

Written Testimony in Behalf of H8147 and H7390

This written testimony is offered to the Committee in support of adopting H8147 and H7390. It is the fourth time I have testified before this committee in support of undoing the drastic impact on state workers and public school educators and their families because of the 2011 Pension legislation. At the time, the legislation was introduced and touted as stop gap legislation to 'save the pension system'. Obviously, after 15 years, the emergency no longer exists, nor should it, given that the pension assets today exceed \$13.2 billion dollars and they increase, after all annual costs are satisfied, by more than a billion dollars each year. It is significant to note that any legislature that cannot fix what is broken over a 15 year time frame has not been making a sincere effort to do so. Thousands upon thousands of state employees and their families have suffered long enough and if the emergency still exists in the minds of some after 15 years, the public and those impacted by the efforts to fix it deserve a reasonable and fact based explanation.

Submitted with this testimony and part of it are statements based on facts, not guesses or rumor, but actual facts reported by the Treasurer's Office in the 2024 and 2025 Annual Report.

Total: 6 Pages including supportive data)

ACCORDING TO THE TREASURER'S REPORTS AND BASED

ON THE GROUP AVERAGES PROVIDED IN THESE REPORTS,

THE FOLLOWING CAN BE ASCERTAINED:

There were 248 fewer public school teachers in the Pension Fund in 2025 compared to 2024. Assuming a 30 teacher staff per elementary school, that's enough teachers to entirely staff 8.3 public schools and approximately 2.5 high schools. The 2011 legislation still in effect 15 years later, created a definite but different emergency. Today, RI public schools are facing a substantial shortage of quality teachers. Needless to say, there are some subject teachers are far more difficult to replace, at least 248 based on the treasurer's report. And this is only comparing one year to the following year. Everyone should question, how significant has the emergency become over 15 years. Reports, not documented here but no doubt available, suggest that talented teachers educated and trained in RI colleges, go to other states

where the pay is better and the long term promise of a secure pension upon retirement is far more evident. Why are we , in RI, spending billions to educate and train future teachers only to have them take their talents elsewhere.

The average educator salary increased by \$2003 from 2024 to 2025 while the cost of living (CPI) increased by 2.7%. Just a COLA of exactly 2.7%, based on the CPI, would have raised the average salary to \$91,648 which is \$666 higher than the average the treasurer reports in a single year. That would have generated \$20 additional per teacher in mandated contributions to the pension fund. As small as \$20 sounds, $\$20 \times 13,249 = \$ 214,862$ in additional assets for the fund.

Teachers' Average age increased by 1.4 years so our teaching staff is becoming older each year, partly because the legislation of 2011 has reduced pension benefits so drastically that educators cannot afford to retire. Any law that discourages retirement also discourages bringing new blood and new talents into the classrooms of RI. The Legislature is kicking the can down the road and our families and children are being denied some potential benefits that new staff contributes to what already exists.

Compared to the decrease in 'Active teachers', only 24 educators actually retired in 2025. I say educators to include principals and other administrators in our schools. From total staff of nearly 13,500, that is only 0.17% of the entire public educational staff. When the influx of staff becomes stagnant, future teachers look beyond the confines of RI. Why bother, the jobs are few and far between.

The average Annual Retirement Benefit decreased by \$3920 in a single year while the CPI rose by 2.7%. At the same time the average retirement age increased by 0.2 years

$\$3920 \times 11,771 = \$46,142,320$ saved

less on the retired educators alone.

And clearly there were many retirees who, through no fault of their own choosing, died leaving their pensions behind. Clearly that also left their survivors, who depended on their pensions, in serious financial straits.

There is \$13.2 Billion in the Fund's assets. Why do the assets keep increasing? Simple enough, because retirees, as a group, average more than \$46,000,000 less than the previous year. You know that; it's part of the plan! You've seen the graph, you see the numbers, everything is on course to lower pension costs at the expense of the elderly, retired, and their beneficiaries.

SHAME ON THE STATE OF RHODE ISLAND

There were 95 additional state employees over the previous year. And they averaged an increase of \$5,211 in salary in that year. The average age of state employees decreased as well as the average years of service.

The increase in state worker retirements was 65. With 11,330 workers, this represents a 0.57% of the employees or about 1 retiree/200 workers. Does that suggest the state is a great employer, or does it suggest that the average state worker cannot afford to retire too.

