

**2022 -- S 2961 SUBSTITUTE A**

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LC005987/SUB A  
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**STATE OF RHODE ISLAND**

**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 AT SCHOOL HOUSING REIMBURSEMENT RATES FOR REGIONAL SCHOOL DISTRICTS WHICH, INCLUDING INCENTIVES, MAY EXCEED 80% OF DEBT SERVICE FOR EXPENDITURES ELIGIBLE FOR STATE AID

Introduced By: Senators DiPalma, and Euer

Date Introduced: May 19, 2022

Referred To: Senate Housing & Municipal Government

(by request)

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 of 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 at school housing reimbursement rates for  
14          regional school districts, in accordance with §§ 16-7-35 through 16-7-47 which, including  
15          incentives, may exceed eighty percent (80%) of debt service for expenditures eligible for state aid.  
16          For purposes of this section, the issuance of bond anticipation notes by the town of Middletown for  
17          school construction prior to June 30, 2026 shall entitle the town to a state housing aid ratio of up to

1 eighty percent (80%) of debt service for eligible expenditures.

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

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

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

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

34 (b) Any employee or former employee of the school department of the member city or

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

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

1 accounted for separately from other funds of the regional school district and shall not be subject to  
2 the claims of any general creditors of the regional school district. For the purpose of determining  
3 OPEB liabilities for transferred employees, the member city and town shall jointly contract with a  
4 "qualified actuarial firm." A "qualified actuarial firm" shall be staffed by enrolled actuary who is a  
5 member of the American Academy of Actuaries, a Fellow or Associate of the Society of Actuaries,  
6 or a Fellow or Associate of the Conference of Actuaries in Public Practice. The qualified actuarial  
7 firm shall calculate, employing the actuarial assumptions applied in the most recently published  
8 member city and town actuarial reports, respectively, for all active school OPEB participants as of  
9 June 30, 2024: (a) The member city's and town's respective actuarial accrued liabilities for  
10 OPEB; (b) Their respective unfunded liabilities for OPEB; (c) The portion of the total actuarial  
11 accrued liability for OPEB that should be 100% funded as of June 30, 2024 employing the funding  
12 schedule applied in the city and town actuarial reports for any OPEB plan participants who may  
13 become transferred employees of the regional school district which shall be frozen as of June 30,  
14 2024 (the "June 30, 2024 OPEB Transfer Liability"); and (d) Funding schedules for the member  
15 city and town to pay to their remaining respective unfunded OPEB liability as of June 30, 2024.  
16 The member city and town shall each appropriate and transfer to the regional school district on July  
17 1, 2024 an amount equal to their respective OPEB Transfer Liability. The member city and town  
18 shall appropriate and transfer to the regional school district, annual amounts to pay their remaining  
19 unfunded OPEB Transfer Liability in accordance with the funding schedules calculated by the  
20 qualified actuarial firm. The member city and town shall remain responsible for paying one hundred  
21 percent (100%) of the benefits of the participants in their respective OPEB plans who are inactive  
22 participants as of June 30, 2024.

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

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

1 November, 2023. In the special election of 2023 each regional school district committee member  
2 shall be elected to serve a term of three (3) years. At the next general election in November, 2026,  
3 and at each general election thereafter, members shall be elected for a term of two (2) years.

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

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

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

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

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

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

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

33 (3) To operate and exercise care and control of all public schools in the district, including  
34 land, buildings, equipment, furnishings, and supplies for the same, for the joint and common use

1 of the member cities or towns incorporated into the said regional school district, for the education  
2 of pupils attending grades pre-kindergarten through twelve (pre-k through 12) inclusive, and with  
3 all the powers and duties pertaining to education and schools conferred by law in this state upon  
4 school committees and towns generally.

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

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

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

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

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

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

34 (7) To dispose of real or personal property by sale, lease, or gift whenever such disposal is

1 determined to be in the best interest of the regional district, as hereinafter provided.

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

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

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

1 debts, and the debt secured by the bonds shall be obligatory on the district to the same extent as  
2 other debts lawfully contracted by the district.

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

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

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

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

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

30 (15) To engage legal counsel.

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

34 (17) To reallocate any surplus as of the last day of the fiscal year so that any such surplus

1 may be carried forward into the next fiscal year and remain in the regional district accounts.

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

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

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

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

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

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

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

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

5           SECTION 12. [Transportation](#). Transportation shall be provided by the regional district  
6 consistent with state law. Transportation shall be considered an operational cost of the regional  
7 district.

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

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

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

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

33           SECTION 14. [Preparation and adoption of budget](#). (a) It shall be the duty of the regional  
34 school district superintendent to present to the regional committee by January 15 a preliminary

1 budget containing estimates of the amount of money needed to operate the regional school district  
2 for the ensuing fiscal year. The form of said budget shall conform to the accounting system of the  
3 state department of education.

