Moving Delaware Forward

Investments
- **Education:** Preparing students to be college and career ready
- **Public Safety:** Preventing illegal firearms and crime
- **Job Growth:** Supporting innovation and workforce development partnerships

Unleash Potential
- Expanding college opportunities for high school students
- Reducing barriers to employment and increasing re-entry services for offenders
- Aligning workers’ skills with employers’ needs

Quality of Life
- Investing in our transportation network
- Revitalizing our Downtowns
- Clean Water for Delaware’s Future
## Operating Budget Overview

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December FY 2015 DEFAC Resources (@98%)</strong></td>
<td>$3,810,700.0</td>
</tr>
<tr>
<td><strong>FY 2014 Appropriations</strong></td>
<td>(3,823,796.0)</td>
</tr>
<tr>
<td><strong>Funds Available</strong></td>
<td>$ (13,096.0)</td>
</tr>
</tbody>
</table>

### FY 2015 Costs

#### Personnel
- 1% General Salary Increase: (15,650.2)
- Public Education Steps: (9,211.1)
- Annualize the education paraprofessional pay plan: (1,200.0)
- Projected employer pension contribution: (323.5)
- Other Steps/Annualizations/Personnel: (6,379.6)

#### Education
- Public Education - Projected growth of 220 units: (18,990.8)
- Pupil transportation formula increases: (3,412.8)
- Equalization formula growth: (3,204.6)
- Academic Excellence growth: (2,411.4)
- Teacher and Leader Development: (1,700.0)
- College Access Program: (1,500.0)
- Other education items: (1,040.4)

#### Medicaid: (23,976.0)

#### Debt Service: (17,000.0)
## Operating Budget Overview

### Health and Social Services
- Developmental Disabilities Services new placements: (5,579.1)
- Special School Graduates: (3,615.0)
- Community-Based services for individuals with serious and persistent mental illness: (2,000.0)
- Nurse Family Partnership: (1,300.0)
- Other health items: (494.0)

### Operations
- Elections - Primary and General Election: (1,967.1)
- Labor - Workforce Development: (1,000.0)
- Correction - Food Service Program: (718.0)
- DSCYF - Youth aging out of foster care: (515.0)
- DSHS - School Facility Access Control: (400.0)
- DSHS - Ballistic Resistant Vests: (315.9)
- DSHS - Enhanced Firearms Investigations: (265.3)
- DSCYF - Child Well-being Assessment Tool: (250.0)
- DSCYF - Youth Re-entry Services: (250.0)
- Correction - Pre-trial supervision: (250.0)
- Other operational items: (949.5)

### Total FY 2015 Costs

\[ $ (125,869.3) \]
New Initiatives Represent Minimal Budget Growth

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substance Use Disorder Services</td>
<td>$2,000.0</td>
</tr>
<tr>
<td>Teacher and Leader Development</td>
<td>$1,700.0</td>
</tr>
<tr>
<td>Nurse Family Partnership</td>
<td>$1,300.0</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>$1,000.0</td>
</tr>
<tr>
<td>School Facility Access Control</td>
<td>$400.0</td>
</tr>
<tr>
<td>Enhanced Firearms Investigations</td>
<td>$265.3</td>
</tr>
<tr>
<td>Pre-trial Supervision</td>
<td>$250.0</td>
</tr>
<tr>
<td>Youth Re-entry Services</td>
<td>$250.0</td>
</tr>
<tr>
<td>Child Well-being Assessment Tool</td>
<td>$250.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,415.3</strong></td>
</tr>
</tbody>
</table>

New initiatives represent 0.199% budget growth.
Available Resources Insufficient to Fund FY 2015 Costs

Funds Available Surplus/(Deficit) $ (13.1)
FY 2015 Cost Drivers (125.9)
Subtotal: Appropriation Surplus/(Deficit) $ (139.0)

Figures above expressed in millions.
The State of the State’s Finances
Addressing the FY 2015 Gap

Subtotal: Appropriation Surplus/(Deficit) $ (139.0)

Reductions/Reallocations/Special Funds 33.0

Agency and Program Cuts 56.5

Total: Appropriation Surplus/(Deficit) $ (49.5)

Figures above expressed in millions.
### Agency and Program Cuts

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Trust Fund</td>
<td>$39,200.0</td>
</tr>
<tr>
<td>Open Space</td>
<td>7,840.0</td>
</tr>
<tr>
<td>Farmland Preservation</td>
<td>7,840.0</td>
</tr>
<tr>
<td>Energy Efficiency Fund</td>
<td>1,568.0</td>
</tr>
</tbody>
</table>

