



We Make Rhode Island Happen

AFSCME Rhode Island Council 94

American Federation of State, County & Municipal Employees, AFL-CIO

1179 Charles Street, North Providence, RI 02904

Phone: (401) 724-5900 • Fax: (401) 724-2060 • www.ricouncil94.org

On Thursday, May 28, 2010, the House Finance Committee passed H-7397 A, which is a combined FY 2010 (supplemental) and FY 2011 budget.

Council 94's top H-7397A concerns are:

State Employees Cost of Living Adjustment (COLA Cut) –Article 16

- After two rounds of pension changes that have saved the state over \$100 million dollars, the House Finance Committee passed Article 16 would cap the COLA.
- State Employees **not** eligible to retire as of September 30, 2009/passage of the budget would receive a 3% maximum COLA, adjusted to match inflation, to the first \$35,000 of income.
- The \$35,000 cap would be adjusted each year by the consumer price index to compensate for inflation.
- Receipt of the COLA is delayed until Age 65 or the three year retirement anniversary, whichever is later.

FY 2011 Municipal Aid Cuts— Article 22

- Restoration of the 50% of 4th Quarter Motor Vehicle Excise Tax (\$16.4 million out of \$32.2 million)
- Reduces the automobile excise tax exemption from \$6,000 to \$3,000. Would allow cities/ towns to tax or exempt the remaining \$3,000 of automobile value. Cities and towns will receive over \$125 million less general aid than was provided last year.

Transfer Environmental Police Dispatch to Dept of Public Safety –Article 7

Education Aid— Article 11

- 3.8% General Revenue decrease
- Reduce School Districts Maintenance of Effort from 100% to 95%. Would allow city or towns to cut school appropriations by 5% this year.

###