

**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 sixth day of January in the year of Our Lord two thousand and four.**

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Volume 131, No. 12

Tuesday, February 03, 2004

Twelfth Day

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The Senate meets pursuant to adjournment and is called to order by the Honorable Joseph A. Montalbano, President of the Senate, at 6:15 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 Montalbano and Senators Algieri, Alves, Badeau, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, DaPonte, Felag, Fogarty, Gallo, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McBurney, McCaffrey, Paiva-Weed, Parella, Perry, Pichardo, Polisen, Raptakis, Revens, Roberts, Ruggerio, Sheehan, Sosnowski, Tassoni, Walaska.

**ABSENT** – 2: Senators Damiani, Irons.

**INVOCATION**

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

(See Appendix for Invocation)

**PLEDGE OF ALLEGIANCE TO THE FLAG**

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

**APPROVAL OF RECORD**

The Senate Journal of Thursday, January 29, 2004 proceedings is read in part.

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

**GUESTS**

Upon suggestion of Senator Issa and by unanimous consent, the Honorable President welcomes to the Chamber the Honorable Robert Weber, President of the Central Falls City Council.

Upon suggestion of Senator Gallo and by unanimous consent, the Honorable President welcomes to the Chamber Adam Adamo, a 16 year old tenth grader who attends the New England Laborers/ Cranston Public Schools Construction Career Academy. Mr. Adamo, who was a "F" student upon entering the school, is now a straight "A" student, thriving in the close knit, and hands on curriculum at the Academy. He is accompanied by the Chairman of the Board of Directors, Michael Trafficante, School Director Dr. Michael Silvia, Dean of Academics Ruth Billings, faculty members. Dr. Joel Gluck, Kathy Hoffman, Josh Maslen, Jessica Palumbo, Alicia Ruginis, Vin Negris and Richard Carlson.

**FROM THE HOUSE OF REPRESENTATIVES**

A message from the House of Representatives transmits with announcement of passage, of the following measures:

**House Resolution No. 7377**

**BY** McCauley, Almeida, Moura, Shanley, Schadone

**ENTITLED**, JOINT RESOLUTION CREATING A SPECIAL LEGISLATIVE COMMISSION TO STUDY PREDATORY MORTGAGE LENDING PRACTICES

Read and ordered to be placed on the Desk.

Also:

**House Resolution No. 7380**

**BY** Fox, Watson

**ENTITLED**, JOINT RESOLUTION INVITING HIS HONOR, THE PRESIDENT OF THE SENATE, AND THE HONORABLE SENATE TO JOIN THE HOUSE OF REPRESENTATIVES IN JOINT SESSION FOR THE PURPOSE OF RECEIVING THE STATE OF THE STATE ADDRESS OF HIS EXCELLENCY, THE GOVERNOR

Senator Paiva Weed requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Senator Paiva Weed moves passage, seconded by the Senate.

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

Also:

**House Bill No. 7379****BY** Watson**ENTITLED**, AN ACT REGARDING THE AUTHORITY OF THE TOWN OF EAST GREENWICH TO ISSUE BONDS AND NOTES PURSUANT TO SECTION 45-12-2 OF THE RHODE ISLAND GENERAL LAWS AND CERTAIN FINANCIAL TOWN MEETING RESOLUTIONS

Senator Lenihan requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Senator Lenihan moves passage, seconded by Senator Raptakis.

The act is read and passed, by unanimous consent, 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 Montalbano and Senators Algieri, Alves, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, DaPonte, Felag, Fogarty, Gallo, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McCaffrey, Paiva-Weed, Parella, Perry, Pichardo, Polisena, Raptakis, Revens, Roberts, Ruggerio, Sosnowski, Tassoni, Walaska.

NAYS 0:

Also:

**Senate Bill No. 2139** as amended**BY** Senators Tassoni, Polisena, Connors, Felag, Fogarty P**ENTITLED**, AN ACT RELATING TO TOWNS AND CITIES -- LOW AND MODERATE INCOME HOUSING.

Read and ordered to be placed on the Desk.

Also:

**House Bill No. 7437****BY** Menard, Petrarca, Winfield, Gallison, Malik**ENTITLED**, AN ACT RELATING TO TOWNS AND CITIES -- LOW AND MODERATE INCOME HOUSING

Read and ordered to be held on the Desk.

NEW BUSINESS

**Senate Bill No. 2208**

**BY** Senators Tassoni, Polisena, Fogarty P, Sosnowski

**ENTITLED**, AN ACT RELATING TO TOWNS AND CITIES - LOW AND MODERATE INCOME HOUSING.

Read and referred to the Senate Committee on Commerce, Housing and Municipal Government.

Also:

**Senate Bill No. 2209**

**BY** Senators McCaffrey, Walaska

**ENTITLED**, AN ACT RELATING TO COMMERCIAL LAW - GIFT CERTIFICATES (prohibit expiration dates on gift certificates)

Read and referred to the Senate Committee on Commerce, Housing and Municipal Government.

