

State of Rhode Island and Providence Plantations

Journal of the Senate

JANUARY SESSION of the General Assembly begun and held at the State House in the City of Providence on Tuesday, the seventh day of January in the year of Our Lord two thousand and three.

Volume 130, No.22 Wednesday, March 5, 2003 Twenty-second Day

Our Lord two thousand and three. The Senate meets pursuant to adjournment and is called to order by the Honorable William V. Irons, President of the Senate, at 5:22 o'clock P.M.

The roll is called and a quorum is declared present with 38 Senators present and 0 Senators absent as follows:

PRESENT - 38:

The Honorable President Irons and Senators Algiere, Alves, Badeau, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, Damiani, DaPonte, Felag, Fogarty, Gallo, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McBurney, McCaffrey, Montalbano, Paiva Weed, Parella, Perry, Pichardo, Polisena, Raptakis, Revens, Roberts, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

ABSENT - 0.

INVOCATION

The Honorable President, by unanimous consent, presents Senator Algiere, to deliver the invocation.

(See Appendix for Invocation)

PLEDGE OF ALLEGIANCE TO THE FLAG

The Honorable President, by unanimous consent, presents Senator Algiere, to lead the Senate in the pledge of allegiance to the flag.

APPROVAL OF RECORD

The Senate Journal of Tuesday, March 4, 2003 proceedings is read in part.

Upon suggestion of Senator Algiere, and by unanimous consent, further reading of the Journal is dispensed with and the Journal approved as recorded.

REPORT OF COMMITTEE

TRANSFER OF BILL

Senator Badeau, in accordance with Senate Rule 6.14, moves to transfer the following bill from the Committee on Labor to the Committee on Commerce, Housing and Municipal Government:

(03-S 861) An Act relating to labor and labor relations - transportation of workers.

Read and referred to the Committee on Commerce, Housing and Municipal Government.

NEW BUSINESS

Senator Blais presents (03-S 920) An Act relating to elections - combination of districts.

Senator Blais requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Upon motion of Senator Blais, seconded by Senators Raptakis and Breene, and by unanimous consent, read and passed, upon a roll call vote with 37 Senators voting in the affirmative and 0 Senators voting in the negative as follows:

YEAS - 37:

The Honorable President Irons and Senators Algieri, Alves, Badeau, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, DaPonte, Felag, Fogarty, Gallo, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McBurney, McCaffrey, Montalbano, Paiva Weed, Parella, Perry, Pichardo, Polisena, Raptakis, Revens, Roberts, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

NAYS - 0.

Senators Gallo, Paiva Weed, Sosnowski, Felag, Goodwin and others present (03-S 921) Senate Resolution declaring March 8, 2003 "International Women's Day" in Rhode Island.

Senator Gallo requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Upon motion of Senator Gallo, seconded by Senators Paiva Weed, Perry, Roberts, Gibbs, Parella and many others, and by unanimous consent, read and passed, upon a roll call vote with 35 Senators voting in the affirmative and 0 Senators voting in the negative as follows:

YEAS - 35:

The Honorable President Irons and Senators Algieri, Alves, Badeau, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, Damiani, DaPonte, Fogarty, Gallo, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McBurney, McCaffrey, Montalbano, Parella, Perry, Pichardo, Raptakis, Revens, Roberts, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

NAYS - 0.

CONSENT CALENDAR

In order for the day is taken up as follows:

Upon motion ofSenate Majority Leader Montalbano, seconded by Senator Algiere, the following measures on today's Consent Calendar, by unanimous consent, are read and passed, upon a voice vote:

- 1. (03-S296) An Act relating to solemnization of marriages.
- 2. (03-H5357) An Act relating to solemnization of marriages.
- 3. (03-H5358) An Act relating to solemnization of marriages.

CALENDAR

In order for the day is taken up as follows:

- 1. Reappointment of Jay G. Lindgren, Jr. of Pawtucket, as Director of the Department of Children, Youth and Families.

