

The FY09 deficit is estimated at \$357.4 million. The FY2010 deficit is estimated at \$486 million. The total deficit is estimated at \$843.4 million.

The supplemental budget contains a host of harmful provisions aimed at Council 94 members. Due to the severe shortfall, hearings will be held rapidly. Council 94 will need vigorous membership activism to fight back attacks on pensions, collective bargaining, and health care.

State Supplemental Budget Revised FY09 Priorities:

**Art. 1- Reduction of 893 Full Time Equivalent Positions**

**ARTICLE 2 RELATING TO GUBERNATORIAL AUTHORITY--**

Allows the governor to reduce or suspend appropriations for all departments or reduce local aid when revenue shortfalls occur; grants ability to change legislative and judiciary budgets; and permits emergency rule making without complying with the administrative procedures act.

**ARTICLE 4 RELATING TO RETIREE HEALTH CARE TRUST FUND--**

Delays the creation of the Retiree Health Care Trust Fund until FY 2011.

**ARTICLE 10 RELATING TO DIVISION OF MOTOR VEHICLES—**

Eliminates language that requires the operation of regional division of motor vehicle offices and that the Warren office be open 3 days per week. Increases fees: replacing transferring, changing or salvaging a title from \$25.00 to \$50.00; increases the fee required to restore a revoked or suspended registration or title \$50.00 to \$250.00; and increases the fee required to restore a suspended or revoked license from \$75.00 to \$250.00.

**ARTICLE 32 RELATING TO PENSION REFORM—**

- Reduces employer pension contribution payment to 25% from February 1-June 30, 2009 for state employee, teacher, judiciary and state police pensions.
- For state employees and teachers who retire after April 1, 2009:
  - Establishes Minimum Retirement age of 59.
  - Eliminates Cost of Living Adjustments (COLA)
  - Projected savings: Lower state contribution 25.9 million; lower teacher contributions/state 28.1 million; lower teacher contribution/local communities 41.1 million.
- For judiciary and state police who retire after April 1, 2009:
  - Eliminates Cost of Living Adjustments (COLA)
- Disability pensions:
  - Reduces disability pensions to 50% if state employee or teacher can perform other work.
  - If teacher or state employee is entirely disabled from all employment the pension will be 66 & 2/3%.
  - Annual evidence of earnings/ income will have to be submitted to the retirement board.
- Changes state police salary to average 3 highest years.

**ARTICLE 46 RELATING TO POLICE OFFICERS ND FIREIGHTERS - INJURED ON DUTY**

Reduces Injured on Duty health and salary benefits from 100% to 80%.

**ARTICLE 48 RELATING TO PERSONNEL REFORM**

Any state collective bargaining agreement must be reviewed and approved by the state's chief executive officer or designee prior to becoming effective. Minimum staffing levels, personnel deployment, equipment, number/location vehicles or facilities shall not be the subject of collective bargaining or arbitration award. Personnel Appeal Board can only uphold or overrule, but not modify disciplinary action.

Over ⇨

*Municipal Supplemental Budget Revised FY09 Priorities:*

**ART. 7 STATE AID Reduction –**

Eliminates \$55 million general revenue sharing payments to municipalities.

**ART. 17 STATEWIDE SCHOOL FOOD SERVICES PROGRAM—**

All school districts, charter schools, and state schools must participate in the Statewide School Food Services Program when their current contracts expire.

**ART. 18 SCHOOL BUS MONITORS –**

Eliminates school bus monitor requirement for buses transporting kindergarten through grade 5 students.

**ART. 19 STATEWIDE SCHOOL HEALTH, VISION AND DENTAL INSURANCE PROGRAM:**

- Health care, vision and dental insurance benefits would be removed from the scope of contract negotiations for school teachers, municipal employees working for school departments, and all other municipal employees.
- If a contract expires after the article becomes law and before July 1, 2010, then the employees will be automatically enrolled in the statewide plan.
- Employees must pay a minimum 25% premium cost share, buy backs can be no more than 10% of the annual working rate, and double coverage for family members employed by a public employer would be prohibited.
- If a municipality/group of municipalities can prove to the Dept. of Revenue that their working rates are lower than the state plan they can have their own contract/provider.
- Health Care Advisory Council would provide recommendations for plan design and rates. The council would include representatives from Dept. of Education, School Superintendents Association, Association of School Business Officers, School Committees Association, NEA, AFT, AFL-CIO, Governmental Health Care Group of RI, West Bay Community Health, and RI Municipal Insurance Corporation. A specific slot for a Municipal Employee Union Representation is not designated.

