

1 **ARTICLE 10**

2 **RELATING TO EDUCATION**

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

5 **16-7.2-3. Permanent foundation education aid established.**

6 (a) Beginning in the 2012 fiscal year, the following foundation education-aid formula shall  
7 take effect. The foundation education aid for each district shall be the sum of the core instruction  
8 amount in subdivision (a)(1) and the amount to support high-need students in subdivision (a)(2),  
9 which shall be multiplied by the district state-share ratio calculated pursuant to § 16-7.2-4 to  
10 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 Statistics  
15 (NCES) that will adequately fund the student instructional needs as described in the basic education  
16 program and multiplied by the district average daily membership as defined in § 16-7-22.  
17 Expenditure data in the following categories: instruction and support services for students,  
18 instruction, general administration, school administration, and other support services from the  
19 National Public Education Financial Survey, as published by NCES, and enrollment data from the  
20 Common Core of Data, also published by NCES, will be used when determining the core-  
21 instruction amount. The core-instruction amount will be updated annually. For the purpose of  
22 calculating this formula, school districts' resident average daily membership shall exclude charter  
23 school and state-operated school students.

24 (2) The amount to support high-need students beyond the core-instruction amount shall be  
25 determined by multiplying a student success factor of forty percent (40%) by the core instruction  
26 per-pupil amount described in subdivision (a)(1) and applying that amount for each resident child  
27 whose family income is at or below one hundred eighty-five percent (185%) of federal poverty  
28 guidelines, hereinafter referred to as "poverty status."

29 (b) The department of elementary and secondary education shall provide an estimate of the  
30 foundation education aid cost as part of its budget submission pursuant to § 35-3-4. The estimate  
31 shall include the most recent data available as well as an adjustment for average daily membership  
32 growth or decline based on the prior year experience.

33 (c) In addition, the department shall report updated figures based on the average daily  
34 membership as of October 1 by December 1.

1 (d) Beginning in the 2021 fiscal year, the department of elementary and secondary  
2 education shall include the number of students enrolled in RI Pre-K classrooms approved by the  
3 department in the average daily membership.

4 ~~(e)~~(e) Local education agencies may set aside a portion of funds received under subsection  
5 (a) to expand learning opportunities such as after school and summer programs, full-day  
6 kindergarten and/or multiple pathway programs, provided that the basic education program and all  
7 other approved programs required in law are funded.

8 ~~(f)~~(f) The department of elementary and secondary education shall promulgate such  
9 regulations as are necessary to implement fully the purposes of this chapter.

10 **16-7.2-6. Categorical programs, state funded expenses.**

11 In addition to the foundation education aid provided pursuant to § 16-7.2-3, the permanent  
12 foundation education-aid program shall provide direct state funding for:

13 (a) Excess costs associated with special education students. Excess costs are defined when  
14 an individual special education student's cost shall be deemed to be "extraordinary". Extraordinary  
15 costs are those educational costs that exceed the state-approved threshold based on an amount  
16 above five times the core foundation amount (total of core-instruction amount plus student success  
17 amount). The department of elementary and secondary education shall prorate the funds available  
18 for distribution among those eligible school districts if the total approved costs for which school  
19 districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year;  
20 and the department of elementary and secondary education shall also collect data on those  
21 educational costs that exceed the state-approved threshold based on an amount above two (2), three  
22 (3), and four (4) times the core-foundation amount;

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

1 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten programs.  
2 The department shall recommend criteria for the purpose of allocating any and all early childhood  
3 program funds ~~as may be determined by the general assembly~~ consistent with chapter 16-87;

4 (d) Central Falls, Davies, and the Met Center Stabilization Fund is established to ensure  
5 that appropriate funding is available to support their students. Additional support for Central Falls  
6 is needed due to concerns regarding the city's capacity to meet the local share of education costs.  
7 This fund requires that education aid calculated pursuant to § 16-7.2-3 and funding for costs outside  
8 the permanent foundation education-aid formula, including, but not limited to, transportation,  
9 facility maintenance, and retiree health benefits shall be shared between the state and the city of  
10 Central Falls. The fund shall be annually reviewed to determine the amount of the state and city  
11 appropriation. The state's share of this fund may be supported through a reallocation of current state  
12 appropriations to the Central Falls school district. At the end of the transition period defined in §  
13 16-7.2-7, the municipality will continue its contribution pursuant to § 16-7-24. Additional support  
14 for the Davies and the Met Center is needed due to the costs associated with running a stand-alone  
15 high school offering both academic and career and technical coursework. The department shall  
16 recommend criteria for the purpose of allocating any and all stabilization funds as may be  
17 determined by the general assembly;

18 (e) Excess costs associated with transporting students to out-of-district non-public schools.  
19 This fund will provide state funding for the costs associated with transporting students to out-of-  
20 district non-public schools, pursuant to chapter 21.1 of this title. The state will assume the costs of  
21 non-public out-of-district transportation for those districts participating in the statewide system.  
22 The department of elementary and secondary education shall prorate the funds available for  
23 distribution among those eligible school districts if the total approved costs for which school  
24 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

25 (f) Excess costs associated with transporting students within regional school districts. This  
26 fund will provide direct state funding for the excess costs associated with transporting students  
27 within regional school districts, established pursuant to chapter 3 of this title. This fund requires  
28 that the state and regional school district share equally the student transportation costs net any  
29 federal sources of revenue for these expenditures. The department of elementary and secondary  
30 education shall prorate the funds available for distribution among those eligible school districts if  
31 the total approved costs for which school districts are seeking reimbursement exceed the amount  
32 of funding available in any fiscal year;

33 (g) Public school districts that are regionalized shall be eligible for a regionalization bonus  
34 as set forth below:

1 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school  
2 district established under the provisions of chapter 3 of this title, including the Chariho Regional  
3 School district;

4 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus  
5 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the  
6 regionalization bonus shall commence in the first fiscal year following the establishment of a  
7 regionalized school district as set forth in chapter 3 of this title, including the Chariho Regional  
8 School District;

9 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the  
10 state's share of the foundation education aid for the regionalized district as calculated pursuant to  
11 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

12 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the  
13 state's share of the foundation education aid for the regionalized district as calculated pursuant to  
14 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

15 (5) The regionalization bonus shall cease in the third fiscal year;

16 (6) The regionalization bonus for the Chariho regional school district shall be applied to  
17 the state share of the permanent foundation education aid for the member towns; and

