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Delaware Governor Jack A. Markell
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Governor Signs Balanced Budget, Marks Progress on Key Priorities to Create Opportunities for Delawareans

Legislative session focuses on jobs, education, and ensuring everyone has the chance to succeed in changing economy

Dover, DE – Governor Jack Markell signed a balanced fiscal year 2016 budget early this morning in Legislative Hall, where he recognized major accomplishments of this year's legislative session. The Governor kicked off the session by calling on state leaders to ensure everyone has the best opportunity to thrive in the new economy. The accomplishments of the past six months encourage economic development and job creation, strengthen education and training, and aim to better serve all residents.

"Our responsibility is to ensure Delawareans have a fair chance to succeed in our dramatically changing economy," said Governor Markell. "We have made great progress toward providing more people with opportunities reach their potential.

"Initiatives established this year will help train a talented workforce, strengthen public schools, support small businesses, and provide opportunity to Delawareans most in need. In addition, we have made vital investments in areas most critical to a strong economy and high quality of life, including our transportation infrastructure and our cities."

Fiscal Responsibility

Despite a fiscal climate that has remained challenging even in a time of job growth that far outpaces our neighbors, the funding appropriated in the Budget, Bond and Capital Improvements and Grants-in-Aid bills keeps the Governor's commitment to fiscal responsibility by:

- Only appropriating 98 percent of revenue;
- Fully funding the Rainy Day Fund;
- Maintaining the state's AAA-bond rating; and
- Adhering to the three-part debt limit.

The FY 2016 Operating Budget also includes a \$4.5 million base reduction in the Medicaid budget and, as of June 1, there were 635 fewer state employees working in the Governor's executive branch agencies compared to March 2009. From FY 2009 to FY 2015, more than 1,000 state employee positions have been eliminated through attrition. Additionally, more than 100 positions were eliminated in the FY 2016 Budget.

The budget contains 2.6 percent growth over Fiscal Year 2015 despite significant increases in health care costs and the number of students attending Delaware public schools. Average annual budget growth during the Markell administration (2009-2016) has been negative when adjusting for inflation and population growth.

Highlights from 2015 Legislative Session

Encouraging Economic Development and Job Creation

"By making targeted investments, supporting our infrastructure, and ensuring Delaware businesses have the best opportunity to innovate and expand, we will continue to build on job growth that has far outpaced our neighbors and helped our unemployment drop significantly," said Governor Markell. "I am especially pleased that we have taken a major step toward properly funding our infrastructure and addressing our Transportation Trust Fund shortfall so DelDOT can effectively improve the safety of our roads and bridges, reduce congestion, support economic development, and create quality middle-class jobs.

- **Building a modern transportation network to support economic development, create construction jobs, and promote road safety:** [House Bill 140](#) increases revenues to the Transportation Trust fund by \$24 million by raising DMV fees, building on a \$10 million increase from last year. Additionally, the budget moves \$5 million of Department of Transportation operating expenses to the general fund to free up more funding for construction projects.
- **Increased funds for Downtown Development Districts:** The program revitalizes urban areas and spur economic activity by attracting increased private funding through development and other incentives in selected areas. It is funded at **\$8.5 million in the Bond Bill** to support the first three Districts announced earlier this year, Wilmington, Dover, and Seaford. That is a \$1.5 million increase from last year.
- **Supported the redevelopment of strategic sites including NVF Yorklyn Factory and Fort DuPont (\$5M in Bond Bill):** Funding would provide for sustainable, mixed-use development that preserves historical and environmental interests of the areas.
- **Eliminated Red Tape:** Through regular review of old regulations and by requiring regulatory impact statements for new regulations, the Governor's regulatory reform package builds on efforts to address unnecessary burdens, especially on small business:
 - [SB 113](#) and [SB 120](#) require state agencies to submit a "regulatory impact statement," including the costs of complying, whenever they propose regulations that would place additional burdens upon small businesses. Agencies must also submit a "regulatory flexibility analysis" to consider ways to reduce

the regulation's burden on individuals and small business, such as through less stringent deadlines for individuals or small businesses

- [HB 147](#) codifies the Governor's Executive Order No. 36, which in 2013 resulted in the elimination or modification of more than 100 agency regulations, so that this process is repeated on a regular basis.

"This is great example of the bi-partisanship that goes on in Dover on a regular basis, but often gets overlooked," **said Sen. Robert Marshall, D-Wilmington, who chairs the Senate Labor & Industrial Relations Committee and was the prime sponsor of SB 120.** "On this package of regulatory reform bills, Democrats and Republicans worked in concert to pass common-sense legislation that will make Delaware more business-friendly – particular for the small businesses that are the backbone of our economy."

