



# OFFICE OF MANAGEMENT & BUDGET

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June 2, 2026

The Honorable Marvin L. Abney  
Chair  
House Committee on Finance  
Rhode Island State House  
Providence, RI 02903

**Re: House Bill 7055 – An Act Relating to Education – Council on Postsecondary Education**

Dear Chair Abney,

Thank you for providing the Office of Management and Budget (OMB) within the Department of Administration (Department) the opportunity to submit this letter of opposition in response to House Bill No. 7055. Effective July 1, 2026, the bill would allow state union employees to negotiate longevity payments, which ended in 2011, in their collective bargaining agreements.

While the fiscal impact of this legislation is unknown – as it only allows for the negotiation of longevity payments – prior longevity payments equaled 5% of base salary after 10 years of service and increased to 10% of base salary after 20 years of service. An OMB analysis in 2024 indicated that the 5%/10% framework would result in added costs of \$33.5 million from all funding sources, including \$18.3 million in general revenue, in Fiscal Year 2026. Those estimates did not include quasi-public corporations and authorities, which would likely experience personnel cost increases as well.

Even without the ability to negotiate longevity payments, the State reached mutually beneficial, three-year agreements with Rhode Island Council 94, American Federation of State, County, and Municipal Employees (AFSCME) and the Coalition (a group of labor organizations representing other state employees) in 2024. The agreements included cost-of-living adjustments totaling 12% over the duration of the contract and enhancements to State health care plans.

The State has been able to achieve a balance of recognizing the hard work and dedication of State employees while keeping personnel cost growth beneath projected revenue growth – a key goal of responsible budgeting. OMB is concerned that allowing negotiation of longevity payments could undo the Administration's work to recognize its employees without adversely impacting the State's fiscal outlook.

OMB appreciates the opportunity to share this information about this legislation with the Committee. If there are any questions, please feel free to contact my office at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian M. Daniels". The signature is fluid and cursive, with the first name "Brian" being the most prominent.

Brian M. Daniels  
Director, Office of Management and Budget

cc: The Honorable Members of the House Committee on Finance  
The Honorable Arthur J. Corvese  
Danica Iacoi, Chief of Staff and Special Legal Counsel to the Speaker of the House  
Nicole McCarty, Esq., Chief Legal Counsel  
Christopher O'Brien, Committee Clerk