

STATE OF RHODE ISLAND
COMMISSIONER OF EDUCATION

GLOCESTER SCHOOL COMMITTEE
Petitioner,

vs.

RIDE No. 25-052K

TOWN OF GLOCESTER,
Respondent

DECISION AND ORDER

Held: School committee’s complaint relying solely upon an alleged violation of the state’s maintenance of effort law is denied and dismissed for lack of jurisdiction pursuant to the plain language of the law, which provides that “[t]he courts of this state shall enforce this section by means of injunctive relief.”

Date: October 28, 2025

I. INTRODUCTION

On or about July 25, 2025, Petitioner, Gloucester School Committee (“Committee”), filed a complaint with the Commissioner alleging that the Town of Gloucester (“Town”): (1) is in violation of the State’s maintenance of effort (“MOE”) law, R.I. Gen. Laws § 16-7-23; and (2) failed to produce the last ten years of statements of all money applicable to the support of public schools each school year as required by R.I. Gen. Laws § 16-9-2. Following a teleconference on July 30, 2025, a pre-hearing order was issued by the undersigned Hearing Officer requiring the parties to produce certain public budget documents as mandated under R.I. Gen. Laws § 16-9-2 and to brief the following legal issues:

- (1) Whether the Commissioner has jurisdiction over an alleged violation of the State’s MOE law; and
- (2) If the Commissioner lacks such jurisdiction, whether she would retain jurisdiction over claims made by the Committee under the Caruolo Act, R.I. Gen. Laws § 16-2-21.4.

See July 31, 2025 First Pre-Hearing Order at 2.

II. MATERIAL FACTS AND ALLEGATIONS

The material facts are not in dispute, and the following was deduced from the Complaint and Answer, as well as the parties’ respective briefs and exhibits.

1. During the budget cycle for Fiscal Year 2026, the Assistant Gloucester Superintendent claimed that over the last several years the Town had made separate, additional payments to the School Department that had not been included in the base amount of the budget when calculating the following year’s MOE. Complaint 2.
2. As a result, the Committee now alleges in its Complaint that the Town has: (a) been violating R.I. Gen. Laws § 16-7-23 since at least fiscal year 2019; (b) approved a school budget that was less than the Committee’s proposed school budget for fiscal year 2026

and, at least in part due to its violation of the State’s MOE law, failed to adequately fund the School Department’s operations for the 2025-2026 school year; and (c) failed to produce the last ten years of statements of all money applicable to the support of public schools each school year as required by R.I. Gen. Laws § 16-9-2. *See generally id.*

3. According to the Assistant Superintendent, the Town has failed in its MOE obligations by over \$1,000,000.00 over the course of the last six years, forcing the School Department “to lay off 13 teaching assistants, 4 certified staff, and make other dramatic budget cuts.” *Id.* at 2, 3.
4. The Town acknowledges that the additional funds identified in the Complaint had been contributed to the School Department out of the Town’s “Reserve for Loss in State Aid-Glocester Public Schools” account during fiscal years 2020, 2023, 2024, 2025, adding that such contributions were non-recurring and had been approved by registered voters of the Town to “make up for the loss of money from the State of Rhode Island to the [S]chool [D]epartment in each of the relevant years.” Answer 2.
5. The financial documents submitted by the Town demonstrate that during the fiscal years in question, it appropriated the same amount of money to the School Department as had been appropriated in the prior year. *Id.* at Ex. A.
6. The Town had special legislation enacted to allow it to exceed the 4% tax levy cap by an additional 3%, which is expected to be put to a vote in October of 2025. Complaint 3.

III. POSITIONS OF THE PARTIES

1. Glocester School Committee

The Committee argues that the Commissioner has jurisdiction to hear this matter under R.I. Gen. Laws § 16-7-23, noting that the Commissioner previously exercised jurisdiction over

the issue of whether “payments made directly by a Town to School Committee vendors must be included in the [MOE] level for the community” in *Town of West Warwick v. West Warwick School Committee*, RIDE No. 0017-09 (August 31, 2009). See August 14, 2025 *Brief of Petitioner Glocester School Committee* (“Committee’s Memo”) at 1. The Committee claims that if the Committee were to initiate this MOE action directly in Superior Court, “it would likely face dismissal of the action under the doctrine of failure to exhaust administrative remedies,” whereas an action to enforce the Commissioner’s decision “would lie in the Superior Court” under R.I. Gen. Laws § 16-7-23. *Id.* at 2.

