



Action Item # 6073/22  
Docket Date: May 16, 2022

City of Newport  
**REQUEST FOR CITY COUNCIL ACTION**

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**To:** Mayor Jeanne-Marie Napolitano & Members of the City Council  
**From:** Joseph J. Nicholson, Jr., Esq., City Manager  
**Date:** May 11, 2022  
**Subject:** Regional School District – Ballot Authorization  
**Staff Presentation:**

**RECOMMENDATION:**

On the docket for Council's consideration is a resolution along with draft legislation that, if approved, would be considered by the voters of the City of Newport at the next general election this November 2022.

**BACKGROUND AND FINDINGS:**

The ballot question to be considered by the voters will read:

"Shall an act passed at the January, 2022 session of the General Assembly entitled 'AN ACT AUTHORIZING THE CITY OF NEWPORT AND TOWN OF MIDDLETOWN TO ESTABLISH A REGIONAL SCHOOL DISTRICT AND PROVIDING FOR STATE AID FOR SCHOOL HOUSING COSTS OF AT LEAST 80% OF DEBT SERVICE FOR EXPENDITURES ELIGIBLE FOR STATE AID'" be approved?

This is typical ballot language.

The Act that the question refers to is the legislation before you which, at its very essence, enables the City of Newport and the Town of Middletown to create a regional school district in which the net result is that, in the event the district is created, the City of Newport would receive additional significant reimbursement over and above what it is entitled to now on the recent issued bonded indebtedness for the Pell School and Rogers High School construction projects. That additional reimbursement has been estimated by the Rhode Island Department of Education to be upwards of \$45 Million dollars.

The regional school district contemplates the merging of the local school committees into a new regional district committee as well as merging the administrative functions of both local school districts. That is the extent of the regionalization as contemplated in the Act.

The following sections are highlighted:

1. Section 1: This section is the enabling Authority to create the regional district.
2. Section 2 of the Act provides for 80% reimbursement for any bonds issued between January 1, 2022 and June 30, 2026.
3. Section 3 defines the transition period in the event the Act passes. Note the local school committees continue to operate but cease to exist after June 30, 2024. Note that during the transition period the regional school district shall develop plans for the effective operation of the new district.

4. Section 5 the regional school district will be comprised of 7 elected members with a minimum of 3 from, Middletown and three from Newport with the 7<sup>th</sup> being elected at large as well and would be one individual receiving the highest number of votes in that composition. Members of existing school committees are eligible to run for office on the regional school committee with the first election being held in November of 2023 for a three-year term ending in November of 2026 with 2-year terms thereafter.
5. Section 7 dictates the power of the regional district. Of note is that a regional district is a separate and distinct entity that has not only the powers of condemnation but also the power to bond.
6. Section 11 states that the total education costs of the regional district shall be apportioned between the City and Town based upon a per pupil calculation. Note that state and federal aid allocated to the respective municipality that is rolled up to the regional district will be credited towards that municipalities proportionate share cost.
7. Section 14, Subsection (c) specifies there will be a joint finance committee consisting of 7 members appointed by the respective City and Town councils. The City and Town manager have a designee on the committee. The joint finance committee is responsible for reviewing and approving the budget of the regional school district. The municipality that does not govern the regional school district through majority membership will have the right to appoint the 4<sup>th</sup> member to this committee.
8. Section 21 specifies the question to be submitted to the voters. Note the last sentence of the that section which allows for later submission of the question to the Secretary of State's office which allows for additional time for consideration of the submission.

Let me say that there are two parts to this: the first is what is before you which is the adoption of a resolution which submits this Act to the General Assembly for approval which would enable this Act to be submitted to the voters of the City of Newport for approval this November, 2022.

The second part of this is the opportunity in the coming months to further review this issue with the Rhode Island Department of Education, our own local school committee along with the Superintendent, assisted by the Annenberg Institute of Brown University as well as some consultants in education that we are ready to retain to assist us in answering questions regarding student opportunities in light of regionalization.

Ultimately, the regional school committee is tasked with implementing plans for the effective operation of the regional school district, including all programs, responsibility for staffing, responsibility for facilities, transportation and finance.

### **PREVIOUS LEGISLATIVE ACTION**

### **FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  No Fiscal Impact

### **SUPPORTING DOCUMENTS**

Resolution  
Draft Legislation

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**Finance Dept. Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)

A RESOLUTION MEMORIALIZING THE GENERAL ASSEMBLY TO ENACT LEGISLATION AUTHORIZING THE CITY OF NEWPORT AND THE TOWN OF MIDDLETOWN TO ESTABLISH A REGIONAL SCHOOL DISTRICT AND PROVIDING FOR STATE AID FOR SCHOOL HOUSING COSTS OF AT LEAST 80% OF DEBT SERVICE FOR EXPENDITURES ELIGIBLE FOR STATE AID

WHEREAS, the City Council of the City of Newport endorses and supports the introduction and enactment legislation authorizing the City of Newport and the Town of Middletown to establish a regional school district and providing for state aid for school housing costs of at least 80% of debt service for expenditures eligible for state aid.

