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At the expense of schools?

by Jason Patterson

The Caesar Rodney Institute and other like-minded organizations and individuals have consistently called for the state to balance its budget via cuts in spending rather than tax hikes. Legislators debated their options and eventually decided upon a pseudo-compromise, cutting state workers' pay by instituting five paid days off and agreeing to continue to eliminate unnecessary jobs through attrition in the forthcoming years. At the same time, they also raised or reinstated a plethora of taxes, including the income tax and the death tax.

As the night grew later in the debate over the FY2010 budget, though, and the proposal fell short by 4.8 million after a narrow defeat of a tax hike on alcoholic beverages, legislators turned their eyes on the next best thing they could find. Schools.

Indeed, the entirety of the 4.8 million dollar shortfall in the last rendition of the state's budget was filled by cutting construction funding to some of Delaware's public schools. Perhaps in their self-imposed fatigue, lawmakers misinterpreted the real point of calls for cuts instead of tax hikes. A brief reminder is in order.

The point is not that the state could cut anything that filled the hole. Waste is the issue, and waste should have been the target. Newspaper headlines and certain elected officials have linked the failure to pass the alcohol tax to the cut in school construction funding as if alcohol excise taxes were necessary in order to fund the public schools which lost money in this deal. The impression given is that the only way to have kept the funding taken from public schools would be by passing the alcohol tax specifically.

In reality, the alcohol tax was no more needed to fund education specifically than to fund anything else. How the government chooses to spend its funds is a political decision and has nothing to do with passing one tax or another.

Perhaps legislators should have filtered through the entire state budget (I've read it cover to cover...I wonder how many of the 62 legislators can say the same), asking questions when a number seemed aberrant, doing some research on pricing to determine whether the state was most efficiently allocating its dollars, and coming up with creative solutions when there were not obvious areas of fat to trim. As a simple, albeit somewhat uncreative, example, the state of Delaware spends at least \$65,967 on water coolers for its agencies each year. Sure, it isn't 4.8

million, not even close, but it is a start. Alas, when asked whether the convenience of sipping overpriced water was more important than the quality of education for the state's children, it looks like the state picked the former option.

Not to be mistaken: tax increases are the wrong solution. The tax increases the state passed to fund this budget are the wrong solution. They are wrong for a near innumerable number of reasons which are not the topic of this short comment. At the same time, the cuts that have been called for as the better solution need to be made with some degree of forethought. The public expects their legislators to work hard, to pull an all-nighter more than just once each year struggling over the budget, and to never put the convenience of a quick-fix (or a water bottle) ahead of the educations and futures of Delaware's children.

In short, the idea that alcohol taxes are directly tied to school funding – as if alcohol excise taxes are some sort of user fee for teachers – is erroneous at best. Government collects money through a wide variety of taxes. How government chooses to spend those funds is a political decision and has nothing to do with passing one tax or another. The cuts to school construction funding remedy the remaining budget gap resulting from the defeat of the alcohol tax increase and the political grandstanding during the aftermath is pure political posturing and spin. What's worse, the legislature made this decision and opted for the easy route of scoring political points as opposed to doing what is right for Delaware.

The Caesar Rodney Institute is a 501(c)(3) non-partisan research and educational organization and is committed to being a catalyst for improved performance, accountability, and efficiency in Delaware government.

