

January 13, 2010

Dear Legislator,

Welcome back to Annapolis for the 427th session of the Maryland General Assembly!

Progressive Maryland (PM) is a non-profit, statewide advocacy organization that defends the interests of working families. We have 15,000 individual members and supporters in every legislative district in the state. Thirty-five organizational affiliates sit on our board, including some of the most influential labor unions, civil rights groups, and faith communities in the state. Learn more at www.ProgressiveMaryland.org.

In the coming days, our members and staff will explain to you in person our **2010 Opportunity Agenda for Working Families**. The theme that runs through this agenda is simple: ***during the worst economic downturn in decades, the General Assembly can help working families with no or very small immediate Fiscal Notes***. This letter and attached materials provide background information about this agenda. We look forward to explaining the details to you in person during the coming days.

Voluntary, Public Funding of General Assembly Campaigns

\$94 million was poured into Maryland's 2006 election, shattering the record set in 2002. The skyrocketing campaign inflation rate gives wealthy individuals and special interests too much influence in our state's politics. As money-in-politics scandals and indictments proliferate nationwide and in Maryland, a 2009 Gonzales statewide poll found that fully 67% of Maryland voters believe that "big campaign contributions have a corrupting influence on state lawmakers in Annapolis." The current campaign finance system undermines voter confidence in government.

Many lawmakers dislike the current system as well. To remain competitive, they are under pressure to spend too much time and effort fundraising -- even sometimes accepting money from interest groups whose agenda they might not support.

Senator Paul Pinsky and Delegate Jon Cardin will again introduce legislation that passed the House in 2006 and failed narrowly on the Senate floor in 2007 and 2009. The bill is modeled on proven, successful reforms in Maine, Arizona, and Connecticut, which created a voluntary, publicly funded way to run for the state legislature. To be eligible for public funding, a candidate must collect small contributions from several hundred voters in the district he or she wishes to represent. Then the candidate receives enough public funding to run a viable campaign -- with the option of also raising a limited amount of private money from individuals in small increments, but no contributions of any kind from organizations.

This reform is **popular with incumbents in Maine, Arizona, and Connecticut where more than half now opt into the voluntary system and where 90% of incumbents still win re-election (just as they do in most states)**. A 2009 opinion poll shows that 70% of Maryland voters support this reform, as does the *Washington Post*, *Baltimore Sun*, *Gazette* newspapers, NAACP, Common Cause, League of Women Voters, Sierra Club, Md. PIRG,

SEIU, AFL-CIO, and many other groups. The bill would not implement the publicly funded system for the 2010 election, so there is no immediate Fiscal Note; and for future elections it would provide a down payment to finance the system that does not use taxdollars or even General Revenue.

Legislation to Grow the Middle Class

The State of Working Maryland 2009 report (available at www.Pmef.Org) shows a long-term deterioration of the economic living standard of blue-and pink-collar families in our state which is now exacerbated by the worst economic downturn in decades. Lawmakers can – with no Fiscal Note -- create economic opportunity for struggling families in our state. Above all, lawmakers should extend the principle of the successful 2007 Living Wage Act by requiring that any organization (not just companies getting a service contract) receiving state taxdollars in any form (not just a government contract, but also tax breaks, governmental subsidies, loan financing, etc.), and from any source (including taxdollars from quasi-governmental entities) be required to hire Marylanders for that project (not bus in workers from lower-wage states) and compensate those workers with a decent wage and with health care benefits. Several big jurisdictions around the country are moving forward with this type of legislation. As Maryland was the first state in the nation to enact a Living Wage law, so too should Maryland lead the way among states in expanding the Living Wage principle; namely, that taxdollars should create middle-class – not poverty-wage -- jobs. It's time to reverse the shrinkage of the Great American Middle Class. Maryland -- the richest, best educated, and most progressive state in the nation -- should lead the way.

In the coming days we will announce the sponsors of this new priority for PM and allies. Simultaneously, we will point out to lawmakers complementary bills that also embody the Living Wage principle and that should be enacted into law.

Fiscal Fairness

It is unthinkable that Maryland would cut taxes on millionaires and allow corporate tax loopholes and special-deal giveaways that bleed the state of hundreds of millions of dollars in revenue at a time when those revenues could prevent Draconian cuts to public services that literally save the lives of children and the elderly -- and stimulate the economy to help end the recession. Yet that is exactly what we are on track to do unless the General Assembly takes action now to avert this disaster. Lawmakers must:

- **Make permanent the millionaires tax**, which will keep \$100 million per year in the state budget beyond the tax's current December 2010 expiration date.
- **Enact Combined Reporting**, as 23 other states have already done, to close corporate tax loopholes that allow half or more of Maryland's biggest corporations to avoid paying a single dollar in state income tax. The Comptroller's office reported last fall that Combined Reporting would have brought in between \$109 and \$170 million in revenue in 2006 had it been law.
- **Abolish intentional tax giveaways and special tax breaks** that cost the state tens of millions each year, including tax breaks for polluters, tax breaks for monopolists, even tax breaks for country clubs!

High Quality, Affordable Pre-K

Last year, lawmakers gave guidance to the State Department of Education to finalize a plan to position Maryland to take advantage of new federal spending from the Early Learning Challenge Fund that would help fund high-quality pre-K in our state. This year, lawmakers should support two companion bills, both sponsored by Del. Tom Hucker and Sen. Nancy King, which would ensure the state is fully prepared to compete successfully for these copious federal monies (set to flow in the next few months) and would also help Maryland monitor the progress of early childhood programs and the attainment of State goals in a more comprehensive way than we do now.

In addition to PM's top priorities described above, we will also work to enact other legislation helpful to working families, including:

- **Protecting Phone Service for Rural Maryland.** Across the country, Verizon is divesting itself of its regulated "legacy" or "copper" landline phone networks, which are located mostly in rural areas, often selling them to fly-by-night operators lacking sufficient capital and expertise to maintain them. For example, last year, after regulators in New Hampshire, Vermont and Maine approved the sale of Verizon's network to FairPoint Communications, service quality has plummeted and many businesses and residents have been cut off from telephone and broadband service. Regulators are now scrambling to force FairPoint to fix this disaster, but much of the damage might be irreversible. Maryland should forestall this scenario by requiring that a telecom sale or merger be "consistent with the public convenience and necessity" in order for the Public Service Commission (PSC) to approve it. Progressive Maryland will support legislation to raise the PSC's current standard, requiring it to conduct an in-depth public interest analysis of any such proposed transaction before approving it.
- **Modernizing Maryland's Unemployment Insurance Fund to Qualify for More Federal Dollars.** As part of Progressive Maryland's leadership of a new coalition called Recovery Watch Maryland that is launching this month to promote accountability and transparency in expenditure of federal economic stimulus funds, we are supporting efforts led by Governor O'Malley, the Job Opportunities Task Force, and AFL-CIO to ensure that Maryland gets an additional \$127 million in federal Unemployment Insurance funds. To qualify for this huge boost to our dwindling UI fund, Maryland must make some changes to modernize our UI system, as many other states have already done.

Progressive Maryland of course wants to learn about your agenda and how we can work together to create opportunity for working families. Please feel free to reach me at the contact information listed above. Best of luck during the session and we look forward to speaking with you soon!

Sincerely,



Sean R. Dobson
Executive Director

Attachments