

Governor Signs Balanced Budget Expanding Economic Opportunity

Dover, DE – Surrounded by lawmakers early this morning, Governor Jack Markell signed a balanced Fiscal Year 2015 budget to cap a legislative session focused on increasing economic opportunity for all Delawareans.

Despite a fiscal climate that has remained challenging even in a time of job growth, the funding appropriated in the Budget, Bond and Capital Improvements and Grants-in-Aid bills keeps the Governor's commitment to fiscal responsibility. Overall, the accomplishments of this session:

- Support business creation and growth;
- Give citizens access to the education and training they need to succeed in today's economy;
- Remove barriers to employment; and
- Encourage economic development in our cities.

The Fiscal Year 2015 Operating Budget contains 2.46% growth over Fiscal Year 2014 despite unanticipated increases in Medicaid expenses and the number of children attending Delaware schools. Average annual budget growth during the Markell administration (2009-2015) is 2.2%.

The state has continued to receive a AAA bond rating from all three rating agencies in large part due to appropriating just 98 percent of available revenues and maintaining a fully funded Rainy Day Fund. This year's budget adheres to those principles.

“When we gathered at the beginning of this legislative session, I spoke about the goal of unleashing the potential of our people – about our shared belief that we all stand to gain when everyone gets a fair shot,” said Markell. “At the core of that mission is a responsibility to ensure economic opportunity is available for all Delawareans.

“Delaware's economy continues to outperform the country where it matters most, with job growth outpacing the national average every month since the start of 2013, and during the past six months we have kept moving forward. The achievements of this session will help more people realize their potential and make the most of their abilities in our great state.”

Encouraging Economic Development and Job Creation

“We supported our job creators by bringing down the cost of doing business while taking steps to spur the research and development that leads to innovation and job growth,” said Markell.

- [**Established Downtown Development District program \(SB 191\)**](#) to revitalize urban areas and spur economic activity by attracting increased private funding through development and other incentives in selected areas. It is funded at the **full \$7 million** requested to allow for the selection of 1-3 districts in the first year.
- [**Reformed workers' compensation system \(HB 373\)**](#) to reduce high costs to businesses through recommendations of a task force created by the Governor and General Assembly.

- [Supported small business innovation \(HB 318\)](#) and growth by doubling the R&D Tax Credit for them. HB 318 targets the credit toward startups and small companies with less than \$20 million in receipts by making them eligible for a tax credit of up to 100% of the federal credit, while large companies continue to qualify for up to 50%.
- **Encouraged and supported innovation** through the Delaware Cyber Initiative to spur innovation in a key industry that has hundreds of unfilled jobs in the state (**\$3M in Bond Bill**) and through funding for a **Federal Research and Development Matching Grant Program (\$2M in Bond Bill)**.
- [Spurred Fort DuPont Redevelopment \(HB 310\)](#), recognizing Fort DuPont’s enormous potential as a sustainable, mixed-use community that preserves the historical and environmental interests of the complex and surrounding areas. The bill authorizes the creation of the Fort DuPont Redevelopment and Preservation Corporation, an entity that will spearhead the renovation, redevelopment, and preservation of the complex.
- [Extended the Bank Franchise Tax Credit](#) to support financial industry job creation by changing the sunset of the tax credit from January 1, 2022, to January 1, 2032, and providing for a rolling base year for measuring employment growth.
- [Helped Veterans transition to civilian workforce \(HB 296\)](#) by having professional licensing boards recognize military education, training, and experience when reviewing credentials and issuing licenses.
- [Prioritized energy efficiency \(SB 150\)](#), which reduces energy bills and creates local construction jobs, by driving investments in energy efficiency that displace more expensive energy supply purchases.
- **Funded the Division of Special Investigations focused on gun safety** to make our communities safer through in-depth investigations into firearm transactions and gun trafficking and by developing a statewide enforcement and oversight strategy. (**\$265K**)

Creating Opportunities to Work

“We have no higher priority than ensuring employers have access to a skilled workforce in Delaware because that’s what businesses say is most important to them, and because gaining the right skills is critical for workers to succeed in today’s economy,” said Markell.

- **Funded [Accelerated Career Path](#)** opportunity for high school students to gain professional certificates in manufacturing by the time they graduate, while receiving exposure to Delaware Tech and the workplace. To further promote and support experiential learning as a workforce development tool, the budget funds a **competitive grant program for public-private partnerships** between employers and schools. (**\$900K**)
- **Increased Access to College**
 - o Funded college access initiatives, including [dual enrollment options](#), and efforts that have been part of the “[Getting to Zero](#)” program. (**\$1.5 million**) This work has produced results:
 - All college-ready seniors in this year’s graduating class [applied and have taken steps to enroll](#) (in previous years about 1 in 5 did not); and
 - More students are [taking AP courses and passing AP tests](#).

