



STATE OF RHODE ISLAND
OFFICE OF GOVERNOR DANIEL J. MCKEE

February 16, 2022

The Honorable Marvin Abney
Chairman, House Committee on Finance
82 Smith Street, Room 35
Providence, RI 02903

RE: House Bill 7123 Article 10 – An Act Relating to Education

Dear Chairman Abney:

Thank you for hearing House Bill 7123 Article 10, An Act Relating to Education specifically relating to the funding formula State's share and general obligation bonds. I offer my strong support for these proposals. The following paragraphs highlight the changes to the law requested in Sections 1 and 2 contained within this article.

- **Determination of State's share:** Section 1 of Article 10 amends the calculation of the State's share for Local Education Agencies (LEAs) without reducing education aid from LEAs that might have otherwise received a funding reduction due to enrollment decline. LEAs that would receive an increase in funding due to increased enrollment will still receive the increase.
- **Pay-as-you-go general obligation bonds:** Section 2 of Article 10 would allow Rhode Island, if approved by voters on the November 2022 ballot, to issue \$200.0 million in general obligation bonds that will be offered to LEAs on a pay-as-you-go basis for approved school construction projects. In addition, if approved on the November 2022 ballot, the State will also issue up to \$50.0 million in general obligation bonds to be transferred to the School Building Authority Capital Fund.

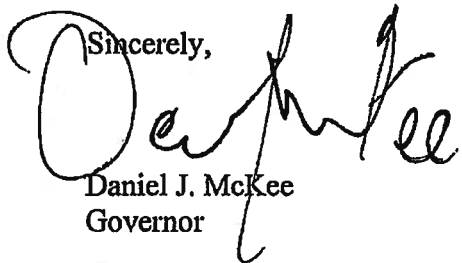
Without the Section 1 of Article 10 amendment, thirty-eight LEAs will experience aid reductions totaling \$465,700 in their FY 2023 education aid distributions. This requested change will only apply to FY23 funding and will not apply to years beyond FY23.

The proposed School Construction Bond in Section 2 of Article 10 allocates funding differently than the 2018 construction bond. The 2018 bond supported the State's share of foundational housing aid. This proposed November 2022 bond would be split, with \$200.0 million going to LEAs on a pay-as-you-go basis for approved school construction projects and \$50.0 million going to the School Building Authority Capital Fund to address facility equity issues. This

structure provides communities the ability to fund school construction projects with upfront State dollars.

I offer my strong support for House Bill 7123 Article 10, which is important to school districts across Rhode Island. Thank you for your time and consideration on these important matters.

Sincerely,

A handwritten signature in black ink, appearing to read "D. McKee". The signature is written in a cursive style with a large initial "D" and a long, sweeping tail.

Daniel J. McKee
Governor

CC: The Honorable Members of the House Committee on Finance
Nicole McCarty, Esquire, Legal Counsel to the Speaker