

1 **ARTICLE 12 AS AMENDED**

2 RELATING TO EDUCATION AID

3 SECTION 1. Section 16-2-9.4 of the General Laws in Chapter 16-2 entitled "School
4 Committees and Superintendents" is hereby amended to read as follows:

5 **16-2-9.4. School district accounting compliance.** -- (a) The office of auditor general
6 and the department of elementary and secondary education shall promulgate a uniform system of
7 accounting, including a chart of accounts based on the recommendations of the advisory council
8 on school finance, and require all accounts of the school districts, regional school districts, state
9 schools and charter schools to be kept in accordance therewith; provided, that in any case in
10 which the uniform system of accounting is not practicable, the office of auditor general in
11 conjunction with the department of elementary and secondary education shall determine the
12 manner in which the accounts shall be kept. The uniform system of accounting shall also include
13 a standardized budget process to ensure districts can annually assess investment priorities and
14 incorporate long range planning.

15 (b) For the purpose of securing a uniform system of accounting and a chart of accounts
16 the advisory council on school finances, as defined in section 16-2-9.2 may make such surveys of
17 the operation of any school districts, regional school district, state school or charter school as they
18 shall deem necessary.

19 (c) Upon completion of the implementation of the uniform chart of accounts, all the
20 school districts, regional school districts, state schools, and/or charter schools, shall implement a
21 regents-approved budget model, and use best practices established by the department of education
22 for long range planning, budget development, and budget administration and reporting.

23 ~~(e)~~(d) If any school district, regional school district, state school or charter school fails to
24 install and maintain the uniform system of accounting, including a chart of accounts and
25 approved budget model, or fails to keep its accounts and interdepartmental records, or refuses or
26 neglects to make the reports and to furnish the information in accordance with the method
27 prescribed by the office of auditor general and the department of education or hinders or prevents
28 the examination of accounts and financial records, the auditor general and the commissioner of
29 education and/or their respective designee(s) shall ~~may~~ make a report to the superintendent of
30 schools of the local education agency, the school committee chairperson, the mayor or town

1 manager, and the president of the town council, and/or for a charter school, to the board of
2 trustees or directors, as applicable, ~~the board of regents for elementary and secondary education~~
3 in writing, specifying the nature and extent of the failure, refusal, neglect, hindrance, or
4 prevention, and the ~~board of regents~~ commissioner is hereby authorized and directed to review
5 the matter so reported. If the ~~regents~~ commissioner shall find that failure, refusal, neglect,
6 hindrance, or prevention exists and that the school district, regional school district, state school or
7 charter school should properly comply in the matter so reported, the ~~regents~~ commissioner shall
8 direct the school district, regional school district, state school or charter school, in writing, to so
9 comply. If the failure, refusal, neglect, hindrance, or prevention shall continue for a period of ten
10 (10) days following the written direction, the ~~regents~~ commissioner may withhold distribution of
11 state aid to said school district, regional school district, state school or charter school.

12 (e) The department of elementary and secondary education in consultation with the
13 division of municipal finance shall conduct periodic reviews and analysis of school revenues and
14 expenses. The department shall also review and monitor compliance with the approved budget
15 model and best practices. The department shall identify those local education agencies considered
16 to be at risk of a year-end deficit or a structural deficit that could impact future years. Such
17 potential deficits shall be identified based on the periodic reviews, which may also include on-site
18 visits and reporting in accordance with the provisions of section 45-12-22.2. Potential deficits
19 shall be reported to the office of municipal finance, office of auditor general, superintendent,
20 chairman of the school committee, mayor or town manager, and the president of the town council,
21 of the applicable school district, regional school district, or state school, and/or for a charter
22 school, to the board of trustees or directors, as applicable.

23 **16-2-34. Central Falls School District board of trustees.** -- (a) There is hereby
24 established a seven (7) member board of trustees, which shall govern the Central Falls School
25 District. With the exception of those powers and duties reserved by the commissioner of
26 elementary and secondary education, and the board of regents for elementary and secondary
27 education, the board of trustees shall have the powers and duties of school committees.
28 Notwithstanding any provision of law to the contrary, the commissioner of elementary and
29 secondary education, as the executive agent of the board of regents for elementary and secondary
30 education, is authorized to exercise in whole or in part care, control, and management over the
31 public schools of the Central Falls school district within the scope of authority of the board of
32 trustees and board of regents, whenever the commissioner deems such intervention to be
33 necessary and appropriate.

