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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - THE RHODE ISLAND
INFRASTRUCTURE AUTHORITY

Introduced By: Senators Pearson, Conley, Satchell, Ottiano, and Metts

Date Introduced: June 11, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapters:

3 CHAPTER 155

4 THE RHODE ISLAND INFRASTRUCTURE AUTHORITY ACT

5 **42-155-1. Short title.** -- This chapter shall be known and may be cited as "The Rhode
6 Island Infrastructure Authority Act."

7 **42-155-2. Definitions.** -- As used in this chapter, the following words and terms shall
8 have the following meanings:

9 (1) "Authority" means the Rhode Island infrastructure authority established pursuant to
10 the provisions of this chapter.

11 **42-155-3. Establishment of Rhode Island infrastructure authority -- Purpose.** -- (a)
12 There is hereby authorized, created, and established a public corporation of the state having a
13 distinct legal existence from the state and not constituting a department of state government to be
14 known as "the Rhode Island infrastructure authority" and which may be referred to in this chapter
15 as the "authority". The authority is constituted a public instrumentality exercising public and
16 essential governmental functions, and the exercise by the authority of the powers conferred by
17 this chapter shall be deemed and held to be the performance of an essential governmental
18 function of the state.

1 (b) It is the intent of the general assembly by the passage of this chapter to vest in the
2 authority all powers, authority, rights, privileges, and titles that may be necessary to enable it to
3 accomplish the purposes herein set forth, and this chapter and the powers herein granted shall be
4 liberally construed in conformity with those purposes.

5 (c) The authority is created, established, and incorporated for the purposes of managing
6 the state's school housing aid program and other state infrastructure programs through the
7 consolidation of existing state and quasi-public functions.

8 **42-155-4. General powers.** -- The authority shall have the following powers, together
9 with all powers incidental thereto or necessary for the performance of those stated in this chapter:

10 (1) To have perpetual succession.

11 (2) To sue and be sued, complain and defend, in its corporate name.

12 (3) To have a corporate seal which may be altered at its pleasure, and to use the seal by
13 causing it, or a facsimile of the seal, to be impressed or affixed or in any other manner
14 reproduced.

15 (4) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and
16 otherwise deal in and with, real or personal property, or any interest therein, wherever situated.

17 (5) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of
18 all or any part of its property and assets.

19 (6) To make and enter into all contracts, agreements, and guarantees and incur liabilities,
20 borrow money at those rates of interest that the authority may determine, issue its notes, and other
21 obligations, and secure any of its obligations by mortgage or pledge of all or any of its property,
22 and income, necessary or incidental to the performance of its duties and the execution of its
23 powers under this chapter.

24 (7) To conduct its business, carry on its operations, and have offices and exercise the
25 powers granted by this chapter.

26 (8) To elect or appoint officers and agents of the authority, and to define their duties,
27 including authority to employ attorneys, accountants, consultants and such other employees or
28 agents as the authority shall deem necessary in its judgment.

29 (9) To make and alter by-laws, not inconsistent with this chapter.

30 (10) To accept grants, donations, loans of funds, and contributions in money, services,
31 materials, or otherwise, from the United States or any of its agencies, from this state and its
32 agencies or from any other source, and to use or expend those moneys, services, materials, or
33 other contributions in carrying out the purposes of this chapter.

34 (11) To have and exercise all powers necessary or convenient to effect its purposes;

1 provided however, that the authority shall not have any power to create, empower or otherwise
2 establish any corporation, subsidiary corporation, corporate body, any form of partnership, or
3 other separate entity without the express approval and authorization of the general assembly.

4 **42-155-5. Appointment of members of the board of directors. --** (a) The authority
5 shall be governed by an executive board which shall consist of seven (7) members as follows:

6 (1) The general treasurer, who shall serve as chair;

7 (2) The director of the department of administration;

8 (3) The commissioner of elementary and secondary education; and

9 (4) Four (4) directors who shall be appointed by the governor from the general public,
10 with the advice and consent of the senate, each shall have expertise in educational facilities,
11 construction, real estate, or finance. Each of the directors appointed by the governor from the
12 general public shall serve a term pursuant to the provisions of §42-155-6. Provided, that a director
13 may be reappointed to his or her position for a total of three (3) consecutive terms.

14 (b) A board member shall not receive compensation for his or her service on the board
15 but may receive a per diem and reimbursement for travel and other necessary expenses, while
16 engaged in the performance of official duties of the board.

17 (c) There shall not be any liability in a private capacity on the part of the board or any
18 member of the board, or any officer or employee of the board, for or on account of any act
19 performed or obligation entered into in an official capacity, when done in good faith, without
20 intent to defraud, and in connection with the administration, management, or conduct of this title
21 or affairs related to this title.

22 **42-155-6. Members – Term of office -- Vacancies. --** (a) Two (2) of those new
23 members first appointed by the governor pursuant to § 42-155-5 shall serve initial terms of three
24 (3) years; one of those new members first appointed by the governor pursuant to § 42-155-5 shall
25 serve an initial term of two (2) years; and one of those new members, appointed by the governor
26 pursuant to § 42-155-5 shall serve an initial term of one year. Thereafter, all appointed members
27 of the board shall be appointed to serve for terms of three (3) years.

28 (b) The board members shall be eligible to succeed themselves.

29 (c) A vacancy other than by expiration shall be filled in the manner of the original
30 appointment but only for the unexpired portion of the term.

31 (d) Members of the board shall be removable by the governor pursuant to the provisions
32 of § 36-1-7 and for cause only, and removal solely for partisan or personal reasons unrelated to
33 capacity or fitness for the office shall be unlawful.

34 **42-155-7. Officers – Quorum and vote required for action – Executive director. --** (a)

1 The members shall select a vice chairperson from among its membership. A quorum shall consist
2 of four (4) members of the board. A majority vote of those present shall be required for action.

3 (b) The board shall hire an executive director to organize, administer, and manage the
4 operations of the authority. The executive director shall be exempt from civil service and shall
5 serve at the pleasure of the board. The executive director shall serve as secretary of the authority,
6 ex-officio with no voting power. Provided, that the executive director may be excused from board
7 meetings by the chair.

8 **42-155-8. Training requirements. --** The board shall conduct a training course for newly
9 appointed and qualified members within six (6) months of their qualification or designation. The
10 course shall be developed by the chair or the executive director of the authority. The board may
11 approve the use of any board and/or staff member and/or individuals to assist with training. The
12 training course shall include instruction in the following areas: the provisions of chapter 46 of
13 title 42, chapter 14 of title 36, and chapter 2 of title 38; and the board's rules and regulations. The
14 director of the department of administration shall, within ninety (90) days of the effective date of
15 this act, prepare and disseminate training materials relating to the provision of chapters 46 of title
16 42, chapter 14 of title 36, and chapter 2 of title 38.

17 **42-155-9. School housing aid program – Administered by health and education**
18 **building division. --** The authority shall have transferred to it those powers and duties in regard
19 to school housing aid formerly administered by the department of education, set forth in §§ 16-7-
20 35 through 16-7-47, inclusive. Such powers and duties of the school housing aid program shall be
21 administered by the authority through a division within the authority to be known as the Rhode
22 Island health and education building division.

23 **42-155-10. Rhode Island health and school building program – Administered by**
24 **health and education building division. --** The authority shall have transferred it those powers
25 and duties in regard to health facilities and the school housing aid formerly administered by the
26 Rhode Island health and educational building corporation act as set forth in chapter 38.1 of title
27 45 ("Health and Educational Building Corporation"). Such powers and duties shall be
28 administered by the authority through a division within the authority to be known as the Rhode
29 Island health and education building division.