Committee on Health and Human Services recommends that the Senate give its Advice and Consent to this reappointment.

Senator Roberts, seconded by Senators Sheehan, Algiere, Celona, Montalbano, Gibbs, Pichardo, Ciccone, Badeau, McBurney, Perry and many others, moves that advice and consent of the Senate be given this appointment.

Senate Majority Leader Montalbano discusses the appointment.

The advice and consent of the Senate is given this appointment, by unanimous consent, upon a roll call vote with 38 Senators voting in the affirmative and 0 Senators voting in the negative as follows:

YEAS - 38:

The Honorable President Irons and Senators Algiere, Alves, Badeau, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, Damiani, DaPonte, Felag, Fogarty, Gallo, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McBurney, McCaffrey, Montalbano, Paiva Weed, Parella, Perry, Pichardo, Polisena, Raptakis, Revens, Roberts, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

NAYS - 0.

GUEST

Upon suggestion of Senator McBurney, and by unanimous consent, the Honorable President welcomes to the Chamber Jay G. Lindgren, Jr. of Pawtucket, newly confirmed Director of the Department of Children, Youth and Families.

CALENDAR

- 2. (03-S27) An Act relating to validating and ratifying certain amendments to the Home Rule Charter of the city of Newport.

Committee on Commerce, Housing and Municipal Government recommends passage.

Senator Paiva Weed moves passage, seconded by Senator Ruggerio.

The act is read and passed, by unanimous consent, upon a roll call vote with 37 Senators voting in the affirmative and 0

Senators voting in the negative as follows:

YEAS - 37:

The Honorable President Irons and Senators Algieri, Alves, Badeau, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, Damiani, DaPonte, Felag, Fogarty, Gallo, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McBurney, McCaffrey, Montalbano, Paiva Weed, Parella, Perry, Pichardo, Polisena, Revens, Roberts, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

NAYS - 0.

3. (03-S69) An Act relating to food and drugs - controlled substances.

Committee on Judiciary recommends passage.

Senator McBurney moves passage, seconded by Senators Celona, Algieri, Ruggerio, Blais, Polisena, Cote, Felag, Badeau and many others.

Senators Perry, McCaffrey, Polisena, McBurney and Algieri discuss the act.

The act is read and passed, upon a roll call vote with 32 Senators voting in the affirmative and 2 Senators voting in the negative as follows:

YEAS - 32:

The Honorable President Irons and Senators Algieri, Alves, Badeau, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, Damiani, DaPonte, Felag, Fogarty, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McBurney, McCaffrey, Parella, Polisena, Raptakis, Revens, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

NAYS - 2: Senators Perry, Pichardo.

4. (03-S237) An Act relating to towns and cities - zoning ordinances.

Committee on Judiciary recommends passage.

Senator Walaska moves passage, seconded by Senator McCaffrey.

The act is read and passed, by unanimous consent, upon a roll call vote with 33 Senators voting in the affirmative and 0 Senators voting in the negative as follows:

YEAS - 33: The Honorable President Irons and Senators Algieri, Alves, Badeau, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, Damiani, DaPonte, Felag, Fogarty, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McBurney, McCaffrey, Parella, Perry, Pichardo, Polisena, Raptakis, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

NAYS - 0.

REPORTS OF COMMITTEES

COMMITTEE ON JUDICIARY

Senator McCaffrey, from the Committee on Judiciary, reports back, with recommendation of passage of the following

measure:

(03-S 17 as amended) An Act relating to criminal offenses - abandonment and nonsupport.

Read and ordered to be placed on the Calendar.

Senator McCaffrey, from the Committee on Judiciary, reports back, with recommendation that advice and consent be given to the following:

Reappointment of Ashbel T. Wall, II of Providence as Director of the Department of Corrections.

Read and ordered to be placed on the Calendar.