"In states across the country, small-business growth is fueling economic recovery," **said Sen. Gerald Hocker, R-Ocean View, prime sponsor of SB 113.** "By taking some of the unnecessary costs out of the equation, I believe we have really opened the door for a new generation of entrepreneurs to start or grow their business in Delaware."

Strengthening Education and Training

"In my State of the State address in January, I talked about the Delaware Promise – our goal to ensure all Delawareans receives the education and training to reach their potential and compete successfully in our changing economy. The budget I signed and the initiatives established this year will bring us closer to fulfilling our promise," said Governor Markell.

The FY 2016 budget includes:

- \$15.3 million to maintain classroom size and fully fund projected unit count (186 units);
- \$11.7 million for step increases for school employees and the enhanced paraprofessional pay plan; and
- \$3.1 million to provide reimbursement for early childcare centers participating in the tiered Stars program, which has helped the state enroll more than 3,000 additional high-needs children in the best early childhood centers in the past two years.
- **In addition, \$3.8 million meets District priorities and sustains key efforts to support teachers and students:**
 - Expand response to intervention – individualized support for struggling students
 - Support English Language Learners
 - Expand school improvement grants
 - Continue professional development, coaching, and mentorship for educators and school leaders
 - Sustain data system that helps track student progress
 - Maintain support for teachers and school leaders in implementing the Common Core State Standards
 - Grow successful efforts to increase access to college and other post-secondary training, particularly among high-need students

- **Began long-sought changes for Wilmington schools:** Following recommendations of the [Wilmington Education Advisory Committee](#), established by Governor Markell, the General Assembly passed legislation to:
 - [Allowed for redrawing of school district lines](#) to end decades of busing students far from their homes, making it possible for families and the community to engage more easily in their schools. ([SB 122](#))
 - [Supported the creation of a needs assessment and strategic plan for the future of Delaware schools](#), including an evaluation of the number of charter, district, and vo-tech schools required to best serve student needs across the state. [House Bill 56](#) provides for a moratorium on all new charter schools until this happens.

“Wilmington faces many well-documented challenges when it comes to public education, but what we don’t talk about enough are the opportunities that stem from having a well-established network of neighborhood schools,” **said Sen. Margaret Rose Henry, D-Wilmington East.** “I am pleased my colleagues and the Governor agree that we must take a strategic look at schools in Wilmington separate and apart from the rest of the state.”

- **[Progressed toward improved educator compensation system \(HJR 7\):](#)** The [Committee to Advance Educator Compensation and Careers](#), established by the Governor and General Assembly last year, offered details of a plan to attract and retain more great teachers in Delaware schools. The group’s report recommends specific increases in starting salaries to be competitive with our neighbors and offers educators the opportunity to earn more for showing leadership and taking on more responsibility in their schools – especially in high-need schools – rather than receiving salary increases solely tied to years of experience and progress toward academic degrees. [HJR 7](#) continues the Committee and establishes working groups of educators to review the report and work out final details of a plan.

“We are well on our way to implementing a system which gives us assurances that we’re paying teachers in a way that’s reflective of their skills and willingness to take on additional responsibilities,” **said Sen. Dave Sokola, D-Newark, who chairs the Senate Education Committee.** “Creating a predictable pathway for advancement is something we owe our teachers and I’m confident when the Committee completes its work, we’ll have a plan that helps our educators grow and our schools thrive.”

- **[Established education funding task force:](#)** The group established by SJR 4 would allow for long-needed reforms to a funding system established 75 years ago that does not meet the needs of today’s students. A modernized system would allow for more flexibility, transparency, and innovation, while helping the State to target resources to students in poverty, students with disabilities, English language learners, and other high-needs children.
- **[Launched Pathways to Prosperity:](#)** Distributed 15 grants to high schools to launch career and technical education programs in computer science, hospitality, biomedical

science, and engineering. Through partnerships with Delaware Tech, the business community, and our school districts, students have the chance to gain workplace experience and earn college credit before they graduate, so they have a head start toward getting a job or earning a degree.