30 **42-155-11. Rhode Island clean water finance agency program – Administered by**
31 **clean water finance division. --** The authority shall have transferred to it all powers and duties
32 formerly administered by the Rhode Island clean water finance agency as set forth in chapter 12.2
33 of title 46 ("Rhode Island Clean Water Finance Agency"). Such powers and duties shall be
34 administered by the authority through a division within the authority to be known as the Rhode

1 [Island clean water and transportation finance division.](#)

2 **42-155-12. Purchases.** -- [The authority shall be considered a public agency and subject](#)
3 [to the provisions of chapter 2 of title 37 \("State Purchases"\).](#)

4 **42-155-13. Rules and regulations – Continuation of school construction regulations.**

5 -- [The authority may adopt rules and regulations or any amendments to rules and regulations](#)
6 [according to the provisions of chapter 35 of title 42 \("Administrative Procedures"\). Provided, the](#)
7 [school construction regulations of the department of elementary and secondary education](#)
8 [applicable to the school housing program shall remain in full force and effect and shall be applied](#)
9 [and implemented by the authority to any school construction, unless and until such regulations](#)
10 [are amended by the authority.](#)

11 **42-155-14. Applicability of other laws.** -- [The authority shall be subject to the](#)
12 [provisions of chapter 2 of title 38 \("access to public records"\) and chapter 46 of title 42 \("open](#)
13 [meetings"\) and, in addition, the members of the board shall be subject to the provisions of chapter](#)
14 [14 of title 36 \("code of ethics"\).](#)

15 **42-155-15. Relation to other laws.** -- [Nothing in this chapter, and no action taken by the](#)
16 [authority pursuant to this chapter, shall be construed to preempt or supersede the authority of the](#)
17 [commissioner of elementary and secondary education.](#)

18 **42-155-16. Addition to existing aid.** -- [The provisions of this chapter shall be in addition](#)
19 [to any and all state aid for education, provided for in chapters 7, 7.1, and 7.2 of title 16, and in](#)
20 [any other general or special law.](#)

21 **42-155-17. Severability.** -- [The provisions of this chapter are severable, and if any](#)
22 [provision hereof shall be held invalid in any circumstances, any invalidity shall not affect any](#)
23 [other provisions or circumstances. This chapter shall be construed in all respects so as to meet](#)
24 [any constitutional requirements. In carrying out the purposes and provisions of this chapter, all](#)
25 [steps shall be taken which are necessary to meet constitutional requirements.](#)

26 CHAPTER 156

27 SCHOOL BUILDING MODERNIZATION AND RECONSTRUCTION TRUST FUND ACT

28 **42-156-1. Short title.** -- [This chapter shall be known and may be cited as the "School](#)
29 [Building Modernization and Trust Fund Act".](#)

30 **42-156-2. Definitions.** -- [As used in this chapter, the following words shall, unless the](#)
31 [context requires otherwise, have the following meanings:](#)

32 [\(1\) "Authority" means the Rhode Island infrastructure authority, established pursuant to](#)
33 [chapter 155 of this title \("The Rhode Island Infrastructure Authority Act"\).](#)

34 [\(2\) "Dedicated sales tax revenue amount" means all monies received by the state equal to](#)

1 one percentage point of the rate of the following state sales taxes set forth in chapter 18 of title 44
2 ("Sales and Use Taxes – Liability and Computation"): (i) Sales tax pursuant to § 44-18-18; and
3 (ii) Use taxes pursuant to § 44-18-30. Dedicated sales tax revenue shall only be used to fund the
4 school housing aid program previously administered through the Rhode Island department of
5 education and transferred pursuant to the provisions of chapter 155 of this title.

6 (3) "Program" means the Rhode Island school building assistance program established
7 pursuant to chapter 157 of this title ("School Building Assistance Program Act").

8 (4) "Receipts from sales" means gross receipts from nonexempt sales, less amounts
9 abated or reimbursed.

10 (5) "Sales price of purchases" means sales price of nonexempt purchases, less amounts
11 abated or reimbursed.

12 **42-156-3. School modernization and reconstruction trust fund established. -- (a)**

13 There is hereby established a separate fund, to be known as the school modernization and
14 reconstruction trust fund, to be administered by the authority. There shall be credited to the fund
15 the dedicated sales tax revenue amounts as defined in this chapter, provided that said dedicated
16 sales tax revenue amounts shall be used solely to fund the school housing aid program including
17 administration costs. Annual receipts into the fund on account of any fiscal year shall be
18 considered to meet the full obligation of the state to the authority for such fiscal year.

19 (b) The authority shall certify annually to the treasurer as trustee with copies provided to
20 the president of the senate, speaker of the house, and to the finance committees of the senate and
21 the house that it has made provision in its annual budget and the Rhode Island capital plan fund
22 pursuant to the provision of title 35 for sufficient amounts to be made available to meet debt
23 service payments or other payments due under financing obligations, including, without
24 limitation, leases or grant obligations.

25 **42-156-4. Utilization of trust with nonprofit entities. – (a) The authority shall utilize,**

26 promote, and implement the trust as a mechanism to encourage opportunities for non-profit
27 entities and foundations to contribute to school construction projects. The trust shall be operated
28 and maintained so as to qualify for the receipt of grants, funds, services, aid, and other
29 contributions from nonprofit and not-for-profit entities and foundations.

30 (b) To promote use of the trust, the authority may grant up to ten (10) percentage bonus
31 points on state reimbursement of school housing aid projects where at least ten percent (10%) of
32 the total project costs are funded by nonprofit and not-for-profit entities and foundations, through
33 the trust.

34 CHAPTER 157

1 SCHOOL BUILDING ASSISTANCE PROGRAM ACT

2 42-157-1. Short title. -- This chapter shall be known and may be cited as the "School
3 Building Assistance Program Act".

4 42-157-2. School building assistance program established. – (a) The costs of the
5 school buildings are increasing at an unsustainable rate. Local governments need flexibility in
6 school building assistance to ensure that local needs for school facility space, downtown
7 development, open space and community space are met. Statewide, thoughtful planning and
8 construction of school facility space is needed in order to insure safe and adequate plant facilities
9 for the public schools. To assist towns in meeting the cost thereof, there is hereby established a
10 school building assistance program.

11 42-157-3. Definitions. -- For the purposes of this chapter, the following words shall have
12 the following meanings:

13 (1) "Additional revenues" means any moneys that are not defined as the dedicated sales
14 tax revenue amount that are appropriated, gifted, granted, pledged, or otherwise made available to
15 the authority by the state, any local governmental entity, the federal government, not-for-profit
16 organizations, for-profit organizations, or private individuals.

17 (3) "Alternatives to construction" means approved school facilities projects that do not
18 include capital construction, major reconstruction or building renovation, but no alternative
19 project shall be reimbursed if it is determined by the authority to be more costly than construction
20 necessary to achieve the same end.

21 (4) "Approved school project" means a project which has complied with the
22 administrative regulations governing §§ 16-7-35 through 16-7-47, and which has been authorized
23 to receive state school housing reimbursement by the authority.

24 (5) "Assisted facility" means a school facility that has received a total facilities grant
25 pursuant to this chapter.

26 (6) "Authority" means the Rhode Island infrastructure authority.

27 (7) "Capital construction project" means any capital project, other than a major
28 reconstruction project, for the construction, the enlargement or original equipping of any public
29 schoolhouse in any city or town, or a project for the renovation or partial renovation of an
30 existing structure for use as a schoolhouse; or the renovation or partial renovation of an existing
31 schoolhouse.

32 (8) "Construction manager" means a construction manager at risk as defined in § 37-2-7.

33 (9) "Dedicated sales tax revenue amount" means all monies received by the state equal to
34 one percentage point of the rate of the following state sales taxes set forth in chapter 18 of title 44

1 ("Sales and Use Taxes – Liability and Computation"): (i) Sales tax pursuant to § 44-18-18; and
2 (ii) Use taxes pursuant to § 44-18-30. Dedicated sales tax revenue shall only be used to fund the
3 school housing aid program and associated administrative costs previously administered through
4 the Rhode Island department of education and transferred pursuant to the provisions of chapter
5 155 of this title.

6 (10) "Department of education" means the Rhode Island department of elementary and
7 secondary education.

8 (11) "Education building division" means the Rhode Island health and education building
9 division of the Rhode Island infrastructure authority established pursuant to the provisions of
10 chapter 155 of this title ("The Rhode Island Infrastructure Authority Act").

11 (12) "Eligible applicant" means a city, town, regional school district or independent
12 charter school or mayoral academy charter school in the state of Rhode Island who otherwise
13 meets the criteria for school building and construction and housing aid assistance from the
14 authority.

15 (13) "Energy efficient construction rating" means a rating given to eligible applicants by
16 the authority based upon a determination that the construction techniques of an approved school
17 project meet or exceed energy efficiency standards established by the National Institute of
18 Standards and Technology.

