

2016 -- H 7965

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO EDUCATION -- FUNDING OF CHARTER PUBLIC SCHOOLS

Introduced By: Representatives Barros, Coughlin, Kazarian, Solomon, and Johnston

Date Introduced: March 18, 2016

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-77.1-2 of the General Laws in Chapter 16-77.1 entitled
2 "Funding of Charter Public Schools [See Title 16 Chapter 97 - The Rhode Island Board of
3 Education Act]" is hereby amended to read as follows:

4 **16-77.1-2. Operating costs.** -- (a) Operating costs of a charter public school shall be the
5 total of the per pupil payments for each student attending the charter public school. The per pupil
6 payment for each student shall be determined based on the per pupil cost for the district of
7 residence of each student. The state's share of the per pupil amount for each student attending the
8 charter public school shall be paid by the state directly to the charter public school and shall be
9 the percent, or share ratio, previously calculated under chapter 7 of this title; provided, that in no
10 case shall the ratio be less than thirty percent (30%), minus the five percent (5%) of per pupil cost
11 designated for indirect cost support to the student's school district as defined in subsection (b).
12 The five percent (5%) indirect cost amount shall be deducted from the district per pupil cost
13 before the state share is derived by applying the share ratio to the district per pupil cost. The local
14 share of the per pupil amount for each student attending the charter public school shall be paid to
15 the charter public school by the district of residence of the student and shall be the per pupil cost
16 for the district of residence of the student minus the state share of that per pupil cost as designated
17 in this section.

18 (b) In addition to all state aid to education paid to a local district pursuant to chapter 7.1
19 of this title, the state will pay an additional amount to the district for each student from this

1 district who is attending a charter public school. The additional amount of state aid per pupil shall
2 be five percent (5%) of the districts per pupil cost. The additional state aid shall be for the
3 purpose of assisting local school districts to undertake the indirect costs borne by a district when
4 its student attends a charter public school.

5 (c) The state department of elementary and secondary education shall annually determine
6 both the state and local share of each charter public school's operating costs by deriving the
7 respective shares associated with each student reported as a member of the charter public school
8 as of June 30 of the reference year as defined in § 16-7-16(11) (or the enrollment as of October 1
9 of the current school year in the first year of operation of a charter school). All other data used in
10 this determination shall be based upon the reference year as defined in § 16-7-16(11).

11 (d) The state shall make payments of its share of operating costs to each charter public
12 school on a quarterly basis in July, October, January, and April. The July and October payments
13 will be based upon the reported student membership of the charter public school as of June 30 of
14 the reference year as defined in § 16-7-16(11) (or the enrollment as of October 1 of the current
15 school year in the first year of operation of a charter school). Charter public schools will report
16 current student enrollment, including district of residence for school purposes of each student
17 enrolled, and each district will report current total district operating expenses and total district
18 enrollments (including district students enrolled in charter public schools) annually by October 1.
19 If the October 1 data on a charter public school's student enrollment show a ten percent (10%) or
20 greater increase or decrease in students from the June membership count, the third and fourth
21 quarter payments to the charter public school will be adjusted to reflect actual student enrollment
22 in the charter public school.

23 (e) (1) Local district payments to charter public schools for each district's students
24 enrolled in the charter public school shall also be made quarterly as designated in subsection (d);
25 the first local district payment shall be made by August 15 instead of July. Any local school
26 district more than thirty (30) days in arrears on a quarterly payment for its student(s) enrolled in a
27 charter public school shall have the amount of the arrearage deducted from state aid to that
28 district and the withheld arrearage shall be paid by the state directly to the charter public school.

29 (2) Provided, effective with the quarterly payment due in July, 2016, and in every July
30 thereafter, a local district's payment obligations under this section for each district's students
31 enrolled in a charter public school whose faculty and staff do not participate in the state
32 employee's retirement system or a local municipal employee's retirement system, may be reduced
33 by the district's per pupil pension cost, calculated as follows:

34 (i) Each sending district shall take the district's total contribution to pension costs for the

1 district's school employees for the immediately preceding fiscal year, and divide that figure by the
2 district's total pupil enrollment as of January 1 of the immediately preceding fiscal year. That
3 dollar figure shall be the district's per pupil pension cost. The per pupil pension cost shall then be
4 multiplied by the total number of students enrolled in a particular charter public school as of
5 January 1 of the immediately preceding fiscal year. A local school district may withhold up to
6 that amount from the local district's payment to the charter school, prorated over the year on the
7 quarterly basis as designated in subsection (d) of this section. The local school district shall be
8 permitted to expend these withheld funds for the schools operated and administered by the local
9 school district, provided that, the local sending school district shall notify each applicable charter
10 public school of the amounts, if any, which will be withheld pursuant to this subsection.

11 (f) Local school districts with student(s) enrolled in a charter public school shall continue
12 to report these students in the total census of district public school students and will receive state
13 aid for all these students pursuant to the provisions of chapter 7.1 of this title.

14 (g) All entitlements to a charter school ~~except those provided for in § 16-24-6.2~~ shall be
15 ratably reduced if less than one hundred percent (100%) of the expenditures is appropriated.

16 (h) For fiscal year 2007, the indirect aid paid to districts pursuant to this section shall
17 equal the amount received in the fiscal year 2006 enacted budget by the 2005 general assembly.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO EDUCATION -- FUNDING OF CHARTER PUBLIC SCHOOLS

1 This act would reduce a local school district's quarterly per pupil payments to charter
2 schools which do not participate in either the state or a municipal pension system, based upon the
3 district's per pupil pension cost. The district's per pupil pension cost would be calculated by
4 taking a sending district's total contribution to pension costs for the district's school employees for
5 the immediately preceding fiscal year, and dividing that figure by the district's total pupil
6 enrollment as of January 1 of the immediately preceding fiscal year. That figure would then be
7 multiplied by the number of students from the district attending a charter public school to produce
8 the dollar figure which could be withheld by the sending district in its payment to a charter public
9 school. The local school district would be permitted to expend these additional funds on schools
10 operated and administered by the local school district. The act would also remove an outdated
11 reference to RIGL §16-24-6.2 regarding a onetime payment of education funding in the 1993-
12 1994 school year.

13 This act would take effect upon passage.

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