

2016 -- S 2739

=====
LC005250
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

—————
A N A C T

RELATING TO EDUCATION - FUNDING OF CHARTER PUBLIC SCHOOLS

Introduced By: Senators Pearson, Satchell, Picard, Miller, and Lombardi

Date Introduced: March 10, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 16-7.2-4 and 16-7.2-5 of the General Laws in Chapter 16-7.2
2 entitled "The Education Equity and Property Tax Relief Act" are hereby amended to read as
3 follows:

4 **16-7.2-4. Determination of state's share.** -- (a) For each district, the state's share of the
5 foundation education aid calculated pursuant to § 16-7.2-3(a) shall use a calculation that
6 considers a district's revenue generating capacity and concentration of high-need students. The
7 calculation is the square root of the sum of the state share ratio for the community calculation
8 (SSRC), pursuant to § 16-7-20, squared plus the district's percentage of students eligible for
9 USDA reimbursable school meals in grades PK-6 (PK6FRPL) squared, divided by two.

10 (b) For purposes of determining the state's share, school district student data used in this
11 calculation shall include charter school and state school students. These ratios are used in the
12 permanent foundation education aid formula calculation described in § 16-7.2-5. [Provided,](#)
13 [effective July 1, 2016, the state shall fund mayoral academies for both state and local shares,](#)
14 [pursuant to the provisions of this chapter.](#)

15 **16-7.2-5. Charter public schools, the William M. Davies, Jr. Career and Technical**
16 **High School, and the Metropolitan Regional Career and Technical Center.** -- (a) Charter
17 public schools defined in chapter 77 of this title, the William M. Davies, Jr. Career and Technical
18 High School (Davies) and the Metropolitan Regional Career and Technical Center (the Met
19 Center) shall be funded pursuant to § 16-7.2-3, [except as provided for in subsections \(c\),\(d\), and](#)

1 [\(e\) of this section](#). If the October 1 actual enrollment data for any charter public school shows a
2 ten percent (10%) or greater change from the prior year enrollment which is used as the reference
3 year average daily membership, the third and fourth quarter payments to the charter public school
4 will be adjusted to reflect actual enrollment. The state share of the permanent foundation
5 education aid shall be paid by the state directly to the charter public schools, Davies, and the Met
6 Center pursuant to § 16-7.2-9 and shall be calculated using the state share ratio of the district of
7 residence of the student as set forth in § 16-7.2-4. The department of elementary and secondary
8 education shall provide the general assembly with the calculation of the state share of permanent
9 foundation education aid for charter public schools delineated by school district. The department
10 shall also provide the general assembly a performance dashboard indicating the per-pupil
11 expenditures of each school district and charter school broken down by revenue sources and
12 expenditure categories. The department shall provide, within the same dashboard, student
13 performance indicators for each school district or charter school. The local share of education
14 funding, as defined by the department of elementary and secondary education and approved by
15 the General Assembly, shall be paid to the charter public school, Davies, and the Met Center by
16 the district of residence of the student and shall be the local per-pupil cost calculated by dividing
17 the local appropriation to education from property taxes, net of debt service and capital projects,
18 as defined in the uniform chart of accounts by the average daily membership for each city and
19 town, pursuant to § 16-7-22, for the reference year.

20 (b) Local district payments to charter public schools, Davies, and the Met Center for
21 each district's students enrolled in these schools shall be made on a quarterly basis in July,
22 October, January and April; however, the first local district payment shall be made by August 15
23 instead of July. Failure of the community to make the local district payment for its student(s)
24 enrolled in a charter public school, Davies, and/or the Met Center may result in the withholding
25 of state education aid pursuant to § 16-7-31.