18 (7) The department of elementary and secondary education shall prorate the funds available  
19 for distribution among those eligible regionalized school districts if the total, approved costs for  
20 which regionalized school districts are seeking a regionalization bonus exceed the amount of  
21 funding appropriated in any fiscal year;

22 (h) Additional state support for ~~English learners (EL)~~ multilingual learners (MLL). The  
23 amount to support ~~EL~~ multilingual students shall be determined by multiplying an ~~EL~~ MLL factor  
24 of ten percent (10%) by the core-instruction per-pupil amount defined in § 16-7.2-3(a)(1) and  
25 applying that amount of additional state support to ~~EL~~ multilingual students identified using widely  
26 adopted, independent standards and assessments identified by the commissioner. All categorical  
27 funds distributed pursuant to this subsection must be used to provide high-quality, research-based  
28 services to ~~EL~~ multilingual students and managed in accordance with requirements set forth by the  
29 commissioner of elementary and secondary education. The department of elementary and  
30 secondary education shall collect performance reports from districts and approve the use of funds  
31 prior to expenditure. The department of elementary and secondary education shall ensure the funds  
32 ~~are aligned to activities that are innovative and expansive and not utilized for activities the district~~  
33 ~~is currently funding~~ are utilized for:

34 (1) Increasing the number of new bilingual classrooms and programs;

- 1           (2) Increasing capacity of multilingual educators and English to Speakers of Other  
2 Languages (ESOL) certified educators;  
3           (3) Continuous training to retain multilingual and ESOL certified educators;  
4           (4) Increasing the knowledge and capacity of building administrators about MLL students  
5 to better support them;  
6           (5) Provide training for general education teachers to become certified in ESOL; and  
7           (6) Provide training for instructional coaches and personnel supporting differently-abled  
8 students to serve multilingual students.

9 The department of elementary and secondary education shall prorate the funds available for  
10 distribution among eligible recipients if the total calculated costs exceed the amount of funding  
11 available in any fiscal year;

12           (i) State support for school resource officers and mental health professionals. For purposes  
13 of this subsection, a school resource officer (SRO) shall be defined as a career law enforcement  
14 officer with sworn authority who is deployed by an employing police department or agency in a  
15 community-oriented policing assignment to work in collaboration with one or more schools. School  
16 resource officers should have completed at least forty (40) hours of specialized training in school  
17 policing, administered by an accredited agency, before being assigned. Beginning in FY 2019, for  
18 a period of three (3) years, school districts or municipalities that choose to employ school resource  
19 officers shall receive direct state support for costs associated with employing such officers at public  
20 middle and high schools. Districts or municipalities shall be reimbursed an amount equal to one-  
21 half (1/2) of the cost of salaries and benefits for the qualifying positions. Funding will be provided  
22 for school resource officer positions established on or after July 1, 2018, provided that:

23           (1) Each school resource officer shall be assigned to one school:

24           (i) Schools with enrollments below one thousand twelve hundred (1,200) students shall  
25 require one school resource officer;

26           (ii) Schools with enrollments of one thousand twelve hundred (1,200) or more students  
27 shall require two school resource officers;

28           (2) School resource officers hired in excess of the requirement noted above shall not be  
29 eligible for reimbursement; ~~and~~

30           (3) Schools that eliminate existing school resource officer positions and create new  
31 positions under this provision shall not be eligible for reimbursement; and

32           (4) For FY 2021, school districts that choose to employ additional mental health  
33 professionals at public schools may apply to receive direct state support for costs associated with  
34 employing such staff. Districts shall be reimbursed an amount equal to one-half (1/2) of the cost

1 of salaries and benefits for the qualifying positions, provided that the District commits to funding  
2 the position beyond FY 2021 in the absence of continued state funds.

3 (i) For the purposes of this section, mental health professionals shall be defined to include,  
4 but not be limited to, student assistance counselors, school counselors, social workers, and school  
5 psychologists;

6 (ii) Schools that eliminate existing mental health professional positions and create new  
7 positions under this provision shall not be eligible for reimbursement;

8 (iii) The Department of Education will establish an application process and will oversee  
9 distribution of the funds. If demand for the funds is greater than what is allocated, the department  
10 will create a process where priority will be given based on, but not limited to, current mental health  
11 capacity at the school and its demonstrated need based on documented incident reports.

12 (j) Categorical programs defined in (a) through (g) shall be funded pursuant to the transition  
13 plan in § 16-7.2-7.

14 SECTION 2. Sections 16-48-1, 16-48-2, 16-48-3, 16-48-5, and 16-48-6 of the General  
15 Laws in Chapter 16-48 entitled “Educational Services to Very Young Children” is hereby amended  
16 to read as follows:

17 **16-48-1. Applicability**

18 This chapter shall pertain to ~~private nursery schools and other regular~~ schools or programs  
19 of educational services to children between the ages of ~~two (2)~~ four (4) years ~~eight (8) months~~ and  
20 six (6) years of age ~~where the schools and programs operate one or more sessions daily.~~ It does not  
21 include bona fide kindergarten and ~~nursery~~ preschool classes which are part of a nonpublic  
22 elementary school system.

23 **16-48-2. Establishment High Quality Comprehensive Approval of and operation of**  
24 **schools-Classrooms and Programs.**

25 (a) ~~No~~ Any person, unincorporated society, association, or corporation desiring High  
26 Quality Comprehensive Approval ~~to operate of a school classroom~~ or program as defined in this  
27 chapter shall ~~be permitted to establish and maintain a school or program unless and until~~ file an  
28 application ~~has been filed~~ with the commissioner of elementary and secondary education and  
29 suitable provision has been made to fulfill ~~any minimum requirements of adequate faculty, health,~~  
30 ~~safety, sanitation, site, physical plant, educational program, and any other~~ standards that ~~may be~~  
31 are established through rules and regulations promulgated by the commissioner of elementary and  
32 secondary education. Upon satisfactory compliance with the standards as established by the  
33 commissioner of elementary and secondary education, ~~along with the certification by the~~  
34 ~~appropriate fire, health, and building inspectors,~~ the school classroom or program shall ~~be approved~~

1 receive High Quality Comprehensive Approval for a period of ~~one year~~ three years, which approval  
2 shall require renewal unless sooner revoked by the commissioner for cause.

