

Providence FY22 Budget: Positioning Providence as a Leading American City

Good evening, Providence. This is Mayor Jorge Elorza and I am honored to present you with my Fiscal Year 2022 budget that was just submitted to the Providence City Council.

I'd like to begin by acknowledging my partners in government, city staff, community members and our broader Providence family for tuning in.

Thirteen months ago, everything in our lives changed. There were 5 confirmed cases of COVID in RI and we knew it was only a matter of time before the numbers grew. I announced guidance, postponements and resources for residents and businesses as precautionary measures to mitigate the risk of spread. Nobody could have predicted what would lie in store for us in the months to come.

Since then, we have lost over 500 residents to this awful virus, many small businesses have closed, people have struggled financially, and families have been kept apart from their loved ones. It has been an incredibly difficult year for all of us.

But despite the setbacks and the difficulties we have faced, our community has stepped up. Institutions such as the Rhode Island Foundation and United Way raised over \$8 million dollars to help local non-profits; restaurants like Skyline, which despite being closed, still stepped up to feed our healthcare workers; groups like Clinica Esperanza who worked with us to provide food, testing and eventually vaccines to our hardest-hit communities; and the countless volunteers that have stepped up to support their neighbors. On behalf of all of our residents, I thank you profoundly for all that you have done.

Over the past year, our operations in City Hall have kicked into overdrive as we marshalled our resources to provide support where it was most needed. We set aside \$1M for emergency housing assistance, helped deliver hundreds of thousands of meals, created the state's first walk-up and drive-thru COVID test sites, and have worked tirelessly to vaccinate tens of thousands of residents. But the work does not end there.

As small businesses were feeling the devastating impact of COVID, we awarded over \$1 million of low-interest loans to local businesses, many of which identify as women or minority owned; we brought al fresco dining to our city streets and helped businesses expand to outdoor spaces; we waived city fees and offered free parking to bring activity and vibrancy back to our commercial corridors. I want our small businesses to know that you are not just the backbone of our economy but you are the backbone of our communities and we will continue to support you!

All of the actions we took over the last year to address this crisis were made possible because of our strong financial position at its outset. For years, my administration has been budgeting responsibly, finding savings whenever possible, and eliminating redundancy and waste. By running our city this way for the past six years, we've been able to streamline our systems and build up our rainy day fund to the highest it has been in over 40 years. It is our fiscal responsibility that has put us in a place where I can announce this budget will hold the line on property taxes and provide tangible tax relief for 40% of all businesses, while still making key investments in various areas.

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This budget that I present to you tonight builds on the work we have done in the last six years. By planning ahead, we have made the largest investment in critical infrastructure in the city's history, including roughly half a billion dollars to rebuild our public school buildings, streets, sidewalks, and other infrastructure. We have rehabilitated almost 100 public parks and accomplished our goal of having every child in our city live within a 10 minute walk of a beautiful park. We have worked creatively to take over 600 abandoned properties and bring them back to life. And, by the end of this year, we will have seen \$2 billion dollars of development while I've been in office. We are building upon this work because our job is still not done. In fact, this year we are investing over \$20 million dollars to renovate playgrounds, improve baseball fields, and expand our beautiful green spaces for families. Whether you are a child looking for a swingset, a teenager looking to skate, or an older adult just looking to chill -- we have a place here for you in Providence.

We will continue to invest in infrastructure because it is the foundation upon which our City moves and functions. But infrastructure is not limited to concrete and steel. A thriving city must also have the *social* infrastructure that allows its residents to prosper. And with the support of the once-in-a-lifetime infusion of federal funds, we are in a position to shape our city's future for generations to come.

As we begin to prepare for a post-covid world, I want to reflect on where we are as a city and where we are headed in the year to come and beyond. In the 12 years before I took office, the administrations of Mayors Cicilline and Taveras began the process of both professionalizing the operations and fixing the finances of City Hall. In essence, they laid the early building blocks that -- with continued attention during my terms and those that will follow -- allow us as a city to think ahead. Because of the work done over the past 18 years, we can today not only enact an energetic, forward-thinking agenda but also deliver and sustain it in a way that positions Providence as a leading American city.

To begin this work, I will be working with the City Council to establish a committee to help make recommendations and guide us as we look to invest over \$150M in American Rescue Plan funds. As we think about how to invest this money, I want to lay out my vision for how these funds can complement and build off of the work we've been doing. Some parts of this vision will require ARPA funds, some will city funds, and others won't require public funds at all, but they all fit together as one.

