



1917 California State Fair  
Sacramento, CA

“Delaware’s Spending Habits are a Train  
Wreck Waiting to Happen”

– Senator Colin Bonini, June 2000

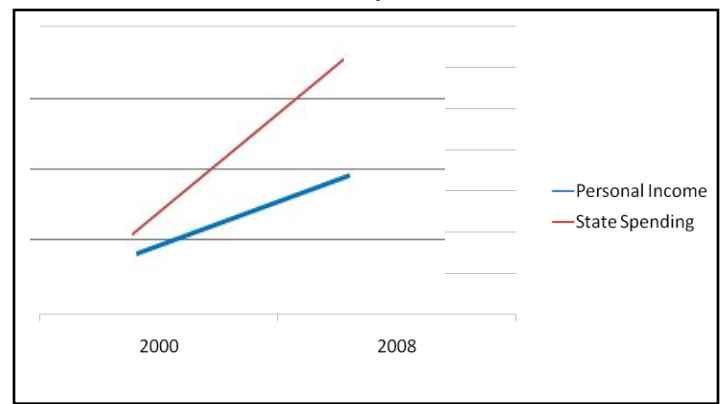
# Delaware's Bad Habit:

Big Spending Equals Big Problems



# How Bad Is It?

- Delaware's budget has doubled in the last twelve years (has your income doubled?)
- State government spending increased over \$1 billion in the last 8 years.
  - That's billion with a "B"! (A billion is \$1,172 for every man, woman and child in Delaware)



State spending increased over \$1.1 Billion dollars and personal income increased under \$10,000 per capita



Delaware spends over *\$8 billion*, or \$31,500 per taxpaying household

- Delaware Government's total expenditures for fiscal year 2008 was \$8,345,626,300!
- What does this big number mean?
  - Per person: \$9,783.85
  - Per taxpayer: \$27,362.71
  - Per taxpaying household: \$31,492.93



Delaware spends over *\$8 billion*, or \$31,500 per taxpaying household



What can you buy for \$31,500?

- Send 4 kids to the University of Delaware
- Year-long health care insurance for 10 people



- A Disney World vacation for 21 people



- Over 3 ½ years worth of groceries (187 weeks)



- A 2009 Lincoln MKZ



Delaware spends over *\$8 billion*, or  
\$31,500 per taxpaying household

**And my personal favorite...**



Delaware spends over *\$8 billion*, or \$31,500 per taxpaying household



**9,574 Big Macs**

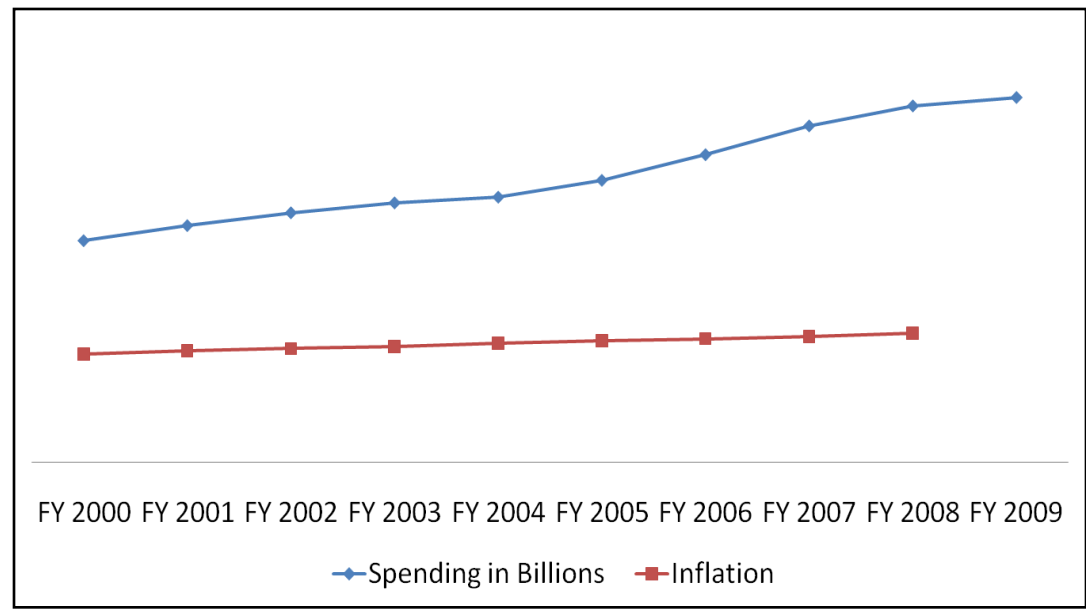
***So, is your family getting its money's worth??***





# How has spending increased in recent years?

- Inflation averaged 2.73% between FY2000 and FY2007
- State spending increased by an average of 6.36% between FY2000 and FY2007
- Spending grew twice as fast as inflation!





