

State of Rhode Island and Providence Plantations

JOURNAL -OF THE- **HOUSE OF REPRESENTATIVES**

JANUARY SESSION of the General Assembly begun and held at the State House in the City of Providence on Tuesday, the first day of January in the year of Our Lord two thousand and eight.

Volume 135, No. 9

Tuesday, January 22, 2008

Ninth Day

The House of Representatives meets at the State House in Providence, Tuesday, January 22, 2008 and is called to order at 5:12 o'clock P.M., by the Honorable William J. Murphy, Speaker.

The roll is called and a quorum is declared present with 70 members present and 5 members absent as follows:

PRESENT - 70: The Honorable Speaker Murphy and Representatives Ajello, Almeida, Amaral, Baldelli-Hunt, Brien, Caprio, Carter, Church, Coaty, Coderre, Corvese, Costantino, Diaz, Ehrhardt, Fellela, Ferri, Flaherty, Fox, Gablinske, Gallison, Gemma, Giannini, Gorham, Handy, Jackson, Jacquard, Kennedy, Kilmartin, Lally, Lewiss, Lima, Long, Loughlin, Malik, Mattiello, McCauley, McManus, McNamara, Melo, Menard, Mumford, Naughton, O'Neill, Pacheco, Petrarca, Picard, Rice, Rose, San Bento, Savage, Schadone, Scott, Segal, Serpa, Shanley, Silva, Singleton, Slater, Smith, Story, Sullivan, Trillo, Ucci, Vaudreuil, Wasylyk, Watson, Williams, Williamson, Winfield.

ABSENT - 5: Representatives Dennigan, DeSimone, Moffitt, Palumbo, Walsh.

INVOCATION

The Honorable Speaker presents Representative Loughlin who delivers the Invocation and leads the membership in the Pledge of Allegiance to the Flag.

(For Invocation, see Appendix, this Journal.)

APPROVAL OF RECORD

By unanimous consent, the House Journal of Wednesday, January 16, 2008 is approved as printed.

ANNOUNCEMENT

Representative Donna Walsh will be unable to attend session Tuesday, January 22, 2008 due to surgery.

NEW BUSINESS**House Bill No. 7153**

BY Rice, Walsh, Gallison, Ajello, Handy

ENTITLED, AN ACT RELATING TO MOTOR AND OTHER VEHICLES --

PEDESTRIANS (require a walker, including a pet walker, to wear reflective material when walking at night) {LC659/1}

01/22/2008 Introduced, referred to House Constituent Services

House Bill No. 7154

BY Rice, Segal, Walsh, Gallison, Diaz

ENTITLED, AN ACT RELATING TO MOTOR AND OTHER VEHICLES -- RETAIL SALE OF GASOLINE (end fractional pricing of gasoline by requiring whole -cent pricing) {LC667/1}

01/22/2008 Introduced, referred to House Corporations

House Bill No. 7155

BY Lima, Coderre E, Petrarca

ENTITLED, AN ACT RELATING TO DECEPTIVE TRADE PRACTICES -- MODEL FAIR CONSUMER CONTRACTS ACT (repeal exemptions to the Deceptive Trade Practices Act.

This act would create the "Model Fair Consumer Contracts Act" to protect consumers from exploitive contracts) {LC758/1}

01/22/2008 Introduced, referred to House Corporations

House Bill No. 7156

BY Picard

ENTITLED, AN ACT RELATING TO ALCOHOLIC BEVERAGES -- RETAIL LICENSES (allow class A license holders to conduct intoxicating beverage samplings of up to three (3)

servings not to exceed one-quarter (1/4) ounces each) {LC479/1}

01/22/2008 Introduced, referred to House Corporations

House Bill No. 7157 (Attorney General)

BY Sullivan, Williamson, Serpa, Kennedy, O'Neill

ENTITLED, AN ACT RELATING TO COMMERCIAL LAW - GENERAL REGULATORY PRACTICES (create a new chapter regarding the safe destruction of documents containing personal information by business entities) {LC689/1}

01/22/2008 Introduced, referred to House Corporations

House Bill No. 7158

BY Malik, Jacquard, Corvese, Gablinske, Gallison

ENTITLED, AN ACT RELATING TO PUBLIC OFFICERS AND EMPLOYEES --

INSURANCE BENEFITS (reduce school district and municipal health insurance costs by requiring school districts and municipalities to participate in the state health insurance plan) {LC70/1}