34 (b) The board of regents for elementary and secondary education shall appoint the

1 members of the board of trustees from nominations made by the commissioner of elementary and
2 secondary education. The chairperson shall also be selected in this manner. The board of regents
3 shall determine the number, qualifications, and terms of office of members of the board of
4 trustees, provided however, that at least four (4) of the members shall be residents of the city and
5 parents of current or former Central Falls public school students. The remaining three (3) shall be
6 appointed at large.

7 (c) The board of regents shall provide parameters for overall budget requests, approve
8 the budget, and otherwise participate in budget development.

9 (d) The commissioner of elementary and secondary education shall recommend
10 parameters for overall budget requests, recommend a budget, and otherwise participate in budget
11 development.

12 (e) The commissioner shall approve the process for selection of the superintendent.

13 (f) The board of trustees shall meet monthly and serve without compensation. The board
14 of trustees shall have broad policy making authority for the operation of the school, as well as the
15 following powers and duties:

16 (1) To identify the educational needs of the district;

17 (2) To develop educational policies to meet the needs of students in the school district;

18 (3) To appoint a superintendent to serve as its chief executive officer and to approve
19 assistant and associate superintendents from nominations made by the superintendent;

20 (4) To provide policy guidance and otherwise participate in budget development; and

21 (5) To develop staffing policies which ensure that all students are taught by educators of
22 the highest possible quality.

23 (g) The superintendent shall serve at the pleasure of the board of trustees with the initial
24 appointment to be for a period of not more than three (3) years; provided, however, that the terms
25 and conditions of employment are subject to the approval of the board of regents for elementary
26 and secondary education.

27 (h) It shall be the responsibility of the superintendent to manage and operate the school
28 on a day-to-day basis. The superintendent's duties shall include the following:

29 (1) To be responsible for the care, supervision, and management of the schools;

30 (2) To recommend to the board of trustees educational policies to meet the needs of the
31 district, and to implement policies established by the board of trustees;

32 (3) To present nominations to the board of trustees for assistant and associate
33 superintendents and to appoint all other school personnel;

34 (4) To provide for the evaluation of all school district personnel;

1 (5) To establish a school based management approach for decision making for the
2 operation of the school;

3 (6) To prepare a budget and otherwise participate in budget development as required,
4 and to authorize purchases consistent with the adopted school district budget;

5 (7) To report to the board of trustees, on a regular basis, the financial condition and
6 operation of the schools, and to report annually on the educational progress of the schools;

7 (8) To establish appropriate advisory committees as needed to provide guidance on new
8 directions and feedback on the operation of the schools;

9 (9) With policy guidance from the board of trustees and extensive involvement of the
10 administrators and faculty in the school, to annually prepare a budget. The board of trustees shall
11 approve the budget and transmit it to the commissioner. The board of regents for elementary and
12 secondary education, upon recommendation of the commissioner of elementary and secondary
13 education, shall provide parameters for the overall budget request. Based on review and
14 recommendation by the commissioner, the board of regents shall approve the total budget and
15 incorporate it into its budget request to the governor and to the general assembly. Line item
16 budgeting decisions shall be the responsibility of the superintendent; and

17 (10) To negotiate, along with the chairperson of the board of trustees and his or her
18 appointed designee, all district employment contracts, which contracts shall be subject to the
19 approval of the commissioner of elementary and secondary education with the concurrence of the
20 board of regents.

21 (i) Nothing in this section shall be deemed to limit or otherwise interfere with the rights
22 of teachers and other school employees to bargain collectively pursuant to chapters 9.3 and 9.4 of
23 title 28 [to exercise rights afforded under any statute including, but not limited to Title 16](#) or to
24 allow the [commissioner](#) board of trustees or the superintendent to abrogate any agreement by
25 collective bargaining.

