The SMITHHILL REPORT

June 16, 2025

House Finance Committee Votes on State Budget

The House Finance Committee met on Tuesday June 10 and voted on a state budget for Fiscal Year 2026, which begins on July 1, 2025. The Committee has made several major changes to the Governor's proposal. The following issues were subjects of particular concern to the RIFTHP.

ERSRI Funding Diversion – According to current law, 50% of a state surplus is to be deposited into a supplemental rainy-day fund and 50% is to be deposited into the Employees Retirement System of Rhode Island (ERSRI) to make the pension fund for teachers and state workers stronger. Governor McKee proposed diverting \$20 million from ERSRI using the money to balance the state budget. The RIFTHP testified and lobbied against the measure. The House Finance Committee agreed with us and did not divert the state surplus funds from the pension fund.

Education Aid – The Governor proposed improving the education funding formula by increasing the Student Success Factor by 3%. The Student Success Factor increases state funding for children living in poverty. His proposal would provide an additional \$11 million. When the state budget office revised student enrollment data, they revealed that the January budget underestimated the number of students in poverty. The state needed to add millions of dollars to fund the formula. The House Finance Committee did not change the Student Success factor, but they did fully fund the education funding formula, adding approximately \$16 million in state funding to public school districts. To view the proposed education aid distribution, <u>click here</u>.

Mayoral Academy Funding – Under current law school districts withhold 7% of local funding from charter school tuition payments to cover costs they incur that charter schools do not. Districts can itemize their costs, and if costs exceed 7%, they can withhold more funding, including payments to mayoral academies which do not help to pay off the unfunded pension liability. Governor McKee proposed capping the withholding to 14%. The proposal would have required Woonsocket and Central Falls to hike mayoral academy tuition payments this year. The RIFTHP opposed the measure, which appeared in Article 7 of the budget. The House Finance Committee agreed with us and did not include this proposal in the state budget.

Mayoral Academy Governance – The Governor proposed to let Mayoral Academies to run without a Mayor leading the school. The RIFTHP objected to this proposal that was included in Article 7 of the state budget. We asked that school districts be permitted to exit the mayoral academy if a mayor does not want to chair the Board. The House Finance Committee agreed with us and did not advance this change in governance.

In Concurrence

In Rhode Island, a bill must pass both chambers in identical form in order to be sent to the Governor for action. It is not good enough that the Senate passes the Senate version of a bill and the House passes the House version of a bill. Ultimately, a bill must pass both chambers in identical form. This is called passage in concurrence. The following bills have passed both chambers in concurrence:

Nonprofit Financial Disclosure <u>H 6235Aaa</u> and <u>S 579A</u> **Retirement Board Meeting Access** – H 5715A and S 514A

Enacted

The Governor signed RIFTHP-sponsored legislation to increase the page rate for court transcripts. <u>H 6159</u> by Representative Craven and <u>S 354</u> by Senator Dimitri were signed into law by the Governor on June 10.

This Week

- The House will vote on the Freedom to Read bill and the RIDE Employee Bargaining Rights bill on Monday
- The House Labor Committee will consider our Student Worker Rights bill and Captive Audience Meeting legislation on Monday
- The Senate Education Committee will vote on our State Education Takeover Individual School bill on Tuesday
- On Tuesday, the House Finance Committee will vote on a Study Commission on Central Falls School District Return to Local Control and a bill to extend the waiver of the 90-day post-retirement restriction for teachers for an additional year
- The House will vote on the FY 2026 State Budget bill on Tuesday

Bills on The Move

The following bills have passed one chamber of the Assembly and have been transmitted to the other chamber for action.

(Include our title and description of the bill)

Science and Technology Curriculum Materials Extension

(<u>H 5163-A</u>, McNamara, Senate Education)

This bill would provide that the commissioner of elementary and secondary education would direct all local education agencies to select one of the identified high-quality curricula and materials for science and technology no later than June 30, 2026.

Discrimination in Schools - Hairstyles

(H 5841, Stewart, Senate Judiciary)

This bill would prohibit discrimination on the basis of race by expanding the definition of race to include traits historically associated with race, including, but not limited to, hair texture and protective hairstyles.

September 11 Classroom Moment Of Silence

(H 5251-A, Read, Senate Education)

This bill would allow the school building administration or teachers in all grades to provide the opportunity for students to observe a brief moment of silence on every September 11.

Student Computer Device Privacy

(<u>H 5176-A</u>, Speakman, Senate Education)

This bill would prohibit an educational institution or school district from accessing any audio or video recording, transmitting or recording function on a student's institutional or personal device or using location data for tracking a student's institutional device or personal device, or allow a third party to do so, except in limited circumstances. This bill would exempt prisons or other correctional facilities.

School Committee Agenda - Discussion Items

(H 5035, Edwards, Senate Judiciary)

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This bill would allow school committees to add item(s) not appearing in the published notice to their agendas for the purposes of discussion only and not for the purpose of voting upon the item(s).

Questions

RIFTHP members with questions about the Smith Hill Report or our legislative agenda may reach out to RIFTHP Lobbyist James Parisi at (401) 273-9800 or at jparisi@rifthp.org.

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