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February 7, 2025

Rhode Island House Committee on Education
State House, Room 135
82 Smith Street
Providence, Rhode Island 02903
Attention: Representative Joseph M. McNamara, Chair

Honorable Chair McNamara and Honorable Committee Members:

I serve as bond counsel to the City of Warwick and provide advice to the City and the Solicitor's office from time to time regarding public finance matters. I was asked to review H 5252 and attend the House Education Committee Hearing on Thursday February 7, 2025 as an "expert" in municipal law matters. By way of background, I was involved in the drafting of chapter 45-9, "An Act providing for the Financial Stability of Cities and Towns (the "Fiscal Stability Act")" and I served on the legal team in connection with the Central Falls receivership and chapter 9 bankruptcy. My experience, particularly with the court challenges to the Fiscal Stability Act, prompt the suggestions below.

Attached to this letter are suggestions for a Substitute A version of the bill:

1. Delegation of Power with Standards

Section 45-9.1-1 is added to address the General Assembly's delegation of power. In order to avoid a challenge that the statute represents an unconstitutional delegation of legislative power without standards, §45-9.1-1 would provide standards for how the delegated power is to be carried out—in a manner that will best preserve the education and welfare of the State's and City's citizens.

2. Conflicts with other Laws

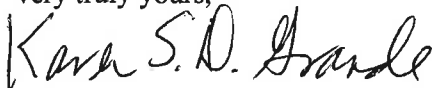
Section 45-9.1-7 would address conflicts or inconsistencies with other laws, particularly education statutes, to make it clear that this statute is intended to control.

3. Other language

Sections 45-9.1-8 through 45-9.1-10 provide for liberal construction, severability and indemnity, and are based on language in the Fiscal Stability Act.

Thank you for the opportunity to provide comments.

Very truly yours,



Karen S.D. Grande

2025 --

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

AN ACT

RELATING TO CITIES AND TOWNS – WARWICK PUBLIC SCHOOLS BUDGET COMMISSION

25 –

Introduced By:

Date Introduced:

Referred To:

It is enacted by the general assembly as follows:

1 Section 1. Title 45 of the General Laws entitled "Towns and Cities" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 9.1

4 WARWICK PUBLIC SCHOOLS BUDGET COMMISSION

5 **§ 45-9.1-1. Declaration of policy and legal standard.** Pursuant to article XII of the Rhode
6 Island constitution, it is the duty of the general assembly to promote public schools, and to adopt
7 all means which it may deem necessary and proper to secure to the people the advantages and
8 opportunities of education. It shall be the policy of the state to provide a mechanism for the state to
9 work with a city when its school district is undergoing financial distress that threatens the fiscal
10 well-being, public safety, and welfare of such city and school district. The powers delegated by the
11 general assembly in this chapter shall be carried out having due regard for the needs of the citizens

1 of the state and of the city of Warwick, including the city's school district, and in such a manner as
2 will best preserve the education and welfare of citizens of the state and the city of Warwick,
3 including the city's school district, all to the public benefit and good.

4 **45-9.1-2. Establishment. --**

5 (a) There is hereby created the Warwick Public Schools Budget Commission.

6 (b) The Warwick Public Schools Budget Commission shall be subject to the provisions of
7 chapter 2 of title 36 entitled "Access to Public Records," chapter 14 of title 36 entitled "Code of
8 Ethics", and chapter 46 of title 42 entitled "Open Meetings".

9 (c) Notwithstanding any other provision of law to the contrary, action by the Warwick Public
10 Schools Budget Commission under this chapter shall constitute action by the school district for all
11 purposes under the general laws, under any special law, and under the Warwick City charter.
12 References in this chapter to "school district" shall mean and include the Warwick School Committee,
13 the Warwick School Department, the Warwick School District and the Warwick local education
14 agency.

15 **45-9.1-3. Composition. --** The Warwick Public Schools Budget Commission shall consist
16 of five (5) members: three (3) of whom shall be designees of the Mayor with advice and consent
17 of the City Council; one of whom shall be the designee of the Warwick Superintendent of Schools;
18 and one of whom shall be the designee of the Chair of the Warwick School Committee. One of the
19 Mayoral designees shall serve as the Chairperson by a vote of the entire Commission. No member
20 of the Commission shall be an appointor or a Warwick elected official. Any vacancy that occurs
21 in the Commission membership shall be filled in the same manner and process as which the person
22 creating the vacancy was appointed.