3 (b) Upon application ~~to establish~~ for High Quality Comprehensive Approval of a school  
4 classroom or program as defined in this chapter or to renew the application, the applicant will  
5 submit the names of its owner, officers, and employees. ~~The commissioner of elementary and~~  
6 ~~secondary education may request the bureau of criminal identification of the state police to conduct~~  
7 ~~a nationwide criminal records check of the owners, officers, and employees of the school or~~  
8 ~~program and the bureau of criminal identification of the state police will conduct criminal records~~  
9 ~~checks on request. To accomplish nationwide criminal records checks, the commissioner may~~  
10 ~~require owners, officers, and employees of the schools or programs to be fingerprinted by the~~  
11 ~~bureau of criminal identification of the state police. The commissioner may examine these criminal~~  
12 ~~records checks to aid in determining the suitability of the applicant for approval or renewal of~~  
13 ~~approval.~~

#### 14 16-48-3. Rules and regulations.

15 The commissioner of elementary and secondary education shall make all necessary rules and  
16 regulations as the commissioner shall deem necessary or expedient, in conformity with the  
17 provisions of this chapter and not contrary to law, for the necessary accreditation of the ~~schools~~  
18 classrooms and programs, and the commissioner shall do all things and perform all acts necessary  
19 to enforce the provisions of this chapter.

#### 20 16-48-5. Revocation of approval.

21 The commissioner of elementary and secondary education may revoke or refuse to renew  
22 the approval of any ~~nursery school~~ classroom or program approved upon reasonable notice to the  
23 school authorities and provided that a hearing on the revocation shall be afforded the parties.

24 Grounds for revocation or refusal to renew shall include:

- 25 (1) Failure to maintain standards;
- 26 (2) Refusal to submit proper reports or records;
- 27 (3) Refusal to admit authorized representatives of the department of elementary and  
28 secondary education;
- 29 (4) Furnishing or making misleading or false statements or reports;
- 30 (5) Failure to maintain adequate financial resources; or
- 31 (6) Any other cause which, in the opinion of the commissioner, may be detrimental to the  
32 health, education, safety, or welfare of the children involved.

#### 33 16-48-6. Penalty.



1 Every person who violates any of the provisions of this chapter ~~by conducting a school or program~~  
2 ~~without first having obtained approval as provided in this chapter~~, or who shall refuse to permit a  
3 reasonable inspection and examination of a facility as provided in this chapter, or who shall  
4 intentionally make any false statements or reports to the commissioner of elementary and secondary  
5 education or the commissioner's agents with reference to the matters contained in these statements  
6 or reports, or who conducts this facility after approval has been revoked or suspended shall, upon  
7 conviction of the first offense, be imprisoned for a term not exceeding six (6) months or be fined  
8 not exceeding one hundred dollars (\$100) for each week that the facility shall have been maintained  
9 without approval, and on the second or subsequent offense shall be imprisoned for a term not  
10 exceeding one year or be fined not exceeding five hundred dollars (\$500) for each week that the  
11 facility shall have been maintained without approval or both the fine and imprisonment.

12 SECTION 3. Chapter 16-87 of the General Laws entitled "Rhode Island Prekindergarten  
13 Education Act" is hereby amended by adding thereto the following sections:

14 **16-87-6. High Quality, Universal Prekindergarten.**

15 (a) The general assembly acknowledges the need to adequately prepare all children to  
16 succeed in school by providing access to publicly funded, high quality prekindergarten education  
17 programs for all four-year-olds.

18 (b) Access to Rhode Island's mixed delivery system of high-quality prekindergarten  
19 classrooms in child care centers, public school districts, and Head Start centers shall be expanded  
20 across all communities in Rhode Island.

21 (c) Expansion shall continue until every family who wants a high quality, prekindergarten  
22 seat for their four-year-olds has one. Universal access will be considered achieved when seventy  
23 percent of four-year-olds are enrolled in high-quality prekindergarten programs.

24 **16-87-7. Prekindergarten Facilities.**

25 The Rhode Island department of elementary and secondary education and the department  
26 of human services shall work with other state departments and private philanthropy to research and  
27 establish programs to improve, expand, and renovate facilities to ensure providers meet licensing  
28 and facilities standards to expand access to high-quality prekindergarten learning environments.

29 **16-87-8. High quality elements.**

30 (a) To expand access to high-quality prekindergarten education programs, it is essential to  
31 invest in expanding high-quality early learning in order to meaningfully increase children's school  
32 readiness.

33 (b) The Rhode Island department of elementary and secondary education is hereby  
34 authorized to promulgate and adopt regulations for the implementation of high quality, universal



- 1 prekindergarten. The following quality standards shall be established in regulation by the Rhode  
2 Island department of elementary and secondary education:
- 3 (i) Teacher education and certification;
  - 4 (ii) Class size and staff ratios;
  - 5 (iii) Learning time;
  - 6 (iv) Learning standards;
  - 7 (v) Curriculum;
  - 8 (vi) Support for students with special needs;
  - 9 (vii) Support for dual English language learners;
  - 10 (viii) Professional development;
  - 11 (ix) Child assessments; and
  - 12 (x) Observations to improve practice
- 13 **16-87-9 Successful transitions.**
- 14 (a) Successful coordination between Rhode Island’s high-quality prekindergarten and  
15 kindergarten programs is essential for setting a solid foundation for all students. In order to have a  
16 seamless pathway from prekindergarten to third grade, standards, curriculum, instruction and  
17 assessments shall be aligned.
  - 18 (b) Effective transition programs and practices to help students and families move  
19 successfully from one setting to another shall be established.
  - 20 (c) All Local Education Agencies (LEAs) in Rhode Island shall develop a transition plan  
21 to kindergartens for all incoming students and families. These plans must contain two parts --  
22 student and family transition strategies, and program-level transition planning strategies:
    - 23 (1) For student and family transition the following strategies shall be considered:
      - 24 (i) Student visits to their future kindergarten classroom;
      - 25 (ii) Kindergarten teacher visits to the prekindergarten classrooms;
      - 26 (iii) Workshops for families of incoming kindergarten children; and
      - 27 (iv) Kindergarten orientation sessions the summer before school starts.
    - 28 (2) For program-level transition planning the following strategies shall be considered:
      - 29 (i) Creation of transition teams and liaisons between prekindergarten programs and district  
30 schools;
      - 31 (ii) Joint professional development and data sharing for prekindergarten to third grade  
32 teachers; and
      - 33 (iii) Teacher-to-teacher conferences.

