

BUDGET ADDRESS

HONORABLE MEMBERS OF THE CITY COUNCIL; DISTINGUISHED
GUESTS FROM OTHER COMMUNITIES; CITIZENS OF PROVIDENCE:

THIS IS THE TENTH TIME I'VE ENTERED THESE CHAMBERS TO
DELIVER THE MAYOR'S BUDGET ADDRESS. I BRING YOU A MESSAGE OF
HOPE. PROVIDENCE IS A GREAT CITY -- A CENTER OF COMMERCE,
CULTURE AND TALENT. BUT I REGRET TO SAY THE CHALLENGES WE
FACE TODAY FAR EXCEED THOSE OF YEARS PAST. IN 1991,
PROVIDENCE FACES A FISCAL CRISIS AND AN URBAN CRISIS OF
UNPRECEDENTED MAGNITUDE. THE TIMES DEMAND BOLD LEADERSHIP, A
VISION FOR THE FUTURE, AND A SPIRIT OF COMMON SACRIFICE.

DURING THE '90s, WE MUST UNITE TO REBUILD OUR CITY. WE
MUST CREATE NEW HOPE AND NEW OPPORTUNITY IN OUR
NEIGHBORHOODS. WE MUST BEQUEATH TO OUR CHILDREN A CITY REBORN.

THIS IS MY ONE HUNDRED AND FIFTEENTH DAY IN OFFICE. I
HAVE BEEN FORCED TO COPE WITH A BUDGETARY CRISIS THAT WAS NOT
OF MY MAKING. A NUMBER OF MAJOR LINE ITEMS -- DEBT SERVICE,
PENSIONS, WORKER'S COMPENSATION, BLUE CROSS, OVERTIME -- HAVE
BEEN RISING AT DOUBLE-DIGIT RATES. OUR DEBT LEVEL IS SO HIGH
THAT WE HAVE BEEN ADVISED NOT TO ASSUME ANY ADDITIONAL DEBT
UNTIL 1995. THE RESULT IS THAT, IF CORRECTIVE ACTION IS NOT
TAKEN, SPENDING WILL RISE BY SOME 26 MILLION DOLLARS IN FISCAL
'92.

MEANWHILE, WE EXPECT CITY REVENUES WILL FALL BY ABOUT 16 MILLION DOLLARS IN THE COMING YEAR. WE THUS ARE FACED WITH A GULF BETWEEN EXPENDITURES AND REVENUES OF MORE THAN 40 MILLION DOLLARS.

REVENUES ARE WAY DOWN IN PART BECAUSE OF THE SEVERE RECESSION AND THE CLOSING OF CREDIT UNIONS IN THE STATE. BUT THE MOST IMPORTANT REASON FOR OUR FISCAL CRISIS IS THE MASSIVE WITHDRAWAL OF STATE AID TO PROVIDENCE. FIRST THE STATE TOOK AWAY MOST OF OUR REVENUE-SHARING FOR THE CURRENT YEAR. AND NOW THE GOVERNOR HAS PROPOSED CRUEL CUTS TO EDUCATION THAT, IF ALLOWED TO STAND, WOULD HAVE A DEVASTATING EFFECT ON THE QUALITY OF EDUCATION THROUGHOUT RHODE ISLAND -- AND ESPECIALLY IN PROVIDENCE.

LET ME POINT OUT TO THE HONORABLE COUNCIL THAT, IF REVENUE-SHARING AND SCHOOL AID HAD CONTINUED TO FLOW TO PROVIDENCE, WE WOULD HAVE 28 MILLION DOLLARS IN ADDITIONAL REVENUE FOR NEXT YEAR. AND WE WOULD HAVE NO NEED FOR A TAX INCREASE.

