

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO EDUCATION --THE EDUCATION EQUITY AND PROPERTY TAX
RELIEF ACT

Introduced By: Senators Gu, Kallman, Murray, Zurier, Sosnowski, Euer, Mack, Britto,
Cano, and DiPalma

Date Introduced: February 16, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

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

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

4 (a) Beginning in the 2012 fiscal year, the following foundation education-aid formula shall
5 take effect. The foundation education aid for each district shall be the sum of the core instruction
6 amount in subdivision (a)(1) and the amount to support high-need students in subdivision (a)(2),
7 which shall be multiplied by the district state-share ratio calculated pursuant to § 16-7.2-4 to
8 determine the foundation aid.

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

1 instruction amount. The core-instruction amount will be updated annually. For the purpose of
2 calculating this formula, school districts' resident average daily membership shall exclude charter
3 school and state-operated school students.

4 (2) The amount to support high-need students beyond the core-instruction amount shall be
5 determined by multiplying a student success factor of forty percent (40%) by the core instruction
6 per-pupil amount described in subdivision (a)(1) and applying that amount for each resident child
7 whose family income is at or below one hundred eighty-five percent (185%) of federal poverty
8 guidelines, hereinafter referred to as "poverty status." By October 1, 2022, as part of its budget
9 submission pursuant to § 35-3-4 relative to state fiscal year 2024 and thereafter, the department of
10 elementary and secondary education shall develop and utilize a poverty measure that in the
11 department's assessment most accurately serves as a proxy for the poverty status referenced in this
12 subsection and does not rely on the administration of school nutrition programs. The department
13 shall utilize this measure in calculations pursuant to this subsection related to the application of the
14 student success factor, in calculations pursuant to § 16-7.2-4 related to the calculation of the state
15 share ratio, and in the formulation of estimates pursuant to subsection (b) below. The department
16 may also include any recommendations which seek to mitigate any disruptions associated with the
17 implementation of this new poverty measure or improve the accuracy of its calculation.

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

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

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

28 (e) The department of elementary and secondary education shall promulgate such
29 regulations as are necessary to implement fully the purposes of this chapter.

30 [\(f\) The provisions of § 45-53-10 shall be applied after the yearly amount of education aid](#)
31 [provided for under subsection \(a\) of this section is calculated.](#)

32 SECTION 2. Chapter 45-53 of the General Laws entitled "Low and Moderate Income
33 Housing" is hereby amended by adding thereto the following section:

34 **45-53-10. Education aid to be indexed to achieving low- and moderate-income housing**

1 **levels.**

2 (a) Effective January 1, 2024, a community’s receipt of permanent foundation education
3 aid pursuant to chapter 7.2 of title 16 shall be indexed to a municipality’s ability to successfully
4 meet its low- and moderate-income housing goals as provided for in this chapter, in the following
5 manner:

6 (1) For purposes of this section, commencing on January 1, 2024, and for each successive
7 year thereafter, every community shall have a five (5) year period to meet the goal of ten percent
8 (10%) of the year-round units or, in the case of certain urban towns or cities, fifteen percent (15%)
9 of the occupied rental housing units as being low- and moderate-income housing, as provided for
10 in § 45-53-3. If a community’s minimum percentage requirements of low- or moderate-income
11 housing are adjusted by statute, then the provisions of this section shall be indexed and tied to those
12 adjustments such that whether a community’s education aid is increased or decreased will be
13 dependent upon the adjusted minimum amount of low- and moderate-income housing that is
14 required;

15 (2) After the five (5) year period provided for in subsection (a)(1) of this section, and for
16 each year thereafter, any community that exceeds the required minimum goals identified in
17 subsection (a)(1) of this section for low- and moderate-income housing shall have its education aid
18 increased by two percent (2%) for every one percent (1%) by which the community exceeds its
19 requirement minimum goals of ten percent (10%) or fifteen percent (15%) whichever is applicable.
20 Any community which receives an increase in education aid pursuant to the provisions of this
21 section shall be eligible to receive increases so long as the community maintains an amount of low-
22 and moderate-income housing in excess of the community’s statutory minimum requirements.

23 (3) The division of planning of the department of administration shall certify to the general
24 assembly on or before April 1 of each year as to the percentage and amount of low- and moderate-
25 income housing in a municipality as of the previous year, for purposes of implementing this section.

26 (b) As used herein:

27 (1) “Community” means the municipality or municipalities serviced by, a part of, or in a
28 given school district.

29 (2) “Education aid” means the permanent foundation education aid received by each school
30 district established pursuant to the provisions of chapter 7.2 of title 16, the (“education equity and
31 property tax relief act”).

32 SECTION 3. This act shall take effect on January 1, 2024.

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would provide for increases in the amount of foundation level school support that
2 a community would receive, based upon a community's ability to meet and surpass its minimum
3 low- and moderate-income housing requirements.

4 This act would take effect on January 1, 2024.

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