

SETTLEMENT AGREEMENT

1. WHEREAS, in 2019 the Rhode Island Council on Elementary and Secondary Education (the “Council”) intervened in, and exercised control over, the Providence Public School District (the “PPSD”), pursuant to R.I. Gen. Laws § 16-7.1-1 *et seq.* (the “Crowley Act”);

2. WHEREAS, on or about July 23, 2019, the Council delegated to the Commissioner (the “Commissioner”) of the Rhode Island Department of Elementary and Secondary Education (“RIDE” and collectively with the Commissioner, the “State”) the “power and authority to take actions consistent with, and in furtherance of RIDE’s intervention and support of the Providence Public School District, which would include, but not be limited to, assuming control of the District, the reconstitution of the Providence Public Schools and any other power (at law and in equity) available to the Council as may be authorized by law and as may be determined to be necessary and appropriate by the Commissioner[.]”;

3. WHEREAS, on or about October 15, 2019, the Commissioner assumed control over the PPSD upon the issuance of (1) a Decision Establishing Control over the PPSD and Reconstituting Providence Public Schools; and (2) an Order of Control and Reconstitution;

4. WHEREAS, during the course of RIDE and the Commissioner’s exercise of control and reconstitution, certain disputes have arisen between (1) the State and (2) the Mayor of the City of Providence (the “Mayor”) and the Providence City Council (the “City Council” and together with the Mayor, the “City”) regarding the Parties’¹ respective interpretations of R.I. Gen. Laws § 16-7.1-5(a) (“Section 5(a) of the Crowley Act”), which concerned how much, if any, additional funding the City would owe to the PPSD in Fiscal Year 2024 and Fiscal Year 2025 (the “Funding Disputes”);

WHEREAS, the Funding Disputes arose out of the State’s claims, which the City disputed, that the City had failed to allocate sufficient funds to the PPSD in Fiscal Year 2024 and Fiscal Year 2025 under R.I. Gen. Laws § 16-7.1-5(a) (“Section 5(a) of the Crowley Act”);

WHEREAS, in connection with the Funding Disputes, on or about August 15, 2023, the Commissioner issued that certain Order to the General Treasurer to Withhold a Portion of Non Education-Related State Aid Owing to the City of Providence in the amount of Seven Million, Sixty Nine Thousand, Four Hundred and Twenty Eight Dollars (\$7,069,428.00) (the “FY 2024 Withholding Order”), and on or about October 28, 2024, a decision issued in the administrative action captioned *In re the Providence Public School District*, RIDE No. 24-058-A, authorizing the Commissioner to issue an Order to the General Treasurer to Withhold a Portion of Non Education-Related State Aid Owing to the City of Providence in the amount of Eight Million, Five Hundred

¹ The City and the State may be referred to herein as a “Party” or together as the “Parties.”

and Thirty Two Thousand, Eight Hundred and Ninety Nine Dollars and Seven Cents (\$8,532,899.07) (the “FY 2025 Withholding Order”), both of which the City disputed;

WHEREAS, by agreement of the Parties, the Eight Million, Five Hundred and Thirty Two Thousand, Eight Hundred and Ninety Nine Dollars and Seven Cents (\$8,532,899.07) that was the subject of, and withheld pursuant to, the request for a FY 2025 Withholding Order has been held in escrow by the General Treasurer (the “Escrowed Funds”) by agreement of the Parties until the Court issued its decision on the amount the City owes for Fiscal Year 2025;

WHEREAS, the Parties’ Funding Disputes, among other disputes, have resulted in the following lawsuits: *Smiley, et al. v. Infante-Green, et al.*, PC-2023-03940; *Infante-Green, et al. v. Smiley, et al.*, PC-2024-04286; *Smiley, et al. v. Angélica Infante-Green, et al.*, PC-2024-05589; *Smiley, et al. v. Infante-Green, et al.*, PC-2024-05589 and *Smiley, et al. v. Infante-Green, et al.*, PC-2024-05810 (the “Litigation”); and

WHEREAS, in a shared desire to resolve the Litigation, the Funding Disputes and the amount of the City’s maintenance of effort obligation for Fiscal Year 2026 and Fiscal Year 2027, the Parties reached an agreement, in principle, as to the total amount owed to satisfy any and all additional funds due and owing under Section 5(a) of the Crowley Act for Fiscal Year 2024 and Fiscal Year 2025, and, subject to certain conditions, including the amount of the City’s maintenance of effort obligation for Fiscal Year 2026 and 2027.

NOW, THEREFORE, in consideration of the foregoing (the “Recitals”), and in exchange for the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The above Recitals are incorporated by reference and are expressly made part of this Agreement, as if they were set forth and restated in full.

Fiscal Year 2024.

