

1 **ARTICLE 13 SUBSTITUTE A**

2 RELATING TO EDUCATION AID

3 SECTION 1. Section 16-7.1-15 of the General Laws in Chapter 16-7.1 entitled "The Paul
4 W. Crowley Rhode Island Student Investment Initiative" is hereby amended to read as follows:

5 **16-7.1-15. The Paul W. Crowley Rhode Island student investment initiative.**

6 ~~Effective July 1, 2010.~~ (a) Each locally or regionally operated school district shall receive as
7 a base the same amount of school aid as each district received in fiscal year 1997-1998, adjusted
8 to reflect the increases or decreases in aid enacted to meet the minimum and maximum funding
9 levels established for FY 2000 through FY 2008. Each school district shall also receive school aid
10 through each investment fund for which that district qualifies pursuant to §§ 16-7.1-8, 16-7.1-9,
11 16-7.1-10, 16-7.1-11, 16-7.1-12, 16-7.1-16 and 16-7.1-19. These sums shall be in addition to the
12 base amount described in this section. For FY 2009 and FY 2010, the reference year for the data
13 used in the calculation of aid pursuant to § 16-7.1-8, § 16-7.1-9, § 16-7.1-10, § 16-7.1-11, § 16-
14 7.1-11.1, § 16-7.1-12, § 16-7.1-16, § 16-7.1-19 and 16-77.1-2(b) shall be FY 2004. Calculation
15 and distribution of education aid under §§ 16-5-31, 16-5-32, 16-7-20, 16-7-20.5, 16-7-34.2, 16-7-
16 34.3, 16-24-6, 16-54-4, and 16-67-4 is hereby suspended. Provided, however, calculation and
17 distribution of education aid under § 16-7.1-10 is suspended for FY 2009 and FY 2010. School
18 districts may continue to maintain professional development programs and may reduce other
19 education programs to achieve savings during FY 2009 and FY 2010. The funding of the
20 purposes and activities of chapter 67 of this title, the Rhode Island Literacy and Dropout
21 Prevention Act of 1967, shall be the same amount of the base amount of each district funded for
22 that purpose in fiscal year 1997-1998. In addition each district shall expend three percent (3%) of
23 its student equity and early childhood funds under the provisions of chapter 67 of this title.

24 (b) Funding for full day kindergarten programs in accordance with § 16-7.1-11.1 shall be
25 in addition to funding received under this section.

26 (c) Funding distributed under §§ 16-77.1-2(b) and 16-64-1.1 shall be in addition to
27 funding distributed under this section.

28 (d) For FY 2009, aid to school districts shall be reduced by the equivalent savings that are
29 realized due to a reduction of payments to the teachers' retirement system. The reduction for the
30 Chariho regional school district shall be prorated among the member communities. In addition,

1 for FY 2009 aid to school districts shall be reduced by any amount of previously appropriated
 2 school housing aid determined to be ineligible for reimbursement in accordance with § 16-7-44.2.
 3 For FY 2009 aid shall also be reduced by the amount of projected revenue for the period
 4 December 1, 2008 through June 30, 2009 from the permanent school fund. The projected revenue
 5 shall be determined by annualizing actual earnings from the period May 12, 2008 through
 6 November 30, 2008. The department of elementary and secondary education shall reduce aid in
 7 two equal installments, payable in May and June; provided however, that East Providence shall
 8 receive one payment of reduced aid in May.

9 For FY 2009, aid to school districts shall include thirty eight million, three hundred
 10 twenty-four thousand, eight hundred twenty-two dollars (\$38,324,822) from federal fiscal
 11 stabilization funds offset by a like reduction from general revenues. The distribution shall be in
 12 the same proportion as general operating aid.

13 (e) ~~For FY 2010, aid to school districts shall be reduced by the equivalent savings that are~~
 14 ~~realized due to a reduction of payments to the teachers' retirement system. The reduction for the~~
 15 ~~Chariho regional school district shall be prorated among the member communities. For FY 2010,~~
 16 ~~aid to school districts shall be reduced by thirty three million nine hundred twenty eight thousand~~
 17 ~~two hundred sixteen dollars (\$33,928,216) based on the school district's share of total FY 2009~~
 18 ~~enacted education aid, including state schools and charter schools. For FY 2010, a distribution of~~
 19 ~~stabilization funds per the American Recovery and Reinvestment Act (ARRA) totaling thirty four~~
 20 ~~million one hundred seven thousand one hundred ninety five dollars (\$34,107,195) shall be~~
 21 ~~allocated to school districts proportionately based on their share of total FY 2009 enacted~~
 22 ~~education aid, including state schools and charter schools.~~

23 Districts shall comply with the assurances and reporting requirements provided in the
 24 federal guidance for the (ARRA) allocation and by the commissioner of elementary and
 25 secondary education.