26 [\(c\) Effective July 1, 2016, the state shall fund the state and local share for all mayoral](#)
27 [academies as calculated under §§16-7.2-3, 16-7.2-4, and 16-7.2-5. The local share shall be paid](#)
28 [by the state, not the sending district.](#)

29 [\(d\) Charter public schools other than mayoral academies, including district and](#)
30 [independent charter public schools, which are in existence as of July 1, 2016, shall continue to be](#)
31 [funded pursuant to the provisions of this section, but in the event such charter public schools seek](#)
32 [to expand beyond what has already been approved by the board of education, the council on](#)
33 [elementary and secondary education, or a successor to such entities, then such expansion shall be](#)
34 [subject to the provisions of subsection \(e\) of this section.](#)

1 (e) As to any proposed new charter public school or any existing charter public school
2 which is seeking to expand at any time after July 1, 2016, such schools shall be funded either in
3 full by the state or by the state paying its share pursuant to §16-7.2-4 and the sending district(s)
4 paying the local share calculated pursuant to §16-7.2-5(a). The department of elementary and
5 secondary education shall establish a dual pathway application process for such proposed charter
6 public schools. Provided:

7 (i) A proposed new charter public school or an existing charter public school seeking to
8 expand which seeks funding in full from the state shall need the approval of the commissioner of
9 education, the council on elementary and secondary education, and the general assembly in order
10 to open or expand; and

11 (ii) A proposed new charter public school or an existing charter public school seeking to
12 expand which seeks funding from both the state and the local sending district(s) shall require the
13 approval of the commissioner of education, the council on elementary and secondary education,
14 and the city or town council of each of the local sending districts identified in the school's
15 application or proposal, in order to open or expand.

16 SECTION 2. Chapter 16-7.2 of the General Laws entitled "The Education Equity and
17 Property Tax Relief Act" is hereby amended by adding thereto the following sections:

18 **16-7.2-11. Municipal core instruction fund. -- (a) Findings.**

19 (1) Core education spending includes teachers' salaries, textbooks, and programming,
20 and other elements required as part of the state's basic education program.

21 (2) Non-core education spending includes a variety of services ancillary to but necessary
22 to the operation of a public school system and include elements such as, but not limited to, food
23 service, busing, maintenance, and charter school tuitions.

24 (3) The general assembly recognizes that when faced with financial and other mounting
25 pressures by the increasing cost of high-quality public education, some communities have not met
26 their share of both core education and non-core educational spending.

27 (b) Establishment of municipal education incentive fund. The general assembly hereby
28 establishes the municipal education incentive fund, hereinafter referred to in this chapter as the
29 "incentive fund," to improve the ability of cities and towns to support core instructional activities
30 through local expenditures, while also ensuring that local education agencies ("LEAs") are
31 limiting the amounts they spend on non-core expenses.

32 **16-7.2-12. Operation of fund. -- (a) As used herein, the term "eligible school district or**

33 LEA" means a school district or local education agency which receives funds through the state
34 funding formula established in §16-7.2-3.

1 (b) Eligible school districts and LEAs shall receive:

2 (1) One dollar (\$1.00) in aid for each dollar by which the municipality increases its local
3 contribution to its local share of the total foundation education in excess of the amount expended
4 in the immediately preceding fiscal year, provided the municipality is currently underfunding the
5 local share of the core amount; and

6 (2) One dollar (\$1.00) in aid for each dollar reduction in non-core expenditures the
7 district or LEA makes in comparison to the amount expended in the immediately preceding fiscal
8 year.

9 (c) The department of elementary and secondary education (the "department") shall
10 prorate the funds available for distribution among those eligible school districts if the total
11 eligible adjustments for which school districts and LEAs are seeking reimbursement exceed the
12 amount of funding available in any fiscal year.

13 (d) The department shall promulgate rules and regulations to implement the provisions of
14 this section.

15 SECTION 3. Section 16-77-5.1 of the General Laws in Chapter 16-77 entitled
16 "Establishment of Charter Public Schools [See Title 16 Chapter 97 - The Rhode Island Board of
17 Education Act]" is hereby amended to read as follows:

18 **16-77-5.1. Oversight by commissioner.** -- (a) Individuals or groups may complain to a
19 charter public school's governing body concerning any claimed violation of the provisions of this
20 chapter by the school. If, after presenting their complaint to the governing body, the individuals
21 or groups believe their complaint has not been adequately addressed, they may submit their
22 complaint to the commissioner who shall hear and decide the issue pursuant to §§ 16-39-1 and
23 16-39-2. Provided, the term "charter public schools" as used herein means and includes district
24 charter schools, independent charter schools, or mayoral academies, as defined by §16-77-2.1.

