



STATE OF RHODE ISLAND
OFFICE OF GOVERNOR DANIEL J. McKEE

April 3, 2025

Honorable Marvin L. Abney
Chairman, House Committee on Finance
Room 35, State House
Providence, Rhode Island 02903

Re: *2025 H 5389 An Act Relating to Education – The Paul W. Crowley Rhode Island Student Investment Initiative*

Dear Chairman Abney:

The Administration writes in opposition to H 5389, An Act Relating to Education – The Paul W. Crowley Rhode Island Student Investment Initiative.

This Act would amend the Crowley Student Investment Initiative, codified as Chapter 7.1 of Title 16 (the Crowley Act), to change the formula used to calculate mandatory municipal funding for schools or school districts placed under state intervention (known as the Crowley Act’s maintenance of effort, “MOE” mandate), limiting annual MOE increases to the “the same nominal amount as in the prior academic year increased by twenty percent (20%) of the increase of taxes issued by the municipality[.]” Further, in the event a municipality fails to satisfy its MOE obligation, the Act would limit the state’s options for recourse by exempting schools or school districts under state intervention from the withholding of state aid – currently permitted pursuant to the state aid statute, § 16-5-30 – for that municipality’s violation of laws or regulations.

First, some history. Contrary to the dictates of the General Assembly, the City of Providence underfunded the Providence Public Schools every year since the state’s intervention in October 2019. In most of those years, the state was forced to rely upon § 16-5-30 to recoup badly-needed education funding from the City. Seeking to avoid satisfying its statutory obligations, the City turned to the courts and challenged both the MOE calculation and the validity of § 16-5-30. In November 2024, a justice of the Superior Court ruled for the state, upholding both the Crowley Act’s MOE mandate and the state aid statute. *See Smiley v. Infante-Green*, No. PC-2023-03940, 2024 WL 4798457 (R.I. Super. Nov. 08, 2024). Now, despite the state’s necessary reliance on these

critical education funding statutes and the court's validation of the legality of the state's efforts, this Act seeks to undermine years of effort on behalf of Providence students, deliver a windfall for a city that has admittedly underfunded its public schools for a generation, and unnecessarily disrupt the MOE calculation for all other municipalities in the process. See Brian Crandall, *On Your Dime: Providence mayor outlines tax hike plan, potential cuts*, WJAR (Mar. 5, 2025), <https://turnto10.com/i-team/on-your-dime/providence-mayor-outlines-tax-hike-plan-potential-cuts-schools-city-increase-lawmakers-parking-lots-levy-bills-financial-settlement-budget-march-5-2025> (“We signed a settlement that does actually catch up for a generation worth of underfunding in one budget year.”).

The legislative intent of the Crowley Act is expressly stated – to, among other goals, “clos[e] the inequitable resource gaps among school districts and schools” and to “establish[] a predictable method of distributing state education aid in a manner that addresses the over-reliance on the property tax to finance education.” § 16-7.1-1(a). Yet, the Act’s alteration of a municipality’s MOE requirement directly contravenes that intent. By tying education funding to variable and inequitable municipal resource limitations and tax rates, the Act undermines the express purpose of the Crowley Act.

In addition to the fundamental internal contradiction this Act would create, the Act is also vague and unclear in its reference to “the increase of taxes issued,” which will assuredly lead to future unnecessary disputes and litigation at a time when the state has finally resolved (in its favor) multi-year litigation with the City of Providence over this very issue.

Sincerely,



Katherine E. Miller
Deputy Executive Counsel

cc: Honorable Members of the House Committee on Finance
Honorable Scott A. Slater
Nicole McCarty, Esq.