



FYI - July 9, 2019

Dover Wrap-Up

The 1st Session of the 150th General Assembly came to a quiet – and unusually early – end just after 1:00 AM on July 1st. When the session started back in January, it looked like it might be a contentious and partisan one. House Democrats, fueled by the Blue Wave elections in the fall of 2018, showed up with eight new members and a long social legislation agenda. Right off the bat they threatened to renege on the training wage agreement they had made with Republicans the previous June. It seemed as though things would be nasty.

Taking note of the mood of his caucus, Speaker Schwartzkopf said he wished every legislator could spend time in the minority at some point so that they could understand what it feels like to have no power. He also underlined the institutional importance of the new legislators learning the history and traditions of the House and Senate. His leadership and that of Senate Pro Tempore Dave McBride apparently had a moderating effect and the Democrats decided to defer more contentious issues like marijuana legalization and gun control until next year. The training wage repeal threat was never acted upon.

With a total of 16 new members in both chambers, there was a steep learning curve for all the caucuses. The Governor's staff also made a concerted effort to mentor the new legislators. The overall impression is that the Class of 2018 is a serious-minded group willing to learn and some have proven to be capable legislators.

All of the above may have contributed to muting the partisanship and to the quiet end of session. Another reason is likely the saying that, "as goes the budget, so goes the session."

The budget just kept getting better and better. Almost too good. In his recommended budget in January, the Governor had attempted to encourage fiscal discipline by limiting growth in the operating budget to a sustainable 4%. Any remaining available cash was to be dedicated to budget reserves and to one-time initiatives and capital projects. But the DEFAC revenue estimates continued to climb and some believed the extra cash would break the fiscal discipline and start a spending spree. In the end, though, the Joint Finance Committee stuck to the 4% growth target in the final \$4.4 Billion budget. More funding was added to one-time projects in the Supplemental Appropriations bill, which doubled in size from the Governor's proposal, and to the Bond Bill. The Bond Bill, at \$863 Million, became the largest in history. Importantly, \$125 Million was put in the budget reserve, available to "smooth" any future shortfalls.

It was this fiscal responsibility that marked the biggest success of the session. Credit is due to Governor Carney, to House and Senate leadership, and to the JFC co-chairs Quinn Johnson and Harris McDowell. McDowell announced the end of his record-setting legislative career on the last night of the session, saying he will not run for re-election next year.

Not everyone is a fan of "budget smoothing", including Sen. McDowell, but there is no question that the Governor's use of the smoothing guidelines in his budget set up critical guardrails for the budget mark-up. Without it, falling back on the historical practice of spending all the money that is forecast (98%) would have become irresistible for legislators. We could easily have built in another several hundred million dollars of ongoing spending into the budget and been faced with difficult decisions when the next recession inevitably comes along. Instead, the state will better able to weather a downturn, using the accumulated reserves to sustain programs and avoid tax increases.

For the development community, the other less talked about benefit of the budget smoothing process is that in good times excess money is steered toward one-time and capital projects, such as infrastructure. It creates a capital spending bias that helps us invest in our economic future, rather than give everything away today. For example, \$10 Million of the one-time funding this year went to create a new Transportation Infrastructure Investment Fund that will allow DelDOT to provide timely assistance for major economic development projects. Wilmington's kids got a lot of attention; the Governor's Opportunity Fund received \$75 Million over 3 years for high-needs schools. Funding was provided for elementary school wellness centers. A new Redding Consortium was created and funded to continue working on school district boundaries and other education issues in Wilmington and northern New Castle County. In providing additional resources to high-needs schools, the intent is to enable more children to learn the skills they will need to be successful and, in turn, make economic growth in Delaware more inclusive.

The 150th General Assembly will reconvene in January for its 2nd Session. All bills introduced but not acted upon this year remain alive and can be considered next year. It's an election year, so it will be interesting to see how the Democrats deal with the long list of controversial bills they decided not to deal with this year.

In the News

The Committee of 100's participation in the new Ready in 6 initiative is highlighted in the *Delaware Business Times* article [Business coalition launches "Ready in Six" initiative to streamline permitting process.](#)

"Site selectors have made it clear that six months for approval of new projects is necessary for Delaware to be competitive with other regions to recruit and grow quality employers," said Jennifer Kmiec, executive director of The Committee of 100, which describes itself as a non-partisan, nonprofit alliance of Delaware business leaders that works to promote responsible economic development and address issues that affect Delaware's economic health. "The Committee of 100 and our partners in the Ready in 6 coalition are dedicated to developing an action plan from the KPMG findings. We will work with state and local governments and our members to implement process improvements, identify efficiencies and shorten approval timelines. We all recognize the urgency of the Ready in 6 initiative and have committed to real action, so this doesn't become just another report sitting on the shelf gathering dust." [Read more at Delaware Business Times.](#)

Preeti Krishnamani, winner of our 2019 Academic Scholarship, is featured in the new issue of *Innovation Delaware*. Read about her research on reducing arsenic contamination in rice [here](#).

Did you know that you and your company can support outstanding students like Preeti by making tax-deductible donations to The Committee of 100 Scholarship Fund at DCF?

DONATE NOW

Thanks for your generous support!

Delaware Governor's Construction Career Expo



Please contact Jennifer Kmiec at jkmiec@committeeof100.com or 302-654-6115 to learn how your company can participate in the 2019 Governor's Construction Career Expo and Career Fair.

2019 - 2020 Dinner Meetings & Member Receptions

PREPAY AND SAVE!

We are pleased to again offer Members the opportunity to save time and money by prepaying monthly fees for The Committee of 100's upcoming meeting season.

This **Prepayment Plan** includes Dinner Meetings in September, November 2019 and January, March and May 2020, the Annual Barbecue in June 2020, plus Member Receptions in October 2019, and February and April 2020.

NOTE: The Committee of 100's Annual Auction on December 4, 2019 is **not included**.

If you paid monthly, the five Dinners Meetings (\$46 each), three Member Receptions (\$25 each) and June BBQ (\$50) would total \$355. But if you take advantage of the **Prepayment Plan**, your cost for these nine events is only **\$330, a savings of \$25, or attendance at one Member Reception free!** Actually, you save even more - postage, bookkeeping and check handling in your office and ours - everyone benefits!

Many Members prepay for several registrations for the monthly meetings, inviting different guests each month. If you are unable to attend a Dinner Meeting or Member Reception, simply substitute a colleague in your absence. Sorry, **no refunds or credits**.

To take advantage of this convenient **Prepayment Plan**, **register online by Friday, September 13, 2019.**