01/22/2008 Introduced, referred to House Corporations

House Bill No. 7159**BY** Rice, Segal, Pacheco, Walsh, Gallison**ENTITLED**, AN ACT RELATING TO HEALTH AND SAFETY -- LITTER (mandate that retail establishments give their customers who provide their own reusable bags a three cent (\$0.03) per bag credit and to post written notice of the credit to their customers) {LC665/1}
01/22/2008 Introduced, referred to House Environment and Natural Resources**House Bill No. 7160****BY** Long, Rice, Loughlin, Jackson, Coaty**ENTITLED**, AN ACT RELATING TO EDUCATION - RESIDENCE OF CHILDREN FOR SCHOOL PURPOSES (increase group home reimbursements to twenty-five thousand dollars (\$25,000) per bed) {LC782/1}
01/22/2008 Introduced, referred to House Finance**House Bill No. 7161****BY** Jackson, Rice, McManus, Coaty**ENTITLED**, AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT (require voter approval by the host community and the electors of the state if expansion of video lottery games is sought between the hours of 1:00 a.m. and 8:00 a.m) {LC817/1}
01/22/2008 Introduced, referred to House Finance**House Bill No. 7162****BY** Costantino, Fox, Slater, Mumford, Shanley**ENTITLED**, AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- OFFICE OF HEALTH AND HUMAN SERVICES (eliminate the five (5) health and human services departments and consolidate the functions of the departments within the executive office of health and human services) {LC105/1}
01/22/2008 Introduced, referred to House Finance**House Bill No. 7163****BY** Rice, Palumbo, Gorham, Pacheco, Walsh**ENTITLED**, AN ACT RELATING TO TAXATION -- PERSONAL INCOME TAX (provide for a state income tax credit of 10% of the cost of the installing of a cistern on one's property located in the state) {LC663/1}
01/22/2008 Introduced, referred to House Finance**House Bill No. 7164****BY** Sullivan, Williamson, Moffitt, Gorham**ENTITLED**, AN ACT RELATING TO TAXATION -- FIRE DISTRICT (make fire districts subject to the same limitation provisions governing a maximum tax levy on taxpayers as cities and towns) {LC750/1}
01/22/2008 Introduced, referred to House Finance

House Bill No. 7165**BY** Lima, Rice, Gallison, Coderre E, Naughton**ENTITLED**, AN ACT RELATING TO PUBLIC PROPERTY AND WORKS --

ACQUISITION OF LAND (prohibit the state municipalities and related entities from using eminent domain to acquire private property to confer a private benefit on a particular private entity) {LC760/1}

01/22/2008 Introduced, referred to House Finance

House Bill No. 7166**BY** Costantino, Lewiss, Carter, Dennigan**ENTITLED**, AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT --

ALLOCATION FOR ART FOR PUBLIC FACILITIES ACT (limit the public facilities art allocation program to Rhode Island artists) {LC762/1}

01/22/2008 Introduced, referred to House Finance

House Bill No. 7167**BY** Picard**ENTITLED**, AN ACT RELATING TO TAXATION (allow the cities and towns to create a municipal economic development zone/direct that one-half of the sales and use tax collected be retained by the city or town to finance the development of the zone) {LC476/1}

01/22/2008 Introduced, referred to House Finance

House Bill No. 7168**BY** Melo, O'Neill, Schadone**ENTITLED**, AN ACT RELATING TO SALES AND USE TAXES -- LIABILITY AND

COMPUTATION (provide an allowance from the sales tax for the value of pickup trucks which are traded in) {LC273/1}

01/22/2008 Introduced, referred to House Finance

House Bill No. 7169**BY** Lima, Baldelli-Hunt**ENTITLED**, AN ACT RELATING TO ANIMALS AND ANIMAL HUSBANDRY --

CRUELTY TO ANIMALS (require a court to issue animal protective orders against persons found guilty of abusing animals) {LC757/1}

01/22/2008 Introduced, referred to House H.E.W.

House Bill No. 7170**BY** Picard**ENTITLED**, AN ACT RELATING TO PRIVATE SCHOOLS (permit students who attend a private school to participate as a member of a public school team in the city or town in which they reside if their private school does not field a team in that sport) {LC478/1}

01/22/2008 Introduced, referred to House H.E.W.

