



**MARTIN O'MALLEY**  
GOVERNOR

STATE HOUSE  
100 STATE CIRCLE  
ANNAPOLIS, MARYLAND 21401-1925  
(410) 974-3901  
(TOLL FREE) 1-800-811-8336

TTY USERS CALL VIA MD RELAY

# **STATE OF THE STATE**

## **GOVERNOR MARTIN O'MALLEY**

The State House  
Annapolis, Maryland  
February 3, 2011

### *TRANSCRIPT*

Thank you all very, very much. I'd like to ask all of us, if you would, to join us in a moment of silence for the courageous Marylanders that we've lost over the course of this past year, fighting for our country in places very, very far away from home and also, fighting here at home to keep our neighborhoods safe,...Thank you.

Mr. Speaker, Mr. President, Lieutenant Governor Brown; Treasurer Kopp, Comptroller Franchot; Attorney General Gansler; Attorney General Curran; Minority Whip Hoyer; Congressman Van Hollen; Congresswoman Edwards; Congressman Bartlett; Governor Hughes; colleagues in city and county government; men and women of the Maryland General Assembly; Members of the Cabinet; Katie O'Malley; my fellow Marylanders:

Today, we gather in promising and yet uncertain times. In times such as these, Marylanders don't make excuses, we make progress. We expect the same of our government.

Since the earliest days of our State, we have come together knowing that there are some challenges that are so large that we can only tackle them together. And together, with a government that works – and with the beliefs that unite us – we are moving forward. Forward with the best job creation since the recession began.<sup>1</sup> Forward with America's best public schools<sup>2</sup> and more

<sup>1</sup> In 2010, Maryland created 26,000 jobs, the state's best year of job creation since 2006. Last year, [Maryland created more jobs than 36 other states in the nation](#).

<sup>2</sup> Last month, *Education Week* magazine, the leading education publication, named Maryland's public school system "[Best in the Nation](#)" for the third consecutive year, highlighting Maryland's leadership in the areas of alignment and education funding.

affordable college. Forward with fewer homes lost to foreclosure<sup>3</sup> and fewer lives lost to violence.<sup>4</sup> Forward with a healthier Bay<sup>5</sup> and rebounding blue crab population. Forward with an economy that's starting to get better and more Marylanders employed this year than last.<sup>6</sup>

The State of our State is stronger than it was two years ago. It is stronger than it was even one year ago, but better isn't good enough. Not with so many moms and dads out of work, and so many businesses just barely holding on. Not with neighbors lost to violence. Not with the children of so many more countries now out-performing our kids in the classroom. There is more that we can do, and for the sake of our children's future, there is more that we must do.

We live in a very different world than the one that we inherited from our parents and from our grandparents. Times are changing, and states must adapt to win.

As President Obama said just last week, *"We know what it takes to compete for the jobs and industries of our time. We need to out-innovate, out-educate, and out-build the rest of the world."*

To make this new economy ours, we must make the right choices and the right investments to create jobs by spurring innovation: innovation in the classroom;<sup>7</sup> innovation in public safety;<sup>8</sup> innovation in science, discovery, and healing, manufacturing, green energy and trade; innovation in public health; and yes, innovation in our own experiment in self-governance.

## **TOUGH CHOICES TO MOVE MARYLAND FORWARD**

Progress is only possible with fiscal responsibility<sup>9</sup> and a willingness to *"think anew and to act anew."*<sup>10</sup> We must get more out of every dollar.

We face the reality today of a \$1.4 billion gap between expenditures and our recession-battered revenues. With 87 cents of every general fund dollar that we now spend allocated to public education, public health and public safety, there are no easy answers. The best option for our most important priorities is to defend them by level-funding them.

---

<sup>3</sup> Foreclosures in December 2010 were down 75.8% from December 2009.

<sup>4</sup> Violent crime in 2009 was at its [lowest rate since tracking began in 1975](#).

<sup>5</sup> In 2010, the Chesapeake Bay Health Report Card for 2009 [gave the health of the Bay its highest mark since 2002](#).

<sup>6</sup> There were 20,400 more Marylanders employed in 2010 than there were in 2009.

<sup>7</sup> Montgomery County has implemented a [Stat-based performance measurement program](#). We'll ask the other 23 counties to follow their lead.

<sup>8</sup> Through innovative cross-border collaborations, the [Division of Parole and Probation](#) (DPP) receives email notifications when a MD offender is arrested in VA or DC, allowing for timely warrant service on offenders under DPP supervision. In addition to this real-time exchange of information, the District of Columbia regularly contributes information to the Public Safety Dashboard, allowing law enforcement to effectively access information pertinent to criminal investigations.

