



nerej

Greschner of RIPEC addresses RIBA board of directors

July 08, 2009 - Rhode Island

"State leaders must act now to avert a financial disaster for Rhode Island by 2012," said Susane Greschner, director of policy and research for the Rhode Island Public Expenditure Council (RIPEC). That was the message on June 2nd as Greschner addressed the Rhode Island Builders Association's board of directors.

"We won't have federal stimulus money to plug the deficit by the 2011-2012 budget year. We all need to get that message across to the General Assembly," Greschner said. "RIPEC can shine a light on these problems, but we cannot force action."

She outlined the three main problem areas in the state's budget: personnel, grants and benefits, and local aid. Each one is an "elephant in the room" that must be dealt with if the state is to survive financially.

"In the personnel segment, there must be pension reform. Ballooning Medicaid costs define the grants and benefits segment. And cities and towns must find ways to cut spending to make up for lower state aid," Greschner said. "RIPEC has suggested solutions for each."

She pointed out that 50 cents of every dollar of state revenue is used to fund grants and benefits. She also noted that Medicaid costs rise an average of 8% a year, when revenue rises only 2%.

"We can't wait. We need real reform now. There's no other way."

RIPEC suggestions include long-term structural changes to streamline state government, along with reforming cost structure and the collective bargaining process.

Municipalities also must rein in spending now, she added. Suggestions include more school regionalization.

RIPEC is an independent, non-partisan public policy, education and research "watchdog" organization whose aim is to improve Rhode Island's government.

In other matters:

Remodelers committee co-chair Tanya Donahue reported a successful first half of 2009 for the monthly events the panel sponsors. This includes attendance of 20-30 members and guests each month.

The Workers' Compensation Committee has decided to remain a RIBA-endorsed program rather than seek "safety group" status from the state Dept. of Business Regulation, chairman Kenneth Jones said.

Working with The Renaissance Group, Jones said that RIBA plans to develop insurance programs beyond workers' compensation, to include contractor liability, auto insurance and more.

Paul Eno is the owner and editor-in-chief of New River Press, Woonsocket and is the editor of the monthly RIBA newsletter, The Rhode Island Builder Report.