

**GOVERNOR MARTIN O'MALLEY**  
**Remarks to the Maryland Chamber of Commerce**  
**November 6, 2008**

Thank you all very much.

It's a great honor and pleasure to be here this evening, especially at the end of such a very slow news week. I want to say something that perhaps has not often been heard from Democratic Governors at the Chamber of Commerce, thank you for your partnership and especially for your support on the passage of Question 2. It wouldn't have happened without you.

Quite obviously, many of us in our State had some ambivalence about it. It was like the weighing of two choices that in different times, we would not like having to make. Do we want to keep \$600 million in our State by allowing five locations or do we want to do \$600 million in cuts to the most important aspect of our economy, which is our workforce and education? It's not an accident that Forbes says we have one of the top three workforces in the nation, right? It's because we've invested more than any other State in the quality of our education, and that can always improve, but we have one of the top three public school systems and one of the top three workforces.

In weighing those things, the people spoke overwhelmingly, even in some places where we used to hear the most opposition, even those counties voted for it, some by bigger margins than others.

But in every county in the State, we can look forward and focus on the things that really unite us – our belief in the dignity of every individual, our belief in our own responsibility to advance the common good, and our understanding that at the beginning and the end of our days that there is a unity to spirit and matter, and that what we do in our own short time on this planet really does matter. In other words, that each of us makes a difference, and each of us must try.

A reporter said to me, 'Why do you think the referendum passed by such margins?' I said, 'Well, look at the coalition that came together in support of it.' It was not only labor, firefighters, teachers, it was also the Chamber of Commerce, the business community, the Greater Baltimore Committee, and too many others to name. It was the business community and other stakeholders in a broad coalition all across our State joining together. It was Democrats and Republicans actually coming together in order to send it to referendum so that we could resolve this and move forward.

I want to share with you our mission statement, and I've done that so often that most of the people on my staff and certainly any of those who traveled with me on the campaign can recite it by heart. What are we moving forward to? Our common goals: to strengthen and grow the ranks of an upwardly-mobile middle class, which includes our family-owned farms

and our family businesses, to improve public safety and public education in every part of our State and to expand opportunity; the opportunity to learn, the opportunity to earn, the opportunity to enjoy the health of the people that we love, as well as the health of the environment that we love, to more people rather than fewer.

### **Restoring Fiscal Responsibility**

Out of the 50 states, we're only one of seven that has a Triple A bond rating. Why is that? I think it's because we understand that a key requirement of making progress towards our shared goals is our ability to be fiscally responsible – to live within our means, to balance our budget – to be fiscally responsible, a time-honored and great American, and Maryland value.

It's that thing that you must maintain, not only to make Moody's and Standard & Poor's happy, but because without fiscal responsibility you're not capable of making progress. You also can't make investments, whether it's in your own business or in the public business that each of you has a major share in – your State government. We can't make progress towards our shared goals unless we're fiscally responsible.

There's a classic Groucho Marx routine where he's in a very exclusive, white tablecloth restaurant. The waiter comes to him and hands him the check. He looks at it, puts a hand on his forehead, and passes the check to his guest and says, "This check is an outrage, I wouldn't pay it if I were you!"

Well, that's what we have been doing as a country and as a State for far too many years, but instead of passing the check to one of our peers, one of our guests, or one of our contemporaries, we were passing the check on to the next generation – like saying, "Put my kid's credit card on the table, I'm sure that he or she could pay for it."

That's no way to be a great people, and that's no way to leave this world to our kids in a better condition than we found it ourselves, so that's why we work so very hard in partnership with you.

We did not agree on every one of the issues that we had to wrestle with during that special session, but we made some decisions, years ago, and the chickens have come home to roost. We had to restore fiscal responsibility.

### **Good Economic News**

I wanted to talk to you tonight about a few of those decisions and, more importantly, some good economic news in the midst of what is one of the most challenging economic times that I've ever witnessed in my 45 years. Would you like some good news?

We, as a State, at a time when other states are shedding jobs, we're actually still creating jobs. We're one of only nine states with positive job growth, and that's because of your hard work and your own professional and civic fiscal responsibility. In fact, we rank seventh in terms

of job growth.

I'm going to give you some more good news, about Base Realignment and Closure (BRAC). As much as you read in the newspaper that people are fretting over additional people coming to Maryland – I think the 40,000 to 60,000 jobs coming is a much better problem than 40,000 to 60,000 jobs leaving. Many of the Generals that have been meeting with Lt. Governor Brown and his staff have remarked about just how ready Maryland is and how focused Maryland is. Yes, we would like more dollars to do more road improvements, and more traffic and intersection redesigns more quickly; but we are focused on the jobs that are coming.

Our job growth is outpacing all of our neighbors, regardless of whether you're looking at the private sector and government, or whether you're only looking at the private sector.

For those of you whose businesses involve exports and the Port of Baltimore – our exports have actually increased by \$1 billion, from about \$7 billion to about \$8 billion this last year.

Our unemployment rate is also 25 percent lower than the nation as a whole. In fact, it's the 13<sup>th</sup> lowest in the country.

### **Strongly Positioned for Growth**

I don't say those things to sugarcoat the challenges that are ahead of us, but I do say those things to try to give you a little bit of faith and comfort that as our country comes out of this national economic downturn, we in our One Maryland are going to come out of it sooner than others.

That's because of the investments that we have been able to make, investments in our human capital. The Milken Institute is the definitive journal that ranks states for the economic potential of their biotech and life science economies.

As many of you know, the traditional way that we think about biotech and life sciences as primarily focused on health and drug development, is very quickly morphing and branching out beyond health care and into renewable energy, and into increasing crop yields. As Friedman writes, "The world is flat, crowded and hot."

The Milken Institute moved us up from fourth place to second place among all the states in the union.

We have tremendous strengths moving forward. On a trade mission to Israel, Benjamin Netanyahu and I started talking, and because it was a biotech conference I started talking about the various institutions that are located in Maryland. Johns Hopkins, National Institutes of Health (NIH), Food and Drug Administration (FDA), the Center for Medicaid and Medicare Services – located in Maryland.

All of these things come together in a very unique place, and if you combine this Chesapeake Crescent of ours, Virginia, the District of Columbia, and Maryland – and the assets, the brain power, and the creative and innovative energy that’s in this section of our country, it stacks up to California or any other region in the country. It stacks up much stronger than most world economies.

### **Real and Steady Progress Toward Our Shared Priorities**

These are the strengths that we have and the strengths that we need to be able to defend. And that’s what we’re going to do, continue to make progress towards our shared goals.

None of this has been easy – the restoration of fiscal responsibility – but take heart, if you read the Wall Street Journal or the New York Times, that some of our neighbors like New York or California are facing deficits that make our problems look like a walk in the park. I know they’re bigger states than ours, but even if you boil them down on a percentage basis, they’ve failed to address their structural woes, and now, on top of it they have the national economic downturn and, of course, revenues follow that.

I never believed, and I don’t think any of you in this room ever believed that those five slots locations in our State would ever be the total solution to our problem. But it was an important part of the solution.

To refresh your recollections, lest we ever forget, we cut \$2.2 billion dollars out of this budget, which has about a \$15 billion base. We also passed a number of measures that added up to \$1.3 billion in new revenues, from a variety of sources, and the one that all of us pay, the sales tax, which was the sixth lowest in the nation.

That’s why we were able to make investments that make Maryland the sort of State where we are actually creating jobs, where we have the quality of life that makes creative people want to come to and want to stay, where we have a school system where talented people want to be able to send their children.

Together, we have secured record funding, \$5.3 billion this year, for public education, and tripled what we invested in new classroom space. Many of you are taking part in our initiatives with regard to STEM education that are increasing our outcomes for our kids – Science, Technology, Engineering and Math.

We have a P-20 Council that looks at that whole continuum of forces that produce the workforce that you depend upon and to which you contribute so greatly.

I am looking forward to the day when every high school student that graduates from a public school in Maryland not only passes all the minimum standards to get that degree, but also graduates with some sort of trade skill, some sort of job skill that’s actually relevant and wanted in a modern economy. If lifelong earning is the new reality of this new economy then we have to be able to give, especially to our children that come from more

socioeconomically challenged areas, the skills that their hands need in order to put dinner on the table without standing on a corner. To able to raise their families in dignity, in a State where work is actually rewarded. We have some great examples around the State of Career and Technical Education, and it's time to move from these isolated successes to the whole thing.

We have been able to also expand health care coverage in our State, and I don't need to share with you why that's so important. It's probably the biggest anchor that American business has around its neck. The head of General Motors from the Allison Transmission Plant in White Marsh called me on the way down here to give me a heads-up and to ask for some help in rallying our congressional delegation, because they're going to have some bad numbers tomorrow. They're producing a product that has such a huge percentage of it tied to health care.

We're the only industrialized economy in the Western world that hasn't been able to figure this out. It's a huge rock and it drags us down, and the number of uninsured, if we look at it the other way, has grown year after year. It's one of the big drivers of why our health care costs go up.

So together, this year we took what was the 44<sup>th</sup> worst Medicaid system and we moved it up now to 24<sup>th</sup>. We're going to be able to cover 100,000 more of our neighbors with health care, including important preventive health care. We're going to add a dental benefit now for poor kids, so that no child like Deamonte Driver from Prince George's County ever has to die because he can't go and get a toothache fixed.

Earlier today, when we declared Gaithersburg the Capital for a Day in Montgomery County, I met with a group of small business owners around a table to talk about the program we have. I'll let you in on it, it's kind of a first-come, first-served basis.

What we learned when looking at Tennessee and what we learned from looking at Montana is that there are small businesses in that two to nine employee range, who have a heck of a time finding any sort of affordable plan. So we have created a \$15 million fund to incentivize small businesses to join the ranks of the insured. It's not an incentive that goes away after the first year. It is not a bait and switch. It is something designed to get more of us into the ranks of the insured.

We also made an about our Bio 2020 Initiative. When you total up all the investments that we're making, it adds up to \$1.3 billion in investment over the next 15 years, which is actually higher than Massachusetts.

I neglected to mention something from that Milken Institute report which bears repeating again and again. When they looked at what we invest in the talents and skills of our workforce and our people, we were number one. Not number four, not three, not two. We're number one, even ahead of Massachusetts.

Together, we have also been able to extend that Biotech Investment Tax Credit, and some other good things, none of which would ever be possible were it not for your partnership and were it not for your health.

## **Conclusion**

I hope we've established in these 22 months a good working relationship. I really do. Some of the reporters also asked me after the slots bill, "What does this do to your relationship with some ministers and people in the faith community?" I said, "You know what, even my friends disagree with me on some issues, that's natural." These are tough times, there aren't easy policy choices, and very few of them are going to be painless for our new President, either.

All of this is going to take some investing and most importantly an understanding that we are all in this together again, because we're a great country. As President Kennedy said, all of us share one very invaluable, priceless thing and that is the title of American citizen. I believe that sincerely, and I know you do as well. I consider myself very blessed to be able to serve the people of our State.

I thank you so much for what you do day-in and day-out, with an eye towards caring for your employees and the people that work so hard for your businesses. We're going to get through this, and we'll do it as One Maryland.

Thank you so very, very much for your invitation today. (Applause.)