

Contact: Kelly Bachman, Governor's Office, 302.299.9791  
Jessica Eisenbrey, Office of Management and Budget 302.387.2938  
**Thursday, January 29, 2015**



Delaware Governor Jack A. Markell  
[www.governor.delaware.gov](http://www.governor.delaware.gov)

## **Markell FY 2016 Budget Invests in Creating Opportunity for Delawareans; Focuses on Preparing Students for New Economy**

***Governor highlights efforts to support job growth and strengthen schools as well as make improvements to Substance Use Treatment and Prevention efforts***

***Budget meets growing demands for services while maintaining fiscal responsibility***

DOVER – Governor Jack Markell today unveiled a balanced budget proposal that promotes increased educational and job opportunities and strengthens the State's resources for those battling substance use disorders. The budget maintains the Governor's commitment to fiscal responsibility by appropriating 98 percent of available revenues and sustaining a fully funded Rainy Day Fund.

"Our budget reflects our values," said Markell. "We must ensure our children and grandchildren have the same kind of bright future that previous generations left behind for us, and that means concentrating our investments where they can have the most impact in creating economic opportunities for Delawareans."

At today's budget release, Markell highlighted the difficult economic times Delaware has faced even as the state has realized significant achievements in creating jobs, strengthening schools, and improving quality of life in the state during difficult budget times. When adjusted for inflation and population growth, the size of government has decreased since 2009.

## **Supporting Delawareans to Seize Opportunities for a Bright Future**

### **Educating Students for Tomorrow's Workforce**

The budget proposes a significant increase in public education funding, including: \$15.3 million for 186 new teacher units to meet the demands of increased enrollment in public schools; \$9.8 million for salary step increases for school employees; \$1.9 million to annualize and continue progress on the pay plan for paraprofessionals.

In addition, Markell outlined \$9.5 million in additional state funding based on feedback from teachers, principals, and other school leaders about the initiatives that are having the greatest impact in Delaware classrooms. These resources will support specific requests from the education community and will sustain efforts begun when Delaware won the federal Race to the Top grant at a fraction of the amount provided by the federal government over the last four years. Initiatives include:

- Student intervention and response, which allows educators to better target high-quality instruction to match needs of individual students who are not making sufficient progress
- Support for English Language Learners, including bilingual programming, transition education, and additional English learning support
- School safety enhancements consistent with recent school safety efforts supported by the Department of Safety and Homeland Security
- Grants to high needs schools for initiatives that have proven to help students, like extending the school year, providing three meals a day, and offering after-school and summer programs.
- Recruitment, mentorship, and retention of great teachers and principals, which includes maintenance of the statewide online hiring portal used by nearly every district and charter school to recruit and hire earlier.
- Tracking student progress and identifying student needs by maintaining and upgrading the state's student data system, giving teachers access to information that helps them examine which lessons are working and how others can be improved.
- Supporting teachers in developing lessons aligned with the Common Core standards for college and career readiness.
- College access efforts, including College Application Month, financial aid help, school-day SAT, and continued expansion of Advanced Placement and dual enrollment courses that provide opportunities to earn college credit.

"We should be incredibly proud of the progress we've made in our schools," said Markell. "Proficiency is up. More students are reaching their growth goals, and staying on track to graduate high school. The drop-out rate is at a 30-year low. And more students are earning college credit while in high school, and going on to attend and complete college. With the end of the Race to the Top grant, we have an opportunity to evaluate the investments we've made and use what we've learned about how to best support our students and educators going forward."

## **Creating Opportunities for Delawareans with Substance Use Disorders**

Like many states across the country, Delaware is facing an addiction epidemic that continues to grow each year.

