
The SMITH HILL REPORT



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State of the State

Governor Daniel McKee addressed a joint session of the House and Senate on Tuesday, January 17, 2023 to issue the annual State of the State Address. In that speech, he communicated an optimistic outlook on Rhode Island's future. He used the speech to highlight budget initiatives that were to be introduced later in the week. Senator Jessica de la Cruz, the Senate Minority Leader, gave the Republican response to his speech. She used the opportunity to criticize several McKee initiatives and promote disinvestment in traditional public schools under the guise of so-called "school choice."

Budget Article Highlights

On Thursday, January 19, 2023, Governor McKee's budget proposal was formally introduced as [H 5200](#). He also proposed a few revisions to the current FY 2023 budget as a Supplemental Budget Bill [H 5199](#).

The budget bills contains appropriations for all state departments and agencies. The budget bill also contains proposed statutory changes related to the budget proposal, known as Budget Articles. Below are a summary of issues included in Budget Articles of interest to the RIFTHP membership. In the next issue of the Smith Hill Report, we will highlight some of the important appropriation proposals included in the Governor's Budget.

Article 2

State Funds

Section 3 of Article 2 creates a Supplemental State Budget Reserve Fund that would contain money allocated by the Assembly in case of future deficits in expected state revenue. The fund would protect against state budget shortfalls caused by a recession or other economic dislocation.

Article 3

Government Reform and Reorganization

Section 1 of Article 3 creates a statewide longitudinal data system within the Office of the Post Secondary Commissioner. The data, now known as Data Spark, relates to education and workforce development data. The program would be supported with a restricted receipt account.

Article 7

Economic Development

Section 7 of Article 7 expands the existing State's Wavemaker Fellowship program to teachers and certain mental health workers. The program provides up to four years of tax credits for school loan repayments. The maximum credit for loan repayments for a bachelor's degree is \$4,000 per year. The program is administered by the Commerce Corporation.

Article 8

Education

Section 2 of Article 8 increases the Student Success Factor from 40% to 42%. The Student Success Factor is a percentage increase in state education aid for students who fall below certain poverty measures. Last session, the RIFTHP and other education groups promoted to increase the Student Success Factor.

Section 2 also creates a 25% funding increase for students experiencing homelessness.

Finally, the Article increases funding for school districts which have had charter school expansion in the amount of 60% of state aid for the first year and 30% of education aid in the second year of the expansion. After two years, there would be no additional state funding to Districts impacted by charter school expansion.

Article 10

Reproductive Healthcare

Section 1 of Article 10 eliminates the statutory prohibition that state worker medical benefits cannot provide coverage for an abortion. The Article also eliminates the abortion coverage prohibition from state Medicaid benefits.

Article 11

Lease Agreements for Leased Office and Operating Space

Article 11 references different proposed leases of office space by state agencies. Section 6 of Article 11 would provide that the Rhode Island Department of Education lease at the Shepherd's Building be discontinued and that the Assembly would approve a lease of up to five years for RIDE at a location to be determined through an RFP process.

Bill Introductions

The [Smith Hill Report](#) lists selected bills that have been introduced in the General Assembly. When a bill is introduced and an identical bill has been introduced in the other chamber, the SHR will list both bill numbers and bill sponsors, even if one has been reported in the past. Please note that the RIFTHP tracks over 300 bills every session, so not all bills of interest are reported in the [Smith Hill Report](#).

Children under DCYF Care - Education Advocates Team

([S 0012](#), Kallman, Senate Education)

This bill would require that each child under the supervision of the department of children, youth and families be provided with a team of educational advocates to ensure the child's educational planning, progress and success.

Mandatory Teacher Training - Students with Diabetes

([S 0013](#), Kallman, Senate Education)

This bill would allow schools to maintain on-site an undesignated supply of glucagon for emergency purposes. This act would further provide for training of all school employees in the basics of diabetes care of any school which has a student with diabetes and allow for further training of delegated care aides for students with diabetes.

Survivor Benefits - Former Spouse Divorced

([S 0017](#), Ruggiero, Senate Finance)

([H 5093](#), Fellela, House Finance)

These bills would for purposes of teachers' retirement benefits, amend the definition of "former spouse divorced" to include someone who was married to a deceased member for ten (10) or more years and the deceased member was required by court order to contribute support post-divorce. It would also include the "former spouse divorced" in the spouse and domestic partner's benefits statute.

Income Tax Increase - Income over \$500,000

([S 0019](#), Ciccone, III, Senate Finance)

This bill would create a new income tax bracket for purposes of Rhode Island income taxation. The new bracket would be eleven and nine tenths percent (11.90%) on taxable income over five hundred thousand dollars (\$500,000).

Teacher Post-Retirement Employment - 120 Days

([S 0020](#), Valverde, Senate Finance)

([H 5040](#), O'Brien, House Finance)

These bills would permit retired teachers to substitute teach in a school for up to one hundred twenty (120) days in a school year, without any loss, forfeiture, or reduction in retirement benefits. This extended time period would be from the effective date of passage of this act until June 30, 2025.

Income Tax Deduction - \$50,000 Pension Income

([S 0021](#), Ciccone, III, Senate Finance)

This bill would allow a modification up to fifty thousand dollars (\$50,000) of taxable pension and/or annuity income excluded from federal adjusted gross income for tax years beginning on or after January 1, 2024.

State Worker Abortion Coverage

([S 0032](#), Valverde, Senate Judiciary)

([H 5006](#), Kazarian, House Judiciary)

These bills would provide for abortion coverage in the Medicaid program and repeal the abortion coverage exclusion for state employee insurance plans.

Rule of 90

([H 5092](#), Fellela, House Finance)

This bill would allow teachers, state and municipal employees to retire upon the earlier of reaching age sixty (60) with thirty (30) years of service or the employee's retirement eligibility date under present state statutes.

Rhode Island Hope Scholarship Pilot Program Act

([H 5099](#), McNamara, House Finance)

This bill would establish the Rhode Island hope scholarship pilot program act. The purpose would be to increase the number of students enrolling in and obtaining degrees in a timely

fashion from Rhode Island college, and to promote more graduates in high-need fields and trades. The hope scholarship would provide the cost of two (2) years of tuition and mandatory fees for eligible students during their junior and senior years. The bill would include detailed eligibility requirements for students, and reporting and disbursement requirements for Rhode Island College.

Municipal and School Employee Property Tax Exemption

([H 5118](#), Knight, House Municipal Government)

This bill would exempt real and tangible personal property of municipal and school district employees, with ten (10) years of employment, at a rate of fifty percent (50%) of the property tax bill or \$5,000, whichever is greater.

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