House Bill No. 7171**BY** Picard, Long, Loughlin, Slater**ENTITLED**, AN ACT RELATING TO HEALTH AND SAFETY -- FIREFIGHTER CANCER WELLNESS (create a program directed by the department of health to test for, collect data on, and to educate firefighters in awareness of bladder cancer) {LC340/1}
01/22/2008 Introduced, referred to House H.E.W.**House Bill No. 7172****BY** McNamara, Lewiss, Silva, Amaral, Malik**ENTITLED**, AN ACT RELATING TO HEALTH AND SAFETY - CARE AND TREATMENT OF PERSONS WITH ALZHEIMER'S DISEASE OR RELATED DEMENTIA (prohibit nursing homes/licensed care facilities/community-based residential facilities/adult family homes/residential care apartment complexes and hospices/special services for persons with Alzheimer's disease or related dementia) {LC141/1}
01/22/2008 Introduced, referred to House H.E.W.**House Bill No. 7173****BY** Long, Almeida, Pacheco, Handy, Story**ENTITLED**, AN ACT RELATING TO HIGHWAYS - OUTDOOR ADVERTISING (ban outdoor advertising of alcoholic beverages in the state) {LC540/1}
01/22/2008 Introduced, referred to House H.E.W.**House Bill No. 7174****BY** Amaral, Loughlin, Malik, Silva, Corvese**ENTITLED**, AN ACT RELATING TO HEALTH AND SAFETY -- ABORTION {LC711/1}
01/22/2008 Introduced, referred to House Judiciary**House Bill No. 7175****BY** Gablinske, Gallison**ENTITLED**, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES {LC766/1}
01/22/2008 Introduced, referred to House Judiciary**House Bill No. 7176 (Attorney General)****BY** Naughton, Coderre E, Kennedy, Lima, Almeida**ENTITLED**, AN ACT RELATING TO CRIMINAL PROCEDURE -- ELDERLY VIOLENCE PREVENTION ACT {LC390/1}
01/22/2008 Introduced, referred to House Judiciary**House Bill No. 7177 (Attorney General)****BY** Serpa, Melo, Fellela**ENTITLED**, AN ACT RELATING TO CRIMINAL PROCEDURE -- DISPOSITION OF DOMESTIC VIOLENCE CASES {LC369/1}
01/22/2008 Introduced, referred to House Judiciary

House Bill No. 7178**BY** Rice, Jackson**ENTITLED,** AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES {LC747/1}

01/22/2008 Introduced, referred to House Judiciary

House Bill No. 7179**BY** Rice, Segal, Walsh, Gallison, Ajello**ENTITLED,** AN ACT RELATING TO CRIMINAL OFFENSES - CHILD DELINQUENCY {LC654/1}

01/22/2008 Introduced, referred to House Judiciary

House Bill No. 7180**BY** Long, Almeida, Pacheco, Handy, Trillo**ENTITLED,** AN ACT RELATING TO CRIMINAL OFFENSES - CHILDREN {LC537/1}

01/22/2008 Introduced, referred to House Judiciary

House Bill No. 7181**BY** Rice, Gallison, Handy, Ajello, Diaz**ENTITLED,** AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- FAIR SHARE HEALTH CARE FUND {LC661/1}

01/22/2008 Introduced, referred to House Labor

House Bill No. 7182**BY** Sullivan, Gallison, Carter**ENTITLED,** AN ACT RELATING TO MILITARY AFFAIRS AND DEFENSE - PAY AND ALLOWANCES {LC751/1}

01/22/2008 Introduced, referred to House Municipal Government

House Bill No. 7183**BY** Long, Jackson, Rice, Story, Savage**ENTITLED,** AN ACT RELATING TO TAXATION -- MUNICIPAL DEBT COLLECTION {LC781/1}

01/22/2008 Introduced, referred to House Municipal Government

House Bill No. 7184**BY** Rice, Segal, Walsh, Gallison, Handy**ENTITLED,** AN ACT RELATING TO TAXATION -- REAL ESTATE CONVEYANCE TAX {LC672/1}

01/22/2008 Introduced, referred to House Municipal Government

House Resolution No. 7185**BY** Loughlin, Long, Trillo, Savage, Ehrhardt**ENTITLED,** JOINT RESOLUTION TO APPROVE AND PUBLISH AND SUBMIT TO THE ELECTORS A PROPOSITION OF AMENDMENTS TO THE CONSTITUTION OF THE STATE (GOVERNOR AND LIEUTENANT GOVERNOR TO APPEAR TOGETHER ON THE BALLOT) {LC319/1}

01/22/2008 Introduced, referred to House Separation of Powers

House Resolution No. 7186**BY** Naughton, Murphy, Fox, Coderre E, Kilmartin**ENTITLED**, HOUSE RESOLUTION HONORING FORMER GOVERNOR BRUCE SUNDLUN FOR HIS SERVICE TO THE PEOPLE OF THE STATE OF RHODE ISLAND ON THE OCCASION OF HIS 88TH BIRTHDAY {LC926/1}

Representative Naughton requests unanimous consent for immediate consideration.

There is no objection.

Read and passed, on a motion of Representative Naughton seconded by Representatives Fox, Coderre, Long, Ajello, Gemma, Williamson, Kennedy, San Bento, Shanley, Rice and the entire House of Representatives by unanimous consent, on a voice vote.

(For Resolution see Appendix of this Journal)

House Resolution No. 7187**BY** Fox, Pacheco, Slater, Naughton, Rice**ENTITLED**, HOUSE RESOLUTION HONORING JUDY KAY JONES ON THE OCCASION OF HER RETIREMENT {LC770/1}

Representative Fox requests unanimous consent for immediate consideration.

There is no objection.

