



May 26, 2026

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

RE: SENATE BILL 3127 - AN ACT RELATING TO TOWNS AND CITIES -- AUDIT OF ACCOUNTS AND INSTALLATION OF SYSTEMS

Chair DiPalma and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, we write to express concerns regarding Senate Bill 3127, which would require municipalities to develop plans to fully fund their Other Post-Employment Benefits (“OPEB”) obligations.

The League appreciates the sponsor’s intent to promote long-term fiscal sustainability and transparency surrounding retiree healthcare liabilities. Municipalities across Rhode Island share the goal of responsibly planning for these obligations and ensuring commitments made to employees and retirees are honored in a financially sustainable manner.

At the same time, this legislation represents a significant policy shift for cities and towns. Many municipalities currently manage OPEB obligations on a pay-as-you-go basis, a longstanding and legally permissible approach that reflects local fiscal realities, budgetary constraints, and competing operational priorities. While Senate Bill 3127 focuses on requiring the development of funding plans, such plans may create practical expectations for future prefunding that could place substantial fiscal pressure on municipal budgets.

The League also recognizes and appreciates the important role of the Rhode Island Office of the Auditor General in promoting sound financial management and oversight practices throughout the state. In that spirit, we respectfully suggest that proposals with potentially broad and significant implications for municipalities would benefit from early collaboration with municipal stakeholders prior to legislative introduction. Such engagement can help ensure that policy objectives are advanced in a manner that is practical, achievable, and responsive to the varying fiscal capacities of Rhode Island’s cities and towns.

While we appreciate the objective of strengthening long-term financial planning, we believe a more flexible, phased, and collaborative approach, developed in partnership with municipalities and the Auditor General, would better support shared fiscal goals without imposing undue burdens on local governments.

The League remains committed to working collaboratively with the sponsor, the General Assembly, and the Auditor General to explore balanced solutions that promote long-term fiscal health while preserving municipal autonomy and local budget flexibility.

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "R.R.R.", written in black ink.

Randy R. Rossi  
Executive Director

Cc: Honorable Members of Senate Finance Committee