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ARTICLE 8

RELATING TO EDUCATION

SECTION 1. Section 16-7-41.1 of the General Laws in Chapter 16-7 entitled “Foundation Level School Support [See Title 16 Chapter 97 – The Rhode Island Board of Education Act]” is hereby amended to read as follows:

16-7-41.1. Eligibility for reimbursement.

(a) School districts, not municipalities, may apply for and obtain approval for a project under the necessity of school construction process set forth in the regulations of the council on elementary and secondary education, provided, however, in the case of a municipality that issues bonds through the Rhode Island health and educational building corporation to finance or refinance school facilities for a school district that is not part of the municipality, the municipality may apply for and obtain approval for a project. Such approval will remain valid until June 30 of the third fiscal year following the fiscal year in which the council on elementary and secondary education’s approval is granted. Only those projects undertaken at school facilities under the care and control of the school committee and located on school property may qualify for reimbursement under §§ 16-7-35 — 16-7-47. Facilities with combined school and municipal uses or facilities that are operated jointly with any other profit or nonprofit agency do not qualify for reimbursement under §§ 16-7-35 — 16-7-47. Projects completed by June 30 of a fiscal year are eligible for reimbursement in the following fiscal year. A project for new school housing or additional housing shall be deemed to be completed when the work has been officially accepted by the school committee or when the housing is occupied for its intended use by the school committee, whichever is earlier.

(b) Notwithstanding the provisions of this section, the board of regents shall not grant final approval for any project between June 30, 2011, and May 1, 2015, except for projects that are necessitated by immediate health and safety reasons. In the event that a project is requested during the moratorium because of immediate health and safety reasons, those proposals shall be reported to the chairs of the house and senate finance committees.

(c) Any project approval granted prior to the adoption of the school construction regulations in 2007, and which are currently inactive; and any project approval granted prior to the adoption of the school construction regulations in 2007 which did not receive voter approval or

1 which has not been previously financed, are no longer eligible for reimbursement under this
2 chapter. The department of elementary and secondary education shall develop recommendations
3 for further cost containment strategies in the school housing aid program.

4 (d) Beginning July 1, 2015, the council on elementary and secondary education shall
5 approve new necessity of school construction applications on an annual basis. The department of
6 elementary and secondary education shall develop an annual application timeline for local
7 education agencies seeking new necessity of school construction approvals.

8 (e) Beginning July 1, 2019, no state funding shall be provided for projects in excess of ten
9 million dollars (\$10,000,000) unless the prime contractor for the project has received
10 prequalification from the school building authority.

11 (f) Beginning July 1, 2019, the necessity of school construction process set forth in the
12 regulations of the council on elementary and secondary education shall include a single statewide
13 process, developed with the consultation of the department of environmental management, that will
14 ensure community involvement throughout the investigation and remediation of contaminated
15 building sites for possible reuse as the location of a school. That process will fulfill all provisions
16 of § 23-19.14-5 related to the investigation of reuse of such sites for schools.

17 (g) Beginning July 1, 2019, school housing projects exceeding one million five hundred
18 thousand dollars (\$1,500,000) subject to inflation shall include an owner's program manager and a
19 commissioning agent. The cost of the program manager and commissioning agent shall be
20 considered a project cost eligible for aid pursuant to §§ 16-7-41 and 16-105-5.

21 (h) Temporary housing, or swing space, for students shall be a reimbursable expense so
22 long as a district can demonstrate that no other viable option to temporarily house students exists
23 and provided that use of the temporary space is time limited for a period not to exceed twenty-four
24 (24) months and tied to a specific construction project.

25 (i) Environmental site remediation, as defined by the school building authority, shall be a
26 reimbursable expense up to one million dollars (\$1,000,000) per project.

27 (j) If, within thirty (30) years of construction, a newly constructed school is sold to a private
28 entity, the state shall receive a portion of the sale proceeds equal to that project's housing aid
29 reimbursement rate at the time of project completion.

30 (k) All projects must comply with § 37-13-6, ensuring that prevailing wage laws are being
31 followed, and § 37-14.1-6, ensuring that minority business enterprises reach a minimum of ~~ten~~
32 fifteen percent (~~10~~15%) of the dollar value of the bid.

33 SECTION 2. Sections 16-7.2-3 and 16-7.2-5 of the General Laws in Chapter 16-7.2 entitled
34 "The Education Equity and Property Tax Relief Act" are hereby amended to read as follows:

1 **16-7.2-3. Permanent foundation education aid established.**

2 (a) Beginning in the 2012 fiscal year, the following foundation education-aid formula shall
3 take effect. The foundation education aid for each district shall be the sum of the core instruction
4 amount in subdivision (a)(1) and the amount to support high-need students in subdivision (a)(2),
5 which shall be multiplied by the district state-share ratio calculated pursuant to § 16-7.2-4 to
6 determine the foundation aid.

7 (1) The core-instruction amount shall be an amount equal to a statewide, per-pupil core-
8 instruction amount as established by the department of elementary and secondary education,
9 derived from the average of northeast regional expenditure data for the states of Rhode Island,
10 Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics
11 (NCES) that will adequately fund the student instructional needs as described in the basic education
12 program and multiplied by the district average daily membership as defined in § 16-7-22.
13 Expenditure data in the following categories: instruction and support services for students,
14 instruction, general administration, school administration, and other support services from the
15 National Public Education Financial Survey, as published by NCES, and enrollment data from the
16 Common Core of Data, also published by NCES, will be used when determining the core-
17 instruction amount. The core-instruction amount will be updated annually. For the purpose of
18 calculating this formula, school districts' resident average daily membership shall exclude charter
19 school and state-operated school students.

