

**1994-95 BUDGET ADDRESS**

**VINCENT A. CIANCI, JR., MAYOR**

**MAY 2, 1994**

Council President Petrosinelli, honorable members of the Providence City Council, ladies and gentlemen:

I rise to this podium at a time of great promise for the City of Providence.

We are casting off the chains that imprison other cities. We are meeting the challenges facing urban America, where other cities have failed. We are giving new life...new hope...new promise to a city that is older than the republic. This is our opportunity for greatness.

If we are to succeed, we must satisfactorily address the issues that are most important to our people:

Affordable taxes...safe streets...good schools...strong neighborhoods...vibrant artistic and cultural life.

We are making impressive progress on every front.

\*Safe streets? A recent study found that Providence is the safest city in America with the exception of Honolulu. Since 1990, the rate of violent crime in Providence has decreased by 31 percent.

But we must do more. We must take the crime rate even lower.

To this end, my budget includes funding for more than 50 additional police officers, including 14 community police officers.

It also includes funding for the Rhode Island Gun Court, a powerful new weapon we designed to put gun-wielding criminals behind bars. We are going to take a very tough stand on gun-related violence in Providence. Our message is simple: If you carry a gun and you commit a crime, you're going to jail. Period.

\*Good schools? Providence is taking the lead in demanding that our children be given their constitutional right to an equal education. Judge Needham, in his landmark decision, affirmed everything you and I have been saying, and fighting for, these past four years.

The new state program known as Guaranteed Student Entitlement will give our children the same opportunity as children born in the green and prosperous suburbs. Providence is slated to receive almost 80 million dollars in additional school aid in the coming years. A whole new world will open for our children.

Thanks to GSE, we will be able to spend more per pupil on instruction than any other school system--not less than everybody else, as is now the case.

This is a revolutionary change in the education of our young people. We have fought for many years to bring about this change. Providence is the heart of Rhode Island. A great deal of the wealth of this state is produced in the capital city. We have demanded our fair share of the state revenue that is distributed to the cities and towns. At last, we are being heard.

Judge Needham's decision has been appealed to the Rhode Island Supreme Court. But there is little doubt that the decision will be upheld. There is an essential rightness to our cause. Dozens of state courts across this country have already affirmed the legal principles contained in Judge Needham's decision.

The legislature is duty-bound to provide a decent public education for all the children of this state.

While the appeal goes forward, it will be very difficult for the legislature to take money away from Providence and other central cities. That's why we are confident that the additional aid proposed by Governor Sundlun for Providence--19 million dollars--will most likely come our way.

This generous increase will cover the rising costs of education. It will pay for the 700 additional students who are expected next fall. And it will permit us to launch program we could not afford in the past...programs that make a difference in whether a child succeeds or fails in school.

Like all-day kindergarten, for example. So many of our five-year-olds come from poor immigrant families. They need a head start if they are going to learn successfully. The six hours offered by all-day kindergarten are critical. Ten schools have this program today; next fall there will be twenty-two.

At the middle-school level, sweeping changes are taking place. With aid from the Carnegie Foundation, Nathan Bishop and Roger Williams have created teams of teachers who work closely with groups of students throughout their years in school. Teachers make special efforts to reach out to students and to keep them interested in their education. These innovations will be extended to all the middle schools next fall.

In the high schools, we are all looking forward to the opening of the new Feinstein School next fall.

This school is dedicated to the proposition that students who engage in helping others will place greater value on their own education.

At Hope, Central and Mount Pleasant, the long-awaited division of these schools into smaller teaching units will also take place next fall. Each student will take most of his courses with the same core group of students and teachers throughout his high school career.

I am also proud to report that the first students to participate in our public service academies will graduate next month. These students are preparing to be the future police officers, firefighters and school teachers of Providence. We have lined up scholarships at Rhode Island College or CCRI for all 27 students who will graduate. This is an exciting program to watch since most of the graduates are disadvantaged youngsters who were at risk of dropping out.

Safe streets...good schools...what about rebuilding neighborhoods? There is plenty of good news here as well.

The Providence Plan Housing Corporation, which you and I started together, is proving itself to be one of the most successful programs of its type in the nation.

The Providence Plan expects to provide financing for more than 3,600 houses in the city during 1993 and '94. That's an impressive accomplishment when you consider that the Housing Corporation opened its doors only 13 months ago.

Thousands of homes are being painted, renovated, or sold to owner-occupants in neighborhoods across the city. There's new hope and new enthusiasm in the neighborhoods because homeowners on every street are joining together to fix their properties.

Just last weekend, more than 2,000 people across the city joined in the annual spring-cleaning campaign. That's as good a sign as any that people care about their neighborhoods.

\*Providence is a great city because it is a center of culture and artistic expression. The arts, education and entertainment are flourishing right now in the historic part of Providence we call "Downtown." Johnson & Wales University is building a new campus center on Weybosset Street; the URI College of Continuing Education will move to a completely refurbished Shepard Building; the Roger Williams Law School will establish offices on Washington Street; AS220 is creating a new center for artists on Empire Street, Trinity Rep is financially stable and artistically productive; the new Grace Park is being developed on Westminster Street; and Mathewson Street will be refurbished and become a new gateway to the Downtown District. City government has been involved with every one of these projects.

Safe streets...good schools...strong neighborhoods...culture and the arts: We're making progress on every front. But all of these efforts ultimately depend on one issue: the ability to provide city services at a price our taxpayers can afford.

