

## Rhode Island Will Trim State Work Force

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BOSTON, Nov. 16 — About 500 state employees in [Rhode Island](#) are expected to lose their jobs, Gov. Donald L. Carcieri announced on Friday. The state is trying to close a projected \$450 million budget gap for the next fiscal year.

Mr. Carcieri's office sent termination notices to 153 employees on Thursday and told 330 others they would probably lose their jobs by July 1, although it will likely be sooner, said Jeff Neal, a spokesman for Mr. Carcieri, a Republican.

The administration expects the cuts to save \$41.6 million. The state is expecting to save a total of \$100 million a year with the additional layoffs of 168 contract workers on Nov. 1 and losing nearly 500 positions through retirement and attrition. The state has 15,000 employees.

"From the governor's point of view, this is one of the last options we have," Mr. Neal said. "It is not an option that he would have preferred to take, at least not in this fashion.

"But with the dramatic nature of our growing deficit problems and the fact that these problems have occurred every year and are projected to occur every single year in the future," he continued, "the governor believed it was important to make a significant structural change."

Other states also have fiscal problems. Arizona and Florida are operating under or projecting budget deficits, stemming in part from weak housing markets, said Arturo Perez, a fiscal analyst with the National Conference of State Legislatures. In Massachusetts, officials project a \$1.3 billion deficit for the next fiscal year. In Maryland, Gov. [Martin O'Malley](#) is asking lawmakers to help close a \$1.7 billion shortfall.

California's chief budget analyst urged lawmakers on Wednesday to cut spending immediately or raise taxes to help shrink the a \$10 billion budget gap. It came to light three months after the budget passed, showing a \$4 billion reserve. Energy costs and housing problems have been huge drains on the economy.

“There are assumptions in every budget,” the State Senate Republican leader, Dick Ackerman of Irvine, said. “You hope that they don’t all go bad. But last year, many of them did.”

In Rhode Island, a significant number of layoffs will come from the five social service agencies Mr. Carcieri seeks to consolidate. A list shows sheriffs workers, nurses, janitors, prison counselors and lawyers are to be laid off.

Officials said the projected shortfall was caused by decreased revenue, increased expenditures and stagnant employment growth. In addition to the projected shortfall, the state also has to close a current \$150 million gap. Mr. Neal said Mr. Carcieri, legislative leaders and other officials planned to meet next week to work on solutions.

Steven M. Costantino, chairman of the House Finance Committee, said the state had been grappling with huge deficits for years and had to come up with creative ways to reverse them.

“Rhode Island is on a really bad course,” Mr. Costantino said. “I do think that every level of government has to participate in solving this problem, and I do think that sacrifices in all levels of government including personnel are going to have to be made.”

Ellen Frank, a senior economic analyst at the Poverty Institute at Rhode Island College, said she believed that the state faced such a large deficit because many tax cuts were enacted in the last decade, drastically cutting revenue.

“Rhode Island has structural deficit problems, meaning that this is not simply due to an unusual drop in revenue,” Ms. Frank said. “This is a deeper problem that has to do with shifts in the state’s economy and a lot of tax cutting,”

Mr. Neal and Mr. Costantino disagreed, saying that taxes were still too high and that raising them might drive away business. Union leaders said Mr. Carcieri’s plan affected the most vulnerable agencies and low-wage workers.

*Rebecca Cathcart contributed reporting from Los Angeles.*