<sup>9</sup> For the 5<sup>th</sup> consecutive year, Governor O'Malley has proposed a budget that complies with the spending affordability guidelines. [The Governor's proposed FY2012 budget](#) brings total spending reductions to \$6.6 billion while preserving over \$800 million in cash resources, including \$682 million in the Rainy Day Fund.

<sup>10</sup> Abraham Lincoln, State of the Union Address, December 1, 1862.

By making tough choices and by cutting \$5.6 billion in spending, you and I have been able to protect – and in some cases actually increase – funding even in these tough times for those important priorities that matter to our future.<sup>11</sup> Now we must cut nearly \$1 billion more. In past years we have been supported by dollars from President Obama’s Recovery & Reinvestment Act. This year, without these funds, the tough choices are going to be even tougher.

Together, we’ve reduced the size of our state government – by the way, the 8<sup>th</sup> smallest government among the 50 states.<sup>12</sup> And now, we must further streamline; we must further consolidate: combining related law enforcement forces and functions, merging the Higher Education Commission with the Department of Education, streamlining water functions within the Department of Natural Resources.

We must also fix and save our State’s pension system, which has fallen out of balance – thereby threatening the long-term stability of our state finances.<sup>13</sup> Now prospectively speaking, annual contributions from the employer (the State) as well as annual contributions from employees will have to be moderately increased while expectations of some benefits will have to be moderately lowered.

Look, I know, none of these choices are going to be easy; they won’t be popular. All of them will be tough. But this is what’s required right now, in order to move our State forward to better days.

## **SPURRING INNOVATION THROUGH EDUCATION**

Balancing budgets, cutting spending, reducing the size of government – all of these things are an important means to a much larger end. If we’re going to make this new economy ours – if we are going to win the future, if we are going to make it in America – then we must also have the courage and the foresight to make strategic investments that actually improve our children’s education,<sup>14</sup> that strengthen our workforce and our infrastructure,<sup>15</sup> to create jobs through innovation.

---

<sup>11</sup> The Governor’s proposed FY2012 budget reduces the structural deficit by 37%.

<sup>12</sup> In its report entitled, “[US Municipal FOCUS: State and Local Government Employment – How Significant?](#)”, RBC Capital Markets Corporation states that Maryland has the 8<sup>th</sup> smallest amount of state and local government employees as a percentage of total employment.

<sup>13</sup> In each year of the first term, the O’Malley-Brown Administration fully funded the State’s required pension contribution. As the system exists today, the State’s contribution to the pension system in FY2012 would be nearly \$1.5 billion, nearly tripling the \$555 million contributed in FY2003.

<sup>14</sup> Last year, Governor O’Malley successfully advocated for legislation to create a comprehensive Longitudinal Data System, which links data from pre-kindergarten through secondary and postsecondary education and into the workforce, to allow educators, parents and policy makers to better understand student progress over time.

<sup>15</sup> [The O’Malley-Brown Administration has set a goal to increase the number of Marylanders who receive skills training by 20% by the end of 2012.](#) It is projected that 39% of job openings in Maryland by 2018 will be “middle skill jobs,” jobs that require training or education beyond high school but do not require a four-year degree.

Innovation is key. And the foundation of innovation – as all of you have demonstrated by your choices in years past – is education. It’s one of the most important investments we make together. Now that’s why, over the last four years, every year, we have increased education funding. Last year, together as a State – and with the courageous help of our President and our congressional delegation – we chose to make the largest investment that we have ever made as a State in the important mission of public education.<sup>16</sup> And when this economy recovers, we’re going to do even more for public education. In the meantime – in these lean times – we will make that same level of investment that we made last year. Yes, it is level funding. Most school systems for the first time during this crisis will now have to make the same tough choices that the rest of government has been making for the last four years. And I know it won’t be easy. And I know that you are going to make sure that we continue to make progress for our kids even with this challenge.

But to make this new economy ours, we also have to continue other important work. We have to continue to make college more affordable for more families. Now because of your tough choices, we are making solid progress on this front. Alone among the fifty states we chose to freeze in-state tuition four years in a row.<sup>17</sup> No other state in America was able to do that. Today, Kiplinger’s says the University of Maryland is now among the top 5 best national values for a college education.<sup>18</sup> And ParentsAndColleges.com ranks Bowie State University as #1. We can applaud for that, I think.

