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ARTICLE 9

RELATING TO SCHOOL CONSTRUCTION AND EDUCATION

SECTION 1. Sections 16-7-36, 16-7-39, 16-7-40, 16-7-41, 16-7-41.1, 16-7-44 of the General Laws in Chapter 16-7 entitled “Foundation Level School Support [See Title 16 Chapter 97 – The Rhode Island Board of Education Act]” are hereby amended to read as follows:

16-7-36. Definitions.

The following words and phrases used in §§ 16-7-35 to 16-7-47 have the following meanings:

(1) "Adjusted equalized weighted assessed valuation" means the equalized weighted assessed valuation for a community as determined by the division of property valuation within the department of revenue in accordance with § 16-7-21; provided, however, that in the case of a regional school district the commissioner of elementary and secondary education shall apportion the adjusted equalized weighted assessed valuation of the member cities or towns among the regional school district and the member cities or towns according to the proportion that the number of pupils of the regional school district bears to the number of pupils of the member cities or towns.

(2) "Approved project" means a project which has complied with the administrative regulations governing §§ 16-7-35 through 16-7-47, and which has been authorized to receive state school housing reimbursement by the commissioner of elementary and secondary education.

(3) “Commissioning Agent” means a person or entity who ensures the proper installation and operation of technical building systems.

~~(3)~~(4) "Community" means any city, town, or regional school district established pursuant to law; provided, however, that the member towns of the Chariho regional high school district, created by P.L. 1958, ch. 55, as amended, shall constitute separate and individual communities for the purposes of distributing the foundation level school support for school housing for all grades financed in whole or in part by the towns irrespective of any regionalization.

(5) “Facilities Condition Index” means the cost to fully repair the building divided by the cost to replace the building as defined by the school building authority.

(6) “Functional Utilization” means the ratio of the student population within a school facility to the capacity of the school facility to adequately serve students, as defined by the school building authority.

1 (7) "Owners Program Manager" means owner's program manager as defined in § 37-2-
2 7(32).

3 (8) "Prime contractor" means the contractor who is responsible for the completion of a
4 project.

5 ~~(4)~~(9) "Reference year" means the year next prior to the school year immediately preceding
6 that in which aid is to be paid.

7 (10) "Subject to inflation" means the base rate multiplied by the percentage of increase in
8 the Producer Price Index (PPI) Data for Nonresidential Building Construction (NAICS 236222) as
9 published by the United States Department of Labor, Bureau of Labor Statistics determined as of
10 September 30 of the prior calendar year.

11 **16-7-39 Computation of school housing aid ratio.**

12 For each community, the percent of state aid for school housing costs shall be computed in
13 the following manner:

14 (1) The adjusted equalized weighted assessed valuation for the district is divided by the
15 resident average daily membership for the district (grades twelve (12) and below); (2) the adjusted
16 equalized weighted assessed valuation for the state is divided by the resident average daily
17 membership for the state (grades twelve (12) and below); (1) is then divided by (2) and the resultant
18 ratio is multiplied by a factor currently set at sixty-two percent (62%) which represents the
19 approximate average district share of school support; the resulting product is then subtracted from
20 one hundred percent (100%) to yield the housing aid share ratio. ~~provided that in no case shall the~~
21 ~~ratio be less than thirty percent (30%). Provided, that effective July 1, 2010, and annually at the~~
22 ~~start of each fiscal year thereafter, the thirty percent (30%) floor on said housing aid share shall be~~
23 ~~increased by five percent (5%) increments each year until said floor on the housing aid share ratio~~
24 ~~reaches a minimum of not less than forty percent (40%). This provision shall apply only to school~~
25 ~~housing projects completed after June 30, 2010 that received approval from the board of regents~~
26 ~~prior to June 30, 2012. Provided further, for the fiscal year beginning July 1, 2012 and for~~
27 ~~subsequent fiscal years, the minimum housing aid share shall be thirty five percent (35%) for all~~
28 ~~projects receiving board of regents approval after June 30, 2012. Notwithstanding any other law to~~
29 the contrary, for the fiscal year beginning July 1, 2012 and for subsequent fiscal years, the minimum
30 housing aid share for all local education agency (LEA) public school construction projects
31 receiving council of elementary and secondary education approval, the minimum housing aid share
32 shall be thirty-five percent (35%) and in no case shall the ratio be less than thirty-five percent
33 (35%). The resident average daily membership shall be determined in accordance with § 16-7-
34 22(1).

1 **16-7-40 Increased school housing ratio ~~for regional schools~~ – Energy conservation –**
2 **Access for people with disabilities – ~~Asbestos removal projects~~ Health and Safety –**
3 **Remediation – Technology Enabled – Space Utilization.**

4 (a)(1) In the case of regional school districts, the school housing aid ratio shall be increased
5 by two percent (2%) for each grade so consolidated.

6 (2) Regional school districts undertaking renovation project(s) shall receive an increased
7 share ratio of four percent (4%) for those specific project(s) only, in addition to the combined share
8 ratio calculated in § 16-7-39 and this subsection.

9 (b) In the case of projects undertaken by regionalized and/or non-regionalized school
10 districts:

11 (i) ~~specifically f~~ For the purposes of energy conservation, access for people with
12 disabilities, and/or asbestos removal, the school housing aid share ratio shall be increased by four
13 percent (4%) for these specific projects only, in the calculation of school housing aid. The increased
14 share ratio shall continue to be applied for as ~~log long~~ long as the project(s) receive state housing aid. In
15 order to qualify for the increased share ratio, seventy-five percent (75%) of the project costs must
16 be specifically directed to either energy conservation, access for people with disabilities, and/or
17 asbestos removal or any combination of these projects. The ~~board of regents for council on~~
18 elementary and secondary education shall promulgate rules and regulations for the administration
19 and operation of this section.

