

The

SMITH HILL REPORT



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Final Average Salary Pension Improvement Campaign

On Thursday, May 23, the Senate Finance Committee heard testimony on [S 2979](#) by Senator Walter Felag. The bill would change the salary calculation used to determine a public employee pension from a five-year average to a three-year average in order to boost pension payments for future retirees.

RIFTHP President Frank Flynn testified in support of the bill, the top RIFTHP legislative priority this session. He also submitted [written testimony](#) in support of the proposal. In his testimony, Flynn urged passage of the bill to afford teachers, state, and municipal employees a modest but important improvement to the pension plan. It is widely understood that public employee jobs are harder to fill because of inadequate pension benefits.

In his letter to the Committee, Flynn wrote *“It has been thirteen years since the passage of the misnamed “R. I. Retirement Security Act” which dramatically reduced the potential benefits for all of our members. Teachers, state, and municipal workers must work significantly longer for a considerably diminished retirement benefit. The actuaries informed the General Treasurer’s Pension Advisory Working Group that the annual cost to change the pension calculation used with a 3-year final average salary to a 5-year final average salary is \$12.1 million a year. The \$12 million annual cost of this bill is a mere fraction of the \$4 billion in pension benefits which were taken from our members and retirees in 2011.”*

General Treasurer James DiOssa testified in support of the pension improvement legislation at the hearing. The RI AFL-CIO, NEA/RI, AFSCME Council 94 and SEIU Local 580 also testified in support of the bill.

To access the link the RIFTHP established to send an email to your Senator and Representative in support of this pension improvement [click here](#).

Post Retirement Employment – Higher Education

[S 2156](#) by Senator DiMario would change the salary cap in state law that limits the amount of money a public employee retiree can earn every year while working in higher education. A person exceeding the cap must suspend their pensions. S 2156 would increase the \$18,000 annual cap to \$25,000. The bill was heard in the Senate Finance Committee on May 23.

RIFTHP lobbyist James Parisi offered verbal and [written testimony](#) in support of the bill. He told the Committee that numerous retired teachers, municipal and state workers continue to work because the retiree COLA has been suspended since 2012. It is necessary to increase the cap to permit retirees who need to work to teach enough courses to make ends meet.

The RIFTHP testimony included information on pay rates for adjunct faculty at Rhode Island College to help Senators understand the need to increase the cap. Also testifying in support of the bill was AFSCME Council 94 and NEA/RI.

Pension Benefit Improvement – 5 Year Amortization

The RIFTHP offered brief testimony in opposition to [S 2865](#) by Senator Lou Raptakis at the Senate Finance Committee hearing on May 23. Current law requires that actuaries calculate the increased costs of a proposed pension improvement over a 20-year period. Senator Raptakis has proposed to lower the actuarial period from 20 years to 5 years. The bill was introduced on behalf of General Treasurer James DiOssa.

RIFTHP lobbyist James Parisi opposed the bill. He noted that the bill will dramatically increase the annual cost of any future pension improvement considered by the Assembly. Since the State has years to go before the large unfunded liability is paid off, Parisi argued that now is not the time to reduce the actuarial analysis period so dramatically. AFSCME Council 94, RI State Association of Firefighters, and NAGE also offered testimony against the proposal.

Charter School Funding Change Governor Budget Amendment #18

School districts are able to reduce their payment to charter schools by either 7% of local costs or more if they itemize certain funding categories such as out-of-district special education services, retiree medical benefits and out-of-district transportation. School districts that itemize their costs are also able to further reduce their payment to mayoral academies by deducting the difference in pension obligations. Mayoral Academy administrators have intentionally opted out of the state teacher retirement plan to avoid huge pension costs.

Governor McKee offered a budget amendment to change charter funding by eliminating the ability to itemize costs and reduce payments to mayoral academies based on pension costs differences. [Governor's Budget Amendment #18](#) was submitted on Friday May 10 and was heard in the House Finance Committee on Thursday May 16. The Senate Finance Committee heard the proposal on Tuesday May 21. Some districts would pay more, and others would pay less under the proposal. Overall, if the change was implemented this year, charter schools would garner an additional \$1.6 million from public school districts, with Central Falls and Woonsocket paying most of that increase.