PROVIDENCE FACES MUCH MORE THAN A SHORT-TERM FISCAL CRISIS. WE ALSO FACE A DEEPENING URBAN CRISIS. WHILE MANY OTHER RHODE ISLAND COMMUNITIES GREW MORE AFFLUENT DURING THE EIGHTIES, PROVIDENCE EXPERIENCED A DRAMATIC INCREASE IN THE CONCENTRATION OF POVERTY WITHIN ITS BORDERS. RELATIVELY-AFFLUENT PEOPLE LEFT THE CITY BY THE TENS OF THOUSANDS, WHILE TENS OF THOUSANDS OF LOW-INCOME PEOPLE MOVED TO PROVIDENCE.

WE SHOULD BE PROUD OF THE RICH DIVERSITY OF OUR POPULATION: THE BLACK, HISPANIC AND ASIAN FAMILIES WHO HAVE MIGRATED TO PROVIDENCE ENRICH COMMUNITY LIFE IN OUR CITY. THESE NEW MIGRANTS COME WITH THE SAME HOPES AND DREAMS AS THE IRISH, ITALIAN, AND FRENCH-CANADIAN FAMILIES WHO CAME BEFORE THEM. MANY OF THE NEW MIGRANTS ARE MOVING HERE FROM OTHER CITIES IN THE NORTHEAST WHERE LIVING CONDITIONS ARE MUCH WORSE. IN FACT, DURING THE EIGHTIES RHODE ISLAND HAD THE HIGHEST PERCENTAGE INCREASE AMONG THE 50 STATES IN THE NUMBER OF HISPANICS AND ASIANS -- AND ABOUT 60 PERCENT OF BOTH GROUPS CAME TO PROVIDENCE. WE IN PROVIDENCE ARE CONTINUING THE TRADITION, BEGUN BY ROGER WILLIAMS MORE THAN 350 YEARS AGO, OF OFFERING NEW OPPORTUNITY FOR FAMILIES SEEKING A BETTER LIFE.

BUT THE FACT REMAINS THAT PROVIDENCE BEARS A HEAVY BURDEN AS THE COMMUNITY OF CHOICE FOR THE NEWEST IMMIGRANTS TO RHODE ISLAND. THEIR NUMBERS HAVE DOUBLED IN THE LAST DECADE. MEDIAN FAMILY INCOME IN PROVIDENCE IS NOW LESS THAN 70 PERCENT OF THE STATEWIDE MEDIAN. AND THE QUALITY OF LIFE IN GROWING AREAS OF PROVIDENCE IS BATTERED BY POVERTY AND ITS CONSEQUENCES.

PROVIDENCE HAS ONLY 16 PERCENT OF THE STATE'S POPULATION. BUT WE LOOM LARGE IN THE STATISTICS OF POVERTY. PROVIDENCE HAS:

* 56 PERCENT OF THE ARRESTS FOR SALE OR POSSESSION OF
ILLEGAL DRUGS;

* 46 PERCENT OF ALL REPORTS OF MURDER, RAPE, ROBBERY AND
ASSAULT;

* 43 PERCENT OF ALL INMATES AT THE ACI, AND 56 PERCENT OF
ALL TRAINING SCHOOL RESIDENTS;

* 42 PERCENT OF ALL WELFARE RECIPIENTS;

* 46 PERCENT OF ALL CHILD ABUSE REQUIRING HOSPITALIZATION;

* 42 PERCENT OF ALL UNWED MOTHERS IN THE STATE;

* 31 PERCENT OF ALL CHILDREN UNDER CARE OF THE DEPARTMENT
FOR CHILDREN AND THEIR FAMILIES;

* AND 30 PERCENT OF ALL THOSE UNDER TREATMENT AT STATE
EXPENSE FOR DRUG AND ALCOHOL ABUSE.

THESE ARE TERRIBLE STATISTICS. THEY DRAMATICALLY SHOW THE
SUFFERING THAT IS TAKING PLACE IN OUR CITY. IF UNCHECKED,
THESE TRENDS WILL DESTROY OUR CITY.

