

POLICY OVERVIEW

The Governor's Recommended Fiscal Year 2010 Capital Budget totals \$344.0 million. Of this total, \$158.9 million is for Public Education and agency projects, and \$185.1 million is for the capital program of the Department of Transportation. The Governor's Recommended Fiscal Year 2010 Capital Budget addresses key policy priorities of the Governor in the following areas:

Education

The Recommended Fiscal Year 2010 Capital Budget reinforces the Governor's commitment to quality education by providing funds for the following:

- \$78.6 million for ongoing public education projects in the Appoquinimink, Brandywine, Caesar Rodney, Capital, Colonial, Smyrna, Lake Forest and Milford school districts.
- \$3.0 million for renovations of Alison Hall at the University of Delaware.
- \$3.0 million for Minor Capital Improvement and Equipment at Delaware State University.
- \$3.0 million for capital projects at Delaware Technical & Community College. These projects include \$1.4 million for the Collegewide Asset Preservation program, \$800,000 for campus improvements at the Stanton/Wilmington Campus and \$400,000 each for campus improvements at the Owens and Terry campuses.

Protecting Delaware's Environment

The Governor has recommended funding for projects associated with protecting the environment. These projects contribute to the foundation of the Livable Delaware agenda of the Governor. Projects include:

- \$2.2 million for Beach Preservation and Replenishment.
- \$1.7 million for the Drinking Water State Revolving Fund. Funding for this grant match is recommended through the Twenty-First Century Fund and leverages an additional \$6.0 million in federal funding to improve drinking water facilities statewide.
- \$1.0 million for the Clean Water State Grant Match. Funding for this grant match is recommended through the Twenty-First Century Fund and leverages an additional \$5.0 million in federal funding to improve water treatment facilities statewide.
- \$740,000 for Conservation Cost Share projects for the implementation of best management

practices in those projects with approved pollution control strategies.

Health, Safety and Self-Sufficiency for Every Delaware Family

The Recommended Fiscal Year 2010 Capital Budget supports the safety and security of Delawareans through investments in emergency response, housing preservation and health care. These investments include:

- \$2.5 million for housing preservation. These funds will be used to preserve the supply of low-income housing units for families in need.
- \$2.5 million for the Delaware Health Information Network.
- \$1.5 million to support ongoing construction at the Georgetown and Bridgeville public libraries.

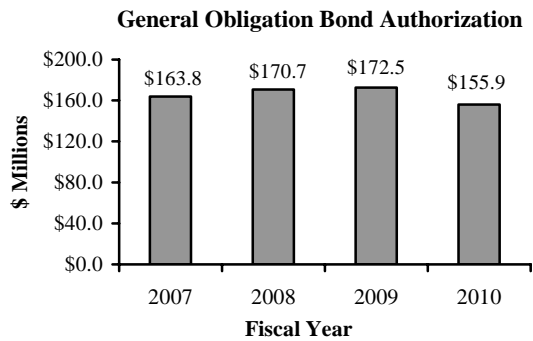
Economic Development, Job Creation and Retention

In the Fiscal Year 2010 Recommended Capital Budget, the Governor has recommended:

- \$9.0 million to the Delaware Strategic Fund to support economic development in Delaware. The Strategic Fund is the primary economic development tool of the Delaware Economic Development Office and provides a flexible funding mechanism for attracting new jobs and retaining existing jobs.
- \$2.0 million for continued support for the Diamond State Port Corporation.
- \$2.0 million for the Riverfront Development Corporation.
- \$1.0 million to the Fraunhofer Center for Molecular Biology for support in the development of new vaccines. This investment represents the fourth year of a five-year commitment toward this effort.
- \$1.0 million for the Experimental Program to Stimulate Competitive Research (EPSCOR).

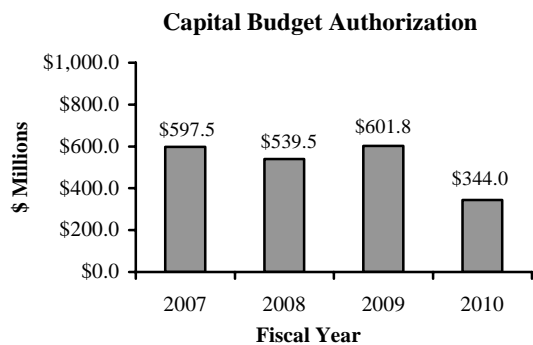
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For Fiscal Year 2010, the Governor recommends the authorization of \$155.9 million in general obligation bonds.

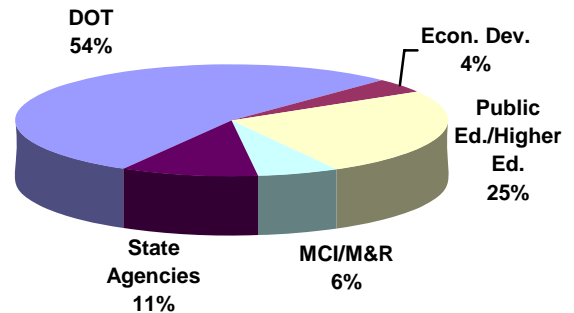


Additional Fiscal Year 2010 Capital Budget Highlights

- \$21.2 million for minor capital improvements, maintenance and renovation to State facilities.
- \$13.2 million for the Kent County Courthouse Complex.
- \$3.6 million for the continued development of the ERP Financials Reengineering Project.



FY 2010 Capital Budget by Program Area



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DESCRIPTION OF FUNDING SOURCES

General Obligation Bonds

Title 29, § 7422(b), Delaware Code, restricts the authorization of tax supported debt to five percent of the estimated General Fund revenue for that fiscal year. Based on the current estimates for Fiscal Year 2010 DEFAC revenue estimates plus Governor's Recommended adjustments, the maximum amount that could be authorized is \$155.9 million.

Reversions and Reprogrammings

A total of \$3.0 million of reprogramming is recommended to support the Fiscal Year 2010 Governor's Recommended Capital Budget.

Transportation Trust Fund

The Transportation Trust Fund (TTF) was created by the General Assembly in June 1987 as a dedicated funding mechanism for the Department of Transportation.

For Fiscal Year 2010, total TTF authorization supporting the Department's Financial Investments Program are estimated to be \$185.1 million.

Capital Budget Revenue Sources

