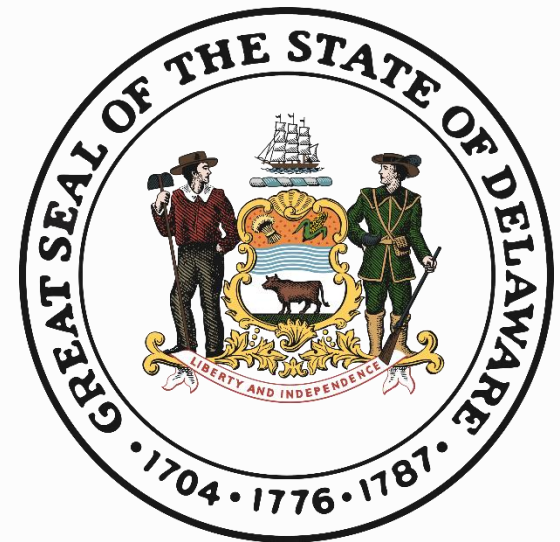


State of Delaware

OFFICE OF GOVERNOR CARNEY
FINANCIAL OVERVIEW
FOR FISCAL YEAR 2021

January 30, 2020



GOVERNOR CARNEY'S VISION FOR DELAWARE



- Investing in the new economy, new “old” jobs, and small businesses
- Giving all Delaware children an **equal opportunity to succeed** so that:
 - Every 3rd grader will be proficient in reading
 - Every 8th grader will be proficient in math
 - Every child graduates from high school – college or career ready
- **Safe and secure communities** with improved quality of life
- **Improving quality and containing costs** of health care for all Delawareans, and promoting healthy living
- Making state government more **efficient and effective**
 - Responsibly investing in state government and making sure our state is on sound financial footing so we can make investments where they are needed most

OUR PROGRESS: YEAR IN REVIEW



☑ **Bolstered Delaware's Economy**

- Record **\$863 million capital budget** with investments in clean water, new roads and bridges, affordable housing, colleges and universities and economic development projects
- Six-year, **\$4.5 billion plan to fix roads and bridges statewide** through 2026
- Set aside **\$20 million for Farmland Preservation and Open Space** programs

☑ **Invested in Schools**

- Set aside **\$75 million over a three-year period in Opportunity Funding for English learners, low-income students and mental health supports** in schools

☑ **Fostered a Healthier Delaware**

- Released **Trauma-Informed Care Progress Report and Action Plan**
- Raised the **age to buy tobacco and vape products to 21**
- Established a **new reinsurance program lowering costs** for Delaware families who get health insurance on the exchange