1           **16-87-10. Early childhood education governance and data system.** (a) The Rhode  
2 Island department of elementary and secondary education and the department of human services  
3 shall work with other state departments that comprise the Children’s Cabinet including, but not  
4 limited to, Rhode Island’s department of health, department of children, youth and families, and  
5 the executive office of health and human services to facilitate the coordination of federal, state, and  
6 local policies concerning early learning and care, as well as seeking, applying for and encouraging  
7 the use of any federal funds for early learning and care. These departments shall work together to  
8 identify ways to streamline decision-making, eliminate inefficiencies, and ensure that all state  
9 systems are coordinated and aligned to the same goals.

10           (b) In order to support a successful early learning system, including the expansion of high-  
11 quality prekindergarten programs, the Early Childhood and Education Data System (ECEDS) shall  
12 receive continued investment, development and support. ECEDS is an integrated data system to  
13 facilitate the sharing of information and data-driven decision-making. ECEDS has become the  
14 centralized source for much of our early learning data across multiple state agencies. It also has the  
15 capability to share essential child level data with state agencies and early childhood programs and  
16 key information about early learning providers and programs with families.

17           **16-87-11. Ensuring access for low-income children.**

18           (a) The Rhode Island department of elementary and secondary education and the  
19 department of human services will ensure that during the state prekindergarten Request for Proposal  
20 process, priority points will be awarded to communities serving a higher proportion of low-income  
21 children.

22           (b) Until such time that Universal Prekindergarten is achieved in a community, the state  
23 prekindergarten lottery process will include an algorithm to match the enrollment to the  
24 socioeconomic distribution of the community. For the lottery process, the poverty level is  
25 determined by free or reduced lunch status, or 185% of the federal poverty guidelines.

26           SECTION 4. Sections 16-87-2 and 16-87-4 of the General Laws in Chapter 16-87 entitled  
27 "Rhode Island Prekindergarten Education Act" is hereby amended as follows:

28           **16-87-2. Findings.**

29           (a) The general assembly hereby finds that attending high quality early childhood education  
30 programs help children develop important social and cognitive skills and knowledge that prepares  
31 children to succeed in school. Research has shown long-lasting benefits for children who participate  
32 in very high quality, educationally focused early childhood programs. The benefits to children can  
33 also generate substantial government cost savings, including reduced need for special education

1 services, reduced need for cash assistance and other public benefits, and reduced rates of  
2 incarceration.

3 (b) The general assembly finds that there are substantial numbers of children in Rhode  
4 Island entering kindergarten who are not adequately prepared to succeed in school. Early school  
5 failure may ultimately contribute to such children dropping out of school at an early age, failing to  
6 achieve their full potential, becoming dependent upon public assistance, or becoming involved in  
7 criminal activities.

8 (c) Furthermore, the general assembly finds that there is an existing infrastructure of early  
9 childhood programs in Rhode Island serving preschool age children in full-day and half-day  
10 programs that is supported through state and federal investments in child care, Head Start and  
11 special education. It is the goal of the general assembly to support a system of publicly-funded,  
12 high quality prekindergarten education programs that are operated through a diverse delivery  
13 network, including child care, Head Start and public school districts.

14 (d) By enacting this law, the general assembly acknowledges the need to adequately  
15 prepare all children to succeed in school by providing access to publicly-funded high quality  
16 prekindergarten education programs.

17 (e) Since 2008, Rhode Island’s state prekindergarten program, RI Pre-K, has expanded to  
18 offer more than one thousand four hundred high-quality prekindergarten seats to four-year-olds  
19 across thirteen communities. Rhode Island’s mixed delivery prekindergarten model has been  
20 nationally recognized as one of the highest quality state prekindergarten programs in the United  
21 States.

22 **16-87-4. Early childhood workforce development.**

23 The Rhode Island department of elementary and secondary education and the department  
24 of human services shall work with other state departments and private philanthropy to establish a  
25 statewide, comprehensive, research-based early childhood workforce development scholarship  
26 program to expand the numbers of early childhood educators who have an associate's or bachelor's  
27 degree in early childhood education and who work with children from birth to age five (5).

28 SECTION 5. Sections 16-87-3 and 16-87-5 of the General Laws in Chapter 16-87 entitled  
29 “Rhode Island Prekindergarten Education Act” are hereby repealed.

30 ~~**16-87-3. Planning phase for a prekindergarten program.**~~

31 ~~(a) The Rhode Island department of elementary and secondary education shall begin~~  
32 ~~planning an initial, pilot prekindergarten program that meets high quality standards, builds on the~~  
33 ~~existing early childhood education infrastructure in the state (including child care, Head Start and~~  
34 ~~public schools) and serves children ages three (3) and four (4) who reside in communities with~~

1 ~~concentrations of low performing schools. This planning phase will develop specific goals to~~  
2 ~~expand the pilot prekindergarten program over time and will also identify opportunities to~~  
3 ~~strengthen care and learning programs for infants and toddlers.~~

4 ~~(b) During this planning phase, the Rhode Island department of elementary and secondary~~  
5 ~~education will quantify the resources needed to achieve and maintain high quality standards in~~  
6 ~~prekindergarten programs and identify incentives and supports to develop a qualified early~~  
7 ~~education workforce, including opportunities for experienced early childhood educators and~~  
8 ~~paraprofessionals to acquire college degrees and earn early childhood teacher certification.~~

9 ~~(c) The Rhode Island department of elementary and secondary education will begin to~~  
10 ~~develop plans to collect and analyze data regarding the impact of the pilot prekindergarten program~~  
11 ~~on participating children's school readiness and school achievement.~~

12 ~~**16-87-5. Reporting.**~~

13 ~~The Rhode Island department of elementary and secondary education shall report back to~~  
14 ~~the general assembly and the governor on the progress of the pilot planning phase no later than~~  
15 ~~October 31, 2008.~~

16 SECTION 6. Section 16-105-7 of the General Laws in Chapter 16-105 entitled "School  
17 Building Authority" is hereby amended as follows:

18 **16-105-7. Expenses incurred by the school building authority.**

19 In order to provide for ~~one time or limited~~ the expenses of the school building authority  
20 under this chapter, the Rhode Island health and educational building corporation shall provide  
21 funding from the school building authority capital fund, fees generated from the origination of  
22 municipal bonds and other financing vehicles used for school construction, any investment income  
23 generated by state and municipal funds held in trust by the Rhode Island health and educational  
24 building corporation, and its own reserves. The school building authority shall, by October 1 of  
25 each year, report to the governor and the chairs of the senate and house finance committees, the  
26 senate fiscal advisor, and the house fiscal advisor the amount sought for expenses for the next fiscal  
27 year.