19 (14) "Innovative community use" means approved school facilities projects that combine
20 community resources to streamline the costs of and utilize other funding sources for the facilities
21 project.

22 (15) "Maintenance rating" means rating given to schools and school districts by the
23 authority, based on a maintenance assessment conducted by the authority.

24 (16) "Major reconstruction project" means any capital school facilities or extraordinary
25 maintenance project including, but not limited to, the retrofitting of a school for the purpose of
26 providing wireless or other learning technologies, the replacement of a roof or heating plant if it
27 is determined by the board that such project has not been necessitated, in whole or in part, by the
28 failure of an eligible applicant to make adequate and prudent provisions for the care and
29 maintenance of said school.

30 (17) "Non-state fundraising" means third-party monies made available to the eligible
31 applicant for approved school facilities projects including, but not limited to, private donations
32 and federal grants.

33 (18) "Project manager" means a person designated or assigned by an eligible applicant,
34 and approved by the authority, to manage and coordinate daily administration of a school facility

1 or building project to completion including, but not limited to, school district or municipal staff
2 person or a volunteer with appropriate experience and expertise.

3 (19) "Program" or "school building assistance program" means the Rhode Island school
4 building assistance program established pursuant to the provisions of this chapter.

5 (20) "Prototypical school plans" means school building project architectural designs and
6 plans collected and maintained by the authority for consultation by eligible applicants.

7 (21) "Regional school" means any public school established under law by the action of
8 two or more cities or towns, including but not limited to regional schools established pursuant to
9 chapter 3 of title 16.

10 (22) "Regional school district" means any instrumentality of the state, established by two
11 or more cities and towns for the purpose of operating a regional school district, including but not
12 limited to regional schools or regional school districts established pursuant to chapter 3 of title 16.

13 (23) "School project" means any capital construction or major reconstruction projects; the
14 lease of buildings or modular facilities; arrangements with higher education facilities or other
15 nonprofit or municipal entities; use of swing space between school buildings in the district;
16 tuition arrangements with other school districts to prevent overcrowding; and other school
17 facilities projects. The cost of tuition arrangements in existence prior to project application shall
18 not be eligible for reimbursement as an approved school project.

19 (24) "Total facilities grant" means the total grant with respect to an approved school
20 project and which is calculated as follows: In the case of a grant for an approved project of a city
21 or town, the total facilities grant shall be the product of multiplying the final approved costs of
22 such project, including all costs, by the reimbursement percentage determined at a figure
23 established by the authority for the year in which the project is approved.

24 (25) "Trust" means the Rhode Island school building modernization and reconstruction
25 trust fund established pursuant to chapter 156 of this title.

26 **42-157-4. Purpose of program – Establishment of policies and review standards. --**

27 (a) The purpose of the school building assistance program is to encourage and foster the
28 thoughtful establishment and maintenance of school facility space in and among the cities and
29 towns of the state; to conduct surveys and studies relative thereto; and to administer the
30 provisions of this chapter relative to grants and loans to cities and towns for the planning and
31 construction of school building and school facility projects.

32 (b) In addition, the purposes of the program shall be the provision of financial assistance
33 to cities, towns and regional school districts as beneficiaries of the trust to finance and refinance
34 the costs of approved school projects as provided in, and as necessary to implement, this chapter,

1 including without limitation providing for the payment of grants approved pursuant to this
2 chapter and the payment of all costs of the authority as to school housing program costs only,
3 including professional and financial services incident to the conduct of its operations.

4 (c) The authority shall establish general policy and review standards regarding school
5 building construction, renovation, maintenance and facility space and administer the school
6 building assistance program in accordance with this chapter. In carrying out its duties, the
7 authority shall be guided by the following principles: preservation of open space and
8 minimization of loss of such open space, emphasis on thoughtful community development, and
9 project flexibility that addresses the needs of individual communities and municipalities while
10 ensuring statewide efficiency. In accordance with the terms of any bond resolution, trust or
11 security agreement or credit enhancement agreement, surety bond or insurance policy related to
12 indebtedness incurred by the authority secured by amounts provided to the trust, the holders of
13 indebtedness and the providers of any credit enhancement, surety bond or insurance policy shall
14 also be beneficiaries of the trust. The authority shall apply and disburse moneys and revenues of
15 the trust without further appropriation or allotment. Provided, only the authority shall have the
16 ability to issue bonds and security agreements, and no bonds or security agreements shall be
17 executed by any division of the authority.

18 (d) The authority shall establish general policy and review standards regarding school
19 building construction, renovation, maintenance and facility space, administer the school building
20 assistance program in accordance with this chapter and coordinate the distribution of school
21 facilities grants in accordance with this chapter. The board shall be responsible for the oversight
22 and management of the school building assistance program as established herein and referred to
23 hereafter as the "program". In carrying out its duties, the authority shall be guided by the
24 following principles: preservation of open space and minimization of loss of such open space;
25 emphasis on thoughtful community development; and project flexibility that addresses the needs
26 of individual communities and municipalities while ensuring statewide efficiency.

27 **42-157-5. Specific powers of the authority in administering the program. -- (a)**
28 Specific powers of the authority in regard to administering the program shall include, but not be
29 limited to, the following:

30 (1) Review, approve or deny grant applications, waivers and other requests submitted to
31 the program; review, approve and recommend changes to grant payment schedules or suspend
32 said schedules for program projects such as refinancing, audit findings and such other
33 circumstances that may warrant such action;

34 (2) Provide architectural or other technical advice and assistance, training and education,

1 to cities and towns or to joint committees thereof and to general contractors, subcontractors,
2 construction or project managers, designers and others in the planning, maintenance and
3 establishment of school facility space;

4 (3) Recommend to the general assembly such legislation as it may deem desirable or
5 necessary to further the purposes of this chapter;

6 (4) Develop a formal enrollment projection model or consider using projection models
7 already available;

8 (5) Apply for, receive, administer and comply with the conditions and requirements
9 respecting any grant, gift or appropriation of property, services or moneys;

10 (7) Develop a project priority system;

11 (8) Collect and maintain a clearinghouse of prototypical school plans which may be
12 consulted by eligible applicants;

13 (9) Determine eligibility of cost components of projects for reimbursement, including
14 partial or full eligibility for project components for which the benefit is shared between the school
15 and other municipal entities;

16 (10) Establish appropriate rules and regulations as may be necessary to carry out the
17 purposes of this chapter;

18 (11) Prepare an annual budget for the administration of the program based on five (5)
19 year capital plans submitted by districts;

20 (12) Collect and maintain data on all the public school facilities in the state, including
21 information on size, usage, enrollment, available facility space and maintenance;

22 (13) Advise districts on the conduct of a needs survey to ascertain the capital
23 construction, reconstruction, maintenance and other capital needs for schools in each district of
24 the state;

25 (14) Develop a long term capital plan in accordance with needs and projected funding;

26 (15) Establish and maintain financial reserves to support the school building program
27 and to sustain steady growth and improvements as needed to address changes in the needs of the
28 state's student populations;

29 (18) Disburse amounts due to cities, towns and regional school districts under grants
30 approved by the authority to finance or refinance costs of approved school projects and, in
31 conjunction therewith, finance or refinance the local share of costs of these projects, through the
32 purchase of bonds, notes or other evidences of local indebtedness, at the rates and on the terms
33 that the authority may in its discretion determine, and provide for the payment of all costs of the
34 authority, including professional and financial services incident to the conduct of its operations;

1 (19) Invest the funds of the trust in such investments as may be legal investments for
2 funds of the state or any fiduciary in the state;

3 (20) Obtain insurance and enter into agreements of indemnification necessary or
4 convenient to the exercise of the powers of the trust;

5 (21) To sue and be sued and to prosecute and defend actions relating to the affairs of the
6 trust; but the trust shall not be authorized to become a debtor under the United States Bankruptcy
7 Code;

8 (22) To engage accounting, management, legal, financial, consulting and other
9 professional services necessary to the operations of the trust;

10 (23) Design, promulgate, and administer the programs available to efficiently provide
11 finance resources to eligible applicants to carry out the goals of the authority; and

12 (24) To do all things necessary or convenient to carry out the purposes of this chapter.