Access to college, as you’ve demonstrated by your choices, is really important, but you know what? Completing college is absolutely essential in this knowledge-based economy. And that’s the goal of Complete College Maryland,<sup>19</sup> which I hope you will support in this year’s budget.<sup>20</sup> Now this is a step – but it’s only a step. In order to move forward, we must rethink the way we fund higher education so that there is a greater incentive for completing college on time.<sup>21</sup>

---

<sup>16</sup> The [FY2012 proposed budget](#) protects the largest-ever \$5.7 billion investment in Maryland’s top ranked public schools, bringing the O’Malley-Brown Administration’s five-year total to \$27.4 billion.

<sup>17</sup> The [proposed FY2012 budget](#) allocates \$9 million to keep tuition growth at a modest 3% for all University System of Maryland schools and Morgan State University.

<sup>18</sup> In the 2011 edition of Kiplinger’s “[Best Values in Public Colleges](#),” the University of Maryland, College Park was ranked the 5<sup>th</sup> best value, up from 8<sup>th</sup> last year. Four other Maryland schools made the list: St. Mary’s College of Maryland, Salisbury University, Towson University and University of Maryland, Baltimore County.

<sup>19</sup> Complete College Maryland is a competitive grant program that would provide funding to institutions of higher education that develop and implement innovative initiatives to assist students with the successful attainment of their degree or certificate.

<sup>20</sup> The completion rate at 4-year colleges in Maryland is 65.3% vs. the U.S. average, which is 55.9%. The completion rate at 2-year colleges in Maryland is 19.2% vs. the U.S. average of 27.5%.

<sup>21</sup> The O’Malley-Brown Administration set a goal that by 2025 at least 55% of the State’s residents aged 25-64 will hold at least one degree credential.

## CREATING JOBS THROUGH MARYLAND'S INNOVATION ECONOMY

Innovation. Education. College completion. At the end of the day, it's all about jobs. It's all about jobs. It's all about creating jobs, saving jobs and retaining jobs. Because you and I know that no family can make real progress without a job. In our State, where there is no such thing as a spare Marylander, the most important job that we create is the next job.

We're joined here today in the gallery by a determined woman named Cynthia from Prince George's County. Get this, after 13 months of unemployment, she never ever gave up. She continued to move forward and she ultimately landed a new job which actually pays more than the one that she lost. And she did it with the help of our One Stop Centers.<sup>22</sup> This is what it's all about. This is what it's all about.

Now to create more jobs, we must leverage the power of our diversity,... we must leverage the power of our geography,... And we must harness the potential of Maryland's Innovation Economy: bio-tech, green-tech, clean-tech, cyber security,<sup>23</sup> information technology, aerospace, global trade, and next generation manufacturing.

No state is better positioned than we are to transform global challenges into the jobs and the opportunities of the new economy right here in Maryland. The Chamber of Commerce,<sup>24</sup> the Milken Institute,<sup>25</sup> the Kauffman Index<sup>26</sup> – all of those rank us in the top two or three among the 50 states for innovation, science, and our ability to win in this new economy. We have America's #1 ranked public schools three years in a row. We have one of the most highly skilled workforces of any state in America,<sup>27</sup> we have leading institutions of discovery and of higher learning. We sit at the national epicenter of science, security, health and healing. And key sectors of Maryland's Innovation Economy are actually creating jobs faster than the rest of the country.<sup>28</sup>

---

<sup>22</sup> Last September, the Maryland Department of Labor, Licensing and Regulation launched an enhanced [Maryland Workforce Exchange](#). Marylanders are now able to log onto this virtual One-Stop and harness the use of web "spidering technology" to access more job resources than ever before.

<sup>23</sup> Last year, Governor O'Malley released [CyberMaryland](#), a public/private economic development initiative to position Maryland as the nation's epicenter for cyber security. Currently, 14.6% of all Maryland jobs are in the high-tech sector.

<sup>24</sup> Under Governor O'Malley's leadership, [Maryland was ranked #2 in the country this year by the U.S. Chamber of Commerce for entrepreneurship and innovation](#).

<sup>25</sup> Since 2002, Maryland has overtaken Colorado and California in the Milken Institute's "[State Technology and Science Index](#)", which are now ranked at numbers 3 and 4, respectively. Over the same time period, Virginia has dropped from 5<sup>th</sup> to 8<sup>th</sup> place in the rankings.

<sup>26</sup> In their report, [The 2010 State New Economy Index](#), the Kauffman Foundation says that Maryland is one of three states best positioned to win in the new economy.