26 (f) There shall be an appropriation to ensure that total aid distributed to communities in
 27 FY 2010 under this section and §§ 16-7.1-11.1, 16-64-1.1 and 16-77.1-2(b) and excluding any FY
 28 2009 Stabilization reappropriations shall be as follows:

		<u>FY 2010</u> Stimulus Fiscal
	General Revenues	Stabilization <u>Allocation</u>
31	Barrington 1,863,090 <u>1,632,637</u>	128,427 167,554
32	Burrillville 12,928,167 <u>12,241,145</u>	681,478 <u>928,197</u>
33	Charlestown 1,697,497 <u>1,593,463</u>	98,918 <u>132,169</u>
34	Coventry 18,056,601 <u>16,941,657</u>	991,787 <u>1,336,997</u>

1	Cranston	31,662,364 <u>29,672,981</u>	1,752,647 <u>2,359,794</u>
2	Cumberland	11,829,002 <u>11,085,080</u>	654,948 <u>881,799</u>
3	East Greenwich	1,503,975 <u>1,323,840</u>	96,326 <u>126,924</u>
4	East Providence	24,199,858 <u>23,086,782</u>	1,328,384 <u>1,794,450</u>
5	Foster	1,286,565 <u>1,210,652</u>	69,979 <u>94,483</u>
6	Glocester	2,927,949 <u>2,758,927</u>	158,776 <u>214,478</u>
7	Hopkinton	5,677,786 <u>5,332,853</u>	308,347 <u>416,424</u>
8	Jamestown	398,173 <u>356,863</u>	26,278 <u>34,491</u>
9	Johnston	9,596,568 <u>8,986,705</u>	531,110 <u>715,117</u>
10	Lincoln	6,363,969 <u>5,894,881</u>	365,750 <u>489,595</u>
11	Little Compton	296,650 <u>267,694</u>	18,221 <u>24,151</u>
12	Middletown	9,532,081 <u>8,953,130</u>	518,598 <u>700,178</u>
13	Narragansett	1,167,137 <u>1,316,597</u>	93,727 <u>123,542</u>
14	Newport	10,714,683 <u>10,121,286</u>	586,477 <u>791,400</u>
15	New Shoreham	64,987 <u>50,426</u>	5,254 <u>6,723</u>
16	North Kingstown	10,631,113 <u>9,939,382</u>	2,155 <u>796,508</u>
17	North Providence	12,081,507 <u>11,331,122</u>	661,166 <u>891,816</u>
18	North Smithfield	4,344,329 <u>4,062,779</u>	238,830 <u>321,914</u>
19	Pawtucket	62,176,676 <u>58,830,199</u>	3,311,223 <u>4,485,959</u>
20	Portsmouth	5,923,071 <u>5,581,081</u>	332,008 <u>445,009</u>
21	Providence	178,309,941 <u>168,661,536</u>	9,577,917 <u>12,957,842</u>
22	Richmond	5,652,344 <u>5,309,120</u>	305,712 <u>413,170</u>
23	Scituate	2,926,243 <u>2,717,251</u>	168,328 <u>225,294</u>
24	Smithfield	4,992,643 <u>4,643,066</u>	283,754 <u>380,485</u>
25	South Kingstown	9,224,287 <u>8,589,827</u>	521,117 <u>699,447</u>
26	Tiverton	5,271,861 <u>4,931,735</u>	293,067 <u>394,326</u>
27	Warwick	32,168,879 <u>31,314,762</u>	1,858,870 <u>2,501,495</u>
28	Westerly	5,771,932 <u>5,328,722</u>	338,071 <u>451,287</u>
29	West Warwick	18,738,108 <u>17,664,919</u>	1,009,842 <u>1,365,476</u>
30	Woonsocket	44,071,702 <u>41,706,567</u>	2,342,811 <u>3,174,947</u>
31	Bristol-Warren	18,761,456 <u>17,705,488</u>	1,009,726 <u>1,365,653</u>
32	Exeter-West Greenwich	6,814,331 <u>6,388,970</u>	374,779 <u>505,123</u>
33	Chariho	378,758 <u>360,306</u>	19,679 <u>26,769</u>
34	Foster-Glocester	5,194,804 <u>4,886,824</u>	283,077 <u>382,089</u>

1 Central Falls ~~42,507,399~~ 40,301,224 ~~2,167,539~~ 2,954,101

2 In addition to the amounts listed above, the department of elementary and secondary
3 education shall allocate monthly to each school district all funds received into the permanent
4 school fund pursuant to § 42-61.2-7, as amended by chapter 13 of the 2008 Public Laws entitled
5 "An Act Relating to State Affairs and Government", up to \$14.1 million, in the same proportion
6 as the aid distribution in the FY 2009 enacted appropriations act.