20 (ii) For purposes of addressing health and safety deficiencies as defined by the school
21 building authority, including the remediation of hazardous materials, the school housing aid ratio
22 shall be increased by five percent (5%) so long as the construction of the project commences by
23 December 30, 2022. In order to qualify for the increased share ratio, twenty-five percent (25%) of
24 the project costs or a minimum of \$250,000 must be specifically directed to this purpose.

25 (iii) For purposes of educational enhancement, including projects devoted to the
26 enhancement of teaching science, technology, engineering, arts, and math (STEAM), early
27 childhood education, career and technical education and technology enabled facilities, the school
28 housing aid ratio shall be increased by five percent (5%) so long as construction of the project
29 commences by December 30, 2022. In order to qualify for the increased share ratio, twenty-five
30 percent (25%) of the project costs or a minimum of \$250,000 must be specifically directed to this
31 purpose.

32 (iv) For replacement of a facility that has a Facilities Condition Index of 65% or higher,
33 the school housing ratio shall be increased by five percent (5%) so long as construction of the
34 project commences by December 30, 2023. In order to qualify for the increased share ratio, twenty-

1 five percent (25%) of the project costs or a minimum of \$250,000 must be specifically directed to
2 this purpose.

3 (v) For any new construction or renovation that increases the functional utilization of any
4 facility from less than 60% to more than 80%, including the consolidation of buildings within or
5 across districts, the school housing aid ratio shall be increased by five percent (5%) so long as
6 construction of the project commences by December 30, 2023. In order to qualify for the increased
7 share ratio, twenty-five percent (25%) of the project costs or a minimum of \$250,000 must be
8 specifically direct to this purpose.

9 (vi) For any new construction or renovation that decreases the functional utilization of any
10 facility from more than 120% to between 85% to 105%, the school housing ratio shall be increased
11 by five percent (5%) so long as construction of the project commences by December 30, 2023. In
12 order to qualify for the increased share ratio, twenty-five (25%) of the project costs or a minimum
13 of \$250,000 must be specifically directed to this purpose.

14 (vii) For consolidation of two (2) or more buildings, within or across districts into one
15 building, the school housing aid ratio shall be increased by five percent (5%) so long as construction
16 of the project commences by December 30, 2023. In order to qualify for the increased share ratio,
17 twenty-five percent (25%) of the project costs or a minimum of \$250,000 must be specifically
18 directed to this purpose.

19 ~~(c) Upon the transfer of ownership from the state to the respective cities and towns of t~~The
20 regional career and technical center buildings located in Coventry, Cranston, East Providence,
21 Newport, Providence, Warwick, Woonsocket and the Chariho regional school district, the school
22 housing aid share ratio shall be increased by four percent (4%) for the renovation and/or repair of
23 these buildings. ~~To qualify for the increased share ratio, as defined in § 16-7-39, renovation and~~
24 ~~repair projects must be submitted for approval through the necessity of school construction process~~
25 ~~prior to the end of the second full fiscal year following the transfer of ownership and assumption~~
26 ~~of local care and control of the building.~~ Only projects at regional career and technical centers that
27 have full program approval from the department of elementary and secondary education shall be
28 eligible for the increased share ratio. The increased share ratio shall continue to be applied for as
29 long as the renovation and/or repair project receives school housing aid.

30 **16-7-41 Computation of school housing aid.**

31 (a) In each fiscal year the state shall pay to each community a grant to be applied to the
32 cost of school housing equal to the following:

33 The cost of each new school housing project certified to the commissioner of elementary
34 and secondary education not later than July 15 of the fiscal year shall be divided by the actual

1 number of years of the bond issued by the local community, ~~or~~ the Rhode Island Health and
2 Educational Building Corporation, [or the Rhode Island Infrastructure Bank](#) in support of the
3 specific project, times the school housing aid ratio; and provided, further, with respect to costs of
4 new school projects financed with proceeds of bonds issued by the local community, ~~or~~ the Rhode
5 Island Health and Educational Building Corporation, [or the Rhode Island Infrastructure Bank](#) in
6 support of the specific project, the amount of the school housing aid payable in each fiscal year
7 shall not exceed the amount arrived at by multiplying the principal and interest of the bonds payable
8 in each fiscal year by the school housing aid ratio and which principal and interest amount over the
9 life of the bonds, shall, in no event, exceed the costs of each new school housing project certified
10 to the commissioner of elementary and secondary education. If a community fails to specify or
11 identify the appropriate reimbursement schedule, the commissioner of elementary and secondary
12 education may at his or her discretion set up to a five (5) year reimbursement cycle for projects
13 under five hundred thousand dollars (\$500,000); up to ten (10) years for projects up to three million
14 dollars (\$3,000,000); and up to twenty (20) years for projects over three million dollars
15 (\$3,000,000).

16 (b) Aid shall be provided for the same period as the life of the bonds issued in support of
17 the project and at the school housing aid ratio applicable to the local community at the time of the
18 bonds issued in support of the project as set forth in § 16-7-39.