DURING THE NINETIES, WE MUST FACE UP TO THE CHALLENGE OF
THE NEIGHBORHOODS. IT WON'T DO ANY GOOD TO SPEND A LITTLE BIT
HERE, A LITTLE BIT THERE. IT WON'T DO ANY GOOD TO ADDRESS THE
CONSEQUENCES OF POVERTY; IN THIS DECADE, WE MUST ADDRESS THE
CAUSES OF POVERTY.

OVER THE NEXT FOUR YEARS, I WILL DEDICATE MYSELF TO
BRINGING NEW HOPE, NEW PRIDE, AND NEW OPPORTUNITY TO THE POOR
NEIGHBORHOODS OF OUR CITY. WE HAVE BEGUN WORK ON WHAT WE CALL

"THE PROVIDENCE PLAN" -- A BLUEPRINT FOR CHANGING THE LIVES OF THOUSANDS OF FAMILIES IN OUR CITY. I'M PLEASED TO ANNOUNCE THAT PRESIDENT GREGORIAN OF BROWN UNIVERSITY HAS MADE AN UNPRECEDENTED COMMITMENT TO ASSIST US IN THIS CAMPAIGN. DR. GREGORIAN HAS AGREED TO PLACE THE FULL PRESTIGE AND MORAL AUTHORITY OF THE UNIVERSITY BEHIND THIS EFFORT, TO ASSIGN A NUMBER OF FACULTY MEMBERS TO THE PROJECT, AND TO HELP US WIN THE SUPPORT OF NATIONAL FOUNDATIONS AND THE RHODE ISLAND STATE GOVERNMENT.

THE PROVIDENCE PLAN WILL TAKE A DECADE TO IMPLEMENT. IT WILL BE MORE AMBITIOUS AND COMPREHENSIVE THAN ANY OTHER RENEWAL PLAN EVER TRIED IN THE CITIES OF AMERICA. DURING THE NEXT DECADE:

- * WE INTEND TO PROVIDE JOB-TRAINING AND EDUCATION FOR THOUSANDS OF THE PROVIDENCE POOR.

- * WE INTEND TO MOVE WELFARE RECIPIENTS OFF THE ROLLS, AND INTO JOBS THAT PAY \$10 TO \$20 AN HOUR.

- * WE WILL OFFER THE SAME OPPORTUNITIES TO MEN AS TO WOMEN, AND TO THE WORKING POOR AS WELL AS WELFARE RECIPIENTS.

- * WE WILL CREATE ENTERPRISE ZONES ON THE SOUTH SIDE THAT WILL ATTRACT EMPLOYERS AND JOBS.

- * WE WILL INSIST THAT DISADVANTAGED PEOPLE WE TRAIN RECEIVE A SIGNIFICANT SHARE OF THE CONSTRUCTION AND PERMANENT JOBS AT THE CONVENTION CENTER AND PROVIDENCE PLACE.

- * WE ALSO INTEND TO ESTABLISH A HIGH SCHOOL MAGNET PROGRAM THAT WILL PREPARE PROVIDENCE YOUTH FOR JOBS IN THE POLICE, FIRE AND SCHOOL DEPARTMENTS OF OUR CITY. TO MOTIVATE YOUNG

PEOPLE FROM POOR FAMILIES, WE WILL OFFER EDUCATION TO THESE FUTURE EMPLOYEES OF THE CITY.

THE HEART OF THE PROVIDENCE PLAN IS JOB-TRAINING AND EDUCATION. BUT WE MUST DO MUCH MORE IF WE ARE GOING TO "JUMP-START" A CITY. ADDITIONAL PROGRAMS:

- * WILL MAKE HOMEOWNERSHIP POSSIBLE FOR PEOPLE WHO HAVE CHANGED THEIR LIVES AND BECOME SELF-SUPPORTING;

- * WILL FINANCE RENOVATIONS TO THOUSANDS OF HOUSES IN POOR CONDITION;

- * WILL SIGNIFICANTLY REDUCE THE AVAILABILITY OF DRUGS, AND EXPAND TREATMENT OPPORTUNITIES FOR THE ADDICTED;

- * WILL PROVIDE DAY-CARE, RECREATION, AND JOBS AFTER SCHOOL FOR CHILDREN OF WORKING PARENTS;

- * WILL ENCOURAGE IN MANY WAYS A NEW RESPECT FOR FAMILY, WORK, COMMUNITY, AND MORAL VALUES.

