



Middleton & Newport

PUBLIC SCHOOL REGIONALIZATION STUDY INTERIM REPORT

August 2022



Acknowledgments

This report was prepared for the Town of Middletown and the City of Newport, Rhode Island. The project team facilitated meetings, presented information, performed analysis, engaged the community, and prepared recommendations for the regionalization of Middletown Public Schools and Newport Public Schools. As a planning team, we hope this document provides information that will aid Middletown and Newport in making informed decisions regarding regionalization. This document provides suggested strategies to maximize efficiencies to improve the education of all students in Middletown and Newport.

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EXECUTIVE SUMMARY

The Town of Middletown and City of Newport have embarked on a regionalization process to better serve all students in the communities. This process includes General Assembly approval, community input, financial and academic analysis, voter approval, and approval from the Rhode Island Department of Education. The process aligns with the Rhode Island General Laws – Title 16 that governs the establishment of regional school districts.

House Bill 8267 Substitute A (“the Act”) was passed by the Rhode Island Senate and House in June 2022. The Act gives the two municipalities the authority to create a combined regional school district so long as the voters from both communities approve the idea in the general election on November 8, 2022. Through this special Act, the communities of Middletown and Newport have the opportunity to take advantage of capital incentives from the State of Rhode Island, gain operational efficiencies, and improve educational outcomes.

The question on the ballot must pass in both Middletown and Newport for the regionalization of the schools to occur. The vote on November 8, 2022, can be summarized by this question:

Are the known and potential benefits of regionalization likely to provide better educational opportunities for both communities?

As a result of regionalization, both communities will realize benefits educationally and financially. Newport will realize an additional \$46 million in state reimbursement for the Rogers High School and Pell Elementary School construction projects. In addition to regionalization, Middletown must authorize a \$235 million bond. Plans for the bond program are to construct replacements for Middletown High School and Gaudet Middle School and construct one new elementary school to replace the three existing elementary schools. Regionalization must pass in order for Middletown to realize State Housing Aid necessary to take on the \$235 million bond and for Newport to receive an additional \$46 million in State Housing Aid Reimbursement.

Benefits

Regionalization offers known and potential benefits. The Act provides the regionalized school district the freedom to make all capital, operating, and educational decisions once established. The known benefits include increased capital funding from the state and a transportation allotment. With successful elections, Middletown and Newport plan to construct four new schools and expand one. The State of Rhode Island will pay 80.5 percent of the principal and interest of bonds issued for the construction. The additional state reimbursement provided to a regional school district will allow for Middletown to construct three new schools and Newport to receive an additional \$46 million in state housing aid.

State housing aid currently provides temporary bonuses of up to 80.5 percent for regionalized school districts. Once the temporary bonuses expire, a regionalized school district would increase the core allotment from 35 percent to 67 percent for future capital projects in both communities.

The initial budget for the regionalized school district would allow for operational savings to be reinvested into the classroom at the discretion of the regional school and finance committees. Comparing a combined Middletown Newport school district to districts of similar size, the analysis identified \$2.4 to \$4.8 million in potential operating efficiencies. It should be noted that all efficiencies were assumed at the administrative level and not in the classroom. The possibilities for gaining operational efficiencies and providing additional educational programs will ultimately be the responsibility of the regional school committee.

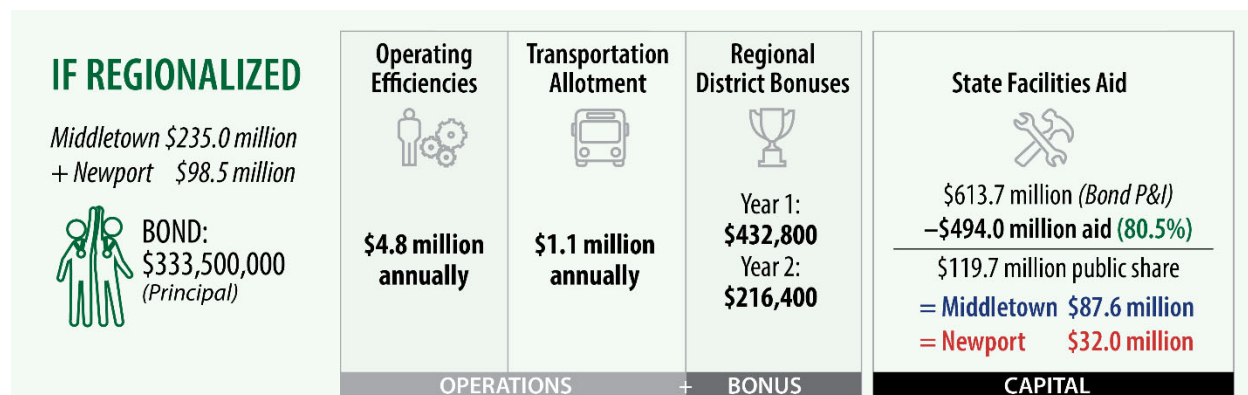


Figure 1. Financial benefits of regionalization

Opportunities

Understanding the current state of education in Middletown and Newport, financial incentives afforded by the State of Rhode Island, community input, and industry best practices, the team identified opportunities that could be leveraged by a regional school district. These opportunities will assist stakeholders in strategically investing in facility improvements and educational programs to advance the learning environment.

Financial strategies suggested promote transparency and good financial stewardship. Academic recommendations focus on leveraging unique educational offerings in each district to benefit all students. Operational recommendations are suggested to align the combined district with a single focus on student achievement. Strategic recommendations for consideration provide guidelines to promote a successful transition and improve facility stewardship. The opportunities for consideration present three types of recommendations, shown in Table 1, to guide the future regionalized school district.

Table 1. Recommendations for Consideration

Financial	Academic	Strategic
<ul style="list-style-type: none"> Reinvest operational efficiencies Implement a finance system Build budget process Reallocate services Engage community Consolidate central administration office 	<ul style="list-style-type: none"> Ensure access to programming Provide universal prekindergarten Align operations 	<ul style="list-style-type: none"> Focus on student achievement Create transition teams Develop strategic academic and facility master plans Engage steering committee Align staff with student needs

INTRODUCTION

Middletown Public Schools and Newport Public Schools have engaged in developing a plan to optimize educational outcomes and gain operational and capital funding through regionalizing their schools. This plan will occur in two phases: 1. Research and justification and 2. Community engagement and scenario development. This document provides the stage for community engagement and future planning. Municipalities should consider all the benefits and limitations of regionalizing their school programs. This document will focus on:

- Defining PK-12 regionalization and the impacts of regionalization through case studies.
- The current state of Middletown and Newport schools' capital and operational budgets and their educational programs.
- Opportunities for both Newport and Middletown to improve their children's educational outcomes and the communities' finances through regionalization.

PK-12 School Regionalization

PK-12 regionalization includes combining school districts, boards of education, and central office and staff. Regionalizing school districts provides financial and educational benefits by streamlining administrative functions and leveraging economies of scale. The consolidation of administrative functions reduces the cost per pupil for both communities. Additionally, sharing educational resources and facilities may:

- Allow districts to reduce the cost of specialized services (i.e., science labs, athletic facilities, STEM programs).
- Leverage educational resources to offer special curriculums or extra-curriculars to a larger student population.

Timeline for Regionalization

The timeline shown in Figure 2 demonstrates the overall timeline for the regionalization process. The Town of Middletown and the City of Newport began collaborating in early 2022 to develop the special Act that would allow for public school regionalization. The process set in motion is the same process undertaken by other districts to regionalize in the state of Rhode Island. The first business day for the newly regionalized school district would be July 1, 2024.

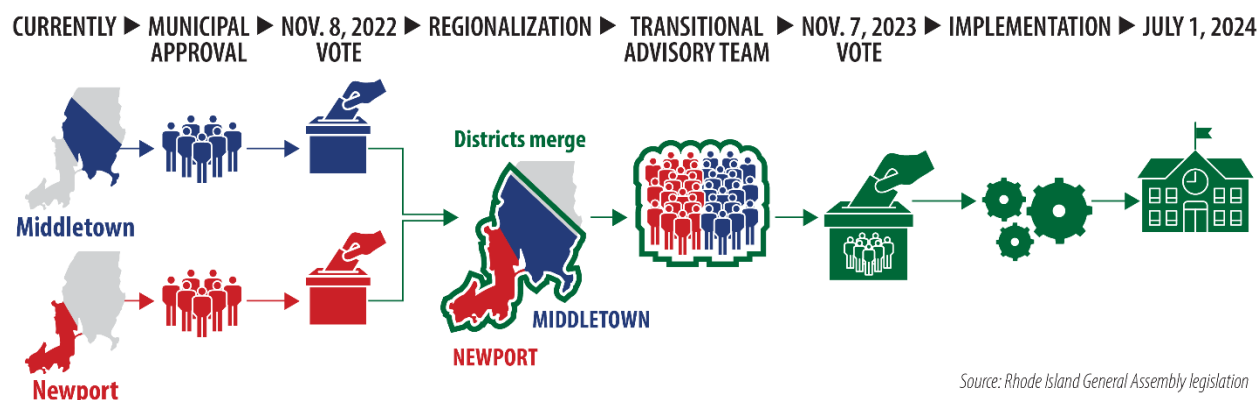


Figure 2. Timeline for regionalization.

School Regionalization Act

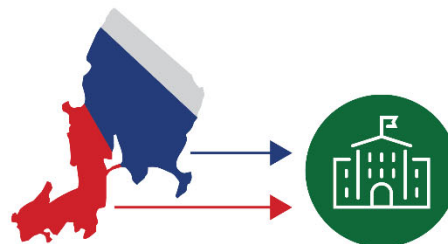
House Bill 8267 Substitute A (“the Act”) was passed by the Rhode Island Senate and House in June 2022. The Act gives the two municipalities the authority to create a combined regional school district, so long as the voters from both communities approve the idea in the general election on November 8, 2022. The Act outlines governance and administrative functions for the new regionalized school district (see Figure 3). The entire Act is available at www.middletown-newport.us/Home/Legislation.

