS BUREAU (2010), <https://www.census.gov/quickfacts/fact/table/cumberlandtownprovidencountyrhodeisland,US/PST045218>.*

<sup>198</sup> *Id.*

<sup>199</sup> *Id.*

Hispanic or Latino, and 1.3% identify as two or more races.<sup>200</sup> 16.8% of Cumberland's population speaks a language other than English at home.<sup>201</sup> The median income of all Cumberland households is \$81,713.<sup>202</sup> The mean income of all households is \$102,034.<sup>203</sup> The median income of family households \$97,905.<sup>204</sup> The mean income of family households is \$118,708.<sup>205</sup> 5.3% of families in Cumberland have annual incomes below the poverty level.<sup>206</sup> 66.6% of the population age 16 and older is employed.<sup>207</sup>

## 1. CUMBERLAND PUBLIC SCHOOLS

As of October 1, 2018, there were 4,675 students enrolled in the Cumberland Public School District ("Cumberland").<sup>208</sup> 18.8% of those students are eligible for the Free or Reduced Price Lunch Program.<sup>209</sup> 136 or 2.9% of the students in the district are English Language Learners.<sup>210</sup> Additionally, 14.1% of the students in the Cumberland school district have an IEP.<sup>211</sup> Finally, according to RIDE Data from October 2018, 78.8% of the Cumberland Public Schools student population is White, 2.8% is Black or African American, 11.5% identifies as Hispanic or Latino.<sup>212</sup> 4.1% of the student population is Asian, 0.1% is Native American, and 2.8% identify as two or more races.<sup>213</sup>

Moreover, in 2019, 61.3% met or exceeded expectations for reading skills according to the Rhode Island Common Assessment System.<sup>214</sup> This percentage was higher than that of all students tested in Rhode Island, for which 38.5% met or exceeded expectations.<sup>215</sup> Finally, 55% of students tested in the district met or exceeded expectations in math.<sup>216</sup> This percentage is significantly higher than the average of all students in Rhode Island, as the overall average for math was 29.8%.<sup>217</sup>

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<sup>200</sup> *Id.*

<sup>201</sup> *Id.*

<sup>202</sup> *American Community Survey 5-Year Estimates: Selected Economic Characteristics, supra note 80.*

<sup>203</sup> *Id.*

<sup>204</sup> *Id.*

<sup>205</sup> *Id.*

<sup>206</sup> *Id.*

<sup>207</sup> *Id.*

<sup>208</sup> *Rhode Island Department of Education: Enrollment, Dropout, and Graduation Data, supra note 4.*

<sup>209</sup> *Id.*

<sup>210</sup> *Id.*

<sup>211</sup> *Id.*

<sup>212</sup> *Id.* Note: numbers are from October 2018 and have been rounded to the nearest tenth of a percent.

<sup>213</sup> *Id.*

<sup>214</sup> *Rhode Island Assessment Data Pool: RICAS 2018-2019, supra note 20.*

<sup>215</sup> *Id.*

<sup>216</sup> *Id.*

<sup>217</sup> *Id.*

**B. FINDINGS AND RECOMMENDATIONS<sup>218</sup>**

**i. FACE-TO-FACE LEARNING**

Overall, the Warwick Public Schools devoted less of its budget than both the urban and suburban district comparison groups relative to substitutes, instructional teacher assistants, and per pupil technology. As noted below, the District devoted considerably less of its budget than both comparison groups in relation to instructional teacher assistants. The only general line item where in this category where the Warwick Public Schools outpaced both comparison groups and the statewide averages related to instructional teachers. Though both Cranston and Coventry devote more of their respective budgets to these items, on average, the Warwick Public Schools exceeded all six (6) comparison districts and districts statewide. Accordingly, the Warwick Public Schools is spending a higher percentage of its budget on teacher compensation than other districts and less on other components of face-to-face learning. A more-detailed analysis of this category follows.

**a. URBAN DISTRICTS**

*Chart 2: Face-to-Face Percent of Budget/Urban Districts*

| <b>Function</b>                   | <b>Urban Avg.</b> | <b>Warwick</b> | <b>Cranston</b> | <b>East Providence</b> | <b>Woonsocket</b> |
|-----------------------------------|-------------------|----------------|-----------------|------------------------|-------------------|
| Instructional Teaching            | 48%               | 51.70%         | 52.51%          | 45.20%                 | 46.06%            |
| Substitute Teachers               | 1%                | 0.38%          | 0.97%           | 1.05%                  | 0.89%             |
| Instructional Teachers Assistants | 4%                | 1.15%          | 1.10%           | 5.79%                  | 3.83%             |
| Pupil Use Technology              | 1%                | 0.38%          | 0.73%           | 1.09%                  | 1.12%             |
| Instructional Materials           | 1%                | 0.91%          | 0.80%           | 1.53%                  | 1.31%             |
| <b>TOTAL:</b>                     | <b>55%</b>        | <b>54.51%</b>  | <b>56.1%</b>    | <b>54.67%</b>          | <b>53.21%</b>     |

The urban districts selected for comparison – Cranston, East Providence, and Woonsocket–devoted, on average, 55% of their overall expenditures to this category. This average tracked the overall average for urban districts in Rhode Island. The Warwick Public Schools trended similarly, devoting 54.51% of its expenditures in this manner during the same time period. Though the District trended similarly to the comparison urban districts in this category overall, the District’s allocation of funds differed somewhat significantly with respect to the subcategories thereunder.

For instance, and most significantly, regarding the “Instructional Teachers” subcategory, these urban districts, and urban districts statewide, devoted, on average, only 48% of their overall

<sup>218</sup> Note: As used throughout this section, “urban average” and “suburban average” are statewide.

respective budgets to teachers’ salary and benefits. The Warwick Public Schools exceed this average by almost 4%, at 51.7%, falling just below Cranston at 52.51%, with East Providence and Woonsocket lagging behind at 45.2% and 46.06% respectively. On the other hand, urban districts statewide devoted 4% of their budgets and the urban comparison districts devoted approximately 3.5% of their budgets to Instructional Teacher Assistants, where this subcategory accounts for just 1.15% of the District’s budget, an allocation that tracks similarly only to Cranston.

Moreover, the urban districts statewide and the urban comparison districts devote approximately 1% of their respective budgets to substitute teachers and pupil use technology, where Warwick Public Schools devoted less than half of that allocation to those subcategories. The Warwick Public Schools only tracked the average allocation with respect to instructional materials. Though the portion of the District’s budget devoted to Face-to-Face Learning falls near the average for this comparison group and urban districts statewide, the function of averaging causes this outcome, as the District outpaced these urban peers in the percentage of its budget devoted to teacher salary and benefits, rivaling only Cranston in this comparison group, but devoted considerably less of its budget to instructional teacher assistants, again rivaled only by Cranston in this comparison group.

**b. SUBURBAN DISTRICTS**

*Chart 3: Face-to-Face Percent of Budget/Suburban Districts*

| <b>Function</b>                   | <b>Sub. Avg.</b> | <b>Warwick</b> | <b>East Greenwich</b> | <b>Coventry</b> | <b>Cumberland</b> |
|-----------------------------------|------------------|----------------|-----------------------|-----------------|-------------------|
| Instructional Teaching            | 49%              | 51.70%         | 48.33%                | 54.97%          | 49.34%            |
| Substitute Teachers               | 1%               | 0.38%          | 0.94%                 | 0.94%           | 0.64%             |
| Instructional Teachers Assistants | 4%               | 1.15%          | 5.79%                 | 5.03%           | 4.09%             |
| Pupil Use Technology              | 1%               | 0.38%          | 1.49%                 | 1.08%           | 0.81%             |
| Instructional Materials           | 1%               | 0.91%          | 0.70                  | 0.72%           | 1.30%             |
| <b>TOTAL:</b>                     | <b>56%</b>       | <b>54.51%</b>  | <b>57.2%</b>          | <b>62.74%</b>   | <b>56.17%</b>     |

The comparison with the select suburban districts yielded slightly different results. The suburban districts selected for comparison – East Greenwich, Coventry, and Cumberland – devoted, on average, 58.7% of their overall expenditures to this category. The average for suburban districts statewide amounted to 56%. The District trended somewhat similarly with respect to the statewide average, devoting 54.51% during the same time period, but fell relatively far below the comparison suburban districts in this category. The Warwick Public School’s allocation of funds again differed somewhat significantly with respect to the subcategories thereunder.

For instance, regarding the “Instructional teachers” subcategory, these suburban districts devoted, on average, 51% of their overall respective budgets to teachers’ salary and benefits. The Warwick Public Schools barely exceeded this average at 51.7%; however, Coventry, a district that devoted almost 55% of its budget to this subcategory, significantly impacted this average, which was considerably higher than East Greenwich and Cumberland at 48.33% and 49.34%, respectively. Both the Warwick Public Schools and these comparison districts exceeded the statewide average for suburban districts of 49%. Similar to the urban comparison districts, the suburban comparison districts devoted approximately 5% of their budgets to Instructional Teacher Assistants, where this subcategory accounted for just 1.15% of the Warwick Public School’s budget.

Moreover, the suburban comparison districts as well as suburban districts statewide devote approximately 1% of their respective budgets to substitute teachers and pupil use technology, where the Warwick Public Schools devoted less than half of that allocation to each subcategory. Again, the District only tracked the average allocation, both statewide and alongside these comparison districts, with respect to instructional materials. Though the portion of the Warwick Public School’s budget devoted to face-to-face learning fell below the average for this suburban comparison group, the District outpaced suburban peers in the percentage of its budget devoted to teacher salary and benefits, eclipsed only by Coventry in this comparison group, and again devoted considerably less of its budget to instructional teacher assistants.

## **ii. PUPIL AND TEACHER SUPPORT**

Overall, though Warwick devoted more of its overall budget than either of the urban district or suburban district comparison groups and the state averages relative to Pupil and Teacher Support spending, as noted below, this appears to be primarily driven by the devotion of Warwick’s budget related to Student Support Services. Warwick’s comparatively higher percentage in this subcategory could be attributed to the number of students receiving services, the compensation structure of the employees delivering the services, or a combination of both factors. To a lesser extent, this is also driven by Curriculum Development, another subcategory impacted by the compensation structure of employees related thereto. In light of this, a compensation structure analysis of certified employees follows this section of the report, and a more-detailed analysis of this category follows.

**a. URBAN DISTRICTS**

*Chart 4: Pupil and Teacher Support Percent of Budget/Urban Districts*

| <b>Function</b>                  | <b>Urban Avg.</b> | <b>Warwick</b> | <b>Cranston</b> | <b>East Providence</b> | <b>Woonsocket</b> |
|----------------------------------|-------------------|----------------|-----------------|------------------------|-------------------|
| Guidance and Counseling          | 2%                | 1.49%          | 2.28%           | 1.67%                  | 1.38%             |
| Library and Media                | 1%                | 1.36%          | 0.96%           | 1.00%                  | 0.91%             |
| Extracurricular                  | 1%                | 0.92%          | 0.87%           | 0.76%                  | 0.61%             |
| Non-instructional Student Health | 1%                | 0.63%          | 0.52%           | 0.83                   | 0.59%             |
| Academic Interventions           | 0%                | 0%             | 0.15%           | 0.35%                  | 0.88%             |
| Student Health Services          | 2%                | 1.59%          | 1.63%           | 1.69%                  | 1.51%             |
| Curriculum Development           | 0%                | 1.28%          | 0.03%           | 0.28%                  | 0.08%             |
| Staff Development                | 1%                | 0.72%          | 0.62%           | 1.06%                  | 1.09%             |
| Sabbaticals                      | 0%                | 0%             | 0%              | 0%                     | 0%                |
| Program Management               | 1%                | 0.92%          | 2.69%           | 1.43%                  | 1.37%             |
| Student Support Services         | 6%                | 9.18%          | 6.80%           | 4.78%                  | 6.68%             |
| Academic Student Assessments     | 0%                | 0%             | 0.11%           | 0.02%                  | 0.09%             |
| <b>TOTAL:</b>                    | <b>15%</b>        | <b>18.09%</b>  | <b>16.88%</b>   | <b>13.87%</b>          | <b>15.20%</b>     |

The urban districts selected for comparison – Cranston, East Providence, and Woonsocket – devoted, on average, 15.25% of their overall expenditures to this category. Urban districts statewide devoted comparable portions of their budgets, 15%, to this category. Warwick devoted 18.09% during the same time period, over 3% more of its total expenditures than these urban comparison districts and urban districts statewide. It appears as though just two out of the twelve subcategories accounted for most of the difference between and among Warwick and these urban comparison districts and urban districts statewide. Otherwise, Warwick’s spending during the relevant time period generally tracked the urban averages.