# How has spending increased in recent years?

- The state government has spent in excess of \$1.3 billion more than expected with population growth plus inflation.
- 63.7% higher than with population growth plus inflation.
- If we had stayed on Governor Mike Castle's last budget projection, our state budget should be \$2.1 billion...

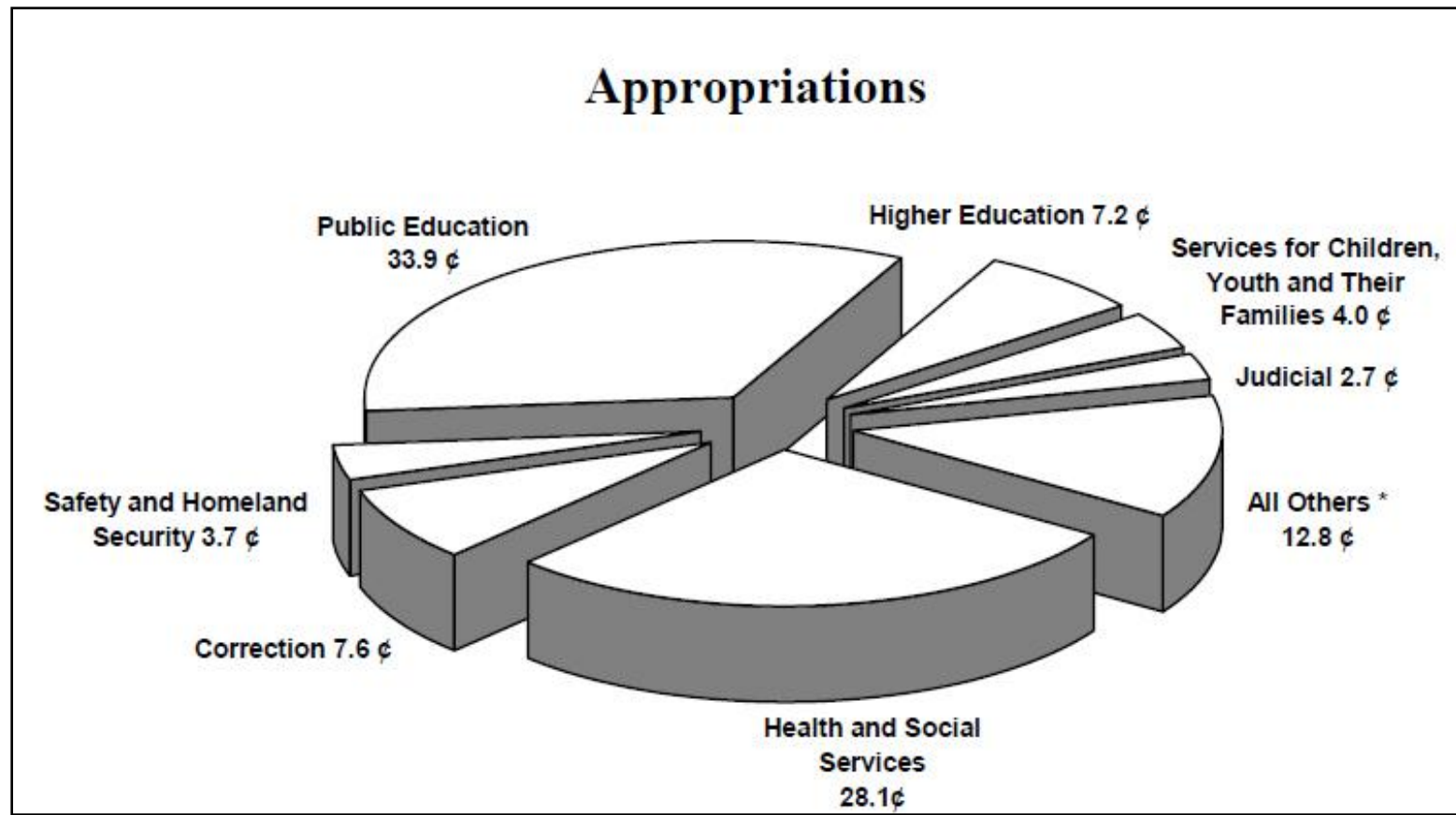


And we would have an \$800 million surplus last year!  
Or in other words...

**\$3,000 per taxpaying household!**



# How is Delaware spending your money?



*Percentage of every dollar*



# How is Delaware spending your money?



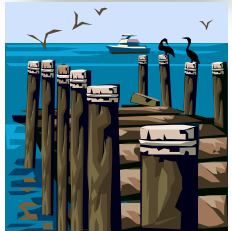
Delaware provides 7,259 cell phones to state workers at a cost of almost \$4 million.



There are 429 Delaware school administrators making more than \$100,000 a year, at a cost of almost \$48 million.



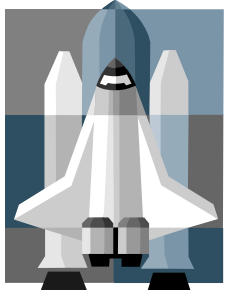
In recent years, Delaware has purchased two golf courses at a cost of \$16,410,350.00



The state even owns two marinas, which cost us \$16,500,000.00



# And here's some of the best/worst...



Delaware taxpayers pay to send teachers to space camp



Delaware taxpayers are paying to support the Punkin Chunkin festival

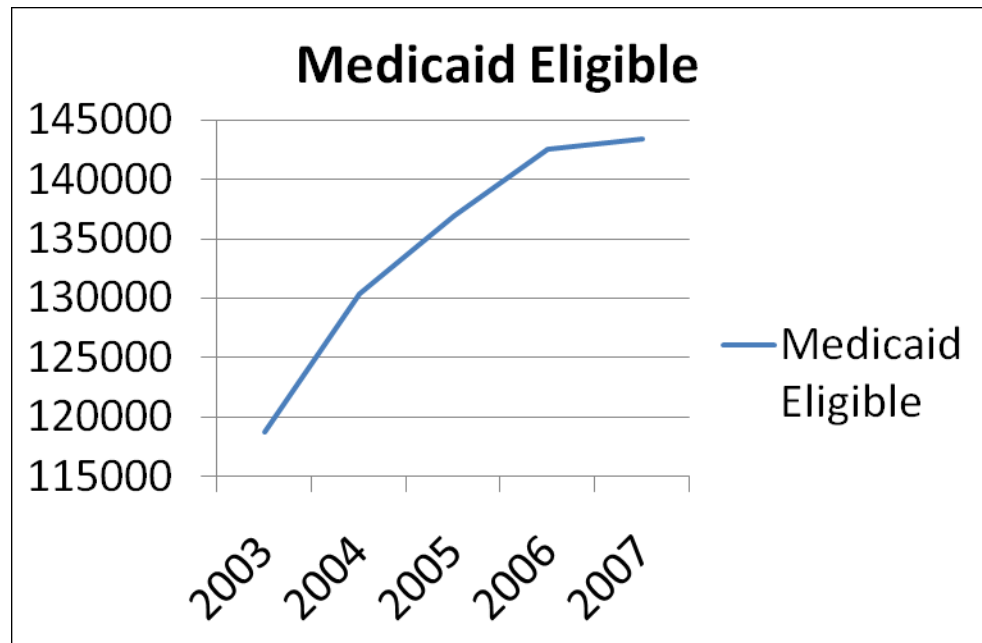


Delaware leases a dual-prop helicopter at \$2.2 million per year and it did not fly for 17 months!



