

Greg Lavelle, February 18, 2019

The Camel's Nose . . . Another Mandatory Expense for the Budget and Taxpayers

Senate Bill 8 was introduced on January 17, 2019 and released from committee on January 23, after less than one week of public consideration. It can be put on the Senate agenda for a vote at any time.

The bill's synopsis includes the following language:

This Act makes compensation a mandatory subject of bargaining for any group of employees who have joined together for purposes of collective bargaining and certified a labor organization to serve as the group's exclusive collective bargaining representative.

In other words, SB 8 will require that compensation be part of the collective bargaining process (CBP). There are some state employees who currently can bargain for the pay, but the vast majority may not. Their compensation is decided as part of the annual budget process.

When collective bargaining was passed about 10 years ago, it was allegedly for working conditions. Compensation was specifically omitted due to concerns about how it would impact the budget process. The concern was that the budget would be consumed with "mandatory" pay increases and that budget writers would have no leeway regarding other programs and/or be "forced" to raise taxes or cut programs to fund those pay increases.

Interestingly, SB8 also states that any agreements reached regarding pay "shall be contingent upon appropriation by the General Assembly." Whew, perhaps there is nothing to be concerned with and the bill should pass and be signed into law without delay?

Perhaps not. Definitely not. Do not pass SB 8.

Are we to believe that a CBP that results in increased pay will be rejected by the Delaware General Assembly? Well, that might happen the first or second time, but rest assured that the increasingly powerful public sector unions will not sit still and quiet for long. They will demand "fairness" and the easy fix will be to simply strike those nine words in a future bill.

Rest assured that this would fundamentally alter the budget process and introduce yet another mandatory expense that would have to be met by squeezing out new programs, cutting existing programs or increasing taxes. The concerns of 10 years ago would come true.

Members of the General Assembly would say "they don't have a choice" and ring their hands.

The fact is they do have a choice as does Governor Carney.

SB 8 is a stalking horse that should not be passed by the General Assembly. If it is, Governor Carney, who expresses support for budget smoothing and constraint, should veto it.