For instance, and most significantly, regarding the “Student Support Services” subcategory, the urban districts devoted, on average, only 6% of their overall respective budgets to psychologists, social workers, 1:1 teacher assistants, and speech/language services. At 9.18% of its total expenditures, Warwick devoted, on average, 3% more than these comparison districts and the urban districts statewide. Cranston is the next highest among the urban comparison group at 6.80% and East Providence devoted the least at 4.78%. The Curriculum Development

subcategory also showed a noticeable disparity. At 1.28% of its budget, Warwick significantly outpaced this comparison group with respect to expenditures related to department heads, and Literacy and Math district-wide coordinators. East Providence devoted just 0.28%, Woonsocket devoted 0.08%, and Cranston barely devoted any of its budget expenditures to this item at 0.03%. Notably, the statewide average in this subcategory did not even register.

Warwick also devoted a higher portion of its budget expenditures to the Library and Media subcategory. At 1.36% of its budget, Warwick outpaced the urban districts statewide, which averages 1% of budgets, and the comparison group (Cranston, East Providence, Woonsocket – 0.96%, 1.00%, and 0.91%, respectively) on library staff, supplies and software. At 0.92% of its expenditures, Warwick outpaced the urban districts in this comparison group on advisors, coaches, and extracurricular transportation - Cranston – 0.87%; East Providence – 0.76%, Woonsocket – 0.61%, but fell slightly below the statewide urban average of 1%.

Warwick fell within the range or near the average of expenditures relative to the comparison group, but below statewide average for urban districts, in the following subcategories: Guidance and Counseling (N.B. Warwick, at 1.49% was below the statewide average for urban districts – 2%), Non-instructional Student Health (N.B. Warwick, at 0.63%, was below the statewide average for urban districts – 1%), and Student Health Services (N.B. Warwick, at 1.59%, was below the statewide average for urban districts – 2%).

Warwick devoted less of its expenditures than these urban comparison districts with respect to Academic Interventions (Warwick did not devote funds to this line and Cranston and East Providence devoted just a portion of their budgets, 0.15% and 0.35%, respectively, and Woonsocket devoted just 0.88%), Academic Student Assessments (Warwick did not devote funds to this line, and the comparison urban districts devote between 0.02% and 0.11% of their respective budgets to this line), Staff development (Warwick devoted 0.72% to this line item – more than Cranston at 0.62%, but less than both Woonsocket, at 1.09%, East Providence at 1.06%, and the statewide urban average, at 1%, and Program Management. With respect to the latter, at 0.92%, Warwick fell significantly below Cranston (2.69%), and below East Providence (1.43%) and Woonsocket (1.37%), but just below the statewide average (1%). Neither Warwick nor any of the urban comparison districts devoted funds to sabbatical leaves.

Though the portion of Warwick's budget devoted to Pupil and Teacher Support outpaces this comparison group and urban districts statewide, that appears to be driven mainly by two subcategories – Student Support Services and Curriculum Development. Warwick devoted nearly comparable portions of its budget to the other subcategories as other urban districts.



**b. SUBURBAN DISTRICTS**

*Chart 5: Pupil and Teacher Support Percent of Budget/Suburban Districts*

| <b>Function</b>                  | <b>Sub. Avg.</b> | <b>Warwick</b> | <b>East Greenwich</b> | <b>Coventry</b> | <b>Cumberland</b> |
|----------------------------------|------------------|----------------|-----------------------|-----------------|-------------------|
| Guidance and Counseling          | 3%               | 1.49%          | 2%                    | 1.73%           | 2.53%             |
| Library and Media                | 0%               | 1.36%          | 1.39%                 | 0.84%           | 0.46%             |
| Extracurricular                  | 1%               | 0.92%          | 1.59%                 | 0.81%           | 0.81%             |
| Non-instructional Student Health | 0%               | 0.63%          | 0.20%                 | 0.62%           | 0.31%             |
| Academic Interventions           | 0%               | 0%             | 0%                    | 0.10%           | 0.38%             |
| Student Health Services          | 1%               | 1.59%          | 2.14%                 | 1.48%           | 1.32%             |
| Curriculum Development           | 1%               | 1.28%          | 0.83%                 | 1.56%           | 0.59%             |
| Staff Development                | 2%               | 0.72%          | 0.24%                 | 0.40%           | 1.67%             |
| Sabbaticals                      | 0%               | 0%             | 0%                    | 0%              | 0%                |
| Program Management               | 1%               | 0.92%          | 0.89%                 | 0.87%           | 1.07%             |
| Student Support Services         | 4%               | 9.18%          | 6.52%                 | 4.15%           | 4.28%             |
| Academic Student Assessments     | 0%               | 0%             | 0.16%                 | 0.11%           | 0.20%             |
| <b>TOTAL:</b>                    | <b>13%</b>       | <b>18.09%</b>  | <b>15.94%</b>         | <b>12.67%</b>   | <b>13.62%</b>     |

The suburban districts selected for comparison – East Greenwich, Coventry, and Cumberland – devoted, on average, 14% of their overall expenditures to this category and suburban districts statewide devoted 13%. Warwick devoted 18.09% during the same time period, over 5% more of its total expenditures than suburban districts statewide and 4% more than the comparison districts. It appears as though just one of the twelve subcategories accounted for most of the difference between and among Warwick and these suburban comparison districts. Otherwise, Warwick’s spending during the relevant time period generally tracked the suburban comparison group’s spending.

Most significantly, regarding the “Student Support Services” subcategory, these suburban districts devoted, on average, only 5% of their overall respective budgets to psychologists, social workers, 1:1 teacher assistants, and speech/language services. At 9.18% of its total expenditures, Warwick devoted, on average, 4% more than these comparison districts and 5% more than suburban districts statewide. Within the comparison group, East Greenwich is the next highest at 6.28% and Coventry devoted the least at 4.15%. At 0.63% of its expenditures, Warwick devoted



slightly more of its overall budget to Non-instructional Student Health than Coventry, 0.62%, Cumberland, 0.31%, and East Greenwich, 0.20%, and significantly more than the statewide average, 0.0%.

Warwick fell within the range and near the average of expenditures in most of the other subcategories. At 1.36% of its budget, Warwick devoted just slightly less of its budget to the Library and Media subcategory than East Greenwich (1.39%), but more than Coventry and Cumberland (0.84%, and 0.46%, respectively) and significantly more than the statewide average of 0%. Regarding Extracurricular, at 0.92%, Warwick outpaced both Coventry and Cumberland, but fell below East Greenwich at 1.59% and the statewide average for suburban districts of 1%. Warwick also devoted nearly the same portion of its budget to this line as these suburban comparison districts in Student Health Services, Curriculum Development, Program Management and Staff Development (Warwick devoted 0.72% to this line item – more than Coventry at 0.40% and East Greenwich at 0.24%, but less than both Cumberland at 1.67%). However, Warwick fell below the statewide average for suburban districts in these subcategories, except for Curriculum Development.

Warwick devoted less of its expenditures than these suburban comparison districts with respect to Guidance and Counseling. The statewide average is 3%, with Warwick below the average, and all of the suburban comparison districts, at 1.49%. Warwick did not devote funds to Academic Interventions, nor did East Greenwich. Cumberland and Coventry devoted just a portion of their budgets, 0.38% and 0.10%, respectively, to this line. Warwick also did not devote funds to Academic Student Assessments and the comparison suburban districts devoted between 0.11% and 0.20% of their respective budgets to this line. Neither Warwick nor any of these suburban comparison districts devoted funds to sabbatical leaves.

Though the portion of Warwick’s budget devoted to Pupil and Teacher Support outpaces this comparison group and suburban districts statewide, that appears to be driven mainly by one subcategory - “Student Support Services.” Warwick devotes nearly comparable portions of its budget to the other subcategories as these suburban districts.

### **iii. OPERATIONS**

Overall, the percentage of its budget that Warwick devoted to the Operations category is close to the statewide and comparison group averages. A more-detailed analysis follows.

**a. URBAN DISTRICTS**

*Chart 6: Operations Percent of Budget/Urban Districts*

| Function                             | Urban Avg. | Warwick | Cranston | East Providence | Woonsocket |
|--------------------------------------|------------|---------|----------|-----------------|------------|
| Student Transportation               | 4%         | 3.97%   | 3.78%    | 3.15%           | 2.40%      |
| Food Services                        | 2%         | 1.90%   | 2.12%    | 2.44%           | 3.69%      |
| Safety                               | 0%         | 0.09%   | 0.07%    | 0.11%           | 0.11%      |
| Building Upkeep, Utilities, & Maint. | 7%         | 7.21%   | 6.53%    | 8.62%           | 6.96%      |
| Data Processing                      | 1%         | 1.08%   | 0.49%    | 0.50%           | 0.37%      |
| Business Operations                  | 1%         | 1.24%   | 0.90%    | 1.43%           | 2.33%      |
| <b>TOTAL:</b>                        | 15%        | 15.49%  | 13.88%   | 16.24%          | 15.85%     |

The urban districts selected for comparison – Cranston, East Providence, and Woonsocket – devoted, on average, 15% of their overall expenditures to this category. This average tracked the overall average for urban districts in Rhode Island. Warwick devoted 15.50% during the same time period, or 0.5% more than the average and the comparison group. It appears as though just two out of the six subcategories accounted for most of the difference between and among Warwick and these urban comparison districts. Otherwise, Warwick’s spending during the relevant time period generally tracked the statewide urban average and urban comparison group’s spending in this category.

Most significantly, these urban districts devoted, on average, only 3% of their overall respective budgets to day transportation and monitors, and in-district regular and special education, the “Student Transportation” subcategory, where Warwick devoted almost 1% more of its expenditures than the average at 3.97%, though it fell short of the statewide urban average of 4%. Warwick’s percentage significantly outpaced the lowest of the group, Woonsocket, at only 2.4%. At 1.08% of its expenditures, Warwick outpaced the group of urban districts, which averaged less than ½ of a percent, in the Data Processing subcategory. In this arena, Cranston devoted 0.49% of its budget to such costs, with East Providence at 0.50%, and Woonsocket at 0.37%. Warwick also outpaced the statewide urban average, albeit barely, of 1%.

Warwick fell in the lower range of the urban districts in this comparison group regarding Safety, at 0.09% (compare with Cranston – 0.07%; East Providence and Woonsocket – 0.11%) and Business Operations, at 1.24% (compare with Cranston - 0.90%, Woonsocket - 2.33%, and East Providence - 1.43%) but still exceeded the statewide urban average in both subcategories. The portions of Warwick’s expenditures related to Food Services and Building Upkeep, Utilities, and Maintenance trailed the averages of the urban comparison districts. Warwick also slightly trailed the statewide average with respect to Food Services and slightly exceeded the statewide urban average with respect to Building Upkeep.

Though Warwick spends just slightly more of its overall budget than the statewide urban average and the average of these select urban districts with respect to these line items, aside from Student Transportation (Day Transportation & Monitor-In-District Regular & Special Education) and Data Processing (Includes Technology Salaries & Supplies), the allocation of Warwick’s budget to the Operations subcategories generally fell in the average range as compared to the other subcategories of these urban districts.

**b. SUBURBAN DISTRICTS**

*Chart 7: Operations Percent of Budget/Suburban Districts*

| <b>Function</b>                      | <b>Sub. Avg.</b> | <b>Warwick</b> | <b>East Greenwich</b> | <b>Coventry</b> | <b>Cumberland</b> |
|--------------------------------------|------------------|----------------|-----------------------|-----------------|-------------------|
| Student Transportation               | 4%               | 3.97%          | 4.26%                 | 4.32%           | 3.71%             |
| Food Services                        | 4%               | 1.90%          | 1.39%                 | 2.16%           | 3.86%             |
| Safety                               | 0%               | 0.09%          | 0.17%                 | 0.72%           | 0.45%             |
| Building Upkeep, Utilities, & Maint. | 6%               | 7.21%          | 7.88%                 | 6.29%           | 6.29%             |
| Data Processing                      | 1%               | 1.08%          | 1.18%                 | 0.29%           | 1.02%             |
| Business Operations                  | 1%               | 1.24%          | 0.88%                 | 1.10%           | 1.11%             |
| <b>TOTAL:</b>                        | <b>16%</b>       | <b>15.50%</b>  | <b>15.76%</b>         | <b>14.87%</b>   | <b>16.44%</b>     |

The suburban districts selected for comparison - East Greenwich, Coventry, and Cumberland - devoted, on average, 15.7% of their overall expenditures to this category. Warwick devoted 15.50%, a similar portion of its overall expenditures. The statewide suburban average in this category is 16%. Warwick devoted more of its overall expenditures to Business Operations and Building Upkeep/Maintenance than suburban districts statewide and significantly less in Food Services.

Like the comparison with the statewide urban districts, relative to the statewide suburban districts, Warwick devoted an average portion of its overall expenditures to Student Transportation (3.97%), and devoted less than both East Greenwich (4.26%) and Coventry (4.32%) in this comparison group. Also, at 1.24% of its budget, Warwick devoted more to the Business Operations line item than the other suburban comparison districts (East Greenwich (0.88%), Coventry (1.10%), and Cumberland (1.11%)) and the statewide suburban average. Warwick fell near the average regarding Data Processing but devoted less of its budget, in relation to the comparison districts, to Safety (Warwick (0.09%), East Greenwich (0.17%), Coventry (0.72%), and Cumberland (0.45%)). Though Warwick devoted a small portion of its budget to Safety, it nevertheless outpaced the average for suburban districts statewide.