Highlights from the legislation include:

- Regionalization will allow 80 percent reimbursement for any bonds issued between Jan. 1, 2022, and June 30, 2026. (Act Section 2)
- The first business day will be July 1, 2024. Until that date, the local school committees shall continue to operate but cease to exist after June 30, 2024. During the transition period, the regional school district shall develop plans for the effective operation of the new district. (Act Section 3)
- All employees employed by the respective school committees as of June 30, 2024, who are subject to a collective bargaining agreement, will be offered employment by the regional school district in the same or substantially similar position, subject to the terms of the applicable collective bargaining agreement. (Act Section 4)
- To ensure equal representation, the regional school district will be comprised of seven elected members, with a minimum of three from Middletown and three from Newport. The seventh member will be elected at large as well and would be the individual receiving the highest number of votes in that composition (see Figure 3). (Act Section 5)
- The first election of the regional school committee will be in November 2023 for a three-year term ending in November 2026. After that, the terms will be two years long. (Act Section 5)
- The regional district authority states that a regional district is a separate and distinct entity with the power of condemnation and the power to bond. The respective municipalities may retain title to land, buildings, facilities, furnishings, and equipment acquired for schools as of June 30, 2024. Debt service for such assets remains the responsibility of the municipality that issued the debt. (Act Section 7)



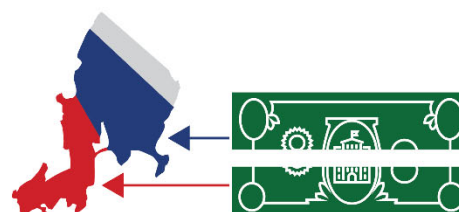
80% reimbursement from State Housing Aid



Regional district is a separate and distinct entity



Education costs proportioned based upon number of students



State/federal aid will be credited towards that municipality's share of the educational costs

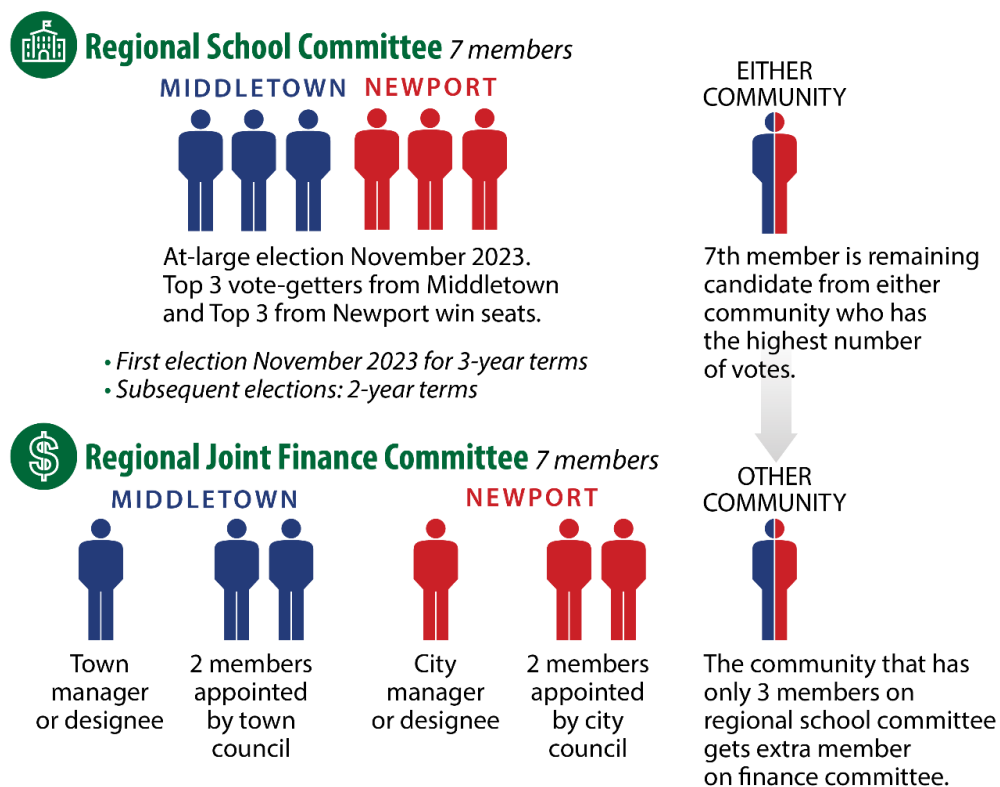
Figure 3. Four of the major points of regionalization legislation

- Regional district education costs shall be apportioned between the City and Town based on the number of students. State and federal aid allocated to the respective municipality rolls up to the regional school district and will be credited towards that municipalities' share of the educational costs. (Act Section 11)
- The regional finance committee would consist of seven members appointed by the respective City and Town councils (detailed in Figure 4.) The City and Town managers would each have a designee on the committee. The joint finance committee would be responsible for reviewing and approving the budget of the regional school district. The municipality that does not govern the regional school district through majority membership will have the right to appoint a fourth member to this committee. (Act Section 14, Subsection (c)).

Governance Designed for Equal Representation

The Act defines governance that provides for equal representation for both communities. The regional school committee is responsible for operating, caring for, equipping, and improving all public schools. The regional school committee consists of seven members, created through an at-large election in November 2023, with three seats each for Middletown and Newport. The seventh seat belongs to the individual with the next highest votes (see Figure 4).

The regional finance committee consists of seven members designated by the town/city managers and councils. The seventh seat belongs to the community with three regional school committee members. The finance committee is responsible for reviewing and approving annual budgets and authorizing the issuance of bonds approved by voters and debts.



Source: Rhode Island General Assembly legislation

Figure 4. Design of regional school committee and finance committee.

Current State of Middletown and Newport Schools

The Middletown Public School District is comprised of five schools serving more than 2,100 students. Middletown High School is a comprehensive 9-12 high school. J.H. Gaudet Middle School is a 5-8 middle school. There is a fourth-grade Learning Academy located at Gaudet School. Two elementary schools service PreK-3. The district has approximately 230 educators (certified) and 60 clerks, custodians, and teacher assistants (non-certified).

The Newport Public School District serves approximately 2,200 students (PreK-12). Rogers High School (9-12), Thompson Middle School (5-8), and Pell Elementary School (PreK-4). The Newport Area Career and Technical Center is located on the campus of Rogers High School.

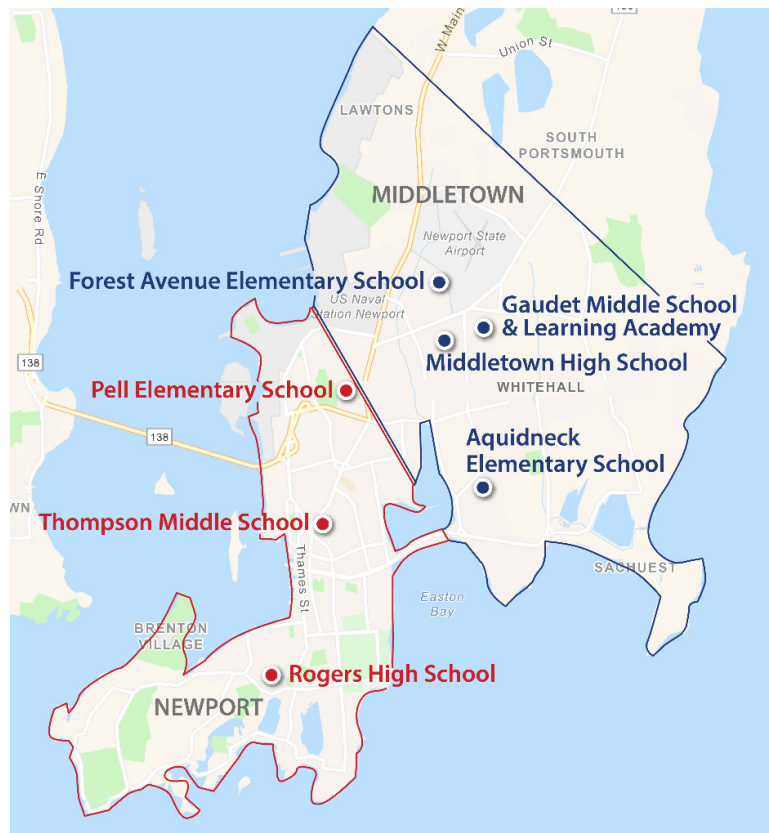


Figure 5. Location of Middletown-Newport schools.

CASE STUDIES

According to National Center for Education Statistics, in 1949, the United States had 117,108 public school districts. By 2017, that number had dropped to 13,598 as populations changed.

Most state governments support regionalization through:

- Policies that influence school district consolidation.
- Additional funding for operations.
- Additional funding for capital projects.
- Increased funding of facilities within the first 10 years of consolidation.
- Bonus programs.

1,298 of the 14,178 school districts in the United States are “dependent” public school districts and rely on other governments for funding. Rhode Island’s School Districts are included in the 1,298 “dependent” public school districts.

Case studies were selected based on the availability of data, geographic diversity, and how recently the regionalization occurred. Three regionalization/consolidation efforts across the country were reviewed to gather information useful for the Middletown-Newport school regionalization. Research results were not conclusively positive or negative: Regionalization can be done poorly or well, and different stakeholders can have different experiences. Efficiency and academic gains are possible but not a given depending on how the process is managed. **The research suggests that positive effects stemming from regionalization are possible and contingent on informed, effective, and positive leadership focused on improving student outcomes.**

As shown in Figure 6 and detailed in the following pages, the three school districts chosen for study were:

- Twin Rivers Unified School District outside Sacramento, California
- Central Valley School District in Monaca, Pennsylvania
- Texas City Independent School District on the Texas Gulf Coast

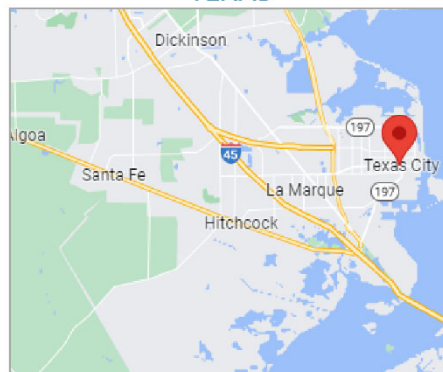
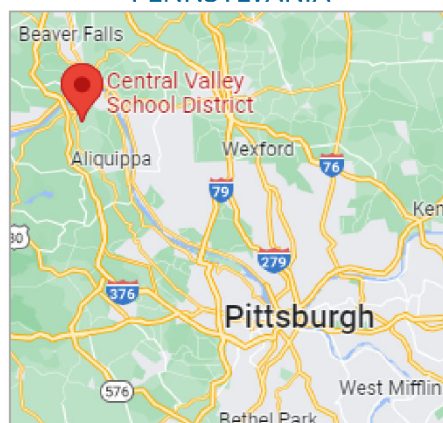
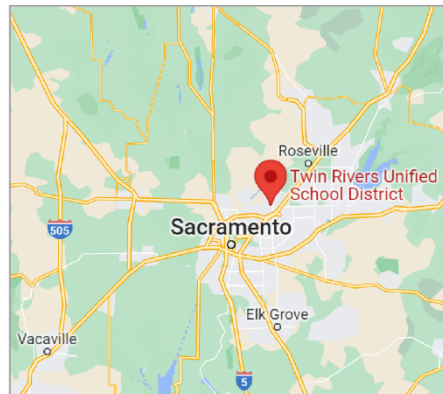


Figure 6. Locations of three comparison school districts.

