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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 - SCHOOL COMMITTEES AND SUPERINTENDENTS

Introduced By: Senators Pearson, Paiva Weed, Gallo, DiPalma, and Satchell

Date Introduced: April 09, 2014

Referred To: Senate Education

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 16-2-9.4 and 16-2-21 of the General Laws in Chapter 16-2 entitled
2 "School Committees and Superintendents [See Title 16 Chapter 97 - The Rhode Island Board of
3 Education Act]" are hereby amended to read as follows:

4 **16-2-9.4. School district accounting compliance.** -- (a) The office of auditor general
5 and the department of elementary and secondary education shall promulgate a uniform system of
6 accounting, including a chart of accounts based on the recommendations of the advisory council
7 on school finance, and require all accounts of the school districts, regional school districts, state
8 schools and charter schools to be kept in accordance therewith; provided, that in any case in
9 which the uniform system of accounting is not practicable, the office of auditor general in
10 conjunction with the department of elementary and secondary education shall determine the
11 manner in which the accounts shall be kept. The uniform system of accounting shall also include
12 a standardized budget process to ensure districts can annually assess investment priorities and
13 incorporate long range planning.

14 (b) For the purpose of securing a uniform system of accounting and a chart of accounts
15 the advisory council on school finances, as defined in section 16-2-9.2 may make such surveys of
16 the operation of any school districts, regional school district, state school or charter school as they
17 shall deem necessary.

18 (c) Upon completion of the implementation of the uniform chart of accounts, all the
19 school districts, regional school districts, state schools, and/or charter schools, shall implement a

1 regents-approved budget model, [that shall include a distinct line item for payments to charter](#)
2 [schools](#), and use best practices established by the department of education for long range
3 planning, budget development, and budget administration and reporting.

4 (d) If any school district, regional school district, state school or charter school fails to
5 install and maintain the uniform system of accounting, including a chart of accounts and
6 approved budget model, or fails to keep its accounts and interdepartmental records, or refuses or
7 neglects to make the reports and to furnish the information in accordance with the method
8 prescribed by the office of auditor general and the department of education or hinders or prevents
9 the examination of accounts and financial records, the auditor general and the commissioner of
10 education and/or their respective designee(s) shall make a report to the superintendent of schools
11 of the local education agency, the school committee chairperson, the mayor or town manager, and
12 the president of the town council, and/or for a charter school, to the board of trustees or directors,
13 as applicable, in writing, specifying the nature and extent of the failure, refusal, neglect,
14 hindrance, or prevention, and the commissioner is hereby authorized and directed to review the
15 matter so reported. If the commissioner shall find that failure, refusal, neglect, hindrance, or
16 prevention exists and that the school district, regional school district, state school or charter
17 school should properly comply in the matter so reported, the commissioner shall direct the school
18 district, regional school district, state school or charter school, in writing, to so comply. If the
19 failure, refusal, neglect, hindrance, or prevention shall continue for a period of ten (10) days
20 following the written direction, the commissioner may request the board of education for
21 approval to withhold distribution of state aid to said school district, regional school district, state
22 school or charter school. The board shall hold a hearing and provide the subject school and/or
23 district notice and an opportunity to be heard at said hearing. After hearing thereon, the board
24 may authorize the commissioner to withhold the distribution of state aid to said school district,
25 regional school district, state school, or charter school, if the board determines such sanction is
26 appropriate.

27 (e) The department of elementary and secondary education in consultation with the
28 division of municipal finance shall conduct periodic reviews and analysis of school revenues and
29 expenses. The department shall also review and monitor compliance with the approved budget
30 model and best practices. The department shall identify those local education agencies considered
31 to be at risk of a year-end deficit or a structural deficit that could impact future years. Such
32 potential deficits shall be identified based on the periodic reviews, which may also include on-site
33 visits and reporting in accordance with the provisions of section 45-12-22.2. Potential deficits
34 shall be reported to the office of municipal finance, office of auditor general, superintendent,

1 chairman of the school committee, mayor or town manager, and the president of the town council,
2 of the applicable school district, regional school district, or state school, and/or for a charter
3 school, to the board of trustees or directors, as applicable.

4 **16-2-21. Pre-budget consultation -- Annual reports -- Appropriation requests --**

5 **Budgets.** -- (a) At least sixty (60) days but not more than ninety (90) days prior to the formal
6 submission of the school budget to the appropriate city or town officials by the school committee,
7 there shall be a joint pre-budget meeting between the school committee and the city or town
8 council(s). At or before this meeting:

9 (1) The highest elected official of the city or town shall submit to the school committee
10 an estimate, prepared in a manner approved by the department of administration, of projected
11 revenues for the next fiscal year. In the case of the property tax, the projections shall include only
12 changes in the property tax base, not property tax rates;

13 (2) The school committee shall submit to the city or town council a statement for the
14 next ensuing fiscal year of anticipated total expenditures, projected enrollments with resultant
15 staff and facility requirements, [estimated enrollment and payments to charter schools](#) and any
16 necessary or mandated changes in school programs or operations; and

17 (3) The school committee shall prepare and submit, annually, to the department of
18 elementary and secondary education, on or before the first day of August, a report in the manner
19 and form prescribed by the state board of regents for elementary and secondary education; the
20 committee shall also prepare not less than thirty (30) days before the date of the annual financial
21 town meeting, or the date of the meeting of the city council at which annual appropriations are
22 made, on forms prescribed and furnished by the department of elementary and secondary
23 education, the estimates and recommendations of the amounts necessary to be appropriated for
24 the support of public schools, [including a distinct line item for estimated payments to charter](#)
25 [schools](#) for the fiscal year ensuing; provided, that a copy of these estimates and recommendations
26 shall be sent to the department of elementary and secondary education, and until the report is
27 made, and if the estimates and recommendations are not presented to the department, it may
28 refuse to draw its orders for the money in the state treasury apportioned to the city or town;
29 provided, that the necessary blank for the report has been furnished by the department on or
30 before the first day of June, next preceding, and the necessary forms for the estimates and
31 recommendations shall have been furnished by the department not less than sixty (60) days before
32 the date of the annual appropriations meeting of the city council; the committee shall also prepare
33 and submit annually to the department of elementary and secondary education and at the annual
34 financial town meeting a report to the city or town, setting forth its doings, the state and condition

1 of the schools, and plans for their improvement, which report, unless printed, shall be read in
2 open meeting; and if printed, at least three (3) copies shall be transmitted to the department on or
3 before the day of the annual financial town meeting in each year.