The percentage of its budget that Warwick devoted to the Operations category is close to the statewide and suburban comparison group average. Warwick devoted more of its budget than these districts with respect to Business Operations (includes Office Staffing and Supplies). However, with respect to Student Transportation (includes day transportation & monitor-in-

district for Regular & Special Education), Warwick only outpaced Cumberland, and falls below the budget percentage allocated to this item by East Greenwich, Coventry, and slightly below the statewide suburban average. Also, Warwick spends a lower portion of its budget on Food Service than Coventry and Cumberland, outpacing only East Greenwich, and fell significantly below the statewide suburban average. In summary, however, the percentage of Warwick’s budget spent on the Operations subcategories fell near the average of that spent in these subcategories by suburban districts.

**iv. OTHER COMMITMENTS**

Overall, Warwick devoted less of its overall budget than the urban comparison group and statewide districts overall, but slightly more than the suburban comparison group (but less than the statewide suburban districts), relative to Other Commitments spending. This category is significantly impacted by pass through tuitions out-of-district special education placements. In this subcategory, Warwick lags behind its statewide urban and suburban peers, but nevertheless outpaces Coventry and East Greenwich. A more-detailed analysis follows.

**a. URBAN DISTRICTS**

*Chart 8: Other Commitments Percent of Budget/Urban Districts*

| <b>Function</b>        | <b>Urban Avg.</b> | <b>Warwick</b> | <b>Cranston</b> | <b>East Providence</b> | <b>Woonsocket</b> |
|------------------------|-------------------|----------------|-----------------|------------------------|-------------------|
| Contingencies          | 0%                | 0%             | 0%              | 0%                     | 0%                |
| Pass-Through Tuitions  | 7%                | 6.02%          | 7.56%           | 8.65%                  | 10.56%            |
| Enterprise Operations  | 0%                | 0.01%          | 0.04%           | 0.00%                  | 0.89%             |
| Retiree Benefits       | 2%                | 0.49%          | 0.31%           | 0.24%                  | 0%                |
| Claims and Settlements | 0%                | 0.51%          | 0%              | 0.03%                  | 0%                |
| <b>TOTAL:</b>          | <b>9%</b>         | <b>7.04%</b>   | <b>7.91%</b>    | <b>8.89%</b>           | <b>11.46%</b>     |

The urban districts selected for comparison – Cranston, East Providence, and Woonsocket – devoted, on average, 9.4% of their overall expenditures to this category. The statewide urban average in this category is 9%. Warwick devoted 7.04% during the same time period, about 2.0% less than urban districts on average. It appears as though just one of the five subcategories accounted for most of the difference between and among Warwick and urban districts within this comparison group and statewide. Otherwise, Warwick’s spending during the relevant time period generally tracked the statewide average and urban comparison group’s spending in this category.

Most significantly, these select urban districts devoted, on average, almost 9% of their overall respective budgets to Pass-Through Tuitions (charters, out-of-district special education and career and technical education), where Warwick devoted just 6.02% of its expenditures,

almost 3% less than the comparison group average and almost 1% lower than the statewide urban average. Woonsocket, the highest of the comparison group, devoted over 10% of its budget to this subcategory, and Cranston, the next lowest after Warwick, devoted 7.56%.

Though Warwick devoted only 0.49% of its budget to Retiree Benefits, it led the comparison group but fell well below the statewide urban average of 2%. Warwick devoted 0.51% of its budget to Claims and Settlements, leading this comparison group and the statewide average in these categories. Notably, Woonsocket did not devote funds to Retiree Benefits and both Cranston and Woonsocket did not devote funds to Claims and Settlements.<sup>219</sup> All of the urban districts devoted less than 1% of their respective budgets to Enterprise Operations.<sup>220</sup> East Providence did not devote any funds to the line, Warwick devoted just 0.01%, and even Woonsocket, the highest of the group, devoted just 0.89% of its budget to this line. Neither Warwick nor any of the urban comparison districts (or statewide urban districts) devoted funds to contingencies during the pertinent time period.

Warwick devoted less on average of its overall budget than these select urban districts and statewide urban districts with respect to these line items. Warwick devoted more of its overall budget than these districts and statewide urban districts with respect to Claims and Settlements; however, the relatively small portion of its budget devoted to pass-through tuitions, comparatively, keeps the average down below the comparison group and the statewide average. In summary, though the portion of Warwick’s budget devoted to Other Commitments lags this comparison group and the statewide average that appears to be driven mainly by the pass-through tuition subcategory.

**b. SUBURBAN DISTRICTS**

*Chart 9: Other Commitments Percent of Budget/Suburban Districts*

| <b>Function</b>        | <b>Suburban Avg.</b> | <b>Warwick</b> | <b>East Greenwich</b> | <b>Coventry</b> | <b>Cumberland</b> |
|------------------------|----------------------|----------------|-----------------------|-----------------|-------------------|
| Contingencies          | 0%                   | 0%             | 0%                    | 0%              | 0%                |
| Pass-Through Tuitions  | 8%                   | 6.02%          | 4.31%                 | 3.93%           | 8.28%             |
| Enterprise Operations  | 0%                   | 0.01%          | 0%                    | 0.05%           | 0%                |
| Retiree Benefits       | 0%                   | 0.49%          | 0.14%                 | 0.79%           | 0.02%             |
| Claims and Settlements | 0%                   | 0.51%          | 0%                    | 0%              | 0%                |
| <b>TOTAL:</b>          | <b>8%</b>            | <b>7.04%</b>   | <b>4.46%</b>          | <b>4.77%</b>    | <b>8.30%</b>      |

The suburban districts selected for comparison – East Greenwich, Coventry, and Cumberland – devoted, on average, 5.84% of their overall expenditures to this category. Warwick devoted 7.04% during the same time period, about 1.0% higher than these suburban

<sup>219</sup> Note: The statewide urban average for Claims and Settlements is also 0%.

<sup>220</sup> Note: The statewide urban average for Enterprise Operations is also 0%.

districts on average, but still below the statewide suburban average of 8%. It appears as though just one of the five subcategories accounted for most of the difference between and among Warwick, these suburban comparison districts, and statewide suburban districts, but Warwick's spending during the relevant time period generally outpaced the urban district's spending in the other subcategories, both statewide and within the comparison group.

Most significantly, these suburban districts devoted, on average, 5.5% of their overall respective budgets to Pass-Through Tuitions (charters, out-of-district, special education, career and technical education), where Warwick devoted 6.02% of its expenditures, about ½ of a percentage point higher than the average. Cumberland, the highest of the group, devoted 8.28% of its budget to this line, and East Greenwich, the next highest after Cumberland and Warwick, devoted just 4.31% of its expenditures. Coventry lagged all districts analyzed at 3.93%. This said, Warwick and the comparison group lag the statewide suburban average of 8%. Though Warwick devoted only 0.51% of its budget to Claims and Settlements, it nevertheless led this comparison group, and the statewide average, in this category. Notably, neither the comparison suburban districts nor the statewide suburban districts devoted funds to this line. Similarly, Warwick devoted only 0.49% of its budget to Retiree Benefits, but it nevertheless led East Greenwich and Cumberland, at 0.14% and 0.02%, respectively, in this subcategory. Coventry, the leader in this category, devoted only 0.79% of its expenditures. The comparison districts and Warwick exceeded the statewide suburban average for Retiree benefits – 0%.

All of the suburban districts devoted either no or a very small percentage of expenditures to Enterprise operations. East Greenwich and Cumberland (or the statewide suburban districts) did not devote any funds to the line, and Coventry devoted just 0.05%. Warwick, the lowest of the group, devoted just 0.01% of its budget. Neither Warwick, nor any statewide suburban districts, devoted and funds to contingencies during the relevant time period. In summary, the portion of Warwick's budget devoted to Other Commitments slightly outpaced this comparison group, mostly due to the pass-through tuition category, but nevertheless fell below the statewide suburban average.

#### **v. LEADERSHIP**

Overall, Warwick devoted slightly less on average of its overall budget than districts statewide and both comparison groups. A more-detailed analysis follows.



**a. URBAN DISTRICTS**

*Chart 10: Leadership Percent of Budget/Urban Districts*

| <b>Function</b>                    | <b>Urban Avg.</b> | <b>Warwick</b> | <b>Cranston</b> | <b>East Providence</b> | <b>Woonsocket</b> |
|------------------------------------|-------------------|----------------|-----------------|------------------------|-------------------|
| Principal and Assistant Principals | 3%                | 2.59%          | 3.02%           | 4.01%                  | 2.54%             |
| School Office                      | 2%                | 1.18%          | 1.40%           | 1.34%                  | 0.88%             |
| Deputies, Senior Administrator     | 0%                | 0.63%          | 0.66%           | 0.41%                  | 0.19%             |
| Superintendent, School Committee   | 1%                | 0.27%          | 0.20%           | 0.40%                  | 0.47%             |
| Legal                              | 0%                | 0.18%          | 0.15%           | 0.14%                  | 0.21%             |
| <b>TOTAL:</b>                      | <b>6%</b>         | <b>4.86%</b>   | <b>5.43%</b>    | <b>6.30%</b>           | <b>4.28%</b>      |

The urban districts selected for comparison – Cranston, East Providence, and Woonsocket – devoted, on average, just over 5% of their overall expenditures to this category. Warwick devoted 4.86% during the same time period, just below these urban districts on average, and well below the statewide urban average of 6%. Warwick’s spending during the relevant time period generally tracked the urban comparison group’s spending in this category, but fell below the statewide urban averages.

At 2.59% of its expenditures, Warwick devoted slightly more of its budget to Principals and Assistant Principals than Woonsocket, at 2.54%, but less than both Cranston and East Providence, at 3.02% and 4.01%, respectively, as well as the statewide urban average, at 3%. At 1.18% of its expenditures, Warwick devoted slightly more of its budget to the School Office subcategory than Woonsocket, at 0.88%, but less than both Cranston and East Providence, at 1.40% at 1.34%, respectively, as well as the statewide urban average, at 2%. At 0.63% of its expenditures, Warwick devoted less of its overall budget to Deputies and Senior Administrators than Cranston, at 0.66%, but more than both East Providence and Woonsocket, at 0.41% at 0.19%, respectively, as well as the statewide urban average, at 0%. At 0.27% of its expenditures, Warwick devoted just slightly more of its budget to the Superintendent and School Committee subcategory than Cranston, at 0.20%, but less than East Providence and Woonsocket, at 0.40% and 0.47%, respectively, as well as the statewide average, at 1%. Lastly, Warwick fell within the range for Legal, at 0.18% of its budget, just above Cranston and East Providence, and below Woonsocket.

**b. SUBURBAN DISTRICTS**

*Chart 11: Other Commitments Percent of Budget/Suburban Districts*

| <b>Function</b>                    | <b>Sub. Avg.</b> | <b>Warwick</b> | <b>East Greenwich</b> | <b>Coventry</b> | <b>Cumberland</b> |
|------------------------------------|------------------|----------------|-----------------------|-----------------|-------------------|
| Principal and Assistant Principals | 3%               | 2.59%          | 2.83%                 | 2.52%           | 2.77%             |
| School Office                      | 1%               | 1.18%          | 2.39%                 | 1.38%           | 1.11%             |
| Deputies, Senior Administrator     | 1%               | 0.63%          | 0%                    | 0.39%           | 0.92%             |
| Superintendent, School Committee   | 1%               | 0.27%          | 1.13%                 | 0.50%           | 0.55%             |
| Legal                              | 0%               | 0.18%          | 0.25%                 | 0.15%           | 0.11%             |
| <b>TOTAL:</b>                      | <b>6%</b>        | <b>4.86%</b>   | <b>6.60%</b>          | <b>4.94%</b>    | <b>5.47%</b>      |

The suburban districts selected for comparison – East Greenwich, Coventry, and Cumberland – devoted, on average, just under 6% of their overall expenditures to this category. Warwick devoted 4.86% during the same time period, about 1% below these suburban districts and the statewide suburban average. Warwick’s spending during the relevant time period generally tracked the suburban comparison group’s spending in this category. Warwick only fell behind the average in the School Office subcategory, where it devoted just 1.18% of its expenditures, compared with an average closer to 2% (compared with a 1% average for statewide suburban districts), and the Superintendent/School Committee subcategory, where it devoted 0.27% of its budget. Otherwise, the percentage of Warwick’s expenditures tracked at or near the averages for these suburban comparison districts and statewide suburban districts with respect to the Principal and Assistant Principal; Deputies, Senior Administrator; and Legal subcategories. In summary, though Warwick devotes less on average of its overall budget than these select urban and suburban districts with respect to this category, it nevertheless appears to fall at or near the range for each line.

