

April 15, 2009

Dear Editor,

In recent published reports, I was quoted as favoring the layoff of state workers as an alternative to the across-the-board pay and benefit cuts that have been suggested by the Markell administration. I feel those comments need to be clarified and amplified.

Gov. Markell has said he wants to recoup nearly \$92 million that are currently spent on salaries by cutting the pay of state employees' by eight-percent. The governor has further proposed that state employees bear a higher portion of their healthcare insurance costs. Combined, both proposals would constitute a 10-percent reduction in compensation.

The biggest problem with these proposals is that the bulk of state employees (about 70-percent) earn fairly modest salaries of between \$25,000 and \$50,000 annually. Cutting the compensation of a worker making \$25,000 by \$2,500 is not a minor concession. These are also employees that have not received a raise in recent years.

Predictably, the proposal for cutting employee compensation has had a corrosive effect on morale. I have personally received phone calls and e-mails from state employees lodging allegations against their fellow workers. While I welcome suggestions to increase efficiency, the threat of a pay cut has spawned a malice born of fear and anxiety that can only hurt the cohesiveness of our work force and the quality of service they deliver.

As a member of the Joint Finance Committee, I need to stress that the start of the new fiscal year won't occur until July 1st. In the time between now and then, state revenue estimates could conceivably get worse, which would grow the current \$750 million budget gap.

Should this gap widen, are we going to cut the pay and benefits of state workers further still?

Because Delaware earns considerable revenue from the corporate and financial sectors, this recession is hitting us harder than other states. Still, our misery has plenty of company. All states are feeling the pain of this economic slowdown. Many, like Maryland, are reducing payroll through furloughs and layoffs.

Delaware, too, needs to reduce the size of its work force. Currently, there are 31,693 total authorized positions. Cutting the number of workers will not only help relieve some of the current fiscal stress, it'll force us to be more efficient.

In fact, I believe the Office of Management and Budget should work with every Delaware agency to review their mission and operations looking for ways to do maintain their core operations using fewer resources. We should task each department secretary with the goal of cutting costs by 10 percent. The key is efficiency, leaving effective workers in place, while increasing the productivity of others by shedding non-essential tasks and streamlining procedures.

Downsizing, or “right-sizing,” our state government may not require layoffs. The natural attrition of the work force – retirements, deaths, people leaving state service – combined with the current hiring freeze, is already taking us down this path.

One of my frustrations as a legislator is that I have not been able to get solid information from the Markell administration on the number of non-essential employees we’re currently losing through attrition. Without that information, it’s impossible to know if more extreme methods of reducing our work force are warranted. I was also disturbed to recently learn that exceptions have been made to the non-essential hiring freeze for people favored by both the Minner and Markell administrations.

As a small businessman, I know that hard economic times require difficult decisions. Gov. Markell has already proposed a host of tax hikes to finance our government. In good conscience, I cannot support any new or increased taxation until the governor and the General Assembly have considered all the options for resolving our budgetary challenges, including reducing the size of our state work force.

Sincerely,

State Rep. Joe Booth