First and foremost, we have to address what I believe is the greatest challenge before us: our education system. We know that what happens inside the classroom is critical and that is why we have undertaken the school turnaround and the expansion of charter schools. But the work doesn't end there. We know that kids spend only 20% of their time inside of a school building and 80% of their time outside in the community. We have before us the opportunity to build a true cradle to career infrastructure to support our kids.

What if every child born in our city left the hospital already having a College Savings Plan with money in their account beyond what the state offers? And what if every child in our city had access to high-quality day care and then universal pre-K starting at the age of four? And what if every child had a meaningful summer camp, summer learning, or summer job experience? We have the opportunity to create this

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today! We can create a college-going culture from Day 1; support our youngest kiddos so that they are ready to learn by kindergarten; and instead of experiencing learning loss during the summers, they can actually get ahead. My proposed investments in the next year can help us accomplish all of that in the near term so that wherever our kids are, they can continue to learn and grow.

Over the past year, our country has had to reckon with instances of racial and social injustice in a way that has not happened in over 50 years. As a society, our approach has always seemed to be to treat the symptoms and not directly confront the root causes; but look where it has gotten us. In Providence, we've chosen to take a different approach. Leaders in the Black community join me every week to discuss the most important issues in our city and to help set the agenda. This has led to our group leading the charge to change the state's official name, to change policies in our city, and to launch the Truth, Reconciliation & Reparations process.

This budget includes various investments that have been identified and called for by this group, such as a direct investment into staffing for the African American Ambassador Group, the creation of a Director of Diversity, Equity, Inclusion & Belonging, and investments into community communications through our Recreation Centers. I want to thank everyone who participates in this group for their continued work to lift up our community.

Just a few weeks ago, surrounded by participants from this same group, we unveiled the Truth-telling report which completed the first phase of the Truth, Reconciliation & Reparations process. This report spanned over 400 years of history and it sets the groundwork for the Reconciliation phase which will begin in the coming months. This budget includes funding to engage the broader public in this Reconciliation work and I ask everyone throughout the city to participate. I know that these conversations are sometimes uncomfortable, but that is the point. Sweeping this under the rug has not served us well and there are several examples of other countries and societies that have used reconciliation processes to bring their people together. I believe we will accomplish the same thing here.

We will, later in the year, also begin the Reparations phase of this work. While no city in the country, including ours, has the capacity to right all the wrongs of the past, we do have the ability and responsibility to make significant progress. Targeted investments can help build wealth, enhance neighborhood institutions, and provide more opportunities for our communities that have been impacted by the history laid out in the Truth-telling report. I look forward to continuing this work and to better aligning our city with the principles of equity and justice.

Any conversation today with respect to cities that invokes the words "equity" and "justice," must touch on the work of public safety, and in particular, that of the police department.

Thanks to our partnership with the Providence City Council and community members, this budget funds a pilot as we transition to a Behavioral Health and Social Service Diversion model to respond to mental health or social service needs that come to our attention. It's time that trained experts respond to individuals who need a helping-hand and not handcuffs. Additionally, we will be partnering with the

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Rhode Island Coalition for the Homeless to conduct outreach and case management for individuals experiencing homelessness.

This new model doubles down on our efforts to keep Providence safe. Over twenty years ago, the City of Providence made a decision to go all-in on community policing and sticking with this approach has helped us achieve record-low levels of crime over the past few years. We were on the forefront of policing twenty years ago and I want us to be on the forefront of policing twenty years from now. Our City is shifting to a prevention-first model of public safety to create a healthier, safer, and more just community. We're also creating a Community Relations and Diversion Services Major to bring this work to the highest levels of leadership within the Providence Police Department. This budget invests in a new police academy class, after two back-to-back historically diverse academies. This class will be leaders in this new prevention-first model and trained from Day 1 in de-escalation training to better protect and serve our residents.

But while these investments are a good initial step, our work around public safety reform does not end there. A recent report by PFM took a look at the operations of all of public safety and it made clear that many of our resources are misaligned. The solution is not merely to shift some dollars here and there but instead to truly reimagine what community safety looks like. Rather than the Public Safety Department being the main hub through which community safety is achieved, the current police and fire departments should be one spoke among many that help to keep our community safe. This is long-term work that cannot be achieved within a year, or maybe within a term, but it is important that we begin this work now so that we can continue to drive down crime and be national leaders in this work.

There's been a lot of conversation lately about the need for police officers to receive de-escalation training and to more fully bring the principles of non-violence into their work. Just last week, thanks to funding from the RI Foundation, we announced that all of our police officers will indeed receive such training. It is great to see that work happening but it gets me thinking about additional needs in our city. In cities across the country, this past year has seen an increase in homicides, shootings, overdose deaths, and even deaths from vehicle accident. No one has been able to pinpoint exactly what is driving the increase in deaths, but it appears to me that there is a lot more anger and despair in our society. It's been a year of unprecedented trauma and loss and this budget increases our investments in our partner, the Nonviolence Institute, that teaches and practices the principles of nonviolence. But why stop there? What if every resident in our city received some form of de-escalation, non-violence, or self-regulation training? It is possible, and it is an opportunity we have before us.