NOW, THEREFORE, BE IT

RESOLVED: that the City of Newport hereby memorializes the General Assembly to enact legislation authorizing the City of Newport and the Town of Middletown to establish a regional school district and providing for state aid for school housing costs of at least 80% of debt service for expenditures eligible for state aid, provided that such legislation would become effective only if approved by a majority of the qualified voters of the City of Newport and a majority of the qualified voters of the Town of Middletown. AND BE IT FURTHER

RESOLVED: that the City Solicitor, working with the City Manager, ensure that the appropriate legislation in substantially the form attached hereto is submitted in a timely manner to the Rhode Island General Assembly to ensure that all requirements are met to ensure consideration of this question by the voters. AND BE IT FURTHER

RESOLVED: this Resolution shall take effect upon its passage.

2022 --

STATE OF RHODE ISLAND  
IN GENERAL ASSEMBLY  
JANUARY SESSION, A.D. 2022

AN ACT AUTHORIZING THE CITY OF NEWPORT AND TOWN  
OF MIDDLETOWN TO ESTABLISH A REGIONAL SCHOOL DISTRICT  
AND PROVIDING FOR STATE AID FOR SCHOOL HOUSING COSTS  
OF AT LEAST 80% OF DEBT SERVICE FOR  
EXPENDITURES ELIGIBLE FOR STATE AID

Introduced By:

Date Introduced:

Referred To:

1 It is enacted by the General Assembly as follows:

2 SECTION 1. Authority to establish a regional school district. Upon completion of the  
3 approvals set forth in section 24 of this act, the city of Newport and the town of Middletown are  
4 hereby authorized to establish a regional school district to combine both existing school districts  
5 into a single regional school district. The provisions contained in sections 16-3-1 through 16-3-  
6 25, inclusive, of the general laws of Rhode Island and the provisions of Title 16, Chapter 2 that  
7 are applicable to regional school districts which are not inconsistent with this act shall be  
8 applicable to the regional school district. The regional school district, sometimes referred to as the  
9 “regional school district” or “district” shall be governed by a regional school district committee,  
10 hereinafter sometimes referred to as the “regional school district committee” or “regional  
11 committee”.

1           SECTION 2. Minimum state housing aid ratio. Subject to completion of the approvals  
2 set forth in section 24 of this act, all general obligation bonds issued between January 1, 2022 and  
3 June 30, 2026 for school construction projects by the city of Newport and the town of Middletown  
4 shall be provided with state aid for school housing costs in accordance with §16-7-35 through 16-  
5 7-47 at a state housing aid ratio of at least 80% of debt service for expenditures eligible for state  
6 aid. For purposes of this section, the issuance of bond anticipation notes by the town of  
7 Middletown for school construction prior to June 30, 2026 shall entitle the town to a state housing  
8 aid ratio of at least 80% of debt service for eligible expenditures.

9           SECTION 3. Transition period. (a) A transition period shall be established commencing  
10 on the date on which all approvals required by section 24 of this act have been completed. This  
11 transition period shall run from the date of authorization of the voters or the date the council for  
12 elementary and secondary education votes to approve the creation of the regional school district,  
13 whichever is later, through June 30, 2024.

14           (b) During the transition period, the existing school committees in Newport and  
15 Middletown shall continue to operate their respective school districts. The existing school  
16 committees shall cease to exist after June 30, 2024 and unless prohibited by federal law, any  
17 unrestricted monies in the city of Newport school fund and the Town of Middletown school fund  
18 shall revert to the City of Newport and the town of Middletown, respectively, to be deposited on  
19 June 30, 2024 into restricted funds or accounts to be used for Newport and Middletown educational  
20 expenses and to pay for Newport's and Middletown's respective obligations to fund any liabilities  
21 for other post-employment benefits, including, but not limited to, health care and dental care  
22 benefits other than pensions (hereinafter referred to as "OPEB") pursuant to section 4(c) of this

1 act. The existing school committees shall not enter into any contract that extends beyond June 30,  
2 2024, unless such contract is formally approved by the elected regional school district committee.

3 (c) During the transition period, the regional school district committee shall develop  
4 and implement plans for the effective operation of the regional school district, including programs,  
5 staff, facilities, transportation, and finances.

6 SECTION 4. Labor provisions. All employees employed by the respective school  
7 committees as of June 30, 2024, who are subject to a collective bargaining agreement, will be  
8 offered employment by the regional school district in the same position or a substantially similar  
9 position, subject to the terms of the applicable collective bargaining agreement. Any such  
10 employee who on the date of his or her employment with the regional school district is on tenure  
11 may continue thereafter to serve on a tenure basis. All employees who become employees of the  
12 regional school district shall be given full credit for the period of their employment with the local  
13 school committees of the respective member towns for the purposes of seniority, pensions and all  
14 other relevant purposes. During the transition period, the existing collective bargaining  
15 agreements covering certified and non-certified personnel in both the city of Newport and the town  
16 of Middletown will be honored, and those agreements will remain in effect until their expiration  
17 date(s) or until a replacement agreement is negotiated with the regional school district committee.  
18 All employees employed in positions to be superseded or rendered redundant by the establishment  
19 of the regional school district may be given preferred consideration for similar positions in the  
20 regional school district to the extent that such positions exist or are available therein.

