

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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Journal of the Senate

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

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Volume 139, No.12

Tuesday, January 31, 2012

Twelfth Legislative Day

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The Senate meets pursuant to adjournment and is called to order by the Honorable M. Teresa Paiva Weed, President of the Senate, at 6:17 o'clock P.M.

The roll is called and a quorum is declared present with 35 Senators present and 3 Senators absent as follows:

**PRESENT** – 35: The Honorable President Paiva Weed and Senators Algieri, Bates, Cote, Crowley, DaPonte, DeVall, DiPalma, Doyle, Fogarty, Goodwin, Hodgson, Jabour, Kettle, Lanzi, Lombardo, Lynch, Maher, McCaffrey, Metts, Miller, Nesselbush, O'Neill, Ottiano, Perry, Picard, Pichardo, Pinga, Ruggerio, Sheehan, Shibley, Sosnowski, Tassoni, Walaska.

**ABSENT** – 3: Senators Ciccone, Felag, Gallo.

**INVOCATION**

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

(See Appendix for Invocation)

**PLEDGE OF ALLEGIANCE TO THE FLAG**

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

**APPROVAL OF RECORD**

The Senate Journal of the Eleventh Legislative Day of the 2012 proceedings is read in part.

Upon suggestion of Senator Picard and by unanimous consent, further reading of the Journal is dispensed with and the Journal approved as recorded.

**COMMUNICATION**

The Honorable President presents the following communication:

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

January 26, 2012

The Honorable M. Teresa Paiva Weed  
President of the Senate  
Room 318, State Room  
Providence, RI 02903

Dear President Paiva Weed:

I am writing to inform you that I will be absent from the Senate Session, Tuesday, January 31<sup>st</sup>- Thursday, February 2<sup>nd</sup>, 2012 due to business obligations.

Thank you.

Sincerely,

Walter S. Felag, Jr.  
Senator- District 10

Read and ordered to be placed on file.

**NEW BUSINESS****Senate Resolution No. 2265**

**BY** Paiva Weed, Ruggerio, Goodwin, Sheehan, Algiere

**ENTITLED**, SENATE RESOLUTION EXPRESSING PROFOUND SYMPATHY ON THE  
PASSING OF THE HONORABLE J. JOSEPH GARRAHY {LC957/1}

Senator Algiere requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Senator Algiere moves passage, seconded by Senators Goodwin, Jabour, Sheehan and Ruggerio.

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

**CONSENT CALENDAR**

In order for the day is taken up as follows:

**1.     2012-S 2262**

**BY** Metts

**ENTITLED**, SENATE RESOLUTION URGING THE CITIZENS OF THE STATE

## OF RHODE ISLAND TO OBSERVE JUNETEENTH INDEPENDENCE DAY

2. **2012-S 2263**  
**BY** DiPalma  
**ENTITLED**, SENATE RESOLUTION EXTENDING THE REPORTING AND EXPIRATION DATES OF THE SPECIAL SENATE COMMISSION TO STUDY THE DIVISION OF MOTOR VEHICLES
3. **2012-S 2264**  
**BY** Perry  
**ENTITLED**, AN ACT TO VACATE THE FORFEITURE OR REVOCATION OF THE CHARTER CEPEP CORP.
4. **2012-H 7069**  
**BY** Melo  
**ENTITLED**, AN ACT RELATING TO PUBLIC FINANCE - STATE BUDGET

Upon motion of Senator Ruggerio, seconded by Senator Algiere, the measures on today's Consent Calendar, by unanimous consent, are read and passed, upon a roll call vote with 33 Senators voting in the affirmative and 0 Senators voting in the negative as follows:

YEAS- 33: The Honorable President Paiva Weed and Senators Algiere, Bates, Cote, Crowley, DaPonte, DeVall, DiPalma, Fogarty, Goodwin, Hodgson, Jabour, Kettle, Lombardo, Lynch, Maher, McCaffrey, Metts, Miller, Moura, Nesselbush, O'Neill, Ottiano, Perry, Picard, Pichardo, Pinga, Ruggerio, Sheehan, Shibley, Sosnowski, Tassoni, Walaska.

NAYS- 0:

**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.

(See Appendix for List)

**ADJOURNMENT**

Upon motion of Senator Ruggerio seconded by Senator Algiere and upon suggestion of Senator Goodwin the Senate adjourns at 6:27 o'clock P.M. in memory of the Honorable J. Joseph Garrahy.

