LC02294

3

4

7

10

11

12

13

14

15

16

17

18

19

STATE OFRHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

AN ACT

RELATING TO EDUCATION -- THE EDUCATION ADEQUACY ACT

Introduced By: Senators Gallo, Paiva-Weed, Ruggerio, DiPalma, and Felag

Date Introduced: April 07, 2010

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

SECTION 1. Sections 16-2-9.3 and 16-2-9.4 of the General Laws in Chapter 16-2 1 2 entitled "School Committees and Superintendents" are hereby amended to read as follows:

16-2-9.3. The advisory council on school finances. -- (a) The legislature hereby finds and declares that there is a need for an advisory council on school finances to strengthen the fiscal 5 accountability of school districts, regional school districts, state schools and charter schools in

Rhode Island. The council shall be composed of five (5) members as follows: 6

(1) The auditor general of the state of Rhode Island or his or her designee;

(2) The executive director of the Rhode Island association of school committees or his or 8 her designee; 9

(3) The president of the Rhode Island association of school business officials or his or her designee;

(4) The commissioner of elementary and secondary education or his or her designee; and

(5) The director of the department of administration or his or her designee. The auditor general or his or her designee shall serve as chair of the council. By July 1, 2005, the council shall develop recommendations for a uniform system of accounting, including a chart of accounts for all school districts, regional school districts, state schools and charter schools. By July 1, 2009 the council shall develop recommendations for a uniform system of accounting, that may include a uniform chart of accounts, for all educational regional collaboratives identified in section 16-3.1.

Said recommendations shall be advisory in nature and may be adopted by the office of auditor

general and the department of elementary and secondary education in part or in whole.

(b) The council shall meet no less than annually and recommend changes in accounting procedures to be adopted by school districts, regional school districts, state schools and charter schools as well as apprise school business officials, charter school officials, school committees and school superintendents, school administrators and state school officials about professional development opportunities that promotes sound fiscal practices and a knowledge of current state and federal rules and regulations regarding school finance. The council shall also report, annually, its activities and recommendations to the house committee on education accountability, the senate committee on education and the office of the governor.

16-2-9.4. School district accounting compliance. -- (a) The office of auditor general and the department of elementary and secondary education shall promulgate a uniform system of accounting, including a chart of accounts based on the recommendations of the advisory council on school finance, and require all accounts of the school districts, regional school districts, state schools, and charter schools, and regional collaboratives to be kept in accordance therewith; provided, that in any case in which the uniform system of accounting is not practicable, the office of auditor general in conjunction with the department of elementary and secondary education shall determine the manner in which the accounts shall be kept.

- (b) For the purpose of securing a uniform system of accounting and a chart of accounts the advisory council on school finances, as defined in section 16-2-9.2 may make such surveys of the operation of any school districts, regional school district, state school or charter school as they shall deem necessary.
- (c) If any school district, regional school district, state school, regional collaborative or charter school fails to install and maintain the uniform system of accounting, including a chart of accounts, or fails to keep its accounts and interdepartmental records, or refuses or neglects to make the reports and to furnish the information in accordance with the method prescribed by the office of auditor general and the department of education or hinders or prevents the examination of accounts and financial records, the auditor general and the commissioner of education may make a report to the board of regents for elementary and secondary education in writing, specifying the nature and extent of the failure, refusal, neglect, hindrance, or prevention, and the board of regents is hereby authorized and directed to review the matter so reported. If the regents shall find that failure, refusal, neglect, hindrance, or prevention exists and that the school district, regional school district, state school, regional collaborative or charter school district, regional school district, state school, regional collaborative or charter school, in writing, to so comply. If the

1 failure, refusal, neglect, hindrance, or prevention shall continue for a period of ten (10) days

following the written direction, the regents may withhold distribution of state aid to said school

district, regional school district, state school, regional collaborative or charter school.

