



Rhode Island General Assembly

Office of the House Minority Leader

NEWS

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NEWBERRY TO FILE LEGISLATION EXPANDING REQUIREMENT FOR FISCAL NOTES

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Legislators Deserve “More and more meaningful information”

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ENACTING LEGISLATION WITHOUT UNDERSTANDING FINANCIAL IMPACTS DIGS A DEEPER HOLE FOR RHODE ISLAND

STATE HOUSE, JAN 21- House Minority Leader Brian C. Newberry will file legislation tomorrow strengthening the requirement for fiscal notes, making them mandatory prior to committee consideration of bills before the RI House or Senate.

The legislation is the first of a series of bills to be introduced as part of the House Republican Caucus’ ‘Getting To 25’ initiative, and is one of its Spend Smarter proposals.

Fiscal notes are brief explanatory statements or notes which set forth “the estimated revenue, expenditure or fiscal liability of the state” of proposed legislation. Typically prepared by the State Budget Office, they are currently required by statute (RIGL 22-12) on all measures with financial impacts, but the requirement is commonly ignored.

Last year, 289 bills were heard by the House Finance Committee, but only 21 fiscal notes were issued.

Newberry pointed to two pieces of legislation as examples, H-5946, last year’s bill that allowed daycare workers to unionize, and H-6067 that established a new business development center in the newly-established Rhode Island Commerce Corporation. Both bills will increase costs to the State of Rhode Island.

“H5946 provided for the unionization of daycare workers, and made the State the bargaining agent. Because unionization is likely to increase the cost of daycare services, and because the state pays or reimburses for childcare services through various public assistance programs, there will be a significant cost to the state. Under the law, a fiscal note should have been produced. It wasn’t.

Another bill, H6067, was one of the initiatives to reform EDC. H6067 would establish a new requirement for a “Business Development Center” within the new Commerce Corp. The significant responsibilities this Center is assigned will cost money to establish and sustain, but no cost information was ever provided. Under the law, a fiscal note should have been produced. It wasn’t here, either.

“Fiscal notes are a very good idea, and already required by law,” said Newberry. “But there are no consequences to ignoring the law, and the General Assembly appears to have been doing that for some time now. It’s a little like having stop signs, but no penalties for running them.

“How can the legislature expect members to cast informed, fiscally-sound votes when they receive so little information regarding cost? This is something that needs fixing,” Newberry said.

“Regardless of one’s position on particular bills, we in the General Assembly, perhaps illegally, are picking-and-choosing bills to which to attach a price tag. If legislators or the public knew how much some of this stuff was expected to cost, these bills would never pass. As a result, we force costs on state agencies, spend more money than we plan to, and spend more money than we have. But no one pays it much attention, because taxpayers will pick up the tab.

“This is how government gets large and swollen, and how Rhode Island slowly but surely digs itself deeper into a hole and becomes a high-tax environment. We need to stop, follow our own laws, and get serious about state spending.

“Right now, it’s all being done on a credit card,” said Newberry.

The legislation to be filed by Newberry would require that fiscal notes with estimates of cost or fiscal impact be prepared and submitted to legislative committees at least three days before a bill is heard. Under certain circumstances, committees can override the legal requirement, but only by unanimous vote.

“On one level, this is about the General Assembly obeying the law. But on another and equally important level, this is about legislators being able to make informed decisions. Legislators cannot claim to be doing a good job of managing the state budget when we vote without good cost information.

“Without good fiscal notes, consistently provided, the entire General Assembly is flying blind,” Newberry said.

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