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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO EDUCATION - THE EDUCATION EQUITY AND PROPERTY TAX RELIEF  
ACT

Introduced By: Senator Roger Picard

Date Introduced: February 01, 2017

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-7.2-6 of the General Laws in Chapter 16-7.2 entitled "The  
2 Education Equity and Property Tax Relief Act" is hereby amended to read as follows:

3 **16-7.2-6. Categorical programs, state funded expenses.**

4 In addition to the foundation education aid provided pursuant to § 16-7.2-3, the  
5 permanent foundation education-aid program shall provide direct state funding for:

6 (a) Excess costs associated with special education students. Excess costs are defined  
7 when an individual special education student's cost shall be deemed to be "extraordinary".  
8 Extraordinary costs are those educational costs that exceed the state-approved threshold based on  
9 an amount above five times the core foundation amount (total of core-instruction amount plus  
10 student success amount). The department of elementary and secondary education shall prorate the  
11 funds available for distribution among those eligible school districts if the total approved costs for  
12 which school districts are seeking reimbursement exceed the amount of funding appropriated in  
13 any fiscal year; and the department of elementary and secondary education shall also collect data  
14 on those educational costs that exceed the state-approved threshold based on an amount above  
15 four (4) times the core-foundation amount.

16 (b) Career and technical education costs to help meet initial investment requirements  
17 needed to transform existing, or create new, comprehensive, career and technical education  
18 programs and career pathways in critical and emerging industries and to help offset the higher-

1 than-average costs associated with facilities, equipment maintenance and repair, and supplies  
2 necessary for maintaining the quality of highly specialized programs that are a priority for the  
3 state. The department shall develop criteria for the purpose of allocating any and all career and  
4 technical education funds as may be determined by the general assembly on an annual basis. The  
5 department of elementary and secondary education shall prorate the funds available for  
6 distribution among those eligible school districts if the total approved costs for which school  
7 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

8 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten  
9 programs. The department shall recommend criteria for the purpose of allocating any and all early  
10 childhood program funds as may be determined by the general assembly;

11 (d) Central Falls, Davies, and the Met Center Stabilization Fund is established to assure  
12 that appropriate funding is available to support their students. Additional support for Central Falls  
13 is needed due to concerns regarding the city's capacity to meet the local share of education costs.  
14 This fund requires that education aid calculated pursuant to § 16-7.2-3 and funding for costs  
15 outside the permanent foundation education-aid formula, including, but not limited to,  
16 transportation, facility maintenance, and retiree health benefits shall be shared between the state  
17 and the city of Central Falls. The fund shall be annually reviewed to determine the amount of the  
18 state and city appropriation. The state's share of this fund may be supported through a reallocation  
19 of current state appropriations to the Central Falls school district. At the end of the transition  
20 period defined in § 16-7.2-7, the municipality will continue its contribution pursuant to § 16-7-24.  
21 Additional support for the Davies and the Met Center is needed due to the costs associated with  
22 running a stand-alone high school offering both academic and career and technical coursework.  
23 The department shall recommend criteria for the purpose of allocating any and all stabilization  
24 funds as may be determined by the general assembly; and

25 (e) Excess costs associated with transporting students to out-of-district non-public  
26 schools and within regional school districts. (1) This fund will provide state funding for the costs  
27 associated with transporting students to out-of-district non-public schools, pursuant to chapter  
28 21.1 of title 16. The state will assume the costs of non-public out-of-district transportation for  
29 those districts participating in the statewide system; and (2) This fund will provide direct state  
30 funding for the excess costs associated with transporting students within regional school districts,  
31 established pursuant to chapter 3 of title 16. This fund requires that the state and regional school  
32 district share equally the student transportation costs net any federal sources of revenue for these  
33 expenditures. The department of elementary and secondary education shall prorate the funds  
34 available for distribution among those eligible school districts if the total approved costs for

1 which school districts are seeking reimbursement exceed the amount of funding available in any  
2 fiscal year.

3 (f) Public school districts that are regionalized shall be eligible for a regionalization  
4 bonus as set forth below.

5 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school  
6 district established under the provisions of chapter 3 of title 16 including the Chariho Regional  
7 School district.

8 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus  
9 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the  
10 regionalization bonus shall commence in the first fiscal year following the establishment of a  
11 regionalized school district as set forth in chapter 3 of title 16, including the Chariho Regional  
12 School District.

13 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the  
14 state's share of the foundation education aid for the regionalized district as calculated pursuant to  
15 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year.

16 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the  
17 state's share of the foundation education aid for the regionalized district as calculated pursuant to  
18 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year.

19 (5) The regionalization bonus shall cease in the third fiscal year.

20 (6) The regionalization bonus for the Chariho regional school district shall be applied to  
21 the state share of the permanent foundation education aid for the member towns.

22 (7) The department of elementary and secondary education shall prorate the funds  
23 available for distribution among those eligible regionalized school districts if the total, approved  
24 costs for which regionalized school districts are seeking a regionalization bonus exceed the  
25 amount of funding appropriated in any fiscal year.

26 (g) Additional state support for English learners (EL). For FY 2017 only, the amount to  
27 support EL students shall be determined by multiplying an EL factor of ten percent (10%) by the  
28 core-instruction per-pupil amount defined in § 16-7.2-3(a)(1) and applying that amount of  
29 additional state support to EL students identified using widely adopted, independent standards  
30 and assessments identified by the Commissioner. All categorical funds distributed pursuant to this  
31 subsection must be used to provide high-quality, research-based services to EL students and  
32 managed in accordance with requirements set forth by the commissioner of elementary and  
33 secondary education. The department of elementary and secondary education shall collect  
34 performance reports from districts and approve the use of funds prior to expenditure. The

1 department of elementary and secondary education shall ensure the funds are aligned to activities  
2 that are innovative and expansive and not utilized for activities the district is currently funding.  
3 The department of elementary and secondary education shall prorate the funds available for  
4 distribution among eligible recipients if the total calculated costs exceed the amount of funding  
5 available in any fiscal year.