- * AND WILL IMPROVE THE QUALITY OF LIFE IN THE NEIGHBORHOODS OF OUR CITY. THE HOMEOWNERS OF THE EAST SIDE, THE NORTH END, MOUNT PLEASANT, AND SILVER LAKE ARE LOYAL TO PROVIDENCE. WE MUST REWARD THAT LOYALTY BY TAKING STEPS TO SHORE UP PROPERTY VALUES, AND STEM THE SPREAD OF BLIGHT TO THESE NEIGHBORHOODS.

WE ALL KNOW HOW DIFFICULT IT WILL BE TO ACHIEVE THESE GOALS. IF WE LOVE OUR CITY, WE HAVE NO CHOICE BUT TO TRY.

THE PROVIDENCE PLAN WILL BE VERY EXPENSIVE: OUR BEST GUESS IS THREE TO FOUR HUNDRED MILLION DOLLARS OVER THE COURSE OF A DECADE. BUT WE BELIEVE THIS HUGE SUM CAN BE RAISED FROM THE CITY, STATE AND FEDERAL GOVERNMENTS; FROM BANKS AND OTHER CORPORATIONS; AND FROM LOCAL AND NATIONAL FOUNDATIONS.

OUR HOPES FOR THE PROVIDENCE PLAN CANNOT BE ACHIEVED WITHOUT THE ENLIGHTENED INVOLVEMENT OF THE STATE OF RHODE ISLAND. LET ME POINT OUT THAT THE STATE IS ALREADY SPENDING ABOUT 400 MILLION DOLLARS A YEAR -- IN PROVIDENCE ALONE -- TO DEAL WITH THE CONSEQUENCES OF POVERTY. MILLIONS SPENT ON WELFARE, MEDICAID, FOOD STAMPS, EDUCATION, PRISONS, FOSTER CARE, AND ON AND ON. DURING THE NINETIES, IF THE DEMOGRAPHIC TRENDS CONTINUE, RHODE ISLAND COULD EASILY SPEND MORE THAN 5 BILLION DOLLARS ON POVERTY IN THIS CITY. IN THIS CONTEXT, IT MAKES SENSE FOR THE STATE TO INVEST IN PROGRAMS THAT HELP THE POOR TO BECOME SELF-SUPPORTING TAXPAYERS.

I'VE BEGUN TO DISCUSS THESE ISSUES WITH GOVERNOR SUNDLUN, AND HE HAS EXPRESSED STRONG INTEREST IN JOINT PLANNING BY THE CITY AND STATE. PROVIDENCE, ON ITS OWN, CANNOT WIN THE WAR AGAINST POVERTY, BLIGHT, DRUGS, AND CRIME. OUR HARDWORKING HOMEOWNERS ALREADY SHOULDER TOO GREAT A BURDEN. MANY EARN MODEST SALARIES OR EXIST ON FIXED INCOMES. THE WEALTH OF THE SUBURBS MUST BE REDISTRIBUTED TO THE CITY. WITH RHODE ISLAND'S HELP, PROVIDENCE WILL WIN ITS WAR AGAINST POVERTY.

LET ME RETURN TO THE BUDGET FOR FISCAL '92, AND TO THE 40-MILLION-DOLLAR GAP WE HAVE INHERITED. IN OUR BUDGET DELIBERATIONS, WE HAVE BEEN MINDFUL OF THE FACT THAT CITY WORKERS PROVIDE SERVICES OF VITAL IMPORTANCE TO US ALL. THREE-QUARTERS OF OUR WORK FORCE ARE IN THE POLICE, FIRE AND SCHOOL DEPARTMENTS. THE POLICE INVESTIGATE MORE THAN 18,000 CRIMES A YEAR; THE SCHOOL DEPARTMENT IS RESPONSIBLE FOR MORE THAN 20,000 STUDENTS; AND THE FIRE DEPARTMENT RESPONDS TO MORE THAN 35,000 FIRE AND RESCUE CALLS. EVERY YEAR, THESE DEPARTMENTS MAKE COMPELLING CASES FOR MORE MONEY, NOT LESS.

