

**2022 -- H 8267**

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**S T A T E   O F   R H O D E   I S L A N D**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2022**

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**A N   A C T**

**AUTHORIZING THE CITY OF NEWPORT AND TOWN OF MIDDLETOWN TO ESTABLISH A REGIONAL SCHOOL DISTRICT AND PROVIDING FOR STATE AID FOR SCHOOL HOUSING COSTS OF AT LEAST EIGHTY PERCENT (80%) OF DEBT SERVICE FOR EXPENDITURES ELIGIBLE FOR STATE AID**

Introduced By: Representatives Abney, Carson, Cortvriend, and Ruggiero

Date Introduced: May 19, 2022

Referred To: House Finance

It is enacted by the General Assembly as follows:

1         SECTION 1. Authority to establish a regional school district. Upon completion of the  
2 approvals set forth in section 24 of this act, the city of Newport and the town of Middletown are  
3 hereby authorized to establish a regional school district to combine both existing school districts  
4 into a single regional school district. The provisions contained in §§ 16-3-1 through 16-3-25,  
5 inclusive, of the general laws of Rhode Island and the provisions chapter 2 of title 16, that are  
6 applicable to regional school districts which are not inconsistent with this act shall be applicable to  
7 the regional school district. The regional school district, sometimes referred to as the “regional  
8 school district” or “district” shall be governed by a regional school district committee, hereinafter  
9 sometimes referred to as the “regional school district committee” or “regional committee”.

10         SECTION 2. Minimum state housing aid ratio. Subject to completion of the approvals set  
11 forth in section 24 of this act, all general obligation bonds issued between January 1, 2022 and June  
12 30, 2026 for school construction projects by the city of Newport and the town of Middletown shall  
13 be provided with state aid for school housing costs in accordance with §§16-7-35 through 16-7-47  
14 at a state housing aid ratio of at least eighty percent (80%) of debt service for expenditures eligible  
15 for state aid. For purposes of this section, the issuance of bond anticipation notes by the town of  
16 Middletown for school construction prior to June 30, 2026 shall entitle the town to a state housing  
17 aid ratio of at least eighty percent (80%) of debt service for eligible expenditures.

1           SECTION 3. Transition period. (a) A transition period shall be established commencing  
2 on the date on which all approvals required by section 24 of this act have been completed. This  
3 transition period shall run from the date of authorization of the voters or the date the council for  
4 elementary and secondary education votes to approve the creation of the regional school district,  
5 whichever is later, through June 30, 2024.

6           (b) During the transition period, the existing school committees in Newport and  
7 Middletown shall continue to operate their respective school districts. The existing school  
8 committees shall cease to exist after June 30, 2024 and unless prohibited by federal law, any  
9 unrestricted monies in the city of Newport school fund and the town of Middletown school fund  
10 shall revert to the city of Newport and the town of Middletown, respectively, to be deposited on  
11 June 30, 2024 into restricted funds or accounts to be used for Newport and Middletown educational  
12 expenses. The existing school committees shall not enter into any contract that extends beyond  
13 June 30, 2024, unless such contract is formally approved by the elected regional school district  
14 committee.

15           (c) During the transition period, the regional school district committee shall develop and  
16 implement plans for the effective operation of the regional school district, including programs,  
17 staff, facilities, transportation, and finances.

18           SECTION 4. Labor provisions. (a) All employees employed by the respective school  
19 committees as of June 30, 2024, who are subject to a collective bargaining agreement, will be  
20 offered employment by the regional school district in the same position or a substantially similar  
21 position, subject to the terms of the applicable collective bargaining agreement. Any such employee  
22 who on the date of his or her employment with the regional school district is on tenure may continue  
23 thereafter to serve on a tenure basis. All employees who become employees of the regional school  
24 district shall be given full credit for the period of their employment with the local school committees  
25 of the respective member municipalities for the purposes of seniority, pensions and all other  
26 relevant purposes. During the transition period, the existing collective bargaining agreements  
27 covering certified and non-certified personnel in both the city of Newport and the town of  
28 Middletown will be honored, and those agreements will remain in effect until their expiration  
29 date(s) or until a replacement agreement is negotiated with the regional school district committee.  
30 All employees employed in positions to be superseded or rendered redundant by the establishment  
31 of the regional school district may be given preferred consideration for similar positions in the  
32 regional school district to the extent that such positions exist or are available therein.