But safety isn't just about policing and partnerships. Safety is also about providing young people opportunities. Over the past six years, my administration has tripled the number of youth jobs from 300 to 1000. I am happy to announce that this budget not only increases the number of youth summer jobs but it also increases their pay so that every single youth employed in our rec centers will now start at a minimum wage of \$15 an hour. In fact, every city employee, youth or not, will earn at least \$15 an hour going forward. Low wages hurt all workers--including our young people--and are especially harmful to

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workers of color, who make up a disproportionate share of our summer job participants. This summer, these opportunities will be even more impactful for our young people and their families.

Economic justice and addressing poverty are issues we will continue to address as we get ready to announce a Guaranteed Income pilot program in Providence. We know that, fundamentally, people are poor because they don't have enough money. What this program will do is to provide direct cash assistance, with no strings attached, to families most in need. I believe that people should be allowed to invest in themselves, as they know best. If it is August, they may invest in school clothes for their kids; if it is January, they may pay the heating bill; if it is April, they may fix their car so they can get to work. And if the results of Guaranteed Income pilots in other places are any indication, we will likely see greater, not less, full time employment, and a more effective way to fight poverty. While this pilot program is being funded entirely with privately-raised dollars, I am eager to see the results of this program to potentially invest federal and city funds into it in the future.

It is not just individuals, but also our small and micro-businesses that need our support. Over the past year, we've seen how business activity has continued to move online and there is no end in sight to this trend. The problem is that many small and micro-businesses are struggling to stay afloat and do not have the capital or the capacity to move their inventory and operations online. But what if we helped every business owner who was interested purchase the hardware, develop an online presence, and move their sales and ordering online? Or, what if we bypassed the third-party food delivery apps entirely and created a new marketplace that serves our restaurants better and allows them to keep more of their own profits? We live in a world where technology is concentrating more profits into the hands of the very few, but it doesn't have to be that way. For generations, we've been building physical infrastructure, like roads, sidewalks and even decorative lighting to connect small businesses with customers; going forward, they'll need to connect with customers online and we can help.

Our world is changing rapidly, and all of our institutions must keep pace. One institution that has skillfully redefined itself in this new era is our public and community library system. Whether you need free access to wifi, you're applying for a job, or you just need a quiet space for yourself: our local libraries have answered the call. This budget includes an increase in funding for our libraries so that they can expand hours and programming, while continuing the outstanding Young Makers and Providence Talks programs.

In the face of so much change, one thing has remained constant, and that's that a stable home is the foundation of a happy, healthy life. Yet, the attractiveness of living in our city has pushed up demand and prices to the point where it is incredibly expensive for folks to continue living here. I am proud to announce that we recently closed on a 25 million dollar bond to invest in affordable housing here in Providence. This is the first time in our City's history that we have created a sustainable funding stream to finance affordable housing development. I thank my partners in the City Council for their leadership and collaboration on this effort. We are committed to a long-term plan to expand housing opportunities and limit the involuntary displacement of our residents. We are one of perhaps a handful of cities that is providing eviction defense attorneys for residents being evicted, we created a home repair fund for

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homeowners in need, we are experimenting with Tiny Homes, we have outlawed source of income discrimination, and we're excited to invest in new affordable housing units.

As Spring rolls in and the construction season begins, be on the lookout for the continued transformation of our public parks system, for more speed bumps and road improvements, and more Safe Streets enhancements throughout our city. We will continue to implement our Climate Justice Plan and I ask all residents to join me in eliminating the use of harmful pesticides from your lawns. I know that we're all itching to get out and enjoy the summer together. Once it is safe, we are planning a new and expanded PVDFest experience and we'll find creative ways to bring neighbors together, block-by-block.

This pandemic isn't over yet, but we can see the light at the end of the tunnel. Throughout this past year we have responded, reimagined and recovered. Today and tomorrow, we rebuild. This budget builds off our work to keep Providence's finances in the best position they have been in recent history; it invests in our critical infrastructure, such as our schools, roads, parks and rec centers; it reflects our values by creating a safe and just community; and it doubles down on our investments in young people, all together positioning us for an incredible recovery. Providence, if we continue our work together, we can move forward ambitiously, creatively and without limitation. There is no better mid-size city in America, but there's so much more to do. Let's do it together!

Thank you, and God bless!