2. Fiscal Year 2024 Payment: For Fiscal Year 2024, the Parties agree, acknowledge, and confirm that the sum of any and all additional funds owed under Section 5(a) of the Crowley Act shall total Four Million Dollars (\$4,000,000.00).

3. Within five (5) business days of days from the date that this Agreement is fully executed by the Parties, the City shall transfer a total of Four Million Dollars (\$4,000,000.00) to the PPSD.

4. Fiscal Year 2024 Release: In consideration of the City’s payment of Four Million Dollars (\$4,000,000.00) to PPSD, the State hereby remises, releases and forever discharges the City from any and all claims, actions, causes of action, demands, damages, judgments, liabilities and suits, both at law and in equity, for or by reason of the Funding Disputes for Fiscal Year 2024 and the City hereby remises, releases and forever discharges the State from any and all claims, actions, causes of action, demands, damages, judgments, liabilities and suits, both at law and in

equity, for or by reason of the Funding Disputes for Fiscal Year 2024. Moreover, within ten (10) business days of the receipt of the City's payment of said Four Million Dollars (\$4,000,000.00), the PPSD shall provide written confirmation that as of June 30, 2024, the PPSD has neither an operating deficit nor a negative fund balance.

5. Dismissal of the Fiscal Year 2024 Litigation: Within five (5) business days of the completion of the terms set forth herein, the Parties shall collaborate in the drafting, execution, and filing of dismissals of the litigation captioned as *Smiley, et al. v. Infante-Green, et al.*, PC-2023-03940 and *Infante-Green, et al. v. Smiley, et al.*, PC-2024-04286, with prejudice, without any right of appeal, and with each Party responsible for its own costs and attorneys' fees.

Fiscal Year 2025.

6. Fiscal Year 2025 Payment: For Fiscal Year 2025, the Parties agree, acknowledge, and confirm that the sum of any and all additional funds owed under Section 5(a) of the Crowley Act shall total Eleven Million Dollars (\$11,000,000.00) to be satisfied as follows:

a. Within five (5) business days from the date that this Agreement is finally executed by the Parties hereto, the Commissioner or her duly authorized representative shall, by writing, request from the General Treasurer the release to the City of the Escrowed Funds (\$8,532,899.07) in Non Education Related-State Aid that was the subject of, and withheld pursuant to, the request for a FY 2025 Withholding Order;

b. Within five (5) business days from receipt of the Escrowed Funds, the City shall remit to the PPSD payment in the amount of Eight Million Dollars (\$8,000,000.00); and

c. On or before June 30, 2025, the City shall transfer the equivalent of Three Million Dollars (\$3,000,000.00) of Virtual Net Metering credits to PPSD, which the PPSD shall then apply against utility bills for the period between July 1, 2024 through June 30, 2025; provided, however, that if the total value of the Virtual Net Metering credits applied to said utility bills is less than Three Million Dollars (\$3,000,000.00), then the City shall provide a cash payment to the PPSD to cover the difference between the actual value of the Virtual Net Metering Credits and Three Million Dollars (\$3,000,000.00).

7. Fiscal Year 2025 Release: In consideration of the City's payment of Eleven Million Dollars (\$11,000,000.00) to PPSD, the State hereby remises, releases and forever discharges the City from any and all claims, actions, causes of action, demands, damages, judgments, liabilities and suits, both at law and in equity, for or by reason of the Funding Disputes for Fiscal Year 2025 and the City hereby remises, releases and forever discharges the State from any and all claims, actions, causes of action, demands, damages, judgments, liabilities and suits, both at law and in equity, for or by reason of the Funding Disputes for Fiscal Year 2025.

8. Dismissal of the Fiscal Year 2025 Litigation: Within five (5) business days of the completion of the terms set forth herein, the Parties shall collaborate in the drafting, execution, and filing of dismissals of the litigation captioned as *Smiley, et al. v. Infante-Green, et al.*, PC-

2024-05589 and *Smiley, et al. v. Infante-Green, et al.*, PC-2024-05810, with prejudice, without any right of appeal, and with each Party responsible for its own costs and attorneys' fees.

Fiscal Year 2026.

9. The City's Fiscal Year 2026 Maintenance of Effort Obligation: For Fiscal Year 2026, the Parties agree, acknowledge, and confirm that the sum of all funds owed under Section 5(a) of the Crowley Act shall total One Hundred and Forty Seven Million Dollars (\$147,000,000.00).

Fiscal Year 2027.

10. The City's Fiscal Year 2027 Maintenance of Effort Obligation: For Fiscal Year 2027, the Parties agree, acknowledge, and confirm that the base maintenance of effort obligation shall total One Hundred and Forty Seven Million Dollars (\$147,000,000.00).