1 **45-9.1-4. Authority; powers; duties. --**

2 (a) During the term of the Warwick Public Schools Budget Commission, except as
3 provided by Section 45-9.1-6(4) no appropriations, allocations or expenditures for school purposes
4 shall occur unless approved by the Commission, or in the case of an emergency, by the City
5 Finance Director only to the extent to cure such emergency. For purposes of the chapter, an
6 emergency is a pressing need for public expenditure, for other than a regular or recurring
7 requirement, to protect the public health, safety, or welfare of otherwise avoid unnecessary cost
8 and expense to the city or the school district.

9 (b) The Warwick Public Schools Budget Commission shall have the power to:

10 (1) Amend, formulate, and execute the annual school budget.

11 (2) Implement and maintain uniform budget guidelines and procedures for the school
12 system as a whole;

13 (3) Amortize operational deficits in an amount as the City Finance Director approves and
14 for a term not longer than five (5) years;

15 (4) Develop and maintain a uniform system for all financial planning for the Warwick
16 school district;

17 (5) Employ, retain, and supervise such managerial, professional, and clerical staff as are
18 necessary to carry out its responsibilities; provided, however, that such employment, retention and
19 supervisory decisions are subject to the approval of the City Finance Director;

20 (6) Adopt rules and regulations governing the operation and administration of the school
21 district that permit the budget commission to effectively carry out its duties; and

22 (7) Compel operational, financial performance, or forensic audits, or any other similar
23 assessments.

1 (c) Within one hundred twenty (120) days of being appointed, the Warwick Public Schools
2 Budget Commission shall develop a three-year (3) operating and capital financial plan to achieve
3 fiscal stability in the school district. The plan shall include a preliminary analysis of the school
4 district's financial situation and the Warwick Public Schools Budget Commission's initial
5 recommendations to immediately begin to address the operating and structural deficits.

6 **45-9.1-5. Expiration.--** The Warwick Public Schools Budget Commission shall cease to
7 exist upon completion of two events as follows:

8 (a) Approval of the FY 2025 - 2026 Warwick School Budget as recommended by the
9 Mayor and approved by the City Council; and

10 (b) Adoption of a deficit reduction plan by the Commission as approved by the Auditor
11 General.

12 **45-9.1-6. Exemptions. --** Nothing in this chapter shall authorize the Warwick Public
13 Schools Budget Commission to:

14 (1) Reject or alter any collective bargaining agreement.

15 (2) Eliminate the duty to bargain, as provided in chapter 9.3 of Title 28.

16 (3) Hire or terminate school district personnel.

17 (4) Impact projects funded by bond proceeds or make any decisions related thereto,
18 including but not limited to construction of new high schools.

19 **§ 45-9.1-7. Conflicts with other laws. --** Notwithstanding any general or special law to the
20 contrary, unless otherwise specified, the provisions of this chapter shall supersede and shall control
21 over any conflicting or inconsistent provisions of the Warwick city charter or ordinances, other
22 laws, general, special, or local, or of any rule or regulation of the state or the city, including but not
23 limited to title 16 of the general laws and any state rule or regulation promulgated thereunder.

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§ 45-9.1-8. Liberal construction. -- This chapter being necessary for the welfare of the state, the city of Warwick and their inhabitants, shall be liberally construed in order to effectuate its purposes.

§ 45-9.1-9. Severability. -- The provisions of this chapter are severable, and if any of its provisions are held unconstitutional or invalid for any other reason by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining provisions. In carrying out the purposes and provisions of this chapter, all steps shall be taken which are necessary to meet constitutional requirements whether or not the steps are required by this chapter.

§ 45-9.1-10. Exemption from liability and prosecution. -- Notwithstanding any general or special law to the contrary, no budget commission member or any managerial, professional or clerical staff hired, retained or employed by the budget commission under this chapter shall have any civil liability for any actions taken or omitted in the course of performing their official duties.

SECTION 2. This act shall take effect upon passage.

EXPLANATION

OF

A N A C T

**RELATING TO RELATING TO TOWNS AND CITIES – WARWICK PUBLIC SCHOOLS
BUDGET COMMISSION**

1 This act would create a budget commission to oversee the Warwick school district until
2 such time as the fiscal year 2025 - 2026 Warwick School Budget is approved as recommended by
3 the Mayor and approved by the City Council, and the budget commission adopts a deficit
4 reduction plan approved by the auditor general. This act would take effect upon passage.

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A N A C T

RELATING TO CITIES AND TOWNS

-----Presented by