

Maryland's Democratic governor proposes austerity budget for next fiscal year

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On January 15, Wes Moore, the Democratic governor of Maryland, proposed a draconian and pro-big business budget for the next fiscal year beginning July 1. Maryland is facing “the worst fiscal crisis in at least 20 years, one even worse than the Great Recession,” stated Moore as he unveiled the budget.

His plan includes \$2 billion in budget cuts, including to environmental programs Moore had previously made these the centerpiece of his agenda when he was running for office in 2022. Moore is attempting to paper over these attacks on environmental protection by declaring he will increase taxes of about \$1 billion on the wealthiest Marylanders as a response to the state's nearly \$3 billion budget deficit.

Maryland, which is the 18th largest state in the country in terms of population, has a roughly \$67 billion budget. The state's previous budget in 2024 included massive cuts, which allowed it to turn a \$1.1 billion deficit into a \$100 million surplus. This was done on the back of working people and the poor, and the cuts were meant to address an increase in enrollment in Medicaid and state childcare programs.

Moore is citing the end of federal pandemic aid under the Biden administration and falling tax revenue as some of the factors for the deficit. Moore stated that the federal government's COVID-19 aid had “papered over” the state's continued deficits. Moore declares “economic growth is our North Star” for escaping the crisis.

Significantly, the *Washington Post* reported Moore citing “his experience as an investment banker before he got into politics and identifying life sciences and cyber industries as key targets for growing the state economy” in promoting his plan for tax giveaways and attracting “investment.”

Moore proposes pro-corporate policies, such as

lowering the state corporate tax rate. The state of Maryland is seeking to lure investors from nearby states such as Virginia, which taxes businesses 6 percent, compared to Maryland's 8.25 percent.

Moore did not specify what cuts he would make on environmental protection programs. One report noted that offshore wind projects would be targeted for elimination. A statement on the governor's website states he would be “Redirecting spending for underutilized or underperforming programs towards high priority programs,” with no explanation of what would be prioritized.

The focus on ending climate protection policies flies in the face of Moore's own campaign promises when he was elected in 2022. His campaign website stated that he would set “aggressive clean energy and emissions reductions standards, partnering with local leaders to combat the effects of climate change.”

The Democratic governor made a specific appeal to working class and poor communities, mentioning some of the consequences of increasing global temperatures including “increasingly severe storms, worsening pollution, poorer air quality, and more frequent extreme heat events” which would impact them the hardest.

Another target of his cuts is the Blueprint for Maryland's Future program, which was initiated in 2021 to improve the state's public education system. Maryland is already facing a teacher shortage with 1,600 vacancies across the state. The cuts are slated to be \$218 million. Other areas of cuts include the Developmental Disabilities Administration (\$200 million) and the University System of Maryland (\$110 million).

Many of the state's green energy programs rely on federal funding, such as an emerging offshore wind program. Moore pointed to the fact that the Trump

administration will be hostile to green energy initiatives to justify reducing climate spending.

In fact, the assault on social and climate spending in favor of corporate-friendly policies is a staple of both capitalist parties in the United States. The fiscal crisis in Maryland has been worsened by the Biden administration's completely unscientific ending of the COVID-19 pandemic Public Health Emergency (PHE) in 2023, a decision which eliminated funds many municipalities had come to rely on in the place of more stable support.

Beyond that socially criminal decision, the Biden administration's approach to climate change in general has been more show than substance. A report last week in *Teen Vogue* on the collapse of Biden's so-called "green jobs program" Climate Corps notes how it was whittled away to nearly nothing throughout the course of his term in office.

The publication cites Robert Godfried, Maryland's Climate Corps local chapter director, who noted, "People say it's the American Climate Corps, but like, what does that mean? There isn't really any meat on those bones."

Moore is seeking to disguise his attack on the population by declaring he will raise taxes on the wealthy. According to the governor, taxes would be slightly raised for the top 18 percent of Marylanders, with the other 82 percent paying the same or a reduced tax burden.

For the vast majority, this will come out to a payout of roughly \$173, an insulting amount. A report published by the Economic Research Institute notes that the cost of living in the state, driven primarily by rising energy and housing costs, has resulted in an additional charge of \$6,300 a year in expenses over the past five years.

As for the tax increases on the wealthy: those making \$500,000 per year will be taxed at 6.25 percent and those making more than \$1 million or more will be taxed at 6.5 percent, compared to the current rate of 5.75 percent for those making \$250,000 or more. This increase would amount to a drop in the bucket.

According to the Institute on Taxation and Economic Policy, Maryland's highest income households pay an average of 9 percent of income on local and state tax while the state's poorest households pay a total of 9.6 percent of their income on the same taxes.

There is a long history of tax cuts being marketed as beneficial for the working class only to result in a general lowering of their living standards. This is, in fact, the policy pursued by the ruling class at the national level in the newly inaugurated Trump administration.



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