

1 **ARTICLE 10**

2 RELATING TO EDUCATION

3 SECTION 1. Section 16-7-20 of the General Laws in Chapter 16-7 entitled "Foundation  
4 Level School Support" is hereby amended to read as follows:

5 **16-7-20. Determination of state's share.**

6 (a) For each community the state's share shall be computed as follows: Let

7  $R$ =state share ratio for the community.

8  $v$ =adjusted equalized weighted assessed valuation for the community, as defined in § 16-  
9 7-21(3).

10  $V$ =sum of the values of  $v$  for all communities.

11  $m$ =average daily membership of pupils in the community as defined in § 16-7-22(3).

12  $M$ =total average daily membership of pupils in the state.

13  $E$ =approved reimbursable expenditures for the community for the reference year minus the  
14 excess costs of special education, tuitions, federal and state receipts, and other income.

15 Then the state share entitlement for the community shall be  $RE$  where

16  $R = 1 - 0.5vM/(Vm)$  through June 30, 2011, and  $R = 1 - 0.475 vM/(Vm)$  beginning on  
17 July 1, 2011 and thereafter. Except that in no case shall  $R$  be less than zero percent (0%).

18 (b) Whenever any funds are appropriated for educational purposes, the funds shall be used  
19 for educational purposes only and all state funds appropriated for educational purposes must be  
20 used to supplement any and all money allocated by a city or town for educational purposes and in  
21 no event shall state funds be used to supplant, directly or indirectly, any money allocated by a city  
22 or town for educational purposes. The courts of this state shall enforce this section by writ of  
23 mandamus.

24 (c) Notwithstanding the calculations in subsection (a), the hospital school at the Hasbro  
25 Children's Hospital shall be reimbursed one hundred percent (100%) of all expenditures approved  
26 by the council on elementary and secondary education in accordance with currently existing rules  
27 and regulations for administering state aid, and subject to annual appropriations by the general  
28 assembly including, but not limited to, expenditures for educational personnel, supplies, and  
29 materials in the prior fiscal year.

30 (d) In the event the computation of the state's share for any local education agency as  
31 outlined in subsection (a) is determined to have been calculated incorrectly after the state budget

1 for that fiscal year has been enacted, the commissioner of elementary and secondary education shall  
2 notify affected local education agencies, the senate president, and the speaker of the house within  
3 fifteen (15) days of the determination.

4 (e) Realignment of aid payments to the affected local education agencies pursuant to  
5 subsection (d) shall occur in the following fiscal year:

6 (1) If the determination shows aid is underpaid to the local education agency, any amounts  
7 owed shall be paid in equal monthly installments.

8 (2) If the determination shows aid was overpaid, the department of elementary and  
9 secondary education shall recapture some amount of the aid from the overpaid local education  
10 agency. The amount to be withheld shall be equal to the amount of the overpayment prorated to the  
11 number of full months remaining in the fiscal year when the notification required in subsection (d)  
12 was made.

13 (f) The above notwithstanding, in no event shall the total paid to a local education agency  
14 in the 2023 fiscal year pursuant subsection (a), above, be reduced as the result of the implementation  
15 of section (1), above.

16 SECTION 2. Section 45-38.2-4 of the General Laws in Chapter 38.2-4 entitled “School  
17 Building Authority Capital Fund” is hereby amended to read as follows:

18 **45-38.2-4. Payment of state funds.**

19 (a) Subject to the provisions of subsection (b), upon the written request of the corporation,  
20 the general treasurer shall pay to the corporation, from time to time, from the proceeds of any bonds  
21 or notes issued by the state for the purposes of this chapter or funds otherwise lawfully payable to  
22 the corporation for the purposes of this chapter, such amounts as shall have been appropriated or  
23 lawfully designated for the fund. All amounts so paid shall be credited to the fund in addition to  
24 any other amounts credited or expected to be credited to the fund.

25 (b) The corporation and the state may enter into, execute, and deliver one or more  
26 agreements setting forth or otherwise determining the terms, conditions, and procedures for, and  
27 the amount, time, and manner of payment of, all amounts available from the state to the corporation  
28 under this section.

29 (c) The corporation, per order of the school building authority capital fund, is authorized  
30 to grant a district or municipality its state share of an approved project cost, pursuant to §§ 16-7-39  
31 and 16-77.1-5. Construction pay-as-you-go grants received from the school building authority  
32 capital fund shall not be considered a form of indebtedness subject to the provisions of § 16-7-44.

33 (d) (1) Notwithstanding the provisions of §§ 45-12-19 and 45-12-20, and notwithstanding  
34 city or town charter provisions to the contrary, prior to July 1, 2016, no voter approval shall be

1 required for loans in any amount made to a city or town for the local education agency's share of  
2 total project costs.

3 (2) Notwithstanding the provisions of §§ 45-12-19 and 45-12-20, and notwithstanding city  
4 or town charter provisions to the contrary, on or after July 1, 2016, up to five hundred thousand  
5 dollars (\$500,000) may be loaned to a city or town for the local education agency's share of total  
6 project costs without the requirement of voter approval.

7 (e) (1) Funds from the two hundred fifty million (\$250,000,000) in general obligation  
8 bonds, if approved on the November 2018 ballot, shall first be used to support the state share of  
9 foundational housing aid and shall be offered to local education agencies on a pay-as-you-go basis  
10 and not as a reimbursement of debt service for previously completed projects.

11 (2) Funds to support approved projects in a given year on a pay-as-you-go basis shall be  
12 offered proportionately to local education agencies based on the total state share of foundational  
13 housing aid awarded to projects in that year.

14 (3) Any excess funds up may be transferred to the school building authority capital fund in  
15 an amount not to exceed five percent (5%) of any amount of bonds issued in a given year.

16 (f) (1) Two hundred million (\$200,000,000) in general obligation bonds, if approved on  
17 the November 2022 ballot, shall be used to support approved projects as defined by § 16-7-36(2)  
18 and shall be offered to local education agencies on a pay-as-you-go basis and not as a  
19 reimbursement of debt service for previously completed projects.

20 (2) Fifty million (\$50,000,000) in general obligation bonds, if approved on the November  
21 2022 ballot, shall be transferred to the school building authority capital fund to help create facility  
22 equity between Rhode Island students.

23 (3) Any excess funds up may be transferred to the school building authority capital fund in  
24 an amount not to exceed five percent (5%) of any amount of bonds issued in a given year.

25 ~~(g)~~ (g) Notwithstanding any provision to the contrary, the term of any bond, capital lease,  
26 or other financing instrument shall not exceed the useful life of the project being financed.

27 ~~(h)~~ (h) In accordance with §§ 45-10-5.1 and 45-10-6, the auditor general shall give  
28 guidance to municipalities and school districts on the uniform financial reporting of construction  
29 debt authorized and issued, and on funding received from the state within ninety (90) days of the  
30 passage of this article.

31 SECTION 3. This Article shall take effect upon passage.