

April 22, 2025

The Honorable Marvin L. Abney, Chair
House Finance Committee
Rhode Island House
82 Smith Street
Providence, RI 02903

RE: BILL NUMBER H-5472 – A N A C T RELATING TO EDUCATION -- TEACHER'S RETIREMENT

Chair Abney and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, thank you for the opportunity to provide comments regarding House Bill 5472, which would increase the monthly minimum benefit for a spouse, domestic partner, or former spouse of eligible retirees, grant a one-time full COLA of 2.89% to certain retirees, and modify the calculation of federal adjusted gross income for the purpose of reducing the amount of public pension benefits subject to taxation.

The League appreciates the intent of this legislation, particularly in support of our dedicated public employees and their families who have served our communities over the years. We recognize the importance of honoring those commitments and ensuring economic stability for retirees.

However, we respectfully raise a concern regarding the potential financial impact this bill could have on our member municipalities. Many cities and towns across Rhode Island are already facing significant fiscal constraints and are working diligently to balance their budgets without reducing the vital services our residents rely upon. Changes to pension benefit structures, especially those with retroactive financial implications, could strain municipal budgets further without a clear understanding of the long-term costs.

To that end, we respectfully suggest that a detailed financial analysis be conducted to assess the potential impact this legislation may have on municipal contributions to the Employees' Retirement System of Rhode Island (ERSRI), as well as on local budgets. Understanding these financial implications is crucial to ensure that well-meaning legislation does not inadvertently create fiscal challenges for our communities.

We welcome the opportunity to work collaboratively with the bill's sponsor, legislative leadership, and other stakeholders to ensure that any enhancement to the retirement system are sustainable and reflect the shared goal of protecting both retirees and the financial stability of our cities and towns.

Thank you for your time and consideration of our perspective on this matter. Please do not hesitate to contact us if we can provide further information or assist in developing a path forward.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. Rossi".

Randy R. Rossi
Executive Director

Cc: Honorable Members of House Finance Committee