Read and passed, on a motion of Representative Fox seconded by Representatives Rice, Coderre, Carter, Ajello, Mumford, Long, Kennedy, Serpa, Lima and Gablinske by unanimous consent, on a voice vote.

House Resolution No. 7188**BY** Fox, Long**ENTITLED**, HOUSE RESOLUTION EXPRESSING CONDOLENCES {LC924/1}

Representative Fox requests unanimous consent for immediate consideration.

There is no objection.

Read and passed, on a motion of Representative Fox seconded by Representative Long by unanimous consent, on a rising vote.

House Resolution No. 7189**BY** Fox, Long**ENTITLED**, HOUSE RESOLUTION EXTENDING CONGRATULATIONS {LC925/1}

Representative Fox requests unanimous consent for immediate consideration.

There is no objection.

Read and passed, on a motion of Representative Fox seconded by Representative Long by unanimous consent, on a voice vote.

House Resolution No. 7190**BY** Murphy, Lima, Coderre E, Giannini, Gallison**ENTITLED**, HOUSE RESOLUTION WELCOMING RICHARD GERE TO THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS {LC829/1}

Representative Fox requests unanimous consent for immediate consideration.

There is no objection.

Read and passed, on a motion of Representative Fox seconded by Representative Kilmartin by unanimous consent, on a voice vote.

COMMUNICATION FROM THE SENATE

A message from the Honorable Senate transmits with announcement of passage, of the following measures:

Senate Bill No. 2092**BY** Perry**ENTITLED**, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES (Cathy Seggel to join Jennifer Seggel and Edward Eads) {LC738/1}

01/22/2008 Placed on House Calendar

ANNOUNCEMENTS

Representative Loughlin and the Honorable Speaker Murphy wish Representative Steven John Coaty a Happy 48th Birthday.

Majority Leader Fox announces the State of the State will begin at 7:00 o'clock P.M.

RECESS

At 5:30 o'clock P.M. the Honorable Speaker Murphy declares the House to be in recess.

ORDER

At 6:42 o'clock P.M. the Honorable Speaker Murphy calls the House to order.

APPOINTMENTS

The Honorable Speaker Murphy appoints the following committee to escort the Honorable President of the Senate, and the members of the Honorable Senate, to the House Chamber to meet with the House of Representatives in Joint Session to hear the State of the State Address of the Governor. Representative Almeida, Representative Mumford, Representative Savage, Representative Lewiss, Representative Petrarca Representative Fellela, Representative Gallison, Representative Melo, Representative Rice, Representative Vaudreuil and Representative Gablinske.

ADJOURNMENT

At 6:45 o'clock P.M. on motion of Representative Lima, and as a further mark of respect to the memory of Roberta M. Anderson; on motion of Representative Mattiello, and as a further mark of respect to the memory of Ernest J. Brassard; on motion of Representative Jackson and as a further mark of respect to the memory of Hilary A. Kinsella; on motion of Representative Almeida, and as a further mark of respect to the memory of Patrolman Arthur Sweeney, Sr.; on motion of Representative Gemma, and as a further mark of respect to the memory of Gerald T. Gibbons, Jr.(on the first anniversary of his death); on motion of Representatives Carter and Ehrhardt, and as a further mark of respect to the memory of Col. Melvin Paul Sams (for adjournment see appendix of this journal); on motion of Representatives Fellela, Ucci, Petrarca and Smith and as a further mark of respect to the memory of Jay Mele; on motion of Representative Carter, and as a further mark of respect to the memory of Fred Alger seconded by Representatives Carter and Watson the House adjourns, on a unanimous rising vote.

Linda M. McElroy
Recording Clerk

APPENDIX

INVOCATION

REPRESENTATIVE JOHN J. LOUGHLIN II

Thank you God for Your presence here with us and Your blessings on this Assembly today and every day. Amen.

APPENDIX

CALENDAR

IN ORDER FOR THURSDAY, JANUARY 24, 2008:

1 2008-S 2092

BY Perry

ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES

Ordered on the Calendar

Francis P. McCabe
Clerk of the House

Tuesday, January 22, 2008

APPENDIX

(07 H-7186)

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

HOUSE RESOLUTION

HONORING FORMER GOVERNOR BRUCE SUNDLUN FOR HIS SERVICE TO THE
PEOPLE OF THE STATE OF RHODE ISLAND ON THE OCCASION OF HIS 88TH
BIRTHDAY

Introduced By: Representatives Naughton, Murphy, Fox, E Coderre, and Kilmartin

Date Introduced: January 22, 2008

Referred To: House read and passed

WHEREAS, The Honorable Bruce Sundlun was born on January 19, 1920. He attended Williams College, earning a B.A. degree in 1942, and attained his law degree from Harvard in 1949; and