19 (c) Aid shall be paid either to the community or in the case of projects financed through
20 the Rhode Island Health and Educational Building Corporation [or the Rhode Island Infrastructure](#)
21 [Bank](#), to the Rhode Island Health and Educational Building Corporation [or the Rhode Island](#)
22 [Infrastructure Bank](#) or its designee including, but not limited to, a trustee under a bond indenture
23 or loan and trust agreement, in support of bonds issued for specific projects of the local community
24 in accordance with this section, § 16-7-40 and § 16-7-44. Notwithstanding the preceding, in case
25 of failure of any city, town or district to pay the amount due in support of bonds issued on behalf
26 of a city, town, school or district project financed by the Rhode Island Health and Educational
27 Building Corporation [or the Rhode Island Infrastructure Bank](#), upon notification by the Rhode
28 Island Health and Educational Building Corporation [or the Rhode Island Infrastructure Bank](#), the
29 general treasurer shall deduct the amount from aid provided under this section, § 16-7-40, § 16-7-
30 44 and § 16-7-15 through § 16-7-34.3 due the city, town or district and direct said funding to the
31 Rhode Island Health and Educational Building Corporation [or the Rhode Island Infrastructure Bank](#)
32 or its designee.

33 (d) Notwithstanding any provisions of law to the contrary, in connection with the issuance
34 of refunding bonds benefiting any local community, any net interest savings resulting from the

1 refunding bonds issued by such community or a municipal public buildings authority for the benefit
2 of the community or by the Rhode Island health and educational building corporation [or the Rhode](#)
3 [Island Infrastructure Bank](#) for the benefit of the community, in each case in support of school
4 housing projects for the community, shall be allocated between the community and the state of
5 Rhode Island, by applying the applicable school housing aid ratio at the time of issuance of the
6 refunding bonds, calculated pursuant to § 16-7-39, that would otherwise apply in connection with
7 school housing projects of the community; provided however, that for any refundings that occur
8 between July 1, 2013 and December 31, 2015, the community shall receive eighty percent (80%)
9 of the total savings and the state shall receive twenty percent (20%). In connection with any such
10 refunding of bonds, the finance director or the chief financial officer of the community shall certify
11 such net interest savings to the commissioner of elementary and secondary education.
12 Notwithstanding § 16-7-44 or any other provision of law to the contrary, school housing projects
13 costs in connection with any such refunding bond issue shall include bond issuance costs incurred
14 by the community, the municipal public buildings authority or the Rhode Island health and
15 educational building corporation [or the Rhode Island Infrastructure Bank](#), as the case may be, in
16 connection therewith. In connection with any refunding bond issue, school housing project costs
17 shall include the cost of interest payments on such refunding bonds, if the cost of interest payments
18 was included as a school housing cost for the bonds being refunded. A local community or
19 municipal public buildings authority shall not be entitled to the benefits of this subsection (d) unless
20 the net present value savings resulting from the refunding is at least three percent (3%) of the
21 refunded bond issue.

22 (e) Any provision of law to the contrary notwithstanding, the commissioner of elementary
23 and secondary education shall cause to be monitored the potential for refunding outstanding bonds
24 of local communities or municipal public building authorities or of the Rhode Island Health and
25 Educational Building Corporation [or the Rhode Island Infrastructure Bank](#) issued for the benefit of
26 local communities or municipal public building authorities and benefiting from any aid referenced
27 in this section. In the event it is determined by said monitoring that the net present value savings
28 which could be achieved by refunding such bonds of the type referenced in the prior sentence
29 including any direct costs normally associated with such refundings is equal to (i) at least one
30 hundred thousand dollars (\$100,000) and (ii) for the state and the communities or public building
31 authorities at least three percent (3%) of the bond issue to be refunded including associated costs
32 then, in such event, the commissioner (or his or her designee) may direct the local community or
33 municipal public building authority for the benefit of which the bonds were issued, to refund such
34 bonds. Failure of the local community or municipal public buildings authority to timely refund such

1 bonds, except due to causes beyond the reasonable control of such local community or municipal
2 public building authority, shall result in the reduction by the state of the aid referenced in this § 16-
3 7-4.1 associated with the bonds directed to be refunded in an amount equal to ninety percent (90%)
4 of the net present value savings reasonably estimated by the commissioner of elementary and
5 secondary education (or his or her designee) which would have been achieved had the bonds
6 directed to be refunded been refunded by the ninetieth (90th) day (or if such day is not a business
7 day in the state of Rhode Island, the next succeeding business day) following the date of issuance
8 of the directive of the commissioner (or his or her designee) to refund such bonds. Such reduction
9 in the aid shall begin in the fiscal year following the fiscal year in which the commissioner issued
10 such directive for the remaining term of the bond.

11 (f) Payments shall be made in accordance with § 16-7-40 and this section.

12 (g) For purposes of financing or refinancing school facilities in the city of Central Falls
13 through the issuance bonds through the Rhode Island Health and Educational Building Corporation
14 [or the Rhode Island Infrastructure Bank](#), the city of Central Falls shall be considered an
15 "educational institution" within the meaning of subdivision 45-38.1-3(13) of the general laws.

16 **16-7-41.1 Eligibility for reimbursement.**

17 (a) School districts, not municipalities, may apply for and obtain approval for a project
18 under the necessity of school construction process set forth in the regulations of the ~~board of regents~~
19 ~~for council on~~ elementary and secondary education, provided, however, in the case of municipality
20 which issues bonds through the Rhode Island Health and Educational Building Corporation [or the](#)
21 [Rhode Island Infrastructure Bank](#) to finance or refinance school facilities for a school district which
22 is not part of the municipality, the municipality may apply for and obtain approval for a project.
23 Such approval will remain valid until June 30 of the third fiscal year following the fiscal year in
24 which the ~~board of regents for council on~~ elementary and secondary education's approval is granted.
25 Only those projects undertaken at school facilities under the care and control of the school
26 committee and located on school property may qualify for reimbursement under §§ 16-7-35 – 16-
27 7-47. Facilities ~~with combined school and municipal uses or facilities that are operated jointly with~~
28 ~~any other profit or non-profit agency that are not primarily used for public elementary or secondary~~
29 [education](#) do not qualify for reimbursement under §§ 16-7-35 – 16-7-47. Projects completed by
30 June 30 of a fiscal year are eligible for reimbursement in the following fiscal year. A project for
31 new school housing or additional housing shall be deemed to be completed when the work has been
32 officially accepted by the school committee or when the housing is occupied for its intended use
33 by the school committee, whichever is earlier.

