

2022 -- H 7634

LC004700

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO EDUCATION -- FUNDING OF CHARTER PUBLIC SCHOOLS

Introduced By: Representatives O'Brien, Barros, Amore, Williams, C Lima, Serpa,
Alzate, McNamara, Bennett, and Solomon

Date Introduced: March 02, 2022

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-77.1-2 of the General Laws in Chapter 16-77.1 entitled "Funding
2 of Charter Public Schools [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]"
3 is hereby amended to read as follows:

4 **16-77.1-2. Operating costs.**

5 (a) Operating costs of a charter public school shall be the total of the per pupil payments
6 for each student attending the charter public school. The per pupil payment for each student shall
7 be determined based on the per pupil cost for the district of residence of each student. The state's
8 share of the per pupil amount for each student attending the charter public school shall be paid by
9 the state directly to the charter public school and shall be the percent, or share ratio, previously
10 calculated under chapter 7 of this title; provided, that in no case shall the ratio be less than thirty
11 percent (30%), minus the five percent (5%) of per pupil cost designated for indirect cost support to
12 the student's school district as defined in subsection (b). The five percent (5%) indirect cost amount
13 shall be deducted from the district per pupil cost before the state share is derived by applying the
14 share ratio to the district per pupil cost. The local share of the per pupil amount for each student
15 attending the charter public school shall be paid to the charter public school by the district of
16 residence of the student and shall be the per pupil cost for the district of residence of the student
17 minus the state share of that per pupil cost as designated in this section.

18 (b) In addition to all state aid to education paid to a local district pursuant to chapter 7.1 of
19 this title, the state will pay an additional amount to the district for each student from this district

1 who is attending a charter public school. The additional amount of state aid per pupil shall be five
2 percent (5%) of the districts per pupil cost. The additional state aid shall be for the purpose of
3 assisting local school districts to undertake the indirect costs borne by a district when its student
4 attends a charter public school.

5 (c) The state department of elementary and secondary education shall annually determine
6 both the state and local share of each charter public school's operating costs by deriving the
7 respective shares associated with each student reported as a member of the charter public school as
8 of June 30 of the reference year as defined in § 16-7-16(11) (or the enrollment as of October 1 of
9 the current school year in the first year of operation of a charter school). All other data used in this
10 determination shall be based upon the reference year as defined in § 16-7-16(11).

11 (d) The state shall make payments of its share of operating costs to each charter public
12 school on a quarterly basis in July, October, January, and April. The July and October payments
13 will be based upon the reported student membership of the charter public school as of June 30 of
14 the reference year as defined in § 16-7-16(11) (or the enrollment as of October 1 of the current
15 school year in the first year of operation of a charter school). Charter public schools will report
16 current student enrollment, including district of residence for school purposes of each student
17 enrolled, and each district will report current total district operating expenses and total district
18 enrollments (including district students enrolled in charter public schools) annually by October 1.
19 If the October 1 data on a charter public school's student enrollment show a ten percent (10%) or
20 greater increase or decrease in students from the June membership count, the third and fourth
21 quarter payments to the charter public school will be adjusted to reflect actual student enrollment
22 in the charter public school.

23 (e) Local district payments to charter public schools for each district's students enrolled in
24 the charter public school shall also be made quarterly as designated in subsection (d); the first local
25 district payment shall be made by August 15 instead of July. Any local school district more than
26 thirty (30) days in arrears on a quarterly payment for its student(s) enrolled in a charter public
27 school shall have the amount of the arrearage deducted from state aid to that district and the
28 withheld arrearage shall be paid by the state directly to the charter public school.

29 (f) Local school districts with student(s) enrolled in a charter public school shall continue
30 to report these students in the total census of district public school students and will receive state
31 aid for all these students pursuant to the provisions of chapter 7.1 of this title.

32 (g) All entitlements except those provided for in § 16-24-6.2 shall be ratably reduced if less
33 than one hundred percent (100%) of the expenditures is appropriated.

34 (h) For fiscal year 2007, the indirect aid paid to districts pursuant to this section shall equal

1 the amount received in the fiscal year 2006 enacted budget by the 2005 general assembly.

2 (i) In the event a student enrolled in a charter school is disenrolled and/or returned back to
3 a sending school prior to the end of an academic year, then the charter school shall remit payment
4 equal to all public funds received by the charter school for that academic year for the education of
5 the disenrolled and/or returned student. The payment shall be sent to the public school and/or school
6 district responsible for receiving the student from the charter school. The funds remitted to the
7 public school or district responsible for receiving the student shall not be reduced and no pro rata
8 allocation shall be applied for any period of educational services provided by the charter school to
9 the student.

10 SECTION 2. Section 16-77.2-5 of the General Laws in Chapter 16-77.2 entitled "District
11 Charter School [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby
12 amended to read as follows:

13 **16-77.2-5. Budgets and funding.**

14 (a) It is the intent of the general assembly that funding pursuant to this chapter shall be
15 neither a financial incentive nor a financial disincentive to the establishment of a district charter
16 school. Funding for each district charter school shall consist of state revenue and municipal or
17 district revenue in the same proportions that funding is provided for other schools within the
18 sending school district(s).

