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Delaware Governor Jack A. Markell
www.governor.delaware.gov

Markell Budget Supports Jobs and Economic Opportunity; Invests in Delaware's Future

Fiscal Year 2015 Proposal Keeps Core Commitments to Education and Public Safety, while maintaining fiscal responsibility

DOVER – Governor Jack Markell today unveiled a balanced budget proposal that promotes increased job and educational opportunities, supporting the theme of his State of the State address last week when he focused on ways to unleash the potential of all Delawareans. The budget also upholds the Governor's core commitments to schools and public safety, while maintaining fiscal responsibility by appropriating 98 percent of available revenues and sustaining a fully funded Rainy Day Fund.

"This budget invests in what we value," said Markell. "It targets the key areas that we know are essential to maximizing economic opportunity for Delawareans: education and job training to strengthen our workforce; innovation and infrastructure to support businesses; and programs that will help our most vulnerable citizens and neighborhoods so everyone can have a fair shot to make the most of their abilities."

Unleashing the Potential of Delawareans

Promoting New Job and Educational Opportunities

The Governor expanded on a series of proposals from his State of the State aimed at providing all Delawareans the opportunity to reach their full potential. Specifically, he recommended **\$1.0 million to increase hands-on learning opportunities for high school students**. These funds will utilize public-private partnerships to provide hands-on training, certificate completion, mentoring and college credit in various occupational fields such as mechanics and manufacturing. Included in this effort is a new, two-year manufacturing technologies initiative for high school juniors and seniors that focuses on mechanical, electrical, and computer engineering and can lead to nationally recognized manufacturing certificates.

“By itself, a high school diploma is no longer a ticket to a good job for most of our students,” said Markell. “We need to ensure they have the chance to pursue a path of additional training that allows them to reach their potential. Access to hands-on experiences in growing fields is a crucial part of our strategy and builds on our work to ensure our students have the resources to take advantage of college opportunities available to them.”

An additional \$3.0 million investment to launch the Delaware Cyber Initiative is also proposed. This initiative creates a partnership between higher education institutions, the private sector and the State to develop a workforce and research location targeting the area of cyber security. Additionally, \$2.0 million is recommended for Federal Research and Development Matching Grant, announced in the Governor’s State of the State.

“As our world continues to change and more transactions take place online, one of the most promising areas for research is cyber security,” said Governor Markell. “There is a significant need for trained cyber security professionals with hundreds of unfilled jobs existing in Delaware today. With support from the University of Delaware, Delaware State University, Delaware Tech and the private sector, we can train Delawareans to fill those jobs, and we can create more.”

Supporting Vulnerable Citizens and Communities

The Governor proposed new investments aimed at supporting youth most at-risk of not reaching their potential. These include

- **\$1.3 million in the Nurse-Family Partnership Program.** This funding would more than double the number of mothers who are served by a program proven to improve opportunities for kids. Visits by these nurses to first-time low-income mothers has resulted in better academic performance, less juvenile delinquency and better overall child health outcomes.
- **\$250,000 for an online Child Well-Being Assessment.** This tool would use decades of data to give the Department of Children, Youth and Their Families a predictive model that allows for better informed intervention and placement decisions for 2,500 disadvantaged youth.
- **\$250,000 for Re-entry Services for youth leaving the juvenile justice system.** This funding would provide intensive rehabilitative services, such as assistance with transitioning into the education system, family outreach services, and youth-family advocates for one year.

In an effort to revitalize neighborhoods across the state, Governor Markell’s recommended capital budget proposes a **\$7 million investment to promote rehabilitation and construction in designated Downtown Development Districts.** This initiative will strengthen and enhance downtown areas by incentivizing rehabilitation and construction up to 20 percent of the total project cost.

Keeping Core Commitments to Public Schools

The budget includes significant investments in public education, including \$18.9 million for 220 new teacher units in schools, \$9.2 million for step increases for school employees and \$1.2 million to continue to advance a new pay plan for paraprofessionals. The recommended capital budget dedicates \$92.6 million for construction projects in school districts throughout the state.

“The future of our state is only as strong as our schools,” said Markell. “We have a responsibility to invest in the teachers who shape our next generation of workers, entrepreneurs and innovators, and our support must include providing the facilities and resources needed to foster a productive learning environment.

Public Safety:

To address one of the major causes of gun violence in our cities, particularly in Wilmington’s most violent neighborhoods, the budget includes **\$265,300 to create a new Division of Special Investigations that will focus on gun-trafficking.**

Final Budget Totals

Among the combination of cuts and new revenues used to balance the budget while investing in job creation and economic opportunity in a fiscally responsible way, the Governor has proposed an increase in two annual incorporation taxes for alternative entities, such as LLCs, and corporations that would pay the minimum tax level.

The proposal would increase the annual tax on Limited Liability Companies, Limited Partnerships and General Partnerships from \$250 to \$300, and increase the minimum annual Corporation Franchise Tax from \$75 to \$175.

The Governor has also proposed a one percent general salary increase for state workers.

The Fiscal Year 2014 Recommended Operating Budget totals \$3,829.7 million. The proposed Fiscal Year 2014 Recommended Bond and Capital Improvements Act totals \$460.9 million and includes \$253.5 million in State agency capital projects and \$207.4 million in Transportation projects. The Governor also set aside \$45.2 million for Grants-in-Aid. New initiatives represent 0.199% budget growth.

A power point of the proposal is available online:

<http://budget.delaware.gov/fy2015/documents/budget-presentation.pdf>.