

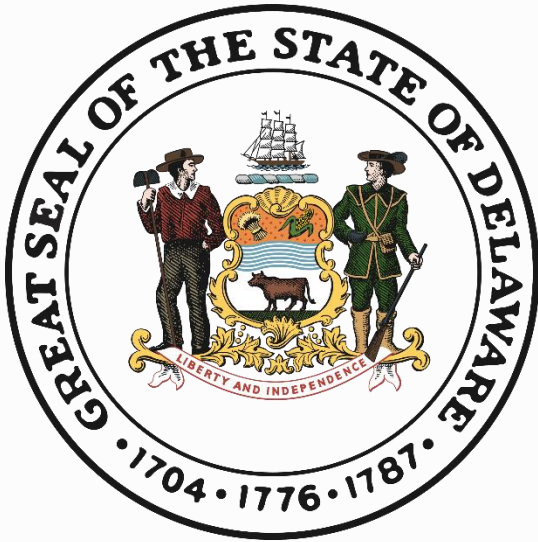
# State of Delaware

# **OFFICE OF GOVERNOR CARNEY**

# **FINANCIAL OVERVIEW**

# FOR FISCAL YEAR 2021

January 30, 2020



# GOVERNOR CARNEY'S VISION FOR DELAWARE



- Investing in the new economy, new “old” jobs, and small businesses
- Giving all Delaware children an **equal opportunity to succeed** so that:
  - Every 3rd grader will be proficient in reading
  - Every 8th grader will be proficient in math
  - Every child graduates from high school – college or career ready
- **Safe and secure communities** with improved quality of life
- **Improving quality and containing costs** of health care for all Delawareans, and promoting healthy living
- Making state government more **efficient and effective**
  - Responsibly investing in state government and making sure our state is on sound financial footing so we can make investments where they are needed most

# OUR PROGRESS: YEAR IN REVIEW



## ☑ **Bolstered Delaware's Economy**

- Record **\$863 million capital budget** with investments in clean water, new roads and bridges, affordable housing, colleges and universities and economic development projects
- Six-year, **\$4.5 billion plan to fix roads and bridges statewide** through 2026
- Set aside **\$20 million for Farmland Preservation and Open Space** programs

## ☑ **Invested in Schools**

- Set aside **\$75 million over a three-year period in Opportunity Funding for English learners, low-income students and mental health supports** in schools

## ☑ **Fostered a Healthier Delaware**

- Released **Trauma-Informed Care Progress Report and Action Plan**
- Raised the **age to buy tobacco and vape products to 21**
- Established a **new reinsurance program lowering costs** for Delaware families who get health insurance on the exchange

