

No: 2026-38

TOWN OF MIDDLETOWN  
RESOLUTION OF THE COUNCIL

**RESOLUTION URGING FULL FUNDING OF THE SCHOOL HOUSING AID PROGRAM**

- WHEREAS: The State of Rhode Island has historically partnered with municipalities to support investments in public school infrastructure through the School Housing Aid Program pursuant to R.I. General Laws §§ 16-7-35 through 16-7-47; and
- WHEREAS: Rhode Island General Laws, including R.I.G.L. § 16-7-41, structure Housing Aid to align reimbursement with annual principal and interest payments on school construction debt, thereby providing predictability for municipal financial planning; and
- WHEREAS: Municipalities rely on timely and consistent Housing Aid reimbursements to responsibly structure long-term borrowing and manage debt service obligations; and
- WHEREAS: The Governor's Recommended FY 2027 Budget proposes changes that would reduce or defer Housing Aid payments through multi-year reimbursement mechanisms, including provisions contemplated under R.I.G.L. §§ 16-7-41 and 16-7-45; and
- WHEREAS: The Governor's proposal effectively reduces Housing Aid payments in FY 2027 by approximately \$8 million to \$15 million statewide, depending on the method of implementation, by utilizing cash flow mechanisms that defer payments into future fiscal years; and
- WHEREAS: Such cash flow mechanisms, while not reducing total aid, disrupt the alignment between state reimbursement and municipal debt service, creating uncertainty and potential financial risk for municipalities; and
- WHEREAS: The Town of Middletown has made a significant financial commitment to invest in new school buildings, representing one of the largest capital investments undertaken by the Town; and
- WHEREAS: Middletown taxpayers are directly impacted by these borrowing decisions and are sensitive to uncertainty in state reimbursement policies that affect local financial obligations; and
- WHEREAS: The Town is actively structuring its debt issuance and repayment schedules to maintain stable and predictable annual debt service payments, and variability in Housing Aid reimbursement timing undermines this effort; and
- WHEREAS: Uncertainty in state funding introduces challenges in the Town's budget development process and may result in increased costs or financial strain on local taxpayers; and
- WHEREAS: The School Housing Aid Program is intended to ensure that capital investments in educational infrastructure do not impair municipal financial stability or local school operations; and
- WHEREAS: The State of Rhode Island has been a reliable and valued partner in supporting municipal school infrastructure investments, and maintaining that partnership is critical to the success of these projects;

NOW, THEREFORE, BE IT

- RESOLVED: That the Middletown Town Council hereby urges the Rhode Island General Assembly to amend the Governor's Recommended FY 2027 Budget to fully fund the School Housing Aid Program at levels necessary to meet all existing commitments; and