

DR Rhode Island Department of Revenue
Division of Municipal Finance

May 21, 2026

The Honorable Louis P. DiPalma
Chair, Senate Committee on Finance
State House
Providence, RI 02903

**Re: 2026 S-3015- AN ACT RELATING TO EDUCATION –
THE RHODE ISLAND EDUCATION FUNDING AND ACCOUNTABILITY ACT**

Dear Chair DiPalma:

The Division of Municipal Finance (“DMF”) writes to provide information that may be of assistance to the Committee as it considers Senate Bill 3015, An Act Relating to Education-The Rhode Island Education Funding and Accountability Act. This letter is not intended as a position in support of or opposition to the bill, but only as recommendations on drafting to provide clarity in the bill and to aid municipal tax administration.

As you know, this bill would add to the General Laws a new Chapter 16-7.3, entitled “The Rhode Island Education Funding and Accountability Act,” to, as set forth in the Explanation by the Legislative Council, “establish the Rhode Island education funding and accountability act, which would include a totally revised and revamped formula for funding all levels of public education in Rhode Island.” The bill is set to take effect upon passage, with full implementation no later than fiscal year 2030.

There are several provisions within the bill that impact municipal tax administration, including, but not limited to:

- There are several references within the bill to “the aggregate equalized assessed valuation of taxable real and commercial property” and “equalized assessed valuation of taxable real and commercial property.” It is unclear whether these terms are intended to refer to the adjusted equalized weighted assessed valuation calculated by the DMF, pursuant to R.I. Gen. Laws § 16-7-21, or if they are intended to replace this calculation, in which case parameters for the new calculation should be included in the bill.
- The bill creates a fiscal responsibility advisory board whose responsibilities include, inter alia, jointly approving corrective action plans. It is unclear if these are the same corrective action plans submitted for approval to the DMF and the Auditor General, pursuant to R.I. Gen. Laws § 16-2-9, and the DMF, the Auditor General, and the Commissioner of Education, pursuant to R.I. Gen. Laws § 45-12-22.2.
- Proposed subsection 16-7.3-11(a)(4) requires local education agencies annually to undergo an independent fiscal audit. It is unclear if this audit is independent of the

annual audit already required of municipalities, which includes an audit of school districts that are part of the primary government of a municipality, pursuant to R.I. Gen. Laws § 45-10-4.

- Proposed section 16-7.3-20 provides that if there is a conflict between proposed new Chapter 16-7.3 and any other provision of law that “the provisions of this chapter shall be controlling.” Given the scope and complexity of this bill, including its interaction with existing state statutes, some of which are noted above, a comprehensive review and analysis of these and other statutes is necessary to ensure that the bill can be effectively administered while avoiding potential unintended and/or adverse consequences for the administration of other state programs.

The DMF takes no position with respect to the remainder of the proposed legislation. Rather, the DMF is concerned solely with the issues of clarity and municipal tax administration.

Thank you for your consideration.

Sincerely,



Stephen E. Coleman Jr.
Chief

Cc: The Honorable Members of the Senate Committee on Finance
The Honorable Hanna M. Gallo
Kristen Silvia, Deputy Chief of Staff/Director of Legislation
Jane E. Cole, Interim Director, Department of Revenue