

House Minority Leaders Call for Efficiency Commitment from Governor

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State House Minority Leader Richard Cathcart (R-Middletown) and State House Minority Whip Dan Short (R-Seafood) today called on Gov. Markell to make good on his pledge to reduce the size of state government.

“Governor Markell has repeatedly said he wants to make government smaller and more efficient,” Rep. Cathcart said.

In his budget address (March 19th), Governor Markell said: “To set us up for long-term economic growth, we need to make sustained changes in how government does business. My first act as governor was to tackle some of the waste and inefficiency inherent in government by taking what we call an ‘Honest Assessment’ of state government, including a statewide performance review that is examining every department and division. ... In the weeks and months ahead, we will continue to look for ways to cut costs and create efficiencies and will continue to seek out suggestions.”

Reps. Cathcart & D. Short said they have such an idea and are asking the governor make a commitment to reducing the state work force through attrition by at least 600 jobs in the upcoming fiscal year. “The governor has said he favors a more efficient government, but he’s avoided setting any goal for actually doing it,” Rep. Cathcart said.

According to the State Pension Office, approximately 2,400 workers leave state employment annually. “Even if we assume 75 percent of these employees provide essential services and must be replaced – a figure we’ve been told is a conservatively high estimate – that would still allow us to eliminate 600 of the vacated positions,” Rep. Cathcart said. “That could save us \$15.6 million in FY 2010, and \$28.8 million annually in subsequent years.”

Rep. Short said Sussex County has already taken a similar approach, instituting a targeted early retirement option and reshuffling the remaining workers to continue to provide needed services.

“As of July 1st, they’ll have trimmed their work force by six percent,” Rep. Short said. “They realized that with real estate transactions down, they were overstaffed in some agencies that deal with home and land sales, but understaffed elsewhere. They worked with these people to help them retain their employment by retraining and shifting to more vital county positions. If they can do it, we can do it. It’s just a matter of scale and dedication.”

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The state currently has approximately 31,500 people on the payroll, including 13,500 public education employees. Reducing the work force by 600 workers in FY 2010 would constitute a cut of about 1.9 percent.

Rep. Cathcart said the performance audit of state agencies instituted by the governor should help manage the future drawdown of state positions, but it's not needed to begin the process now.

"The state work force has grown by 4,000 positions over the last nine years," Rep. Cathcart said. "I'm absolutely positive we can cut at least 600 positions in the upcoming fiscal year, providing we make a responsible commitment to it, track and assess the vacant positions, and take steps to facilitate a fluid transition of employees from non-vital jobs to areas of need. As the performance audit reveals areas where strides in efficiency can be made, I'm confident further reductions via attrition can be made in future years."

Reps. Cathcart & Short said this is just one idea they have shared with the governor to help reduce the state's projected shortfall and arrive at a balanced budget. "The governor made 70 stops around the state and told thousands of people he was soliciting ideas to reduce the cost of government. I'm sure he's probably adopted a few of those ideas, but I'd be hard-pressed to tell you what they are."

The Markell administration calculates the state faces a \$793 million budget shortfall. However, Rep. Cathcart said some progress has been made to bridge the deficit by lawmakers on the Joint Finance Committee and the arrival of money from the federal Recovery Act.

According to information provided by the Office of the Controller General, the state is using \$218 million in federal stimulus money to replace revenue that ordinarily would have come from the General Fund. Additionally, the Joint Finance Committee has cut spending or found alternate financing for at least \$216.5 million. Another \$55 million in additional revenue is expected from the implementation of sports-betting and table games. And over \$15 million will be generated through a higher healthcare co-pay to be imposed on state employees.

Lawmakers must approve, and the governor must sign, a new state operating budget within the next week. If a new budget is not in place by 12:01 a.m., July 1st, non-essential state operations could be forced to shut down.

"Our position has not changed since we issued a letter to the governor May 20th suggesting a variety of proposals to significantly close the state's budget gap," Rep. Cathcart said. "We want a holistic, viable plan to balance the budget, improve efficiency, and minimize the impact on taxpayers and state employees. Reducing the size of our state government, in a relatively painless fashion, is a positive step in the right direction."

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