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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO EDUCATION -- PERMANENT FOUNDATION EDUCATION AID

Introduced By: Representatives Slater, and Diaz

Date Introduced: February 26, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 16-7.2-3, 16-7.2-4 and 16-7.2-6 of the General Laws in Chapter  
2   16-7.2 entitled "The Education Equity and Property Tax Relief Act" are hereby amended to read  
3   as follows:

4           **16-7.2-3. Permanent foundation education aid established.** -- (a) Beginning in the  
5   2012 fiscal year, the following foundation education aid formula shall take effect. The foundation  
6   education aid for each district shall be the sum of the core instruction amount in (a)(1) and the  
7   amount to support high need students in [subsection \(a\)\(2\)](#); [and the amount to support career and](#)  
8   [technical education students attending schools operated under the provisions of chapter 16-45](#)  
9   [\("Regional Vocational Schools"\) as set forth in subsection \(a\)\(3\)](#) which shall be multiplied by the  
10   district state share ratio calculated pursuant to [§ 16-7.2-4](#) to determine the foundation aid.

11           (1) The core instruction amount shall be an amount equal to a statewide per pupil core  
12   instruction amount as established by the department of elementary and secondary education,  
13   derived from the average of northeast regional expenditure data for the states of Rhode Island,  
14   Massachusetts, Connecticut, and New Hampshire from the National Center for Education  
15   Statistics (NCES) that will adequately fund the student instructional needs as described in the  
16   basic education program and multiplied by the district average daily membership as defined in  
17   section 16-7-22. Expenditure data in the following categories: instruction and support services for  
18   students, instruction, general administration, school administration and other support services  
19   from the National Public Education Financial Survey as published by NCES and enrollment data

1 from the Common Core of Data also published by NCES will be used when determining the core  
2 instruction amount. The core instruction amount will be updated annually. For the purpose of  
3 calculating this formula, school districts' resident average daily membership shall exclude charter  
4 school and state-operated school students.

5 (2) The amount to support high need students beyond the core instruction amount shall  
6 be determined by multiplying a student success factor of forty percent (40%) by the core  
7 instruction per pupil amount described in section 16-7.2-3(1) and applying that amount to all  
8 resident children eligible for USDA reimbursable school meals.

9 (3) The amount to support career and technical education students beyond the core  
10 instruction amount shall be determined by multiplying a student success factor of thirty-three  
11 percent (33%) by the core instruction per pupil amount described in § 16-7.2-3(a)(1) herein and  
12 applying that amount to all resident children participating in career and technical education  
13 programs at schools operated under the provisions of chapter 16-45 ("Regional Vocational  
14 Schools").

15 (b) LEAs may set aside a portion of funds received under subsection (a) to expand  
16 learning opportunities such as after school and summer programs, full day kindergarten and/or  
17 multiple pathway programs provided that the basic education program and all other approved  
18 programs required in law are funded.

19 **16-7.2-4. Determination of state's share.** – ~~(a)~~ For each district, the state's share of the  
20 foundation education aid calculated pursuant to section 16-7.2-3(a) shall use a calculation that  
21 considers a district's revenue generating capacity and concentration of high-need students. The  
22 calculation is the square root of the sum of the state share ratio for the community calculation  
23 (SSRC), pursuant to section 16-7-20, squared plus the district's percentage of students eligible for  
24 USDA reimbursable school meals in grades PK-6 (PK6FRPL) squared, ~~divided by two~~ plus the  
25 district's percentage of students participating in career and technical education programs at  
26 schools operated under the provisions of chapter 16-45 ("Regional Vocational Schools"), squared,  
27 divided by three (3). ~~(b) For purposes of determining the state's share, school district student data~~  
28 ~~used in this calculation shall include charter school and state school students. These ratios are~~  
29 ~~used in the permanent foundation education aid formula calculation described in section 16-7.2-5.~~

30 **16-7.2-6. Categorical programs, state funded expenses.** -- In addition to the foundation  
31 education aid provided pursuant to section 16-7.2-3 the permanent foundation education aid  
32 program shall provide direct state funding for:

33 (a) Excess costs associated with special education students. - Excess costs are defined  
34 when an individual special education student's cost shall be deemed to be "extraordinary."