26 (j) The appointment of the special state administrator for the Central Falls School
27 District and the Central Falls School District Advisory Group, created by chapter 312 of the
28 Rhode Island Public Laws of 1991, will no longer be in effect upon the selection and appointment
29 of the board of trustees created in this section. All powers and duties of the special state
30 administrator and the Central Falls School District Advisory Group are hereby transferred and
31 assigned to the board of trustees created in this section, upon the selection and appointment of
32 that board.

33 SECTION 2. Section 45-12-22.2 of the General Laws in Chapter 45-12 entitled
34 "Indebtedness of Towns and Cities" is hereby amended to read as follows:

1 **45-12-22.2. Monitoring of financial operations -- Corrective action.** -- (a) The chief
2 financial officer of each municipality and each school district within the state shall continuously
3 monitor their financial operations by tracking actual versus budgeted revenue and expense.

4 (b) The chief financial officer of the municipality shall submit a report on a monthly
5 basis to the municipality's chief executive officer, each member of the city or town council, and
6 school district committee certifying the status of the municipal budget from all fund sources,
7 including the school department budget from all fund sources, or regional school district budget
8 from all fund sources. The chief financial officer of the municipality shall also submit a quarterly
9 report on or before the 25th day of the month succeeding the end of each fiscal quarter to the
10 division of municipal finance, the commissioner of education, and the auditor general certifying
11 the status of the municipal budget, including the school budget that has been certified by the
12 school department. Each quarterly report submitted must be signed by the chief executive officer,
13 chief financial officer as well as the superintendent of the school district and chief financial
14 officer for the school district. The report has to be submitted to the city/town council president
15 and the school committee chair. It is encouraged, but not required, to have the council
16 president/school committee chair sign the report. The chief financial officer of the school
17 department or school district shall certify the status of the school district's budget and shall assist
18 in the preparation of these reports. The monthly and quarterly reports shall be in a format
19 prescribed by the division of municipal finance, the commissioner of education, and the state
20 auditor general. The reports shall contain a statement as to whether any actual or projected
21 shortfalls in budget line items are expected to result in a year-end deficit, the projected impact on
22 year-end financial results including all accruals and encumbrances, and how the municipality and
23 school district plans to address any such shortfalls. In the event that the school reporting is not
24 provided, then state education aid may be withheld pursuant to the provisions of section 16-2-
25 9.4(d).

26 (c) If any of the quarterly reports required under subsection (b) above project a year-end
27 deficit, the chief financial officer of the municipality shall submit to the state division of
28 municipal finance, the commissioner of education, and the auditor general a corrective action
29 plan signed by the chief executive officer and chief financial officer on or before the last day of
30 the month succeeding the close of the fiscal quarter, which provides for the avoidance of a year-
31 end deficit or structural deficit that could impact future years, and the school superintendent shall
32 also comply with the provisions of section 16-2-11(c) to assist in this effort. The plan may
33 include recommendations as to whether an increase in property taxes and/or spending cuts should
34 be adopted to eliminate the deficit. The plan shall include a legal opinion by municipal counsel

1 that the proposed actions under the plan are permissible under federal, state, and local law. The
2 state division of municipal affairs may rely on the written representations made by the
3 municipality in the plan and will not be required to perform an audit.

4 (d) If the division of municipal finance concludes the plan required hereunder is
5 insufficient and/or fails to adequately address the financial condition of the municipality, the
6 division of municipal finance can elect to pursue the remedies identified in section 45-12-22.7.

7 (e) The reports required shall include the financial operations of any departments or
8 funds of municipal government including the school department or the regional school district,
9 notwithstanding the status of the entity as a separate legal body. This provision does not eliminate
10 the additional requirements placed on local and regional school districts by sections 16-2-9(f) and
11 16-3-11(e)(3).