Twin Rivers Unified School District

The focus of the study on Two Rivers Unified School District was: “**What, if any, impact did the TRUSD consolidation have on student learning and related student outcomes**” (Balcom 2013).

The author focused on the following three questions for her study:

1. “How has the consolidation of four school districts into Twin Rivers Unified School District impacted student learning?”
2. “How has the consolidation impacted related outcome rates of student suspension, expulsion, enrollment, and truancy?”
3. “How did district administrators lead the four merging districts and the resulting Twin Rivers Unified School District through organizational change?”

Data was collected for four years before and after the district regionalization.

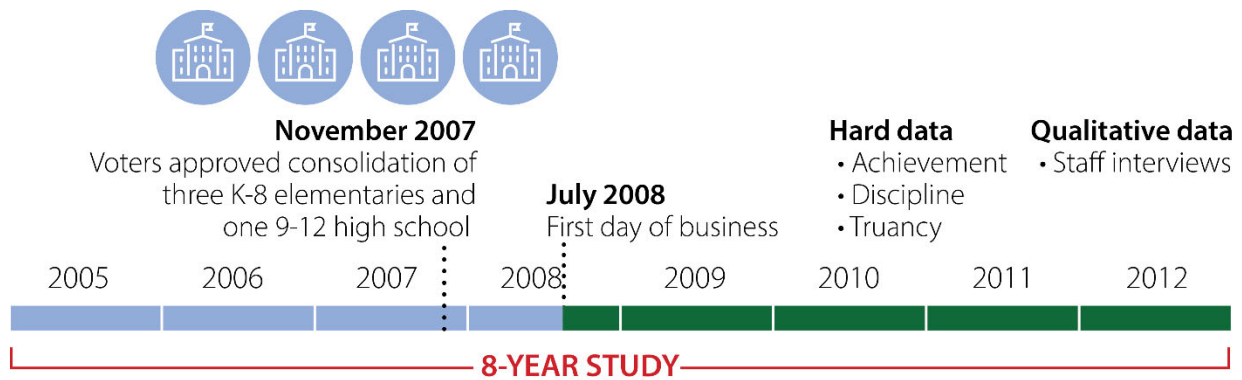


Figure 7. Timeline of the Twin Rivers Unified School District consolidation.

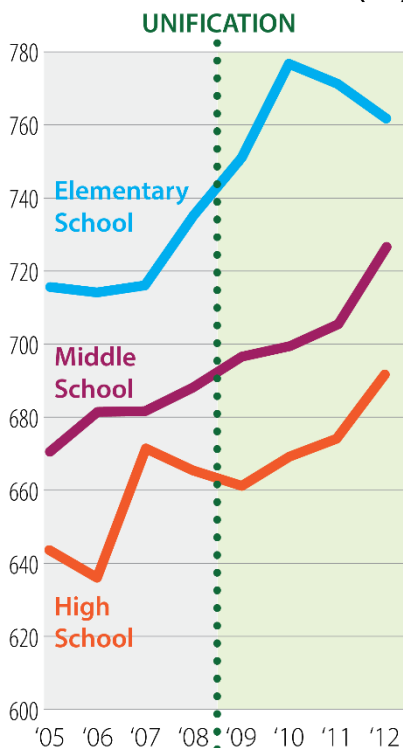
Summary of Findings

Academic Performance: All grade levels experienced increases in performance on statewide assessments in the years following regionalization

Behavior: Expulsion and suspensions decreased following regionalization. Findings on truancy rates were mixed, with no conclusive results.

Enrollment: Enrollment decreased the two years following regionalization and then recovered. This decrease primarily occurred in the middle school grades. It should be noted that there was an overall decrease over a 10-year period which was consistent with school enrollment trends in the region.

Academic Performance Indicator (API)



District Expulsions

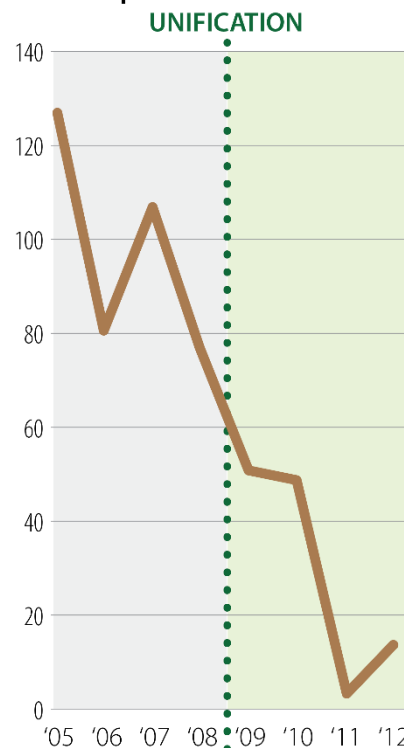


Figure 8. Academic and behavioral findings from unification at Twin Rivers.

Lessons Learned

Key lessons learned from the Twin Rivers case study are:

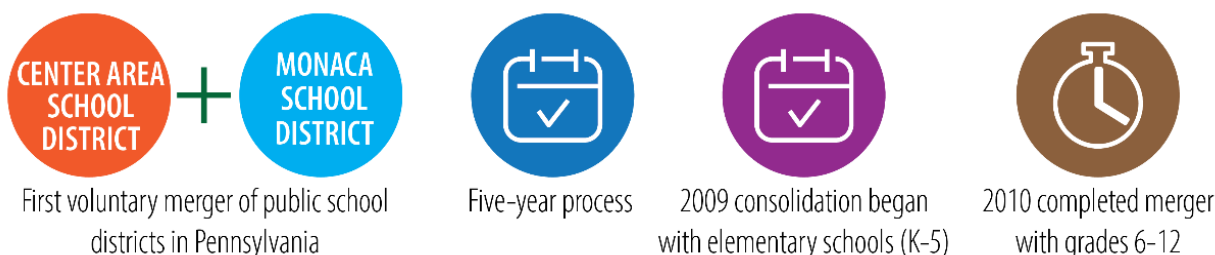
- **Focus on student achievement as the primary goal behind all activities related to regionalization.** There are a plethora of decisions to make during regionalization. Emphasizing student achievements, the explicit focus of those decisions was a key theme highlighted in the study as the driver of positive outcomes.
- **Focus on expanding middle school academic and extracurricular offerings.** The middle-grade years are often a period of time when students want to pursue their emerging interests. Robust academic and extracurricular offerings for middle schoolers can help keep middle school students engaged.

"I think there were some assumptions that came in each school district, all four school districts had their own issues, and so the baseline was we were going to focus on student achievement regardless of the issues that were brought into the unification. So every time that we met, our mission and vision were stated in every meeting for the first couple of years."

Administrator (Balcolm 2013)

Central Valley School District

The merger between Center Area School District and Monaca School District was the first voluntary regionalization of public schools in the Commonwealth of Pennsylvania. The regionalization occurred over five years, beginning with the elementary schools and then the middle and high schools.



“From the start, the two tiny districts made bettering education the main goal of the merger and treated cost savings as a bonus.”

Times, Center-Monaca Merger puts education over rivalries, May 2009

Summary of Findings

Monaca School District and Center School District both faced the challenges of declining enrollment and fewer educational offerings for their students. Because of these challenges, the two school districts moved from rivalry to partnership to find a mutual solution that would benefit their students’ learning opportunities. For the students to have access to quality education, the two communities worked together through a steering committee to develop a student-focused plan for integration. The districts focused on how best to use their facilities’ portfolios for student learning. They managed their tax burdens while providing improved learning experiences for students.

Additionally, student enrollment stabilized. They found efficiencies in their operations and were able to expand educational offerings. Center Valley School District stayed focused on the student’s learning experience.

Table 2. Findings of Central Valley School District regionalization.

	Monaca	Center	Central Valley
Debt level	Low debt burden Aging buildings	\$30 million debt Newer buildings	Reconfigured use of buildings. Moved middle school students to Monaca high school. Monaca elementary students moved into the new Center Grange Primary School.
Tax rates	\$450/100k assessed household value	\$502/100k assessed household value	\$468/100k set for 2009-10 (Monaca increased, Center decreased)
Enrollment (declining)	1971-72: 1,571 2008-09: 651	1971-72: 3,242 2008-09: 1,853	2013-14: 2,382 Enrollment stabilized

	Monaca	Center	Central Valley
Athletics	Declining participation		2010 Central Valley Warrior football won WPIAL AAA title
	Struggled to fill advanced classes to justify the expense	Struggled to fill advanced classes to justify the expense	Added in high school: 37 core courses 9 Advanced Placement courses
Academics	No specialized course offerings		46 online and dual enrollment courses at Penn State Beaver University and Community College of Beaver County

Lessons Learned

Key lessons learned from the Central Valley School District case study are:

- **Invest operational savings in creating additional program offerings.** Creating additional offerings for students by reinvesting operational savings is one of the clearest ways to invest in student outcomes. In this case study, the perceived need to offer these additional programs was an explicit reason regionalization was pursued.

Texas City Independent School District

In 2016, the Texas Education Agency (TEA) mandated Texas City Independent School District (TCISD) annex its neighboring district, La Marque ISD, due to persistent academic and financial deficiencies of La Marque ISD. La Marque had a 41 percent decline in enrollment over the prior decade to 1,582 students, resulting in several underutilized schools. The state offered TCISD \$17 million over five years for capital improvements to update La Marque schools.

In 2018, the new unified TCISD passed a \$136.1 million bond to replace three La Marque area schools damaged by Hurricane Harvey and one Texas City area school at the end of its useful life. The strategic use of \$17 million in TEA capital funds allowed TCISD to service the 2018 bonds without increasing the debt service tax rate. The schools have realized operating surpluses in each fiscal year since the consolidation.

Previous 10 years

- La Marque 41% decline in enrollment
- Underutilized schools

State offered capital incentives

- \$17 million over 5 years to update La Marque schools
- Strategic use allowed Texas City ISD to service 2018 bonds without increasing debt service tax rate

2015

Texas Education Agency mandated Texas City ISD annex La Marque ISD effective July 1, 2016

2018

Passed \$136.1 million bond to:

- Replace 3 La Marque schools
- Replace 1 Texas City area school



Since consolidation

- **Operating surpluses have been realized in each fiscal year**
- Total fund balance as of August 31, 2021, is \$86.6 million
- Unassigned portion of fund balance is \$26.9 million
- Represents approximately 3.5 months of operating expenditures

Figure 10. Timeline for Texas City Independent School District consolidation.

