

Even If You Support Del Tech, SB 50 is the Wrong Way To Do It
- P.J. O'Dwyer, February 18, 2019

Delaware Technical Community College President, Mark Brainard, writes in support of SB 50 in Saturday's News Journal / Delawareonline.com. While Dr. Brainard makes a convincing case for the value Del Tech brings to Delaware, he chooses to make no substantive argument in favor of the method of funding conceived of by SB 50. His choice underscores an important point: one may be in favor of additional support for Del Tech and yet be opposed to SB 50.

Supporters of the bill and I share an interest in making Del Tech an attractive and effective educational path for Delawareans. Much has been done to inflate both the cost and the perception of the more traditional collegiate path. The result is increasing college dropout rates and soaring student debt.

However, Delawareans should prefer simple and transparent government revenue generation. When society needs to make investments, elected leaders should make those decisions, articulate the case, and face the voters at the next election. In theory, this approach should also motivate elected officials to make some of the hard decisions inherent in trade-offs and seek efficiency opportunities in the spending of our shared tax costs.

SB 50 embodies such a lack of transparency that it appears designed to allow elected officials to avoid accountability for our state's fiscal condition.

Too often, voters are told that there is a free lunch or that someone else will bear the cost burden for some benefit that the target audience will receive. Of course, there is no free lunch and costs are nearly always spread beyond the obvious payer.

For me, SB 50 strays too far from principles of transparency in government for several reasons including:

- Specific decisions to raise taxes will be made by individuals who do not face the voters.
- Access to this source of funding will not encourage the College Trustees to seek efficiency and will likely lead to increases in cost of attendance just as we've seen in the nationwide college market.
- The time delay from this decision made by legislators and the cost showing up to taxpayers will be significant and reduces transparency.

- Accountability is further weakened since many taxpayers will learn about their tax increase through an increase in the escrow portion of their mortgage payment.
- Real estate taxes are fundamentally regressive; the lower a family's income, the greater a proportion of their income is likely to be dedicated to their housing. **Therefore, the cost of this method will be disproportionately borne by lower income families.**
- Renters may be led to believe that they are escaping the tax but, of course, real estate taxes are part of the equation determining rental rates; in fact, renters may end up bearing the greatest portion of this tax relative to their income.

Beyond my objections to the principle, I share many of the concerns articulated by Senator Bonini. Should those concerns be realized and Delaware becomes a high real estate tax state, we will see continued flight of citizens who are most likely to produce economic growth in our state.

I urge members of the 150th General Assembly to demonstrate the leadership they were elected to exercise. Make the tough decisions about our funding priorities and be clear with voters about the costs. Avoid the temptation of SB 50 to dodge accountability for decisions that will place the greatest burden on low-income families and further endanger opportunities for the next generation of Delawareans.