12 SECTION 3. Section 16-7-39 of the General Laws in Chapter 16-7 entitled "Foundation
13 Level School Support" is hereby amended to read as follows:

14 **16-7-39. Computation of school housing aid ratio.** -- For each community, the percent
15 of state aid for school housing costs shall be computed in the following manner:

16 (1) The adjusted equalized weighted assessed valuation for the district is divided by the
17 resident average daily membership for the district (grades twelve (12) and below); (2) the
18 adjusted equalized weighted assessed valuation for the state is divided by the resident average
19 daily membership for the state (grades twelve (12) and below); (1) is then divided by (2) and the
20 resultant ratio is multiplied by a factor currently set at sixty-two percent (62%) which represents
21 the approximate average district share of school support; the resulting product is then subtracted
22 from one hundred percent (100%) to yield the housing aid share ratio, provided that in no case
23 shall the ratio be less than thirty percent (30%). Provided, that effective July 1, 2010, and
24 annually at the start of each fiscal year thereafter, the thirty percent (30%) floor on said housing
25 aid share shall be increased by five percent (5%) increments each year until said floor on the
26 housing aid share ratio reaches a minimum of not less than forty percent (40%). This provision
27 shall apply only to school housing projects completed after June 30, 2010 [that received approval](#)
28 [from the board of regents prior to June 30, 2012.](#) [Provided further, for the fiscal year beginning](#)
29 [July 1, 2012 and for subsequent fiscal years, the minimum housing aid share shall be thirty-five](#)
30 [percent \(35%\) for all projects receiving board of regents approval after June 30, 2012.](#) The
31 resident average daily membership shall be determined in accordance with § 16-7-22(1).

32 SECTION 4. Section 16-7.2-6 of the General Laws in Chapter 35-4 entitled "The
33 Education Equity and Property Tax Relief Act" is hereby amended to read as follows:

34 **16-7.2-6. Categorical programs, state funded expenses.** -- In addition to the foundation

1 education aid provided pursuant to § 16-7.2-3 the permanent foundation education aid program
2 shall provide direct state funding for:

3 (a) *Excess costs associated with special education students.* Excess costs are defined
4 when an individual special education student's cost shall be deemed to be "extraordinary."
5 Extraordinary costs are those educational costs that exceed the state approved threshold based on
6 an amount above five times the core foundation amount (total of core instruction amount plus
7 student success amount). The department of elementary and secondary education shall prorate the
8 funds available for distribution among those eligible school districts if the total approved costs for
9 which school districts are seeking reimbursement exceed the amount of funding appropriated in
10 any fiscal year;

11 (b) Career and technical education costs to help meet initial investment requirements
12 needed to transform existing or create new comprehensive career and technical education
13 programs and career pathways in critical and emerging industries and to help offset the higher
14 than average costs associated with facilities, equipment maintenance and repair, and supplies
15 necessary for maintaining the quality of highly specialized programs that are a priority for the
16 state. The department shall recommend criteria for the purpose of allocating any and all career
17 and technical education funds as may be determined by the general assembly on an annual basis.
18 The department of elementary and secondary education shall prorate the funds available for
19 distribution among those eligible school districts if the total approved costs for which school
20 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

21 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten
22 programs. The department shall recommend criteria for the purpose of allocating any and all early
23 childhood program funds as may be determined by the general assembly;

24 (d) Central Falls Stabilization Fund is established to assure that appropriate funding is
25 available to support the community, including students from the community that attend the
26 charter schools, Davies, and the Met Center pursuant to § 16-7.2-5, due to concerns regarding the
27 city's capacity to meet the local share of education costs. This fund requires that education aid
28 calculated pursuant to section 16-7.2-3 and funding for costs outside the permanent foundation
29 education aid formula, including but not limited to transportation, facility maintenance, and
30 retiree health benefits, ~~that the difference between education aid calculated pursuant to § 16-7.2-3~~
31 ~~and education aid, as of the effective date of the formula,~~ shall be shared between the state and
32 the city of Central Falls. ~~The state's share of the fund will be paid directly to the Central Falls~~
33 ~~school district upon verification that the city has transferred its share of the local contribution for~~
34 ~~education.~~ The fund shall be annually reviewed to determine the amount of the state and city

1 [appropriation. The state's share of this fund may be supported through a reallocation of current](#)
2 [state appropriations to the Central Falls school district.](#) At the end of the transition period defined
3 in § 16-7.2-7, the municipality will continue its contribution pursuant to § 16-7-24; and

4 (e) Excess costs associated with transporting students to out of district non-public schools
5 and within regional school districts. (1) This fund will provide state funding for the costs
6 associated with transporting students to out of district non-public schools, pursuant to title 16,
7 Chapter 21.1. The state will assume the costs of non-public out-of-district transportation for those
8 districts participating in the statewide system; and (2) This fund will provide direct state funding
9 for the excess costs associated with transporting students within regional school districts,
10 established pursuant to title 16, chapter 3. This fund requires that the state and regional school
11 district share equally the student transportation costs net any federal sources of revenue for these
12 expenditures. The department of elementary and secondary education shall prorate the funds
13 available for distribution among those eligible school districts if the total approved costs for
14 which school districts are seeking reimbursement exceed the amount of funding available in any
15 fiscal year.