33           (b) Any employee or former employee of the school department of the member city or  
34 town who subsequently becomes an employee of the regional school district shall be

1 granted service credits in the teachers plan or the municipal employees retirement system plan  
2 of the employees retirement system of the State of Rhode Island ("ERSRI") for his or her term of  
3 service with the member city or town school department prior to June 30, 2024; provided that: (1)  
4 An actuarial study is made by the ERSRI to determine the cost, if any, to include each transferred  
5 employee for the regional school district taking into account employer and employee contributions  
6 as of June 30, 2024, and calculating funding schedules for the respective portions of the unfunded  
7 liability of the member city and town that should be one hundred percent (100%) funded by June  
8 30, 2024; and (2) The contributions of both the employer and employee made to ERSRI as of June  
9 30, 2024 for the account of the city of Newport or the town of Middletown to benefit the transferred  
10 employee shall be allocated to an account at ERSRI for the regional school district to benefit the  
11 transferred employee. The member city and town shall appropriate and transfer to an account at  
12 ERSRI for the regional school district, annual amounts to pay their respective remaining unfunded  
13 pension liability as of June 30, 2024, in accordance with the funding schedules in the actuarial study  
14 made by ERSRI. The member city and town shall remain responsible for making their respective  
15 employer contributions for participants in the ERSRI plans who are inactive as of June 30, 2024.  
16 For purpose of this section 4, "transferred employee" means any individual who was: (1)  
17 An employee of a member city or town school department on June 30, 2024; and (2) Was an active  
18 member of the teachers plan or the municipal employees retirement system plan of the ERSRI on  
19 June 30, 2024 and who, from and after the July 1, 2024, is an employee of the regional school  
20 district. Any individual who is a transferred employee shall not be treated as an employee  
21 member of ERSRI for any period of employment during which he or she elects to participate in  
22 any other retirement income benefit funded by the regional school district under a retirement plan  
23 sponsored by the regional school district and intended to qualify under § 401(a) or § 408(k) [26  
24 U.S.C. § 401(a) or § 408(k) of the United States Internal Revenue Code].

25 (c) For the purpose of funding any liability for other post-employment benefits, including,  
26 but not limited to, health care and dental care benefits other than pensions (hereinafter referred to  
27 as "OPEB"), in accordance with government accounting standards board statements 43 and 45,  
28 the regional school district committee shall establish an OPEB trust in accordance with § 16-2-9.5  
29 or may enter into an OPEB arrangement with a corporation established pursuant to chapter 5 of  
30 title 45. The OPEB trust or arrangement shall be a qualifying trust in accordance with government  
31 accounting standards board statement 75. Contributions to the trust and earnings thereon shall be  
32 irrevocable and the assets of the trust shall be held solely to meet the current and future liabilities  
33 of the regional school district for OPEB. All monies held in the trust shall be accounted for  
34 separately from other funds of the regional school district and shall not be subject to the claims of

1 any general creditors of the regional school district. For the purpose of determining OPEB liabilities  
2 for transferred employees, the member city and town shall jointly contract with a "qualified  
3 actuarial firm." A "qualified actuarial firm" shall be staffed by an enrolled actuary who is a member  
4 of the American Academy of Actuaries, a Fellow or Associate of the Society of Actuaries, or a  
5 Fellow or Associate of the Conference of Actuaries in Public Practice. The qualified actuarial firm  
6 shall calculate, employing the actuarial assumptions applied in the most recently published member  
7 city and town actuarial reports, respectively, for all active school OPEB participants as of June 30,  
8 2024: (1) The member city's and town's respective actuarial accrued liabilities for OPEB; (2) Their  
9 respective unfunded liabilities for OPEB; (3) The portion of the total actuarial accrued liability for  
10 OPEB that should be one hundred percent (100%) funded as of June 30, 2024, employing the  
11 funding schedule applied in the city and town actuarial reports for any OPEB plan participants who  
12 may become transferred employees of the regional school district which shall be frozen as of June  
13 30, 2024 (the "June 30, 2024 OPEB transfer liability"); and (4) Funding schedules for the member  
14 city and town to pay to their remaining respective unfunded OPEB liability as of June 30, 2024.  
15 The member city and town shall each appropriate and transfer to the regional school district on July  
16 1, 2024 an amount equal to their respective OPEB transfer liability. The member city and town  
17 shall appropriate and transfer to the regional school district, annual amounts to pay their remaining  
18 unfunded OPEB transfer liability in accordance with the funding schedules calculated by the  
19 qualified actuarial firm. The member city and town shall remain responsible for paying one hundred  
20 percent (100%) of the benefits of the participants in their respective OPEB plans who are inactive  
21 participants as of June 30, 2024.