21 (b) Any employee or former employee of the school department of the member city or  
22 town who subsequently becomes an employee of the regional school district shall be granted  
23 service credits in the teachers plan or the municipal employees retirement system plan of the

1 Employees Retirement System of the State of Rhode Island (“ERSRI”) for his or her term of  
2 service with the member city or town school department prior to June 30, 2024 provided that: (1)  
3 an actuarial study is made by the ERSRI to determine the cost, if any, to include each transferred  
4 employee for the regional school district taking into account employer and employee contributions  
5 as of June 30, 2024, and calculating funding schedules for the respective portions of the unfunded  
6 liability of the member city and town that should be 100% funded by June 30, 2024; and (2) the  
7 contributions of both the employer and employee made to ERSRI as of June 30, 2024 for the  
8 account of the city of Newport or the town of Middletown to benefit the transferred employee shall  
9 be allocated to an account at ERSRI for the regional school district to benefit the transferred  
10 employee. The member city and town shall appropriate and transfer to an account at ERSRI for  
11 the regional school district, annual amounts to pay their respective remaining unfunded pension  
12 liability as of June 30, 2024 in accordance with the funding schedules in the actuarial study made  
13 by ERSRI. The member city and town shall remain responsible for making their respective  
14 employer contributions for participants in the ERSRI plans who are inactive as of June 30, 2024.  
15 For purpose of this section 4, “transferred employee” means any individual who was (a) an  
16 employee of a member city or town school department on June 30, 2024, and was (b) an active  
17 member of the teachers plan or the municipal employees retirement system plan of the ERSRI on  
18 June 30, 2024 and who, from and after the July 1, 2024, is an employee of the regional school  
19 district. Any individual who is a transferred employee shall not be treated as an employee member  
20 of ERSRI for any period of employment during which he or she elects to participate in any other  
21 retirement income benefit funded by the regional school district under a retirement plan sponsored  
22 by the regional school district and intended to qualify under § 401(a) or § 408(k) [26 U.S.C. §  
23 401(a) or § 408(k) of the United States Internal Revenue Code].

1 (c) For the purpose of funding any liability for OPEB, but not including any pension  
2 benefits, in accordance with government accounting standards board statements 43 and 45, the  
3 regional school district committee shall establish an OPEB trust in accordance with § 16-2-9.5 of  
4 the general laws or may enter into an OPEB arrangement with a corporation established pursuant  
5 to chapter 5 of title 45. The OPEB trust or arrangement shall be a qualifying trust in accordance  
6 with government accounting standards board statement 75. Contributions to the trust and earnings  
7 thereon shall be irrevocable and the assets of the trust shall be held solely to meet the current and  
8 future liabilities of the regional school district for OPEB. All monies held in the trust shall be  
9 accounted for separately from other funds of the regional school district and shall not be subject  
10 to the claims of any general creditors of the regional school district. For the purpose of determining  
11 OPEB liabilities for transferred employees, the member city and town shall jointly contract with a  
12 “qualified actuarial firm.” A “qualified actuarial firm” shall be staffed by enrolled actuary who is  
13 a member of the American Academy of Actuaries, a Fellow or Associate of the Society of  
14 Actuaries, or a Fellow or Associate of the Conference of Actuaries in Public Practice. The  
15 qualified actuarial firm shall calculate, employing the actuarial assumptions applied in the most  
16 recently published member city and town actuarial reports, respectively, for all active school  
17 OPEB participants as of June 30, 2024: (a) the member city’s and town’s respective actuarial  
18 accrued liabilities for OPEB, (b) their respective unfunded liabilities for OPEB, (c) the portion of  
19 the total actuarial accrued liability for OPEB that should be 100% funded as of June 30, 2024  
20 employing the funding schedule applied in the city and town actuarial reports for any OPEB plan  
21 participants who may become transferred employees of the regional school district which shall be  
22 frozen as of June 30, 2024 (the “June 30, 2024 OPEB Transfer Liability”), and (d) funding  
23 schedules for the member city and town to pay to their remaining respective unfunded OPEB



1 liability as of June 30, 2024. The member city and town shall each appropriate and transfer to the  
2 regional school district on July 1, 2024 an amount equal to their respective OPEB Transfer  
3 Liability. The member city and town shall appropriate and transfer to the regional school district,  
4 annual amounts to pay their remaining unfunded OPEB Transfer Liability in accordance with the  
5 funding schedules calculated by the qualified actuarial firm. The member city and town shall  
6 remain responsible for paying 100% of the benefits of the participants in their respective OPEB  
7 plans who are inactive participants as of June 30, 2024.

8           SECTION 5. The regional school district committee. (a) There shall be a regional  
9 committee for said district consisting of seven (7) elected members, with a minimum of three (3)  
10 residents of the city of Newport and a minimum of three (3) residents of the town of Middletown.  
11 All members of said regional committee shall be elected at-large in district-wide elections on a  
12 non-partisan basis for terms hereinafter set forth. The three (3) candidates from each of the city of  
13 Newport and the town of Middletown receiving the highest number of votes shall be elected to the  
14 regional school district committee and the seventh member of the regional school district  
15 committee shall be the candidate who receives the next highest number of votes, without regard to  
16 residency.