**C. FURTHER ANALYSIS**

From the above findings, Warwick outpaced the average percentage of both districts statewide and the comparison districts’ spending relative to the Instructional Teachers and Student Support Services subcategories. In light of the fact that these subcategories increase as a result of contract changes, in order to arrive at any reasonable conclusions explaining the cause of these spending disparities, further analysis of the collective bargaining agreements of Warwick and the comparison districts is necessary. Moreover, in light of the potential impact of the Transportation and Pass-Through Tuition subcategories on any district’s budget, further analysis of these items is similarly warranted.



**i. CBA IMPACT**

The Warwick School Committee is a party to two Collective Bargaining Agreements: (1) Warwick Teachers’ Union Local 915, American Federation of Teachers, AFL-CIO, September 1, 2017 – August 31, 2020 (“Certified Staff CBA”) and (2) AFSCME Council 94 WISE Local 357 Union, September 1, 2018 – August 31, 2021 (“Non-Certified Staff CBA”).

**a. CERTIFIED STAFF CBA**

**1. BASE SALARY**

At the outset, it should be noted that Warwick offers favorable employment terms to its certified staff relative to the comparison districts. For the 2019-2020 school year, a Step 1 teacher in Warwick has a base salary of Forty-Six Thousand Eight Hundred Thirty-Seven Dollars (\$46,837.00) and a Top Step teacher’s base salary is Eighty-Six Thousand Three Hundred Eighty-Six Dollars (\$86,386.00). The chart below compares a Step 1 base and a Top Step base in Warwick with the comparison districts:

*Chart 12: Step1/Top Step*

| <b>District</b> | <b>Step 1</b>    | <b>Top Step</b>  |
|-----------------|------------------|------------------|
| Warwick         | \$46,837         | \$86,386         |
| Coventry        | \$46,209         | \$84,068         |
| East Greenwich  | \$43,059 (18-19) | \$82,207         |
| East Providence | \$44,489         | \$77,073         |
| Cranston        | \$41,132 (18-19) | \$79,992 (18-19) |
| Woonsocket      | \$42,361         | \$77,720         |

As the chart indicates, both initial and top step salaries in Warwick exceed all of the initial and top step salaries in the comparison districts. Warwick’s top step is among the highest in Rhode Island, and has increased by 3% in each year of the current contract. This year-to-year increase is high relative to the comparison districts, which experienced increases ranging from 1.02% in Woonsocket to 2.25% in Coventry and East Greenwich during FY20. If Warwick’s top step matched the second highest district among the comparison group, Coventry, Warwick would spend \$1,671,278 less in this subcategory alone and if it matched Cranston’s top step (the second largest district in the state), it would spend \$3,457,195 less in this subcategory.

## 2. ADVANCED INCREMENTS

*Chart 13: Advanced Increments*

| District        | Bachelors +30    | Masters          | Masters + 30 | Cags    | Doctorate | National Board |
|-----------------|------------------|------------------|--------------|---------|-----------|----------------|
| Warwick         | \$3,073          | \$3,480          | \$4,224      | \$4,356 | \$4,630   | \$5,784        |
| Coventry        | N/A              | \$5,750<br>(+15) | \$7,460      | \$7,460 | \$9,050   | N/A            |
| Cranston        | \$1,946<br>(+36) | \$3,281          | \$4,183      | \$4,968 | \$5,601   | \$4,000        |
| East Greenwich  | \$1,684          | \$2,696          | \$3,357      | \$3,762 | \$4,608   | N/A            |
| East Providence | N/A              | \$1,450          | N/A          | \$2,719 | \$2,719   | \$2,153        |
| Woonsocket      | \$1,562          | \$3,532          | \$4,461      | \$4,833 | \$4,833   | 6.25%          |

Like many districts, and all of the comparison districts, Warwick adds an amount of pay to a teacher’s base when the teacher has completed advanced course work or earned additional degrees, commonly referred to as “lanes.” In Warwick, teachers can earn additional sums ranging from \$3,073 to \$4,630. Warwick’s first lane, 30 hours of coursework beyond a Bachelor’s degree, is significantly higher than the comparison districts. Woonsocket pays 2.1% of base salary for a comparable lane, which would likely be the lowest of the comparison group. Even Cranston, which pays the second highest for this lane after Warwick, only pays such teachers an additional \$1,947. Coventry, East Greenwich, and East Providence pay \$1,800, \$1,684, and \$1,450, respectively, for this lane. With the exception of Coventry, which pays \$9,050 for the Doctorate lane, Warwick pays closely within the range for the comparison districts in relation to the remaining lanes. When compared with East Providence, Warwick pays more than double the amount of money for the highest advanced increment. It should also be noted that, during the course of this contract, Warwick pays an additional \$5,784 for National Board for Professional Teaching Standards Certification, more than any of the comparison districts.

Of the 665 teachers that received advanced degree compensation, 556 received such compensation consistent with the Bachelors +30, Masters, or Masters +30 lanes. For these lanes, Warwick pays within the top three of districts offering such advanced increment pay. In fact, in comparing with 21 districts state-wide, Warwick pays within the top quartile in this category.

### 3. LONGEVITY

*Chart 14: Longevity Pay*

| District        | Longevity Pay                        | Year Beginning |
|-----------------|--------------------------------------|----------------|
| Warwick         | \$2407, \$2,733, \$3,061             | 20, 25, 30     |
| Coventry        | \$2,500, \$3,350, \$4,400, \$4,900   | 15, 20, 25, 28 |
| East Providence | \$1,200, \$1,600, \$1,700            | 15, 21, 26     |
| Cranston        | \$1,164, \$1,400, \$1,628            | 20, 25, 30     |
| Woonsocket      | 1% - 4% of Step 10 (bachelor's only) | 10 - 30        |
| East Greenwich  | N/A                                  | N/A            |

As the chart indicates, Warwick’s longevity pay is slightly below Coventry. However, Coventry commences longevity pay earlier than Warwick, at year 15. Warwick’s longevity pay is roughly comparable to Woonsocket, and more than East Providence, though both of these districts begin longevity pay earlier than Warwick. Warwick pays more than Cranston and East Greenwich, a district without longevity pay. In relation to the comparison districts offering longevity, Warwick appears to track within the average range. Nevertheless, this component of compensation adds over \$750,000 of salary costs to the budget.

It should be noted that, pursuant to R.I. Gen. Laws § 16-7-29 – Minimum Salary Schedule, “[e]very municipality and regional school district shall establish and put into full effect ... a salary schedule recognizing years of service, experience, and training for all certified personnel regularly employed in the public schools and *having no more than twelve (12) annual steps.*” (Emphasis added). So, if a teacher reaches the 12<sup>th</sup> step in one year, and receives a longevity payment thereafter recognizing “years of service,” then it could be argued that the teacher proceeded to a step beyond the statutory maximum, under the pretext of longevity, a step by a different name. Longevity payments are undoubtedly common in teachers’ collective bargaining agreements throughout the state. However, its frequency of use should not be referenced interchangeably with its legality. Accordingly, further legal analysis of this provision is likely merited.

### 4. WORK YEAR, WORK DAY, CLASS SIZE, AND SICK TIME

Warwick’s work year consists of 183 days, with 180 school days, 1 orientation day, and 2 professional development days, only one of which is mandatory. Certified staff are compensated beyond their regular salary for participation in staff development. With the exception of East Greenwich, which has a 184-day work year, the comparison district work years are similar to Warwick, with 180 school days, and some function of mandatory and non-mandatory in-service days. Warwick’s maximum number of students per class is 26 (except for Kindergarten, at 22). This is well within the range of the comparison districts. Warwick’s work day for secondary school, certified staff members, at six hours and forty-five minutes, is in line with the comparison districts, but on the low end, at six hours and thirty minutes, for elementary school, certified staff members. With the exception of Coventry (11 paid sick days per year), the

comparison districts afford certified staff members 15 paid sick days per year. Warwick, on the other hand, affords certified staff members up to 90 paid sick days per year.

The 90-day sick day provision of the contract appears as a rather extreme outlier in relation to the comparison districts. However, it is generally understood that this provision is in place to protect certified employees in the event of a medical condition that affects an employee's ability to perform the essential functions of the job, with reasonable accommodations, beyond typical sick-day parameters. In essence, the provision appears like it was intended to be akin to a self-insured disability program, albeit unartful, as the employee is debited a certain amount for use of extended sick leave. Though the District has not reported widespread abuse of this provision, it nevertheless allows an employee to continue receiving pay for short term sick leave throughout the year. This provision is not only logistically challenging, but places District administrators in the legally awkward role of judging the frequent use of sick time that would not otherwise implicate the protections of federal and state medical leave laws.

## 5. MEDICAL INSURANCE AND BUYBACKS

Warwick offers its certified employees medical insurance coverage, without a deductible, and with the employee purportedly sharing in 20% of the premium/working rate. Of the other comparison districts with similar insurance programs, Woonsocket and Coventry, Warwick is the only district among this trio that places a cap on the amount of premium/working rate an employee shall be required to pay. Warwick adopted the 20% employee contribution towards the working rate in FY14. At that time, 20% of the premium/working rate came out as follows:

*Chart 15: 20% Contribution*

| Type                  | 20% Contribution |
|-----------------------|------------------|
| Classic Individual    | \$1,328          |
| Classic Family        | \$3,364          |
| Healthmate Individual | \$1,237          |
| Healthmate Family     | \$3,145          |

In FY14, the district froze employee contributions at the aforementioned dollar figures. Accordingly, though the contract reflects a 20% contribution, it is not accurate. The current rates actually amount to a 13% co-share, not 20%. A true 20% of the current working rates is reflected immediately below:

*Chart 16: True 20% Contribution*

| Type                  | True 20% Contribution |
|-----------------------|-----------------------|
| Classic Individual    | \$1,999               |
| Classic Family        | \$5,054               |
| Healthmate Individual | \$1,861               |
| Healthmate Family     | \$4,726               |

As evidenced by the chart below, a true 20% co-share from certified employees would save over \$1 million dollars:

Chart 17: True 20% Contribution/Savings

| Type                  | Contract | WB FY20 Rates | Difference | Staff | Savings   |
|-----------------------|----------|---------------|------------|-------|-----------|
| Classic Individual    | \$1,328  | \$1,999       | \$671      | 4     | \$2,864   |
| Classic Family        | \$3,364  | \$5,054       | \$1,690    | 16    | \$27,035  |
| Healthmate Individual | \$1,237  | \$1,861       | \$624      | 164   | \$102,396 |
| Healthmate Family     | \$3,145  | \$4,726       | \$1,581    | 578   | \$913,975 |

Cranston also obligates employees to pay 20% of the premium/working rate with a cap, but Cranston’s plan involves a \$250 deductible for individual plans and a \$500 for family plans. The percentage of premium payments required of an East Providence certified employee depends on income and ranges from 10% to 25%, but the East Providence plan comes with a \$500 individual/\$1,000 family deductible. East Greenwich certified employees also pay a 20% of the insurance costs, but the East Greenwich utilizes a high-deductible (\$2,000 individual/\$4,000 family) plan with a health savings account component. Under this plan, participants also pay one-half of the deductible, \$1,000 individual/\$2,000 family, and the district pays the other half.

Warwick is the only district among the comparison group that pays employees for waiving their right to access medical insurance, commonly referred to as a “buy back.” For such a waiver, Warwick pays a member eligible for a family plan \$1,500 and a member eligible for an individual plan \$600. Thus, it appears that certified employees in Warwick have extremely competitive compensation programs. These employees earn high pay with favorable health insurance plans, comprised of low co-shares, no deductible, and moderate co-payments for office, specialist and emergency room visits.

**b. NON-CERTIFIED STAFF CBA**

A feature-for-feature comparison between Warwick’s contract for non-certified staff and contracts for non-certified staff in East Providence, Cranston, Woonsocket, Coventry, and East Greenwich could be misleading, as job descriptions, responsibilities, and steps vary, in some cases significantly. However, like the CBA for certified staff, Warwick’s CBA for non-certified staff appears to offer salaries and benefits that outmatch all or most of the comparison districts. Notably, like certified staff, non-certified staff in Warwick may participate in a medical insurance program while paying 20% of the premium, but with no deductible. Non-certified staff who waive this benefit are eligible for a \$600 individual/\$1,500 family “buy-back.”

Nearly all of the comparison district medical insurance programs carry a deductible. In East Providence, staff must certify that they are ineligible to obtain comparable insurance elsewhere before they may access East Providence’s coverage. In East Greenwich, support staff and custodian’s pay (1) between a 17 and 20% co-share of a high-deductible/health savings account plan; and (2) one-half of the \$1,500/\$3,000 deductible attendant to the coverage.

Warwick also affords non-certified staff longevity pay, a benefit available to less than half of the districts within the comparison group.

