



State of Rhode Island and Providence Plantations
State House
Providence, Rhode Island 02903-1196
401-222-2080

Donald L. Carcieri
Governor

January 29, 2007

To the Honorable, the General Assembly:

Today, I present my fiscal year 2008 budget. This budget was the most challenging to complete in my time as Governor. We faced a projected budget deficit of approximately \$350 million at the beginning of the budget process, covering both fiscal years 2007 and 2008. With this budget document, we have eliminated that gap and present a plan for Rhode Island's long-term fiscal stability. The decisions contained in this revenue and expenditure plan were not easy ones to make, but they were made with careful consideration for the best interest of all Rhode Islanders.

As in recent years, Rhode Island is benefiting from continued growth in revenues. However, our expenditure growth well outpaces these revenues. We must take the path of fiscal responsibility and address our spending. The budget I present today slows our growth in spending in social services, personnel and corrections, and makes targeted investments for our future in education, economic development and tax relief.

I look forward to addressing these challenges with you on behalf of all Rhode Islanders.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald L. Carcieri", followed by a horizontal line extending to the right.

Donald L. Carcieri
Governor of the State of Rhode Island and Providence Plantations