22 SECTION 5. The regional school district committee. (a) There shall be a regional  
23 committee for said district consisting of seven (7) elected members, with a minimum of three (3)  
24 residents of the city of Newport and a minimum of three (3) residents of the town of Middletown.  
25 All members of said regional committee shall be elected at-large in district-wide elections on a  
26 non-partisan basis for terms hereinafter set forth. The three (3) candidates from each of the city of  
27 Newport and the town of Middletown receiving the highest number of votes shall be elected to the  
28 regional school district committee and the seventh member of the regional school district committee  
29 shall be the candidate who receives the next highest number of votes, without regard to residency.

30 (b) Members of the existing school committees are eligible for election to the regional  
31 committee, and if elected, the council of the city or town represented by such regional committee  
32 member shall, by majority vote, appoint a member to fill the unexpired term on the existing school  
33 committee. The first regional committee shall be elected in a special election to be held in  
34 November, 2023. In the special election of 2023, each regional school district committee member

1 shall be elected to serve a term of three (3) years. At the next general election in November, 2026,  
2 and at each general election thereafter, members shall be elected for a term of two (2) years.

3 (c) In the event of any vacancy by death, resignation or incapacity to serve, the city or town  
4 council of the municipality where the former committee member resided shall fill such vacancy by  
5 majority vote of the city or town council for a term lasting until the next general election. Members  
6 of the regional school district committee shall receive an annual salary that is equal to the average  
7 of the salaries of the city council members of Newport and the town council members of  
8 Middletown as of the preceding July 1.

9 SECTION 6. Organization of the regional school district committee. (a) At the first meeting  
10 of the regional school district committee, to be held within thirty (30) days following the November  
11 2023 election of members, the regional committee shall elect a chairperson and such other officers  
12 as are herein authorized. An organizational meeting to elect officers shall be held within thirty (30)  
13 days of the qualification of elected members following each general election thereafter. At the  
14 organizational meeting of the regional committee following the November 2026 election, and each  
15 two (2) years thereafter, the chairpersonship shall first be offered to a regional committee member  
16 from the municipality other than the city or town from which the current chairperson was elected.

17 (b) In the event that no member from the city or town which is entitled to the  
18 chairpersonship is willing to serve as chairperson, this office shall be offered to any regional  
19 committee member. The said regional committee shall also elect a vice-chairperson, which shall  
20 first be offered to members of the city or town other than that which the chairperson represents, a  
21 secretary, and a treasurer, and such other officers as it deems advisable. The said secretary and  
22 treasurer may be the same individual.

23 (c) The regional committee shall prescribe the powers and duties of its officers, fix the time  
24 and place of its regular meetings, and provide for the calling of special meetings.

25 SECTION 7. Powers and duties of the regional school district committee. The regional  
26 school district shall be a body politic and corporate and shall have all of the powers and duties  
27 conferred by law upon school committees, and all additional powers and duties conferred upon  
28 regional school districts provided for in § 16-3-11 including, but not limited to:

29 (1) To adopt a name and a corporate seal.

30 (2) To sue and be sued but only to the same extent and upon the same conditions that a  
31 town may sue or be sued.

32 (3) To operate and exercise care and control of all public schools in the district, including  
33 land, buildings, equipment, furnishings, and supplies for the same, for the joint and common use  
34 of the member city or town incorporated into the said regional school district, for the education of

1 pupils attending grades pre-kindergarten through twelve (12) inclusive, and with all the powers and  
2 duties pertaining to education and schools conferred by law in this state upon school committees  
3 and towns generally.

4 (4) To acquire by purchase, gift, or other means of transfer or by condemnation, land, and  
5 improvements within the district as a site for a school or schools. To acquire also by any such  
6 method, such rights-of-way and other easements as may be required in connection with the use of  
7 the site.

8 For the purpose of acquiring land by condemnation for schools, the regional district is given  
9 all the powers conferred upon cities and towns for the condemnation of land for school purposes  
10 by § 16-9-5; provided, however, that the amount of land taken by the committee may exceed five  
11 (5) acres but shall not exceed thirty (30) acres for any one building site. The description, plat, and  
12 statement of the land taken under this act shall be signed by the chairperson of the regional school  
13 district committee and filed in the records of land evidence as provided in § 16-9-6. The owners of  
14 land or any person entitled to any estate or interest therein so taken by the regional committee shall  
15 have the same right of petition, the right of jury trial, and all other rights under the provisions of §§  
16 16-9-7 and 16-9-8.

