

Patricia Morgan – Republican State of the State Address

As Prepared for Delivery

Tonight, I am speaking to you about the Republican vision for the state. There is so much to love about Rhode Island. Our history, our physical beauty and most of all, our people. Rhode Islanders want no more than any other family in the country. A place to grow their lives, work for financial security and retire in comfort, surrounded by family and friends.

Unfortunately, that is not the reality today and no amount of happy talk will fix the problems. Let's be honest with one another: our government is broken, and we can only fix the problems of Rhode Island if we acknowledge them. That will take political will and solutions focused on the common good.

The data tells us that we have a lot of work to do.

- One third of our population is on Medicaid.
- The most recent USDA survey found that one in eight Rhode Island households cannot afford adequate food.
- Despite a low unemployment rate, the number of employed Rhode Islanders has declined, on a monthly basis, for five consecutive months and has not yet recovered to pre-recession levels.
- 45% of the jobs created since the recession pay less than \$35,000; one third of those created in the last year pay an average of only \$26,500.
- In national rankings, our business climate continues to bounce along the bottom.
- All those cranes to which the Governor refers have tax dollars attached to them. Taxpayers simply can't afford to buy every company a new building. And the hotels produce low wage, not middle-class jobs.
- Fewer than 40% of students statewide met or exceeded expectations in reading and fewer than 32% met or exceeded expectations in math. The statistics for our inner cities are worse, resulting in stunted futures for far too many children and a lack of adequately prepared workers for industry.
- We have the 8th highest property taxes in the country and the 4th highest overall tax burden. That's \$8531 for every man, woman and child. Every year we have added another source of 'revenue' to extract money from the wallets of hardworking Rhode Islanders. Increased DMV and car inspection fees, gas taxes, tolls, the amazon tax and others continue to add to the burden. Instead of fiscal discipline, our leaders are looking to legalizing marijuana and online gambling as cures for overspending.
- Those high taxes add to our cost-of-living, which is the 8th highest in the nation.

Our state was First In and Last Out of the recession. Without a national economy that is now seeing real improvement, our labor statistics would, in all likelihood, show little, if any improvement.

Rhode Islanders want to Grow, Work and Retire in our beloved Ocean State. Although we have seen some improvement, it is too slow, too costly, and seemingly focused on insiders, instead of the common good.

Our future rests on our collective courage to confront three challenges to our economy: public corruption, our hostile business climate and poor educational outcomes. So, what can we do to confront these three key problems?

Problem #1 – Corruption:

To combat corruption, our caucus is submitting legislation to push for more ethical and transparent government. What does that mean?

- We want to create the Office of Independent Inspector General and allow a Gubernatorial Line Item Veto to combat waste, fraud and abuse in state agencies.
- We are sponsoring a bill to require a quarterly accounting of Commerce Corporation programs and their metrics for success; as well as, legislation that will ban moral obligation bonds and place a constitutional restriction on tolling passenger vehicles.

Problem #2 – Hostile Business Climate:

If Rhode Island is ever to have a sustainable economy where our citizens can grow, work and retire, it must be competitive relative to other states. If you wanted to move a business into the Northeast, why not Rhode Island? If you wanted to invest in a state in the Northeast, why not Rhode Island? With clear eyes and a realistic analysis of the data, state leaders must answer that question and begin to reform and eliminate the bad policies that, not only keep us ‘competing’ with other states for last place, but also convince too many of our people to throw up their hands, wave the white flag of surrender, and move to states where opportunity is better, and futures are brighter.

The Republican Caucus plans to answer that question in the form of legislation that will be submitted to begin much needed reforms, and the process to fix our state begins anew, tonight.

These solutions will lessen insurance premiums, electric, sewer and garbage pickup rates, and our soaring property taxes.

To combat crushingly high health insurance rates, we look to reduce the number of mandates on our premiums that make us highest in the country. The failed Reinvention of Medicaid has created a crisis in access to care. To combat it, we are proposing legislation that will help doctors stay and practice in the Ocean State.

Electric rates are soaring, hurting individual ratepayers and businesses alike. We will be convening a Republican Policy Group to investigate all aspects of the issue and recommend solutions.

My hair dresser, a small businesswoman, once asked me, ‘What are you legislators going to do to help small businesses?’ I asked her what was her biggest concern. Her answer – like so many homeowners – was: “property taxes.”

Collectively, small business is our largest employer. We need to help them to thrive. Small businesses feel the bite of property taxes as a larger percentage of their bottom line. Our caucus will again submit legislation to begin to reduce that burden. We seek to eliminate the Tangible Personal Property tax that foolishly taxes the equipment they need to open their doors: their desks, chairs, computers and telephones.

- We want to reform our broken disability pension system.
- Train municipal officials in contract negotiations.
- Allow cities and towns to consolidate their bonds with the state’s lower interest rate if they use the savings to retire debt.
- Eliminate unfunded mandates that drive property tax increases.

One of our members will be chairing a commission to study recycling for multi-unit complexes, in an attempt to roll back the recent 50% increase in tipping fees.

These proposals will lower our ever-increasing property taxes and help regular folks and businesses alike.

In recent years, our budgets have covered up structural deficits by using one-time revenue that we affectionately call “scoops.” This is the practice of taking your money from electric, garbage, and sewer bills to hide overspending. Our legislation, calling for zero-based budgeting, will stop that practice.

Problem #3 – Poor Educational Outcomes:

Our Republican Caucus fully understands and appreciates the necessity of providing great educations to our children. It is the single most powerful way to break the cycle of poverty, help each person maximize their potential and insure our employers have qualified workers.

As a former teacher, I don’t know of any educator who doesn’t go to school each day wanting to have a positive impact on the lives of their students. We must unleash that desire by providing classrooms with textbooks and teacher manuals, joint planning time and greater instructional freedom.

- Repairing our schools is expected to cost a minimum of \$2 billion.
- Approximately half of that crushing amount will come from the state and the other half from municipal property taxes.
- The Treasurer has proposed issuing \$500 million in state debt over the next 10 years. That equates to \$1 billion in taxes.

That not only is a large bill, but it is also a very long time to wait. Our children and our teachers deserve healthy schools in which to spend their days. To lessen the financial burden, we are proposing an exemption to the prevailing wage for school repair. This common-sense policy was used in Ohio and resulted in a 15% to 20% reduction in the cost to repair their schools through increased competition. Hardworking Rhode Islanders would certainly benefit from saving \$150 to \$200 million. And the schools will get fixed sooner.

We can no longer afford to see our working age people and our prosperous retirees flee our state. The Republican Caucus will continue to propose solutions to begin reforming the bad policies and practices that hurt our families and businesses alike. We will research, testify, advocate and discuss with all stakeholders. The goal is to stop corruption, strengthen our economy, allow business to grow and create good paying jobs and create an educational environment in which every child can thrive. Republicans have the political will to search for and provide solutions.

We want every Rhode Islander to Grow, Work and Retire here...in the Ocean State.