16 (f) Public school districts that are regionalized shall be eligible for a regionalization
17 bonus as set forth below.

18 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school
19 district established under the provisions of chapter 16-3 including the Chariho Regional School
20 district.

21 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus
22 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the
23 regionalization bonus shall commence in the first fiscal year following the establishment of a
24 regionalized school district as set forth section 16-3, including the Chariho Regional School
25 District.

26 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the
27 state's share of the foundation education aid for the regionalized district as calculated pursuant to
28 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year.

29 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the
30 state's share of the foundation education aid for the regionalized district as calculated pursuant to
31 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year.

32 (5) The regionalization bonus shall cease in the third fiscal year.

33 (6) The regionalization bonus for the Chariho regional school district shall be applied to
34 the state share of the permanent foundation education aid for the member towns.

1 (7) The department of elementary and secondary education shall prorate the funds
2 available for distribution among those eligible regionalized school districts if the total approve
3 costs for which regionalized school districts are seeking a regionalization bonus exceed the
4 amount of funding appropriated in any fiscal year.

5 (g) Categorical programs defined in (a) through (f) shall be funded pursuant to the
6 transition plan in § 16-7.2-7.

7 SECTION 5. Sections 16-7-17, 16-7-38 and 16-7-41 of the General Laws in Chapter 16-7
8 entitled "Foundation Level School Support" are hereby amended to read as follows:

9 **16-7-17. Time of payment of state's share of the basic program and approved**
10 **expenditures.** -- There shall be paid by the state to each community in twelve (12) monthly
11 installments an amount as determined by law to be the state's share of the cost of the basic
12 program for the reference year and all approved expenditures in excess of the basic program for
13 the reference year, provided, however, that these payments to a community shall be reduced by
14 the amount of funds deposited by the department into the local education agency EPSDT account
15 in accordance with section 40-8-18 on behalf of the community. The July ~~and August payments~~
16 ~~payment~~ shall be ~~two and one half percent (2 1/2%)~~ two and fifty-four hundredths percent
17 (2.54%) of the state's share based upon the estimated pupil data, valuation data, and expenditure
18 data for the reference year and the ~~September~~ August through June payments shall each be ~~nine~~
19 ~~and one half percent (9 1/2%)~~ eight and eighty-six hundredths percent (8.86%) of the aid due and
20 payable based upon the data for the reference year, except for the city of East Providence which
21 shall be paid during October and April in accordance with chapter 344 of the Public Laws of
22 1982.

23 **16-7-38. Time for payments to communities.** -- There shall be paid ~~during October and~~
24 ~~April~~ on September 15 and March 15 of each year one-half (1/2) of the amount to which each
25 community is entitled in terms of the computation in section 16-7-41.

26 **16-7-41. Computation of school housing aid.** -- (a) In each fiscal year the state shall pay
27 to each community a grant to be applied to the cost of school housing equal to the following:

28 The cost of each new school housing project certified to the commissioner of elementary
29 and secondary education not later than July 15 of the fiscal year shall be divided by the actual
30 number of years of the bond issued by the local community or the Rhode Island Health and
31 Educational Building Corporation in support of the specific project, times the school housing aid
32 ratio; and provided, further, with respect to costs of new school projects financed with proceeds
33 of bonds issued by the local community or the Rhode Island Health and Educational Building
34 Corporation in support of the specific project, the amount of the school housing aid payable in

1 each fiscal year shall not exceed the amount arrived at by multiplying the principal and interest of
2 the bonds payable in each fiscal year by the school housing aid ratio and which principal and
3 interest amount over the life of the bonds, shall, in no event, exceed the costs of each new school
4 housing project certified to the commissioner of elementary and secondary education. If a
5 community fails to specify or identify the appropriate reimbursement schedule, the commissioner
6 of elementary and secondary education may at his or her discretion set up to a five (5) year
7 reimbursement cycle for projects under five hundred thousand dollars (\$500,000); up to ten (10)
8 years for projects up to three million dollars (\$3,000,000); and up to twenty (20) years for
9 projects over three million dollars (\$3,000,000).

