

**State of Rhode Island
Department of Administration
Office of Management and Budget**

Fiscal Note for Proposed Administrative Rules (200-RICR-20-05-2)

FISCAL IMPACT					
<i>State Revenues</i>		<i>State Expenditures</i>		<i>City/Town Expenditures</i>	
FY 2025	\$0	FY 2025	\$0	FY 2025	\$0
FY 2026	\$0	FY 2026	\$0	FY 2026	\$0
FY 2027	\$0	FY 2027	\$0	FY 2027	\$207,149
FY 2028	\$0	FY 2028	\$0	FY 2028	\$207,149
FY 2029	\$0	FY 2029	\$0	FY 2029	\$207,149

Summary of Policy Change	Summary of State Fiscal Impact
RIDE is seeking to revise the Charter School Regulations to clarify that charter schools can revise their charter type through a major amendment request.	The proposed changes to the regulations governing charter schools will have no fiscal impact on the state. LEAs will incur additional expenses in the form of tuition increases to mayoral academies.

Summary of State Expenditures: The state will incur no expenditures related to these regulations.

Summary of City/Town Impact:

The proposed changes to the Regulations Governing Charter Schools may have an estimated cost to LEAs of \$207,149 in the first school year under the new regulations. To develop an estimate of the costs to cities & towns/ LEAs, RIDE calculated the cost of conversion of RISE Mayoral Academy, the most likely mayoral academy to undergo the process. The increase in the holdback represents more dollars being kept by the sending district, and reduced tuition revenue to the newly converted charter school.

RISE Mayoral receives students from Burrillville, Johnston, North Smithfield, Pawtucket, Providence and Woonsocket. Each of these communities utilizes the 7% holdback, except Johnston. Johnston has unique per pupil expenditures less the charter average of those expenditures, that exceed 7%, so it holds back more than 7% under current law. RIDE multiplied the number of students from each sending district by the difference of the holdback at 14% and under the current law 7%, except Johnston, to estimate the cost. As an example, Burrillville’s 7% holdback is currently \$735 per student, and it sends 73 students to RISE Mayoral Academy. The change in holdback for Burrillville would be $(\$1,470 - \$735) \times 73$, which equals \$53,655. The total increase in holdback from all sending districts to RISE Mayoral now holding back 14% equals \$207,149.

As part of its analysis, RIDE also estimated the total cost if Achievement First, Blackstone Valley Prep Mayoral Academy, Excel Academy, Hope Academy, and RISE Mayoral Academy converted. The total increase in the holdback in this scenario would be \$2.54M. The likelihood of this scenario is unlikely.