



# SMITH HILL REPORT

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## **Budget Hearing – Tuition Tax Credits**

On Wednesday, February 24, the RIFTHP testified before the House Finance Committee **against** Article 32 (Tuition Tax Credits) of the Governor's proposed Budget. In the current law, which allows a corporate tax credit for businesses that contribute money to private and parochial school scholarship funds, there is a million dollar annual State cap. The maximum annual individual corporate tax credit is \$100,000. A corporation receives a tax break equal to 75% of a contribution for a one-year donation. The tax break increases to 90% of the contribution for a two-year commitment to that private or parochial school. The Governor's proposal would increase the State cap on this corporate tax credit to two million dollars.

The RIFTHP testified that this bill serves no significant purpose other than to give tax breaks to private school programs while siphoning money from public schools. The union noted that yesterday

there was a Senate hearing dealing with the lack of school aid and stated that this was no time for the General Assembly to be promoting public policy that encourages, through tax policy, increasing funding for private schools while underfunding public schools.

As it has done in the past, the RIFTHP proposed that, at the very least, the bill's language should include an option for businesses to also be able to contribute directly to public school scholarship funds. In response to previous testimony from a corporate leader who spoke about how good it felt to be able to make donations and how he would make more if this budget article passed, a representative from NEARI, testifying along with the RIFTHP, brought to the attention of the Committee and the audience that even without the tax credits, corporations are free to make all the contributions they want.

## **RIFTHP Opposes Expanded Unfunded Educational Mandate**

On Wednesday, February 24, the RIFTHP testified before the House Health, Education and Welfare Committee **against** H7208 (Gablinske) that would eliminate the cap on the number of charter schools in Rhode Island. Currently, RI law limits the number of charter schools to 20. There are presently 13 charter schools operating in RI.

Testifying before a room packed with Charter School supporters, the RIFTHP informed the Committee that by expanding the number of charter schools, they are forcing local school districts to find money to fund these new non-profit schools. The Union complained that it is wrong to expand the number of charter schools while funding for public schools is being cut. The Governor has proposed a 3% cut in public school funding while increasing funds for new charter schools. The Union also objected to increasing the charter school unfunded educational mandate while the Governor maintained the

elimination of State money for teacher professional development.

The NEARI joined the RIFTHP in opposition to the bill. Both organizations did not object to charter schools but objected to money being diverted from public schools.

Commissioner Deborah Gist testified in support of Rep. Gablinske's bill. She testified that it was important to eliminate the cap in order for RI to be considered for Race-to-the-Top funding. The unions noted that it was not necessary to eliminate the cap in order to maintain RI's ability to get federal funding. Mayor Daniel McKee of Cumberland testified in support of the charter school cap elimination. Last year Mayor McKee's new charter school opened with teachers who had no pension rights, tenure rights or rights to prevailing wages enjoyed by all other charter school teachers.

## **Bill Introductions** **House Bills**

- **Flat Tax Elimination**  
(H7032 *Melo, House Finance*)  
(H7308 *Pacheco, House Finance*)  
The RIFTHP **supports** this bill which would repeal the alternative flat tax rate for personal income taxpayers.
- **Scope of Bargaining - Municipal Employee – Sick Leave**  
(H7391 *Gablinske, House Labor*)  
The RIFTHP **opposes** this bill which would prohibit the payment for unused sick time to any municipal employee.
- **Scope of Bargaining – 10% Cap – Waiver Payment**  
(H7392 *Gablinske, House Labor*)  
The RIFTHP **opposes** this bill which would allow school committees to limit to ten percent (10%) of the health insurance premium the amount paid to employees who waive health insurance benefits.
- **Maintenance of Effort Elimination**  
(H7409 *Trillo, House Finance*)  
The RIFTHP **opposes** this act which would repeal the adequate minimum budget provision relating to a local community's share of education funding.
- **Scope of Bargaining – Payment for Unused Sick Leave**  
(H7428 *Gablinske, House Labor*)  
The RIFTHP **opposes** this act which would prohibit the payment for unused or accumulated sick time for State and municipal employees.
- **Teacher Layoff Notification Date**  
(H7465 *Guthrie, House Labor*)  
The RIFTHP **supports** this act which would amend the situations whereby a school board could layoff teachers.
- **Retired Teacher Life Insurance Rate Increase**  
(H7469 *Newberry, House Labor*)  
The RIFTHP **opposes** this act which would allow a retired teacher to pay the premium cost of life insurance at the same intervals as they were paying prior to retirement.
- **School Committee Meeting Notice**  
(H7481 *Kennedy, House Judiciary*)  
The RIFTHP **opposes** this act which would amend the open meetings law by permitting school committees to satisfy the publication requirements regarding their meetings through publication on a website maintained by the school committee or by publication in a newspaper.

## **Senate Bills**

- **Caruolo Act Elimination**  
(S2182 *Walaska, Senate Education*)  
The RIFTHP **opposes** this act which would repeal the Caruolo Act.
- **Westerly Mandate Relief Act**  
(S2197 *Algiere, House Labor*)  
The RIFTHP **opposes** this resolution which states that the Town of Westerly be relieved from the operation of any statute or regulation imposing upon any department or instrumentality of said Town of Westerly any requirements or mandated action, the full cost of which is not also paid by the State.
- **Layoff Notification – May 15 – Layoff**  
(S2235 *Cicccone, Senate Labor*)  
The RIFTHP **supports** this act which would amend the situations whereby a school board could layoff teachers.
- **Flat Tax Elimination**  
(S2191 *Jabour, Senate Finance*)  
The RIFTHP **supports** this act which would eliminate the personal income tax alternative tax rate after tax year 2009.