

Providence's unending quest for cash

The mayor of Providence has a big problem. How can he balance a budget that addresses the needs of an increasingly large number of poor people, yet deal with a declining tax base that is less able to pay for these extra services?

His problem is not unique. Central cities all over the nation are faced with similar problems, as middle-class Americans continue to leave the cities, industries move to greener fields and offices follow the suburban shopping malls to become part of the revolutionary urban form called the Edge City.

Perhaps what is unique about Providence is its unusual role as the prime city in the smallest state. This metropolis of more than 1 million residents spreads across the Massachusetts border to include Fall River. Now this relatively cohesive urban-suburban entity takes in 33 of the 39 communities in the state, plus eight Massachusetts border communities.

Even without the US Census Bureau's recognition of Providence's dominance in the state, there is hardly a resident who does not know something about the city—either through having lived here; gone to performances at the various theaters, museums and other cultural centers; visited a hospital or a church; attended a college or university; or taken advantage of some other financial, political, social or leisure activity offered by the city.

So when the mayor says that the surrounding suburbs which make heavy use of these facilities must make some type of contribution to Providence, his statements appear to have much validity. But it's hard to sell that to those live outside the city.

Under the budget proposed by Gov. Sundlun, Providence and other poorer urban centers stand to get more school aid. This is an attempt to provide a more equitable educational experience for all children in the state, by reducing school aid to wealthy communities and increasing it for poorer communities. This will force the wealthy towns and cities to increase their local taxes to maintain their previous level of funding—a very unpopular notion for these communities.

Yet even with this arrangement, Woonsocket, West Warwick and Pawtucket are in court to contest the cap on state spending which, they contend, deprives their school districts of funding.

This same issue of equity in school funding has been fought over the past 25 years in the second-largest school district in the country—Texas.

Recently, Proposition 1, the so-called "Robin Hood Plan," was defeated in a statewide election by a 2-1 margin. Yet this is a state where funding for the top 5 percent of students in the richest districts averages \$11,801 per child, compared with \$3190 for the bottom 5 percent of students in the poorest districts. Although a court has threatened to

close all schools in the state if some equitable arrangement is not made, the situation has not been resolved as of this writing.

The issue in Texas, as it will be here, is the method of taxation—the local property tax. Wealthy communities can afford to spend more money for education than can poorer districts. With this system of taxation each community has control over education. And such communities will lose this control if the state becomes the major source of funding for education.

If Providence gets increased funding under Gov. Sundlun's proposal, the schools will require less money from the total city budget. But what of the other needs of the city, and how will the city get the proposed \$25 million increase?

A recent study in the New York Times suggests that funding for the old industrial cities of the region is increasingly coming from county, state and federal governments which, more and more, are getting their revenues from the suburbs. This redirected government aid to cities can also lead to lesser local control in these urban centers, as state and federal mandates become a condition of the aid given.

Is this fair to the tax-paying suburbs? According to one urban planning professional,

cities are the poorhouses of the region, and suburbanites are willing to pay these taxes to keep the poor and undesirables from their doorstep. This harsh appraisal may have some truth to it, and perhaps this is the method used by city mayors to persuade state legislatures that they need more funds.

Then there is the other method—appealing to those who live outside the city and use it heavily to make some type of contribution.

But Providence also needs to make a wholehearted effort to raise revenue within the city, including a room and restaurant tax, personnel cuts, a job freeze and a great operational efficiency. With these improved operations and some added revenues, the city will be in a better position to ask the state for more help.

Our poorer cities need some type of financial help. Providence must look outside its borders and use the conduit of the state to get this help. In our small state, helping Providence will benefit not only the city and its residents, but the entire state.

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