

# Majority Democrats Attempting to Bully the Minority Republicans into a Bad Deal for Delaware Taxpayers

**For Immediate Release: June 29, 2017**

**For More Information: Contact:**

**Joe Fulgham (302) 744-4184**

**Kim Stevenson (302) 744-4293**

House and Senate Republicans are lamenting what they say are the deplorable actions of General Assembly Democrats in a budget impasse that has the majority party threatening to wipe out state assistance to hundreds of non-profit groups, including fire departments, senior centers, and community service organizations.

“Democrats must be using some math I’m unfamiliar with, where 25 is less than 16, and 11 is not as great as 10,” said State House Minority Leader Danny Short, R-Seaford, referring to the majorities Democrats enjoy in the House and Senate, respectively.

“Democrats control the entire process,” Rep. Short continues. “They hold an 8 to 4 majority on the budget-writing Joint Finance Committee and have crafted a spending plan especially designed to create maximum pain in an obvious attempt to bludgeon the minority into submission. If they want to pass this disgraceful sham of a budget, they will do so without a Republican vote and they will be solely responsible for the consequences.”

State Senate Minority Whip Greg Lavelle, R-Sharples, predicted what will happen next. “Because they are in full control of the budget process, it’s likely Democrats will reopen the budget, restore the funding to senior centers and fire companies, make cuts elsewhere to pay for it, then congratulate themselves for avoiding their own self-created crisis.”

General Assembly Republicans say that they have been to every negotiation session of the Financial Leadership Advisory Group (FLAG) – a group of executive branch officials and the leadership of all four legislative caucuses.

“It’s been a total waste of time,” said State House Minority Whip Deborah Hudson, R-Fairthorne. “Despite the outright fabrications issued by Senate Democrats last night, we have consistently pressed for a series of initiatives to make the kind of long-term budgetary reforms Gov. Carney has given lip service to at 20 community meetings around the state.”

The sticking point has been two Republican proposals to eliminate the need for school districts and local governments to pay the state-mandated “prevailing wage” – a minimum hourly rate the state requires that workers on state-funded projects be paid.

The wages vary by occupation, the type of project being constructed, and the county where it is being built. In an incestuous relationship between ruling Democrats and their political allies in the state's labor unions, in the majority of cases the state adopts whatever wages labor unions set as the prevailing wage.

The corruption results in vastly inflated prevailing wages\* where unskilled construction laborers make \$44.70 an hour, painters make \$48.47 hourly, and carpenters receive an hourly rate of \$53.81. This compares to median market hourly wages\*\* for the same occupations in Delaware of \$16.57 for laborers, \$18.56 for painters, and \$21.45 for carpenters.

“Enough of the nonsense of prevailing wage protecting middle class workers. The people working on construction projects deserve a fair, competitive wage. Paying them two to three times the market rate is a political payoff – pure and simple,” Sen. Lavelle said. “These inflated wages are a handout from Democrats to the unions that are a major source of campaign funding, free campaign labor, and votes for their party and it is costing Delaware taxpayers tens-of-millions of dollars annually. This isn't opinion. It's math and it's undeniable. Democrats are buying votes, they're using your credit card to do it. And we're trying to change that.”

Republicans point to numerous examples of public works projects bid with and without prevailing wage. The projects bid without the state mandate consistently cost at least 20-percent less.

“Buy four schools, get one free,” said State Senate Minority Leader Gary Simpson, R-Milford. “That is what the result would be of allowing school districts to bid projects the same way as businesses do. It baffles me why there is not more outrage from the media and the public about this,” he said.

“Every time we have raised the issue – which has been at every FLAG meeting – our Democratic colleagues have shut us down saying it's a ‘non-starter,’” Rep. Short said.

“On Tuesday, Speaker of the House Pete Schwartzkopf came into the meeting and asked us if we were ready to support a hike in the personal income tax,” Rep. Short continued. “From the start, we have told him, and everyone else, any discussion on that issue needs to be linked to a discussion on prevailing wage. When I repeated that, again, Pete said: ‘Well, I guess we're done. We're going to start cutting tomorrow and you're not going to like what happens.’ It's hard to negotiate when one side is unwilling even to discuss what is on the table. They have not responded with a counter offer or anything other than threats and coercion. The Democrats' attitude from the start has been to bully us, to silence our constituents' concerns, and force feed us tax hikes.”

Rep. Hudson said for all the governor's talk about backing structural change, when it came time to stand up for that change, he played the political card. “I'm still trying to get the tire marks off my dress from being tossed under the bus by the governor's office.

Prevailing wage has been a non-starter for him, too. He wants us to support a tax hike on nearly all wage earners because the state doesn't have enough money, but he also wants to pay painters nearly \$101,000 annually."

Republican leaders say they agree with Sen. Robert Marshall, D-Wilmington, who just yesterday said there were millions of dollars in the state budget that could be easily cut.

"The Democrats own the process," Sen. Simpson said. "They can choose to re-open the budget and make sensible cuts."

Among some of the options cited by House & Senate Republicans:

- Eliminate an additional 100 of the approximately 1,300 vacant state positions, many of which are funded **(an additional \$2.5 million)**
- Adopt the governor's proposed state employee health care adjustments, including elimination of the "double share" benefit. **(an additional \$6.4 million)**
- Delaware's participation in the Regional Greenhouse Gas Initiative generated almost \$12.7 million in 2016 for the Delaware Sustainable Energy Utility - a 501(c)3 non-profit organization, chaired by Joint Finance Committee co-chair, Sen. Harris McDowell, D-Wilmington North. According to the DSEU's annual report, revenue is far outpacing expenses and it is sitting on a large unspent surplus. Divert \$8 million of the RGGI revenue to the General Fund **(\$8 million)**