- [Expanded manufacturing training program to Southern Delaware as part of Pathways initiative](#): After launching in two New Castle County schools districts last fall, students in Woodbridge and Seaford High Schools will now be able to enter the two-year program that allows students to earn college credit and professional credentials before they graduate.
- [Addressed suicide prevention in schools \(HB 90\)](#): This bill requires all public school employees to receive 90 minutes of training each year on suicide prevention. It also requires all public schools to establish a suicide prevention committee and local education agencies to create a suicide prevention policy.

Reducing Crime in Wilmington

“Wilmington belongs to all of us and state officials have a responsibility to help address the most pressing challenges facing our largest city,” said Governor Markell. “This crime commission we established developed a roadmap to implementing successful and sustainable practices to reduce violence and save lives. Much work lies ahead, but we are seeing progress toward that implementation.”

- [Wilmington Public Safety Commission \(HJR 2\)](#): The Wilmington Public Safety Commission, established through a resolution passed by the General Assembly and signed by the Governor, conducted a rapid, fact-based, intensive examination of public safety strategies in the City, which resulted in thorough and actionable recommendations spearheaded by national experts with extensive input from diverse Wilmingtonians.

Building on criminal justice system reforms

“We know that one of the best ways we can build a safer state is to improve the chance that those who involved with our criminal justice system can get a job and contribute fully to their communities,” said Governor Markell.

- [Reserved the loss of a driver’s license for appropriate and serious circumstances: Senate Bill 132](#) recognizes that a valid driver’s license is essential to earning and keeping a job, but many people lose their licenses because of difficulty paying fines and fees. Suspension is reserved for serious offenses affecting traffic safety, such as DUI, while those with minor traffic offenses will not be able to renew their licenses. Approximately 9,000 Delawareans per year will not have their licenses suspended once the bill goes into effect.

- **Expand job training programs at correctional facilities:** The bond bill provides \$2.7 million for auto mechanics and culinary arts training facilities, the second of which would be named the Matt Haley Culinary Arts Program.
- **Decriminalized possession of small amounts of marijuana:** [House Bill 39](#) furthers the state's goal of reducing the number of people entering the criminal justice system and refocusing resources where they are needed most.
- **Decriminalize certain minor DNREC offenses:** Previously, these misdemeanor convictions for offenses like fishing violations appeared on criminal records. As a result of Senate Bill [114](#), minor fish and game violations are changed to Class D environmental violations and first offenses will not be reported during employment background checks.
- **Modification of Discretionary Expungement:** [House Bill 75](#) modifies the discretionary expungement provisions to allow more individuals the ability to petition the court for an expungement, which allows the court to consider an expungement when the individual has demonstrated rehabilitation despite multiple youthful indiscretions.

Ending Veteran Homelessness

"Given our obligations to our Veterans, we must focus efforts and collaboration with federal, state and local partners to be a state where no Veteran is homeless," said Governor Markell.

- [Released a plan to end Veteran homelessness this year:](#) Plan developed by state and federal agencies, nonprofit providers, and Veterans service agencies details ways to identify homeless Veterans and provide services they need.

Substance Abuse Recovery

"By making a substantial investment in services for those struggling with substance use disorders, we will no longer rely on 'one size fits all' treatment models," said Governor Markell. "Rather we will focus on individual needs, while increasing our emphasis on education and prevention."

- **The FY 2016 budget allocated \$4.5 million to improve and expand services available to combat the addiction epidemic by:**
 - Increasing withdrawal management services statewide;
 - Doubling the number of sober living residential beds to support individuals in the early stages of recovery who require safe housing free from drugs and alcohol;
 - Doubling the number of residential treatment beds for young people beginning their recoveries from opiate addiction; and
 - Opening other new programs throughout the state to increase access to treatment.

"Drug addiction is an epidemic and I'm pleased to see we're tackling this issue head on," said **Sen. Bethany Hall-Long, D-Middletown, who chairs the Senate Health & Social Services Committee.** "Drug use hurts more than the victim. It can destroy families and devastate

neighborhoods. But we know early-intervention and treatment can work and we all benefit when we can help those with substance abuse issues return to stable, productive lives.”

Expanding Opportunity for Individuals with Disabilities

“Everyone can contribute to our state when given the chance, but efforts to expand our workforce have traditionally excluded people with disabilities,” said Governor Markell.

- **[Created the ABLE Program \(HB 60\)](#)**: The ABLE act enables the creation of savings accounts with tax advantages designed to be used by persons with disabilities to save for qualifying disability and education related expenses.
- **Launched two programs to support people with disabilities**: The Department of Health and Social Services initiatives help youth plan careers, while providing specialized employment supports for adults with mental health needs and substance use disorders.

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