13 **42-157-6. Obligations and commitments of authority.** -- (a) The authority shall not be
14 obligated to make any expenditures for any commitments, improvements, repairs, renovations,
15 capital construction projects, major reconstruction projects, capital improvements required under
16 the Americans With Disabilities Act, new construction, other improvements, major repairs or
17 renovations, any other projects to conform to federal statutory mandates, or projects specifically
18 authorized or mandated for which the necessary additional revenues to complete these
19 commitments, improvements, repairs, renovations, capital construction projects, major
20 reconstruction projects, capital improvements required under the Americans With Disabilities
21 Act, new construction, other improvements, major repairs or renovations, or any other projects to
22 conform to federal statutory mandates, have not been made available to the authority by the state.

23 (b) Any commitments, improvements, repairs, renovations, capital construction projects,
24 major reconstruction projects, capital improvements required under the Americans With
25 Disabilities Act, new construction, other improvements, major repairs or renovations, any other
26 projects to conform to federal statutory mandates, or projects specifically authorized or mandated
27 for which the necessary additional revenues to complete these commitments, improvements,
28 repairs, renovations, capital construction projects, major reconstruction projects, capital
29 improvements required under the Americans With Disabilities Act, new construction, other
30 improvements, major repairs or renovations, or any other projects to conform to federal statutory
31 mandates, so authorized or mandated and for which additional revenues have been made available
32 shall be subject to the rules, laws and regulations of the authority.

33 **42-157-7. Records and reporting requirements.** -- (a) The authority, in cooperation
34 with the state general treasurer, shall at all times keep accounts of all receipts, expenditures and

1 disbursements and all assets and liabilities of the authority, which shall be open to inspection by
2 any officer or duly appointed agent of the state.

3 (b) Commencing in calendar year 2015, on or before the third Thursday in January of
4 each year, the authority shall submit an annual report, in writing, to the governor, the president of
5 the senate, the speaker of the house of representatives, and the chairpersons of the house and
6 senate finance committees and the chairpersons of the house committee on health, education and
7 welfare, and the senate education committee. The report shall include financial statements
8 relating to the operations, assets and expenditures of the authority maintained in accordance with
9 generally accepted accounting principles so far as applicable and audited by an independent
10 certified public accountant firm, as well as cost analysis by fiscal year, and separate cost options
11 for the facility upgrades needed to implement statewide full day kindergarten and full-day pre-
12 kindergarten.

13 **42-157-8. Deductions.** -- Aid shall be paid either to the community or in the case of
14 projects financed through the Rhode Island infrastructure authority, to the authority or its
15 designee including, but not limited to, a trustee under a bond indenture or loan and trust
16 agreement, in support of bonds issued for specific projects of the local community in accordance
17 with §§ 16-7-40 and 16-7-44. Notwithstanding the preceding, in case of failure of any city, town,
18 or district to pay the amount due in support of bonds issued on behalf of a city, town, or district
19 project financed by the authority, upon notification by the authority, the general treasurer shall
20 deduct the amount from aid provided under §§ 16-7-40 and 16-7-44, and §§ 16-7-15 through 16-
21 7-34.3 due the city, town, or district and direct said funding to the authority or its designee.

22 **42-157-9. School facilities grant applications.** -- (a) An eligible applicant may submit to
23 the authority a statement of interest which shall be approved by a vote of the applicable local
24 governing body or bodies as set forth and in a form prescribed by the authority, and which shall
25 state what the eligible applicant believes are the deficiencies in said eligible applicant's respective
26 school facilities that meet one or more of the statutory priorities set forth in this chapter or in such
27 additional regulations as the authority may promulgate. Said statement of interest shall be
28 accompanied by such additional forms, documents, and information as the authority shall deem
29 necessary to review the statement. The submission for a statement of interest shall not commit the
30 authority to accept any further application materials, approve an application, or provide a grant or
31 any other type of funding, or place any other obligation or requirement upon the authority. The
32 authority shall notify an eligible applicant if the authority determines that the statement of interest
33 has not met the criteria established in this chapter.

34 (b) If the authority determines that the statement of interest and associated material merits

1 further consideration, the authority may, in its discretion, invite the eligible applicant to apply to
2 the authority for a school facilities grant to meet in part the cost of a school project; but, a city,
3 town, regional school district or independent agricultural and technical school shall not have an
4 entitlement to funds under this chapter except at the discretion of the authority in accordance with
5 this chapter. Application shall mean a series of documents, forms, letters, statements,
6 certifications, plans, studies, drawings, and other data and information required by the authority
7 to be submitted within the deadlines and in the format prescribed by the authority and shall be
8 accompanied or supplemented by drawings, plans, estimates of cost and proposals for defraying
9 the costs or any additional information the authority may require, before construction is
10 undertaken. The authority shall promulgate regulations establishing the procedural steps by which
11 applications must be made and reviewed, and may at any time during the application process
12 determine that the application does not warrant further consideration, pursuant to the priority
13 criteria established in this chapter, and by the authority's regulations.

14 (c) In the event that an eligible applicant undertakes construction before approval is
15 obtained, the eligible applicant shall remain subject to the authority's approval process as if the
16 construction were not undertaken. An eligible applicant who is eligible for aid under this chapter
17 and establishes extended courses of instruction in career and technical education or vocational
18 technical education, consistent with the provisions of chapters 45 and 53 of title 16, and wishes to
19 enlarge or construct a school for the purpose of maintaining extended courses of instruction on a
20 technical institute level shall be eligible to apply for financial assistance in the construction or
21 enlargement of such school in the manner and to the extent provided by this chapter. If the
22 authority invites an eligible applicant to apply, but is unable to approve the application due solely
23 to the limit on total facilities grants established by § 42-157-11, at the request of the eligible
24 applicant, the application shall be retained by the authority for one year and reviewed in the year
25 immediately following the year of the application; provided that in said review, the project shall
26 be ranked and evaluated using the priorities established by this chapter and if the application is
27 not approved by the authority during the review, the applicant shall be required to submit a new
28 application; provided, further, that the authority shall require a new application from an applicant
29 seeking to make a substantial change in scope of the project which is the subject of the
30 application subsequent to disapproval by the authority.

31 **42-157-10. Examination of application by authority. -- Notice of approval or**
32 **rejection. -- (a) Upon receipt of an application under the provisions of this section, from time to**
33 **time, the authority may designate approved school projects. The authority shall examine forthwith**
34 **the applications and any facts, estimates, or other information relative thereto, and shall make the**

1 following findings in order to designate a school project as an approved school project:

2 (1) The school project is in the best interests of the state and the eligible applicant, with
3 respect to its site, type of construction, sufficiency of accommodations, open space preservation,
4 urban development, urban sprawl, energy efficiency, and otherwise.

5 (2) The school project is necessary to meet educational standards of the curriculum
6 frameworks established by the board of education for anticipated enrollment levels.

7 (3) The school project has a value over its useful life commensurate with the lifecycle
8 cost of building, operating, and maintaining the project.

9 (4) The school project is not at a school that has been the site of an approved school
10 project pursuant to this chapter within the ten (10) years prior to the project application date, or
11 the approved school project is unrelated to such previously approved project in the same school.

12 (5) The school project is within the capacity of the authority to finance within revenues
13 projected to be available to the trust.

14 (6) The commissioner of education has certified that adequate provisions have been made
15 in the school project for children with disabilities, and, in the case of elementary facilities, that
16 adequate provisions consistent with local policy have been made for all-day kindergarten, pre-
17 kindergarten classes and for extended day programs; provided, however, that no district shall be
18 required to adopt the classes or programs. The authority shall also consider the availability of
19 funds projected in the trust and other financial obligations of the authority, the authority's long
20 term capital plan, the results of needs surveys, the order of priorities under § 42-157-13 and
21 construction procedures and standards under § 42-157-14 and otherwise as prescribed by law and
22 regulation. With respect to a regional school district, district charter school, independent charter
23 school, or mayoral academy, the authority shall also consider whether the school project
24 represents an economy of scale that benefits the state and the municipalities of the region.

25 (b) Within a reasonable time after receipt of the application the authority shall notify the
26 applicant of its approval or rejection thereof, and, in the event of its rejection, of the reasons
27 therefore. Notice of approval hereunder shall be accompanied by a statement of the estimated
28 approved cost as determined by the authority, and an estimate of the amount of total facilities
29 grant to which the eligible applicant may be entitled under § 42-157-14.