6 (h) Categorical programs defined in (a) through (f) shall be funded pursuant to the  
7 transition plan in § 16-7.2-7.

8 (i) Expenditures for services and instructional programs for students residing in  
9 conventional public housing units owned by public housing authorities which are not on local tax  
10 rolls. Payments shall be made when the services and programs have been carried out in  
11 accordance with the requirements of state law and regulations of the state board of education.

12 (1) The following terms shall have the following meanings:

13 (i) "Incentive entitlement" means the sum payable to a local school district under this  
14 formula.

15 (ii) "State share ratio" means the state share ratio as calculated under §16-7.2-4.

16 (iii) "Conventional public housing" means those properties identified as eligible low rent  
17 housing projects under title I of Pub. L. 81-874, 20 U.S.C. 236 et seq.

18 (2) The incentive entitlement for a district shall be the product of the average per pupil  
19 cost for the district based upon the Uniform Chart of Accounts, the number of full-time  
20 equivalent pupils in grade twelve (12) and below residing in conventional public housing, and the  
21 state share ratio for the district.

22 (3) The department of elementary and secondary education shall prorate the funds  
23 available for distribution among those eligible school districts if the total approved costs for  
24 which school districts are seeking reimbursements exceed the amount of funding appropriated in  
25 any fiscal year.

26 SECTION 2. Section 16-7-34.3 of the General Laws in Chapter 16-7 entitled  
27 "Foundation Level School Support [See Title 16 Chapter 97 - The Rhode Island Board Of  
28 Education Act]" is hereby repealed.

29 **16-7-34.3. Reimbursement by the state for conventional public housing students.**

30 ~~(a) Each school district shall be reimbursed for expenditures for services and instructional~~  
31 ~~programs for students residing in conventional public housing units owned by public housing~~  
32 ~~authorities which are not on local tax rolls. Reimbursement shall be made when the services and~~  
33 ~~programs have been carried out in accordance with the requirements of state law and regulations~~  
34 ~~of the board of regents for elementary and secondary education. The following formula shall be~~

1 ~~used to distribute aid for the students residing in the public housing units:~~

2 ~~(1) (i) The following formula and definitions are to be used to determine the entitlement~~  
3 ~~for each school district:~~

4 ~~(ii) The incentive entitlement for a district shall be the product of the average per pupil~~  
5 ~~cost for the district, the number of full-time equivalent pupils in grade 12 and below residing in~~  
6 ~~conventional public housing, and the state share ratio for the district.~~

7 ~~(2) In this formula the following terms have the following meanings:~~

8 ~~(i) "Incentive entitlement" means the sum payable to a local school district under this~~  
9 ~~formula.~~

10 ~~(ii) "Average per pupil costs for the district" means all expenditures approved by the state~~  
11 ~~board of regents for elementary and secondary education as defined in § 16-7-20 plus the costs of~~  
12 ~~special education required under chapter 24 of this title divided by average daily membership of~~  
13 ~~pupils as determined in § 16-7-22(1).~~

14 ~~(iii) "State share ratio" means the effective state share ratio as calculated under § 16-7-20.~~

15 ~~(iv) "Conventional public housing" means those properties identified as eligible low rent~~  
16 ~~housing projects under title I of P.L. 81-874, 20 U.S.C. § 236 et seq.~~

17 ~~(b) Students living on property owned by the Rhode Island resource recovery corporation~~  
18 ~~shall also be included in computations under this section.~~

19 ~~(c) Students living in the North Kingstown Traveler's Aid housing project shall also be~~  
20 ~~included in computations under this section.~~

21 ~~(d) An amount shall be appropriated for the purpose of reimbursing school districts as~~  
22 ~~required pursuant to subsection (a) for conventional public housing.~~

23 ~~(e) If the sum appropriated in subsection (a) of this section is not sufficient to pay in full~~  
24 ~~the amount for conventional public housing which each city and town is entitled to receive in any~~  
25 ~~fiscal year, the maximum amount which all cities and towns are entitled to receive under this~~  
26 ~~section shall be deducted from the sum appropriated for all cities and towns under § 16-7-20. If,~~  
27 ~~after final allocation of §§ 16-7-15 through 16-7-34, a district receives more than one hundred~~  
28 ~~percent (100%) reimbursement, the excess shall be deducted from this conventional public~~  
29 ~~housing allocation in the following fiscal year.~~

30 ~~(f) Reimbursement payments as calculated under this chapter shall be made according to~~  
31 ~~§ 16-7-16. All payments under this chapter shall be used exclusively to support services for~~  
32 ~~conventional public housing students.~~

33 ~~(g) Expenditure reports shall be submitted by the local school districts to the~~  
34 ~~commissioner of elementary and secondary education in accordance with rules and regulations of~~

1 ~~the board of regents for elementary and secondary education.~~

2 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO EDUCATION - THE EDUCATION EQUITY AND PROPERTY TAX RELIEF  
ACT

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1           This act would delete the provisions of §16-7-34.3 regarding reimbursement by the state  
2 for conventional public housing students, and would add similar language to §16-7.2-6 providing  
3 permanent foundation education aid funding for services and instructional services for students  
4 residing in conventional public housing units.

5           This act would take effect upon passage.

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