Last year, 185 Delawareans died from a suspected drug overdose and nearly 10,000 adults sought public treatment for addiction. Governor Markell's budget makes significant investments in the area of substance use, including \$4.5 million for the following improvements:

- Increase withdrawal management services statewide, both at the New Castle County facility and the new detox center in Harrington, which will open by June to serve the southern part of the state. As the first step to recovery for many individuals, this is a combination of medically monitored and clinically managed inpatient withdrawal services that provide individualized care to match each person's needs.
- Double the number of sober living residential beds statewide from 60 to 120. These beds allow individuals who are in the early stages of recovery to live in safe and secure housing that is free from drugs and alcohol. When necessary, these beds accommodate needs for safe, secure, drug/alcohol free housing as the recovery process continues.
- Double from 16 to 32 the number of residential treatment beds available for young people age 18 to 25 who are beginning their recoveries. These facilities give young people a safe and structured place to live while in treatment.
- Add 17 residential treatment beds.
- Increase by 100 the capacity of Oxford Houses that provide a sober living environment where people in recovery start their lives anew. It brings the statewide total to 500.

These efforts are complemented by a focus on education, prevention, and early intervention.

"We will create a more flexible treatment system that meets the needs of individuals challenged by addiction where they are, as opposed to relying on a "one size fits all" model," said Governor Markell. "At the same time, we will put an increased emphasis on education, prevention, and early intervention."

### **Spurring Economic Development and Improving Quality of Life**

The Governor's budget continues efforts to invest in economic development that creates jobs and improves the quality of life in Delaware's communities. The recommended budget includes:

- **\$7 million to promote economic activity in designated Downtown Development Districts.** Established last year, this program strengthens and enhances downtown areas by subsidizing rehabilitation and construction up to 20 percent of the total project cost. Three downtowns were recently designated to receive funding provided in last fiscal year's budget, including Wilmington, Dover, and Seaford.
- **\$10 million for a container crane and infrastructure improvements at the Port of Wilmington.**
- **\$1 million for the Federal Research and Development Matching Grants, continuing an effort started last year to encourage innovation.**
- **\$2.7 million to train offenders with jobs skills so they are more likely to contribute to their communities and less likely to reoffend when they are released.** The budget invests \$1.2 million for renovations to the cafeteria at the James T. Vaughn Correctional facility in Smyrna to support the Matt Haley Culinary Arts Program and \$1.5 million for the Automotive Skills Facility at James T. Vaughn Correctional Facility.
- **\$3 million to continue the Governor's efforts to improve quality of life through statewide trails and pathways.**
- **\$5 million for libraries in Delmar, Lewes, Route 9/13, and Harrington.**

### **Ensuring Fiscal Responsibility**

As in previous years, the Governor's budget reflects the challenges of limited revenues despite continued economic growth.

The Governor has proposed a combination of agency and program cuts and reduction to balance the budget while investing in education and economic opportunity in a fiscally responsible way. One of these proposals will reduce the growth of seniors' property tax subsidy. This subsidy has continued to grow as more Delawareans become eligible for it upon reaching the age of 65. By 2025, the population of Delawareans over the age of 65 is expected to top 21 percent, at a cost to the State of more than \$46 million, compared to \$8.7 million at the time the program launched in 2001 when seniors accounted for about 13 percent of the state's population.

The Governor proposes reducing by half the subsidy for those who qualify. Currently, property owners receive a subsidy of \$500, or 50 percent of their school taxes if that amount would be less than \$500. Under this proposal, property owners would receive a subsidy of \$250, or 25 percent of their school taxes if that amount would be less than \$250. This will save the State \$12.6 million in the Fiscal Year 2016 Recommended Operating Budget.

### **Final Budget Totals**

The Fiscal Year 2016 Recommended Operating Budget totals \$3,900.0 million. The proposed Fiscal Year 2016 Recommended Bond and Capital Improvements Act totals \$385.8 million and includes \$246.8 million in State agency capital projects and \$139.0 million in Transportation projects. The Governor also set aside \$45.4 million for Grants-in-Aid.

A power point of the proposal is available online:

[http://governor.delaware.gov/docs/FINAL\\_FY\\_2016\\_budget\\_presentation.pdf](http://governor.delaware.gov/docs/FINAL_FY_2016_budget_presentation.pdf)

###