17           (b) Members of the existing school committees are eligible for election to the regional  
18 committee, and if elected, the council of the city or town represented by such regional committee  
19 member shall, by majority vote, appoint a member to fill the unexpired term on the existing school  
20 committee. The first regional committee shall be elected in a special election to be held in  
21 November, 2023. In the special election of 2023 each regional school district committee member  
22 shall be elected to serve a term of three (3) years. At the next general election in November, 2026,  
23 and at each general election thereafter, members shall be elected for a term of two (2) years.

1           (c)     In the event of any vacancy by death, resignation or incapacity to serve, the city or  
2 town council of the municipality where the former committee member resided shall fill such  
3 vacancy by majority vote of the city or town council for a term lasting until the next general  
4 election. Members of the regional school district committee shall receive an annual salary that is  
5 equal to the average of the salaries of the city council members of Newport and the town council  
6 members of Middletown as of the preceding July 1st.

7           SECTION 6.   Organization of the regional school district committee. (a) At the first  
8 meeting of the regional school district committee, to be held within thirty (30) days following the  
9 November 2023 election of members, the regional committee shall elect a chairperson and such  
10 other officers as are herein authorized. An organizational meeting to elect officers shall be held  
11 within thirty (30) days of the qualification of elected members following each general election  
12 thereafter. At the organizational meeting of the regional committee following the November 2026  
13 election, and each two (2) years thereafter, the chairpersonship shall first be offered to a regional  
14 committee member from the municipality other than the city or town from which the current  
15 chairperson was elected.

16           (b)     In the event that no member from the city or town which is entitled to the  
17 chairpersonship is willing to serve as chairperson, this office shall be offered to any regional  
18 committee member. The said regional committee shall also elect a vice chairperson, which shall  
19 first be offered to members of the city or town other than that which the chairperson represents, a  
20 secretary, and a treasurer, and such other officers as it deems advisable. The said secretary and  
21 treasurer may be the same individual.

22           (c)     The regional committee shall prescribe the powers and duties of its officers, fix the  
23 time and place of its regular meetings, and provide for the calling of special meetings.

1           SECTION 7.   Powers and duties of the regional school district committee. (a) The

2 regional school district shall be a body politic and corporate and shall have all of the powers and  
3 duties conferred by law upon school committees, and all additional powers and duties conferred  
4 upon regional school districts provided for in § 16-3-11 of the general laws, including but not  
5 limited to:

6           (1)    To adopt a name and a corporate seal.

7           (2)    To sue and be sued but only to the same extent and upon the same conditions that  
8 a town may sue or be sued.

9           (3)    To operate and exercise care and control of all public schools in the district,  
10 including land, buildings, equipment, furnishings, and supplies for the same, for the joint and  
11 common use of the member cities or towns incorporated into the said regional school district, for  
12 the education of pupils attending grades pre-kindergarten through 12 inclusive, and with all the  
13 powers and duties pertaining to education and schools conferred by law in this state upon school  
14 committees and towns generally.

15          (4)    To acquire by purchase, gift, or other means of transfer or by condemnation, land,  
16 and improvements within the district as a site for a school or schools. To acquire also by any such  
17 method such rights-of-way and other easements as may be required in connection with the use of  
18 the site.

19          For the purpose of acquiring land by condemnation for schools, the regional district is given  
20 all the powers conferred upon cities and towns for the condemnation of land for school purposes  
21 by § 16-9-5; provided, however, that the amount of land taken by the committee may exceed five  
22 (5) acres but shall not exceed thirty (30) acres for any one building site. The description, plat, and  
23 statement of the land taken under this chapter shall be signed by the chairperson of the regional

1 school district committee and filed in the records of land evidence as provided in § 16-9-6. The  
2 owners of land or any person entitled to any estate or interest therein so taken by the regional  
3 committee shall have the same right of petition, the right of jury trial, and all other rights under the  
4 provisions of §§ 16-9-7 and 16-9-8.

5       Upon the filing of the description, plat, and statement of the land taken, the title of the land  
6 shall vest absolutely and in fee simple in the regional district notwithstanding that any of the land  
7 taken is devoted to a public use, and the regional district, acting by and through the regional  
8 committee and its duly authorized agents, may immediately enter and take possession of the land  
9 without any process of law otherwise required by statute or common law, and remove any or all  
10 buildings, property, or other impediments thereon, and occupy, use, and improve the land for the  
11 purposes of § 16-3-2 notwithstanding any other provision of law.

12       The regional district, through its regional committee, is authorized and empowered to pay  
13 for the cost of acquiring land for the school site from the proceeds received from the sale of bonds  
14 issued pursuant to the provisions of this act, whether the same be acquired by purchase or by  
15 condemnation, or partly by purchase and partly by condemnation.

16       (5) To secure competent architectural and engineering services for the taking of  
17 surveys, the preparation of plans and specifications for the construction and equipment of a school  
18 or schools in the regional district, and to employ such clerical assistance as may be necessary.

19       (6) To construct, furnish, and equip schools and improve the grounds upon which the  
20 schools are located and to make additions to the schools as may be needed.

21       (7) To dispose of real or personal property by sale, lease, or gift whenever such disposal  
22 is determined to be in the best interest of the regional district, as hereinafter provided.