<sup>27</sup> Maryland has the highest concentration of employed doctoral scientists and engineers out of any state in the nation, ranking first in employed Ph.D. scientists and engineers per 100,000 employed workers.

<sup>28</sup> Of the reporting states, Maryland ranks 3<sup>rd</sup> in rate of growth for Computer Systems Design and 5<sup>th</sup> for Scientific R&D. In 2010, these sectors created 6,000 jobs.

Our legacy is one of entrepreneurial Marylanders whose creativity, whose imagination, and whose guts have literally changed the world,... from the telegraph, to the railroads, to conveyer belts,... to cures and vaccines,... from Old Bay to the Hubble Telescope.

Today, Marylanders are working to revolutionize the way we “feed,<sup>29</sup> fuel,<sup>30</sup> and heal”<sup>31</sup> our planet. At companies like Life Technologies<sup>32</sup> and Gliknik,<sup>33</sup> our fellow citizens are working at the cutting edge of life sciences every single day. At Smiths Detection<sup>34</sup> up in Edgewood, Marylanders are defending our security from chemical and biological attacks. And at Sourcefire,<sup>35</sup> our neighbors are innovating in adaptive cyber security.

Last year, I asked for your help, and you stepped up. I asked for your help to create a new Hiring Tax Credit and Small Business Loan Guaranty Fund.<sup>36</sup> You delivered and today, more Marylanders have jobs as a result.

This year, I need your help and Maryland needs your help once again. We can take action to help grow, quite possibly, the next MedImmune<sup>37</sup> or Human Genome Sciences.<sup>38</sup> Through *InvestMaryland*, you and I have the opportunity to literally unlock \$100 million in venture capital.<sup>39</sup> Now why does that matter? And why would we do it here? And why would we do it in these sectors? Because seed and early stage money – despite all of the great ideas and great work and great discovery going on in our labs – seed and early stage money have all but dried up in the national recession. Passing this legislation could well be the difference between running ahead or running in place. Creating thousands of jobs in Maryland or seeing them go to other states.

---

<sup>29</sup> With support from the [Maryland’s Best](#) agricultural program, demand for locally-grown farm products has increased 37%.

<sup>30</sup> Maryland’s first two commercial wind farms started generating clean energy in December. The two wind projects will together generate 120MW of renewable energy – enough to power 40,000 homes. The projects created more than 200 jobs during their construction.

<sup>31</sup> [Benlysta](#), a drug developed by [Human Genome Sciences](#) in Rockville to treat lupus, will be the first drug approved for the treatment of lupus in 50 years if it is approved by the FDA in March.

<sup>32</sup> [Life Technologies](#) in Frederick has 390 full-time employees. In 2009, the company completed an expansion of their facilities in Frederick and added 50 new jobs. [They expect to hire an additional 100 employees by the end of 2011.](#)

<sup>33</sup> [Gliknik](#), Inc. in Baltimore, MD is a private company categorized under Biological Products Manufacturers. Gliknik, [named 2009 Maryland Incubator Company of the Year](#), creates new therapies for patients with cancer and immune disorders by modulating the immune system to fight these diseases.

<sup>34</sup> [Smiths Detection](#) has grown by approximately 40% since 2008. The company currently employs over 215 people in Maryland.

<sup>35</sup> [Sourcefire](#) was founded in 2001 by Martin Roesch, the creator of Snort. The company created a commercial version of the popular Snort software: the Sourcefire 3D System, an intrusion prevention solution. Headquartered in Columbia, MD, the company has offices worldwide.

<sup>36</sup> The Maryland Small Business Credit Guaranty Initiative provides loan guarantees for small and minority-owned businesses. To date, this program has approved assistance that will help create or retain close to 500 jobs and assist businesses with accessing nearly \$10 million in much-needed capital.

<sup>37</sup> [MedImmune](#) employs 2,050 people at their headquarters in Gaithersburg and manufacturing facility in Frederick.

<sup>38</sup> Human Genome Sciences is a biopharmaceutical corporation founded in 1992. Its facilities are located in Rockville, Maryland and it employs 770 individuals.

<sup>39</sup> [SB180/HB173 – InvestMaryland](#) is a premium tax credit program designed to fuel venture capital investment in Maryland businesses by offering to insurance companies the opportunity to forward pay taxes at a discounted rate in exchange for an up-front investment in the program.

Creating the next world-changing company here in Maryland; or watching it happen in Massachusetts. The choice is ours.

