

Institute provides road map for RI's state budget

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CRANSTON — Participants attending the second annual Budget Rhode Map conference held January 15 at Rhodes on the Pawtuxet learned strategies for intervention in the state budget and why the state is in such poor fiscal shape.

More than 200 legislators, agency directors, nonprofit administrators and concerned citizens attended the forum, sponsored by The Poverty Institute in The Rhode Island College of Social Work.

According to Kate Brewster, executive director of The Poverty Institute, concerned citizens should develop an action plan to follow the development of the state budget.

In summer and fall, when state agencies develop budget requests, voters should meet with or write to state agency directors to offer input.

In the fall, once state agencies submit their budget requests, interested parties should file a public records request to learn about proposed savings, or spending initiatives that the governor will choose from.

In November, voters should attend the Caseload and Revenue Estimating Conference, a publicly held semiannual meeting between the Rhode Island Budget Office and the Senate and House finance committees.

From January to June, when Finance Committee meetings are held, residents should provide public testimony at hearings, lobby legislators, and submit op-eds and letters to the editor of statewide and local newspapers.

In May, concerned Rhode Islanders should attend the second Caseload and Revenue Estimating Conference, which determines whether revenues and caseloads are above or below November estimates.

In June, during final budget negotiations, citizens should be at the State House during budget negotiations to remind legislators of previously-expressed positions on budget matters. Citizens should also contact the governor to urge him to sign, or veto, the budget and contact members of the General Assembly if the budget is vetoed.

According to Russell Dannecker, fiscal analyst at The Poverty Institute, Rhode Island is not the only state experiencing fiscal problems. He said that 38 states, including neighboring Massachusetts and Connecticut are facing a projected budget gap for FY09.

"For FY09, our budget deficit is largely attributed to a recent revenue problem due in large part to the fact that revenues have plummeted over the last year," said Dannecker. "For FY2009, our projected deficit is \$319 million, with 73 percent of the deficit consisting of revenues and 27 percent consisting of expenditures. The governor's proposals to close the

FY2009 budget deficit rely on changes to expenditures (87 percent); only 13 percent of the proposals center around raising revenues."

Dannecker told those gathered that FY 2008 ended with an estimated \$34 million deficit mostly incurred by overspending. He reported that 20 of 45 agencies overspent their total general revenue appropriations.

The policy analyst noted that overspending was caused by delays in implementing new initiatives, inaccuracies in expenditures projections, unexpected costs and other problems.

Dannecker said that in October 2008, FitchRatings, one of the three major bond credit rating agencies that assesses the credit worthiness of debt incurred by a state, downgraded the State of Rhode Island, which reflected the state's stressed real estate market, continued job losses and high unemployment rate, as well as numerous tax credit programs and tax cuts that were enacted over the past several years.

"Lawmakers will need to make tough decisions in the upcoming months in order to close the budget deficit, and these decisions could affect many Rhode Islanders. Therefore, it is crucial that people become informed participants in the budget debate, and urge their legislators to take a balanced approach to solving our state's budget problems," Brewster said.