

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

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

Introduced By: Senators Pearson, Ruggerio, DiPalma, Cano, and Gallo

Date Introduced: March 03, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 16-7.2-3, 16-7.2-4 and 16-7.2-6 of the General Laws in Chapter 16-  
2 7.2 entitled "The Education Equity and Property Tax Relief Act" are hereby amended to read as  
3 follows:

4 **16-7.2-3. ~~Permanent foundation education aid established~~ Permanent foundation**  
5 **education aid established - Effective fiscal year 2023-2024.**

6 (a) On and after July 1, 2023, Beginning beginning in the ~~2012~~ 2024 fiscal year, the  
7 following foundation education-aid formula shall take effect. The foundation education aid for each  
8 district shall be the sum of the core instruction amount in subdivision (a)(1) and the amount to  
9 support high-need students in subdivision (a)(2), which shall be multiplied by the district state-  
10 share ratio calculated pursuant to § 16-7.2-4 to determine the foundation aid.

11 (1) The core-instruction amount shall be an amount equal to a statewide, per-pupil core-  
12 instruction amount as established by the department of elementary and secondary education,  
13 derived from the average of northeast regional expenditure data for the states of Rhode Island,  
14 Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics  
15 (NCES) that will adequately fund the student instructional needs as described in the basic education  
16 program and multiplied by the district average daily membership as defined in § 16-7-22.  
17 Expenditure data in the following categories: instruction and support services for students,  
18 instruction, general administration, school administration, and other support services from the

1 National Public Education Financial Survey, as published by NCES, and enrollment data from the  
2 Common Core of Data, also published by NCES, will be used when determining the core-  
3 instruction amount. The core-instruction amount will be updated annually. For the purpose of  
4 calculating this formula, school districts' resident average daily membership shall exclude charter  
5 school and state-operated school students.

6 (2) The amount to support high-need students beyond the core-instruction amount shall be  
7 determined by multiplying a student success factor of forty percent (40%) by the core instruction  
8 per-pupil amount described in subdivision (a)(1) and applying that amount for each resident child  
9 whose family income is at or below one hundred eighty-five percent (185%) of federal poverty  
10 guidelines, hereinafter referred to as "poverty status." ~~"poverty status." By October 1, 2022, as part  
11 of its budget submission pursuant to § 35-3-4 relative to state fiscal year 2024 and thereafter, the  
12 department of elementary and secondary education shall develop and utilize a poverty measure that  
13 in the department's assessment most accurately serves as a proxy for the poverty status referenced  
14 in this subsection and does not rely on the administration of school nutrition programs. The  
15 department shall utilize this measure in calculations pursuant to this subsection related to the  
16 application of the student success factor, in calculations pursuant to § 16-7.2-4 related to the  
17 calculation of the state share ratio, and in the formulation of estimates pursuant to subsection (b)  
18 below. The department may also include any recommendations which seek to mitigate any  
19 disruptions associated with the implementation of this new poverty measure or improve the  
20 accuracy of its calculation and by the number of English language students (EL), as identified using  
21 independent standards and assessments adopted by the commissioner, including EL students that  
22 do not have a family income at or below one hundred eighty-five percent (185%) of federal poverty  
23 guidelines.~~

24 (i) All funds distributed to EL students pursuant to subsection (a)(2) of this section must  
25 be used to provide high-quality, research-based services to such students, and managed in  
26 accordance with requirements set forth by the commissioner of elementary and secondary  
27 education. The department of elementary and secondary education shall collect performance  
28 reports from districts and approve the use of funds prior to expenditure. The department of  
29 elementary and secondary education shall ensure the funds are aligned to activities that are  
30 innovative and expansive and not utilized for activities the district is currently funding.

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

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

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

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

9 **16-7.2-4. ~~Determination of state's share~~ Determination of state's share - Effective**  
10 **fiscal year 2023-2024.**

11 (a) For each district, the state's share of the foundation education aid calculated pursuant  
12 to § 16-7.2-3(a) shall use a calculation that considers a district's revenue-generating capacity and  
13 concentration of high-need students. The calculation is the square root of the sum of the state-share  
14 ratio for the community calculation, pursuant to § 16-7-20, squared plus the district's percentage  
15 of students in grades PK-6 in poverty status squared, divided by two.