JOSEPH R. BRADY  
Secretary of the Senate

**Appendix****INVOCATION****SENATOR ROGER A. PICARD**

Almighty Father, let your spirit of wisdom transcend upon the leaders of our State. Tonight, as Governor Chafee delivers his Budget & State of the State Address, we are reminded of the challenges we face ahead. Help us all strive to work together to reach common ground and find positive solutions for the benefit of all our constituents as we move Rhode Island towards a brighter tomorrow. Amen.

**CALENDAR**

**IN ORDER FOR WEDNESDAY, FEBRUARY 01, 2012:**

**1.    2012-S 2178 SUB A**

**BY** McCaffrey

**ENTITLED**, AN ACT RELATING TO REDISTRICTING OF THE GENERAL  
ASSEMBLY

Committee on Judiciary recommends indefinite postponement of the original bill and  
passage of Substitute A.

JOSEPH R. BRADY  
Secretary of the Senate

**Appendix**

**BILLS TRANSMITTED TO THE GOVERNOR**

**House Bill No. 7096**

**BY** Gallison, Silva, Hull, Serpa, DaSilva

**ENTITLED**, AN ACT RELATING TO CRIMINAL PROCEDURE (would expand the authority of police officers to engage in close pursuit into other municipalities in order to stop individuals for suspected violations of the motor vehicle code.)

**Appendix****PROCEEDINGS IN JOINT SESSION**

Tuesday, January 31, 2012

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

**CALLED TO ORDER**

The Joint Session is called to order at 6:53 o'clock P.M.

Upon suggestion of The Honorable, President of the Senate, 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 of the Senate, by unanimous consent, appoints Senators Pichardo, Goodwin, McCaffrey, Lynch, Bates and Ottiano and Representatives Newberry, Coderre, Lally, O'Neil, Petrarca and Savage a Committee to escort His Excellency, the Governor, Lincoln D. Chafee and guests to the Chamber.

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

Joint Session attends while the Mayors, Town Administrators and Local City and Town Officials 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 members of the Directors of the Executive Departments and invited guests enter the Chamber.

Joint Session attends while the Honorable Gina M. Raimondo, General Treasurer, enters the Chamber.

Joint Session attends while the Honorable Peter Kilmartin, Attorney General, enters the Chamber.

Joint Session attends while the Honorable, Secretary of State, A. Ralph Mollis, enters the Chamber.

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

Joint Session attends while His Excellency, the Governor, Lincoln D. Chafee, enters the Chamber.

The Honorable, President of the Senate, presents His Excellency, the Governor, Lincoln D. Chafee, to the Joint Session.

The Governor delivers his Budget & State of the State Address.

### **ADJOURNMENT**

Upon motion of Speaker Fox, seconded by Senator Majority Leader Ruggerio, and by unanimous consent, Joint Session adjourns and the two Houses separate at 7:31 o'clock P.M.

JOSEPH R. BRADY  
Secretary of the Senate



**Appendix**

Governor Lincoln D. Chafee

State of the State Message: "The Year of the Cities and Towns"

January 31, 2012

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

This evening represents an important chance for us to prepare for the challenges that lie ahead in the upcoming year. But it also offers an opportunity to reflect on where we have been, and to remember those who came before us. In that spirit, I'd like to pay homage to a friend who died last week, Governor Garrahy, and honor him with a moment of silence.

[Moment of silence.]

Thank you.

Throughout Governor Garrahy's long and distinguished career, as a legislator, Lieutenant Governor, and Governor, he always put the people of Rhode Island first. That was the key to his phenomenal success in politics and as a person.

I especially want to remember one aspect of his leadership. Governor Garrahy was a true gentleman. He treated everyone – including his political foes – with dignity. The highest official of our state was completely down to earth, and always approachable. As we prepare to debate the issues of our time, and work to address our daunting challenges, let us learn from Governor Garrahy and treat one another with respect. Like him, we are all Rhode Islanders, and we all want what is best for the people of our great state.

Tonight reminds us that, for all of our different constituencies, Rhode Island is a single community. When things go well; we all benefit. When things go wrong, we all suffer. In the last year, we saw some of both.

As I reflect on the past year and the present state of our state, I think of the famous lines of Charles Dickens, from *A Tale of Two Cities*: "*It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness.*"

We all know the bad news from the last year, the worst of times and the foolishness. The statistics are bad: in the last reporting for unemployment, we in Rhode Island registered 10.8% -- a figure made more numbing by those of Connecticut at 8.2%, Maine at 7%, Massachusetts at 6.8%, and

New Hampshire and Vermont at 5.1%. Let me read those again: Rhode Island 10.8%, Connecticut 8.2%, Maine 7%, Massachusetts 6.8%, and New Hampshire and Vermont 5.1%.