4 SECTION 2. Section 16-5-34 of the General Laws in Chapter 16-5 entitled "State Aid" is 5 hereby amended to read as follows:

- 16-5-34. Statewide purchasing system. -- The department of elementary and secondary education, pursuant to the collaborative established in Rhode Island General Laws section 6-2-9.2 along with the department of administration, shall develop a plan for the establishment, facilitation and/or implementation of a statewide purchasing system for all public schools in this state. For the purposes of this chapter, the statewide purchasing system may include purchasing programs developed by any state agency, regional educational collaborative, or consortia of public school districts, and may be structured to allow participation by both public and private institutions of higher education, private elementary or secondary school systems, or public or private day care providers. Said statewide purchasing system shall develop requests for proposals relating to goods and services to enhance and support the mission of public schools and public education in general throughout this state, including, but not limited to, the purchase of the following goods, supplies, and services:
- (a) General school supplies such as paper goods, office supplies, and cleaning products that are or may be utilized by school departments;
- (b) Textbooks, telecommunications, wireless services, and software that have been identified by local school departments as needed to support local curriculum objectives;
- (c) A statewide school transportation system for children with special needs. Local school departments shall be eligible to participate in this system by purchasing transportation services on a fee-for-service basis. It is stated herein that the goals and intent of establishing this state-wide transportation system for children with special needs shall be as follows:
 - (1) To reduce the duplication of bus routes;
- (2) To improve services to children through the development of shorter, more efficient routes that minimize the amount of time spent by the student traveling on school transportation to and from school and school-related/sponsored activities; and
- 30 (3) To reduce transportation costs to local educational authorities through greater 31 efficiency and cost-effective measures.
 - (d) General non-medical and dental insurance products and services, provided however, that the statewide purchasing system shall permit districts to establish their own benefit and coverage levels.

(e) Administrative functions, such as personnel, payroll services, accounting and data information services, student services, technology implementation, where and when possible.

1

2

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

- (f) Insurance services such as property and casualty, workers' compensation and general
 liability insurance.
 - (g) Participation in any statewide purchasing system shall be compulsory, unless a district can demonstrate that such participation would increase the existing cost of any goods and/or services that the district is currently utilizing or contracted for. Exemptions to participation in any statewide purchasing system shall be at the discretion of the Rhode Island strategic purchasing advisory commission.
 - (e) (h) The department of elementary and secondary education, in collaboration with the department of administration, shall also develop policies and procedures to reduce the cost of health care insurance to local school departments by developing a collaborative process which shall include local educational authorities and representatives of local educational unions in discussions of cost saving efficiencies that could be achieved by including these employees in a state health insurance contract.
 - SECTION 3. Section 37-2-79 of the General Laws in Chapter 37-2 entitled "State Purchases" is hereby amended to read as follows:
 - 37-2-79. Establishment of the Rhode Island Strategic Purchasing Advisory <u>Commission. –</u> In order to provide a means of collaboration between the state, cities/towns and school committees a permanent advisory commission is established named the "Rhode Island Strategic Purchasing Advisory Commission." This Advisory Commission will consist of nine (9) members including: (1) the state purchasing agent or his or her designee, who will serve as chair, (2) a designee of the board of regents of the Rhode Island department of elementary and secondary education, (3) a designee of the board of governors of higher education, (4) a designee of the Rhode Island School Committees Association, (5) a designee of the Rhode Island League of Cities and Towns, (6) a designee of the Association of School Business Officials, (7) a designee of the Rhode Island Municipal Purchasing Agents Association, (8) a designee of the Rhode Island economic development corporation and, (9) a designee of the state budget officer. The advisory commission may exempt a school district or group of districts from compulsory participation in any statewide purchasing plan, if the district or group of districts can substantiate that participation in such statewide purchasing plan would increase the cost to the district. The advisory commission shall provide technical assistance to the Rhode Island department of administration, the Rhode Island department of elementary and secondary education, any regional educational collaborative, or school district consortia in implementing the mandates of section

- 16-5-34. The advisory commission shall meet no less than four (4) times annually.
- 2 SECTION 4. Sections 16-7.1-1 and 16-7.1-2 of the General Laws in Chapter 16-7.1
- 3 entitled "The Paul W. Crowley Rhode Island Student Investment Initiative" are hereby amended
- 4 to read as follows:

1

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

- 5 <u>**16-7.1-1. Legislative findings. --**</u> (a) Legislative intent. (1) The intent of this legislation
- 6 is to enact a comprehensive state education aid funding program which addresses four (4)
- 7 fundamental principles:
- 8 (i) Closing the inequitable resource gaps among school districts and schools;
- 9 (ii) Closing inequitable gaps in performance and achievement among different groups of 10 students, especially those correlated with poverty, gender, <u>special needs</u>, and language 11 background;
- 12 (iii) Targeting investments to improve student and school performance; and
- 13 (iv) Establishing a predictable method of distributing state education aid in a manner that 14 addresses the over-reliance on the property tax to finance education.
 - (2) This legislation is further designed to accelerate the implementation of the State Comprehensive Education Strategy. The strategy is an action plan for ensuring that all children achieve at high levels and become lifelong learners, productive workers, and responsible citizens. The standard for expected student achievement is currently being set at a high level both by the board of regents and in Rhode Island's districts and schools. High standards must be supported and these expectations must now be reached by all our students. All the state's children must enjoy the success that comes with proficiency in skill and knowledge.
 - (b) Evaluation of success. Improved student and school performance is the key measure of the success of Rhode Island's schools. This success cannot occur without investment based on the four (4) fundamental principles as stated in subsection (a) of this section. The success of these investments shall be evaluated based on: accountability for student and school performance; accountability in terms of whether the state's investment is sufficiently adequate and equitable to support improvement in performance; and on accountability for district and school expenditures.
 - <u>16-7.1-2. Accountability for student performance. --</u> (a) The board of regents shall adopt and publish statewide standards of performance and performance benchmarks in core subject areas to include writing and mathematics (grades four (4), eight (8), and ten (10)). These standards and performance benchmarks shall be ratified by the board and implemented, and performance standards and performance benchmarks for reading in two (2) grades shall be added.
 - (b) Districts and schools need to be held accountable for student performance results.

Therefore, every school district receiving state education aid under this title shall develop a district strategic plan. The district strategic plan shall: (1) be based on high academic standards for student performance consistent with the statewide standards and benchmarks; (2) be the product of a shared community wide process which defines a vision of what students should know and be able to do; (3) address the needs of each school in the district; (4) encourage the development of school-based improvement planning and implementation; (5) include a process for mentoring of new teachers; (6) be designed to improve student achievement with emphasis on closing the performance gaps among groups of students such as the performance gaps correlated with poverty, gender, language background, and disability; (7) include establishment of student intervention teams to address the instructional needs of diverse learners, include high standards of student behavior designed to create an orderly educational environment with due regard for the rights of students, and an asset protection plan; and (8) be consistent with Rhode Island's comprehensive education strategy. In order to assure the most efficient use of resources implementing strategic plans, and to create economies of scale, districts and schools are encouraged to work together as consortia and as part of the regional collaboratives.

(c) (1) The strategic plan shall include strategies to improve the performance of students in mathematics, reading, and writing. Each plan must describe a scientific research based, as described in the No Child Left Behind Act of 2001, Title 1, Part B, Section 1208 [20 U.S.C. section 6368] reading instruction to improve the reading skills of all students in the early grades (kindergarten through grade five (5)) that is aligned with the board of regents reading policy. The district must develop, implement and evaluate a Personal Literacy Program for each student in these grades who is performing below grade level. These strategies shall be based on the adequate yearly progress expected for students and schools. Annual performance targets for determining whether schools and districts have made adequate yearly progress will be set by the commissioner of elementary and secondary education. The general assembly expects these district strategies to increase the number of fourth grade students performing at or above the proficient standard in mathematics, reading, and writing in each district and school. The increase shall be established annually in accordance with section 16-7.1-4.

