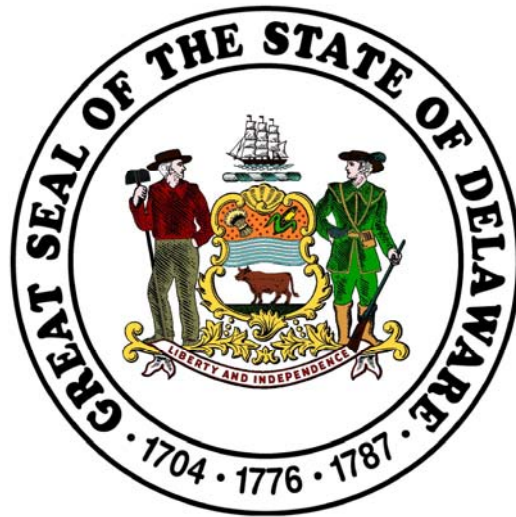


Delaware

Office of the Governor



Policy and Financial Overview

Fiscal Year 2009

Governor Ruth Ann Minner

Commitment to Key Financial Management Principles

Delaware's AAA Bond rating has been maintained during the Minner Administration by adhering to the following key financial principles:

- Preserving core state government services
 - Building a sustainable financial plan
 - Addressing long-term liabilities
 - Aggressive cost containment
 - Bolstering capital investments with pay-go funding
 - Aligning ongoing revenues with ongoing appropriations
- 

Fiscal Year 2009

Financial Overview

General Fund Budget\$3,362.9 M

Bond & Capital Improvements Act\$601.8 M

- Transportation Trust Fund.....\$268.6 M

- State Capital Projects..... \$333.2 M

G.O. Bonds (\$172.5 M)

General Funds (\$83.4 M)

Other (\$77.3 M)