Summary of Findings

The research found that regionalization resulted in:

- Increased performance on state test scores
- Improved four-year graduation rates
- Increased Career Technical Education (CTE) graduates
- Decreased dropout rates for La Marque and no change for Texas City
- Increased advanced course and dual-credit course completion for Texas City and decreased for La Marque
- Stabilized enrollment

Lessons Learned

Lessons learned from Texas City Independent School District that relate to Middletown and Newport public schools:

- **Improved student outcomes are possible** though not given. In this particular case, the increase in CTE graduates stands out as a goal to pursue as the national demand for skilled trades continues to grow.
- **Leverage state incentives** to inform and invest in your school facilities.
- **Operational savings are possible and should be explicitly sought** throughout regionalization in order to reinvest those savings in improving the student experience and outcomes.

Students Approaching Grade Level or Above on State of Texas Assessments of Academic Readiness (STAAR)

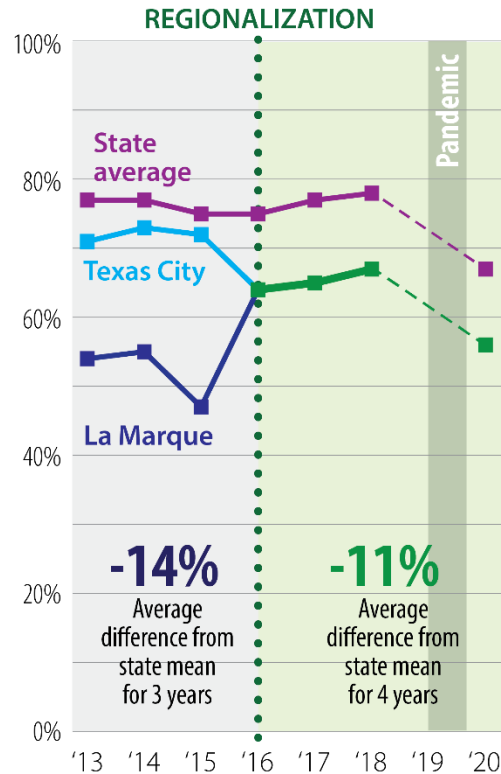


Figure 11. Academic findings from Texas City regionalization.

Case Studies – Summary of Findings

School district regionalization has occurred at a large scale in the past 70 years as our country's population has changed and as the needs of public schools have evolved. Regionalization offers the opportunity to realize administrative efficiencies and bring more resources to enhance the student experience and improve outcomes. These opportunities should not be considered inevitable, but rather the result of intentional focus, strategy, and effort.

The opportunity to identify savings and focus them on students should be an explicit focus of any future regional transition team(s) and certainly a focus for the Regional School Committee and administration. Future leadership should focus on developing robust academic and extracurricular programs at all schools equitably, especially at the middle and high school levels, providing the entire community's students access to activities and resources. Regionalization provides school districts the opportunity to focus resources to improve the student experience to the benefit of all students

COMMUNITY ENGAGEMENT PROCESS

Community engagement was targeted through public meetings and online surveys. Results were used when considering recommendations for the regionalized school district. Meetings and surveys were publicized through social media and both municipal and school district websites. Communication efforts strove to move stakeholders to a common website—middletown-newport.us—which served as a single source of the latest information by providing details of upcoming meetings, a full transcript of the regionalization Act, background documents, recordings of the meetings, and links to the surveys.

Public Meetings

The communities of Middletown and Newport were invited to participate in three public meetings. Virtual and Spanish translation options were also made available. The purpose of these meetings was to share regionalization information and gather community feedback. Each session focused on discussions around three specific questions. Attendees were asked to divide into small groups and come to a consensus around the set of questions. Feedback from the public meetings is summarized below.

June

The June community engagement sessions focused on providing high-level information on:

- Process of regionalizing Middletown and Newport schools
- Benefits of regionalization
- Goals of the study
- Initial financial analysis
- Potential educational opportunities

The small-group discussion focused on the following questions:

1. What would you hope could be gained for students?
2. What additional academic and extracurricular programs are most important to you?
3. What impacts on students' education should be considered?

Approximately 80 community members attended the two informational sessions at the Wyndham Newport Hotel in Middletown. Attendees were asked to discuss in small groups the future education of Middletown and Newport students, as well as voice their concerns. Overall, the feedback indicated the residents of Middletown and Newport want to maximize available opportunities to benefit their students

This flyer is titled "PUBLIC SCHOOLS REGIONALIZATION" and is for the English-speaking community. It includes the Middletown & Newport logo and a date of July 2022. The text explains the purpose of regionalization, lists the agenda for July meetings, and provides details for community meetings on July 25 and 26. It also includes a section for students, asking for their input on future schools. The flyer is designed with a blue and red color scheme and includes a map of the regionalized area.

This flyer is titled "REGIONALIZACION DE LAS ESCUELAS PUBLICAS" and is for the Spanish-speaking community. It includes the Middletown y Newport logo and a date of Julio 2022. The text explains the purpose of regionalization, lists the agenda for July meetings, and provides details for community meetings on July 25 and 26. It also includes a section for students, asking for their input on future schools. The flyer is designed with a blue and red color scheme and includes a map of the regionalized area.

Figure 12. Public meeting announcements were distributed in both English and Spanish.

July

The July community engagement sessions focused on providing detailed findings related to the district's finances and academic programs. Case studies and lessons learned were also shared with attendees.

The small-group discussion focused on the following questions:

- “What additional areas should we consider for financial efficiencies?”
- “What lessons should we take from the case studies and be sure to incorporate in the transition work?”
- “How could we accelerate access to learning opportunities for students in the region?”

During two sessions held from Innovate Newport headquarters on Broadway, 60 attendees were presented data on current spending on education, potential savings in each community, and three case studies of school districts in California, Pennsylvania, and Texas that regionalized. A comparison of Middletown and Newport's status quo and regionalization was also provided.

The presentation repeatedly stressed the importance of focusing on student achievement as the unifying factor behind regionalization. The mission and vision of regionalization are to improve the overall school experience for every student.

Regionalization of Middletown and Newport schools is a unique opportunity to expand educational programming by providing potential access for all students to educational offerings. Further, financial incentives from the state allow for significant facilities investments while minimizing the impact on local taxpayers.

Future Meetings

Additional community engagement meetings are scheduled for the end of August, September, and October. The purpose of these meetings will be to gather information to inform the future strategic plan and educate the community on how the regionalization of Middletown and Newport schools may impact the students and community at large.

Survey Results

Residents of both municipalities were encouraged to participate in online surveys following each public meeting. Information gathered was used to guide and inform the process. The survey is not a statistically representative pole, but rather a pulse survey of engaged community members. The results are summarized below.

June

As shown in Figure 13, the June online survey was accessed by 445 individuals: 125 from Middletown, 291 from Newport, and 29 classified other. The survey provided a glimpse into what people hoped may be realized through the regionalization of the two school districts.

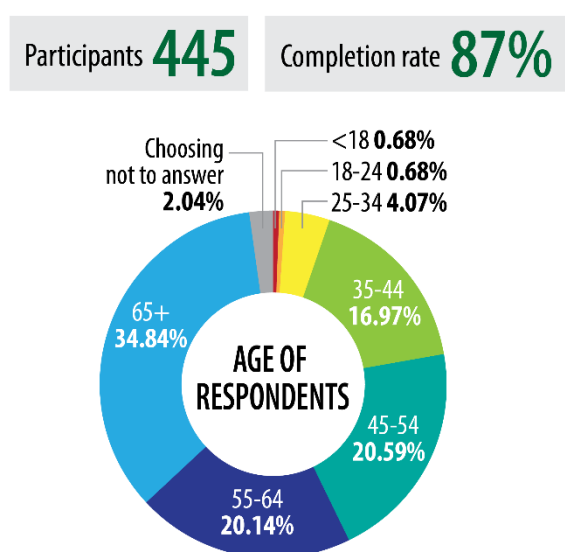
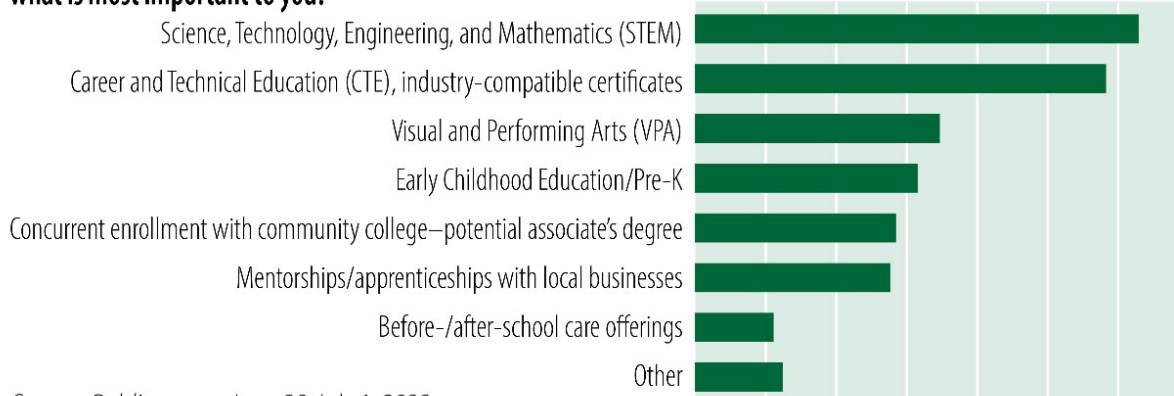


Figure 13. Demographics of those answering June 2022 survey.

Access to additional learning opportunities and extracurricular activities were identified as potential benefits to students. The academic opportunities included the expansion of Science, Technology, Engineering, and Math (STEM) programs and access to the diversity of Career Technical Education (CTE) options that both districts provide. Visual and performing arts programs were also favored by survey participants.

Q: If you checked additional/expanded academic and extracurricular program offerings, what is most important to you?



Source: Public survey June 20-July 1, 2022,
by Cooperative Strategies

Figure 14. Results of June 2022 survey.

The survey provided a “free response” for individuals to bring forward their ideas and concerns related to the potential regionalization of the two school districts. It is evident that the two communities have a passion and pride for their unique histories. Yet, there was also a strong voice for leveraging resources for students that a combined district could afford for a better learning experience.

