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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO EDUCATION -- THE EDUCATION EQUITY AND PROPERTY TAX
RELIEF ACT

Introduced By: Senator Roger Picard

Date Introduced: February 28, 2013

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-7.2-6 of the General Laws in Chapter 16-7.2 entitled "The
2 Education Equity and Property Tax Relief Act" is hereby amended to read as follows:

3 **16-7.2-6. Categorical programs, state funded expenses. --** In addition to the foundation
4 education aid provided pursuant to section 16-7.2-3 the permanent foundation education aid
5 program shall provide direct state funding for:

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

14 (b) Career and technical education costs to help meet initial investment requirements
15 needed to transform existing or create new comprehensive career and technical education
16 programs and career pathways in critical and emerging industries and to help offset the higher
17 than average costs associated with facilities, equipment maintenance and repair, and supplies
18 necessary for maintaining the quality of highly specialized programs that are a priority for the

1 state. The department shall recommend criteria for the purpose of allocating any and all career
2 and technical education funds as may be determined by the general assembly on an annual basis.
3 The department of elementary and secondary education shall prorate the funds available for
4 distribution among those eligible school districts if the total approved costs for which school
5 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

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

9 (d) Central Falls Stabilization Fund is established to assure that appropriate funding is
10 available to support the community, including students from the community that attend the
11 charter schools, Davies, and the Met Center pursuant to section 16-7.2-5, due to concerns
12 regarding the city's capacity to meet the local share of education costs. This fund requires that
13 education aid calculated pursuant to section 16-7.2-3 and funding for costs outside the permanent
14 foundation education aid formula, including but not limited to transportation, facility
15 maintenance, and retiree health benefits shall be shared between the state and the city of Central
16 Falls. The fund shall be annually reviewed to determine the amount of the state and city
17 appropriation. The state's share of this fund may be supported through a reallocation of current
18 state appropriations to the Central Falls school district. At the end of the transition period defined
19 in section 16-7.2-7, the municipality will continue its contribution pursuant to section 16-7-24;
20 and

21 (e) Excess costs associated with transporting students to out of district non-public
22 schools and within regional school districts. (1) This fund will provide state funding for the costs
23 associated with transporting students to out of district non-public schools, pursuant to title 16,
24 Chapter 21.1. The state will assume the costs of non-public out-of-district transportation for those
25 districts participating in the statewide system; and (2) This fund will provide direct state funding
26 for the excess costs associated with transporting students within regional school districts,
27 established pursuant to title 16, chapter 3. This fund requires that the state and regional school
28 district share equally the student transportation costs net any federal sources of revenue for these
29 expenditures. The department of elementary and secondary education shall prorate the funds
30 available for distribution among those eligible school districts if the total approved costs for
31 which school districts are seeking reimbursement exceed the amount of funding available in any
32 fiscal year.

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

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

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

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

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

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

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

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

22 (g) Expenditures for services and instructional programs for students residing in
23 conventional public housing units owned by public housing authorities which are not on local tax
24 rolls. Payments shall be made when the services and programs have been carried out in
25 accordance with the requirements of state law and regulations of the state board of education.

26 (1) The following terms have the following meanings:

27 (i) "Incentive entitlement" means the sum payable to a local school district under this
28 formula.

29 (ii) "State share ratio" means the state share ratio as calculated under section 16-7.2-4.

30 (iii) "Conventional public housing" means those properties identified as eligible low rent
31 housing projects under title I of P.L. 81-874, 20 U.S.C. section 236 et seq.

32 (2) The incentive entitlement for a district shall be the product of the average per pupil
33 cost for the district based upon the Uniform Chart of Accounts, the number of full-time
34 equivalent pupils in grade twelve (12) and below residing in conventional public housing, and the

1 state share ratio for the district.

2 (3) The department of elementary and secondary education shall prorate the funds
3 available for distribution among those eligible school districts if the total approved costs for
4 which school districts are seeking reimbursements exceed the amount of funding appropriated in
5 any fiscal year.

