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LC005267/SUB A  
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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  
16 of the operation of any school districts, regional school district, state school, or charter school as  
17 they 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 planning,  
3 budget development, and budget administration and reporting.

4 (d) If any school district, regional school district, state school<sub>1</sub>, 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<sub>2</sub>, or hinders or prevents  
9 the examination of accounts and financial records, the auditor general and the commissioner of  
10 education<sub>3</sub> and/or their respective designee(s)<sub>4</sub>, 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<sub>1</sub>, 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<sub>1</sub>, 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<sub>1</sub>, 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<sub>5</sub>, in consultation with the  
28 division of municipal finance<sub>6</sub>, 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  
33 prepare and submit annually to the department of elementary and secondary education and at the  
34 annual financial town meeting, a report to the city or town, setting forth its doings, the state, and

1 condition of the schools, and plans for their improvement, which report, unless printed, shall be  
2 read in open meeting; and if printed, at least three (3) copies shall be transmitted to the  
3 department on or 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) ~~T~~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) ~~T~~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) ~~T~~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) ~~T~~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) ~~T~~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) ~~T~~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~~ [of this title](#), the William M. Davies, Jr. Career and  
12 Technical High School (Davies) and the Metropolitan Regional Career and Technical Center (the  
13 Met Center) shall be funded pursuant to ~~section~~ §16-7.2-3. If the October 1 actual enrollment data  
14 for any charter public school shows a ten percent (10%) or greater change from the prior year  
15 enrollment which is used as the reference year average daily membership, the third and fourth  
16 quarter payments to the charter public school will be adjusted to reflect actual enrollment. The  
17 state share of the permanent foundation education aid shall be paid by the state directly to the  
18 charter public schools, Davies, and the Met Center pursuant to ~~section~~ §16-7.2-9 and shall be  
19 calculated using the state share ratio of the district of residence of the student as set forth in  
20 ~~section~~ §16-7.2-4. [The department of elementary and secondary education shall provide the](#)  
21 [general assembly with the calculation of the state share of permanent foundation education aid for](#)  
22 [charter public schools delineated by school district. The department shall also provide the general](#)  
23 [assembly a performance dashboard indicating the per-pupil expenditures of each school district](#)  
24 [and charter school broken down by revenue sources and expenditure categories. The department](#)  
25 [shall provide, within the same dashboard, student performance indicators for each school district](#)  
26 [or charter school.](#) The local share of education funding, as defined by the department of  
27 elementary and secondary education and approved by the General Assembly, shall be paid to the  
28 charter public school, Davies, and the Met Center by the district of residence of the student and  
29 shall be the local per pupil cost calculated by dividing the local appropriation to education from  
30 property taxes, net of debt service and capital projects, as defined in the uniform chart of accounts  
31 by the average daily membership for each city and town, pursuant to ~~section~~ §16-7-22, for the  
32 reference year.

33 (b) Local district payments to charter public schools, Davies, and the Met Center for  
34 each district's students enrolled in these schools shall be made on a quarterly basis in July,

1    October, January and April; however, the first local district payment shall be made by August 15  
2    instead of July. Failure of the community to make the local district payment for its student(s)  
3    enrolled in a charter public school, Davies, and/or the Met Center may result in the withholding  
4    of state education aid pursuant to ~~section~~ §16-7-31.

5           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

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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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