SECTION 1. Section 16-7-23 of the General Laws in Chapter 16-7 entitled "Foundation Level School Support" is hereby amended to read as follows:

16-7-23. Community requirements -- Adequate minimum budget provision. -- (a)

The school committee's budget provisions of each community for current expenditures in each budget year shall provide for an amount from all sources sufficient to support the basic program and all other approved programs shared by the state. Each community shall contribute local funds to its school committee in an amount not less than its local contribution for schools in the previous fiscal year except to the extent permitted by section sections 16-7-23.1 and 16-7-23.2.

Provided, that for the fiscal years 2010 and 2011 each community shall contribute to its school committee in an amount not less than ninety-five percent (95.0%) of its local contribution for schools for the fiscal year 2009. Calculation of the annual local contribution shall not include Medicaid revenues received by the municipality or district pursuant to chapter 8 of title 40. A community which has a decrease in enrollment may compute maintenance of effort on a per pupil rather than on an aggregate basis when determining its local contribution; furthermore, a community which experiences a nonrecurring expenditure for its schools may deduct the nonrecurring expenditure in computing its maintenance of effort. The deduction of nonrecurring expenditures shall be with the approval of the commissioner. The courts of this state shall enforce this section by writ of mandamus means of injunctive relief.

(b) Whenever any state funds are appropriated for educational purposes, the funds shall
be used for educational purposes only and all state funds appropriated for educational purposes
must be used to supplement any and all money allocated by a city or town for educational
purposes and, in no event, shall state funds be used to supplant, directly or indirectly, any money
allocated by a city or town for educational purposes. All state funds shall be appropriated by the
municipality to the school committee for educational purposes in the same fiscal year in which
they are appropriated at the state level even if the municipality has already adopted a school
budget. All state and local funds unexpended by the end of the fiscal year of appropriation shall
remain a surplus of the school committee and shall not revert to the municipality. Any surplus of
state or local funds appropriated for educational purposes shall not in any respect affect the
requirement that each community contribute local funds in an amount not less than its local
contribution for schools in the previous fiscal year, subject to subsection (a) of this section, and
shall not in any event be deducted from the amount of the local appropriation required to meet the
maintenance of effort provision in any given year.

SECTION 2. Chapter 16-7 of the General Laws entitled “Foundation Level School
Support” is hereby amended by adding thereto the following section:

16-7-23.2. School deficit reduction -- Maintenance of effort provision. – A city, town,
or regional school district appropriating authority may appropriate supplemental funds to
eliminate or reduce a school budget deficit. To the extent that such a supplemental appropriation
represents payment of past annual expenditure, the payment shall not be used in the computation
of the maintenance of effort requirements established by section 16-7-23.

SECTION 3. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N   A C T
RELATING TO EDUCATION -- FOUNDATION LEVEL SCHOOL SUPPORT

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1 This act would provide that supplemental appropriations made by a city, town or regional
2 school district appropriating authority for the payment of past annual expenditures would not be
3 used in the computation of the maintenance of effort requirements established under section 16-7-23.
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5 This act would take effect upon passage.

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