

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 fifth day of January in the year of Our Lord two thousand and ten.

Volume 137, No.9

Tuesday, January 26, 2010 and
Wednesday, January 27, 2010

Ninth Legislative Day

The Senate meets pursuant to adjournment and is called to order by the Honorable M. Teresa Paiva Weed, Madam President of the Senate, at 4:12 o'clock P.M.

The roll is called and a quorum is declared present with 36 Senators present and 2 Senators absent as follows:

PRESENT – 36: The Honorable President Paiva Weed and Senators Algieri, Bates, Blais, Ciccone, Cote, Crowley, DaPonte, DiPalma, Doyle, Felag, Fogarty, Gallo, Goodwin, Jabour, Lanzi, Lenihan, Levesque, Lynch, Maher, Maselli, McBurney, McCaffrey, Metts, Miller, O'Neill, Perry, Picard, Pichardo, Pinga, Raptakis, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

ABSENT – 2: Senators Connors, DeVall

INVOCATION

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

(See Appendix for Invocation)

PLEDGE OF ALLEGIANCE TO THE FLAG

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

APPROVAL OF RECORD

The Senate Journal's of the Seventh and Eighth Legislative Day's of the 2010 proceedings are read in part.

Upon suggestion of Senator Ruggerio and by unanimous consent, further reading of the Journal's are dispensed with and the Journal's approved as recorded.

GUESTS

Upon suggestion of Senator McBurney and by unanimous consent, the Honorable President, welcomes to the Chamber the Family of Senator Badeau, wife, Lucille Badeau, son, Marc Badeau, daughter Renee Lussier, brother, Larry Badeau, sisters, Constance Gentilli, Vivian Cadieux and Monique Auger, grandsons Adam and Robbie, granddaughters Alex and Brooke, sister-in-law, Barbara Badeau, brother-in-law Rick Auger, and friends Dave Lahouse, Pewee Payette, Normand Boucher, Arthur Bouchard and Doris Arcand. Donna M. Nesselbush Esq.. Former Senator John Sabatini.

Upon suggestion of Senator McBurney and by unanimous consent, the Honorable President, welcomes to the Chamber Donna M. Nesselbush Esq. Former Senator John Sabatini.

Upon suggestion of Senator Walaska and by unanimous consent, the Honorable President, welcomes to the Chamber former Senator Stephen Alves and James Rosati.

Upon suggestion of Senator DaPonte and by unanimous consent, the Honorable President, welcomes to the Chamber William V. Irons, former President of the Rhode Island Senate, representing East Providence and Pawtucket.

Upon suggestion of Senator Ciccone and by unanimous consent, the Honorable President, welcomes to the Chamber Joseph Montalbano, former President of the Rhode Island Senate, representing North Providence and Lincoln.

Upon suggestion of Senator Ruggerio and by unanimous consent, the Honorable President, welcomes to the Chamber the Honorable R. David Cruise and the Honorable Anthony R. Marciano.

Upon suggestion of Senator Goodwin and by unanimous consent, the Honorable President, welcomes to the Chamber Charles Ruggerio.

APPOINTMENTS BY THE GOVERNOR

The Honorable President presents the following communication from His Excellency, the Governor, transmitting the following appointments and requesting the advice and consent of the Senate thereto:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 21, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 20-8-4 of the Rhode Island General Laws, I have made the following appointment to the Atlantic States Marine Fisheries Commission:

William A. McElroy of Wakefield

VICE
Everett A. Petronio, Jr.
(RESIGNED)

for a term expiring January 1, 2011.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Environment and Agriculture.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 25, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 16-57-7 of the Rhode Island General Laws, I have made the following reappointment to the Rhode Island Higher Education Assistance Authority:

Patricia A. Doyle of Portsmouth

for a term expiring July 1, 2014.

To this reappointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 16-61-4 of the Rhode Island General Laws, I have made the following reappointment to the Rhode Island Public Telecommunications Authority:

Charles P. Roberts of Wakefield

for a term expiring January 31, 2013.

