

2026 -- H 7454

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

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

Introduced By: Representatives Giraldo, Alzate, O'Brien, and Cruz

Date Introduced: January 30, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

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

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

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

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

1 instruction amount. The core instruction amount will be updated annually. For the purpose of
2 calculating this formula, school districts' resident average daily membership shall exclude charter
3 school and state-operated school students.

4 (2) The amount to support high-need students beyond the core instruction amount shall be
5 determined by:

6 (i) Multiplying a student success factor of forty percent (40%) by the core instruction per-
7 pupil amount described in subsection (a)(1) of this section and applying that amount for each
8 resident child whose family income is at or below one hundred eighty-five percent (185%) of
9 federal poverty guidelines, hereinafter referred to as "poverty status." By October 1, 2022, as part
10 of its budget submission pursuant to § 35-3-4 relative to state fiscal year 2024 and thereafter, the
11 department of elementary and secondary education shall develop and utilize a poverty measure that
12 in the department's assessment most accurately serves as a proxy for the poverty status referenced
13 in this subsection and does not rely on the administration of school nutrition programs. The
14 department shall utilize this measure in calculations pursuant to this subsection related to the
15 application of the student success factor, in calculations pursuant to § 16-7.2-4 related to the
16 calculation of the state share ratio, and in the formulation of estimates pursuant to subsection (b)
17 below. The department may also include any recommendations which seek to mitigate any
18 disruptions associated with the implementation of this new poverty measure or improve the
19 accuracy of its calculation. Beginning with the FY 2024 calculation, students whose family income
20 is at or below one hundred eighty-five percent (185%) of federal poverty guidelines will be
21 determined by participation in the supplemental nutrition assistance program (SNAP). The number
22 of students directly certified through the department of human services shall be multiplied by a
23 factor of 1.6. Beginning with the FY 2027 calculation, a student's enrollment in Medicaid shall also
24 be included in the student success factor. The department of elementary and secondary education
25 shall utilize a student's enrollment in Medicaid in calculations pursuant to this subsection related to
26 the application of the student success factor, in calculations pursuant to § 16-7.2-4 related to the
27 calculation of the state share ratio, and in the formulation of estimates pursuant to subsection (b) of
28 this section; and

29 (ii) Multiplying a multilingual learner (MLL) factor of twenty percent (20%) by the core
30 instruction per-pupil amount described in subsection (a)(1) of this section, applying that amount
31 for each resident child identified in the three lowest proficiency categories using widely adopted,
32 independent standards and assessments in accordance with subsection (f)(1) of this section and as
33 identified by the commissioner and defined by regulations of the council on elementary and
34 secondary education. Local education agencies shall report annually to the department of

1 elementary and secondary education by September 1, outlining the planned and prior year use of
2 all funding pursuant to this subsection to provide services to MLL students in accordance with
3 requirements set forth by the commissioner of elementary and secondary education. The
4 department shall review the use of funds to ensure consistency with established best practices.

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

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

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

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

17 (f)(1) By October 1, 2023, as part of its budget submission pursuant to § 35-3-4 relative to
18 state fiscal year 2025, the department of elementary and secondary education shall evaluate the
19 number of students by district who qualify as multilingual learner (MLL) students and MLL
20 students whose family income is at or below one hundred eighty-five percent (185%) of federal
21 poverty guidelines. The submission shall also include segmentation of these populations by levels
22 as dictated by the WIDA multilingual learner assessment tool used as an objective benchmark for
23 English proficiency. The department shall also prepare and produce expense data sourced from the
24 uniform chart of accounts to recommend funding levels required to support students at the various
25 levels of proficiency as determined by the WIDA assessment tool. Utilizing this information, the
26 department shall recommend a funding solution to meet the needs of multilingual learners; this may
27 include but not be limited to inclusion of MLL needs within the core foundation formula amount
28 through one or multiple weights to distinguish different students of need or through categorical
29 means.

30 (2) By October 1, 2024, as part of its budget submission pursuant to § 35-3-4 relative to
31 state fiscal year 2026, the department of elementary and secondary education shall develop
32 alternatives to identify students whose family income is at or below one hundred eighty-five percent
33 (185%) of federal poverty guidelines through participation in state-administered programs,
34 including, but not limited to, the supplemental nutrition assistance program (SNAP), and RiteCare

1 and other programs that include the collection of required supporting documentation, and beginning
2 with the FY 2027 calculations, a student's enrollment in Medicaid. The department may also
3 include any recommendations that seek to mitigate any disruptions associated with implementation
4 of this new poverty measure or improve the accuracy of its calculation.

5 (3) The department shall also report with its annual budget request information regarding
6 local contributions to education aid and compliance with §§ 16-7-23 and 16-7-24. The report shall
7 also compare these local contributions to state foundation education aid by community. The
8 department shall also report compliance to each city or town school committee and city or town
9 council.

10 (4) By October 1, 2025, as part of its budget submission pursuant to § 35-3-4 relative to
11 state fiscal year 2027, the department of elementary and secondary education shall submit a report
12 developed in coordination with the department of administration and the Rhode Island longitudinal
13 data system within the office of the postsecondary commissioner. The report shall provide an
14 overview of the process for matching the department of human services program participation data
15 to the department of elementary and secondary education student enrollment records for use in the
16 education funding formula and recommend methods to ensure consistency and accuracy in future
17 matching processes.

18 (5) As part of its FY 2027 budget submission, the department shall also submit an estimate
19 of foundation education aid that uses expanded direct certification with Medicaid matching in
20 consultation with the Rhode Island longitudinal data system and the executive office of health and
21 human services to identify students whose family income is at or below one hundred eighty-five
22 percent (185%) of federal poverty guidelines, in addition to an estimate under the current law
23 poverty determination.

24 (6) By December 31, 2025, the department of elementary and secondary education shall
25 also develop and submit a report to the governor, speaker of the house, and senate president on
26 current and recommended processes to ensure the consistency and validity of submitted high-cost
27 special education data from local education agencies.

28 SECTION 2. 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 -- THE EDUCATION EQUITY AND PROPERTY TAX
RELIEF ACT

- 1 This act would include Medicaid enrollment in the student success factor of the foundation
- 2 aid formula to provide added support for high-need students beyond the core instructional amount.
- 3 This would begin with the FY 2027 calculation.
- 4 This act would take effect upon passage.

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