### **c. WARWICK AND CRANSTON CONTRACT FISCAL IMPACT COMPARISON**

The contract analysis above explains, to a certain extent, why Warwick's spending in the Instructional Teachers and Student Support Services category outpaces districts statewide. In light of the notion that Warwick contracts appeared to offer higher pay and benefits than comparison districts, the Audit Team reconfirmed the accuracy of the fiscal impact analysis and contract comparison with Cranston contained within Robert Hicks and Thomas Conlon's Performance Audit, submitted to the District on or about August 24, 2018 ("2018 Performance Audit"). The 2018 Performance Audit showed that Warwick administrators' compensation, on average, slightly outpaced the average compensation of Cranston administrators. Certified and non-certified staff, however, all had considerably more favorable terms than their counterparts in Cranston. If Warwick non-certified staff accepted the terms of a corresponding Cranston contract, the salary line alone would have decreased approximately \$2,600,000. If Warwick certified staff accepted the terms of a corresponding Cranston contract, the salary line alone would have decreased approximately \$5,400,000. In total, this would amount to over \$8,000,000.00 in savings, just in salaries, before contractual increases.

### **d. SPECIAL EDUCATION**

Pursuant to the Individuals with Disabilities Education Act ("IDEA"), public school districts are required to provide students with disabilities a free and appropriate public education.<sup>221</sup> IDEA further mandates that students are educated in the least restrictive environment and to the maximum extent appropriate alongside non-disabled peers.<sup>222</sup> It is well-settled that the rights of students with disabilities are protected by the United States Constitution's Equal Protection Clause.

Due to these considerable protections, Warwick's CBA for certified staff, and Section 12-6.2 in particular, must be analyzed further. This contract provision reads, in pertinent part: "(1) The number of special education students, mainstreamed into core academic classes or placed in collaborative classrooms shall not exceed thirty percent (30%) the total of the registered population of that class up to the class sizes as set forth in 12-6.4. If during the school year circumstances arise which require that the 30% ratio be exceeded, the teacher shall receive addition compensation for the number of students beyond the 30% on a pro-rata of the teacher's salary for the length of time the ratio exceeds 30%."

This provision suggests that Warwick is allowing a contract provision, rather than the needs of the student as outlined in his or her Individualized Education Program ("IEP"), to dictate classroom placement. Such a provision invites a constitutional challenge. With respect to a challenge, even if a court were to apply the rational basis test to the District's exclusionary

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<sup>221</sup> See 20 U.S.C. 33 § 1400 *et seq.*

<sup>222</sup> See *id.*



contractual provision, the provision's constitutionality is questionable.<sup>223</sup> Even under the less onerous rational basis test, Warwick would still be required to demonstrate that this policy of capping the number of special education students permitted in a mainstream class is rationally related to a legitimate government interest.

If Warwick cannot demonstrate a legitimate reason for establishing classroom ratios prior to contemplating the varying needs of students as outlined in their IEPs or 504 plans, a court may very well conclude that there is no rational basis for a blanket cap on all students identified as receiving any measure of special education services in mainstream classrooms. Warwick would likely be required to show that the class size limit outlined in the contract is related to the effective delivery of teaching services to students, with and without disabilities, and therefore related to the school's pedagogical purpose.<sup>224</sup>

Warwick should also be mindful that it will need to demonstrate that, in complying with the special education class size provisions, the school district is still able to schedule students based upon their IEPs (i.e., schedule students to be educated with the least restrictive environment and individualized placement mandates of the IDEA).<sup>225</sup> That is, if Warwick is unable to schedule students in accordance with their IEPs because Warwick is constrained by the classroom caps, then the classrooms caps will likely be found unconstitutional and in violation of the IDEA by a court.<sup>226</sup> For the foregoing reasons, the District should contemplate revisions to this provision to ensure alignment with the Constitutional rights of students with disabilities.

## ii. PASS-THROUGH TUITIONS

The pass-through tuitions subcategory of the budget consists of local aid directed to career and technical education programs outside of Warwick, as well charter public schools, and out-of-district special education placements. Though the portion of the District's budget devoted to this subcategory fell below statewide averages, further analysis addresses, to some extent, the nuances within this subcategory's components.

### a. CTE AND CHARTER PUBLIC SCHOOLS

As previously discussed, a student residing in the City of Warwick may attend, subject to certain limitations, a career and technical education program outside of Warwick or a charter public school. Warwick is then responsible for directing local aid associated with the student to the receiving school and the state aid associated with the student is also directed to the receiving school.<sup>227</sup> In the 2018-19 school year, 94 students residing in Warwick attended career and technical education programs outside of Warwick. For the 2019-20 school year, it is estimated that 131 students residing in Warwick attend career and technical education programs outside of Warwick. Comparatively, in the 2018-19 school year, 58 students residing in Cranston attended

<sup>223</sup> See *Catlin v. Sobol*, 93 F.3d 1112, 1120 (2d Cir. 1996); see also *New Britain Bd. of Educ. v. New Britain Fed'n of Teachers, Local 871*, 754 F. Supp. 2d 407, 423 (D. Conn. 2010).

<sup>224</sup> See *New Britain Bd. of Educ.*, 754 F. Supp. 2d at 423.

<sup>225</sup> See *id.* at 419-20, 423.

<sup>226</sup> See *id.*

<sup>227</sup> See R.I.G.L. §16-2 *et seq.*; see also R.I.G.L. § 16-7.2 *et seq.*



career and technical education programs outside of Cranston. For the 2019-20 school year, it is estimated that 63 students residing in Cranston attend career and technical education programs outside of Cranston. In the 2018-19 school year, 101 students residing in Warwick attended charter public schools. For the 2019-20 school year, it is estimated that 106 students residing in Warwick attend charter public schools. Comparatively, in the 2018-19 school year, 234 students residing in Cranston attended charter public schools. For the 2019-20 school year, it is estimated that 248 students residing in Cranston attend charter public schools.

In addition, Warwick offers 15 career and technical education programs to students within and outside of the District at the Warwick Area Career & Technical Center (including the Finance Academy located at West Warwick High School). According to District administration, the total student population for the Warwick Area Career & Technical Center (including the Finance Academy located at West Warwick High School) for the 2018-2019 school year was 425, including 270 students from Warwick and 155 students from other districts. For the 2019-20 school year, it is estimated that 391 students will attend the Warwick Area Career & Technical Center (including the Finance Academy located at West Warwick High School) including 259 students from Warwick and 132 from other districts.

For its overall size, Warwick has a low population of students attending charter schools but appears to have a significant number attending other districts for various career and technical education programs. Moreover, the data referenced above suggests that the number of students attending career and technical education programs outside of Warwick is significant, but the number of students from other districts attending Warwick’s 15 career and technical education programs is also significant. Further analysis of this trend, also expected in Phase II of this project, is warranted.

**b. SPECIAL EDUCATION**

*Chart 18: Special Education/Students*

| <b>District</b> | <b>Students</b> | <b>Special Education %</b> | <b>Out-Of-District Placements</b> |
|-----------------|-----------------|----------------------------|-----------------------------------|
| Warwick         | 8,800           | 15.4%                      | 107                               |
| Cranston        | 10,479          | 15.1%                      | 122                               |
| East Providence | 5,262           | 17.4%                      | 104                               |
| Woonsocket      | 5,956           | 26.7%                      | 155                               |
| East Greenwich  | 2,535           | 11.8%                      | 16                                |
| Coventry        | 4,723           | 15%                        | 18                                |
| Cumberland      | 4,675           | 14.1%                      | 21                                |

According to the chart above, Warwick’s out-of-district placement rate, just under 8%, appears high relative to the suburban comparison districts, but low in relation to the selected urban districts. Also, the chart below indicates that, through a period of declining enrollment, out-of-district placements have increased.

*Chart 19: Special Education/Years*

| School Year as of 10/1          | Outplaced with IEP |
|---------------------------------|--------------------|
| 2010-11                         | 87                 |
| 2011-12                         | 87                 |
| 2012-13                         | 81                 |
| 2013-14                         | 85                 |
| 2014-15                         | 91                 |
| 2015-16                         | 91                 |
| 2016-17                         | 85                 |
| 2017-18                         | 95                 |
| 2018-19                         | 112                |
| 2019-20 (as of October 1, 2019) | 107 (99)           |

Presumably, this increase is attributable to the needs of the students. However, it could be attributable to a trend towards educating students with disabilities in an inappropriately restrictive setting. Further analysis of out-of-district placements, expected in Phase II of this project, will likely provide further insight into whether such placement decisions are consistent with the District’s obligations to educate students with disabilities in the least restrictive environment.

**iii. TRANSPORTATION**

Rhode Island General Laws § 16-21-1, entitled “Transportation of public and private school pupils,” provides that school districts must provide bussing to students who “reside so far from the . . . school that the pupil attends as to make the pupil’s regular attendance at school *impractical* and for any pupil whose regular attendance would otherwise be impracticable on account of physical disability or infirmity.” (Emphasis added.) In light of this, Warwick must provide school transportation to its resident students.

In the Spring of 2015, the District issued a request for bids for student transportation services. In response, the District received one bid from First Student, Inc. and awarded the contract accordingly. First Student, Inc.’s per-bus rates for its fleet of buses and for extra-

curricular trips appeared within acceptable ranges. The contract expired in 2018 and the District exercised its option to extend the contract for another three-year period, subject to 2.5%, 3.8%, and 3.8% increases in each contract year. Even with these increases, the District's contracted-to rates with First Student, Inc. still likely fall within acceptable ranges. Moreover, it is doubtful, based on the District's past experiences, that additional vendors would have impacted the rates in 2018. Alas, the District finds itself, to a certain extent, at the mercy of one vendor.

Nevertheless, though Warwick devoted more of its budget to Student Transportation relative to the urban comparison groups, it fell below the suburban comparison group and both urban districts and suburban districts statewide. This finding is significant in light of Warwick's land area and population density relative to other districts, the location of T.F. Green Airport and the impact of the same on bus routes, and the number of resident students transported to career and technical education programs outside of Warwick, consistent with Warwick's obligations under the Regulations Governing Career and Technical Education in Rhode Island. Regarding the latter, several resident students attend career and technical education programs at Ponaganset High School in the Foster-Glocester Regional School District. Pursuant to the aforementioned regulations and R.I. Gen. Laws § 16-21.1-2, Ponaganset is within the District's transportation region and, accordingly, the District must pay to transport resident students thereto.

It is common for districts to analyze respective walking parameter policies to determine whether bus routes maximize efficiency. Such analysis must be done alongside a district's obligation to transport all students who cannot practically walk to school. The Rhode Island Supreme Court has outlined three factors to determine whether it is "impractical" for a student to walk to school: the student's age; the distance walked; and the roadway hazards.<sup>228</sup> It is important to note, however, that while "[a] school committee may establish a general walking distance rule[,] this rule cannot be applied in cases where it would be impractical for a child to walk to school."<sup>229</sup>

Warwick's current policy dictates the following riding limits: Grades K-5: ¾ mile (home to school); Middle School (Grades 6-8): 1 ¾ miles (home to school); and High School (Grades 9-12): 2 miles (home to school). A brief review of some other districts' transportation policies revealed that Warwick's walking parameters fall within the average range. This, coupled with a general understanding of the location of the District's schools, suggest that the walking parameters should not be extended. Though an extension of the same could decrease bus costs, it would come at the risk of student safety. In summary, Warwick's transportation costs, considering its out-of-district obligations and the logistics of navigating the City, appear reasonable, though further analysis in Phase II of this project is nevertheless warranted.

#### **iv. PER PUPIL AND STATE AID**

District per pupil expense calculations, or the amount of money a district spends for each enrolled student, are generally utilized to compare public school districts. Though commonly

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<sup>228</sup> See *Students Requesting Transportation v. Exeter-West Greenwich School Committee*, Commissioner of Education, October 15, 2012.

<sup>229</sup> See *id.*

used to measure efficiency, it is an inexact data point that requires a nuanced understanding of a district’s programs and operations.

**a. PER PUPIL EXPENSE COMPARISON**

*Chart 20: Per Pupil Expense*

| District        | Per Pupil Expense |
|-----------------|-------------------|
| Warwick         | \$19,585          |
| Cranston        | \$16,166          |
| East Providence | \$17,086          |
| Woonsocket      | \$14,530          |
| East Greenwich  | \$15,772          |
| Coventry        | \$15,604          |
| Cumberland      | \$14,572          |

Warwick’s FY18 per pupil expense amounted to \$19,585, \$2,530 more than the FY18 statewide average of \$17,355. Accounting for Warwick’s student population, this amounts to total per pupil expenditures that exceed the statewide average by over \$22,000,000. A significant portion of these additional expenses come from salary and related salary taxes. As noted above, if the financial components of Cranston’s collective bargaining agreement pertained to Warwick certified personnel during FY19, Warwick would likely have realized more than \$8,000,000 in savings. The savings would increase into FY20, where Warwick’s CBA for certified personnel mandated an across-the-board salary increase. The savings would continue to amass when factoring in applicable pension costs (approximately 14%) and payroll taxes pursuant to the Federal Insurance Contributions Act, or FICA (7.65%). Applying these additional foregone costs, the savings would grow to approximately \$10,000,000.