To this reappointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Corporations.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8(d) of the Rhode Island General Laws, I have made the following appointment as Executive Director of the Economic Development Corporation:

Keith W. Stokes

VICE
Saul Kaplan

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

J. L. "Lynn" Singleton
(new seat)

for a term expiring February 1, 2013.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

Shivan S. Subramaniam

VICE
George W. Shuster

for a term expiring February 1, 2011.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

Donna C. Cupelo

VICE
Kimball Hall

for a term expiring February 1, 2011.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

Paul J. Choquette, Jr.

VICE
Cheryl Merchant

for a term expiring February 1, 2011.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

Timothy Babineau, MD

VICE
Alma Felix Green

for a term expiring February 1, 2012.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

Dan Sullivan

VICE
Keith Stokes

for a term expiring February 1, 2012.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

George Nee
(Representing Organized Labor)

VICE
Frank Montanaro

for a term expiring February 1, 2012.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

Dr. David Dooley
(Representative of Higher Education)
(new seat)

for a term expiring February 1, 2013.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

Cheryl W. Snead
(new seat)

for a term expiring February 1, 2013.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

Stephen Lane
(Small Business Ombudsperson)

VICE
Alexander Biliouris

for a term expiring February 1, 2014.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

Alfred J. Verrecchia
(*new seat*)

for a term expiring February 1, 2014.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 26, 2010

TO THE HONORABLE, THE SENATE:

I have the honor to inform you that in accordance with the provisions of Section 42-64-8 of the Rhode Island General Laws, I have made the following appointment to the Rhode Island Economic Development Corporation:

Karl Wadensten
(new seat)

for a term expiring February 1, 2014.

To this appointment, I respectfully request your advice and consent.

Sincerely,



Donald L. Carcieri
Governor

Read and referred to the Committee on Finance.

COMMUNICATION

The Honorable President presents the following communication:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

January 20, 2010

Honorable M. Teresa Paiva Weed
President of the Senate
318 State House
Providence, RI 02903

Dear Madam President:

I am writing to inform you that I will be absent from the Legislative Session from January 23 to January 27, 2010 as I will be out of state attending a conference for After School Programs.

I would appreciate my letter being recorded in the appropriate Senate Journal.

Thank you.

Sincerely yours,

Frank A. DeVall, Jr.
Senator – District 18

Read and ordered to be placed on file.

NEW BUSINESS

Senate Resolution No. 2079**BY** Senators Ruggerio, McBurney, Paiva-Weed, Connors, Picard**ENTITLED**, SENATE RESOLUTION OFFICIALLY NAMING ROOM 212 OF THE STATE HOUSE "THE ROGER R. BADEAU HEARING ROOM"

Senator Ruggerio requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Senator Ruggerio moves passage, seconded by Senators Algieri, Bates, Blais, Ciccone, Connors, Cote, Crowley, DaPonte, DeVall, DiPalma, Doyle, Felag, Fogarty, Gallo, Goodwin, Jabour, Lanzi, Lenihan, Levesque, Lynch, Maher, Maselli, McBurney, McCaffrey, Metts, Miller, O'Neill, Perry, Picard, Pichardo, Pinga, Raptakis, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska..

The act is read and passed, by unanimous consent, upon a roll call vote with 36 Senators voting in the affirmative and 0 Senators voting in the negative as follows:

YEAS- 36: The Honorable President Paiva Weed and Senators Algieri, Bates, Blais, Ciccone, Cote, Crowley, DaPonte, DiPalma, Doyle, Felag, Fogarty, Gallo, Goodwin, Jabour, Lanzi, Lenihan, Levesque, Lynch, Maher, Maselli, McBurney, McCaffrey, Metts, Miller, O'Neill, Perry, Picard, Pichardo, Pinga, Raptakis, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

NAYS- 0:

Also:

Senate Resolution No. 2080**BY** Senators McCaffrey, Walaska, Goodwin, Ruggerio, Paiva-Weed**ENTITLED**, SENATE RESOLUTION RECOGNIZING THE HONORABLE STEPHEN D. ALVES FOR HIS SERVICE TO THE PEOPLE OF THE STATE OF RHODE ISLAND

Senator McCaffrey requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Senator McCaffrey moves passage, seconded by Senators Ruggerio, Goodwin, Gallo and Walaska.