4 (b) If the amount appropriated by the town meeting, the city or town council, or budget
5 referendum is either more or less than the amount recommended and requested by the school
6 committee, the school committee shall, within thirty (30) days after the appropriation is made,
7 amend its estimates and recommendations so that expenses are no greater than the total of all
8 revenue appropriated by the state or town or provided for public schools under the care, control,
9 and management of the school committee.

10 (c) Only a school budget in which total expenses are less than or equal to appropriations
11 and revenues shall be considered an adopted school budget.

12 (d) Notwithstanding any provision of the general or public laws to the contrary:

13 (i) the budget adopted and presented by any school committee for the fiscal year 2008
14 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in
15 excess of one hundred five and one-quarter percent (105.25%) of the total of municipal funds
16 appropriated by the city or town council for school purposes for fiscal year 2007;

17 (ii) the budget adopted and presented by any school committee for the fiscal year 2009
18 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in
19 excess of one hundred five percent (105%) of the total of municipal funds appropriated by the
20 city or town council for school purposes for fiscal year 2008;

21 (iii) the budget adopted and presented by any school committee for the fiscal year 2010
22 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in
23 excess of one hundred four and three-quarters percent (104.75%) of the total of municipal funds
24 appropriated by the city or town council for school purposes for fiscal year 2009;

25 (iv) the budget adopted and presented by any school committee for the fiscal year 2011
26 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in
27 excess of one hundred four and one-half percent (104.5%) of the total of municipal funds
28 appropriated by the city or town council for school purposes for fiscal year 2010;

29 (v) the budget adopted and presented by any school committee for the fiscal year 2012
30 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in
31 excess of one hundred four and one-quarter percent (104.25%) of the total of municipal funds
32 appropriated by the city or town council for school purposes for fiscal year 2011; and

33 (vi) the budget adopted and presented by any school committee for the fiscal year 2013
34 and for each fiscal year thereafter shall not propose the appropriation of municipal funds

1 (exclusive of state and federal aid) in excess of one hundred four percent (104%) of the total of
2 municipal funds appropriated by the city or town council for school purposes for the previous
3 fiscal year.

4 (e) Notwithstanding any provision of the general or public laws to the contrary, any
5 judgment rendered pursuant to subsection 16-2-21.4(b) shall consider the percentage caps on
6 school district budgets set forth in subsection (d) of this section.

7 SECTION 2. Section 16-7.2-5 of the General Laws in Chapter 16-7.2 entitled "The
8 Education Equity and Property Tax Relief Act" is hereby amended to read as follows:

9 **16-7.2-5. Charter public schools, the William M. Davies, Jr. Career and Technical**
10 **High School, and the Metropolitan Regional Career and Technical Center.** -- (a) Charter
11 public schools defined in chapter 16-77, the William M. Davies, Jr. Career and Technical High
12 School (Davies) and the Metropolitan Regional Career and Technical Center (the Met Center)
13 shall be funded pursuant to section 16-7.2-3. If the October 1 actual enrollment data for any
14 charter public school shows a ten percent (10%) or greater change from the prior year enrollment
15 which is used as the reference year average daily membership, the third and fourth quarter
16 payments to the charter public school will be adjusted to reflect actual enrollment. The state share
17 of the permanent foundation education aid shall be paid by the state directly to the charter public
18 schools, Davies, and the Met Center pursuant to section 16-7.2-9 and shall be calculated using the
19 state share ratio of the district of residence of the student as set forth in section 16-7.2-4. [The](#)
20 [department of elementary and secondary education shall provide the general assembly with the](#)
21 [calculation of the state share of permanent foundation education aid for charter public schools](#)
22 [delineated by school district.](#) The local share of education funding, as defined by the department
23 of elementary and secondary education and approved by the General Assembly, shall be paid to
24 the charter public school, Davies, and the Met Center by the district of residence of the student
25 and shall be the local per pupil cost calculated by dividing the local appropriation to education
26 from property taxes net of debt service and capital projects as defined in the uniform chart of
27 accounts by the average daily membership for each city and town, pursuant to section 16-7-22,
28 for the reference year.

29 (b) Local district payments to charter public schools, Davies, and the Met Center for
30 each district's students enrolled in these schools shall be made on a quarterly basis in July,
31 October, January and April; however, the first local district payment shall be made by August 15
32 instead of July. Failure of the community to make the local district payment for its student(s)
33 enrolled in a charter public school, Davies, and/or the Met Center may result in the withholding
34 of state education aid pursuant to section 16-7-31.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO EDUCATION - SCHOOL COMMITTEES AND SUPERINTENDENTS

1 This act would require school committees to adopt a board of regents approved budget
2 model to include a distinct line item for payments to charter schools. It would also require a
3 report to the general assembly prepared by the department of elementary and secondary education
4 which would set forth the information cited above.

5 This act would take effect upon passage.

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