It also should be noted that Warwick pays both the Medicare (1.45%) and the Social Security (6.2%) components of FICA payroll taxes. The latter portion of FICA, Social Security, is generally not mandatory for public employees who participate in certain public retirement programs, such as the Employees’ Retirement System of Rhode Island. Beginning January 1, 1951, Section 218 of the Social Security Act made Social Security benefits available to state and local government employees through Section 218 Agreements. As Section 218 Agreements apply to job positions, not individual employees, if a particular job position is covered by a Section 218 Agreement, any employee in that specific position must pay Social Security and Medicare taxes.<sup>230</sup> When provided with the opportunity over fifty years ago, only a minority of districts opted in to social security coverage. Warwick opted in, and that obligation now costs Warwick approximately \$5,000,000. The figure grows proportionate with salaries. Warwick also devotes approximately 3% more of its budget than the state average to Student Support Services, translating to another \$5,000,000 in expenses.

Also, as noted above, Warwick’s certified personnel CBA contains a purported 20% co-share of the premium/working rate for health care costs, but in light of the cap on the co-share,

<sup>230</sup> *Section 218 Agreements*, SOCIAL SECURITY ADMINISTRATION, [https://www.ssa.gov/slge/sect\\_218\\_agree.htm](https://www.ssa.gov/slge/sect_218_agree.htm).

the net effect is more along the lines of a 13% co-share. The relatively low co-share percentage adds another \$1,000,000 to the budget when compared to the costs of a true, 20% co-share. Accordingly, just these salary, salary-related taxes, and fringe benefit budget drivers alone add close to \$21,000,000 to the Warwick budget and account for an overwhelming majority of Warwick’s relatively large per pupil expense.

**b. IMPACT OF LOCAL AND STATE AID**

Naturally, a school district’s budget is impacted by the appropriation of local (City of Warwick) and state aid. While state aid has decreased for the District, during the District’s last three budget cycles, the City has increased funding to the District by, cumulatively nearly \$8.5 million, on average just over 2% per year.

**1. LOCAL AID**

*Chart 21: Local/Community Aid*

| <b>Fiscal Year</b> | <b>Community Aid</b> | <b>Increase/(Decrease)</b> | <b>Debt Service</b> | <b>Surplus</b> |
|--------------------|----------------------|----------------------------|---------------------|----------------|
| 2010               | \$123,968,068        | N/A                        | \$0                 | \$6,393,674    |
| 2011               | \$117,769,632        | (\$6,198,436)              | \$0                 | \$2,299,728    |
| 2012               | \$118,644,632        | \$875,000                  | \$569,901           | \$3,154,778    |
| 2013               | \$118,644,632        | \$0                        | \$556,057           | \$4,111,229    |
| 2014               | \$119,082,464        | \$437,832                  | \$928,064           | \$3,973,931    |
| 2015               | \$119,482,464        | \$400,000                  | \$1,173,283         | \$3,183,726    |
| 2016               | \$119,482,464        | \$0                        | \$1,168,672         | \$2,334,001    |
| 2017               | \$119,482,464        | \$0                        | \$1,372,500         | \$0            |
| 2018               | \$122,482,464        | \$3,000,000                | \$1,531,414         | \$0            |
| 2019               | \$123,982,464        | \$1,500,000                | \$0                 | \$0            |
| 2020               | \$127,967,938        | \$3,985,474                | \$0                 | \$0            |

The recent increase of local aid nevertheless fails to adequately address the challenge created by the 5%, or approximately \$6.2 million, reduction in the City’s appropriation to the schools in FY11. The City availed itself of this one-time reduction pursuant to a law that permitted municipalities to effectuate a one-time reduction to school appropriations up to 5%.

As outlined above, from FY12 to FY17, the City returned only \$1.7 million back to the District. It should be noted that in FY12 the City assumed the debt service on school bonds, but this alone could not address the shortfall created by the one-time reduction. The \$6.2 million dollar reduction to the District’s budget, and the City’s failure to remedy the same since, has likely had a significant impact on the budget shortfall the District currently faces today. Further supporting this notion is the fact that the District’s reported surplus has been eliminated, and that the District has confronted a deficit.

The District has faced three years of a level-fund appropriation since FY11. Even with the increased support of \$8.5 million over the last three fiscal years, the average appropriation

increase over the last ten years has been under \$400,000, a fraction of 1%. Such an average increase could not even address the statutorily-required step increases referenced herein.

Notably, the City appropriated \$123,968,068 to the District in FY10, but did not return to that level of City support until FY19, when the appropriation reached \$123,982,464. For FY20, the City appropriation reached \$127,967,938. Had the City re-appropriated the \$6.2 million dollars reduction in FY12, applying the principle of “maintenance of effort” (“MOE”),<sup>231</sup> the District would have received over \$54,000,000 (\$6.2 million x 9 years) of additional funding over that time period. Such an appropriation history would have better positioned the District to meet its programmatic, contractual, and legal obligations.<sup>232</sup>

## 2. STATE AID

The District has also experienced a reduction in State Aid. In FY18, the District received over \$39.8 million in state aid, and is scheduled to receive \$39.2 million in state aid for FY20. As enrollment decreases, whether due to a student leaving the District or enrolling in a career and technical program in another district, state aid decreases proportionately.<sup>233</sup> Thus, a student exodus, which appears to have already commenced, may accelerate should the District’s ability to offer a high-quality education become increasingly compromised.

### c. SUMMARY

Stagnant, inadequate City appropriations to the schools, a shrinking student population (resulting in less state aid), and overly-generous contractual terms for certified personnel have all likely contributed to the District’s inability to adequately fund a high-quality education program. Both the School Committee and District administration officials will continue to confront challenging fiscal issues during the FY21 budget discussions.

The District should expend considerable time and effort educating Warwick officials regarding the need to increase funding to a District with already among the highest per pupil expenditures in the State (\$19,585) to ensure that programs do not continue to suffer. Concomitantly, the District must obtain relief from some of the material, financial terms of its certified personnel CBA. Otherwise, the District’s programmatic offerings will continue to deteriorate without adequate professional development, technology, cyber security, and curriculum materials, all to the great detriment of the students. Inadequate programmatic offerings likely also impact property values, which ultimately impact both enrollment and the amount of money Warwick has available to appropriate to schools. Accordingly, Phase II of this project will add critical context to the status of Warwick’s programmatic offerings. Prior to this, it is necessary to review the current budget, in the context of historical costs and trends, to support an increase to the local appropriation in FY21 even without the programmatic analysis.

<sup>231</sup> See R.I.G.L. § 16-7-23.

<sup>232</sup> Further analysis in Phase II will likely provide better insight into the impact of the appropriation history on the District’s programmatic offerings.

<sup>233</sup> Dr. Ken Wagner, *Funding Formula Reference Guide*, RHODE ISLAND DEPARTMENT OF EDUCATION (Spring 2018), <https://www.ride.ri.gov/Portals/0/Uploads/Documents/Funding-and-Finance-Wise-Investments/Funding-Sources/State-Education-Aid-Funding-Formula/Guide%20with%20flow%20charts%204.13.2018.pdf>.



**VII. DISTRICT BUDGET ANALYSIS (FY20)**

Phase I of the Audit Report further involves reviewing the District’s FY20 Budget (ending June 30, 2020), and proposing anticipated and/or necessary budget increases and/or decreases for the District’s FY21 Budget.<sup>234</sup>

*Chart 22: FY21/ Potential Budget Growth*

| UCOA                      | Amount             |
|---------------------------|--------------------|
| Salaries                  | \$1,475,000        |
| Fringe Benefits           | \$3,266,036        |
| Purchase Services (53000) | \$245,000          |
| Purchase Services (54000) | \$0                |
| Purchase Services (55000) | \$1,624,000        |
| Supplies & Materials      | \$75,000           |
| Capital & Other           | \$1,350,000        |
| <b>TOTAL:</b>             | <b>\$8,035,036</b> |

**A. SUGGESTED ADJUSTMENTS (+/-)**

**i. SALARIES**

*Chart 23: Salaries/Suggested Adjustments*

| Line Item                        | UCOA Code    | Suggested Adjustment |
|----------------------------------|--------------|----------------------|
| Certified Salaries               | 51110        | \$500,000            |
| Admin. & Other Mgmt. Raises      | 51110        | \$0                  |
| WISE Classified Employees Raises | 51110        | \$385,000            |
| Class Coverage                   | 51339        | \$50,000             |
| Professional Development         | 51302, 51303 | \$220,000            |
| Severance                        | 51322        | \$0                  |
| Extended School Year Services    | 51338        | \$0                  |
| Stipend Other                    | 51401        | \$20,000             |
| Stipend Athletics                | 51406        | \$0                  |
| Breakage                         | N/A          | \$300,000            |
| <b>TOTAL</b>                     |              | <b>\$1,475,000</b>   |

1. *Certified Salaries:* The Collective Bargaining Agreement for Warwick Teachers’ Union Local 915, American Federation of Teachers, AFL-CIO (Certified staff) expires on August 31, 2020. Over the past three years, Warwick teachers have received 3% annual raises. As these raises compound year over year, the result is that Warwick teachers are among (if not) the highest in the state. Even if a successor agreement did not include raises or upward

<sup>234</sup> This section will be revised upon the completion of Phase II and in accord with ensuring BEP compliance.



adjustments to the entire pay schedule (Note: each 1% applied to the step schedule results in approximately \$750,000 increased expenses for the District), teachers will nevertheless progress along the statutorily-required salary step schedule.<sup>235</sup> Such a progression by those teachers who have yet to attain top step pay results in a cost to the District of approximately \$500,000 per year.

*Suggested Adjustment: Step Increases (51110) = \$500,000*

2. Administrator & Other Management Raises: There are no contractual obligations that result in pay increases for Administrators or other management positions. A 1% raise would equal approximately \$60,000.

*Suggested Adjustment: Admin. Raises (51110) = \$0*

3. WISE Classified Employees Raises: WISE classified employees have a 2.5% negotiated raise due in FY21, the last year of that three-year contract. The 2.5% raise will add approximately \$385,000 in salary and FICA taxes to the FY21 budget.

*Suggested Adjustment: Admin. Raises (51110) = \$385,000*

4. Class Coverage: The Class Coverage line typically exceeds its \$200,000 anticipated budgeted expense. For the FY20 budget, this line was reduced by 25% to \$150,000. This results in a budget risk in the current year, and likely requires an increase in FY21 for class coverage.

*Suggested Adjustment: Class Coverage (51339) = \$50,000*

5. Professional Development: Pursuant to the Collective Bargaining Agreement for certified employees, teachers shall be afforded access to two (2) days of professional development, one mandatory and one optional day each. However, a teacher's regular salary only covers 181 days – 180 school days and 1 orientation day. The contract requires the District to pay teachers beyond their regular salary for these two professional development (“PD”) days. For the past several years, the District has spent between \$190,000 and \$290,000 for PD. The District did not budget for PD in FY20, creating personnel issues, like potential grievances, and programmatic issues. The District must restore this item for FY21.

*Suggested Adjustment: Professional Development (51302 and 51303) = \$220,000*

6. Severance: The District paid a significant sum of money, approximately \$400,000, as a result of disputed personnel issues and the dismissals/non-renewals related to school closings. Also school closings resulted in a reduction of staff of just under 60 employees with related severance pay outs. As the District does not anticipate additional school closing this fiscal year, the \$250,000, albeit a decrease over actuals from prior years, is likely sufficient.

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<sup>235</sup> See R.I. Gen. Laws § 16-7-29.

*Suggested Adjustment: Severance (51322) = \$0*

7. Extended School Year Services: ESY services has increased from \$586,000 in FY17 to \$719,000 in FY19. Nevertheless, the District budgeted only \$615,000 in FY20 and actual costs amounted to \$567,000 in the summer of 2019. Thus, the District saved \$48,000 in ESY services in 2020 and, in light of the fact that ESY services have concluded for FY20, that figure likely will not adjust. If the special education student population remains relatively consistent, the \$615,000 budgeted amount for FY21 should be adequate.

*Suggested Adjustment: ESY Services (51338) = \$0*

8. Stipend Other: This line has averaged approximately \$70,000 the last 3 fiscal years and is budgeted at only \$50,000 in FY20. Using history as the guide, the \$50,000 budgeted amount may not be adequate in FY20, nor in FY21.

*Suggested Adjustment: Stipend Other (51401) = \$20,000*

9. Stipend Athletics: This line has increased from approximately \$590,000 the last few fiscal years to \$640,000 in FY20 to account for athletic coach raises. Should the stipend amount remain at current levels in a successor teachers' contract, the amount budgeted should be sufficient in FY20 and FY21.

