

2012 -- H 8007

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LC02222
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO EDUCATION -- STATE AID PROGRAMS

Introduced By: Representatives Brien, and Newberry

Date Introduced: March 28, 2012

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 16-7-17 and 16-7-38 of the General Laws in Chapter 16-7 entitled
2 "Foundation Level School Support" are hereby amended to read as follows:

3 **16-7-17. Time of payment of state's share of the basic program and approved**
4 **expenditures.** -- There shall be paid by the state to each community in twelve (12) monthly
5 installments an amount as determined by law to be the state's share of the cost of the basic
6 program for the reference year and all approved expenditures in excess of the basic program for
7 the reference year, provided, however, that these payments to a community shall be reduced by
8 the amount of funds deposited by the department into the local education agency EPSDT account
9 in accordance with section 40-8-18 on behalf of the community. The July ~~and August payments~~
10 ~~payment~~ shall be ~~two and one half percent (2 1/2%)~~ two and fifty-four hundredths percent
11 (2.54%) of the state's share based upon the estimated pupil data, valuation data, and expenditure
12 data for the reference year and the ~~September~~ August through June payments shall each be ~~nine~~
13 ~~and one half percent (9 1/2%)~~ eight and eighty-six hundredths percent (8.86%) of the aid due and
14 payable based upon the data for the reference year.

15 **16-7-38. Time for payments to communities.** -- There shall be paid ~~during October and~~
16 ~~April~~ on September 15 and March 15 of each year one-half (1/2) of the amount to which each
17 community is entitled in terms of the computation in section 16-7-41, except for the city of East
18 Providence which shall be paid aid during October and April in accordance with chapter 344 of
19 the Public Laws of 1982.

1 SECTION 2. Section 45-13-12 of the General Laws in Chapter 45-13 entitled "State Aid"
2 is hereby amended to read as follows:

3 **45-13-12. Distressed communities relief fund.** -- (a) There is established a fund to
4 provide state assistance to those Rhode Island cities and towns which have the highest property
5 tax burdens relative to the wealth of taxpayers.

6 (b) Establishment of indices. - Four (4) indices of distress shall be established to
7 determine eligibility for the program. Each community shall be ranked by each distress index and
8 any community which falls into the lowest twenty percent (20%) of at least three (3) of the four
9 (4) indices shall be eligible to receive assistance. The four (4) indices are established as follows:

10 (1) Percent of tax levy to full value of property. - This shall be computed by dividing the
11 tax levy of each municipality by the full value of property for each municipality. For the 1990-91
12 fiscal year, tax levy and full value shall be as of the assessment date December 31, 1986.

13 (2) Per capita income. - This shall be the most recent estimate reported by the U.S.
14 Department of Commerce, Bureau of the Census.

15 (3) Percent of personal income to full value of property. - This shall be computed by
16 multiplying the per capita income above by the most recent population estimate as reported by the
17 U.S. Department of Commerce, Bureau of the Census, and dividing the result by the full value of
18 property.

19 (4) Per capita full value of property. - This shall be the full value of property divided by
20 the most recent estimate of population by the U.S. Department of Commerce, Bureau of the
21 Census.

22 (c) Distribution of funds. - Funds shall be distributed to each eligible community on the
23 basis of the community's tax levy relative to the total tax levy of all eligible communities. For the
24 fiscal year 1990-91, the reference year for the tax levy shall be the assessment date of December
25 31, 1988. For each fiscal year thereafter, except for fiscal year 2007-2008, the reference year and
26 the fiscal year shall bear the same relationship. For the fiscal year 2007-2008 the reference year
27 shall be the same as for the distributions made in fiscal year 2006-2007.

28 Any newly qualifying community shall be paid fifty percent (50%) of current law
29 requirements the first year it qualifies. The remaining fifty percent (50%) shall be distributed to
30 the other distressed communities proportionately. When any community falls out of the distressed
31 community program, it shall receive a one-time payment of fifty percent (50%) of the prior year
32 requirement exclusive of any reduction for first year qualification. The community shall be
33 considered a distressed community in the fall-out year.

34 (d) Appropriation of funds. - The state of Rhode Island shall appropriate funds in the

1 annual appropriations act to support this program. For each of the fiscal years ending June 30,
2 2011 and June 30, 2012, seven hundred eighty-four thousand four hundred fifty-eight dollars
3 (\$784,458) of the total appropriation shall be distributed equally to each qualifying distressed
4 community.

5 (e) Payments. - Payments shall be made to eligible communities each ~~March equal to one~~
6 ~~half of the appropriated amount and each~~ August ~~equal to one half of the appropriated amount.~~

7 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 -- STATE AID PROGRAMS

1 This act would change the dates for payment of the state's share of the basic program for
2 foundational level school support and approved expenditures. It would also change the percentage
3 of the aid due for both the July payment and the August through September payment which is
4 payable based upon the data for the reference year. This act would also provide for payments to
5 be made to each eligible community each August from the distressed community relief fund.

6 This act would take effect upon passage.

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