

The

SMITH HILL REPORT



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Budget Introduced

Governor Gina Raimondo proposed her state budget in a speech to a joint session of the House and Senate on Tuesday, February 3, 2016. Her budget ideas were then introduced as legislation sponsored by House Finance Committee Chair Ray Gallison two days later. The Budget includes specific appropriations for all programs plus specific amendments to state law to put the Budget into effect. These proposed state law changes are known as Budget Articles. The House and Senate Finance Committees will hold hearings on all state department budgets as well as hearings on all proposed Budget Articles in the next few months. The following are a summary of Articles important to RIFTHP members.

[Article 1](#) – FY 2017 Appropriation

Article 1 contains specific monetary appropriations for all State departments and agencies. Governor Raimondo proposed dedicating \$2.5 million under the Department of Behavioral Health, Developmental Disabilities and Hospitals (BHDDH) “to be expended on private provider Direct Support Staff raises”. The RIFTHP represents Direct Support Staff at the Trudeau Center.

[Article 3](#) – Public Officers and Employees

Section 2 changes the standard of review used by the Personnel Appeals Board, a body that considers employment appeals filed by state workers. Section 3 extends the state worker probationary period from six months to one year. This provision would go into effect upon the expiration of any state employee collective bargaining agreement. Section 6 changes specific language governing state retiree medical insurance. Section 7 creates a provision to allow state employee retirees to accept a cash payment in lieu of retiree medical insurance.

[Article 4](#) – Government Organization

Section 2 creates an Office of Diversity, Equity and Opportunity within the state Department of Administration. Section 7 - 10 permits the Office of Management and Budgets within the State Department of Administration to do internal audits, creating an Office of Internal Audits.

[Article 5](#) – Capitol Development

This article contains recommended bonds to be put before voters, including a \$40 million bond for school construction, with a focus on remediating health and safety concerns and investments in STEAM and career and technical education.

[Article 11](#) – Strengthening Neighborhood Schools

- Section 1 requires that the RIDE program to track school expenditures called UCOA (Uniform Chart of Accounts) permit budget review on a school level, in addition to district-level expenditures.
- Section 2 and Section 5 eliminate enhanced funding for districts transitioning to full-day kindergarten.
- Section 3 changes the law surrounding the required local contribution to schools by adding provisions increasing the maintenance of effort by inflation or a 1% enrollment increase for two years.
- Section 4 lowers the per pupil funding traditional districts pay to charters for expenses charter schools do not incur such as out-of-district special education and private school textbooks. For FY 2017, the reduction is proposed to be \$355 per student. Section 4 also provides additional state funding to districts that have more than 5% of students in charters, the MET school and Davies. For FY 2017, the proposed increase in state funding is \$300 per pupil. Section 4 also increases the funding for English Language Learners by adding an additional 10% of the core instructional amount used in the state's funding formula.

[Article 15](#) – Municipalities

This Article requires enhanced municipal reporting of local city/town/school financial statements that will be part of a "Transparency Report".

Rhode Works on the Fast Track

The House and Senate have begun voting on the "Rhode Works" bill this week. This legislation proposes to place fourteen tolling gantries at various locations throughout the state to toll large commercial trucks. It is purported that these heavy vehicles are responsible for a larger percentage of the "wear and tear" on our roads than passenger cars. Most of our neighboring states in the northeast currently have toll roads and most of those tolls on trucks are higher than those proposed

for Rhode Island. There is nothing in this proposal which extends these tolls to passenger vehicles. The revenue generated by these tolls will be a major component of a funding package designated to repair or replace our crumbling roads and bridges. The Rhode Island labor movement is in support of this legislation. The RI AFL-CIO and the Building and Construction Trades have joined a coalition with businesses to generate toll revenue under the “Rhode Works” program in order to improve our infrastructure, make travel safer, and create jobs.

Several opponents have proposed to eliminate the toll plan and fund the urgent and necessary rebuilding of our roads and bridges by making cuts to the State Budget. This could result in severe cuts to programs, such as aid to K-12 education, support for developmentally disabled, support for higher education and healthcare, which are important to our members and the families we serve. The Rhode Works bill is good for Rhode Island and good for RIFTHP members.

Bill Introductions

School Building Authority - \$20,000,000

[\(H7211\)](#) *Regunberg, House Finance*

The RIFTHP supports this act which would appropriate twenty million dollars to the School Building Authority Capital Fund.

Tax Equity – Municipal Aid and School Construction

[\(H7212\)](#) *Regunberg, House Finance*

The RIFTHP supports this act which would impose tax increases on personal income, with the revenue collected therefrom to be deposited into restricted receipt accounts for the purposes of state aid to municipalities, and reimbursement of public school construction.

Income Tax Credit – Retirement Income

[\(H7229\)](#) *Craven, House Finance*

The RIFTHP supports this act which would exempt certain retirement income from state personal income tax.

Firearms on School Grounds

[\(H7243\)](#) *Ajello, House Judiciary*

The RIFTHP supports this act which would provide that only peace officers and persons approved by the school authorities for the purposes of educational instruction may carry firearms or other weapons on school grounds.

RISLA – Student Loan Refinancing

[\(H7370\)](#) *Marcello, House Finance*

The RIFTHP supports this act which would specifically empower the Rhode Island Student Loan

Authority to refinance and consolidate existing eligible loans. It would also authorize the Authority to purchase and invest in its own bonds and notes.

Higher Education – Tuition Equity

[\(H7374\)](#) *Diaz, House Finance*

The RIFTHP supports this act which would create the "Student Equal Economic Opportunity Act" which would identify those students who are exempt from paying nonresident tuition at public universities, colleges or community colleges.

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