



**State Fiscal Note for Bill  
Number: 2018-H-7919**

**Date of State Budget Office Approval:** Thursday, May 10, 2018

**Date Requested:** Thursday, March 15, 2018

**Date Due:** Sunday, March 25, 2018

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2018	\$0	FY 2018	\$0
FY 2019	\$14,121,593	FY 2019	\$271,341
FY 2020	\$14,474,632	FY 2020	\$112,196

*Explanation by State Budget Office:* \*\*\*REVISED\*\*\*

This bill amends multiple sections of the Rhode Island General Laws with the intent to improve school safety and security through the establishment of the new "Safe School Program," RIGL Chapter 21.7. This program requires staffing of School Resource Officers (SROs) in every public elementary, middle, and secondary school. Costs of the Safe School Program will be shared between the state and Local Education Authorities (LEAs), with the state supplementing local dollars primarily through a newly created education aid categorical. The bill requires the state to pay 50.0 percent of the average cost of providing each SRO.

This bill also creates an additional 5.0 percent reimbursement for school housing aid for new construction projects related to school safety. Finally, this bill creates a new restricted receipt account that diverts funds from several sources, including asset forfeiture, and the introduction of new/increased court fees.

**Changes by Bill Section:**

Section 1 establishes the General Assembly's "Findings," outlining the necessity of school safety in providing the most successful learning environment for the state's youth. Secure buildings with trained personnel are essential to creating an environment conducive in preventing instances of extreme violence. The financial responsibility of providing this environment, through school safety programs, should not be borne entirely by the people of the state, but also by those individuals who have already committed crimes; especially crimes of gun violence, drugs, and organized crimes.

Section 2 establishes RIGL Chapter 21.7, entitled "Safe School Program." This chapter outlines the qualification/certification requirements, minimal staffing levels, and the State's role in financing School Resource Officers in all RI public schools. This bill requires a minimal staffing level of one SRO in each school with less than 1,200 students and two SROs for each school that exceeds 1,200 students. The chapter also describes the funding mechanisms, including the establishment of a restricted receipt account ("Safe School Funding Account"), financed by multiple sources described in the following sections.

Section 3 amends RIGL 7-15-4.1, entitled "Asset Forfeiture Fund," requiring all excess proceeds of the Asset Forfeiture Fund to be remitted into the Safe School

Prepared by: Storm Lawrence / 4012221153 / storm.lawrence@budget.ri.gov

Wednesday, May 23, 2018

Page 1 of 6

Funding account. Under current law, proceeds of the Asset Forfeiture Fund are distributed for several reasons, including the cost of the seizure itself and the management/liquidation of noncash forfeited assets, the compensation of individual/group informants, and the payment of 25.0 percent of the net proceeds distributed to the law enforcement agency(ies) involved in seizing the asset(s).

Section 4 amends RIGL 8-2-15.1, entitled “Gun Court Calendar,” establishing a \$50.00 fee assessed on defendants who appear before the Gun Court and are found guilty by verdict or plea deal. Funds collected will be remitted to the Safe School Funding account. Under current law, there is no fee being assessed on defendants.

Section 5 amends RIGL 11-47-9, entitled “Persons Exempt from Restrictions,” by including School Resource Officers amongst those individuals that have the right to carry concealed firearms within the state.

Section 6 amends RIGL 12-1.3-3, entitled “Motion for Expungement – Notice – Hearing – Criteria for Granting,” increasing the fee assessed for approved expungements from \$100 to \$150. Under current law, the \$100 fee is paid to the court. Under this legislation, the court will still retain \$100 of the amended fee, however the additional \$50.00 will be remitted to the Safe School Funding account.

Section 7 amends RIGL 16-7-40, retitled “Increased School Housing Ratio for Regional Schools – Energy Conservation – Access for people with Disabilities – Asbestos Removal Projects – Safety and Security Measures,” increasing the school housing reimbursement ratio of a community by 5.0 percent for projects approved for the purposes of school safety and security. To qualify for the additional housing aid, 75.0 percent of the approved project costs must be directed to school safety and security measures.

This section also amends RIGL 16-7-45, entitled “Annual appropriations,” requiring any funds appropriated for school housing aid, but not allocated to an approved project, will be remitted to Safe School Funding account. There is no fiscal impact assumed for Section 7 because appropriations for school housing aid are discretionary in nature. However, if more projects are approved that earn the increased state share ratio, there will be fewer resources available for other projects.

Section 8 amends RIGL 16-7.2-6, entitled “Categorical Programs, State Funded Expenses,” creating a new education aid categorical intended to supplement the personnel costs required under the new School Safety Program. Categorical aid is intended to augment the Education Aid Funding Formula, related to costs that fall outside the formula itself. This bill requires the state to pay for 50.0 percent of the statewide average cost of providing an SRO, in conjunction with the minimal staffing requirements outlined in Section 2.