Last week, House Speaker Fox movingly shared with a small business forum we attended his own experiences when his Dad was out of work: the mood at the dinner table was different and not joyous; horizons and aspirations were limited to getting through the day.

To have so many Rhode Islanders out of work is, for many of us, the worst of times and unacceptable. The status quo is unacceptable.

Everything good occurs when our people are working.

I've always believed that when in trouble, go back to basics. Coach Bill Belichick of our great New England Patriots would say that focusing on the fundamentals, the blocking and tackling, is the key to the Patriots' success. I would call it the ABCs.

- Assets: taking what we have that others don't and making them work for us economically.
- Budget: being fiscally conservative but honest about paying for our basic needs.
- And Corruption: that is, having none of it.

Those are the fundamentals – the ABCs of our economic revival.

And after experiencing the last year, I'd like to add a second C: Civility.

I think we can all agree that too often some here in Rhode Island stress the negative. Dickens called it "foolishness." And frequently the dialogue turns personal and often times completely inaccurate. I firmly believe there is a relationship between this irrational negativity and our economic fortunes. And in fact I have heard this from both Rhode Islanders and people from across the country.

Most recently, there was the foolish quibble over the distance of an Amtrak line from our airport. The Station District has the potential to be a source of good jobs and that should be celebrated and written about.

Remember, our charter reads: "to hold forth a lively experiment, that a most flourishing civil state may stand and best be maintained..." With that in mind, let's all tone it down – for our challenges are too great. Criticism is welcome when it is respectful, fair, and accurate. I'm sure Governor Garrahy would have agreed.

I wouldn't have run for Governor if I didn't believe that Rhode Island can have the best of times. Dickens writes of "the age of wisdom," so it is appropriate to talk now about the Knowledge District, a true asset for our great state.

There are only seven Ivy League medical schools in the world, and we have one of them, in a newly renovated and beautiful building in the Knowledge District. Nearby are the hospitals of Lifespan and Care New England.

Last year, I traveled to Pittsburgh with diverse Rhode Island leaders from the public and private sectors – representatives of government, business, labor, academia, and healthcare. Our purpose was to get a first-hand look at the "meds and eds" – the job-creating medical, research, and educational fields that have played a large role in the economic revitalization of Pittsburgh.

It was the third of my series of visits to cities that have successfully capitalized on these high-growth industries.

From the 62<sup>nd</sup> story of the University of Pittsburgh Medical Center building, we saw an old industrial city renewed. The transformation was on full display: bustling hospitals, world-class universities, and a thriving health care workforce.

As Pittsburgh was, Rhode Island is in a period of transition. I believe there is tremendous opportunity for our state to grow our economy in the Knowledge District, with the "meds and eds" leading the way. We must have the wisdom and foresight to make good decisions regarding our hospitals and our educational institutions. If we do, working with the energetic, talented, and smart Mayor Taveras, we can have the best of times in our capital city, with good, high-paying jobs for Rhode Islanders.

We are fortunate to have other strong leaders in our state.

Lieutenant Governor Roberts has made Rhode Island a national leader in health care reform. We are the only state to have received level II Federal funding to help with our health benefits exchange. This \$58 million will not only generate substantial activity in the Rhode Island economy, it also helps us establish a marketplace for families and small businesses to buy high-quality, affordable health insurance.

It is tragic that Central Falls fell into bankruptcy, but Justice Robert Flanders led the swift good-faith negotiations with police, firefighters, municipal employees, and retirees that have that historic city on the rebound. The people of Central Falls have come a long way and now better days are on the horizon.

After receiving an historic \$75-million Race to the Top grant, Rhode Island received an additional \$50 million for early education funding. Quality early education is the foundation for student success. These awards resulted in large part from Commissioner Gist's tireless efforts to bring people together to improve academic achievement.

I should also note that Rhode Island is the only state in the country to receive both a Race to the Top early learning grant and level II health exchange funding. In the two important areas of education and health care, Rhode Island is leading the nation – and this is one distinction of which we should all feel very proud.

A vibrant tourism industry is essential to Rhode Island's economic wellbeing. Directors Licht of the Department of Administration, Stokes of the Economic Development Corporation, and Coit of the Department of Environmental Management were successful in bringing the final stop of the America's Cup World Series to Newport. This summer, it will bring visitors from around the world to stay in our hotels, eat in our restaurants, and enjoy our beautiful state. It has been estimated that this event could pump more than \$70 million into the state's economy and strengthen our hospitality and tourism industry – one of our greatest economic assets.