17 Upon the filing of the description, plat, and statement of the land taken, the title of the land  
18 shall vest absolutely and in fee simple in the regional district, notwithstanding that any of the land  
19 taken is devoted to a public use, and the regional district, acting by and through the regional  
20 committee and its duly authorized agents, may immediately enter and take possession of the land  
21 without any process of law otherwise required by statute or common law, and remove any or all  
22 buildings, property, or other impediments thereon, and occupy, use, and improve the land for the  
23 purposes of § 16-3-2, notwithstanding any other provision of law.

24 The regional district, through its regional committee, is authorized and empowered to pay  
25 for the cost of acquiring land for the school site from the proceeds received from the sale of bonds  
26 issued pursuant to the provisions of this act, whether the same be acquired by purchase or by  
27 condemnation, or partly by purchase and partly by condemnation.

28 (5) To secure competent architectural and engineering services for the taking of surveys,  
29 the preparation of plans and specifications for the construction and equipment of a school or schools  
30 in the regional district, and to employ such clerical assistance as may be necessary.

31 (6) To construct, furnish, and equip schools and improve the grounds upon which the  
32 schools are located and to make additions to the schools as may be needed.

33 (7) To dispose of real or personal property by sale, lease, or gift whenever such disposal is  
34 determined to be in the best interest of the regional district, as hereinafter provided.

1                 (8) To lease from the city of Newport and town of Middletown, for the sum of one dollar  
2         (\$1.00) per year, school buildings, facilities, furnishings, equipment and the land upon which they  
3         are sited, that are owned, leased or financed by the respective city or town. The municipalities may  
4         retain title to the buildings, facilities, furnishings and equipment and land. The respective  
5         municipality issuing the indebtedness shall continue to pay for all debt service for bonds, and  
6         rentals for lease-purchase agreements, for such school buildings, facilities, furnishings, equipment  
7         and land, unless and until such time as the regional school district may acquire such buildings,  
8         facilities, furnishings, equipment and land. For the avoidance of doubt, the city of Newport has  
9         issued: (i) Ninety eight million five hundred thousand dollars (\$98,500,000) of general obligation  
10         school bonds dated March 25, 2022, due April 1, 2026-2047, inclusive, to the Rhode Island health  
11         and educational building corporation (“RIHEBC”); (ii) Seventeen million nine hundred twenty  
12         thousand dollars (\$17,920,000) of general obligation school refunding bonds dated May 21, 2021,  
13         due April 1, 2023-2033, inclusive, to RIHEBC; (iii) Two million eight hundred sixty-five thousand  
14         dollars (\$2,865,000) of general obligation school bonds dated August 17, 2016, due April 1, 2017-  
15         2026, inclusive, to RIHEBC; and (iv) A lease-purchase agreement maturing on August 27, 2023,  
16         and the town of Middletown has issued: (A) Nine million seven hundred fifty thousand dollars  
17         (\$9,750,000) of general obligation school bonds dated May 16, 2017, due April 1, 2018-2026,  
18         inclusive, and April 1, 2037 to RIHEBC; and (B) May issue general obligation debt prior to June  
19         30, 2026 as described in section 2 of this act. The regional school district shall assume and pay for  
20         all maintenance, upkeep, and operation of the buildings, facilities, furnishings, equipment and land  
21         leased by it from the respective municipalities.

22                 (9) To make all contracts and agreements, including, but not limited to, collective  
23         bargaining agreements, that may be necessary for the exercise of the powers vested in the regional  
24         committee by subsections (4), (5), (6) and (7) of this section; provided, however, that the regional  
25         committee shall not make any expenditure or incur any liability unless the necessary appropriations  
26         have been authorized by the joint finance committee.

27                 (10) To issue, when and if authorized by the joint finance committee hereinafter provided  
28         for, after approval by a majority of the voters in the regional school district present and voting, in  
29         a referendum authorized and conducted in accordance with the constitution and laws of the State  
30         of Rhode Island, under its corporate name and seal, bonds to an amount not exceeding the debt  
31         limits as hereinafter described, the bonds shall be signed by the chairperson and treasurer or the  
32         regional committee; the principal thereof and the interest thereon shall be payable in any coin or  
33         currency of the United States of America, that, at the time of payment, is legal tender for public  
34         and private debts, and the debt secured by the bonds shall be obligatory on the district to the same

1 extent as other debts lawfully contracted by the district.