RIFTHP lobbyist James Parisi testified against the proposal. He noted that the bill would lower education funding in certain urban districts to the detriment of students in Central Falls and Woonsocket. Since the justification of the proposal was to provide more predictability in education

funding, Parisi urged the Committee to consider simply reducing school district payments to mayoral academies by the full amount of education funding to cover the unfunded pension liability. As an alternative, he said Mayoral Academies should contribute to the payment of the unfunded liability like independent charter schools and traditional school districts.

Bills on the Move

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

Parental Diabetes Information Material

[S 2516](#), which was introduced by Senator Lauria, passed the Senate on 5/21/2024, with a vote of 36 yeas, 0 nays, and 1 member not voting.

This bill would require RIDE to develop type 1 diabetes informational materials for the parents and guardians of students that will be posted publicly on RIDE's website.

ABLE Account Program Information

[S 2741](#), which was introduced by Senator Murray, passed the Senate on 5/21/2024, with a vote of 36 yeas, 0 nays, and 1 member not voting.

This bill would require school districts to provide the parent or guardian of a student with an individualized education program (IEP) with information concerning the achieving a better life experience (ABLE) account program benefits and the program application process.

Waiver of Teacher Certification Fees, Certification Review

[S 2743](#), which was introduced by Senator Acosta, passed the Senate on 5/21/2024 with a vote of 36 yeas, 0 nays and 1 member not voting.

This bill would extend teacher certifications without fee or penalty for three (3) or five (5) years for teachers who hold certifications as of July 1, 2024. This bill would permit a teacher who has three (3) years of certified teaching experience, to acquire an additional certification through examination or content coursework. This bill would also direct the Department of Elementary and Secondary Educations to revise its regulations pertaining to certification to create multiple pathways to obtain teacher and administrator certification.

Rhode Island Olmstead Plan Commission Act

[S 2618](#), which was introduced by Senator DiPalma, passed the Senate on 5/21/2024 with a vote of 36 yeas, 0 nays and 1 member not voting.

This bill would create an Olmstead plan commission to establish a permanent, renewable, and working five (5) year "Integration for all" plan for people vulnerable to unnecessary institutionalization in Rhode Island to establish, maintain and periodically update a continuum of care that allows all

Rhode Islanders vulnerable to unnecessary institutionalization to receive adequate services and supports in the least restrictive environment.

Workplace Readiness Week

[H 7019-A](#), which was introduced by Representative Spears, passed the House on 5/23/2024 with a vote of 61 yeas, 8 nays and 6 members not voting.

This bill would establish a "workplace readiness week". It would require all public high schools, including charter schools, to annually observe that week by providing information to students on their rights as workers and would specify the topics that must be covered.

School Policy - Student or Staff Death

[H 7196-A](#), which was introduced by Representative Casimiro, passed the House on 5/23/2024 with a vote of 69 yeas, 0 nays, and 6 members not voting.

This bill would require public school districts to adopt a policy for responding to the death of a student or staff member. This act would also amend the title of chapter 16-21.7 to "The Nathan Bruno, Jason Flatt, and Alicia Biros Bereavement Act."

Bill Introductions

Attendance For Success Act

([S 3071](#), Cano, Senate Education)

([H 8190](#), McNamara, House Education)

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

3.5% Retiree COLA - Investment Return

([H 8282](#), Messier, House Finance)

This bill would award all members of the pension system a three and one-half percent (3.5%) annual benefit adjustment (COLA) applied to the first thirty thousand dollars (\$30,000) of a member's retirement allowance on and after January 1, 2025, provided the prior year investment return yields a gain of ten percent (10%) or more, until the pension system funding ratio exceeds eighty percent (80%). This act would also provide that income received from this three- and one-half percent (3.5%) annual benefit adjustment would be exempt from the state income tax.

Questions

RIFTHP members with questions about the Smith Hill Report or our legislative agenda may reach out to RIFTHP Lobbyist James Parisi at

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