

# GOVERNOR'S POLICY OVERVIEW

During the second term of Governor Carper's Administration, resources will continue to be targeted for the implementation of five major objectives. These are:

- ◆ Improving Education
- ◆ Fighting Crime
- ◆ Reforming the Welfare System and Strengthening Delaware Families
- ◆ Cutting Taxes and Ensuring Fiscal Responsibility
- ◆ Promoting Economic Development and Creating Jobs

The Governor's Fiscal Year 1999 Financial Recommendations support these objectives through targeted strategies and investments as follows:

## IMPROVING EDUCATION

The Governor's Recommended Budget and Capital Improvements Act includes targeted initiatives to support the Administration's goals of improving Public Education in Delaware.

### *Reducing class size in core academic areas*

- ◆ The Governor's Recommended Budget includes \$6.1 million to reduce class size in all grades (K-12) in core academic subjects. This initiative increases Division I teacher funding to local school districts at the K-3 level to provide a teacher for every 15 regular students. Funding will be increased for grades 4-12 to provide districts with a teacher for every 16.3 regular students. This initiative, coupled with a legislative proposal, is designed to limit the maximum class sizes for all grades in the four core academic subjects --- math, science, English and social studies. In grades K-6, the proposed maximum student-to-teacher ratio will be 22 to 1 and in grades 7-12, the proposed maximum student-to-teacher ratio will be 28 to 1.

### *Providing district flexibility and ensuring an effective workforce*

- ◆ The Governor's Recommended Budget includes \$1.5 million for a guaranteed unit count initiative. This new initiative will allow districts to take advantage of a one-year, hold-harmless provision which will allow them to hire at least the same number of teachers as the previous year -- allowing districts to recruit new teachers earlier in the school year.

### *Enhancing educational technology*

- ◆ The Governor's Recommended Budget includes \$4.5 million for the acquisition and customization of a statewide integrated school management system. This funding, coupled with educational technology investments in the Twenty-First Century Fund and the Infrastructure Investment Plan, will bring the latest technology into classrooms and prepare students to meet the workforce challenges in the next century.

### *Implementing rigorous statewide standards in the core academic subjects of math, science, English and social studies*

- ◆ The Governor has recommended an additional \$3.0 million to provide students with extra time in the classroom to meet state achievement standards. This enhanced funding, along with existing resources, will provide up to 20 additional days for summer school, Saturday school or after-school instructional time for the lowest-achieving students across all grades. This additional \$3.0 million will be focused on students in grades 7-12.

### *Focusing on prevention and school discipline*

- ◆ An additional \$550.0 has been recommended to expand school discipline programs. This enhanced funding will enable an additional ten Family Crisis Therapists or State Police School Resource Officers to be placed in schools with high populations of at-risk students.
- ◆ The Governor's Recommended Budget includes \$1,528.8 to allow an additional 289 four-year-olds to participate in Head Start programs. Coupled with existing resources, this funding is estimated to complete the Governor's goal of enabling every eligible four-year-old living in poverty to participate in Head Start.
- ◆ The Governor has also recommended \$221.4 to Jobs for Delaware Graduates (JDG). The goal of this program is to help at-risk students graduate from school and find jobs.

## FIGHTING CRIME

### *Adding prison beds and security staff to keep dangerous criminals off our streets*

- ◆ The Governor's Recommended Capital Budget includes \$8.6 million for year four of a statewide construction program to provide an additional 1,500

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beds statewide. The funds recommended will complete construction of a new 600-cell, maximum-security unit at the Delaware Correctional Center.

- ◆ To enhance staffing and security at new and existing institutions and to improve the supervision of offenders on probation, the Governor's Recommended Budget includes an additional 187 security positions for the Department of Correction. These positions are necessary to staff the new Administration Segregation Unit at the Delaware Correctional Center and to provide for supervision of boot camp offenders now on probation. In addition, funds will be utilized to reduce Probation and Parole caseloads on SENTAC Level III supervision from current officer to offender ratios of 1:41 to between 1:30 and 1:35.

### *Using technology to enhance security*

- ◆ The Governor's Recommended Budget includes additional technology resources for year-three of an offender tracking information system in the Department of Correction. When fully operational, this computer system will allow the Department to electronically track important information concerning inmates, including security classification, court appearances and scheduled treatment programs. The total cost of the project is estimated to be between \$7.5 million and \$8.3 million and is expected to be fully operational in the year 2000.