Also:

**Senate Bill No. 2210**

**BY** Senators Breene, Blais

**ENTITLED**, AN ACT RELATING TO THE EXETER-WEST GREENWICH SCHOOL DISTRICT.

Read and referred to the Senate Committee on Commerce, Housing and Municipal Government.

Also:

**Senate Resolution No. 2211**

**BY** Senators Celona, Tassoni

**ENTITLED**, JOINT RESOLUTION CREATING A SPECIAL LEGISLATIVE COMMISSION TO STUDY TRANSIT SERVICE IN THE STATE OF RHODE ISLAND.

Read and referred to the Senate Committee on Constitutional and Gaming Issues.

Also:

**Senate Bill No. 2212**

**BY** Senators McCaffrey

**ENTITLED**, AN ACT RELATING TO FINANCIAL INSTITUTIONS -- COMMUNITY OBLIGATIONS AND BANKING OFFENSES

Read and referred to the Senate Committee on Financial, Technology and Regulatory Issues.

Also:

**Senate Bill No. 2213****BY** Senators McCaffrey, Walaska**ENTITLED**, AN ACT RELATING TO PERSONAL INCOME TAX -- VETERAN PENSIONS

Read and referred to the Senate Committee on Finance.

Also:

**Senate Bill No. 2214****BY** Senators McCaffrey, Walaska**ENTITLED**, AN ACT RELATING TO SALES AND USE TAXES - - LIABILITY AND COMPUTATION (exempt books and other reading material from sales and use tax)

Read and referred to the Senate Committee on Finance.

Also:

**Senate Bill No. 2215****BY** Senators McCaffrey, Perry, Walaska**ENTITLED**, AN ACT RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND COMPUTATION

Read and referred to the Senate Committee on Finance.

Also:

**Senate Bill No. 2216****BY** Senators Bates, Cote, Issa, Walaska, Paiva-Weed**ENTITLED**, AN ACT RELATING TO INDEBTEDNESS OF TOWNS AND CITIES

Read and referred to the Senate Committee on Finance.

Also:

**Senate Bill No. 2217****BY** Senators Polisena, Issa, Tassoni, Breene, Algieri**ENTITLED**, AN ACT TAXATION -- PERSONAL INCOME TAX.

Read and referred to the Senate Committee on Finance.

Also:

**Senate Bill No. 2218****BY** Senators Lenihan**ENTITLED**, AN ACT RELATING TO HUMAN SERVICES -- FAMILY INDEPENDENCE.

Read and referred to the Senate Committee on Finance.

Also:

**Senate Bill No. 2219**

**BY** Senators Raptakis, McCaffrey, Gibbs

**ENTITLED**, AN ACT RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND COMPUTATION

Read and referred to the Senate Committee on Finance.

Also:

**Senate Bill No. 2220**

**BY** Senators Blais, Polisena, Roberts, Paiva-Weed, Alves

**ENTITLED**, AN ACT RELATING TO TAXATION -- PERSONAL INCOME TAX (organ donor benefits).

Read and referred to the Senate Committee on Finance.

Also:

**Senate Bill No. 2221**

**BY** Senators Badeau

**ENTITLED**, AN ACT RELATING TO ALCOHOLIC BEVERAGES - RETAIL LICENSES.

Read and referred to the Senate Committee on Finance.

Also:

**Senate Bill No. 2222**

**BY** Senators Lanzi, Ciccone, Badeau, Polisena, DaPonte

**ENTITLED**, AN ACT RELATING TO DISABILITY BUSINESS ENTERPRISES.

Read and referred to the Senate Committee on Finance.

Also:

**Senate Bill No. 2223**

**BY** Senators Blais, Bates, Breene

**ENTITLED**, AN ACT RELATING TO FREEWAYS

Read and referred to the Senate Committee on Judiciary.

Also:

**Senate Bill No. 2224** (Attorney General)**BY** Senators McCaffrey, Alves, Polisena**ENTITLED**, AN ACT RELATING TO COURTS AND CIVIL PROCEDURE -- PROCEDURE GENERALLY -- GOVERNMENTAL TORT LIABILITY.

Read and referred to the Senate Committee on Judiciary.

Also:

**Senate Bill No. 2225****BY** Senators Walaska, Alves, McBurney, McCaffrey, Blais**ENTITLED**, AN ACT RELATING TO ABORTION

Read and referred to the Senate Committee on Judiciary.

Also:

**Senate Bill No. 2226** (Attorney General)**BY** Senators McCaffrey, Pichardo, Goodwin, Polisena**ENTITLED**, AN ACT RELATING TO THE ABATEMENT OF NUISANCES.

Read and referred to the Senate Committee on Judiciary.