30 (c) If the authority designates a school project to be an approved school project, the
31 authority shall compute the estimated approved cost of the project, which cost may be equal to
32 the estimated cost furnished by the eligible applicant or a lesser amount, and compute the amount
33 estimated of facilities grant to which the eligible applicant would be entitled. The final approved
34 cost shall be determined by the authority within a reasonable time after the acceptance of the

1 completed project by the local school committee. Final audits shall be conducted promptly by the
2 authority. Final payments shall be determined based on the final approved cost.

3 (d) Any city, town or regional school district which has received, in accordance with
4 subsections (b) and (c) of this section, notice of approval and an estimate of the amount of a
5 school facilities grant, may borrow from time to time to finance that portion of the cost of the
6 approved school project not being paid by such grant, in such amount approved by the board of
7 selectmen, mayor or city or town manager of the city or town, or the regional district school
8 committee of the regional school district, and may issue bonds or notes therefore which shall bear
9 on their face the words the name of city, town or regional school district, and the language
10 "School Project Loan pursuant to Rhode Island General Laws chapter 157 of title 42". Each
11 authorized issue shall constitute a separate loan, and the loans shall be paid in not more than
12 twenty-five (25) years from their dates. Any city, town or regional school district which has
13 received, in accordance with subsections (b) and (c) of this section, notice of approval and an
14 estimate of the amount of a school facilities grant may issue and renew temporary notes. The
15 authority shall issue regulations relative to issuance of temporary notes for school construction.
16 Indebtedness incurred under this chapter shall be outside the statutory debt limit.

17 (e) A city, town or regional school district may borrow for a term of not more than five
18 (5) years for the cost of such feasibility studies as may be required to apply for a school facilities
19 grant under this chapter.

20 **42-157-11. Limitation on grants of the authority. --** There shall be a limit on the
21 estimated amount of grants approved by the authority to be no greater than the amounts in the
22 trust fund. The priority list determined in 42-157-12 shall rank order projects for funding.
23 However, the authority shall ensure that each community be proportionately represented in fifty
24 percent (50%) of the available funding. The authority shall promulgate rules and regulations to
25 this regard.

26 **42-157-12. Order of priorities for approval of school projects and reimbursements –**
27 **Deferral of approval or disapproval of project applications. --** (a) The authority shall approve
28 school projects and reimbursements under this chapter in accordance with the following order of
29 priorities:

30 (1) Priority shall be given to school projects needed in the judgment of said board to
31 replace or renovate a building which is structurally unsound or otherwise in a condition seriously
32 jeopardizing the health and safety of school children, where no alternative exists;

33 (2) Priority shall be given to school projects to eliminate existing severe overcrowding;

34 (3) Priority shall be given to school projects needed in the judgment of said authority to

1 prevent loss of accreditation;

2 (4) Priority shall be given to school projects needed in the judgment of said authority to
3 prevent severe overcrowding expected to result from increased involuntarily enrollments which
4 must be substantiated;

5 (5) Priority shall be given to projects needed in the judgment of said authority for the
6 replacement, renovation or modernization of the heating system in any schoolhouse to increase
7 energy conservation and decrease energy related costs in said schoolhouse;

8 (6) Priority shall be given to any school project needed in the judgment of said authority
9 for short term enrollment growth;

10 (7) Priority shall be given to school projects needed in the judgment of said authority to
11 replace or add to obsolete buildings in order to provide for a full range of programs consistent
12 with state and approved local requirements; and

13 (8) Priority shall be given to mandatory instructional programs.

14 (b) The authority shall maintain a current list of all such school projects and the priority
15 given them.

16 **42-157-13. Cost-effective production of efficient and creative school projects –**

17 **Standards and procedures -- Regulations. --** (a) In order to maximize the cost effective
18 production of efficient and creative school projects, the authority shall require that every school
19 project conform to standards and procedures as the authority considers appropriate, including, but
20 not limited to, the following:

21 (1) That the applicant fully consider all available options for satisfying the described
22 need, including tuition agreements with adjacent school districts, rental or acquisition and any
23 necessary rehabilitation or usage modification of any existing building which could be made
24 available for school use;

25 (2) That the applicant's site selection is based on the cost and environmental factors,
26 including an awareness of soil conditions and their probable effect on foundation and site
27 development costs, transportation effects, dislocation of site occupants and relationship to other
28 community facilities;

29 (3) That the applicant enter into contracts, using forms satisfactory to the authority for
30 such competent architectural, engineering and other services as may be required; and

31 (4) That procedures satisfactory to the board are followed by the applicant throughout the
32 planning and construction of the project such as will assure maximum attention to the operating
33 and capital cost effects of program and design decisions, materials and systems selections.

34 (b) The authority shall issue annually, as hereinafter provided, maximum eligible cost

1 standards and size standards for school projects. These standards may take into account the type
2 and location of a proposed school project and may also take into account the difficulty of siting
3 school facilities in dense urban areas in which there exists a shortage of available municipally-
4 owned sites and the increased cost of construction and major renovation in such urban areas. The
5 program standards shall define prototype school design and space recommendations for each
6 specified program activity eligible for state financial assistance. The program standards shall, in
7 the judgment of the authority, be in conformity with the minimum requirements of state law and
8 shall also reflect consideration of cost effects, prevailing educational standards in the state and the
9 needs of efficient and creative school projects. The cost standards shall be based on the price
10 experience of recently completed and recently bid school projects, taking into account the cost
11 effectiveness of design, construction and programming techniques utilized in such school
12 projects. For the purpose of calculating the total construction grant under this chapter, the
13 estimated approved cost and the final approved cost for a school project shall not exceed the cost
14 that would result if the project conformed to prototype school standards. The provisions of this
15 section shall not be deemed to preclude an eligible applicant from exceeding prototype school
16 standard; provided, however, the cost of such additional facilities and design shall not be included
17 in the estimated cost and final approved cost on the basis of which the state construction grant is
18 calculated.

19 **42-157-14. Formula established – Incentive percentage points. --** (a) The authority
20 shall by regulation develop and implement a formula for borrowing and issuing loans and grants
21 under the provisions of this chapter. Such formula may be amended in different fiscal years by
22 the authority, so long as the amended formula is published prior to any fiscal year in which the
23 formula is to take effect.

24 (b) In implementing such a formula, the authority may incorporate the incentive share
25 ratio also known as the school housing aid ratio calculation set forth in § 16-7-39. Incentive
26 percentage points granted, if any, shall be in the sole discretion of the authority. The authority
27 may issue regulations delineating the type and amounts of any such incentive percentage points;
28 provided, however, that no individual category of incentive points shall exceed five (5) additional
29 points; and provided further, that no district shall receive more than fifteen (15) incentive
30 percentage points. Such incentive points may be awarded for a district's use of efficient
31 construction delivery methods; regionalization with other districts; superior maintenance
32 practices of a district; energy efficient and sustainable design and construction; major renovation
33 rather than building new construction; the use of model schools as adopted by the authority; and
34 other incentives as determined by the board of the authority in order to encourage the most cost-

1 effective and quality construction. Likewise, the authority shall have the authority to issue penalty
2 points.

3 **42-157-15. Approved alternative projects – Allowable costs.** -- For approved projects
4 that are an alternative to construction or renovation, the authority shall establish eligible cost
5 criteria consistent with the provisions of §§ 16-7-44 and 16-7-44.1, and on a case by case basis,
6 shall determine the allowable cost of the project. Eligible costs may include but shall not be
7 limited to furnishings and equipment, lease costs, rental fees, tuition costs and transportation
8 costs. In no event shall an alternative project be reimbursed if it is determined by the authority to
9 be more costly than construction necessary to achieve the same end.

10 **42-157-16. Closing schools.** – (a) A district must notify the authority in writing six (6)
11 months prior to the sale, lease, demolition, or other removal from service of any school facility in
12 the district's jurisdiction. The notification must include the district's plan for accommodating any
13 displaced school programs or services and a plan for accommodating district students within
14 remaining school buildings as a result of this sale, lease, or removal from service.

15 (b) Where a building that has received school construction payments from the authority
16 for a building that has not remained in service for fifty (50) years, the authority may recapture, at
17 its discretion, a portion of the housing aid reimbursement.

