



SMITH HILL REPORT

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RIFTHP Opposes Additional Corporate Tax Breaks

On Tuesday, May 19, in the Senate Finance Committee and again on Thursday, May 21, the **RIFTHP** testified before the House Finance Committee **against** the Governor's attempt to enact massive corporate tax breaks while the economy falters. The changes are proposed as **Article 37** of the 2010 budget proposal.

Lengthy hearings in both committees were conducted by skeptical legislators as the Governor's staff and business lobbyists attempted to justify tens of millions of dollars in tax give-aways. The proposal would cost the State an estimated \$38 million per year. The projected State Budget deficit next year is \$590 million.

Article 37 is a shameless proposal to line the pockets of businesses while public employee jobs and benefits are cut and State-funded programs are slashed. The RIFTHP testimony highlighted our objection to cutting corporate taxes while the Assembly considers major cuts to teacher and state worker pensions. The RIFTHP also objected to the corporate tax cut because it would siphon money out of the Rhode Island economy as many corporate beneficiaries would take the savings and spend them in other states or abroad.

Union Supports Budget Resolution Process

The RIFTHP joined the NEA/RI and the RI Association of School Committees in opposing efforts by municipal leaders to eliminate the existing process for resolving budget disputes between school committees and cities/towns. The current process is known as a Caruolo action, named after former East Providence Representative George Caruolo. A Caruolo action is when a school committee sues a city or town for additional funding necessary to educate students. The lawsuit is filed in Superior Court. Judges act on these lawsuits and rule on whether or not schools ought to get additional funding.

The **RIFTHP** testified **against H5844** by **Rep. Kilmartin** (introduced at the request of Mayor Doyle) and **H5547** by **Representative Gemma** before the House Finance Committee on May 19. The Union reminded the Committee that some process is necessary when schools are underfunded. The RIFTHP agreed with some testimony that was critical of the current process because actions are initiated too late in the budget year. The RIFTHP urged the House Finance Committee to fix the existing process rather than eliminating the process.

The RIFTHP testimony also noted the irony that mayors and town managers asked for elimination of the Caruolo Act when it was the same leaders who pushed for Caruolo actions. The Caruolo Act replaced the old process in which the Commissioner of Education would rule on budget disputes. Mayors and town managers complained that the Commission was pro-education and sought the disputes to be heard in an impartial body, namely Superior Court.

Bill Introductions

- **State Employee Insurance – Primary Care Provider**
(H5399 *Ferri, House Corporations*)
This act would require that any healthcare plan provided to State employees must require the employees to designate a primary care physician. It would incorporate financial incentives and rewards for healthcare professionals to establish management systems for chronic conditions, to improve health outcomes and quality of care.
- **Municipal Employee Binding Arbitration**
(H5588 *Lally, House Labor*)
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These acts would create binding arbitration in municipal employees' bargaining laws. The acts would also establish specific factors to be considered by arbitration boards.
- **Property Tax Cap – Community Growth**
(H5635 *Gallison, House Finance*)
This act would authorize a city or town after establishing the maximum tax levy for the fiscal year to add to the levy limit the amount of new growth in the community.
- **Limitation on Employee Attendance of Seminars and Workshops**
(H5787 *Slater, House Finance*)
This act would limit the number of taxpayer funded programs an elected or appointed State or municipal officer or official may attend to one per quarter in any calendar year.
- **School – Municipality Budget Disputes**
(H5843 *Kilmartin, House Finance*)
This act would establish standards and procedures whereby a school committee may, within five (5) days of a negative vote by an appropriating authority, request non-binding, fact-finding mediation to be conducted by a special master appointed by the Superior Court.
- **Meetings – Availability of Minutes of Executive Session**
(H5859 *Marcello, House Judiciary*)
This act would require that minutes of certain closed meetings and proceedings of public bodies pursuant to the “Open Meetings” law related to collective bargaining be opened and made public under specific circumstances.
- **Education Funding Formula**
(H5978 *Ajello, House Finance*)
This act would establish a new system for the support of public education in Rhode Island, based upon an objective assessment of student needs and designed to assure predictability and accountability in the funding and delivery of meaningful educational opportunity to all students in all communities throughout the State.
- **Caruolo Actions – 60-Day Filing Time Limit**
(H6140 *Kilmartin, House Finance*)
This act would require that any action pursuant to this subsection (the “Caruolo Act”) would be filed by a school committee no later than sixty (60) calendar days after the commencement of the city or town’s fiscal year for the fiscal year for which such additional appropriations are sought.
- **Lottery Selection of Mayoral Academy Charter School Students**
(H6143 *Segal, House Health, Education and Welfare*)
This act would require mayoral academies to use a random selection process to select those students who would be invited to attend the mayoral academy.
- **Disability Retirement – Annual Recertification**
(S0067 *Walaska, Senate Labor*)
This act would state that a person who is retired on the basis of a disability undertake an annual recertification process to establish a continuing disability.