Also:

**Senate Bill No. 2227****BY** Senators Perry, Goodwin, McCaffrey, Pichardo, Connors**ENTITLED**, AN ACT RELATING TO CRIMINAL LAW - CUSTODIAL INTERROGATIONS

Read and referred to the Senate Committee on Judiciary.

Also:

**Senate Bill No. 2228** (Attorney General)**BY** Senators McCaffrey, Goodwin, Gallo, Perry, Polisena**ENTITLED**, AN ACT RELATING TO THE DOMESTIC VIOLENCE PROTECTION ACT.

Read and referred to the Senate Committee on Judiciary.

Also:

**Senate Bill No. 2229****BY** Senators Perry, Pichardo, McCaffrey, Connors, Paiva-Weed**ENTITLED**, AN ACT RELATING TO CRIMINAL PROCEDURE - EYEWITNESS IDENTIFICATION

Read and referred to the Senate Committee on Judiciary.

Also:

**Senate Bill No. 2230** (Attorney General)

**BY** Senators Pichardo, Perry, Ciccone, Goodwin

**ENTITLED**, AN ACT RELATING TO COURTS AND CIVIL PROCEDURE -- PROCEDURE GENERALLY -- CAUSES OF ACTION.

Read and referred to the Senate Committee on Judiciary.

Also:

**Senate Bill No. 2231**

**BY** Senators McCaffrey, Walaska

**ENTITLED**, AN ACT RELATING TO BOATS -- TITLE

Read and referred to the Senate Committee on Judiciary.

Also:

**Senate Bill No. 2232**

**BY** Senator Walaska

**ENTITLED**, AN ACT RELATING TO BUSINESSES AND PROFESSIONS - SUNDAY BUSINESS.

Read and referred to the Senate Committee on Labor.

Also:

**Senate Resolution No. 2233**

**BY** Senator Montalbano J

**ENTITLED**, SENATE RESOLUTION EXPRESSING CONDOLENCES ON THE PASSING OF AUDREY E. BROMLEY.

Senator Paiva Weed requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Senator Paiva Weed moves passage, seconded by the entire Senate.

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

Also:

**Senate Bill No. 2234****BY** Senator Lenihan**ENTITLED**, AN ACT REGARDING THE AUTHORITY OF THE TOWN OF EAST GREENWICH TO ISSUE BONDS AND NOTES PURSUANT TO SECTION 45-12-2 OF THE RHODE ISLAND GENERAL LAWS AND CERTAIN FINANCIAL TOWN MEETING RESOLUTIONS.

Senator Lenihan requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Senator Lenihan moves passage, seconded by Senators Paiva-Weed and Breene.

The act is read and passed, by unanimous consent, upon a roll call vote with 31 Senators voting in the affirmative and 0 Senators voting in the negative as follows:

YEAS 31: The Honorable President Montalbano and Senators Algiere, Bates, Blais, Breene, Caprio, Celona, Ciccone, Connors, Cote, DaPonte, Felag, Fogarty, Gallo, Gibbs, Goodwin, Issa, Lanzi, Lenihan, McCaffrey, Paiva-Weed, Perry, Pichardo, Polisenena, Raptakis, Revens, Roberts, Ruggerio, Sosnowski, Tassoni, Walaska.

NAYS 0:

Also:

**Senate Resolution No. 2235****BY** Senators Gallo, Paiva-Weed, Goodwin, Perry, Roberts**ENTITLED**, SENATE RESOLUTION PROCLAIMING FEBRUARY 6, 2004 AS "WEAR RED FOR WOMEN DAY" IN THE STATE OF RHODE ISLAND.

Senator Gallo requests unanimous consent for immediate consideration.

Unanimous consent for immediate consideration is granted.

Senator Gallo moves passage, seconded by the entire Senate.

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

**CONSENT CALENDAR**

In order for the day is taken up as follows:

Upon motion of Senate Majority Leader Paiva-Weed, seconded by Senator Algieri, the following measure on today's Consent Calendar, by unanimous consent, is read and passed, upon a voice vote:

**Senate Resolution No. 2207**

**BY** Senators Parella, Felag, Bates

**ENTITLED**, SENATE RESOLUTION CONGRATULATING CUB SCOUT PACK 6 OF BRISTOL, RHODE ISLAND ON THE OCCASION OF THE CLUB'S 50TH ANNIVERSARY.

**ANNOUNCEMENTS**

Senator Polisena announces that the Committee on Judiciary will meet on Thursday, February 5, 2004 at 5:00 o'clock P.M. in Room 313 of the State House.

