

State of Rhode Island and Providence Plantations

Journal of the Senate

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

Volume 136, No.15

Tuesday, February 10, 2009

Fifteenth Legislative Day

The Senate meets pursuant to adjournment and is called to order by the Honorable M. Teresa Paiva Weed, Madam President of the Senate, at 6:12 o'clock P.M.

The roll is called and a quorum is declared present with 36 Senators present and 2 Senators absent as follows:

PRESENT – 36: The Honorable President Paiva Weed and Senators Algieri, Bates, Blais, Ciccone, Connors, Cote, Crowley, DaPonte, Devall, DiPalma, Doyle, Felag, Fogarty, Gallo, Goodwin, Jabour, Lenihan, Lynch, Maher, Maselli, McBurney, McCaffrey, Metts, Miller, O'Neill, Perry, Picard, Pichardo, Pinga, Raptakis, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

ABSENT – 2: Senators, Lanzi, Levesque.

INVOCATION

The Honorable President, by unanimous consent, presents Senator Bates to deliver the invocation.

(See Appendix for Invocation)

PLEDGE OF ALLEGIANCE TO THE FLAG

The Honorable Madam President, by unanimous consent, presents Senator Bates to lead the Senate in the pledge of allegiance to the flag.

COMMUNICATION

The Honorable President presents the following communication:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

February 9, 2009

The Honorable Teresa Paiva Weed
President of the Senate
317 State House
Providence, RI 02903

Dear Madam President,

Please be advised and let the record reflect that I will be absent from the Chamber on Wednesday, February 11, and Thursday, February 12, due to a family matter.

Thank You,

Rhoda E. Perry
District 3

Read and ordered to be placed on file.

Also:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
STATE HOUSE**

February 10, 2009

The Honorable Teresa Paiva Weed
President of the Senate
318 State House
Providence, RI 02903

Dear Madam President,

Please be advised that I will be absent from Senate Session today, February 10, 2009 due to illness.

I would appreciate your recording my letter in the appropriate Senate Journal.

Thank you for your assistance.

Sincerely,

Charles J. Levesque
District 11

Read and ordered to be placed on file.

NEW BUSINESS**Senate Resolution No. 226****BY** Senator Perry**ENTITLED**, SENATE RESOLUTION EXPRESSING PROFOUND SYMPATHY ON THE PASSING OF ANNE SUSAN DUBIEL, N.P. {LC1431/1}

Senator Perry requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Senator Perry moves passage, seconded by Senators Connors and Algieri.

The resolution is read and passed, upon a voice vote.

TRANSMITTAL

By unanimous consent, all matters on the Secretary's desk are ordered to be transmitted to His Excellency, the Governor, the Honorable Secretary of State or to the Honorable House of Representatives forthwith.

GUESTS

Upon suggestion of Senator Maselli and by unanimous consent, the Honorable President, welcomes to the Chamber former State Senator and current Mayor of Johnston Joseph Polisena.

Upon suggestion of Senator Gallo and by unanimous consent, the Honorable President, welcomes to the Chamber Linda Twardowski, President Certified School Nurse Teachers, Alice Brady, Rhode Island Adjunct Instructor and Legislative Chair and Marilyn Mattera School Nurse for Cranston

Upon suggestion of Senator Connors and by unanimous consent, the Honorable President, welcomes to the Chamber former State Senator, former Chief of Staff, the Honorable R. David Cruise.

ADJOURNMENT

Upon motion of Senator Connors, seconded by Senator Algieri, and upon suggestion of Senator Perry, the Senate adjourns at 6:22 o'clock P.M. in memory Anne Susan Dubiel.

JOSEPH R. BRADY
Secretary of the Senate

Appendix

INVOCATION

SENATOR DAVID E. BATES

Almighty Father, let your spirit of wisdom transcend upon the leaders of our State. Tonight, as our Governor delivers his seventh state of the state address, we look to all the members of this legislature as we strive to work for justice and equality for all the citizens of Rhode Island. Amen.

Appendix**CALENDAR****IN ORDER FOR WEDNESDAY, FEBRUARY 11, 2009:****1. 2009-S 53 SUB A as amended****BY DaPonte****ENTITLED,** AN ACT STATE AFFAIRS AND GOVERNMENT -- THE RHODE ISLAND MEDICAID REFORM ACT

Committee on Finance recommends indefinite postponement of the original bill and passage of Substitute A as amended.

