**An Update from the State House**

**Revenue Estimating Conference (REC) Finishes Work**

The eight and a half hour meeting of the Department of Revenue staff, the Senate Fiscal Policy staff and the House Fiscal Policy staff showed just how dedicated these individuals are to making the best budget estimates possible. The bottom line: Rhode Island is expected to end the current fiscal year with $4,017,910,000 in state revenue which is up $24.8 million from the estimate made in November of 2018. While that is certainly good news, it is a narrow victory given the budget proposal put for by the Governor for FY2020 includes many new initiatives.

The REC estimates total general revenues for FY2020 to be $3,952,450,000 (not including the hospital licensing fee; so the total general revenue for FY2020 is relatively the same). So how does the Conference determine that number? The members go through every tax from personal income to business corporation tax, to inheritance and gift taxes, to gambling, realty transfers etc and discuss a rationale for each assumption. One of the longest debates came with the sales tax collection assumption. The Revenue Department (represents the Governor’s office) wanted to assume a 7% growth rate over the current fiscal year, while the Senate assumed 3.1% and the House assumed 3.9%. The Tax Division stated that the large increase was justified by an expected uptick in collections from the new software tax and security services tax. Of the 30,000 taxpayers believed to be subject to these new taxes, about a third have not filed the required tax reconciliation forms. The Division said this is not unusual as entities subject to new taxes often do not realize they should be paying the tax. The Division plans to send out a notice to all of those businesses that have not filed the reconciliation form and then follow up with audits. After much back and forth debate, the Conference settled on a 4.1% growth in sales tax, meaning the state expects to collect a total of $1,172,900,000 in sales and use tax next fiscal year.

The next longest debate centered around sports gambling. It was extremely difficult for all of the members to determine a comfortable estimate for this revenue given the current experience. The remote sports gambling technology is slated to be up and running September 1st. The REC decided to allow for two additional weeks of lag time before the start date in the event more time is need for testing of equipment or any delays in equipment arrival. Ultimately, the state is estimating to receive $22.7 million next year in sports betting. The total revenue estimated to be received from all gaming sources (casino, lottery, sports) is $412.8 million. This represents a $12.7 million increase over the current fiscal year.

Other revenues estimates for FY2020 include Business Corporation Tax of $164 million (down $500,000 from FY2019); Personal Income Tax of $1,426,800,000 (up $42.8 million over FY2019); Inheritance and Gift Tax of $38 million (down $10 million over FY2019) and Public Utilities Gross Receipt Tax of $103.2 million (up $300,000 over FY2019).

The FY2020 budget was projected to face a $100 million deficit. The expenses for the state did see a reduction over projected expenses since last November, so it is not clear yet just how much the revenue estimates will eat away at the projected deficit. The Finance Committees will now take this information and begin to re-shape the Governor’s proposed budget to address priorities of the House, Senate and Governor’s office. Difficult choices will have to be made. The FY2020 budget is expected to be released sometime in June.

**This Week At the State House**

If you have to be at the State House **Tuesday, May 14th** give yourself extra time. On Tuesday, the Senate Judiciary Committee will vote on S.152 SubA and H.5125 SubA. These are the bills referred to as the state codification of the Roe v. Wade decision (proponents and opponents disagree on how close the language is to Roe v Wade). The State House is expected to be very crowded that day, and the lines to go through building security will likely be long.

On **Wednesday, May 15th**, the **Senate Education Committee** will meet **at the Rise (approximately 4:30 p.m.) in Room 313** to take testimony on the newly filed **education reform package**. The link to the bills – S.863, S.864, S.865, S.866, S.867, S.868 and S. 869 can be found below in the newly filed bills listing. The bills address a number of issues like the development of statewide academic standards and curriculum frameworks for the core subjects; providing school principals with more authority to handle personnel and budget matters; and establishing a system to evaluate schools. The **House Health Education and Welfare Committee** will take up the house bills dealing with **education reform** (H.6084, H.6085, H.6098, H.6099 and H.6100) the **same day, same time in Room 101**.

The **Senate Labor Committee** will be taking testimony on a number of business-related bills **Wednesday, May 15th at the Rise in the Senate Lounge**. One bill the Chamber supports is **S.373.** It allows employees who are covered by an employer sponsored disability insurance program to elect to be exempt from the state temporary disability insurance program. The employer is required to show documentation to the Department of Labor and Training to prove such coverage exists. **S.615** bars employers from refusing to hire, discharge, or “otherwise discriminate” against a person with respect to any terms, conditions, or privileges of employment, because of his or her status as a medical marijuana cardholder - including because of a positive drug test for marijuana at the workplace or during the hours of employment. **S.835** would make it an unlawful employment practice for any person, whether or not an employer, employment agency, labor organization, or employee, “to directly or indirectly commit any act declared by this section to be an unlawful employment practice” (the quoted language would be new law). Additionally the legislation allows individual employees to be held liable for their actions with fellow employees.