**TRANSMITTAL**

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

**APPOINTMENTS**

February 3, 2004

The Honorable Senate  
State House  
Providence, RI 02903

Dear Colleagues:

Pursuant to Section 5.2 of the Senate Rules, I am making the following appointments to the Senate Standing Committees:

***Senate Committee on  
Commerce, Housing and Municipal Government***

Frank T. Caprio, *Chairperson*  
John J. Tassoni, *Vice Chairperson*  
Paul W. Fogarty, *Secretary*

David E. Bates  
Leo R. Blais  
Kevin A. Breene  
Marc A. Cote

Leonidas P. Raptakis  
Elizabeth H. Roberts

***Senate Committee on Constitutional and Gaming Issues***

Maryellen Goodwin, *Chairperson*  
Marc A. Cote, *Vice Chairperson*  
David E. Bates, *Secretary*

John A. Celona  
Daniel P. Connors  
J. Michael Lenihan  
John J. Tassoni, Jr.

***Senate Committee on Education***

Daniel J. Issa, *Chairperson*  
Hanna M. Gallo, *Vice Chairperson*  
Beatrice A. Lanzi, *Secretary*

Daniel P. Connors  
Walter S. Felag, Jr.  
Mary A. Parella  
Joseph M. Polisena  
V. Susan Sosnowski

***Senate Committee on Environment and Agriculture***

V. Susan Sosnowski, *Chairperson*  
Daniel P. Connors, *Vice Chairperson*  
Kevin A. Breene, *Secretary*

Stephen D. Alves  
Leo R. Blais  
June N. Gibbs  
William A. Walaska

***Senate Committee on Finance***

Stephen D. Alves, *Chairperson*  
Walter S. Felag, Jr., *First Vice Chairperson*  
Beatrice A. Lanzi, *Second Vice Chairperson*  
Hanna M. Gallo, *Secretary*

Frank A. Ciccone, III

Daniel P. Connors  
June N. Gibbs  
Maryellen Goodwin  
Mary A. Parella  
Juan M. Pichardo  
Dominick J. Ruggiero  
James C. Sheehan

***Senate Committee on Health and Human Services***

Elizabeth H. Roberts, *Chairperson*  
James C. Sheehan, *Vice Chairperson*  
June N. Gibbs, *Secretary*

Leo R. Blais  
John F. McBurney, III  
Mary A. Parella  
Rhoda E. Perry  
Juan M. Pichardo

***Senate Committee on Labor***

Roger R. Badeau, *Chairperson*  
Dominick J. Ruggiero, *Vice Chairperson*  
Frank A. Ciccone, III *Secretary*

David E. Bates  
Marc A. Cote  
Paul W. Fogarty  
Beatrice A. Lanzi  
John C. Revens, Jr.

***Senate Committee on Government Oversight***

J. Michael Lenihan, *Chairperson*  
Daniel P. Connors, *Vice Chairperson*  
John F. McBurney, III *Secretary*

Leo R. Blais  
Daniel DaPonte  
Daniel J. Issa  
Elizabeth H. Roberts  
James C. Sheehan  
V. Susan Sosnowski

*Senate Committee on  
Financial Services, Technology and Regulatory Issues*

William A. Walaska, *Chairperson*  
Daniel DaPonte, *Vice Chairperson*  
David E. Bates, *Secretary*

Leo R. Blais  
Walter S. Felag, Jr.  
Hanna M. Gallo  
Juan M. Pichardo  
John C. Revens, Jr.  
V. Susan Sosnowski

*Senate Committee on Judiciary*

Michael J. McCaffrey, *Chairperson*  
Rhoda E. Perry, *Vice Chairperson*  
Leonidas P. Raptakis, *Secretary*

Leo R. Blais  
Frank T. Caprio  
John A. Celona  
Michael J. Damiani  
John F. McBurney, III  
Joseph M. Polisena  
John C. Revens, Jr.

*Senate Committee on Rules*

Daniel P. Connors, *Chairperson*

David E. Bates  
Daniel DaPonte  
J. Michael Lenihan  
Dominick J. Ruggerio

\* President Montalbano, Majority Leader Paiva-Weed and Minority Leader Algieri serve as ex-official members of all committees.

Sincerely,  
JOSEPH A. MONTALBANO  
President of the Senate

**ADJOURNMENT**

Upon motion of Senator Ruggiero, seconded by Senator Algiere, and upon suggestion of Senator McCaffrey, the Senate adjourns at 6:45 o'clock P.M. in memory of Chester J. Welch.

RAYMOND T. HOYAS, JR.  
Secretary of the Senate

**Appendix**

**INVOCATION**

**SENATOR MARY A. PARELLA**

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

**PROCEEDINGS IN JOINT SESSION**

Tuesday, February 3, 2004

The Honorable President of the Senate, Joseph A. Montalbano, 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, 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 (04-H 7380) of invitation is dispensed with.

The Honorable President, by unanimous consent, appoints Senate Majority Leader Paiva-Weed, Senate Minority Leader Algieri, Senators Gallo, Gibbs, Pichardo and Sheehan, and Representatives Menard, Lima, Naughton, Aubin, Trillo and Story, a Committee, to escort His Excellency, the Governor, Donald L. Carcieri to the Chamber.

Joint Session attends while the State University and College Presidents enter the Chamber.