Grant-In-Aid.....\$45.2 M

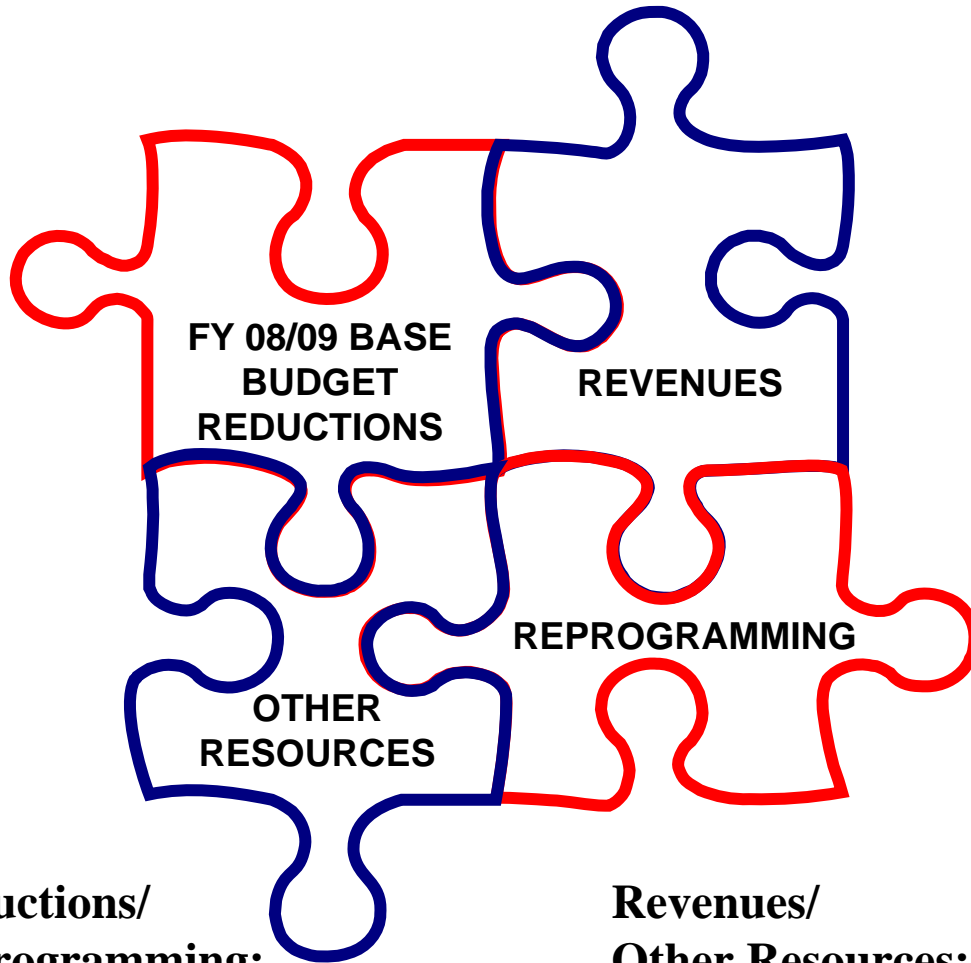
Totals may not add due to rounding

Responsible Budgeting:

The Cornerstone of the Minner Administration

- Align ongoing expenditures with ongoing revenues
 - Appropriate only to 98% of revenue
 - Maintain the Rainy Day Fund
 - Preserve benefits for most vulnerable including children, elderly and disabled
 - Drive down mandated costs
 - Limit discretionary/non-essential spending
 - Preserve core state government services
 - Only use Tobacco Funds for health care related purposes
-

Piecing it Together: Strategy to Construct FY 2009 Financial Plan



Reductions/ Reprogramming:

- Base Budget Cuts
- Reducing Government Workforce Without Layoffs
- County and City Government Contributions
- Debt Affordability Study
- Property Reassessment Study/Report
- Provider Tax Analysis/Report

Revenues/ Other Resources:

- Gross Receipts Tax
- Corporate Package
- Lottery Package
- Speed Up Insurance Tax Payment
- Reduce Dormancy For Securities

Operating and Capital Budget Highlights *Fiscal Year 2009*

IMPROVING EDUCATION

- Public Education Construction/Renovation/MCI - \$132.8 million
- K-12 School Construction Prioritization Fund - \$75.0 million (one-time)
- Public Education Enrollment Growth - \$11.1 million
- Full-day Kindergarten Implementation - \$4.8 million
- SEED Scholarships - \$689,000
- Higher Education - \$15.0 million

STRENGTHENING DELAWARE FAMILIES

- Medicaid - \$35.6 million
- Medicaid Buy-In - \$475,100 ASF (10/1/2008 Start Date)
- Cancer Council Recommendations - \$16.1 million (all funds)
- Energy Assistance Program - \$750,000

IMPROVING ACCESS TO CRITICAL RESOURCES

- Housing Development Fund - \$5.0 million
- Delaware Emergency Mortgage Assistance Program (DEMAP) - \$500,000
- Supporting Libraries - \$10.5 million

PROTECTING DELAWARE'S ENVIRONMENT

- Beach Preservation - \$2.2 million
- Conservation Cost Share - \$3.2 million

ECONOMIC DEVELOPMENT AND JOB CREATION

- Strategic Fund - \$10.0 million
- New Economy Initiative, Year V - \$1.0 million
- Diamond State Port Corporation - \$4.0 million
- Riverfront Development Corporation - \$2.0 million
- Fraunhofer Vaccine Development - \$1.0 million

INVESTMENTS IN STATE INFRASTRUCTURE

- EFP Financials - \$3.7 million
- 800 MHz System - \$4.5 million
- Delaware Health Information Network - \$1.5 million

Strategic Investments that build a foundation for the future

Improving Public Education

- Reading specialists in every public elementary school and math specialists in every public middle school
- Full-day kindergarten in 12 districts and 9 charter schools
- SEED Scholarships for Delaware students



Making Delaware Healthier

- Cancer Council Recommendations
- Infant Mortality Task Force Recommendations
- Tobacco Prevention efforts



Creating a Livable Delaware

- Open space, farmland and forestland preservation



Ensuring the Safety of Delawareans

- Trooper Expansion
- 800 MHz Enhancements



Creating and Retaining Quality Jobs

- New Economy Initiatives



Managing State Government Well

- 8 years of balanced budgets
- Controlling mandated costs
- Funding long-term liabilities today

