



# SMITH HILL REPORT

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## Budget Slide Continues

Every May, staff from the House, the Senate and the Governor's Office meet to determine the amount of money the State has garnered in income and how much money it has spent on programs. These meetings, known as the Revenue Estimating Conference, is the final look at the soundness of budget projections.

For several years now, the May Revenue Estimating Conference has concluded that projections were too rosy and the State Budget is in a larger deficit than initial projections. The May 2009 Revenue Estimating Conference followed this pattern. The budget deficit for the current fiscal year, ending in two months, has grown by \$70 million. Next year's budget deficit is projected to be \$590 million. The total deficit for the remainder for this year and for the 2009-2010 fiscal year stands at an astounding \$661 million.

### **Institute Honors Smith, Moura**

At its annual awards banquet, the *Institute for Labor Studies and Research* honored two former legislators for their work to support working families and organized labor. **Steven Smith**, who is now President of the Providence Teachers Union, served in the House of Representatives for 20 years. **Paul Moura**, currently employed by the Laborers' Union, served as a Representative and Senator for a total of 24 years.

***Congratulations to both former legislators.***

To add perspective to this number, excluding federal dollars the State deficit is 19% in the red. The cause of the deficit is higher expenditures and dramatically lower income from taxes and gambling. Rhode Islanders are now paying the price for unnecessary, unrealistic tax cuts such as the capital gains tax reduction, tax cut for the rich, and corporate tax breaks for private school contributions.

Unfortunately, working people will bear the brunt of the budget deficit in the form of program cuts, cuts in aid to non-profits, and budget-driven pension reductions.

The Assembly will now focus on a budget plan to balance this year's budget and next year's budget. Because the Assembly has placed pension contributions in a separate account for the last few months in anticipation of potential pension reform, it is expected that budget decisions and decisions on State and teacher pensions will be made before the end of June.

## Bills on the Move

- **Mandatory Professional Development – School Committees**  
(**S0480** Gallo, Senate Education)  
This act would require members of school committees to undertake six (6) hours of professional development in a program developed by Rhode Island College. The bill unanimously passed out of committee on May 13.
- **High School Graduation Rate Policy**  
(**S0728** Pichardo, Senate Education)  
This act would require the adoption and implementation of a formula to calculate information about "on-time" graduation from students in Rhode Island public high schools. The bill passed out of committee on May 13.

- **Textbook Loan Program – Collaboratives**  
(**S0482A** Gallo, Senate Education)  
This act would require regional collaboratives to distribute textbooks to private school students in accordance with Rhode Island law. The bill unanimously passed out of committee on May 13.
- **Center for Health Professions**  
(**H5393** Slater, House Corporations)  
This act would create a Center for Health Professions for the development of a healthcare workforce. The bill passed the House by a 61 to 3 vote on May 7 and is awaiting transfer to the Senate.

## **Bill Introductions**

- **Scope of Bargaining – Waiver Payment - \$2,500 Cap**  
(**H6086** Gablinski, House Finance)  
The RIFTHP **opposes** this act which would limit to twenty-five hundred dollars (\$2,500) the amount paid to school employees who waive health insurance benefits.
- **School/Municipality Consolidation Study Commission**  
(**S0799** Blais, Senate Constitutional and Regulatory Issues)  
The RIFTHP **opposes** this act which would establish the Rhode Island School Realignment Commission and the Rhode Island Municipal Public Safety and Public Works Realignment Commission. Labor unions are under-represented on these proposed commissions to study regionalization and consolidation.
- **Post Retirement Employment – State Workers**  
(**H5141** Pacheco, House Labor)  
This act would add former state employees in the State Retirement System who have retired to be re-employed by the state for 75 working days or 150 half days in any one year without forfeiture or reduction in their benefits.
- **Regional Superintendents**  
(**H5333** Kilmartin, House Health, Education and Welfare)  
This act would establish a regional county school superintendent in each county of the State, except Providence County, which would have two regional county school superintendents, for purposes of oversight and facilitating the combination of resources in the county.
- **Charter School Transportation Limitation**  
(**H5165** Mattiello, House Health, Education and Welfare)  
This act would limit transportation availability for charter schools to days that the public schools are regularly scheduled to be in session.
- **Elimination of School Bus Monitor Mandate**  
(**H5168** Mattiello, House Health, Education and Welfare)  
This act would permit the school committee of any school district to vote to be exempt from the State requirement for school bus monitors.
- **Education Collaboratives**  
(**H5216** Gablinski, House Health, Education and Welfare)  
This act would reorganize and reconstitute the educational collaboratives in this State. This act would also make certain exemptions for the DeBlois School in regard to administrative and financial functions.
- **Fiscal Impact Statements – State Contracts**  
(**H5281** Newberry, House Finance)  
This act would require that a financial impact statement for all State contracts be made available and all contracts would be placed on the State website within twenty-four (24) hours thereafter.
- **State Employee Vacation Accrual – Prior Service**  
(**H5315** Kilmartin, House Finance)  
This act would prohibit State employees from crediting service as a municipal employee or municipal elected official as State service for the purpose of computing vacation accrual.