# Medicaid

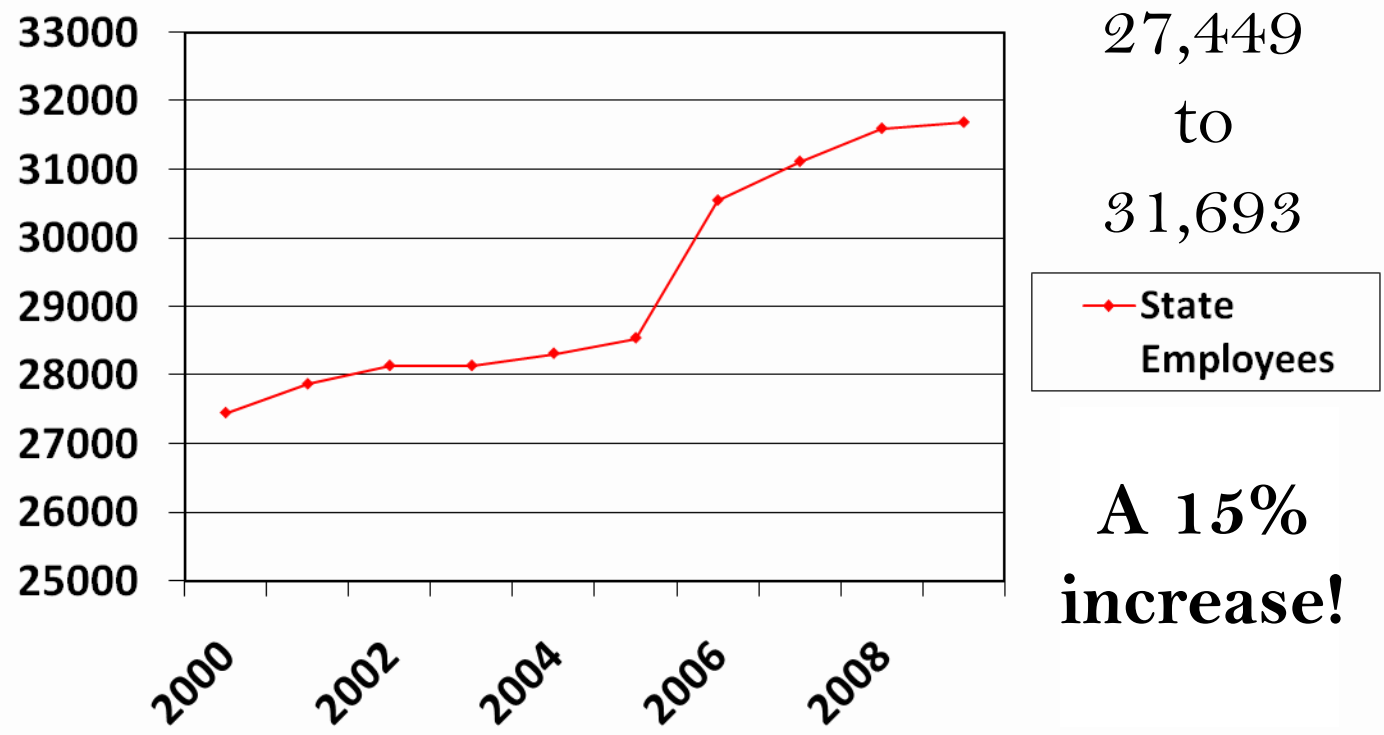
- Delaware spends over \$1.2 billion on Medicaid, including federal funds.
- Almost 150,000 Delawareans receive Medicaid benefits.
- The number of Medicaid recipients have increased over 20% in the last four years alone!





# The number of state employees have increased significantly

- The state government is Delaware's largest employer, by far
- Government is Delaware's biggest industry





# Education



- Delaware's government schools spend almost \$14,000 per pupil (6<sup>th</sup> highest in the country!) but our graduation rate is 43<sup>rd</sup> in the nation. More than 1 in 3 Delaware public high school students do not graduate on time (Gates Foundation, 2006).
- Delaware ranks 42<sup>nd</sup> in average SAT scores.





# Where We Are Now: The Problem

- Delaware has spent itself into a several hundred million dollar projected shortfall (Governor's estimate = \$750 million, Colin's estimate = \$390 million).

**“Delaware has a spending problem,  
not a revenue problem.”**

**- Senator Colin Bonini**



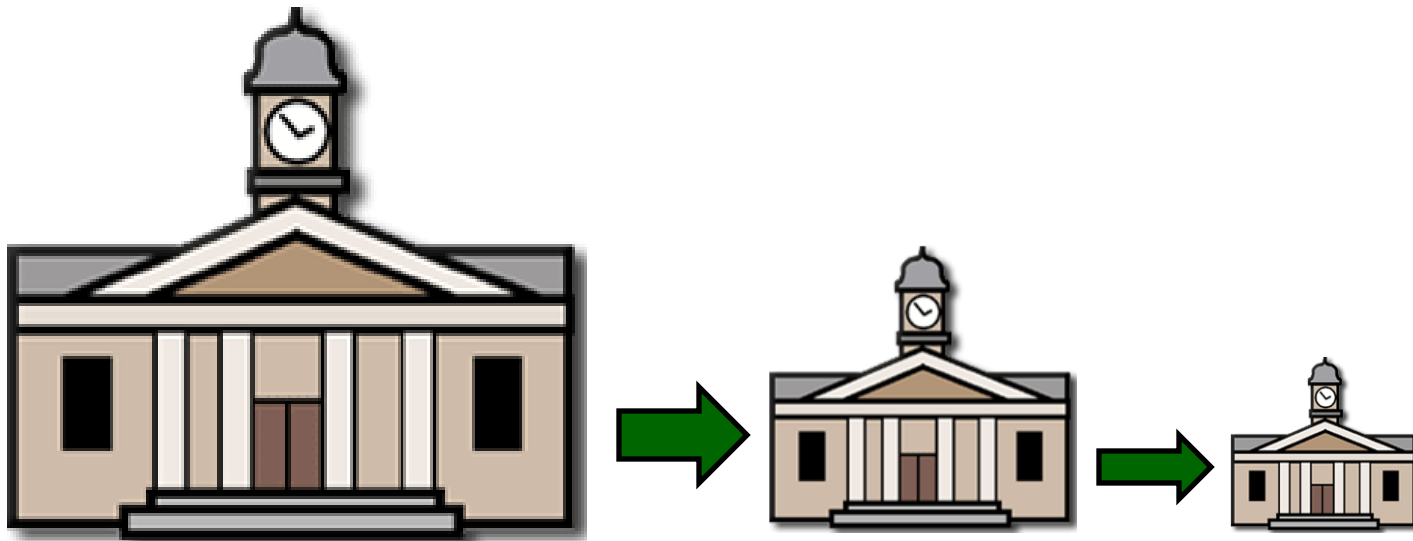
# Where We Are Now: The Problem

- I support and applaud Governor Markell's effort to find cost-savings in state government.
- The governor proposes \$331 million in spending reductions and I support most of these, especially the performance review process and the reduction in consulting fees.
- For the Governor's specifics, go to:  
[http://governor.delaware.gov/2009\\_BudgetSolutions.pdf](http://governor.delaware.gov/2009_BudgetSolutions.pdf)  
(I also have copies available)



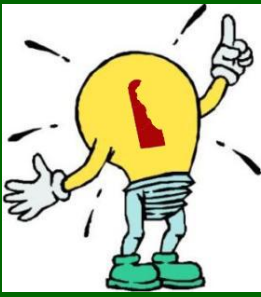
# Where We Are Now: The Problem

- The Governor proposes reducing the short-term cost of government. But we must do more: We must **reduce the size of our government.**



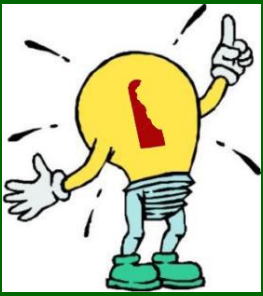


**Bright Ideas  
for Delaware**



# The Colin Plan

- We can solve our financial problem:
  - While still providing government's core services,
  - Without raising taxes.



# The Colin Plan: 5 Key Elements

Early Retirement  
Option/ Hiring Freeze

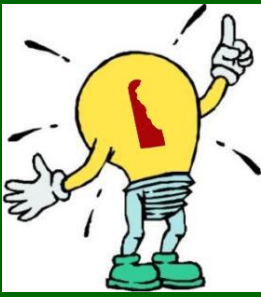
Transparency and  
Honesty in State  
Government

Suspend  
Prevailing Wages

Constitutional  
Limits on Spending

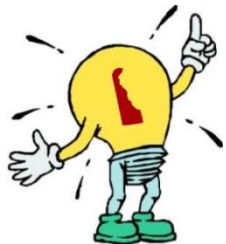
Consolidate School  
District Services





# Suspend Prevailing Wages

- Recommend a two year suspension of Prevailing Wage on all state and local contracts.
- All government projects are at least 25% - 35% more expensive than they should be because of Prevailing Wages.