COMMITTEE ON FINANCIAL SERVICES

Senator Walaska, from the Committee on Financial Services, reports back, with recommendation that advice and consent be given to the following:

Reappointment of Marilyn Shannon McConaghy of Pawtucket as Director of the Department of Business Regulation.

Read and ordered to be placed on the Calendar.

Reappointment of Sheldon Sollosy of Cranston to the Rhode Island Public Telecommunications Authority for a term expiring January 31, 2006.

Read and ordered to be placed on the Calendar.

COMMITTEE ON EDUCATION

Senator Issa, from the Committee on Education, reports back, with recommendation that advice and consent be given to the following:

Appointment of Thomas J. Rockett, Ph.D. of East Greenwich VICE William Robinson to the Board of Governors for Higher Education for a term expiring January 31, 2006.

Read and ordered to be placed on the Calendar.

Reappointment of Michael F. Ryan of Warwick to the Board of Governors for Higher Education for a term expiring January 31, 2006.

Read and ordered to be placed on the Calendar.

FROM THE HOUSE OF REPRESENTATIVES

A message from the House of Representatives transmits with announcement of passage:

(03-H 6153) An Act authorizing the town of Westerly to issue bonds and notes in an amount not exceeding \$40,000,000 to finance the construction, renovation, rehabilitation, repair, improvements, furnishing and equipping of and/or additions to schools and school facilities in the town.

Senator Algieri requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Upon motion of Senator Algieri, seconded by Senator Breene, and by unanimous consent, read and passed, in concurrence, upon a roll call vote with 34 Senators voting in the affirmative and 0 Senators voting in the negative as follows:

YEAS - 34:

The Honorable President Irons and Senators Algieri, Alves, Badeau, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, Damiani, DaPonte, Felag, Fogarty, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McBurney, McCaffrey, Montalbano, Parella, Perry, Pichardo, Raptakis, Revens, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

NAYS - 0.

TRANSMITTAL

By unanimous consent, all matters on the Clerk's desk are ordered to be transmitted to His Excellency, the Governor or to the Honorable House of Representatives forthwith.

ADJOURNMENT

Upon motion of Senator Ruggerio, seconded by Senator Algieri, and upon suggestion of Senator Lanzi, the Senate adjourns at 5:50 o'clock P.M., in memory of Gail A. Leoni.

RAYMOND T. HOYAS, JR.
Secretary of the Senate

Appendix

**INVOCATION
STATE BUDGET ADDRESS**

SENATOR DENNIS L. ALGIERE

Almighty Father, let your spirit of wisdom transcend upon the leaders of our State. Tonight as our Governor delivers his annual budget address, we look to you to guide his heart and the hearts of all the members of this legislature as we strive to work for a better tomorrow for all our citizens. Amen.

Appendix

CALENDAR

In order for Thursday, March 6, 2003:

1. Appointment of Michael McMahon of Saunderstown VICE Tom Schumpert as Director of the Economic Development Corporation.

Committee on Commerce, Housing and Municipal Government recommends that the Senate give its Advice and Consent to this appointment.

2. Appointment of James R. Capaldi, P.E. of North Providence VICE William D. Ankner as Director of the Department of Transportation.

Committee on Commerce, Housing and Municipal Government recommends that the Senate give its Advice and Consent to this appointment.

3. Appointment of Robert J. Higgins of Providence VICE Robert L. Carl, Jr., Ph.D. as Director of the Department of Administration.

Committee on Government Oversight recommends that the Senate give its Advice and Consent to this appointment.

4. (03-S213) An Act relating to taxation - property subject to taxation.

Committee on Commerce, Housing and Municipal Government recommends passage.

5. (03-S215) An Act relating to taxation.

Committee on Commerce, Housing and Municipal Government recommends passage.

6. (03-H5027) An Act relating to property subject to taxation.

Committee on Commerce, Housing and Municipal Government recommends passage in concurrence.