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

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

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

Joint Session attends while the Honorable Paul J. Tavares, 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 Matthew A. Brown, Secretary of State, enters the Chamber.

Joint Session attends while His Honor, the Lieutenant Governor, Charles J. Fogarty, enters the Chamber.

Joint Session attends while His Excellency, the Governor, Donald L. Carcieri, and the First Lady, Suzanne Carcieri, enter 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 7:44 o'clock P.M.

RAYMOND T. HOYAS, JR.  
Secretary of the Senate

### **Appendix**

#### **STATE OF THE STATE ADDRESS**

#### **GOVERNOR DONALD L. CARCIERI**

**FEBRUARY 4, 2004**

#### **State of the State Message Donald L. Carcieri February 3, 2004**

Thank you, Mr. President. Mr. Speaker, members of the General Assembly, my fellow General Officers, members of the Judiciary, distinguished guests...my wife, Sue (our Rhode Island First Lady)...my family...and my fellow Rhode Islanders.

One year ago, I stood here before you as your newly-inaugurated Governor – a native Rhode Islander with a life-long love of our state, a newcomer to politics and public service. I talked about a renewed sense of optimism and pride in our future.

Tonight, I stand here much more seasoned – with a few more gray hairs and a thicker skin, and I'm more excited than ever about our state and it's potential. My optimism remains undaunted. I have glimpsed what is so great about our state. I have witnessed the character, compassion and resilience of our people's soul. As the prophet Isaiah said, we have been "tested in the furnace of affliction." 2003 brought great tragedy and heartbreak to our state with the loss of 100 lives and the injury of many more in the Station Night Club fire. Also sadly, we've lost eight Rhode Islanders in the war on terror,

two in just the past week and a half. And, we lost three members of the House of Representatives: Mabel Anderson, Steve Anderson and Paul Sherlock. Please join me in a moment of silence to remember each and every one of them.

As the great leader Winston Churchill once remarked, "Out of intense complexities, intense simplicities emerge."

Our state came together as never before in the aftermath of that hellish fire. We witnessed the heroics of firefighters, police officers, rescue workers, doctors, nurses and dentists. We saw the compassion of clergy, social workers and community volunteers. Their selfless actions made me extraordinarily proud to be a Rhode Islander.

Here tonight is a small group representing the hundreds of others who were on the front lines that night and the following days:

They are Anthony Bettencourt of the West Warwick Police Department, who was on duty at the Station Night Club, Lieutenant John Sullivan of the Coventry Police Department, State Troopers Peter Chabot, Christopher Schram and Richard Swanson. Doctor John McCue and nurse Jean Taylor of Kent County Hospital and Doctor Arlet Kurkchubasche and nurse Jennifer Dunbar of Rhode Island Hospital.

I would also like to recognize the heroic work of state representatives Norman Landroche (a firefighter) and Peter Ginaitt (an EMT) who were among the first on the scene. Please join me in thanking them and the many others who epitomize the greatness of our human spirit.

Over the past twelve months, hundreds of Rhode Island National Guard and regular military troops have been deployed to Iraq and Afghanistan. They have answered the call to duty with distinction and dedication.

We're very proud of people like Senior Master Sergeant Robert Weber of the 282<sup>nd</sup> Combat Communications Squadron. He lives in Central Falls and has been a full-time member of the National Guard for 20+ years. Master Sergeant Weber is home on leave from Iraq. Let's give him a big round of applause as he represents all of our fellow Rhode Islanders deployed overseas. While our brave soldiers in uniform are making sacrifices, their families here at home are experiencing hardships. They're taking on extra responsibilities. Shouldering many burdens alone.

Helping each other cope. Joining us in this Chamber are four remarkable women whose loved ones are overseas:

- **Sue Guadalupe** of Bristol, whose husband is Sergeant Edward Guadalupe, of the 103<sup>rd</sup> Artillery,
- **Stacy Viens** (Vee-ins) of Woonsocket whose husband is Sergeant Raymond Viens, also of the 103<sup>rd</sup> Field Artillery,
- **Jennifer Rose** of Cranston whose husband is Sergeant Edward Rose of the 115<sup>th</sup> Military Police Company and
- **Jackie Dryer** whose son is Specialist Luke Walker of the 115<sup>th</sup> Military Police.

Won't you please stand and be recognized? It is your spirit of dedication and cooperation that should be the model for all of us ... to emulate as we face the challenges ahead.

American author Ralph Waldo Emerson challenges us:

"Do not go where the path may lead. Go instead, where there is no path and leave a trail."

Tonight, as your Governor, I would like to blaze some new trails in what I call the four "Pathways to Prosperity": good jobs, good schools, good government and a good place to live.

The first pathway is good jobs. Let me start by saying that Rhode Island has performed comparatively well in the past year. Our job growth for the year was actually positive, 800 jobs ... while the nation as a whole and the New England region actually lost jobs. In fact, in the month of December, the total job growth for the nation was only 1,000 --- 600 of which were in Rhode Island. How about that? By my calculations, Little Rhody produced 60 percent of the job growth in this country.