34 (b) Notwithstanding the provisions of this section, the board of regents shall not grant final

1 approval for any project between June 30, 2011 and May 1, 2015 except for projects that are
2 necessitated by immediate health and safety reasons. In the event that a project is requested during
3 the moratorium because of immediate health and safety reasons, those proposals shall be reported
4 to the chairs of the house and senate finance committees.

5 (c) Any project approval granted prior to the adoption of the school construction
6 regulations in 2007, and which are currently inactive; and any project approval granted prior to the
7 adoption of the school construction regulations in 2007 which did not receive voter approval or
8 which has not been previously financed, are no longer eligible for reimbursement under this
9 chapter. The department of elementary and secondary education shall develop recommendations
10 for further cost containment strategies in the school housing aid program.

11 (d) Beginning July 1, 2015, the council on elementary and secondary education shall
12 approve new necessity of school construction applications on an annual basis. The department of
13 elementary and secondary education shall develop an annual application timeline for LEAs seeking
14 new necessity of school construction approvals.

15 (e) Beginning June 30, 2019, no state funding shall be provided for projects in excess of
16 ten million dollars (\$10,000,000) unless the prime contractor for the project has received
17 certification from the school building authority.

18 (f) Beginning July 1, 2019, the necessity of school construction process set forth in the
19 regulations of the council on elementary and secondary education shall include a single statewide
20 process, developed with the consultation of the department of environmental management, that will
21 ensure community involvement throughout the investigation and remediation of contaminated
22 building sites for possible reuse as the location of a school. That process will fulfill all provisions
23 of § 23-19.14-5 related to the investigation of reuse of such sites for schools.

24 **16-7-44 School housing project costs.**

25 (a) School housing project costs, the date of completion of school housing projects, and the
26 applicable amount of school housing project cost commitments shall be in accordance with the
27 regulations of the commissioner of elementary and secondary education and the provisions of §§
28 16-7-35 – 16-7-47; provided, however, that school housing project costs shall include the purchase
29 of sites, buildings, and equipment, the construction of buildings, and additions or renovations of
30 existing buildings and/or facilities. School housing project costs shall include the cost of interest
31 payment on any bond issued after July 1, 1988, provided that such bond is approved by the voters
32 on or before June 30, 2003, or issued by a municipal public building authority or by the appropriate
33 approving authority on or before June 30, 2003. Except as provided in § 16-7-41(d) and § 46-12.2-
34 4.2(g), those projects approved after June 30, 2003, interest payments may only be included in

1 project costs provided that the bonds for these projects are issued through the Rhode Island Health
2 and Educational Building Corporation [or the Rhode Island Infrastructure Bank](#). School housing
3 project costs shall exclude: (1) any bond issuance costs incurred by the municipality or regional
4 school district; (2) demolition costs for buildings, facilities, or sites deemed surplus by the school
5 committee; and (3) restrictions pursuant to § 16-7-44.1 below. A building, facility, or site is
6 declared surplus by a school committee when the committee no longer has such building, facility,
7 or site under its direct care and control and transfers control to the municipality, § 16-2-15. The
8 ~~board of regents for council on~~ elementary and secondary education will promulgate rules and
9 regulations for the administration of this section. These rules and regulations may provide for the
10 use of lease revenue bonds, capital leases, or capital reserve funding, to finance school housing
11 provided that the term of any bond, or capital lease shall not be longer than the useful life of the
12 project and these instruments are subject to the public review and voter approval otherwise required
13 by law for the issuance of bonds or capital leases. Cities or towns issuing bonds, or leases issued
14 by municipal public buildings authority for the benefit of a local community pursuant to chapter 50
15 of title 45 shall not require voter approval. Effective January 1, 2008, and except for interim finance
16 mechanisms, refunding bonds, borrowing from the school building authority capital fund, and
17 bonds issued by the Rhode Island Health and Educational Building Corporation [or the Rhode Island](#)
18 [Infrastructure Bank](#) to finance school housing projects for towns, cities, or regional school districts
19 borrowing for which has previously been authorized by an enabling act of the general assembly,
20 all bonds, notes and other forms of indebtedness issued in support of school housing projects shall
21 require passage of an enabling act by the general assembly.

22 [\(b\) Beginning July 1, 2019, school housing projects exceeding \\$1,500,000 subject to](#)
23 [inflation shall be assigned an owners program manager and a commissioning agent by the school](#)
24 [building authority. The cost of the program manager and commission agent shall be borne by the](#)
25 [school building authority.](#)

26 [\(c\) Temporary housing, or swing space, for student shall be a reimbursable expense so long](#)
27 [as a district can demonstrate that no other viable option to temporarily house students exists.](#)

28 [\(d\) Environmental site remediation, as defined by the school building authority, shall be a](#)
29 [reimbursable expense up to one million dollars \(\\$1,000,000\) per project.](#)

30 [\(e\) If, within thirty \(30\) years of construction, a newly constructed school is sold to a private](#)
31 [entity, the state shall receive a portion of a sale proceeds equal to that project's housing aid](#)
32 [reimbursement rate at the time of construction.](#)