☑ **Worked toward Long-Term Financial Sustainability**

- Set aside **\$126.3 million** to ensure future budget stability

OUR PRIORITIES: UPCOMING YEAR



Our budget continues investments in key areas

**STRENGTHENING
OUR ECONOMY**

**IMPROVING OUR SCHOOLS
FOR ALL CHILDREN**

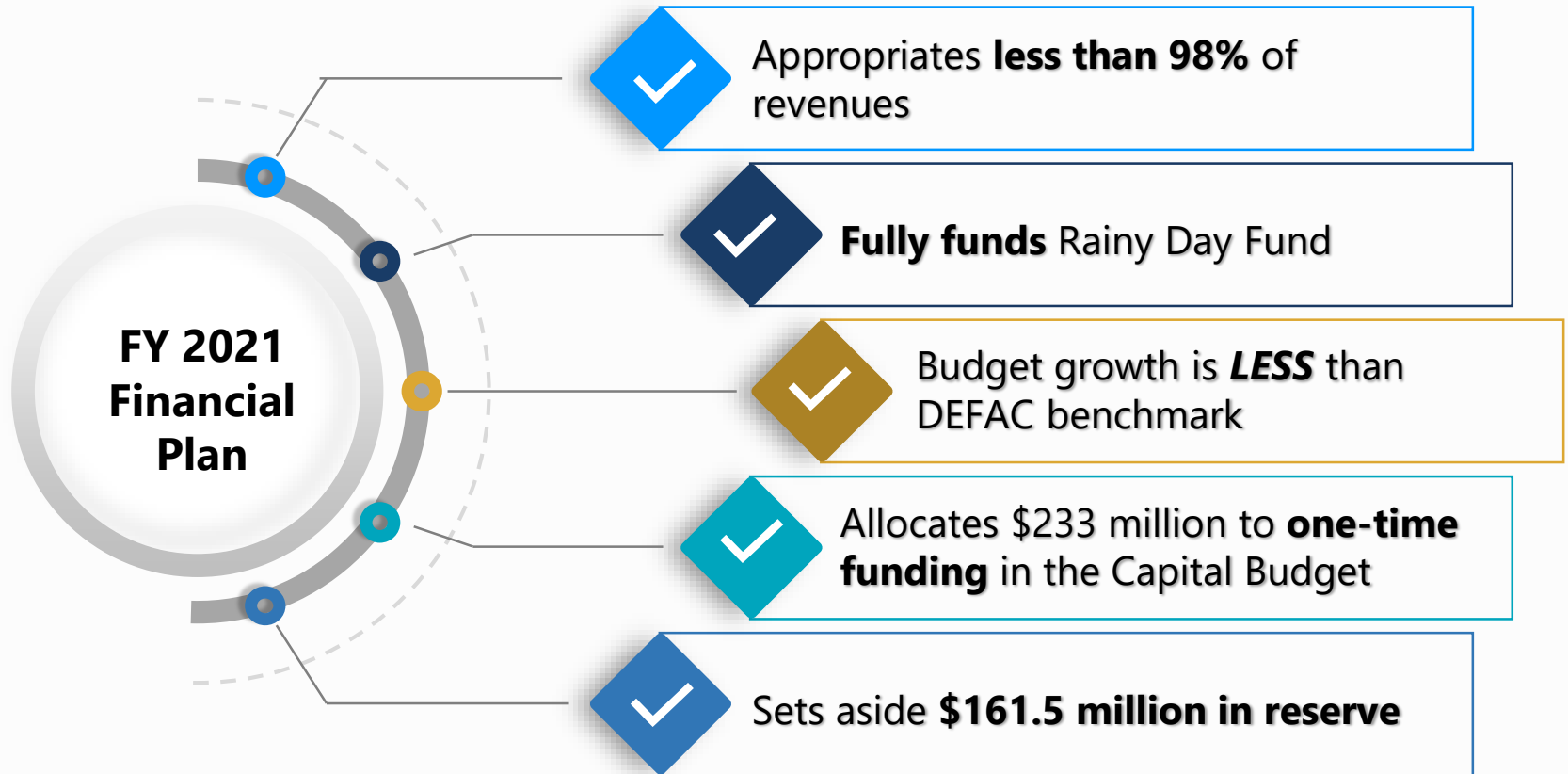
**PROTECTING OUR
QUALITY OF LIFE**

HIGHLIGHTS OF GOVERNOR CARNEY'S FY 2021 FINANCIAL PLAN



- ✓ Establishes **operating budget growth at a level less** than the benchmark established in Executive Order 21
- ✓ Funds **projected expenditures** in debt service; pensions; school population growth; inmate medical and behavioral health services
- ✓ Builds upon Opportunity Fund investments in our schools by increasing funding for **mental health services and reading support specialists**
- ✓ Continues to allocate surplus revenues to **one-time investments** in the capital budget while **increasing reserves**
- ✓ Makes historic investments in **clean water, economic development and school construction**

LONG-TERM FINANCIAL SUSTAINABILITY



INVESTING IN WILMINGTON CHILDREN & FAMILIES



WILMINGTON SCHOOLS INITIATIVE



**NEW SCHOOL
BUILDING ON
EAST SIDE**

**DUAL GENERATION
CENTER FOR
FAMILIES AND
STUDENTS**

**SCHOOL
RENOVATIONS
AT STUBBS AND
BAYARD**

**LEASING PALMER TO
BUILD WORKFORCE
TRAINING FACILITY**

**\$50
MILLION**

PREPARING FOR THE ECONOMY OF THE FUTURE



ECONOMIC DEVELOPMENT

STRATEGIC FUND
\$20 MILLION

SITE READINESS
\$10 MILLION

GRADUATION
LAB SPACE
\$10 MILLION

TRANSPORTATION
INFRASTRUCTURE
FUND
\$10 MILLION



**\$50
MILLION**

CLEAN WATER FOR ALL DELAWAREANS



CLEAN WATER INITIATIVE



ESTABLISH
CLEAN WATER
TRUST FUND

DRINKING WATER
STATE REVOLVING
FUND
\$22.5 MILLION

CLEAN WATER
STATE REVOLVING
FUND
\$22.5 MILLION

RESOURCE,
CONSERVATION AND
DEVELOPMENT
\$5 MILLION

**\$50
MILLION**

GOVERNOR CARNEY'S RECOMMENDED FY 2021 FINANCIAL PLAN



General Fund Operating Budget

\$4,629.5 M

- GF Operating Budget Growth 3.99%

Grants-in-Aid

\$55.1 M

Bond and Capital Improvements Act

\$892.8 M

- State Capital Projects \$525.2 M
 - GO Bonds \$240.9 M
 - Cash \$233.0 M
 - Other \$51.3 M
- Transportation \$367.6 M