1 Extraordinary costs are those educational costs that exceed the state approved threshold based on  
2 an amount above five times the core foundation amount (total of core instruction amount plus  
3 student success amount) The department of elementary and secondary education shall prorate the  
4 funds available for distribution among those eligible school districts if the total approved costs for  
5 which school districts are seeking reimbursement exceed the amount of funding appropriated in  
6 any fiscal year;

7 (b) Career and technical education costs to help meet initial investment requirements  
8 needed to transform existing or create new comprehensive career and technical education  
9 programs and career pathways in critical and emerging industries and to help offset the higher  
10 than average costs associated with facilities, equipment maintenance and repair, and supplies  
11 necessary for maintaining the quality of highly specialized programs that are a priority for the  
12 state. The department shall recommend criteria for the purpose of allocating any and all career  
13 and technical education funds as may be determined by the general assembly on an annual basis.  
14 The department of elementary and secondary education shall prorate the funds available for  
15 distribution among those eligible school districts if the total approved costs for which school  
16 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

17 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten  
18 programs. The department shall recommend criteria for the purpose of allocating any and all early  
19 childhood program funds as may be determined by the general assembly;

20 (d) Central Falls Stabilization Fund is established to assure that appropriate funding is  
21 available to support the community, including students from the community that attend the  
22 charter schools, Davies, and the Met Center pursuant to section 16-7.2-5, due to concerns  
23 regarding the city's capacity to meet the local share of education costs. This fund requires that  
24 education aid calculated pursuant to section 16-7.2-3 and funding for costs outside the permanent  
25 foundation education aid formula, including but not limited to transportation, facility  
26 maintenance, and retiree health benefits shall be shared between the state and the city of Central  
27 Falls. The fund shall be annually reviewed to determine the amount of the state and city  
28 appropriation. The state's share of this fund may be supported through a reallocation of current  
29 state appropriations to the Central Falls school district. At the end of the transition period defined  
30 in section 16-7.2-7, the municipality will continue its contribution pursuant to section 16-7-24;  
31 and

32 (e) Excess costs associated with transporting students to out of district non-public  
33 schools and within regional school districts. (1) This fund will provide state funding for the costs  
34 associated with transporting students to out of district non-public schools, pursuant to title 16,

1 Chapter 21.1. The state will assume the costs of non-public out-of-district transportation for those  
2 districts participating in the statewide system; ~~and~~ (2) This fund will provide state funding for the  
3 costs associated with transporting students from any districts within the state to the William M.  
4 Davies Jr. Career and Technical High School ("Davies") or the Metropolitan Regional Career and  
5 Technical Center ("the Met Center"); pursuant to the provisions of chapter 16-21.1  
6 ("Transportation of School Pupils Beyond City and Town Limits"); and (3)- This fund will  
7 provide direct state funding for the excess costs associated with transporting students within  
8 regional school districts, established pursuant to title 16, chapter 3. This fund requires that the  
9 state and regional school district share equally the student transportation costs net any federal  
10 sources of revenue for these expenditures. The department of elementary and secondary  
11 education shall prorate the funds available for distribution among those eligible school districts if  
12 the total approved costs for which school districts are seeking reimbursement exceed the amount  
13 of funding available in any fiscal year.

14 (f) Public school districts that are regionalized shall be eligible for a regionalization  
15 bonus as set forth below.

16 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school  
17 district established under the provisions of chapter 16-3 including the Chariho Regional School  
18 district.

19 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus  
20 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the  
21 regionalization bonus shall commence in the first fiscal year following the establishment of a  
22 regionalized school district as set forth section 16-3, including the Chariho Regional School  
23 District.

24 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the  
25 state's share of the foundation education aid for the regionalized district as calculated pursuant to  
26 sections 16-7.2-3 and 16-7.2-4 in that fiscal year.

27 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the  
28 state's share of the foundation education aid for the regionalized district as calculated pursuant to  
29 sections 16-7.2-3 and 16-7.2-4 in that fiscal year.

