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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO EDUCATION -- THE RHODE ISLAND EDUCATION FUNDING AND
ACCOUNTABILITY ACT

Introduced By: Representatives McNamara, Cortvriend, Ackerman, Tanzi, Kislak,
Ajello, Furtado, J. Brien, Sanchez, and Phillips

Date Introduced: March 25, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings.

2 The general assembly finds that:

3 (1) A high-quality public education system is essential to the prosperity and civic health of
4 the State of Rhode Island;

5 (2) Access to sufficient, equitable, and predictable education funding is a legal and moral
6 obligation of the state;

7 (3) The state's economic vitality depends upon an educated workforce equipped with
8 twenty-first century skills including critical thinking, collaboration, and communication;

9 (4) Inequities in local fiscal capacity and outdated funding mechanisms have produced
10 inconsistent educational opportunities among municipalities and undermined public confidence;

11 (5) All Rhode Island residents have a stake in the success of our state's public schools and
12 students, and there is widespread support among stakeholders for modernizing the state's education
13 funding system to emphasize sufficiency, student-centered equity, and shared fiscal responsibility;
14 and

15 (6) Implementing this framework in statute is necessary to ensure transparency,
16 accountability, and long-term stability in education finance.

17 SECTION 2. Title 16 of the General Laws entitled "EDUCATION" is hereby amended by
18 adding thereto the following chapter:

1 CHAPTER 7.3

2 THE RHODE ISLAND EDUCATION FUNDING AND ACCOUNTABILITY ACT

3 **16-7.3-1. Short title.**

4 This chapter shall be known and may be cited as "The Rhode Island Education Funding
5 and Accountability Act."

6 **16-7.3-2. Purpose.**

7 (a) The purposes of this chapter are to:

8 (1) Establish a comprehensive transparent, and student-centered funding formula for all
9 Rhode Island public schools;

10 (2) Distribute state and local resources equitably according to instructional need;

11 (3) Ensure that municipalities contribute in proportion to their fiscal capacity; and

12 (4) Require fiscal responsibility and strategic management of education funds to improve
13 student outcomes statewide.

14 (b) Design a system for funding public schools established under this chapter to be:

15 (1) Sufficient. Ensuring adequate funding for effective public education for all students;

16 (2) Student-centered. Allocating funds based on the needs of each student;

17 (3) Comprehensive. Encompassing all significant educational costs borne by state and local
18 governments;

19 (4) Predictable yet flexible. Providing stability while allowing response to unforeseen
20 changes in enrollment or costs;

21 (5) Transparent. Requiring public disclosure of all calculations and data used;

22 (6) Equitable. Calculating municipal contributions based on capacity to pay; and

23 (7) Accountable. Linking expenditures to student outcomes.

24 **16-7.3-3. Definitions.**

25 (a) As used in this chapter:

26 (1) "Average daily membership" or "ADM" means the number of resident students enrolled
27 in public education programs, including resident students receiving preschool special education
28 services in a community setting, a Rhode Island pre-k classroom, or an out-of-district placement;
29 and resident students enrolled in LEAs, as defined in § 16-7-22 and calculated by the department
30 of elementary and secondary education.

31 (2) "Core education amount" or "CEA" means the regional average of current per pupil
32 educational expenditures among Rhode Island, Massachusetts, Connecticut, and New Hampshire,
33 adjusted annually for inflation using the Consumer Price Index for Urban Consumers (CPI-U). The
34 CEA is calculated using expenditure data in the following categories, as such categories are defined

1 by the National Center for Education Statistics ("NCES") in/for its annual National Public
2 Education Financial Survey: instruction and instruction-related expenditures, support services,
3 food services and other educational expenditures. Data from the National Public Education
4 Financial Survey, as published annually by NCES, and enrollment data from the Common Core of
5 Data, also published annually by NCES, shall be used when determining the CEA. The CEA shall
6 be updated annually.