7. (03-H5029) An Act relating to taxation - property tax exemption.

Committee on Commerce, Housing and Municipal Government recommends passage in concurrence.

8. (03-H5119) An Act relating to taxation - town of Jamestown.

Committee on Commerce, Housing and Municipal Government recommends passage in concurrence.

Appendix

CALENDAR

In order for Tuesday, March 11, 2003:

1. Reappointment of Ashbel T. Wall, II of Providence as Director of the Department of Corrections.

Committee on Judiciary recommends that the Senate give its Advice and Consent to this reappointment.

2. Reappointment of Marilyn Shannon McConaghy of Pawtucket as Director of the Department of Business Regulation.

Committee on Financial Services, Technology and Regulatory Issues recommends that the Senate give its Advice and Consent to this reappointment.

3.Appointment of Thomas J. Rockett, Ph.D. of East Greenwich VICE William Robinson to the Board of Governors for Higher Education for a term expiring January 31, 2006.

Committee on Education recommends that the Senate give its Advice and Consent to this appointment.

4. Reappointment of Michael F. Ryan of Warwick to the Board of Governors for Higher Education for a term expiring January 31, 2006.

Committee on Education recommends that the Senate give its Advice and Consent to this reappointment.

5. Reappointment of Sheldon Sollosy of Cranston to the Rhode Island Public Telecommunications Authority for a term expiring January 31, 2006.

Committee on Financial Services, Technology and Regulatory Issues recommends that the Senate give its Advice and Consent to this reappointment.

6. (03-S17 as amended) An Act relating to criminal offenses - abandonment and nonsupport.

Committee on Judiciary recommends passage as amended.

RAYMOND T. HOYAS, JR.
Secretary of the Senate
Wednesday, March 5, 2003

Appendix

PROCEEDINGS IN JOINT SESSION

Wednesday, March 5, 2003

The Honorable President of the Senate, William V. Irons, in the Chair.

CALLED TO ORDER

The Joint Session is called to order at 6:50 o'clock P.M.

Upon suggestion of the Honorable President, and by unanimous consent, the reading of the roll of the Senate and the roll of the House of Representatives is dispensed with, there being a quorum of the Senate and a quorum of the House of Representatives present, therefore a quorum of the Joint Session.

The Honorable President, by unanimous consent, appoints Senators Alves, Paiva Weed, Felag, Ciccone, Gibbs and Goodwin, and Representatives Williamson, Rose, McHugh, Moran and Story, a Committee to escort His Excellency,

the Governor, Donald L. Carcieri to the Chamber.

Joint Session attends while the State University and College Presidents enter the Chamber.

Joint Session attends while the Mayors, Town Administrators and Local City and Town Officials enter the Chamber.

Joint Session attends while the Directors of the Executive Departments and invited guests enter the Chamber.

Joint Session attends while members of the Judiciary enter the Chamber.

Joint Session attends while His Honor, the Lieutenant Governor, Charles J. Fogarty, the Honorable Matthew A. Brown, Secretary of State, and the Honorable Patrick C. Lynch, Attorney General, enter the Chamber.

Joint Session attends while the Governor's wife, Suzanne Carcieri, enters the Chamber.

AT EASE

Upon suggestion of the Honorable President, and by unanimous consent, Joint Session is declared at ease at 6:52 o'clock P.M. until the call of the Chair.

CALLED TO ORDER

Joint Session is called to order at 7:02 o'clock P.M.

Joint Session attends while His Excellency, the Governor, Donald L. Carcieri, enters the Chamber.

The Honorable President presents His Excellency, the Governor, Donald L. Carcieri, to the Joint Session. The Governor delivers his first Budget Address.

(See Appendix for Governor's Message.)

Upon suggestion of the Honorable President, and by unanimous consent, the Joint Session attends while the committee escorts His Excellency, the Governor, Donald L. Carcieri, members of the Governor's family and invited guests from the Chamber.

