

**2021 -- S 0373 SUBSTITUTE A AS AMENDED**

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LC000830/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY  
JANUARY SESSION, A.D. 2021**

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**A N A C T**  
**RELATING TO EDUCATION**

Introduced By: Senators Pearson, DiPalma, Seveney, Gallo, and Murray

Date Introduced: February 25, 2021

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 16-7.2-5 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           **16-7.2-5. Charter public schools, the William M. Davies, Jr. Career and Technical**  
4 **High School, and the Metropolitan Regional Career and Technical Center.**

5           (a) Charter public schools, as defined in chapter 77 of this title, the William M. Davies, Jr.  
6 Career and Technical High School (Davies), and the Metropolitan Regional Career and Technical  
7 Center (the Met Center) shall be funded pursuant to § 16-7.2-3. If the October 1 actual enrollment  
8 data for any charter public school shows a ten percent (10%) or greater change from the prior year  
9 enrollment which is used as the reference year average daily membership, the last six (6) monthly  
10 payments to the charter public school will be adjusted to reflect actual enrollment. The state share  
11 of the permanent foundation education aid shall be paid by the state directly to the charter public  
12 schools, Davies, and the Met Center pursuant to § 16-7.2-9 and shall be calculated using the state-  
13 share ratio of the district of residence of the student as set forth in § 16-7.2-4. The department of  
14 elementary and secondary education shall provide the general assembly with the calculation of the  
15 state share of permanent foundation education aid for charter public schools delineated by school  
16 district.

17           (b) The local share of education funding shall be paid to the charter public school, Davies,  
18 and the Met Center by the district of residence of the student and shall be the local, per-pupil cost  
19 calculated by dividing the local appropriation to education from property taxes, net of debt service,

1 and capital projects, as defined in the uniform chart of accounts by the average daily membership  
2 for each city and town, pursuant to § 16-7-22, for the reference year.

3 (c) In any fiscal year, no school district's total charter school expenses, defined as the sum  
4 of tuitions and state education aid paid to charter schools for students from that district, shall exceed  
5 nine percent (9%) of the district's adopted budget; however, if a school or school district is under  
6 state control pursuant to § 16-7.1-5, the school district's total charter school expense may exceed  
7 nine percent (9%) of the district's adopted budget; provided that, it shall not exceed twenty-three  
8 percent (23%); if in FY 2022 and any subsequent fiscal year any district's total charter school  
9 expenses would exceed the nine percent (9%) or twenty-three percent (23%) caps prescribed in this  
10 subsection, no enrollments shall be allowed from that district to charter schools in excess of the  
11 total charter school percent caps in this subsection or the district's prior fiscal year percentage,  
12 whichever is greater.

13 ~~(e)~~(d) Beginning in FY 2017, there shall be a reduction to the local per pupil funding paid  
14 by the district of residence to charter public schools, Davies, and the Met Center. This reduction  
15 shall be equal to the greater (i) Of seven percent (7%) of the local, per-pupil funding of the district  
16 of residence pursuant to subsection (b) or (ii) The per-pupil value of the district's costs for non-  
17 public textbooks, transportation for non-public students, retiree health benefits, out-of-district  
18 special-education tuition and transportation, services for students age eighteen (18) to twenty-one  
19 (21) years old, pre-school screening and intervention, and career and technical education, tuition  
20 and transportation costs, debt service and rental costs minus the average expenses incurred by  
21 charter schools for those same categories of expenses as reported in the uniform chart of accounts  
22 for the prior preceding fiscal year pursuant to § 16-7-16(11) and verified by the department of  
23 elementary and secondary education. In the case where audited financials result in a change in the  
24 calculation after the first tuition payment is made, the remaining payments shall be based on the  
25 most recent audited data. For those districts whose greater reduction occurs under the calculation  
26 of (ii), there shall be an additional reduction to payments to mayoral academies with teachers who  
27 do not participate in the state teacher's retirement system under chapter 8 of title 36 equal to the  
28 per-pupil value of teacher retirement costs attributable to unfunded liability as calculated by the  
29 state's actuary for the prior preceding fiscal year.

30 ~~(e)~~(e) Local district payments to charter public schools, Davies, and the Met Center for  
31 each district's students enrolled in these schools shall be made on a quarterly basis in July, October,  
32 January, and April; however, the first local-district payment shall be made by August 15, instead  
33 of July. Failure of the community to make the local-district payment for its student(s) enrolled in a  
34 charter public school, Davies, and/or the Met Center may result in the withholding of state

1 education aid pursuant to § 16-7-31.

2 ~~(e)~~(f) Beginning in FY 2017, school districts with charter public school, Davies, and the  
3 Met Center enrollment, that, combined, comprise five percent (5%) or more of the average daily  
4 membership as defined in § 16-7-22, shall receive additional aid for a period of three (3) years. Aid  
5 in FY 2017 shall be equal to the number of charter public school, open-enrollment schools, Davies,  
6 or the Met Center students as of the reference year as defined in § 16-7-16 times a per-pupil amount  
7 of one hundred seventy-five dollars (\$175). Aid in FY 2018 shall be equal to the number of charter  
8 public school, open-enrollment schools, Davies, or the Met Center students as of the reference year  
9 as defined in § 16-7-16 times a per-pupil amount of one hundred dollars (\$100). Aid in FY 2019  
10 shall be equal to the number of charter public school, open-enrollment schools, Davies, or the Met  
11 Center students as of the reference year as defined in § 16-7-16 times a per-pupil amount of fifty  
12 dollars (\$50.00). The additional aid shall be used to offset the adjusted fixed costs retained by the  
13 districts of residence.

14 SECTION 2. This act shall take effect July 1, 2021.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO EDUCATION

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1           This act would provide limitations and prescribe caps on a district's total charter school  
2 expenses.

3           This act would take effect on July 1, 2021.

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