

PROVIDENCE FY21: Budgeting for a Healthy and Resilient City

As prepared for delivery on Wednesday, April 29, 2020

Good evening. This is Mayor Jorge Elorza and I want to thank you for joining me as I present the fiscal year 2021 budget under these unusual circumstances. Normally, I would present the budget in person to the Providence City Council and talk about the plans we have for the coming year. But these aren't normal times and this is yet another example of the ways this pandemic has upended our lives.

Nevertheless, the city's work must go on and I want you to know that my team and I have been hard at work responding to the crisis, continually providing city services, and preparing for tomorrow through this budget and beyond.

As of today, we have lost 239 Rhode Islanders to this terrible virus. We have 2,348 cases in Providence and it is continuing to spread. This is an incredibly difficult situation for all of us and folks have been asked to make sacrifices in ways that seemed unimaginable just a couple months ago. We crafted this budget with that in mind; bringing relief where we could, providing support where it was needed, and continuing to invest in our vision of the New Providence.

Before I get into the details of this year's budget, I want to make sure you are clear about one important note. As my team and I put this budget together, we operated in an environment of extreme fiscal uncertainty. We do not know what support, if any, we will receive from the state and federal governments going forward. If the federal stimulus packages do not make their way to the city level, we may be forced to revisit this budget and make some very painful decisions in the months ahead.

We are faced with an unprecedented public health crisis at the same time that we're facing an unprecedented economic crisis. I know that the hardship is causing a lot of anxiety and I want you to know that the city will provide as much support as possible. I have enacted a hiring freeze across all non-essential city positions and we have dramatically limited spending on non-COVID related items. These steps have allowed us to forebear tax collections, which means that if you simply cannot afford to pay your fourth quarter tax bill on time, we will accept it through June 30th with no penalty or interest.

As we head into the new fiscal year, we are holding the line on taxes and even proposing some **tax relief for some of our small businesses. I know that small businesses are not just the backbone of our economy but they are also the backbone of our communities.** Many of them are on the brink of closing for good. If that happens, we will be a worse off city and I am determined to do what I can to prevent it. Because of this, I am happy to announce a program that will provide relief from the tangible (or inventory) tax to our small businesses. Starting next fiscal year—under this proposal, folks with tangible property assets less than \$10,000 will not have to pay this tax at all. This means that half of all business will not only be spared from paying this tax but from the time, effort and money that it costs to count and report their inventory.

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I also know that small businesses need cash now and many have had difficulty accessing dollars under the federal stimulus programs. We have stepped in to offer low-interest loans that will be the bridge that gets many business from here to the other side of this crisis. Already, a half a million dollars in loans have been approved and more is on the way.

But most fundamentally, I understand that the best way to support our small businesses and to support our community in general is by keeping this virus at bay so that life can go back to normal as soon as possible. That's why we've been very aggressive here in Providence and have done all we could to prevent a surge that would overwhelm our hospitals. Now, as the virus appears to have peaked and we start considering a roll-back on some of the restrictions, it is as important as ever that we have a robust testing system in place.

That's why earlier this month, I worked with the state and with the Providence Community Health Centers to launch RI's first - walk up test site. Located in the South Side, the clinic offers quick, accessible, confidential and free testing to residents. We are working to expand the testing site at Clinica Esperanza in Olneyville and we are ready to invest in other partners who are able to offer safe, accessible testing in other parts of our city.

This past week, we learned that almost HALF of all COVID-positive cases are Latino Rhode Islanders and it has become clear that while the virus may not discriminate, it is only exacerbating structural inequalities that have long existed. And that is why it has never been so urgent to invest in our people and in our future.

While our schools and teachers have made the most of distance learning, it is very likely that our kids have lost out on a significant amount of learning. And sadly, it has been low-income, frontline communities that will likely bear the worst of it. I had a chance to visit an online classroom and I was quite impressed by all the fifth graders and their teacher who were making it work. However, I also saw the reality of structural inequality at play. I saw a young girl trying to pay attention but straining to control her infant brother whom she had to watch and care for. I saw some students who seemed to be comfortably set up at a desk with their computers, but I saw far more who struggled to focus while competing for space with siblings in cramped apartments.

Because of the lost learning time, it is vital that we do what we can to provide enriching **summer experiences for our kids. In our conversations with the school department and the superintendent**, we are all committed to preserving a rich menu of exciting opportunities for our kids this summer. We don't know what that will look like just yet but we know that we will find a way to provide our youth with quality, engaging opportunities so that they continue to learn and grow this summer.