### *Enhancing police protection to keep our streets and neighborhoods safe*

- ◆ The Governor's Recommended Capital Improvements Act includes \$1.5 million to complete the statewide 800 MHz communications system. This initiative will be operational in New Castle and Kent counties this spring with Sussex soon to follow. This state of the art system will enable fire, ambulance, state and municipal police organizations to communicate more clearly and reliably statewide.
- ◆ The Governor has recommended an additional \$1.6 million in the Department of Public Safety to replace computer equipment, enabling the State of Delaware to access the future National Crime Information Center (NCIC 2000) database.

## REFORMING WELFARE AND STRENGTHENING DELAWARE FAMILIES

In Fiscal Year 1996, the Governor unveiled an aggressive welfare reform agenda designed to create opportunities for welfare recipients to become self-sufficient through placement in private-sector jobs. The approach the Governor has selected is multi-departmental and involves the private sector.

### *Providing employment and support services to help Delawareans become self-sufficient*

- ◆ The Governor's Recommended Budget benefits from a reduction of \$8.6 million due to the success of Delaware's Welfare Plan, "A Better Chance." A comprehensive national study unveiled in January of 1998 showed that Delaware's ABC participants had a 24 percent higher employment rate, 16 percent higher earnings, and 18 percent lower average welfare payments than clients covered by traditional AFDC program requirements. Further, as of January 1998, the total ABC caseload has dropped by more than 27 percent since 1994.

### *Investing in the health care needs of Delawareans*

- ◆ The Governor's Recommended Budget includes \$3.0 million to expand health insurance coverage for uninsured children in Delaware. This initiative, coupled with additional federal resources, will enable Delaware to insure up to 10,000 additional children under 200 percent of poverty. This initiative, taken with private insurance and Medicaid services, will enable 93 percent of all children living in Delaware to be insured.
- ◆ The Governor has recommended \$293.7 and seven positions to develop an additional Child Mental Health treatment team. This initiative is designed to manage a growing population of young people in need of mental health and substance abuse services.
- ◆ The Governor's Recommended Budget includes an additional \$252.5 for School-Based Health Centers to fully fund a center recently opened at Woodbridge; provide start-up funding for three new centers to be located at Sussex Central, Indian River and Brandywine; and cover inflation costs at existing sites. This enhanced funding, along with existing resources, will allow for a center in every Delaware high school that wants one. This recommended funding will bring the total appropriation for 26 wellness centers to approximately \$3.6 million.

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- ◆ An additional \$1.0 million has been recommended in the Department of Health and Social Services for community-based residential placements. These enhancements will enable mentally retarded individuals to remain in the community, rather than in an institutional setting, while receiving the services they need.

### *Enhancing social services for working families*

- ◆ Additional funding has been recommended to serve an additional 1,400 low-income children with subsidized child care and to provide a child care provider rate increase in New Castle County. This enhancement will enable the State to pay for subsidized child care at 75 percent of the local market rate.
- ◆ As part of the Infrastructure Investment Plan, an additional \$8.0 million has been recommended for the Housing Development Fund, enabling the State to maximize federal tax credits for new, low-income housing. The Housing Development Fund leverages an additional \$10 from non-State sources for every dollar contributed by the State.

### *Ensuring quality nursing home and child care services*

- ◆ The Governor's Recommended Budget includes two new positions for the Office of Licensure to conduct unannounced inspections and seven new positions for the Ombudsman Office to effectively respond to and investigate nursing home complaints. The Department of Health and Social Services will utilize these additional resources to ensure the quality of nursing home care in Delaware and to increase inspections at all facilities.
- ◆ To help ensure more compliance with statewide regulations of child care sites, an additional position within the Department of Services for Children, Youth and Their Families has been recommended to conduct unannounced inspections at child care facilities throughout Delaware.

## CUTTING TAXES AND ENSURING FISCAL RESPONSIBILITY

### *Cutting taxes*

- ◆ The Governor is proposing to reduce personal tax rates across the board, including a reduction in the top rate from 6.9 percent to 6.7 percent and eliminating more than 10,000 of the lowest income

taxpayers from the State tax rolls altogether. This initiative, preceded by personal income tax cuts in 1996 and 1997, will result in an average rate reduction of nearly nine percent from 1993 income tax levels.