July

Survey Closes August 7. Information to come

FINANCIAL ANALYSIS

Eligibility for state facilities aid for new schools and facility improvements, including temporary bonuses for particular construction projects, is the primary financial benefit to be realized through regionalizing Middletown and Newport public schools. Additional incentives include the eligibility for state categorical funds available only to regional school districts and opportunities to reduce overhead costs. The team analyzed these three distinct opportunities to estimate the financial impact of regionalizing Middletown and Newport public schools. The following authoritative references informed our analyses:

- State Housing Aid system
- Rhode Island’s Fund Formula Reference Guide
- Rhode Island Department of Education Uniform Chart of Accounts (UCOA)

Education Funding System

Education funding in Rhode Island is the shared responsibility of the state and local municipalities. Both state and local municipal education funds follow the student to their public school of choice.

State funding consists of a core instruction allotment for all students and a poverty factor adjustment known as the “student success factor.” The state share of the entitlement is calculated using municipal property values, median family income, and student poverty status.

In addition, the state provides categorical funds for several high-cost instructional programs. Funding for career and technical education, early childhood, special education, and English learners is based on student eligibility and program participation.

Regional school districts receive the same amount of core allotment, student success funds, and categorical program funds as they would operating as separate school districts. State funding for the core allotment, student success factor, and categorical program funds are calculated for each municipality and then summed to determine the total state aid paid to the regional district.

Regional school districts qualify for two additional categorical allotments that are not available to traditional districts:

1. Transportation allotment
2. Temporary regional district bonus



State Facilities Aid for New Schools and Facility Improvements



Additional Regional Transportation Allotment

1/2 transportation costs
= ~\$1.1 million annually ¹



Regional District Bonuses²

Year 1 estimate: \$432,800
Year 2 estimate: \$216,400



Core Allotment

No change



Student Success Factor

(supplemental aid for low-income students)

No change



Categorical Funds

(special ed, career tech, Pre-K, English learners)

No change



Operating Efficiencies

- Administration
- Maintenance and operations
- Technology and communications
- Transportation
- Program management
- Supplies and materials

Actual amounts will be calculated on the state foundation aid received in the year of regionalization.

¹ Estimated by RIDE..

² The Regional District Bonus is 2% of state foundation aid in Year 1 and 1% in Year 2. Estimates above are based on 2020-21 state allocations for Middletown and Newport.

Figure 15. Sources of funding for school regionalization.

The two allotments are incentives for regionalization. The transportation allotment pays one-half of annual in-district transportation costs for regional school districts. The temporary regional bonus provides funds for two years after districts combine to offset any incremental costs incurred during the transition. The transition bonus is 2 percent of state foundation aid in Year 1 and 1 percent in Year 2 following regionalization. Estimates of the two additional state allotments available to a Middletown-Newport Regional District are presented in Table 3.

Education funding provided by municipalities is determined by local city and town councils. Further, school district budgets cannot increase by more than 4 percent each year.

State Housing Aid

The most significant financial benefit available to a Middletown Newport regional school district is state reimbursement of up to 80.5 percent of principal and interest on bonds issued to replace or renovate school facilities.

The State of Rhode Island provides financial reimbursements for eligible capital investments in public school facilities. The law is designed to ensure adequate school facilities for all public-school children and prevent the cost of school housing from interfering with the effective operation of schools. Eligible projects for repair, renovation, or new construction qualify for partial state reimbursement of principal and interest payments on bonds issued for the facilities projects.

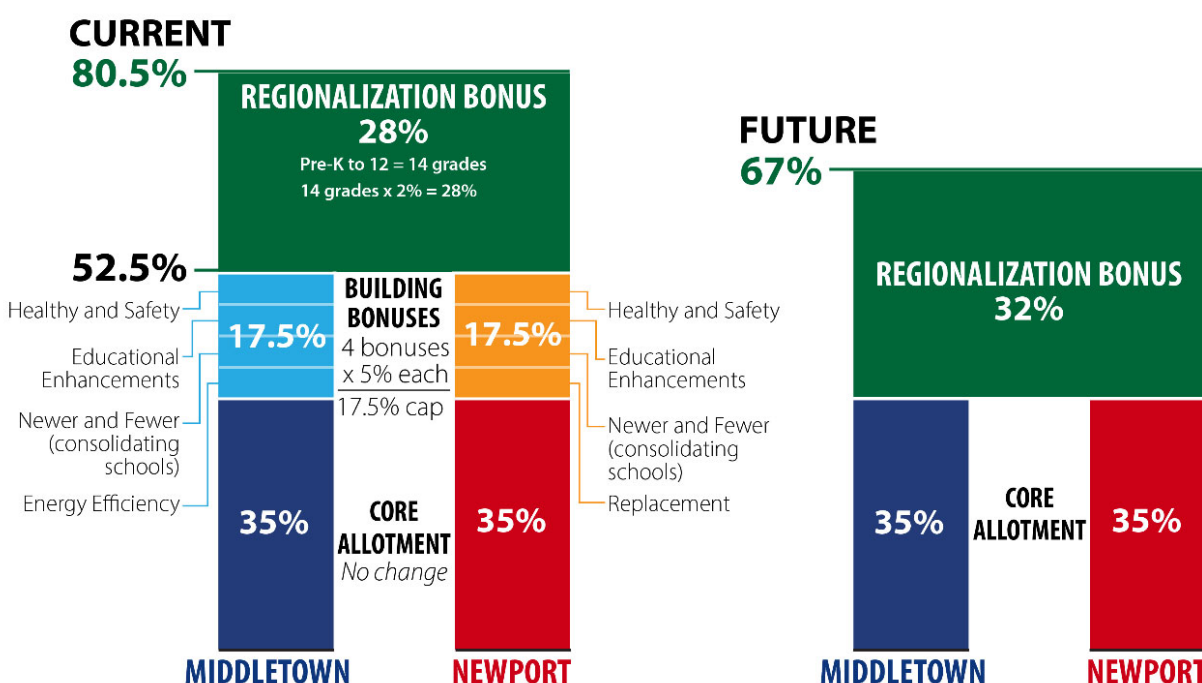
The state currently offers three categories of State Housing Aid: core allotment, regional district bonus, and temporary building bonuses. The three categories are explained in Table 3.

Table 3. Categories of State Housing Aid.

Housing Aid Category	Reimbursement Percentage	Details
Core Allotment	35%	Minimum state share ratio for Housing Aid for eligible projects approved by the Board of Education
Regional District Bonus	28% max	2% reimbursement for each grade-level served in a regional district up to a maximum reimbursement of 28% (PreK to grade 12 = 14 grades x 2% per grade = 28% reimbursement)
Building Bonuses (temporary)	17.5% max	5% reimbursement for qualified projects in any of seven categories: <ol style="list-style-type: none"> 3. Health and safety improvements 4. Educational enhancements 5. Replacement of facilities in poor condition 6. Increase functional utilization 7. Decrease overcrowding 8. Energy efficiency 9. Consolidation into new facilities
Maximum Reimbursement	80.5%	

It is important to note that the building bonuses are temporary. To qualify for a building bonus, eligible projects require state approval, must commence by Dec. 30, 2023, and must be completed by Dec. 30, 2028. Unless the General Assembly extends them, the building bonuses will not be available for projects commencing after Dec. 30, 2023. State officials have indicated there is no current plan to extend the temporary building bonuses. Middletown and Newport must vote in November 2022 to regionalize their districts to qualify for temporary building bonuses before they expire.

Figure 16 shows the State Housing Aid currently available and available upon expiration of the building bonuses.



Source: RIDE

Figure 16. State Housing Aid opportunities.

The Act allows for general obligation bonds issued between January 1, 2022 and June 30, 2026, for school construction projects by both districts be provided with state aid for school housing costs at school housing reimbursement rates for regional school districts of at least 80 percent of debt service for eligible expenditures. It further states that bond anticipation notes issued by the Town of Middletown for school construction before June 30, 2026, shall qualify for at least 80 percent of debt service for eligible expenditures.

With successful elections on November 8, 2022, Middletown and Newport plan to construct four new schools and expand one. The State of Rhode Island will pay 80.5 percent of the principal and interest of bonds issued for the construction.

Middletown

On November 8, 2022, Middletown voters will consider two propositions relating to public schools:

- Regionalization with Newport Public Schools
- Authorization of \$235 million in bonds

Proceeds from the bonds would be used to construct replacements for Middletown High School and Gaudet Middle School and construct one new elementary school to replace the three existing elementary schools. Upon approval of both propositions by Middletown voters and the regionalization proposition by Newport voters, principal and interest payments on Middletown's \$235 million bond will qualify for an estimated \$361.8 million in State Housing Aid reimbursements.

Table 4. The financial impact of regionalization on Middletown.

Principal	Interest	Total Principal & Interest	No Regional District		Regional District	
			State Reimbursement 52.5%	Local Share 47.5%	State Reimbursement 80.5%	Local Share 19.5%
\$235.0M	\$214.4M	\$449.4M	–	–	\$361.8M	\$87.6M

BOTTOM LINE: If bond and regionalization pass, Middletown gets new schools.

Newport

On November 4, 2020, Newport voters approved a proposition to issue bonds totaling \$98.5 million to rebuild Rogers High School and expand Pell Elementary School. The bonds were issued in March 2022 and qualify for 52.5 percent of state housing reimbursements for a total reimbursement of \$86.2 million.

Voter approval on November 8, 2022, to regionalize Middletown and Newport public schools and Middletown approval of a \$235 million bond proposition would qualify Newport for an additional \$46 million of State Housing Aid through the Regionalization Bonus. This qualification would increase the total State Housing Aid reimbursement from \$86.2 million to \$132.2 million.

Taxpayers are currently responsible for \$78 million to pay off the bond. Regionalization would reduce that responsibility to \$32 million for principal and interest for a new Rogers High School and expanded Pell Elementary.

Table 5. The financial impact of regionalization and bond to Newport.

Principal	Interest	Total Principal & Interest	No Regional District		Regional District	
			State Reimbursement 52.5%	Local Share 47.5%	State Reimbursement 80.5%	Local Share 19.5%
\$98.5M	\$65.8M	\$164.3M	\$86.2M	\$78.0M	\$132.2M	\$32.0M

BOTTOM LINE: If regionalization passes, Newport gets \$46 million additional from the state.