2. 2009-S 127**BY DiPalma****ENTITLED,** AN ACT RELATING TO THE CITY OF NEWPORT

Committee on Housing & Municipal Government recommends passage.

3. 2009-S 130**BY Maher****ENTITLED,** AN ACT RELATING TO THE RATIFICATION OF THE HOME RULE CHARTER OF THE TOWN OF RICHMOND

Committee on Housing & Municipal Government recommends passage.

4. 2009-S 160**BY Connors****ENTITLED,** AN ACT RELATING TO MOTOR AND OTHER VEHICLES -- TRAFFIC CONTROL DEVICES

Committee on Housing & Municipal Government recommends passage.

PROCEEDINGS IN JOINT SESSION

Tuesday, February 10, 2009

The Honorable Madam President of the Senate, M. Teresa Paiva Weed, in the Chair.

CALLED TO ORDER

The Joint Session is called to order at 6:46 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.

The Honorable President, by unanimous consent, appoints Senators Majority Leader Connors, Minority Leader Algieri and Senators Bates, Crowley, DeVall and Walaska and Representatives Coderre, Ehrhardt, Lally, Loughlin, Trillo and Williams 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 the Honorable Patrick C. Lynch, Attorney General, enters the Chamber.

Joint Session attends while the Honorable A. Ralph Mollis, Secretary of State, 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, and the First Lady, Suzanne 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 Connors, and by unanimous consent, Joint Session adjourns and the two Houses separate at 7:34 o'clock P.M.

JOSEPH R. BRADY
Secretary of the Senate

Appendix

2009 State of the State Address The Honorable Donald L. Carcieri Governor, State of Rhode Island Tuesday, February 10, 2009

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

In the midst of all the economic turmoil, tonight I'd like to start out with some uplifting stories. These stories will give us encouragement about what's good in our state, and what's possible when we make up our minds to do something positive.

We have some very special people in these chambers tonight. Let me begin with the first, a 15 year old swimmer from North Kingstown, who through her dedication, focus and determination earned a spot on the US Olympic Swim Team and competed in the Beijing Olympics last summer.

Her accomplishments are many, but perhaps her greatest achievement is the pride she has inspired in her family, her school, and all Rhode Islanders. Ladies and gentlemen, please welcome Rhode Island's own Olympian Liz Biesel, and her parents Ted and Joan.

I ask you now to please hold your applause until I introduce both of our next special guests.

There are many men and women in uniform who keep us safe throughout the world, and who call Rhode Island home.

Tonight, we are honored to have two Rhode Island National Guard non-commissioned officers along with their families and employers. Supportive employers are critical to maintaining the strength and readiness of the nation's National Guard and Reserve Units in support of our nation's defense.

The first is Army **Sergeant First Class Richard Gaudet**. SFC Gaudet deployed with our Embedded Training Team for his second deployment, from Nov 07 - Nov 08. He served as a Senior NCO Mentor to both the Afghan Border Police and Afghan National Police. SFC Gaudet is also a Vietnam War veteran and former commissioned officer.

He resides in Coventry, RI and is employed by **Verizon** in downtown Providence. Donna Cupelo, Regional President of Verizon New England, has accompanied Sergeant Gaudet tonight along with his daughter Angie and son Richard, Jr. who also served two tours of duty in Iraq.

Our Air-Guard NCO is **Staff Sergeant Gerald Hutchinson**. Staff Sergeant Hutchinson is with the Air National Guard Maintenance Group and has been deployed on multiple occasions since 9-11.

He has just returned from Afghanistan, which was his fourth deployment and third location.

Staff Sergeant Hutchinson was instrumental in maintaining the Air Force's newest air transportation aircraft, the C-130J Hercules from the 143rd Airlift Wing, which is based at Quonset Point.

Staff Sergeant Hutchinson hails from Cranston, and he is employed by **Butler Hospital**, here in Providence. Tonight accompanying Staff Sergeant Hutchinson is wife, Michele, and Mr. Chris Paiva, Nursing Manager at Butler Hospital.

Let's thank these two Rhode Island heroes, their families, and two very patriotic Rhode Island employers who recognize their sacrifices and support them in the workplace.

It is stories like theirs that sustain us through tough times. And, there is no question these are tough times.

Last year at this time, I warned that Rhode Island was at a tipping point. Now, our condition is more fragile and perilous, and we need to act boldly.

Tonight, I want to review with you three major actions we have underway that will have a profound impact on the state of the state.