(2) The general assembly recognizes the contribution of school counselors to positive educational change, to the implementation of the No Child Left Behind Act of 2001, and to the success of students in three (3) developmental domains: academic, career, and personal/social. It endorses the National Standards for School Counseling Programs as developed by the American School Counselor Association (ASCA). Further, the general assembly encourages every district to implement a K-12 standards-based comprehensive, developmental school counseling program.

1	(d) Each strategic plan must indicate the manner in which self-studies will be completed
2	at the school level in accordance with guidelines established by the commissioner. Funds shall be
3	appropriated to the department of elementary and secondary education to assist districts with on-
4	site reviews. Schools to be visited shall be determined by the commissioner.
5	(e) Each strategic plan must indicate the method in which school administrators and staff
6	shall achieve and maintain an orderly educational environment in accordance with due process
7	and with due regard for the rights of students.
8	(f) Each strategic plan shall include the development of inter-agency agreements for the
9	coordination of services among state and local agencies responsible for service to children and
10	families. These agreements shall address the identification and provision of services to pre-school
11	children with disabilities and children and youth with behavioral health care needs.
12	(g) All district strategic plans and annual updates shall be submitted to the commissioner
13	of elementary and secondary education no later than May 1, of each year.
14	(h) All strategic plans shall include strategies to decrease obesity and improve the health
15	and wellness of students and employees through nutrition, physical activity, health education, and
16	physical education. Said strategies shall be submitted by May 1st of each year to the Rhode Island
17	department of elementary and secondary education and the Rhode Island department of health.
18	SECTION 5. Section 16-7.2-1 of the General Laws in Chapter 16-7.2 entitled "The
19	Education Equity and Property Tax Relief Act" is hereby amended to read as follows:
20	16-7.2-1. Legislative findings (a) The general assembly recognizes the need for an
21	equitable distribution of resources among the state's school districts, property tax relief and a
22	predicable method of distributing education aid. The general assembly finds that there is a need to
23	reform the way public education is financed because:
24	(1) All children should have access to an adequate and meaningful education regardless
25	of their residence or economic means;
26	(2) A school funding system should treat property taxpayers equably equitably, limit the
27	portion of school budgets financed by property taxes, and establish sufficient cost controls on
28	school spending, and promote efficiency in the use and distribution of limited resources;
29	(3) The state should ensure that its school funding structure adequately reflects the
30	different needs of students, and closes the educational inequities among the state's school
31	districts; and
32	(4) The state education funding system should provide a predicable amount and source