2       (11) To borrow temporarily from time to time such sums as may be authorized by the joint  
3 finance committee as hereinafter provided, and to issue temporary notes of the regional district  
4 thereof, the proceeds whereof shall be used only for the purposes set forth in subsections (4), (5),  
5 and (6) of this section. Each authorized issue shall constitute a separate loan. Each issue may be for  
6 a period of not more than five (5) years and notes issued for a shorter period may be refunded or  
7 renewed from time to time by the issue of other temporary notes maturing within the required  
8 period of five (5) years; provided that, the period from the date of issue of the original loan to the  
9 date of maturity of the refunding or renewal loans shall not be more than five (5) years.

10       Temporary notes of the regional district shall be signed by the chairperson and treasurer of  
11 the regional committee, and may bear interest or be sold at a discount. The period and discount or  
12 interest rate and other particulars of the temporary notes shall be fixed by the regional committee.  
13 The temporary notes and renewal notes, including interest or discount on the notes and the expense  
14 of preparing, issuing, and marketing the notes, shall, unless otherwise taken care of, be funded by  
15 the issue of bonds under the provisions of subsection (10) of this section. The aggregate principal  
16 amount of temporary notes issued and outstanding hereunder shall not at any time exceed the sum  
17 of the bonds authorized to be issued.

18       (12) To incur temporary debt after the regional district school or schools are constructed  
19 and in operation in anticipation of revenue to be received.

20       (13) To apply for and receive, accept and use, subject to the provisions of this act, any  
21 town, state, or federal funds or assistance, or both, including school housing aid as may be provided,  
22 whether in the form of a grant or a loan, or both, including, specifically, such funds or assistance  
23 from state or federal sources as the member city or town would otherwise be entitled to apply for  
24 and receive from such sources in the event that the regional district did not exist, but the use of  
25 which the member city or town might be individually excluded by reason of the existence of the  
26 regional district.

27       (14) To receive, accept and use any gift from private sources; and to receive and disburse  
28 funds for any regional district purpose.

29       (15) To engage legal counsel.

30       (16) To engage and employ a superintendent of schools for the regional district on a  
31 contractual basis for a term of up to three (3) years. The person so employed shall have all the  
32 powers and duties imposed upon a superintendent of schools by law.

33       (17) To reallocate any surplus as of the last day of the fiscal year in order that any such  
34 surplus may be carried forward into the next fiscal year and remain in the regional district accounts.

1       The regional committee shall annually cause an independent audit to be made of the  
2 accounts of the regional district within one hundred twenty (120) days after the fiscal year ends,  
3 and on completion of each audit, a report thereof shall be made to the members of the regional  
4 committee. Copies of the audit report shall also be made available to the city and town council, the  
5 city and town clerk, and the highest elected official in each member city or town.

6       The secretary and the treasurer may furnish surety bond to the regional district in an amount  
7 to be determined annually by the regional committee. The expense of any such bond shall be  
8 chargeable to the district.

9                     (18) The quorum for the transaction of business shall require that at least four (4) members  
10 of the committee be present and that both municipalities of the regional school district be  
11 represented, but in the absence of a quorum, less than a simple majority may adjourn.

12                  SECTION 8. [Regional school building committee](#). Whenever the regional school district  
13 shall approve the issuance of bonds of the district to finance construction, additions, renovations  
14 and extraordinary repairs to schools in the district, the regional school district committee may  
15 appoint a regional district school building committee in accordance with state law and regulations.

16                  SECTION 9. [Composition of district](#). The regional school district may consist of all public  
17 schools in the city of Newport and the town of Middletown.

18                  SECTION 10. [Type of district](#). The regional school district may include all grades and  
19 programs now provided by Newport and Middletown, and any other grades and programs so  
20 specified by the regional committee.

21                  SECTION 11. [Means of apportioning expenses](#). The total education costs of the regional  
22 district shall be apportioned between the city and town based upon a per public pupil calculation,  
23 using enrollment as of the prior October 1; provided, however, that gifts, grants, payments and  
24 federal and state aid associated with the students or programs of one member city or town shall, to  
25 the extent permitted by law, be allocated to that city or town and counted towards that city's or  
26 town's proportionate share of costs, such that regionalization does not adversely affect receipt and  
27 allocation of gifts, grants, payments and aid. Revenues derived from the cell tower lease on the  
28 Rogers High School property shall be counted toward Newport's proportionate share of costs.  
29 Revenues derived from the cell tower lease on the Gaudet Middle School property shall be counted  
30 toward Middletown's proportionate share of costs. On or before March 1 commencing in 2024, the  
31 regional district shall determine the proportionate share of the costs of the regional district for the  
32 next fiscal year to be borne by the city and town and shall notify the respective directors of finance  
33 of the city and town of the respective proportionate shares.