First, what we need to do to get through this economic downturn.

Second, how we better position our state for the future.

And third, what we have already done to put in place the building blocks to create a stronger and more competitive state. That's important, because despite our economic stresses, we are pushing ahead on many fronts.

One month ago, I spoke directly to the people of Rhode Island about the serious financial situation we are facing, and shared many of the details contained in my deficit reduction plan.

Our nation's economic distress continues, and Washington is in heated debate about how best to stem the slide, stop the unemployment spiral, and revitalize the credit market.

And, we are being greatly affected by the economic downturn!

Last month when I spoke to our citizens, I emphasized three themes to guide us through this storm.

First, we must strengthen our safety net for our most vulnerable citizens by careful and thoughtful implementation of the new Global Medicaid Waiver.

Second, we must reform our public employee pension and benefit plans so that they are fair and equitable, affordable and sustainable.

And third, we must slow the rise of local spending by giving our mayors and town councils the ways and means to control spending and balance their budgets without raising property taxes.

These are all detailed in the Economic Recovery Plan I submitted to the General Assembly last month. We need to get that plan enacted as soon as possible.

Too many R.I. families are painfully experiencing the loss of jobs, healthcare, and their homes. But now, more than ever, we mustn't lose our nerve or our resolve.

I know that our proposed changes are difficult ones, and I know there are many critics.

But, the only alternative we hear from the special interests and lobbyists is "raise taxes," because, they can't get by on less. Well, that's what most of our families and businesses are having to do.

Rhode Island has been increasing spending and taxes for decades. That's why we are so distressed now. People have been voting with their feet – they're leaving. In fact, we have almost 4,500 - 17 percent - of our state employees whose retirement checks are mailed out of state, over 2,000 to Florida alone. I don't blame them – but it's indicative of the problem.

We need every department of every city and town to sharpen their pencils, tighten their belts, and be smarter about how they spend the taxpayers' money!

We need the unions to realize that our cities and towns cannot afford business as usual—they cannot afford the wages, the pensions, the health care, and the work rules that were bargained for.

The world has changed dramatically. The cost of defined benefit pension plans and healthcare have spiraled out of control. These costs are crushing our taxpayers – most of whom don't have such pensions and health benefits.

This is not about picking on anyone—rather this is about picking up the burden together, for the sake of our children, our seniors on fixed incomes, and those truly dependent upon us. This is about pulling together to get us through this severe downturn.

We're not alone in this! Connecticut and Massachusetts are facing multi-billion dollar deficits.

California has an unemployment rate of 9+%, and a \$45 billion deficit. Governor Schwarzenegger has declared a fiscal state of emergency. They are out of money!

They're postponing tax refunds, college tuition payments and requiring state employees to take 2 unpaid days off each month.

We can't let this happen in Rhode Island.

Folks, we are in very extraordinary times, which call for extraordinary measures. State employee unions worked with us last year, recognizing the difficult economic environment. They made major concessions, including no pay raises, paying more for health care, and picking up the slack in light of the wave of retirements. I want to express my appreciation to all our state employees for their continued hard work and dedication to public service.

I encourage every public employee union to sit down with the mayors, town managers, the city and town councils, and the school committees to become a part of the solution. Help your communities get through this! Some have already stepped forward and I thank them.

Our immediate challenge in the next few months will be to use the anticipated federal stimulus money wisely and sensibly. We must use the additional funding to bridge the deficit, support tax relief and structural reforms, grow jobs, and grow our economy.

Today, I signed an Executive Order creating the Office of Economic Recovery and Reinvestment to establish a transparent process to administer these federal funds.

As Washington gets closer to passing the stimulus package, it is critical that we have the right structure in place to quickly move forward with projects and ensure the appropriate use of taxpayer dollars.

The late president, J.F.K. once remarked that, “when written in Chinese, the word crisis is composed of two characters. One represents danger and the other opportunity.”

To squander this stimulus by avoiding the hard decisions would be an enormous shame, and a great opportunity lost. I don’t want our children and grandchildren to pay the price for our lack of courage.

Think again of the courage, the determination, and the perseverance of our guests here tonight. I ask us all to summon these same virtues and make this a state we can all be proud of.

Today, the pressing issue is growing jobs in those sectors of the economy that will bring money and investment to our state.

To illustrate why our state continues to be so vulnerable to economic downturns, I want to share a chart with you! In 1978, Rhode Island had 137,000 jobs in manufacturing which represented 34% of the entire workforce—today we have 46,000 representing under ten percent of the workforce.