7 (i) "Instruction and instruction-related expenditures" consist of expenditures for activities
8 directly related to the interaction between teachers and students, and for activities that assist with
9 classroom instruction including, but not limited to, salaries and benefits for teachers, teaching
10 assistants, librarians and library aides, in-service teacher trainers, curriculum development, student
11 assessment, technology for students outside the classroom, and supplies (such as textbooks) and
12 purchased instructional services. These expenditures also include expenditures relating to career
13 and technical education, extracurricular, cocurricular activities and other programs providing
14 instruction, or assisting in providing instruction, for students in prekindergarten, kindergarten,
15 grades one through twelve (grades 1 through 12), and ungraded programs.

16 (ii) "Support services expenditures" consist of expenditures for student support services,
17 instructional staff support, general administration, school administration, operations and
18 maintenance, in-district student transportation, school safety and other support services.

19 (iii) "Food services" consist of activities that provide food to students and staff in a LEA.
20 These services include preparing and serving regular and incidental meals or snacks in connection
21 with school activities as well as delivery of food to schools.

22 (3) "Department" means the Rhode Island department of elementary and secondary
23 education ("RIDE").

24 (4) "Economically disadvantaged student" means a student from a household with income
25 at or below one hundred eighty-five percent (185%) of the federal poverty level or otherwise
26 identified through state administrative data.

27 (i) In identifying economically disadvantaged students for purposes of this chapter, the
28 department shall, to the maximum extent practicable, utilize linked administrative data systems to
29 ensure accurate, timely, and comprehensive identification. The department shall use direct
30 certification through participation in state or federal public benefit programs, income data obtained
31 from the state's income tax system through lawful interagency data-sharing agreements, or other
32 administrative data sources, consistent with state and federal privacy laws. If/when a student does
33 not match to state income tax records, such students shall be considered economically
34 disadvantaged students. The department shall also permit districts to submit supplemental

1 documentation to identify additional eligible students not captured through administrative data
2 systems.

3 (5) "Instructional program factors" means additive cost adjustments that reflect additional
4 per-pupil expenses associated with multilingual learners, students with disabilities, and students
5 enrolled in high-cost career and technical education programs.

6 (6) "Local education agency" or "LEA" means and includes all of the following within the
7 State of Rhode Island:

8 (i) Public school districts;

9 (ii) Regional school districts;

10 (iii) State-operated schools;

11 (iv) Regional collaborative schools; and

12 (v) Charter schools and mayoral academies.

13 (7) "Municipal ability to pay" means each municipality's capacity to fund its resident
14 students enrolled in public education programs. Each municipality's ability to pay shall be
15 determined by the application of a uniform local share determination rate to the aggregate equalized
16 assessed valuation of taxable real and commercial property within each municipality as certified
17 annually by the Rhode Island division of municipal finance.

18 (8) "Normal costs" means the actuarially determined annual employer contribution
19 necessary to fund pension and retirement benefits earned by active teachers during the current fiscal
20 year.

21 (9) "Reference year" means the year prior to the school year in which the aid is to be paid.
22 For the purposes of calculating state and municipal educational funding pursuant to this chapter,
23 the reference date shall be one year prior to the year in which aid is paid.

24 (10) "Unfunded actuarially accrued liability for teacher pension benefits" means the
25 unfunded actuarially accrued liability that accrued prior to July 1, 2025, for all teachers, as defined
26 by § 16-16-1, who retired on or before July 1, 2025.

27 **16-7.3-4. Determination of the core education amount.**

28 (a) The CEA shall represent the baseline annual cost per student of a regular public
29 education.

30 (b) RIDE shall calculate the CEA annually using the most recent available federal school
31 finance data for current educational expenditures from NCES, excluding capital outlay and debt
32 service, to arrive at an average regional per pupil cost in Connecticut, Massachusetts, New
33 Hampshire, and Rhode Island. This average regional per pupil cost shall be the CEA.

34 (c) The CEA shall be adjusted annually for inflation using the CPI-U.