I AM CONTINUALLY IMPRESSED WITH THE SKILLS AND COMMITMENT OF OUR PUBLIC SERVANTS. PROVIDENCE CITY WORKERS FACE CHALLENGES UNEQUALED IN THE SMALLER COMMUNITIES OF THE STATE. TONIGHT I WOULD LIKE TO TAKE A MOMENT TO INTRODUCE YOU TO A FEW OF THE "UNSUNG HEROES" WHO SERVE THE PEOPLE OF PROVIDENCE.

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* DAY AND NIGHT, A TEAM OF POLICE OFFICERS WERE ON THE JOB. THEY WERE TRYING TO SOLVE A KIDNAPPING CASE AT WOMEN & INFANTS HOSPITAL THAT HAD SHOCKED RHODE ISLAND. THE OFFICERS INTERVIEWED EVERY POSSIBLE SUBJECT AND FOLLOWED EVERY LEAD. THEY KNEW THAT EACH PASSING DAY INCREASED THE CHANCES OF TRAGEDY FOR THE NEWBORN CHILD. WITHIN FIVE DAYS, THE TEAM HAD FOUND MACAYLA ANN ROSE, AND RETURNED HER SAFELY TO HER PARENTS. THE MEMBERS OF THE TEAM WERE MAJOR MILTON WILSON, CAPTAIN PAUL LeBOUEF, LIEUTENANT TERRANCE CRAWLEY, SARGEANT

DENNIS GERSTMEYER; DETECTIVE TIM O'BRIEN; AND DETECTIVE WILLIAM CARROLL. THEY ARE ALL HEROES, AND DESERVE OUR WARM APPLAUSE.

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* EVERY DAY, IN HER CLASSROOM AT THE GILBERT STUART ELEMENTARY SCHOOL, SHE GIVES HER YOUNG STUDENTS THE GIFT OF LOVE AND THE GIFT OF KNOWLEDGE. SHE INSPIRES THE MANY DISADVANTAGED STUDENTS IN HER CLASSROOM TO BELIEVE IN THEMSELVES AND IN ALL THEY CAN ACCOMPLISH. SHE TEACHES THE LESSON THAT HARD WORK PAYS OFF. ADMIRER BY HER PEERS AND BELOVED BY HER STUDENTS, CHERYL FISHER-ALLEN IS OUR TEACHER OF THE YEAR. CHERYL IS DOING A LOT OF GOOD IN HER CLASSROOM, AND WE'RE PROUD TO HAVE HER HERE TONIGHT.

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* THE HOUSE ON PLAINFIELD STREET WAS IN FLAMES WHEN THE FIRST APPARATUS ARRIVED AT THE SCENE. A NEIGHBOR TOLD ONE OF THE FIREFIGHTERS THAT A MAN WAS TRAPPED ON THE SECOND FLOOR OF THE BURNING HOUSE. THE FIREMAN RACED UP THE STAIRS. DESPITE EXTREME HEAT AND BLINDING SMOKE, HE FOUND THE UNCONSCIOUS VICTIM ON THE FLOOR, AND SINGLE-HANDEDLY PULLED HIM TO THE SAFETY OF THE STAIRWAY LANDING. THE PROVIDENCE FIRE DEPARTMENT, IN CITING THE FIREFIGHTER FOR HEROIC ACTION, CONCLUDED THAT PRIVATE PHILLIP E. PAYNE HAD SAVED THE VICTIM'S LIFE. PRIVATE PAYNE, WE SALUTE YOU!

