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Dace Blaskovitz: Welcome back to Money and Politics in Delaware. It's politics time. It's one of my favorite people that I have very strong disagreements with and we giggle and laugh and enjoy each other's company. Welcome back Bob Byrd.

Bob Byrd: Thank you Dace. It's good to talk to you again.

Dace Blaskovitz: And to tease the segment a little bit, most people know the saying 'lions, tigers and bears,' well according to Bobby, if I understood our pre-interview correctly it's 'guns, weed and \$15 minimum wage.' So, giggles aside, let's do some of the preliminary stuff to start with. I disclosed my friendship with Bobby. He's a big time lobbyist. I call him the ultimate insider and do that with a wink, wink. It's a compliment. But it's his turn. Bob, will you give first time listeners 30 seconds about you, 30 seconds about your business?

Bob Byrd: Well, you know, I'm very fortunate. I've been in this business a long time. I am a politician and I am a lobbyist. We have a lobbying firm and we're very fortunate to have 40 or 50 clients at any given one time and we lobby the Delaware legislature and we work with various and sundry administrators within state government and county government. We are an interaction between the business community and government. That's what we do and we've been doing it on a contract basis for about 30 years and I was in the legislature before that. So, I think I've missed about 25 days in Dover in 40 years.

Dace Blaskovitz: Wow.

Bob Byrd: So, that's what I do.

Dace Blaskovitz: You kept the drugs and the booze and the sex out of it, but everything else was all in. Tell us about the book.

Bob Byrd: Well, you know, I sat down and, you know, Celia Cohen called me and for those of you who know Celia, have been around a while, she was a long time reporter with the news journal and is now retired and she said to me, "If you get ready to write the book," she said, "I'll help you do it." So, I thought about that and she and I worked for three years and it came out about a month ago. It's called Byrd of Legislative Hall and it's my stories for 40 years in Dover. It's a tell some, not tell all, and I left all the bad stuff out. I left all the questionable stuff out, but I did it because I wanted young people to know the way the system works from the inside. That was my overriding thought as we put the book together and, you know, I'm a little bit modest about this but it's getting pretty good reviews. So, you know, it's not flying off the shelves but we're selling a few here and there. So, it's working well.

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- Dace Blaskovitz: And on your side, what kind of feedback did you get? Okay, you kept the sex and the drugs and the booze out of it, but you did pull a couple people's pants down. What kind of response did you get?
- Bob Byrd: You know, it's fairly positive. It's fairly positive. I will tell you what the Governor's response was, which I think says it all. He said that he's read the book and he said it's a good book and he said he's recommending that people read it as an insider's view on what happens in legislative hall. But after he says all that, he said, "But I have a few amendments." So, I am referring...
- Dace Blaskovitz: What did you say? But you had a punchline to his comment, which was?
- Dace Blaskovitz: Write your own damn book.
- Bob Byrd: Yeah, you know, when it's ... You know, you need to write your book and your side of it. So, we'll see what happens.
- Dace Blaskovitz: Hey, we're having too much fun. We got business to do here. Go back just a minute. You're a lobbyist, you're a big time lobbyist. For some people that go, "Wow, what's that mean?" Give us a one, 90 second, two minute max example of what you do for a living.
- Bob Byrd: I tell people that we probably spend about 25% of our time trying to convince legislatures and policymakers of our point of view and pointing out what our point of view is. We probably spend about 50% of our time talking to our clients and telling them what's possible and what they can get done, on whatever particular issue it is. We spend a lot of time with our clients talking about what the possibility is within state government for whatever it is they do. So, on the gambling issue for example, and we've been working on that for many, many years, you know, we never get exactly tax rates and things like that, that are exactly what our goals are, but we come close. You have to have discussions with your client about what's possible and we do that a lot. But we are about listening and talking to people and communicating our opinions, either with the client or once we have then reached consensus with a client on what we're going to present to the legislature, we then go to the legislature and communicate with them.
- Dace Blaskovitz: On your side Bobby...
- Dace Blaskovitz: You do it better than anybody, you should arguably because of the four decades down there. You are a past chair of DEFAC and you remain a current member of DEFAC if I remember right, The Delaware Economic Financial Advisory Council, but you give the best primer out there. So, I invite the audience to lean back and Bobby's going to explain DEFAC and he's going to explain the budget process. The budget process, Bob Byrd, speak.

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Bob Byrd: So, the budget process for any given fiscal year starts in October and at that time, and you're looking toward the next year, so for the fiscal year or the budget that's going to start in July, you start the process the October before. The first thing that happens is the Governor's budget director has meetings with all of the state agencies and they present their budget proposal to the budget director and the budget office. The budget director and the budget office then massage those numbers and they put together a budget for the Governor and it is called the Governor's recommended budget and that is introduced into the General Assembly in January.

Bob Byrd: The next thing that happens is the legislature takes the month of February and a little bit of March and they do hearings from the legislative standpoint with all the state agencies again, and those are called the JFC hearings. After the hearings are complete there's another period of time and we usually go to markup sometime in May, and the markup of the budget of the Governor's budget happens. The final budget is then decided upon by the General Assembly and it is introduced into the General Assembly sometime in June and as we're talking, on Friday, the last Friday, next to last Friday in June, the budget passed the House last night. So, it now goes to the Senate. So, things are pretty much in line.

Bob Byrd: Now, DEFAC. DEFAC meets six times a year and what they bring to the process is they set the revenue number which indicates how much money the state has to spend and they do that by doing an analysis and a discussion of each of the separate revenue sources within the state. Personal income tax, corporate income tax, real estate transfer taxes, and we meet six times a year and we met on Wednesday of this week, two days ago, when we set the final budget number for the year. So, once they had that number we can now go about finalizing all of the state's numbers and the legislature can do that by the budget bills done, they now have to do the negotiations around the bond bill, which is the capital expenditures piece of the budget and the grant and aid bill, which are those dollars that get delivered to the non-profit agencies. So, quick and dirty, that's the way the whole system works.

Dace Blaskovitz: And the headline out of Wednesday was more extra money projected or a flat number? What did you come away with Wednesday?

Bob Byrd: You know, it ... I thought we were a little bit conservative but we found 15 million more dollars, which is really a pretty insignificant amount on a \$4 billion, almost \$5 billion revenue source. We added \$15 million to the budget. I think more importantly on what we did on Wednesday though, and the numbers we looked at, we have a decrease of a couple million dollars projected for next year and a decrease also in the year after that. So, we're not projecting any revenue increase for the next couple of years and we haven't been in that situation I think in a while. So ...

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Dace Blaskovitz: Let me jump in. Let me jump in.

Dace Blaskovitz: Let me jump in. We got a hard close. His name is Bob Byrd. It's the Byrd Group if you want to go searching for the book online. Again, Byrd Group LLC. What's going to happen? Take a short break. Bobby stays with us.