Section 9 amends RIGL 21-28-5.04, entitled “Forfeiture of Property and Money,” requiring 10.0 percent of proceeds generated through the forfeiture process be remitted to the Safe School Funding account. Under current law, 20.0 percent of the proceeds are distributed to the Department of the Attorney General, 10.0 percent is distributed to the Department of Health, and 70.0 percent is distributed to the state



and local law enforcement agencies involved in the forfeiture. This bill reduces the 70.0 percent currently received by law enforcement agencies to 60.0 percent, and shifts it to the newly created restricted receipt account.

Section 10 amends RIGL 45-21-54, entitled "Reemployment of Retired Members," requiring that any retired individual employed as a School Resource Officer on a per diem or other basis, at a rate below the regular wage of a uniformed police officer, and where an SRO is already employed, will still be eligible for and receive their retirement allowance without reduction. Individuals under this provision are not eligible for any pension credits for additional service, nor are they required to make pension contributions.

*Comments on  
Sources of Funds:*

The bill splits the financial responsibility of providing School Resource Officers between the state and the LEAs of which they serve. Primarily, the state will appropriate general revenues for a newly created categorical, housed within the Education Aid program of the RI Department of Elementary and Secondary Education (RIDE).

This bill also creates/redirects several revenues sources into a newly created restricted receipt account. Remitted revenues include new or increased court fees, as well as diverting asset forfeiture monies. It is assumed that these revenues will be new to the state, and not redirected from other state agencies, further explained in the Summary of Facts and Assumptions section of this note.

*Summary of Facts  
and Assumptions:*

**Expenditures:**

Section 8 of the proposed legislation creates a new education aid categorical to provide supplemental financing for the Safe School program. The amending language requires the state to appropriate 50.0 percent of the average cost of providing an SRO in each primary, middle, and secondary school, as required by the program under the minimum staffing provision of Section 2. Therefore, to calculate the total cost, an aggregation of the following formula must be performed for every public school in the state. Note, the remaining 50.0 percent will be incurred by the LEAs (Local Education Authorities).

$$\text{State Cost Per School} = (\text{SROs Per School} * \text{Personnel Cost}) / 2$$

**Variable Description/Assumptions:**

**State Cost per School** – This output represents the state's portion (50.0 percent) of average personnel costs to provide the minimum number of SROs required by the Safe School program. The aggregation of this output, calculated for each individual public school, will equal the estimated state expenditure (general revenues) for the new categorical.

**SROs Per School** – This variable represents the minimum SRO staffing per school. Staffing is determined by the total enrollment of students within a school. "SROs Per School" is equal to 1 if there are less than 1,200 of student housed within the school, and 2 if there are 1,200 or more students housed within a school. Forecasted enrollment is based on October 2017 data provided by RIDE.

**Personnel Cost** – This variable represents the average personnel cost of a school

resource officer. The value assumed for this variable is \$87,985. This value is calculated using a 21-community average of reported (average) compensation (salaries and benefits, excluding overtime) for non-civilian police department employees of those municipalities currently reporting such data to the Department of Revenue's Division of Municipal Finance. This calculation utilizes data reported for FY 2017, the most recent year of data availability.

**Example:**

State's Share for Leo A. Savoie School =  $(1 * \$87,985) / 2 = \$43,993$

**Other Assumptions:**

There is no estimated impact for FY 2018, because the passage of this bill will likely be at the end of the current fiscal/school year.

In FY 2020, estimates are increased by an inflationary factor of 2.5 percent. This is consistent with the Budget Office's Five-Year Financial Projection for Education Aid and CPI-U.

**Expenditure Total:**

Statewide, there are 309 individual schools, of which 12 have a total enrollment of 1,200 student or more. Therefore, the minimum staffing of SROs totals 321, and the total personnel costs associated with those SROs is \$28.2 million ( $321 * \$87,985 = \$28,243,185$ ). It is the state's responsibility to supplement 50.0 percent of the total personnel costs required in the new education aid categorical, therefore expenditures total \$14.1 million in FY 2019 ( $\$28,243,185 / 2 = \$14,121,593$ ). With the assumed inflation of 2.5 percent, estimated total expenditures for FY 2020 are \$14.5 million ( $\$14,121,593 * 1.025 = \$14,474,632$ ).

**Revenues:**

Section 2 establishes a restricted receipt account, "Safe School Funding", that receives proceeds from four sources: 1] The Gun Court Calendar; 2] Expungements; 3] The Asset Forfeiture fund; and 4] The Forfeiture of Property and Money. The Budget Office assumes these receipts will be used to offset general revenue expenditures for the state's share of the Safe School program.