WHEREAS, In World War II, The Honorable Bruce Sundlun led with distinction as a pilot with the 8th Air Force in England, where his airplane was shot down over Nazi-occupied Belgium in 1943. As a person of Jewish faith and speaking very little French, he was able to hide in plain sight, fight along with the French underground under the code name "Salamander", and enter Switzerland in May 1944. He was later awarded the Purple Heart, the Distinguished Flying Cross, and the Air Medal with oak leaf cluster from the United States, and Chevalier of the Légion d'honneur from the Republic of France; and

WHEREAS, The Honorable Bruce Sundlun practiced law, serving from 1949 to 1951 as an assistant United States Attorney, and from 1954 to 1972, as special assistant to the U.S. Attorney General; and

WHEREAS, The Honorable Bruce Sundlun excelled in business leadership as President of the Outlet Company during its time of diversification and expansion into television broadcasting, and as President of the Executive Jet Corporation, he led the company into a leadership position in the field of worldwide air charter service; and

WHEREAS, Immediately upon his swearing in as Governor of Rhode Island in 1991, The Honorable Bruce Sundlun was called upon to provide leadership in restoring confidence in Rhode Island's credit union and banking industry. Through his skilled leadership all depositors were repaid their funds frozen during the crisis; and

WHEREAS, Through the visionary leadership of The Honorable Governor Bruce Sundlun, the Rhode Island Airport Corporation was formed to lead the renovations and expansion of T.F. Green Airport. The upgrades provided Rhode Island with extended air service, as well as considerable economic growth brought by the greater numbers of visitors and business travelers to the state; and

WHEREAS, In "retirement" The Honorable Bruce Sundlun continues to be active as Governor in Residence annually teaching two courses at the University of Rhode Island; and

WHEREAS, The Honorable Bruce Sundlun also continues to provide ideas for improving Rhode Island's economy and state budget difficulties by lecturing, writing and promoting such ideas as lengthening T.F. Green runways within the current boundaries of the airport to allow non-stop air travel to the Pacific coast, and by proposing the savings of millions of taxpayer dollars by reducing the number of state school districts into one single state public

school management system; now; therefore be it

RESOLVED, That this House of Representatives of the State of Rhode Island and Providence Plantations hereby honors Governor Bruce Sundlun on the occasion of his 88th birthday. We thank him for his continued ideas and leadership, and extend our sincere wishes for his continued success, health, and happiness; and be it further

RESOLVED, That the Secretary of State be and he hereby is authorized and directed to transmit a duly

APPENDIX

ADJOURNMENT

January 22, 2008

Honorable William J. Murphy
Speaker of the House
Room 323, State House
Providence, R.I. 02903

Dear Speaker Murphy,

I would like to adjourn in the memory of "Colonel Melvin Paul Sams, USMC" from 11 Audubon Road in North Kingstown who passed away unexpectedly at home on Thursday, January 17.

He was the devoted husband of Mary Mudge Sams and leaves two sons, Michael and David, along with 3 stepchildren, Richard Hoke, Amy and Michael Gates whom he loved as his own.

Colonel Sams served 24 years in the USMC, receiving many honors, serving 3 tours of duty in Vietnam. Col. Sams also served as Commanding Officer of the Marine Barracks, Quonset Point, R.I. from 1969 to 1972 and was the Operations Officer at Camp Lejeune when he retired in May 1984.

Colonel Sams was awarded 22 combat decorations including the Silver Star, Meritorious Service Medal, Navy Commendation Medal with 2 stars & combat V, 5 Presidential Unit Commendations, 4 Navy Unit Commendations, the Vietnam Service Medal, the Vietnam Campaign Ribbon, and the National Defense Service Medal. Col. Sams served his country, his state and his community with honor and integrity.

"Semper Fi" my friend, we will miss you.

Thank you.

Representative Kenneth Carter

APPENDIX**PROCEEDINGS IN JOINT SESSION**

Tuesday, January 22, 2008

The Honorable President of the Senate, Joseph A. Montalbano, in the Chair.

CALLED TO ORDER

The Joint Session is called to order at 6:54 o'clock P.M.

Upon suggestion of the Honorable President, and by unanimous consent, the reading of the roll of the Senate and the roll of the House of Representatives is dispensed with, there being a quorum of the Senate and a quorum of the House of Representatives present, therefore a quorum of the Joint Session.

Upon suggestion of the Honorable President, and by unanimous consent, the reading of the Resolution (08-H 7150) of invitation is dispensed with.

The Honorable President, by unanimous consent, appoints Senators Breene, Cote, Felag, Gibbs, Maselli, Sosnowski, and Representatives Amaral, Coderre, Diaz, Lally, Singleton and Story to escort His Excellency, the Governor, Donald L. Carcieri to the Chamber.

Joint Session attends while members of the Judiciary enter the Chamber.