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 Paiva Weed and Senators Algieri, Bates, Blais, Ciccone, Cote, Crowley, DaPonte, DiPalma, Doyle, Felag, Fogarty, Gallo, Goodwin, Jabour, Lanzi, Levesque, Lynch, Maher, Maselli, McBurney, McCaffrey, Metts, Miller, O'Neill, Perry, Picard, Pichardo, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

NAYS- 0:

RECESS

Upon motion of Senator Ruggerio, seconded by Senator Algiere, and upon suggestion of Senator Ruggerio, the Senate stands at recess at 4:36 o'clock P.M. in memory of former Senator Roger R. Badeau.

CALLED TO ORDER

The Senate is called to order by the Honorable M. Teresa Paiva Weed, President of the Senate, on Wednesday, January 27, 2010, at 4:26 o'clock P.M.

INVOCATION

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

(See Appendix for Invocation)

PLEDGE OF ALLEGIANCE TO THE FLAG

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

GUESTS

Upon suggestion of Senator McBurney and by unanimous consent, the Honorable President, welcomes to the Chamber Ruthie Corria, Rhode Island Cultural Educational Environment Program.

Upon suggestion of Senator Blais and by unanimous consent, the Honorable President, welcomes to the Chamber Marissa Desautels of Cranston, Lead Council for LNG issues at the Rhode Island DEM.

NEW BUSINESS**Senate Resolution No. 2081**

BY Senators Sheehan, Sosnowski, McCaffrey, McBurney, Lynch

ENTITLED, SENATE RESOLUTION EXPRESSING CONDOLENCES ON THE PASSING OF PHILIP J. DURIGAN, JR.

Read and ordered to be placed on the Consent Calendar

Also:

Senate Resolution No. 2082

BY Senators Paiva-Weed, Ruggerio, Tassoni, Algiere, Walaska

ENTITLED, SENATE RESOLUTION CONGRATULATING ERNEST A. ALMONTE, CPA, CFE, CFF, CGFM, CITP, ON HIS 15 YEARS OF EXEMPLARY SERVICE AS AUDITOR GENERAL FOR THE STATE OF RHODE ISLAND {LC1005/1}

Senator Ruggerio requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Senator Ruggerio moves passage, seconded by Senator Algiere the entire Senate.

The resolution is read and passed, upon a voice vote.

Senate Bill No. 2083

BY Fogarty P, Ciccone, Ruggerio, Lanzi

ENTITLED, AN ACT RELATING TO LABOR AND LABOR RELATIONS -- WORKERS' COMPENSATION

Read and ordered to the Committee on Labor

ANNOUNCEMENTS

Senator DaPonte announces that the Rhode Island Senate Economic Forum will meet Thursday, January 28, 2010 at 4:00 o'clock P.M. at the George E. Bello Center, Bryant University, Smithfield, Rhode Island.

ADJOURNMENT

Upon motion of Senator Ruggerio, seconded by Senator Algiere, and upon suggestion of Senator DaPonte, the Senate adjourns at 4:34 o'clock P.M. in memory of Paul Connors of Cumberland, father of Senate Majority Leader Daniel P. Connors.

JOSEPH R. BRADY
Secretary of the Senate

Appendix**INVOCATION****SENATOR DOMINICK J. RUGGERIO**

Almighty God, We gather here today to honor our beloved friend Roger Badeau. May we all strive to be as dedicated and humble a public servant as he was. Amen.

Appendix**INVOCATION****SENATOR ELIZABETH A. CROWLEY**

Almighty God, bless those who serve in this Senate. Inspire us with your truth, surround us with your love, and fill us with your grace so that we can serve all Rhode Island residents with compassion and understanding during these difficult times. Amen.

Appendix

CONSENT CALENDAR

IN ORDER FOR TUESDAY, FEBRUARY 2, 2010:

1. 2010-S 2081

BY Sheehan

ENTITLED, SENATE RESOLUTION EXPRESSING CONDOLENCES ON THE
PASSING OF PHILIP J. DURIGAN, JR.