The Committee emphasizes that it is not making any claims under the Caruolo Act and therefore declines to address whether the Commissioner’s jurisdiction under the Act is applicable here, and further asserts that the Town has failed to provide the financial documents requested by the Committee that are required under R.I. Gen. Laws § 16-9-2. See *id.* at 3, 4.

The Committee also argues that: (a) the Town failed to address the Committee’s argument that the Complaint would likely be dismissed if filed initially in Superior Court; and (b) there are discrepancies between the Town’s submitted budget, which was provided to the Committee on September 2, 2025, and emails from the Town’s Finance Director, and therefore, “the [T]own’s failure to be able to accurately account for how much the District has to spend on education” is a violation of R.I. Gen. Laws § 16-9-2. See generally September 4, 2025 *Reply Brief of Petitioner Glocester School Committee* (“Committee’s Reply”).

2. Town of Glocester

The Town argues that the Commissioner lacks jurisdiction over this matter under the State’s MOE law and distinguishes the facts in *Town of West Warwick* from those raised in the Complaint. See August 22, 2025 *Respondent’s, Town of Glocester, Brief* (“Town’s Memo”) at 3.

According to the Town, the “Complaint here is completely devoid of any allegation that the Town paid school department vendors directly and then refused to include these sums as part of the district’s MOE” and “there are no allegations . . . that the Town failed to appropriate ‘money into the school district’s account.’” *Id.* at 4 (quoting *Town of West Warwick*, RIDE No. 0017-09, at 11). Instead, the Town avers that the Complaint “makes it abundantly clear that the dispute in this case is ‘whether or not specific sums that have been appropriated’ by the Town to the school department ‘amount to maintenance of effort,’” and, “[a]s the Commissioner stated in the *West Warwick* Decision, whether or not the Town here has properly funded the Gloucester school district’s MOE, year over year, is a question for the courts to decide pursuant to R.I. Gen. Laws § 16-7-23(a).” *Id.* (quoting *Town of West Warwick*, RIDE No. 0017-09, at 11).

Finally, the Town argues that any jurisdiction the Commissioner has under the Caruolo Act is irrelevant here given that the Committee has admitted that it is not pursuing a Caruolo Act claim in this matter. *Id.* at 4-5.

IV. DECISION

School committees and municipalities are not immune from the financial stress and uncertainty that has characterized governmental appropriations of all sorts in recent days, and Gloucester is not the only locality where this stress and uncertainty has created conflict. However, despite the Commissioner’s broad jurisdiction over “disputes . . . arising under any law relating to schools or education,” her jurisdiction with respect to financial disputes between school committees and municipalities is not unlimited. R.I. Gen. Laws § 16-39-1. Although the Commissioner has a significant role to play, her ultimate authority over such educational fiscal disputes depends entirely upon the factual context and the question of her jurisdiction hinges upon the specific allegations raised by the petitioner. For example, the Commissioner maintains

jurisdiction over alleged failures to comply with the fiscal reporting requirements and/or budgetary procedures under R.I. Gen. Laws §§ 16-2-9.4 or 45-12-22.2 and adherence to the pre-suit procedures mandated under the Caruolo Act, R.I. Gen. Laws 16-2-21.4. But, relevant to the Committee's specific allegations here, while she has properly exercised interpretation authority over the MOE statute's provisions under R.I. Gen. Laws § 16-39-1, as detailed *infra*, she lacks the requisite enforcement authority under R.I. Gen. Laws § 16-7-23. That statute provides, in pertinent part, that:

The school committee's budget provisions of each community for current expenditures in each budget year shall provide for an amount from all sources sufficient to support the basic program and all other approved programs shared by the state. Each community shall contribute local funds to its school committee in an amount not less than its local contribution for schools in the previous fiscal year ***The courts of this state shall enforce this section by means of injunctive relief.***

Id. at (a) (emphasis added).