ADJOURNMENT

Upon motion of Speaker Murphy, seconded by Senate Majority Leader Montalbano and House Majority Leader Fox, and by unanimous consent, Joint Session adjourns and the two Houses separate at 7:40 o'clock P.M.

GABRIEL ANDRADE REI
Deputy Clerk of the Senate

Appendix

BUDGET ADDRESS

GOVERNOR DONALD L. CARCIERI

MARCH 5, 2003

Mr. Speaker, Mr. President, members of this new General Assembly, members of the judiciary, my fellow general officers, my family, distinguished guests.

Let me begin by asking for a moment of silence in memory of the 98 victims who lost their lives in the horrific fire of February 20th.

(moment of silence)

We pray for them and for their families. At the same time, we pause to recognize the heroism of so many. This unspeakable tragedy has broken our hearts ... but it has not broken our spirit.

Our little State is a big family, and that family has come together to minister to its own.

Our community's response has been nothing short of inspirational. Neighbors standing shoulder-to-shoulder to comfort ... to help ease the pain, the grief, the guilt, and the sorrow.

God working miracles through each and every one of us. Diverse talents. Countless voices. Many hands. We have been united by a common sense of humanity and compassion. Rhode Island will never forget.

And we will make sure it never happens again.

This is Rhode Island's Fire Safety Code.

By working hand-in-hand with this General Assembly ... and driven by input from experts ... we will make sure that Rhode Island has the most comprehensive ... the most proactive ... fire safety laws in the nation.

The issue will be a major component of my legislative efforts in 2003.

We owe it to the victims who died in this senseless blaze ... and to their families ... and we owe it to the many who were injured ... whose healing will be a long, long road.

I will continue to speak out on this subject ... wherever and whenever I can ... to reinforce the message that fire safety codes must be strict ... they must be current ... they must be respected ... and they must be enforced. Without exception!

The Station fire has left an indelible image in our minds. It has weighted our hearts and swollen our eyes. But it also has awakened our compassion and the great capacity for goodness that resides in all of us. For that, I thank all of you!

This evening, I present to you my first State of the Budget message ... a blueprint for fiscal year 2004 ... a framework and an agenda that I believe is positive, forward-looking and manageable.

Many of the elements are brand new ... and long overdue!

I can sum up this budget's guiding principle in one simple sentence. I want ours to be a State that is well run, business-friendly, job-growth oriented and honest!

It is important that Rhode Islanders recognize that for the last two years, the State has ignored its structural budget deficit.

Previously, Rhode Island has balanced its budget by securitizing tobacco settlement payments and draining the accumulated surplus. The combination of these two actions has provided almost \$450 million over the last two fiscal years ... an average of \$223 million a year.

Those sources are gone. The cupboard is bare, and now we must get down to the hard work of putting our house in order. There are no magic solutions!

We must bring our current expenditures in line with our current revenues. We must learn to live within our means. Within this overriding principle, I have set four goals for this budget:

1. Maintain core human services programs providing for the state's most vulnerable citizens;
2. Make strategic investments in education and job creation;
3. Devote more resources to enhance our crumbling infrastructure of roads and bridges;
4. Avoid increases in broad-based income and sales taxes, while pressing all other sources as much as possible.

Tonight, I am proposing a balanced budget for fiscal year 2004, as is required by State law.

This budget does not raise sales or income taxes.

It makes prudent cuts across 21 agencies of State government.

It generates additional revenue.

And it frees up money to invest in our future.

Let's take the revenue side of the equation first. Let me reiterate: the sales tax and the personal income tax remain at their current rates. Rhode Islanders are taxed out, plain and simple.

We are budgeting total general revenue of \$2.769 billion, an increase of \$53.4 million, or two percent, over the current year.

To achieve this, I am including revenue that will come from increasing the State's share of the income from video lottery terminals.

