



State of Rhode Island and Providence Plantations

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

Donald L. Carcieri
Governor

January 31, 2008

To the Honorable, the General Assembly:

The State of Rhode Island is at a turning point. The Fiscal Year 2009 Budget I propose today reflects the reality of our fiscal situation and points the State in the direction which I believe we must lead the State.

This FY 2009 budget contains general revenue expenditures below our Fiscal Year 2008 spending, both enacted and revised. The reductions in this budget are necessary because our FY 2009 resources will be less than our FY 2008 resources. I am proposing sweeping changes to our State's Family Independence Program in order to preserve the core principals of the federal TANF Program and increase work participation rates. My "Work First" initiative will encourage personal responsibility and promote family independence. I am also proposing major reforms to the State's Medicaid funded programs to promote a person-centered, cost effective health care delivery system with transparency and accountability.

I am proposing efficiencies through reorganization of State government in four major areas, the Office of Health and Human Services, the Public Safety function, the Environmental function, and Advocacy for older persons and persons with disabilities. Concurrently, I am proposing efficiencies through the physical consolidation of agencies in order to reduce outside rental costs and better utilize state properties.

I am proposing to significantly reduce personnel costs by reducing the number of filled FTE positions and contract employees. Since July, we have achieved 379 state employee vacancies and we will reduce the total state workforce by 1,000 this year. My Budget will make state government smaller and more affordable for taxpayers. I have reached out to various state employee labor unions to discuss

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concessions for both FY 2008 and FY 2009. The funding levels I am recommending for local governments will require them to make similar changes in their government operations, and I have proposed legislation to help them do that. These changes are needed for a structurally sound budget that can be sustained this year and in future years.

I look forward to working with members of the General Assembly on the major issues facing us.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald L. Carcieri", with a long horizontal flourish extending to the right.

Donald L. Carcieri
Governor