The lack of capital is one barrier to job creation. Bureaucratic red tape is another. This year we launched *Maryland Made Easy* to simplify and streamline the business licensing and permitting process in our State. There are things that we actually can do – and I think all of us, regardless of party, can agree – there are things that we can do and things that we must do to get government out of the way of job creation without compromising our environment.<sup>40</sup>

Together, we brought 5,700 jobs to the Port of Baltimore through an innovative public-private partnership.<sup>41</sup> Jobs continue to come to Maryland because of the BRAC initiative and the Lieutenant Governor's efforts to make sure those jobs are here. And we're creating 800 jobs in Maryland by convincing GM to build their next generation of green, electric motor in Baltimore County.<sup>42</sup> That didn't happen by itself; that's happened because you thought it was important. This year, we have the opportunity to do more to advance solar energy,<sup>43</sup> more to advance plug-in electric cars,<sup>44</sup> and more to harness off-shore wind.<sup>45</sup> And let me talk about this for a couple seconds here.

You know, we set one of the most ambitious goals for renewable energy in America.<sup>46</sup> About four years ago, we had fallen behind all the other states; we then moved to the forefront, moved to the lead as Maryland does. But so far we are not on pace to meet or achieve that goal. This isn't going to happen, off-shore wind is not going to happen, simply because we set the big goal. It's not going to happen simply because it's a good idea, or simply because it's the right thing to do. I need your support for *Maryland Offshore Wind Energy Act*, not only to create renewable energy in Maryland, not only to reduce greenhouse gases coming from Maryland, I need your help on the *Maryland Offshore*

---

<sup>40</sup> The [Maryland Made Easy initiative recently launched by the O'Malley-Brown Administration](#) includes specific strategies for state agencies to help businesses grow and create jobs by streamlining processes, simplifying regulations and improving communication.

<sup>41</sup> In 2009, [Governor O'Malley announced an agreement](#) that will allow the Maryland Port Administration to lease its 200-acre Seagirt Marine Terminal to Ports America and in return, Ports America has agreed to construct a 50-foot berth for the Port of Baltimore. The partnership is expected to support 5,700 direct and indirect jobs and will generate \$15.7 million per year in new taxes for Maryland.

<sup>42</sup> Last year, [Governor O'Malley joined GM in announcing](#) that the company will produce electric transmissions at GM Powertrain Baltimore in White Marsh. The company will construct a high-volume electric drive manufacturing facility at the Baltimore County transmission plant, which is expected to create more than 800 direct, indirect and induced jobs in the state by 2018.

<sup>43</sup> MEA awarded over 1,450 grants to Maryland residents to install solar, wind and geothermal systems. The grants will save more than 8,000 MWh of clean energy annually, and created 85,000 man-hours of work just in direct installations.

<sup>44</sup> Governor O'Malley proposed three bills this session to promote electric vehicles in Maryland. [SB176/HB167](#) would create the Maryland Electric Vehicle Infrastructure Council; [SB177/HB163](#) would provide a tax credit equal to 20% of the cost of a charging station for companies and individuals who invest in electric vehicle charging station technology; and [SB179/HB164](#) would require the Public Service Commission to implement a pilot program that permits utilities to offer incentives to electric vehicle owners to recharge electric vehicles during off-peak hours.

<sup>45</sup> Offshore wind energy represents the single greatest potential to bring large-scale renewable energy to Maryland, along with stable energy prices and thousands of high-paying green jobs.

<sup>46</sup> The O'Malley-Brown Administration sponsored legislation that doubled the renewable energy portfolio, requiring [20% of the State's energy to come from renewable sources by 2022](#).

*Wind Energy Act* to jumpstart the creation of thousands of green manufacturing, assembly and servicing jobs on the shores and waters of Maryland.<sup>47</sup>

There are some challenges so large that we can only accomplish them together. Harnessing offshore wind is one of them. Holding utilities accountable for reliable electric service is another. *How long do you want to wait in the cold and the dark for deregulated markets to turn the electric back on, to solve this problem?* Moms and dads deserve better than to sit for days in freezing homes because the power hasn't been restored. Family-owned businesses should not be forced to lose productivity and product and income because big utilities and deregulated markets have failed them. How long do we want to wait for deregulated markets to solve this problem? Today, we introduce legislation that will set reliability standards for electric customers – and I ask that you join me by making it law.<sup>48</sup>

## **BUILDING THE INFRASTRUCTURE OF A STRONGER FUTURE**

It all comes back to jobs. It all comes back to jobs. Building a more reliable power grid creates jobs. Rebuilding roads and renovating schools – these things create jobs. Building and restoring bridges creates jobs. Rebuilding our aging water infrastructure and revitalizing community colleges – these things create jobs. Building science labs creates jobs.

