



## State of Rhode Island and Providence Plantations

State House  
Providence, Rhode Island 02903-1196  
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Gina M. Raimondo  
Governor

January 18, 2018

To the Honorable General Assembly:

The State of Rhode Island is stronger than it was four years ago because of critical investments we are making in job creation, job training, education and programs that support the health and wellbeing of the people of Rhode Island.

I am proposing a balanced budget for Fiscal Year 2019 that protects those investments, so we continue to improve the lives of all Rhode Islanders. This budget also closes the State's estimated budget shortfall while making smart, targeted investments in programs we know are working. I also propose new investments that build on existing programs, providing businesses with tools for job creation and economic opportunity. It is time to take Rhode Island to the next level.

In my first three years as Governor, we have worked closely together to jumpstart Rhode Island's economy. We have made Rhode Island more business-friendly, with programs and incentives that support small businesses and improve our regulatory landscape. Our work is demonstrating results:

- U.S. News and World Report ranks Rhode Island's economy as the 18th best in America.
- The U.S. Chamber of Commerce ranks us as the second-best state in the nation for innovation and entrepreneurship.
- Four years ago, Rhode Island ranked last in Gallup's jobs index. Last year, Rhode Island was ranked No. 28.

We have made real, clear progress. But we all know that change doesn't happen overnight. Our public school buildings are crumbling, with children and teachers in every school district in our state who spend their days in schools that are not safe, warm and dry. My budget includes a bold plan to make a generational investment in our school facilities, with a question on the 2018 ballot that authorizes \$250 million of General Obligation bonds for public school construction and repair over five years.

While we continue to focus on creating jobs and giving all Rhode Islanders the training and education they need to get the good jobs we're creating, we must also address the opioid and mental health crises we face in

Rhode Island and across our nation. My budget proposes a statewide resource to ensure people with urgent mental health care needs are quickly connected to care. It also funds a new program that combines job training with substance use disorder counseling.

Rhode Island's children and families also need our help. Last week, I announced a \$1.36 million investment in resources for foster families as part of our work to increase the number of children in foster care while reducing the number of children in group homes and other congregate care. All children deserve to live in a home with a stable, loving family.

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 the General Assembly consider the following actions:

- Repeal the proposed transfers from quasi-public agencies;
- Reduce the minimum corporate tax to ensure Rhode Island's small businesses realize savings from federal corporate tax changes;
- Increase education funding formula categorical spending for high-cost special needs, career and technical education, and transportation;
- Increase base payment rates for certain service providers to bring home health and developmental disability (DD) direct service worker wages closer to neighboring states, and continue ensuring access to high-quality home- and community-based services for Rhode Islanders;
- Allow payments to nursing homes to increase more than the 1% currently proposed in my budget; and
- Increase funding for Rhode Island hospitals.

After a lost decade, Rhode Island is finally on the move again. We're making real progress to put Rhode Islanders back to work. I'm in this for the long haul, and I know the leaders and members of the Rhode Island General Assembly are, too.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gina Raimondo", written in a cursive style.

Gina M. Raimondo  
Governor