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May 6, 2024

Millionaire's Tax

On Thursday, May 2, tax legislation by Representative Karen Alzate was heard in the House Finance Committee. <u>H 7338</u> would impose a 3% surtax on all income over \$1,000,000 per year. It is estimated that this legislation will generate \$126 million per year for vital state services. The legislation limits the expenditure of this additional tax revenue to education, higher education, childcare, public transportation, roads, and bridges.

RIFTHP lobbyist James Parisi testified and offered <u>written testimony</u> in support of the bill. He supported the measure as one that would make the Rhode Island tax system equitable. Data shows that wealthy people pay a smaller percentage of their income on all taxes (income, property, and sales taxes) than all other Rhode Islanders. The RIFTHP highlighted some important Rhode Island initiatives that require additional state resources which would be supported by the bill. The Revenue for Rhode Islanders Coalition, in which the RIFTHP is an active partner, is organized around the efforts to raise income tax on the wealthy. Also testifying in support of the bill was Kids Count and the Economic Progress Institute. RIPEC, a business coalition, testified against the legislation.

To get more information about the Coalition, click <u>here</u> for their website.

Universal School Breakfast and Lunch

On Thursday May 2, the Senate Finance Committee heard testimony on two bills that would create a system of universal school breakfast and lunch. <u>S 2046</u> by Senator Acosta would provide free school meals for breakfast, lunch, and <u>S 2320</u> by Senator Cano would both provide universal (free) school breakfast and lunch and also contains specific program requirements such as a minimum length of s school lunch period.

RIFTHP President Frank Flynn provided <u>written testimony</u> and testified in support of both bills. Flynn noted that providing school meals to all children will improve education outcomes in Rhode Island schools. He also noted that the practice of "lunch shaming" would be eliminated when we eliminate the need for parents to pay for meals. Universal school meals were provided to students during the pandemic and should be continued.

Public Librarian Protection

On Tuesday April 30, the RIFTHP provided written testimony in support of librarians by supporting <u>S 2429</u> by Senator Mark McKenney. The bill would provide library staff with an affirmative defense

against an obscenity accusation because the library staff were fulfilling their professional obligations. Some individuals who have been unsuccessful in banning certain books and other reading materials in public libraries have used state obscenity laws to criminalize librarians doing their job.

RIFTHP lobbyist James Parisi provided <u>written testimony</u> in support of the bill to the Senate Judiciary Committee. He cited a national report indicating that forty-four states offer some protection against unfair prosecution to librarians working in public schools, community libraries and institutions of higher education. All five New England states other than Rhode Island offer some protection to librarians. The ACLU and a librarian testified in support of the bill, which was held for further study.

Early Intervention Funding

On Wednesday May 1 the RIFTHP offered a letter in support of <u>H 7334</u> by Representative Cotter. The bill would raise Early Intervention reimbursement rates by 25% effective in October 2024. The RIFTHP represents EI workers at the Trudeau Center. The RIFTHP provided <u>written</u> testimony in support of the bill. In that testimony, the union noted that the Early Intervention program had been level funded for over two decades and also had a significant cut in 2009. Thus, wages are low, staff shortages exist, and there is a waiting list of young children seeking services. The RIFTHP urges passage of the rate increase to raise wages of EI workers.

Education Funding

On Tuesday April 30, the House Finance Committee heard testimony on twenty education funding bills. The RIFTHP signed up in support of eight bills and in opposition to a school voucher bill. Among the bills supported by the RIFTHP was legislation to provide more state funding for social workers, mental and behavioral health workers, special education services, and a temporary waiver of teacher certification fees.

RIFTHP lobbyist James Parisi told the committee members that the large number of bills filed is indicative that it is time for the House of Representatives to perform a comprehensive study of our education funding formula, which was created in the midst of a recession in 2010. Parisi also reminded the committee that as important as funding improvements are, the Committee must first reject a proposal by Governor McKee to cut \$26 million in the education funding formula by changing the cost increase calculation That cut will impact all school districts this year and in future years. To view the amount of funding each district will lose if this proposal is approved, review Column A of <u>this chart</u>.

The RIFTHP testimony highlighted the importance of <u>H 7909</u> by Representative Casey. That bill would increase the supplemental money in the education funding formula, called the student success factor. The student success factor is additional funding that is a percentage of core instructional cost that districts receive for each student in poverty. H 7909 would increase the student success factor from 40% to 45% or 50%, depending on the number of students in poverty in each district.

School Vouchers

The House Finance agenda on April 30 contained numerous good ideas to improve our education funding system and one particularly bad idea. <u>H 7914</u> by Representative Chippendale would enact an expensive and disruptive public school choice program. The bill would allow students in schools with the lowest 15% of test scores to move to other schools. The legislation also contains a school voucher component, known as an education savings account.

The RIFTHP testified against the voucher bill. RIFTHP lobbyist James Parisi informed the Committee that education vouchers are very expensive, and that if the Assembly had hundreds of millions of dollars to spend on education, there is a long list of priorities that should come before subsidizing private and parochial school education. Parisi was also critical of the school choice bill that is based on performance of students on standardized tests. The disruption caused by this program would not benefit student education. Parisi reminded the Committee that Rhode Island has had school choice in the form of charter school expansion for over 25 years and that it has not benefited education.

Maintenance of Effort Reduction

The RIFTHP repeated its opposition to legislation filed on behalf of Providence Mayor Brett Smiley to reduce local education funding for school districts under state control. <u>S 2860</u> would reduce the maintenance of effort provision in the state takeover law that currently provided the local education aid increases to match state education aid increases. RIFTHP President Frank Flynn sent a <u>letter</u> to the Senate Finance Committee on May 2 in opposition to the bill. The letter mirrors the letter sent last week when the House of Representatives version of the bill was heard.