Specifically, my budget includes \$71.7 million. This includes \$23.6 million from newly approved machines and \$48.1 million from a greater share of the VLT proceeds. As you know, the General Assembly leaders and I have agreed to forge a substantially better deal for the State. This is a priority of ours.

This budget allocates a portion of these proceeds towards important investments like education, job development and necessary infrastructure improvements. We can no longer afford to subsidize a small group of greyhound kennel owners who are scheduled to receive \$16.3 million next year under current law. In addition, the owners and other vendors will be required to reduce their share.

I am also proposing to accelerate the scheduled increase in the cigarette tax already adopted by the General Assembly. That move will result in an additional \$8.3 million in revenue in fiscal year 2004.

Even with these new sources of revenue, to balance this budget necessitates some difficult choices.

We are proposing to make \$62.8 million in carefully chosen cuts across virtually every department of State government. We will garner savings through management and personnel efficiencies. We have also recorded significant savings in many departments with program changes that reduce costs.

I am also proposing several State personnel reforms to close the projected budget deficit. These changes are in no way meant to suggest dissatisfaction with our State employees. To the contrary, the vast majority are doing outstanding work! Rather, these changes are a recognition that our employee benefit package is simply too generous.

First, we intend to reduce total employment costs by more than \$7 million dollars through a continued hiring freeze. We are currently operating with 340 fewer positions than budgeted. Through better management, we will stretch our resources and make do with the personnel we already have.

Further, I will be asking State employees and teachers enrolled in our retirement system to contribute an additional two percent of their salary to cover the increase cost of the retirement plan.

The cost of our employee retirement benefit is projected to increase by more than \$12 million in 2004 - a 19 percent increase in just one year. It is already at \$61 million. Right now, taxpayers cover all of the increased costs of the retirement system. Given the massive increases in this program in recent years, we must ask employees to share more of the burden.

Also on this front, I have put forth legislation to conduct an annual actuarial study of our State employee retirement health program. We expect the study to show an unfunded liability in the hundreds of millions of dollars.

We cannot ignore this looming problem any longer. We need to get a better handle on what retiree health benefits really cost the taxpayer.

Furthermore, I am proposing to change the automatic 3 percent cost of living increases for newly retired State employees. I have submitted legislation to change the COLA to the lower of the rate of inflation or 3 percent.

Presently, the inflation rate is running less than 3 percent. These changes are needed to slow the spiraling cost of our pension system.

Finally, as State union contracts come up for negotiation, I will be asking State employees to start paying a portion of the premium cost of their health insurance. In 2004 alone, we're projecting an increase of \$23.7 million for State employee health care benefits. That's up 18.3 percent in just one year. The total figure is \$153.4 million. In the last five years ... our cost has doubled!

Those of you in the private sector know how expensive it is to pay health insurance premiums. In fact, most Rhode Islanders are asked to cover a portion of the cost of health insurance. But in the public sector, Rhode Island State government covers 100 percent of the cost of its employee health insurance premiums. The average employee plan costs taxpayers \$9,167 per year.

Although we truly value the dedicated service of our talented State employees, we can no longer afford to pay all of those costs. It is out-of-step with the private sector. It is out of step with Massachusetts and Connecticut. It is out of step with what federal employees are asked to do.

We have clear choices to make about our future. We must be smarter in the way we run our government in order to free up money to invest in such pivotal areas as education and job development.

Against that backdrop ... I would now like to outline some additional aspects of my fiscal year 2004 budget proposal to show you where we are investing ... and how we are better positioning ourselves for the future.

My spending plan proposes a \$9.1 million increase in general aid to cities and towns. Ideally, that should help constrain local property tax hikes ... or at least hold them to a bare minimum.

I am proposing to increase funding for what's known as the PILOT program. We will reimburse municipalities at a higher rate to replace property tax revenue lost due to the presence of tax exempt facilities and institutions in our host

communities ... that means colleges, hospitals, and certain state properties ... sectors that make an important contribution to Rhode Island's overall economic vitality.

