

## Markell Signs Budget Capping Legislative Session that Strengthens Delaware Schools, Business Climate, Public Safety and Equality

July 1, 2013

*Balanced Budget Funds Increases for Education, Public Safety*

Dover, DE – Surrounded by lawmakers, Governor Jack Markell signed a balanced fiscal year 2014 budget early this morning to cap a session that invested in job creation and greater



opportunities for all Delawareans and included long sought reforms in education and public safety.

“This session’s accomplishments reflect our dedication to ensuring Delaware can compete and win in a fast moving global economy well into the future,” said Markell. “We have made our state an even better place to live, work, raise a family, build a business and retire. With the hard work of our lawmakers, we achieved incredible progress toward providing quality educational opportunities for all of our students, fostering a climate that encourages businesses

to expand and create jobs, keeping our residents safe and making Delaware a welcoming place for everyone.”

Markell lauded the leadership of House Speaker Peter Schwartzkopf and Senate President Pro Tempore Patricia Blevins as he thanked Representatives and Senators for their commitments over the past six months. Highlights of their efforts included:

- **Improving the education system** with initiatives that increased funding by more than \$30 million, raised standards for teacher preparation programs, made it easier for families to choose the school best suited for their children, and brought more accountability to charter schools while supporting high-performing charter schools.
- **Boosting the state’s business climate to create jobs** by reducing tax rates where possible, particularly on manufacturers, addressing rising workers compensation costs and reforming the unemployment insurance system.
- **Making Delaware safer** by instituting universal background checks for gun purchases, requiring the reporting of lost and stolen firearms, adding State Troopers and accelerating the development of school safety planning.
- **Ensuring Delaware is a welcoming place for all people** by approving marriage equality and ending legal discrimination based on gender identity.

Overall, the Budget Act, Bond and Capital Improvements Act and Grants-in-Aid bills signed by the Governor ensured continued fiscal responsibility. The state continues to receive a AAA bond rating from all three rating agencies in large part due to appropriating just 98 percent of our available revenues and maintaining a fully funded Rainy Day Fund.

## Highlights of 2013 Legislative Session

### Improving Delaware Schools

“We recognize that our most important asset is our children,” said Markell. “By increasing investments in public schools, better preparing our teachers, making school choice easier for families to navigate and improving our charter schools, we have made significant strides toward giving all of Delaware’s students the education they deserve.”

- **Added more than \$30 million** in investments proposed by the Governor in the budget:
  - Increased **middle school mental health professionals** from 3 to 30 (\$3.3 million)
  - **Supported after-school and summer activities** to get kids off the streets and give them exposure to the arts, nature, and physical activity – with staff receiving training in suicide prevention (\$2.2 million)
  - Maintained school classroom size (\$8.8 million)
  - Provided step salary increases for school employees (\$8.5 million)
  - Funded Technology Block Grant to upgrade students’ equipment (\$2.25 million) and included additional resources specifically for computers (\$2.65 million)
  - Enhanced pay plan for paraprofessionals (\$1.5 million)
  - Supported Early Childhood Assistance Program (\$421K)
  - Funded contracts for speech pathologists, nurses and early childhood educators for the Birth to Three program (\$797K)
  - Reduced the impact of federal cuts from sequestration (\$3.2M)
  - Supported programs to help youth aging out of foster care (\$515K)
  - Supported programs for students capable of performing accelerated academic work (\$300K)
  - Funded full-day kindergarten in Indian River School District, establishing full day kindergarten in every Delaware school district (\$2 million)
  - **Included \$103 million in minor and major capital public education projects and \$12 million in minor and major capital higher education projects**
  - **Improved Teacher Preparation**: SB 51 recognized the opportunity to have more great teachers in the state’s classrooms by requiring improvements in educator preparation programs at the state’s colleges and universities. It raised the bar for admissions, ensured prospective educators will receive the training they need, including quality student teaching experiences and content specific instruction, and required passage of rigorous exit assessments before an individual qualifies to teach Delaware’s students.



- **Streamlined School Choice:** HB 90 updated the school choice process for the first time since 1998 to simplify the process for families and help ensure students can attend a school of their choice. The bill standardizes application forms and deadlines across traditional, vocational technical, and charter schools. It also eliminates discrimination against choice students by requiring districts to use the same standards for choice students as they do for students in their attendance zone, and limits the criteria a district may use to evaluate choice applications.
- **Reformed Charter School Framework:** HB 165 brought long-needed reforms to the charter school framework by updating the law to hold charter schools accountable for their results, while supporting high-performing charter schools, particularly those serving high-needs students. The law raised the bar for starting a charter school, provided increased flexibility and support for high-performing charter schools, and set consistent expectations with enforcement. It was the most significant update of charter laws since they were originally passed in 1995.

### **Improving the State’s Business Climate**

“In addition to ensuring our education system produces a strong workforce, we have responded to the business community’s needs by cutting red tape, making government more efficient and helping avoid unfair costs that prevent investments in their companies,” said Markell.