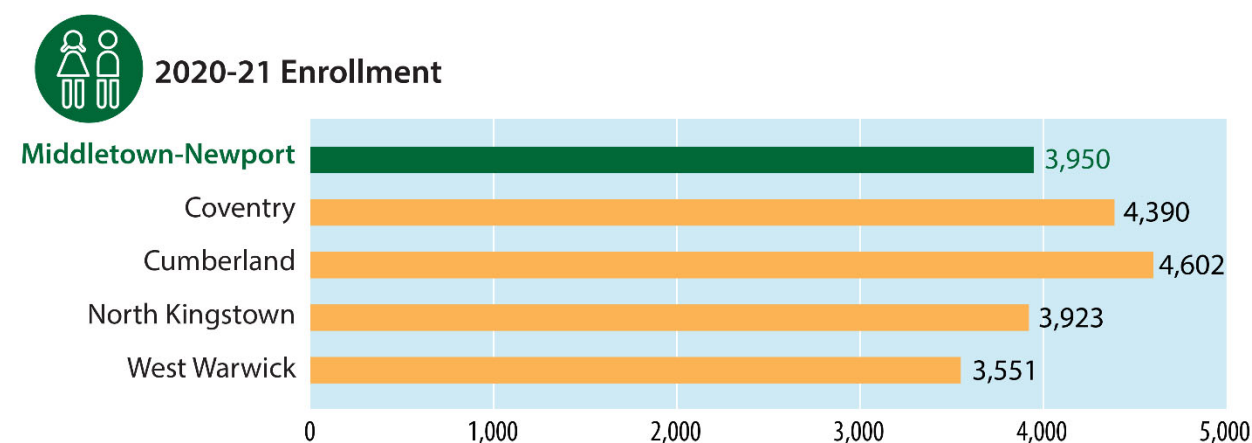
Should the proposition to regionalize the Middletown and Newport public schools fail in one or both communities, or should the \$235 million Middletown bond proposition fail, Newport taxpayers will qualify for the 52.5 percent reimbursement already approved. If the regionalization proposition fails, Middletown residents will not have the authority to issue bonds and will have to find new options to improve or replace aging schools.

Expenditure Analysis

Regionalizing the two districts offers opportunities to gain efficiencies by streamlining operations and concentrating resources on student instruction and support. The first year budget for the regionalized district would be the combination of Middletown and Newport Public School's previous years budgets. Both Middletown and Newport would be required to fund the new regional school district with at least the same budget as the previous year. This means that any operational savings gained can be reinvested into the classroom at the discretion of the regional school and finance committees.

Comparison School Districts

General operating expenditures and district operating practices were analyzed to identify potential efficiencies for a regional Middletown-Newport district. Four Rhode Island school districts were selected for the comparison group used in the expenditure analysis. The selection of the comparison districts was based on student enrollment and RIDE input. Each selected comparison district had a 2020-21 student enrollment similar to the enrollment of Middletown and Newport combined. The comparison group is made up of the Coventry, Cumberland, North Kingstown, and West Warwick school districts. The comparison groups' October 2020 enrollments are presented in Figure 17.



Source: Rhode Island Department of Education Data Center, Public Schools Enrollment Dashboard

Figure 17. Comparison of 2020-21 enrollment.

Operating Expenditures

The expenditure analysis used the Fiscal Year 2020-21 general operating expenditures and average daily membership. General operating expenditures are the day-to-day costs of running a school district, including most salaries and benefits, instructional supplies, utilities, facility maintenance, transportation, and administrative expenditures. Capital expenditures and debt services are not general operating expenditures and are excluded from the analysis. Average daily membership is the full-time equivalent (FTE) count of enrolled students across a school year.

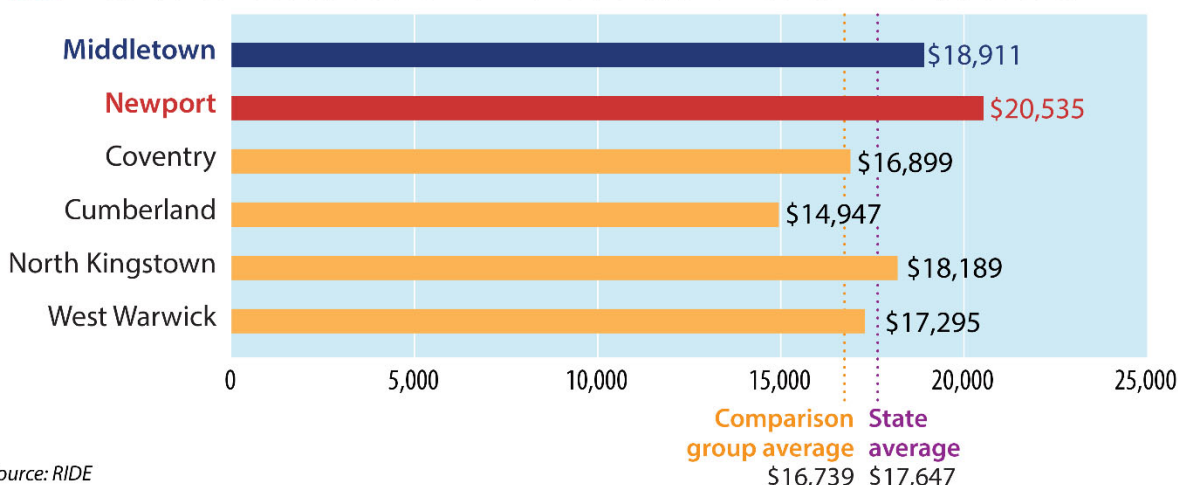
RIDE provided information for 2020-21 year-end actual General Fund revenues and expenditures, as well as 2020-21 average daily membership data for each district included in the study.

Total Middletown and Newport general operating expenditures combined were compared on a per-student basis to the average per-student expenditures of the comparison group. The comparison found that Middletown and Newport each expended more per student on general operations in the FY 2020-21 than the comparison districts and the statewide average (Figure 18).



2020-21 General operating expenditures per student

Comparison districts are all similar in size to a regional Middletown-Newport district



Source: RIDE

Figure 18. General operating expenditures per student.

Per-student operating expenditures were examined at the functional category and detailed function levels to identify areas where a combined Middletown-Newport district spent more than the comparison districts and to recognize areas where efficiencies might be possible. For financial reporting purposes, a “function” represents a general operational area in a school district, such as instruction, instructional support, or operations. RIDE defines the functions that school districts use to account for expenditures and the activities to be coded to each function, as shown in Table 6.

Table 6. Definition of functional operating areas.

Function Category	Expenditures Included
Instruction	Teachers, teacher aides, substitutes, student technology, classroom supplies, and materials
Instructional Support	Counselors, libraries, extracurricular, health services, curriculum development, staff development, program management, LSSPs, therapists, social workers
Operations	Transportation, building upkeep, maintenance, utilities, safety, business operations, technology management
Other Commitments	Public, parochial, private, and charter pass-throughs, retiree benefits, and legal claims and settlements
Leadership	School management, deputies, senior administrators, researchers and program evaluators, superintendent, and legal services

In FY 2020-21, total Middletown-Newport operating expenditures per-student exceeded the comparison group averages in each of RIDE’s five function categories. Instruction and Other Commitments were the two function categories with the greatest differences. Factors contributing to higher costs for Middletown and Newport combined include:

- Administrative and operating burdens – redundant expenditures required to operate two small districts

- Operating costs for three small elementary schools in Middletown
- Age and poor condition of existing schools
- Retiree benefits are currently carried by Newport Public Schools (note that this expenditure will be carried on the city's books beginning in FY 2024, consistent with most other RI schools)
- Small class sizes at both Middletown and Newport

District operations and administrative overhead are the areas most likely to realize efficiencies if Middletown and Newport regionalize. For example, business operations and the superintendent's function can be consolidated. Also, campus operations costs will be reduced when Middletown consolidates its three existing elementary schools into one new school.

An estimate of operating efficiencies was computed by assuming that a Middletown-Newport Regional school district spent the same amount per student as the comparison group averages. The estimate excludes classroom instructional personnel (teachers, substitutes, and teacher aides), retiree benefits, and legal claims. A summary of the efficiency estimate calculation is provided in Figure 19.

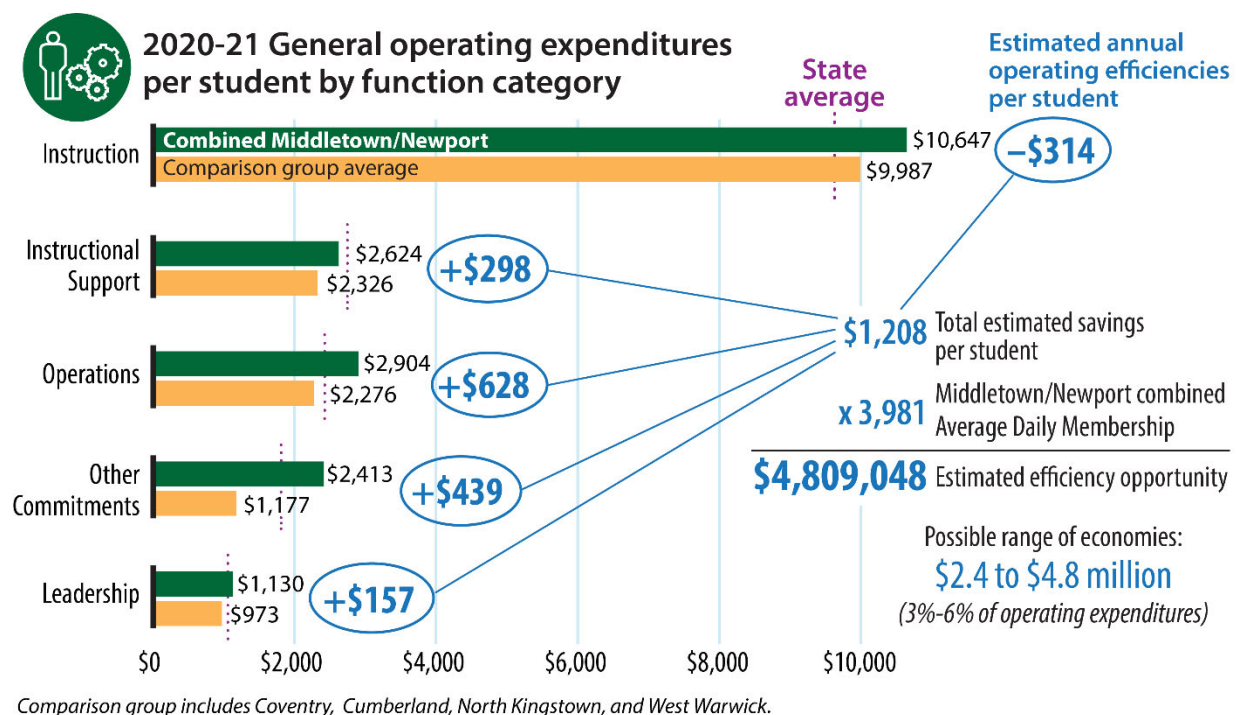


Figure 19. Summary of possible operating savings by function category.