34                  The town or city treasurer of each town or city of the regional school district shall forward

1 to the regional school district on July 1, October 1, January 1, and April 1 one-fourth (¼) of the  
2 amount due for the operation of the regional school district for the fiscal year beginning July 1 from  
3 each town or city or parts thereof comprising the regional school district.

4 SECTION 12. Transportation. Transportation shall be provided by the regional district  
5 consistent with state law. Transportation shall be considered an operational cost of the regional  
6 district.

7 SECTION 13. Admittance and withdrawal of districts. (a) Any other city or town may be  
8 admitted to the regional school district upon:

9 (1) Adoption of an appropriate amendment to this act, by an act of the general assembly  
10 accepted and approved by a vote of the qualified voters of the city of Newport and the qualified  
11 voters of the town of Middletown, and approval of the qualified voters of the city or town seeking  
12 admission; and

13 (2) Upon compliance with such provisions of law as may be applicable and with such  
14 additional requirements as may be set forth in the act of amendment.

15 (b) Any member city or town of the regional school district may petition to withdraw from  
16 the district at any meeting of the district committee upon six (6) months written notice; provided  
17 that, the petition for withdrawal shall have been approved by a majority of the qualified voters of  
18 the city or town voting at a referendum called for that purpose. Such petition shall not be approved  
19 except upon payment to the regional school district of any costs which have been apportioned and  
20 certified during the year in which the withdrawal is to take place. Such city or town shall remain  
21 liable to the district for its share of the indebtedness of the district outstanding, including bonds, if  
22 any, at the time of such withdrawal, and for interest thereon, to the same extent and in the same  
23 manner as if the city or town had not withdrawn from the regional school district, except as such  
24 liability shall be reduced by any amount which the city or town has paid over at the time of  
25 withdrawal and which has been applied to the payment of such indebtedness and interest. Any  
26 money received by the regional school district from a withdrawing city or town for the payment of  
27 indebtedness or interest thereon shall be used only for such purpose, and until so used, shall be  
28 deposited in trust in the name of the district with RIHEBC if such indebtedness was issued through  
29 RIHEBC, or with the trustee or paying agent for such indebtedness. If the city or town director of  
30 finance is the paying agent for such indebtedness, the money shall be deposited with a financial  
31 institution as escrow agent until applied to the indebtedness.

32 SECTION 14. Preparation and adoption of budget. (a) It shall be the duty of the regional  
33 school district superintendent to present to the regional committee, by January 15, a preliminary  
34 budget containing estimates of the amount of money needed to operate the regional school district

1 for the ensuing fiscal year. The form of said budget shall conform to the accounting system of the  
2 state department of education.

3                 (b) The regional committee shall prepare and approve a budget which it believes will  
4 efficiently operate the regional district for the ensuing fiscal year by February 15 of each year  
5 commencing with the fiscal year ending June 30, 2025. The regional committee shall not adopt a  
6 budget that exceeds the prior year budget by more than four percent (4%) unless an “emergency  
7 situation” exists consistent with § 44-5-2(d)(2) or the regional school district experiences debt  
8 service increases for bonds issued by the regional school district consistent with § 44-5-2(d)(4).  
9 Upon approving the budget, the regional committee shall, within seven (7) days, post the budget at  
10 city hall in Newport and town hall in Middletown, and, within ten (10) days, publish the budget in  
11 one or more newspapers of general circulation in each or both municipalities.

12                 (c) The regional committee shall, by February 15, submit its budget to a joint  
13 finance committee for its approval. The joint finance committee shall consist of seven (7) members.  
14 The members of the joint finance committee shall be appointed by the respective councils of the  
15 city of Newport and the town of Middletown. The members of the joint finance  
16 committee representing the city of Newport shall consist of the city manager, or designee, and two  
17 (2) members of the city council appointed by majority vote of the city council, and if the city is to  
18 be represented by four (4) members, another representative from Newport which may  
19 include another representative from the Newport city council. The members of the joint  
20 finance committee representing the town of Middletown shall consist of the town administrator,  
21 or designee, two (2) members of the town council appointed by majority vote of the town council,  
22 and if the town is to be represented by four (4) members, another representative from  
23 Middletown which may include another representative from the Middletown town council.

