

GOVERNOR'S BUDGET OVERVIEW

The Governor's Fiscal Year 2017 Recommended Budget maintains core services provided to Delawareans in the areas of education, healthcare, public safety and quality of life. The Governor's proposed Fiscal Year 2017 Operating Budget totals \$4,113.5 million. This budget, in combination with the Recommended Bond and Capital Improvements Act of \$486.9 million and recommended set aside for Grants-in-Aid of \$43.0 million, is within the constitutionally mandated 98 percent limit on appropriations.

Government Efficiency

The proposed budget continues to hold the line on agency personnel growth. There are 1,116 fewer state agency positions in Fiscal Year 2016 as compared to Fiscal Year 2009.

Job Creation, Retention and Economic Growth

The Recommended Bond and Capital Improvement Act contains several funding initiatives designed to enhance Delaware's economy and generate jobs. These include:

- \$10.0 million for the Delaware Strategic Fund. The Delaware Strategic Fund represents the primary funding source used by the Delaware Economic Development Office to provide targeted financial assistance to businesses. Recent projects supported through the Delaware Strategic Fund include grants to companies such as SevOne, Croda and Wells Fargo Bank.
- \$8.5 million for the third year of the statewide Urban Redevelopment initiative. This initiative will strengthen and enhance downtown areas by incentivizing rehabilitation and construction in designated Downtown Development Districts in amounts not to exceed 20 percent of the total project cost. In addition, up to \$1.0 million of this funding may be used for local downtown grants in amounts not to exceed \$150,000 per locality in a one-year period.
- \$15.8 million for container cranes and infrastructure improvements at the Diamond State Port Corporation.
- \$3.15 million for the Riverfront Development Corporation to continue development efforts along the Christina River in Wilmington.
- \$750,000 to leverage Federal Research and Development Matching Grant program. This program offers funding support to federally-sponsored research grant proposals developed by Delaware State University, Delaware Technical Community College and the University of Delaware.
- \$1.0 million for the Fraunhofer Center for Molecular Biotechnology (CMB) Vaccine Development. This funding is intended to create high-tech, high-impact

jobs, spin-off businesses, new partnerships and alliances and enable CMB to leverage its unique technologies in the biotech marketplace.

- \$1.0 million for the fourth year of a five-year commitment to the Center for Clinical and Translational Research (DE-CTR) initiative. DE-CTR will enable partner institutions (University of Delaware, Christiana Care and Nemours) to develop new methods to translate research discoveries to community health settings and will leverage \$20.0 million in funding from the National Institutes of Health.
- \$1.0 million in state match for the third year of a five-year commitment to the IDEa Network of Biomedical Research Excellence program. This program is designed to build a statewide infrastructure in facilities for research into cancer, neuroscience and cardiovascular diseases.
- \$600,000 for the fourth year of a five-year commitment for the Experimental Program to Stimulate Competitive Research - Research Infrastructure Improvement (EPSCoR-RII) initiative. EPSCoR-RII provides infrastructure to support research and educational programs for Delaware's water and energy challenges and will leverage \$20.0 million in funding from the National Science Foundation.
- \$1.0 million for the Bioscience Center for Advanced Technology. The Center fosters academic industry research partnerships to support local bioscience businesses and help Delaware recruit, retain and create science-based jobs.

Investing in Delaware's Schools and Youth

- \$15.8 million to fully fund a projected growth of 188 units for 2016 - 2017 school year.
- \$11.5 million to strengthen Delaware's Early Education system through continued funding initiatives established through the federal Early Learning Challenge grant.
- \$9.6 million to fund salary steps for public education and Delaware Technical Community College employees.
- \$6.0 million to support recommendations of the Wilmington Education Improvement Commission including:
 - Providing additional resources to address the needs of low-income students in the Red Clay school district including English language learners; and
 - Establishing a Wilmington Redistricting Fund to support continued transition and implementation planning.