18 (c) In the event of a proposed closure, a district shall inform neighboring districts of the
19 proposed action in the event that the second district may wish to acquire the building for its own
20 use.

21 **42-157-17. Assessment program for school buildings.** – (a) The assessment program
22 shall be used to help local school districts create and annually update detailed, five (5) year
23 capital plans. The plans shall include a complete list of facility upgrades and annual cost
24 estimates. The details of the plan shall be provided in a manner consistent with construction
25 industry professional best practices and contain detail by building system, including, but not
26 limited to, mechanical systems: heating, ventilation, and air conditioning (HVAC), electrical
27 systems, plumbing systems, building envelope, and fire alarm and suppression. A summary of the
28 assessment, including lifespans, replacement schedules, and cost, shall be provided to the senate
29 president, the speaker of the house, the chair of the senate finance committee, the chair of the
30 house finance committee, the senate fiscal advisor, and the house fiscal advisor on or before the
31 third Thursday in January in each year, and shall include a detailed cost analysis by fiscal year,
32 and separate options for the facility upgrades needed to implement statewide full-day
33 kindergarten and full-day pre-kindergarten.

34 (b) The distribution of available funds shall be prorated the funds among those eligible

1 school districts if the total approved costs for which school districts are seeking reimbursement
2 exceed the amount of funding appropriated in any fiscal year based on the relative average daily
3 membership of each district as defined in § 16-7-22.

4 **42-157-18. Annual report. -- Anticipated needs for school facilities projects. --** (a)
5 Commencing in 2015, on or before June 30 of each year, the authority shall submit a report to the
6 governor, speaker of the house and the president of the senate, the house and senate finance
7 committees, the senate education committee, the house committee on health, education, and
8 welfare which analyzes the anticipated financial needs for school facilities projects of the kind
9 that qualify for assistance under this chapter. The report shall include a listing of each school
10 building within the state, together with a description of its size, capacity, age and state of
11 maintenance and whether it is likely to require construction, enlargement, reconstruction,
12 rehabilitation or improvement due to such factors as deterioration, lack of adequate facilities to
13 meet educational standards and anticipated increases in school- age population.

14 (b) The authority shall include in its report a list of the projects which it intends to fund,
15 in any manner, in the order in which said projects are expected to be funded, and the anticipated
16 date of such funding.

17 (c) The authority shall develop a long-term capital plan in accordance with needs and
18 funding projected to be available in the trust under this chapter for purposes of planning and
19 guiding the policies of the authority.

20 (d) The capital plans and reports of the authority shall not give rise to any claim, legal or
21 moral, or enforceable right in any party to benefits or funds from the trust or from other sources.

22 **42-157-19. Notification of actual interest rate for bond issuance. --** Municipalities and
23 school districts shall notify the authority no later than fourteen (14) days before refinancing any
24 bond for which the municipality or district will receive state reimbursement under an authority
25 other than this chapter.

26 **42-157-20. Transfer of powers from department of education and Rhode Island**
27 **health and educational building corporation. --** (a) As of July 1, 2015, the Rhode Island
28 infrastructure authority shall succeed to all powers previously granted to the board of education
29 and the department of education with respect to school building projects and the school housing
30 aid program as described in chapter 7 of title 16, including, but not limited to, the functions
31 administered through the office of statewide elementary and secondary education. The authority
32 shall assume all authority, powers and duties as the department of education had as to all projects
33 being undertaken as of that date. As soon as practicable following July 1, 2015, the commissioner
34 of education shall transfer to the authority all records and documents which immediately before

1 that date are in the custody of the board of education or the department of education and which
2 relate to or are maintained for the purpose of the school building assistance program.

3 (b) As of July 1, 2015, the Rhode Island infrastructure authority shall succeed to all
4 powers previously granted to the Rhode Island health and educational building corporation and
5 the authority shall assume all authority, powers and duties as the health and educational building
6 corporation had as to all projects being undertaken as of that date. As soon as practicable
7 following July 1, 2015, the corporation shall transfer to the authority all records and documents
8 which immediately before that date are in the custody of the board of education or the department
9 of education and which relate to or are maintained for the purpose of the school building
10 assistance program.

11 (c) Grants for the authority's share of approved costs of projects pursuant to this chapter
12 shall be payable by the Rhode Island infrastructure authority rather than by legislative
13 appropriations.

14 (d) For projects which, before July 1, 2015, were approved by the board of education and
15 for projects on the list submitted under § 42-157-18, with respect to which bonds or long-term
16 indebtedness shall have been issued before July 1, 2015, the final approved cost of the project
17 shall include, only to the extent eligible for reimbursement and allowed by the department of
18 education and board of education:

19 (i) The eligible interest payable on the authority's share of bonds or long-term
20 indebtedness issued to finance the project,

21 (ii) The eligible interest payable on the authority's share of temporary notes issued to
22 finance the project on or after July 1, 2015 but before receipt of any funding from the authority,
23 and

24 (iii) May, in the discretion of the authority, include eligible principal of any bonds issued
25 before July 1, 2004. For projects submitted by the department of education but not approved by
26 the board of education, or projects for which no bonds or long-term indebtedness have been
27 issued before July 1, 2015, approved project costs shall include the authority's share of eligible
28 interest on temporary notes issued to finance the project, paid before the receipt of a grant, but
29 shall not include interest or principal on bonds or long-term indebtedness.

30 (e) Grants for approved projects shall be paid under a disbursement schedule approved by
31 the authority.

32 (f) In no event shall the authority be responsible for paying or reimbursing any costs,
33 including but not limited to, project costs, interest or principal on any notes, bonds or long-term
34 indebtedness that were disallowed by the department of education or board of education under

1 any statute, rule, regulation, policy, or established practice to or less than the total grant amount
2 owed as of the effective date of this act. The Rhode Island infrastructure authority shall work with
3 cities, towns, regional school districts and independent agricultural and technical schools to
4 finalize modified applications for projects with preliminary approval for modification of the
5 scope in a manner consistent with the preliminary approval granted by the commissioner of
6 education prior to the effective date of this act.

7 **42-157-21. Financial assistance to certain projects.** -- The authority may, in its
8 discretion, provide financial assistance under this chapter for projects on a list submitted by the
9 department of elementary and secondary education or the Rhode Island health and education
10 building corporation to the authority but not yet approved by the department, in the order in
11 which they appear on the list; provided, however, that the authority may deviate from the order if
12 it determines that it is necessary to do so in order to comply with federal tax laws or regulations
13 related to the tax exemption of indebtedness incurred by the authority or to provide grants to
14 municipalities or districts whose short-term borrowing would otherwise terminate prior to the
15 award of a grant. The authority shall notify the house and senate finance committees within thirty
16 (30) days whenever changes in list order will result in a project getting funds more than a year
17 earlier or later than would have been the case had the authority provided funds to districts in the
18 order in which they appear on the list. Projects with respect to which, in the reasonable judgment
19 of the authority, no substantial progress has been made may be removed by the authority from the
20 list. Any project so removed from the list may be the subject of a new grant application to the
21 authority under this chapter but shall have no specific entitlement to funding under this act.

22 **42-157-22. Bonds – Refunding notes.** – (a) The officers of a city, town or regional
23 school district authorized to issue bonds, notes or certificates of indebtedness for a school
24 construction project may refund, by the issuance of refunding notes, a temporary loan issued in
25 anticipation of money to be derived from the sale of the bonds, notes or certificates.