Our cities and towns will benefit as a result of the state and teacher employee retirement reforms. These reforms will save a total of \$9.5 million at the local level.

Motor vehicle excise taxes. We're holding that exemption at \$4,500 per vehicle. We simply cannot afford to go any further by adding to that exemption today.

State support to community mental health centers is maintained through our proposed allocation to MHRH. I would point out that as a result of strong leadership in that department, we will be able to realize some significant cost savings by moving patients from the Eleanor Slater Hospital who are ready for appropriate community placements.

We will also be working with our community hospitals to resolve the complex issues surrounding uncompensated care.

While in many areas we have been able to get reductions, it is necessary that we increase our expenditures for public safety programs. We're budgeting an increase of \$14.3 million. The Department of Corrections has experienced record population levels, necessitating increased costs. I am announcing tonight that we will create a task force to investigate cost savings in this area. We need to be creative in thinking about ways to improve the efficiency of the criminal justice system.

We also have the responsibility for the hundreds of troubled and neglected children who ... regrettably ... have ended up in our care. Fortunately, a good strong safety net exists for those entrusted to the safekeeping of the DCYF.

By working with our State's Child Advocate ... we will solve the stubborn problem of night-to-night placements of children in DCYF custody. A partial solution lies in making foster care more appealing.

We are proposing to increase the compensation to foster families. As we all know, Rhode Islanders have a very generous spirit. Increasing the number of foster and adoptive families in Rhode Island is a major objective.

On the education front ... we are level-funding education aid to local governments. Rhode Island ranks 9th in the nation in terms of per pupil spending. We are, however, investing more than \$5 million in new and creative approaches to improving educational results. That new money will be channeled into efforts like the Met School in Providence and to charter schools that have been established in communities throughout the State.

We're also investing in other education reform efforts ... like at Hope High School in Providence where I have already proposed more than half a million dollars to fund a high school redesign project to separate Hope into smaller learning environments.

As I discussed in my State of the State message, the cost of tuition has made college education increasingly difficult for many young Rhode Islanders. This budget includes an additional \$5 million to double the State's investment in need-based grants to qualified students provided through our Higher Education Assistance Authority. This is a critical investment in our future. You might be interested to learn that Rhode Island is the only State in New England that appropriates and spends less money today in its State Scholarship and Grant program than it did in 1991.

We have talked quite a bit about creating job opportunities for our young people ... our children and grandchildren who are just launching their careers. Tonight, I would also like to talk to those talented men and women at the mid-point of their career ... who've run into a wall ... so to speak ... in terms of finding challenging job opportunities.

We need to generate good jobs for experienced, motivated and hard-working Rhode Islanders. To make that happen, we are proposing a number of initiatives.

The first is to increase our State support for our small business incubators by \$2.5 million. Our Slater Centers will help fuel job growth. In the last two years, Rhode Island has created 5,200 jobs. I have set a goal of creating 20,000 good

jobs over the next four years. I am saying that we need to double our annual output. Such job growth would substantially exceed the current projections for our State. I believe in setting ambitious goals ... it will help focus all of our attention.

We're also allocating new monies ... \$500,000 ... for the creation of a city and town economic development matching grant program. That means we will work aggressively to generate jobs in our neighborhoods.

We're budgeting early-state seed money for two important bio-tech projects. We are allocating \$500,000, over two years, to begin design of a \$50 million Center for Biotechnology and Life Sciences at the University of Rhode Island. We are also budgeting another \$300,000 to begin building a state-of-the-art bio-manufacturing training facility.

These investments will move Rhode Island to the forefront of states with Life Sciences capabilities and will enhance our job growth potential.