Tourism, financial services, health care and our major manufacturers are the foundation of the economy. We will continue to support their growth and success.

Last year, with the support of this General Assembly, we implemented a jobs package to support my goal to create 20,000 net new jobs over 4 years.

These investments are paying off. Amgen is investing \$1 billion in our state and will employ more than 1,500 people in high paying jobs. We need more Amgens and we thank them for being here.

Building on this success, our strategy emphasizes the life sciences and biotechnology.

This year, we are proposing two new initiatives to accelerate this plan. The first is a collaborative effort between our public and private universities to attract millions of dollars from the National Science Foundation to create a world class research capacity here in Providence.

The second initiative will be the creation of a Marine Life Sciences Park at Quonset Point. This park will pursue new business opportunities in technologies for the rapidly growing aquaculture industry. Joint venture discussions are underway with a number of interested parties.

To support the growth of business and jobs in our state, we need to continue upgrading our infrastructure. To that end, we have three new strategies.

**One**, I am accelerating four major highway and bridge programs, which will greatly expand our economy and create jobs: the relocation of I-195 in Providence, a new Washington Bridge, completion of the Route 403 connector to Quonset Point and a new Sakonnet River Bridge.

All of these projects, an investment of almost \$700 million (82% federal) when completed, will unleash great economic potential throughout our state.

**Second**, I am proposing a major investment in Quonset Point: \$48 million to transform it from a decayed military base to a modern technology park, superior to any other in the region.

There are exciting things happening at Quonset, and we need to prepare it to become a major job generator.

**Third**, we need to ensure that T.F. Green Airport continues to be an engine for our economy. It must be competitive as an alternative to Boston. To do that, we must extend the runway to accommodate coast-to-coast flights and build the intermodal facility that will connect a new train station to the airport. With these two completed, T.F. Green will be the most convenient, efficient and progressive airport in the region, if not the country.

Let me turn now to the second pathway, good schools. Good schools underpin not only our economy, but the social fabric of our lives.

Well educated young people become productive adults.

Unfortunately, our elementary and secondary schools continue to under-perform both nationally and regionally. Yet our spending on elementary and secondary education is among the highest in the nation. (7<sup>th</sup>) There is an obvious disconnect here.

We are working on a number of initiatives to improve this performance. I'll mention just 6:

1. In the past year new standards have been instituted for reading and math in grades three through eight.
2. I initiated with the Department of Education the establishment of minimum standards of achievement for high school graduation.
3. We passed legislation requiring higher standards for teacher certification and professional expertise.
4. Moving forward, I have called for developing teams of specialists in math and reading to assist the school districts with teacher training.
5. I'm very enthused about beginning a new principal training and mentoring program to provide the future leadership for our schools.
6. The Board of Regents has proposed a longer school day for some districts. This will provide not only more class time for students, and more professional development time for teachers.

These initiatives are all about one thing...kids!!!

And talking about the kids, last Monday I visited Hope High School again. You'll recall that last year, I challenged us ---- state and city --- to improve the performance of Hope and allocated \$600,000 of state money to fund it. Well, I am here to tell you that the Hope I saw last Monday is a different place, with a different attitude and spirit, and kids more excited. This is a result of the joint dedication and effort of the teachers, administrators, staff and students.

The directors of Hope's three new learning communities, under the leadership of Principal Nancy Mullen, have brought knowledge, expertise and talent to these new and smaller learning environments.

Whether it's developing partnerships with RISD and CCRI, or ensuring discipline and motivation, all of the directors and teachers have exhibited strong devotion to moving Hope forward.

Here tonight are Principal Mullen, the three directors --Carrie Glenn, Nikolika (Own-yeah) Paul Nichols and student Linda Juliao (*Julio, a member of the School Improvement Team*) Please join me in applauding their efforts and commitment.

I am so convinced by what Hope has accomplished in a year, I intend to challenge us again, to do the same in Providence's other high schools. In addition to continuing the Hope investment of \$600,000, I plan to budget another \$1 million for the other schools.

Public charter schools are another great success story in our state. At present, we have 10 such schools, enrolling 1,700 students – mostly from urban areas. Here tonight, we have two of our charter schools represented: the Textron Chamber Academy, under the leadership of CEO Rick Landau, and the New England Laborers Construction Career Academy, under Dr. Michael Silvia.

Adam Adamo is a 10<sup>th</sup> grade student at the Career Academy.

And, Ishmael Lovett is a 10<sup>th</sup> grade student at the Textron Chamber Academy. Both are excelling at their new schools.

Rick Landau, Dr. Michael Silvia, Adam Adamo and Ishmael Lovett are here this evening. Please stand and be recognized.

