

State Needs to Continue to Reduce Workforce and Spending

House Republicans say some proposed cuts misguided, while others need to be made

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As the General Assembly starts the process of finalizing the state's new spending plan, House Republicans say the operating budget is heading in the wrong direction on several fronts.

At the end of January, Governor Jack Markell unveiled a proposed \$3.17 billion operating budget for the fiscal year that begins July 1st. The proposal included \$143.6 million in cuts to state agencies and services, but despite this overall spending in the plan was about \$80 million more than the current budget - an increase of 2.58 percent.

Since February, the Joint Finance Committee – a group of 12 state legislators – has been reviewing and revising the proposed budget. State House Minority Leader Dick Cathcart (R-Middletown) said the 17 members of his caucus believe fundamental changes need to be made before the budget is enacted later this month.

“State spending is heading up again, some key proposals need to be revised, and we’re continuing to grow our already large state government,” Rep. Cathcart said. “We’re moving in the wrong direction.”

State House Minority Whip Dan Short (R-Seaford) questions whether the Markell administration has made good on its promise to reduce the size of state government and to make government more efficient. “Last year, our caucus members successfully pushed to reduce the size of state government by 525 positions by not filling vacancies created when workers retired or otherwise left their jobs. That move saved over \$14 million in ongoing annual savings. The administration and General Assembly should make a commitment to continue this practice with a goal of eliminating another 500 positions through attrition. That’s less than a 1.6 percent reduction.”

Rep. Short said he was disturbed by recent figures released by the state Department of Labor that reveal the state workforce has not only not been reduced, it’s actually grown over the last year. According to the data, state government employed 31,600 people in April 2009. That figure grew to 31,700 employees this April – a gain of 100 positions.

While state revenue estimates for the current and upcoming fiscal years have grown by nearly \$75 million since last June, Rep. Cathcart noted the administration and many Democratic lawmakers seem to be ignoring fiscal realities and are failing to prepare the state for possible trouble on the horizon. “Many economists are worried the financial instability in Europe has the potential to create a double-dip recession here,” he said. “The new budget also includes \$123.5 million in federal stimulus money. Those funds won’t be available in the next budget, so there’s a ready-made hole waiting for us.”

While House Republicans are concerned about the renewed growth of the budget, they also expressed concern that some of the governor’s proposed spending cuts will either produce stealth tax increases or will result in a reduction of services outweighed by any marginal financial benefits.

Chief among these proposed cuts are a combined \$6.48 million in funding for public school transportation maintenance and fuel costs. “It’s my belief these reductions balance the state budget at the cost of throwing the finances of local school districts into disarray,” said State Rep. Nick Manolakos (R-Limestone Hills). “These expenses won’t disappear; they will just be passed along. While the governor has promised not to raise taxes this year, his recommended budget could force local schools to do so on his behalf.”

The governor has also recommended eliminating \$1.9 million to transport Delaware children attending private schools – one of two areas in which private school students are being targeted by budget cuts. State Rep. Joe Miro (R-Pike Creek), a member of the Joint Finance Committee, said he opposes this cut as well as the governor’s call to eliminate state funding for private school nurses. “This proposal is short-sighted and could potentially cost far more than it saves,” Rep. Miro said. “School nurses perform an important function in safeguarding public health and I believe their role in fighting the spread of illnesses and the early detection of potential health issues more than justifies their expense.” The governor’s proposal to cut so-called “pass-through” funding for nurses would save less than \$447,000.

Reps. Cathcart and Short said they have issues with a proposal to replace School Resource Officers (SRO) - Delaware State Police troopers assigned to protect students and teachers in the public schools - with cheaper and less well trained “School Resource Agents.” Both said the minor amount of money that could be potentially saved – reportedly about \$18,000 per officer – is more than offset by the reduction in safety and flexibility the move would create.

“We need to take a step back and take a holistic look at what we’re doing and what’s ahead,” Rep. Short said of the state’s pending budget decisions. “Some of the proposals on the table need to be reconsidered.”

Reps. Cathcart and Short said the 17 members of their caucus are calling for the following steps:

1. Workforce Reduction:

- A continuation of the hiring freeze of non-essential state workers.
- Set a goal of further reducing the state force by 500 positions via attrition for FY 2011.
- Set a cap on the overall number of state workers to prevent side-stepping of reduction efforts by re-classifying positions as “essential” and confirm the reductions via a year-to-year, “apples to apples” comparison of the overall number of workers in state employment.

2. Schools:

- Restore proposed budget cuts for \$6.48 million in funding for public school transportation maintenance and fuel costs, which would likely force local school districts to raise taxes to cover the lost revenue.
- Restore the proposed budget cut eliminating \$1.9 million to transport Delaware children attending private schools
- Reverse the governor’s proposal to eliminate \$446,400 for private school nurses.
- Maintain the School Resource Officer program in its current form.
- Adopt standardized school design and construction, lowering these costs both for the state and local district taxpayers.
- Form a task force to fashion a plan for consolidating school district administrative, purchasing and support services, while maintaining school district identities and local school boards.

3. Grant-in-Aid Reform:

- Reform the Grant in Aid process, requiring audits of applicants every two years to determine the efficacy of past grant money they have received. Such audits would be required in order to be considered for future funding.

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