

City's case for power plant compelling

At first blush, news reported by the *BBJ's* Scott Dance that Baltimore City is considering building its own power plant sounds like a half-baked idea that is doomed to fail.

And while the *Business Journal* isn't convinced it is a plan worth pursuing — details are scant, the price is a moving target and it's subject to fickle energy consumers — there is more going for this project than meets the eye.

The thought behind of the city's three-year-old study of energy demand and consumption is to partner with a company to build a power plant financed by municipal bond revenue. Because the city's bond rating is top-notch, borrowing money to build the plant might not cost the city as much as an energy utility. Ideally, the city could then own or lease the plant while reaping the benefits — chief among them cheaper energy rates — of a lower capital cost. This savings could be as high as 20 percent, according to Skip Tremble, a local energy consultant who is one of the report's authors.

While the recession is a good reason to take a longer look at any project of this size, it may actually work in Baltimore's favor in this instance. Utilities seeking to build a new plant typically have to put down as much as half the cost upfront. The ongoing credit crunch make that difficult, if not unlikely. Meanwhile, the likelihood this plant would create new jobs has to appeal to anyone looking to stem the tide of rising unemployment in Maryland.

Baltimore also has areas known as "brown sites" that are environmentally approved for such a project and capable of housing a 100-megawatt power plant that could connect to the region's energy grid. And it could be done within two years.

Before then, the City Council and Board of Estimates would have to approve the bond sale. And the Maryland Public Service Commission, the state's utility regulator, would surely kick this plan's tires before giving its OK. If that isn't enough to expose the plan's weaknesses, a resurgent economy or deep-pocketed utility with its own plans for new power generation may derail Baltimore's.

Ten months ago, the bottom fell out of the financial system as we knew it. Wall Street mainstays went out of business.

Others were, in essence, bought by the federal government. As a result, business on Main Street — or to extend the metaphor locally, Pratt Street — slowed to a grind. As the recession hits what some economic forecasters are calling its trough, we want to hear from you just how it has changed your business and your profession. How has the downturn affected you and your job? We know this can be a tough subject to broach. But we think your stories could help in the rebuilding process. What you learned may help another local business leader still trying to unearthen herself. If you have a story to share, contact *BBJ* Managing Editor Scott Graham at csgraham@bj-journals.com or 410-454-0511.

EMBRACING CHANGE

GAINERS & LOSERS

Maybe the Ravens can give Baltimore sports fans something to cheer about again.

Political gamesmanship

No holds barred when it comes to Capitol Hill wrangling over these health care reform plans. It's getting nasty.

State's budget

Gov. Martin O'Malley cuts another \$280 million from programs that support health care and higher education, among others.

Legg Mason

After more than a year in the red, Wall Street welcomed the money manager back to profitability. Here's to staying there.

Anticipation

Are you ready for some football? Ravens training camp starts July 27.



Who will care? Answer is unclear without cash needed to train nurses

Today's adequate supply of nurses in Maryland health care facilities provides a false sense of security.

Nurses, like millions of other Americans, have seen their pension and 401(k) investments drop sharply during this recession. The severity of the economic downturn also has made it difficult for two-income families to make ends meet. That's why so many experienced nurses who had been working part time switched to full time and others postponed leaving the profession or came out of retirement to earn extra money.

This has resulted in delays in hiring every new nursing school graduate available for the first time in years. And while a full complement of skilled nurses benefits patients, hospitals and other providers, it is only a temporary situation that will vanish as soon as the recession ends.

At that point, senior nurses will leave their jobs in droves. Nearly half of Maryland's nursing work force is expected to retire over the next 10 years.

This will happen just as most of the baby boomers reach their mid-60s and 70s. The aging of such a large cohort of the population and the parallel departure of so many experienced health care providers will increase the demand for nurses by 40 percent.

That's a huge gap. It requires the training of an additional 10,000 nurses between now and 2016 to meet the health care needs of baby boomers and others in the population.

Unfortunately, today's nursing schools cannot fill that gap. There isn't enough capacity

or enough qualified instructors. There isn't enough technology, equipment or teaching labs to handle all those extra students either.

There is a way to solve this problem. Recently, a group of hospitals, insurers, educators, businesses, nurses, and private citizens have announced the first installment toward a goal of raising \$60 million from public and private sources to expand nursing school graduates by an additional 1,500 per year.

To date, pledges to the Who Will Care? campaign have reached \$15.5 million.

This allowed the campaign to distribute \$11 million in grants to 17 nursing schools — enough to graduate an additional 300 nursing students and hire 20 more faculty in the coming years. The money also helps schools add high-tech resources, provide tutoring and offer other services to increase graduation rates.

Nurses are an essential component of American medicine and of Washington's efforts to reform the delivery system. Without an adequate supply of nurses, the community's health care would be compromised. There would be delays in treatment, escalating costs, fewer services, and a diminution in quality and safety. The private sector has taken the first steps to make sure that doesn't happen.

Our challenges now are to complete our \$20 million private fundraising campaign and enlist the help of public officials in securing \$40 million in additional public funds.

It takes time to enlarge nursing schools and increase the number of graduates by 1,500 nurses a year. Yet the clock is ticking. Dedicated public and private dollars to nurse education is a wise investment for our future well-being. It should be a public priority.

CHET BURRELL, CEO of CareFirst BlueCross BlueShield, is co-chair of the Who Will Care? campaign. He can be reached at chet.burrell@carefirst.com.

QUOTABLE

'THEIR LEADERSHIP HAS ALWAYS POSITIONED THEM TO TAKE ON THE NEXT OPPORTUNITY.'

Mike Galiazzo
Regional Manufacturing Institute

On AAI Corp.'s ability to adapt to changing business environments.

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'IF A BILL PASSES, WE'RE GOING TO SPEND A LOT OF TIME COMING TO GRIPS WITH IT BECAUSE IT AFFECTS MANY AREAS OF PRACTICE.'

Stephen Sfekas
Maryland State Bar Association

On the impact health care reform could have on local law firms.

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'IT'S CRAZIER THAN WE THOUGHT IT WOULD BE, BUT IT'S A GOOD THING.'

Libby Longendorf
Zahradka's Farm

On the success of a new farmer's market at Johns Hopkins Hospital in Baltimore.

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'YOU CAN NEVER PLEASE EVERYBODY, NO MATTER WHAT YOU DO.'

Irene Girard
CRI Solutions Inc.

On the trials and tribulations of office party planning.

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