It is estimated that a combined Middletown-Newport school district could save approximately \$1,208 per student (\$4.8 million total) on operations and overhead if the district were to operate similar to other like-sized districts in Rhode Island. A reasonable estimated range of efficiencies is \$2.4 million to \$4.8 million, which represents 3 to 6 percent of FY 2020-21 operating expenditures.

Efficiencies realized in operations and overhead can be reinvested in instruction and instructional support, including teacher salaries and expanded instructional programs. Actual efficiencies will depend on priorities and organizational choices made by the elected regional school district committee.

Summary of Findings

The financial analysis determined that merging the Middletown and Newport school districts into one regional district yields the following significant financial benefits:

Increased State Housing Aid - Regionalizing would increase the available State Housing Aid to 80.5%. This is a significant saving for both communities. Leveraging the available temporary bonuses would save Newport \$46 million dollars and allow Middletown to build new facilities. In the future, a regionalized school district would receive 67 percent state housing aid, a significant increase from the current core allotment of 35 percent for both communities

Reimbursed State Transportation Allotment – The state provides 50 percent of in-district transportation costs for regionalized school districts. The annual transportation allotment amounts to approximately \$1.1 million for the communities.

Allocated Regional District Bonus – Incremental costs incurred during the transition are offset by state funding allocations providing for approximately \$432,800 in Year 1 and \$216,400 in Year 2.

Realized Operational Efficiencies – The initial budget for the regionalized school district would allow for operational savings to be reinvested into the classroom at the discretion of the regional school and finance committees. Operational efficiencies can be achieved in administrative, maintenance and operations, technology support, program management, and supplies. These efficiencies result in approximately \$2.4 to \$4.8 million that can be leveraged to improve the student experience in the community.

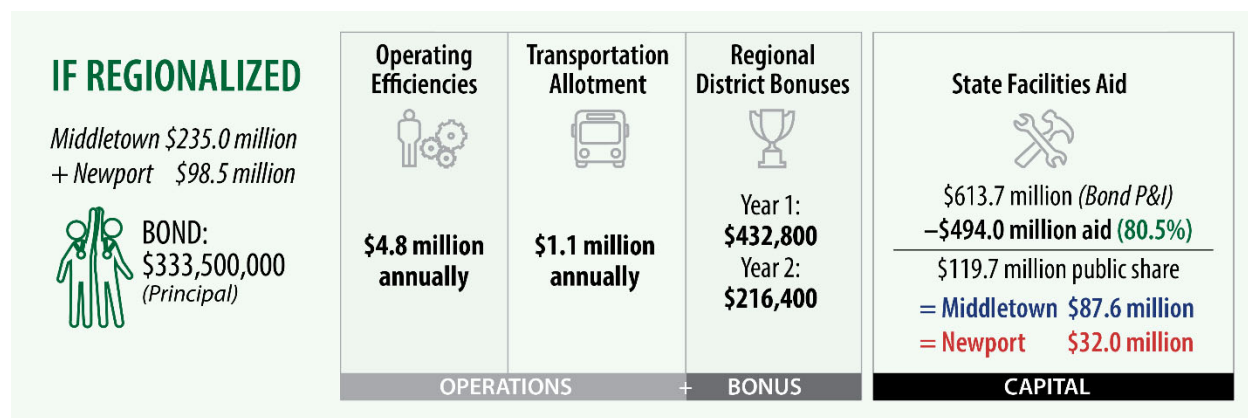


Figure 20. Financial benefits of regionalization

ACADEMIC ANALYSIS

The ultimate goal of regionalization is to improve the student experience and academic performance. The academic programming for both districts was evaluated to identify similarities and differences. Potential educational offerings that might be added to a future regionalized school district were also considered.

The team worked with the Middletown and Newport public schools to ensure a comprehensive review of the two districts' educational offerings. The review incorporated the districts' strategic and technology plans and their academic programs. The team also referenced readily available information found on the districts' websites. Based on the information provided and team members' experience, there was also a review of the practices used within the district and their alignment with known best practices for teaching and learning across the K-12 continuum.

Educational Offerings

The tables below highlight some of the unique opportunities available to middle school and high school students. In addition to educational programs, Middletown and Newport offer a variety of extracurricular offerings, including clubs, athletics, music, theater, speech, etc. Both districts offer before- and after-school programming and a wide variety of summer programs.

Table 7. Current and potential high school programs

Unique Middletown High School Programs	Unique Newport High School Programs	Potential Regionalized District Offerings
Early Enrollment Program (EEP) Dual enrollment opportunity Salve Regina University and CCRI	Pathway in Technology Early College High School (PTECH) Cybersecurity, blended learning, associates degree, mentorship, and full-time internship	Honors/college preparatory pathways
Project Lead the Way (PLTW) Manufacturing, engineering, and architecture	Newport Career and Technical Center (NACTC) 10 distinctive pathways with direct ties, merging with business and community needs Certification programs	Internships with community partners
Computer science, biomedical, and engineering	Dual enrollment with CCRI, URI, and Salve Regina Univ	21 Advanced Placement offerings 7 identical course offerings 10 additional offered between both schools with 4 additional online
Virtual High School/AP Online 5 unique AP and forensic science and criminology	JROTC	EEP
		PLTW
		Virtual offerings
		PTECH
		NACTC
		Seal of Biliteracy

Table 8. Current and potential middle school programs

Unique Middletown Middle School Programs	Unique Newport Middle School Programs	Potential Regionalized District Offerings
Extensive PLTW (STEM) programming Fine arts Athletics Spanish and French Positive behavior supports Character Counts! Anti-bullying DARE Advanced math	FACS Computer application Spanish and French Technical education Athletics Fine arts Anti-bullying PBIS–POWER STEM programming	Expand STEM opportunities; including Makerspace and STEM Lab Provide advanced courses in math, science, etc. Introduce CTE through exploratory courses Expand visual and performing arts

Summary

Opportunities exist to expand STEM, CTE, and arts courses and programs for Middletown and Newport middle and high-school students without adding new programs. A regionalized school district has the opportunity to take advantage of the current programs to benefit all students in the community. A strategic plan will be necessary to

- identify administrative savings so that additional investments can be made in the classroom
- define specific strategies to expand access to existing programs and activities
- consider innovative programs and activities to supplement or supplant existing ones

This preliminary review of the academic courses offered in Middletown and Newport indicates an even more well-rounded student experience exists in a regional context.

OPPORTUNITIES FOR CONSIDERATION

After understanding the current state of education in Middletown and Newport, financial incentives afforded by the State of Rhode Island, community input, and industry best practices, the team identified opportunities that could be leveraged by a regional school district. These opportunities will assist stakeholders in strategically investing in facility improvements and educational programs to advance the learning environment.

Financial opportunities have been outlined that leverage current State Housing Aid reimbursement, realize operational efficiencies, and establish good business practices for the regionalized school district.

Both Middletown and Newport provide robust academic programming for their students. Combining academic programs will allow the regionalized school district to take advantage of each district's unique offerings to serve students best.

Finally, the opportunities outlined detail strategies that guide the regional school district leadership to improve educational facilities and student experience.

Financial Recommendations

Financial recommendations for consideration are based on the available operating funding data, State Housing Aid reimbursement, and other regionalization incentives. It has been established that the initial budget for a regionalized school district would be the combined current budget of Middletown and Newport public schools. This continuum of effort allows the regional school district to improve the student experience with any realized financial efficiencies.

Finance policies, budget framework, and organization of operations departments are among the matters to be established by the new regional district. To yield the greatest value for the students of Middletown and Newport, the regionalized school district should consider the following financial strategies.

Reinvest Operational Efficiencies

The first year budget for the regionalized district would be the combination of Middletown and Newport Public School's previous years budgets. Both Middletown and Newport would be required to fund the new regional school district with at least the same budget as the previous year. This means that any operational savings gained can be reinvested into the classroom at the discretion of the regional school and finance committees.

The analysis and comparison to similarly sized school districts revealed that operational efficiencies through a regionalized school district are possible. The identification of operational efficiencies should focus on administrative, maintenance and operations, technology support, program management, and supplies. Any operational efficiencies gained should be reinvested to improve the student experience.

Implement a Finance System

The team recommends the communities contract an independent consultant with experience in finance system implementations to lead the planning and implementation of the regional district's finance system. Ideally, the consultant would be contracted promptly after voter approval of regionalization to help promote an orderly implementation of new finance systems, procedures, and possibly new enterprise system (i.e., business software system). Careful implementation of the finance system is critical to ensure that payroll, vendor payments, and accounting transactions are correct and processed on time.

Build Budget Process

A new regionalized district needs to implement a budget process using student allotments, staffing ratios for campus-based positions (for teachers, counselors, teaching assistants, custodians, etc.), and zero-based department budgeting. Using per-student allotments and staffing ratios for campus operating budgets helps ensure that basic needs are funded equitably across a district. Categorical and supplemental grant resources should also be distributed across campuses for special programs and student population needs, such as special education and career-tech programs.

Reallocate Services

In FY 2020-21, Middletown and Newport combined spent \$628 more per student (or \$2.5 million total) than the comparison group average for services in the Operations function category. Regionalizing offers opportunities to operate more efficiently. The regional district will be twice the size of either individual district, which should warrant better unit pricing for outsourced goods and services.

A variety of service arrangements currently exist. For example, Middletown and Newport use the same contractor for student transportation services. Both use outside maintenance companies as needed. Newport outsources technology security and infrastructure, while Middletown performs most technology services in-house. Middletown is a member of the Newport County Regional Special Education consortium, along with two other school districts, while Newport provides most of its special education services in-house.

Strategically allocating services for the regionalized district may allow additional cost savings to be gained and reinvested in the student experience. Some choices, such as maintenance, can be made in due time after the regional district begins operations. Other services, such as technology infrastructure, will need to be decided on and merged much sooner after the regional district begins operations.

Engage Community

Standing committees must be established to engage community stakeholders in financial planning:

- **Citizens Budget Committee** - To provide recommendations relating to general operating budgets and long-range financial planning to support the district's strategic priorities. The committee reviews district strategic priorities, cost drivers, collective bargaining agreements, state funding formulas and program mandates, financial projections, and preliminary budget estimates
- **Citizens Bond Oversight Committee** - To review the progress of bond programs, including project status, project expenditures vs. budget, and upcoming project timelines.

Citizen committees are avenues for the district administration and school committee to gather community input that informs key decisions. They should meet regularly and report findings and recommendations to the regional school committee at least annually.