7 This special provision shall not limit entitlements as determined by application of other
8 formula provisions in this section.

9 (g) For FY 2009 payments to charter public schools shall be reduced by the equivalent
10 savings that are realized due to a reduction of payments to the teachers' retirement system. The
11 reduction for district sponsored charter schools shall be incorporated in the sponsoring school
12 district's aid as noted in subsection (f). Aid to charter public schools shall be reduced in the April
13 quarterly payment. For FY 2009, charter public school funding is as follows:

14 Beacon Charter School 1,512,785

15 Blackstone Academy 1,469,349

16 Compass 614,485

17 Paul Cuffee 4,449,006

18 CVS Highlander 2,596,782

19 International 2,863,818

20 Kingston Hill Academy 736,784

21 Learning Community 3,669,529

22 NE Laborer's 1,508,866

23 Textron 2,361,370

24 Times 2 Academy 6,870,410

25 (h) (1) For FY 2010, payments to charter public schools shall be reduced by the
26 equivalent savings that are realized due to a ~~deferral~~ reduction of payments to the teachers'
27 retirement system. The reduction for district sponsored charter schools shall be incorporated in
28 the sponsoring schools district's aid as noted in subsection (f). For FY 2010, payments to charter
29 public schools shall be reduced by one million four hundred sixty-three thousand three hundred
30 sixty-seven dollars (\$1,463,367) based on the charter schools' share of total FY 2009 enacted
31 education aid, including school districts and state schools. For FY 2010, a distribution of
32 stabilization funds per the American Recovery and Reinvestment Act (ARRA) totaling one
33 million four hundred seventy-one thousand eighty-seven dollars (\$1,471,087) shall be allocated to
34 charter public schools proportionately based on their share of total FY 2009 enacted education

1 aid, including school districts and state schools.

2 (2) For FY 2010, payments to charter public schools shall be further reduced by one
3 million one hundred fifty-eight thousand one dollars (\$1,158,001) based on the charter schools'
4 share of total FY 2010 originally enacted education aid. For FY 2010, an additional distribution
5 of stabilization funds per the American Recovery and Reinvestment Act (ARRA) totaling one
6 hundred ninety-seven thousand seven hundred fifty-two dollars (\$197,752) shall be allocated to
7 charter public schools proportionately based on their share of total FY 2010 originally enacted
8 education aid.

9 (3) Public charter schools shall comply with the assurances and reporting requirements
10 provided in the federal guidance for the (ARRA) allocation and by the commissioner of
11 elementary and secondary education.

12 (i) There shall be deducted from the final aid payment to each school district any amounts
13 owed to the state at the end of the fiscal year for transportation of the district's students under the
14 statewide transportation system established pursuant to R.I.G.L. 16-21.1-7 and 16-21.1-8.
15 Districts shall receive monthly invoices summarizing the basis of the transportation fees charged.
16 Any such deductions in aid shall be transferred to the statewide student transportation services
17 restricted receipt account.

18 (j) The provisions of R.I.G.L. 16-26-7.1 notwithstanding, districts shall be assessed
19 tuition to cover the costs of educational services that are additional to the core deaf and hard of
20 hearing education program that is provided to resident students at the Rhode Island School for the
21 Deaf. This tuition shall be based on a graduated tuition schedule that is based on the varying
22 needs of students. The department of elementary and secondary education shall develop and
23 implement the schedule. Districts shall receive monthly invoices summarizing the basis for the
24 tuition charged. There shall be deducted from the final aid payment to each school district at the
25 end of the fiscal year any amounts owed to the state for these additional educational services.