Throughout human history, economic growth has occurred at centers of transportation, and with wisdom and hard work that is going to happen in the Station District in Warwick. Rhode Island Airport Corporation Director Dillon, Mayor Avedisian, and Rhode Island Department of Transportation Director Lewis are working with airlines and rail carriers to grow the spokes of the economy around this hub.

In my Inaugural Address just over one year ago, I talked about the Department of Motor Vehicles. Under the guidance of Lisa Holley, the good state employees of the DMV are now providing courteous and exceptional services to our citizens. The DMV has been transformed into an agency that serves the people of Rhode Island in a prompt, pleasant, and efficient manner. In return for their hard-earned tax dollars, Rhode Islanders can now expect to be treated with dignity and to conduct a transaction in well under an hour. And they said it couldn't be done!

I'd like to take a moment to praise longtime state employee and current Director of the Department of Revenue, Rosemary Booth Gallogly. She is logging long hours on behalf of us all, and her involvement has been essential to our success with Central Falls, the DMV, our ongoing progress in East Providence, and in many other areas of state government.

I'd also like to recognize the hard work and leadership of Commissioner Di Pasquale and Presidents Carriuolo and Dooley. Our success as a state depends on strong institutions of higher education, and your commitment and dedication to our students is a tremendous asset for Rhode Island.

And, of course, pension reform. General Treasurer Raimondo has led an overhaul of the state pension system. And I honestly do not think this would have happened without the wise decision of Senate President Paiva Weed and Speaker Fox to call a special session of the General Assembly. I can't remember when that last occurred, but with total focus on one issue and the courage of the legislature, the work was done.

As Governor, I am proud to have worked with these good people during the past year.

The second of the ABCs of economic recovery is having an honest Budget, a budget that requires efficiencies, ensures a civil state, and prepares for the future.

Well, the future is today for our cities and towns in Rhode Island.

This is particularly true for those that disproportionately depend on state aid – our so-called “distressed communities”: Providence, Pawtucket, Woonsocket, Central Falls, West Warwick, North Providence, and, now, East Providence.

In the five years prior to my taking office, state aid to cities and towns was cut by \$192 million. This has been an unbearable burden for the distressed communities, where state aid was reduced by 17%. No councilperson or Mayor wants to raise property taxes, but despite their best efforts, the tax levy in our distressed communities rose 16% during those years. 17% cuts in aid, 16% increase in property taxes, in communities that can least afford them. Over the past several weeks, you have passed, and I have signed into law, legislation that enabled Pawtucket and East Providence to borrow just to meet payroll. Make no mistake: this is a crisis.

If we are going to grow our economy and get our people back to work, we have to make this the year of the cities and towns and work together on behalf of the property taxpayer.

This is about people. At my recent municipal strategy sessions and community business forums, everyone acknowledged the crushing effects of the property tax and how it is threatening the livelihood of Rhode Islanders. People who have worked hard and played by the rules their entire lives are worried because they may be one property tax payment away from losing their home or business. We must reverse this trend.

Cuts in state aid to cities and towns have not only led to higher property taxes and stifled job creation, it has also drawn resources from our schools. If we want our children to compete for the jobs of the future, they must have good schools. I am proud to announce tonight that my budget maintains my commitment to education, while also reducing the financial burden on Rhode Island

property taxpayers. My budget devotes nearly \$40 million in additional education funding to cities and towns.

I have continued to insist on an honest, fiscally responsible budget. This budget proposes a clear way to pay for this substantial and necessary education funding and help for our local communities: it will be supported by a 2-percentage-point increase in the meal and beverage tax. I know that this will be controversial, but the money we raise will go to the most important investments we can make: educating our young people and helping the property taxpayer.

I pledge to you tonight that as long as I am Governor, even in the most difficult of times, I will fight to ensure that our students do not go without the resources they need for a quality education, while I continue to fight for the property taxpayer.

As I have said repeatedly, we must also address the municipal pension crisis. I will soon introduce legislation that provides a path to solvency for our underfunded local plans. My budget provides revenue to cities and towns, but at the same time we must empower these municipalities through legislation that strengthens their abilities to make reforms. The fiscal health of our state relies on the wellbeing of our cities and towns, and I urge you to join me in this effort.

When preparing this budget, we looked across government and found many targets for efficiencies, and my budget request includes program consolidations and eliminations. Yet, we must not forget that Rhode Island has one of the highest rates of public sector job losses in the nation. In the last 10 years, our state workforce has been cut by approximately 2,000 people, and our employees are being asked to do more with less.

The budget I present to you tonight contains painful cuts. Cuts that, in more prosperous times, I would never choose to make. But given where we are, where we need to be, and the difficult road ahead, the priorities in this budget are necessary.