19 (b) Funding additional to that authorized from the sending school district(s) may be
20 allocated to the district charter school from the sending school district(s) to the extent that the
21 combined percentage of students eligible for free or reduced-cost lunch, students with limited
22 English proficiency, and students requiring special education exceed the combined percentage of
23 those students in the sending school district(s) as a whole. The commissioner shall promulgate rules
24 and regulations consistent with this section regarding the allocation of funds from sending school
25 districts to district charter schools.

26 (c) All services, centrally or otherwise provided by the school district in which the district
27 charter school is located, that the district charter school decides to utilize including, but not limited
28 to, transportation, food services, custodial services, maintenance, curriculum, media services,
29 libraries, nursing, and warehousing, shall be subject to negotiation between a district charter school
30 and the school district in which the district charter school is located and paid for out of the revenues
31 of the district charter school. Disputes with regard to cost of services requested from the school
32 district in which the district charter school is located will be adjudicated by the commissioner.

33 (d) A district charter school shall be eligible to receive other aids, grants, Medicaid revenue,
34 and other revenue according to Rhode Island law, as though it were a school district. Federal aid

1 received by the state shall be used to benefit students in the charter public school, if the school
2 qualifies for the aid, as though it were a school district.

3 (e) A district charter school may negotiate and contract directly with third parties for the
4 purchase of books, instructional materials, and any other goods and services that are not being
5 provided by the sending school district(s) pursuant to the charter.

6 [\(f\) If a charter school subject to the provisions of this chapter shall disenroll or return a](#)
7 [student to the original sending school then the charter school shall remit payment pursuant to the](#)
8 [provisions of § 16-77.1-2\(i\).](#)

9 SECTION 3. Section 16-77.3-5 of the General Laws in Chapter 16-77.3 entitled
10 "Independent Charter Schools [See Title 16 Chapter 97 - The Rhode Island Board of Education
11 Act]" is hereby amended to read as follows:

12 **16-77.3-5. Budgets and funding.**

13 (a) It is the intent of the general assembly that funding pursuant to this chapter shall be
14 neither a financial incentive nor a financial disincentive to the establishment of an independent
15 charter school. Funding for each independent charter school shall consist of state revenue and
16 municipal or district revenue in the same proportions that funding is provided for other schools
17 within the sending school district(s).

18 (b) Funding additional to that authorized from the sending school district(s) by subsection
19 (b) may be allocated to the independent charter school from the sending school district(s) to the
20 extent that the combined percentage of students eligible for free or reduced-cost lunch, students
21 with limited English proficiency, and students requiring special education exceed the combined
22 percentage of those students in the sending school district(s) as a whole. The commissioner shall
23 promulgate rules and regulations consistent with this section regarding the allocation of funds from
24 sending school districts to independent charter schools.

25 (c) An independent charter school shall be eligible to receive other aids, grants, Medicaid
26 revenue, and other revenue according to Rhode Island law, as though it were a school district.
27 Federal aid received by the state shall be used to benefit students in the independent charter school,
28 if the school qualifies for the aid, as though it were a school district.

29 (d) An independent charter school may negotiate and contract directly with third parties
30 for the purchase of books, instructional materials, and any other goods and services that are not
31 being provided by the sending school district(s) pursuant to the charter.

32 [\(e\) If a charter school subject to the provisions of this chapter shall disenroll or return a](#)
33 [student to the original sending school then the charter school shall remit payment pursuant to the](#)
34 [provisions of § 16-77.1-2\(i\).](#)

1 SECTION 4. Section 16-77.4-5 of the General Laws in Chapter 16-77.4 entitled "Mayoral
2 Academies [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby
3 amended to read as follows:

4 **16-77.4-5. Budgets and funding.**

5 (a) It is the intent of the general assembly that funding pursuant to this chapter shall be
6 neither a financial incentive nor a financial disincentive to the establishment of a mayoral academy.
7 Funding for each mayoral academy shall consist of state revenue and municipal or district revenue
8 in the same proportions that funding is provided for other schools within the sending school
9 district(s).

10 (b) Funding additional to that authorized from the sending school district(s) may be
11 allocated to the mayoral academy from the sending school district(s) to the extent that the combined
12 percentage of students eligible for free or reduced-cost lunch, students with limited English
13 proficiency, and students requiring special education exceed the combined percentage of those
14 students in the sending school district(s) as a whole. The commissioner shall promulgate rules and
15 regulations consistent with this section regarding the allocation of funds from sending school
16 districts to mayoral academies.

17 (c) A mayoral academy shall be eligible to receive other aids, grants, Medicaid revenue,
18 and other revenue according to Rhode Island law, as though it were a school district. Federal aid
19 received by the state shall be used to benefit students in a mayoral academy, if the school qualifies
20 for the aid, as though it were a school district.

21 (d) A mayoral academy may negotiate and contract directly with third parties for the
22 purchase of books, instructional materials, and any other goods and services that are not being
23 provided by the sending school district(s) pursuant to the charter.

24 (e) If a charter school subject to the provisions of this chapter shall disenroll or return a
25 student to the original sending school then the charter school shall remit payment pursuant to the
26 provisions of § 16-77.1-2(i).

27 SECTION 5. 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 -- FUNDING OF CHARTER PUBLIC SCHOOLS

1 This act would require charter schools that disenroll or return a student to the original
2 sending school prior to the end of an academic year, to return all public funds received by the
3 charter school to educate that student for that academic year.

4 This act would take effect upon passage.

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