In the past 30 years, we have lost almost 100,000 jobs in businesses that added to the economic wealth of our state. What do I mean by that? These manufacturing businesses made products, sold them elsewhere, and brought the money back to R.I. in the form of more jobs and investment.

That’s the type of business activity necessary to build our economy and expand our tax base. At the turn of the last century, Little Rhody was one of the most prosperous states in the country. In fact, that’s when this magnificent State House was built. Look at the mills and factories in Woonsocket, Central Falls, Pawtucket, Providence, West Warwick---all across our state.

These factories employed thousands of Rhode Islanders, who were able to build a future for their families. Many of our parents and grandparents worked in them, my grandfather included.

There’s another disturbing trend on this chart. The brown line is state employment and the green one is employment by our cities and towns. As you can see, over the last twenty years state government employment has declined from 21,300 to 15,800 a reduction of 5,500 or 25%. Today, the number of state employees is below 14,000.

But look at what’s been happening to employment by our cities and towns! During the same period, it has increased from 27,500 to 38,000---10,500 jobs, an increase of 38%.

I want to repeat that. The state has reduced employment by 25 percent, while the cities and towns have increased employment by 38 percent.

Ladies and gentlemen, that's why your property taxes are so high and keep rising. That's also why it is so imperative that we find ways to consolidate services, and reduce the burden on our economy and our taxpayers. Government services consume our economy's resources --- they don't create them!

The competition, among states and countries for companies and jobs is intense. There are many factors that go into a company's decision about site selection—available workforce, energy costs, site readiness, over-all business climate, and, yes, taxes. We have been working hard on the first four - but now we need to make significant changes in our tax competitiveness.

I'm tired of people writing stories about R.I. being "tax hell," or ranked near the bottom in business tax competitiveness. We need to reverse the trend on that chart with bold, business friendly tax reforms.

I am firmly convinced that if we dramatically change our tax structure, our economy will produce jobs!

What Rhode Island needs now is more taxpayers; not more taxes.

This will only come from a tax policy that says to our business community, "stay here and grow your business, and by the way, tell all of your out-of-state business friends that R.I. is a great place to do business."

I want to send a loud signal that – R.I. is open for Business!!!!

I want to see billboards at our state line proclaiming R.I.; the Ocean State, a great place to build your business."

Despite the many challenges, we have not let ourselves be distracted from our long term goals. We have made numerous investments over the past year - investments in our people, our environment, and our infrastructure. These are the building blocks for our future.

First, although we may face a worsening economy and increased hardships for our citizens, we have taken steps to strengthen our safety net with the Global Medicaid Waiver, reforms in our welfare to work program, additional funding for low income heating assistance, and, working with Rhode Island Housing, we have increased the number of affordable housing units by over 700.

As for education, steady progress has been made with our Primary and Secondary schools. In the four years of NECAP testing, in grades 3 – 8, and two years of measurement in grade 11, our student scores are improving in every subject, in every grade. We are closing the gap not only between our urban and suburban schools, but also with our partner states Vermont and New Hampshire.

Last year we undertook four major education initiatives.

1. We formed the Urban Education Taskforce
2. We launched several projects to improve math and science scores
3. We instituted new graduation standards for high school seniors, and
4. We have been leading the nation with our K-16 council.

Last week, I had the honor of cutting the ribbon at a new state-of-the-art facility at Rhode Island College where students and teachers will focus on math, science, engineering and technology. It will provide our students with the knowledge and skills they need for the jobs of the future.

Two weeks ago, we cut the ribbon on URI's new Center for Biotechnology and Life Sciences – a world-class facility.

And this spring we will open the new Inner Space Center at the Graduate School of Oceanography – making us a leader in global ocean exploration.

These are exciting investments in our colleges and universities which will produce the future scientists, inventors and job creators that we need.

Protecting the Environment and Producing Renewable Energy are more than dreams in Rhode Island. They have become realities.

2008 was a record-breaking year for land protection in our state. In fact, 3,148 acres were protected last year, more than any previous year on record.

The \$350 million Combined Sewer Overflow project was completed, on time and on budget. Soon, we will be able to improve Narragansett Bay water quality in a dramatic way.

In the area of renewable energy production, we have moved aggressively to make Rhode Island home to the first offshore wind project in the nation. Deep Water Wind, the company that will develop the project, will help us reach our goal of 20% of our state's energy being derived from renewable resources.