20 (2) The amount to support high-need students beyond the core-instruction amount shall be
21 determined by multiplying a student success factor of forty percent (40%) by the core instruction
22 per-pupil amount described in subdivision (a)(1) and applying that amount for each resident child
23 whose family income is at or below one hundred eighty-five percent (185%) of federal poverty
24 guidelines, hereinafter referred to as "poverty status." Provided further, for the fiscal year beginning
25 July 1, 2023 and for subsequent fiscal years, the student success factor shall be forty-two percent
26 (42%). By October 1, 2022, as part of its budget submission pursuant to § 35-3-4 relative to state
27 fiscal year 2024 and thereafter, the department of elementary and secondary education shall
28 develop and utilize a poverty measure that in the department's assessment most accurately serves
29 as a proxy for the poverty status referenced in this subsection and does not rely on the
30 administration of school nutrition programs. The department shall utilize this measure in
31 calculations pursuant to this subsection related to the application of the student success factor, in
32 calculations pursuant to § 16-7.2-4 related to the calculation of the state share ratio, and in the
33 formulation of estimates pursuant to subsection (b) below. The department may also include any

1 recommendations which seek to mitigate any disruptions associated with the implementation of
2 this new poverty measure or improve the accuracy of its calculation.

3 (3) The amount to support homeless students beyond the core-instruction amount shall be
4 determined by multiplying a factor of twenty-five percent (25%) by the core instruction per-pupil
5 amount described in subdivision (a)(1) and applying that amount for each resident child whose
6 family is experiencing homelessness.

7 (b) The department of elementary and secondary education shall provide an estimate of the
8 foundation education aid cost as part of its budget submission pursuant to § 35-3-4. The estimate
9 shall include the most recent data available as well as an adjustment for average daily membership
10 growth or decline based on the prior year experience.

11 (c) In addition, the department shall report updated figures based on the average daily
12 membership as of October 1 by December 1.

13 (d) Local education agencies may set aside a portion of funds received under subsection
14 (a) to expand learning opportunities such as after school and summer programs, full-day
15 kindergarten and/or multiple pathway programs, provided that the basic education program and all
16 other approved programs required in law are funded.

17 (e) The department of elementary and secondary education shall promulgate such
18 regulations as are necessary to implement fully the purposes of this chapter.

19 **16-7.2-5. Charter public schools, the William M. Davies, Jr. Career and Technical**
20 **High School, and the Metropolitan Regional Career and Technical Center.**

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

33 (b) The local share of education funding shall be paid to the charter public school, Davies,
34 and the Met Center by the district of residence of the student and shall be the local, per-pupil cost

1 calculated by dividing the local appropriation to education from property taxes, net of debt service,
2 and capital projects, as defined in the uniform chart of accounts by the average daily membership
3 for each city and town, pursuant to § 16-7-22, for the reference year.

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

21 (d) Local district payments to charter public schools, Davies, and the Met Center for each
22 district's students enrolled in these schools shall be made on a quarterly basis in July, October,
23 January, and April; however, the first local-district payment shall be made by August 15, instead
24 of July. Failure of the community to make the local-district payment for its student(s) enrolled in a
25 charter public school, Davies, and/or the Met Center may result in the withholding of state
26 education aid pursuant to § 16-7-31.

27 (e) Beginning in FY 2017, school districts with charter public school, Davies, and the Met
28 Center enrollment, that, combined, comprise five percent (5%) or more of the average daily
29 membership as defined in § 16-7-22, shall receive additional aid for a period of three (3) years. Aid
30 in FY 2017 shall be equal to the number of charter public school, open-enrollment schools, Davies,
31 or the Met Center students as of the reference year as defined in § 16-7-16 times a per-pupil amount
32 of one hundred seventy-five dollars (\$175). Aid in FY 2018 shall be equal to the number of charter
33 public school, open-enrollment schools, Davies, or the Met Center students as of the reference year
34 as defined in § 16-7-16 times a per-pupil amount of one hundred dollars (\$100). Aid in FY 2019

1 shall be equal to the number of charter public school, open-enrollment schools, Davies, or the Met
2 Center students as of the reference year as defined in § 16-7-16 times a per-pupil amount of fifty
3 dollars (\$50.00). The additional aid shall be used to offset the adjusted fixed costs retained by the
4 districts of residence.

5 (f) School districts with charter public school, Davies, and the Met Center enrollment, that,
6 combined, comprise five percent (5%) or more of the average daily membership as defined in § 16-
7 7-22, shall receive additional aid intended to help offset the impact of new and expanding charter
8 schools. For FY 2022, aid shall be equal to the number of new students being served as determined
9 by the difference between the reference year as defined in § 16-7-16 and FY 2019 times a per-pupil
10 amount of five hundred dollars (\$500). For FY 2023 ~~and thereafter~~, aid shall be equal to the number
11 of new students being served as determined by the difference between the reference year as defined
12 in § 16-7-16 and the prior reference year times a per-pupil amount of five hundred dollars (\$500).
13 The additional aid shall be used to offset the adjusted fixed costs retained by the districts of
14 residence.

15 (g) Beginning in FY 2024 and annually thereafter, the aid to school districts that have had
16 new charter school seats added at any time after July 1, 2023 shall be equal to sixty percent (60%)
17 of the foundation education aid for the added seats in the first year of any such increase, thirty
18 percent (30%) in the second year, and zero percent 0% in the third year and thereafter.

19 SECTION 3. This Article shall take effect upon passage.