*Suggested Adjustment: Stipend Other (51406) = \$0*

10. Breakage: The FY20 budget also includes a number for "breakage," typically the anticipated amount when employee on the higher end of a pay scale separates from employment, for whatever reason, and the employee is replaced with an employee on the lower end of the pay scale. Breakage also results when the District does not fill a budgeted position for a period of time or where there are unpaid absences. The District has budgeted \$1,100,000 for breakage in 2020. However, a lower-than-expected teacher retirement rate in FY20, and the associated hiring, suggests that the savings will likely amount to approximately \$800,000, creating a budget shortfall in FY20. Accordingly, the District likely must add another \$300,000 to the budget in FY21 to account for this shortfall.

*Suggested Adjustment: Breakage = \$300,000*

ii. FRINGE BENEFITS

*Chart 24: Fringe Benefits/Suggested Adjustments*

| Line Item                          | UCOA Code    | Suggested Adjustment        |
|------------------------------------|--------------|-----------------------------|
| Health Insurance Benefits          | 52101        | \$1,350,000                 |
| Certified Pensions                 | 52203        | \$350,000                   |
| Non-Certified Private Pension Plan | 52204        | \$1,566,036                 |
| FICA & Medicare                    | 52301, 52302 | (included in WISE increase) |
| <b>TOTAL</b>                       |              | <b>\$3,266,036</b>          |

1. *Health Insurance Benefits*: Associated costs have increased nearly 30% since FY17 (\$14.8 million to \$19.0 million currently). The District should expect the FY21 increase to track the recent trends, likely between 5% & 10%. As discussed in greater detail herein, though the current contract indicates that certified employees are responsible for 20% co-share of health benefits, the co-share is actually capped at 20% of the working rate established by WB Community Health in 2014 (\$1,328 for Classic individual, \$1,237 for HM individual coverage, \$3,364 Classic or \$3,145 HM for family coverage).

The established working rates for FY20 for Individual are \$1,999 for Classic and \$1,861 for HM or \$5,054 Classic or \$4,726 HM. Thus, the certified employees actually pay an approximate 13% co-share. Adhering to a true 20% co-share for these plans would yield over \$1,000,000 to the District. The current plan also affords participants better-than-average co-pay amounts, and comes with a \$0 deductible with network providers. Many districts around the state have deductibles and higher co-pay amounts for physician and emergency room visits. However, the 20% co-pay on prescriptions is more than many other districts. Without changes to the current plan, the District can expect considerable increases to this line. Past history suggests that a 7% medical inflation rate increase is likely appropriate.

*Chart 25: Warwick Teachers Payments/Rates*

| Type       | Amount |
|------------|--------|
| Deductible | \$0    |
| PCP Copay  | \$10   |
| Specialist | \$10   |
| ER         | \$100  |
| Urgent     | \$10   |
| RX         | 20%    |

*Chart 26: WB Communities Common Rates*

| Type       | Amount        |
|------------|---------------|
| Deductible | \$500/1000    |
| PCP Copay  | \$15          |
| Specialist | \$25          |
| ER         | \$100         |
| Urgent     | \$50          |
| RX         | \$5/\$15/\$30 |

*Suggested Adjustment: Health Insurance (52101) = \$1,350,000*

2. Certified Pensions: This line has increased by approximately \$1,800,000 since FY17 for the Defined Benefit and Defined Contribution amounts (\$10 million in FY17 to over \$11.8 in FY21). With contribution rates of 13.18% in FY17, 13.24% in FY18, 13.70% in FY19 and 14.12% in FY20, the District should project a 0.3% increase in FY21.

*Suggested Adjustment: Certified Pension (52203) = \$350,000*

3. Non-certified Private Pension Plan Contribution: This District did not budget any contributions to the plan for FY20 purportedly under the assumption that previous years' contributions exceeded the minimum required amounts. However, the amount paid by employer contributions, approximately \$11.4 million between FY14 and FY18 (compare with \$7,705,000 minimum required amounts), drove the unfunded liability component of the plan down considerably, to approximately \$4,472,000, or 93% funded. Though the additional employer contribution of approximately \$3,661,000 million could have been used for then-current expenses, that additional contribution has significantly lowered the unfunded liability portion of the plan, resulting in a 30% return on the money invested in the plan over the minimum amounts. A similar analysis holds true for the Alternative Contribution, as noted in the chart below.

If the District pays anything less than the actuarially-recommended amounts, it will negatively impact future budgets, and require the District to add between \$275,000 and \$450,000 to this line beginning in FY23. Both the City's outside financial auditors and the State Auditor General caution against this course. The District has requested that the actuary produce a ten-year calculation that would eliminate the unfunded liability during that timeframe. However, the actuary would not provide that information without authorization from the Pension Administrative Committee. Nevertheless, devoting minimum amounts to this line will contain, to a certain extent, the unfunded liability portion of the plan and will keep the District from drastic increases to the plan in the future.

*Chart 27: Unfunded Liability*

| Type                     | FY14-18      | Difference  | Unfunded    | Funding Ratio |
|--------------------------|--------------|-------------|-------------|---------------|
| Employer Contribution    | \$11,366,000 | \$0         | \$4,472,000 | 93%           |
| Minimum Requirement      | \$7,705,999  | \$3,661,000 | \$9,243,000 | 85%           |
| Alternative Contribution | \$9,498,000  | \$1,868,000 | \$6,895,000 | 89%           |

*Non-certified pension (52204) = \$1,566,036*

- FICA & Medicare:* This line will increase in FY21 due to WISE contractual salary increases. Other to-be-determined salary increases will impact this line, too.

*Suggested Adjustment: FICA & Medicare (52301, 52302) = (Included In Wise Increase)*

**iii. PURCHASE SERVICES (53000)**

*Chart 28: Purchase Services (53000)/Suggested Adjustments*

| Line Item                               | UCOA Code     | Suggested Adjustment |
|---|---------------|----------------------|
| Therapists, Psychologists, Audiologists | 53204 - 53206 | \$50,000             |
| Evaluations                             | 53213         | \$30,000             |
| Legal Services                          | 53402         | \$50,000             |
| Other Professional Services             | 53406         | \$0                  |
| Negotiations/Arbitrations               | 53409         | \$40,000             |
| Mentoring and Conference Workshops      | 53214, 53301  | \$0                  |
| Nursing Services                        | 53417         | \$75,000             |
| Other Technical Services                | 53502         | \$0                  |
| <b>TOTAL</b>                            |               | <b>\$245,000</b>     |

- Therapists, Psychologists, Audiologists:* This District's costs for these services has exceeded \$175,000, the amount budgeted in FY20, since FY18. The FY18 actual amounts totaled approximately \$190,000 and totaled approximately \$221,000 in FY19. Accordingly, this line should be increased in FY21 to mirror historical experiences.

*Suggested Adjustment: Therapists (53204-206) = \$50,000*

- Evaluations:* This expenses has averaged approximately \$43,000 per year the last three school years. However, the District budgeted only \$15,000 for this line in FY20. The District should expect an increase in this line for FY21.

*Suggested Adjustment: Evaluations (53213) = \$30,000*

- Legal Services:* The District utilized \$242,000 in legal services during FY19 and \$229,999 in legal services during FY18, but only budgeted \$185,000 for FY20. Foregoing approximately \$35,000 in necessary legal services likely creates unnecessary risks. Accordingly, the

District should increase this line in FY21.

*Suggested Adjustment: Legal Services (53402) = \$50,000*

4. Other Professional Services: The line for FY20 contrasts, somewhat significantly, with prior budgets, due to a contract with an accounting firm that expired in FY18. The remaining amount budgeted accounts for radon, lead, and air quality testing and is likely sufficient.

*Suggested Adjustment: Other Services (53406) = \$0*

5. Negotiations/Arbitrations: Though the District has spent between \$98,000 in FY17 and \$37,000 in FY19 for negotiations/arbitrations, the District budgeted just \$10,000 for this line in FY20, likely because of the status of personnel contracts. Though this may be sufficient in FY20, the certified personnel contract expires in August 2020, so this number should increase.

*Suggested Adjustment: Negotiations/Arbitrations (53409) = \$40,000*

6. Mentoring and Conference Workshops: In previous budgets, the District allocated between \$87,000 and \$100,000 to these items. For FY20, these two line items total \$27,000. The cost of these line items is controllable; however, the professional staff and students cannot benefit from these items if they are not funded. Accordingly, the District should increase these lines in the foreseeable future.

*Suggested Adjustment: Other Accounts (53214 & 53301) = \$0*

7. Nursing Services: The District's costs for nursing services has increased from \$608,000 in FY 17 to \$698,000 in FY19. Nevertheless, the District only allocated \$565,000 for Nursing Services in FY20. The District may experience a shortfall in this line during FY20, and must increase this line for FY21.

*Suggested Adjustment: Nursing (53417) = \$75,000*

8. Other Technical Services: This line accounts for the Internet, Mutual Link and other such services and appears to be budgeted sufficiently.

*Suggested Adjustment: Technical Services (53502) = \$0*

**iv. PURCHASE SERVICES (54000)**

*Chart 29: Purchase Services (54000)/Suggested Adjustments*

| Line Item              | UCOA Code    | Suggested Adjustment |
|------------------------|--------------|----------------------|
| Maintenance/Repair     | 54201-54325  | \$0                  |
| Water and Sewer        | 54402, 54405 | \$0                  |
| Energy                 | 54404        | \$0                  |
| Other Purchase Service | 54000s       | \$0                  |
| <b>TOTAL</b>           |              | <b>\$0</b>           |

1. Maintenance/Repair: Throughout the budget, these accounts appear adequately funded from a historical perspective, especially in light of the numerous school closings. The District should be able to carry the FY20 budgeted amount over to the FY21 budget.

*Suggested Adjustment: Maintenance/Repairs (54201-54325) = \$0*

2. Water and Sewer: Previous years' spend levels suggest that this line is adequate for FY20. Rate increases could impact this line in FY21.

*Suggested Adjustment: Water/Sewer (54402, 54405) = \$0*

3. Energy: The District has completed energy projects and is currently repaying the costs, in equal installments, over a multi-month period. The \$120,000 budgeted in FY20 should carry over to FY21.

*Suggested Adjustment: Energy (54404) = \$0*

4. Other Purchase Services: The District spent \$222,000 in FY17 and another \$117,000 in FY18 on these lines (when the District effectuated many of the school closings), but these expenses stemmed from services associated with closing schools, including moving furniture, fixtures, and equipment. The District may reasonable anticipate the avoidance of such expenses in FY 21.

*Suggested Adjustment: Other 54000 Services = \$0*

In total, the District has likely appropriately anticipated costs in the 54000 grouping for FY20 and it appears that these costs should remain in line going into FY21. The District spent \$1,235,473 on this grouping in FY19, which included \$117,329 in Other Purchase Services. Without that line, the actuals would amount to \$1,118,144. These particular services should not be required in FY20 or FY21. Accordingly, actuals for FY20 should fall within the budgeted amount of \$1,179,123.5. The District can likely safely assume a similar experience for this grouping as it approaches FY21.



v. **PURCHASE SERVICES (55000)**

*Chart 30: Purchase Services (55000)/Suggested Adjustments*

| Line Item                    | UCOA Code | Suggested Adjustment |
|------------------------------|-----------|----------------------|
| Transportation               | 55111     | \$490,000            |
| Property Liability Insurance | 55201     | \$34,000             |
| Tuitions Other Districts     | 55610     | \$1,000,000          |
| Out-of District Placements   | 55630     | \$100,000            |
| West Bay Collaborative       | 55640     | \$0                  |
| <b>TOTAL</b>                 |           | <b>\$1,624,000</b>   |

1. Transportation: The District is party to a transportation agreement with First Student, Inc. and with the State as part of the Statewide Transportation System. The costs associated with the First Student, Inc. contract increased significantly since FY17-18. These increases resulted from the consolidation of schools and the corresponding addition of buses, as well as the relocation of certain special programs. The contract currently costs approximately \$6,200,000 and, with its 3.8% rate increase set for FY21, the District can expect a \$240,000 increase. The Statewide Transportation System expenses, which includes the transportation of homeless students, certain students with out-of-district placements, and resident students attending out-of-district career and technical programs, have also risen significantly. The District should anticipate an increase of \$250,000 to \$300,000 in Statewide Transportation System expenses in FY21.

*Suggested Adjustment: Transportation (55111) = \$490,000*

2. Property Liability Insurance: These coverage costs have increased from \$454,000 to \$570,000, or just under 26%, over the last three years. A 9% increase (the approximate yearly increase) would cost the District approximately \$51,000 more in FY21. At a minimum, the District should expect these costs to increase by 7% in FY21, so increasing this line by \$34,000 would be reasonable.

*Suggested Adjustment: Property/Liability Insurance (55201) = \$34,000*

3. Tuitions Other Districts: Tuition to other districts has had a significant impact on the District's finances over several fiscal years now. The District recently challenged the ability of a resident student to attend a career and technical education (CTE) program out-of-district, but did not prevail. In FY2014, 38 students attended out-of-district CTE programs at a District cost of \$315,000. For FY20, the District originally estimated 94 students at an estimated cost of \$1,400,000. However, in light of the notion that elected and appointed officials continue to emphasize access to high-quality CTE programs, an increased number of students (more than 30 additional students at a cost of \$17,000 each), pursued such opportunities during this year. Accordingly, the District must increase this line just to keep up with likely FY20 actual costs, and should expect similar increases in FY21.

