



State of Rhode Island and Providence Plantations

HOUSE OF REPRESENTATIVES
REPRESENTATIVE AMY G. RICE *District 72*

5 January 2010

His Excellency, Donald L. Carcieri
Office of the Governor
Room 222 State House
Providence, RI 02903

Dear Governor Carcieri,

We write to you today to assert our opposition to your proposed FY2010 Supplemental Budget. Rhode Island, like almost every other state in the nation, is facing a deep fiscal deficit due to the national and global economic crisis. How we deal with the economic crisis now will determine Rhode Island's future economic well-being. As such, we need real, honest leadership from your office as we strive to work together to fix our state's budgetary problems.

Your supplemental budget, which you proposed without serious consultation with municipal leaders or the General Assembly, depends mostly on slashing \$125 million in aid to Rhode Island's cities and towns. Let there be no doubt about it: This drastic mid-year cut is nothing more than a passing of the buck to our municipalities. Rhode Island's municipalities have already done so much to balance their budgets in these difficult times, including eliminating after-school programs, renegotiating collective bargaining agreements with municipal employees' and teachers' unions, laying off employees including police officers and firefighters, and, of course, raising property taxes - the most regressive tax.

Your claim that your proposed mid-year cuts to cities and towns will not result in raising property taxes is either cynical or an exercise in self-deception. Rhode Island already has an exceptionally upside-down tax system that results from our over-dependence on property taxes and our low rate of state support for school funding. Your Supplemental Budget proposal would severely exacerbate this imbalance by increasing our reliance on the property tax - the worst thing in this recession.

To disinvest in our communities and the public infrastructure and institutions that form the foundations of a strong economy, is not the forward-looking leadership we need. Given that the bulk of our deficit is due to decreased revenue, we must find responsible and balanced ways to raise new revenue. We need to create opportunities for success for all Rhode Islanders.

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We realize that there are no easy solutions but urge you not to choose the worst option. We look forward to having you collaborate on this with the General Assembly and our municipal leaders.

Sincerely,

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