25 (b) Charter public school approval for establishment or continuation shall be for up to a
26 five (5) year period. In either case, ~~board of regents~~ approval of the council on elementary and
27 secondary education is required. However, the charter may be revoked at any time if the school:

- 28 (1) Materially violates provisions contained in the charter;
29 (2) Fails to meet or pursue the educational objectives contained in the charter;
30 (3) Fails to comply with fiscal accountability procedures as specified in the charter;
31 (4) Violates provisions of law that have not been granted variance by the board of
32 regents; or

33 (5) After three (3) consecutive years of operation, is not a "high-performing charter
34 school," defined as a charter public school that has demonstrated overall success, including: (i)

1 Substantial progress in improving student achievement; and (ii) The management and leadership
2 necessary to establish a thriving, financially viable charter public school.

3 (c) After denying or prior to non-renewing or revoking a charter, the department of
4 elementary and secondary education will hold a hearing on the issues in controversy under § 16-
5 39-1.

6 (d) The establishment of new charter public schools or the expansion of existing charter
7 public schools, which establishment or expansion has not been approved prior to (the effective
8 date of this act), shall be ~~contingent upon state approval and appropriation.~~ subject to a dual-path
9 application process as follows:

10 (i) A proposed new charter public school or an existing charter public school seeking to
11 expand which seeks funding in full from the state shall need the approval of the commissioner of
12 education, the council on elementary and secondary education, and the general assembly in order
13 to open or expand; and

14 (ii) A proposed new charter public school or an existing charter public school seeking to
15 expand which seeks funding from both the state and the local sending district(s) shall require the
16 approval of the commissioner of education, the council on elementary and secondary education,
17 and the city or town council of each of the local sending districts identified in the school's
18 application or proposal, in order to open or expand.

19 (e) On and after July 1, 2016, any new charter public school or any proposed expansion
20 of an existing charter public school shall need to receive final approval from the council on
21 elementary and secondary education on or before May 15 in order to be eligible for state
22 education aid, provided pursuant to chapter 7.2 of title 16 ("the education equity and property tax
23 relief act") for the new school or the expanded school, in the subsequent fiscal year.

24 SECTION 4. Sections 16-77.4-2, 16-77.4-3 and 16-77.4-5 of the General Laws in
25 Chapter 16-77.4 entitled "Mayoral Academies [See Title 16 Chapter 97 - The Rhode Island Board
26 of Education Act]" are hereby amended to read as follows:

27 **16-77.4-2. Procedure for creation of a mayoral academy. --** (a) Any persons or entities
28 eligible to establish a mayoral academy may submit a proposed charter to the commissioner. The
29 proposed charter shall:

30 (1) Be submitted to the commissioner no later than December 1st of the school year
31 before the school year in which the mayoral academy is to be established;

32 (2) Describe a plan for education, including the mission, objective, method of providing
33 a basic education, measurable student academic goals that the mayoral academy will meet, and
34 process for improving student learning and fulfilling the charter and fulfilling state and national

1 educational goals and standards;

2 (3) Provide a minimum of one hundred eighty (180) days of instruction to students per
3 year;

4 (4) Indicate performance criteria that will be used to measure student learning and to
5 comply with the charter, state, and national educational goals and standards;

6 (5) Include an agreement to provide a yearly report to parents, the community, the school
7 committee of the sending districts, and the commissioner, which indicates the progress made by
8 the mayoral academy during the previous year in meeting the charter objectives;

9 (6) Present a plan for the governance, administration, and operation of the mayoral
10 academy, including the manner in which the governing board of the school will be chosen, the
11 nature and extent of parental, professional educator, and community involvement in the
12 governance and operation of the mayoral academy, and the means of ensuring accountability to
13 the commissioner, the sending school district(s), and the board of regents;

14 (7) Identify the building that will house the mayoral academy and from whom and under
15 what terms and conditions it is to be provided;

