

## GOVERNOR'S POLICY OVERVIEW

In spite of an improving economic outlook, spending pressures will once again require policy makers to make tough decisions when allocating scarce budgetary resources. Delaware, like other states across the country, is dealing with these spending pressures in such areas as health care, corrections, and public education. Pent up demand for spending increases after four years of austere budgets is apparent throughout state agency budget requests. Salary scales must be maintained in order to attract qualified personnel to state employment. Vital programs must be enhanced to provide much needed services to our citizenry.

The proposed Fiscal Year 2006 operating budget totals \$2,744.2 million. This budget maintains the principles of sound financial stewardship that have been the hallmark of the Minner-Carney administration. These principles include aligning ongoing revenues and ongoing expenditures, protecting core government services, and avoiding one-time fixes. Delaware has been recognized nationally for making tough choices to cut the budgets and live within our means while protecting core state government services. For Fiscal Year 2006, we must continue to exercise fiscal restraint.

This budget will continue to address the goals to which this Administration is firmly committed:

- ◆ Schools that set high standards and prepare children for college, work, and life;
- ◆ A Livable Delaware that strengthens communities and preserves quality of life;
- ◆ Health, safety and self-sufficiency for every Delaware family;
- ◆ Economic development that nurtures and maintains high quality jobs; and
- ◆ A state government that is well-managed.

### SCHOOLS THAT SET HIGH STANDARDS AND PREPARE CHILDREN FOR COLLEGE, WORK AND LIFE

- ◆ A total of \$111.6 million is recommended for public education construction for Fiscal Year 2006. These recommendations invest \$30.8 million in school construction to continue the Minner-Carney Administration's goal of implementing full-day kindergarten statewide by 2008. These funds also support construction projects in the Indian River, Christina, Appoquinimink, Red Clay, Polytech, and Caesar Rodney school districts and at the Sussex Vo-Tech High School.

- ◆ The Governor recommends \$3,000.0 in Full Day K Contingency to maintain existing pilot programs and to begin the phase-in of statewide full-day Kindergarten, with the goal of having full-day Kindergarten available to all Delaware students by 2008. This phase-in of operational funds begins with those districts and charter schools that currently do not have construction needs and will be able to utilize this funding to provide full-day Kindergarten services to all of their students in the 2005-2006 school year.
- ◆ The Governor recommends \$1,311.7 in Math Specialists to begin the implementation of an initiative to provide one Math Specialist to all schools containing a grade configuration including any grade six through eight, to assist students who need additional support and instruction in standards-based mathematics with the intent that the students would be taught the skills they need to meet the Delaware mathematics standards as assessed by the DSTP. This level of funding will provide approximately 22 specialists in Fiscal Year 2006.
- ◆ The Governor recommends \$6,288.0 in General Contingency for projected unit growth of 100 Division I, II and III units in the 2005-2006 school year and \$2,248.8 in Division funding for 28 additional Division I and 125 Division II for actual unit growth in the 2004-2005 school year.
- ◆ The Governor recommends \$500.0 in Delaware Teacher Corps to provide 40 new service repayment loans to provide financial assistance to Delaware residents who want to become teachers in critical need areas in the state's public middle and high schools.
- ◆ The Governor recommends \$500.0 in Skills, Knowledge and Responsibilities Pay Supplements due to an increase in the number of approved professional development clusters. This appropriation will ensure sufficient funding to provide salary supplements to educators who successfully completed any approved professional development cluster.
- ◆ The Governor recommends \$2,578.7 in Public School Transportation to provide contingency funds for formula adjustments to be determined based upon recommendations from the Public School Transportation Committee. The Public School Transportation Committee consists of representatives from the Department of Education, Office of Management and Budget, Controller

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General's Office, school district transportation supervisors and local school bus contractors.

- ◆ The Governor recommends \$250.0 in Formula Salaries to provide an annual stipend of \$662 to instructional paraprofessional staff who have received an associate degree, completed two years of college or have successfully passed a comprehensive testing mechanism to recognize the new requirements placed on such individuals by the federal No Child Left Behind Act.
- ◆ The Governor recommends \$300.0 in Adult Education/Work Force Training to eliminate the existing waiting list.