26 ~~(k)~~ (k) Children with disabilities. (1) Based on its review of special education within the
27 context of Rhode Island school reform, the general assembly recommends addressing the needs of
28 all children and preventing disability through scientific research based, as described in the No
29 Child Left Behind Act of 2001, Title 1, Part B, Section 1208 [20 U.S.C. § 6368], reading
30 instruction and the development of Personal Literacy Programs for students in the early grades
31 performing below grade level in reading and implement a system of student accountability that
32 will enable the state to track individual students over time. Additionally, the department of
33 elementary and secondary education must provide districts with rigorous criteria and procedures
34 for identifying students with learning disabilities and speech/language impairments. Additional

1 study is required of factors that influence programming for students with low incidence
 2 disabilities; those with disabilities that severely compromise life functions; and programming for
 3 students with disabilities through urban special education. Alternatives for funding special
 4 education require examination.

5 (2) All departments and agencies of the state shall furnish any advice and information,
 6 documentary and otherwise, to the general assembly and its agents that is deemed necessary or
 7 desirable by the study to facilitate the purposes of this section.

8 (l) For FY 2011, aid to school districts shall be reduced by the equivalent savings that are
 9 realized due to a reduction of payments to the teachers' retirement system. The reduction for the
 10 Chariho regional school district shall be prorated among the member communities. For FY 2011,
 11 aid to school districts shall be further reduced by twenty million four hundred ninety thousand
 12 one hundred thirty-seven dollars (\$20,490,137) from the FY 2010 originally enacted level based
 13 on the school district's share of total FY 2010 originally enacted education aid, including aid to
 14 state schools and charter schools. For FY 2011, a distribution of federal stabilization funds made
 15 available through the American Recovery and Reinvestment Act (ARRA), in the amount of
 16 seventeen million four hundred thirty-one thousand nine hundred four dollars (\$17,431,904), shall
 17 be allocated to school districts proportionately based on their share of total FY 2010 originally
 18 enacted education aid, including aid to state schools and charter schools.

19 ~~(n)~~ (m) There shall be an appropriation to ensure that total aid distributed to communities
 20 in FY ~~2010~~ 2011 under this section and §§ 16-7.1-11.1, 16-64-1.1 and 16-77.1-2(b), excluding
 21 any FY 2009 and FY 2010 Stabilization reappropriations, shall be as follows:

		<u>FY 2011 Stimulus Fiscal</u>
	General Revenues	Stabilization <u>Allocation</u>
24	Barrington	1,863,090 <u>1,706,582</u> 128,427 <u>71,110</u>
25	Burrillville	12,928,167 <u>12,702,640</u> 684,478 <u>346,672</u>
26	Charlestown	1,697,497 <u>1,656,284</u> 98,948 <u>51,980</u>
27	Coventry	18,056,601 <u>17,596,947</u> 991,787 <u>509,623</u>
28	Cranston	31,662,364 <u>30,826,484</u> 1,752,647 <u>903,261</u>
29	Cumberland	11,829,002 <u>11,516,068</u> 654,948 <u>337,571</u>
30	East Greenwich	1,503,975 <u>1,275,562</u> 96,326 <u>52,149</u>
31	East Providence	24,499,858 <u>23,852,779</u> 1,328,384 <u>679,178</u>
32	Foster	1,286,565 <u>1,257,198</u> 69,979 <u>35,824</u>
33	Glocester	2,927,940 <u>2,864,812</u> 158,776 <u>81,188</u>
34	Hopkinton	5,677,786 <u>5,538,142</u> 308,347 <u>157,746</u>