One-Time Supplemental

\$9.9 M

*The FY 2021 Financial Plan sets aside **\$161.5 million** over and above the constitutionally mandated set asides.*

EDUCATION INVESTMENTS



Investing in
High-Needs Schools

\$8 million



Investing in
Quality Education

\$70.9 million



Investing in
School Infrastructure

\$203.9 million

EDUCATION INVESTMENTS: HIGH NEEDS SCHOOLS



Opportunity Funding Initiative

- Second year of a three-year commitment dedicating **\$75 million for English learners and low-income students, and mental health supports**
 - *Doubles the number of elementary schools offering mental health supports*

Increasing Access to Pre-K

- **\$2 million** to provide 155 new quality child care seats
- **\$3 million** for Early Childhood Assistance Program capacity building
- Goal: **increase access by 50% in three years**

Opportunity
Funding

EDUCATION INVESTMENTS: QUALITY EDUCATION



Investing in Educators

- **\$29.3 million** - 2% pay increase and steps for educators
- **\$500,000** - Governor's Performance Academy and Delaware Performance Appraisal System Pilot II increases

Investing in Schools

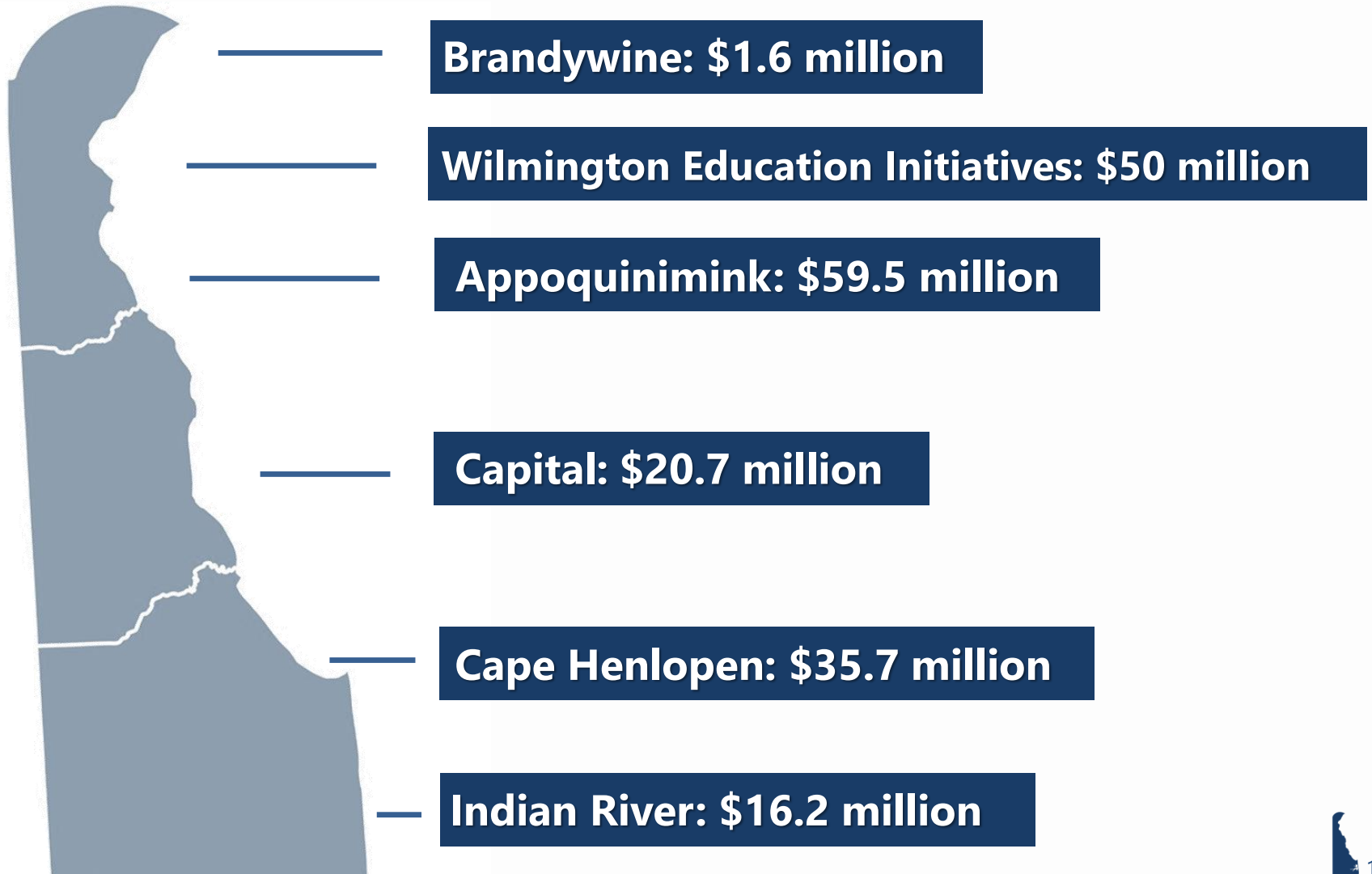
- **\$36.5 million** - Current year growth and projected school year 2020 – 2021 enrollment growth