1 **16-7.3-5. Student weights and instructional program factors.**

2 (a) The cost of educating an individual student (the "individual foundation cost") shall be
3 determined as:

4 CEA x (1 + student success factor + instructional program factors) x adjustment factor.

5 (b) The following weights shall apply:

6 (1) Student success factor (SSF). Fifty percent (50%) for each economically disadvantaged
7 student;

8 (2) Instructional program factors:

9 (i) Multilingual learner. Tiered weights based on WIDA ACCESS proficiency:

10 Level 1–2 = sixty percent (60%); Level 3 = forty percent (40%); Level 4+ (while still
11 identified) = twenty percent (20%); Former MLL (two (2) years post-exit) = ten percent (10%);

12 (ii) Students with disabilities: Tiered weights established by RIDE based on level of
13 service(s) identified in students' individualized education programs (IEP);

14 (iii) Career and technical education (CTE): Additional weight equal to the amount by which
15 a CTE program's verified average per-pupil cost exceeds the CEA as determined annually by the
16 Rhode Island board of trustees on career and technical education; and

17 (3) Adjustment factor. A normalization coefficient ensuring that actual total statewide per-
18 pupil spending reflects the CEA per-pupil amount each year. The adjustment factor shall be
19 determined each year as follows: the statewide total foundation cost shall be divided by the
20 statewide ADM to yield an unadjusted statewide average per-pupil funding amount; the actual CEA
21 per-pupil amount shall then be divided by the unadjusted statewide average per-pupil funding
22 amount. The resulting percentage shall be the adjustment factor for the year (see equation below):

23 (i) (Total statewide foundation cost) divided by (statewide ADM) = unadjusted statewide
24 per pupil amount.

25 (ii) (CEA per pupil amount) divided by (unadjusted statewide per pupil amount) =
26 adjustment factor.

27 (c) All weights are additive.

28 (d) The department shall annually publish, not later than March 1, the methodology and
29 calculation used to determine the adjustment factor described in subsection (b)(3) of this section,
30 including the data sources, assumptions, and normalization procedure used to ensure statewide per-
31 pupil spending reflects the CEA. The publication shall be made available on the department's
32 website and transmitted to the chairpersons of the house and senate finance committees.

33 **16-7.3-6. Shared fiscal responsibility.**

34 (a) The total cost of public education in Rhode Island shall be jointly borne by the state and

1 municipalities. The total statewide foundation cost is determined by multiplying the individual
2 foundation cost by the total state ADM.

3 (b) Expenditures shall be categorized as follows:

4 (1) State-funded costs:

5 (i) High-cost special education exceeding four (4) times the statewide average per-pupil
6 expenditure which the state shall pay directly to the service provider or reimburse to the LEA on a
7 current-year basis, without delay, in the following fiscal year:

8 (ii) Out-of-district transportation, including for homeless students, wards of the state,
9 students with disabilities and CTE placements;

10 (iii) Early childhood screening mandated under federal law; and

11 (iv) Unfunded actuarially accrued liability for teacher pension benefits that accrued prior
12 to July 1, 2025, for all teachers, as defined by § 16-16-1, who retired on or before July 1, 2025.

13 (2) Shared costs. All current educational expenditures comprising the CEA.

14 (3) Municipal costs. Any expenditures authorized by a municipality that exceed that
15 municipality's minimum local contributions, as defined in § 16-7.3-8.

16 (c) The costs associated with retirement benefits for current teachers ("normal costs") shall
17 be included within the core educational amount under § 16-7.3-4 as a component of the baseline
18 annual cost per student of a regular public education. The costs associated with unfunded actuarially
19 accrued liability for teacher pension benefits shall be borne fully by the state.

20 **16-7.3-7. Determination of state share.**

21 (a) The general assembly shall determine annually the total state share, expressed as a
22 percentage of the total statewide foundation cost.

23 (b) The total state share is applied exclusively to the total statewide foundation cost and
24 does not apply to the state-funded costs enumerated in § 16-7.3-6(b)(1).

25 (c) The department shall calculate each LEA's state aid by subtracting the required
26 minimum local contribution under § 16-7.3-8 from the LEA's total foundation cost.