1	Jamestown	398,901 <u>372,485</u>	26,278 <u>14,362</u>
2	Johnston	9,596,568 <u>9,335,962</u>	531,110 <u>273,693</u>
3	Lincoln	6,363,969 <u>6,129,562</u>	365,750 <u>191,115</u>
4	Little Compton	296,650 <u>278,830</u>	18,221 <u>9,740</u>
5	Middletown	9,533,084 <u>9,297,261</u>	518,598 <u>265,485</u>
6	Narragansett	1,467,137 <u>1,372,947</u>	93,727 <u>50,737</u>
7	Newport	10,744,683 <u>10,511,403</u>	586,477 <u>300,649</u>
8	New Shoreham	64,987 <u>53,051</u>	5,254 <u>3,029</u>
9	North Kingstown	10,631,113 <u>10,327,241</u>	592,155 <u>305,889</u>
10	North Providence	12,081,507 <u>11,768,295</u>	661,166 <u>339,249</u>
11	North Smithfield	4,344,329 <u>4,219,928</u>	238,830 <u>122,755</u>
12	Pawtucket	62,176,676 <u>61,062,245</u>	3,311,223 <u>1,681,079</u>
13	Portsmouth	5,923,071 <u>5,796,893</u>	331,008 <u>171,204</u>
14	Providence	178,309,944 <u>174,933,633</u>	9,577,917 <u>4,879,407</u>
15	Richmond	5,652,344 <u>5,513,229</u>	305,742 <u>156,168</u>
16	Scituate	2,926,243 <u>2,825,533</u>	168,328 <u>87,988</u>
17	Smithfield	4,992,643 <u>4,751,618</u>	283,754 <u>147,659</u>
18	South Kingstown	9,224,287 <u>8,928,064</u>	521,147 <u>270,628</u>
19	Tiverton	5,271,861 <u>5,123,946</u>	293,067 <u>151,278</u>
20	Warwick	33,468,879 <u>32,534,513</u>	1,858,870 <u>959,201</u>
21	Westerly	5,774,932 <u>5,543,489</u>	338,074 <u>177,815</u>
22	West Warwick	18,738,108 <u>18,340,154</u>	1,009,842 <u>515,098</u>
23	Woonsocket	44,074,702 <u>43,167,527</u>	2,342,811 <u>1,188,507</u>
24	Bristol-Warren	18,764,456 <u>18,381,705</u>	1,009,726 <u>514,738</u>
25	Exeter-West Greenwich	6,814,331 <u>6,516,301</u>	374,779 <u>192,649</u>
26	Charlton	378,758 <u>373,775</u>	19,679 <u>9,892</u>
27	Foster-Glocester	5,194,804 <u>5,074,292</u>	283,077 <u>145,016</u>
28	Central Falls	42,507,399 <u>41,785,070</u>	2,167,539 <u>1,080,574</u>

29 In addition to the amounts listed above, the department of elementary and secondary
30 education shall allocate monthly to each school district all funds received into the permanent
31 school fund pursuant to § 42-61.2-7, as amended by chapter 13 of the 2008 Public Laws entitled
32 "An Act Relating to State Affairs and Government", up to \$14.1 million, in the same proportion
33 as the aid distribution in the FY 2009 enacted appropriations act.

34 This special provision shall not limit entitlements as determined by application of other

1 formula provisions in this section.

2 ~~(e)~~ (n) For FY 2009 payments to charter public schools shall be reduced by the
3 equivalent savings that are realized due to a reduction of payments to the teachers' retirement
4 system. The reduction for district sponsored charter schools shall be incorporated in the
5 sponsoring school district's aid as noted in subsection ~~(f)~~ (g). Aid to charter public schools shall
6 be reduced in the April quarterly payment. For FY 2009, charter public school funding is as
7 follows:

8 Beacon Charter School 1,512,785
9 Blackstone Academy 1,469,349
10 Compass 614,485
11 Paul Cuffee 4,449,006
12 CVS Highlander 2,596,782
13 International 2,863,818
14 Kingston Hill Academy 736,784
15 Learning Community 3,669,529
16 NE Laborer's 1,508,866
17 Textron 2,361,370
18 Times 2 Academy 6,870,410

19 (o) For FY 2011, payments to charter public schools shall be reduced by the equivalent
20 savings that are realized due to a reduction of payments to the teachers' retirement system. The
21 reduction for district sponsored charter schools shall be incorporated in the sponsoring schools
22 district's aid as noted in subsection (g). For FY 2011, payments to charter public schools shall be
23 further reduced by one million seventy-six thousand nine hundred forty-one dollars (\$1,076,941)
24 from the FY 2010 originally enacted education aid based on the charter schools' share of total FY
25 2010 enacted education aid, including aid to school districts and state schools. For FY 2011, a
26 distribution of federal stabilization funds made available through the American Recovery and
27 Reinvestment Act (ARRA), in the amount of one million forty-eight thousand six hundred dollars
28 (\$1,048,600), shall be allocated to charter public schools proportionately based on their share of
29 total FY 2010 originally enacted education aid, including aid to school districts and state schools.