(5) The state education funding system must be anchored in systems of fiscal and

of funding to ensure stability in the funding of schools-; and

33

2	actually provide the opportunity for a sound basic education in a manner consistent with Rhode
3	<u>Island law.</u>
4	(b) The intent of this chapter is to promote a school finance system in Rhode Island that
5	is predicated on student need and property taxpayer ability to pay. A new school funding system
6	in the state should promote educational equity for all students and reduce the reliance on the
7	property tax to fund public education. This legislation is intended to ensure educational
8	opportunity to each pupil in each city or town on substantially equal terms. Adequate per pupil
9	support will be provided through a combination of state school aid and local education property
10	tax levies. The successful implementation of this comprehensive funding system will require the
11	full implementation of the uniform system of accounting established by section 16-2-9.4, as well
12	as incorporation of fiscal oversight into the state system of accountability as set forth in chapter
13	16-7.1. Funding shall be allocated on a annual basis to the department of elementary and
14	secondary education for the purpose of implementing an accountability framework designed to
15	ensure fiscal efficiency and program effectiveness.
16	SECTION 6. Section 16-7.2-2 of the General Laws in Chapter 16-7.2 entitled "The
17	Education Equity and Property Tax Relief Act" is hereby repealed.
	14.70.0 1 4.1 1.1 4.1 4.1 4.1 4.1 4.1 4.1 4.1 4
18	16-7.2-2. Joint legislative committee to establish a permanent education foundation
18 19	aid formula for Rhode Island (a) There is hereby established a joint legislative committee to
19	aid formula for Rhode Island (a) There is hereby established a joint legislative committee to
19 20	aid formula for Rhode Island (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement
19 20 21	aid formula for Rhode Island (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system.
19 20 21 22	aid formula for Rhode Island (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system. The committee shall consist of ten (10) members, five (5) of which shall be appointed by
19 20 21 22 23	aid formula for Rhode Island (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system. The committee shall consist of ten (10) members, five (5) of which shall be appointed by the speaker of the house, one (1) of which shall be from the minority party, and five (5) members
19 20 21 22 23 24	aid formula for Rhode Island (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system. The committee shall consist of ten (10) members, five (5) of which shall be appointed by the speaker of the house, one (1) of which shall be from the minority party, and five (5) members appointed by the president of the senate, one (1) of which shall be from the minority party. The
119 220 221 222 223 224 225	aid formula for Rhode Island (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system. The committee shall consist of ten (10) members, five (5) of which shall be appointed by the speaker of the house, one (1) of which shall be from the minority party, and five (5) members appointed by the president of the senate, one (1) of which shall be from the minority party. The speaker of the house and president of the senate shall each appoint a committee co chair.
19 20 21 22 22 23 24 25 26	aid formula for Rhode Island. (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system. The committee shall consist of ten (10) members, five (5) of which shall be appointed by the speaker of the house, one (1) of which shall be from the minority party, and five (5) members appointed by the president of the senate, one (1) of which shall be from the minority party. The speaker of the house and president of the senate shall each appoint a committee co chair. The joint legislative committee is directed to consider the following framework in
119 220 221 222 223 224 225 226	aid formula for Rhode Island. — (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system. The committee shall consist of ten (10) members, five (5) of which shall be appointed by the speaker of the house, one (1) of which shall be from the minority party, and five (5) members appointed by the president of the senate, one (1) of which shall be from the minority party. The speaker of the house and president of the senate shall each appoint a committee co chair. The joint legislative committee is directed to consider the following framework in developing a new education foundation support program:
19 20 21 22 23 24 24 25 26 27	aid formula for Rhode Island. — (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system. The committee shall consist of ten (10) members, five (5) of which shall be appointed by the speaker of the house, one (1) of which shall be from the minority party, and five (5) members appointed by the president of the senate, one (1) of which shall be from the minority party. The speaker of the house and president of the senate shall each appoint a committee co-chair. The joint legislative committee is directed to consider the following framework in developing a new education foundation support program: (1) A state education funding formula that is student population and needs driven-
19 20 21 22 23 24 25 26 27 28	aid formula for Rhode Island.— (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system. The committee shall consist of ten (10) members, five (5) of which shall be appointed by the speaker of the house, one (1) of which shall be from the minority party, and five (5) members appointed by the president of the senate, one (1) of which shall be from the minority party. The speaker of the house and president of the senate shall each appoint a committee co-chair. The joint legislative committee is directed to consider the following framework in developing a new education foundation support program: (1) A state education funding formula that is student population and needs driven. Student counts should include enrollments, students eligible for free and reduced lunch, those
19 20 21 22 23 24 25 26 27 28 29	aid formula for Rhode Island. — (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system. The committee shall consist of ten (10) members, five (5) of which shall be appointed by the speaker of the house, one (1) of which shall be from the minority party, and five (5) members appointed by the president of the senate, one (1) of which shall be from the minority party. The speaker of the house and president of the senate shall each appoint a committee co-chair. The joint legislative committee is directed to consider the following framework in developing a new education foundation support program: (1) A state education funding formula that is student population and needs driven. Student counts should include enrollments, students eligible for free and reduced lunch, those participating in language assistance programs, and special education. Provisions should be made
19 20 21 22 23 24 25 26 27 28 29 30	nid formula for Rhode Island. (a) There is hereby established a joint legislative committee to develop a basic foundation support program and an appropriate transition plan to fully implement a new funding system. The committee shall consist of ten (10) members, five (5) of which shall be appointed by the speaker of the house, one (1) of which shall be from the minority party, and five (5) members appointed by the president of the senate, one (1) of which shall be from the minority party. The speaker of the house and president of the senate shall each appoint a committee co-chair. The joint legislative committee is directed to consider the following framework in developing a new education foundation support program: (1) A state education funding formula that is student population and needs driven. Student counts should include enrollments, students eligible for free and reduced lunch, those participating in language assistance programs, and special education. Provisions should be made for those school districts that experience declining enrollments.