33 SECTION 2. Sections 16-105-3, 16-105-7, and 16-105-8 of the General Laws in Chapter
34 16-105 entitled "School Building Authority" are hereby amended to read as follows:

1 **16-105-3 Roles and responsibilities.**

2 The school building authority roles and responsibilities shall include:

3 (1) Management of a system with the goal of ensuring equitable and adequate school
4 housing for all public school children in the state;

5 (2) Prevention of the cost of school housing from interfering with the effective operation
6 of the schools;

7 (3) Management of school housing aid in accordance with statute;

8 (4) Reviewing and making recommendations to the council on elementary and secondary
9 education on necessity of school construction applications for state school housing aid and the
10 school building authority capital fund, based on the recommendations of the school building
11 authority advisory board;

12 (5) ~~Promulgating, M~~managing and maintaining school construction regulations, standards,
13 and guidelines applicable to the school housing program, based on the recommendations of the
14 school building authority advisory board, created in § 16-105-8. Said regulations shall require
15 conformance with the minority business enterprise requirements set forth in § 37-14.1-6;

16 (6) Developing a certification and review process for prime contractors seeking to bid on
17 projects in excess of ten million dollars (\$10,000,000) in total costs subject to inflation.
18 Notwithstanding any general laws to the contrary, certifications shall be valid for a maximum of
19 two (2) years from the date of issuance. Factors to be considered by the school building authority
20 in granting certification to prime contractors shall include, but not be limited to, the contractor's
21 history of completing complex projects on time and on budget, track record of compliance with
22 applicable environmental and safety regulations, evidence that completed prior projects prioritized
23 the facility's future maintainability, and compliance with applicable requirements for the use of
24 women and minority owned subcontractors.

25 (7) Developing a mandatory statewide maintenance checklist and facilities standards for
26 all school buildings that includes a minimum annual spending requirement for maintenance and/or
27 a requirement for capital reserve funds dedicated exclusively for annual maintenance in accordance
28 with national best practices. Districts shall adhere to the maintenance spending requirements
29 beginning June 30, 2019 and facilities standards beginning June 30, 2021.

30 ~~(6)~~(8) Providing technical advice and assistance, training, and education to cities, towns,
31 and/or LEAs and to certified general contractors, subcontractors, construction or project managers,
32 designers and others in planning, maintenance, and establishment of school facility space;

33 ~~(7)~~(9) Developing a project priority system, based on the recommendations of the school
34 building authority advisory board, in accordance with school construction regulations for the state

1 school housing aid set forth in §§ 16-7-35 to 16-7-47 and the school building authority capital fund,
2 subject to review and, if necessary, to be revised on intervals not to exceed five (5) years. Project
3 priorities shall ~~be in accordance with~~ include, but not ~~be~~ limited to, the following order of priorities:

4 (i) Projects to replace or renovate a building that is structurally unsound or otherwise in a
5 condition seriously jeopardizing the health and safety of school children where no alternative exists;

6 (ii) Projects needed to prevent loss of accreditation;

7 (iii) Projects needed for the replacement, renovation, or modernization of the HVAC
8 system in any schoolhouse to increase energy conservation and decrease energy-related costs in
9 said schoolhouse;

10 (iv) Projects needed to replace or add to obsolete buildings in order to provide for a full
11 range of programs consistent with state and approved local requirements; and

12 (v) Projects needed to comply with mandatory, instructional programs.

13 ~~(8)~~(10) Maintaining a current list of requested school projects and the priority given them;

14 ~~(9)~~(11) Collecting and maintaining readily available data on all the public school facilities
15 in the state;

16 (12) Collecting, maintaining, and making publicly available monthly progress reports of
17 ongoing school construction projects that shall include, at a minimum, the costs of the project and
18 the time schedule of each project;

19 ~~(10)~~(13) Recommending policies and procedures designed to reduce borrowing for school
20 construction programs at both state and local levels;

21 ~~(11)~~(14) At least every five (5) years, conducting a needs survey to ascertain the capital
22 construction, reconstruction, maintenance, and other capital needs for schools in each district of the
23 state, including public charter schools;

24 ~~(12)~~(15) Developing a formal enrollment projection model or using projection models
25 already available;

26 ~~(13)~~(16) Encouraging local education agencies to investigate opportunities for the
27 maximum utilization of space in and around the district;

28 ~~(14)~~(17) Collecting and maintaining a clearinghouse of prototypical school plans that may
29 be consulted by eligible applicants;

30 (18) Retaining the services of consultants, construction managers, program managers,
31 architects, engineers and experts, as necessary, to effectuate the roles and responsibilities listed
32 within this section;

33 ~~(15)~~(19) By regulation, offering additional incentive points to the school housing aid ratio
34 calculation set forth in § 16-7-39, as the authority, based upon the recommendation of the advisory

1 board, determines will promote the purposes of this chapter. Said regulations may delineate the
2 type and amounts of any such incentive percentage points; provided, however, that no individual
3 category of incentive points shall exceed ~~two-five (2)(5)~~ additional points; and provided further,
4 that no district shall receive a combined total of more than ~~five-twenty (5)(20)~~ incentive percentage
5 points for projects that commence construction by December 30, 2023, and five (5) incentive points
6 for projects that commence construction thereafter. Such incentive points may be awarded for a
7 district's use of highly efficient construction delivery methods; remediation of hazardous
8 substances; regionalization with other districts; superior maintenance practices of a district; energy
9 efficient and sustainable design and construction; the use of model schools as adopted by the
10 authority; and other incentives as recommended by the advisory board and determined by the
11 authority to encourage the most cost-effective and quality construction. Notwithstanding any
12 provision of the general laws to the contrary, the reimbursement or aid received under this chapter
13 or chapter 38.2 of title 45 shall not exceed one hundred percent (100%) of the sum of the total
14 project costs plus interest costs nor shall a district's share be decreased by more than half of its
15 regular share irrespective of the number of incentive points received.