10 (b) Aid shall be provided for the same period as the life of the bonds issued in support of
11 the project and at the school housing aid ratio applicable to the local community at the time of the
12 bonds issued in support of the project as set forth in section 16-7-39.

13 (c) Aid shall be paid either to the community or in the case of projects financed through
14 the Rhode Island Health and Educational Building Corporation, to the Rhode Island Health and
15 Educational Building Corporation or its designee including, but not limited to, a trustee under a
16 bond indenture or loan and trust agreement, in support of bonds issued for specific projects of the
17 local community in accordance with this section, section 16-7-40 and section 16-7-44.
18 Notwithstanding the preceding, in case of failure of any city, town or district to pay the amount
19 due in support of bonds issued on behalf of a city or town school project financed by the Rhode
20 Island Health and Educational Building Corporation, upon notification by the Rhode Island
21 Health and Educational Building Corporation, the general treasurer shall deduct the amount from
22 aid provided under this section, section 16-7-40, ~~and~~ section 16-7-44 [and section 16-7-15 through](#)
23 [section 16-7-34.3](#) due the city, town or district and direct said funding to the Rhode Island Health
24 and Educational Building Corporation or its designee.

25 (d) Notwithstanding any provisions of law to the contrary, in connection with the
26 issuance of refunding bonds benefiting any local community, any net interest savings resulting
27 from the refunding bonds issued by such community or a municipal public buildings authority for
28 the benefit of the community or by the Rhode Island health and educational building corporation
29 for the benefit of the community, in each case in support of school housing projects for the
30 community, shall be allocated between the community and the state of Rhode Island, by applying
31 the applicable school housing aid ratio at the time of issuance of the refunding bonds, calculated
32 pursuant to section 16-7-39, that would otherwise apply in connection with school housing
33 projects of the community. In connection with any such refunding of bonds, the finance director
34 or the chief financial officer of the community shall certify such net interest savings to the

1 commissioner of elementary and secondary education. Notwithstanding section 16-7-44 or any
2 other provision of law to the contrary, school housing projects costs in connection with any such
3 refunding bond issue shall include bond issuance costs incurred by the community, the municipal
4 public buildings authority or the Rhode Island health and educational building corporation, as the
5 case may be, in connection therewith. In connection with any refunding bond issue, school
6 housing project costs shall include the cost of interest payments on such refunding bonds, if the
7 cost of interest payments was included as a school housing cost for the bonds being refunded. A
8 local community or municipal public buildings authority shall not be entitled to the benefits of
9 this subsection (d) unless the net present value savings resulting from the refunding is at least
10 three percent (3%) of the refunded bond issue.

11 (e) Any provision of law to the contrary notwithstanding, the commissioner of
12 elementary and secondary education shall cause to be monitored the potential for refunding
13 outstanding bonds of local communities or municipal public building authorities or of the Rhode
14 Island Health and Educational Building Corporation issued for the benefit of local communities
15 or municipal public building authorities and benefiting from any aid referenced in this section. In
16 the event it is determined by said monitoring that the net present value savings which could be
17 achieved by refunding such bonds of the type referenced in the prior sentence including any
18 direct costs normally associated with such refundings is equal to (i) at least one hundred thousand
19 dollars (\$100,000) and (ii) for the state and the communities or public building authorities at least
20 three percent (3%) of the bond issue to be refunded including associated costs then, in such event,
21 the commissioner (or his or her designee) may direct the local community or municipal public
22 building authority for the benefit of which the bonds were issued, to refund such bonds. Failure of
23 the local community or municipal public buildings authority to timely refund such bonds, except
24 due to causes beyond the reasonable control of such local community or municipal public
25 building authority, shall result in the reduction by the state of the aid referenced in this section 16-
26 7-4.1 associated with the bonds directed to be refunded in an amount equal to ninety percent
27 (90%) of the net present value savings reasonably estimated by the commissioner of elementary
28 and secondary education (or his or her designee) which would have been achieved had the bonds
29 directed to be refunded been refunded by the ninetieth (90th) day (or if such day is not a business
30 day in the state of Rhode Island, the next succeeding business day) following the date of issuance
31 of the directive of the commissioner (or his or her designee) to refund such bonds. Such reduction
32 in the aid shall begin in the fiscal year following the fiscal year in which the commissioner issued
33 such directive for the remaining term of the bond.