1           (8)     To lease from the city of Newport and town of Middletown, for the sum of one  
2     dollar (\$1.00) per year, school buildings, facilities, furnishings, equipment and the land upon  
3     which they are sited, that are owned, leased or financed by the respective city or town. The  
4     municipalities may retain title to the buildings, facilities, furnishings and equipment and land. The  
5     respective municipality issuing the indebtedness shall continue to pay for all debt service for  
6     bonds, and rentals for lease-purchase agreements, for such school buildings, facilities, furnishings,  
7     equipment and land, unless and until such time as the regional school district may acquire such  
8     buildings, facilities, furnishings, equipment and land. For the avoidance of doubt, the City of  
9     Newport has issued (a) \$98,500,000 General Obligation School Bonds dated March 25, 2022, due  
10    April 1, 2026-2047, inclusive, to the Rhode Island Health and Educational Building Corporation  
11    (“RIHEBC”), (b) \$17,920,000 General Obligation School Refunding Bonds dated May 21, 2021,  
12    due April 1, 2023-2033, inclusive, to RIHEBC, (c) \$2,865,000 General Obligation School Bonds  
13    dated August 17, 2016, due April 1, 2017-2026, inclusive, to RIHEBC, and (d) a lease-purchase  
14    agreement maturing on August 27, 2023, and the town of Middletown has issued (a) \$9,750,000  
15    General Obligation School Bonds dated May 16, 2017, due April 1, 2018-2026, inclusive, and  
16    April 1, 2037 to RIHEBC and (b) may issue general obligation debt prior to June 30, 2026 as  
17    described in section 2 of this act. The regional school district shall assume and pay for all  
18    maintenance, upkeep, and operation of the buildings, facilities, furnishings, equipment and land  
19    leased by it from the respective municipalities.

20           (9)     To make all contracts and agreements, including but not limited to collective  
21    bargaining agreements, that may be necessary for the exercise of the powers vested in the regional  
22    committee by subsections (a)(4), (a)(5), (a)(6) and (a)(7) hereof; provided, however, that the

1 regional committee shall not make any expenditure or incur any liability unless the necessary  
2 appropriations have been authorized by the joint finance committee.

3 (10) To issue, when and if authorized by the joint finance committee hereinafter  
4 provided for, after approval by a majority of the voters in the regional school district present and  
5 voting, in a referendum authorized and conducted in accordance with the constitution and laws of  
6 the state of Rhode Island, under its corporate name and seal, bonds to an amount not exceeding  
7 the debt limits as hereinafter described, the bonds shall be signed by the chairperson and treasurer  
8 or the regional committee; the principal thereof and the interest thereon shall be payable in any  
9 coin or currency of the United States of America, that, at the time of payment, is legal tender for  
10 public and private debts, and the debt secured by the bonds shall be obligatory on the district to  
11 the same extent as other debts lawfully contracted by the district.

12 (11) To borrow temporarily from time to time such sums as may be authorized by the  
13 joint finance committee as hereinafter provided, and to issue temporary notes of the regional  
14 district thereof, the proceeds whereof shall be used only for the purposes set forth in subsections  
15 (a)(4), (a)(5), and (a)(6) of this section. Each authorized issue shall constitute a separate loan. Each  
16 issue may be for a period of not more than five (5) years and notes issued for a shorter period may  
17 be refunded or renewed from time to time by the issue of other temporary notes maturing within  
18 the required period of five (5) years, provided, that the period from the date of issue of the original  
19 loan to the date of maturity of the refunding or renewal loans shall not be more than five (5) years.

20 Temporary notes of the regional district shall be signed by the chairperson and treasurer of  
21 the regional committee, and may bear interest or be sold at a discount. The period and discount or  
22 interest rate and other particulars of the temporary notes shall be fixed by the regional committee.  
23 The temporary notes and renewal notes, including interest or discount on the notes and the expense

1 of preparing, issuing, and marketing the notes, shall, unless otherwise taken care of, be funded by  
2 the issue of bonds under the provisions of subsection (a)(10) of this section. The aggregate  
3 principal amount of temporary notes issued and outstanding hereunder shall not at any time exceed  
4 the sum of the bonds authorized to be issued.

5 (12) To incur temporary debt after the regional district school or schools are constructed  
6 and in operation in anticipation of revenue to be received.

7 (13) To apply for and receive, accept and use, subject to the provisions of this act, any  
8 town, state, or federal funds or assistance, or both, including school housing aid as may be  
9 provided, whether in the form of a grant or a loan, or both, including, specifically, such funds or  
10 assistance from state or federal sources as the member city or town would otherwise be entitled to  
11 apply for and receive from such sources in the event that the regional district did not exist, but the  
12 use of which the member city or town might be individually excluded by reason of the existence  
13 of the regional district.

14 (14) To receive, accept and use any gift from private sources; and to receive and disburse  
15 funds for any regional district purpose.

16 (15) To engage legal counsel.

17 (16) To engage and employ a superintendent of schools for the regional district on a  
18 contractual basis for a term of up to three (3) years. The person so employed shall have all the  
19 powers and duties imposed upon a superintendent of schools by law.

20 (17) To reallocate any surplus as of the last day of the fiscal year so that any such surplus  
21 may be carried forward into the next fiscal year and remain in the regional district accounts.