In doing so, they will be adding **800 green collar jobs** at Quonset – jobs that will help both the economy and the environment – as opposed to jobs that might put our bay at risk.

Recently, there has been a lot written about the Quonset Business Park. A great deal is going on there. Let me give you some facts! The latest figures show that 8,842 people are employed in 164 companies inside the Park. 2,400 of these jobs were added in the last four years with private investment of \$170 million, and another \$125 million in the pipeline.

Electric Boat, one of Quonset's cornerstone companies, is expected to add 1,000 new jobs over the next few years as its submarine production ramps up.

And there is a renewed commitment from the US Navy to expand in Newport, adding 600 jobs and new investment in that community.

We have been investing heavily in our Infrastructure. By now, you've all probably driven over the new I-Way bridge. The entire I-Way project is scheduled for completion by the end of next year. Not only will traffic flow be greatly improved, but 30 acres of prime real estate in downtown Providence will become available for development.

Many other exciting infrastructure projects were either completed or initiated last year. We opened the new Rte. 403 connector between Rte. 4 and the Quonset Industrial Park. We've broken ground on the Intermodal project that will connect the airport with a new commuter rail station and car rental facility off Jefferson Boulevard. And, the New Sakonnet River Bridge contract has been awarded with construction beginning this spring.

All these projects support a stronger and more efficient infrastructure that will facilitate economic growth and help Rhode Islanders with their daily commutes to work, shop or just to enjoy our state.

Last week, my Tax Policy Group met and is completing its final report to make our state more business-friendly and welcoming, and able to compete with our neighbors. I have encouraged them to be bold, because we need to radically change both the perception and the reality of our tax structure.

My goal is to submit to the General Assembly, as part of my 2010 Budget, a new tax plan. A plan that brings income tax relief to Rhode Islanders, phases out the corporate income tax, and eventually eliminates our estate tax.

This bold new tax policy will stimulate our economy, grow jobs, and keep productive people of all ages from leaving Rhode Island.

In summary tonight, everything we have done for the last six years is part of an ongoing plan to set the stage for a reinvigorated Rhode Island. We are at a critical time right now. Much has been done to lay the ground work.

What we must not do is choose to ignore the fundamental problems and maintain the status quo. And, we must not rely on all the Federal Stimulus money as a crutch to avoid the hard decisions.

What we must do is enact the pension reforms that are critical to our financial stability going forward, and provide relief to our cities and towns by giving them the tools to manage their costs more effectively.

We must reform our tax structure to become not only competitive, but rather the most attractive in our region. That will grow businesses, grow jobs, and grow revenues.

Having a new, compelling story to tell will enable us to energize our economic development efforts to sell this great state.

Ladies and gentlemen, if we make the right choices, we will be positioned to exit this downturn stronger than ever.

Mr. Speaker and Madam President, last year, we worked well together to pass a difficult budget that we had hoped would stabilize our finances. The General Assembly passed many major reforms, especially retiree health care.

Little did we know, that three months later, the national and global economy would go into a tailspin. Working together again this year, we will not only weather this storm, but we will propel our state forward.

Sue and I are native Rhode Islanders. We were born here, our parents were born here! Our grandparents all immigrated here! We've raised our four children in Rhode Island, and now have 11 of our 14 grandchildren living here. Some of them are up in the balcony tonight!

I ran for governor, and Sue encouraged and supported me, because we love this state and just want to see it do well. I have no other agenda!

In my business career, we traveled extensively with my company, and lived and worked overseas.

Having seen all that, I know what a great jewel this state is. People come to the Ocean State from all over the world, and marvel at our natural beauty, our rich history, our extraordinary colleges and universities, our beautiful architecture, and the spirit of our citizens.

It has been my honor to serve as your Governor these past six years. It has not been an easy time, because we have been trying to right a ship that has been badly off course.

Please know that every action I've taken, every decision I've made, has been on the basis of what I believe is best for our citizens.

I want what's best for your children and mine. Not only for the moment, but for the long term.

Tonight, I've shared with you not only the great challenges we face, but also the strides we have made. I've explained what has happened to our economy over the years, and how we can change it. I've encouraged us all to find common ground, and to sacrifice for the sake of a better future. I've described a plan that will get us there.

I hope we will all look back on these times with the satisfaction of having created new opportunities. And, it is my hope that future generations will thank us for having had the wisdom and foresight to make the right choices.

Thank you and God Bless America

