

Pepco Update & January Newsletter

Parliamentarian, Maryland House of Delegates Chair, Montgomery County House Delegation Member, Economic Matters Committee House Chair, Joint Information Technology and Biotechnology Committee Chair, House Banking, Economic Development, Science and Technology Subcommittee

Dear Friend,

Over the past year, thousands of Montgomery County residents have been adversely affected by repeated power outages, most recently by last week's snowstorm. **This must change.** I have been working with Governor O'Malley and Montgomery County Councilmember Roger Berliner to craft legislation, the **Maryland Electricity Service Quality and Reliability Act**, that will require Maryland electric companies, including **Pepco**, to meet new reliability standards or face economic penalties if those standards are not met. The penalties would be credited back to customers. I plan to introduce this bill as **emergency legislation** this week and will continue to keep you updated as the bill moves through the legislative process. You also may be interested to read two letters that Governor O'Malley has written to Joseph Rigby, Chair of Pepco and Doug Nazarian, Chair of the Public Service Commission. Those letters may be viewed by clicking on the link: <http://www.governor.maryland.gov/blog/>

I am so appreciative to all of you who supported my reelection to the Maryland House of Delegates and am honored and privileged to return to Annapolis to represent the 15th Legislative District. I have been reelected by my colleagues to continue to serve as Chair of the Montgomery County Delegation and am also pleased to announce that I have been appointed by Speaker Michael Busch to a leadership position as Parliamentarian for the House of Delegates.

The 428th Session of the Maryland General Assembly convened on Wednesday, January 12th. This Session's overarching themes once again revolve around the State budget and the economy. I believe that we must take the necessary steps to balance our budget while continuing to protect our core priorities: job creation and retention, maintaining our #1 national ranking in K-12 public education, creating economic opportunities for green and biotech businesses 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@house.state.md.us.

Governor O'Malley Proposes FY 2012 Budget

Budget Highlights

The Maryland Constitution requires the State to pass a balanced budget. The Governor introduced his budget for FY 2012 which proposes to close a projected budget deficit of more than \$1.3 billion while investing millions in job creation initiatives and proposing significant reforms to the State pension system.

The Governor's proposed balanced budget includes no new taxes and cuts the long term structural deficit by 37%, which amounts to \$730 million in permanent cuts to ongoing spending. It also allocates more than \$3.5 billion for jobs and job creating initiatives, including almost 15,000 construction jobs supported through the capital budget.

One of the Governor's priority initiatives this Session is the creation of a program called *InvestMaryland* which seeks to stimulate up to \$100 million in private venture capital investments into Maryland's technology sector, creating thousands of high paying jobs. The Governor also proposes increased funding for the Maryland Economic Development Assistance Fund which will stimulate small business growth and job creation. Additionally, the proposed budget allocates \$12.4 million for stem cell research, \$8 million for the biotechnology tax credit and \$4 million for the Maryland Biotechnology Center.

Finally, Maryland continues to retain its valued triple-A bond rating, one of only eight states in the United States to receive such a rating, a clear statement from Wall Street that Maryland is effectively managing its finances during these difficult times.

Education

For the third year in a row, *Education Week*, the Nation's leading education newspaper, announced that Maryland is ranked #1 in the United States in K-12 public education. *Education Week's* report is compiled from detailed data and analysis of the Editorial Projects in Education Research Center. A report card is then issued which provides a comprehensive, state-by-state grading profile in six key areas. Maryland's public school system ranked at the top of the list. This distinction is the direct result of a significant investment the State has made in public education over the last decade.

The Governor's proposed budget funds K-12 public education at \$5.7 billion for the second year in a row. This incorporates \$250 million for public school construction while keeping tuition

affordable for universities and community colleges. I am committed to continue to fund our children's educational needs because a highly educated workforce is essential for Maryland to prosper economically.

Health and Wellness

Maryland continues to strive to extend health care to the State's most vulnerable population and ensure that Marylanders in need have access to the most necessary services and resources. The proposed budget funds comprehensive health care coverage to more than 900,000 low-income, disabled and chronically ill children and adults. In addition, the budget provides support for Marylanders with disabilities, including \$17 million to expand placements for people with developmental disabilities and \$8 million to raise payment rates for providers of services to people with developmental disabilities.

Public Safety

I am pleased to announce that violent crime across the State is at its lowest rate in recorded history. That being said, we must still fund important public safety programs. The Governor's budget includes nearly \$2.18 billion in public safety funding, including \$108 million for the Violence Prevention Initiative and \$45 million for local police aid. By making these financial commitments to public safety, we hope to continue the trend of declining homicide rates in the State.

Environmental Protection

The proposed budget funds several important on-going programs that are essential for maintaining and promoting our quality of life, such as the Chesapeake Bay 2010 Trust Fund and Bay Restoration Fund, Program Open Space and the Regional Greenhouse Gas Initiative Programs.

In an effort to reduce our reliance on foreign oil and move toward clean, green sources of energy, I support the Governor's Offshore Wind - Good Jobs, Clean Power bill. This legislation will support offshore wind production by requiring power companies doing business in Maryland to buy electricity from offshore wind generating companies. Large scale wind production could create approximately 4,000 temporary jobs and 800 permanent jobs in the State.

My Areas of Focus This Session

Protecting Montgomery County's Interests

A great deal of my time this Session will be devoted to protecting Montgomery County's interests during this difficult budgetary process. As the Chair of the Montgomery County House

Delegation, I will fight to ensure that Montgomery County is not disproportionately impacted and that we get our fair share of State resources. Under the Governor's proposed budget, Montgomery County will receive approximately \$800 million in State aid, a \$34 million increase (4.4%) over the prior fiscal year, the largest increase of any jurisdiction in Maryland.

Education and Pensions

As a result of legislation enacted during the 2010 legislative session, Governor O'Malley appointed a Blue Ribbon Commission to comprehensively study, review and make recommendations to the General Assembly with regard to the State's pension system.

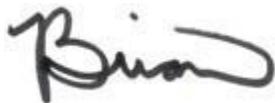
I am very concerned about the long-term solvency of Maryland's pension fund, particularly as it relates to our Montgomery County teachers. The costs associated with the pension fund have significant budgetary implications for our County and our State. Without thoughtful and careful planning, a change to our pension system could potentially undermine our top rated public schools. The General Assembly is working collaboratively with educators and other stakeholders to find sustainable and sensible ways to protect teacher pensions.

Promoting our Biotech Sector

I will continue to serve as the House Subcommittee Chair on Banking, Economic Development, Science and Technology, as well as the House Chair of the Joint Information Technology and Biotechnology Committee. A major goal of these committees is to increase knowledge and awareness for our technology sector and enact policies which promote information technology and biotechnology in the State. 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.

As always, I value your input and if you have any questions or comments, please do not hesitate to contact me at Brian.Feldman@house.state.md.us or call me at 301-858-3186.

Sincerely,

A handwritten signature in black ink that reads "Brian". The signature is stylized and cursive.

Brian J. Feldman