



State of Rhode Island and Providence Plantations

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

Gina M. Raimondo
Governor

January 19, 2017

To the Honorable General Assembly:

The State of Rhode Island is strong and getting stronger every day. For the third year, I am proposing a balanced budget that includes no broad-based tax increases while preserving and expanding critical investments to improve the lives of all Rhode Islanders. This budget closes the State's estimated budget shortfall while putting forward resources to continue creating jobs and economic opportunity for Rhode Islanders at all rungs of the economic ladder.

In my first two years, I worked closely with House Speaker Nicholas Mattiello, Senate President M. Teresa Paiva Weed and the members of both chambers to create the tools we needed to jumpstart Rhode Island's economy. Our hard work is beginning to pay off – businesses are coming to Rhode Island for the first time or choosing to expand existing operations. We have attracted global companies like GE Digital and Johnson & Johnson. Established local businesses like Electric Boat, AT Cross, and Virgin Pulse have made the decision to stay and grow in Rhode Island. Our state is gaining a national reputation as a hub for advanced industries, because we have skilled people ready to get to work creating real products.

The wind is finally at our backs in Rhode Island. But we have a lot more work to do to continue our momentum and ensure that all Rhode Islanders can benefit from our growing economy. For many of the jobs created in today's economy, a college degree is required. My budget proposes expanding the Rhode Island Promise Scholarship to guarantee two free years of college at the Community College of Rhode Island, Rhode Island College and the University of Rhode Island for every Rhode Islander. We will significantly improve the future economic competitiveness of our children by giving every student an affordable pathway to a post-secondary degree. In addition, I propose continuing the investments we have made over the past two years in job training and economic development, in strengthening our neighborhood schools, in the health and safety of our residents, and in modernizing government.

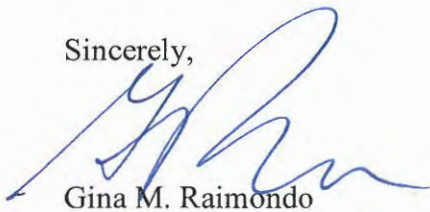
I am hopeful that there will be opportunities to identify additional strategic investments before the budget is finally enacted. Under current law, the Governor's budget recommendations are based on projected revenues from the November Revenue Estimating Conference. If, however, revenues come in

higher than anticipated such that there are additional resources available after the May conference, I recommend that the General Assembly consider the following actions:

- Increase education funding formula categorical spending for high-cost special needs, career and technical education, and transportation;
- Put more money in working people's pockets by expanding the Earned Income Tax Credit, building on increases enacted in each of the last two years;
- Repeal the proposed transfers from quasi-public agencies;
- Purchase additional voting equipment for the 2018 elections, including e-poll books;
- Provide additional funding for home visiting programs which support young families;
- Increase the pilot funding for quality incentives for Child Care Assistance Providers to further incentivize high-quality child care; and
- Expand the health aide worker raises contained in the budget to include nursing home workers.

I appreciate the partnership we have built over the last two years, and I look forward to continuing to work together to achieve our shared goals of strengthening Rhode Island and creating opportunities for all Rhode Islanders. ✦

Sincerely,

A handwritten signature in blue ink, appearing to read 'Gina M. Raimondo', is written over a light blue rectangular background.

Gina M. Raimondo
Governor