All told, the total number of ERSRI members increased by 8,260 but that is misleading. The report lists 6,259 municipal employees and/or 2001 were public safety employees. Subtract these numbers, almost all are currently receiving full COLAs, and the total looks more like 57,766. Of these, 29,187 are retirees. Approximate 50.5%. But don't worry about that number, many if not most will be dead within the next few years, long before that insane graph suggests.

But while they are with us, they vote as do their family and friends. This might suggest that restoring the COLA now, before November 2026, fixing the emergency after 15 years with assets exceeding \$13.2 Billion dollars is a benefit to all. And, with \$13.2 Billion already in the Pension Fund treasury, to pay for pensions, doing it will not cost the state a single dime in the new budget. The money is already there and our state workers and educators and their benefactors need more of it than Wall Street financiers.

Just two more factors.

Prior to the election of the treasurer of 2011, I'm leaving out the name but we all know who that was, the Wall Street managers were collecting \$10-12 million dollars in fees from the Pension Fund assets. Currently, the fees are in excess of \$300 million. That's about 30 times more over a 15 year period. I recognize the fund managers do not work for free, nor should they, but has your salary, whatever it is, multiplied by a factor of 30 during that time?

If you ask Mr. Speaker, Mr. Governor, or Mr. Treasurer what they think, they will all give you the same answers, The unions do not want the COLA reinstated at the level that H 8147 proposes nor do they support H7390. And, obviously, the data in this testimony suggests that the averages of salaries of educators and state workers are negotiated by the unions. That is a good thing and as a former president of the Cranston Teacher Association, far be it from me to think they are overpaid. But retirees do not have the protection of a retiree union. No one negotiates salaries, benefits, and working conditions for those who are retired. And back in 2011, there was never a union that represented "retirees" when the legislation was enacted. It's time to make things right.

ENACT H 8147 and H 7390

Submitted by:

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LINE	CATEGORY	2024	2025	2026	NET +/-
TEACHERS					
1	ACTIVE MEMBERS	13497	13249		-248
2	AVERAGE SALARY	88979	90982		2003
3	AVERAGE AGE	45.8	47.2		1.4
4	AVERAGE SERVICE	15.8	16.2		0.4
5	RETIRES/BENEFICIARIES	11747	11771		24
6	AVERAGE ANNUAL BENEFIT	46636	42716		-3920
7	AVERAGE RETIREE AGE	75.6	75.8		0.2
STATE EMPLOYEES					
8	ACTIVE MEMBERS	11235	11330		95
9	AVERAGE SALARY	77020	82231		5211
10	AVERAGE AGE	48.8	48.6		-0.2
11	AVERAGE SERVICE	12.9	12.7		-0.2
12	RETIRES/BENEFICIARIES	11336	11401		65
13	AVERAGE ANNUAL BENEFIT	33285	31667		-0.2
14	AVERAGE RETIREE AGE	75.2	75		-0.2
MUNICIPAL EMPLOYEES					
15	ACTIVE MEMBERS	6228	6259		-31
16	AVERAGE SALARY	50056	51413		1357
17	AVERAGE AGE	50.4	50.1		-0.3
18	AVERAGE SERVICE	10.7	10.5		-0.2
19	RETIRES/BENEFICIARIES	5521	5601		-80
20	AVERAGE ANNUAL BENEFIT	17879	17700		-879
21	AVERAGE RETIREE AGE	74.5	74.8		0.3
PUBLIC SAFETY					
22	ACTIVE MEMBERS	NA	2001		
23	AVERAGE SALARY	NA	85237		
24	AVERAGE AGE	NA	40.2		
25	AVERAGE SERVICE	NA	12.3		
26	RETIRES/BENEFICIARIES	NA	1414		
27	AVERAGE ANNUAL BENEFIT	NA	37992		
28	AVERAGE RETIREE AGE	NA	64.4		

29	TOTAL MEMBERS	59564	66026	8260
30	CURRENT EMPLOYEES	30960	36839	5879
31	CURRENT RETIREES	30187	29187	2000
32	AVERAGE AGE	48		
33	AVERAGE SALARY RANGE	89-51000		
34	AVERAGE CONTRIBUTION	11%		

4/13/2026