- ◆ The Governor's Recommended Budget includes a proposal to cut and equalize the gross receipts tax. This initiative is designed to cut taxes for all businesses; remove nearly 3,000 current taxpayers from the tax rolls; and simplify reporting requirements.

## PROMOTING ECONOMIC DEVELOPMENT AND CREATING JOBS

### *Promoting economic development*

- ◆ The Governor is proposing a new \$104.0 million Infrastructure Investment Plan to continue key long-term investments in education, the environment, and the economy. Provisions include open space and farmland preservation, educational technology, housing, transportation and Port of Wilmington investments.
- ◆ In the Bond and Capital Improvements Act, the Governor has recommended total authorizations of \$33.0 million from the Twenty-First Century Fund. These recommendations will complete the Governor's original investment plan as detailed during Fiscal Year 1996. These final investments include additional funding for open space, farmland preservation, state parks, educational technology, and advanced technology business development.

### *Creating jobs*

- ◆ The Governor has recommended an additional \$10.0 million for the Delaware Economic Development Office's Strategic Fund. The Strategic Fund promotes economic development by serving as a flexible source of funds to be used for retaining and enhancing the state's existing job base, as well as the recruitment of new employers. Since 1993, the Delaware Economic Development Office has used this fund to create or retain over 17,000 jobs.

# Fiscal Year 1999

## *Governor's Recommended Financial Package*

• <b>General Fund Operating Budget</b> .....	\$1,870.9 M
• <b>Grants-In-Aid</b> .....	\$ 28.0 M
• <b>Bond and Capital Improvements Act</b>	
- <u>Transportation Projects</u> .....	\$ 121.7 M
• <i>Transportation Trust Fund (\$114.7 M)</i>	
• <i>Transfer One-Time Cash to TTF (\$7.0 M)</i>	
- <u>State Capital Projects</u> .....	\$ 156.3 M
• <i>G.O. Bonds &amp; Interest (\$100.6 M)</i>	
• <i>One-Time Cash (\$55.7 M)</i>	
- <u>Twenty-First Century Fund</u> .....	\$ 33.0 M
• <i>4th (final) Year</i>	
- <u>Infrastructure Investment Plan</u> .....	\$ 104.0 M
- <u>Tax Cuts (Annual Cost)</u>	
• <i>Personal Income</i> .....	\$ 45.7 M
• <i>Gross Receipts</i> .....	\$ 8.0 M

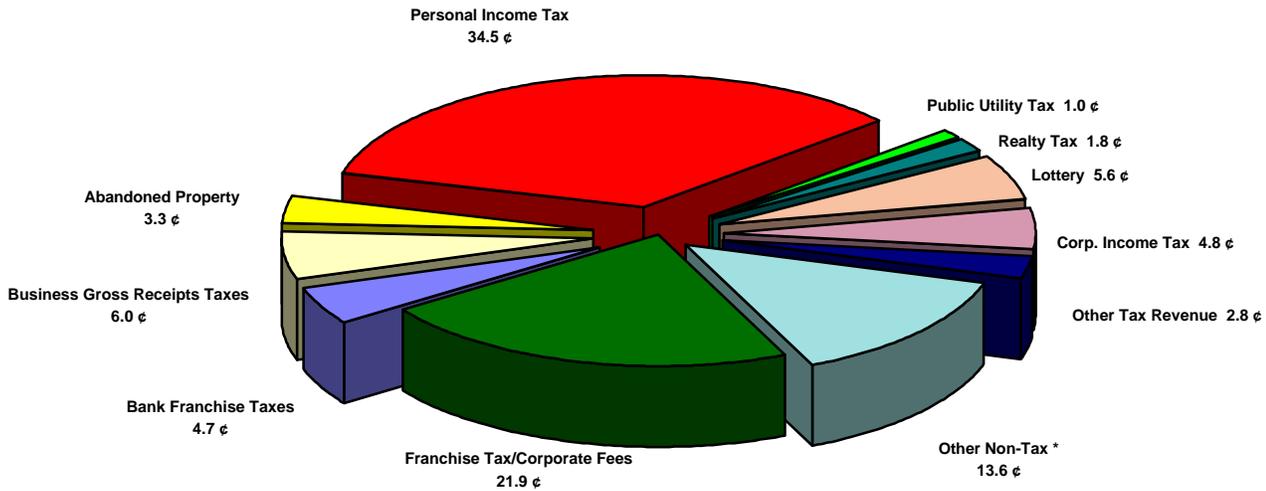
*Note: Amounts shown have been rounded.*