34 (f) Payments shall be made in accordance with section 16-7-40 and this section.

1 SECTION 6. Section 16-7-23 of the General Laws in Chapter 16-7 entitled "Foundation
2 Level School Support" is hereby amended to read as follows:

3 **16-7-23. Community requirements -- Adequate minimum budget provision. --** (a)

4 The school committee's budget provisions of each community for current expenditures in each
5 budget year shall provide for an amount from all sources sufficient to support the basic program
6 and all other approved programs shared by the state. Each community shall contribute local funds
7 to its school committee in an amount not less than its local contribution for schools in the
8 previous fiscal year except to the extent permitted by ~~section~~ sections 16-7-23.1 and 16-7-23.2.
9 Provided, that for the fiscal years 2010 and 2011 each community shall contribute to its school
10 committee in an amount not less than ninety-five percent (95.0%) of its local contribution for
11 schools for the fiscal year 2009. Calculation of the annual local contribution shall not include
12 Medicaid revenues received by the municipality or district pursuant to chapter 8 of title 40. A
13 community which has a decrease in enrollment may compute maintenance of effort on a per pupil
14 rather than on an aggregate basis when determining its local contribution; furthermore, a
15 community which experiences a nonrecurring expenditure for its schools may deduct the
16 nonrecurring expenditure in computing its maintenance of effort. The deduction of nonrecurring
17 expenditures shall be with the approval of the commissioner. Provided, however, that
18 notwithstanding any provision of this title to the contrary, debt service that is no longer carried on
19 the books of any school district shall not be included in any school districts' annual budget, nor
20 shall non-recurring debt service be included in maintenance of effort as set forth in this chapter,
21 nor shall any non-recruiting debt service be included in the operating budget of any school
22 district. For the purposes set forth above non-recurring capital lease payments shall be considered
23 non-recurring debt service. The courts of this state shall enforce this section by ~~writ of mandamus~~
24 means of injunctive relief.

25 (b) Whenever any state funds are appropriated for educational purposes, the funds shall
26 be used for educational purposes only and all state funds appropriated for educational purposes
27 must be used to supplement any and all money allocated by a city or town for educational
28 purposes and, in no event, shall state funds be used to supplant, directly or indirectly, any money
29 allocated by a city or town for educational purposes. All state funds shall be appropriated by the
30 municipality to the school committee for educational purposes in the same fiscal year in which
31 they are appropriated at the state level even if the municipality has already adopted a school
32 budget. All state and local funds unexpended by the end of the fiscal year of appropriation shall
33 remain a surplus of the school committee and shall not revert to the municipality. Any surplus of
34 state or local funds appropriated for educational purposes shall not in any respect affect the

1 requirement that each community contribute local funds in an amount not less than its local
2 contribution for schools in the previous fiscal year, subject to subsection (a) of this section, and
3 shall not in any event be deducted from the amount of the local appropriation required to meet the
4 maintenance of effort provision in any given year.

5 SECTION 7. Chapter 16-7 of the General Laws entitled "Foundation Level School
6 Support" is hereby amended by adding thereto the following section:

7 **16-7-23.2. School deficit reduction -- Maintenance of effort provision.** – A city, town,
8 or regional school district appropriating authority may appropriate supplemental funds to
9 eliminate or reduce a school budget deficit. To the extent that such a supplemental appropriation
10 represents payment of past annual expenditure, the payment shall not be used in the computation
11 of the maintenance of effort requirements established by section 16-7-23.

12 SECTION 8. Chapter 16-25 of the General Laws entitled "EDUCATION OF
13 CHILDREN WHO ARE DEAF OR BLIND" is hereby repealed in its entirety.

