

February 25, 2004

**To the Honorable, the General Assembly**

Today, I present my fiscal year 2005 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 \$190 million shortfall, I have carefully balanced the needs of today with the needed investments for prosperity in the future.

As I indicated in my State of the State address, 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. 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