



SMITH HILL REPORT

Published by the RI Federation of Teachers and Health Professionals, AFT, AFL-CIO
www.rifthp.org

Volume 13, No. 15, April 9, 2010

BALANCED ON OUR BACKS (again)

On Thursday, April 8, the House Finance Committee passed a Supplemental Budget bill to balance the current fiscal year Budget on the backs of public employees, just as they did last year and in 2005. Apparently, enough is never enough for Assembly leaders who chose to avoid tough choices to bring in sustainable revenue streams to the State, relying on pension cuts to balance the State Budget. Representatives Savage, San Bento and Fierro were the only three votes against the COLA cut.

To review the actual language of the Budget proposal, go to <http://www.rilin.state.ri.us/BillText10/HouseText10/H7105A.pdf>. The House of Representatives is scheduled to vote on the budget proposal on Tuesday, April 13, and the Senate will vote on it shortly thereafter. The most important elements of the budget proposal are as follows.

COLA Pension Changes

- The COLA will not change for those who are already retired or are eligible to retire as of September 30, 2009, or who become eligible to retire before passage of the bill.
- The COLA will be limited to the first \$35,000.00 in retirement pay.
- The \$35,000 cap will increase each year based on the CPI (Consumer Price Index) up to a maximum of 3%.
- Retirees will not receive a COLA until age 65 or the 3 year anniversary of retirement, whichever is later.

Action Alert
to
Protect Your COLA

Next Monday and Tuesday
April 12 and April 13
Come to the State House and
let your voice be heard
beginning at 3 PM.

The House and the Senate will be
voting on the revised
Supplementary Budget next week.

The anti-teacher/public employee
and anti-union groups will be there
to push for stronger pension
reform. ***We need to be there!***

Reduction in School Aid

- A proposed reduction of \$19 million in school aid to local districts, plus other reductions based on pension cut savings
- This reduction is approximately 2.8% of state aid to education.

Maintenance of Effort

- Maintenance of effort requires cities and towns to provide at least as much local money for schools as was provided the year before.
- This budget proposal would allow cities and towns to cut its appropriation to school departments by 5% for the current year.

Ratification of Collective Bargaining Agreements

- This proposal requires that the city/town councils ratify every school employee contract.
- There must be at least one public hearing before council ratification.

Re-Amortization of Pension Fund

- The State is giving itself more time to pay off the unfunded pension obligation by re-amortization. The Assembly last re-amortized in 2001. This will add four years to the time necessary to repay the unfunded liability, saving the State \$10 million this year.

RIFTHP OPPOSES CARUOLO ACT ELIMINATION, SUPPORTS MAINTENANCE OF EFFORT

On Wednesday, April 7, 2010, the RIFTHP **opposed** several bills (**H7135** - *Serpa*, **H7151** - *Gemma*, **H7506** - *Newberry*, **H7820** - *Trillo*) introduced to eliminate the Caruolo Act. The Caruolo Act, named after former House Majority Leader George Caruolo of East Providence, is the section of State Law that permits school committees to sue a city or town for additional funds to support public education.

The RIFTHP noted that there needs to be some process to fix disputes between schools and funding authorities. Eliminating the Caruolo Act, without replacing it with another dispute resolution mechanism, would not benefit schools or students.

The RIFTHP did voice support for several concepts to expedite the Caruolo Act process to ensure that appeals were filed early in the fiscal year and to create an opportunity for fact-finding before court actions commence.

The League of Cities and Towns and several municipal leaders, including Pawtucket Mayor Doyle, supported the elimination of the Caruolo Act. The NEA/RI joined the RIFTHP opposing the bills. No school committee representatives were in attendance at the hearing.

The RIFTHP also testified **against** H7409 (Trillo) that would eliminate the maintenance of effort requirement in State Law. Maintenance of effort is the rule that cities and towns must contribute, in any fiscal year, at least the amount appropriated to schools the previous year. The law allows for reductions for one-time expenses and for declining student population.

The RIFTHP argued that the maintenance of effort requirement is a modest funding requirement of local government. The Union also argued that it does not make sense to enact a State Funding Formula while eliminating the one law related to local funding of public education.

Election Calendar Highlights

May 28

Deadline to register to vote in order to file a declaration of candidacy.

June 16

Last day for disaffiliation for primary voters.

June 28, 29 and 30

Declaration of candidacy filing period.

August 14

Deadline to register to vote in the party primaries.

September 14

Primaries

October 2

Deadline to register to vote in the General Election.

November 2

General Election