## A LIVABLE DELAWARE THAT STRENGTHENS COMMUNITIES AND PRESERVES QUALITY OF LIFE

- ◆ To continue our progress in achieving a Livable Delaware that strengthens communities and preserves our quality of life, the Governor recommends the creation of a Livable Delaware Infrastructure Fund. This account, created through surplus abandoned property revenues, will be dedicated to infrastructure and environmental projects for Fiscal Year 2006. In combination with other funds, a total of \$42.2 million is recommended for investments in advanced planning for facility location, farmland preservation, green infrastructure, beach preservation, drinking water, and wastewater treatment. In addition to protecting our natural resources and open spaces, these investments will help direct growth to areas where state, county and local governments have prepared for it.
- ◆ The Governor recommends \$500.0 for the Advanced Planning Fund to continue to support Livable Delaware goals through expenditures associated with advanced planning and site acquisition for proposed state facilities.

## HEALTH, SAFETY AND SELF-SUFFICIENCY FOR EVERY DELAWARE FAMILY

- ◆ The Governor recommends \$45,850.0 as an inflation and volume adjustment for the Medicaid program caused by increasing health care costs and a client base that is projected to reach over 140,000 persons during Fiscal Year 2006.
- ◆ The Governor recommends a volume adjustment of \$791.6 recommendation for the Delaware Healthy Children Program as well as \$475.0 for General

Assistance. Also recommended is \$412.3 for child care that raises the reimbursement rates for providers of preschool age care.

- ◆ The Governor recommends \$13.4 million in the Recommended Bond and Capital Improvements Act for the first year construction funding of the Stockley Medical Center.
- ◆ The Governor recommends \$1,292.1 to annualize community placements from Fiscal Year 2005 in Developmental Disabilities Services. The providers in this division are also receiving increases of \$621.8. Funding totaling \$3,315.0 is also recommended for special school graduates, special population placements and community residential placements.
- ◆ The Governor recommends \$350.0 for the Acquired Brain Injury waiver; \$200.0 for increases to the Nutrition Program; and \$170.0 for provider increases in Services for Aging and Adults with Physical Disabilities.
- ◆ The Governor is recommending increases of \$469.0 and 6.0 FTE State Troopers to enhance statewide homeland security.
- ◆ The Governor recommends \$19,000.0 in the Bond and Capital Improvements Act for enhancements to the state's 800MHz emergency radio communication system.
- ◆ The Governor recommends \$3,743.6 to fund a \$600 increase in Hazardous Duty A-1 effective July 1, 2004 and to annualize a 5 percent Selective Market Variation (SMV) increase to all Correctional Officer series employees effective January 1, 2005.
- ◆ The Governor further recommends \$1,700.0 in the Department of Correction to address the potential recommendations of the two current correctional officer task forces.
- ◆ The Governor recommends \$522.9 TFO for the Truck Weight Enforcement Program. This program is a joint venture with the Department of Safety and Homeland Security to enforce truck weight restrictions and ensure that the expected life of roads is not shortened by over weight trucks.

## ECONOMIC DEVELOPMENT THAT NURTURES AND MAINTAINS HIGH QUALITY JOBS

- ◆ The Governor recommends \$12.0 million in the Recommended Bond and Capital Improvements Act for the second year funding for New Economy

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Initiative programs. The New Economy Initiative focuses on both the diversification of Delaware's economy and the fostering of a vibrant entrepreneurial culture in Delaware's business community. Significant progress has already been achieved utilizing the current year's appropriation. Second year funding will further spur new investments in existing facilities; support clean energy and fuel cell research; and invest in research and development.

- ◆ The Governor also recommends \$10.0 million to the Delaware Strategic Fund, \$10.0 million to the Diamond State Port Corporation and \$5.0 million to the Riverfront Development Corporation.

### **A STATE GOVERNMENT THAT IS WELL-MANAGED**

- ◆ The Governor recommends \$7,000.0 in the Bond and Capital Improvements Act for Technology Projects. These projects include the Judicial COTS system, improvements to the FACTS system in the Department of Services for Children Youth and their Families, and investments in the state's network infrastructure through the Department of Technology and Information.
- ◆ The Governor is recommending re-engineering efforts in various state agencies. First, the Governor recommends combining the Budget Office, State Personnel Office and units of the Department of Administrative services into a new Office of Management and Budget. Second, the Governor recommends a cost efficiency initiative in the Department of Health and Social Services to form a new Division of Medical Assistance and a new Division of Social Services and Aging.

