



## 2014 Legislative Session Begins

Dear Friend,

January 8<sup>th</sup> marked the opening day of the 432<sup>nd</sup> Session of the Maryland General Assembly. It also marked my first Session representing you as the Senator for District 15. I have been assigned to the Senate Finance Committee and look forward to building upon my experience and work in the House of Delegates over the past eleven years to now represent you effectively in the Senate. I will continue to keep a watchful eye on our fiscal health while promoting our core priorities: job creation and retention, maintaining our #1 national ranking in K12 public education, creating economic opportunities for our State's emerging technology sector, and protecting our environment.

Please take a moment to review the highlights listed below and, as always, do not hesitate to contact me with your comments, questions or concerns at [Brian.Feldman@senate.state.md.us](mailto:Brian.Feldman@senate.state.md.us).

### **Maryland Economy**

Maryland's economy continues to grow and for the second year in a row is ranked by the U.S. Chamber of Commerce as #1 in the Nation for Entrepreneurship and Innovation. Maryland is also leading the region in job creation. Over the past twelve months, Maryland has created over 34,000 private sector jobs - a gain of 1.6% over the previous year - and is one of only a handful of states to have recovered more than 100% of the jobs lost during the national recession. Unemployment fell throughout last year, reaching 6.1% in December, and is consistently below the national average. Maryland also continues to maintain its valued triple-A bond rating, one of just seven states in the entire Nation to possess such a rating, an endorsement from Wall Street that Maryland is effectively managing its fiscal affairs.

### **Governor O'Malley Proposes Fiscal Year 2015 Budget**

#### **Budget Overview**

Governor O'Malley recently introduced a proposed \$ 39.3 billion State operating budget for the fiscal year 2015 that the General Assembly is currently reviewing. An additional \$ 4 billion is proposed by the Governor for the capital budget. The budget is projected to close a current \$ 421 million deficit by 2017 without incurring any new fees or taxes by reducing the size of the executive branch and implementing additional cuts in State spending. It also builds the State's Rainy Day Fund up to \$ 800 million and leaves a \$ 37 million balance in the general fund reserve. Montgomery County is slated to receive a total of \$ 885.3 million in State aid, a \$ 23.38 million increase over the current fiscal year.

## Education

For the sixth consecutive year, Maryland received the top state composite score in the United States from *Education Week*, the Nation's leading education newspaper. *Education Week's* report is compiled from detailed data and analysis of the Editorial Projects in the Education Research Center. This recognition is a direct result of the State doubling its investment in public education over the last decade. The Governor's proposed plan includes a record \$ 6.1 billion for K – 12 education, \$ 4.3 million to fund full-day universal pre-Kindergarten by 2018 and \$ 289 million for school construction.

According to The College Board, tuition at Maryland's four-year colleges and universities increased by only 3.3% since 2007. This is the **lowest** increase in the Nation during the seven-year period from 2007 through 2013. The Governor's Budget proposal will increase funding for the university system while capping tuition increases at 3% and provides \$ 297.5 million for our community colleges.

## Expanding Access to Health Care

Maryland continues to strive to extend health care to the State's most vulnerable population and ensure that all Marylanders have access to health insurance and necessary medical services. Although the roll out of the new Health Exchange in Maryland was fraught with technical problems, the State continues to address the issues that are impeding the signup process. In fact, an emergency bill that was heard in my Committee, the Senate Finance Committee, and passed in the Senate last week, provides important retroactive relief for Marylanders who, through no fault of their own, experienced technical difficulties in attempting to enroll on the Health Exchange website. The Senate Finance Committee has requested important documentation from the Administration relating to the Health Exchange rollout and we will be receiving regular briefings that will allow us to closely monitor the situation as steps are taken to correct any and all problems associated with the program. I look forward to keeping you abreast of key developments over the next several months.

## Minimum Wage

Several bills proposing an increase in the minimum wage will be introduced this Session. The hearings on those bills will take place in the Senate Finance Committee. As a member of that Committee, I look forward to reviewing the details of each bill that is presented. The minimum wage has not been raised in Maryland for several years and there are currently 21 states with minimum wage rates that are higher than Maryland's. I **support** an increase in the State's current \$7.25 minimum wage and am a co-sponsor of the Governor's bill, Senate Bill 331. The Governor's bill proposes a phased-in increase over the next several years which would eventually raise the minimum wage to \$ 10.10 by 2016. The Governor's bill would also index the minimum wage rate to inflation beginning in 2017 and leave intact local minimum wage laws, such as the one recently enacted by Montgomery County.

## Promoting Our Biotech and Cyber Security Sectors

In the Senate, I will continue to serve on the Joint Information Technology and Biotechnology Committee. previously served as the House Chair of the Committee. A major goal of this committee is to increase knowledge and awareness of issues and opportunities facing our State's emerging technology sector and to assist with the enactment of policies which promote that sector. Montgomery County is home to over 200 biotech businesses, a significant growth area for Montgomery County and our entire State economy. More than 11,000 employees, representing 65% of Maryland bioscience workforce, work along the I-270 Technology Corridor. The State, particularly Montgomery County, is also taking steps to be a National leader in the growing cyber security industry.

The proposed FY 2015 budget includes a \$ 2 million increase to the current Biotech Tax Credit (a program I helped create), raising the total to \$ 12 million, a 20% increase over last year and a clear reflection of the success of this program. The House and Senate have also agreed on a package of economic bills this session impacting the technology sector, including legislation creating a seed fund for early stage investments in cyber security and privacy companies.

## **Environment**

The proposed budget funds several important on-going programs that are essential to improve the health of the Chesapeake Bay and maintain and promote our quality of life. The Governor has allocated \$ 42.4 million to support the Chesapeake Bay, Maryland's most valued natural resource. I support the Governor's efforts to continue to fund and support programs, such as the Chesapeake and Coastal Bays 2010 Trust Fund, renewal of wastewater treatment plants, reducing storm water runoff, expanding septic system upgrades and protecting green space.

As always, I value your input and if you have any questions or comments as the 2014 Session gets underway, please do not hesitate to contact me at [Brian.Feldman@senate.state.md.us](mailto:Brian.Feldman@senate.state.md.us) or call me at [301-858-3169](tel:301-858-3169).

Sincerely,

A handwritten signature in black ink, appearing to read "Brian". The signature is written in a cursive, flowing style with a large initial "B".