24                 During years in which there are four (4) residents from the city of Newport on the regional  
25 committee, the joint finance committee shall be comprised of four (4) members appointed by the  
26 town of Middletown and three (3) members appointed by the city of Newport. During years in  
27 which there are four (4) residents from the town of Middletown on the regional committee, the joint  
28 finance committee shall be comprised of four (4) members appointed by the city of Newport and  
29 three (3) members appointed by the town of Middletown. The first joint finance committee shall  
30 be appointed to serve a term of one year following the election of the first regional committee in  
31 November, 2023. Following the next general election in November, 2026, and following each  
32 general election thereafter, members shall be appointed to the joint finance committee for a term of  
33 two (2) years, such terms to run concurrent with that of the regional committee. In the event of any  
34 vacancy by death, resignation or incapacity to serve, the city or town council of the municipality

1 which appointed the former committee member shall fill such vacancy by majority vote of the city  
2 or town council for a term lasting until the next scheduled appointment.

3       The joint finance committee shall approve a budget by March 15 of each year. Upon the  
4 approval of a budget by the joint finance committee, the regional committee shall, within seven (7)  
5 days, post the budget at Newport city hall and Middletown town hall, and, within ten (10) days,  
6 shall publish the budget in one or more newspapers of general circulation in each or  
7 both municipalities. If, however, a budget is not adopted by the joint finance committee before July  
8 1 of each year, then the regional school committee shall operate the regional school district  
9 in accordance with the provisions of § 16-2-23 and the member city and town shall make payments  
10 to the regional school district, based upon the amounts appropriated for the support of the schools  
11 by the member city and town in the preceding fiscal year; provided, however, that the right of the  
12 regional school committee to take all actions it deems necessary under the provisions of § 16-2-21.4  
13 shall in all events remain in full force and effect at all times and shall not be impaired or restricted  
14 in any respect by any of the provisions of this act.

15       (d) Upon approval of the budget by the joint finance committee, each municipality shall  
16 appropriate the funds for the regional district which shall be apportioned between the municipalities  
17 on a per public pupil calculation using enrollment as of the prior October 1.

18       SECTION 15. Receipt and disbursement of aid. (a) All state and federal aid shall be  
19 distributed directly to the regional district with payment of such aid beginning the first fiscal year  
20 that the regional district shall be in operation, which is July 1, 2024 through June 30, 2025.

21       (b) Payment of additional state aid for regionalization as contained in § 16-7-20.5 shall also  
22 be made in the first fiscal year that the regional district shall be in operation, which is July 1, 2024  
23 through June 30, 2025. The amount of the additional aid for regionalization shall be calculated on  
24 all expenditures, as approved by the council for elementary and secondary education of the state  
25 board of education in accordance with currently existing rules and regulations for administering  
26 the state aid of each district, made in the period of July 1, 2022 through June 30, 2023, as defined  
27 in § 16-7-20(c). The regional committee may request from the commissioner an advance from the  
28 additional state aid estimated for fiscal year 2024-2025, in an amount not to exceed ten percent  
29 (10%) of the bonus aid, for use during the period between authorization of voters to June 30, 2024.  
30 The advanced amounts shall be deducted from the operations aid to be paid for the period July 1,  
31 2024 through June 30, 2025. All advanced amounts shall be subject to all applicable state laws and  
32 regulations.

33       SECTION 16. Transfer of plant and facilities. The city of Newport and the town of  
34 Middletown may lease to the regional school district, for the sum of one dollar (\$1.00) per year,

1 school buildings, facilities, furnishings, equipment and the land upon which they are sited that are  
2 owned, leased or financed by the respective municipalities.

3 SECTION 17. Debt limitation. The regional district shall be subject to the statutory debt  
4 limit for incurring debt to ten percent (10%) of the full valuation of the taxable real property within  
5 the district as determined by the state department of revenue.

6 SECTION 18. Regional school district fiscal year. The regional district fiscal year shall  
7 begin on July 1 and end on June 30.

8 SECTION 19. Appropriations by member city and town. Each city or town that is a  
9 member of the regional district shall annually appropriate a sum sufficient to pay its proportionate  
10 share of the interest on the bonds and notes issued and outstanding by the regional district under  
11 authority of this act, and also to pay its proportionate share of the principal of the bonds and notes  
12 maturing in any one year until said bonds and notes are fully paid.

13 Each city or town that is a member of the regional district shall annually appropriate a sum  
14 sufficient to pay its proportionate share of cost of the operation of the regional district in accordance  
15 with the terms of this act.