22 The regional committee shall annually cause an independent audit to be made of the  
23 accounts of the regional district within one hundred twenty (120) days after the fiscal year ends,

1 and on completion of each audit, a report thereof shall be made to the members of the regional  
2 committee. Copies of the audit report shall also be made available to the city and town council,  
3 the city and town clerk, and the highest elected official in each member city or town.

4 The secretary and the treasurer may furnish surety bond to the regional district in an amount  
5 to be determined annually by the regional committee. The expense of any such bond shall be  
6 chargeable to the district.

7 (18) The quorum for the transaction of business shall require that at least four (4)  
8 members of the committee be present and that both municipalities of the regional school district  
9 be represented, but in the absence of a quorum, less than a simple majority may adjourn.

10 SECTION 8. Regional School Building Committee. Whenever the regional school  
11 district shall approve the issuance of bonds of the district to finance construction, additions,  
12 renovations and extraordinary repairs to schools in the district, the regional school district  
13 committee may appoint a regional district school building committee in accordance with state law  
14 and regulations.

15 SECTION 9. Composition of district. The regional school district may consist of all  
16 public schools in the city of Newport and the town of Middletown.

17 SECTION 10. Type of district. The regional school district may include all grades and  
18 programs now provided by Newport and Middletown, and any other grades and programs so  
19 specified by the regional committee.

20 SECTION 11. Means of apportioning expenses. (a) The total education costs of the  
21 regional district shall be apportioned between the city and town based upon a per public pupil  
22 calculation, using enrollment as of the prior October 1, provided, however, that gifts, grants,  
23 payments and federal and state aid associated with the students or programs of one member city



1 or town shall, to the extent permitted by law, be allocated to that city or town and counted towards  
2 the that city or town's proportionate share of costs, such that regionalization does not adversely  
3 affect receipt and allocation of gifts, grants, payments and aid. Revenues derived from the cell  
4 tower lease on the Rogers High School property shall be counted toward Newport's proportionate  
5 share of costs. Revenues derived from the cell tower lease on the Gaudet Middle School property  
6 shall be counted toward Middletown's proportionate share of costs. On or before March 1  
7 commencing in 2024, the regional district shall determine the proportionate share of the costs of  
8 the regional district for the next fiscal year to be borne by the city and town and shall notify the  
9 respective directors of finance of the city and town of the respective proportionate shares.

10 The town or city treasurer of each town or city of the regional school district shall forward  
11 to the regional school district on July 1, October 1, January 1, and April 1 one-fourth (1/4) of the  
12 amount due for the operation of the regional school district for the fiscal year beginning July 1  
13 from each town or city or parts thereof comprising the regional school district.

14 SECTION 12. Transportation. Transportation shall be provided by the regional district  
15 consistent with state law. Transportation shall be considered an operational cost of the regional  
16 district.

17 SECTION 13. Admittance and withdrawal of districts. (a) Any other city or town may  
18 be admitted to the regional school district upon:

19 (1) Adoption of an appropriate amendment to this act, by an act of the general assembly  
20 accepted and approved by a vote of the qualified voters of the city of Newport and a qualified  
21 voters of the town of Middletown, and approval of the qualified voters of the city or town seeking  
22 admission; and

1           (2)     Upon compliance with such provisions of law as may be applicable and with such  
2 additional requirements as may be set forth in the act of amendment.

3           (b)     Any member city or town of the regional school district may petition to withdraw  
4 from the district at any meeting of the district committee upon six (6) months written notice,  
5 provided that the petition for withdrawal shall have been approved by a majority of the qualified  
6 voters of the city or town voting at a referendum called for that purpose. Such petition shall not be  
7 approved except upon payment to the regional school district of any costs which have been  
8 apportioned and certified during the year in which the withdrawal is to take place. Such city or  
9 town shall remain liable to the district for its share of the indebtedness of the district outstanding,  
10 including bonds, if any, at the time of such withdrawal, and for interest thereon, to the same extent  
11 and in the same manner as if the city or town had not withdrawn from the regional school district,  
12 except as such liability shall be reduced by any amount which the city or town has paid over at the  
13 time of withdrawal and which has been applied to the payment of such indebtedness and interest.  
14 Any money received by the regional school district from a withdrawing city or town for the  
15 payment of indebtedness or interest thereon shall be used only for such purpose, and until so used,  
16 shall be deposited in trust in the name of the district with RIHEBC if such indebtedness was issued  
17 through RIHEBC, or with the trustee or paying agent for such indebtedness. If the city or town  
18 director of finance is the paying agent for such indebtedness, the money shall be deposited with a  
19 financial institution as escrow agent until applied to the indebtedness.

20           SECTION 14. Preparation and adoption of budget. (a) It shall be the duty of the regional  
21 school district superintendent to present to the regional committee by January 15 a preliminary  
22 budget containing estimates of the amount of money needed to operate the regional school district

1 for the ensuing fiscal year. The form of said budget shall conform to the accounting system of the  
2 state department of education.