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

1 directly related to the administration of the school construction aid program. Expenditure of all  
2 restricted receipts accepted by the department shall be subject to the annual appropriation process  
3 and approval by the general assembly.

4 SECTION 7. Sections 16-107-3, 16-107-4, 16-107-5, and 16-107-6 of the General Laws  
5 in Chapter 16-107 entitled "Rhode Island Promise Scholarship" are hereby amended as follows:

6 **16-107-3. Establishment of scholarship program.**

7 Beginning with the high school graduating class of 2017, it is hereby established the Rhode  
8 Island promise scholarship programs. ~~that will end with the high school graduating class of 2020.~~  
9 The general assembly shall annually appropriate the funds necessary to implement the purposes of  
10 this chapter. Additional funds beyond the scholarships may be appropriated to support and advance  
11 the Rhode Island promise scholarship program. In addition to appropriation by the general  
12 assembly, charitable donations may be accepted into the scholarship program.

13 **16-107-4. Definitions.**

14 When used in this chapter, the following terms shall have the following meanings:

15 (1) "FAFSA" means the Free Application for Federal Student Aid form;

16 (2) "Certificate" means any certificate program with labor market value as defined by the  
17 Postsecondary Commissioner.

18 (3)~~(2)~~ "Mandatory fees and tuition" are the costs that every student is required to pay in  
19 order to enroll in classes, and does not include room and board, textbooks, program fees that may  
20 exist in some majors, course fees that may exist for some specific courses, meal plans, or travel;

21 (4)~~(3)~~ "On track to graduate on time" means the standards determined by the community  
22 college of Rhode Island in establishing the expectation of a student to graduate with an associate's  
23 degree or certificate within two (2) years of enrollment (recognizing that some students, including  
24 students who require developmental education, are double majors, or are enrolled in certain  
25 professional programs may require an extended time period for degree completion);

26 (5)~~(4)~~ "Scholarship program" means the Rhode Island promise scholarship program that is  
27 established pursuant to § 16-107-3;

28 (6)~~(5)~~ "Recipient student" means a student attending the community college of Rhode  
29 Island who qualifies ~~to~~ receive the Rhode Island promise scholarship pursuant to § 16-107-6; and

30 (7)~~(6)~~ "State" means the State of Rhode Island and Providence Plantations.

31 **16-107-5. Administration of scholarship program.**

32 (a) The financial aid office, in conjunction with the office of enrollment management or  
33 their respective equivalent offices, at the community college of Rhode Island, shall administer the

1 scholarship program for state residents seeking associate degrees or certificates who meet the  
2 eligibility requirements in this chapter

3 (b) An award of the scholarship program shall cover up to the cost of two (2) years of  
4 tuition and mandatory fees, less federal and all other financial aid monies available to the recipient  
5 student. No grant received by students from the Department of Children, Youth and Families’  
6 Higher Education Opportunity Incentive Grant as established by § 42-72.8 or the College Crusade  
7 Scholarship Act as established in § 16-70 shall be considered federal or financial aid for the  
8 purposes of this Chapter.

9 (c) The scholarship program is limited to one award per student as required by § 16-107-  
10 6(a)(7).

11 A student may continue to receive an award towards a degree following completion of a  
12 certificate program, provided that the student remains on track to graduate on time.

13 **16-107-6. Eligibility for scholarship.**

14 (a) Beginning with the students who enroll at the community college of Rhode Island in fall  
15 of 2017 ~~and ending with students who enroll at the community college of Rhode Island in the fall~~  
16 ~~of 2020~~, to be considered for the scholarship, a student:

17 (1) Must qualify for in-state tuition and fees pursuant to the residency policy adopted by the  
18 council on postsecondary education, as amended, supplemented, restated, or otherwise modified  
19 from time to time ("residency policy"); provided, that, the student must have satisfied the high  
20 school graduation/equivalency diploma condition prior to reaching nineteen (19) years of age;  
21 provided, further, that in addition to the option of meeting the requirement by receiving a high  
22 school equivalency diploma as described in the residency policy, the student can satisfy the  
23 condition by receiving other certificates or documents of equivalent nature from the state or its  
24 municipalities as recognized by applicable regulations promulgated by the council on elementary  
25 and secondary education;

26 (2) Must be admitted to, and must enroll and attend the community college of Rhode Island  
27 on a full-time basis by the semester immediately following high school graduation or the semester  
28 immediately following receipt of a high school equivalency diploma;

29 (3) Must complete the FAFSA and any required FAFSA verification by the deadline  
30 prescribed by the community college of Rhode Island for each year in which the student seeks to  
31 receive funding under the scholarship program;

32 (4) Must continue to be enrolled on a full-time basis;

33 (5) Must maintain an average annual cumulative grade point average (GPA) of 2.5 or  
34 greater, as determined by the community college of Rhode Island;

1 (6) Must remain on track to graduate on time with an associate degree or a certificate as  
2 determined by the community college of Rhode Island;

3 (7) Must not have already received an award under this scholarship program; and

4 (8) Must commit to live, work, or continue their education in Rhode Island after graduation.

5 The community college of Rhode Island shall develop a policy that will secure this commitment  
6 from recipient students.

7 (b) Notwithstanding the eligibility requirements under subsection (a) of this section  
8 ("specified conditions"):

9 (i) In the case of a recipient student who has an approved medical or personal leave of  
10 absence or is unable to satisfy one or more specified conditions because of the student's medical or  
11 personal circumstances, the student may continue to receive an award under the scholarship  
12 program upon resuming the student's education so long as the student continues to meet all other  
13 applicable eligibility requirements; and

14 (ii) In the case of a recipient student who is a member of the national guard or a member  
15 of a reserve unit of a branch of the United States military and is unable to satisfy one or more  
16 specified conditions because the student is or will be in basic or special military training, or is or  
17 will be participating in a deployment of the student's guard or reserve unit, the student may continue  
18 to receive an award under the scholarship program upon completion of the student's basic or special  
19 military training or deployment.

