



State of Rhode Island and Providence Plantations

State House  
Providence, Rhode Island 02903-1196  
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Donald L. Carcieri  
Governor

9 March 2009

To the Honorable General Assembly:

The state and the nation face very challenging times. The 2010 Budget that I am recommending to the Rhode Island General Assembly reflects my commitment to provide governmental services in Rhode Island in an efficient and effective manner which is sustainable in the future. In order to lead state and local government towards that goal, I propose a revised FY2009 budget plan and a FY2010 budget plan that will:

- Allocate the federal stimulus money from the American Recovery and Reinvestment Act of 2009 in the most responsible and transparent way possible to stimulate our economy and retain and create jobs to get our people back to work;
- Reform of our public employee pension plans so that they are fair and sustainable;
- Help municipal officials to reduce costs at the local level to relieve the pressure to increase property taxes;
- Strengthen our safety net for our most vulnerable citizens by a careful and thoughtful implementation of the new Global Medicaid Waiver; and
- Reform our tax structure to make Rhode Island more business-friendly and competitive by phasing out the corporate income tax, modifying the personal income tax, and increasing the estate tax exemption amount.

The funding levels I am recommending for local governments will require them to make similar changes in their government operations, as we have done at the state level, and I have proposed legislation to help them do that. These changes are critical to create a structurally sound budget, one that is responsive to the needs of our citizens and is sustainable in the future.

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

Sincerely,

Donald L. Carcieri