Connecting Schools

- **\$4.6 million** - School Technology Infrastructure

Opportunity
Funding

SCHOOL CONSTRUCTION AND RENOVATION



EDUCATION: SUPPORTING HIGHER EDUCATION



Investing in Higher Education

- **\$30 million** - Funding for **deferred maintenance, capital improvements and technology upgrades** at the University of Delaware, Delaware State University and Delaware Technical Community College
- **\$20 million** - Third year funding for the **Higher Education Economic Development Investment Fund** to improve job growth and economic development in the State
- **\$2.5 million** - Expansion of University of Delaware **scholarship funds for resident students**
- **\$1.3 million** - Funding to match **Cooperative Extension, Research and Forestry grants** and other programs at Delaware State University
- **\$1.5 million** - Funding for first phase of a **compensation stabilization plan** to reduce faculty and staff turnover at Delaware Technical Community College

WORKFORCE: INVESTMENTS IN OUR PEOPLE



State Workers

- **2% across the board increase** for state employees
- Continued support of **Paid Parental Leave**
 - **More than 200 state employees** have been able to spend twelve weeks at home with their new children

Workplaces

- \$17.5 million for new **Kent & Sussex Family Court** facilities
- \$7.5 million for **Deferred Maintenance for state buildings**
- \$3.5 million for renovations to the **Cleveland White building** on the DSCYF campus
- \$2.8 million for **Carvel State Office building** improvements

HIGHLIGHTS: GOVERNOR CARNEY'S FY 2021 CAPITAL BUDGET



Improving Schools for All Delaware Children

\$183.7 million – School construction and renovation

\$15 million – School building deferred maintenance

\$30 million – Higher Education campus improvements



Investing in Small Businesses & Infrastructure

\$20 million – Strategic Fund investments to support jobs in DE

\$2 million – Delaware Prosperity Partnership

\$9.6 million – Research Collaboration

\$10 million – Graduation Lab Space

\$20 million – Higher Education Economic Development Fund

\$10 million – Transportation Infrastructure Investment Fund

\$10 million – Site Readiness Fund

HIGHLIGHTS: GOVERNOR CARNEY'S FY 2021 CAPITAL BUDGET



Building Strong Communities

\$8 million – Strong Neighborhoods

\$6 million – Affordable Housing

\$5.6 million – Downtown Development Districts

\$8.6 million – Preserving Historical and Recreational sites

\$4.2 million – Libraries

\$4 million – Increase to Municipal Street Aid



Protecting Natural Resources for Future Generations

\$50 million – Clean Water Trust Fund

\$10 million – Open Space

\$10 million – Farmland Preservation

\$5 million – Beach Preservation

\$2.9 million – Cover Crop Program

\$1.7 million – Conservation Cost Share

\$500,000 – Delaware Bayshore

HIGHLIGHTS: GOVERNOR CARNEY'S FY 2021 CAPITAL BUDGET



Building Strong Foundation for Our State

\$46.3 million – State agency minor capital improvements and deferred maintenance

\$4.7 million – Herman Holloway Campus improvements

\$3.5 million – Cleveland White Building renovations

\$2 million – Veterans Home improvements



Safe and Stable Communities

\$17.5 million – Kent/Sussex Family Court facilities

\$8.3 million – Public safety communications

\$4 million – Security cameras at Department of Correction facilities

\$2 million – Vaughn Correctional Center sprinklers

GOVERNOR CARNEY'S RECOMMENDED FY 2021 FINANCIAL PLAN



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FY 2021 BUDGET PROCESS



**July -
December**

Governor Carney and cabinet members developed the FY 2021 budget draft. **Delaware Economic and Financial Advisory Council (DEFAC)** met in September and December to **project revenue**. **DEFAC** will update their projections in March, April, May and June.

January

January 30: Governor Carney proposes recommended budget for FY 2021.

**February -
March**

Joint Finance Committee (JFC) and Bond Bill Committee Hearings: Committee members consider Governor Carney's recommended operating budget and hold hearings to discuss budget items with agencies and advocates.

**April -
May**

Mark-up: JFC reviews budget proposals.

June 30

The **General Assembly passes** the budget and bond bills, and the **Governor signs** the bills by June 30.
The **new fiscal year begins July 1**.



Office of the Governor **JOHN CARNEY**

- End of Presentation -