16 "Proportionate share," as referenced above, is based on per public pupil calculation, as  
17 defined in section 11 of this act.

18 SECTION 20. Process for amending regional act. This act with respect to the formation of  
19 a regional district between the city of Newport and town of Middletown may be amended by an act  
20 of the general assembly accepted and approved by a vote of the qualified voters of the city of  
21 Newport and a vote of the qualified voters of the town of Middletown.

22 SECTION 21. Approval question. The question of the approval of this act shall be  
23 submitted to the qualified voters of the city of Newport and the qualified voters of the town of  
24 Middletown at the general election to be held on November 8, 2022 in accordance with title 17 of  
25 the general laws. The question shall be submitted in substantially the following form:

26 "Shall an act passed at the January, 2022 session of the general assembly entitled 'AN ACT  
27 AUTHORIZING THE CITY OF NEWPORT AND TOWN OF MIDDLETOWN TO ESTABLISH  
28 A REGIONAL SCHOOL DISTRICT AND PROVIDING FOR STATE AID FOR SCHOOL  
29 HOUSING COSTS OF AT LEAST EIGHTY PERCENT (80%) OF DEBT SERVICE  
30 FOR EXPENDITURES ELIGIBLE FOR STATE AID' be approved?" Notwithstanding anything  
31 contained in § 17-19-7 to the contrary, the Newport and Middletown boards of canvassers may  
32 certify the question to the secretary of state not later than sixty (60) days prior to the date set for  
33 the election.

34 SECTION 22. Availability of act. From the time the election is warned, it shall be the duty

1 of the city clerk of the city of Newport and the town clerk of the town of Middletown to keep a  
2 copy of this act available at their offices for public inspection, but any failure of any said clerk to  
3 perform this duty shall not affect the validity of the election.

4 SECTION 23. Applicability of other laws. The provisions of §§ 16-3-9 through 16-3-26  
5 shall not apply to the district. To the extent of any conflict of this act with any general or special  
6 law of applicability or home rule charter, this act shall be controlling.

7 SECTION 24. Effectiveness. This section and sections 1, 21, 22 and 23 of this act shall  
8 take effect upon the passage of this act, and the remaining sections of this act shall take effect if:  
9 (1) The council for elementary and secondary education votes to approve the creation of the  
10 regional school district; (2) A majority of qualified voters of the city of Newport and a majority of  
11 qualified voters of the town of Middletown, voting upon the question as set forth in section 21 shall  
12 vote in favor thereof; and (3) A majority of the qualified voters of the town of Middletown voting  
13 at the general election to be held on November 8, 2022 vote to approve an act authorizing the town  
14 of Middletown to issue general obligation bonds, notes and other evidences of indebtedness to  
15 finance the construction, renovation, improvement, alteration, repair, landscaping, furnishing and  
16 equipping of new elementary, middle and high schools and school facilities throughout the town.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE CITY OF NEWPORT AND TOWN OF MIDDLETOWN TO  
ESTABLISH A REGIONAL SCHOOL DISTRICT AND PROVIDING FOR STATE AID FOR  
SCHOOL HOUSING COSTS OF AT LEAST EIGHTY PERCENT (80%) OF DEBT SERVICE  
FOR EXPENDITURES ELIGIBLE FOR STATE AID

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1        This act would authorize the city of Newport and the town of Middletown to establish a  
2 regional school district. General obligation bonds issued between January 1, 2022 and June 30,  
3 2026 for school construction projects by the city of Newport and the town of Middletown would  
4 receive state housing aid for school housing costs of at least eighty percent (80%) of debt service  
5 for expenditures eligible for state aid.

6        Sections 1, 21, 22, 23 and 24 of this act would take effect upon the passage of this act, and  
7 the remaining sections of this act would take effect if: (1) The council for elementary and secondary  
8 education votes to approve the creation of the regional school district; (2) A majority of qualified  
9 voters of the city of Newport and a majority of qualified voters of the town of Middletown, voting  
10 upon the question as set forth in section 21 shall vote in favor thereof; and (3) A majority of the  
11 qualified voters of the town of Middletown voting at the general election to be held on November  
12 8, 2022 vote to approve an act authorizing the town of Middletown to issue general obligation  
13 bonds, notes and other evidences of indebtedness to finance the construction, renovation,  
14 improvement, alteration, repair, landscaping, furnishing and equipping of new elementary,  
15 middle and high schools and school facilities throughout the town.

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