16 (8) Describe what support services will be provided by the sending school district(s) and
17 under what terms and conditions those services are to be provided, and describe what support
18 services the mayoral academy will obtain directly from third parties and, to the extent known,
19 under what terms and conditions those services are to be provided;

20 (9) Explain the procedures that will be followed to ensure the health and safety of pupils
21 and staff;

22 (10) Describe enrollment procedures including the permissible criteria for admission in
23 accordance with applicable state and federal law, along with a policy or policies that outline
24 outreach and recruitment programs to encourage the enrollment of a diverse student population;

25 (11) Explain the student discipline procedures;

26 (12) Explain the relationship that will exist between the proposed mayoral academy and
27 its employees, including the terms and conditions of employment and the qualifications that the
28 employees must meet. Teachers and administrators in mayoral academies must be certified
29 pursuant to state law and regulation.

30 (13) Each mayoral academy established pursuant to this chapter may, by written notice
31 to the commissioner of elementary and secondary education, elect to have this subsection apply
32 (or not apply) to its teachers, administrators, and employees:

33 (i) Teachers and administrators in a mayoral academy shall be entitled to prevailing
34 wages and benefits as enjoyed by other public school teachers and administrators;

1 (ii) Teachers and administrators in a mayoral academy shall be entitled to participate in
2 the state teachers' retirement system under chapter 8 of title 36;

3 (iii) Employment in a mayoral academy shall be considered "service" as that term is
4 defined in chapter 16 of this title.

5 (14) Identify with particularity the state laws, state regulations, and school district rules
6 from which variances are sought in order to facilitate operation of the mayoral academy. Explain
7 the reasons for each variance and the alternative method by which the concern that gave rise to
8 the regulation or provision will be addressed;

9 (15) Provide a financial plan including a proposed budget for the term of the charter, and
10 an annual audit of the financial and administrative operations of the mayoral academy, and the
11 manner in which the funds allocated to the mayoral academy will be managed and disbursed;

12 (16) Provide procedures by which teaching personnel and parents can legally challenge
13 decisions of the governing board of the mayoral academy which do not conform to the mayoral
14 academy's charter; ~~and~~

15 (17) Provide a copy of the proposed bylaws of the mayoral academy; ~~and~~

16 (18) Provide a fiscal impact statement which details the anticipated fiscal impact of the
17 mayoral academy on the state budget if the mayoral academy is permitted to operate and grows to
18 its highest projected enrollment for the five (5) year period following approval.

19 **16-77.4-3. Process for consideration of proposed charter.** -- (a) If the commissioner
20 finds the proposed charter to be incomplete, further information may be requested and required.
21 The commissioner shall develop regulations for amending an approved charter, consistent with
22 the provisions of this chapter.

23 (b) After having received a satisfactory proposed charter, the commissioner will provide
24 for a public comment period of not less than sixty (60) days, during which they will hold at least
25 two (2) public hearings on the proposed charter. These hearings will be held in the district where
26 the proposed mayoral academy is to be located. Any person may file with the committee and/or
27 the commissioner comments, recommendations, and/or objections relevant to the granting of a
28 charter.

29 (c) The commissioner will decide whether to recommend the granting of the charter to
30 the board of regents within ninety (90) days after the conclusion of the public comment period.

31 (d) If the commissioner recommends the granting of the proposed charter, the matter
32 shall be referred to the ~~board of regents~~ council on elementary and secondary education
33 (hereinafter referred to as the "council") for a decision on whether to grant a charter. The ~~board of~~
34 ~~regents~~ council may grant a charter for a period of up to five (5) years. In making its decision, the

1 [council shall consider among its deliberations the fiscal impact of the school on the state's](#)
2 [finances and budget.](#) The decision of the ~~board of regents,~~ [council,](#) complete with reasons and
3 conditions, shall be made available to the public and to the applicant. Charter public school
4 approval for establishment or continuation shall be for up to a five (5) year period. At the
5 conclusion of each five (5) year period, the ~~board of regents~~ [council](#) may conduct a subsequent
6 review of the mayoral academy's charter. If the ~~board of regents~~ [council](#) does not conduct such a
7 review, the charter shall renew for another five (5) year period. The commissioner, with approval
8 of the ~~board of regents~~ [council,](#) shall promulgate rules and regulations for these five (5) year
9 reviews.