14 ~~CHAPTER 16-25~~

15 ~~Education of Children Who are Deaf or Blind~~

16 ~~**16-25-1. Appointment of state beneficiaries at special institutions.** – The governor, on~~
17 ~~recommendation of the department of elementary and secondary education and upon application~~
18 ~~of the parent or guardian, may appoint any child who is deaf, blind, or visually impaired being a~~
19 ~~legal resident of this state, who shall appear to the department to be a fit subject for education, as~~
20 ~~a state beneficiary at any suitable institution or school now established or that may be established~~
21 ~~either within or without the state, for the period that he or she may determine, within the limit of~~
22 ~~ten (10) years; provided, that he or she may, upon the special recommendation of the department,~~
23 ~~extend the period and that he or she shall have the power to revoke any appointment at any time~~
24 ~~for cause.~~

25 ~~**16-25-2. Supervision of beneficiaries -- Reports to general assembly.** – The~~
26 ~~department of elementary and secondary education is invested with the duty and responsibility of~~
27 ~~supervising the education of all those beneficiaries, and no child appointed as provided in section~~
28 ~~16-25-1 shall be withdrawn from any institution or school except with its consent, or the consent~~
29 ~~of the governor; and the department shall annually report its doings under this chapter to the~~
30 ~~general assembly, with any further information in relation to the several institutions at which~~
31 ~~these beneficiaries have been placed that may be deemed desirable.~~

32 ~~**16-25-3. Repealed.** –~~

33 ~~**16-25-4. Care and instruction of children who are blind or visually impaired under**~~
34 ~~**school age.** – The department of elementary and secondary education shall have power to~~

1 ~~provide for the suitable care, maintenance, and instruction of babies and children under school~~
2 ~~age residing in this state who may be born blind or become blind or visually impaired, in any case~~
3 ~~where by reason of lack of means or other cause the parent or parents of the children may be~~
4 ~~unable to properly care for, maintain, and educate the children.~~

5 ~~**16-25-5. Contracts for care of children who are blind or visually impaired.** -- For the~~
6 ~~purpose of providing care, maintenance, and education of children who are blind or visually~~
7 ~~impaired, the department of elementary and secondary education shall have power to contract~~
8 ~~with any institution having or furnishing special education and related services in this or any~~
9 ~~other state at a contract price within the amount appropriated.~~

10 ~~**16-25-6. Payment of expenses of chapter.** -- Each community, as defined in chapter 7 of~~
11 ~~this title, shall contribute to the department of elementary and secondary education in accordance~~
12 ~~with regulations to be prescribed by the department.~~

13 ~~**16-25-7. Repealed.** --~~

14 SECTION 9. Section 16-3.1-11 of the General Laws in Chapter 16-3.1 entitled
15 "Cooperative Service Among School Districts" is hereby amended to read as follows:

16 **16-3.1-11. Urban collaborative.** -- Notwithstanding the provisions of any general or
17 special law to the contrary, the school committees of the cities of Providence, Pawtucket, East
18 Providence, Central Falls and other Rhode Island school districts as may be approved for
19 inclusion by existing member districts in accordance with collaborative bylaws are authorized and
20 empowered to continue and/or initiate cooperative efforts to provide alternate education programs
21 and/or diagnostic services required by law or regulation for students achieving limited success in
22 traditional settings and to do all things necessary including, but not limited to utilization of
23 technology, including television, all on a collaborative basis. The various school committees may
24 assign and delegate to their respective school committee chairs or designee or superintendents of
25 schools or designee, acting as a regional board any duties, responsibilities, and powers that the
26 committees may deem necessary for the conduct, administration, and management of the urban
27 collaborative. Beginning on July 1, 2013 the urban collaborative shall be funded pursuant to the
28 provisions of section 16-7.2-3. The state share of the permanent foundation education aid shall be
29 paid directly to the urban collaborative pursuant to the provisions of section 16-7.2-7. The local
30 school district shall transfer the difference between the calculated state share of the permanent
31 foundation education aid and the amount calculated pursuant to the provisions of section 16-7.2-7
32 to the urban collaborative, until the transition of the state share is complete. In addition, the local
33 school district shall pay the local share of education funding to the urban collaborative as outlined
34 in section 16-7.2-5.

1 SECTION 10. This article shall take effect on July 1, 2012.

2