Ordered to be placed on the Consent Calendar

PROCEEDINGS IN JOINT SESSION

Tuesday, January 26, 2010

The Honorable President of the Senate, M. Teresa Paiva Weed, in the Chair.

CALLED TO ORDER

The Joint Session is called to order at 6:52 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 Majority Leader Connors, Minority Leader Algiere and Senators Cote, DiPalma, Goodwin, Lynch, Maher and Picard and Representatives Caprio, Coderre, Ernhardt, Newberry, Trillo, Kilmartin, Williams to escort His Excellency, the Governor, Donald L. Carcieri to the Chamber.

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

Joint Session attends while members of the Board of Governors, Board of Regents and Presidents of the Rhode Island Institutions of Higher Learning enter the Chamber.

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

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

Joint Session attends while the Honorable Frank T. Caprio, General Treasurer, enters the Chamber.

Joint Session attends while the Honorable Patrick C. Lynch, Attorney General, enters the Chamber.

Joint Session attends while the Honorable A. Ralph Mollis, Secretary of State, enters the Chamber.

Joint Session attends while Her Honor, the Lieutenant Governor, Elizabeth H. Roberts, enters the Chamber.

Joint Session attends while members of the Governor's family enter the chamber.

Joint Session attends while His Excellency, the Governor, Donald L. Carcieri, and the First Lady, Suzanne Carcieri, enters the Chamber.

The Honorable President presents His Excellency, the Governor, Donald L. Carcieri, to the Joint Session. The Governor delivers his State of the State 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 Majority Leader Fox and Minority Leader Watson, and by unanimous consent, Joint Session adjourns and the two Houses separate at 7:42 o'clock P.M.

JOSEPH R. BRADY
Secretary of the Senate

Appendix

The Honorable Donald L. Carcieri Governor, State of Rhode Island State of the State Address - January 26, 2010

Mr. Speaker, Madam President, members of the General Assembly, my fellow General Officers, members of the Judiciary, distinguished guests, and my fellow Rhode Islanders. Before I begin tonight, if you'd indulge me, I'd like to take a moment to acknowledge the source of my inspiration, my strength, my motivation, and my comfort – and that's my wife, First Lady Sue Carcieri, our four children and their spouses, and our fourteen grandchildren. Many of them are here tonight. Thank you for all your love and support.

Let us begin tonight by being mindful of the catastrophic earthquake that has ravaged Haiti. We are all in shock and disbelief, and our hearts break as we see the nightly images of the horrific devastation and loss of life. Those of us who have visited Haiti are keenly aware of the extreme poverty and hardship that so many Haitians endure on a daily basis. I know that Rhode Island is home to several thousand Haitians and that many other Rhode Islanders, both young and old, travel there to be of service to the people of Haiti. In fact, just a few days ago, members of the 143rd R.I. Air National Guard flew two of our transport planes to be deployed to assist Haiti. Tonight, we express our prayers and condolences to all those people who have been so profoundly affected. Please join me for a moment of silence in honor of those who have lost their lives so tragically in Haiti.

Thank you.

Ladies and gentlemen. As I stand before you tonight, our state is facing the most severe economic turmoil of the last 30 years, perhaps longer. This challenge cannot be overstated. We have over 73,000 Rhode Islanders out of work, with little sign that employment will improve significantly anytime soon. We all have neighbors who've seen their work hours reduced and their income diminished. They're scrambling to pay their bills, while they watch their home values decline dramatically. They are substantially reducing their spending just to make ends meet.

Every business, both large and small, is reducing costs as they adjust to lower demand for their products and services.

They're fighting for survival and trying desperately to keep as many of their workers employed as possible. Lay-offs are a last resort for a business because qualified, trained, and high-performing employees are what make a business successful.

In this climate, at this time, they expect their government at every level, federal, state and local -- a government they pay for with their hard earned tax dollars---to reduce and control spending as well. As elected leaders, it is our job to deliver on that expectation---and I intend to do so!

We are not alone in facing these challenges. Virtually every state in the country is facing the same crisis.

