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Dace Blaskovitz: Welcome back to Money and Politics in Delaware. Bob Byrd on fire today. Woo, hang on. Here we go. In the last segment we were talking about the Certificate of Need. We were talking about it being a agenda item for the Sunset Committee in the first couple months, arguably the first six months of '20. We went to break. I said Bob Byrd, you want to wrap this up? And you said absolutely. Bob Byrd. All right, here you go. Here's your platform, talk.

Bob Byrd: There have been a number of controversial applications in the last, I would say in the last few years. And they recently had one in Sussex County where both Bayhealth and Beebe Hospital both applied for a new emergency room facility in Georgetown. I think both have been turned down at this point, but what they do and how they do it is a little bit controversial. And some folks might remember that there was a real debate over the HealthSouth facility in Middletown, which we were privileged to represent a few years ago. And that was very controversial. So when you get into these battles, the existing status quo medical establishment sometime doesn't want any competition. So that's what the Health Resources Planning Board is all about. That's why you have to go there and justify what it is you want to do.

Dace Blaskovitz: Is it an oversimplification to say Christiana Care with its, we'll call them a \$1 billion company, is the proverbial gorilla in the room. And given their margins, which is public knowledge, they want no piece of a sunset provision, they want no piece of competition. Is that mostly correct, totally correct? In your opinion, what do you say?

Bob Byrd: I would say that they don't have any opposition to going through the sunset process. That's part of government and that happens every three to five years. That's no big deal. On your other point, Christiana Care obviously is very happy here and doing very well, and probably would not like much more competition coming in. That's probably a fact too.

Dace Blaskovitz: So not to be too cute, but can we expect a bare knuckle brawl in the first six months of '20?

Bob Byrd: I think there will be some very aggressive and noisy committee hearings. There are a number of people out there who are questioning the validity of what it is that Health Resources Planning Board does. So it's going to be an issue. That's what we work on, is issue. If this stuff were easy, people wouldn't hire me. They'd get it done on their own. They wouldn't need me.

Dace Blaskovitz: Help me understand one thing. If your biggest cost and say government is healthcare costs and the dilution or dissolving, getting rid, of the Certificate of Need rules would reduce the cost of healthcare. If you're a political figure, why wouldn't you be in favor of that?

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- Bob Byrd: The original premise for a Certificate of Need process is that by having a Certificate of Need and having the government make those decisions will keep down the cost of healthcare, because you won't have every Tom, Dick and Harry doing every different procedure. And you can have some kind of regulation over that. That's the reason for a certificate. That was the justification for a Certificate of Need years ago. Now, whether that's still working on that or whether you would be better with straight out competition is what the debate will be over. But those are the two sides of the issue.
- Dace Blaskovitz: Tick tock on the clock. DEFAC, the Delaware Economic Financial Advisory Council, Bob Byrd, you're a past chair, current member. The headline is you found some more money. The second paragraph, per our pre-interview is the storm clouds, but it's your story to tell. Here's your platform, talk.
- Bob Byrd: Well, the DEFAC met last week, or this week I guess, the Delaware Economic Financial Advisory Council. And they set the amount of revenue that the state can expect to receive in any given year. We raised the estimates by some \$200 million, about \$120 million more in this fiscal year and about \$80 million more in next fiscal year. So that means the General Assembly and the governor have about \$200 million that they can spend over the next six months and into next year as they put the budget together. All that's good news. The bad news is that when we look at the long term, we don't see a lot of growth in Delaware. We see Delaware getting older, we see a lot more retirees moving in. We see down the road, we see some potential problems here. So that's the long and the short of it.
- Bob Byrd: And the debate will be over in the next six months, the debate will be over whether or not we spend those \$200 million on goods and services and things that people think the state needs to be doing. Or whether we will put more of that money aside in what the governor has called his benchmarking process, which is identified dollars that need to be put ahead, put aside in addition to the rainy day fund, in addition to the 98% spending limit. And looking forward toward that day when we don't have as many revenues coming in as we do now. So that's the long and short of it.
- Dace Blaskovitz: Bobby on your side, I think in the pre interview, the two things that I took away was that the budget is now approaching \$5 billion. And \$200 million on \$5 billion is a much diluted number as a percentage, point one. But point two, I think your word was a prediction of a contentious budget fight, because gee whiz, if the storm clouds that DEFAC sees futuristically are truly there, then you better be a saver. And progressives seem to have a hefty majority or a hefty say in Dover, and they have an outlook of Disney World. They can't count to 11 with their shoes on. That they'll be spenders. What's Bob Byrd say on the air?

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- Bob Byrd: You said it very well, Dace. That will be what the debate is, whether or not we spend those dollars or whether we put some of those dollars away. You have defined both sides pretty well. We have a Democratic caucus in the House. We have a Democratic caucus in the Senate. We have a fair amount of progressives in both of those caucuses. And they are going to be pushing to fund some of the programs that they think need to be funded. The discussions will be around what we pay people as far as salaries are concerned, what we reimburse the agencies for the agencies doing contract work, the roads. All the different things that the state spends money on will be there saying we need more money. And it's going to be for the conservatives and the Republicans and the governor, who is fiscally conservative I think, to put some of those dollars away. So that will be a very spirited discussion and debate over the next six months.
- Dace Blaskovitz: Byrdie, on your side, let me challenge you just a minute with a smile on my face and good natured. And that is, I continue a career as a stock broker. This is my 43rd year. This is what I do for a living. But I also have a part time job that I very much enjoy. I created and published Data Delaware, which has been read 150,000 times over the last 15 months. And the two additions... We had a bunch of additions this week, but two in particular. One was the Pew Center Trust came out and just ripped Delaware. Delaware state government was 10th worst. And the Mercatus Center at George Washington University, what was it, Delaware seeing very little economic growth above its '08 recession. Delaware's business-friendly reputation is a mirage. Mercatus ranks Delaware 44th out of 50th. The disconnect for me, whether you're Republican or Democrat, is the numbers say Delaware is either dying, slowing or dying a slow death. Bobby, you got 30 seconds. What has to happen?
- Bob Byrd: We've got to figure out what that next big thing is in economic development. Delaware is a low tax state. We are attracting many retirees from the mid Atlantic and even up in the Northeast and the New England area. We got a lot of people moving in here and retirees, because of our tax system, are not paying a lot of taxes, but they're using a lot of our services. And as I sit back and look at it, I think that's the biggest issue we have to solve.
- Dace Blaskovitz: His name is Bob Byrd. It's the Byrd Group. Stay with us. We will be right back.