Joint Session attends while members of the Board of Governors, Board of Regents and Presidents of the Rhode Island Institutions of Higher Learning enter the Chamber.

Joint Session attends while Mayors, Town Administrators and Local City and Town Officials enter the Chamber.

Joint Session attends while Directors of the Executive Departments and invited guests enter the Chamber.

Joint Session attends while the Honorable Frank T. Caprio, General Treasurer, enters the Chamber.

Joint Session attends while His Honor, the Lieutenant Governor, Elizabeth H. Roberts, enters the Chamber.

Joint Session attends while members of the Governor's family enter the chamber.

Joint Session attends while His Excellency, the Governor, Donald L. Carcieri, enters the Chamber.

The Honorable President presents His Excellency, the Governor, Donald L. Carcieri, to the Joint Session. The Governor delivers his State of the State Address.

(See Appendix for Governor's Message.)

Upon suggestion of the Honorable President, and by unanimous consent, the Joint Session attends while the committee escorts His Excellency, the Governor, Donald L. Carcieri, members of the Governor's family and invited guests from the Chamber.

ADJOURNMENT

Upon motion of Speaker Murphy, seconded by Senate Majority Leader Paiva Weed and by unanimous consent, Joint Session adjourns and the two Houses separate at 7:32 o'clock P.M.

RAYMOND T. HOYAS, JR.
Secretary of the Senate

APPENDIX

2008 State of the State Address

Governor Donald L. Carcieri
Tuesday, January 22, 2008

Mr. Speaker, Mr. President, members of the General Assembly, my fellow General Officers, members of the Judiciary, First Lady, Sue Carcieri, distinguished guests, and my fellow Rhode Islanders.

In past years, I have come before you and described the progress made and challenges before our State in virtually every area: the economy and jobs, education, health care, energy, housing and homelessness, our infrastructure, and our environment. And I have done so in generally favorable and optimistic terms, because I am so positive about our State's potential. And we continue today to make progress in all these areas:

- We are on the cutting edge of renewable energy and are pursuing options vigorously;
- We have made fundamental reforms in our educational standards and assessments, and are implementing a new Graduation Proficiency standard to ensure a Rhode Island high school diploma has real value;
- We continue to grow jobs, (3,300 last year) as companies like Fidelity, Bank of America, Citizens, FM Global, Raytheon, and Electric Boat remain committed to Rhode Island;
- We are advancing an innovative health care agenda, emphasizing wellness, personal responsibility, and the use of information technology to reduce costs.

I could continue, and spend the entire time tonight discussing all the good things that are underway. But, I am not going to do that. Because the State of our State is at a tipping point. It is teetering, ready to move dramatically in one direction or another. All of Rhode Island's virtues, all of its assets, all of Rhode Island's bright promises are overshadowed and, in fact, threatened by the budget crisis we face. It's the 800 pound gorilla in the room.

Tonight, I am going to have a very frank discussion with all Rhode Islanders. We are facing the largest budget deficit since the credit union crisis in 1991. This huge deficit is imperiling all the progress we have made. We are staring at a combined \$550 million deficit this year and next. It is time for action!!

I'm sure you're saying, "How did it get this bad?" "How's that possible?"

We didn't get here overnight – it has been more than a decade in the making.

Our government has been spending beyond its means, and has been depleting its savings to pay the bills. It's just like anyone of you out there tonight who has been spending beyond your income, using a credit card to support yourself, and then paying off the credit card by taking

money from your savings account. When the savings account is empty, you have to stop the spending!

State government is no different, it has to reduce expenditures and live within its means! Well, there is one big difference! You can't go to your employer and say, "By the way, I'm spending more than I can afford. I need a raise!"

The state, however, can go to its taxpayers and say, "I need more money from you," and raise taxes! As your Governor, I am not going to do that!

Our citizens are already too highly taxed. When you combine the income tax, the sales tax, and property taxes, Rhode Islanders bear the 7th highest tax burden in the country! We cannot increase that burden! We should be lowering it!

The vast majority of hard-working, taxpaying citizens have had enough! They want us to stand up for them! They can barely pay their own rising expenses, let alone afford more demands from their state and local governments!

I see neighbors and friends – young and old, and in between – facing \$3 a gallon gasoline prices, \$3.40 a gallon for home heating oil (\$800 to fill a tank!), rising food and utility prices, rising health care costs and increased mortgage payments – the last thing they need is rising taxes! The General Assembly and I have a job to do for them – cut the cost of government, all government.

Time has come for action. To solve this budget crisis we must deal with both the short-term problem, as well as create the basis for long-term fiscal health. The first task is to control spending to a level that is sustainable in the years ahead.

Therefore, I am proposing a budget for the remainder of this year, and all of next year that will reduce spending by \$300 million. This will result in a fiscal '09 budget that is less than the previous year; the first time since the credit union crisis.

