

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-5318 – AN ACT RELATING TO PUBLIC OFFICERS AND EMPLOYEES -- RETIREMENT SYSTEM--
ADMINISTRATION

Chair Abney and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, I write to respectfully express concern regarding House Bill 5318, which proposes to amend the retirement benefit calculation for teachers and state employees by adjusting the cutoff date for the use of the highest three consecutive years of compensation from July 1, 2024, to July 1, 2012, for all members eligible to and who retire on or after the new date.

While we recognize and appreciate the intent of this legislation—to honor and support the dedicated service of Rhode Island’s public employees, we respectfully urge the Committee to consider the broader financial and operational implications this change may have on Rhode Island’s municipalities.

Municipal budgets are already strained due to increasing demands and limited resources. A change to the retirement benefit calculation formula, particularly one applied retroactively over a decade, may lead to increased employer contribution rates and actuarial liabilities for local governments. These impacts could, in turn, affect municipal capacity to provide essential services, maintain infrastructure, and invest in our communities.

Therefore, we request that the Committee seek further financial analysis from the Employees’ Retirement System of Rhode Island (ERSRI) or an independent actuary to determine the potential costs associated with this change. A full understanding of the municipal implications, both immediate and long-term, is essential to making an informed policy decision.

We appreciate your attention to this matter and your commitment to thoughtful, fiscally responsible legislation. Thank you for your continued service to the people of Rhode Island.

Thank you for your time and consideration of our views.

Sincerely,



Randy R. Rossi
Executive Director

Cc: Honorable Members of House Finance Committee