Revenue reflected at 98%
The State of the State’s Finances
Addressing the FY 2015 Gap

Subtotal: Appropriation Surplus/(Deficit)  $ (139.0)

Reductions/Reallocations/Special Funds  33.0

Agency and Program Cuts  56.5

Total: Appropriation Surplus/(Deficit)  $ (49.5)

Figures above expressed in millions.
Incorporation Proposals

Increase annual tax on Limited Liability Companies, Limited Partnerships and General Partnerships from $250 to $300
  •  Raises $33.0 million

Increase minimum annual Corporation Franchise Tax from $75 to $175
  •  Raises $18.0 million

Revenue Impact:  $51.0 million
### A Balanced Plan

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal: Appropriation Surplus/(Deficit)</td>
<td>$ (49.5)</td>
</tr>
<tr>
<td>Incorporation Revenue (@98%)</td>
<td>50.0</td>
</tr>
<tr>
<td>Total: Appropriation Surplus/(Deficit)</td>
<td>$ 0.5</td>
</tr>
<tr>
<td>Grants-in-Aid</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Total:</td>
<td>$ 0.0</td>
</tr>
</tbody>
</table>

Figures above expressed in millions.
FY 2015 Recommended Capital Budget
Economic Development

Spurs job creation, retention and economic growth.

Meets agency core needs and provides continued funding for ongoing state projects.

$22.2 million for Strategic Fund Recommended.

Previous Strategic Fund Investments:
- Springleaf General Services Corp.
- Mountaire Farms of Delaware, Inc.
- ILC Grayling
- Amplified Geochemical Imaging
- Amazon
- Incyte Corp.
- Handy Tube Corp.
- Uzin Utz AG
- Kraft Foods Group
- Miller Metal Fabrication
- SevOne Corp.
- GE Aviation
- Ashland
- Atlantis Industries
FY 2015 Recommended Capital Budget
Economic Development

$10.0 million for a container crane and infrastructure improvements at the Diamond State Port Corporation.

$3.1 million for the Riverfront Development Corporation.
$3.0 million to assist in the planning and design of the Delaware Cyber Initiative.

$2.0 million for the Federal Research and Development Matching Grant Program.
FY 2015 Recommended Capital Budget Education

$92.6 million for Public Education projects.
- Funding for Minor Capital Improvements.
- Funding for major capital projects in the Capital, Laurel, Red Clay, Woodbridge, Cape Henlopen, Milford, Lake Forest, Smyrna, Indian River, NCC Vo-Tech and Polytech districts.

$16.5 million for Higher Education projects.
- Funding for projects at Delaware State University, Delaware Technical and Community College and the University of Delaware.
$6.0 million (in addition to $4.0 million in the operating budget) for DSHA’s Housing Development Fund.

*Between FY 2009 and FY 2013, $46.8 million was dedicated to this fund, leveraging over $172.2 million in federal and private funds and retaining or creating an estimated 1,387 jobs.*

$7.0 million to promote rehabilitation and construction in designated Downtown Development Districts.
FY 2015 Recommended Capital Budget

Quality of Life

$4.2 million for libraries, including Delmar, Lewes, Route 9/13 and Harrington.

Since FY 2010, $24.6 million has been dedicated to library construction.

$2.9 million for redevelopment of strategic sites, including NVF and Fort DuPont.

$2.7 million for Statewide Trails and Pathways.
FY 2015 Recommended Capital Budget
Ensuring Public Safety

$3.0 million for new Troop 3 in Camden.

$1.7 million for the renovations to the Delaware National Guard’s 198th Readiness Center in Newport.
FY 2015 Recommended Capital Budget
Infrastructure

$25.0 million in agency Minor Capital Improvements and Equipment and Maintenance and Restoration funds.

$14.8 million for statewide facility improvements.
## FY 2015 Recommended Financial Plan

<table>
<thead>
<tr>
<th>Budget Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Operating Budget</td>
<td>$3,829.7 million</td>
</tr>
<tr>
<td>Transportation Trust Fund Budget</td>
<td>$342.2 million</td>
</tr>
<tr>
<td>Grants-in-Aid</td>
<td>$45.2 million</td>
</tr>
<tr>
<td>Bond and Capital Improvements Act</td>
<td>$460.9 million</td>
</tr>
<tr>
<td>- State Capital Projects</td>
<td>$253.5 million</td>
</tr>
<tr>
<td>- Transportation Projects</td>
<td>$207.4 million</td>
</tr>
</tbody>
</table>

*FY 2015 Operating Budget reflects 3.0% growth*
End of Presentation