

SPECIAL WEEKEND EDITION
DATA DELAWARE: Saturday, April 25, 2020
SUBJECT: Byrd explains Delaware's finances! (PART 1)

DISCLAIMER: This transcript is produced from Data Delaware podcast electronically; the conversion is being offered on a best-efforts basis.

Dace Blaskovitz:

Welcome back to Money and Politics in Delaware. One of my favorite people. Welcome Bob. Welcome back, Bob Byrd.

Bob Byrd:

Thank you, Dace. It's good to be with you this morning.

Dace Blaskovitz:

Bobby and I have been friends 35, 40 years, and as I always giggle when he comes on the show. I'll agree with 10, maybe 20% of what he says, I say with a big smile. But giggles aside, at different times, people have called Bobby the most politically, most powerful person in the state of Delaware. Let's get me out of the way just a minute. Bob Byrd, we give first time listeners 30 seconds about you, 30 seconds about your practice.

Bob Byrd:

Well, I'm a lobbyist. I've been a lobbyist and doing government relations here in my firm for over 30 years. We're very fortunate and very blessed to have a very solid client base that's been with us for a long time. We changed the name of the firm earlier in the year to ByrdGomes. And we did that in recognition of the fact that I'm in excess of 70 these days, so it's time to pass it on to the next generation. Kim Gomes has been with me for, I guess 15 years now doing exactly what we do, and my daughter, Rebecca, has been with us for, she's been with us for about 10 years. She's an attorney. So that's why we changed the name to ByrdGomes. Doesn't mean that I'm going anywhere. I'm just kind of taking senior partner status, but I'm having too much fun to retire, so that's where we are. Thank you.

Dace Blaskovitz:

Byrdie, you're a professional lobbyist. You've disclosed previously one of your clients is Bayhealth. What is it that you do for them, briefly?

Bob Byrd:

Bayhealth obviously is the hospital system in Dover and Milford. They have two facilities down there, and we do all of their government relations work, everything from interacting with the legislature on legislation, to certainly a lot here as a result of the pandemic. We've been dealing with a lot with the governor's office and exactly all of the things that are involved with the hospitals that they have to do it at this particular time. And in terms of what their numbers are and how they're doing it, what equipment they need and things like that, we're involved in all that.

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Dace Blaskovitz:

Byrdie, on your side, there's a loud rumor out there that says the virus is being over-diagnosed because the way the government pays or reimburses the hospitals/healthcare providers incentivizes those providers to diagnose the plague. You got any thoughts on that subject?

Bob Byrd:

Well, you asked me that yesterday. I did some research in the last 24-48 hours, and it is true that the federal government is paying additional Medicare dollars, not Medicaid, but Medicare dollars for the virus and the treatment of the virus. So, yes, there is additional dollars going into it. But having said that, there is a very stringent and very robust investigation and audit process that goes on for Medicare. So, if any hospitals were trying to take advantage of it by diagnosing that when that was not the case, they would be guilty of Medicare fraud, and no hospital is going to take that chance. I know the rumor's out there. Yes, the federal government is paying additional dollars for treatment of the virus, but I don't think there are any shenanigans going on. And if there are, those hospitals run the risk of Medicare fraud, and I don't think they'd do that.

Dace Blaskovitz:

Let's do one more virus question. Again, I'm not an insider, but I'll give you a guesstimate that there are pockets, arguably all in the minority community, most of all, all in the poverty areas of Wilmington where the virus statistics are brutal. And if you took out those statistics, Delaware's actually in pretty good shape. Therefore, to ask it in a pointed way, are the slums of Delaware, the chicken factories downstate and the inner city of Wilmington, are those areas dictating the policy for the entire state of Delaware? Your thoughts?

Bob Byrd:

I don't think they're dictating the policy. The numbers would indicate that there are certain pockets of the disease that are out there. The virus obviously is in those kinds of areas, but we always have medical problems in those kinds of areas. This is a virus that is hitting everybody though. I saw in the paper this morning that Elizabeth Warren's brother died of it, so that tells me that it's everywhere. I think that those folks that are in a higher income bracket are probably being more careful and are taking this a lot more seriously and can take it a lot more seriously than some of the people on the lower ends of the income scale. That's a problem, but we've all got to deal with it. I mean, I don't think anybody would say that the problem's not out there. The question is when we can get it under control and when we can get back as close to normal as can from an economic perspective, and that's probably going to take another few weeks.

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Dace Blaskovitz:

Bobby, let me do a follow up and challenge you just a minute. If you quarantine these areas of severe poverty, then you could open Christiana Mall. You could open the beaches. You could open North Wilmington that's a ghost town. You could open the schools in September. But the rest of the state is being hostage to number... I'm not an insider, this is just a guess, from these communities. Tell me that I'm wrong.

Bob Byrd:

I think you are wrong because I think the numbers are higher in some of those population groups that you've noticed, but that doesn't mean that it's not out there for everybody else as well. I know people, and I've got a client who's a responsible guy and in the higher income, and he got it. Now, he quarantined through it and he's fine, but he had the disease. So it's out there in all incomes, in all areas, and we got to be careful about it.

Dace Blaskovitz:

All right. I got to pick it up here. We did the virus. Let's move to money. I got to let everybody play along. You're going to talk to an eighth grade class, an eighth grade class. In 60 seconds, what is DEFAC?

Bob Byrd:

Thank you, Dace. DEFAC is an organization that's been around for about 40 years. It is appointed by the governor, and it has about 30 or 35 individuals on it. They come from academia, they come from business, they come from state government, and it is their job to do an analysis of exactly how much revenue the state is going to get. That's our main job. Now, we've been doing some other things recently, but that's the main job is to set the revenues.

Bob Byrd:

Now, in a lot of states there's always an argument about how much revenue you've got coming in. In Delaware, we don't have that problem because DEFAC does the analysis and says, "This is how much money we have from all the different taxes that come in," and the general assembly and the governor abide by that number. So that's what DEFAC is. It's pretty unique among the states and it's been going on for some, I guess almost 50 years now, so it works well.

Dace Blaskovitz:

All right. You're independent, you're a past chair and you're a current member, by the way. Also from a compliance standpoint, Bobby and I did our pre-interview on Thursday. We tape on Friday and air on Saturday. Bobby, again, you have exactly 70 seconds. Again, for a lay person, explain the difference between the state of Delaware's fiscal year versus the calendar year.

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Bob Byrd:

That's really a pretty easy question. The calendar year obviously runs from January 1 through December 31 and that's the calendar year. Delaware's fiscal year runs from July 1st through June 30th, so it's actually six months off. So when you're talking about the fiscal year for Delaware, today we are in fiscal year 20, which will end on June the 30th, and then fiscal year 2021 will start on July 1st.

Dace Blaskovitz:

And in 20 seconds, that budget has to get passed by June 30th. Is that a correct statement, quickly?

Bob Byrd:

Yes, there's a constitutional requirement that we must do the budget by June 30th and it must be balanced.

Dace Blaskovitz:

His name is Bob Byrd. He's a dear friend, smart guy. The Byrd Group has a new name, and give it to me again, Byrdie.

Bob Byrd:

ByrdGomes.

Dace Blaskovitz:

ByrdGomes. Okay.

Bob Byrd:

B-Y-R-D-G-O-M-E-S.

Dace Blaskovitz:

And what's going to happen? We're going to take a short break. When we come back, DEFAC met on Monday. Let's find out about the numbers.