

2011 Session of General Assembly: The Special Interests Strike Back!

After our impressive victories in the 2010 Elections, opponents of progressive reform are flexing their muscles – we need your help this year to turn the tide!

The Maryland General Assembly concluded its 2011 legislative session at midnight, Monday, April 11 with many needed reforms falling victim to insider gamesmanship and political payback. Legislators, buoyed by four years away from their next election, acquiesced to pressure from special-interest lobbyists to kick the can down the road rather than seize the opportunity to make real change. You would think after losing so many colleagues less than 6 months ago, the General Assembly would have focused this session on completing the people's business. But alas elections are every 4 years and special interest lobbying is eternal.

So just as we did in the run up to the election, the time between the close of this session and the opening of the 2012 session will be the crucial period to build our strength, raise our voices loud and clear, and make sure lawmakers have no doubt what solutions we demand and what direction Maryland must move in over the next decade. Please join with us as we build the grassroots network which will overcome the special interests choke hold and again make Maryland the envy of the nation.

As America continues its weak economic recovery from the Great Recession, which Wall Street caused by its greed and recklessness, Progressive Maryland lobbied for our "Rewarding Maryland's Hard Work Agenda" in Annapolis. We highlighted the inequities which forced working families to sacrifice while those who already had the best and most were given bailouts, more tax breaks, and subsidies.

Tragically legislators failed to pass most of our bills, but like anything worth doing, we



March 14 Keep the Promise Rally and March at the State House



March 7 PM Co-sponsored the Progressive Summit/Lobby Night



PM and allies picketed the Maryland Chamber of Commerce March 24 for opposing any increase in the minimum wage

knew it would take time and require the entire progressive community's efforts. Please read this as a **status update** on the progress of these important reforms and not as the **final judgment**. Only you, the voter and citizen activist, have the final say in what kind of state Maryland will be to work and raise our families in. Progressive Maryland needs your voice now to make that vision a reality. We're counting on your continued collaboration on this most noble quest.

Legislative Setbacks for Working Families

- **Raising Maryland's minimum wage to \$9.75 by 2014.** This bill was by far the most consequential bill for working families all across Maryland, who are struggling to make ends meet in this tough economy with Maryland's high cost of living. This reform would have pumped an added \$1 billion dollars of consumer spending into Maryland's local economy, helping our small businesses rebound. It would boost revenues for our budget deficit and reward the over 300,000 Marylanders who work hard every day, yet struggle to make ends meet on less than \$18,000 a year. Progressive Maryland launched the [Raise Maryland](#) campaign to continue the fight to raise Maryland's minimum wage and help our economy work for small businesses and hardworking Marylanders again. Please look for campaign updates and join us for Raise Maryland events and meetings over the coming months as we gear up for victory in 2012.
- **Study Commission to enact a State Development Bank for the state of Maryland.** If there was one bill which more than any other exemplifies the power of special interests to thwart progressive change, this was it. The bill was simply to **STUDY** the idea of removing our \$32 billion dollars of tax money out of irresponsible Wall Street Banks and creating a public bank to make our dollars work for us by making needed investments in our infrastructure and job creation. It's modeled after the Bank of North Dakota, which has operated successfully since 1919 helping North Dakota save revenue and avoid the foreclosures and budget deficits which plague most states. A state development bank could significantly change Maryland's economic position at no added cost to taxpayers or the government. But incredibly the bill was voted down less than 24 hours after our hearing in the Senate Finance Committee, where the only opposition was the **Maryland Bankers Association** -- lobbyists for the private banking industry. **That is how Annapolis functions** -- even the best ideas die a quick death when they threaten deep-pocketed special interests -- except when countered by significantly stronger grassroots pressure.
- **Marriage Equality** was the most disappointing defeat of any bill for the progressive community as we saw the agents of intolerance and petty prejudices win this latest



battle in our state's long march towards fully living up to its moniker as the "Free State." But we, supporters of a more inclusive and respectful Maryland, must not allow our disappointment over this temporary defeat to obscure the amazing accomplishment of passing this bill through the state Senate and how remarkably close we came to enacting it into law. All throughout the 90-day session, opponents of the bill staged small but consistent protests, held signs on street corners, walked the halls, spoke with legislators and staffers, and otherwise made their determined opposition known. Bill supporters must mobilize during the rest of 2011 to build on our momentum, surpass our opponents' commitment, and ensure that victory does not slip through our fingers again in 2012.

- **The State Budget** fight dominated most of this year's session as lawmakers struggled to balance the budget mostly with cuts to services, increased fees and transfers from other funds. Incredibly, the Legislature decided not to enact two very popular and modest revenue proposals: extending the **millionaires' tax** bracket and enacting **combined reporting** for corporate income taxes. Maryland with its second highest number of millionaires per capita in the nation for the past 5 years, could have prevented \$100 million dollars in service cuts by just continuing to tax millionaires a measly extra **75 cents for every \$100 they make over a million** dollars per year. Hardly a soak-the-rich tax regime. Given the more than \$1 billion dollars in budget cuts, extending the millionaires' tax bracket would be a minuscule sacrifice for the most well off of our residents. Our state could have avoided **another \$100 million dollars in cuts** by enacting combined reporting and leveling the playing field for Maryland small businesses which compete against national chains that pay no corporate income tax in Maryland. Combined reporting requires multi-state corporations to add up all the profit from all their subsidiaries, calculate how much of it was generated in our state, and pay for those profits alone – just as Maryland-based businesses do. Combined reporting is the most effective means of countering complex tax avoidance schemes devised by corporate lawyers and accountants to hide profits in other states using tax shelters and subsidiaries which they only created for tax avoidance purposes.
- **Voluntary, public funding of General Assembly races** would take power away from Wall Street Banks, developers and other special interests and return power to regular voters. It is already law in three states where it works great. Frustratingly, PM and allies counted enough votes to pass this reform on the Senate floor, whence it would go to the House which has already passed it once. But Senate President Mike Miller bottled the bill up in committee. You would think with another Senate Committee Chairman indicted for undisclosed payments from a grocery chain, supporting publically funded elections would be a no-brainer. But the Senate President has no reason to want to change a system with massive loopholes for unlimited contributions from fellow politicians and individuals. They can form as many limited liability corporations as they want to raise more than the legal maximum, which has allowed Miller to become the longest serving, and perhaps most powerful, Senate President in the history of the United States.

Victories for Working Families

- **Maryland's DREAM Act.** The bill to allow children of undocumented immigrants who reside in Maryland and pay taxes, to attend Maryland colleges at in-state tuition rates

was the biggest victory for working families in the 2011 General Assembly session, opening the doors of opportunity and inclusion for thousands of high-achieving children across Maryland. Rather than erect one more barrier to these kids, who are trying desperately to live the American Dream, this bill gives these promising young people the chance to fully participate in the great opportunities a great higher education provides -- a goal that benefits our economy, our state and all its residents.

- Maryland Healthcare Exchange.** This bill to create the framework for the new health care exchange market was an important first step for our state to implement and take full advantage of the historic federal **Affordable Care Act** (ACA) Congress passed last year, which will expand coverage and access to the great majority of Marylanders. Though the Exchange bill passed overwhelmingly, the true fight over implementation of the ACA will begin in earnest over the next two years as insurance companies try to slant the exchange to their benefit. Progressive Maryland will lead the battles to include a **public option** and make the exchange more accessible.
- Maryland's Alcohol Tax.** For the first time in a generation, Maryland will increase its tax on alcoholic beverages, one of the lowest in the country, to fund vital health services which were on the deficit chopping block. In the face of strong opposition from the Senate President, the alcohol lobby and the restaurant lobby, the grassroots coalition led by Maryland Citizens' Health Initiative prevailed. This bill shows how a determined progressive effort, coupled with strong support from citizens who value and rely on these programs can defeat even the most entrenched special interest lobbying.
- Early Childhood Education Reporting.** The General Assembly passed a bill to expand reporting by the State Board of Education on the progress of all early education programs the state offers including: Pre-K, Head Start, Family Literacy, child care and family support centers, Healthy Family sites, home visiting, and community health programs. This report will help Maryland compete for federal early education dollars as well as help our state better prepare our youngest residents for their academic futures.

- Online voter registration:** Maryland stepped into the 21st Century this year by passing a bill to allow citizens to register to vote online. This simple reform will allow Marylanders to register from the comfort, convenience and safety of their homes on their own time, so it doesn't interfere with their busy daily schedules.



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