



Mayor Jorge O. Elorza

Thinking Big About Providence's Future

Fiscal Year 2019 Budget

Tuesday, April 24, 2018

As Prepared for Delivery

Council President Salvatore, honorable members of the City Council and fellow community members-- It has been the privilege of a lifetime to be the mayor of Providence these past three years. I have been looking back quite a bit lately and I cannot believe the time has gone by so fast. It has seemed like a blur.

But I have also been doing a lot of thinking lately about the future. And I know my colleague, President Salvatore, can relate perhaps better than anyone else at this moment; as a soon-to-be dad, the future has never seemed so important.

It is with a look back at everything we have done together and with the import of the future in mind, that I present the proposed fiscal year 2019 budget.

We've Come a Long Way

To my colleagues on the City Council, when we worked on our first budget together, our city was facing a \$13 million deficit and whispers of bankruptcy still haunted us. At the time, there was no long-term infrastructure plan, there hadn't been an increase in school funding in several years, and there had not been significant private investment in over a decade.

Looking back on our last three years, we have come so far together. By the end of the current year, we will have not only paid off the cumulative deficit but we have also paid off \$7 million in old judgments and liabilities that predate our tenure. That is \$20 million in dead weight that we have shed over the past few years and we have still managed to remain in the black.

And we have done all of this while being responsible stewards. We know that many of our residents are struggling and any financial relief goes a long way. That is why I am proposing a budget that holds the line on tax rates for the fourth year in a row.

We have done a little research and this is the first time in 75 years that a Providence mayor has gone their entire first term without raising rates. In fact, we have not only held the line these past few years but we have actually lowered rates in prior years and provided relief from the dreaded car tax.

We eliminated all one-time fixes from the budget, and we will be making 100 percent of our pension payments for four years in a row. We have saved up a rainy day fund for the first time in years, and we have had our credit rating upgraded by two notches. This budget continues that momentum as we remain focused on finding ways to run our city better, rather than shifting the burden to our taxpayers.

Look at what happens when we get our fiscal house in order: people's confidence in us starts to rise and they begin to invest in our city. We have cranes over the Providence skyline once again; the most we have seen in decades. We have had over 60 major projects constructed or in the pipeline, and they are sprinkled throughout our city's neighborhoods.

Our cityscape is being redrawn and people are going back to work. Our unemployment rate was 8.5 percent when we took office, it is now down to 6.2 percent and it is still trending downward. Home purchases have increased by 32 percent, our housing market is strong, our communities are more resilient, our neighborhoods are safer, and we are just getting started.

We have been emboldened to think big about what is possible in our city. We are working with our universities and hospitals and changing our relationship, from a transactional one focused on PILOT payments, to a transformational one focused on tech transfer and entrepreneurship. We are thinking big about Providence's potential in the new economy; as we build our Innovation Center and build stronger links to Boston. We are thinking big about the role of the Woonasquatucket River; as it is converted from a forgotten relic to a source of energy that connects Fox Point to Olneyville and drives our Urban Innovation Strategy.

We have come a long way but we have the potential to go much further. There is no magic or secret to all that we have been able to accomplish. It has been a lot of good old fashion hard work, collaboration and staying focused on what really matters.

Duty: Investing In Our Kids

Three and a half years ago, we stood together and made a commitment to our children. Since then, we have invested in a cradle to career approach so that our kids are on the path to reach middle class by middle age. Our goal was to build an infrastructure of support, surrounding every child, so that they build the skills they need to stay on track. As a city, we said we were ALL IN for education and we have made a level of investments that might have seemed unlikely if not impossible three years ago:

- We have invested in technology so that, very soon, every child will have access to their own personal device in our schools;
- We have invested in summer learning so that our kids do not fall behind but instead get ahead during the summer;
- We have invested in recreation to provide our kids an outlet and keep them safe and out of trouble;
- We have invested in role models who look like our students, so that our kids know that anything and everything is possible;

- We have invested in summer jobs and internships because all that our kids need is a chance and they will show the world what they're capable of;
- We have invested in college scholarships because, even after our kids graduate, we still have their back.