programmatic accountability that measure whether state and local programs and expenditures

1	per pupil foundation amount should be based on what the cost is to provide an equitable and
2	adequate education, and consider various cost factors, such as pupil teacher ratios, teacher and
3	staff compensation, technology investments, educational supplies, teacher training and
4	professional development, student performance assessments, curriculum offerings and support
5	services and other costs associated with the delivery of educational services.
6	(4) Per pupil cost, based on a least cost option plan to provide purchase of service
7	contracts in areas such as equipment, repair, benefits, transportation, general purchasing, capital
8	construction, data processing and health and other insurance programs. In addition, the
9	department of education should assist regional collaboratives in identifying opportunities to
10	maximize multiple school district participation for "high cost" programs.
11	(5) Various methods of funding the system.
12	(6) A transition education funding plan.
13	(b) The speaker of the house and president of the senate, in consultation with the
14	committee co-chairs, are hereby directed to appoint a foundation aid technical advisory group,
15	and a property tax relief technical advisory group.
16	(c) The foundation aid technical advisory group shall advise and assist the committee in
17	recommending foundation aid amounts by:
18	(1) Identifying specific resources and least cost options to provide every child the
19	opportunity to necessary educational opportunities to meet education performance standards; and
20	(2) Systematically calculating the amount of per pupil funding necessary to support an
21	effective and efficient educational system. The group may create task forces to consider the needs
22	of special populations, comprehensive education programs, and noneducational support activities,
23	composed of experts in these areas. In developing a foundation aid amount, the group shall
24	consider, among other factors, pupil teacher ratios, compensation, collective bargaining practices,
25	technology investments, educational supplies, teacher training and professional development,
26	student performance assessments, curriculum offerings and support services and all other costs
27	and needs associated with the delivery of educational services.
28	(d) The property tax relief technical advisory group shall advise and assist the committee
29	in identifying the options and the impact of replacing existing local education property tax levies
30	that support the funding of elementary and secondary education with other resources.
31	(e) The joint committee shall issue a report outlining its findings and recommendations
32	no later than May 15, 2007.
33	All state agencies and departments shall be directed to cooperate with and provide all
34	necessary information to the joint legislative committee.

1	SECTION 7. Chapter 16-7 of the General Laws entitled "Foundation Level School
2	Support" is hereby amended by adding thereto the following sections:
3	16-7-20.8. Permanent education foundation aid formula established. – (a) Beginning
4	in the first fiscal year following the 2011 fiscal year, in which the revenue and caseload
5	estimating conference publishes findings that estimate an increase in general revenues for two (2)
6	consecutive annual fall reports, the following foundation education aid formula shall take effect.
7	The foundation education aid for each district shall consist of three (3) components:
8	(1) An amount equal to the total dollar amount received by each district, in the fiscal year
9	two (2) years prior to the revenue and caseload estimating conference, estimates of an increase in
10	general revenues, and pursuant to sections 16-7.1-8, 16-7.1-9, 16-7.1-10, 16-7.1-11, 16-7.1-11.1,
11	16-7.1-12, 16-7.1-15, 16-7.1-16, 16-7.1-19, and 16-64-1.1.
12	(2) An amount equal to the statewide per pupil core instruction amount for the reference
13	year as defined in section 16-7-16 multiplied by the district resident average daily membership as
14	determined pursuant to section 16-7-22 multiplied by the district state share calculated pursuant
15	to section 16-7-20.9; and
16	(3) An amount in support of high need students based on the correlation between poverty
17	and concentrations of such students. These funds shall be determined on a per pupil basis by the
18	percentage of each district's resident children in grades pre-kindergarten through six eligible for
19	USDA reimbursable meals relative to the total number of pre-kindergarten through grade six
20	students as follows: Four thousand dollars (\$4,000) for districts over seventy percent (70%);
21	Three thousand dollars (\$3,000) for districts between forty percent (40%) and seventy percent
22	(70%); Two thousand dollars (\$2,000) for districts between twenty percent (20%) and forty
23	percent (40%); One thousand dollars (\$1,000) for districts between ten percent (10%) and twenty
24	percent (20%); and Five hundred dollars (\$500) for districts ten percent and below. Total aid
25	provided pursuant to this subsection is per pupil amount times the district resident average daily
26	membership as determined pursuant to the provisions of section 16-7-22.
27	(b) The statewide per pupil core instruction amount shall be adjusted on an annual basis
28	by the CPI-U, All Urban Consumers, for the northeast region when applying such index to the
29	amount used for aid calculations in the preceding fiscal year results in a higher per pupil than
30	actual. The per pupil amounts for the poverty concentration calculation contained in subsection
31	(a) above shall be adjusted on an annual basis by the CPI-U, All Urban Consumers for the
32	northeast region.
33	(c) The board of regents for elementary and secondary education shall annually determine
34	the appropriation of education aid pursuant to this section based on a ratable reduction of the fully