30 (5) The regionalization bonus shall cease in the third fiscal year.

31 (6) The regionalization bonus for the Chariho regional school district shall be applied to  
32 the state share of the permanent foundation education aid for the member towns.

33 (7) The department of elementary and secondary education shall prorate the funds  
34 available for distribution among those eligible regionalized school districts if the total approve

1 costs for which regionalized school districts are seeking a regionalization bonus exceed the  
2 amount of funding appropriated in any fiscal year.

3 (g) Categorical programs defined in (a) through (f) shall be funded pursuant to the  
4 transition plan in section 16-7.2-7.

5 SECTION 2. Section 16-21.1-2 of the General Laws in Chapter 16-21.1 entitled  
6 "Transportation of School Pupils Beyond City and Town Limits [See Title 16 Chapter 97 - The  
7 Rhode Island Board of Education Act]" is hereby amended to read as follows:

8 **16-21.1-2. School bus districts established.** -- (a) There are hereby established school  
9 bus districts within the state to provide bus transportation in the interest of public safety, health,  
10 and welfare for pupils in grades kindergarten through twelve (12), or in special education  
11 programs, who attend public schools, including vocational schools and special education  
12 programs provided in accord with regulations of the board of regents for elementary and  
13 secondary education, consolidated schools, regional schools established under the provisions of  
14 section 16-3-1 et seq., or who participate in cooperative programs as provided by section 16-3.1-1  
15 et seq., and nonpublic nonprofit schools which are consolidated, regionalized, or otherwise  
16 established to serve residents of a specific area within the state which schools satisfy the  
17 requirements of law for any of the grades of school, kindergarten through twelve (12), as follows:

18 (1) Region I: The towns of Burrillville, North Smithfield, and Cumberland, and the city  
19 of Woonsocket;

20 (2) Region II: The county of Kent, except the town of West Greenwich and the towns of  
21 Foster, Glocester, and Scituate;

22 (3) Region III: The towns of Lincoln, Smithfield, Johnston, North Providence,  
23 Barrington, Warren, and Bristol, and the cities of Cranston, Central Falls, East Providence,  
24 Pawtucket, and Providence;

25 (4) Region IV: The county of Washington and the towns of Jamestown and West  
26 Greenwich;

27 (5) Region V: The towns of Little Compton, Middletown, Portsmouth, and Tiverton, and  
28 the city of Newport.

29 (b) A pupil attending a school, including a public school, vocational school, special  
30 education program provided in accord with regulations of the board of regents for elementary and  
31 secondary education, a regional school established under the provisions of section 16-3-1 et seq.,  
32 as authorized by section 16-3.1-1 et seq., or a nonpublic nonprofit school for grades kindergarten  
33 through twelve (12), consolidated, regionalized, or otherwise established to serve residents of a  
34 specific area within the state for any of the grades of schools, kindergarten through twelve (12), in

1 the interest of public safety, health, and welfare, shall be provided with bus transportation to the  
2 school or facility which the pupil attends, within the region in which the pupil resides, by the  
3 school committee of the city or town within which the pupil resides. The cost of transporting a  
4 pupil attending a charter school, ~~the William M. Davies, Jr. Career and Technical High School~~  
5 ~~("Davies"), or the Metropolitan Regional Career and Technical Center ("the Met Center")~~ within  
6 the established region shall be charged to the receiving school at the same grade level  
7 transportation per pupil cost of the resident district. Districts may offer transportation to charter  
8 schools, ~~Davies, or the Met Center~~ outside the established region in order to facilitate efficiency  
9 provided there is not additional cost to the resident district. The actual cost of transporting a pupil  
10 attending the William M. Davies Jr. Career and Technical High School ("Davies") or the  
11 Metropolitan Regional Career and Technical Center ("the Met Center") from any district within  
12 the state shall be funded through the transportation categorical fund pursuant to the provisions of  
13 § 16-7.2-6(e).

14 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

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1           This act would revise the provisions providing for funding for transportation of students  
2 to the William M. Davies Jr. Career and Technical High School and the Metropolitan Regional  
3 Career and Technical Center.

4           This act would take effect upon passage.

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