In the coming year, I intend to fully fund these public charter schools. Further, I will propose legislation to remove the current limitation on the permitted number of charter schools in our communities. Providence is already at the allotted maximum of four and there are many more possible, which will provide greater opportunities for our urban children.

I believe that one of the reasons for the disconnect between our spending and performance, is that our local school committees have little financial accountability.

While their expenditures represent the largest part of municipal budgets, their contract negotiations and decisions are completely separate.

I intend to propose legislation that will require school committees to be accountable to local municipal governments.

Now let me turn to higher education. Contrary to elementary and secondary—where our spending is among the highest in the nation—in higher education ... our investment is among the lowest (44<sup>th</sup>).

I believe there is a direct connection between economic development and the vibrancy of higher education. Private institutions have been investing and prospering, while the state has been under-investing. Although we will continue to support RIC and CCRI, URI is uniquely positioned in the biosciences, pharmacology, engineering and marine sciences. It's time to invest in these sciences for the jobs of the 21<sup>st</sup> century.

I have asked the Commissioner of Higher Education to work with URI in the development of a five year investment plan to substantially upgrade our scientific capability, especially in the area of graduate research.

As a first installment, I am moving forward with the new \$50 million Bioscience Building.

I am asking the General Assembly to put a bond referendum on the ballot in November and I encourage all Rhode Islanders to support it.

Additionally, I ask the General Assembly to eliminate personnel restrictions for independently-funded research.

This is critical to building our scientific expertise... and does not involve state taxpayer money.

Let me turn now to the third pathway “good government.” In my inaugural address, I articulated four principles that summarize good government. Good government is empathetic, accessible, competent and ethical.

Empathetic means responsiveness and sensitivity to our citizens. As a state, we have shown great compassion to the most vulnerable.

Rhode Island’s health and human service programs are the best in the country. This is a credit to our state.

Again this winter, the combined efforts of the public and private sectors, especially faith-based communities, rose to the challenge of providing shelter for the homeless.

This past year also saw a vast improvement in night-to-night placement of adolescents.

Due to the hard work of D-C-Y-F staff and provider partners, the last six months has seen the lowest incidence of these placements since consistent record keeping began in July of 1987.

Good government is also accessible. I have made it a personal goal of my administration to be accessible to citizens, legislators, employees and yes, the media.

My monthly Open Door Thursdays continue to this day. I have also instructed my staff to err on the side of openness regarding public records. We are removing the barriers that have obstructed the public’s right to information about government.

Opening all of our activities to public scrutiny is the surest way to build public confidence.

Good Government is also competent. This means **controlling spending, not raising taxes and running state government more “business-like.”**

State spending has not been under control. Rhode Island has suffered three years of structural deficits of over \$200 million per year. Those gaps were plugged by pulling rabbits out of the hat: one-time windfalls.

Well, the hat’s empty, and this year the hard choices are here. Taxpayers have had to adjust their spending to reflect the realities of small wage increases and rising health care and property taxes. They expect their government to do the same. To close this deficit, we must cut our spending. Later this month, I will be submitting my budget for fiscal year 2005. It will require sacrifices and it will not raise any broad-based taxes.

We can further reduce spending by doing a better job of running government. By now you've all heard of Fiscal Fitness. Well, eight months ago, we started an intensive review of state government --- an outgrowth of the "Big Audit." We assembled a team of 55 state employees drawn from virtually every executive department to study ways to reduce costs and streamline operations. It's a kind-of overhaul for the long haul.

The team analyzed 350 ideas, hundreds of emails and hotline calls and thousands of documents. They have produced a comprehensive report detailing some 140 recommended actions, which when fully implemented, will reduce our spending by

**\$180 million per year.** In the next five years, these actions will save taxpayers \$650 million.

These recommendations include major organizational changes, overhead consolidations, personnel benefit reforms, and operational improvements. This implementation will be the most comprehensive change in state government operations in decades and will take 18 months to complete.

One of the recommendations I intend to implement this year is a co-sharing of health care premiums.

Unlike most Rhode Islanders, state employees do not currently share the cost of their premiums. Beginning July 1, all non-union state employees will receive a 2% wage increase, and will initially pay 7% of their health care premiums. The share will increase to 15% over three years.

I would like thank each member of the *Fiscal Fitness* team for their outstanding service to the taxpayers of Rhode Island. Some members of this team are with us this evening.

They're indicative of the many hardworking state employees across all of state government. Please join me in giving the *Fiscal Fitness* team a round of applause.

Beginning tomorrow, I will be briefing the leaderships of the General Assembly, labor and business. Following those briefings, the full report will be made public. This will be an enormous effort requiring cooperation by all of us. But the effort will be worth it -- the potential is huge.

It is possible to run government more business-like.

Last year, I said we would fix the D-M-V. I am happy to report tonight that we have succeeded. Recently, Sue and I took our grandchildren to see a Lewis & Clark movie at the IMAX. Based upon the horror stories about the DMV, even Lewis & Clark would have gotten lost there.