30 SECTION 2. Section 16-7-23 of the General Laws in Chapter 16-7 entitled "Foundation
31 Level School Support" is hereby amended to read as follows:

32 **16-7-23. Community requirements -- Adequate minimum budget provision.** -- (a)
33 The school committee's budget provisions of each community for current expenditures in each
34 budget year shall provide for an amount from all sources sufficient to support the basic program

1 and all other approved programs shared by the state. Each community shall contribute local funds
2 to its school committee in an amount not less than its local contribution for schools in the
3 previous fiscal year. Provided, that for the fiscal years 2010 and 2011 each community shall
4 contribute to its school committee in an amount not less than ninety-five percent (95.0%) of its
5 local contribution for schools for the fiscal year 2009. Calculation of the annual local contribution
6 shall not include Medicaid revenues received by the municipality or district pursuant to chapter 8
7 of title 40. A community which has a decrease in enrollment may compute maintenance of effort
8 on a per pupil rather than on an aggregate basis when determining its local contribution;
9 furthermore, a community which experiences a nonrecurring expenditure for its schools may
10 deduct the nonrecurring expenditure in computing its maintenance of effort. The deduction of
11 nonrecurring expenditures shall be with the approval of the commissioner. The courts of this state
12 shall enforce this section by writ of mandamus.

13 (b) Whenever any state funds are appropriated for educational purposes, the funds shall
14 be used for educational purposes only and all state funds appropriated for educational purposes
15 must be used to supplement any and all money allocated by a city or town for educational
16 purposes and, in no event, shall state funds be used to supplant, directly or indirectly, any money
17 allocated by a city or town for educational purposes. All state funds shall be appropriated by the
18 municipality to the school committee for educational purposes in the same fiscal year in which
19 they are appropriated at the state level even if the municipality has already adopted a school
20 budget. All state and local funds unexpended by the end of the fiscal year of appropriation shall
21 remain a surplus of the school committee and shall not revert to the municipality. Any surplus of
22 state or local funds appropriated for educational purposes shall not in any respect affect the
23 requirement that each community contribute local funds in an amount not less than its local
24 contribution for schools in the previous fiscal year, subject to subsection (a) of this section, and
25 shall not in any event be deducted from the amount of the local appropriation required to meet the
26 maintenance of effort provision in any given year.

27 SECTION 3. Sections 16-7-41 and 16-7-45 of the General Laws in Chapter 16-7 entitled
28 "Foundation Level School Support" are hereby amended to read as follows:

29 **16-7-41. Computation of school housing aid.** -- (a) In each fiscal year the state shall
30 pay to each community a grant to be applied to the cost of school housing equal to the following:

31 The cost of each new school housing project certified to the commissioner of elementary
32 and secondary education not later than July 15 of the fiscal year shall be divided by the actual
33 number of years of the bond issued by the local community or the Rhode Island Health and
34 Educational Building Corporation in support of the specific project, times the school housing aid

1 ratio; and provided, further, with respect to costs of new school projects financed with proceeds
2 of bonds issued by the local community or the Rhode Island Health and Educational Building
3 Corporation in support of the specific project, the amount of the school housing aid payable in
4 each fiscal year shall not exceed the amount arrived at by multiplying the principal and interest of
5 the bonds payable in each fiscal year by the school housing aid ratio and which principal and
6 interest amount over the life of the bonds, shall, in no event, exceed the costs of each new school
7 housing project certified to the commissioner of elementary and secondary education. If a
8 community fails to specify or identify the appropriate reimbursement schedule, the commissioner
9 of elementary and secondary education may at his or her discretion set up to a five (5) year
10 reimbursement cycle for projects under five hundred thousand dollars (\$500,000); up to ten (10)
11 years for projects up to three million dollars (\$3,000,000); and up to twenty (20) years for
12 projects over three million dollars (\$3,000,000).

13 (b) Aid shall be provided for the same period as the life of the bonds issued in support
14 of the project and at the school housing aid ratio applicable to the local community at the time of
15 the bonds issued in support of the project.

16 (c) Aid shall be paid either to the community or in the case of projects financed through
17 the Rhode Island Health and Educational Building Corporation, to the Rhode Island Health and
18 Educational Building Corporation or its designee including, but not limited to, a trustee under a
19 bond indenture or loan and trust agreement, in support of bonds issued for specific projects of the
20 local community in accordance with this section, § 16-7-40 and § 16-7-44. Notwithstanding the
21 preceding, in case of failure of any city, town or district to pay the amount due in support of
22 bonds issued on behalf of a city or town school project financed by the Rhode Island Health and
23 Educational Building Corporation, upon notification by the Rhode Island Health and Educational
24 Building Corporation, the general treasurer shall deduct the amount from aid provided under this
25 section, § 16-7-40 and § 16-7-44 due the city, town or district and direct said funding to the
26 Rhode Island Health and Educational Building Corporation or its designee.