# BUDGET DOLLAR

## GOVERNOR'S RECOMMENDED BUDGET

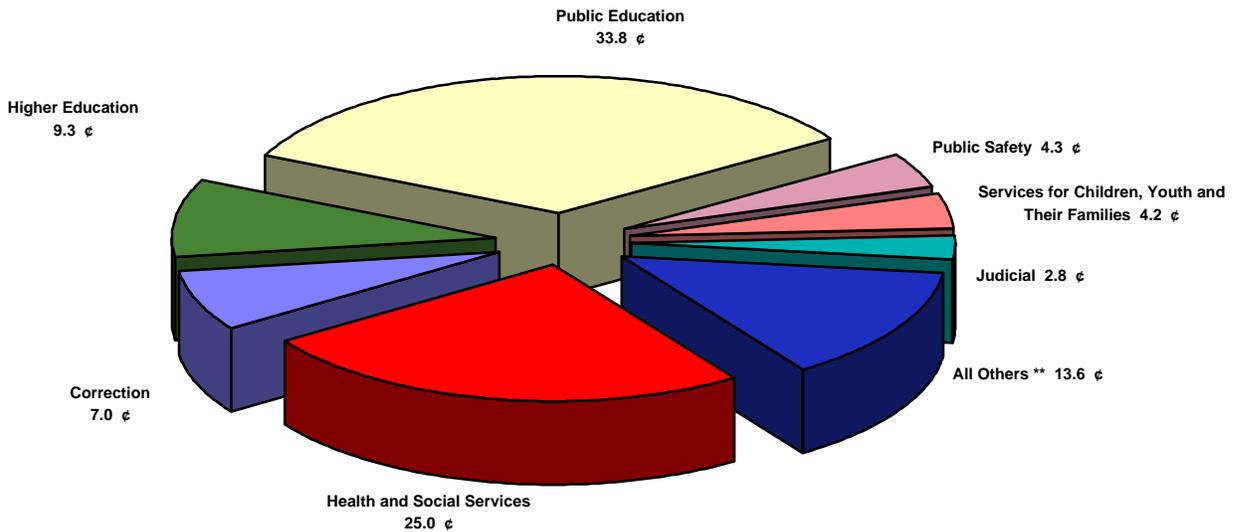
### Fiscal Year 1999

### Sources of Funds (net of refunds)



\* Includes Prior Year Unencumbered Cash Balance

### Appropriations



\*\* Includes One-Time Items

# **FY 1999 Governor's Recommended Operating and Capital Budget Overview**

## **★ Improving Education**

- Class Size/Unit Simplification
- Guaranteed Unit Count
- Extra Time
- Head Start
- School Discipline
- Renovation and Construction of Public and Higher Education Facilities

## **★ Fighting Crime**

- Security and Probation and Parole Staff
- Offender Tracking Technology
- Statewide Prison Construction Program

# **FY 1999 Governor's Recommended Operating and Capital Budget Overview**

## **★ Reforming Welfare And Strengthening Delaware's Families**

- Welfare Reform (“A Better Chance”)
- Children's Health Initiative
- Child Mental Health Treatment Team
- Wellness Centers
- Nursing Home Initiative
- Dental Program