26 (b) Any provision of law to the contrary notwithstanding, the commissioner of
27 elementary and secondary education shall cause to be monitored the potential for refunding
28 outstanding bonds of local communities or municipal public building authorities or of the Rhode
29 Island infrastructure authority issued for the benefit of local communities or municipal public
30 building authorities and benefiting from any aid referenced in this section. In the event it is
31 determined by said monitoring that the net present value savings which could be achieved by
32 refunding such bonds of the type referenced in the prior sentence including any direct costs
33 normally associated with such refundings is equal to: (i) At least one hundred thousand dollars
34 (\$100,000); and (ii) For the state and the communities or public building authorities at least three

1 percent (3%) of the bond issue to be refunded including associated costs then, in such event, the
2 commissioner (or his or her designee) may direct the local community or municipal public
3 building authority for the benefit of which the bonds were issued, to refund such bonds. Failure of
4 the local community or municipal public buildings authority to timely refund such bonds, except
5 due to causes beyond the reasonable control of such local community or municipal public
6 building authority, shall result in the reduction by the state of the aid referenced in § 16-7-4.1
7 associated with the bonds directed to be refunded in an amount equal to ninety percent (90%) of
8 the net present value savings reasonably estimated by the commissioner of elementary and
9 secondary education (or his or her designee) which would have been achieved had the bonds
10 directed to be refunded been refunded by the ninetieth (90th) day (or if such day is not a business
11 day in the state of Rhode Island, the next succeeding business day) following the date of issuance
12 of the directive of the commissioner (or his or her designee) to refund such bonds. Such reduction
13 in the aid shall begin in the fiscal year following the fiscal year in which the commissioner issued
14 such directive for the remaining term of the bond. Payments shall be made in accordance with the
15 provisions of § 16-7-40 and this section.

16 (c) For purposes of financing or refinancing school facilities in the city of Central Falls
17 through the issuance of bonds through the Rhode Island infrastructure authority, the city of
18 Central Falls shall be considered an "educational institution" within the meaning of § 45-38.1-
19 3(13).

20 **42-157-23. Entitlement to funds. --** Notwithstanding any general or special law to the
21 contrary and except as specifically provided in this act, no city, town or regional school district
22 shall have any entitlement to funds under this chapter except at the discretion of the Rhode Island
23 infrastructure authority in accordance with this chapter. If an eligible applicant undertakes
24 construction for a project or incurs indebtedness for such a project not yet designated as an
25 approved school project, the applicant shall remain subject to the authority's approval process as
26 if the construction had not been undertaken or the indebtedness had not been incurred.

27 **42-157-24. Removal from list. --** (a) A city, town or regional school district may request,
28 in writing that the authority remove a project on the list pursuant to § 42-157-12 and may request
29 that a portion of the authority's anticipated grant for the project be applied to another project on
30 the list pursuant to said § 42-157-12 that is within the same city, town, or regional school district
31 as the project being removed. Approval of the request shall be at the sole discretion of the
32 authority.

33 (b) A project being so removed from the list shall:
34 (1) Not have started construction before application to the authority for removal of a

1 project from the waiting list;

2 (2) Not be eligible to receive reimbursement from the authority for any costs that may
3 have been incurred for the project prior to its removal from the list;

4 (3) Not be eligible to receive reimbursement for interest on short or long term notes or
5 bonds for the project; and

6 (4) Submit a plan to the authority that demonstrates the city, town or regional district will
7 be adequately able to accommodate a displaced school program or service and a plan for
8 accommodating district students within remaining school buildings.

9 (c) A project on the list, for which funds may be reallocated in the sole discretion of the
10 authority, shall meet the following criteria:

11 (1) The project shall have begun construction after January 1, 2015;

12 (2) The project shall have overall project costs that are in excess of the maximum
13 allowable costs, as determined by the authority, and the excess costs are not related to changes in
14 project scope;

15 (3) Reallocated costs shall only be used to reimburse approved, eligible costs, as
16 determined by the authority.

17 (4) The city, town or regional school district shall agree to work with the authority in a
18 value engineering exercise to determine viable options to reduce the overall cost of the project;

19 (5) The city, town or regional school district shall have multiple projects on the list
20 submitted pursuant to § 42-157-12;

21 (6) The project on the list for which funds may be reallocated, at the sole discretion of the
22 authority, shall be within the same city, town or regional school district as the project being
23 removed;

24 (7) The city, town or regional school district shall have submitted all audit materials for
25 any other projects for which the audit materials have been requested by the authority; and

26 (8) The city, town or regional school district shall have executed a project funding
27 agreement with the authority for any project on the list that has not completed construction.

28 (d) The authority shall have sole discretion in determining the portion of grant, if any,
29 which may be reallocated to another project. Funds that may be reallocated in the sole discretion
30 of the authority to another project shall only be used to cover approved, eligible costs that are in
31 excess of the maximum allowable cost that are not related to changes in project scope.
32 Reimbursements may be made under the existing grant program, as determined by the authority.
33 In no instance shall reimbursement rates for any project for which reallocated funds are
34 distributed to by the authority, exceed the reimbursement rates established by the authority.

1 **42-157-25. Infrastructure authority designated to allocated the limitation amount. --**
2 Notwithstanding any general or special law to the contrary, the state hereby designates the Rhode
3 Island infrastructure authority, established pursuant to chapter 155 of this title, to allocate to
4 governmental issuers of bonds within the state, pursuant to section 54F(d)(1) of the American
5 Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, including said authority, the
6 limitation amount allocated to the state by the United States Department of the Treasury, but not
7 including the amount allocated to large local educational agencies pursuant to section 54F(d)(2)
8 of said act except to the extent that any such large local educational agency reallocates amounts to
9 the state pursuant to said section 54F(d)(2), in which case such reallocated amounts shall also be
10 allocated by said authority.

11 SECTION 2. Section 16-60-4 of the General Laws in Chapter 16-60 entitled "Board of
12 Regents for Elementary and Secondary Education" is hereby amended to read as follows:

13 **16-60-4. Board of regents for elementary and secondary education - Powers and**
14 **duties. --** The board of regents for elementary and secondary education shall have in addition to
15 those enumerated in § 16-60-1, the following powers and duties:

16 (1) To approve a systematic program of information gathering, processing, and analysis
17 addressed to every aspect of elementary and secondary education in this state especially as that
18 information relates to current and future educational needs so that current needs may be met with
19 reasonable promptness and plans formulated to meet future needs as they arise in the most
20 efficient and economical manner possible.

21 (2) To approve a master plan defining broad goals and objectives for elementary and
22 secondary education in the state. These goals and objectives shall be expressed in terms of what
23 men and women should know and be able to do as a result of their educational experience. The
24 regents shall continually evaluate the efforts and results of education in the light of these
25 objectives.

26 (3) To formulate broad policy to implement the goals and objectives established and
27 adopted by the board of regents; to adopt standards and require enforcement and to exercise
28 general supervision over all elementary and secondary public and nonpublic education in the state
29 as provided in subdivision (8) of this section. The board of regents shall not engage in the
30 operation or administration of any subordinate committee, local school district, school, school
31 service, or school program, except its own department of elementary and secondary education,
32 and except as specifically authorized by an act of the general assembly. The adoption and
33 submittal of the budget and the allocation of appropriations, the acquisition, holding, disposition,
34 and general management of property shall not be construed to come within the purview of the

1 preceding prohibition. The regents shall communicate with and seek the advice of the
2 commissioner of elementary and secondary education and all those concerned with and affected
3 by its determinations as a regular procedure in arriving at its conclusions and in setting its policy.

4 (4) To allocate and coordinate the various educational functions among the educational
5 agencies of the state and local school districts and to promote cooperation among them so that
6 maximum efficiency and economy shall be achieved.

7 (5) (i) To prepare with the assistance of the commissioner of elementary and secondary
8 education and to present annually to the state budget officer, in accordance with § 35-3-4, a total
9 educational budget for the elementary and secondary sector which shall include, but not be
10 limited to, the budgets of the department of elementary and secondary education, subordinate
11 boards and agencies, and state aid to local school districts.

12 (ii) In the preparation of the budget, the regents shall determine priorities of expenditures
13 for elementary and secondary education purposes of state revenues and other public resources
14 made available for the support of public elementary and secondary education among the various
15 education agencies of the state. Nothing contained in this section shall authorize any individual or
16 group of individuals to reallocate resources in a manner other than that prescribed in the budget as
17 appropriations by the general assembly.

18 (6) To maintain a department of elementary and secondary education, to provide for its
19 staffing and organization and to appoint a commissioner of elementary and secondary education
20 pursuant to § 16-60-6 who shall serve at its pleasure. The commissioner of elementary and
21 secondary education and the department of elementary and secondary education shall have any
22 duties and responsibilities as defined in §§ 16-60-6 and 16-60-7.

23 (7) To establish other educational agencies or subcommittees necessary or desirable for
24 the conduct of any or all aspects of elementary and secondary education and to determine all
25 powers, functions, and composition of any agencies or subcommittees and to dissolve them when
26 their purpose shall have been fulfilled; provided that nothing contained in this subdivision shall
27 be construed to grant the regents the power to establish subcommittees or agencies performing the
28 duties and functions of local school committees except as provided in § 16-1-10.