To further spur job growth ... we are proposing changes in two levies: The first is a \$2 million item designed to reenergize our all-important manufacturing sector. We are going to change the corporate income tax apportionment formula to encourage our state's manufacturers to expand. We need to grow manufacturing jobs in our State.

The second item is a proposal to implement a simple "flat fee" to change the treatment of authorized but unissued shares of company stock. I know this sounds somewhat obscure ... but it is an important item for entrepreneurs. Passage of this measure will send a strong signal that Rhode Island welcomes new jobs and new investment.

Infrastructure investments are critical to our long term health. The asset protection program for repairing State structures will be funded at \$42 million ... an increase of \$7 million over last year.

Important projects that will be addressed this year include repairing state-owned dams ... improving state-owned parks like Fort Adams ... repairing the roof at Davies Vocational School and the gymnasium at Rhode Island School for the Deaf. We are also putting millions of dollars into fixing facilities at CCRI, Rhode Island College and the University of Rhode Island.

I promised to address the issue of affordable housing. Tonight, I am proposing to fully fund the Neighborhood Opportunity Program. I would like to make the dream of homeownership a reality for many. The \$5 million will come from general revenues. We will continue to work with housing advocates toward a more permanent solution.

The Jamestown Bridge. It's got to come down. I am appropriating money to start the process. We've already had the coin toss ... we know which side of the bridge the public hearing will be held: It will be held in North Kingstown!

And speaking of bridges ... while one span is being taken down ... another one needs to go up! The Sakonnet River Bridge.

This budget provides for a study by the Department of Transportation to consider a federal program to replace the bridge and build a new one ... and we're going to build that bridge without tolls.

RIPTA. We must invest in our mass transit system. To eliminate its current operating deficit, six-tenths of one cent of the gas tax currently allocated to the State's general fund will be shifted to RIPTA to fund operations and prevent curtailment of services.

The Registry of Motor Vehicles ... The D-M-V! You know what I am talking about. We will invest \$800,000 on an initial basis to make things move faster there: more training for workers who directly serve the public ... new technology ... and internet registration capabilities.

These are the key elements of my fiscal year 2004 budget. We have cut our expenses, protected our most vulnerable, asked our State workers to bear additional costs, shed some of the bureaucracy, generated new sources of revenue and planned wisely for the future.

We have not raised income or sales taxes ... and we have done what we can to help local governments.

We have recognized some realities: VLT's generate revenue ... but our taxpayers must see more of those revenues. That money must be plowed back into education, jobs and human service programs, roads and bridges.

But we've got to be careful, because I project that lottery proceeds will grow at a slower rate over the next five years. Our revenue estimators need to take a close look at that. We're reaching the saturation point. That's why my jobs agenda is so vitally important. That's the best possible way to grow our future revenue.

Another unfortunate reality is that State employee benefit costs are high and increasing rapidly. Our employees must pay a greater share of that bill. Further, the cost of retiree medical benefits continues to rise. That will be the subject of extensive debate as new governmental accounting rules require us to disclose and finance the unfunded liability for these benefits. We will work on all of these issues, in good faith, at the collective bargaining table.

I have been very pleased ... delighted in fact ... by the tremendous bi-partisanship and cooperation from this new General Assembly. We are working together to make real and sustained progress for Rhode Island. I think this budget goes a long way toward achieving that goal. And I look forward to the debate.

I would like to conclude tonight's budget address by briefly recounting an experience. My family ... including my wife, our three daughters, and 10 of our grandchildren ... came to visit me at the State House a couple of weeks ago.

Turns out they had a surprise for me ... a beautiful brass wheel ... a ship's steering wheel ... mounted on a fabulous brass base. It's truly an impressive piece. It's located front and center in my office ... right by my desk. My family said the gift is intended to serve as a constant reminder to me to plot a true and steady course for Rhode Island.

You can rest assured that I will!

Thank you.

As always, your [comments](#) concerning this page are welcomed and appreciated.

Thank you for stopping by!