1	runded foundation and calculated pursuant to subdivisions (a)(2) and (a)(3) of this section.
2	16-7-20.9. Determination of state's share. – For each district the state's share of the per
3	pupil core instruction foundation amount shall be calculated by taking 1.0 minus fifty percent
4	(50%) times one-half (1/2) of the district full value per pupil divided by the statewide full value
5	per pupil plus one-half (1/2) of the district median family income divided by the statewide
6	median family income as follows:
7	$\underline{\mathbf{R}}$ = the calculated share ratio, as calculated via the following formula:
8	$R = 1.0 - 0.5((0.5 \times v/m / V/M) + 0.5 (i/I))$
9	\underline{v} = full assessed valuation for the community as defined in subsection 16-7-21(1) and 16-
10	<u>7-21(2)</u>
11	V = sum of all values of v for all communities
12	m = average daily membership of pupils in the community as defined in section 16-7-22
13	M = total average daily membership of the state
14	\underline{i} = median family income of the community as determined by the American Community
15	Survey (ACS) or the US Census, whichever is most current
16	I = median family income of the state as determined by the American Community Survey
17	(ACS) or the US census, whichever is most current.
18	In no case shall R be less than twenty-five percent (25%); provided, however, that during
19	the implementation period no district shall receive in any given fiscal year an increase greater
20	than fifteen percent (15%) of the prior year's aid. In addition, no district shall receive an increase
21	in aid in any given year if current aid for that district is greater than the total formula aid
22	calculated pursuant to subdivisions 16-7-20.8(a)(2) and 16-7-20.8(a)(3).
23	<u>16-7-20.10. State funded expenses.</u> – <u>In addition to the foundation aid provided pursuant</u>
24	to sections 16-7-20.8 and 16-7-20.9, the permanent foundation aid program will provide direct
25	state funding for excess costs associated when an individual special education student shall be
26	deemed to be "extraordinary." Excess costs are defined as exceeding five (5) times the current
27	fiscal year's statewide per pupil foundation amount as determined pursuant to section 16-7-20.8
28	of this chapter.
29	<u>16-7-20.11. Formula adjustment.</u> – Annually, upon the effective date of the formula as
30	defined in section 16-7-20.8, the fiscal budget funding for the foundation aid program, including
31	increases in aid to districts and state assumption of costs, shall increase at an overall rate of not
32	less than three percent (3%), but not greater than six percent (6%) over the prior fiscal year, as
33	determined by the general assembly and subject to availability of funds.

1	SECTION 8. This act shall take effect upon passage
	LC02294

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

$A\ N\quad A\ C\ T$

RELATING TO EDUCATION-- THE EDUCATION ADEQUACY ACT

This act would establish a permanent education foundation aid formula for calculating state aid to public education.

This act would take effect upon passage.