1] Section 4 establishes a \$50.00 fee assessed on defendants that are found guilty, specific to cases of the Gun Court Calendar. According to the Rhode Island Judiciary Department, approximately 200 cases annually appear before the Gun Court Calendar. Of these cases, approximately 16.0 percent of defendants are found not guilty (\$0 of revenues generated), 30.0 percent of cases receive non-jail sentences (\$3,000 of revenues generated per-year, starting FY 2019), and about 20.0 percent of cases receive a jail sentence of two years or less (\$2,000 revenues generated year two and thereafter, starting FY 2020). The remaining 24.0 percent of cases receive a sentence of two years or more, thus for the purposes of this fiscal note, are not included. Note, it is assumed that fees will not be collected prior to or during an individual serving a jail sentence.

2] Section 6 increases the fee currently assessed for approved expungements by \$50.00. According to the Rhode Island Judicial Department, the average number of



expungements each year is 585. Therefore, this fee increase is estimated to generate \$29,250 ( 585 cases X \$50.00 = \$29,250 ) per year for the Safe School Funding restricted receipt account.

3] Section 3 remits the annual residuals of the Asset Forfeiture fund into the Safe School Funding account. Proceeds of the Asset Forfeiture Fund are specific to crimes of racketeering. The RI Department of the Attorney General estimates the average annual residuals to be \$12,126, based on actual collections from FY 2015 through FY 2017. However, for FY 2019, there will be approximately \$161,145 of additional, one-time, residuals because the fund has been rolling-over annually.

4] Section 9 entitles the Safe School program to 10.0 percent of forfeited property and money, specific to crimes involving drugs. The RI Department of the Attorney General estimates annual revenues to be \$65,820, based on actual collections from FY 2015 through FY 2017. This was calculated using the Department's current allocation for the same purpose and dividing it by two. The Department is currently entitled to 20.0 percent of forfeited property and money. Note, the Department of the Attorney General would like to preface all estimates, stating that forfeitures, both money and nonmoney, can vary greatly over fiscal years, thus are not a steady stream of revenues.

The FY 2019 and FY 2020 revenue totals for the Safe School Funding account are calculated by the summation of the four revenue subsections.

Safe School Funding account = 1]Gun Court Fee + 2]Expungement Fee +  
3]Asset Forfeiture Fund Residuals + 4]10% of Forfeited Property and Money

FY 2019 = \$271,341 = \$3,000 + \$29,250 + \$173,271 + \$65,820

FY 2020 = \$112,196 = \$5,000 + \$29,250 + \$12,126 + \$65,820

**Other Assumptions:**

There is no estimated revenue for FY 2018, because the passage of this bill will likely be at the end of the current fiscal year.

All revenues are assumed to be new, and not redirected from other state agencies. There is a possibility that some state agencies may lose a portion of the asset forfeiture proceeds specific to their participation in investigations that lead to such forfeitures. These cases were excluded due to a lack of data.

*Summary of Fiscal  
Impact:*

As stated/discussed above, this bill presents the following expenditure impact, general revenues and restricted receipts, and revenue impact, which is identical to restricted receipts. The Budget Office assumes that all revenues will be expended, as restricted receipts, in the same year they are collected, and total expenditures, the summation of general revenues and restricted receipts, are equal the state's commitment required by the new education aid categorical.

**Estimated Expenditures**

**General Revenues**

---

Prepared by: Storm Lawrence / 4012221153 / storm.lawrence@budget.ri.gov

Wednesday, May 23, 2018

Page 5 of 6

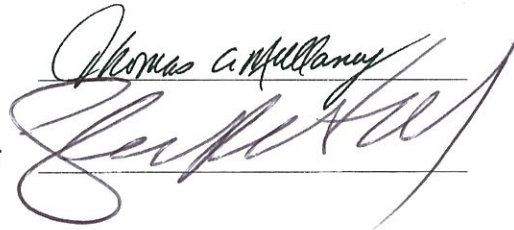
FY 2018 \$0  
FY 2019 \$13,850,252  
FY 2020 \$14,362,436

Restricted Receipts  
FY 2018 \$0  
FY 2019 \$271,341  
FY 2020 \$112,196

Total Expenditures  
FY 2018 \$0  
FY 2019 \$14,121,593  
FY 2020 \$14,474,632

Estimated Restricted Revenues (Total)  
FY 2018 \$0  
FY 2019 \$271,341  
FY 2020 \$112,196

Budget Office Signature:



Fiscal Advisor Signature: