

The Legislative Budget Cycle, Political Landscape and Opportunity for Voice

Rebecca Byrd, The Byrd Group

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Good Afternoon!

- V.P and General Counsel to The Byrd Group
 - 10 years in State Government Affairs
- Worked in 4 State Agencies:
 - Dept. of Insurance
 - Delaware Courts
 - Dept. of Justice
 - Governor's Office
- Current and former non-profit clients include:
 - ACLU, Delaware Association of Independent Schools, Gift of Life, and WDDE
- More interesting and complete bio at www.byrdgroupllc.com

Nuts and Bolts

Dates, Players, and other details

Important Delaware Budget Dates:

(Dates are 2018/2019 but generally fall at the same time each year)

- July 1: First Day of the Fiscal Year
- September 17: DEFAC (assess current budget and revenue)
- November: OMB Hearings with Agencies
- December 19: DEFAC (assess current budget/revenue; set revenue for GRB)
- Third Thursday in January: Governor Releases Budget
- February: JFC Hearings with Agencies
- March 18: DEFAC
- First Week of April: Bond Hearings
- April 22: DEFAC
- May 20: DEFAC (set revenue number for budget markup)
- May 20-30: JFC budget markup
- June 19: DEFAC (set final revenue number for next fiscal year's budget)
- June 30: Last Day of Fiscal Year

New Joint Finance Committee

	House	Senate
Democrats	Quinn Johnson*, Middletown (Chair) William “Lumpy” Carson, Smyrna Stephanie Bolden*, Wilmington Earl Jacques, Glasgow	Harris McDowell, Wilmington (Vice Chair) Bruce Ennis, Smyrna/Clayton Trey Pardee ⁺ , Dover Laura Sturgeon ⁺ , North Wilmington/Greenville
Republicans	Ruth Briggs King*, Georgetown Kevin Hensley*, Middletown	Dave Lawson, Kenton* Bryant Richardson, Laurel

* Indicates a new member of the committee from the previous session

+ Indicates a new legislator and a new member of the committee

New Bond Committee

	House	Senate
Democrats	Debra Heffernan*, No. Wilmington (Vice Chair) Ed Osienski*, Newark Kim Williams*, Newport/Stanton Gerald Brady*, Wilmington	David Sokola, Newark (Chair) Darius Brown ⁺ , Wilmington Bryan Townsend, Bear John Walsh*, Stanton
Republicans	Ron Gray*, Selbyville Mike Ramone, Pike Creek	Colin Bonini, Dover Brian Pettyjohn*, Georgetown

* Indicates a new member of the committee from the previous session

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Delaware Budgeting

Revenue Estimate plus unencumbered cash balance from previous FY equals a number that can be appropriated (i.e. “Projected Cash”)

Projected Cash = \$1 Million Dollars

Less: Budgetary Reserve Account (“Rainy Day Fund) 5% = \$50,000

100% Appropriation Limit = \$950,000

98% Appropriation Limit= \$930,500

From that 98% JFC determines the amounts that fund the GIA bill and any cash for the Bond Bill

Budget Smoothing

- Start with 98% Appropriation Limit
- Benchmarking Index will be calculated as a function of various economic indicators. Determines a “Benchmark Appropriation.” This will be lower than the 98% Appropriation Limit.
- Difference between Benchmark Appropriation and 98% Appropriation Limit will fund the “Budget Stabilization Fund (BSF)”
- BSF is only for planning purposes, can be appropriated at any time
- The Governor’s Rec. Budget seems to indicate that the BSF will be split, 50% to be held and 50% for one-time appropriations

Budget Smoothing Hypothetical

Projected Cash = \$1 Million Dollars

Less: Budgetary Reserve Account ("Rainy Day Fund) 5% = \$50,000

100% Appropriation Limit = \$950,000

98% Appropriation Limit= \$930,500

95.75% Benchmark Appropriation Limit=\$909,625

[\$909,625 to be used for Budget Bill, GIA Bill, and Cash to Bond Bill]

BSF Fund = \$20,875

-50% to be rolled over year after year; 50% for one time expenditures

Anna's House for Women



Anna's House for Women, A DE non-profit

- Provides housing, employment, and child care for homeless and low-income women
- Wilmington, Middletown, and Georgetown
- State Funding
 - Grant-in-Aid: \$75,000
 - Dept. of Labor contract: \$70,000/year
 - Purchase of Care (Daycare) through Dept. of Health and Social Services

Advocacy Plan for Anna's House

- Assess Contacts/Resources
- Meetings/Tours with Legislators
- November: Prepare letters for OMB Hearings
- January: Assess Governor's Recommended Budget
- February: Joint Finance Strategy
- March-May: JFC Follow-up, Events, Meetings
- June: Become Leg Hall regulars

Results of Anna's House Advocacy 2018

- Maintained DOL Contract at \$70,000/year
- Saw a cut in purchase of care funding (like all childcare providers)
- Saw cut in Grant-in-Aid Funding of 5% (~\$4,000), but an additional \$5,000 was added from a defunct GIA recipient (Net of ~\$1,000)

Anna's 2019-2020 Problems

- Her most vocal legislative supporter, Rep. J. J. Johnson has left the legislature.
- She expanded her Sussex County Operation to Seaford, but the response has been so overwhelming that it's draining resources from the Georgetown location, and they are paying a lot in rent in Seaford.
- The Dept. of Labor hasn't paid their contract in 5 months, and Anna has to consider shutting down that program without their funding.

Anna's Advocacy Plan for 2019

- Meet with the new legislator who took J.J. Johnson's seat (hopefully some contact would have been made in 2018)
- Find a new champion on Joint Finance Committee (possibly look at Middletown members).
- Special briefing with all legislators from Sussex Co re: services
 - Ask: help? Within the GIA or bond bill?
- Dept. of Labor Issues:
 - Determine exactly how many clients are affected and what other options for them exist
 - Talk with Labor Department Staff, to figure out what the cause is
 - Elevate it to the Secretary of Labor
 - Talk with legislators whose constituencies are affected

Results for Anna's Advocacy Plan

- Better Relationships
 - Rep. Frank Cooke
 - JFC Middletown members
 - Sussex Legislators
- The Purchase of Care was expanded.
- She was able to get some extra money for her Sussex operation through GIA. Discussions on facilities with better rent.
- She has received some of the money owed by Department of Labor, but a long-term solution hasn't presented itself.

QUESTIONS?
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THANK YOU