

## Nonprofits flood Legislative Hall, call for restoration of state grant money

[Karl Baker](#), The News Journal Published 1:18 p.m. ET June 29, 2017 | Updated 6:53 p.m. ET June 29, 2017

Scores of nonprofit-sector lobbyists and employees flooded into Legislative Hall in Dover on Thursday, expressing outrage over the elimination of Delaware's chief charity-support program.

The state's ongoing budget battle claimed as a casualty the popular grants-in-aid program on Wednesday after the Legislature's Joint Finance Committee could not find dollars to fund any programs beyond base government operations.

Combined with cuts to public schools, [the move saves more than \\$27 million](#) and gives the General Assembly a budget that it can vote on by a Friday deadline.

Brother Ronald Giannone, founder of the Ministry of Caring in Wilmington, called the cut a nightmare, saying charities in Delaware do the state "a favor" by providing services to poor people at a lower cost than the government could ever achieve.

"They're balancing the budget on the backs of the poor," he said.

The Ministry of Caring received nearly half a million dollars from the state last year, an amount that could not be made up through increased private-sector donations, Giannone said.

Delawareans gave a total of \$476,117,000 to charities of all kinds in 2012, according to [a report from the Chronicle of Philanthropy](#).

The elimination of grants-in-aid is not a surprise to Patricia Beebe, president and chief executive officer of the Food Bank of Delaware. The state's budget deficit, which was estimated at about \$400 million earlier this year, has loomed ominously on the consciousnesses of charity officials for months, she said.

Beebe's organization, which received \$206,000 from the state during the previous fiscal year, will curtail operations and possibly lay off employees if the cuts become final, she said.

Beebe refuses to take food bank operations into the red because of the elimination of grant dollars, she said.

"We will definitely have to look at how that affects both the workforce that we have in the organization that delivers those services as well as the services themselves," she said.

While the cuts are not final, fiscal battles between Republicans and Democrats leave a bleak outlook for anyone hoping for the state to match the \$45 million it doled out to charities during the 2017 fiscal year.

The Legislature last year granted money to volunteer fire companies, historical societies, homeless shelters and health associations, among many other groups. Most organizations received between \$10,000 and \$100,000.

The Lewes Fire Company will have to hold additional fundraisers and possibly postpone the replacement of expensive equipment to compensate for its roughly \$130,000 in lost revenue, said Glenn Marshall, a firefighter and spokesman for the company.

Echoing sentiments felt across the state's nonprofit sector, an official from the Delaware Volunteer Firefighters Association expressed a hope that funds could be found to restore the program on Friday – the final scheduled day of the legislative session.

"It's a shame that the lack of agreement between the parties have caused us to be where we are today," said association President Theodore Walius.

All of Delaware's volunteer fire companies receive money from the grants-in-aid program.

Lawmakers bickered back and forth on Wednesday after voting to eliminate grants-in-aid. Democrats claimed it was Republicans unwillingness to raise taxes that led to the drastic cuts.

Republicans countered that Democrats must agree to some of their ideas, such as a three-year moratorium on the prevailing wage and new spending limits before they make concessions.

"We're the political pawns right now between the Republicans and the Democrats," said Paul Calistro, executive director of West End Neighborhood House, a community center in Wilmington's Little Italy. "We're the ones stuck in the middle, and it's not a fun place to be."

Senate President Pro Tempore David McBride said he intended to "hold Republicans accountable for the pain inflicted on the Delawareans."

Republicans fired back again on Thursday afternoon arguing that it is Democrats who control the grants-in-aid levers as they hold majorities in state legislative houses.

Democrats "have crafted a spending plan especially designed to create maximum pain in an obvious attempt to bludgeon the minority into submission," said House Minority Leader Danny Short, R-Seaford.

Increases to tobacco, corporate income and alcohol taxes are revenue sources being considered, which could reverse the cuts. If a tax increase passes both houses of the General Assembly, the Joint Finance Committee could reconvene to restore funding for grants-in-aid.

The budget battle this year could cost the Boys and Girls Club of Delaware about \$1 million, said George Krupanski, CEO of the organization. He wonders whether grants-in-aid is being used as a political bargaining chip.

"To throw that out as a possibility with the idea that it's being used as a political football," he said, "you don't do that to people."