



December 6, 2015

Dear Fellow East Siders:

I hope you are enjoying another beautiful late autumn weekend. This week's letter discusses the City's bond rating downgrade and the school aid funding formula.

On November 13, Moody's Investor Service issued a [Bulletin](#) announcing it had downgraded its "outlook" on the City's bond rating from "stable" to "negative," as reported this week by [WPRI](#) and [The Providence Journal](#). The announcement may make it more difficult for the City to finance more than \$600 million of critical infrastructure repairs identified earlier this year in the Bond Study Commission's [Report](#). Moody's Bulletin cites the City's ongoing financial instability, including the \$5 million operating deficit it posted last year. Whether you date the Moody's Bulletin to last week or to November 13, it was not the first external warning sign. On October 20, the Auditor General issued a [Letter](#) to the administration directing it to prepare a "realistic" deficit reduction plan, approved by the City Council, that complies with State law requirements. Recently, the administration's press secretary informed [Rhode Island Public Radio's Scott Mackay](#) that it is "working on an 'action plan' to be released after the holidays." I am sure my colleagues join me in looking forward to reviewing the administration's plan and offering any assistance we can as part of the approval process outlined by the Auditor General. With that said, I believe we on the City Council can assist the administration more effectively and sooner. During 2011-12, the Taveras administration and City Council worked closely together, from the beginning, to develop and implement a fiscal corrective action plan which closed the bulk of the City's structural deficit, reformed the pension system and generated modest operating fund surpluses for the following two fiscal years. During those dark days, Mayor Taveras said we would look back on our work together as our City's "finest hour." Mayor Taveras may have been right when he said this, but I believe a shared commitment to work together today with urgency and purpose can lead to even better days and "finer hours" ahead.

In October, the Governor issued an [Executive Order](#) establishing a "working group" to review the formula that allocates State aid to local school districts. To help readers understand the formula, I have prepared a brief [Overview](#) of its constituent parts, as well as a [Critique](#) of its structural features that prevent it from providing adequate resources to support a public education for all Rhode Islanders that will meet the State's standards. Last Thursday, the City Council approved a [Resolution](#) I introduced to urge the working group to address these inadequacies. A group of urban superintendents (including Interim Superintendent Maher) are organizing to present a case to the working group this Thursday about the need to develop a separate funding stream for children learning the English language, a feature present in all but four funding formulas nationally. While this would be a step in the right direction, the City Council's resolution expresses the view that the current formula needs more than incremental "tweaking," through either a more systematic study by the Board of Education or, ultimately, by the approval of a Constitutional right to education that can be enforced by the courts. This latter step would bring Rhode Island into the national mainstream, and would provide elected officials with the "political cover" other states have used to enact an effective solution. For example, the Massachusetts Legislature approved the 1993 Education Reform Act shortly after the Supreme Judicial Court issued a decision recognizing a right to education under that state's Constitution. The Massachusetts program established the foundation the country's top performing public school system, providing an example on our borders of what we can (and need to) accomplish in Rhode Island.

Sincerely,

A handwritten signature in blue ink that reads 'Samuel D. Zurier'.