27 (d) Notwithstanding any provisions of law to the contrary, in connection with the
28 issuance of refunding bonds benefiting any local community, any net interest savings resulting
29 from the refunding bonds issued by such community or a municipal public buildings authority for
30 the benefit of the community or by the Rhode Island health and educational building corporation
31 for the benefit of the community, in each case in support of school housing projects for the
32 community, shall be allocated between the community and the state of Rhode Island, by applying
33 the applicable school housing aid ratio at the time of issuance of the refunding bonds, calculated
34 pursuant to § 16-7-39, that would otherwise apply in connection with school housing projects of

1 the community. In connection with any such refunding of bonds, the finance director or the chief
2 financial officer of the community shall certify such net interest savings to the commissioner of
3 elementary and secondary education. Notwithstanding § 16-7-44 or any other provision of law to
4 the contrary, school housing projects costs in connection with any such refunding bond issue shall
5 include bond issuance costs incurred by the community, the municipal public buildings authority
6 or the Rhode Island health and educational building corporation, as the case may be, in
7 connection therewith. In connection with any refunding bond issue, school housing project costs
8 shall include the cost of interest payments on such refunding bonds, if the cost of interest
9 payments was included as a school housing cost for the bonds being refunded. A local community
10 or municipal public buildings authority shall not be entitled to the benefits of this subsection (d)
11 unless the net present value savings resulting from the refunding is at least three percent (3%) of
12 the refunded bond issue.

13 (e) Any provision of law to the contrary notwithstanding, the commissioner of
14 elementary and secondary education shall cause to be monitored the potential for refunding
15 outstanding bonds of local communities or municipal public building authorities or of the Rhode
16 Island Health and Educational Building Corporation issued for the benefit of local communities
17 or municipal public building authorities and benefiting from any aid referenced in this section. In
18 the event it is determined by said monitoring that the net present value savings which could be
19 achieved by refunding such bonds of the type referenced in the prior sentence including any
20 direct costs normally associated with such refundings is equal to (i) at least one hundred thousand
21 dollars (\$100,000) and (ii) for the state and the communities or public building authorities at least
22 three percent (3%) of the bond issue to be refunded including associated costs then, in such event,
23 the commissioner (or his or her designee) may direct the local community or municipal public
24 building authority for the benefit of which the bonds were issued, to refund such bonds. Failure of
25 the local community or municipal public buildings authority to timely refund such bonds, except
26 due to causes beyond the reasonable control of such local community or municipal public
27 building authority, shall result in the reduction by the state of the aid referenced in this § 16-7-4.1
28 associated with the bonds directed to be refunded in an amount equal to ninety percent (90%) of
29 the net present value savings reasonably estimated by the commissioner of elementary and
30 secondary education (or his or her designee) which would have been achieved had the bonds
31 directed to be refunded been refunded by the ninetieth (90th) day (or if such day is not a business
32 day in the state of Rhode Island, the next succeeding business day) following the date of issuance
33 of the directive of the commissioner (or his or her designee) to refund such bonds. Such reduction
34 in the aid shall begin in the fiscal year following the fiscal year in which the commissioner issued

1 such directive for the remaining term of the bond.

2 (f) Payments shall be made in accordance with § 16-7-40 and this section.

3 **16-7-45. Annual appropriations.** -- The general assembly shall annually appropriate
4 those sums that it may deem necessary to carry out the purposes of §§ 16-7-35 to 16-7-47, and the
5 state controller is authorized and directed to draw his or her orders upon the general treasurer for
6 the payment of the sum, or so much of it as may be required from time to time, upon the receipt
7 by the controller of properly authenticated vouchers. In the event that the full amount of housing
8 aid has not been appropriated in a particular fiscal year, school housing aid will not be ratably
9 reduced. In such cases, aid computed for school housing costs for debt service which has been
10 paid by the local community prior to project completion will be deferred. Such aid will be paid
11 within three (3) equal installments beginning the fiscal year after project completion. This
12 deferral provision shall only be applicable if the computed aid for debt service paid by the local
13 community prior to project completion exceeds five hundred thousand dollars (\$500,000).