20 SECTION 8. Title 42 of the General Laws entitled "State Affairs and Government" is  
21 hereby amended by adding thereto the following Chapter:

22 CHAPTER 42-12.6

23 THE RHODE ISLAND EARLY CHILDHOOD CARE AND EDUCATION CAPITAL FUND

24 ACT

25 **42-12.6-1. Short title.**

26 This chapter shall be known and may be cited as the "Rhode Island early childhood care  
27 and education capital fund act."

28 **42-12.6-2. Findings.**

29 (a) It is hereby found and declared that all children deserve high-quality, developmentally  
30 appropriate learning environments that are designed to keep them safe, healthy, and support their  
31 physical, behavioral and cognitive development.

32 (b) It is also found that many of Rhode Island's existing early learning facilities suffer from  
33 poor building conditions that may impact children's health, safety, and quality in programming.



1 (c) Furthermore, according to a 2019 Rhode Island Early Learning Facilities Needs  
2 Assessment, many early learning providers in Rhode Island have expressed interest in improving  
3 quality, opening new facilities spaces, and/or operating additional programs but 88% lack the  
4 financial resources to do so. It also found that of the state’s 39 municipalities, 24 have more than  
5 three infants and toddlers for every licensed slot available. There are also 18 communities that have  
6 no high-quality child care available for infants and toddlers. Consequently, a need exists to initiate  
7 funding strategies and innovative partnerships to improve and expand quality early learning  
8 facilities.

9 (d) Through the establishment of the Rhode Island early childhood care and education  
10 capital fund, Rhode Island can take steps to expand quality early learning facilities within a mixed  
11 delivery system by providing funding that capitalizes on existing spaces, facilitates innovative  
12 partnerships, and provides technical support in order to build a strong pipeline of new construction  
13 projects.

14 **42-12.6-3. Definitions.**

15 (a) As used in this chapter:

16 (1) “Department” means the Rhode Island department of human services.

17 (2) “Early childhood care and education” refers to programs that are state licensed to  
18 provide child care and serve children from birth through age six (6).

19 (3) “Eligible facility” means a building, structure or site that is, or will be, owned, leased  
20 or otherwise used by one (1) or more eligible organizations and licensed by the department or local  
21 education agency (LEA); provided that the facility shall serve or have a commitment to serve low-  
22 income families; provided further, that leased facilities shall have a lease term that is consistent  
23 with the scale of capital investment, but shall not be less than fifteen (15) years; and provided  
24 further that municipally-owned buildings shall be eligible provided that there is a dedicated single  
25 purpose space for licensed early childhood care and education.

26 (4) “Eligible organization” means a child care provider that is, at the time of its initial  
27 application, providing, or has demonstrated a commitment to provide, early childhood care and  
28 education and for low-income families with a public subsidy.

29 (5) “Eligible Project” means the acquisition, design, construction, repair, renovation,  
30 rehabilitation or other capital improvement or deferred maintenance of an eligible facility.

31 (6) “Qualified community partner organization” means a certified community development  
32 financial intermediary selected by the department. Said organization must possess experience  
33 operating in Rhode Island, specifically supporting the early learning sector, have demonstrated fund

1 management capabilities, and have expertise informing early learning facilities best practice  
2 through assessment, training, and technical support.

3 **42-12.6-4. Administration of program.**

4 (a) The Department shall establish, administer, and oversee the Rhode Island early  
5 childhood care and education capital fund as a competitive grant program, provided, however, that  
6 the department may contract with a qualified community partner organization to administer the  
7 program.

8 (b) Each recipient of a grant from the Rhode Island early childhood care and education  
9 fund established in this chapter shall be an eligible organization intending to undertake an eligible  
10 project having submitted an application that demonstrates: (i) a need for such project; (ii) the project  
11 benefits to low-income children and the affected community; (iii) a financial need for assistance in  
12 the form of such a grant; and (iv) local support for the project. Preference may be given to projects  
13 that improve access to early childhood care and education in underserved communities,  
14 commitment to providing high-quality care and education, and commitment to serving families  
15 with public subsidy.

16 (c) The department shall promulgate such rules and regulations as are necessary to carry  
17 out the intent and purpose and implementation of the responsibilities of each under this chapter.

18 **42-12.6-5. Funding for program.**

19 (a) The program established under this chapter may be funded from the proceeds of a  
20 general obligation bond issuance dedicated to this purpose.

21 (b) The department of human services is hereby authorized to establish a restricted receipt  
22 account, known as the “Rhode Island early childhood care and education capital fund,” within the  
23 general fund of the state into which all amounts appropriated for the program created under this  
24 chapter shall be deposited. In addition, charitable donations may be accepted into the account. The  
25 account shall be used to pay for: (i) grants to eligible organizations; (ii) technical assistance to early  
26 childhood care and education providers in matters related to capital planning and application  
27 assistance; and (iii) costs associated with the administration of the program. The account shall be  
28 exempt from the indirect cost recovery provisions of § 35-4-27.

29 **42-12.6-5. Program integrity and reporting.**

30 (a) Program integrity being of paramount importance, the department shall establish  
31 procedures to ensure ongoing compliance with the terms and conditions of the program established  
32 under this chapter, including procedures to safeguard the expenditure of public funds, to ensure that  
33 the funds further the objectives of the program, and to evaluate the impact of the program. Such  
34 requirements may include the submission of bank statements to verify availability of matching

1 funds and contractor invoices to substantiate project expenses, in addition to such other reasonable  
2 documentation the department may require.

3 (b) The department shall publish a report on the Rhode Island early childhood care and  
4 education capital fund. The report shall contain information on the status of program  
5 implementation as well as an accounting of the commitment, disbursement, and use of funds  
6 allocated to the program including a listing of the organization name, city or town in which facility  
7 is located, project description, and grant amount for each recipient. The report shall also, to the  
8 extent practicable, track the impact of each completed project in terms of the number and quality  
9 of current or additional classrooms and seats supported and any other information that the  
10 department may deem appropriate. The report is due no later than ninety (90) days after the end of  
11 the fiscal year and shall be provided to the governor, speaker of the house of representatives, and  
12 the president of the senate.

13 SECTION 9. Sections 42-64.26-3, 42-64.26-5, 42-64.26-8 and 42-64.26-12 of the General  
14 Laws in Chapter 42-64.26 entitled “Stay Invested in RI Wavemaker Fellowship” are hereby  
15 amended to read as follows:

16 **42-64.26-3. Definitions.**

17 As used in this chapter:

18 (1) “Eligible graduate” means an individual who meets the eligibility requirements under  
19 this chapter.

