



January 20, 2010

The Senate of Maryland  
The Honorable Thomas V. "Mike" Miller, President

The Maryland House of Delegates  
The Honorable Michael E. Busch, Speaker

The Citizens and Families of Maryland

Dear Mr. President, Mr. Speaker, Ladies and Gentlemen of the General Assembly,  
and Fellow Marylanders:

Over the course of the last three years – in the face of the most serious economic challenges faced by our country in several generations – we've been able to work together to restore fiscal responsibility to our state government. While the decisions we have made have not always been easy, choosing fiscal responsibility has allowed us to protect our families and small businesses, create the conditions for economic growth by creating and saving jobs, and it has allowed us to make real progress on priorities like public education, college affordability, health care, public safety and the environment.

I am pleased to submit for your consideration the State of Maryland's FY2011 Operating and Capital budget. This is the fourth balanced budget that I have submitted to the Maryland General Assembly that has come in under the spending affordability guidelines. Like last year's budget that grew at a negative rate, the FY2011 proposed budget grows at a negative affordability rate of minus 2.9%.

By choosing to strategically reform and reduce the size of our state government, we have already reduced state spending by \$4.6 billion in the last three years. With today's budget proposal, we bring that total to \$5.6 billion. Today, for the first time in at least 40 years, state general fund spending is lower than it was four years ago.

Because of these tough decisions, we are one of only seven states to maintain a Triple A Bond Rating, a seal of fiscal responsibility certified by all three major rating agencies. Our state

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government is more accountable and transparent to the people it serves. Our rate of job growth was better last year than all but two other states and our housing market has stabilized. With our well educated work force, our public and private research facilities, our vital small business sector, and a host of other assets, we are in a better position than our counterparts in other states to move forward from recovery to prosperity.

As the national economy slowly begins to climb back, our challenge for this fiscal year and beyond is to continue making the tough choices which will allow our families to come through this recession even stronger – and to create the economic conditions that will allow us to continue creating jobs, protect our families, and strengthen our middle class and small and family owned businesses and farms.

As I submit the FY 2011 budget I am mindful of the difficult decisions ahead as we continue to weather this global economic downturn, but I am confident that this proposed budget will help create jobs and grow our economy in the near-term and strategically position our state for long-term economic growth and prosperity.

Thank you,

A handwritten signature in black ink, appearing to read "Martin O'Malley". The signature is fluid and cursive, with a large initial "M" and "O".

Martin O'Malley  
Governor