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* FOR MANY YEARS HE WAS A VALUED MEMBER OF MY STAFF. HE WENT ON TO BECOME A UNION REPRESENTATIVE FOR LOCAL 1033, THE

UNION OF CITY HALL WORKERS. HE WAS ALSO A CAPTAIN IN THE U.S. ARMY RESERVES. SHORTLY AFTER THE NEW YEAR, HE WAS ORDERED TO REPORT FOR DUTY. LEAVING HIS WIFE AND TWO CHILDREN BEHIND, DONALD IANNAZZI HEEDED THE CALL OF HIS COUNTRY AND SERVED IN THE PERSIAN GULF. EVERYONE IN THE LABORER'S UNION AND IN CITY HALL IS PROUD OF YOU, DON. WELCOME HOME!

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* FOR YEARS, RHODES STREET IN SOUTH PROVIDENCE HAS BEEN A HAVEN FOR DRUG DEALERS. THEY HUNG OUT IN THE MANY VACANT, TRASH-STREWN LOTS ALONG THE STREET. THE POLICE CRUISERS WOULD SWEEP IN NOW AND THEN, BUT THE DEALERS KEPT COMING BACK. A FEW WEEKS AGO, TWO POLICE OFFICERS BEGAN AN EXPERIMENT IN COMMUNITY POLICING ON RHODES STREET. THEY GOT OUT OF THEIR CRUISERS AND WALKED THE STREETS. THEY KNOCKED ON DOORS AND ASKED NEIGHBORS TO HELP THEM DRIVE OUT THE DRUG DEALERS. DAY BY DAY, THE OFFICERS BUILT TRUST AND RESPECT. LAST WEEKEND THE OFFICERS AND A GROUP OF NEIGHBORS CLEANED UP THE VACANT LOTS. THE EXPERIMENT IS WORKING: THE DRUG DEALERS ARE GONE, AND THERE IS NEW HOPE ON RHODES STREET. POLICE OFFICERS AND RESIDENTS SUCH AS CHERYL ROBERTS ARE WORKING SIDE BY SIDE TO IMPROVE LIVING CONDITIONS ON THE STREET. THANKS TO LIEUTENANT PAUL FITZGERALD AND OFFICER WILLIAM GONSALVES, THE PROVIDENCE POLICE DEPARTMENT IS A HERO ON RHODES STREET. LET'S GIVE CHERYL AND THE OFFICERS A HAND.

OUR COMMITMENT TO CITY WORKERS IS STRONG. BUT WE MUST RESPECTFULLY REQUEST THAT CITY EMPLOYEES CONTRIBUTE TO THE RESOLUTION OF THE FISCAL CRISIS. I BELIEVE THAT, WHEN WE ENTER INTO FORMAL NEGOTIATIONS WITH THE UNIONS, A SPIRIT OF COOPERATION WILL PREVAIL, AND THE CITY WILL REAP SIGNIFICANT SAVINGS NEXT YEAR.

THE SCHOOL BUDGET ACCOUNTS FOR MORE THAN 40 PERCENT OF CITY SPENDING. I DEEPLY REGRET THAT THE SCHOOL DEPARTMENT WILL BE FORCED TO MAKE SEVERE CUTS IN ITS BUDGET. IT MUST DO SO BECAUSE THE GOVERNOR HAS PROPOSED A REDUCTION OF 5 MILLION DOLLARS IN AID TO THE PROVIDENCE SCHOOLS. IF THE STATE'S OWN FORMULA HAD BEEN FOLLOWED, WE WOULD HAVE RECEIVED 18 MILLION DOLLARS MORE.