Last month, as we did, forty-three states saw their unemployment rates rise – many to new highs. Clearly, the national economic recovery is still very fragile, and the message from Massachusetts last Tuesday is clear: Americans want Congress, the President and all their elected officials, to concentrate on the things that are most important to them – get the economy on track, put people back to work, and protect us from terrorists.

The key to weathering this storm is to face the challenges squarely, make the difficult choices to get through it, while at the same time building the proper foundation and bridges to the 21st century economy.

It's obvious tonight, the two immediate challenges we face in our state are financial and economic.

First: how do we produce a balanced budget with less revenue, and second, how do we put more people to work as soon as possible? Both are enormous challenges!

The first however, we can control entirely ourselves – right here within this Chamber. For the second, we need some help from the national economy ---- but we have to do our part too.

A week from today, I will submit my budget for fiscal year 2011. It will be balanced ---- without raising taxes!!!

But it will require significant changes at both the state and local level. Make no mistake about it; we are going to have to find more structural ways to reduce spending at the municipal level! We cannot sustain the present level of spending; we simply do not have the revenues.

The budget will also contain a major focus on jobs, with a package that includes: small business tax relief; a tax credit for job creation; and programs for enhancing access to capital. These will all be discussed in more detail in the coming weeks.

For inspiration and guidance on building the foundation for and the bridges to the new 21st century economy, it's helpful to reach back to the shared values and aspirations that were the founding sentiment of our great state. Rhode Island was chartered to promote and protect "liberty of conscience", and its historical values included individualism, autonomy, self-reliance, and dissent. It's no accident that the Independent Man sits atop this building as a symbol of these ideals.

This sense of purpose, and these core values, guide our current ambitions and goals, and will set the agenda for my last year in office.

First, the economy! More so than most, our economy is built upon small, independent businesses, over 35,000 of them. These are individuals pursuing "liberty of conscience" through their entrepreneurial dreams. For our economy to recover, we must nurture and unleash that independent drive and allow it to succeed. As an urgent priority, our new Executive Director of the Economic Development Corporation, Keith Stokes, and a new Board of Directors will be doing just that.

To thrive in the long term, however, we need to reclaim our birthright as a hotbed for business revolution.

From the Industrial Revolution in the 19th century to the bioscience and green energy revolutions today, Rhode Island has always been a place for incubating new ideas and approaches. Just as it did over a century ago---when R.I. had the highest per capita wealth of any state---our economy once again will rise on the tide of an entrepreneurial revolution.

At the turn of the last century, this magnificent building was constructed by our ancestors as a symbol of pride in the state they had built. All those textile mills that populated the banks of the Blackstone and Pawcatuck rivers were built by small business entrepreneurs, many of whom went on to build big businesses and employ tens of thousands of Rhode Islanders.

To enable that to happen again, we need to recreate the same fertile conditions that encouraged businesses to flourish. The most important and positive actions state and local government can take now are: regulatory reform and tax reform. My Regulatory Review Task Force has given me their final report, and, in the coming weeks, I will unveil a series of specific new proposals to streamline, simplify, and shorten the regulatory process.

While it is difficult to see the sun through the dense economic clouds, there is much underway. One of the more visible bridges we have been building to the 21st century economy is the new I-Way.

Not only has it already dramatically improved the traffic flow between I-95 and I-195, but the demolition of the old highway – which has begun – will unlock over 20 acres of prime land here in the capital city. The opening of this site will accelerate the development of a new life-sciences economy in R.I. It will link together and harness the research capacity of our higher education institutions, with the complementary research and clinical capacity at our major medical centers.

We are home to educational and medical centers of national and international prominence that will be unleashed in new and exciting ways. These will provide high-paying jobs and opportunities for many Rhode Islanders.

A keystone to this strategy is Brown University's new Warren Alpert Medical School on Richmond Street. The old "jewelry district" is being reborn as a burgeoning life sciences center. This type of public-private partnership is the model for economic success.

And, just as our mighty rivers powered the Industrial Revolution that brought so many jobs and prosperity in the last century – our mighty ocean will power the Energy Revolution of this century. Rhode Island is leading the nation in the development of offshore wind power.

