



May 14, 2026

The Honorable Senator Louis P. DiPalma, Chair  
Senate Finance Committee  
Rhode Island State Senate  
82 Smith Street  
Providence, RI 02903

RE: SENATE BILL 2538 - AN ACT RELATING TO EDUCATION - TEACHERS' RETIREMENT

Chair DiPalma and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, we write to express our appreciation for the intent behind Senate Bill 2538, which seeks to enhance retirement benefits for teachers and state employees.

The League would like to recognize and thank our teachers and public sector employees for their continued dedication to serving Rhode Island's communities. Teachers, in particular, play a vital role in educating and supporting our cities and towns' most valuable resource, our students, and we deeply value their contributions.

Senate Bill 2538 proposes to modify the retirement benefit calculation by changing the applicable cutoff date from July 1, 2024, to July 1, 2009, and by defining average compensation as the average of the highest three consecutive years of earnings. While we understand the intent to improve retirement security for public employees, this change may have significant fiscal implications.

Municipalities are responsible for a substantial share of employer contributions to the Employees' Retirement System, any enhancement to pension benefits could result in increased costs for cities and towns. These costs would ultimately be borne by local taxpayers.

Given these uncertainties, the League Pursuant to R.I. Gen. Laws § 22-12-3, the Rhode Island League of Cities and Towns is noting possible municipal fiscal impacts and requesting a fiscal note for the Committee's consideration. This would provide important clarity for policymakers and municipal leaders as they evaluate the long-term effects of the proposed changes.

We appreciate the opportunity to provide comments and look forward to continuing to work collaboratively with the General Assembly on policies that support both our valued public employees and the fiscal stability of our municipalities.

Thank you for your consideration of the municipal perspective.

Sincerely,

Randy R. Rossi  
Executive Director

Cc: Honorable Members of Senate Finance Committee