29 (8) To exercise the authority previously vested in the board of regents for education with
30 relation to secondary nonpublic educational institutions within the state under the terms of
31 chapter 40 of this title and other laws affecting nonpublic education in the state, and to cause the
32 department of elementary and secondary education to administer the provisions of that section.

33 (9) To exercise all the functions, powers and duties which previously were vested in the
34 board of regents for education, under the provisions of former § 16-49-4(9), including but not

1 limited to the following specific functions:

2 (i) To approve the basic subjects and courses of study to be taught and instructional
3 standards required to be maintained in the public elementary and secondary schools of the state.

4 (ii) To adopt standards and qualifications for the certification of teachers and to provide
5 for the issuance of certificates, and to establish fees for the certification of teachers. The fees
6 collected for the certification of teachers along with various education licensing and testing fees
7 shall be deposited by the board of regents as general revenues. The funds appropriated by the
8 general assembly shall be utilized by the department of elementary and secondary education to
9 establish and support programs which enhance the quality and diversity of the teaching
10 profession. The commissioner of elementary and secondary education shall regularly make
11 recommendations to the board about specific programs and projects to be supported by those
12 funds. The commissioner shall oversee the funds, assess the effectiveness of its programs and
13 projects, and make recommendations about the general use and operation of the funds to the
14 board.

15 (iii) To be responsible for the distribution of state school funds.

16 (iv) ~~To determine the necessity of school construction and to approve standards for~~
17 ~~design and construction of school buildings throughout the state.~~

18 (v) To set standards for school libraries and school library services.

19 (vi) To make recommendations relative to transportation of pupils to school, school bus
20 routes, time schedules, and other matters relating to pupil transportation.

21 (vii) To enforce the provisions of all laws relating to elementary and secondary
22 education.

23 (viii) To decide and determine appeals from decisions of the commissioner.

24 (ix) To prescribe forms for the use of local school committees and local officers when
25 reporting to the department of elementary and secondary education.

26 (x) To adopt and require standard accounting procedures for local school districts, except
27 as provided for in subdivision (3) of § 16-24-2.

28 (xi) To adopt and require standard uniform operating and capital budgeting procedures
29 for local school districts.

30 (10) To establish rules for the approval and accrediting of elementary and secondary
31 schools.

32 (11) To recommend to the general assembly changes in the size and number of the school
33 districts within the state; and to make any further and other recommendations to the general
34 assembly as the board of regents may determine to be necessary or desirable, including, but not

1 limited to, proposals for incentives for the coordination of services and facilities of certain school
2 districts and the feasibility of granting taxing authority to local school committees upon their
3 request, and the impact upon the quality of education within that particular community by
4 granting the request. In carrying out this duty, the board of regents shall periodically issue reports
5 in school district organizations for selected regions and school districts.

6 (12) To exercise all other powers with relation to the field of elementary and secondary
7 education within this state not specifically granted to any other department, board, or agency, and
8 not incompatible with law, which the board of regents for elementary and secondary education
9 may deem advisable.

10 (13) To exercise the authority previously vested in the board of regents for education with
11 relation to adult education as defined in § 16-58-2 and to establish definitive goals for and operate
12 a comprehensive delivery system for adult education programs and services, including the
13 counseling and testing of persons interested in obtaining high school equivalency diplomas, the
14 issuance of diplomas, and the maintenance of a permanent record of applications, tests, and
15 equivalency diplomas.

16 (14) To promote maximum efficiency and economy in the delivery of elementary and
17 secondary educational services in the state.

18 (15) To approve a training program for school committee members to enhance their
19 individual skills and their effectiveness as a corporate body. The training program should include,
20 but not be limited to, the following roles and responsibilities of school committees: strategic
21 planning, human and community relations, and school finance and budgeting.

22 (16) Within ninety (90) days after the end of each fiscal year, the board shall submit an
23 annual report to the governor, the speaker of the house of representatives, and the president of the
24 senate of its activities during that fiscal year. The report shall provide: an operating statement
25 summarizing meetings or hearings held, subjects addressed, decisions rendered, rules or
26 regulations promulgated, studies conducted, policies and plans developed, approved, or modified,
27 and programs administered or initiated; a consolidated financial statement of all funds received
28 and expended including the source of the funds, a listing of any staff supported by these funds,
29 and a summary of any clerical, administrative or technical support received; a summary of
30 performance during the previous fiscal year including accomplishments, shortcomings and
31 remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the
32 authority of the board; a briefing on anticipated activities in the upcoming fiscal year; and
33 findings and recommendations for improvements. The director of the department of
34 administration shall be responsible for the enforcement of the provisions of this subsection.

1 (17) To prepare with the assistance of the commissioner a multi-year plan of priority
2 educational goals and objectives. This plan should recommend policy objectives, implementation
3 strategies, and a timetable for major policy initiatives.

4 (18) Each year the governor shall by writing notify the board of regents for elementary
5 and secondary education concerning broad economic, cultural, and social needs that the education
6 system needs to consider which the board shall address in developing educational plans and
7 programs.

8 (19) Appoint a standing committee that will develop a schedule to systematically review
9 all board policies over a three (3) year period.

10 (20) To prepare with the assistance of the commissioner a statement of regulatory policy.
11 This policy should set forth the goals and objectives of state regulations which are expressed in
12 terms of what educational inputs and outputs the board expects regulations to address.

13 (21) (i) To prepare with the assistance of the commissioner of elementary and secondary
14 education and to present annually to the general assembly by January 1 a report on school
15 discipline in Rhode Island schools. This report shall include:

16 (A) Expulsions by district, including duration and the reason for each action.

17 (B) Suspensions by district, including duration and the reason for each action.

18 (C) Placements to alternative programs for disciplinary reasons.

19 (D) Assaults of teachers, students, and school staff by students.

20 (E) Incidents involving possession of weapons on school property. For the purpose of this
21 section, a weapon shall be considered any of those weapons described in §§ 11-47-2 and 11-47-
22 42.

23 (F) Incidents of the sale of controlled substances by students.

24 (G) Incidents of the possession with the intent to sell controlled substances by students.

25 (H) Additional demographic information including, but not limited to, the ethnic and
26 racial classifications, age, and gender, as prescribed by the commissioner, of each of the students
27 involved in the incidents, events or actions described in subparagraphs (A) through (G) of this
28 subdivision.

29 (I) A description of the education program provided to each student suspended for over
30 ten (10) consecutive school days in a school year.

31 (ii) All school superintendents shall supply the necessary information on forms
32 established by the commissioner of elementary and secondary education to the board of regents to
33 assist in the preparation of the board of regents' report on school discipline.

34 (22) To prepare and promulgate a uniform statewide school reporting system which

1 would provide information including, but not limited to, the following:

2 (i) Student and teacher attendance rates;

3 (ii) Standardized test scores;

4 (iii) Demographic profiles;

5 (iv) Results of polls of students, parents, and teachers;

6 (v) Descriptions of goals, initiatives, and achievements;

7 (vi) Best teaching practices;

8 (vii) Alternative student assessments;

9 (viii) Special programs;

10 (ix) Number of student suspensions and teacher grievances and the amount of parental
11 involvement.

12 (23) The board shall conduct a training course for newly appointed and qualified
13 members within six (6) months of their qualification. The course shall be developed by the
14 chairperson of the board, approved by the board, and conducted by the chairperson of the board.
15 The board may approve the use of any board or staff members or other individuals to assist with
16 training. The training course shall include instruction in the following areas: the provisions of
17 chapters 42-46, 36-14, and 38-2; and the board's own rules. The director of the department of
18 administration shall, within ninety (90) days of the effective date of this act, prepare and
19 disseminate training materials relating to the provisions of chapters 42-46, 36-14, and 38-2.

20 SECTION 3. This act shall take effect January 1, 2015.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - THE RHODE ISLAND
INFRASTRUCTURE AUTHORITY

- 1 This act would establish several new entities and programs to promote a unified statewide
- 2 approach to updating, renovating, and otherwise improving public school buildings in the state.
- 3 This act would take effect January 1, 2015.

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LC005912
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