## **★ Cutting Taxes And Ensuring Fiscal Responsibility**

- Personal Income Tax Cut
- Gross Receipts Tax Cut

## **★ Promoting Economic Development And Creating Jobs**

- Infrastructure Investment Plan
- Twenty-First Century Fund
- Strategic Fund

**GENERAL FUND BUDGET  
BY DEPARTMENT  
BY FISCAL YEAR**

	<b>FISCAL YEAR 1998*</b>	<b>FISCAL YEAR 1999* RECOMMENDED</b>
Legislative	\$ 9,926.5	\$ 10,101.7
Judicial	49,338.7	51,765.9
Executive	** 66,249.6	** 70,914.3
Other Elective	30,191.2	34,918.2
Legal	19,783.4	20,890.1
State	11,157.7	11,664.8
Finance	14,684.7	15,128.1
Administrative Services	36,685.1	37,610.1
Health and Social Services	457,445.2	466,819.4
Children, Youth and Their Families	76,586.9	79,522.8
Correction	116,244.6	130,975.6
Natural Resources and Environmental Control	31,301.6	34,038.4
Public Safety	74,490.1	80,474.9
Transportation	0.0	1,122.4
Labor	5,341.1	5,245.8
Agriculture	4,839.0	4,722.6
Elections	2,164.7	2,563.6
Fire	3,075.2	3,261.3
National Guard	2,541.9	2,673.7
Exceptional Citizens	86.4	87.4
Higher Education	168,028.4	174,176.6
Public Education	609,620.3	632,252.5
<b>STATE TOTAL</b>	<b>\$ 1,789,782.3</b>	<b>\$ 1,870,930.2</b>

\* Does not include funding for Grants-in-Aid and cash to the Bond and Capital Improvements Act.

\*\* Includes One-Time Items to be allocated statewide.

## ACTUAL AND PROJECTED FUNDING SOURCES CAPITAL BUDGETS FOR FISCAL YEARS 1997-1999

<u>SOURCE</u>	<u>ACTUAL FY 1997</u>	<u>ACTUAL FY 1998</u>	<u>GOVERNOR'S RECOMMENDED FY 1999</u>
<b>STATE CAPITAL PROJECTS (NON-TRANSPORTATION)</b>			
General Obligation Bonds	\$86,190,000	\$93,185,000	\$99,270,000
Deauthorization of IRB's	1,013,000	1,018,000	868,000
First State Improvement Fund	48,500	40,000	50,000
Reversions & Reprogramming	594,200	295,100	230,000
Stripper Well Funds	250,000	250,000	200,000
Bond Sale Interest	762,600	1,810,300	-
General Funds	<u>59,107,300</u>	<u>83,287,100</u>	<u>55,700,000</u>
<b>Subtotal (Non-Transportation):</b>	<b>\$147,965,600</b>	<b>\$179,885,500</b>	<b>\$156,318,000</b>
<b>TRANSPORTATION PROJECTS</b>			
Transportation Trust Fund	\$115,867,000	\$97,241,000	\$114,722,000
General Funds to TTF	-	26,500,000	7,000,000
Trans. Trust Fund-Reauthorization	<u>3,550,000</u>	<u>1,500,000</u>	<u>-</u>
<b>Subtotal (Transportation):</b>	<b>\$119,417,000</b>	<b>\$125,241,000</b>	<b>\$121,722,000</b>
<b>TWENTY-FIRST CENTURY PROJECTS</b>			
Twenty-First Century Fund	\$79,600,000	\$34,250,000	\$33,000,000
General Funds	<u>250,000</u>	<u>3,000,000</u>	<u>-</u>
<b>Subtotal (Twenty-First Century):</b>	<b>\$79,850,000</b>	<b>\$37,250,000</b>	<b>\$33,000,000</b>
<b>OTHER PROJECTS</b>			
Aid to Local Government	-	\$12,000,000	-
Infrastructure Investment Plan	<u>-</u>	<u>-</u>	<u>\$104,000,000</u>
<b>GRAND TOTAL:</b>	<b>\$347,232,600</b>	<b>\$354,376,500</b>	<b>\$415,040,000</b>

# INFRASTRUCTURE INVESTMENT PLAN

**TOTAL PLAN: \$104.0 MILLION**

## **GROWTH MANAGEMENT FUND: \$65.0 Million**

<b>Farmland Preservation</b>	<b>\$28.0</b>
<b>Open Space</b>	<b>\$15.0</b>
<b>Housing Development</b>	<b>\$8.0</b>
<b>Water/Wastewater Infrastructure</b>	<b>\$14.0</b>

## **ADDITIONAL INVESTMENTS: \$39.0 Million**

<b>Educational Technology</b>	<b>\$13.0</b>
<b>Port of Wilmington</b>	<b>\$10.0</b>
<b>Riverfront Development</b>	<b>\$10.0</b>
<b>Highway and Transportation Infrastructure</b>	<b>\$6.0</b>