The following bill was filed last week:

House Bill No. [6084](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6084.pdf) Amore, Mattiello, Shekarchi, Edwards, Blazejewski**,**AN ACT RELATING TO EDUCATION -- EDUCATION ACCOUNTABILITY ACT (Provides for greater school-based management at the school level and expands the duties of school improvement teams and establishes a new chapter on education accountability.)

House Bill No. [6085](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6085.pdf) Barros, Ackerman, Bennett, Corvese, Shanley**,**AN ACT RELATING TO EDUCATION - CERTIFICATION OF TEACHERS (Allows teachers to obtain fast-track certification as a principal.)

House Bill No. [6086](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6086.pdf) Serodio, Hawkins, Amore, Noret, Shekarchi**,**AN ACT RELATING TO EDUCATION -- HEALTH AND SAFETY OF PUPILS (Increases the members of public school personnel to include all trained school administrators, teachers, or SROs among those authorized to administer an opioid antagonist where there is an emergency drug overdose in a school setting.)

House Bill No. [6087](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6087.pdf) Williams, Vella-Wilkinson, O'Brien, Caldwell, McKiernan**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- HEALTHY WORKPLACE (Creates the "Healthy Workplace Act of 2019" and would establish a cause of action against employers and employees for workplace bullying, harassment and other abusive conduct.)

House Bill No. [6098](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6098.pdf) Alzate, Maldonado, Edwards, Speakman, Slater**,**AN ACT RELATING TO EDUCATION - CERTIFICATION OF TEACHERS (Directs the council on elementary and secondary education to implement teacher licensure tests modeled after the Massachusetts tests for educator licensure, commencing on July 1, 2021.)

House Bill No. [6099](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6099.pdf) Caldwell, Diaz, Noret, Morin, Knight**,**AN ACT RELATING TO EDUCATION -- CERTIFICATION OF TEACHERS (Directs the council on elementary and secondary education to implement a teacher assessment and evaluation system which emphasizes the alignment of instruction delivered to the state's standards.)

House Bill No. [6100](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6100.pdf) Mendez, Fellela, Jackson, Vella-Wilkinson, Hawkins**,**AN ACT RELATING TO EDUCATION -- CERTIFICATION OF TEACHERS (Creates a provisional educator certification to be issued by the board of education to teachers who meet qualifications set by the board and who shall be subject to supervisory conditions set by the board.)

Senate Bill No. [863](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0863.pdf) Gallo, Ruggerio, Goodwin, McCaffrey, Algiere**,**AN ACT RELATING TO EDUCATION - CURRICULUM (Requires the commissioner of education to develop statewide academic standards and curriculum frameworks for the core subjects of mathematics, English language arts, science and technology, history and social studies, world languages, and the arts.)

Senate Bill No. [864](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0864.pdf) Satchell, DiPalma, Pearson, Seveney, Paolino**,**AN ACT RELATING TO EDUCATION -- CURRICULUM (Direct the council on elementary and secondary education to provide professional support and assistance to LEAs regarding effective ways to use data such as the LEA’s budget and demographics, school culture, and assessments to improve student performance.)

Senate Bill No. [865](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0865.pdf) Pearson, McCaffrey, Algiere, Goodwin, Ruggerio**,**AN ACT RELATING TO EDUCATION -- THE RHODE ISLAND BOARD OF EDUCATION ACT (Expands the duties of principals over school personnel/facilities/budget/eliminates commissioner of post secondary education/authorizes board of education to adopt system evaluating public schools/local education agencies.)

Senate Bill No. [866](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0866.pdf) Sheehan, Quezada, Seveney, DiPalma, Felag**,**AN ACT RELATING TO EDUCATION - CERTIFICATION OF TEACHERS - TESTING REQUIREMENTS FOR NEW TEACHERS (Establishes testing requirements for initial certification of new teachers on or after July 1, 2021.)

Senate Bill No. [867](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0867.pdf) Paolino, Quezada, Pearson, DiPalma, Gallo**,**AN ACT RELATING TO EDUCATION -- CERTIFICATION OF TEACHERS (Establishes a procedure for the certification of provisional educators.)

Senate Bill No. [868](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0868.pdf) Seveney, DiPalma, Cano, Lombardi, Lynch Prata**,**AN ACT RELATING TO EDUCATION - TRAINING AND EVALUATION - NEW EVALUATION REQUIREMENTS (Directs council on elementary and secondary education to implement assessment and evaluation system. Also requires local education agencies (LEAs) to adopt the model assessment and evaluation system for use in their schools.)

Senate Bill No. [869](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0869.pdf) Metts, Goodwin, Gallo, Quezada, Pearson**,**AN ACT RELATING TO EDUCATION - TRAINING AND EVALUATION - FAST-TRACK PRINCIPAL CERTIFICATION PROGRAM (Allows teachers to obtain certification as a principal in an expedited period of time.)