- **Reformed the Workers Compensation system to address business costs and safety:** HB 175 implements recommendations from a task force supported by the Governor and led by Lieutenant Governor Matt Denn after a dramatic increase in premiums the past two years. The bill places tighter controls on workers compensation medical costs, improves the state’s workplace safety program and more effectively encourages injured individuals to return to work.
- **Reformed the Unemployment Insurance system:** HB 168 shields employers from costly federal tax penalties by making balanced tax and benefit changes, enabling the Unemployment Insurance Trust Fund, which has built up a liability as a result of the recession, to pay off its loan balance by next year.
- **Provided \$29.2 million to the Strategic Fund** in the capital budget. In the past year, the fund has helped several successful companies expand their business in Delaware.
  - **GE Aviation plans to invest \$27 million and add 70 jobs** at its 110,000-square-foot facility in Newark as it expands into a LEAN laboratory to support increased production of ceramic matrix composites (CMCs), which are used to make advanced aircraft engine components. The company is committed to staffing 151 people at the Newark site by the end of 2016.
  - **ILC Dover will bring 115 new jobs to Delaware** by moving the manufacturing operations of its recently acquired subsidiary, Grayling Industries, to a new plant in Sussex County. The engineering development and manufacturing firm is known for making spacesuits for NASA, the airbag system for the Mars Rover and Personal Protection Equipment for military, homeland security and industrial users.
  - **Allen Harim announced its intentions to employ an estimated 700 people and invest \$100 million** as it expands investment in the United States through the acquisition of the former Pinnacle Foods (Vlasic) processing facility in Millsboro. The remodeled facility will be state of the art for poultry processing, cut-up, and cooking operations.

- **Simplified or deleted more than 140 state regulations.** The completion of the review by 12 state agencies required by the Governor’s Executive Order 36 will make it easier to do business in Delaware, particularly for small companies, make government operations more efficient and make agency rules simpler to use and understand.
- **Invested in Transportation, Infrastructure and Quality of Life Projects, including:**
  - \$45.1 million to supplement the Transportation Trust Fund
  - \$25.1 million in agency Minor Capital Improvements and Equipment (MCI) and Maintenance and Restoration
  - \$8 million for Diamond State Port Corporation
  - \$3 million in statewide trails and pathways
  - **Responsibly reduced gross receipts taxes for employers:** HB 53 lowers the gross receipt tax rate by 1 percent next year and makes the manufacturing rate still lower.
  - **Paved the way for a new health facility:** HB 89 will allow construction to move forward on a freestanding, inpatient rehabilitation hospital in Middletown, creating 80 quality jobs.
- **Maintained Delaware’s leadership in Corporate Law:** SB 47 enables the formation in Delaware of socially-conscious for-profit corporations managed not only for the pecuniary interests of their stockholders, but also for the benefit of other persons, entities, communities or interests.
- **Attracted major events to Delaware:** HB 16 allows alcohol sales revenues at large events to be shared by license holders, making it more attractive to Red Frog Events to keep Firefly in Delaware.

### **Making Delaware Safer**

“Businesses want to locate in strong and safe communities and Delawareans want and deserve to live in safe communities,” said Markell.

- **Established responsible gun safety laws:**
  - **Universal Background Checks:** HB 35 closes a loophole in state law by requiring background checks in connection with the sale or transfer of firearms between private parties. Previously, no background check was required for gun transfers not involving licensed dealers.
  - **Lost and Stolen Firearms Reporting:** SB 16 makes it easier for law enforcement to crack down on straw purchasers by requiring that gun owners report lost or stolen weapons to police. According to the Delaware Criminal Justice Information System, police have arrested more than 6,000 people in Delaware for illegal possession of a firearm since 2009. About half of the time the offenders acquire the weapon through straw purchasers – people who buy a weapon to give it to someone prohibited from having one.
  - **Supported law enforcement and crime prevention in the budget:**
    - Accelerated the adoption of comprehensive school safety plans, so that every school will have a plan in place within two years. (\$300K)
    - Added six new troopers to target the violent gangs and drug-trafficking organizations that are responsible for the majority of homicides in the City of Wilmington. (\$530K)

- Upgraded security at the New Castle County Courthouse and hired additional Capitol Police. (\$1.07M)

### **Ensuring Delaware is a welcoming place for all people**

“Today we can proudly say that Delaware is an even more welcoming and accepting state than when we convened this legislative session six months ago,” said Markell.

- **Provided Marriage Equality:** HB 75 legalized same-sex marriage in Delaware. As a result of HB 75 and last week’s Supreme Court Decision, same-sex spouses in Delaware will enjoy the same benefits, rights and privileges enjoyed by heterosexual spouses.
- **Addressed Gender Identity discrimination:** SB 97 prohibits discrimination against a person on the basis of gender identity and provides for increased punishment of a person who intentionally selects the victim of a crime because of the victim’s gender identity. Prior to its passage, it had been legal to fire someone, deny them housing, or throw them out of a restaurant simply because they are transgender.



### **Supporting Public Services**

The budget the Governor signed also ensured assistance would be available for the most vulnerable Delawareans by including:

- \$29.8 million to fund the State’s Medicaid commitment.
- \$5.0 million to support volume increases in Family Services and Prevention and Behavioral Health Services.
- \$6.8 million in Developmental Disabilities Services to support additional community placements and special school graduates
- \$2.8 million to the Departments of Health and Social Services, Services for Children, Youth and Their Families, and Correction to fund a 1% increase for State providers of services to clients.
- \$1.0 million to the Division of Vocational Rehabilitation to reduce waiting lists for supported employment.

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