Engaging community stakeholders in the district's financial work creates transparency and builds confidence in the district's use of public resources. Through their service, committee members develop an understanding of state mandates, education funding systems, district operations, and challenges.

Consolidate Central Administration Office

The regionalized district should consolidate curriculum and administrative departments into one building by July 1, 2024. If possible, select a building with a meeting room(s) and a district committee room. Sell, lease, or repurpose the vacated site(s). Operating from one central location will increase the ability to collaborate and do business efficiently for district employees, vendors, and parents.

Academic Recommendations

Academic recommendations for consideration are based on the available information related to the districts' current academic offerings, strategic plans, and partnerships with other educational entities and program providers. Upon regionalization, a review of the core curriculum across the primary grades and through middle school may provide continuity of learning to afford students access at the high school level to the expansive educational offerings provided at and through the two high schools.

Current districts' policies that limit students' access to the different programs can be reviewed and modified to ensure the student is the beneficiary of the regional district. Professional development and alignment of practice can provide greater depth and breadth of support for staff and may have a positive impact on academic outcomes for students. To yield the greatest value for the students of Middletown and Newport, the regionalized school district should consider the following academic strategies.

Ensure Access to Programming

The most significant opportunity is being open to reviewing the current programming at all levels and making positive and upward adjustments while being focused on best practices in both districts based on what is best for students. The next greatest opportunity is to allow access to all of the options available to high students in both districts. By aligning calendars and creating policies allowing students to attend classes at either high school, it provides students and families a chance to prepare students for what college or career they choose after graduation. This is a unique opportunity to combine the resources of two high schools that have approached student needs a little differently to now come together and provide those opportunities for all students regardless of their current high school.

Provide Universal PreKindergarten Options

A focus on young families is an opportunity to impact the youngest learners in the community. Studies have shown that high-quality PreK improves short and long-term educational outcomes. Both districts currently provide summer, before/after-school programming, and childcare. The next logical step is to invest in PreK for all children. PreKindergarten programming can be provided in many ways, but the key is to provide options for the busy families in both communities.

Align Operations

The ability to leverage the talents of both districts for the benefit of all students afford the regional district to focus all resources thoughtfully. Current policies and operations should be reviewed and revised to ensure the focus remains on what is best for all students. District calendar, transportation, and grading periods will need to be aligned and coordinated in such a way that allows all students to maximize the educational opportunities offered. Collaborating and developing a strategic plan for the regional school district will allow stakeholders to take ownership of the goals and objectives. Additionally, collaborating on professional development, technology, and communications plans offers the regional school district the opportunity to consolidate resources to better serve students. Finally, transparency and a communications plan will be critical to the successful transition to a regional school district.

Strategic Recommendations

The following strategic recommendations are opportunities for the regionalized school district. They provide guidance to promote a positive transition, improve fiscal stewardship, and support student education.

Focus on Student Achievement

Case studies across the country indicate that an intentional focus on student achievement throughout the regionalization process promotes a positive environment for students to thrive. It is recommended that, ahead of all meetings and decisions, leadership be reminded of the intent and mission of the school district.

Create Transition Teams

A transition team comprised of members from both committees should be established to develop a strategic plan to be presented to the newly elected regional school committee for approval. The transition team may be divided into various subcommittees working in tandem. It is recommended that throughout the process, the community at large is engaged to provide input and review information. Utilizing data collected, community input, and best practices, the transition team develops strategic master plans that provide the regional school committee guidance for the overall direction of the regional school district. Figure 21 outlines a suggested high-level timeline of events leading up to the election of the regional school committee.

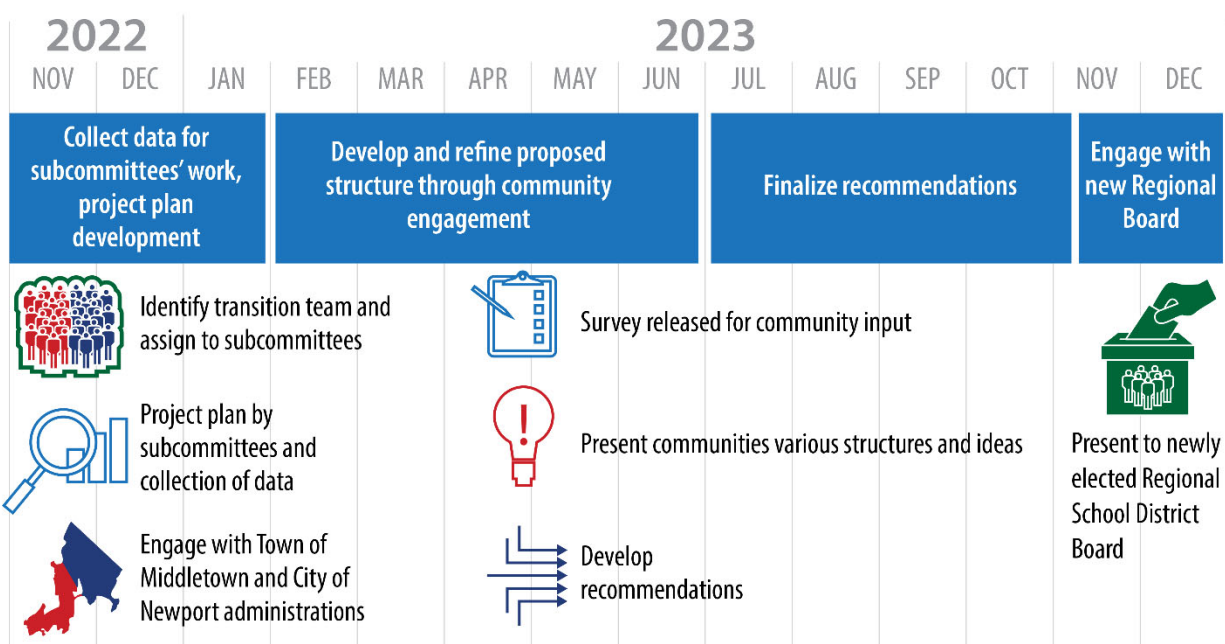


Figure 21. Timeline for a potential Regionalization Transition Team.

Develop a Strategic Academic and Facility Master Plans

A robust planning process should be embarked on, as outlined in the Rhode Island School Construction Regulations. It is recommended that the following process be used to create well-informed strategic plans:

- Educational Vision
- Enrollment Analysis
- Previous Strategic Plan Analysis
 - Measures of Success
 - Lessons Learned
- Educational/extracurricular programs
- Facility Condition Assessment
- Community Engagement

Engage Steering Committee

The steering committee is the community's representative for data review and participation in larger community engagement sessions. The steering committee guides the process and represents the best interest of the district as a whole. Additionally, the impact on each community and individual school should be considered. Each committee member is responsible for being a communicator of the vision and process and being able to enter into discussions with a larger audience. This group should be engaged from the beginning of the planning process until a strategic plan is created.

Align Staff with Student Needs

The regionalized district should staff with fidelity to established staffing ratios to help control costs. Payroll is the largest expense for any school district and teacher salaries make up the lion's share of total payroll. Staffing discipline is essential to budget control. Evaluate class sizes approximately three weeks after school begins each year to determine whether schools are efficiently staffed. If actual class sizes are significantly below the staffing ratio, consider not filling vacant teacher positions and adjusting the staffing ratio the following year. Small class sizes are appropriate for specific courses and programs; however, small classes for the general education program are costly and inefficient.

SUMMARY

On November 8, 2022, Middletown and Newport voters will vote on a proposition to merge their two school districts into one regional district. Middletown voters will also consider a \$235 million bond proposition to construct three new schools. If both propositions are approved, a transition team of stakeholders from both communities will be formed to develop recommendations for various policies, systems, and operations needed for the new regional district.

As a result of regionalization, both communities will realize benefits educationally and financially. Through regionalization, Newport will realize an additional \$46 million in state reimbursement for the Rogers High School and Pell Elementary School construction projects. In addition to regionalizing the schools, Middletown must authorize a \$235 million bond. Initial plans for the bond program are to construct replacements for Middletown High School and Gaudet Middle School and construct one new elementary school to replace the three existing elementary schools. Regionalization must pass in order for Middletown to realize State Housing Aid necessary to take on the \$235 million bond and for Newport to receive an additional \$46 million in State Housing Aid Reimbursement.

Benefits

The study identified known and potential benefits. The Act provides the newly regionalized school district the freedom to make all capital, operating, and educational decisions once the district is established. The known benefits include increased capital funding from the state, allowing for new school construction, and a transportation allotment. The possibilities for gaining operational efficiencies and providing additional educational programs will be at the discretion of the regional school and finance committees.

Opportunities

The opportunities for consideration present three types of recommendations, shown in Table 9, to guide the future regionalized school district. These opportunities will assist stakeholders in strategically investing in facility improvements and educational programs to advance the learning environment.

Table 9. Recommendations for Consideration

Financial	Academic	Strategic
<ul style="list-style-type: none"> • Reinvest operational efficiencies • Implement a finance system • Build budget process • Reallocate services • Engage community • Consolidate central administration office 	<ul style="list-style-type: none"> • Ensure access to programming • Provide universal prekindergarten • Align operations 	<ul style="list-style-type: none"> • Focus on student achievement • Create transition teams • Develop strategic academic and facility master plans • Engage steering committee • Align staff with student needs

CLOSING STATEMENT

We must thank Commissioner Angelica Infante-Green, the Rhode Island General Assembly, the Rhode Island Department of Elementary and Secondary Education, and the community and staff of the Town of Middletown, City of Newport, Middletown Public Schools, and Newport Public Schools for their assistance throughout this process. The information provided was extremely valuable in conducting this study. Without access to educational programming, financial information, and community input, this study would not have been possible.

The intent of this report is to maximize financial and academic opportunities for the children of Middletown and Newport public schools. Most children spend a significant part of their lives in public school buildings. Middletown and Newport have the opportunity through regionalization to capitalize on state reimbursements and realize operational efficiencies to provide students with the best facilities and education programs possible. Every student and teacher deserves to learn in a healthy environment and have the opportunity to participate in positive and high-quality educational programs.

This analysis provides Middletown and Newport with the information needed to set up a regional school district for success. The opportunities identified will allow the regional school district to leverage available state reimbursement and maximize educational opportunities to better serve the students in Middletown and Newport.

Leveraging the opportunity to regionalize Middletown and Newport public schools, the community has the unique ability to improve the facilities in which children learn and expand the student experience. Upon voter approval, the community should engage stakeholders in developing a strategic master plan for presentation to the elected regional school committee. Only through collaboration and commitment from town and city leadership and the school committee can the opportunities outlined in this report be leveraged to provide high-quality learning environments and improve the student experience.

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