

January 20, 2005

**To the Honorable, the General Assembly**

Today, I present my fiscal year 2006 budget, which is designed to stabilize the state's finances by controlling the growth of state spending. The choices made in this budget were difficult ones. In resolving an estimated \$164 million shortfall, I have carefully balanced the needs of today with the needed investments for prosperity in the future.

I believe that there are four Pathways to Prosperity: Good Jobs, Good Schools, Good Government and a Good Place to Live. We must first make State government strong and solvent in order to ensure these pathways remain clear from obstacles for our future generations. This will require careful expenditure reductions. Consistent with the past budgets which I have submitted for your consideration, I am proposing changes which will lower the cost of running government. These reductions when implemented will allow for investments in education, public safety, and the environment that will provide for a clear path towards prosperity. We must not resort to increasing the burdens that broad-based taxes, such as the sales tax and income tax, have on Rhode Islanders.

I am confident that working together, we can formulate a financial plan for Rhode Island that will position us to be more competitive in the future. Let's show the people of Rhode Island that we are worthy of the trust they have placed in us.

Sincerely,

Donald L. Carcieri