The U.S. Department of the Interior has said that the East Coast of the U.S. is the "Saudi Arabia of wind".

Wind farms have been rapidly developing across the Plains states; however, their continued development is hindered by the high transmission costs to send the power to distant population centers. The beauty of having offshore wind farms on the East Coast is that's where the population is!!

Importantly, Deepwater Wind has recently completed a power purchase agreement with National Grid, which we are hopeful will be approved by the Public Utilities Commission.

Simultaneously, a team of scientists from URI is working with the Coastal Resources Management Council to complete a Special Area Management Plan – an ocean “zoning” map – the first in the country. This plan will be the guidepost for siting offshore wind farms.

With PUC approval in March, we will be on track to issue a permit this summer for the Block Island project --- Phase 1 of the overall wind farm plan. Once the entire project is underway, an estimated 800 new jobs will be created at Quonset Point, and equally important, we will have established R.I. as the center of East Coast offshore wind farms. Over time, this project could lead to thousands of additional jobs, as turbine, blade, and other component manufacturers locate facilities at Quonset Point to supply this new, growing industry.

Later this year, we will also open another bridge to support our economy – the Intermodel station at Green Airport. This project will not only enhance the airport and the surrounding community, but it will expand commuter rail service in our state. It’s on budget and on schedule.

As important as these bridges are, our state’s greatest asset is its natural beauty and quality of life. I am proud that we have greatly improved the waters of our rivers and Narragansett Bay, have cleaned-up our beaches, and have set aside over 12,000 acres of our farms and woodlands for the enjoyment of us all. Those are real preservation steps.

The second area of intense focus which is critical to our state’s success is education and workforce development. Because our state values “liberty of conscience and free ideas”, it is no surprise that higher education has prospered in Rhode Island. We have more top universities per capita than just about anywhere in the country, and they are one of our state’s greatest assets.

In fact, the colleges and universities in our state employ almost 16,000 people -- one of our largest employment sectors -- bring hundreds of millions of dollars in out-of-state tuition and research, and have a total economic impact on our state of several billions of dollars. Higher education is, in fact, an economic engine in its own right!

But more importantly, we are harnessing that capacity to fuel entrepreneurial activity on many fronts. We are already aggressively integrating our colleges and universities into our economic development plan. Through the work of the Science and Technology Advisory Council, the Research Alliance, The Governor’s Workforce Development Board, and the Center for Entrepreneurship at Brown we are connecting the talent and brainpower to our growth plan.

In the state’s public institutions – URI, RIC and CCRI – we have invested hundreds of millions of dollars in important new facilities to support that plan. At URI, we opened the new Center for Biotechnology and Life Sciences, the new Ocean Science Exploration Center – “Inner Space Center - , and broke ground on a new School of Pharmacy. At RIC, we opened a new Science, Technology, Engineering and Mathematics Center for training math and science teachers, and built a new Performing Arts Center. At CCRI, we opened the new campus on Aquidneck Island, and expanded the Nursing program. All of these are important investments that help to build the “brainpower bridge” to our new economy.

However, to fulfill the true potential of our state, we -are lifting the rest of our educational system – the elementary and secondary schools – to this same level of achievement. Once again, this effort is grounded in our past, in the ideas of our founders. The “Race to the Top” reforms being led by our new Commissioner, Deborah Gist, emphasize individual accountability for students and teachers.

We've developed a plan for success, and have been implementing it with our close working relationship with Vermont, New Hampshire, and Maine. Nowhere else in the country have four states collaborated to develop common standards and common assessments.

For the last four years, every student (grades 3 – 8) in Rhode Island, Vermont, and New Hampshire has taken exactly the same test in math, reading, and writing. Maine joined this year. I am happy to report that each year our students have improved their proficiency scores in every subject!

Our teachers are responding to the challenges, and of special note, the gap between our urban and suburban schools is narrowing. This is all good news! And if we are successful in our Race to the Top grant, we will have tens of millions of dollars in new resources to increase the momentum we have built to improve our students' outcomes.