The Recovery & Reinvestment Act – signed courageously by President Obama and implemented openly and transparently without the waste, fraud or abuse that all the naysayers were predicting – helped us create and save more than 15,000 jobs in the most recent quarter.<sup>49</sup>

And through our own State Capital Budget this year, we can help create and retain 15,000 more. Now this includes jobs building and refurbishing schools, with the \$250 million investment we're once again proposing for school construction.<sup>50</sup>

And together, in so many ways, we're also building another type of infrastructure and that is the 21<sup>st</sup> Century cyber infrastructure. Think about it. Our Health Information Exchange,<sup>51</sup> our new first responder interoperable communications network<sup>52</sup> – these things are cyber infrastructure. They

---

<sup>47</sup> The Maryland Department of Labor, Licensing and Regulation received a [\\$5.8 million grant from the U.S. Department of Labor](#) to train 2,000 Marylanders for green jobs in the sectors of manufacturing, construction, environmental technology and solar energy.

<sup>48</sup> [The legislation](#), with lead sponsors Delegate Brian Feldman and Senator Thomas Middleton, will require the Public Service Commission to adopt enhanced reliability standards and allow the Commission to fine utilities for poor performance and direct those payments back to the affected ratepayers.

<sup>49</sup> The O'Malley-Brown Administration's award-winning [RecoveryStat](#) website allows Marylanders to see where recovery funds are being invested in their communities.

<sup>50</sup> Since taking office, the O'Malley-Brown Administration has invested more than \$1.5 billion in school construction.

<sup>51</sup> Maryland remains a national leader in developing an electronic health information exchange, which allows health care professionals to quickly access and transfer patient health information. In Maryland, 5 hospitals are already connected electronically. [The O'Malley-Brown Administration has set a goal for Maryland to become a national leader in health information technology by 2012.](#)

<sup>52</sup> The O'Malley-Brown Administration has [established 12 core goals](#) to build a more prepared Maryland, including building a statewide, state of the art interoperable radio system that will allow first responders across our State to communicate effectively during emergencies.

will protect the health of the public and public safety. The statewide rural broadband network that we're building with our federal government's help will effectively connect every county in Maryland to the information superhighway – and thank you again to our congressional delegation and President Obama for helping us make that happen.<sup>53</sup>

Through the Sustainable Communities Tax Credit, we're helping to create 700 jobs. By moving forward with the Red Line, by moving forward with the Purple Line,<sup>54</sup> we're striking a more sustainable balance between roads and transit while creating jobs. To connect the infrastructure of a stronger future, we are working together to grow smarter: protecting more open space,<sup>55</sup> and advancing new strategies for transit-oriented development.<sup>56</sup>

We must realize that where we choose to sleep, eat, and live affects our environment and it affects our Bay. Together, we've made some great progress in recent years. And we shouldn't take that lightly. It didn't happen by chance, it happened by choice ... reducing farm run-off, reducing pollution from aging sewage treatment plants; most recently, starting to reduce the damage and the pollution that's caused by stormwater run-off. But among the big four causes of pollution in the Bay, there is one area of reducing pollution where so far we have totally failed, and in fact, it's actually gotten much worse,... and that is pollution from the proliferation of septic systems throughout our State – systems which by their very design are intended to leak sewage ultimately into our Bay and into our water tables.

Now look, you and I can turn around this damaging trend by banning the further installation of septic systems in major new Maryland housing developments. This is common sense, this is urgently needed, this is timely, and for the health of the Bay, we need to do what several rural counties have already done and had the good sense to do.<sup>57</sup> We are up to this.

## PROTECTING OUR QUALITY OF LIFE

---

<sup>53</sup> In 2010, Maryland was awarded more than \$115 million in federal investments to [extend broadband to rural and underserved communities across the state](#). The funds will allow for more than 1,300 miles of high-speed internet line to be built, providing affordable internet access to more than 1,006 total sites, such as schools, libraries, police and public safety locations, community colleges, higher education institutions and other government and community support centers.

<sup>54</sup> The [Red](#) and [Purple](#) lines are expected to remove more than 40,000 cars from our roads each day by 2030, resulting in a reduction in greenhouse gas emissions. [The O'Malley-Brown Administration has set a goal to reduce greenhouse gas emissions by 25% by 2020](#).

<sup>55</sup> Since taking office, the O'Malley-Brown Administration has protected over 32,000 acres of critical landscapes through [Program Open Space](#) and in partnership with Community Parks and Playgrounds, provided over \$280 million to local governments to fund 959 local recreation projects.

<sup>56</sup> In June, [Governor O'Malley designated 14 Maryland transit stations](#) as priority sites for transit-oriented development. The Governor also designated another 16 development projects as smart sites, projects deemed to be the most conducive to smarter, more sustainable growth in Maryland.

<sup>57</sup> [The Chesapeake Bay Nitrogen Reduction Act](#) signed by Governor O'Malley in 2009 requires that all new or replacement septic systems in the Critical Area use nitrogen removal technology, which can prevent 50 percent of a system's nitrogen from polluting groundwater and local waterways.

Now to make this new economy ours – and to protect our quality of life – we have not only set big goals; together, we’ve made tough choices to actually deliver results.

- With tough choices, together we’ve done more than ever before to empower women- and minority-owned businesses.<sup>58</sup> And because of legislation that you passed last session, we’re going to do more to empower businesses owned by veterans.<sup>59</sup>
- With tough choices, we’ve expanded health care to 248,000 Marylanders – 118,000 of them, by the way, were children.<sup>60</sup> And last year, our patients experienced 6,000 fewer preventable complications in our hospitals.<sup>61</sup> To move forward, we’re creating new incentives for doctors and hospitals to enhance quality of care.
- With tough choices, we’ve driven down home foreclosures by 76%. And they are now 65% lower than the national average because of your good work.
- With tough choices, we won the fight to keep the Preakness in Pimlico where it belongs. And, by working with the racing community, we prevented a collapse of an industry and the abrupt loss of thousands of horse-related jobs.<sup>62</sup> And now we still have a lot of work ahead of us towards a long-term, sustainable solution.
- With tough choices, we’re turning around the health of the Chesapeake Bay.<sup>63</sup> Last year, because of difficult decisions we made together with Virginia, the Blue Crab population is actually rebounding to the highest levels since 1997. And if we want, if we want to save the native oyster and see the native oyster population rebound, then we must hold true to our plan for oyster aquaculture.

With tough choices, we are also taking back our streets and neighborhoods from violent crime. Since 2007, we have reduced murders in our state by 23%.<sup>64</sup> But the spate of homicides early this year, I think reminds all of us wherever we live of the urgency of work yet done. Better isn’t good enough. Thirty-one children, thirty-one kids were the victims of homicides in 2010. Now the State

---

<sup>58</sup> In FY2010, [Minority Business Enterprise \(MBE\)](#) participation across state government was 23.2%, the highest percentage ever achieved in the history of the MBE program in Maryland.

<sup>59</sup> Last year, Governor O’Malley signed legislation establishing a goal for increased participation of veteran-owned businesses in state procurement.

<sup>60</sup> In 2010, Maryland was one of only six states in the country to receive an “A” grade from the Pew Charitable Trusts for oral health for children in its report [“The Cost of Delay: State Dental Policies Fail One in Five Children.”](#)

<sup>61</sup> From FY2009 to FY2010, 6,691 potentially preventable complications were avoided in Maryland hospitals through the Maryland Hospital Acquired Conditions Initiative.

<sup>62</sup> In December, Governor O’Malley [arranged an agreement that preserved year-round racing at Maryland racetracks in 2011](#) and saved the struggling Laurel Park and Pimlico Racetracks, thereby keeping the Preakness Stakes, which is held at Pimlico, in Maryland.

<sup>63</sup> This year, Maryland submitted a region-leading [Watershed Implementation Plan](#) to aggressively reduce the amount of pollution entering the Chesapeake Bay.

<sup>64</sup> Preliminary statistics indicate that 127 fewer homicides occurred on our streets in 2010 than in 2007.

Police tell us that this is the lowest number of juvenile victims of homicide on record.<sup>65</sup> But how do we explain that to the families, to the moms and dads of kids that were lost. How do you tell them that those thirty-one lives lost – we consider that to be progress or a state accomplishment?

Two years ago, you required judges, rightly, to remove guns from the houses of domestic abusers.<sup>66</sup> This year, I need your help to further toughen the enforcement of our gun laws.<sup>67</sup>

And while nobody believes that we should criminalize poverty, there are things that we can do – must do – to bring Maryland in line with what every other state does and what every other state expects when it comes to preventing the willful neglect of a child.<sup>68</sup>

## CONCLUSION

In conclusion, over the course of these past four years, virtually every Maryland family and business has been impacted in some way by the tremendous challenges that we have faced together as a people. Today, as we look forward to the next four years and beyond, every Marylander has a role to play in our recovery, and every Marylander is needed... whether it's enrolling in night school, whether it's hiring a Marylander off unemployment rolls a little earlier maybe than your business thought you were going to, whether it's joining in the search for solutions by participating in our Maryland Forward forums, whether it's encouraging a neighbor to call our HOPE Hotline to save their family's home,... or if you work in a bank, maybe it's going that extra mile, maybe it's going the extra two miles so that you can responsibly qualify that small business for the small business loan that they need to hire and expand their business.<sup>69</sup>

As President Clinton once rightly said, *“There is nothing wrong with America that cannot be cured by what is right with America.”* Just look around our State. Look at the elementary and middle school students in classrooms all over Baltimore City that are achieving at record levels.<sup>70</sup> I've seen firsthand the excellence being achieved at Oxon Hill High School in Prince George's County.<sup>71</sup> Think of the lives being saved, not only here at home, but all around the world because of the cures and the

---

<sup>65</sup> The Maryland State Police began tracking this statistic in 1990.

<sup>66</sup> In 2009, the O'Malley-Brown Administration sponsored hard-hitting legislation to protect victims of domestic abuse. [Governor O'Malley has set a goal to reduce violence against women and children by 25% by 2012.](#)

<sup>67</sup> [SB174/HB161](#) – Use of a Firearm in the Commission of a Crime of Violence or a Felony - This bill seeks to close a loophole in current Maryland law regarding persons who commit felonies and crimes of violence with firearms by ensuring that serious felons and violent criminals face the same criminal penalty, no matter the type of firearm they use to commit their crime.

<sup>68</sup> [SB178/HB162](#) – Child Neglect – Penalties: This new legislation would make it a crime to intentionally fail to provide necessary assistance and resources for a minor, including food, clothing, medical care and supervision.

<sup>69</sup> Since its inception, [the HOPE Network](#) has counseled over 52,000 Marylanders who were in danger of losing their homes. Of the over 16,000 cases that were completed to date, 93% resulted in positive outcomes for Maryland families.

<sup>70</sup> Last year, [elementary and middle school students in Baltimore City achieved their highest Maryland State Assessment scores ever](#) with 72% of students scoring at proficient or advanced levels in reading, while 66% of students scored at proficient or advanced levels in math.

<sup>71</sup> The number of Advanced Placement exams taken by Prince George's County high school students has more than doubled since 2005, and 50% more exams are being scored at college proficiency levels.

discoveries that are being brought about up the I-270 corridor in Montgomery County, in Frederick, at bioparks in Baltimore City<sup>72</sup>,... or the advances in security being developed at Aberdeen and Fort Detrick.<sup>73</sup> The potential of Western Maryland tourism and industry. Or the possibilities rolling off the assembly line in Baltimore County. Consider the determination of the farmers on the Eastern Shore and Southern Maryland that are actually using best management practices that are opening markets abroad and planting more cover crops to protect the Bay than they ever have before.<sup>74</sup>

Notwithstanding all of the limitations of this year's budget, all that we need to build a better future is right here. Moving forward is not just about today's budget math, it's about tomorrow's better Maryland. There are costs and there are values. Some values are so very, very important that they are even worth dying for. Everything has a cost. We cannot kid ourselves into thinking that by failing to invest in our future, we're somehow saving resources... We're being clever somehow and saving money. Everything has a cost. Inaction has a huge cost. Consumption has a cost. Failing to make decisions that are consistent with the best interests of the next generation,... this too has a cost.

But I believe, I believe in the better future that our children deserve. And I believe in the goodness of a Maryland that is willing to make it so. Thank you all very, very much.

END

---

<sup>72</sup> More than 400 biotech and life sciences companies are located in Maryland, with many of them concentrated along the I-270 corridor between Bethesda and Frederick, including the [Maryland Biotechnology Center](#), created in 2009 by Governor O'Malley as one of the first initiatives of [BioMaryland2020](#).

<sup>73</sup> Maryland is emerging as the center for innovations in cyber security. The federal government acknowledged Maryland's leadership in this area by establishing the new Cyber Command headquarters at Ft. Meade.

<sup>74</sup> [The nearly 400,000 acres of cover crops planted](#) exceeds the 2011 Bay milestone for cover crops and their associated nutrient reductions, and is a new record.