

April 2014 RI Legislative Update

With the recent resignation of our House Speaker, Gordon Fox and the subsequent change of leadership as a result – we now have a new focus in the House. Although it is too soon to draw definite conclusions it has been clear from comments made by the new Speaker, Nicholas Mattiello that he plans on focusing on jobs, making RI a more friendly environment for business, and the 2015 budget – and not necessarily in that order.

As expected with any change in leadership, Speaker Mattiello has made a number of changes to the leadership of some critical House Committees - obviously rewarding those that supported him in his election to speaker and those that he feels shares his views and would comfortable working with. House Finance, House Labor, and House Judiciary all have new chairs and new vice chairs as well as member changes. When this happens in midterm it tends to slow things down as legislators are trying to get comfortable in their new positions and comfortable in understanding the new leadership. Add to this that this is an election year for all members of the General Assembly (many incumbents face strong primary challenges this year). As a result the legislators want the session to end early so they can campaign and you have an environment that may not see many bills move forward. Certainly those that are viewed to hurt business in any way will not be the focus for the remainder of this session.

Our new Speaker will face many challenges during this session but his overriding challenge will be to strengthen his support base and hold his new position when the next Legislation begins. The “progressive opposition” is still strong and will try to support their own candidates to lead the House. Thus, Speaker Mattiello must unite the party as quickly as possible and display his leadership abilities. His most critical measuring stick will be the budget. He must move quickly and decisively to get this completed and passed. House Finance has a new Chair and other new members which will make this a little more challenging as they must familiarize themselves with the budget proposal, what has been accomplished, is it acceptable, and what else needs to be done. The House Finance committee has had the governor’s proposed budget for several weeks and had stated previously that will make changes in a number of areas. With the new leadership team they will need to address this and also balance this budget which depending on your source has a deficit of somewhere between \$130 - \$180 M.

Speaker Mattiello must deal with all of the above mentioned challenges and gain enough support to move this through the House quickly. This would serve to help him politically going forward as well as give the House members time to start campaigning. This will also not be easy, as beyond the issues in the budget itself and the new people involved, his political opponents could very well see this as an opportunity to challenge the process and outcomes – if for no other reason than to weaken his position and challenge his leadership.

So, what does all of this mean for our members?

We had previously established a good relationship with Speaker Mattiello during his time as House Majority Leader and we were also cognizant that former Speaker Fox relative leadership position had weakened as many thought he may not run for reelection (although I don't think anyone foresaw the IRS and FBI investigation and his subsequent resignation). We were careful to make sure developed good communications with all of the House leaders.

Speaker Mattiello's position on business and his focus on jobs should help our position on many of the bills we have been following this session particularly those that can be viewed as hurting business or impacting jobs. This general prevailing theme combined with the environment described above should result in those bills not moving forward. On the other hand, those bills that support small business and or intended to help the economy (corporate tax incentives, licenses reductions, job start program, etc.) involve considerable funding (and/or loss of revenue) which given the deficit of the budget are also unlikely to pass.

So, at this point of the session it would seem that little will/can be done to stimulate the economic climate or improve the dismal jobs picture (now worst in the country) in RI. It will be interesting to see the impact this has on General Assembly members as they seek reelection. All of the candidates running for governor of the state are running on a platform similar to the objectives that new Speaker Mattiello has emphasized. In our next newsletter we will talk a little about that and what the potential governors have said to our members directly during their presentations at our Board of Director's meeting over the past several months.