

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 Goodwin, Gallo, and Pearson

Date Introduced: March 23, 2023

Referred To: Senate Education

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-7.2-5 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 **16-7.2-5. Charter public schools, the William M. Davies, Jr. Career and Technical**
4 **High School, and the Metropolitan Regional Career and Technical Center.**

5 (a) Charter public schools, as defined in chapter 77 of this title, the William M. Davies, Jr.
6 Career and Technical High School (Davies), and the Metropolitan Regional Career and Technical
7 Center (the Met Center) shall be funded pursuant to § 16-7.2-3. If the October 1 actual enrollment
8 data for any charter public school shows a ten percent (10%) or greater change from the prior year
9 enrollment that is used as the reference year average daily membership, the last six (6) monthly
10 payments to the charter public school will be adjusted to reflect actual enrollment. The state share
11 of the permanent foundation education aid shall be paid by the state directly to the charter public
12 schools, Davies, and the Met Center pursuant to § 16-7.2-9 and shall be calculated using the state-
13 share ratio of the district of residence of the student as set forth in § 16-7.2-4. The department of
14 elementary and secondary education shall provide the general assembly with the calculation of the
15 state share of permanent foundation education aid for charter public schools delineated by school
16 district.

17 (b) The local share of education funding shall be paid to the charter public school, Davies,
18 and the Met Center by the district of residence of the student and shall be the local, per-pupil cost

1 calculated by dividing the local appropriation to education from property taxes, net of debt service,
2 and capital projects, as defined in the uniform chart of accounts by the average daily membership
3 for each city and town, pursuant to § 16-7-22, for the reference year.

4 (c) In any fiscal year, no school district's total charter school expenses, defined as the sum
5 of tuitions and state education aid paid to charter schools for students from that district, shall exceed
6 nine percent (9%) of the district's adopted budget; however, if a school or school district is under
7 state control pursuant to § 16-7.1-5, the school district's total charter school expense may exceed
8 nine percent (9%) of the district's adopted budget; provided that, it shall not exceed twenty-three
9 percent (23%). If in FY 2024 and any subsequent fiscal year, any district's total charter school
10 expenses would exceed the nine percent (9%) or twenty-three percent (23%) caps prescribed in this
11 subsection, no enrollments shall be allowed from that district to charter schools in excess of the
12 total charter school percent caps in this subsection or the district's prior fiscal year percentage,
13 whichever is greater.

14 ~~(e)~~(d) Beginning in FY 2017, there shall be a reduction to the local per-pupil funding paid
15 by the district of residence to charter public schools, Davies, and the Met Center. This reduction
16 shall be equal to the greater (i) Of seven percent (7%) of the local, per-pupil funding of the district
17 of residence pursuant to subsection (b) or (ii) The per-pupil value of the district's costs for non-
18 public textbooks, transportation for non-public students, retiree health benefits, out-of-district
19 special-education tuition and transportation, services for students age eighteen (18) to twenty-one
20 (21) years old, pre-school screening and intervention, and career and technical education, tuition
21 and transportation costs, debt service and rental costs minus the average expenses incurred by
22 charter schools for those same categories of expenses as reported in the uniform chart of accounts
23 for the prior preceding fiscal year pursuant to § 16-7-16(11) and verified by the department of
24 elementary and secondary education. In the case where audited financials result in a change in the
25 calculation after the first tuition payment is made, the remaining payments shall be based on the
26 most recent audited data. For those districts whose greater reduction occurs under the calculation
27 of (ii), there shall be an additional reduction to payments to mayoral academies with teachers who
28 do not participate in the state teacher's retirement system under chapter 8 of title 36 equal to the
29 per-pupil value of teacher retirement costs attributable to unfunded liability as calculated by the
30 state's actuary for the prior preceding fiscal year.

31 ~~(d)~~(e) Local district payments to charter public schools, Davies, and the Met Center for
32 each district's students enrolled in these schools shall be made on a quarterly basis in July, October,
33 January, and April; however, the first local-district payment shall be made by August 15, instead
34 of July. Failure of the community to make the local-district payment for its student(s) enrolled in a

1 charter public school, Davies, and/or the Met Center may result in the withholding of state
2 education aid pursuant to § 16-7-31.

3 ~~(f)~~(f) Beginning in FY 2017, school districts with charter public school, Davies, and the
4 Met Center enrollment, that, combined, comprise five percent (5%) or more of the average daily
5 membership as defined in § 16-7-22, shall receive additional aid for a period of three (3) years. Aid
6 in FY 2017 shall be equal to the number of charter public school, open-enrollment schools, Davies,
7 or the Met Center students as of the reference year as defined in § 16-7-16 times a per-pupil amount
8 of one hundred seventy-five dollars (\$175). Aid in FY 2018 shall be equal to the number of charter
9 public school, open-enrollment schools, Davies, or the Met Center students as of the reference year
10 as defined in § 16-7-16 times a per-pupil amount of one hundred dollars (\$100). Aid in FY 2019
11 shall be equal to the number of charter public school, open-enrollment schools, Davies, or the Met
12 Center students as of the reference year as defined in § 16-7-16 times a per-pupil amount of fifty
13 dollars (\$50.00). The additional aid shall be used to offset the adjusted fixed costs retained by the
14 districts of residence.

15 ~~(g)~~(g) School districts with charter public school, Davies, and the Met Center enrollment,
16 that, combined, comprise five percent (5%) or more of the average daily membership as defined in
17 § 16-7-22, shall receive additional aid intended to help offset the impact of new and expanding
18 charter schools. For FY 2022, aid shall be equal to the number of new students being served as
19 determined by the difference between the reference year as defined in § 16-7-16 and FY 2019 times
20 a per-pupil amount of five hundred dollars (\$500). For FY 2023 and thereafter, aid shall be equal
21 to the number of new students being served as determined by the difference between the reference
22 year as defined in § 16-7-16 and the prior reference year times a per-pupil amount of five hundred
23 dollars (\$500). The additional aid shall be used to offset the adjusted fixed costs retained by the
24 districts of residence.

25 SECTION 2. This act shall take effect on July 1, 2023.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO EDUCATION -- THE EDUCATION EQUITY AND PROPERTY TAX
RELIEF ACT

1 This act would provide limitations and prescribe caps on a district's total charter school
2 expenses. The act would provide that a school district's budget for charter schools is not to exceed
3 nine percent (9%) of the school district's budget unless the school district is under state control and
4 then the school district's budget for charter schools would not exceed twenty-three percent (23%).

5 This act would take effect on July 1, 2023.

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