

State of Rhode Island Office of the General Treasurer

James A. Diossa General Treasurer

18 April 2025

The Honorable Marvin Abney Chair, House Committee on Finance

The Honorable Members of the House Committee on Finance

RE: 2025-H 5021 – An Act Relating to Public Officers and Employees – Retirement System – Contributions and Benefits

Chair Abney:

I write with regard to 2025-H 5021, which includes the Administrator of Community Confinement and the Home Confinement Coordinator in the Department of Correction's ("DOC") pension system. Currently, the Administrator of Community Confinement and the Home Confinement Coordinator are classified as *state employees* within the Employees' Retirement System of Rhode Island ("ERSRI").

Corrections' employees in ERSRI *still receive retirement benefits* consistent with any other member of the state system. However, those in the DOC system receive a comparatively better benefit, such as an earlier retirement age. Employer and employee contribution rates are higher during an employees' working career to pay for this benefit in retirement. Since this legislation purports to enhance pension benefits of two employee classifications within the DOC, it will likely impact the state pension system.

Consistent with Rhode Island law, legislation concerning the pension system should not be approved without the benefit of a pension impact note. *See* R.I. Gen. Law § 36-10-39 (Legislation impacting the pension system "shall *not* be approved by the general assembly unless an explanatory statement or note . . . is appended to the proposed legislation which actuarily calculates . . . the projected twenty (20) year cost of the proposed legislation") (emphasis added). This independent assessment will clarify any impact the proposed legislation may have on both the State budget, and the sustainability of the pension system. The Chairperson of the House Finance Committee – with the approval of the Speaker of the House – can request a pension impact note concerning proposed legislation originating in the House. *See* R.I. Gen. Law § 36-10-39.

Please feel free to reach out by email at <u>Robert.CravenJr@treasury.ri.gov</u> or by phone at (401) 330-0661 with any further questions.

Respectfully,

Robert E. Craven, Jr. Director of Policy and Intergovernmental Affairs Office of the General Treasurer

cc: The Honorable Grace Diaz