

2015 -- S 0739

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

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

Introduced By: Senators Pearson, Picard, and Satchell

Date Introduced: March 19, 2015

Referred To: Senate Education

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 16-7.2-4, 16-7.2-5 and 16-7.2-7 of the General Laws in Chapter
2 16-7.2 entitled "The Education Equity and Property Tax Relief Act" are hereby amended to read
3 as follows:

4 **16-7.2-4. Determination of state's share.** -- (a) For each district, the state's share of the
5 foundation education aid calculated pursuant to § 16-7.2-3(a) shall use a calculation that
6 considers a district's revenue generating capacity and concentration of high-need students. The
7 calculation is the square root of the sum of the state share ratio for the community calculation
8 (SSRC), pursuant to § 16-7-20, squared plus the district's percentage of students eligible for
9 USDA reimbursable school meals in grades PK-6 (PK6FRPL) squared, divided by two.

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

13 (c) The portion of the total foundation amount calculated pursuant to § 16-7.2-3
14 remaining after subtracting the state's share as determined pursuant to subsection (a) of this
15 section shall be provided by the local district from local resources. The local district's share may
16 be transitioned; however, such transition period shall not extend beyond FY 2020.

17 **16-7.2-5. Charter public schools, the William M. Davies, Jr. Career and Technical**
18 **High School, and the Metropolitan Regional Career and Technical Center.** -- (a) Charter

1 public schools defined in chapter 77 of this title, the William M. Davies, Jr. Career and Technical
2 High School (Davies) and the Metropolitan Regional Career and Technical Center (the Met
3 Center) shall be funded pursuant to § 16-7.2-3; provided, however, that in FY 2016 and thereafter
4 the state funding appropriated to public charter schools as defined in chapter 77.4 of this title
5 shall not exceed the amount appropriate pursuant to §§ 16-7.2-3 and 16-7.2-4 to fund the number
6 of students funded in the FY 2015 budget as enacted. If the October 1 actual enrollment data for
7 any charter public school shows a ten percent (10%) or greater change from the prior year
8 enrollment which is used as the reference year average daily membership, the third and fourth
9 quarter payments to the charter public school will be adjusted to reflect actual enrollment. The
10 state share of the permanent foundation education aid shall be paid by the state directly to the
11 charter public schools, Davies, and the Met Center pursuant to § 16-7.2-9 and shall be calculated
12 using the state share ratio of the district of residence of the student as set forth in § 16-7.2-4. The
13 department of elementary and secondary education shall provide the general assembly with the
14 calculation of the state share of permanent foundation education aid for charter public schools
15 delineated by school district. The department shall also provide the general assembly a
16 performance dashboard indicating the per-pupil expenditures of each school district and charter
17 school broken down by revenue sources and expenditure categories. The department shall
18 provide, within the same dashboard, student performance indicators for each school district or
19 charter school. The local share of education funding, as defined by the department of elementary
20 and secondary education and approved by the General Assembly, shall be paid to the charter
21 public school, Davies, and the Met Center by the district of residence of the student and shall be
22 the local per-pupil cost calculated by dividing the local appropriation to education from property
23 taxes, net of debt service and capital projects, as defined in the uniform chart of accounts by the
24 average daily membership for each city and town, pursuant to § 16-7-22, for the reference year.

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

31 **16-7.2-7. Transition plan.** -- (a) The general assembly shall annually determine the
32 appropriation of education aid pursuant to this chapter using a transition plan to begin in fiscal
33 year 2012, not to exceed seven (7) years for LEA's for whom the calculated education aid
34 pursuant to § 16-7.2-3 is more than the education aid the LEA is receiving as of the effective date

1 of the formula, and ten (10) years for LEA's for whom the calculated education aid pursuant to §
2 16-7.2-3 is less than the education aid the LEA is receiving as of the effective date of the formula.

