

March 5, 2010

Greetings from Annapolis,

Week 8

We have passed the halfway point of the legislative session, but have 90% of the work to complete. The pace is picking up, and the more substantive and controversial bills are being heard in committees.

The living wage bill (House Bill 430) was passed in 2007 and impacts janitorial and other service contracts, requiring wages of \$11.30 per hour in Montgomery, Prince George's, Howard, Anne Arundel and Baltimore Counties and Baltimore City (Tier 1). The rate of \$8.50 per hour is required for the remainder of the state. These rates are above the minimum wage, according to the Maryland Chamber of Commerce, are above market rates. With Maryland still in recession and the unemployment rate at 7.5%, more than double the rate in 2007, this provision is not only increasing state spending, it is potentially costing jobs. According to a recent article, contractors in Montgomery County are requesting relief from living wage, citing concerns that more jobs will be lost if relief is not given. The link to the article is: <http://maryland-politics.blogspot.com/2010/02/county-contractors-ask-for-relief-from.html> Our Governor and the Legislature are working to close a more than \$2 billion gap between ongoing spending and revenues. State employees have been and will continue to be furloughed with no pay increases. This program needlessly inflates the cost of state service contracts by approximately \$2 million and needs to be repealed.

The Appropriations Committee continues with briefings analysts and cabinet Secretaries on the various segments of the budget as we lead up to decision time. Our hearing on Friday is on the Budget Reconciliation and Financing Act (BRFA), a very comprehensive bill that makes changes to laws to allow the budget to be balanced. This year, the BRFA is used to transfer money to the General Fund from such funds as the Land Trust Fund, Motor Fuel Tax Fund, Injured Workers Insurance Fund, State Insurance Trust Fund, Ocean Beach Replenishment Fund, Vehicle Theft Prevention Fund, Spinal Cord Injury Research Fund, State Used Tire Cleanup and Recycling Fund and many others, all of which have been funded with fees paid by our citizens. Although created with a specific purpose in mind, these funds are now being used for something entirely different—to balance the budget. In addition, the BRFA is used to alter formulas in statute to reduce required funding for certain programs: rural business development, grants for student transportation, community college funding, local health services, local highway user funds, etc. Perhaps this is what led the Baltimore Sun to say the budget is held together with chewing gum and baling wire. The hearing should be lengthy as each constituency asks us not to cut their budget.

Wednesday evening was the annual Speaker's Society dinner during which past and present House members gather to remember times past and to talk about today's issues. Sadly 18 ex-members passed away in the last year. I am glad they took the time to mention their names and honor their years of service. In addition, several awards were given to past and present legislators. The dinner is a fundraiser for a scholarship fund. Having served here as a staffer for 11 years (for both former Delegate Donald Murphy and former County Executive Charles Ecker) before becoming a Delegate, it is always a good time to see old friends and reminisce.

Serving you in Annapolis,
Gail Bates