

Today, Tuesday, January 24, 2012, I had my first presentation on the Governor's Fiscal Year 2013 Budget.

While I am not a supporter of increased taxes or new taxes, the Spending Affordability Committee has directed that the General Assembly must decrease the 1.1 Billion dollar structural deficit by 50%. As a result, the State budget must reduce \$640 million in spending or increase revenues, or a combination of these strategies.

The General Fund currently consists of 5 major categories allocated in this way:

- 37% to K-12 education
- 10% to Higher Education
- 26% to Health Care (Medicaid)
- 14% to Public Safety
- 16% to all other needs including running State Government and State Employees

In the past ten years, the State has doubled their investment in education from 2.8 billion to 5.7 billion. However, many of the counties have not funded education as required by the "Maintenance of Effort".

One of the most volatile issues for this year seems to be the proposal to transfer 50% of the funding of teachers pensions to the counties. This action would save the State \$239 million; however the counties are also financially strapped. Many counties are already at the highest allowed income tax rate of 3.2%; Anne Arundel is the third lowest income tax rate of 2.49%. My concern about passing on teachers' pensions is that education in the poorest counties will suffer as a result of transferring this pension cost.

Suggestions from the Governor's Budget to increase revenue include, (but are not limited to) reducing income tax deductions for residents earning more than \$100,000, collecting online sales tax and taxing all tobacco products.

I do not serve on the Appropriations Committee, but as I continue to learn about this budget I will keep you informed. I know that the Committee will make careful decisions; last year the Appropriations Committee made many cuts to the budget and I trust this committee, led by Chairman Norm Conway, to bring a great work product to the floor.

There is also continued discussion about an increase in the gas tax. While I do not support this concept, the business community does. The business community believes that our great need for infrastructure can only be resolved with an increase of funding to the Transportation Trust Fund. While many administrations have borrowed from the Transportation Trust Fund, all funds have been repaid. I just do not feel that our citizens can afford an increase in the cost of gas at this time.

Public-Private Partnership (P3)

The Public-Private Partnership (P3) legislation would create a transparent process for future infrastructure projects, promote current efforts such as green buildings, require an assessment of the project's impact on current and future workforce in Maryland, as well as establish a way for the state to review unsolicited project proposals.

This is an interesting method of building the much needed infrastructure because expanding the use of public-private partnerships will result in the creation of as many as 4,000 jobs. This concept would create a robust infrastructure, which will strengthen Maryland and its economy. I have been appointed to serve on a Task Force to explore this concept.

The Maryland Offshore Wind Energy Act of 2012

Background: In 2008, the General Assembly doubled Maryland's Renewable Portfolio Standard, requiring electricity suppliers to purchase 20 percent of the electricity they sell from renewable sources by 2022. In order to meet this requirement with home grown generation, Maryland must capitalize on the resources of offshore wind energy during the interim. Though the offshore wind industry has been operating in Europe for over two decades, with 3,620 MW of installed capacity, no offshore wind has yet been built in the United States.

Description: The *Maryland Offshore Wind Energy Act of 2012* enables Maryland to harness the wind blowing off of our shores to create thousands of jobs in a new offshore wind industry. Establishing an offshore wind renewable energy credit (OREC) carve-out, within Maryland's existing Renewable Portfolio Standard, the bill creates the right policy framework to encourage private investment in this emerging industry. The proposed OREC would allow at least a 450 MW project to be built, creating 1,800 construction jobs and 360 ongoing maintenance jobs.

However, this bill would require the average residential customer to add \$2 per month on each energy bill effective in 2017.

Wind Energy Funding Poll

Due to the conflict between creating new jobs in an offshore wind industry and the additional costs to residential Maryland citizens, it is important to me that I know the views of the public. Please take a minute to visit my website: www.pambeidle.com and register your vote "for" or "against" *The Maryland Offshore Wind Energy Act of 2012*. I appreciate hearing your opinion on this important issue. Also check my website regularly as the poll topic will vary weekly.

SAVE THE DATE: Constituent 32 Night in Annapolis, Monday, March 12.

Thank you for allowing me the honor to represent the constituents of District 32. Please continue to stay in touch. My contact information is: Pamela.beidle@house.state.md.us or (410)841-3370. Also, please visit my fan page on Facebook, just search Delegate Pam Beidle.