11. If the PPSD remains under State control in FY 2027, the City's maintenance of effort obligation will be calculated under Section 5(a) of the Crowley Act such that the base maintenance of effort obligation for the prior academic year (\$147,000,000.00) shall be increased by the same percentage as the state total of school aid is increased.

12. Upon satisfaction of the City's Fiscal Year 2027 maintenance of effort obligation, the State agrees to remise, release and forever discharge the City from any and all claims, actions, causes of action, demands, damages, judgments, liabilities and suits, both at law and in equity, for or by reason of the amount owed under Section 5(a) of the Crowley Act for Fiscal Year 2027 and the City agrees to remise, release and forever discharge the State from any and all claims, actions, causes of action, demands, damages, judgments, liabilities and suits, both at law and in equity, for or by reason of the amount owed under Section 5(a) of the Crowley Act for Fiscal Year 2027.

13. The terms of this Agreement shall not be taken or otherwise interpreted in any manner as an admission of liability, a concession on the part of either Party, or as an agreement concerning the proper formula for determining the amount, if any, owed by the City to the PPSD for any other fiscal year during the period of control and reconstitution, and pursuant to the express understanding that this Agreement is being entered into solely and exclusively as a compromise and final settlement of the Funding Disputes in Fiscal Year 2024 and Fiscal Year 2025 and of the amount of the City's maintenance of effort obligation for Fiscal Year 2026 and Fiscal Year 2027.

14. Each Party warrants and represents that it has carefully read and understands the effect of this Agreement and has had the opportunity to obtain the assistance of counsel in reviewing, discussing, and considering all terms of this Agreement. No Party shall be entitled to have any wording of this Agreement construed against any other Party in the event of any dispute in connection with this Agreement.

15. Each Party warrants and represents that the representative executing this Agreement on behalf of that Party is empowered to do so and thereby binds such entity.

16. The Parties agree to cooperate with each other in the execution of the terms of this Agreement and to execute all additional documents and take such additional actions as shall be reasonable and necessary to carry out the provisions of this Agreement.

17. No Party has relied on any statement or representation of any other Party executing this Agreement, except as expressly stated in this Agreement.

18. This Agreement may not be amended or modified except in writing executed by all Parties hereto.

19. Each Party shall bear its own attorneys' fees and costs related to this Agreement.

20. This Agreement may be executed in several counterparts, each of which shall, for all purposes, be deemed an original and all of such counterparts, taken together, shall constitute one and the same Agreement, even though all of the Parties hereto may not have executed the same counterpart of this Agreement. PDF copies of this Agreement, and the Parties' respective signature pages, shall be fully effective and enforceable as original copies.

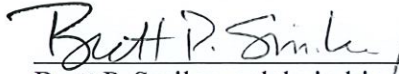
21. Notwithstanding the terms of this Agreement, the Parties agree that paragraph 2 of the Court's October 30, 2024 Order in PC-2024-5810 shall remain in full force and effect and that irrespective of the dismissal(s) of the Litigation, the Parties agree to abide by the agreement memorialized in paragraph 2 of said Order for Fiscal Years 2024 and 2025.

22. This Agreement is effective upon the date it is fully executed by all Parties hereto; provided, however, that this Agreement is subject to the approval of the Providence City Council Committee on Claims and Pending Suits.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have freely entered into and executed this Agreement on the dates shown below.


FOR THE CITY:



Brett P. Smiley, solely in his capacity as the
Mayor of the City of Providence

Dated: 11/22/24

APPROVED AS TO FORM AND CORRECTNESS



Jeff Dana, solely in his capacity as the City Solicitor

Dated: 11/22/24

FOR THE STATE:

Angélica Infante-Green, solely in her capacity
as the Commissioner of the Rhode Island Department
of Elementary and Secondary Education and as the
delegate of the Rhode Island Council on Elementary
and Secondary Education

Dated:

The Rhode Island Department of Elementary and
Secondary Education
By: _____
Title: _____

Dated:

IN WITNESS WHEREOF, the Parties have freely entered into and executed this Agreement on the dates shown below.

FOR THE CITY:

Brett P. Smiley, solely in his capacity as the Mayor of the City of Providence

Dated:

APPROVED AS TO FORM AND CORRECTNESS

Jeff Dana, solely in his capacity as the City Solicitor

Dated:

FOR THE STATE:

Angélica Infante-Green
Angélica Infante-Green, solely in her capacity as the Commissioner of the Rhode Island Department of Elementary and Secondary Education and as the delegate of the Rhode Island Council on Elementary and Secondary Education

Dated: 11-22-2024

Angélica Infante-Green
The Rhode Island Department of Elementary and Secondary Education
By: Angélica Infante-Green
Title: Commissioner of Elementary and Secondary Education

Dated: 11-22-2024