3 (b) The regional committee shall prepare and approve a budget which it believes will  
4 efficiently operate the regional district for the ensuing fiscal year by February 15 of each year  
5 commencing with the fiscal year ending June 30, 2025. The regional committee shall not adopt a  
6 budget that exceeds the prior year budget by more than four percent (4%) unless an “emergency  
7 situation” exists consistent with § 44-5-2(d)(2) or the regional school district experiences debt  
8 service increases for bonds issued by the regional school district consistent with § 44-5-2(d)(4).  
9 Upon approving the budget, the regional committee shall, within seven (7) days, post the budget  
10 at city hall in Newport and town hall in Middletown, and, within ten (10) days, publish the budget  
11 in one or more newspapers of general circulation in each or both municipalities.

12 (c) The regional committee shall, by February 15, submit its budget to a joint finance  
13 committee for its approval. The joint finance committee shall consist of seven (7) members. The  
14 members of the joint finance committee shall be appointed by the respective councils of the city  
15 of Newport and the town of Middletown. The members of the joint finance committee representing  
16 the city of Newport shall consist of the city manager or a designee, and two members of the city  
17 council appointed by majority vote of the city council, and if the city is to be represented by four  
18 (4) members, another representative from Newport which may include another representative from  
19 the Newport city council. The members of the joint finance committee representing the town of  
20 Middletown shall consist of the town administrator or a designee, two members of the town council  
21 appointed by majority vote of the town council, and if the town is to be represented by four (4)  
22 members, another representative from Middletown which may include another representative from  
23 the Middletown town council.

1           During years in which there are four (4) residents from the City of Newport on the regional  
2 committee, the joint finance committee shall be comprised of four (4) members appointed by the  
3 Town of Middletown and three (3) members appointed by the City of Newport. During years in  
4 which there are four (4) residents from the Town of Middletown on the regional committee, the  
5 joint finance committee shall be comprised of four (4) members appointed by the City of Newport  
6 and three (3) members appointed by the Town of Middletown. The first joint finance committee  
7 shall be appointed to serve a term of one (1) year following the election of the first regional  
8 committee in November, 2023. Following the next general election in November, 2026, and  
9 following each general election thereafter, members shall be appointed to the joint finance  
10 committee for a term of two (2) years, such terms to run concurrent with that of the regional  
11 committee. In the event of any vacancy by death, resignation or incapacity to serve, the city or  
12 town council of the municipality which appointed the former committee member shall fill such  
13 vacancy by majority vote of the city or town council for a term lasting until the next scheduled  
14 appointment.

15           The joint finance committee shall approve a budget by March 15 of each year. Upon the  
16 approval of a budget by the joint finance committee, the regional committee shall, within seven  
17 (7) days, post the budget at Newport city hall and Middletown town hall, and, within ten (10) days,  
18 shall publish the budget in one or more newspapers of general circulation in each or both  
19 municipalities. If, however, a budget is not adopted by the joint finance committee before July 1  
20 of each year, then the regional school committee shall operate the regional school district in  
21 accordance with the provisions of § 16-2-23 of the general laws, and the member city and town  
22 shall make payments to the regional school district, based upon the amounts appropriated for the  
23 support of the schools by the member city and town in the preceding fiscal year; provided,

1 however, that the right of the regional school committee to take all actions it deems necessary  
2 under the provisions of § 16-2-21.4 of the general laws shall in all events remain in full force and  
3 effect at all times and shall not be impaired or restricted in any respect by any of the provisions of  
4 this act.

5 (d) Upon approval of the budget by the joint finance committee, each municipality shall  
6 appropriate the funds for the regional district which shall be apportioned between the  
7 municipalities on a per public pupil calculation using enrollment as of the prior October 1.

8 SECTION 15. Receipt and disbursement of aid. (a) All state and federal aid shall be  
9 distributed directly to the regional district with payment of such aid beginning the first fiscal year  
10 that the regional district shall be in operation, which is July 1, 2024 through June 30, 2025.

11 (b) Payment of additional state aid for regionalization as contained in § 16-7-20 shall  
12 also be made in the first fiscal year that the regional district shall be in operation, which is July 1,  
13 2024 through June 30, 2025. The amount of the additional aid for regionalization shall be  
14 calculated on all expenditures, as approved by the council for elementary and secondary education  
15 of the state board of education in accordance with currently existing rules and regulations for  
16 administering the state aid of each district, made in the period of July 1, 2022 through June 30,  
17 2023, as defined in § 16-7-16(f). The regional committee may request from the commissioner an  
18 advance from the additional state aid estimated for fiscal year 2024-2025, in an amount not to  
19 exceed ten percent (10%) of the bonus aid, for use during the period between authorization of  
20 voters to June 30, 2024. The advanced amounts shall be deducted from the operations aid to be  
21 paid for the period July 1, 2024 to June 30, 2025. All advanced amounts shall be subject to all  
22 applicable state laws and regulations.

1           SECTION 16. Transfer of plant and facilities. The city of Newport and the town of  
2 Middletown may lease to the regional school district, for the sum of one dollar (\$1.00) per year,  
3 school buildings, facilities, furnishings, equipment and the land upon which they are sited that are  
4 owned, leased or financed by the respective municipalities.

5           SECTION 17. Debt limitation. The regional district shall be subject to the statutory debt  
6 limit for incurring debt to ten percent (10%) of the full valuation of the taxable real property within  
7 the district as determined by the state department of revenue.