And as we have done all of this, we have brought the community to the table so that it is the community's voice that is driving our investments.

To all the residents of Providence, I will be the first to admit that we have so much more to do for our kids in the years to come. But I want to thank you all for the collective investments we have made to create a rich environment for our kids to enjoy. I want to thank everyone who attended last year's All In Education summit and those working on this year's summit coordinators, Carlon Howard and Karla Vigil. I believe that now more than ever, Providence is poised to be the highest-performing urban school district in the country; and we will do it by making big investments, by continuing to work together, and by always putting our kids first.

Last year, we increased our contribution to the school district for the first time in seven years—this year we will maintain that funding, along with continued investments through our city budget.

In 2019, we continue our commitment to summer learning. Last year's programming gave 859 students from K to 8th grade an opportunity to not only curb summer learning loss but to get ahead for the next school year. This year, we intend to increase the number of children served by 25 percent so that almost 1,100 kids will have access to free, high-quality summer learning that will help us close the achievement gap.

And that is not all—with over 1,100 kids enrolled in summer jobs last year, we will be making another investment of \$1 million in the One Providence for Youth: Summer Jobs program. We know the value of these experiences, such as the Boys & Girls Club program last year that inspired our youth to think big. The program challenged 18 students to create a vision for Kennedy Plaza through the lens of a Providence youth. When I visited the program, a young man named Radamil gave me a tour of his team's research and designs—and even a model of Kennedy Plaza made out of Legos.

He told me that he applied for this summer job opportunity as soon as he heard about it and that the Kennedy Plaza project was a perfect fit for him. Without it, he would have been sitting at home all summer. Instead, the program reaffirmed for him that he wants to be a civil engineer. The students in the program said that they not only improved their leadership and communication skills by working together as a team, but also gained the confidence needed to present their work to adults and community leaders. I want to thank Nicole Defresne and Sidney Tillett from the Boys & Girls Club for their partnership and for helping our kids dream big.

Over the past three years, we have increased summer jobs by 116 percent. This year, we are expanding the range of opportunities even further to include an intensive summer internship program. We know that meeting the needs of our youth and meeting the needs of our local businesses go hand in hand. Because of this, I personally called businesses throughout the city to ask if they would be willing to hire an intern this summer. I am proud to say that our business community answered the call—I want to give a special thanks to Coca Cola, Marriott Hotels, New England Medical Innovation Center, Global View Communications, AAA, the Greater Providence Chamber of Commerce, United Natural Foods, and

Ximedica for being part of the 25 companies that are opening doors of opportunity for our youth this summer.

We are making sure that students will be prepared to walk into any employer, pursue any career and have the skills that they need to succeed.

It takes an entire village and we know we cannot rely on schools alone to prepare our students. The truth is that kids spend only 20 percent of their waking hours inside of our schools. There is just as much learning and growth that can occur in the other 80 percent of their time and we have to take advantage of that. We know that libraries are classrooms, too; they are laboratories for our kids to explore and develop their passions. That is why we are excited to continue supporting our PVD Young Makers program which will launch this May at libraries throughout the city. This program will provide yet another outlet to help our kids become the next generation of makers, designers, creatives, and big thinkers in our city. Our children are creative by nature and by supporting their passions we are supporting their futures. I would like to take a moment and ask our representatives from our libraries to stand and thank them for the work that they do and for their partnership with the city.

Our Recreation Department's impact has grown so much in the past three years. We have gone from a scant few programs in 2014, to a city that now serves over 2,500 kids. Parents love that they can now get high-quality childcare at a cost of only \$5 a child per week throughout the summer. And if there are any parents that cannot afford the \$5, we work with them too because we don't leave anyone out.