All state employees, all state vendors, contractors and providers, and all municipalities will be affected. A reduction of this magnitude must reach across all of these. They are the three major areas of all state spending.

- 1) Personnel expenses that include: (wages, health care costs, and pensions);
- 2) Welfare, social service, and entitlement programs; and
- 3) Payments from the state to municipal governments for schools and other services.

The Supplemental Budget I submitted last week, and the Fiscal '09 Budget I will be submitting next week propose reductions in all of these areas.

Regarding Personnel Costs, we are in the process of reducing the state workforce by 1,000 people, which means we will be organized differently and operate more efficiently. Today, every business – large and small, for-profit or not-for-profit – has to constantly re-engineer, and re-organize itself to become more competitive, and deliver its services at lower cost. The public sector – government – must do the same.

We must also bring the public employees compensation, fringe benefits, and work week back into line with the vast majority of private-sector employees who are also the majority of the taxpayers.

Currently, the average state employee earns \$61,000 per year in salary with fringe benefits valued at another \$34,000, (a total of \$95,000) and a 35-hour work week. Bringing the health care, pension benefits and work week into line with the private sector could save the state tens of millions per year. This will be the focal point of our contract negotiation with labor leadership.

I have already proposed changes to the state's overly generous retiree health plan. Mr. Speaker, I support your proposal to move toward a 401K pension plan and I look forward to working with you.

Additionally, to achieve the type of cost savings and efficiencies in the way the state does business, Rhode Island companies should be able to compete to deliver state services. The barriers to competition, such as the anti-privatization statute passed last session, must be taken down. I will work with the General Assembly to implement this reform.

The second major area of spending is welfare, social service, and entitlement programs. Unfortunately, our current social service system is badly broken – riddled with inefficiencies and difficult for the individuals and families it serves to navigate and understand.

Instead of providing our citizens in the greatest need with the support required to optimize their health and safety and gain or retain their independence, we instead have a system that perpetuates dependency and strips individuals of their ability to make reasoned and responsible choices about the quality of their lives.

To preserve a strong safety net for those in need, we intend to transform our welfare, human service, and entitlement programs.

By doing this, we will ensure that the safety net for needy children, our elderly, the poor, and people with disabilities is secure and sustainable.

Next week, I will propose a fundamental reform of the state's system for providing health care to our most vulnerable citizens. This initiative, which I call my Consumer Choice Reform Plan will transform the state's Medicaid program – the state/federal partnership that provides health care to the needy – from one centered on institutions and agencies to a system that focuses on the people who use it: our children, elderly, and those with disabilities.

One example of the kind of reform I am talking about is in the area of long-term care.

I know from experience that most seniors would prefer to stay in their homes, or be cared for by a loved one, rather than enter a nursing home. All the data shows that not only does it result in greater longevity and improved quality of life – in fact it is less costly.

Our long-term care system has been principally focused on nursing homes. In fact, we have one of the highest percentages of seniors in nursing homes when compared with other states. 5.2% of Rhode Island seniors are in nursing homes, more than twice the rate of leading states.

We will change that emphasis.

No longer will seniors be forced into nursing homes because they need help taking medicine or services that can be provided in their own homes. Our seniors deserve to live independently and with dignity.

Much like our Medicaid program, our Family Independence Program needs reform.

It has been ineffective at promoting self-sufficiency. Rhode Island has one of the poorest records in the country for getting people off welfare and into the workforce. As things stand now, 70% of families in the program have been on cash assistance for more than two years; 50% of those families have been on assistance for over 5 years, and 25% of those families have been receiving cash assistance for 10 years.

The system has encouraged long-term dependence, and provided generous supports. With the new budget, we will introduce Rhode Island's Work First Program. This program is designed to accelerate movement out of poverty.

It will require an immediate Employment Plan for all participants, and will provide support for a maximum of 2 years. Families in need deserve better than continued dependence on the state. Work First will achieve the real purpose of our programs: strong families who have the spirit and means to pursue their dreams.

The other major category of state expenditure that requires comprehensive reform is direct aid to our cities and towns. Last year, the state provided \$1.1 billion in municipal assistance, and almost \$900 million of that was for schools.

We need our cities and towns to undertake the same kinds of personnel, health care, and pension reforms that state government is advancing. To assist in that effort, I am proposing legislation that will remove the designation of any specific health care provider from all local contracts. It will allow one, umbrella health care contract that would include all state, municipal, and school employees.

This will save tens of millions of dollars for property taxpayers by creating competitive bidding by the health insurers. Using this approach, the state will achieve over \$41 million in savings over the life of the contract.

In addition, we need for our cities and towns to look aggressively at consolidating services and reducing overhead cost. Rhode Island municipal cost for fire protection is 1st in the nation, and its cost for police protection is 10th. Property taxpayers cannot afford the status quo any longer. Municipalities need to look at ways to share these services, and save money.