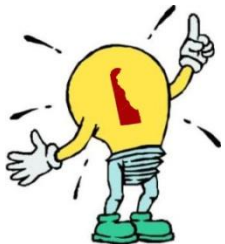


Estimated savings of at least  
\$100 million annually



# Consolidate School District Services

- I support consolidating school districts into five districts statewide: Sussex, Kent, New Castle, Wilmington, and Vo-Tech.
- We must consolidate services amongst current districts: food services, textbooks, transportation, district office services, and curriculum, etc.
- Our school districts and Department of Education are tremendously top-heavy. We should be able to cut administrative costs by at least 25%.



Estimated savings of at least  
\$35 million annually





# Constitutional Limits on Spending

- Our state government spends too much money, way too much money!
- Our politicians have an insatiable appetite for tax dollars. They will spend it if we give them the money. Period.
- The only way to stop them from spending is to not allow them to get the money in the first place.
- I propose a constitutional amendment that will limit the increase in state spending to inflation plus population growth.

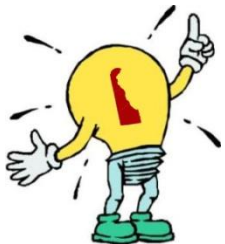


**It's the spending, stupid!**



# Early Retirement Option/ Hiring Freeze

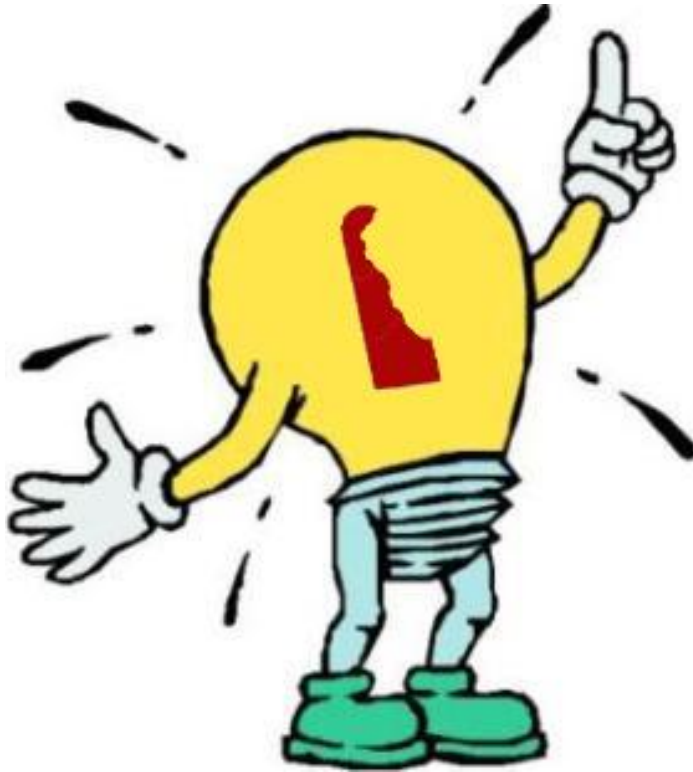
- Offer 5 year pension service bonus to state employees willing to retire this year.
- Allow retiring employees to use accrued sick and vacation time to purchase pension service time.
- Sustain pension fund by eliminating \$6,000 exemption for future employees.



Estimated savings of at least  
\$125 million annually

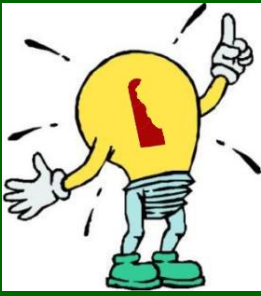


# Early Retirement Option/ Hiring Freeze



- We must eliminate positions in state government!
- We must have the discipline not to refill vacated positions!

**IMPORTANT!!!!**



# Transparency and Honesty in State Government

- Put all check registers online in a searchable database for taxpayers to see.
- All finance bills should be available for public review for 48 hours before being voted on by either chamber.
- The bottom line is **every cent** of taxpayers money should be accounted for and should be easily tracked by any taxpayer.



Sunshine is the best disinfectant.  
When taxpayers know where their  
money is going they will force the  
government to stop wasting it.



# The Colin Plan

These five key elements along with ideas from the Governor, and other cost-saving measures will lead to a more effective and efficient state government.

If you only remember one thing from this presentation, please remember this...

It's Your  
Money!

Please go to:

[www.DelawaresBadHabit.com](http://www.DelawaresBadHabit.com)

to sign the petition,  
download the presentation,  
and send in your comments!

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