



H-7105 A Summary

On Thursday, April 8, 2010, the House Finance Committee passed the Supplemental Budget, H-7105 A.

Council 94's top concerns are:

State Employee Cost of Living Adjustment (COLA cut) –Article 16

- After two rounds of pension changes that have saved the state over \$100 million dollars, the House Finance Committee passed Article 16 which would cap the COLA.
- State Employees **not eligible** to retire as of September 30, 2009/passage of the budget would receive a 3% maximum COLA, adjusted to match inflation, to the first \$35,000 of income.
- The \$35,000 cap would be adjusted each year by the consumer price index to compensate for inflation.
- Receipt of the COLA is delayed until Age 65 or the three year anniversary, whichever is later.
- Re-amortizes the pension by 4 additional years and changes to a 25 year schedule.
- Eligible to retire September 30, 2009:
 - Schedule A: 28 years and any age, or age 60 with 10 years of service
 - Schedule B: Age 59 with 29 years of service or October 1, 2009
- Average State Employee annual pension benefit \$25,400

State Employees Vacant Positions Eliminated -581 FTE's

Municipal Collective Bargaining Restriction— Article 9

- Requires any contract negotiated by a school committee requires approval by a city/town council.
- The city/town council must hold at least one public hearing before voting on the contract.

50% Restoration of 4th Quarter Motor Vehicle Excise Tax Reimbursement (16.4 million out of 32.2 million)

Education Aid: 2.8% General Revenue decrease (\$-19,139,476.00)

Reduce School Districts Maintenance of Effort from 100% to 95%. This action would allow city/towns to cut school appropriations by 5% this year.

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