The Federationist

SMITH HILL REPORT

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Budget Summary

Every year, the Rhode Island Governor introduces a bill to enact the State Budget. It is only introduced in the House of Representatives. The Budget contains monetary appropriations for all State agencies and programs. The budget bill also contains changes in law associated with budgetary changes. These law changes are known as articles of the Budget.

The significant issues facing the RIFTHP in the FY 2011 Budget are:

1. Reliance on pension cuts to balance the Budget. In order to keep the COLA, legislators will have to identify $32 million to preserve the teacher COLA and $13 million to preserve the State worker COLAs (including Judges and State Police) with either program cuts or tax increases.
2. Cuts to schools, predicated on pension COLA cuts and maintaining the 3% school funding reduction first proposed in January for the current fiscal year Budget. The Governor ties this reduction to his desire to force all school staff to accept a 3% pay cut.
3. Charter schools are the largest unfunded education mandate, and the Governor has budgeted $1 million to open two new charter schools while regular public school districts are getting underfunded. The Governor also failed to restore the State teacher professional development money.
4. The Governor has asked for a study of the feasibility of placing the Higher Education Assistance Authority and the Rhode Island Public Telecommunications Authority under the Board of Governors for Higher Education.
5. Doubling the corporate tax break for businesses that contribute to private school scholarship funds. The current $1 million would be doubled to $2 million per year.
6. $11.5 million corporate tax cut, made affordable because of the Pension COLA cut and the cut to schools, cities and towns.
7. Cut municipalities $135 million by not reimbursing them for motor vehicle tax exemptions and cutting the cities and towns $8 million for the Payment in Lieu of Taxes program and $11million in another funding program for poor communities.
8. $1.5 million cut to the State's libraries.

Leadership Change

After a year of speculation, the much anticipated resignation from the Speaker's office by Representative William Murphy happened on Thursday, February 11. He will maintain his House seat but will no longer be Speaker of the House. He was replaced by former House Majority Leader Gordon Fox.

The new Majority Leader is Nicholas Mattiello who represents Western Cranston. He has served the House since 2007.

Representative Peter Kilmartin, who is running for Attorney General, will no longer be Whip. He has been replaced by Representative J. Patrick O'Neill. Both Representatives are from Pawtucket.

Elaine Coderre will replace Charlene Lima, a member of the Providence Teachers Union, in the position of Speaker Pro Tempore.

Bill Introductions
House Bills

- **Minimum 25% Cost Share**
  (**H7393** *Brien, House Labor*)
  The RIFTHP ***opposes*** this bill which would require all State and local public employees to pay twenty-five percent (25%) of the premium costs of healthcare and dental benefits in any collective bargaining agreement executed with an effective date on or after April 1, 2010 or any extension effective after April 1, 2010.

- **Council Ratification of CBA**
  (**H7394** *Trillo, House Labor*)
  The RIFTHP ***opposes*** this bill which would require that if a city or town charter or ordinance empowers a city or town council to ratify the collective bargaining agreements of its school committees, then no collective bargaining agreement is effective unless ratified by the city or town council.

Senate Bills

- **Coventry Mandate Relief Act**
  (**S2006** *Blais, Senate Finance*)
  The RIFTHP ***opposes*** this act which would relieve the town of Coventry from unfunded State mandates for a period of four years.

- **Caruolo Act Suspension**
  (**S2033** *Raptakis, Senate Education*)
  The RIFTHP ***opposes*** this act which would prohibit litigation under the Caruolo Act for the period from January 1, 2010 to January 1, 2015.

- **Certification Standards Board**
  (**S2035** *Maselli, Senate Education*)
  The RIFTHP ***supports*** this act which would amend the composition and the duties of the Rhode Island Certification Standards Board. It would change the current Advisory Board to the Policy Board on Teacher and Administrator Certification.

- **State Aid to Education – Maintenance of Effort Elimination**
  (**S2040** *O'Neill, E., Senate Rinance*)
  The RIFTHP ***opposes*** this act which would repeal the adequate minimum budget provision relating to a local community's share of education funding.

- **Code of Ethics – Definition of Business Associate**
  (**S2051** *Ciccone, Senate Judiciary*)
  The RIFTHP ***supports*** this act which would expand the definition of "business associate" for the purposes of the code of ethics to include persons who are dues-paying members of any bargaining unit.

- **Voter Initiative**
  (**S2097** *Cote, Senate Constitutional and Regulatory Issues*)
  The RIFTHP ***opposes*** this act which would propose an amendment to the State Constitution by establishing a voter initiative process to allow voters to initiate proposed legislation which would, upon vote of the electorate, become law.

- **Voter Initiative**
  (**S2103** *Cote, Senate Constitutional and Regulatory Issues*)
  The RIFTHP ***opposes*** this act which would provide a detailed process by which a proponent of a voter initiative and referendum proposal would present the proposal to the Secretary of State, the General Assembly and the Governor.

- **Teacher Termination Notification Date – May 15**
  (**S2165** *DiPalma, Senate Labor*)
  The RIFTHP ***opposes*** this bill which would amend the notification requirements regarding the dismissal, suspension or lay-off of teachers in the event of a fiscal exigency or program reorganization.

- **Unfunded Mandate Moratorium - Coventry**
  (**S2024** *Raptakis, Senate Constitutional and Regulatory Issues*)
  The RIFTHP ***opposes*** this resolution which states that the Senate of the State of Rhode Island and Providence Plantations hereby supports a moratorium on all unfunded mandates and further requests that the Town of Coventry be granted the right to work toward meeting State mandates through whatever local policy currently exists or may be established at the local level.