27 (d) The department shall annually publish, not later than September 1, a report
28 summarizing the total state and municipal shares of educational expenditures for the preceding
29 fiscal year, including each municipality's required minimum local contribution and actual
30 contribution. The report shall be submitted to the governor and the chairpersons of the house and
31 senate finance committees and posted publicly on the department's website.

32 **16-7.3-8. Municipal contribution based on ability to pay.**

33 (a) Each municipality shall contribute at least its minimum local contribution toward the
34 education of all resident students.

1 **(b) The department shall calculate a local share determination rate annually. The aggregate**
2 **local contribution necessary to meet the total statewide foundation cost shall be determined by**
3 **subtracting the total state share from the total statewide foundation cost. The local share**
4 **determination rate shall be calculated by dividing the aggregate local contribution by the aggregate**
5 **equalized assessed valuation of taxable real and commercial property in the state, and shall be**
6 **expressed as a percentage. The department shall utilize the equalized assessed valuation of taxable**
7 **real and commercial property within each municipality as certified annually by the Rhode Island**
8 **division of municipal finance in its calculation of the local share determination rate.**

9 **(c) The minimum local contribution for each municipality shall be determined by applying**
10 **the local share determination rate to each municipality's respective equalized assessed valuation of**
11 **taxable real and commercial property.**

12 **(d) Municipalities may exceed their respective minimum local contributions. A**
13 **municipality shall have full discretion over the allocation of any local funding it may appropriate**
14 **beyond its minimum local contribution.**

15 **(e) Municipalities that fail to meet their minimum local contribution shall have their state**
16 **aid reduced by double the shortfall, subject to hardship appeal under § 16-7.3-9.**

17 **(f) A municipality's annual per-pupil minimum local contribution shall be determined by**
18 **dividing its minimum local contribution by the municipality's ADM (the number of resident**
19 **students enrolled in public education programs as defined in § 16-7.3-3(a)(1)).**

20 **(g) The department shall ensure that municipalities make quarterly payments in July,**
21 **October, January and April, directly and in a timely manner to all LEAs serving their respective**
22 **resident students.**

23 **(h) No municipality, department or municipal or regional school district shall impose,**
24 **retain, or apply a holdback, deduction, or offset against state or local aid allocated for students**
25 **enrolled in public charter schools and state schools. Funds shall follow each student in full to each**
26 **receiving public charter school or state school consistent with each student's calculated individual**
27 **foundation cost.**

28 **16-7.3-9. Hardship appeals and strategic reserve.**

29 **(a) A strategic education reserve fund is hereby established. The general assembly shall**
30 **appropriate and direct funding in an amount equivalent to one percent (1%) of the total statewide**
31 **foundation cost to the strategic education reserve fund annually. The fiscal responsibility advisory**
32 **board established under § 16-7.3-12 shall oversee and administer the strategic education reserve**
33 **fund. The fiscal responsibility advisory board shall, among other powers and responsibilities**
34 **described in § 16-7.3-12, hear and decide hardship appeals for:**

1 (1) Municipal hardship adjustments resulting from unforeseen revenue shortfalls; and

2 (2) LEA relief for unanticipated mid-year enrollment or cost increases.

3 (b) Appeals shall be granted only for unforeseeable and extraordinary circumstances, as
4 determined by the fiscal responsibility advisory board.

5 (c) Approved relief shall not extend beyond one fiscal year without reapplication.

6 **16-7.3-10. Timing and predictability of payments.**

7 (a) The department shall issue preliminary state aid estimates by March 1 of each year and
8 final allocations by July 1 following the effective date of the state budget.

9 (b) Payments of annual state aid shall be made quarterly, in July, October, January and
10 April.

11 (c) The general assembly may authorize multi-year state aid commitments to promote fiscal
12 stability.

13 **16-7.3-11. Fiscal responsibility and reporting.**

14 (a) Each LEA shall annually:

15 (1) Adopt a public plan linking spending to student outcome goals;

16 (2) Present that plan to the LEA's governing body and appropriating authority, if
17 applicable;

18 (3) Report revenues and expenditures through the universal chart of accounts (UCOA)
19 system; and

20 (4) Undergo an independent fiscal audit.