16 (1) If the calculation in subsection (a) of this section results in a state share ratio that is less  
17 than the state share ratio for the community, and a school district's percentage of PK-6 students in  
18 poverty is greater than fifty percent (50%), then the state's share of the foundation education aid  
19 shall be made equivalent to the state share ratio for the community.

20 (2) For FY 2024, the data used to determine the district's percentage of PK-6 students in  
21 poverty shall be the greater of June 2020, 2021, or 2022.

22 (b) For purposes of determining the state's share, school district student data used in this  
23 calculation shall include charter school and state school students. These ratios are used in the  
24 permanent foundation education aid formula calculation described in § 16-7.2-5.

25 (c) The department shall calculate the local share of the foundation aid pursuant to § 16-  
26 7.2-3(a) and each community shall fund its school district at or above the level calculated on or  
27 before July 1, 2028; provided that, no community shall reduce its support until the school  
28 committee is funded at the full amount of the local share.

29 **16-7.2-6. ~~Categorical programs, state funded expenses~~ Categorical programs, state**  
30 **funded expenses - Effective fiscal year 2023-2024.**

31 In addition to the foundation education aid provided pursuant to § 16-7.2-3, the permanent  
32 foundation education-aid program shall provide direct state funding for:

33 (a) Excess costs associated with special education students. Excess costs are defined when  
34 an individual special education student's cost shall be deemed to be "extraordinary." Extraordinary

1 costs are those educational costs that exceed the state-approved threshold based on an amount  
2 above five times the core foundation amount (total of core-instruction amount plus student success  
3 amount). The department of elementary and secondary education shall ~~prorate the funds available~~  
4 ~~for distribution among those eligible school districts if the total approved costs for which school~~  
5 ~~districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year;~~  
6 ~~and the department of elementary and secondary education shall also~~ collect data on those  
7 educational costs that exceed the state-approved threshold based on an amount above two (2), three  
8 (3), and four (4) times the core-foundation amount;

9 (b) Career and technical education costs to help meet initial investment requirements  
10 needed to transform existing, or create new, comprehensive, career and technical education  
11 programs and career pathways in critical and emerging industries and to help offset the higher-  
12 than-average costs associated with facilities, equipment maintenance and repair, and supplies  
13 necessary for maintaining the quality of highly specialized programs that are a priority for the state.  
14 The department shall develop criteria for the purpose of allocating any and all career and technical  
15 education funds as may be determined by the general assembly on an annual basis. The department  
16 of elementary and secondary education shall prorate the funds available for distribution among  
17 those eligible school districts if the total approved costs for which school districts are seeking  
18 reimbursement exceed the amount of funding available in any fiscal year;

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

22 (d) Central Falls, Davies, and the Met Center Stabilization Fund is established to ensure  
23 that appropriate funding is available to support their students. Additional support for Central Falls  
24 is needed due to concerns regarding the city's capacity to meet the local share of education costs.  
25 This fund requires that education aid calculated pursuant to § 16-7.2-3 and funding for costs outside  
26 the permanent foundation education-aid formula, including, but not limited to, transportation,  
27 facility maintenance, and retiree health benefits shall be shared between the state and the city of  
28 Central Falls. The fund shall be annually reviewed to determine the amount of the state and city  
29 appropriation. The state's share of this fund may be supported through a reallocation of current  
30 state appropriations to the Central Falls school district. At the end of the transition period defined  
31 in § 16-7.2-7, the municipality will continue its contribution pursuant to § 16-7-24. Additional  
32 support for the Davies and the Met Center is needed due to the costs associated with running a  
33 stand-alone high school offering both academic and career and technical coursework. The  
34 department shall recommend criteria for the purpose of allocating any and all stabilization funds as

1 may be determined by the general assembly;

2 (e) Excess costs associated with transporting students to out-of-district non-public schools.

