

MINUTES OF THE RHODE ISLAND PENSION ADVISORY WORKING GROUP

DATE: 30 November 2023

Chair George Nee called this meeting to order at 4:07 p.m.

Pension Advisory Working Group members present:

Michael DiBiase, Co-Chair

George Nee, Co-Chair

Ernie Almonte

Patrick Crowley

John P. Maguire

Laura Quinby

Edinaldo Tebaldi

Jonathan Womer

Thomas Huestis was absent from the meeting. Mr. Huestis was represented by designee Janet Lee.

Pension Advisory Working Group members absent:

Eric Atwater

Rhode Island Office of the General Treasurer staff present:

Eric Baggesen

Robert Craven

Gonzalo Cuervo

Frank Karpinski

Kevin Li

Michelle Moreno-Silva

A quorum being present, the Working Group considered the minutes of the 02 November 2023 meeting of the Rhode Island Pension Advisory Working Group.

On a motion duly made by Mr. Crowley and seconded by Mr. Maguire, it was:

VOTED: THAT

The Pension Advisory Working Group adopt the minutes of the 02 November 2023 meeting.

VOTE: 8 members voted in the affirmative by voice vote, 0 members voted in the negative. Represented by a designee during the November 02, 2023, meeting, Mr. Womer abstained.

YEAS: George Nee, Michael DiBiase, Ernie Almonte, Patrick Crowley, Janet Lee, John P. Maguire, Laura Quinby, Edinaldo Tebaldi.

NAYS: 0

ABSTAINS: Mr. Womer

Chair Nee then called Francis Flynn, President of the Rhode Island Federation of Teachers and Health Care Professionals and Kelly Erinakes, President of the Coventry Teachers' Alliance Local 1075 to offer testimony.

Mr. Flynn recommended the Working Group consider the following options:

(1) Legislation which would create a tier accrual rate as follows:

1 to 10 years of service	-	1.25% accrual
11 to 20 years of service	-	1.5% accrual
21 to 30 years of service	-	2% accrual
31 to 35 years of service	-	2.5% accrual

Mr. Flynn testified that a career employee would accrue 60% over 35 years under this proposal.

(2) Legislation which would cap early retirement penalties at 3% per year.

(3) Legislation which would amend the final average salary formula that determines annual pension benefit from the highest five years of pay to the highest three years of pay.

(4) Legislation which would require all new employees be included in Social Security.

(5) Legislation which would reinstate annual cost of living adjustments ("COLAs").

Chair Nee then called Paul Valetta, representing the Rhode Island State Association of Firefighters, and John Rossi, representing the International Brotherhood of Police Officers.

Mr. Valetta and Mr. Rossi recommended the Working Group consider legislation permitting active firefighters and police officers over the age of 60 that are currently ineligible to retire without a penalty to retire early and legislation that would amend the final average salary formula.

Chair Nee then called Matthew Gunnip, President of Service Employees International Union (“SEIU”) Local 580, and Michael Peno, a social worker employed by the Rhode Island Department of Children, Youth & Families (“DCYF”).

Ms. Quinby inquired as to whether SEIU Local 580 – or any other group – has assessed Rhode Island public sector salary or compensation relative to neighboring states. Mr. Gunnip represented that he would be able share data concerning employee salary and compensation at the Rhode Island Department of Human Services and DCYF.

Mr. Gunnip recommended the Working Group request turnover rates from DCYF and its counterparts in Connecticut and Massachusetts.

Chair Nee then called Kelly DiBiasio, President of SEIU Local 401.

Chair Nee then called James Cenerini, Legislative Affairs Coordinator and Senior Staff Representative for the American Federation of State, County and Municipal Employees (“AFSCME”) Council 94 speaking on behalf of President J. Michael Downey and Michael McDonald, Vice President of AFSCME Council 94 and President of AFSCME Local 528.

Mr. Cenerini recommended the Working Group consider the following options:

(1) Legislation which would create a tier accrual rate as follows:

1 to 10 years of service	-	1.25% accrual
11 to 20 years of service	-	1.5% accrual
21 years of service to retirement	-	2% accrual

(2) Legislation which would increase the state’s contribution to the Defined Contribution 401(a) plan.

(3) Legislation which would amend the final average salary formula that determines annual pension benefit from the highest five years of pay to the highest three years of pay.

(4) Legislation which would provide public safety employees in ERSRI the same retirement benefits as public safety employees in the Municipal Employees’ Retirement System (“MERS”).

(5) Legislation which would restore or enhance COLAs for current and future retired members of ERSRI and MERS.

Mr. McDonald recommended the Working Group consider legislation increasing the multiplier consistent with Mr. Cenerini’s recommendation.

In response to an inquiry from Chair Nee, Mr. Cenerini testified that there are approximately 380 public safety employees in ERSRI.

Ms. Quinby inquired as to whether any organization was able to share data concerning the current and historic number of vacancies in state and municipal government and in schools. Mr. Womer represented the Department of Administration would work to determine the number of vacancies.

Chair Nee then called Mary Barden, Executive Director of the National Education Association Rhode Island and Amy Mullen, an elementary special educator and Vice President of the National Education Association Rhode Island.

Ms. Barden recommended the Working Group consider the following options:

- (1) Legislation requiring ERSRI separate legacy debt and legacy unfunded liability from that associated with active members of ERSRI.
- (2) Legislation which would decrease early retirement penalties.
- (3) Legislation which would decrease the retirement age from the ‘Rule of 95’ – wherein an employee’s combined age and years of service must equal at least 95 to be eligible to retire – to the ‘Rule of 90,’ a five-year reduction.
- (4) Legislation which would increase the accrual rate from 1% to 1.5% or amend the accrual rate consistent with that proposed by Mr. Flynn or Mr. Cenerini.
- (5) Legislation which would require all new employees be included in Social Security.
- (6) Legislation which would increase the state’s contribution to the Defined Contribution 401(a) plan.
- (7) Legislation which would restore longevity payments to active teachers.
- (8) Legislation reducing the cost of health insurance to active teachers.
- (9) Salary increases for active teachers.

Chair Nee then called Lynn Blais, President of the United Nurses and Allied Professionals, and Stefanie Boyer and Chrissy Morrisette, both registered nurses employed by the Rhode Island Veterans Home Community Living Center.

Finally, Chair Nee called Denise Robinson, President of the International Federation of Professional and Technical Engineers Local 400 (“IFTPE”).

Chair Nee announced the next meeting will occur Thursday, December 14, 2023, at 3:00 p.m. at the Community College of Rhode Island, Warwick Campus.

Chair Nee called for a motion to adjourn the meeting.

On a motion duly made by Mr. DiBiase and seconded by Mr. Crowley, it was:

VOTED: THAT

The Pension Advisory Working Group adjourn the meeting of November 30, 2023

VOTE: 9 members voted in the affirmative by voice vote and 0 members voted in the negative.

YEAS: George Nee, Michael DiBiase, Ernie Almonte, Patrick Crowley, Janet Lee, John P. Maguire, Laura Quinby, Edinaldo Tebaldi, and Jonathan Womer.

NAYS: 0

ABSTAINS: 0

The meeting adjourned at 5:55 p.m.