



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
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Memorandum

To: The Honorable Steven M. Costantino
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: April 23, 2010

Subject: Revised Article 13 for FY 2011 Appropriations Act (10-H-7397)

The Governor requests Article 13 of the FY 2011 Appropriations Act entitled "Relating to Education Aid" be replaced with the attached version. According to guidance from the federal government, the 0.5% administrative fee that states may charge to ARRA grants may not be taken out of the Education Stabilization Fund portion of the State Fiscal Stabilization Funds.

As a result, \$132,564 that was originally budgeted in Elementary and Secondary Education for the administrative fee on the Education Stabilization Fund will be distributed to the LEAs-including local districts, state schools, and charter schools-as education aid. This distribution will be offset by an identical reduction in general revenue education aid so that there will be no net change for the LEAs.

The revised version of Article 13 implements the switch of \$111,977 for the local districts, \$8,107 for Central Falls, and \$6,341 for charter schools. The remainder of the funds goes to state schools (Davies, School for the Deaf, and the Met School) that are not included in Article 13. These changes will also be reflected in forthcoming amendments to Article 1. The revised language is indicated by shading.

If you have any questions regarding the revised article, please feel free to call me at 222-6300.

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TAM:sm 10-22
Attachment

cc: Representative Robert A. Watson
Senator Dennis L. Algieri
Sharon Reynolds Ferland
Peter Marino
Tim Costa
Michael Cronan
Rosemary Booth Gallogly
Karen DiLauro
Gregory Stack

ARTICLE 13

RELATING TO EDUCATION AID

SECTION 1. Section 16-7.1-15 of the General Laws in Chapter 16-7.1 entitled "The Paul W. Crowley Rhode Island Student Investment Initiative" is hereby amended to read as follows:

§ 16-7.1-15 The Paul W. Crowley Rhode Island student investment initiative.

[Effective July 1, 2010.]— (a) Each locally or regionally operated school district shall receive as a base the same amount of school aid as each district received in fiscal year 1997-1998, adjusted to reflect the increases or decreases in aid enacted to meet the minimum and maximum funding levels established for FY 2000 through FY 2008. Each school district shall also receive school aid through each investment fund for which that district qualifies pursuant to §§ 16-7.1-8, 16-7.1-9, 16-7.1-10, 16-7.1-11, 16-7.1-12, 16-7.1-16 and 16-7.1-19. These sums shall be in addition to the base amount described in this section. For FY 2009 and FY 2010, the reference year for the data used in the calculation of aid pursuant to § 16-7.1-8, § 16-7.1-9, § 16-7.1-10, § 16-7.1-11, § 16-7.1-11.1, § 16-7.1-12, § 16-7.1-16, § 16-7.1-19 and 16-77.1-2(b) shall be FY 2004. Calculation and distribution of education aid under §§ 16-5-31, 16-5-32, 16-7-20, 16-7-20.5, 16-7-34.2, 16-7-34.3, 16-24-6, 16-54-4, and 16-67-4 is hereby suspended. Provided, however, calculation and distribution of education aid under § 16-7.1-10 is suspended for FY 2009 and FY 2010. School districts may continue to maintain professional development programs and may reduce other education programs to achieve savings during FY 2009 and FY 2010. The funding of the purposes and activities of chapter 67 of this title, the Rhode Island Literacy and Dropout Prevention Act of 1967, shall be the same amount of the base amount of each district funded for that purpose in fiscal year 1997-1998. In addition each district shall expend three percent (3%) of its student equity and early childhood funds under the provisions of chapter 67 of this title.

(b) Funding for full day kindergarten programs in accordance with § 16-7.1-11.1 shall be in addition to funding received under this section.

(c) Funding distributed under §§ 16-77.1-2(b) and 16-64-1.1 shall be in addition to funding distributed under this section.

(d) (1) For FY 2009, aid to school districts shall be reduced by the equivalent savings that are realized due to a reduction of payments to the teachers' retirement system. The reduction for the Chariho regional school district shall be prorated among the member communities. In addition, for FY 2009 aid to school districts shall be reduced by any amount of previously appropriated school housing aid determined to be ineligible for reimbursement in accordance with § 16-7-44.2. For FY 2009 aid shall also be reduced by the amount of projected revenue for the period December 1, 2008 through June 30, 2009 from the permanent school fund. The projected revenue shall be determined by annualizing actual earnings from the period May 12, 2008 through November 30, 2008. The department of elementary and secondary education shall reduce aid in two equal installments, payable in May and June; provided however, that East Providence shall receive one payment of reduced aid in May.