16 Projects that were approved prior to July 1, 2017, but have not commenced construction as
17 of January 1, 2018 are eligible to receive a total of five (5) combined incentive points so long as an
18 owners program manager and commissioning agent of the school building authority's choosing has
19 been employed. Any project approved prior to July 1, 2017 that is withdrawn and/or resubmitted
20 for approval shall not be eligible for any incentive points.

21 **16-105-7 Expenses incurred by the ~~department~~ school building authority.**

22 In order to provide for ~~one-time or limited the~~ expenses of the ~~department of elementary~~
23 ~~and secondary education~~ school building authority under this chapter, the Rhode Island health and
24 education building corporation shall provide funding from the school building authority capital
25 fund, fees generated from the origination of municipal bonds and other financing vehicles used for
26 school construction, and its own reserves. The school building authority shall, by October 1 of each
27 year, report to the governor and the chairs of the senate and house finance committees, the senate
28 fiscal advisor, and the house fiscal advisor the amount sought for expenses for the next fiscal year.

29 There is also hereby established a restricted receipt account within the budget of the
30 department of elementary and secondary education entitled "school construction services", to be
31 financed by the Rhode Island health and education building corporation's sub-allotments of fees
32 generated from the origination of municipal bonds and other financing vehicles used for school
33 construction and its own reserves. Effective July 1, 2018, this account shall be utilized for the
34 express purpose of supporting any departmental expenditures incurred in the administration of the

1 [school construction aid program.](#)

2 **16-105-8. School building authority advisory board established.**

3 (a) There is hereby established a school building authority advisory board that shall advise
4 the school building authority regarding the best use of the school building authority capital fund,
5 including the setting of statewide priorities, criteria for project approval, and recommendations for
6 project approval and prioritization.

7 (b) The school building authority advisory board shall consist of ~~seven~~ nine ~~(7)~~(9) members
8 as follows:

9 (1) The general treasurer;

10 (2) The director of the department of administration, who shall serve as chair;

11 (3) A member of the governor's staff, as designated by the governor;

12 [\(4\) The commissioner of elementary and secondary education, or his or her designee;](#)

13 [\(5\) The chair of the Rhode Island health and educational building corporation;](#) and

14 ~~(4)~~ Four (4) members of the public, appointed by the governor, and who serve at the
15 pleasure of the governor, each of whom shall have expertise in education and/or construction, real
16 estate, or finance. At least one of these four members shall represent a local education agency.

17 (c) In addition to the purposes in subsection (a), the school building authority advisory
18 board shall advise the school building authority on, including but not limited to, the following:

19 (1) The project priorities for the school building authority capital fund;

20 (2) Legislation as it may deem desirable or necessary related to the school building
21 authority capital fund and the school housing aid program set forth in §§ 16-7-35 to 16-7-47;

22 (3) Policies and procedures designed to reduce borrowing for school construction programs
23 at both state and local levels;

24 (4) Development of a formal enrollment projection model or consideration of using
25 projection models already available;

26 (5) Processes and procedures necessary to apply for, receive, administer, and comply with
27 the conditions and requirements respecting any grant, gift, or appropriation of property, services,
28 or monies;

29 (6) The collection and maintenance of a clearinghouse of prototypical school plans which
30 may be consulted by eligible applicants and recommend incentives to utilize these prototypes;

31 (7) The determination of eligible cost components of projects for funding or
32 reimbursement, including partial or full eligibility for project components for which the benefit is
33 shared between the school and other municipal and community entities;

34 (8) Development of a long-term capital plan in accordance with needs and projected

1 funding;

2 (9) Collection and maintenance of data on all the public school facilities in the state,
3 including information on size, usage, enrollment, available facility space, and maintenance;

4 (10) Advising districts on the conduct of a needs survey to ascertain the capital
5 construction, reconstruction, maintenance, and other capital needs for schools across the state;

6 (11) The recommendation of policies, rules, and regulations that move the state toward a
7 pay-as-you-go funding system for school construction programs; and

8 (12) Encouraging local education agencies to investigate opportunities for the maximum
9 utilization of space in and around the district.

10 SECTION 3. Section 45-38.2-4 of the General Laws in Chapter 45-38.2 entitled "School
11 Building Authority Capital Fund" are hereby amended to read as follows:

12 **45-38.2-4 Payment of state funds.**

13 (a) Subject to the provisions of subsection (b), upon the written request of the corporation,
14 the general treasurer shall pay to the corporation, from time to time, from the proceeds of any bonds
15 or notes issued by the state for the purposes of this chapter or funds otherwise lawfully payable to
16 the corporation for the purposes of this chapter, such amounts as shall have been appropriated or
17 lawfully designated for the fund. All amounts so paid shall be credited to the fund in addition to
18 any other amounts credited or expected to be credited to the fund.

19 (b) The corporation and the state may enter into, execute, and deliver one or more
20 agreements setting forth or otherwise determining the terms, conditions, and procedures for, and
21 the amount, time, and manner of payment of, all amounts available from the state to the corporation
22 under this section.

23 (c) The corporation, per order of the school building authority capital fund, is authorized
24 to grant a district or municipality its state share of an approved project cost, pursuant to §§ 16-7-39
25 and 16-77.1-5. Construction pay-as-you-go grants received from the school building authority
26 capital fund shall not be considered a form of indebtedness subject to the provisions of § 16-7-44.