With enormous effort on our part, we have met our obligations to the Providence taxpayer. Even though the tax base has declined by 140 million dollars in the last four years. Even though our school costs have risen dramatically as we've added 3,000 students in four years. Even though the state budget has been severely impacted by the recession.

Despite these obstacles, we have not raised taxes for two years in a row. With an agreement last Friday to sell the Port of Providence for 16 million dollars, I can confidently add that we will end both of these years with balanced budgets and small surpluses.

The Port agreement is a win-win for the city. By selling to a Texas investment company, we will receive the full 16 million dollars we had budgeted. The Texas company will then lease the Port to the Providence Redevelopment Agency, which will select the future operator of the Port. After 30 years, the PRA will purchase the Port for a dollar.

At a time when many in the state are talking about alternative uses for the Port, it is important for the city to retain control. Make no mistake about it: the people of Providence, this Council and the Mayor will control the destiny of the Port--and no one else.

Our record in Providing tax relief to the Providence property-owner is one of the best in the state.

Since fiscal 1991, the tax levy of the City of Providence has risen by only six percent. Six percent in three years!

Only two other communities in the state beat that record. For all Rhode Island cities and towns, excluding Providence, the property-tax levy rose by 16 percent--almost triple the Providence rate. This is a record of which we can all be justifiably proud.

And what about the year to come? Once again, we will have to await the adoption of the state budget, in late June or early July, to be entirely certain of our budgetary position.

However, it is already clear that our voices have been heard by those in state government. Many of you have joined me in the crusade for educational equity. We have also sought compensation for the services the city provides to tax-exempt institutions. At last, our efforts are reaping rewards for the taxpayers of this city.

In the Governor's proposed budget, all forms of school aid for Providence are due to rise by 20 million dollars. Governor Sundlun also proposed full funding of the PILOT Program, which will bring an additional 6 million dollars to Providence on behalf of tax-exempt colleges and hospitals. As a result, we expect state aid to Providence to grow by 26 million dollars.

Once again, these are revolutionary changes that are taking place. Four years ago, property taxes represented 63 percent of the city budget. In the coming year, they will be 54 percent. We're finally reducing our dependence on property taxes. And we will be able to put all the new revenue to work. What once were dreams will become reality for our city. Providing better schools. Safer streets. Stronger neighborhoods. And more opportunity for our families.

This is an exciting time for us in Providence. It is our moment for greatness. Providence can, and will, show the rest of America how a city can be reborn--in the downtown, in the neighborhoods, in all the hopes we have for our children.

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Now let us come to the question of the property-tax rate for the coming year.

I have felt for some time that we must hold the line on taxes. This is especially true because the GSE is on the horizon. In a few short years, education will no longer be a heavy burden for the city's taxpayers. The prospect exists to stabilize city taxes for many years to come. In this context, we should do all we can to avoid a tax increase this year.

After a great deal of effort, I'm pleased to announce tonight that we have achieved that goal. We will be able to hold the line on taxes for the third year in a row.

We can do so primarily because we expect to receive 26 million dollars in additional state aid...and because our fiscal advisers tell us that we can save more than 10 million dollars in pension payments this year.

The fact sheet we have supplied gives you the nuts and bolts of the 1995 budget. It is very tight. The only major increases are for education; for raises we negotiated with city workers in return for two years with no raise; and for the additional police officers who will be hired during the course of the year.

A number of line items that have been troublesome in the past have been brought under control.

There is no increase in debt service from year to year; the cost of medical insurance will rise by less than seven percent; and workers' compensation costs will actually decrease.

The five-percent raises being paid in the coming year will cost about 3.6 million dollars for non-school employees. In the current year, raises of 4.5 percent were paid. In the prior two years, most city workers went without raises. Over the four-year period, the average annual raise is about 2.4 percent.

I strongly believe that Providence city workers have "earned" the raises they will be paid this year. The wage freeze and the suspension of COLA payments have saved the city 20 million dollars to date. City workers have made a significant contribution to the stabilization of city finances, and deserve our gratitude.

The most important budget solution, other than additional state aid, is pension restructuring at 10.6 million dollars. We will be providing a detailed explanation of this solution to the Finance Committee. However, I am convinced that restructuring is in the city's interest, and may save the taxpayers tens of millions of dollars in coming decades.

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In the life of any city, there are moments of greatness. As we prepare for a new century, I sense that Providence is poised for greatness.

It is already apparent that the bold reconstruction of downtown Providence is a great success. A major shopping mall with many of America's most prestigious retailers will be built a few blocks from here. We have moved railroads...we have moved rivers...and in a few years we will move an interstate highway.

All for the purpose of retaining our position as the business center of the region. The emerging city is a pleasing blend of new and historic architecture. Providence is re-establishing itself as a river front city--its east and west sides linked by an impressive array of river crossings and river walks.

Of course, we must make progress in the neighborhoods as well as in the downtown. And here is where we have the greatest reason for confidence. Providence is finally being given the resources it needs to strengthen families, strengthen communities, and create new opportunity for our people.

The future is ours to create. We will accomplish great deeds. We will preside over a city reborn. We will march into a new century with renewed confidence in our ancient and ever-resplendent city.

*Vanessa B. Carter*  
Mayor - May 2, 1994

IN CITY COUNCIL

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READ

WHEREUPON IT IS ORDERED THAT  
THE SAME BE RECEIVED.

*Michael R. Clement* CLERK