21 (b) The department shall maintain a public online dashboard reporting LEA expenditures,
22 weights applied, and student outcome data. The dashboard shall permit LEA-by-LEA and school-
23 by-school comparisons of spending patterns, student demographics, and academic outcomes, and
24 shall display trend data linking expenditures to student performance indicators.

25 (c) There is hereby established a universal chart of accounts (UCOA) transition fund to
26 provide LEAs with technical assistance and financial support necessary to achieve full compliance
27 with subsection (a)(3) of this section. The fund shall be administered by the department from state
28 appropriations or grants, and may be used for software alignment, staff training, or other
29 implementation costs.

30 **16-7.3-12. Fiscal responsibility advisory board.**

31 (a) The general assembly finds and declares that there is a need to establish a fiscal
32 responsibility advisory board within the office of the auditor general. The fiscal responsibility
33 advisory board shall consist of eleven (11) members.

34 (b) Membership shall include one representative of:

- 1 (1) The Rhode Island School Superintendents Association;
- 2 (2) The Rhode Island Association of School Committees;
- 3 (3) The Rhode Island League of Cities and Towns;
- 4 (4) The Rhode Island federation of Teachers and Health Professionals;
- 5 (5) The National Education Association Rhode Island;
- 6 (6) The Rhode Island Association of School Principals;
- 7 (7) The Rhode Island League of Charter Public Schools; and
- 8 (8) Four (4) public members with expertise in education finance, law, and public
9 management, appointed by the governor with the advice and consent of the senate.

10 (c) Members shall serve staggered three (3) year terms and may be reappointed for no more
11 than two (2) consecutive terms.

12 (d) The fiscal responsibility advisory board shall:

- 13 (1) Monitor fiscal responsibility, transparency, and compliance;
- 14 (2) Adjudicate hardship appeals under § 16-7.3-9;
- 15 (3) Provide technical assistance and oversight to LEAs; and
- 16 (4) Submit an annual report to the governor and general assembly summarizing fiscal and
17 performance outcomes statewide.

18 **16-7.3-13. Tiered system of support and intervention.**

19 (a) The fiscal responsibility advisory board shall classify LEAs based on fiscal
20 management and student outcomes by the following tiers:

- 21 (1) Tier 1. LEAs receive technical assistance and planning support.
- 22 (2) Tier 2. LEAs shall submit corrective action plans jointly approved by RIDE and the
23 fiscal responsibility advisory board.
- 24 (3) Tier 3. LEAs may be subject to directed fiscal management or conditional spending
25 authority.

26 (b) Persistent noncompliance may trigger state intervention and support pursuant to § 16-
27 7.1-5.

28 (c) For each LEA placed in Tier 1, 2, or 3, the fiscal responsibility advisory board shall:

- 29 (1) Publish on the department's website any corrective-action or improvement plan
30 developed under this section;
- 31 (2) Convene quarterly meetings with the LEA and the department to review progress; and
- 32 (3) Require co-planning between LEA officials and the department for Tier 2 and Tier 3
33 interventions.

34 **16-7.3-14. Early childhood education integration.**

1 (a) The state shall fund early childhood screening and special education services for
2 children ages three (3) to five (5) years as part of the CEA.

3 (1) The department shall design, implement, and administer a statewide early childhood
4 screening system to ensure universal developmental screening for all children ages three (3)
5 through five (5) years.

6 (2) The department shall select or approve a uniform screening tool, coordinate data
7 reporting with early-intervention programs, and fund all associated costs directly from state
8 appropriations.

9 (b) The general assembly shall appropriate funds annually to support the Rhode Island pre-
10 k program. LEAs may apply for Rhode Island pre-k funds through a competitive grant application
11 process administered by the department.

12 (c) The governor shall establish a separate commission to design a unified early childhood
13 education and care system for children from birth through age five (5) years.

