

State of Rhode Island DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION Shepard Building 255 Westminster Street Providence, Rhode Island 02903-3400

April 3, 2025

By email

HouseFinance@rilegislature.gov

The Honorable Marvin L. Abney Chair, Rhode Island House Committee on Finance Rhode Island State House, Room 306 Providence, RI 02903

Re: House Bill No. 5389 (2025)

Dear Chairman Abney:

I am writing on behalf of the Rhode Island Department of Elementary and Secondary Education ("RIDE") to state its opposition to the provisions in the above legislation that would: (1) eliminate the Commissioner of Education's ability to remedy a municipality's violation of the school funding mandate applicable to school districts under State intervention pursuant to the Paul W. Crowley Rhode Island Student Investment Initiative (the "Crowley Act"), R.I. Gen. Laws § 16-7.1-5; (2) amend the funding mandate under the Crowley Act; and (3) require the appointment of a fiscal overseer reportable to the Director of Revenue for school districts under State intervention.

1. The Commissioner's Authority under § 16-5-30

R.I. Gen. Laws § 16-5-30, which enables the Commissioner to order the General Treasurer to withhold public money due a municipality to remedy any "violation or neglect of law," is one of the few tools available to fulfill the Commissioner's statutory duty "to require the observance of all laws relating to elementary and secondary schools and education." R.I. Gen. Laws § 16-60-6(9)(vii). This tool is particularly useful when a school district is under State intervention as it is nearly axiomatic that any school or school district placed under State control will likely be in need of more funding than will be provided, and likely has experienced, or is experiencing, systemic difficulties, some of which are likely the result of fiscal mismanagement and/or a failure to comply with applicable law or regulations.

Indeed, the time, effort and expense RIDE was forced to expend to compel the City of Providence to ultimately pay only a portion of what was legally required under the Crowley Act, underscores the importance of preserving the Commissioner's full authority under R.I. Gen.

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Laws § 16-5-30. Along with providing a practical remedy, the tool also serves as a deterrent to potential legal violations.

It is worth pointing out that in Massachusetts, the Department of Education is authorized to direct the Department of Revenue to reduce a school district's state school aid to remedy a violation of the applicable MOE requirement. See M.G. L. c. 70, § 11; Code of Mass. Regulations, § 10.06 (2013). By contrast, Senate Bill No. 663 would deprive the Commissioner of the benefits of § 16-5-30 at a time when it is most likely to be needed.

2. Linking Increases in School Funding to Increases in Local Taxation

As to the provision amending the school funding mandate under the Crowley Act, it would provide that school funding be increased annually "by twenty percent (20%) of the increase of taxes issued by the municipality." However, without some additional definitional clarity, it is hard to know what that means, unlike the *unambiguous* language it is intended to replace, which plainly provides that "the local school committee shall be responsible for funding that school or school district at the same level as in the prior academic year increased by the same percentage as the state total of school aid is increased." R.I. Gen. Laws 16-7.1-5(a).

Moreover, it does not seem prudent to tie the General Assembly's commitment to badly-needed school funding to whatever the public mood may be surrounding tax increases.

3. The Fiscal Overseer Reportable to the Director of Revenue

Finally, RIDE joins the Department of Revenue in expressing doubt as to the efficacy of adding another fiscal overseer when a school is under State intervention, especially since the Commissioner has the requisite authority to add additional fiscal oversight if necessary.

Sincerely,

Anthony F. Cottone, RIDE's Chief Legal Counsel

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Copy by email to: Hon. Members of the House Finance Committee

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