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Secretary Brinkley's Talking Points

Introduction

- Thank you for the introduction, Jennifer (Colton)...
 - And good morning, everyone.
- Before I get started, I need to recognize the incredible job that Jennifer and her colleague Susan Casey have done putting the conference together this year.
 - In case you didn't know, the Governors Grants Office is a two-woman operation.
 - The fact that they can coordinate an event of this scale themselves serves as a testament to the caliber of their abilities and their dedication to the public.

- I think that merits a special round of applause.

(HOLD FOR APPLAUSE)

- Now, I am honored to once again have the privilege of participating in the annual Governor's Grants Training Conference.
 - This marks the fourth year in a row for me, which means I must be doing something right...
 - So if it's alright with all of you, I'm not going to deviate too much from the routine and the remarks that have been working for me so far.
- As always, your packed agenda shows me that you've got quite the day lined up for you...
 - So I hope you've all enjoyed your breakfast...
 - And are ready for me to kick off this morning's plenary session.

Maryland's Fiscal Situation

- As the Budget Secretary, I feel it only proper to use my time this morning not only to highlight:
 - Where the State stands from a fiscal perspective...
 - But also how the State's finances tie in to your efforts to secure grants from all levels of government.
- When the legislature passed the FY 2019 budget in April, the initial analysis predicted that we would be facing a cash shortfall of nearly one billion dollars for FY 2020.
 - Since then, some positive developments have begun chipping away at that figure, but we still have a long way to go.
 - It's worthwhile to note that this change did not result solely from higher than anticipated revenues...

- Instead, a good chunk of it can be attributed directly to the actions of Governor Hogan and his Administration through State agency reversions from the FY 2018 closeout.
- Just as you and your organizations must serve as good stewards of the grant dollars you receive, we too understand the need to manage the State's finances responsibly.
- We are still going to need to make a lot of difficult decisions in order to submit a balanced budget and provide for a sufficient cushion in our General Fund balance...
 - But I'm proud to say that Governor Hogan and my fellow agency heads have helped lessen the pain with their strong fiscal management.

- Now, despite the news you may have heard about that \$504 million budget surplus for FY 2018, I feel the need to point out that the State continues to face a significant recurring structural deficit that is projected to exceed \$1.8 billion by FY 2023.
 - This is due to the fact that our projected spending growth continues to outpace our revenue growth—5.7% to 3.3%, on average.
 - Next year alone, General Fund expenditures alone are slated to increase by roughly \$1.5 billion.
 - Governor Hogan has repeatedly tried to bring future spending in line with our revenue projections by proposing mandate relief—both through the annual budget bill and as free-standing legislation...

- But unfortunately, the General Assembly seems intent on going in the exact opposite direction.
 - Not only have they stripped away such provisions from his budgets and shelved all his mandate relief legislation,
 - But the legislature continues to add more and more spending mandates every year—to the point where they now comprise 84% of the State’s own-source budget.
- In spite of all this, we remain committed to instilling all of State government with the belief that our duty to the taxpayers is paramount...
 - And we will not be deterred in our pursuit of achieving long-term fiscal stability in Maryland.

State Spending

- In spite of this precarious fiscal situation—and thanks to Governor Hogan’s strong management of the State’s finances—we’ve been able to provide some phenomenal investments in programs and projects throughout Maryland.
 - We’ve invested \$25 billion in K-12 education aid to local governments so far...
 - Hitting new record-high funding levels every single year.
 - We’ve also allocated a cumulative total of almost \$20 billion through the State’s Consolidated Transportation Program...
 - To address the various transportation infrastructure needs all across our State.

- Finally, we've issued \$4 billion in new General Obligation Bonds to help finance capital projects throughout Maryland...
 - From state-of-the-art public schools and community revitalization programs in downtown Baltimore to much-needed hospitals and waterway improvement in the more rural areas of the State.
- These investments prove that Governor Hogan knows how to fund what is important to Marylanders even while facing tight budgetary constraints...
 - But they also set an example for you and your organizations to follow as you try to make the most out of the grant money you receive from the federal government.

Federal Grants

- So you may be wondering, “What does all this talk of State finances have to do with the federal grants our organizations are going to apply for?”
 - For those of you who aren’t aware, federal funds account for roughly one-third of the State’s overall budget.
 - For the FY 2019 budget passed in April, that amounts to just over \$13 billion coming from the federal government for a variety of purposes.
 - In addition, despite the immense amount of funds that we’re dealing with here, just six of our State agencies handle almost all the federal funding that flows to Maryland:

- The Department of Human Services,
 - The Maryland State Department of Education,
 - The Maryland Department of Transportation,
 - The Maryland Department of Health,
 - The Department of Housing and Community Development,
 - And the Department of Labor, Licensing & Regulation.
- These funds mainly encompass entitlement programs, though some directly funds agency operations.
- The major programs funded in this way relate to Medicaid, education, and housing.
 - Most of these funds are pass-through benefits to individuals in the form of items like medical assistance, food stamps, and housing subsidies.

- I know we have many State agency employees here today, so everything I've discussed is doubly important for you.
 - Since so much of our budget is dependent on federal dollars, it is imperative not only that our agencies focus on maximizing grant opportunities...
 - But also that they manage them efficiently for the sake of all Marylanders.
 - And I am proud to be able to report that the low single-digit audit findings we're seeing demonstrate that the State employees who work on federal grants seem to be getting the picture...
 - And are doing an excellent job.
 - So please, give yourselves a round of applause...

(HOLD FOR APPLAUSE)

Conclusion

- I'd like to wrap up my remarks this morning by highlighting the theme for this year's conference:
 - "Partners in success."
- While working in or with government, one learns that—no matter what side of the aisle you may sit on—we're all striving together to better the lives of the people we serve...
 - And gaining an understanding of that partnership is key to accomplishing that goal.
- It's a symbiotic relationship that benefits everyone involved...
 - And by challenging ourselves and our partners beyond our comfort levels, we will have the power to succeed beyond all our expectations.

- From what I've witnessed over my past four years of participation in this conference, I can tell that you've been challenging yourselves and your organizations too.
 - Please...continue to do so, and together, we can continue to change Maryland for the better.
- Thank you all for being here today...
 - And for all the work you do on behalf of the people of Maryland.
- Thank you again for inviting me to speak...
 - And I hope you have an entertaining and informative conference!