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## **Clock is ticking on budget reforms**

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The biggest danger posed by bureaucracies is that they can get so involved in the care and feeding of themselves, no resources are left over to accomplish their mission.

Such is the situation with Rhode Island's government and education system. Expenses keep rising, and cutting services is the only way to keep up. It's amazing that schools have done as well as they have, with so many forces working against them.

But now the financial situation is dire. The state has a massive budget deficit, currently about \$440 million. This deficit is structural. Built into the budget are growing expenses: greater contributions to the pension system, laws that drive up the price of doing business, serious inefficiencies and so forth. These expenses exceed revenues. If your household can't pay its bills, you examine your budget for the built-in costs. Eliminating the second car in favor of public transportation saves the monthly loan payment, insurance, gas and repair costs. You sacrifice convenience to sustain the household.

Every year, the General Assembly finds a one-time fix, tinkers a little, and puts off the problem for another year. Instead of selling the proverbial second car, the state and its municipalities have postponed payments to their pension funds, deferred much-needed maintenance of the infrastructure, and awarded salary raises for future years, in hope there would be more money. But that hope usually turns out to be foolish and irresponsible, and huge expenses are built into future budgets. While other states are pondering what to do with their surpluses, Rhode Island is once again scrambling to balance a bloated budget.

In meetings, I've seen powerful politicians shrug their shoulders and concede that the state will be forced one day to change from a defined-benefit pension system — the traditional income-for-life-after-putting-in-your-years — to a defined-contribution system — a pay-as-you-go 401(k) plan or something similar. There's not much talk about pensions at the State House this year. The state is waiting for the system to break down completely before anyone will actually do anything about this.

However, legislators are talking about the annual cost of caring for those 18- to 21-year-olds who have already been so slapped around by life they have nowhere else to turn but the state's foster and residential care.

The state could save money by kicking them out of the system. But even young adults with supportive families have a tough time. So what about the youths who've never had stable families or homes?

Other states that have cut back on helping older youths have found that those young people often end up in prison or look for welfare.

It is the government's responsibility to educate young people.

The education system is made up of adults making a living doing honorable, important work. However, we've let our bureaucracies become enriched, entitled and protected by laws created by the General Assembly at the expense of the mission to the children.

Here's a minor example of bureaucratic waste: Connecticut schools can fasten a sign on top of a van that says "Carrying School Children," and transport students in inexpensive mini-buses. Rhode Island laws force schools to hire buses, at far greater expense, because that puts more money in a grownup's pocket.

In a letter to the General Assembly listing its best thinking about structural fixes, the Rhode Island Association of School Business Officials (RIASBO) describes what it sees as the immediate future for the schools.

Few understand the Sophie's choices that are being forced on school committees. The full list is on the association's Web site — [www.riasbo.org](http://www.riasbo.org) The group predicts that athletics and special course offerings (such as advanced placement and engineering) will be cut, along with after-school programs. It sees the disruption of education in general, increased class sizes and the failure to meet the federal requirements mandated by No Child Left Behind. It sees labor strikes.

In that same letter RIASBO's executive board offers a list of "recommendations to control costs and impact budgets statewide."

The board circulated the draft list to its own constituents, to all school superintendents, and to state and charter schools.

In the course of fashioning this call to action, several new members decided to join RIASBO, because pulling together seems to be the only hope for saving what is important to the schools.

At the top of its list are two massive budget drivers: pensions and health-care costs for state workers. Parents, taxpayers and concerned citizens should be screaming for action on both.

Consider a statewide health-care package for all public employees. Our 36 school districts and 39 cities and towns together have about the same population as Dallas. A single health-care plan for public employees would drop the costs dramatically. And as a

single big group, the state would have far more negotiating power with insurance providers than any of our districts. And they could do the same for dental and vision care and life insurance.

Reforming these two cost drivers would be gifts that would keep on giving. Thank you, RIASBO, for thinking “structurally.”

Why are we waiting for the state budget structure to break? We’re paying for a giant, expensive mechanism that can no longer deliver the services for which the taxes were intended.

We’re walking into this mess eyes wide open. Doesn’t anyone up there have guts?

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