AS A RESULT, THE SCHOOL COMMITTEE WILL SOON VOTE ON A BUDGET THAT IS \$12 MILLION LOWER THAN RECOMMENDED BY SUPERINTENDENT ROBERTI. SPENDING WOULD INCREASE BY ONLY 1 PERCENT. ALMOST 100 CUTS ARE PROPOSED IN VIRTUALLY EVERY SECTION OF THE SCHOOL BUDGET. THE CUTS WOULD HAVE GONE MUCH DEEPER; BUT I AM PREPARED TO REPLACE THE LOST STATE AID WITH NEW REVENUE FROM THE PROPERTY TAX. LET ME SAY THAT INTERSCHOLASTIC SPORTS WILL CONTINUE, AND WE HAVE NOT CUT OUR ASSISTANCE TO THE PRIVATE AND PAROCHIAL SCHOOLS. BUT MANY OTHER PROGRAMS OF VALUE HAVE BEEN DEEPLY CUT OR ELIMINATED.

FRANKLY, THE GOVERNOR'S ACTIONS ARE TOTALLY UNACCEPTABLE. WE ALL KNOW THE STATE GOVERNMENT HAS A HUGE DEFICIT TO

OVERCOME. BUT SINGLING OUT EDUCATION FOR AN 18-PERCENT CUT IS UNFAIR AND EDUCATIONALLY UNSOUND. THE GOVERNOR SERVED FOR SEVERAL YEARS ON THE PROVIDENCE SCHOOL BOARD. HE KNOWS FULL WELL THAT PROVIDENCE CANNOT PROVIDE EQUAL EDUCATIONAL OPPORTUNITY TO OUR CHILDREN WITHOUT FINANCIAL SUPPORT FROM THE STATE. IN MANY NEIGHBORHOODS OF THIS CITY, THE PUBLIC SCHOOL IS THE SINGLE MOST IMPORTANT SOURCE OF HOPE FOR THE YOUNG. OUR STUDENT POPULATION IS STEADILY INCREASING EVERY YEAR; FOR THIS REASON ALONE, WE CANNOT ABSORB THE CONTEMPLATED CUTS IN STATE AID. I CALL ON THE GOVERNOR, THE GENERAL ASSEMBLY, AND THE PEOPLE OF RHODE ISLAND TO RESTORE OUR SCHOOL AID. WE MUST NOT BALANCE THE STATE BUDGET ON THE BACKS OF THE SCHOOLCHILDREN OF RHODE ISLAND.

I PLEDGE TO THE PEOPLE OF PROVIDENCE THAT ANY ADDITIONAL SCHOOL AID RECEIVED FROM THE STATE WILL GO TO THE SCHOOLS, AND BE USED TO RESTORE PROGRAMS ON A PRIORITY BASIS. WE HAVE FAITH THAT GOOD JUDGMENT WILL PREVAIL AT THE STATE HOUSE, THAT ADDITIONAL AID WILL COME TO PROVIDENCE, AND THE WORST OF THE SCHOOL CUTS WILL BE RESCINDED.

LET ME ALSO NOTE THAT THE BUDGET INCLUDES THE SAME AMOUNT NEXT YEAR FOR THE PROVIDENCE PUBLIC LIBRARY AS WE PROVIDE THIS YEAR -- 1.872 MILLION DOLLARS. WE ARE LEVEL-FUNDING THE LIBRARY, DESPITE THE FISCAL CRISIS, BECAUSE THE BRANCHES ARE CRITICALLY IMPORTANT TO THE NEIGHBORHOODS THEY SERVE.

WE HAVE ALSO SEIZED THE OPPORTUNITY TO SAVE ALMOST FIVE MILLION DOLLARS NEXT YEAR IN OUR DEBT-SERVICE PAYMENTS. AFTER LENGTHY DISCUSSIONS WITH FLEET BANK AND OUR BOND COUNSEL, WE HAVE CONCLUDED THE CITY CAN REFINANCE ABOUT \$28 MILLION IN BONDED DEBT. THIS ACTION ALONE SAVES ALMOST A DOLLAR ON THE TAX RATE.

