



State of Rhode Island and Providence Plantations

State House
Providence, Rhode Island 02903-1196
401-222-2080

Gina M. Raimondo
Governor

September 27, 2017

TO THE HONORABLE, THE PRESIDENT OF THE SENATE:

In accordance with the provisions of Article IX, Section 14 of the Constitution of the State of Rhode Island and Section 43-1-4 of the Rhode Island General Laws, I transmit, with my disapproval, 2017-S 0772 Substitute A, “An Act Relating to Towns and Cities – Firefighter Disability.”

This legislation would create a statutory presumption that any firefighter who is unable to perform their duties as a result of stroke or heart disease is presumed to have contracted that health impairment as a result of their service in the line of duty, thereby qualifying for an accidental disability retirement pension pursuant to Section 36-10-14 of the Rhode Island General Laws.

Firefighters provide an enormously important public service to the people of Rhode Island, often at significant risk to their own personal health and safety. Reflecting the clear risk inherent in this work, firefighters are currently able to receive an accidental disability pension for these conditions if the conditions are directly work-related and there is sufficient evidence to justify the benefit. However, as noted by the General Treasurer in his statement of opposition to this bill, introducing an automatic presumption that would require the Municipal Employees Retirement System (“MERS”) and the Workers’ Compensation Court (which handles appeals of MERS decisions) to disregard relevant evidence, including the opinions of examining physicians, in granting the benefit.

This policy change would mark an extraordinary departure from current practice, exposing MERS to significant new liability and resulting in increased pension costs to cities and towns. The office of the General Treasurer estimates that this policy change would increase MERS’s unfunded liability by approximately \$4.0 million, driving an annual pension cost increase at the local level of up to \$1.5 million per year.

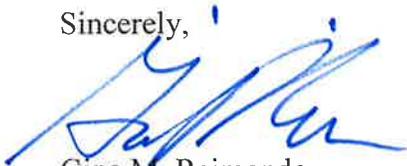
In addition, this change will also increase costs for municipalities outside MERS, which have approximately the same number of firefighters as MERS municipalities -- and as a result, total pension cost growth at the local level could approach \$3.0 million per year were this bill to become law.

It is critical that the State provide municipalities with as many tools as possible to control costs, maintain sound fiscal footing, and balance budgets without the need to raise taxes on homeowners and businesses. Alongside the General Treasurer, we have made significant gains in stabilizing local pension plans across Rhode Island through the MERS system -- today, that system is a well-funded and stable vehicle for cities and towns to manage employee pensions without deteriorating local fiscal stability. For this reason, the League of Cities and Towns, the Rhode Island Public Expenditure Council, and the Rhode Island Business Coalition have all asked for my veto of this legislation -- as have a dozen mayors and town managers representing communities across our State.

This legislation moves Rhode Island in the opposite direction: It would create a significant new unfunded local pension benefit that would cost millions of dollars annually in new pension obligations for cities and towns -- likely resulting in simultaneous property tax increases. Finally, as a matter of fairness, the State should make sure this benefit is only available to those hard-working men and women who *have* suffered a stroke or heart disease as a direct result of their service in the line of duty. Changes like the one before me today weaken the system overall, putting this critical benefit at risk for those firefighters truly in need.

For these reasons, I disapprove of this legislation and respectfully urge your support of this veto.

Sincerely,



Gina M. Raimondo
Governor