We also need to embrace our heritage of independence and enlightenment by fostering more charter schools. I have been a strong advocate of Charter Schools, and we have added new ones, and expanded existing ones. These are public schools utilizing a different model, and are achieving excellent results. This is another "revolution" that Rhode Island can and should lead. In order to build the 21st century economy successfully, we will produce high school graduates with 21st century skills. And let me say, that for the first time in more than a decade, our state is executing a comprehensive and unified workforce development plan to prepare our citizens for employment. And, our Adult Literacy program has become a national model.

The third area of focus for me in this last year will continue to be government! Just like most Rhode Islanders today, our independent-minded founders weren't too fond of an overly controlling government. Famously, we were the first of the original Thirteen Colonies to declare our independence, but we were the last to ratify the U.S. Constitution. They valued individual autonomy. They were suspicious of the power and cost of government. Imagine how they'd view government today with so much power and too much cost.

We need to restore their outlook in all aspects of civic life. We need to reduce our reliance on government. For those of us who work as public servants, the most important thing we can do is uphold our own individual "liberty of conscience".

From my seven-year view as an outsider – turned – insider, the biggest blocks to progress are the political blocks. We need less party and union group thinking, and more independent free-thinking, men and women like the one that crowns this Capital.

My team has spent seven years reshaping state government, streamlining it, and making sure that it did not become a greater burden on our citizens. In seven years, we have balanced our budget without raising either the sales or income tax.

In fact, seven years ago R.I. had the 4th highest tax burden in the country. By last year we had dropped to 10th – but we need to be lower. New Hampshire, for example, is 50th. Consequently, its unemployment rate is only 7%.

Today, we are operating state government with the lowest number of employees in years, down over 2,000 since the start of my administration. Every department is providing critical and essential services with fewer resources. This is a tribute to my excellent department directors, their teams and the

thousands of dedicated state employees. They have creatively reached outside of government to find ways to leverage limited resources and maintain the services to our citizens.

Let me share with you, in their own words, how some of my Directors view their efforts from out there in the trenches.

Corinne Russo, Director of the Department of Elderly Affairs says: "Even as we've reduced staff, we have shared resources, created easier program enrollment, and reached out to partner with community providers. It has been a win/win for everyone."

From Craig Stenning, Director of the Department of Mental Health, Retardation, and Hospitals: "With an unprecedented increase in social service caseloads, we have been able to reassure our citizens that services will be there when they need them by transforming the delivery system to provide better outcomes. In the end, we will sustain the basic services for our most vulnerable citizens."

From Patricia Martinez, Director of the Department of Children, Youth and Families: "I am pleased to report that last March we successfully moved the youth at the Training School into new state-of-the-art buildings. We have expanded community-based networks and services and Night-to-Night placements have virtually disappeared."

From Gary Alexander, Secretary of the Office of Health and Human Services: "We have undertaken bold reform...transforming the way we do business. The Global Medicaid Waiver will allow us to provide people the right services, in the right place, at the right time. We are now free to give your family members more options."

From Dr. David Gifford, Director of the Department of Health: "Our wellness efforts are changing the dialogue from how to take care of the sick -- i.e., a sick care system, to how we keep people healthy, -- i.e., a health care system. R.I. was the first state in the nation to be designated as a Well State with so many employers, led by the State of Rhode Island itself, now having wellness programs to keep their employees healthy and to lower costs. Several employees have reported that this program saved their lives by detecting disease early."

By the way, I would like to commend Dr. Gifford and his team at the Department of Health, supported by hundreds of volunteers, who did such a great job leading our state through the Swine flu epidemic. Our vaccination program has become a national model.

I wish I could take the time tonight to have you hear from all the directors, who along with their teams have accomplished so many things for our citizens. But, since I can't, let me ask them all, along with my staff, to please stand and be recognized for their tremendous leadership at such a tough time.

Tonight, I'd also like to recognize a special guest, a proud Rhode Islander.

Sergeant First Class Eric Blue was awarded the Bronze Star Medal for Valor, earned in Afghanistan with Company A, 19th Special Forces, Rhode Island Army National Guard. Sergeant Blue distinguished himself by his heroic actions during a complex ambush.

