



## State of Rhode Island and Providence Plantations

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

February 2, 2010

To the Honorable, the General Assembly:

The submission of the state budget is not just an exercise in accounting. It reveals decisions and choices about the future. The budget for Fiscal Year 2011 that I am submitting for consideration and approval by the Legislature will solve the \$405 million deficit we face in the coming fiscal year and set the stage for a prosperous future.

In response to the poor economic conditions that are plaguing the whole country, Rhode Island government must make financial choices that are productive and wise. The choice I have made – a choice that guides this budget – is to avoid raising taxes and to control spending. This budget is balanced, does not raise taxes, and calls for new discipline in government spending on both the state and local level.

The best way for us to drive our state out of this recession is to provide tax relief and tax credits to our small business community. The only responsible way for the State to increase revenue is to support those that generate revenue – our business community.

Both this proposed FY2011 Budget and the FY2010 Revised Budget that I already submitted, cannot be viewed in isolation from previous budgets or state fiscal projections. In recent years, my budget proposals have addressed state budget deficits that have plagued Rhode Island for years - referred to as the “structural deficit” - and together we have made significant progress, particularly with personnel and social service expenditures. Going forward, state revenues will continue to lag even as the economy recovers; accordingly, difficult and, even unpopular choices, must be made if we are to make prudent use of taxpayer money.

The state and the local governments are bound together in this financial stewardship. While one-third of general state revenue is passed on to municipalities, municipal spending represents nearly two-thirds of the total government spending in our

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state. After significant reductions in state spending for personnel and social services, Local Aid to Cities and Towns cannot be immune from the need to find savings. While reductions are unavoidable, the General Assembly can assist municipalities with the daunting task of balancing their budgets by providing them with the management tools contained in my budget proposals.

This budget submission is the beginning of a public conversation. The Legislature will conduct hearings and deliberations on what I have proposed. There will be many voices in that conversation, and the loudest ones will be those of the special interests that fear they have something to lose as we restructure Rhode Island government.

It is my hope that the members of the Legislature will turn an ear to the voice of the average taxpayer. It is my hope that the members of the General Assembly will recognize the broader and more lasting call to ensure the good of the whole state and the fortunes of the generations that follow. With our collective resolve and wisdom, I am confident we will do the best for Rhode Island.

Last week, as part of my State of the State address, I spoke of the “liberty of conscience” which upon this great state was founded. As elected leaders, we are bound by our own liberty of conscience, and must set aside our differences and work together to make Rhode Island a stronger, more prosperous state for all its citizens.

I look forward to working with members of the General Assembly to address 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