

The Road to Recovery: Putting Delaware Back to Work

As we begin 2021, we can more clearly see the indelible impact the pandemic has had on Delaware's economy. Today, Delaware has tens of thousands of fewer jobs available for its citizens than at this time last year. That means more families without income, without healthcare, and in need of state or federal assistance to make ends meet. We recommend a laser-like focus on several areas to help ensure Delaware is on an expedited road to recovery as we deal with the pandemic's impact.

Most urgently, it is critical for the health and well-being of all Delawareans that the state do everything in its power to swiftly vaccinate as many individuals as possible. The business community offers its assistance to the Department of Public Health and the entire Carney Administration as we embark on this critical effort. Delaware has a long history of cooperation between the public and private sectors. Now more than ever, a collaborative approach makes sense.

The following areas demand the focused attention of our Governor and members of the General Assembly:

1. Invest in Workers and Families

- Provide relief to individuals who lost their job as a result of the pandemic by not requiring those individuals to pay state taxes on any unemployment benefits they received in 2020;
- Provide support for Forward Delaware, the rapid workforce training and redeployment initiative created by Executive Order #43. Many Delawareans have been displaced by the impact of COVID-19 and need to find a new career path. Forward Delaware will make available certificate and certification programs as well as access to the Today's Reinvestment around Industry Needs ("TRAIN") program to help retrain and prepare Delaware workers. The General Assembly should make available a refundable tax credit to employers who hire graduates and certify that these new hires have been signed up for additional, approved training. Putting Delawareans back to work through participation in meaningful training programs that prepare them for a career not only benefits individuals and their families but all Delawareans;
- An estimated 30 percent of childcare facilities nationwide could close permanently due to the pandemic. While Delaware is expected to have a substantially smaller impact, any permanent closures will create a challenge for Delaware families and employers. Access to childcare is increasingly important as businesses continue to reopen and expand operating capacity. Since additional federal funding soon may be available to assist with stabilizing childcare providers, it will be essential for Delaware to use such resources wisely to solve a long-standing child care challenge that has been heightened as a result

of the pandemic. While not a crisis in Delaware yet, a proactive response by the Administration and the General Assembly is needed to prepare for this development;

2. Attract and Maintain Jobs for Delawareans

- Careful stewardship of Delaware’s finances by Governor Carney and leaders of the General Assembly have resulted in a less draconian impact on state revenues. In fact, DEFAC projects the state will end the current fiscal year with a \$495 million surplus that will carry over into the next fiscal year. It is expected that next year’s budget may surpass \$5 billion, the largest in state history. Thus, tax increases on individuals or businesses must be avoided at all cost. Delaware must strengthen its ability to compete for jobs with other states, and increasing taxes at this time would hamper our competitiveness and negatively impact the very businesses and individuals the state is trying to help.
- The availability of ready-to-use laboratory space for growing science companies is essential to keeping start-ups thriving in Delaware. State investment in repurposing/updating a facility that could accommodate multiple tenants would assist in the creation of job opportunities in this area.
- Hire an economic development “Project Concierge” responsible directly to the Governor to drive the Ready in 6 initiative by ensuring that economic development projects that will result in retaining or creating jobs in Delaware are moving swiftly through the permitting approval process required by state agencies, counties and municipalities;
- Establish a clear and specific response timeframe by which state agencies (specifically, Del DOT and DNREC) must respond to applicants’ requests for permits. Projects that create jobs for Delawareans should not languish within state agencies for an undetermined length of time. Making the permit approval process more efficient will result in more jobs for Delawareans;
- There are a number of recommendations outlined in the Analysis of Delaware Permit Competitiveness conducted by international consulting group KPMG and endorsed by members of the “Ready in Six” Coalition. Specifically, eliminating the Preliminary Land Use Service (PLUS), requiring the owner/operator of a sewer system to conduct the review process for DNREC Division of water to eliminate DNREC’s duplicative review and requiring Del DOT to take responsibility for acquisition of all rights of way. These and all other recommendations outlined in the analysis should be considered as a means of making Delaware’s economic development and planning efforts more efficient and enable the state to be more competitive as it seeks to attract businesses to bring jobs to Delaware.

3. Protect Delaware’s Natural Spaces and Create Jobs by Redeveloping Abandoned Sites

- Support Governor Carney and the General Assembly’s efforts to create a Clean Water Trust Fund to ensure the availability of clean water for future generations;

- Initiate and support state programs to attract and maintain jobs. It is essential to increase funding for strategic economic development funds, establish site readiness funding and to focus these efforts on abandoned sites as a mean of creating clean, new jobs. Specifically, develop an inventory of “ready to build” sites, including assessment of regulatory/permitting and environmental issues (if any) needed for redevelopment, increase funding for Brownfields redevelopment, and develop programs with county and local land use authorities to streamline and expedite the site permitting and development processes.

4. Take Bold Steps to Establish Education Equity and Opportunity

- While Opportunity Funding has provided a solid start, Delaware needs an education funding formula that is fair, flexible and transparent. Making real progress toward the goal of establishing a new funding formula to replace Delaware’s archaic unit funding formula would represent a major step in improving education equity and provide more accountability for taxpayers for the \$1.4 billion the state spends each year on public education.
- Delaware must grow, scale and sustain Delaware Pathways, work-based learning and employer engagement. This effort is essential to connect high schoolers to inspiring careers. Business leaders are willing to meet with students to talk about jobs, innovations and other interesting projects underway, in addition to explaining why those jobs require specific skills leaned in the classroom. We believe our members can help students understand why specific coursework “really matters”.
- Support for early learning is essential, and Delaware must make significant progress toward creating universal, high-quality pre-kindergarten to be offered across public schools, private providers and Head Start.

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The Delaware State Chamber of Commerce is dedicated to promoting an economic climate that strengthens the competitiveness of Delaware businesses and benefits citizens of the state. Founded in 1837 as the Wilmington Board of Trade, the Delaware State Chamber of Commerce has a long history as the largest, most influential business organization in the state.

The Delaware Business Roundtable is a non-partisan, volunteer consortium of CEOs whose companies collectively employ over 75,000 people in Delaware. Since its inception in 1981, the Roundtable’s broad mission is to enhance the quality of life in Delaware by promoting commerce, job creation and select public policy issues.