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It's a simple math problem: We have too many state employees

DELAWARE VOICE
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Delaware has a 20 percent budget deficit, totaling more than \$600 million for fiscal year 2010, one of the highest in the nation. That alone is a miserable failure that should cause 90 percent of the Legislature to commit political hara-kiri.

However, it is critical to add to that the fact that our corporation laws bring in nearly \$1 billion per year -- a \$1 billion head start that no other state gets. The March Delaware Economic and Advisory Council (DEFAC) report estimates that for fiscal year 2010, the franchise tax and LLC registrations will bring in \$638.2 million and that abandoned property will bring in \$330 million. Now I'll admit that out-of-state firms don't account for 100 percent of those totals, but they account for a huge chunk.

So we go into the budget process with 20 percent of our budget covered. Another \$241.3 million will be covered by state income from racino gambling. So that's another 5 percent. A full quarter of our budget is now paid for with revenue sources that most states don't have. One would argue that with such a head start, our budget writers would have it fairly easy. But that's the rub: Our budget writers have elected and appointed bosses that are so derelict in their duty that they ought to be thrown in the prison by the court of public opinion.

Delaware has 851 government employees per 100,000 population, the second-highest rate in the nation. The state above us on the population rolls, Montana, has 576 and the state below us, South Dakota, 580. The state above us in size, Connecticut, has 537 and the state below us in size, Rhode Island, 479. Delaware has 56 percent more government employees than the average of those four states.

Delaware's state budget represents \$7,862 per person, the fourth-highest rate in the nation. Montana spends \$5,832. South Dakota spends \$4,508. Connecticut spends \$6,320. Rhode Island spends \$6,673. Delaware spends 35 percent more on its state government budget than the average of those four states. Delaware also has a massive state debt, including \$6,105 per person in bonded state debt alone.

The simple fact is this: Our government is unsustainably large. It is difficult to say exactly how unnecessarily large it is, because efforts at full financial transparency have been routinely thwarted by the career politicians that are hiding the numbers.

The 800-pound gorilla in the room is that we have too many state employees. Using the \$38,000 median number reported in The News Journal, we could save \$90 million if we would revert to the 580 per 100,000 government employment rate in South Dakota, the highest of our four comparison states.

I've been unemployed. I've been uninsured. I've spent time getting robbed on COBRA. And because I'm an entrepreneur, I've done it all without the virtue of an unemployment check. I do not delight in the fact that people need to lose their jobs for our state to right itself. However, it is necessary.

If you want to blame someone, blame the Carper and Minner administrations and the bipartisan collection of individuals who held power in the Legislature over the last 15 years. Just as President George W. Bush and the Republican Congress' spending spree eventually will result in higher taxes, the Delaware-as-a-jobs-program spending orgy will eventually result in people on the street. When the state is not only the largest employer, but the largest industry in the state, it's an unsustainable situation that will eat a hole in our economy.

Had those officials prepared for this moment by studying cost savings in the Medicaid program as other states did, or heeding Sen. Charlie Copeland's 2006 call to rein in spending by 10 percent, or enacting last year's push to repeal prevailing-wage laws, we wouldn't be here. But we are here.

In summary, we have every advantage a state could have. Unfortunately, we have chosen elected officials who do not get results and they select legislative leaders who have operated against the long-term interest of the state of Delaware for far too long.

You are being failed. Will you allow it to continue? Sadly, I bet you will.