(2) For FY 2009, aid to school districts shall include thirty eight million, three hundred twenty-four thousand, eight hundred twenty-two dollars (\$38,324,822) from federal fiscal stabilization funds offset by a like reduction from general revenues. The distribution shall be in the same proportion as general operating aid.

(e) (1) For FY 2010, aid to school districts shall be reduced by the equivalent savings that are realized due to a reduction of payments to the teachers' retirement system. The reduction for the Chariho regional school district shall be prorated among the member communities. For FY 2010, aid to school districts shall be reduced by thirty-three million nine hundred twenty-eight thousand two hundred sixteen dollars (\$33,928,216) based on the school district's share of total FY 2009 enacted education aid, including state schools and charter schools. For FY 2010, a distribution of stabilization funds per the American Recovery and Reinvestment Act (ARRA) totaling thirty-four million one hundred seven thousand one hundred ninety-five dollars

(\$34,107,195) shall be allocated to school districts proportionately based on their share of total FY 2009 enacted education aid, including state schools and charter schools.

(2) For FY 2010, aid to school districts shall be further reduced by twenty-three million eight hundred fifty-nine thousand four hundred fifty-six dollars (\$23,859,456) based on the school district's share of total FY 2010 originally enacted education aid, including state schools and charter schools. For FY 2010, an additional distribution of stabilization funds per the American Recovery and Reinvestment Act (ARRA) totaling four million nine hundred sixty-nine thousand nine hundred eighty dollars (\$4,969,980) shall be allocated to school districts proportionately based on their share of total FY 2010 originally enacted education aid, including state schools and charter schools.

(3) Districts shall comply with the assurances and reporting requirements provided in the federal guidance for the (ARRA) allocation and by the commissioner of elementary and secondary education.

(f) For FY 2011, aid to school districts shall be reduced by the equivalent savings that are realized due to a reduction of payments to the teachers' retirement system. The reduction for the Chariho regional school district shall be prorated among the member communities. For FY 2011, aid to school districts shall be further reduced by twenty million six hundred ten thousand two hundred twenty-one dollars (\$20,610,221) from the FY 2010 originally enacted level based on the school district's share of total FY 2010 originally enacted education aid, including aid to state schools and charter schools. For FY 2011, a distribution of federal stabilization funds made available through the American Recovery and Reinvestment Act (ARRA), in the amount of twenty-four million four hundred thirty-one thousand nine hundred four dollars (\$24,431,904), shall be allocated to school districts proportionately based on their share of total FY 2010 originally enacted education aid, including aid to state schools and charter schools.

(f) (g) There shall be an appropriation to ensure that total aid distributed to communities in FY ~~2010~~ 2011 under this section and §§ 16-7.1-11.1, 16-64-1.1 and 16-77.1-2(b), excluding any FY 2009 and FY 2010 Stabilization reappropriations, shall be as follows:

	General Revenues	FY 2011 Stimulus Fiscal Stabilization <u>Allocation</u>
Barrington	1,863,090 <u>1,382,574</u>	128,427 <u>91,823</u>
Burrillville	12,928,167 <u>12,367,534</u>	684,478 <u>490,398</u>
Charlestown	1,697,497 <u>1,589,977</u>	98,948 <u>70,852</u>
Coventry	18,056,601 <u>16,885,530</u>	991,787 <u>710,364</u>
Cranston	31,662,364 <u>29,506,224</u>	1,752,647 <u>1,255,261</u>
Cumberland	11,829,002 <u>11,021,320</u>	654,948 <u>469,078</u>
East Greenwich	1,503,975 <u>1,025,002</u>	96,326 <u>68,869</u>
East Providence	24,499,858 <u>23,105,612</u>	1,328,384 <u>951,550</u>
Foster	1,286,565 <u>1,214,202</u>	69,979 <u>50,127</u>
Glocester	2,927,940 <u>2,775,215</u>	158,776 <u>113,738</u>
Hopkinton	5,677,786 <u>5,327,202</u>	308,347 <u>220,868</u>
Jamestown	398,901 <u>319,099</u>	26,278 <u>18,796</u>
Johnston	9,596,568 <u>8,920,322</u>	531,110 <u>380,381</u>
Lincoln	6,363,969 <u>5,713,209</u>	365,750 <u>261,865</u>
Little Compton	296,650 <u>243,895</u>	18,221 <u>13,038</u>
Middletown	9,533,084 <u>8,939,607</u>	518,598 <u>371,467</u>
Narragansett	1,467,137 <u>1,184,845</u>	93,727 <u>67,048</u>
Newport	10,744,683 <u>10,176,666</u>	586,477 <u>420,101</u>
New Shoreham	64,987 <u>27,375</u>	5,254 <u>3,752</u>
North Kingstown	10,631,113 <u>9,831,828</u>	592,155 <u>424,078</u>

North Providence	12,081,507 <u>11,281,739</u>	661,166 <u>473,563</u>
North Smithfield	4,344,329 <u>4,019,044</u>	238,830 <u>171,052</u>
Pawtucket	62,176,676 <u>59,651,156</u>	3,311,223 <u>2,372,315</u>
Portsmouth	5,923,071 <u>5,484,041</u>	331,008 <u>237,053</u>
Providence	178,309,944 <u>170,892,836</u>	9,577,917 <u>6,861,732</u>
Richmond	5,652,344 <u>5,303,820</u>	305,742 <u>219,007</u>
Scituate	2,926,243 <u>2,649,144</u>	168,328 <u>120,520</u>
Smithfield	4,992,643 <u>4,465,300</u>	283,754 <u>203,163</u>
South Kingstown	9,224,287 <u>8,423,684</u>	521,147 <u>373,178</u>
Tiverton	5,271,861 <u>4,884,588</u>	293,067 <u>209,887</u>
Warwick	33,468,879 <u>31,026,074</u>	1,858,870 <u>1,331,284</u>
Westerly	5,774,932 <u>5,121,537</u>	338,074 <u>242,016</u>
West Warwick	18,738,108 <u>17,783,799</u>	1,009,842 <u>723,415</u>
Woonsocket	44,074,702 <u>42,198,833</u>	2,342,811 <u>1,678,498</u>
Bristol-Warren	18,764,456 <u>17,859,333</u>	1,009,726 <u>723,348</u>
Exeter-West Greenwich	6,814,331 <u>6,237,676</u>	374,779 <u>268,406</u>
Chariho	378,758 <u>369,564</u>	19,679 <u>14,103</u>
Foster-Glocester	5,194,804 <u>4,898,208</u>	283,077 <u>202,768</u>
Central Falls	42,507,399 <u>40,989,147</u>	2,167,539 <u>1,553,142</u>

In addition to the amounts listed above, the department of elementary and secondary education shall allocate monthly to each school district all funds received into the permanent school fund pursuant to § 42-61.2-7, as amended by chapter 13 of the 2008 Public Laws entitled "An Act Relating to State Affairs and Government", up to \$14.1 million, in the same proportion as the aid distribution in the FY 2009 enacted appropriations act.

This special provision shall not limit entitlements as determined by application of other formula provisions in this section.

~~(g)~~ (h) For FY 2009 payments to charter public schools shall be reduced by the equivalent savings that are realized due to a reduction of payments to the teachers' retirement system. The reduction for district sponsored charter schools shall be incorporated in the sponsoring school district's aid as noted in subsection ~~(f)~~ (g). Aid to charter public schools shall be reduced in the April quarterly payment. For FY 2009, charter public school funding is as follows:

Beacon Charter School 1,512,785

Blackstone Academy 1,469,349

Compass 614,485

Paul Cuffee 4,449,006

CVS Highlander 2,596,782

International 2,863,818

Kingston Hill Academy 736,784

Learning Community 3,669,529

NE Laborer's 1,508,866

Textron 2,361,370

Times 2 Academy 6,870,410

~~(h)~~ (i)(1) For FY 2010, payments to charter public schools shall be reduced by the equivalent savings that are realized due to a ~~deferral~~ reduction of payments to the teachers' retirement system. The reduction for district sponsored charter schools shall be incorporated in the sponsoring schools district's aid as noted in subsection ~~(f)~~ (g). For FY 2010, payments to charter public schools shall be reduced by one million four hundred sixty-three thousand three hundred sixty-seven dollars (\$1,463,367) based on the charter schools' share of total FY 2009 enacted education aid, including school districts and state schools. For FY 2010, a distribution of stabilization funds per the American Recovery and Reinvestment Act (ARRA) totaling one million four hundred seventy-one thousand eighty-seven dollars (\$1,471,087) shall be allocated to

charter public schools proportionately based on their share of total FY 2009 enacted education aid, including school districts and state schools.

(2) For FY 2010, payments to charter public schools shall be further reduced by one million one hundred sixty-six thousand three hundred forty-five dollars (\$1,166,345) based on the charter schools' share of total FY 2010 originally enacted education aid. For FY 2010, an additional distribution of stabilization funds per the American Recovery and Reinvestment Act (ARRA) totaling two hundred six thousand ninety-six dollars (\$206,096) shall be allocated to charter public schools proportionately based on their share of total FY 2010 originally enacted education aid.

(3) Public charter schools shall comply with the assurances and reporting requirements provided in the federal guidance for the (ARRA) allocation and by the commissioner of elementary and secondary education.

(j) For FY 2011, payments to charter public schools shall be reduced by the equivalent savings that are realized due to a reduction of payments to the teachers' retirement system. The reduction for district sponsored charter schools shall be incorporated in the sponsoring schools district's aid as noted in subsection (g). For FY 2011, payments to charter public schools shall be further reduced by one million eighty-three thousand two hundred eighty-two dollars (\$1,083,282) from the FY 2010 originally enacted education aid based on the charter schools' share of total FY 2010 enacted education aid, including aid to school districts and state schools. For FY 2011, a distribution of federal stabilization funds made available through the American Recovery and Reinvestment Act (ARRA), in the amount of one million fifty-four thousand nine hundred forty-one dollars (\$1,054,941), shall be allocated to charter public schools proportionately based on their share of total FY 2010 originally enacted education aid, including aid to school districts and state schools.

(k) There shall be deducted from the final aid payment to each school district any amounts owed to the state at the end of the fiscal year for transportation of the district's students

under the statewide transportation system established pursuant to R.I.G.L. 16-21.1-7 and 16-21.1-8. Districts shall receive monthly invoices summarizing the basis of the transportation fees charged. Any such deductions in aid shall be transferred to the statewide student transportation services restricted receipt account.

(l) The provisions of R.I.G.L. 16-26-7.1 notwithstanding, districts shall be assessed tuition to cover the costs of educational services that are additional to the core deaf and hard of hearing education program that is provided to resident students at the Rhode Island School for the Deaf. This tuition shall be based on a graduated tuition schedule that is based on the varying needs of students. The department of elementary and secondary education shall develop and implement the schedule. Districts shall receive monthly invoices summarizing the basis for the tuition charged. There shall be deducted from the final aid payment to each school district at the end of the fiscal year any amounts owed to the state for these additional educational services.

~~(j)~~ (m) Children with disabilities. (1) Based on its review of special education within the context of Rhode Island school reform, the general assembly recommends addressing the needs of all children and preventing disability through scientific research based, as described in the No Child Left Behind Act of 2001, Title 1, Part B, Section 1208 [20 U.S.C. § 6368], reading instruction and the development of Personal Literacy Programs for students in the early grades performing below grade level in reading and implement a system of student accountability that will enable the state to track individual students over time. Additionally, the department of elementary and secondary education must provide districts with rigorous criteria and procedures for identifying students with learning disabilities and speech/language impairments. Additional study is required of factors that influence programming for students with low incidence disabilities; those with disabilities that severely compromise life functions; and programming for students with disabilities through urban special education. Alternatives for funding special education require examination.

(2) All departments and agencies of the state shall furnish any advice and information, documentary and otherwise, to the general assembly and its agents that is deemed necessary or desirable by the study to facilitate the purposes of this section.

SECTION 2. This article shall take effect as of July 1, 2010.