The major area of spending for cities and towns is our public school system. Rhode Island spending per pupil is the 9th highest in the nation. As a result of these high rates of spending -- 1st, 10th and 9th -- Rhode Island's property tax burden is the 5th highest in the nation.

I have asked RIPEC to undertake a comprehensive review of the cost of our existing school system.

In Rhode Island, we have 36 school departments overseeing 150,000 students – the County of Fairfax, Virginia, with the same student population has 1! I have asked RIPEC to evaluate various options, and to project the statewide savings to the taxpayers. This will provide the data we need for real action.

My message tonight to all municipal officials is that this deficit is not just a state-government problem – it's a state-wide problem!!

If we are successful in reducing spending at all levels of government, we will be able to make plans for the future that will put Rhode Island in a position to prosper.

This crisis presents us with an unprecedented opportunity to make fundamental and lasting change that will quicken the transformation of Rhode Island from a ship today taking on water, to a world-class vessel.

I am very well aware that there are many inside and outside state government who are invested in keeping things the way they are. That is not an option, it is not sustainable.

We need discipline in spending and reforms in all of those areas I have mentioned: Personnel, Social Services, and Local Aid. If any one of them would be exempt from this plan, the others would bear a greater burden.

Everyone must be part of this plan. All the vested interests need to put aside their self interest and act in the best interest of all Rhode Islanders.

I understand all the advocates who represent their constituencies; I understand the pressure that builds within these four walls, and the relentless effort to solicit legislative members to specific agendas; I understand the false characterizations when you have to say, "No."

But I also understand that the vast majority of hard-working, tax-paying citizens have had enough, and many of them have voted with their feet, and left. They want someone to stand up for them!

Tonight, I ask the General Assembly, the public employee union leadership, and all municipal officials to work together with my administration to find ways to implement these changes.

They will transform our state and secure an exciting future for our children. In the world of politics, we may be Republicans, Democrats, or Independents – but we are all Rhode Islanders,

and we're here because we love our state. To fix this problem, it will take all of us in this room working together.

If we are not willing to make the hard choices, then the tipping point will lean to the side of disaster, and we will have failed the people who sent us to serve them.

Let me take a few moments to talk directly to every Rhode Islander who is watching this address on television, listening on the radio or reading about this in the morning newspaper. Most of you only want to know one thing: "What does this plan mean for me and my family?"

The answer is --- No tax increases! If this plan is implemented, your taxes won't go up.

But you should also know this. This plan faces many obstacles. Everyone with something to lose will lobby this Assembly furiously against these spending reductions. If they succeed, this plan will falter and your taxes will go up.

We are a small state at a vulnerable point, and our nation is entering a very unsettled time!

So, tonight, I call on you – the hardworking Rhode Islander; the average citizen anxious about your own rising costs and the nation's economic outlook – to make your voice heard.

Your voice must be just as loud as the powerbrokers and special interests that regularly patrol these halls. If you want change, you must be a part of it!

In closing, last month, you may recall that I took a trip to the other side of the world. I visited our troops in Iraq, Kuwait and Afghanistan. It was an eventful trip and not just because of what happened back here in Rhode Island!

It was a remarkable trip because of what I witnessed in those countries. Our National Guard, and active military, our friends and neighbors, our family members, our fellow Rhode Islanders were standing at the front line for us.

I went to bring them our best wishes and support. I came back with a renewed awe for what ordinary people are willing to do.

These men and women are interrupting their lives, forgoing irreplaceable time with their children and loved ones, setting aside careers and personal goals, in effect suspending their lives and the lives of their families. In 20 cases, they made the ultimate sacrifice and gave their lives, all for us, so that we can live in security and freedom. What courage and commitment!

That is an immeasurable sacrifice for the greater good. We owe them more than we can ever repay.

Let us take a moment to thank them in the person of Major Michael Manning, First Sgt. Lynda Aul, and Senior Airman Chris Coleman. Major Manning has served for two deployments in Iraq and received the Bronze Star.

First Sgt. Aul, also a recipient of the Bronze Star returned home to Cranston in September from Iraq. Senior Airman Chris Coleman chose to serve extended duty in Iraq. We thank you and all the men and women you represent.

We also want to recognize their families and all the Rhode Island families like them who are making sacrifices.

First Sgt. Aul's mom, Pat Nordquist is here; Senior Airman Coleman's mother is here, Nancy Wasilewski; and Major Manning's wife, Meg, who soldiered on at home with their three children, is here as well. Please stand.

Making the hard choices for the greater good. Being willing to commit to something bigger than ourselves. That is what we are being called to do tonight and in the coming months.

With just a fraction of our soldiers' spirit we can summon the courage and wisdom to do the right thing, we can stand up for the future of our state, we can ride the winds of change to a bright future for us all.

May God strengthen us in this task.