

April 29, 2025

The Honorable Marvin L. Abney, Chair
House Finance Committee
Rhode Island House
82 Smith Street
Providence, RI 02903

RE: BILL NUMBER H-5749 – AN ACT RELATING TO EDUCATION -- THE EDUCATION EQUITY AND PROPERTY TAX RELIEF ACT

Chair Abney and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns (RICLT), I am writing to express our support for House Bill 5749, which seeks to amend the determination of the state's share statute by adjusting the calculation for the Poverty Loss Stabilization (PLS) Fund. This proposed legislation is a critical step in ensuring that all Rhode Island communities, including East Greenwich, can better manage reductions in education aid and avoid sudden fiscal disruptions.

The proposed FY25 budget includes a cut of approximately \$800,000 in education aid to East Greenwich, primarily due to increases in the town's median income and a slight decline in student enrollment. Representatives Justine Caldwell and Evan Shanley introduced H 5749, which would address the sharp drops in school funding through the PLS Fund. While East Greenwich serves as a key example, this bill is designed to provide statewide relief, impacting school districts across Rhode Island facing similar fiscal challenges.

Currently, under the existing law, if a school district experiences a significant loss in state aid due to shifts in its calculated need, the PLS Fund provides a 50% reimbursement of that loss. However, H 5749 seeks to increase the reimbursement rate to 75%, offering communities more time to adjust their budgets in response to major funding cuts. This adjustment will have significant positive effects not only on East Greenwich but also on other communities across the state that may be dealing with sudden changes in funding allocations.

The proposed legislation modifies RIGL § 16-7.2-3 to adjust the calculation of the state's share, ensuring that a higher reimbursement rate of 75% is provided.

The League strongly supports this legislation as it aligns with our ongoing efforts to ensure fiscal stability and smoother transitions for school districts across Rhode Island. By increasing the PLS reimbursement rate, we are providing municipalities with the necessary tools to better manage changes in funding, allowing for more strategic financial planning and less disruption to educational services.

We respectfully encourage support for House Bill 5749 to help ensure that all Rhode Island communities' benefit from this critical adjustment to the state's education aid formula.

Thank you for your time and consideration of our views.

Sincerely,



Randy R. Rossi
Executive Director

Cc: Honorable Members of House Finance Committee