

Maryland Budget and Tax Policy Institute

Budget and Policy Summit, December 14, 2011

Attended and summarized by Deborah Schumann, [Progressive Neighbors](#)

The organizers and panelists at the summit represented non-profits, advocacy organizations, academic economics and the media. Dean Baker of the Center for Economic and Policy Research in Washington gave the keynote address which was highly informative.

Mr. Baker outlined and explained the current economic downturn that was caused by the housing bubble. The fictitious, nearly 100% increase in real estate prices dumped \$1.4-1.5 trillion into the economy only to be lost when the bubble burst. Afterwards, the country lost \$600 billion from the housing construction industry, \$500 billion in consumer demand that had been financed by home equity, \$250 billion in non-residential construction and \$150 billion was lost to state and local governments because of lower tax revenues.

The Federal stimulus package amounted to about \$300 billion for two years and was totally inadequate to get the economy back on its feet. His opinion is that we will not see a substantial economic recovery for about five years.

The following is a list of some of the key points that were made by some of the other speakers.

Nancy Pineles of the Maryland Disability Law Center, Hank Greenberg of AARP, and Becky Wagner of Advocates for Children and Youth talked about some of the financial challenges faced by children, the elderly and the disabled. Disabled persons are paid only \$670/month, our elderly population is increasing and becoming more chronically ill and Montgomery County has become a majority minority county. Becky Wagner made a suggestion that I have thought of for a long time: that is to use public schools as community centers for things such as public health and access to government services.

Kenneth Montague, Jr. former Maryland Delegate and former Cabinet Secretary for the Maryland Department of Juvenile Services gave a compelling presentation that talked about the responsibility of our elected officials. Article 43 of Maryland's Declaration of Rights states: "That the Legislature ought to encourage the diffusion of knowledge and virtue, the extension of a judicious system of general education, the promotion of literature, the arts, sciences, agriculture, commerce and manufactures, and the general melioration of the condition of the People."

Roy Meyers, Professor of political science and public policy at UMBC presented his view that it is very important to make our priorities clear. Citizens need to know what the state is doing for them and for our community and we need to communicate to our legislators that we expect them to work for a “stronger, fairer, greener Maryland.”

Vinnie DeMarco of the Maryland Citizens’ Health Initiative talked about how important it is to build a coalition BEFORE you go to legislators to get action.

C. Fraser Smith, News Director at WYPR and columnist for the Maryland Daily Record and Andrew Green of the Baltimore Sun talked about the importance of the media in getting the message out.

Neil Bergsman of the Maryland Budget and Tax Policy Institute outlined his proposal for increasing revenue in order to avoid cutting so many services in the state

- Close corporate loopholes including combined reporting: \$144 million/year
- Additional tax on income over \$100 million/year: \$87 million/year
- Tax certain services (excluding many essential ones like medical, childcare and household services): up to \$1 billion estimated for 2013 and more as the economy recovers.
- Sales tax on internet purchases: \$164 million/year

He feels that leadership (most likely the O’Malley Administration) doesn’t “want” to keep making cuts, but that they need the support of the people to be able to pass legislation to raise revenue.

Handouts are available from The Maryland Budget and Tax Policy Institute as well as one from Professor Roy Meyers.