

June 22, 2014

Dear Fellow East Siders:

This week's letter discusses a proposal to shift the tax burden between landlords and homeowners, a proposed study of City worker job descriptions and functions, and the General Assembly's vote to postpone "high stakes testing."

Last Monday night, the Ways and Means Committee held a public hearing and a legislative hearing on a [proposed ordinance](#) that would change the ratio between the homeowner and non-resident landlord tax rates. As described in my [June 1 letter](#), the measure would (under a revenue-neutral scenario) reduce the landlord tax rate by 5% by raising the homeowner tax rate by an equal amount. At the hearing, the landlords emphasized they do not wish to raise taxes on homeowners in order to reduce their own taxes. With that said, stated intentions must give way to facts, one of which is that the City must balance its budget every year with real dollars in actual U.S. currency. In order to avoid a tax increase for homeowners, the City would have to find \$6.6 million in either new revenues or budgetary savings next year. At the legislative hearing that night, the City's Finance Director and Internal Auditor established that there are no significant new revenues or anticipated savings due next year; instead, existing obligations for pension, medical expenses and some contracts will increase, making the prospect of "finding" an extra \$6.6 million to fund landlord tax relief without increasing homeowner taxes even more unlikely. Neither the City Council members supporting the ordinance, nor the landlords themselves, can identify any specific and/or realistic sources of revenue or savings that could avoid the 5% tax increase for the City's 18,000 homeowners next year. The Ways and Means Committee approved the ordinance by a 3-1 vote (I was the opposing vote), and the matter will now be heard at the next City Council meeting (Wednesday, July 2) for a vote on final passage.

At Thursday's meeting, the City Council approved unanimously a resolution I sponsored to issue a request for proposals ("RFP") for a consultant to analyze the job descriptions and functions performed by City workers. The City's work force has evolved over time, and job descriptions and work rules are often codified in collective bargaining agreements. In its current configuration, there are times when the same City function (such as road paving) is performed in different departments (such as Parks and Public Works), while some job descriptions include skills and roles (such as shorthand) that are not necessary in today's work environment. It is my hope we will find a consultant who can prepare a report with recommendations to make City departments more cost-effective and efficient. The report could then become a guide for collective bargaining negotiations with Local 1033 when that contract comes up for renewal next year.

In its final night of proceedings, the Rhode Island General Assembly enacted legislation placing a moratorium on the Rhode Island Department of Education's (RIDE's) policy of "high stakes testing" as a diploma requirement for Rhode Island high school students. Earlier this year, I introduced a resolution the City Council unanimously approved requesting this result. The Providence Student Union also advocated vigorously on this issue. Prior to Friday night's vote, some General Assembly members understood the inequities that high stakes testing was causing, but hesitated because of a general preference not to micromanage RIDE's operations. Also, the Commissioner assured the House Speaker that school districts had an adequate "escape hatch" in terms of waivers to prevent inequities. In the week leading up to the vote, however, media reports confirmed that the waiver process was not adequate to this task, and the policy was too harmful for the General Assembly to treat deferentially. This was a major victory for the children of Providence, but I regret how much time and resources the Providence Public Schools had to waste on different versions of waiver policies due to RIDE's intransigence. With that said, the General Assembly's action will relieve the Providence Public

Schools of this burden for the next two years.

Sincerely,

*Sannek D. Jansen*