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*The*

# SMITH HILL REPORT



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January 27, 2026

## Education Budget Highlights

Governor McKee's budget proposal funds the education funding formula and proposes two changes to the formula.

- The proposed FY 2027 budget increases education aid for public school districts by **\$13.4 million** statewide. Individual school district allocations increase or decrease based on student enrollment and other factors. Charter school funding will increase **\$6.5 million** in FY 2027 under McKee's proposed budget. Most of the increase funding is due to charter school expansion. To view the proposed change in education aid by school district, [click here](#).
- The proposed budget changes the funding formula by increasing the Student Success Factor by 3%, from 40% to 43% of base education aid. The Student Success Factor is extra education funding for students in poverty. The cost of this proposal is **\$14.4 million**.
- The proposed budget increases the funding level of high-cost special education funding by **\$2.5 million**.

Additional education budget highlights of the FY 27 budget proposal by Governor McKee include:

- The proposed budget reduces state funding for school construction reimbursements by **\$17 million**, assuming changes in reimbursement methodology by the School Building Authority.
- **\$2 million** increase to fund the Governor's Learn 365 RI Initiative to fund municipal out of school learning opportunities.
- **\$155,000** for the Auditory Oral program at the Foster School District, replacing lost federal funding with state funding.
- **\$4.2 million** increase for the University of Rhode Island, **\$2 million** for Rhode Island College and **\$2 million** for the Community College of Rhode Island to cover rising personnel and operating costs and costs to cover billings for centralized services.



*Center Employees Union President Anna Landolfi and Representative Evan Shanley following their meeting to discuss pay increases for Direct Support Professionals working at organizations that support individuals with developmental disabilities*

## **Bill Introductions**

### **Final Average Salary For All Post-2012 Employees**

**(H 7253, Edwards, House Finance)**

This bill adjusts the retirement benefit calculation for teachers and state employees by changing the cutoff date for determining final average salary from July 1, 2024, to July 1, 2012. The change applies to all members who retire on or after the new cutoff date.

### **High-Need Student Reimbursement**

**(H 7245, Donovan, House Finance)**

This bill revises the state funding formula for special education by amending extraordinary cost calculations beginning in FY 2028–2029. It also provides districts with additional reimbursement for excess costs when high-need special education students move in after local budgets are finalized.

### **Healthy School Meals for All**

**(S 2083, Acosta, Senate Finance)**

This bill establishes a statewide Universal School Breakfast and lunch program, providing free meals to all students in Rhode Island Public Schools. The program would be phased in over a three-year period using available Federal Aid and State Funding.

### **The School Libraries Act**

**(S 2078, Gallo, Senate Education)**

This bill directs the Commissioner of Elementary and Secondary Education to ensure that every Public School in Rhode Island has a school library in a permanent and dedicated space. It also requires that each school have a certified school librarian to manage and maintain the library.

### **Educator and Student Representation on CESE**

**(S 2077, DiMario, Senate Education)**

This bill expands the membership of the Council on Elementary and Secondary Education and the Board of Education. It grants voting rights to the Rhode Island Teacher of the Year and the Chair of the Student Advisory Council on each respective body.

### **Rhode Island Early Educator Workforce Act**

**(H 7317, Donovan, House Finance)**

This bill establishes the Rhode Island Early Educator Workforce Act, requiring the Department of Human Services and the Department of Elementary and Secondary Education to coordinate on managing scholarship and apprenticeship programs for early childhood educators. It also commits at least \$1 million annually to sustain the Child Care WAGE\$ program, which provides salary supplements to low-paid educators in licensed early learning programs.

### **Employer Neutrality**

**(H 7291, Casey, House Labor)**

This bill strengthens public sector labor rights by requiring public employers to remain neutral during union organizing campaigns. It allows employees to form a union through majority sign-up if more than half of workers in a bargaining unit sign authorization cards, without requiring an election.

### **School Social Worker Staffing Requirements**

**(S 2245, Sosnowski, Senate Finance)**

This bill requires all public schools in grades K–12 to employ at least one certified full-time school social worker for every 250 students. It also appropriates \$2 million in FY27 to support school districts and municipalities in hiring additional social workers beyond the baseline requirement.

### **Revenue For Rhode Islanders**

**(S 2238, Murray, Senate Finance)**

**(H 7313, Alzate, House Finance)**

These companion bills establish an additional 3% personal income tax on taxable income exceeding \$640,000 (in 2026 dollars), beginning in tax year 2027. The new surcharge applies only to income above the threshold, estimated to impact the top 1% of earners, and is adjusted annually for inflation. Rhode Island's existing three-bracket tax structure remains unchanged.

### **Civics Education Categorical Funding**

**(S 2233, Gallo, Senate Finance)**

This bill establishes a new categorical funding stream within the state education aid formula dedicated to civics education. Beginning in FY28, \$1 million in annual funding would support teacher professional development, student-led civics projects, curriculum resources, and statewide oversight by the Department of Education. The funding would increase by at least 50% in FY29 and be distributed through an RFP process based on district need.

## **Inclusion of Medicaid Enrollment in Education Aid Formula**

**(S 2226, Acosta, Senate Finance)**

This bill updates Rhode Island's education funding formula by including student Medicaid enrollment as an indicator of poverty status for the student success factor. Beginning in FY 2027, districts would receive additional funding for students identified through Medicaid participation, expanding the current method that relies on SNAP data.



RIFTHP members from every sector, including K-12, higher education, healthcare, and public service, are coming together to show our strength and demand action from the General Assembly. With critical issues like retirement security, classroom safety, and charter reform on the line, this is our moment to speak up and stand together. Let's pack the State House and show the power of a united voice.

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### **Questions**

RIFTHP members with questions about the Smith Hill Report or our legislative agenda may reach out to RIFTHP Lobbyist Jeremy Sencer at (401) 273-9800 or at [jsencer@rifthp.org](mailto:jsencer@rifthp.org).

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