10 (e) The commissioner, with the approval of the ~~board of regents~~ [council,](#) may grant a
11 variance to any provision of title 16 other than those enumerated in § 16-77.4-7 and to any
12 department of education regulation and to any school district regulation which does not affect the
13 health and safety or civil rights of pupils in a mayoral academy.

14 (f) All proposed charters shall be matters of public record and will be provided to
15 members of the public upon request.

16 **16-77.4-5. Budgets and funding.** -- (a) It is the intent of the general assembly that
17 funding pursuant to this chapter shall be neither a financial incentive nor a financial disincentive
18 to the establishment of a mayoral academy. Funding for each mayoral academy shall consist of
19 state revenue and municipal or district revenue in the same proportions that funding is provided
20 for other schools within the sending school district(s). [Provided, effective July 1, 2016, the state](#)
21 [of Rhode Island shall assume all funding of charter public schools pursuant to §16-7.2-5.](#)

22 (b) The amount of funding which shall be allocated to the mayoral academy by the
23 sending school district(s) shall be equal to a percentage of the total budgeted expenses of the
24 sending school district(s) which is determined by dividing the number of students enrolled in the
25 mayoral academy by the total resident average daily number of students in the sending school
26 district(s). [Provided, effective July 1, 2016, the state of Rhode Island shall assume all funding of](#)
27 [charter public schools pursuant to §16-7.2-5, and the local school district shall have no obligation](#)
28 [to provided funding to a mayoral academy.](#)

29 (c) Funding additional to that authorized from the sending school district(s) by subsection
30 (b) may be allocated to the mayoral academy from the sending school district(s) to the extent that
31 the combined percentage of students eligible for free or reduced cost lunch, students with limited
32 English proficiency, and students requiring special education exceed the combined percentage of
33 those students in the sending school district(s) as a whole. The commissioner shall promulgate
34 rules and regulations consistent with this section regarding the allocation of funds from sending

1 school districts to mayoral academies. Provided, effective July 1, 2016, the state of Rhode Island
2 shall assume all funding of charter public schools pursuant to §16-7.2-5.

3 (d) A mayoral academy shall be eligible to receive other aids, grants, Medicaid revenue,
4 and other revenue according to Rhode Island law, as though it were a school district. Federal aid
5 received by the state shall be used to benefit students in a mayoral academy, if the school
6 qualifies for the aid, as though it were a school district.

7 (e) A mayoral academy may negotiate and contract directly with third parties for the
8 purchase of books, instructional materials, and any other goods and services, ~~which are not being~~
9 ~~provided by the sending school district(s) pursuant to the charter.~~

10 (f) ~~Any career/technical charter public school enrolling special education students from~~
11 ~~outside school districts with verifiable individual education program (IEP) designations shall~~
12 ~~receive from the sending school district(s) the average per pupil special education cost of the~~
13 ~~sending district(s), in accordance with standards established by the Rhode Island department of~~
14 ~~elementary and secondary education.~~

15 SECTION 5. This act shall take effect upon passage.

=====
LC005250
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO EDUCATION - FUNDING OF CHARTER PUBLIC SCHOOLS

1 This act would: (1) Provide that mayoral academies would be funded in full by the state
2 for both core and non-core expenditures; (2) Provide a dual-path application process for charter
3 schools other than mayoral academies to be funded either in full by the state, or by both local
4 communities and the state; (3) Require applicants for mayoral academies to provide a fiscal
5 impact statement which details the anticipated fiscal impact of the mayoral academy on the state
6 budget if the mayoral academy is permitted to operate and grows to its highest projected
7 enrollment for the five year period following approval; (4) Establish a municipal core instruction
8 fund to improve the ability of cities and towns to support core instructional activities through
9 local expenditures; and (5) Provide that local city and town councils would have the opportunity
10 to approve applications for new charter public schools or the expansion of charter public schools
11 in their communities if the charter public schools are seeking to be funded by the local
12 communities.

13 This act would take effect upon passage.

=====
LC005250
=====