Both parties rely heavily on *Town of West Warwick*. Yet, despite the Committee's arguments to the contrary, the facts and issues presented in the *Town of West Warwick* are readily distinguishable from the facts and issues presented here. The issue raised in *Town of West Warwick* was whether "a sum of approximately \$1.2 million dollars the town itself paid directly to school committee creditors in 2008 should count towards the town's maintenance of effort requirements in 2009." *Town of West Warwick*, RIDE No. 0017-09, at 2. In turn, the Town of West Warwick claimed that, in the context of a Caruolo action under R.I. Gen. Laws § 16-2-21.4, the parties entered into an agreement "which was structured in a way that voids any claim on behalf of the school committee to have the \$1.2 million dollars counted towards the town's maintenance of effort obligation." *Id.*

The Commissioner held that “the force of the [MOE] law . . . cannot be evaded by having a town or city directly pay for a school expenditure rather than appropriating the money into the school account, as required by law, so that the school committee itself can pay the expenditure, and thereby establish the lawfully required [MOE] level for the community.” *Id.* at 10.

However, as to her jurisdiction in this specific context, the Commissioner clarified that:

Our decision here addresses only issues ‘arising under any law relating to schools or education.’ (R.I.G.L.16-39-1 and R.I.G.L.16-39-2) since we have no jurisdiction outside this narrow ambit. Moreover, we obviously have no authority to abridge the jurisdiction of any other tribunal. ***In particular, we note that we express no opinion as to whether or not the specific sums that have been appropriated by the Town of West Warwick to the West Warwick School Committee amount to maintenance of effort since this question is reserved to the Honorable Superior Court. (R.I.G.L.16-7-23 (a))*** We simply conclude that ‘the force of the maintenance of effort law (R.I.G.L. 16-7-23) cannot be evaded by having a town or city directly pay for a school expenditure rather than appropriating the money into the school account, as required by law, so that the school committee itself can pay the expenditure, and thereby establish the lawfully required maintenance of effort level for the community.’

Id. at 10-11 (emphasis added). Moreover, in *Town of West Warwick* it was undisputed that the town was directly paying school committee vendors instead of appropriating these funds to the school committee pursuant to an agreement between the parties. *See generally id.*

Here, all financial documents submitted by the parties clearly demonstrate that the Town properly transferred all the disputed funds appropriated to support the School Department directly to the School Department; there is no evidence suggesting that the Town made any separate payments to School Department vendors, or any other outside party, in an effort to avoid MOE. *See* Complaint at Ex. A; Answer at Ex. A. In fact, the Committee expressly admits that the Town appropriated the disputed funds into the school account, claiming “the Town has,

for perhaps as long as 14 years, been utilizing a budget gimmick to hide *certain funds that they have been providing the School Department each budget year[.]*” Complaint at 1 (emphasis added).

In short, the issue raised here is not whether the Town has evaded its MOE obligations by transferring funds appropriated to support the School Department to outside parties, as was the case in *Town of West Warwick*, but instead whether the funds actually appropriated by the Town to the School Department for fiscal years 2019 through 2026 amount to MOE in light of the separate transfers made by the Town to the School Committee in fiscal years 2020, 2023, 2024, and 2025. Indeed, a plain reading of the Complaint here demonstrates that Petitioner is improperly asking the very question that the Commissioner emphasized was outside her jurisdiction in *Town of West Warwick*, i.e., “whether or not the specific sums that have been appropriated by the [Town] to the [Committee] amount to maintenance of effort.” *See* RIDE No. 0017-09, at 11.

Resolving such a dispute would require the Commissioner to conduct an *ultra vires* review of Town and Committee financial documents for the past six years to determine “whether or not the specific sums that have been appropriated by the [Town] to the [School Committee] amount to [MOE]” under R.I. Gen. Laws § 16-7-23, and if a finding in the negative were made, to re-calculate the MOE from fiscal year 2019 through 2026 to determine the current fiscal year school budget, both of which are “question[s] that [are] reserved to this Honorable Superior Court.” *See id.* at 11.¹

V. ORDER

For all of the above reasons, the petition is hereby denied and dismissed.

¹ The Committee’s Reply seemingly admits that the Town produced the requested financial documents under R.I. Gen. Laws § 16-9-2 on or about September 2, 2025 and, therefore, the Commissioner declines to address this allegation at this time.

/s/ Kaelyn Phelps
KAELYN R. PHELPS PRIGGE, ESQ.,
as Hearing Officer for the Commissioner

/s/ Angelica Infante-Green
ANGÉLICA INFANTE-GREEN,
Commissioner

Date: October 28 2025