

Coronavirus Update from a Legislative Perspective

Speaker Nick Mattiello and Senate President Dominick Ruggerio announced that the State House will again be closed this week. No sessions or hearings will be held. To date, no return date has been established. The leaders have asked their legal counsels to look into the possibility of holding virtual meetings, but that avenue is tricky given Constitutional requirements.

One option under consideration is the convening of a “Disaster emergency funding board.” RI General Law 30-15-10 allows for such a contingency plan. It reads:

30-15-10. Financing – Disaster emergency funding board established.

(a) It is the intent of the general assembly and declared to be the policy of the state that funds to meet disaster emergencies shall always be available.

(b) A disaster emergency funding board is hereby established, composed of the president of the senate, the speaker of the house, and the chairpersons of the senate and house finance committees.

(c) It is the legislative intent that the first recourse shall be to funds regularly appropriated to state and local agencies. If the governor finds that the demands placed upon these funds in coping with a particular disaster are unreasonably great, with the concurrence of the disaster emergency funding board, he or she may make funds available by transferring and expending moneys appropriated for other purposes or may borrow for a term not to exceed two (2) years from the United States government or any other private source.

(d) Nothing contained in this section shall be construed to limit the governor's authority to apply for, administer, and expend any grants, gifts, or payments, in aid of disaster prevention, preparedness, response, or recovery.

Given that backdrop, leaders are attempting to determine how best to proceed, balancing the health needs of the General Assembly members, staff and stakeholders, with the need to take action to address the economic needs of the State. As you may have heard, the State is weeks, not months, away from running out of money to pay its bills and payroll. The State reportedly has \$203.8 million in the Rainy Day Fund and \$14.8 in the Highway Trust Fund which may be tapped to assist in this crisis.

What is the Rainy Day Fund? According to the *Senate Fiscal Office FY2020 Budget report*: “In 1990, the Budget Reserve and Cash Stabilization Account, or Rainy Day Fund, was created to establish a fiscal cushion for the State when actual revenues received are less than State expenditures (deficit). The account is funded by limiting annual State general revenue appropriations to a percentage (currently 97.0 percent) of available revenues. Excess funds are deposited to the Rainy Day Fund. The spending limitation, Rainy Day Fund, and disposition of excess funds are governed by provisions in the RI Constitution and General Laws. RIGL 35-3-

20 institutes a cap on the balance of the Rainy Day Fund, which gradually increased between FY2007 and FY2013. Since FY2013, the balance of the Fund has been capped at 5.0 percent of general revenues. When the limit is reached, excess funds are transferred to the Rhode Island Capital Plan (RICAP) fund for capital improvement projects.” RI General Law (RIGL) 35-3-20 states that the general assembly may make appropriations from the reserves during the third quarter of the fiscal year when a shortfall is coming.

What Can You Do to Help? We understand that individuals and businesses are operating in unprecedented times. Some may be able to help, others are trying to hang on and survive. If you are able, here are some suggestions to help:

- *Health Perspective* – the State is looking for medical equipment and supplies. The list of items needed can be found at <https://rigov.wufoo.com/forms/covid-19-medical-supply-donations/> If you have any of the items, or if you can make these items, fill out the on-line forms and the Department of Health will contact you
- *Tax Payments* – While the federal and state governments have delayed the tax payment deadline to July 15, 2020, if you are able to make the payment by April 15 2020, please do so. It will assist with the cash flow difficulties faced by the State.
- *Business to Business* – As long as Rhode Island is not under a shelter-in-place order, please consider ordering take-out from your local restaurant. If you are holding off on a maintenance service – i.e. haircut, massage appointment, car maintenance – consider paying in advance for the service to help these businesses with cash flow.
- *Mental Health* – Check in with family and friends, but also with business associates.