8           SECTION 18. Regional school district fiscal year. The regional district fiscal year shall  
9 begin on July 1 and end on June 30.

10          SECTION 19. Appropriations by member city and town. (a) Each city or town that is a  
11 member of the regional district shall annually appropriate a sum sufficient to pay its proportionate  
12 share of the interest on the bonds and notes issued and outstanding by the regional district under  
13 authority of this act, and also to pay its proportionate share of the principal of the bonds and notes  
14 maturing in any one year until said bonds and notes are fully paid.

15          Each city or town that is a member of the regional district shall annually appropriate a sum  
16 sufficient to pay its proportionate share of cost of the operation of the regional district in  
17 accordance with the terms of this act.

18          "Proportionate share," as referenced above, is based on per public pupil calculation, as  
19 defined in section 11 of this act.

20          SECTION 20. Process for amending regional act. This act with respect to the formation  
21 of a regional district between the city of Newport and town of Middletown may be amended by an  
22 act of the general assembly accepted and approved by a vote of the qualified voters of the city of  
23 Newport and a vote of the qualified voters of the town of Middletown.

1 SECTION 21. Approval question. The question of the approval of this act shall be  
2 submitted to the qualified voters of the city of Newport and the qualified voters of the town of  
3 Middletown at the general election to be held on November 8, 2022 in accordance with title 17 of  
4 the general laws. The question shall be submitted in substantially the following form:

5 "Shall an act passed at the January, 2022 session of the general assembly entitled 'AN ACT  
6 AUTHORIZING THE CITY OF NEWPORT AND TOWN OF MIDDLETOWN TO  
7 ESTABLISH A REGIONAL SCHOOL DISTRICT AND PROVIDING FOR STATE AID FOR  
8 SCHOOL HOUSING COSTS OF AT LEAST 80% OF DEBT SERVICE FOR EXPENDITURES  
9 ELIGIBLE FOR STATE AID' be approved?" Notwithstanding anything contained in § 17-19-7  
10 of the general laws to the contrary, the Newport and Middletown boards of canvassers may certify  
11 the question to the secretary of state not later than sixty (60) days prior to the date set for the  
12 election.

13 SECTION 22. Availability of act. From the time the election is warned, it shall be the  
14 duty of the city clerk of the city of Newport and the town clerk of the town of Middletown to keep  
15 a copy of this act available at their offices for public inspection, but any failure of any said clerk  
16 to perform this duty shall not affect the validity of the election.

17 SECTION 23. Applicability of other laws. The provisions of §§ 16-3-9 through 16-3-31  
18 of the general laws shall not apply to the district. To the extent of any conflict of this act with any  
19 general or special law of applicability or home rule charter, this act shall be controlling.

20 SECTION 24. Effectiveness. This section and sections 1, 21, 22 and 23 of this act shall  
21 take effect upon the passage of this act, and the remaining sections of this act shall take effect if:  
22 (a) the council for elementary and secondary education votes to approve the creation of the regional  
23 school district, (b) a majority of qualified voters of the city of Newport and a majority of those

1 qualified voters of the town of Middletown, voting upon the question as set forth in section 21  
2 shall vote in favor thereof and (c) a majority of the qualified voters of the town of Middletown  
3 voting at the general election to be held on November 8, 2022 vote to approve an act authorizing  
4 the town of Middletown to issue general obligation bonds, notes and other evidences of  
5 indebtedness to finance the construction, renovation, improvement, alteration, repair, landscaping,  
6 furnishing and equipping of new elementary, middle and high schools and school facilities  
7 throughout the town.



EXPLANATION

OF

AN ACT

AUTHORIZING THE CITY OF NEWPORT AND TOWN OF  
MIDDLETOWN TO ESTABLISH A REGIONAL SCHOOL DISTRICT  
AND PROVIDING FOR STATE AID FOR SCHOOL HOUSING COSTS  
OF AT LEAST 80% OF DEBT SERVICE FOR  
EXPENDITURES ELIGIBLE FOR STATE AID

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1           This act would authorize the city of Newport and the town of Middletown to establish a  
2 regional school district. General obligation bonds issued between January 1, 2022 and June 30,  
3 2026 for school construction projects by the city of Newport and the town of Middletown would  
4 receive state housing aid for school housing costs of at least 80% of debt service for expenditures  
5 eligible for state aid. Sections 1, 21, 22, 23 and 24 of this act would take effect upon the passage  
6 of this act, and the remaining sections of this act shall take effect if (a) the council for elementary  
7 and secondary education votes to approve the creation of the regional school district, (b) a majority  
8 of qualified voters of the city of Newport and a majority of those qualified voters of the town of  
9 Middletown, voting upon the question as set forth in section 21 shall vote in favor thereof and (c)  
10 a majority of the qualified voters of the town of Middletown voting at the general election to be  
11 held on November 8, 2022 vote to approve an act authorizing the town of Middletown to issue  
12 general obligation bonds, notes and other evidences of indebtedness to finance the construction,  
13 renovation, improvement, alteration, repair, landscaping, furnishing and equipping of new  
14 elementary, middle and high schools and school facilities throughout the town.