

Kowalko unveils anti-pay-cut alternative plan

By Leah Burcat

Delaware State News

CHESWOLD — There are other options available to the government rather than cutting state employees' pay by 8 percent, Rep. John A. Kowalko, D-Newark, said on Tuesday.

And because of the pay cuts effects on consumer spending, it would be irresponsible not to look into them, he said.

"Aside from the fact that it is not a sustainable revenue resource, it should be considered that the proposed 8 percent across-the-board salary cuts for all state employees negatively distorts the opportunity to grow consumer spending and in fact, so restricts it as to cause harm to the overall economic picture," Rep. Kowalko wrote in the explanation to his proposal.

"In the interest of staying consistent with the Governor's Office March 2009 report which states, 'no group will bear a dispro-

portionate burden from this challenge alone' I composed a menu of options that can be combined in a myriad of ways to eliminate the need for state employee salary cuts."

Rep. Kowalko unveiled his alternatives to the public at a meeting of the State Workers United for a Better Delaware group, the coalition of state employee unions, at the Delaware State Troopers Association in Cheswold.

Included in those options was a plan to reorganize the personal income tax brackets, increasing fees on corporations, reinstating an inherited wealth tax, increasing the gasoline tax and imposing three furlough days on state employees.

He already presented his proposal to the Joint Finance Committee, the Markell ad-

ministration and his colleagues in the legislature, Rep. Kowalko said.

"A lot of people have different views," Gov. Jack A. Markell said. "In the long-run we're not going to be able to tax our way out of this problem."

But state employees at the meeting seemed encouraged by the representative's proposals.

"One of the things we're very concerned about is not just coming out against the governor's proposal, but also offering alternatives," said Lt. Thomas Brackin, vice president of the Delaware State Troopers Association. "We share in this problem and we were looking at other options. It is very interesting that some of our ideas mirrored some of his [Rep. Kowalko's] ideas."

Although Rep. Kowalko's plan included the use of furloughs, state workers said they believed it was a fair compromise.

"Furloughs are something we can talk about. Our biggest concern is salary cuts,"

said Vincent Fiscella, president of the state workers coalition.

State workers at town hall meetings with Gov. Markell over the past month and a half have expressed similar sentiments.

"A pay cut tells us you that you think we're overpaid. A furlough tells us you just can't afford to pay us," one woman told the governor at a Dover town hall meeting on April 6.

The budget solution must be fair, equitable and sustainable Rep. Kowalko told members of the State Workers United for a Better Delaware group on Tuesday.

An 8-percent across the board pay cut for state employees is none of those, he said.

State workers make up about 6.8 percent of Delaware's employable workforce, Rep. Kowalko said.

"That means 6.8 percent of the workforce is absorbing 27.5 percent of the reduction," he said.

Betting

Continued From Page 1

lottery revenue generation eight percentage points in the state's favor.

According to the Gov. Jack A. Markell's administration, it would have brought in \$55 million for fiscal year 2010.

But its debate on the House floor quickly turned into a "he said, she said" debacle.

Casino officials argued they would be devastated with the shift in revenue split, that Harrington Raceway & Casino could go out of business. The Markell administration on the other hand said that all of the venues would be turning a profit.

Patti Key, president and chief executive officer for Harrington Raceway & Casino, took center stage during the proceedings and said the Markell administration did not ask to or take advantage of offers to study her venue's financial records in order to prove how devastating the legislation would be.

She said she brought financial informa-

tion into negotiations on Monday "and not one person flipped a page or asked to look at it later."

Those participating in the meeting said that was not the case.

"There was not a complete set of financial information available," said Finance Secretary Gary M. Pfeiffer.

And it was not just the revenue split that got legislators talking — the legality of sports betting also became a controversy.

Gov. Markell had requested a ruling from the state's Supreme Court on that very issue not long after announcing the proposal in late March.

A non-answer came back to the Markell administration last week. Chief Justice Myron T. Steele said the members of the Supreme Court were unable to voice an opinion since the legislation has not been set.

Historically, governors request opinions of the legality of legislation after the bills have been passed by the General Assembly but before they are signed, Justice Steele said.