The cost of health and human service programs has climbed far more rapidly in recent years than any other sector of state government. Unavoidably and unfortunately, this is where many of our cuts must occur. We need to control our spending and bring our costs in line with our neighbors. We must also ensure that no one is unfairly taking advantage of our state's programs, and my budget proposal includes new funding for the Office of Health and Human Services to crack down on waste and fraud.

But Rhode Island's path to prosperity cannot be built on cuts alone.

We must preserve the basic, necessary services for the most vulnerable Rhode Islanders – services such as Medicaid prescription drug coverage for the poor and subsidized child care for low-

income families as they get back to work. To protect these vital services, I propose a modest expansion of the sales tax to a handful of non-essential goods and services. While I do not like raising taxes on anyone, I sought to minimize the impact of these proposals on the working families of Rhode Island. It is important to note that our neighboring states have made revenue increases during these difficult times, giving certainty to businesses and improving their economies.

Last year, we were fortunate that state revenues came in stronger than expected and significantly reduced our projected deficit. This year, our revenues are again surpassing estimates, and I am cautiously hopeful that our budget outlook will improve later in the spring, preventing the need for some of these cuts and new revenues.

All of the budgets I have submitted in the course of my career look to the future, and this one is no different.

We must be a state that maintains its infrastructure so that residents and visitors can safely and comfortably get where they need to go, and companies can ship their goods. We must be proactive about infrastructure improvements to avoid costly repairs in the future. And we must pay for it honestly. That is why my budget proposal builds on the reforms passed by the General Assembly last year. By advancing the vehicle registration and driver's license fee increases to the coming fiscal year, we can responsibly address our state's transportation deficit and provide much-needed revenue for urgent maintenance and repair projects for our roads and bridges.

We must be a state that provides certainty, a state where government is responsible and disciplined in its approach to fiscal matters. A state that creates an environment of predictability and steadiness that gives businesses the confidence to invest, expand, and create jobs.

We must catch up with the rest of New England. We must make Rhode Island a state that is not only primed for job creation, but also supports its existing business base and helps it to grow. That is why I am announcing tonight the creation of the Governor's Jobs Cabinet. Department of Labor and Training Director Fogarty will coordinate the Jobs Cabinet's efforts to retain and expand existing businesses, attract and cultivate employers in high-growth industries, and develop a skilled workforce that meets business demand. Additionally, over the past year Secretary of State Mollis has been working tirelessly to develop a convenient, accessible, and timely one-stop system to make it easier to start and conduct business in Rhode Island. These two state leaders recognize, as I do, that there is no excuse for Rhode Island to be lagging behind our neighbors. We need action now.

On the same note, we must be a state that provides access to capital and encourages innovation. I have heard from many Rhode Islanders who have exciting and promising ideas. But they are

unable to obtain the needed resources to invest in new technologies, expand their operations, or start a new company. This is an area where we need to work together with experts and develop a plan for Rhode Island to strategically invest our state and private assets in the types of industries that will bring good jobs to our state.

And we must be a state that provides certainty to its veterans. Sadly, there is a new wave of Rhode Islanders returning home from the front, Rhode Islanders with unmet needs. And, because they have sacrificed so much for us, Rhode Island must be a state that honors and respects these fine people. That is why, in this legislative session, I will work with you on legislation that improves and expands veterans' services to help these Rhode Islanders who have done so much on our behalf. To all of the veterans here with us tonight, and all those watching or listening at home, we thank you for your service to our state and to our country. You make Rhode Island proud.

Finally, it is important to keep vigilant on the C of the ABCs: Corruption. We must be a state where government is open, honest, and transparent. For too long, the shadow of corruption has darkened the nation's image of Rhode Island. This discourages businesses from locating or expanding here. Working with Attorney General Kilmartin and Colonel O'Donnell of the Rhode Island State Police, we are changing this perception and earning the trust of the people who sent us here. Our constituents must know that we are making decisions on their behalf and not to advance the agendas of a select few.

So let's shed our irrational negativity and go back to the basics with the ABCs – make our assets work for us, pass an honest budget, and have zero tolerance for corruption. And let's make this the year of the cities and towns.

Let me close by returning to those lines of Charles Dickens. It was not just the "the best of times" and "the worst of times," "the age of wisdom" and "the age of foolishness" ... He called it "the season of Light" and "the season of darkness."

But those things do not all coexist at the same time; in fact at this time of year we move towards the season of light. Out of "the winter of despair" comes "the spring of hope," and I can't think of a better concept for Rhode Island as we move forth confidently into a new year. As you have heard tonight, we have no shortage of leadership in this great state; the key is working together.

Thank you.