Bills on the Move

The following bills have passed the full Senate. Bills must pass both chambers in concurrence (in identical form) before being sent to the Governor for signature.

Naming of Medical Insurer - Public Sector CBA

<u>S 2119</u>, which was introduced by Senator Gallo, passed the Senate on 4/30/2024, with a vote of 31 yeas, 6 nays, and 0 members not voting.

This bill would repeal the law prohibiting Collective Bargaining Agreements for state employees, Public School Teachers, and Municipal Employees from requiring that an employer procure a healthcare benefit plan from a specific provider. It would allow governmental employee union contracts to contain specific references to specific health insurance companies.

Captive Audience Meetings,

<u>S 2785</u>, which was introduced by Senator LaMountain, passed the Senate on 4/30/2024, with a vote of 32 yeas, 5 nays, and 0 members not voting.

This bill would protect the rights of employees in the workplace relating to free speech, assembly, and religion, as well as attendance at employer-sponsored meetings regarding political or religious

matters. Employees so aggrieved by discipline or discharge by the employer would have the right to bring a civil action against the employer seeking equitable relief and/or compensatory damages including attorneys' fees and costs.

Bill Introductions

Hope Scholarship Pilot Program Extension

(<u>H 8108</u>, McNamara, House Finance) (<u>S 2852</u>, Pearson, Senate Finance)

These bills would extend the sunset date of the Rhode Island Hope Scholarship Pilot Program from 2028 to 2030, in order to allow the program to provide eligible students with funding for tuition and mandatory fees for an additional two (2) years.

Pensions - Three Year Final Average Salary

(<u>H 8149</u>, Edwards, House Finance) (<u>S 2957</u>, Feleg, Senate Finance)

These bills would reduce the number of years from five (5) to three (3), when calculating for retirement purposes, the average of the highest consecutive years of compensation, for employees.

Attendance For Success Act

(<u>H 8190</u>, McNamara, House Education) (<u>S 3031</u>, Tikoian, Senate Finance)

These bills would establish the "Attendance for Success Act." This bill would focus on student attendance in schools, with a special emphasis on chronically absent students. This bill would mandate requirements for attendance policies, and provide for multiple plans, reporting requirements and support to address student absenteeism from school. This bill would take effect on August 1, 2024, and shall supersede all previously enacted conflicting provisions of law.

Bryant University Tax Exemption

(<u>H 8191</u>, Rea, House Municipal Government)

This bill would remove the exemption from taxation granted to Bryant University located in Smithfield, Rhode Island subjecting the university to full taxation unless, the university and the town of Smithfield reach an agreement on payment in lieu of taxes on or before June 30, 2024.

Teacher and State Retiree COLA, 3% and CPI

(<u>H 8193</u>, Serpa, House Finance)

Beginning July 1, 2024, and continuing on a monthly basis thereafter, this bill would increase the retirement benefit payment for retired state employees, excluding judges and members of the state police, by the rate of three percent (3%). Beginning January 1, 2025, and continuing every year

thereafter, this act would also increase the retirement benefit payments for retired state employees by the percentage of increase of the United States Consumer Price Index as of September 30. Finally, this act would extend these provisions to include retired teachers.

\$2,000 Annual Retirement Benefit Adjustment

(<u>H 8194</u>, Serpa, House Finance) (<u>S 2987</u>, Ciccone, Senate Finance)

These bills would require effective July 1, 2025, that all present and former employees, active and retired members, and beneficiaries receiving any retirement, disability or death allowance or benefit of any kind, shall receive an annual benefit adjustment of two thousand dollars (\$2,000) each calendar year.

Higher Education Legacy Admissions

(<u>H 8202</u>, Morales, House Education)

This bill would ban preferential treatment to a university applicant because of the student's familial relationship to a previous university attendee.

Science and Technology Curriculum Deadline

(<u>S 2806</u>, Gallo, Senate Education) (<u>H7513</u>, McNamara, Senate Education)

These bills would delay the date for local education agencies to select one of the high-quality curricula and material for math and English language arts from June 30, 2025, to June 30, 2027.

Hope Scholarship Pilot Program Extension

(<u>S 2852</u>, Pearson, Senate Education) (<u>H 8108</u>, McNamara, House Finance)

These bills would extend the sunset date of the Rhode Island Hope Scholarship Pilot Program from 2028 to 2030, in order to allow the program to provide eligible students with funding for tuition and mandatory fees for an additional two (2) years.

Universal Pre-K

(<u>S 2843</u>, Gallo, Senate Education) (<u>H 7497</u>, McNamara, House Finance)

These bills would establish guidelines for the continued implementation and expansion of public, high quality prekindergarten education programs with the goal of reaching all children ages three (3) and four (4) throughout Rhode Island to increase children's school readiness. These bills would require continued investments in the RI Pre-K, Head Start, and Early Head Start models; require adequate funding to provide compensation parity with comparably qualified public kindergarten

teaching staff; and require a 30% funding set-aside of prekindergarten expansion funds to sustain and expand access to high-quality childcare and early learning programs for infants and toddlers. These bills would also repeal the statutory laws pertaining to the initial pilot prekindergarten program.

Questions

RIFTHP members with questions about the Smith Hill Report or our legislative agenda may reach out to RIFTHP Lobbyist James Parisi at (401) 273-9800 or at jparisi@rifthp.org.

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