We know how much our families rely on our Recreation Centers. It had been decades since a new recreation center was opened in Providence, but by thinking creatively and partnering with our school department, we have now opened two new recreation centers in the last two years. I am confident that there has never been a moment in our city's history where there has been more programming and more opportunities for our kids in our rec centers. You will not find stronger advocates for our recreation centers than the members of the Providence City Council. I want to do something a little different today and ask all of the members of the City Council to please stand so that we can thank you for all that you do to support our kids in the rec centers.

And we know that any conversation about investing in our youth requires a candid conversation about the conditions of our schools that they will return to this fall. We have invested \$36 million over the past three years but that's just scratching the surface of what is needed. Our school facilities have been neglected for too long and while our Governor, Treasurer and state colleagues have made a proposal to do more—we need to do our own part to support our students. We recently announced that we will be investing up to \$400 million over the next ten years to fix our schools— but we do not have time to wait. This budget includes a proposal to invest \$20 million so that we can start this work immediately.

Equity: Leaving No One Behind

Here in Providence, we look out for our kids and we leave no one behind. As Mahatma Gandhi said, "The true measure of any society can be found in how it treats its most vulnerable members." We indeed have folks that are living on the margins and are in need of our support. And when someone needs our help, our city will always be there to lend a hand.

Just last week we launched "Shower to Empower" with our incredible partners House of Hope and Team Williams. The program was on its first day of operation when a young woman named Barbara visited the

mobile unit. Barbara is in her twenties and has been living in her car for the past four months with her partner. She heard about “Shower to Empower” on the news and she stopped by on Wednesday before a job interview that same day. She had not showered in three days and was worried about her personal hygiene, worried that she was not able to put her best self forward and how that would impact her employment.

Barbara convinced her boyfriend to come along and to also take a shower. They both left empowered and optimistic about the job interview and the day ahead. On top of this, service providers on the scene hope to work with them to connect them with permanent housing and bring stability back to their life. I want to take a moment and invite representatives from House of Hope and Team Williams to stand so we can thank them for their work and generosity. This is the definition of working collaboratively, creatively and compassionately to make our city a better place.

But it does not stop there. This budget continues to support Amos House’s “A Hand Up” program that has provided 350 temporary jobs for people experiencing homelessness and has found permanent jobs for 40 people over the last year. Not only are these folks getting their lives back on track, but they are keeping our city streets clean and looking beautiful.

We also continue our commitment to our IDPVD program that will be launching this spring. We will be providing municipal IDs to facilitate everyday transactions that we take for granted when we have an ID,, but are almost impossible when we do not. And, just as importantly, this ID will be available to all of our residents, regardless of the immigration status, so that they know that they are part of our community.

And we are proud to apply that inclusive, forward-thinking approach to other issues as well—this past winter, we launched PVD Safe Stations to address the opioid epidemic that is plaguing our nation. This initiative turns every fire station in the city into a safe space that connects people struggling with addiction to the recovery services they need. We owe this great work to the members of the Providence Fire Department, the Healthy Communities Office here at the city, and our partners at the Providence Center and the State of Rhode Island. I ask you to please join me in thanking them for their collaborative, creative and compassionate work.

It has also come to our attention that young girls in our city suffer due to a lack of access to menstrual hygiene products in our schools, sometimes causing them to skip school or suffer in silence. Because of that, this budget includes an investment so that students in all of our middle and high schools will have easier access to the essential products they need during this difficult and often confusing time in life.

We know that sometimes folks just need a second chance, a safe space or a hand up. And, as a city, we will always be there to help our neighbors in need.

Unity: Bringing People Together

And what better way to support our neighbors, than to invest in our neighborhoods? Communities are most resilient and tight-knit when there is a sense of pride—That is why we are continuing to invest in restoring, protecting and renewing neighborhoods throughout the city. I recently had the opportunity to hand the house keys to families that became first-time homeowners through our EveryHome program. We have taken previously-abandoned properties and we’re creating homes for families. To date, we have seen 300 formerly-vacant properties renovated that are now providing homes to our residents.

And, at the suggestion of the city council, we are helping homeowners repair their properties so that they can continue living in their homes and prevent the house from falling into abandonment. Our neighbors have been surrounded by blighted for too long. Working together, we are creating strong and vibrant neighborhoods and a renewed sense of community.