27 (d)(1) Notwithstanding the provisions of §§ 45-12-19 and 45-12-20, and notwithstanding
28 city or town charter provisions to the contrary, prior to July 1, 2016, no voter approval shall be
29 required for loans in any amount made to a city or town for the local education agency's share of
30 total project costs.

31 (2) Notwithstanding the provisions of §§ 45-12-19 and 45-12-20, and notwithstanding city
32 or town charter provisions to the contrary, on or after July 1, 2016, up to five hundred thousand
33 dollars (\$500,000) may be loaned to a city or town for the local education agency 's share of total
34 project costs without the requirement of voter approval.

1 (e)(1) If the school building authority deems the amount of funding in the capital fund to
2 be in excess of what is necessary to meet the state obligation for projects receiving support from
3 the capital fund in a given year, the school building authority may direct excess funds to support
4 the state share of foundational housing aid.

5 (2) Funds transferred from the capital fund to support the state share of foundational
6 housing aid shall be offered to LEAs on a pay-as-you-go basis and not as a reimbursement of debt
7 service for previously completed projects.

8 (3) Funds transferred from the capital fund to support the state share of foundational
9 housing aid in a given year on a pay-as-you-go basis shall be offered proportionately to LEAs based
10 on the total state share of foundational housing aid awarded to projects in that year.

11 ~~(e)~~(f) Notwithstanding any provision to the contrary, the term of any bond, capital lease,
12 or other financing instrument shall not exceed the useful life of the project being financed.

13 SECTION 4. Section 46-12.2-4.2 of the General Laws in Chapter 46-12.2 entitled “Rhode
14 Island Infrastructure Bank” is hereby amended to read as follows:

15 **46-12.2-4.2. Establishment of the efficient buildings fund.**

16 (a) There is hereby authorized and created within the Rhode Island infrastructure bank an
17 efficient buildings fund for the purpose of providing technical, administrative and financial
18 assistance to local governmental units for energy efficient and renewable energy upgrades to public
19 buildings and infrastructure, including, but not limited to, streetlights. The Rhode Island
20 infrastructure bank shall review and approve all applications for projects to be financed through the
21 efficient buildings fund.

22 The office of energy resources shall promulgate rules and regulations establishing a project
23 priority list for efficient buildings fund and the process through which a local governmental unit
24 may submit an application for inclusion of a project on the project priority list. Upon issuance of
25 the project priority list by the office of energy resources, the project priority list shall be used by
26 the Rhode Island infrastructure bank to determine the order in which financial assistance shall be
27 awarded. The Rhode Island infrastructure bank shall promulgate rules and regulations to effectuate
28 the provisions of this section which may include, without limitation, forms for financial assistance
29 applications, loan agreements, and other instruments. All rules and regulations promulgated
30 pursuant to this chapter shall be promulgated in accordance with the provisions of chapter 35 of
31 title 42. Eligibility for receipt of this financial assistance by a local governmental unit shall be
32 conditioned upon that local governmental unit reallocating their remaining proportional QECB
33 allocation to the state of Rhode Island.

34 (b) The Rhode Island infrastructure bank shall have all the powers necessary and

1 convenient to carry out and effectuate the purposes and provisions of this section including, without
2 limiting the generality of the preceding statement, the authority:

3 (1) To receive and disburse such funds from the state and federal government as may be
4 available for the purpose of the fund subject to the provisions of this section;

5 (2) To make and enter into binding commitments to provide financial assistance to eligible
6 borrowers from amounts on deposit in the fund;

7 (3) To levy administrative fees on eligible borrowers as necessary to effectuate the
8 provisions of this section, provided the fees have been previously authorized by an agreement
9 between the Rhode Island infrastructure bank and the eligible borrower;

10 (4) To engage the services of third-party vendors to provide professional services;

11 (5) To establish one or more accounts within the fund; and

12 (6) Such other authority as granted to the Rhode Island infrastructure bank under this
13 chapter.

14 (c) Subject to the provisions of this section and to any agreements with the holders of any
15 bonds of the Rhode Island infrastructure bank or any trustee therefor, amounts held by the Rhode
16 Island infrastructure bank for the account of the fund shall be applied by the Rhode Island
17 infrastructure bank, either by direct expenditure, disbursement, or transfer to one or more other
18 funds and accounts held by the Rhode Island infrastructure bank or maintained under any trust
19 agreement pertaining to bonds, either alone or with other funds of the Rhode Island infrastructure
20 bank, to the following purposes:

21 (1) To provide financial assistance to local governmental units to finance costs of approved
22 projects, as set forth in subsection (a), and to refinance the costs of the projects, subject to such
23 terms and conditions, if any, as are determined by the Rhode Island infrastructure bank;

24 (2) To fund reserves for bonds of the Rhode Island infrastructure bank and to purchase
25 insurance and pay the premiums therefor, and pay fees and expenses of letters or lines of credit and
26 costs of reimbursement to the issuers thereof for any payments made thereon or on any insurance,
27 and to otherwise provide security for, and a source of payment for obligations of the Rhode Island
28 infrastructure bank, by pledge, lien, assignment, or otherwise as provided in this chapter;

29 (3) To pay expenses of the Rhode Island infrastructure bank in administering the fund;

30 (4) To provide a reserve for, or to otherwise secure, amounts payable by borrowers on loans
31 and obligations outstanding in the event of default thereof; amounts in any account in the fund may
32 be applied to defaults on loans outstanding to the borrower for which the account was established
33 and, on a parity basis with all other accounts, to defaults on any loans or obligations outstanding;
34 and

1 (5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
2 otherwise as provided in this chapter, any bonds of the Rhode Island infrastructure bank.