14 **16-7.3-15. School housing and facilities alignment.**

15 (a) The department shall ensure equitable access to housing aid for all LEAs. School
16 housing aid shall be available to charter schools, mayoral academies and state-operated schools at
17 a rate that is proportionally equivalent to the housing aid rate(s) available to the municipalities in
18 which their students reside. A charter school, mayoral academy or state-operated school that enrolls
19 students from a single municipality shall be eligible to access school housing aid at the same rate
20 as that particular municipality. A charter school, mayoral academy or state-operated school that
21 enrolls students from more than one municipality shall be eligible to access school housing aid at
22 a proportionally blended rate that reflects each "sending" municipality's respective reimbursement
23 rate and the percentage of students enrolled in the charter school, mayoral academy or state-
24 operated school from each sending municipality in the year in which an application for housing aid
25 is submitted.

26 (b) The state shall not reallocate existing housing aid funds in a manner that reduces the
27 current level of support for any LEA.

28 **16-7.3-16. Rulemaking and regulation authority.**

29 (a) The department, in consultation with the fiscal responsibility advisory board, shall
30 promulgate rules and regulations necessary to implement this chapter and achieve a unified,
31 transparent, and student-centered funding formula and ensure transparency, accountability, and
32 long-term stability in education finance for all Rhode Island public schools.

33 (b) Among other considerations, the department's rulemaking and regulatory process shall
34 include:

1 (1) A comprehensive review of Rhode Island's basic education program (200-RICR-20-
2 10-1, the "BEP") to inform any revisions necessary to ensure alignment with the provisions of this
3 chapter.

4 (2) Establishing clear, efficient and reliable methods to facilitate the accurate identification
5 and certification of economically disadvantaged students consistent with § 16-7.3-3(a)(4).

6 (3) Defining methodologies for determining the weights, adjustment factors and reporting
7 standards introduced in this chapter.

8 **16-7.3-17. Transition and phase-in.**

9 (a) The provisions of this chapter shall be phased in over a period not to exceed three (3)
10 fiscal years from the effective date of this chapter; provided, however, the department may
11 implement any component earlier if adequate administrative readiness and appropriations exist.

12 (b) The department shall develop a transition plan specifying annual adjustments to state
13 and municipal shares to achieve full implementation.

14 (c) During the transition period, existing aid programs shall continue to the extent
15 necessary to prevent funding shortfalls.

16 **16-7.3-18. Severability.**

17 If any provision of this chapter or its application to any person or circumstance is held
18 invalid, the remainder of the chapter and its application shall not be affected.

19 **16-7.3-19. Cost analysis for new education mandates.**

20 (a) Any law, regulation, or rule enacted or promulgated after the effective date of this
21 chapter that imposes a new requirement on LEAs or municipalities relating to education shall
22 include a fiscal impact statement estimating the cost of compliance.

23 (b) The fiscal impact statement shall be prepared by the department of elementary and
24 secondary education in consultation with the department of administration prior to legislative or
25 regulatory adoption.

26 (c) No law, regulation, or rule enacted or promulgated after the effective date of this chapter
27 that imposes a new requirement on LEAs or municipalities relating to education shall take effect
28 or remain in effect without a specific state appropriation sufficient to cover the estimated cost of
29 implementation.

30 **16-7.3-20. Inconsistent provisions in other laws superseded.**

31 Insofar as the provisions of this chapter are inconsistent with the provisions of any other
32 law, general, special or local including, but not limited to, §§ 16-7.2-2 through 16-7.2-10 and
33 associated provisions of §§ 16-7-15 through 16-7-47 the provisions of this chapter shall be
34 controlling.

1 SECTION 3. This act shall take effect upon passage, with full implementation no later than
2 fiscal year 2030.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO EDUCATION -- THE RHODE ISLAND EDUCATION FUNDING AND
ACCOUNTABILITY ACT

1 This act would establish the Rhode Island education funding and accountability act, which
2 would include a totally revised and revamped formula for funding all levels of public education in
3 Rhode Island.

4 This act would take effect upon passage, with full implementation no later than fiscal year
5 2030.

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