It is amazing what caring for our neighborhoods can do. Through continued investments in community policing, our police department is building relationships and helping to keep us safe. Over the past three years, we have seen a remarkable achievement of almost 30-30-30: homicides levels at the lowest rate in 30 years, shootings down nearly 30 percent, and burglaries down 30 percent. With 55 new police officers and more on the way, residents will meet our new officers as they walk the beat and pop in and out of local businesses. We are so fortunate to have the best police department in the country! Please join me in recognizing our men and women from the Providence Police Department.

What makes our city so special is that our neighborhoods are vibrant and the quality of life is so high. We want our neighborhoods to be the envy of the world and so we're investing a much needed \$45 million into our streets, sidewalks, parks and bridges. In addition, we have renovated over 75 parks over the past three years, many of which had not been renovated since the 1970's. Our parks are playgrounds, venues, science labs, meeting places, and so much more. Due to the amazing work of the Parks Department, our parks system has seen a rebirth and now truly is the emerald necklace that surrounds the city—and we are connecting this necklace through projects like City Walk and our bike share program. This will make all of our parks more accessible and it will make it easier for people to connect with each other.

And if we really want to bring people together, we have to continue investing in our arts and culture. We are the Creative Capital and that's what sets us apart from other cities our size. Just last year, our hotels were filled with folks from around the world who wanted to experience our city. Our hotels ended 2017 with the highest occupancy rate in recent memory, proof that the good word about Providence is spreading.

And while some people are coming for our incredible restaurants or our world class architecture, thousands are coming this June for our fourth year of PVDfest. As our signature arts festival, PVDfest transforms Downtown and converts streets into stages; public space into public art and it fills the ordinary with spectacle and wonder. What better symbol of our city than to have young and old, rich and poor, black, white and brown come together to dance on the streets and to celebrate each other?! With the City Council's support, this year will be bigger and better than ever. I hope to see you all there.

So Much More To Do

We're excited about the progress we have seen over the past three years but we'll never be satisfied so long as there is more work to do. We want Providence to be recognized throughout the world for being the most innovative City Hall in the United States. We have used apps to engage the public, technology to track our progress, and the web to streamline services. We are investing in innovation and training our own workers; we are crowd-sourcing data and inviting the public to push us; and we are changing the culture in government and always asking: "How can we do better?"

I am proud of all of the investments we have made and all the progress we've seen but it would be a grave oversight if I did not highlight a seismic threat in the offing. In years past, quite frankly, the city gave away more than it could afford and then failed to adequately fund retirement benefits. We are

now left with a staggering unfunded pension liability that threatens to squeeze all of these exciting investments we have made out of the budget and thereby limit our ability to think big. Every decision I have made over the past three years has been with this looming threat in mind.

This week, we are introducing a bill at the General Assembly that will allow us to once-and-for-all address our unfunded pension liability. We have the means to put our city on a stable path and all we are asking for is authorization from the state to move forward. We are Rhode Island's capital city and as goes Providence, so goes the state. Providence is poised to be an even more incredible place but we have to work together achieve it; I ask for everyone's help in making sure we get this done, for our city, for our state, for our future.

All of the progress we have made seemed impossible just four years ago. Now, we are thinking even bigger about what we can accomplish together.

Power is currently shifting in this country away from Washington D.C. and towards cities just like ours. In these days of divisive rhetoric and political gridlock, it will be cities that craft the big solutions and provide pathways to the middle class, progress that leaves no one behind, and spaces that bring everyone to the table. That is what cities, unlike any other place, have the potential to do.

I am proud that we've made a decision in Providence, collectively as a city, that we will be the counterweight to the rhetoric and inaction of Washington and that we will lead by example. We are investing to give kids a chance at the American Dream, we are looking out for all including our most vulnerable, and we are choosing to work together rather than go it alone. We lead with our values of duty, equity, and unity. We are and always will be, One Providence. Thank you and God bless.