3 (d) In addition to other remedies of the Rhode Island infrastructure bank under any loan
4 agreement or otherwise provided by law, the Rhode Island infrastructure bank may also recover
5 from a borrower, in an action in superior court, any amount due the Rhode Island infrastructure
6 bank together with any other actual damages the Rhode Island infrastructure bank shall have
7 sustained from the failure or refusal of the borrower to make the payments or abide by the terms of
8 the loan agreement.

9 (e) The Rhode Island infrastructure bank may create one or more loan loss reserve funds
10 to serve as further security for any loans made by the Rhode Island infrastructure bank or any bonds
11 of the Rhode Island infrastructure bank issued to fund energy efficiency improvements in public
12 buildings in accordance with this section.

13 (f) To the extent possible, and in accordance with law, the infrastructure bank shall
14 encourage the use of project labor agreements for projects over ten million dollars (\$10,000,000)
15 and local hiring on projects funded under this section.

16 (g) ~~Any financial assistance provided by the Rhode Island infrastructure bank to a public~~
17 ~~entity for the purpose of retrofitting a school building shall not be subject to the match established~~
18 ~~by Rhode Island general laws §§ 16-7-35 to 16-7-47, and shall be made subject to coordination~~
19 ~~with the Rhode Island department of education. Notwithstanding any provisions to the contrary in~~
20 Chapter 16-7, but subject to Section 16-7-41(c), any approved project as set forth in subsection (a)
21 of this section that is also an “approved project” as defined in §16-7-36 and predominately energy
22 or environmental in nature shall be eligible for school housing assistance under §§ 16-7-35 through
23 16-7-47, and shall include the payment of interest on bonds, lease revenue bonds, capital leases, or
24 capital reserve funding issued by a local governmental unit.

25 SECTION 5. Sections 16-26-7 and 16-26-12 of the General Laws in Chapter 16-26 entitled
26 “School for the Deaf” are hereby amended to read as follows:

27 **16-26-7. Persons admissible.**

28 (a) All children of parents, or under the control of guardians or other persons, legal
29 residents of this state, between the ages from birth to twenty-one (21) years, whose hearing or
30 speech, or both, are impaired as to make it impracticable for this student to make progress toward
31 his or her educational goals by attending the public schools may attend the Rhode Island School
32 for the Deaf, without charge, under any rules and regulations as the board of regents for elementary
33 and secondary education may establish.

34 (b) Deaf persons from birth to twenty-one (21) years, who are legal residents of the state,

1 shall be entitled to the privilege of the school without charge, and for any period of time in each
2 individual case as may be deemed appropriate by the board of regents for elementary and secondary
3 education; residents of other states may be admitted upon the payment of any rates of board and
4 tuition as may be fixed by the board.

5 [\(c\) Students who are not deaf or hard of hearing may be admitted to the Rhode Island](#)
6 [School for the Deaf in accordance with rules and regulations promulgated by the commissioner of](#)
7 [elementary and secondary education.](#)

8 **16-26-12. Other sources of funding.**

9 (a) The 2009 general assembly, through the FY 2010 appropriation act, established a fee
10 for a service program, also known as a tuition program, for the Rhode Island school for the deaf
11 effective July 1, 2009 in accordance with the fee structure developed and implemented by the
12 department of elementary and secondary education. Under this fee for service program, and the
13 provisions of Rhode Island general law § 16-26-7.1 notwithstanding, districts shall be assessed
14 tuition to cover the costs of educational services that are additional to the core deaf and hard-of-
15 hearing education program that is provided to resident students at the Rhode Island school for the
16 deaf.

17 (b) Tuition assessed at the school for the deaf to cover costs of educational services that
18 are additional to the core deaf and hard-of-hearing education program shall be based on a graduated
19 tuition schedule correlating to the varying needs of students. Districts shall receive three (3) times
20 each school year, invoices summarizing the basis for the tuition charged. There shall be deducted
21 from the final aid payment to each school district at the end of the fiscal year any amounts owed to
22 the state for these additional educational services. All tuition paid by districts and any aid deducted
23 for non-payment shall be deposited in a restricted receipt account and shall be exempt from the
24 indirect cost recovery provisions of § 35-4-7.

25 (c) The school for the deaf is hereby authorized to rent or lease space in its school building.
26 The school shall deposit any revenues from such agreements into a restricted receipt account, to be
27 known as the school for the deaf rental income account, to be used for the same educational
28 purposes that its state appropriation is used. Any such rental agreements must receive prior approval
29 from the school's board of trustees and by the state properties committee.

30 [\(d\) For students attending the Rhode Island School for the Deaf, in accordance with § 16-](#)
31 [26-7\(c\), costs for those students shall be funded pursuant to the provisions of § 16-7.2-3, effective](#)
32 [as of July 1, 2018. The state share of the permanent foundation education aid shall be paid directly](#)
33 [to the Rhode Island School for the Deaf pursuant to the provisions of § 16-7.2-7. The local school](#)
34 [district shall transfer the difference between the calculated state share of the permanent foundation](#)

1 [education aid and the amount calculated pursuant to the provisions of § 16-7.2-7 to the Rhode](#)
2 [Island School for the Deaf, until the transition of the state share is complete. In addition, the local](#)
3 [school district shall pay the local share of education funding to the Rhode Island School for the](#)
4 [Deaf as outlined in § 16-7.2-5.](#)

5 SECTION 6. This article shall take effect upon passage.