14 SECTION 4. Section 16-5-34 of the General Laws in Chapter 16-5 entitled "State Aid" is
15 hereby repealed.

16 ~~**16-5-34. Statewide purchasing system.** -- The department of elementary and secondary~~
17 ~~education, pursuant to the collaborative established in Rhode Island General Laws § 62-9.2~~
18 ~~along with the department of administration, shall develop a plan for the establishment and~~
19 ~~implementation of a statewide purchasing system for all public schools in this state. Said~~
20 ~~statewide purchasing system shall develop requests for proposals relating to goods and services to~~
21 ~~enhance and support the mission of public schools and public education in general throughout this~~
22 ~~state, including, but not limited to, the purchase of the following goods, supplies, and services:~~

23 ~~(a) General school supplies such as paper goods, office supplies, and cleaning products~~
24 ~~that are or may be utilized by school departments;~~

25 ~~(b) Textbooks, telecommunications, wireless services, and software that have been~~
26 ~~identified by local school departments as needed to support local curriculum objectives;~~

27 ~~(c) A statewide school transportation system for children with special needs. Local school~~
28 ~~departments shall be eligible to participate in this system by purchasing transportation services on~~
29 ~~a fee for service basis. It is stated herein that the goals and intent of establishing this state wide~~
30 ~~transportation system shall be as follows:~~

31 ~~(1) To reduce the duplication of bus routes;~~

32 ~~(2) To improve services to children through the development of shorter, more efficient~~
33 ~~routes that minimize the amount of time spent by the student traveling on school transportation to~~
34 ~~and from school and school related/sponsored activities; and~~

1 ~~(3) To reduce transportation costs to local educational authorities through greater~~
2 ~~efficiency and cost effective measures.~~

3 ~~(d) General non-medical and dental insurance products and services, provided however,~~
4 ~~that the statewide purchasing system shall permit districts to establish their own benefit~~
5 ~~and coverage levels.~~

6 ~~(e) The department of elementary and secondary education, in collaboration with the~~
7 ~~department of administration, shall also develop policies and procedures to reduce the~~
8 ~~cost of health care insurance to local school departments by developing a collaborative process~~
9 ~~which shall include local educational authorities and representatives of local educational unions~~
10 ~~in discussions of cost saving efficiencies that could be achieved by including these employees in~~
11 ~~a state health insurance contract.~~

12 SECTION 5. Chapter 16-60 of the General Laws entitled "Board of Regents for
13 Elementary and Secondary Education" is hereby amended by adding thereto the following
14 section:

15 **16-60-7.3. Statewide purchasing system and programs.** – (a) The department of
16 elementary and secondary education, together with the department of administration, is
17 authorized to develop and implement a voluntary statewide purchasing system for all public
18 schools in this state, including regional school districts. Said system may be utilized for the
19 purchase of all goods, supplies and services to support and enhance public school operations
20 under a statewide contract, and shall include, but not be limited to, the following goods, supplies
21 and services:

22 (1) General school supplies such as paper goods, office supplies, textbooks and cleaning
23 products that are or may be utilized by school departments;

24 (2) Telecommunications, wireless services, computer equipment, hardware and software
25 that have been identified by local school departments as needed to support curriculum objectives;

26 (3) General non-medical and dental insurance products and services; provided however,
27 that the statewide purchasing system shall permit districts to establish their own benefit and
28 coverage levels.

29 (b) Notwithstanding the provisions of any general or public law to the contrary, including
30 the provisions of chapter 2 of title 37, the department of elementary and secondary education and
31 local and regional school districts are authorized to participate in purchasing collaboratives,
32 consisting of two (2) or more states. Said participation shall be subject to prior approval of the
33 chief purchasing officer and rules and regulations promulgated by the department.

34 SECTION 6. Section 37-2-56 of the General Laws in Chapter 37-2 entitled "State

1 Purchases” is hereby amended to read as follows:

2 **37-2-56. Purchasing for municipalities and regional school districts.** -- (a) Any
3 municipality or regional school district of the state may participate in state master price
4 agreement contracts for the purchase of materials, supplies, [services](#) and equipment entered into
5 by the purchasing agent, provided, however, that the contractor is willing, when requested by the
6 municipality or school district, to extend the terms and conditions of the contract and that the
7 municipality or school district will be responsible for payment directly to the vendor under each
8 purchase contract. Unless a state contract is the result of an intergovernmental cooperative
9 purchase contract to which a municipality or school district is a party, the purchasing agent shall
10 not compel a successful bidder to extend the same terms and conditions to a municipality or
11 school district. However, the purchasing agent may, in the interest of obtaining better pricing on
12 behalf of the state and local entities, solicit offers based upon anticipated master price agreement
13 utilization by municipalities and school districts.

14 SECTION 7. Sections 1 and 2 of this article shall take effect upon passage and shall
15 apply retroactively to July 1, 2009.