This became cause for concern for some

legislators.

Rep. Thomas H. Kovach, R-Brandywine, and Rep. Daniel B. Short, R-Seafood, both brought up fears that lawsuits could be brought up that would halt the sports betting process, thereby leaving the state's three casinos to deal with the tax hike with no additional source of income.

In the end, these concerns won out. The final vote — 23 yes, 15 no and three not voting.

Because it was a fee bill, it required a three-fifths majority, or 25 yes votes.

The vote came at the end of not just a three-hour debate on Tuesday, but one that has raged since the governor announced this plan on March 19.

Since that time, casino executives and the governor's administration have been meeting to attempt to find a compromise. One such meeting was even occurring right up to the start of Tuesday's debate.

"We've made numerous proposals," said Thomas McGonigle, the governor's chief of staff.

Such proposals have included making

the change in revenue split gradual, reducing the revenue split to six percentage points for revenue up to the fiscal year 2009 levels and looking more seriously into table gaming, he said.

"The administration side has given, given, given," said Rep. Schwartzkopf.

But that was not what the casino executives said.

Although the bill failed, the legislation has not officially died, said Rep. Schwartzkopf. "We have the right to recall the vote," he said.

According to House rules, the legislation can be reconsidered for another vote if a legislator who voted on the prevailing side asks for such a motion within three legislative days.

"It's disappointing, but I hope it's a wake-up call to the 30,000-plus state employees," said Gov. Markell. "Those who voted against this bill or went not voting sided with the casino owners. We're going to keep working to pass this. We'll be back."

Staff writer Leah Burcat can be reached at 741-8250 or lburcat@newszap.com.

Library

Continued From Page 1

laid out in recent months by County Administrator Michael J. Petit de Mange and Dover City Manager Anthony J. DePrima. The most prominent called for closing the county library near Camden and forming an independent library commission that would run the new library.

Such a merger would result in annual savings for both the county and city, according to the two administrators' calculations. The county could have used its savings to finance bonds to help pay for the new library's construction.

But Commissioner Sweeney said library services in the county are "woefully inadequate" and this is no time to close the county library — despite the promise of

more seating, more computers and many other advantages at the library Dover aims to build on city land on Loockerman Street between City Hall and the Dover post office.

Commissioner Brode said, "I get calls all the time: 'Don't close the library and don't take the bookmobile away from us.'"

The fate of the county bookmobile under a regional operation is unknown.

Without county participation in the project, Dover could be forced to raise an additional \$3.7 million, the amount it sought from the county for construction. The city also could find itself without county help in paying annual operating costs, estimated as \$1.7 million — about \$300,000 more than for Dover's existing library.

Levy Court's decision wasn't entirely unexpected. City Councilman Reuben Salters said

during a meeting Monday that he had been in conversation with commissioners about the library. "They're already reluctant. I can tell you that," he said.

Councilman Salters asked Mr. DePrima at the Monday meeting about the effect of Levy Court's declining to participate. Mr. DePrima responded that a planned fundraising drive would have to be "greater and longer, probably much longer."

Mr. DePrima said Tuesday that issuing bonds to finance construction also was a possibility.

The state has committed money to the project, and contributions from individuals, corporations and nonprofits also are to be sought. The city is to spend \$3.7 million, as it hoped the county also would do.

Construction is to begin next year. The impact of the commissioner's decision on the project schedule remains to be seen.

Besides voting against uniting with Dover in library services, the commissioners rejected two related proposals — to earmark \$1 million for a new library and to work toward raising an additional \$2.7 million for the project. Commissioners Eaby and Ennis were alone in voting for both those ideas; Commissioner Angel joined them in supporting the \$1 million set-aside.

Commissioner Buckson, while favoring a regional concept, said he could not support the commitment of any money under current economic conditions.

None of Tuesday's votes amounted to official decisions. The commissioners were not in a regular Levy Court meeting, but in a Community Services Committee session. The membership of Levy Court and the committee are identical.

Staff writer Bruce Pringle can be reached at 741-8233 or bpringle@newszap.com.