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

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

25 During years in which there are four (4) residents from the City of Newport on the regional  
26 committee, the joint finance committee shall be comprised of four (4) members appointed by the  
27 Town of Middletown and three (3) members appointed by the City of Newport. During years in  
28 which there are four (4) residents from the Town of Middletown on the regional committee, the  
29 joint finance committee shall be comprised of four (4) members appointed by the City of Newport  
30 and three (3) members appointed by the Town of Middletown. The first joint finance  
31 committee shall be appointed to serve a term of one (1) year following the election of the first  
32 regional committee in November, 2023. Following the next general election in November, 2026,  
33 and following each general election thereafter, members shall be appointed to the joint finance  
34 committee for a term of two (2) years, such terms to run concurrent with that of the regional

1 committee. In the event of any vacancy by death, resignation or incapacity to serve, the city or  
2 town council of the municipality which appointed the former committee member shall fill such  
3 vacancy by majority vote of the city or town council for a term lasting until the next scheduled  
4 appointment.

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

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

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

24 (b) Payment of additional state aid for regionalization as contained in § 16-7-20 shall also  
25 be made in the first fiscal year that the regional district shall be in operation, which is July 1, 2024  
26 through June 30, 2025. The amount of the additional aid for regionalization shall be calculated on  
27 all expenditures, as approved by the council for elementary and secondary education of the state  
28 board of education in accordance with currently existing rules and regulations for administering  
29 the state aid of each district, made in the period of July 1, 2022 through June 30, 2023, as defined  
30 in § 16-7-16. The regional committee may request from the commissioner an advance from the  
31 additional state aid estimated for fiscal year 2024-2025, in an amount not to exceed ten percent  
32 (10%) of the bonus aid, for use during the period between authorization of voters to June 30, 2024.  
33 The advanced amounts shall be deducted from the operations aid to be paid for the period July 1,  
34 2024 to June 30, 2025. All advanced amounts shall be subject to all applicable state laws and

1 regulations.

2 SECTION 16. [Transfer of plant and facilities](#). The city of Newport and the town of  
3 Middletown may lease to the regional school district, for the sum of one dollar (\$1.00) per year,  
4 school buildings, facilities, furnishings, equipment and the land upon which they are sited that are  
5 owned, leased or financed by the respective municipalities.

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

9 SECTION 18. [Regional school district fiscal year](#). The regional district fiscal year shall  
10 begin on July 1 and end on June 30.

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

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

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

21 SECTION 20. [Process for amending regional act](#). This act with respect to the formation of  
22 a regional district between the city of Newport and town of Middletown may be amended by an act  
23 of the general assembly accepted and approved by a vote of the qualified voters of the city of  
24 Newport and a vote of the qualified voters of the town of Middletown.

25 SECTION 21. [Approval question](#). The question of the approval of this act shall be  
26 submitted to the qualified voters of the city of Newport and the qualified voters of the town of  
27 Middletown at the general election to be held on November 8, 2022 in accordance with title 17 of  
28 the general laws. The question shall be submitted in substantially the following form: "Shall an act  
29 passed at the January, 2022 session of the general assembly entitled 'AN ACT AUTHORIZING  
30 THE CITY OF NEWPORT AND TOWN OF MIDDLETOWN TO ESTABLISH A REGIONAL  
31 SCHOOL DISTRICT AND PROVIDING FOR STATE AID FOR SCHOOL HOUSING COSTS  
32 AT SCHOOL HOUSING REIMBURSEMENT RATES FOR REGIONAL SCHOOL DISTRICTS  
33 WHICH, INCLUDING INCENTIVES, MAY EXCEED 80% OF DEBT SERVICE FOR  
34 EXPENDITURES ELIGIBLE FOR STATE AID' be approved?" Notwithstanding anything

1 contained in § 17-19-7 of the general laws to the contrary, the Newport and Middletown boards of  
2 canvassers may certify the question to the secretary of state not later than sixty (60) days prior to  
3 the date set for the election.

4 SECTION 22. [Availability of act](#). From the time the election is warned, it shall be the duty  
5 of the city clerk of the city of Newport and the town clerk of the town of Middletown to keep a  
6 copy of this act available at their offices for public inspection, but any failure of any said clerk to  
7 perform this duty shall not affect the validity of the election.

8 SECTION 23. [Applicability of other laws](#). The provisions of §§ 16-3-9 through 16-3-31 of  
9 the general laws shall not apply to the district. To the extent of any conflict of this act with any  
10 general or special law of applicability or home rule charter, this act shall be controlling.

11 SECTION 24. [Effectiveness](#). This section and sections 1, 21, 22 and 23 of this act shall  
12 take effect upon the passage of this act, and the remaining sections of this act shall take effect if:  
13 (a) The council for elementary and secondary education votes to approve the creation of the  
14 regional school district; (b) A majority of qualified voters of the city of Newport and a majority of  
15 those qualified voters of the town of Middletown, voting upon the question as set forth in section  
16 21 shall vote in favor thereof; and (c) A majority of the qualified voters of the town of Middletown  
17 voting at the general election to be held on November 8, 2022 vote to approve an act authorizing  
18 the town of Middletown to issue general obligation bonds, notes and other evidences of  
19 indebtedness to finance the construction, renovation, improvement, alteration, repair, landscaping,  
20 furnishing and equipping of new elementary, middle and high schools and school facilities  
21 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 AT SCHOOL HOUSING REIMBURSEMENT RATES FOR REGIONAL SCHOOL DISTRICTS WHICH, INCLUDING INCENTIVES, MAY EXCEED 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 at school housing reimbursement rates for  
5 regional school districts which, including incentives, may exceed eighty percent (80%) of debt  
6 service for expenditures eligible for state aid.

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

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