**Coronavirus Update From a Legislative Perspective**

**Disaster Emergency Funding Board**

As expected, the Disaster Emergency Funding Board met last Thursday. The Board, comprised of the House Speaker, Senate President, House Finance Chair, and Senate Finance Chair, has authority under Rhode Island General Law 30-15-10 to act under an emergency.

Jonathan Womer, Director of the RI Office of Management and Budget explained that the State is expected to hit a “low spot” late May in liquidity, in great part due to President Trump’s order to move the tax filing deadline from April 15th to July 15th. This date change moves $300 million in cash that would normally come into the state funds by April, to July. The federal stimulus package may help, but it will take a couple months to get a good handle on the contents of the package as well as the actual federal funds.

General Treasurer Seth Magaziner stated that the State attempts to keep the general fund balance at $40 million or more. With the sudden loss of revenue from many sources due to the coronavirus, the fund balance will fall below $40 million as early as March 30th. With approval of a $300 million line of credit, the Treasurer’s office can close on a loan in a matter of days with a variable interest rate resulting in an annualized interest rate of about 3%. The Treasure plans to only draw down as much as the state needs, when it needs it. This credit line does not carry a general obligation pledge which would trigger a requirement for the entire General Assembly to vote on the proposal – this line of credit carries an “appropriation pledge” which is different.

House Finance Chairman Abney made it clear, “We are not re-writing the budget. This is a cash flow issue….There is no new authority to spend – no new programs.”

Speaker Mattiello also added that in normal times, Tax Anticipation Notes would be utilized, but those notes must be paid off prior to the end of the fiscal year. Because the income tax returns are not due until July 15th, it is very likely that the borrowed funds will not be paid off until the following fiscal year.

President Ruggerio thanked everyone for the transparency of this action and for everyone’s effort to work together.

To view the financial analysis, go to: <http://rilegislature.gov/Reports/Cash%20Flow%20Analysis.pdf>

**State House Activity**

The State House remains closed to legislative sessions March 30 – April 3rd; the Governor ordered the State House closed to visitors until further notice.