3 This fund will provide state funding for the costs associated with transporting students to out-of-  
4 district non-public schools, pursuant to chapter 21.1 of this title. The state will assume the costs of  
5 non-public out-of-district transportation for those districts participating in the statewide system.  
6 The department of elementary and secondary education shall prorate the funds available for  
7 distribution among those eligible school districts if the total approved costs for which school  
8 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

9 (f) Excess costs associated with transporting students within regional school districts. This  
10 fund will provide direct state funding for the excess costs associated with transporting students  
11 within regional school districts, established pursuant to chapter 3 of this title. This fund requires  
12 that the state and regional school district share equally the student transportation costs net any  
13 federal sources of revenue for these expenditures. The department of elementary and secondary  
14 education shall prorate the funds available for distribution among those eligible school districts if  
15 the total approved costs for which school districts are seeking reimbursement exceed the amount  
16 of funding available in any fiscal year;

17 (g) Public school districts that are regionalized shall be eligible for a regionalization bonus  
18 as set forth below:

19 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school  
20 district established under the provisions of chapter 3 of this title, including the Chariho Regional  
21 School district;

22 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus  
23 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the  
24 regionalization bonus shall commence in the first fiscal year following the establishment of a  
25 regionalized school district as set forth in chapter 3 of this title, including the Chariho Regional  
26 School District;

27 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the  
28 state's share of the foundation education aid for the regionalized district as calculated pursuant to  
29 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

30 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the  
31 state's share of the foundation education aid for the regionalized district as calculated pursuant to  
32 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

33 (5) The regionalization bonus shall cease in the third fiscal year;

34 (6) The regionalization bonus for the Chariho regional school district shall be applied to

1 the state share of the permanent foundation education aid for the member towns; and

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

6 ~~(h) Additional state support for English learners (EL). The amount to support EL students  
7 shall be determined by multiplying an EL factor of ten percent (10%) by the core instruction per  
8 pupil amount defined in § 16-7.2-3(a)(1) and applying that amount of additional state support to  
9 EL students identified using widely adopted, independent standards and assessments identified by  
10 the commissioner. All categorical funds distributed pursuant to this subsection must be used to  
11 provide high quality, research-based services to EL students and managed in accordance with  
12 requirements set forth by the commissioner of elementary and secondary education. The  
13 department of elementary and secondary education shall collect performance reports from districts  
14 and approve the use of funds prior to expenditure. The department of elementary and secondary  
15 education shall ensure the funds are aligned to activities that are innovative and expansive and not  
16 utilized for activities the district is currently funding. The department of elementary and secondary  
17 education shall prorate the funds available for distribution among eligible recipients if the total  
18 calculated costs exceed the amount of funding available in any fiscal year;~~

19 (i) State support for school resource officers. For purposes of this subsection, a school  
20 resource officer (SRO) shall be defined as a career law enforcement officer with sworn authority  
21 who is deployed by an employing police department or agency in a community-oriented policing  
22 assignment to work in collaboration with one or more schools. School resource officers should have  
23 completed at least forty (40) hours of specialized training in school policing, administered by an  
24 accredited agency, before being assigned. Beginning in FY 2019, for a period of three (3) years,  
25 school districts or municipalities that choose to employ school resource officers shall receive direct  
26 state support for costs associated with employing such officers at public middle and high schools.  
27 Districts or municipalities shall be reimbursed an amount equal to one-half (½) of the cost of  
28 salaries and benefits for the qualifying positions. Funding will be provided for school resource  
29 officer positions established on or after July 1, 2018, provided that:

30 (1) Each school resource officer shall be assigned to one school:

31 (i) Schools with enrollments below one thousand twelve hundred (1,200) students shall  
32 require one school resource officer;

33 (ii) Schools with enrollments of one thousand twelve hundred (1,200) or more students  
34 shall require two school resource officers;

1           (2) School resource officers hired in excess of the requirement noted above shall not be  
2 eligible for reimbursement; and

3           (3) Schools that eliminate existing school resource officer positions and create new  
4 positions under this provision shall not be eligible for reimbursement; and

5           (j) Categorical programs defined in subsections (a) through (g) shall be funded pursuant to  
6 the transition plan in § 16-7.2-7.

7           SECTION 2. This act shall take effect on July 1, 2023 and be applicable for the 2023-2024  
8 fiscal year.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO EDUCATION -- THE EDUCATION EQUITY AND PROPERTY TAX  
RELIEF ACT

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1           This act would amend the student success factor calculation of the state share ratio for  
2 foundation aid by accounting for English language in determining the state's share of foundation  
3 aid eligibility for each school district. This act would also mandate that each community fund its  
4 school committee at the state share ratio by July 1, 2028.

5           This act would take effect on July 1, 2023 and be applicable for the 2023-2024 fiscal year.

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