2024 -- S 2601

S T A T E   O F   R H O D E   I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

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A N   A C T

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

It is enacted by the General Assembly as follows:

1   SECTION 1. Sections 16-7.2-3 and 16-7.2-4 of the General Laws in Chapter 16-7.2 entitled

2 "The Education Equity and Property Tax Relief Act" are 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 subdivision (a)(1), ~~and~~ the amount to support high-need students in subdivision (a)(2),

7 and the amount to support school districts in subsection (a)(3) of this section which shall be

8 multiplied by the district state-share ratio calculated pursuant to § 16-7.2-4 to determine the

9 foundation aid.

10   (1) The core-instruction amount shall be an amount equal to a statewide, per-pupil core-

11 instruction amount as established by the department of elementary and secondary education,

12 derived from the average of northeast regional expenditure data for the states of Rhode Island,

13 Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics

14 (NCES) that will adequately fund the student instructional needs as described in the basic education

15 program and multiplied by the district average daily membership as defined in § 16-7-22.

16 Expenditure data in the following categories: instruction and support services for students,

17 instruction, general administration, school administration, and other support services from the

18 National Public Education Financial Survey, as published by NCES, and enrollment data from the

1   Common Core of Data, also published by NCES, will be used when determining the core-

2   instruction amount. The core-instruction amount will be updated annually. For the purpose of

3   calculating this formula, school districts' resident average daily membership shall exclude charter

4   school and state-operated school students.

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

6   determined by multiplying a student success factor of forty percent (40%) by the core instruction

7   per-pupil amount described in subdivision (a)(1) and applying that amount for each resident child

8   whose family income is at or below one hundred eighty-five percent (185%) of federal poverty

9   guidelines, hereinafter referred to as "poverty status." By October 1, 2022, as part of its budget

10   submission pursuant to § 35-3-4 relative to state fiscal year 2024 and thereafter, the department of

11   elementary and secondary education shall develop and utilize a poverty measure that in the

12   department's assessment most accurately serves as a proxy for the poverty status referenced in this

13   subsection and does not rely on the administration of school nutrition programs. The department

14   shall utilize this measure in calculations pursuant to this subsection related to the application of the

15   student success factor, in calculations pursuant to § 16-7.2-4 related to the calculation of the state

16   share ratio, and in the formulation of estimates pursuant to subsection (b) below. The department

17   may also include any recommendations which seek to mitigate any disruptions associated with the

18   implementation of this new poverty measure or improve the accuracy of its calculation. Beginning

19   with the FY 2024 calculation, students whose family income is at or below one hundred eighty-

20   five percent (185%) of federal poverty guidelines will be determined by participation in the

21   supplemental nutrition assistance program (SNAP). The number of students directly certified

22   through the department of human services shall be multiplied by a factor of 1.6.

23   (3) The amount to support school districts with students residing in housing taxed in

24   accordance with § 44-5-13.11, shall be determined by multiplying a housing factor of forty percent

25   (40%) by the core instruction per pupil amount described in § 16-7.2-3(a)(1), and applying that

26   amount to all resident children residing in housing taxed in accordance with § 44-5-13.11.

27   (b) The department of elementary and secondary education shall provide an estimate of the

28   foundation education aid cost as part of its budget submission pursuant to § 35-3-4. The estimate

29   shall include the most recent data available as well as an adjustment for average daily membership

30   growth or decline based on the prior year experience.

31   (c) In addition, the department shall report updated figures based on the average daily

32   membership as of October 1 by December 1.

33   (d) Local education agencies may set aside a portion of funds received under subsection

34   (a) to expand learning opportunities such as after school and summer programs, full-day

1 kindergarten and/or multiple pathway programs, provided that the basic education program and all

2 other approved programs required in law are funded.

3   (e) The department of elementary and secondary education shall promulgate such

4 regulations as are necessary to implement fully the purposes of this chapter.

5   (f)(1) By October 1, 2023, as part of its budget submission pursuant to § 35-3-4 relative to

6 state fiscal year 2025, the department of elementary and secondary education shall evaluate the

7 number of students by district who qualify as multilingual learner (MLL) students and MLL

8 students whose family income is at or below one hundred eighty-five percent (185%) of federal

9 poverty guidelines. The submission shall also include segmentation of these populations by levels

10 as dictated by the WIDA multilingual learner assessment tool used as an objective benchmark for

11 English proficiency. The department shall also prepare and produce expense data sourced from the

12 uniform chart of accounts to recommend funding levels required to support students at the various

13 levels of proficiency as determined by the WIDA assessment tool. Utilizing this information, the

14 department shall recommend a funding solution to meet the needs of multilingual learners; this may

15 include but not be limited to inclusion of MLL needs within the core foundation formula amount

16 through one or multiple weights to distinguish different students of need or through categorical

17 means.

18   (2) By October 1, 2024, as part of its budget submission pursuant to § 35-3-4 relative to

19 state fiscal year 2026, the department of elementary and secondary education shall develop

20 alternatives to identify students whose family income is at or below one hundred eighty-five percent

21 (185%) of federal poverty guidelines through participation in state-administered programs,

22 including, but not limited to, the supplemental nutrition assistance program (SNAP), and RIteCare

23 and other programs that include the collection of required supporting documentation. The

24 department may also include any recommendations that seek to mitigate any disruptions associated

25 with implementation of this new poverty measure or improve the accuracy of its calculation.

26   (3) The department shall also report with its annual budget request information regarding

27 local contributions to education aid and compliance with §§ 16-7-23 and 16-7-24. The report shall

28 also compare these local contributions to state foundation education aid by community. The

29 department shall also report compliance to each city or town school committee and city or town

30 council.

31 **16-7.2-4. Determination of state's share.**

32   (a) For each district, the state's share of the foundation education aid calculated pursuant

33 to § 16-7.2-3(a) shall use a calculation that considers a district's revenue-generating capacity and

34 concentration of high-need students. The calculation is the square root of the sum of the state share

1	ratio for the community calculation, pursuant to § 16-7-20, squared plus the percentage of students

2	residing in housing taxed in accordance with § 44-5-13.11 squared, plus the district's percentage

3	of students in grades PK-6 in poverty status squared, divided by two.

4	If this calculation results in a state share ratio that is less than the state share ratio for the

5	community calculated pursuant to § 16-7-20(a) and that district's poverty status percentage as

6	defined in § 16-7.2-3(a)(2) is greater than fifty percent (50%), the state share ratio shall be equal to

7	the state share ratio for the community calculated pursuant to § 16-7-20(a).

8	(b) For purposes of determining the state's share, school district student data used in this

9	calculation shall include charter school and state school students. These ratios are used in the

10	permanent foundation education aid formula calculation described in § 16-7.2-5.

11	(c) There shall be a poverty loss stabilization fund for districts that experience a decline in

12	the state share ratio calculated pursuant to subsection (a) of this section from the prior year of more

13	than 2.0 percent (2%). The amount shall be equal to fifty percent (50%) of the difference in the

14	amount of permanent foundation education aid received pursuant to § 16-7.2-3 received in the prior

15	year.

16	SECTION 2. This act shall take effect upon passage and shall apply to all school years

17	commencing on or after July 1, 2024.

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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 method for the calculation of the permanent foundation

2   education aid to school districts, and would make an adjustment based upon students residing in

3   qualified low-income housing.

4   This act would take effect upon passage and would apply to all school years commencing

5   on or after July 1, 2024.

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