**ART. 20 STATEWIDE PURCHASING SYSTEM/PROGRAM –**

Dept. of Education & Dept. of Administration would establish a statewide purchasing system for paper goods, cleaning supplies/products, textbooks, statewide transportation system, statewide food services, and statewide health care insurance program. Participation would be mandatory.

**ART.21 SCHOOL BUDGET RESOLUTION—**

Budget/property tax caps must be applied in lawsuit decisions on inadequate education funding. When state aid for education or general revenue is reduced Governor would appoint a 3 member panel to act as binding arbitrators. The panel would include the Education Commissioner/designee, Director of Revenue/designee, Auditor General/designee. A corrective action plan would be issued in 60 days. Plan could suspend collective bargaining agreements if legally permissible or upon contract expiration.

**ART. 22 STATEWIDE BUSING SYSTEM—**

When the statewide system of transportation is implemented all school committees must use the system unless they use district owned buses and employees. Management of the statewide transportation system can be outsourced by the department of education. Initial savings are projected at \$3.5 - \$5.0 million and \$8.0 - \$ 10.0 million at full build out.

**ART. 23 SCHOOL NURSES –**

Eliminates the requirement that school nurses be certified teachers.

Over ⇨

**ART. 26 CONTRACT FISCAL IMPACT STATEMENTS—**

Fiscal impact statements and proposed municipal/teacher contracts must be posted on the town/city's web site 30 days prior to ratification.

**ART. 27 SCHOOL TEACHERS' ARBITRATION ACT—**

Makes work to rule actions/strikes illegal. Teachers who participate in a strike will lose two days pay for every day on strike. If a union is involved in the strike they will lose their representational rights and ability to collect dues for 3 years.

**ART. 27 SCHOOL COMMITTEES MANAGEMENT RIGHTS—**

Includes class size, designating supervisory personnel, discipline, achievement standards, outsourcing, textbooks, layoffs and supplies.

**ART. 41 SCHOOL/MUNICIPAL REALIGNMENT COMMISSION –**

Establishes School and Public Works/Public Safety realignment commissions. The commissions must make recommendations on consolidation of services that will be more efficient and save money over a 5 year projection. The reports are due March 1, 2010. The General Assembly can approve or reject the recommendations. If approved, the realignments would be placed on the November 2010 ballot for approval.

**ART. 44 RELATING TO MUNICIPAL HEALTH INSURANCE COST SHARING—**

All municipal, police, fire, and teacher contracts must have employee health and dental insurance premium co-shares not less than 25%.

**ART. 45 RELATING TO MUNICIPAL RETIREMENT**

For Employees with less than 10 years of contributory service before July 1, 2009:

- Changes the retirement age to 59 with 29 years of service or age 65 with at least 10 years of service. An employee could also retire at age 55 with 20 years of service with a discounted pension. The current system allows 30 years of service and any age or age 58.
- If an employee is not vested prior to passage, their benefits cannot be richer than Municipal Employees Retirement System (MERS)
- Disability pensions:
  - Reduces disability pensions to 50% if able to perform other work.
  - Must supply earning reports to retirement board annually.
  - Disability pension converts to normal pension once reach earlier age of 59 with 29 years of service or 65 with 10 years of service.
- Increase employee contribution from 6% to 7%.
- Limits Cola to 3% non-compounded and delays payment to 5 years from retirement.
- Retirees Health Insurance:
  - Must contribute 20% of working rate for health insurance.
  - Plans must be individual or individual plus spouse. A spouse must be covered prior to retirement to be eligible for coverage.
  - Health insurance can only be provided after age 55 and will cease once an employee is eligible for Medicare.
  - Former employees/retirees can purchase medical for 100% of the active working rate.
  - If other insurance is available to a retiree and/or spouse, they will not be eligible for coverage.
- Eliminates 20 year optional retirements for police and firefighters if not more than 10 years of service by July 1, 2009 or expiration of applicable contracts.

**ART. 46 POLICE OFFICERS & FIREIGHTERS INJURED ON DUTY—**

Reduces Injured on Duty health and salary benefits from 100% to 80%.