

Delaware Law Weekly

FOR REPUBLICAN BILL LEE, 'REFORM' IS THE MANTRA

By Elizabeth Bennett
Of the DLW

The Republican candidate in this year's gubernatorial election has been here before. In 2004, Bill Lee lost narrowly to Gov. Ruth Ann Minner.

Now he is back, drafted by his party this summer to take another shot at Woodburn, and his vow is to shake things up.

A retired Superior Court judge in his 70s, Lee said he is not a career politician, which puts him in a good position to push for reform.

"Especially fiscal reform,"

The Race for Woodburn

Lee said. "Not only do I not have anything to lose, I don't have anything to gain. I'm going to try to come in and do things unpopular with the political establishment of this state. It's the only way to get it done."

With the economic climate, Delaware is already bracing for a difficult budget process that begins next month, and doing more with less may be the reality for some time.

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DEMOCRAT MARKELL VIEWS EDUCATION AS PATH TO PROSPERITY

By Elizabeth Bennett
Of the DLW

Jack Markell, state treasurer, former businessman and the Democratic candidate for governor, views a better educational system as the surest path to securing

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Driving
for
Dover

Jack Markell

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the state's economic future.

"The single biggest challenge facing the state is the economy," Markell said. "The improvement of education is the single biggest thing we can do to meet all our challenges. ... If we don't have grade schools that are strong enough, we're not going to have a strong economy."

Everything else, he said, flows from this basic fact.

Markell has posted proposals on his Web site that are broken down into segments for early childhood and higher education, a plan to attract high-quality teachers and workforce education.

His ideas for the young include the development of a funding plan to increase state subsidies for birth-to-3 programs to 75 percent of market rate, as well plans to expand pre-kindergarten programs for families within 200 percent of the poverty level. Efforts to increase parental

engagement are another big part. To attract better teachers, Markell proposes a \$1.2 million college loan forgiveness program, as well as other economic incentives to keep good teachers in the system.

To attract better teachers, Jack Markell proposes a \$1.2 million college loan forgiveness program, as well as other economic incentives to keep good teachers in the system.

Markell does not believe the issue is a lack of money but how it is being used. At a meeting with a group of attorneys and businesspeople at the law firm Delaware Counsel Group in Wilmington he said, "We are spending a lot of money on education, but we are not getting good results."

One possible way to find money, he mentioned, was through the consolidation of school supply purchasing, which he estimates could save the state between \$15 million and \$20 million per year.

His take on spending comes with some firsthand experience. Markell was re-elected to a third term as state treasurer in 2006.

When he began his quest to be governor it was without the anointment of the current administration, however. The primary contest in September between Markell and John C. Carney Jr., the lieutenant governor, was a squeaker. Markell won by about 2 percent.

Before entering politics, Markell was in the private sector. He helped grow a small company called Fleet Call into what is now known as Nextel. He has also worked as a banker at First Chicago Corp., a consultant at McKinsey & Co. and a senior executive at Comcast Corp.

Born and raised in Newark, Del., Markell still lives there with his wife and two children. He earned an undergraduate

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Jack Markell

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degree in economics and development studies from Brown University and an MBA from the University of Chicago.

The situation in banking and credit has him concerned.

"Well, I think we've obviously got to monitor it very carefully considering the importance of our financial services industry in Delaware," Markell said, noting that the sector is a major employer.

In fact, in the economic development plan posted on his Web site, Markell said the sector helped Delaware gain strength even as DuPont, Chrysler and General Motors laid off employees.

At the Delaware Counsel Group meeting, Markell also acknowledged how important the legal business and the quality of the courts are to Delaware. He said if he were to become governor, he would seek input from the legal community about steps the state government could take to increase the economic activity attracted to Delaware by its law.

"I'm here to learn," he said.

During the discussion Markell mentioned previous work he has done with the Delaware Bar Association that examined how to attract middle market companies, mostly from emerging economies such as those in Latin America and Eastern Europe, to form their U.S. entities in Delaware.

Markell said he is mindful that the state must "be careful about what kind of an additional workload we place on the Court

of Chancery," because an overworked court may not be able to maintain the quick disposition of cases that is its hallmark.

All the same, more business formations mean more money in state coffers, and Markell said he is serious about attracting them.

"One of the most important responsibilities of any governor is to be the chief salesperson for the state," he said.

Another responsibility of the governor is to appoint judges, the men and woman who are so important to Delaware's position as the country's corporate center.

"I would look for somebody with impeccable integrity," Markell said. "I just think we have to get people who are absolutely trustworthy and people who have a very keen understanding of the law, sound legal judgment and strong experience. People who, when you walk into their courtroom, you will have an incredibly high level of confidence that you will be treated fairly."

Markell knows that attracting high-quality people — not only as judges, but in state positions across the board — means paying a competitive wage. He is hopeful that, when the time comes, the budget will be able to deliver.

"We realize people have a choice," he said. "We want the very best people as our judges. Obviously, top-notch lawyers leave much bigger salaries to become judges."

The above is in line with Markell's overall economic approach to strengthen the industries and sectors that are already doing well in the state.

"The key for Delaware is to figure out

our strengths, play aggressively to them, and avoid being a second-rate player in areas where others have a strong advantage," according to Markell's economic plan.

Other elements of the plan include building an educated workforce and encouraging entrepreneurs. Leveraging the state's academic institutions plays into both these things.

While education and employment sit atop Markell's list, he also wants to improve health care by bolstering existing programs and using them more efficiently.

In addition, he has proposed what he calls the Diamond State Marketplace as a way for uninsured people and small businesses to buy into health insurance coverage.

The marketplace is not a single-payer system, Markell said.

"It creates a health insurance plan for people who are not covered using a state-designated entity," he explained. "We'll be issuing requests for proposals for additional health care offerings made by private-sector companies. Then, to the extent that people can't afford some of those offerings, there would be subsidization."

The program would be paid for with a combination of federal money and fees from individuals and business on a sliding scale, as indicated in materials on Markell's Web site. Higher taxes on health-damaging things like tobacco are also possible.

Changes like this will be neither easy nor cheap, but Markell said he believes the cost of doing nothing is higher. •