20 (2) “Applicant” means an eligible graduate who applies for a tax credit for education loan  
21 repayment expenses under this chapter.

22 (3) “Award” means a tax credit awarded by the commerce corporation to an applicant as  
23 provided under this chapter.

24 (4) “Business” means any corporation, state bank, federal savings bank, trust company,  
25 national banking association, bank holding company, loan and investment company, mutual  
26 savings bank, credit union, building and loan association, insurance company, investment  
27 company, broker-dealer company or surety company, limited liability company, partnership, sole  
28 proprietorship, or federal agency or subsidiaries thereof.

29 ~~(4)~~(5) “Taxpayer” means an applicant who receives a tax credit under this chapter.

30 ~~(5)~~(6) “Commerce corporation” means the Rhode Island commerce corporation established  
31 pursuant to chapter 64 of title 42.

32 ~~(6)~~(7) “Eligible expenses” or “education loan repayment expenses” means annual higher  
33 education loan repayment expenses, including, without limitation, principal, interest and fees, as

1 may be applicable, incurred and paid by an eligible graduate ~~and which the eligible graduate is~~  
2 ~~obligated to repay~~ for attendance at a post-secondary institution of higher learning.

3 (8) “Eligible high-demand STEM teacher” means a full-time content area teacher  
4 employed by a Rhode Island local education agency and satisfying criteria proposed by the Rhode  
5 Island Commissioner of Education in consultation with the commerce corporation and approved  
6 by the commerce corporation, which at a minimum shall include provisions regarding minimum  
7 instructional hours and qualifying high-demand STEM subject areas.

8 ~~(7)~~(9) “Eligibility period” means a term of up to four (4) consecutive service periods  
9 beginning with the date that an eligible graduate receives initial notice of award under this chapter  
10 and expiring at the conclusion of the fourth service period after such date specified.

11 ~~(8)~~(10) “Eligibility requirements” means the following qualifications or criteria required  
12 for an applicant to claim an award under this chapter:

13 (i) That the applicant shall have graduated from an accredited two (2) year, four (4) year  
14 or graduate post-secondary institution of higher learning with an associate’s, bachelor’s, graduate,  
15 or post-graduate degree and at which the applicant incurred education loan repayment expenses;  
16 and be either

17 ~~(A)(ii) That the applicant shall be a~~A full-time employee with a Rhode Island-based  
18 employer located in this state throughout the eligibility period, whose employment is for work in  
19 one or more of the following covered fields: life, natural or environmental sciences; computer,  
20 information or software technology; advanced mathematics or finance; engineering; industrial  
21 design or other commercially related design field; or medicine or medical device technology; or

22 (B) A full-time employee that is an eligible high-demand STEM teacher.

23 ~~(9)~~(11) “Full-time employee” means a person who is employed by a business or an eligible  
24 high-demand STEM teacher as defined herein for consideration for a minimum of at least thirty-  
25 five (35) hours per week, or who renders any other standard of service generally accepted by custom  
26 or practice as full-time employment, or who is employed by a professional employer organization  
27 pursuant to an employee leasing agreement between the business and the professional employer  
28 organization for a minimum of thirty-five (35) hours per week, or who renders any other standard  
29 of service generally accepted by custom or practice as full-time employment, and whose earnings  
30 are subject to Rhode Island income tax ~~and whose wages are subject to withholding.~~

31 (12) “Local education agency” means a public board of education/school committee or  
32 other public authority legally constituted within the State for either administrative control or  
33 direction of one or more Rhode Island public elementary schools or secondary schools, or a regional

1 school district, state-operated school, regional collaboration, and charter school or mayoral  
2 academy.

3 ~~(10)~~(13) “Service period” means a twelve (12) month period beginning on the date that an  
4 ~~eligible graduate~~ applicant receives initial notice of award under this chapter.

5 ~~(11)~~(14) “Student loan” means a loan to an individual by a public authority or private lender  
6 to assist the individual to pay for tuition, books, and living expenses in order to attend a post-  
7 secondary institution of higher learning.

8 ~~(12)~~(15) “Rhode Island-based employer” means (i) an employer having a principal place  
9 of business or at least fifty-one percent (51%) of its employees located in this state; or (ii) an  
10 employer registered to conduct business in this state that reported Rhode Island tax liability in the  
11 previous tax year.

12 ~~(13)~~(16) “Fund” refers to the “Stay Invested in RI Wavemaker Fellowship Fund”  
13 established pursuant to § 42-64.26-4.

14 **42-64.26-5. Administration.**

15 (a) *Application.* An eligible graduate claiming an award under this chapter shall submit to  
16 the commerce corporation an application in the manner that the commerce corporation shall  
17 prescribe.

18 (b) Upon receipt of a proper application from an applicant who meets all of the eligibility  
19 requirements, the commerce corporation shall select applicants on a competitive basis to receive  
20 credits for up to a maximum amount for each service period of one thousand dollars (\$1,000) for  
21 an associate’s degree holder, four thousand dollars (\$4,000) for a bachelor’s degree holder, and six  
22 thousand dollars (\$6,000) for a graduate or post-graduate degree holder, but not to exceed the  
23 education loan repayment expenses incurred by such taxpayer during each service period  
24 completed, for up to four (4) consecutive service periods provided that the taxpayer continues to  
25 meet the eligibility requirements throughout the eligibility period. The commerce corporation shall  
26 delegate the selection of the applicants that are to receive awards to ~~a~~ one or more fellowship  
27 committees to be convened by the commerce corporation and promulgate the selection procedures  
28 the fellowship committee or committees will use, which procedures shall require that the  
29 ~~committee’s~~ consideration of applications be conducted on a name-blind and employer-blind basis  
30 and that the applications and other supporting documents received or reviewed by the fellowship  
31 committee or committees shall be redacted of the applicant’s name, street address, and other  
32 personally-identifying information as well as the applicant’s employer’s name, street address, and  
33 other employer-identifying information. The commerce corporation shall determine the  
34 composition of the fellowship committee or committees and the selection procedures it will use in

1 consultation with the state's chambers of commerce [or the Rhode Island Department of Education,](#)  
2 [as appropriate.](#)

3 (c) The credits awarded under this chapter shall not exceed one hundred percent (100%)  
4 of the education loan repayment expenses ~~incurred~~-paid by such taxpayer during each service  
5 period completed for up to four (4) consecutive service periods. Tax credits shall be issued annually  
6 to the taxpayer upon proof that (i) the taxpayer has actually incurred and paid such education loan  
7 repayment expenses; (ii) the taxpayer continues to meet the eligibility requirements throughout the  
8 service period; (iii) The award shall not exceed the original loan amount plus any capitalized  
9 interest less award previously claimed under this section; and (iv) that the taxpayer claiming an  
10 award is current on his or her student loan repayment obligations.

