

THE CITY OF PROVIDENCE  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 241

EFFECTIVE ~~XXXXXX~~ *Approved* May 28, 2006

CITY COUNCIL  
MAY 28 2006

WHEREAS, Current provisions of 16-7-44, school housing project costs which require that interest payments may only be included in project costs provided that the bonds for these projects are issued through the Rhode Island Health, Education and Building Corporation limits the ability of some communities in securing financing for school projects; and

WHEREAS, The requirement that the bonds be issued through the Rhode Island Health, Education and Building Corporation negatively impacts the timeframe for issuance of bonds and acquisition of funds; and

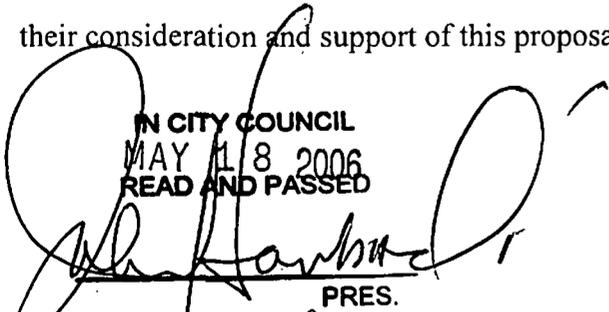
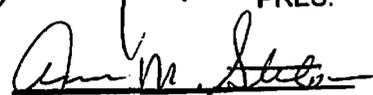
WHEREAS, Those communities with a strong financial standing may secure more favorable rates by directly financing projects; and

WHEREAS, Communities should be encouraged to finance at the best possible rates; and

WHEREAS, Interest payments should be included in school housing projects costs for projects in communities that have secured favorable financing due to their strong financial standing.

NOW, THEREFORE, BE IT RESOLVED, That we, the City Council of the City of Providence on this 8<sup>th</sup> day of March, 2006 do hereby respectfully request that the State Legislature and the Governor's Office support House Bill 2006-H 6806, An Act Relating to Education - Foundation Level School Support that would provide that for school housing projects approved after June 30, 2003, interest payments may be included for communities with a stand alone investment grade rating of at least "A" as established by Moody's Investor Service, Inc.;

BE IT FURTHER RESOLVED, That the City Clerk is hereby instructed to submit a copy of this resolution to various City and Town Councils of the State of Rhode Island seeking their consideration and support of this proposal.

**IN CITY COUNCIL**  
**MAY 18 2006**  
**READ AND PASSED**  
  
**PRES.**  
  
**CLERK**

Effective without the  
Mayor's Signature:  
  
**Anna M. Stetson**  
**City Clerk**

**IN CITY COUNCIL**  
APR 6 2006  
**FIRST READING**  
REFERRED TO COMMITTEE ON  
STATE LEGISLATION  
*Ann M. Steh* CLERK