But, we changed that. We installed greeters, we launched on-line renewals, we cleaned up the offices, we allowed AAA to service their members, and we are putting auto dealers on-line to register cars directly. We are transforming DMV into an efficient customer-friendly place.

Good government must also be ethical. This is, by far, the most important. For without it, everything else unravels. I know this is an uncomfortable topic, yet it is one we must come to grips with and confront head on.

I believe most of us in this chamber tonight uphold high ethical standards and serve the people honestly and with great respect.

But right now, the people's confidence and trust has been badly shaken. The revelations of the past months have ignited outrage and cynicism. And this is not a partisan issue.

As state leaders, we are all painted with the same brush because of the actions of some. It reflects poorly on all of us and on our state.

Two weeks ago, I proposed to create a Select Commission on Public Integrity. I believe we cannot address this situation piece-meal, with a patch here and a patch there. We need a comprehensive, independent review.

We need to review the Ethics Commission and develop more extensive measures concerning both financial disclosure requirements.

We need to define more tightly, conflict of interest situations between elected officials and their sources of employment or support. This can only be done with a thorough, independent process.

When all is said and done, ethics is as much about personal conduct as it is about rules.

I thank the many legislators, both Republican and Democrat, who have come forward to support this proposal. I ask the entire General Assembly to join me in this effort.

We must come together as we did last year in passing the historic separation of powers amendment. You deserve great credit for enacting a Constitutional Amendment that will have profound positive impact on the way our government operates. It was an unselfish act which put good government first. For that, the people of our state thank you.

Finally, the fourth pathway; a "good place to live." We are all here in Rhode Island because we love it. It is a good place to live.

By the way, in case you haven't noticed, we are being discovered by the rest of the world! That is dramatically reflected in the rapid increase of real estate prices, as well as the surge in development. Managing this growth to maintain our attractiveness will take great care and diligence.

This past year, we had a poignant reminder of the fragility of our most precious natural resource, Narragansett Bay. It is the heart and soul of what makes our state special. Last summer, the major fish kill in Greenwich Bay, the beach closures, and the noxious odors in Conanicut were a wake-up call that we have much work ahead to nurture our Bay's health.

In September, I announced the creation of the **Narragansett Bay and Watershed Planning Commission** chaired by former Governor J. Joseph Garrahy. I have charged this unprecedented body with developing a long term strategic plan for the Bay and its watershed. There are 160 people representing many groups, already at work.

There is no more important environmental initiative than preserving the health and vitality of Narragansett Bay.

As I talk with people throughout our state, I hear two concerns voiced over and over: health care costs and property taxes.

Both are complex problems with no easy, short-term solutions. We are, however, working on both of them.

To reduce health care costs, we need to examine all parts of the system: the insurers, the providers, our usage, prescription drug costs, and tort reform.

I am creating a senior-level, health policy advisor reporting directly to me to identify immediate opportunities for relief. I have also assembled a group of community leaders to work with us to address the major cost drivers that are causing the escalating premiums.

The Department of Health is investigating the feasibility of Canadian drug purchases, as well as rule changes to encourage more insurers in our state. I also will propose legislation to reduce the costs that lawsuits impose on our health care system. These efforts will be coordinated with the good work already underway in the House and Senate.

Regarding property taxes, in November I convened the first-ever Municipal Summit. We brought together more than 100 municipal and school department leaders.

It was a very productive and uplifting day! The objective was to explore ways to work together to reduce the cost of municipal services. Many of the issues faced by the cities and towns are the same as those faced by state government. The major expenditure is personnel and benefit costs.

We are exploring ways to collaborate on contract negotiations, collective purchasing (especially health care) and state mandates. In truth, property taxes can only be stabilized if municipal spending is stabilized. Working together, I believe that is achievable.

Finally, let me talk briefly on one last subject which will have an important impact on our state: casino gambling.

The proponents of a new casino are going to spend millions of dollars to try to convince us that it will be a great source of new revenue for our state, providing thousands of jobs. I submit to you that that is not the case.

The fact is we are already receiving \$215 million from Lincoln Park and Newport Grand, at a 60% tax rate, more than twice what a new casino proposes. The loss of jobs at nearby restaurants, gift shops and small family businesses will offset most of the new jobs.

The affects on families because of addiction to gambling are devastating.

We are already too dependent on gambling revenue. If we continue, we will soon be owned by them.

Tonight I have mapped out new trails toward good jobs, good schools, good government and a good place to live. What I call "*Pathways to Prosperity*". We are poised like never before to seize the moment and propel ourselves forward. It will mean challenging ourselves in new ways with new vigor.

I ask all of us tonight to take inspiration from the spirit of the New England Patriots. They won the Super Bowl with teamwork, preparation and perseverance. If we follow that formula, we will make Rhode Island a shining star we can all be proud of.

I have never felt more optimistic about our future!

Thank you. Good night. And may God bless Rhode Island and all of America.