SAVINGS WE PROPOSE IN THE SCHOOL DEPARTMENT, IN LABOR CONTRACTS, IN DEBT SERVICE, AND IN OTHER AREAS OF THE BUDGET BRIDGE MORE THAN HALF OF THE \$42-MILLION DEFICIT FOR NEXT YEAR. IF WE HAD NOT FOUND THESE SAVINGS, THE TAX RATE WOULD HAVE RISEN BY ALMOST EIGHT DOLLARS NEXT YEAR. BUT IT'S IMPOSSIBLE TO MAKE ADDITIONAL CUTS AND STILL MAINTAIN CITY SERVICES AT AN ACCEPTABLE LEVEL. WE NEED MORE MONEY TO BALANCE THE BUDGET IN THIS YEAR OF CRISIS. LET ME POINT OUT TO THE COUNCIL THAT IT TAKES A THREE-DOLLAR TAX INCREASE JUST TO MAKE UP FOR THE 16-MILLION-DOLLAR DROP IN REVENUE. FURTHERMORE, DECISIONS MADE BY THE PRIOR ADMINISTRATION MANDATE BIG INCREASES IN CERTAIN COSTS. I'M TALKING ABOUT 4.5 MILLION DOLLARS MORE FOR DEBT SERVICE, AND 2.7 MILLION DOLLARS MORE FOR RETIREMENT.

TAKING INTO CONSIDERATION ALL THESE FACTS AND ALL THE ACTIONS WE HAVE TAKEN, I HAVE NO CHOICE BUT TO PROPOSE A TAX INCREASE OF THREE DOLLARS AND EIGHTY CENTS. THIS IS THE MINIMUM AMOUNT WE NEED TO GET THROUGH THE RECESSION, RESPOND TO THE SEVERE CUTS IN STATE AID, AND MAINTAIN ESSENTIAL CITY SERVICES.

IN PREPARING THIS BUDGET, WE GREATLY BENEFITTED FROM THE REPORT OF THE BUDGETARY TASK FORCE HEADED BY TOM SKALA OF FLEET BANK AND FREDERICK LIPPITT. WE HAVE IMPLEMENTED EVERY TASK FORCE RECOMMENDATION THAT APPEARED TO BE FEASIBLE. AS WE GO FORWARD, WE WILL ADDRESS LONG-TERM ISSUES IDENTIFIED BY THE TASK FORCE. THESE INCLUDE THE FOLLOWING QUESTIONS: WHAT ROLE SHOULD THE STATE PLAY IN SUPPLEMENTING OUR TAX REVENUES, AND IN ASSISTING US TO REVITALIZE THE NEIGHBORHOODS? HOW CAN THE POLICE, FIRE AND SCHOOL DEPARTMENTS BE MANAGED MORE EFFICIENTLY? SHOULD THE CITY SELL SOME OF ITS ASSETS? I PLEDGE TO WORK WITH THE COUNCIL TO FIND ANSWERS TO THESE IMPORTANT QUESTIONS.

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DESPITE THE GRIM REALITIES OF THE PRESENT, I BRING YOU A MESSAGE OF HOPE. FOR MORE THAN THREE CENTURIES, THE PEOPLE OF PROVIDENCE HAVE REMADE THEIR CITY AGAIN AND AGAIN. AGAIN AND AGAIN, IMMIGRANT FAMILIES HAVE MADE THEIR WAY TO OUR SHORES. THEY HAVE COME SEEKING OPPORTUNITY AND A NEW LIFE. PROVIDENCE IS GREAT TODAY BECAUSE OF ALL THEY HAVE ACCOMPLISHED IN THEIR ADOPTED CITY.

AS WE PREPARE TO BEGIN A NEW CENTURY, WE WILL BE STRENGTHENED ONCE AGAIN BY THE NEW PEOPLES IN OUR MIDST. LET US PREPARE FOR THE NEW CENTURY; LET'S KEEP THE AMERICAN DREAM ALIVE IN THE CITY FOUNDED BY ROGER WILLIAMS. JOIN WITH ME IN THIS GREAT ENTERPRISE OF OUR TIME.

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John A. Cravie
Mayor
May 1, 1991