# Twenty-First Century Fund Authorizations

Annual Authorization Levels:	Governor's Original Plan	Actual FY 1996-FY 1998	Governor's Recommended FY 1999*	Grand Total (FY 1996-FY 1999*)
Open Space	40,000,000	33,000,000	7,000,000	40,000,000
Farmland Preservation	40,000,000	33,000,000	7,000,000	40,000,000
Parks Endowment	15,000,000	13,000,000	2,000,000	15,000,000
Neighborhood Housing Revitalization	15,000,000	15,000,000	-	15,000,000
Water and Wastewater Infrastructure	25,000,000	25,250,000	-	25,250,000
Community Redevelopment	15,000,000	24,850,000	4,500,000	29,350,000
Educational Technology	30,000,000	26,000,000	4,000,000	30,000,000
Advanced Technology Centers	15,000,000	11,000,000	4,000,000	15,000,000
Diamond State Port Corporation	25,000,000	29,500,000	-	29,500,000
Resource, Conservation, and Development		15,200,000	4,500,000	19,700,000
<b>TOTAL</b>	<b>\$220,000,000</b>	<b>\$225,800,000</b>	<b>\$33,000,000</b>	<b>\$258,800,000</b>

## FY 1999 GOVERNOR'S RECOMMENDED CAPITAL BUDGET HIGHLIGHTS

### Delaware Economic Development Office

DEDO/Strategic Fund	\$ 10,000,000
Main Channel	2,500,000

### Office of Information Services

800 MHz Infrastructure/Equipment	3,033,000
Carvel Building PBX System	871,200
Sussex Volunteer Fire Radios	600,000

### Department of State

Archives Building	5,279,000
Archives Record Center Relocation	395,000
Sussex Veterans Cemetery	1,254,100
Georgetown Public Library	72,000

### Department of Administrative Services

New Castle County Judicial Center	35,400,000
State Agency MCI'S	7,162,100
Sussex Courthouse Renovation	3,000,000
Carvel Building Repairs	2,166,000
Old Court 7/16 Renovations	1,445,600

### Department of Health and Social Services

Forensic Mental Health Facility - Comegys	400,000
Maintenance and Restoration	1,000,000

### Services For Children, Youth and Their Families

New Castle County Detention Center	370,000
Stevenson House Admin. Addition/Renovations	493,900

### Department of Correction

DOC/Prison Construction Program	8,600,000
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### Department of Natural Resources & Environmental Control

Conservation Cost Share	800,000
Tax/Public Ditches	600,000
Beach Preservation	1,000,000
Park Rehabilitation	1,250,000
Indian River Inlet Marina Planning/Renovations	1,000,000
Wilmington State Parks Rehabilitation	300,000

# FY 1999 GOVERNOR'S RECOMMENDED CAPITAL BUDGET HIGHLIGHTS

(Cont'd)

## Department of Public Safety

Northern Public Safety Campus	3,000,000
Georgetown DMV Facility Planning	366,700
Helicopter Replacement	2,200,000

## National Guard

DNG/Smyrna Readiness Center	248,000
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## University of Delaware

Memorial Hall Renovation	3,500,000
Townsend Hall Renovation	3,500,000
MCI & Equipment	500,000

## Delaware State University

MCI & Equipment	3,390,000
MCI Supplemental	500,000
Economics/Business Building	956,700
Administration Building	2,653,300

## Delaware Technical and Community College

Wilmington Campus Expansion	4,145,000
POLYTECH Renovations - Terry	955,000
Repair/Reno Jason Bldg - Owens	1,900,000
MCI Supplemental	500,000

## Department of Education

MCI/Equipment	10,000,000
Survey & Evaluation of School Plants	500,000
Caesar Rodney -Replace 800 pupil Middle School	3,227,100
Caesar Rodney - New 800 pupil Middle School	3,058,700
Delmar - Construct 950 pupil Middle/High	13,151,400
Seaford - Construct District Admin Facility	293,700
Brandywine - Replace /Repair Roof at Cupola, PS duPont Elem.	264,000
Brandywine - Replace Roof at Claymont Ed. Center	324,000
Sussex Vo-Tech Adult Ed Facility	3,000,000
Referendum Contingency	2,000,000

**TOTAL: STATE CAPITAL PROJECTS**

**\$ 156,318,000**