11 [\(d\) In consultation with the Rhode Island Department of Education, the commerce](#)  
12 [corporation shall set guidelines for the proportion of awards to be made to eligible high-demand](#)  
13 [STEM teachers so long as no more than one hundred \(100\) and no more than twenty-five percent](#)  
14 [\(25%\) of the awards issued in a calendar year are to eligible high-demand STEM teachers.](#)

15 ~~(e)~~(e) The commerce corporation shall not commit to overall awards in excess of the  
16 amount contained in the fund.

17 ~~(f)~~(f) The commerce corporation shall reserve seventy percent (70%) of the awards issued  
18 in a calendar year to applicants who are permanent residents of the state of Rhode Island or who  
19 attended an institution of higher education located in Rhode Island when they incurred the  
20 education loan expenses to be repaid.

21 ~~(g)~~(g) In administering award, the commerce corporation shall:

22 (1) Require suitable proof that an applicant meets the eligibility requirements for award  
23 under this chapter;

24 (2) Determine the contents of applications and other materials to be submitted in support  
25 of an application for award under this chapter; and

26 (3) Collect reports and other information during the eligibility period for each award to  
27 verify that a taxpayer continues to meet the eligibility requirements for an award.

28 **42-64.26-8. Carry forward and redemption of tax credits.**

29 (a) If the amount of the tax credit allowed under this chapter exceeds the taxpayer's total  
30 tax liability for the year in which the credit is allowed, the amount of such credit that exceeds the  
31 taxpayer's tax liability may be carried forward and applied against the taxes imposed for the  
32 succeeding four (4) years, or until the full credit is used, whichever occurs first.

33 (b) The tax credit allowed under this chapter may be used as a credit against personal  
34 income taxes imposed under chapter 30 of title 44.

1 (c) The division of taxation shall at the request of a taxpayer redeem such credits in whole  
2 or in part for one hundred percent (100%) of the value of the tax credit.

3 (d) Any award made ~~amounts paid to a taxpayer for the redemption of tax credits allowed~~  
4 pursuant to this section shall be exempt from taxation under title 44 of the General Laws.

5 42-64.26-12. Sunset.

6 No incentives or credits shall be authorized pursuant to this chapter after ~~December 31,~~  
7 ~~2020~~December 31, 2023.

8 SECTION 10. Section 45-38.2-3 of the General Laws in Chapter 45-38.2 entitled "School  
9 Building Authority Capital Fund" is hereby amended as follows:

10 45-38.2-3. Administration.

11 (a) The corporation shall have all the powers necessary or incidental to carry out and  
12 effectuate the purposes and provisions of this chapter including:

13 (1) To receive and disburse such funds from the state as may be available for the purpose  
14 of the fund subject to the provisions of this chapter;

15 (2) To make and enter into binding commitments to provide financial assistance to cities,  
16 towns, and local education agencies from amounts on deposit in the fund;

17 (3) To enter into binding commitments to provide subsidy assistance for loans and city,  
18 town, and local education agency obligations from amounts on deposit in the fund;

19 (4) To levy administrative fees on cities, towns, and local education agencies as necessary  
20 to effectuate the provisions of this chapter; provided that the total amount of all such fees assessed  
21 on any municipal bonds and other financing vehicles used for school construction does not exceed  
22 ~~one-tenth of one percent (0.001)~~ one percent (.01) of the original principal amount;

23 (5) To engage the services of third-party vendors to provide professional services;

24 (6) To establish one or more accounts within the fund; and

25 (7) Such other authority as granted to the corporation under chapter 38.1 of this title.

26 (b) Subject to the provisions of this chapter, and to any agreements with the holders of any  
27 bonds of the corporation or any trustee therefor, amounts held by the corporation for the account  
28 of the fund shall be applied by the corporation, either by direct expenditure, disbursement, or  
29 transfer to one or more other funds and accounts held by the corporation or a trustee under a trust  
30 agreement or trust indenture entered into by the corporation with respect to bonds or notes issued  
31 by the corporation under this chapter or by a holder of bonds or notes issued by the corporation  
32 under this chapter, either alone or with other funds of the corporation, to the following purposes:



1           (1) To provide financial assistance to cities, towns, and local education agencies to finance  
2 costs of approved projects, and to refinance the costs of the projects, subject to such terms and  
3 conditions, if any, as are determined by the department and/or the corporation;

4           (2) To fund reserves for bonds of the corporation and to purchase insurance and pay the  
5 premiums therefor, and pay fees and expenses of letters or lines of credit and costs of  
6 reimbursement to the issuers thereof for any payments made thereon or on any insurance, and to  
7 otherwise provide security for, and a source of payment for obligations of the corporation, by  
8 pledge, lien, assignment, or otherwise as provided in chapter 38.1 of this title;

9           (3) To pay or provide for subsidy assistance as determined by the school building authority;

10          (4) To provide a reserve for, or to otherwise secure, amounts payable by cities, towns, and  
11 local education agencies on loans and city, town, and local education agency obligations  
12 outstanding in the event of default thereof; amounts in any account in the fund may be applied to  
13 defaults on loans outstanding to the city, town, or local education agency for which the account  
14 was established and, on a parity basis with all other accounts, to defaults on any loans or city, town,  
15 or local education agency obligations outstanding; and

16          (5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or  
17 otherwise as provided in chapter 38.1 of this title, any bonds or notes of the corporation issued  
18 under this chapter.

19          (c) The repayment obligations of the city, town, or local education agency for loans shall  
20 be in accordance with its eligibility for state aid for school housing as set forth in §§ 16-7-39, 16-  
21 77.1-5, and 16-105-3(19).

22          (d) In addition to other remedies of the corporation under any loan or financing agreement  
23 or otherwise provided by law, the corporation may also recover from a city, town, or local education  
24 agency, in an action in superior court, any amount due the corporation together with any other  
25 actual damages the corporation shall have sustained from the failure or refusal of the city, town, or  
26 local education agency to make the payments or abide by the terms of the loan or financing  
27 agreement.

28                           SECTION 11. This article shall take effect upon passage.