*Suggested Adjustment: Tuitions (55610) = \$1,000,000*

4. Out-of-District Placements: Students requiring special education and related services receive such services pursuant to an Individualized Education Program (IEP). In formulating an IEP, the District must contemplate where the student will receive such services, and it must place the student in the "least restrictive environment."<sup>236</sup> If the District cannot provide such services within the figurative four walls of the District, it must provide access to an appropriate placement out of the District.<sup>237</sup> In FY19, the District spent approximately \$5,200,000 on such placements. The District has budgeted for FY20 a number that is \$600,000 less than the FY19 actuals. Over the past three years, the number of students requiring out-of-district placements has fluctuated to a certain extent, but have increased over time. The FY21 out-of-district placement costs will depend on the number of students and tuition increases at the various placements. Nevertheless, the District should expect an increase.

*Suggested Adjustment: Out of District Placements (55630) = \$100,000*

5. West Bay Collaborative: The District has a contract with West Bay Collaborative to serve the needs of certain students who cannot be appropriately educated within the District. Fifty three (53) students participated in this program in FY18, but that number has decreased to 20 students in FY20. Accordingly, the District's budgeted amount for this line appears accurate.

*Suggested Adjustment: West Bay (55640) = \$0*

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<sup>236</sup> See 20 U.S.C. 33 § 1400 *et seq.*; see also 200-RICR-20-30-6.

<sup>237</sup> *Id.*

**vi. SUPPLIES & MATERIALS**

Chart 31: Supplies & Materials/Suggested Adjustments

| Line Item                                 | UCOA Code   | Suggested Adjustment |
|---|-------------|----------------------|
| Supplies and Materials                    |             | \$0                  |
| Natural Gas                               | 55610       | \$0                  |
| Gasoline                                  | 56202       | \$0                  |
| Diesel Fuel                               | 56203       | \$0                  |
| Fuel Oil                                  | 56209       | \$0                  |
| Electricity Costs                         | 56215       | \$0                  |
| Textbooks                                 | 56401       | \$0                  |
| Library, Reference Books, and Periodicals | 56402-56404 | \$75,000             |
| <b>TOTAL</b>                              |             | <b>\$75,000</b>      |

1. Supplies and Materials: This line involves individual school supply items. Though the budgeted amount of \$642,000 should be manageable, the recent reductions in this line negatively impacts the classroom.

*Suggested Adjustment: Supplies/Materials = \$0*

2. Natural Gas: The District budgeted \$850,000 for this line in FY20 after an actual cost of \$816,000. The District is currently party to a contract with Direct Energy. Pursuant to this contract, the District can purchase gas at \$0.052/Dekatherm. The contract expires December 31, 2020. Accordingly, the District will likely have a new contract for the second half of FY21. At this time, a price cannot be determined with any accuracy, as they tend fluctuate.

*Suggested Adjustment: Natural Gas (56201) = \$0*

3. Gasoline: This line is budgeted at \$230,000. Actuals the last few years have ranged from \$150,000 to \$180,000. Accordingly, even assuming modest prices increases, the budgeted amount appears accurate.

*Suggested Adjustment: Gasoline (56202) = \$0*

4. Diesel Fuel: This line is budgeted at \$346,000. FY19 actuals amounted to \$321,000. Accordingly, even assuming modest prices increases, the budgeted amount appears accurate.

*Suggested Adjustment: Diesel (56203) = \$0*

5. Fuel Oil: This line is budgeted at \$360,000. FY19 actuals amounted to \$329,000. Accordingly, even assuming modest prices increases, the budgeted amount appears accurate.

*Suggested Adjustment: Fuel Oil (56209) = \$0*

6. *Electricity Costs*: The District has budgeted \$1,305,000 for this line in FY20, even though the District spent \$1,461,000 in FY19. The District's supports its current budgeted amount with recently-installed efficiencies, such as energy efficient lighting. The District is currently party to a contract for electricity. Pursuant to this contract, the District can purchase electricity at \$0.07502/kilowatt. The contract expires December 31, 2020. Accordingly, the District will likely have a new contract for the second half of FY21. At this time, a price cannot be determined with any accuracy, as they tend fluctuate.

*Suggested Adjustment: Electricity (56215) = UNKNOWN*

7. *Textbooks*: The \$360,000 included in the FY20 budget is for a new series of math books. This line item should not be a budget issue in either FY20 or FY21.

*Suggested Adjustment: Textbooks (56401) = \$0*

8. *Library, Reference Books, and Periodicals*: The District has not budgeted for these items in FY20. Though this may result in a purported savings, this practice should cease or else programs will suffer.

*Suggested Adjustment: Library Reference Books, and Periodicals (56402-4) = \$75,000*

**vii. CAPITAL EQUIPMENT & OTHER EXPENSES**

Chart 32: Capital Equipment & Other Expenses/Suggested Adjustments

| Line Item                      | UCOA Code    | Suggested Adjustment |
|--------------------------------|--------------|----------------------|
| Building Improvements          | 57202        | \$0                  |
| Vehicles                       | 57301        | \$0                  |
| Equipment & Furniture/Fixtures | 57305, 57306 | \$0                  |
| Technology-Related Hardware    | 57309        | \$1,100,000          |
| Technology-Related Software    | 59110        | \$250,000            |
| Debt Service and Misc.         | 5900s        | 0                    |
| <b>TOTAL</b>                   |              | <b>\$1,350,000</b>   |

1. *Building Improvements*: Absent emergency repairs, the budgeted amount appears adequate for planned, FY20 projects. The District anticipates utilizing recently-approved bond plan proceeds for certain projects in FY20. The amount budgeted should be sufficient and may be reduced if additional bond proceeds become available in FY21.

*Suggested Adjustment: Building Improvements (57202) = \$0*

2. Vehicles: The District plans on purchasing two trucks in FY20. The amount budgeted is likely sufficient.

*Suggested Adjustment: Vehicles (57301) = \$0*

3. Equipment & Furniture/Fixtures: The line has exceed \$200,000 in past years. Nevertheless, this line is likely controllable, to a certain extent, so the \$92,000 budget may be adequate for the short term.

*Suggested Adjustment: Equipment/Furniture/Fixtures (57305-6) = \$0*

4. Technology-Related Hardware: This line includes individual devices, such as Chromebooks. Chromebooks have a useful life of 3-5 years. The District must replace approximately 8,500 Chromebooks over a three-year cycle. If approximately half the Chromebooks were replaced in FY21, which the District anticipates, that would result in an approximate increase of \$1,100,000 in this area. The District could explore obtaining the devices through a "Master Lease" and repay the costs of the devices over 5 years at an estimated cost of approximately \$250,000 per year.

*Suggested Adjustment: Technology Related Hardware (57309) = \$1,100,000*

5. Technology-Related Software: The District spent \$772,000 on this line in FY18 and \$667,000 in FY19. Nevertheless, the District only budgeted \$575,000 for this line in FY20. The line item is for licensing of software deployed within the District. Though, to a certain extent, the District can control these costs, for stated cybersecurity purposes, the District needs to at a minimum include an additional \$400,000 in the FY21 to maintain/enhance security with certain software and updated hardware.

*Suggested Adjustment: Technology Related Software (59110) = \$250,000*

6. Debt Service and Misc.: The 59000's series of debt service has been defunded the last two budget cycles as the Town is now paying the debt on school bonds.

*Suggested Adjustment: Debt Service and Misc. = \$0*

## VIII. PROGRAMMATIC REVIEW AND RECOMMENDATIONS<sup>238</sup>

### IX. CONCLUSION

Though the District is the fourth largest district and considered "urban," it more closely resembles the demographics of suburban districts in Rhode Island. Nevertheless, the District's spending patterns align closer to urban districts. Its patterns, however, appear to diverge from the norm with respect to salaries and benefits, especially for certified staff. Moreover, the

<sup>238</sup> Forthcoming in Phase II of Audit Report.

contract for certified personnel contains (1) an antiquated, Constitutionally-questionable provision related to limits on the number of students with disabilities in mainstream classroom, regardless of a particular student's needs, and (2) a frequently used, but arguably inappropriate longevity clause that potentially circumvents salary schedule parameters. In addition, the District appears to employ more teachers on a per student basis than the comparison districts.

The District will likely also benefit from continued study of its approach to the "least restrictive environment" obligation under state and federal law, its career and technical education trends, and its use of student transportation benefits. Lastly, though the District may encounter savings opportunities over time, at present, it should expect the need to request approximately \$8,000,000 more in funds from the City in order to operate the District in FY21. Regardless of the outcome of Phase II of this project, the District must explore contractual concessions from its collective bargaining units. Otherwise, the District may confront "progressive support and intervention strategies" pursuant to § 16-7.1-5 in the near future.

## APPENDIX

### THE AUDIT TEAM

#### I. AUDITORS

In August 2019, the District hired the law firm of Barton Gilman, LLP (“Firm” or “Barton Gilman”) to conduct this Audit. Barton Gilman represents clients in all aspects of school and education law, including representation of schools in the state courts, federal courts, and administrative agencies of Rhode Island, Massachusetts, Connecticut, and New York.

Attorney Matthew Plain, of Barton Gilman, coordinated and lead the team of professionals undertaking this audit. Attorney Plain has significant experience representing virtually every type of public school in Rhode Island. He also is admitted to practice and represents school clients in Massachusetts, Connecticut, and New York. Prior to law school, Attorney Plain taught Mathematics, Social Studies, Science, and English in the 7th and 8th Grades; and also coached his school’s football, wrestling and baseball teams. He holds a Master of Education degree with a concentration in Curriculum and Instruction.

In addition to his school law practice, Attorney Plain is currently serving his second term as a member of the East Greenwich School Committee. In that capacity, he has served on the district’s policy and personnel subcommittees and the district’s collective bargaining agreement negotiating team. Lastly, Attorney Plain served on the East Greenwich School Committee while the district underwent a similar audit, so he has first-hand knowledge and experience of the receiving end of such an engagement.

#### A. SUBJECT MATTER EXPERTS

##### i. EDUCATION

Lori McEwen, Ph.D., served as the elementary and secondary education expert for professional instruction component of this Audit. Dr. McEwen presently heads McEwen Education Consulting, which she has operated since 2019. Prior to founding her consultation business, Dr. McEwen most recently served as Assistant Superintendent at North Attleborough Public Schools in North Attleborough, Massachusetts from 2017 to 2019. Dr. McEwen served as Distinguished Fellow at Jobs for the Future from 2016 to 2018, Chief of Instruction, Leadership, and Equity for the Providence Public School District from 2014 to 2017, Director of Academics at Blackstone Valley Prep Mayoral Academy from 2012 to 2014, Assistant Principal at Portsmouth High school from 2009 to 2012. Before these administration roles, Dr. McEwen taught high school English for many years in Massachusetts and Missouri. Dr. McEwen holds a Doctorate of Education Administration from Boston College, a Masters in Education Administration from the University of Massachusetts, and has authored and published numerous op-ed articles, reports, and blogs. She is a frequent presenter at education conferences across the country and currently serves Vice Chairperson of the East Greenwich School Committee.



## **ii. SPECIAL EDUCATION**

Carol Brown, M. Ed., served as the expert in the field of special education. Ms. Brown is presently the Director of Education at Mount Pleasant Academy in Providence, RI. Mount Pleasant Academy is a leading private alternative school for children with special education needs. Prior to her retirement from public school education, Ms. Brown was a Director of Special Education at numerous districts across Rhode Island. Ms. Brown has served students across Rhode Island in Westerly, East Greenwich, Exeter-West Greenwich, Coventry, Cranston, North Kingstown and South Kingstown. She has also consulted in various Districts throughout the State of Rhode Island. She is widely regarded as one of the foremost special education experts in the state. Ms. Brown recently reviewed special education and related services in East Greenwich and assessed these programs for their compliance with state and federal law and the BEP.

## **iii. FINANCE**

Alexander Prignano served as the expert in the field of finance. Mr. Prignano is presently the Business Manager for the Cumberland School Department and has served in this role since 2006. In this role, Mr. Prignano oversees all functions of the Cumberland School Department's budget, payroll, purchasing, accounts payable, and accounting. Mr. Prignano is further responsible for all school financial presentations to the Cumberland School Committee and Cumberland Town Council. Prior to becoming the Cumberland School Department's Business Manager, Mr. Prignano served as Director of Finance for the City of Providence from 1999 to 2006 and Deputy Director of finance/Budget Officer for the City of Providence from 1985 to 1999. Mr. Prignano works as an Accountant & Budget Analyst for the City of Providence from 1977 to 1985. In his last year as Director of Finance for the City of Providence, Mr. Prignano was responsible for a \$583 million city and school district budget. Mr. Prignano graduated from Providence College 1977 with a Bachelor of Science in Accounting.