Despite being under heavy fire, he heroically maneuvered through the area to find and evacuate a wounded soldier. His actions are in keeping with the finest traditions of military heroism. It is to men and women like Sergeant Blue that we all owe the deepest gratitude for defending our freedoms and

protecting our country. Please join me in welcoming and thanking Sergeant First Class Eric Blue and his wife, Danielle.

Often in the halls of government, we are overly distracted by our differences and disagreements. It is more productive, however, to first identify those things we can agree upon!

Tonight, we can agree that we all love Rhode Island and want to see it prosper.

We can agree that our most immediate need is jobs.

We can agree that businesses, not government, will create jobs and put our citizens back to work.

We can agree that every household in Rhode Island is hurting right now, and parents and grandparents alike are worrying about making ends meet.

We can agree that Rhode Islanders don't need more burdens from government.

We can agree that the cities and towns are under considerable financial stress.

Where some of us in this Chamber disagree – is whether property tax increases are inevitable.

I know property tax increases can be avoided. For example, if every city and town employee throughout our state --- including all school department personnel --- were to agree to a salary reduction plan this year and next, just as state workers have done, tens of millions of dollars could be saved.

This legislature has the ability to prevent property tax increases by enacting sweeping authorizations that will allow our local leaders to reduce spending. For example, it is long past time to allow the city and town councils of every municipality to have control over their school budgets.

School expenses represent nearly 70% of municipal budgets. Those elected officials who set the tax rate – and therefore are accountable to the citizens – should and must have the authority to approve all school contracts and expenditures.

Property tax increases are not inevitable --- they will not happen if this legislature enacts the changes that will allow cities and towns to control their spending. It is within your power to do this. I, as Governor, do not have the authority to make these changes, but you do.

Further, as I have said repeatedly, our cities and towns must urgently find significant new ways to share police, fire, and school facilities.

We are a small state – 48 x 37 miles –there are counties across America larger than our entire state. We must break down the longstanding, parochial barriers we have become accustomed to, and adopt more efficient models that will be financially sustainable over the longer term.

By example, each member of this legislature must rise above these barriers. It is up to you to step away from purely local interests and embrace a statewide vision that can be sustained by our children and grandchildren.

To do these things, it is time to put our differences aside. It's time for all of us in this Chamber to come together, and do the people's business – to make the common sense choices to steer our state through the storm. The time is urgent. It is now!

I know that Rhode Island cannot control the national economy. But there are many things we can control. We can control our spending. We can control the burden of taxation we place on our citizens. I have been working hard to improve the climate in our state for business.

Yes, I realize that businesses---both large and small---need more customers demanding their products and services before they feel confident enough to begin hiring once again. But we need to do everything we can to make it easier for them. In summary, we need more taxpayers, not more taxes!

To seek guidance at this difficult time in our state and nation, I went back to words attributed to President Abraham Lincoln.

Arguably he was our country's greatest president because he held the United States together----at great human cost---in the darkest time of our nation---the Civil War. His insightful understanding of human nature and the principles necessary to ensure a strong nation are embodied in these words. It reads, "You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer. You cannot further the brotherhood of man by encouraging class hatred. You cannot help the poor by destroying the rich. You cannot keep out of trouble by spending more than you earn. You cannot help men and women permanently by doing for them what they could and should do for themselves."

These principals and values are directly linked to those of our founders, and they're pretty straightforward! We need more than ever to go back to those shared values and aspirations, and re-affirm them in this State we all love.

Yes, these are very difficult times for our state – and the entire nation but we will endure, we always have! After all, our state motto is HOPE. But, more than ever, we need faith that if we navigate through this turbulence well, -- we will emerge stronger and more resilient.

We can lead the way, as those before us did. The choice is ours!

Tonight, I ask all of us in this Chamber, as well as all of you watching, to search your hearts and souls -- think of the sacrifices made by our parents and grandparents -- think about the legacy we want to leave our children and grandchildren -- and summon the courage and determination to do right by them.

May God bless you; may God bless our beautiful State; and may God bless our great nation.