Supporting Opportunities to Learn

“Any successful economy and society needs great schools,” said Markell. “We have made unprecedented strides in efforts to attract and retain great teachers while giving school leaders the chance to use state funding in ways that work best for their students.”

- **Invested in Delaware schools**
 - o \$19.0 million to maintain classroom size and fully fund unit count (220 units).
 - o \$10.2 million for step increases for school employees and the enhanced paraprofessional pay plan.
 - o \$2.9 million for pupil transportation associated with enrollment growth.
- **Initiated effort to improve the educator compensation system (SB 254)** to make starting salaries competitive, reward educators who take leadership roles, and better support those who work with the most at-risk students. These are critical steps to help Delaware attract, develop, and retain high-quality educators, who are the most important school-related factor in students' academic success.
- **Established a path forward for school district funding flexibility** after more than six decades operating with the current funding system. The rigid state funding model has prevented school leaders from developing innovative ways to best serve their students. **(Budget Epilogue)**
- **Transitioned to assessments aligned with Common Core (HB 334)**. This move will align state assessments to college and career ready standards.

Building Opportunities for Those in Need

“We cannot meet the potential of our state unless we give all of our people a fair chance to meet their potential,” said Markell. “We have taken steps to reform our criminal justice system to give ex-offenders the opportunity to contribute when they have repaid their debt to society, and we have removed barriers to employment for them and other groups that have faced obstacles.”

- **Raised minimum wage from \$7.25 to \$8.25 per hour. (SB 6)** Upon signing the bill, Governor Markell emphasized that "raising the minimum wage represents one of the fastest ways we can act to give a boost to many struggling working families."
- **Addressed employment discrimination against ex-offenders** by banning the box for public employers **(HB 167)** and permitting the Department of Correction to offer employment for up to 6 months to ex-offenders who have demonstrated exceptional job skills. **(HB 264)**
- **Ended driver's license revocation** for drug offenders whose crimes don't involve a motor vehicle, removing an obstacle for them to get a job and contribute to their communities. **(SB 217)**
- **Addressed rising prison costs and made the approach to sentencing and penalties more appropriate.** Initiatives included:
 - o **Sentencing reform** that ends Delaware's status as the only state to not allow concurrent sentences **(HB 312)**; and

- o A **pre-trial supervision program** to will keep some non-violent individuals out of prison. **(\$250K)**
 - **Funded community-based advocates for young people** transitioning out of juvenile facilities to help them keep their lives on track when they return to their communities. **(\$250K)**
 - **Established a [Youth Re-Entry Education Task Force](#)** ensuring the appropriate services are available for youth leaving juvenile secure care facilities.
 - **Transformed the way the state handles addiction** through better treatment, community care management and other related services. The State will increase detoxification services, assertive community treatment team services and sober living occupancy rates, while also establishing a comprehensive system to meet the needs of people in correctional facilities who have substance abuse disorders. **(\$1 million)**
 - **Supported public services for people in greatest need**
- o \$3.8 million in the Division of Developmental Disabilities Services to support additional community placements.
- o \$3.6 million for community-based services for individuals with serious and persistent mental illness.
- o \$1.8 million to the Division of Developmental Disabilities Services to support an estimated 175 additional special school graduates.
- o \$1.3 million to help kids get off to the right start by expanding the proven Nurse-Family Partnership program that assists first-time mothers.

Making Government Work Effectively and Efficiently

“While ensuring economic opportunity for all must be our ultimate goal, that can only happen if we also fulfill our obligation to give Delawareans faith in their elected officials and to make government as effective and efficient as possible,” said Markell.

- **[Reformed the Office of Medical Examiner](#)** to restructure it as a free-standing division of the Department of Safety and Homeland Security. The bill addresses issues that contributed to the problems reported earlier this year by providing for oversight and accountability of the division and its new director. **(SB 241)**
 - **Enacted further campaign finance reform** legislation to build on earlier efforts during the Governor’s Administration to increase transparency and effectiveness of the campaign finance system, while also improving the overall effectiveness and efficiency of how the state administers elections.
- o **[HS 1 to HB 302](#)** consolidates the three County Elections Boards, grants a new State Board of Elections authority over campaign finance-related disputes, and allows for anonymous reporting of election law violations.
 - o **[SB 186](#)** requires that entities disclose name and address of one “responsible party” – someone who shares or exercises direction or control over entity’s activities.

- o [**HB 301**](#) provides for clearer attribution of contributions from joint accounts by requiring that contributions from joint accounts (including but not limited to bank accounts) be attributed to the person signing the check or authorizing payment.

- o [**HB 300**](#) addresses whistleblower protections for employees who report and/or refuse to participate in violations of campaign finance laws, and who participate in an investigation, hearing, trial or inquiry of a campaign finance violation.

- o [**SB 187**](#) provides a safe alternative for the return of prohibited campaign and suspected prohibited campaign contributions.