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

8 SECTION 2. Section 16-7-34.3 of the General Laws in Chapter 16-7 entitled
9 "Foundation Level School Support" is hereby repealed.

10 ~~**16-7-34.3. Reimbursement by the state for conventional public housing students.**~~

11 ~~(a) Each school district shall be reimbursed for expenditures for services and instructional~~
12 ~~programs for students residing in conventional public housing units owned by public housing~~
13 ~~authorities which are not on local tax rolls. Reimbursement shall be made when the services and~~
14 ~~programs have been carried out in accordance with the requirements of state law and regulations~~
15 ~~of the board of regents for elementary and secondary education. The following formula shall be~~
16 ~~used to distribute aid for the students residing in the public housing units:~~

17 ~~(1) (i) The following formula and definitions are to be used to determine the entitlement~~
18 ~~for each school district:~~

19 ~~(ii) The incentive entitlement for a district shall be the product of the average per pupil~~
20 ~~cost for the district, the number of full time equivalent pupils in grade 12 and below residing in~~
21 ~~conventional public housing, and the state share ratio for the district.~~

22 ~~(2) In this formula the following terms have the following meanings:~~

23 ~~(i) "Incentive entitlement" means the sum payable to a local school district under this~~
24 ~~formula.~~

25 ~~(ii) "Average per pupil costs for the district" means all expenditures approved by the~~
26 ~~state board of regents for elementary and secondary education as defined in section 16-7-20 plus~~
27 ~~the costs of special education required under chapter 24 of this title divided by average daily~~
28 ~~membership of pupils as determined in section 16-7-22(1).~~

29 ~~(iii) "State share ratio" means the effective state share ratio as calculated under section~~
30 ~~16-7-20.~~

31 ~~(iv) "Conventional public housing" means those properties identified as eligible low rent~~
32 ~~housing projects under title I of P.L. 81-874, 20 U.S.C. section 236 et seq.~~

33 ~~(b) Students living on property owned by the Rhode Island resource recovery~~
34 ~~corporation shall also be included in computations under this section.~~

1 ~~(c) Students living in the North Kingstown Traveler's Aid housing project shall also be~~
2 ~~included in computations under this section.~~

3 ~~(d) An amount shall be appropriated for the purpose of reimbursing school districts as~~
4 ~~required pursuant to subsection (a) for conventional public housing.~~

5 ~~(e) If the sum appropriated in subsection (a) of this section is not sufficient to pay in full~~
6 ~~the amount for conventional public housing which each city and town is entitled to receive in any~~
7 ~~fiscal year, the maximum amount which all cities and towns are entitled to receive under this~~
8 ~~section shall be deducted from the sum appropriated for all cities and towns under section 16-7-~~
9 ~~20. If, after final allocation of sections 16-7-15 through 16-7-34, a district receives more than one~~
10 ~~hundred percent (100%) reimbursement, the excess shall be deducted from this conventional~~
11 ~~public housing allocation in the following fiscal year.~~

12 ~~(f) Reimbursement payments as calculated under this chapter shall be made according to~~
13 ~~section 16-7-16. All payments under this chapter shall be used exclusively to support services for~~
14 ~~conventional public housing students.~~

15 ~~(g) Expenditure reports shall be submitted by the local school districts to the~~
16 ~~commissioner of elementary and secondary education in accordance with rules and regulations of~~
17 ~~the board of regents for elementary and secondary education.~~

18 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO EDUCATION -- THE EDUCATION EQUITY AND PROPERTY TAX
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1 This act would delete the provisions of section 16-7-34.3 regarding reimbursement by the
2 state for conventional public housing students. This act would add similar language to section
3 16-7.2-6 to provide permanent foundation education aid funding for services and instructional
4 services for students residing in conventional public housing units.

5 This act would take effect upon passage.

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