We are committed to the continued transformation of the school district and we are working with them to invest hundreds of millions of dollars in school repairs over the coming years. We are excited about the plans and we hope to unveil those plans to you soon.

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Last, we want our kids to get their educational careers started right and in spite of the uncertain fiscal times, I want to reaffirm my commitment to providing universal Pre-K to every 4 year old in the city. This budget once again makes an investment towards that goal. Working together, we will indeed be the first city in the state to get to universal Pre-K!

And we have other ambitious goals that we will continue to pursue. Over the past year, we have committed to improving our roads, sidewalks, bridges, parks, and public spaces. Over the next couple of years, you will see over \$120 million invested in rebuilding our city, the largest amount invested in this way in decades and decades.

As our city emerges out of the COVID crisis, I am mindful that more and more tenants were already having a hard time keeping up with the cost of living in our city. Beginning this fiscal year, the City of Providence will now have a dedicated revenue stream to invest in and build affordable housing. I want to thank our partners on the City Council for moving that initiative forward as it makes us, I do believe, the only government entity in RI to have accomplished that goal. And in addition, I am aware of the ongoing eviction crisis which destabilizes households and often leads to homelessness and couch surfing. Under this same revenue stream, we plan to provide legal support to tenants and help keep families from the forcible evictions that often land them in shelters. When we accomplish this, we will not only be the only city in the state, but one of the very few cities in the country to do it. I look forward to having our city lead by example.

Just as this city did for my family when I was a child, we will continue the spirit of looking out for the most vulnerable. We are in the midst of yet another epidemic which is, in fact, just as dangerous as the current COVID crisis; and, that's the ever-growing diseases of despair in our community. Thousands of our neighbors are suffering in silence and too many are dying too young. This budget invests in tackling the intersection of mental health, homelessness, and overdose prevention. By now, we've all had a loved one touched by depression, substance use, suicidal thoughts, and maybe even worse and it is time we take on this challenge head-on.

These are tough times, but it is moments like these that reveal a community's true character. Mr. Rogers once told that whenever he saw a catastrophe or something terrible happening on TV, his mother would tell him, "Always look for the helpers. In those moments, there are always helpers."

I've kept that in mind throughout this entire crisis and I've been inspired by the countless number of people who have stepped up to help. As soon as schools and recreation centers closed, a broad coalition of people hustled to make sure that we continued to provide food for the most vulnerable. Thanks to a partnership between the School Department, the Recreation Centers, our Healthy Communities Office, and Sodexo, we were the first city to provide free breakfast and lunches to our kids; and, to the best of my knowledge, to date, we are the only city to provide free dinners as well.

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We're blessed to have partners such as Brown University, SnapChef, Urban Greens, Rhode Island Pride, the Providence Housing Authority, and Meals on Wheels to provide food for homebound residents and we are immensely grateful for the big donation of food we received from Edesia and Chobani. Because of this large, and growing, coalition along with hundreds of regular folks stepping up to volunteer their time, we're ensuring that no one goes hungry in our city as fight this awful foe.

We also have countless individuals who are literally risking their safety in order to keep us safe. Through bravery and dedication, our doctors, nurses, CNAs, and nursing home staff have stepped up to show us what real-life heroes truly look like. Our police and fire fighters have continued to answer calls for help and one group of heroes in particular from our fire department, have volunteered to be on the COVID response truck. We've seen countless neighbors – such as grocery store, pharmacy, and hardware store clerks – who have stepped up to make sure we all have the essential supplies we need to survive. Thank you to all of our essential employees who are playing an indispensable role in helping us get through this crisis.

It's clear that Providence is, in every sense, a City of Kindness. From Greenline Apothecary that donated 2,500 masks to keep city staff safe; to the biotech firm EpiVax that is part of the global effort to develop a vaccine; to the more than 200 PEMA volunteers who have donated their time to prepare and deliver meals; and to all of the folks who have mobilized in their own way to drop-off groceries to friends, to check in on loved ones, and to find ways to be of service to others. When I see folks throughout our city helping—I am proud to be from Providence and I am proud to be your mayor.

Thank you for continuing to come together, and for stepping up to help in the same way that others are doing for us. Together, we are getting and will continue to get through this! Thank you, and God bless!