



OFFICE OF MANAGEMENT & BUDGET

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April 25, 2024

The Honorable Representative Marvin L. Abney
Chairperson, House Committee on Finance
Rhode Island House of Representatives
82 Smith Street, Providence, RI 02903

Re: House Bill No. 7249 – 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 share concerns with House Bill No. 7249, which proposes to establish a statutory longevity bonus payment for State employees, employees of the Council on Postsecondary Education, employees of the Council on Elementary and Secondary Education, and employees of the quasi-public corporations/authorities.

Beginning July 1, 2024, employees would be entitled to a longevity payment equal to 5 percent of base salary after 10 years of service, which increases to 10 percent of base salary after completion of 20 years of service. OMB analysis of H 7249 indicates that the bill would result in an increase in State salary and benefit costs of \$32.9 million across all funds sources, of which \$18.0 million would be general revenue. In FY 2026, this impact would rise to \$33.5 million across all fund sources, of which \$18.3 million would be general revenue. Note that this estimate does not include quasi-public corporations and authorities, which would likely experience personnel cost increases as well.

As the State continues to face structural deficits in the coming years, any increase in general revenue spending for State salary and benefit costs may require cutting other programs or increasing revenues.

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

Sincerely,

Brian M. Daniels
Director, Office of Management and Budget

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