

NEWS:

General Assembly Ends Session with Mix of Controversy, Disappointment, Accomplishment

The 149th General Assembly ended its traditional legislative on the morning of July 1st with a mix of controversy, disappointment, and accomplishment.

House Bill 460, Executive Order 21

The first leg of a proposed constitutional amendment, [House Bill 460](#) called for fundamental shifts in the way the state spends and budgets money. It died without being brought up for a vote in the House of Representatives.

The reform measure was based on the recommendations of a Delaware Economic and Financial Advisory Council panel.

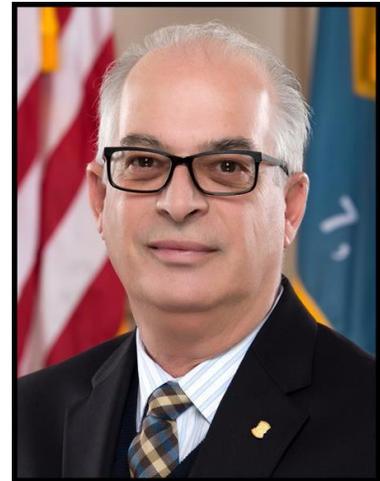
Among other things, the bill would have limited state spending, linking it population growth; personal income growth; and inflation as measured by an index of the goods and services purchased by state government.

The bill failed to get a vote in the House of Representatives, despite having the backing of Gov. John Carney and bipartisan support in both legislative chambers. Speaker of the House Pete Schwartzkopf, who controls the House Agenda, was a sponsor of the bill.



State House Minority Leader Danny Short, R-Seaford, said he was disheartened that a few individuals in the General Assembly were able to obstruct an initiative with such a broad base of support. "This bill had the backing of the governor, the Delaware State Chamber of Commerce, the Committee of 100, and other groups," he said.

In anticipation of the bill being blocked by the House of Representatives' Democratic leadership, the governor signed [Executive Order 21](#) on the afternoon of June 30th, reflecting the reforms embodied in House 460.



State Rep. Danny Short

The executive order means the governor will craft his recommended budgets based on the measure's financial processes. However, it is not binding on the General Assembly, which writes the state's final operating and capital spending plans.

Restoration of Grants-in-Aid, Failure of Accountability Measure

On a more optimistic note, the General Assembly passed a [Grants-in-Aid bill](#) that restored funding lost to last year's budget shortfall crisis. The annual appropriations measure provides assistance to hundreds of non-profit agencies serving the community, including fire companies, senior centers, veterans' organizations, and youth activities. Last year, 20 percent, or \$8.64 million, was cut from the G-I-A program.

However, after passing unanimously in the House, [a bill](#) that sought to establish Grants-in-Aid oversight was bottled-up in a Senate committee and died there. State House Minority Whip Deborah Hudson, R-Fairthorne, called the failure "tragic" and said the bill would have made the program more accountable by providing a mechanism to evaluate the efficiency of how the tax money is being spent.

Wrangling Over Minimum Wage, Bond Bill

The 149th General Assembly did not adjourn until after 8 a.m. on July 1st, following hours of wrangling over a move to increase the state's minimum wage.



State Rep. Deborah Hudson

The Senate sent an amended version of [Senate Bill 170](#) to the House early on the morning of July 1st. The bill sought to increase the state's \$8.25-per-hour minimum

wage by \$1 an hour in two steps of 50 cents each. The new \$9.25-per-hour wage would have been fully implemented by October 2019.

House Democrats, who have an overwhelming majority in the chamber, suspended rules, skipped the committee process, and brought the bill to the floor for a vote around 3:30 a.m.

Anticipating the action, House Republicans hours earlier had warned Democratic leaders that if they tried to push the controversial initiative, Republicans would withhold their votes on the state's [capital budget](#). Republicans hold only 16 seats in the 41-seat chamber, but had leverage on the spending plan because a three-quarters super-majority is needed for passage.

House Democrats ignored the warning, suspended rules, and passed the bill without Republican support.

The passage touched off hours of negotiations and delays. Ultimately, a compromise measure ([House Bill 483](#)) was drafted to break the impasse, making the following changes to the state's minimum wage:

- Delaying the first step of the minimum wage implementation until January 2019.
- Establishing a new "training wage" -- allowing an employer to pay an adult employee an hourly rate 50 cents under the minimum wage during the first 90 days of employment.
- Establishing a "youth wage" -- allowing an employer to pay an employee under the age of 18 an hourly wage 50 cents less than the minimum.

State House Minority Leader Danny Short said while an aspect of the Republican stance centered on the minimum wage proposal itself, their larger objection was working such a contentious bill in the middle of the night under suspension of rules -- a practice for which Rep. Short said the General Assembly has repeatedly, and rightly, been criticized.