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- \$4.0 million to address educator compensation recommendations from the Committee to Advance Educator Compensation and Careers. These recommendations include:
 - Increasing entry-level salaries to be more competitive with neighboring states.
 - Piloting teacher-leadership roles to provide additional compensation for teachers while allowing them to stay in the classroom.
 - Providing stipends for educators who attain National Board Certification
- \$3.0 million to improve the performance of technology within public education by increasing available bandwidth in schools.
- \$3.0 million for a 3 percent increase for bus contractors and projected increase in expenditures for Pupil Transportation.
- \$1.0 million for the Technology Block Grant. These funds are used by districts and charters for technology support and are allocated proportionally statewide based on number of Division I units.
- \$1.0 million for the Statewide Afterschool Initiative Learning Program. The program will provide grants to schools that qualify as Title I schools for extended learning, homework assistance, enrichment and nutrition programs.
- \$945,100 for the fifth year increase to the education paraprofessional pay scale.
- \$800,000 for projected expenditures in the Academic Excellence appropriation to account for unit growth.
- \$75.7 million for Public Education capital projects. Included is Minor Capital Improvements funding and funding for projects in the Brandywine, Caesar Rodney, Cape Henlopen, Christina, Lake Forest, New Castle County Vo-Tech and Polytech school districts.
- \$18.0 million for capital projects at Delaware State University, Delaware Technical Community College and the University of Delaware.

Health and Self Sufficiency for Delawareans

- \$40.2 million for the State's share of the Medicaid program.
- \$10.0 million for the Housing Development Fund (HDF). The HDF provides affordable, decent, safe and sanitary housing to responsible, low and moderate income households.
- \$4.9 million for placements in the Division of Developmental Disabilities Services comprised of:
 - \$3.8 million for community residential placements. These funds will allow additional individuals with developmental disabilities to reside in a neighborhood group home, apartment, shared living arrangement or supported living; and

- \$1.1 million for Special School Graduates. This funding will support an estimated 162 additional Special School Graduates to be placed in community day programs and supported employment.
- \$2.1 million for Substance Use Disorder Services which includes \$975,000 for an Assertive Community Treatment Team and \$1.1 million for day programming.
- \$500,000 to establish a Delaware Network for Excellence in Autism to improve outcomes for individuals with Autism Spectrum Disorder by providing quality, evidence based technical assistance and training for professionals in the areas of education, healthcare, vocational services and social services.

Enhancing our Quality of Life

- \$10.7 million in matching funds for projects in the Duck Creek, Selbyville, Harrington and the Rt. 9/13 Garfield Park libraries.
- \$3.0 million for Statewide Trails and Pathways. Funding will continue the initiative to provide an interconnected network of shared-use pathways and trails that will support non-motorized travel and recreational trail opportunities.
- \$5.5 million for the redevelopment of the NVF site in Yorklyn and the Ft. DuPont site in Delaware City.
- \$1.8 million for the Drinking Water State Revolving Fund. This program makes funds available to finance infrastructure improvements of local drinking water systems.
- \$1.4 million in matching funds for the Clean Water State Revolving Fund. This program provides assistance in the form of low-interest loans and grants for water quality projects as well as municipal wastewater treatment projects.

Ensuring Public Safety

- \$6.35 million for the first year funding for 800 MHz communications system improvements. The funding will support an upgrade of the infrastructure to the national P-25 interoperability standard while also replacing transmitters, microwave and older end-user portable and mobile radio equipment.
- \$1.3 million for renovations to the Delaware National Guard Bethany Beach Training site.
- \$500,000 to purchase body cameras for Department of Safety and Homeland Security law enforcement and to hire one Deputy Attorney General to review recordings. Body cameras serve as a tool to help police officers protect citizens while strengthening trust between law enforcement and all of the communities they serve.

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Investing in Our Employees and Non-Profit Partners

- \$33.3 million for employer share premium increases for state employee health insurance.
- \$18.0 million for a general salary increase for state employees of 1 percent or \$500, whichever is greater.
- \$2.3 million to fund a 1 percent increase for state providers of services to clients.