**THE COMMITTEE ON  
STATE LEGISLATION**  
Recommends Approval  
*Cair & B. [unclear]*  
*may 2 2006* CLERK

*Council President Lombardi, By Request*

FILED  
MAY 2 2006

LC00138

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2006

A N A C T

RELATING TO EDUCATION -- FOUNDATION LEVEL SCHOOL SUPPORT

Introduced By: Representatives McHugh, Pacheco, Anguilla, Gemma, and D Caprio

Date Introduced: January 17, 2006

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 16-7-44 of the General Laws in Chapter 16-7 entitled "Foundation  
2 Level School Support" is hereby amended to read as follows:  
3           16-7-44. School housing project costs. -- School housing project costs, the date of  
4 completion of school housing projects, and the applicable amount of school housing project cost  
5 commitments shall be in accordance with the regulations of the commissioner of elementary and  
6 secondary education and the provisions of sections 16-7-35 -- 16-7-47; provided, however, that  
7 school housing project costs shall include the purchase of sites, buildings, and equipment, the  
8 construction of buildings, and additions or renovations of existing buildings and/or facilities.  
9 School housing project costs shall include the cost of interest payment on any bond issued after  
10 July 1, 1988, provided that such bond is approved by the voters on or before June 30, 2003 or  
11 issued by a municipal public building authority or by the appropriate approving authority on or  
12 before June 30, 2003. For those projects approved after June 30, 2003, interest payments may  
13 only be included in project costs provided that the bonds for these projects are issued through the  
14 Rhode Island Health, Education and Building Corporation or from communities with a stand  
15 alone investment grade rating of at least A as established by Moody's Investors Service, Inc.  
16 School housing project costs shall exclude: (1) any bond issuance costs incurred by the  
17 municipality or regional school district; (2) demolition costs for buildings, facilities, or sites  
18 deemed surplus by the school committee; and (3) restrictions pursuant to section 6-7-44.1 below.  
19 A building, facility, or site is declared surplus by a school committee when the committee no

1 longer has such building, facility, or site under its direct care and control and transfers control to  
2 the municipality, section 16-2-15. The board of regents for elementary and secondary education  
3 will promulgate rules and regulations for the administration of this section. These rules and  
4 regulations may provide for the use of lease revenue bonds, capital leases, or capital reserve  
5 funding, to finance school housing provided that the term of any bond, or capital lease shall not  
6 be longer than the useful life of the project and these instruments are subject to the public review  
7 and voter approval otherwise required by law for the issuance of bonds or capital leases. Cities or  
8 towns issuing bonds, or leases issued by municipal public buildings authority for the benefit of a  
9 local community pursuant to chapter 50 of title 45 shall not require voter approval.

10 SECTION 2. This act shall take effect upon passage.

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LC00138  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO EDUCATION -- FOUNDATION LEVEL SCHOOL SUPPORT

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- 1           This act would provide that for school housing projects approved after June 30, 2003,
- 2 interest payments may be included for communities with a stand alone investment grade rating of
- 3 at least A as established by Moody's Investors Service, Inc.
- 4           This act would take effect upon passage.

LC00138

# TOWN OF BURRILLVILLE

## Office of Town Clerk

Louise R. Phaneuf  
Town Clerk



TOWN BUILDING  
HARRISVILLE, R.I.

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FAX: (401) 568-0490  
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TDD: (401) 568-9461

## Resolution in Support of Amendments to §16-7-44. School Housing Project Costs

- WHEREAS, current provisions of §16-7-44. School housing project costs which require that interest payments may only be included in project costs provided that the bonds for these projects are issued through the Rhode Island Health, Education and Building Corporation limits the ability of some communities in securing financing for school projects; and,
- WHEREAS, the requirement that the bonds be issued through the Rhode Island Health, Education and Building Corporation negatively impacts the timeframe for issuance of bonds and acquisition of funds; and
- WHEREAS, those communities with a strong financial standing may secure more favorable rates by directly financing projects; and,
- WHEREAS, communities should be encouraged to finance at the best possible rates; and
- WHEREAS, interest payments should be included in school housing projects costs for projects in communities that have secured favorable financing due to their strong financial standing.

**NOW THEREFORE BE IT RESOLVED THAT** we, the Town Council of the Town of Burrillville on this 8<sup>th</sup> day of March 2006 do hereby respectfully request that the State Legislature and the Governor's Office support House Bill 2006 – H 6806, An Act Relating to Education – Foundation Level School Support that would provide that for school housing projects approved after June 30, 2003, interest payments may be included for communities with a stand alone investment grade rating of at least A as established by Moody's Investor Service, Inc.

**BE IT FURTHER RESOLVED** that the town clerk is hereby instructed to submit a copy of this resolution to various City and Town Councils of the State of Rhode Island seeking their consideration and support of this proposal.

Adopted this 8<sup>th</sup> day of March 2006

Wallace F. Lees, President  
Burrillville Town Council

ATTEST:

Louise R. Phaneuf, Town Clerk