3 (b) The local share of funding pursuant to § 16-7.2-5 shall be transitioned
4 proportionately over a period not to exceed five (5) years; provided, however, that,
5 notwithstanding any provision of the general laws to the contrary, the transition of the local share
6 to charter public schools, as defined in chapter 77 of this title, in FY 2016 and subsequent fiscal
7 years shall be frozen at the FY 2015 level. The transition shall provide a combination of direct aid
8 to districts, funds for the categorical programs, and district savings through state-assumed costs,
9 as determined by the general assembly on an annual basis. Updates to any components of the
10 permanent foundation education aid formula, such as student data, property values, and/or median
11 family income, that result in an increase or decrease in state education aid that impacts the total
12 state and local contribution by more than three percent (3%) shall be transitioned over a period of
13 time not to exceed three (3) years.

14 (c) For districts that are converting from a half-day to a full-day kindergarten program
15 for the 2014-2015 school year and after, as defined by § 16-99-4, the increase in aid provided
16 pursuant to the formula for the increased reference average daily membership due to the
17 conversion of the kindergarten students from 0.5 full-time equivalent to 1.0 full-time equivalent is
18 not subject to the transition plan in subsection (a); instead, the increased kindergarten full-time
19 equivalents will be funded at the fully transitioned value of the formula beginning in FY 2017.

20 SECTION 2. Section 16-77-5.1 of the General Laws in Chapter 16-77 entitled
21 "Establishment of Charter Public Schools [See Title 16 Chapter 97 - The Rhode Island Board of
22 Education Act]" is hereby amended to read as follows:

23 **16-77-5.1. Oversight by commissioner.** -- (a) Individuals or groups may complain to a
24 charter public school's governing body concerning any claimed violation of the provisions of this
25 chapter by the school. If, after presenting their complaint to the governing body, the individuals
26 or groups believe their complaint has not been adequately addressed, they may submit their
27 complaint to the commissioner who shall hear and decide the issue pursuant to §§ 16-39-1 and
28 16-39-2.

29 (b) Charter public school approval for establishment or continuation shall be for up to a
30 five (5) year period. In either case, ~~board of regents~~ approval from the council on elementary and
31 secondary education is required. Notwithstanding any provision of the general laws to the
32 contrary, any proposal for the creation of a charter public school and any increase to the school's
33 enrollment beyond FY 2015 levels shall require approval from the school committee and the city
34 or town council in each of the charter school's sending districts. Such approval shall be provided

1 [either by resolution or ordinance, following at least one public hearing considering the financial](#)
2 [implications to the school and municipal budgets.](#) However, the charter may be revoked at any
3 time if the school:

- 4 (1) Materially violates provisions contained in the charter;
- 5 (2) Fails to meet or pursue the educational objectives contained in the charter;
- 6 (3) Fails to comply with fiscal accountability procedures as specified in the charter;
- 7 (4) Violates provisions of law that have not been granted variance by the board of
8 regents; or

9 (5) After three (3) consecutive years of operation, is not a "high-performing charter
10 school," defined as a charter public school that has demonstrated overall success, including: (i)
11 Substantial progress in improving student achievement; and (ii) The management and leadership
12 necessary to establish a thriving, financially viable charter public school.

13 (c) After denying or prior to non-renewing or revoking a charter, the department of
14 elementary and secondary education will hold a hearing on the issues in controversy under § 16-
15 39-1.

16 (d) The establishment of new charter public schools shall be contingent upon state
17 approval and appropriation.

18 [\(e\) The council on elementary and secondary education shall study the fiscal impact of](#)
19 [charter school growth on sending districts and submit a recommendation on how to eliminate the](#)
20 [negative fiscal impact of charter school growth on sending districts as well as the recommended](#)
21 [role of charter schools in the state's education strategy to the president of the senate, the speaker](#)
22 [of the house, and the chairs of the senate and house finance committees by January 5, 2016.](#)

23 SECTION 3. 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
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1 This act would limit the total funding for charter schools in 2016 to the amount funded in
2 2015 and would require school committees and town or city council approval for the creation of
3 charter schools in their jurisdiction.

4 This act would take effect upon passage.

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