## ☑ **Worked toward Long-Term Financial Sustainability**

- Set aside **\$126.3 million** to ensure future budget stability

# OUR PRIORITIES: UPCOMING YEAR



Our budget continues investments in key areas

**STRENGTHENING  
OUR ECONOMY**

**IMPROVING OUR SCHOOLS  
FOR ALL CHILDREN**

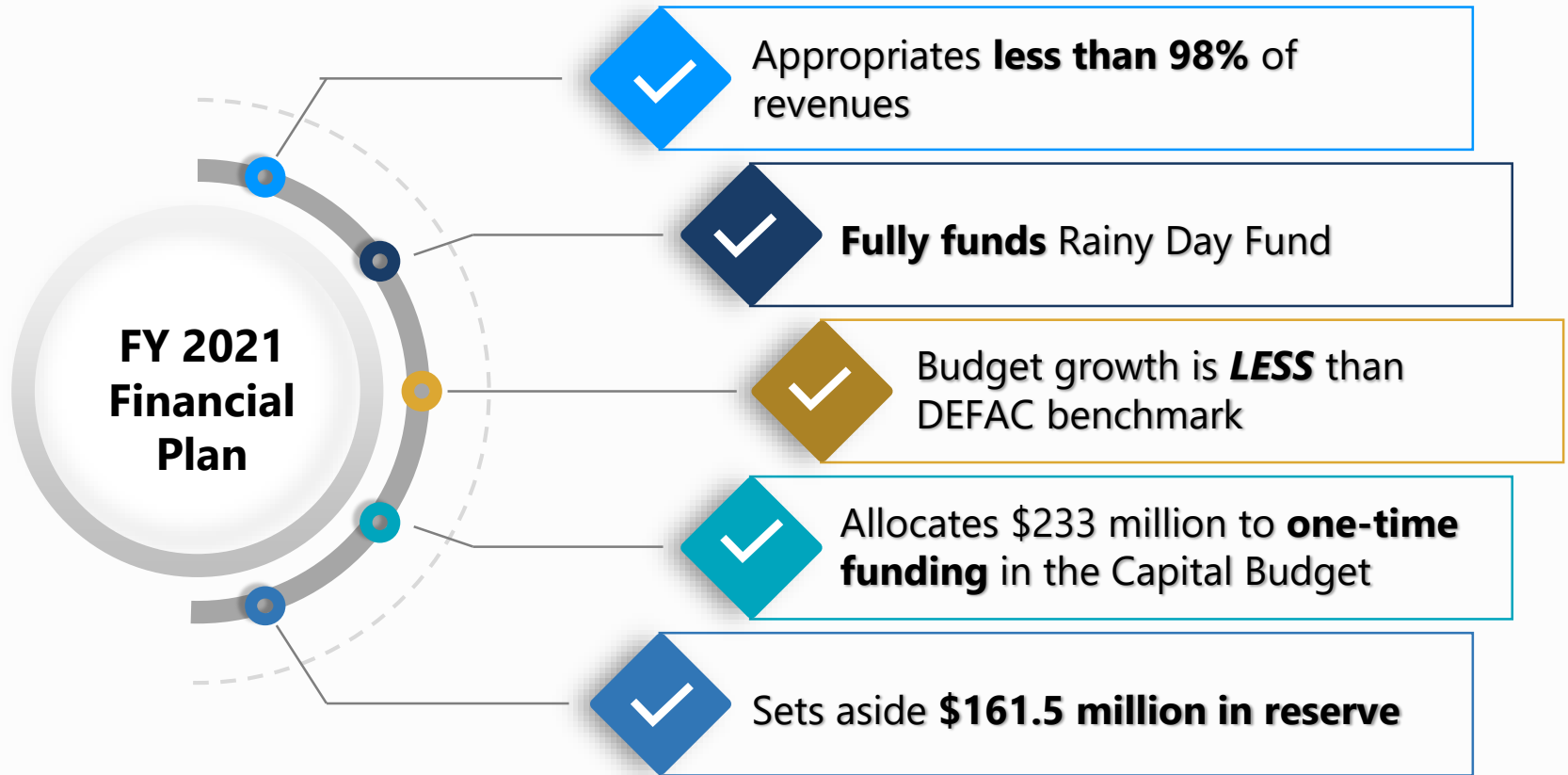
**PROTECTING OUR  
QUALITY OF LIFE**

# HIGHLIGHTS OF GOVERNOR CARNEY'S FY 2021 FINANCIAL PLAN



- ✓ Establishes **operating budget growth at a level less** than the benchmark established in Executive Order 21
- ✓ Funds **projected expenditures** in debt service; pensions; school population growth; inmate medical and behavioral health services
- ✓ Builds upon Opportunity Fund investments in our schools by increasing funding for **mental health services and reading support specialists**
- ✓ Continues to allocate surplus revenues to **one-time investments** in the capital budget while **increasing reserves**
- ✓ Makes historic investments in **clean water, economic development and school construction**

# LONG-TERM FINANCIAL SUSTAINABILITY



# INVESTING IN WILMINGTON CHILDREN & FAMILIES



## WILMINGTON SCHOOLS INITIATIVE



**NEW SCHOOL  
BUILDING ON  
EAST SIDE**

**DUAL GENERATION  
CENTER FOR  
FAMILIES AND  
STUDENTS**

**SCHOOL  
RENOVATIONS  
AT STUBBS AND  
BAYARD**

**LEASING PALMER TO  
BUILD WORKFORCE  
TRAINING FACILITY**

**\$50  
MILLION**

# PREPARING FOR THE ECONOMY OF THE FUTURE



## ECONOMIC DEVELOPMENT

STRATEGIC FUND  
**\$20 MILLION**

GRADUATION  
LAB SPACE  
**\$10 MILLION**



SITE READINESS  
**\$10 MILLION**

TRANSPORTATION  
INFRASTRUCTURE  
FUND  
**\$10 MILLION**

**\$50  
MILLION**



# CLEAN WATER FOR ALL DELAWAREANS



## CLEAN WATER INITIATIVE



ESTABLISH  
CLEAN WATER  
TRUST FUND

DRINKING WATER  
STATE REVOLVING  
FUND  
**\$22.5 MILLION**

CLEAN WATER  
STATE REVOLVING  
FUND  
**\$22.5 MILLION**

RESOURCE,  
CONSERVATION AND  
DEVELOPMENT  
**\$5 MILLION**

**\$50  
MILLION**

# GOVERNOR CARNEY'S RECOMMENDED FY 2021 FINANCIAL PLAN



<b>General Fund Operating Budget</b>			<b>\$4,629.5 M</b>
<ul style="list-style-type: none"> <li>GF Operating Budget Growth 3.99%</li> </ul>			
<b>Grants-in-Aid</b>			<b>\$55.1 M</b>
<b>Bond and Capital Improvements Act</b>			<b>\$892.8 M</b>
<ul style="list-style-type: none"> <li>State Capital Projects</li> </ul>		\$525.2 M	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>GO Bonds</li> </ul> </li> </ul>		\$240.9 M	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Cash</li> </ul> </li> </ul>		\$233.0 M	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Other</li> </ul> </li> </ul>		\$51.3 M	
<ul style="list-style-type: none"> <li>Transportation</li> </ul>		\$367.6 M	
<b>One-Time Supplemental</b>			<b>\$9.9 M</b>

*The FY 2021 Financial Plan sets aside **\$161.5 million** over and above the constitutionally mandated set asides.*

# EDUCATION INVESTMENTS



Investing in  
High-Needs Schools

**\$8 million**



Investing in  
Quality Education

**\$70.9 million**



Investing in  
School Infrastructure

**\$203.9 million**

# EDUCATION INVESTMENTS: HIGH NEEDS SCHOOLS



## Opportunity Funding Initiative

- Second year of a three-year commitment dedicating **\$75 million for English learners and low-income students, and mental health supports**
  - *Doubles the number of elementary schools offering mental health supports*

## Increasing Access to Pre-K

- **\$2 million** to provide 155 new quality child care seats
- **\$3 million** for Early Childhood Assistance Program capacity building
- Goal: **increase access by 50% in three years**

# EDUCATION INVESTMENTS: QUALITY EDUCATION



## Investing in Educators

- **\$29.3 million** - 2% pay increase and steps for educators
- **\$500,000** - Governor's Performance Academy and Delaware Performance Appraisal System Pilot II increases

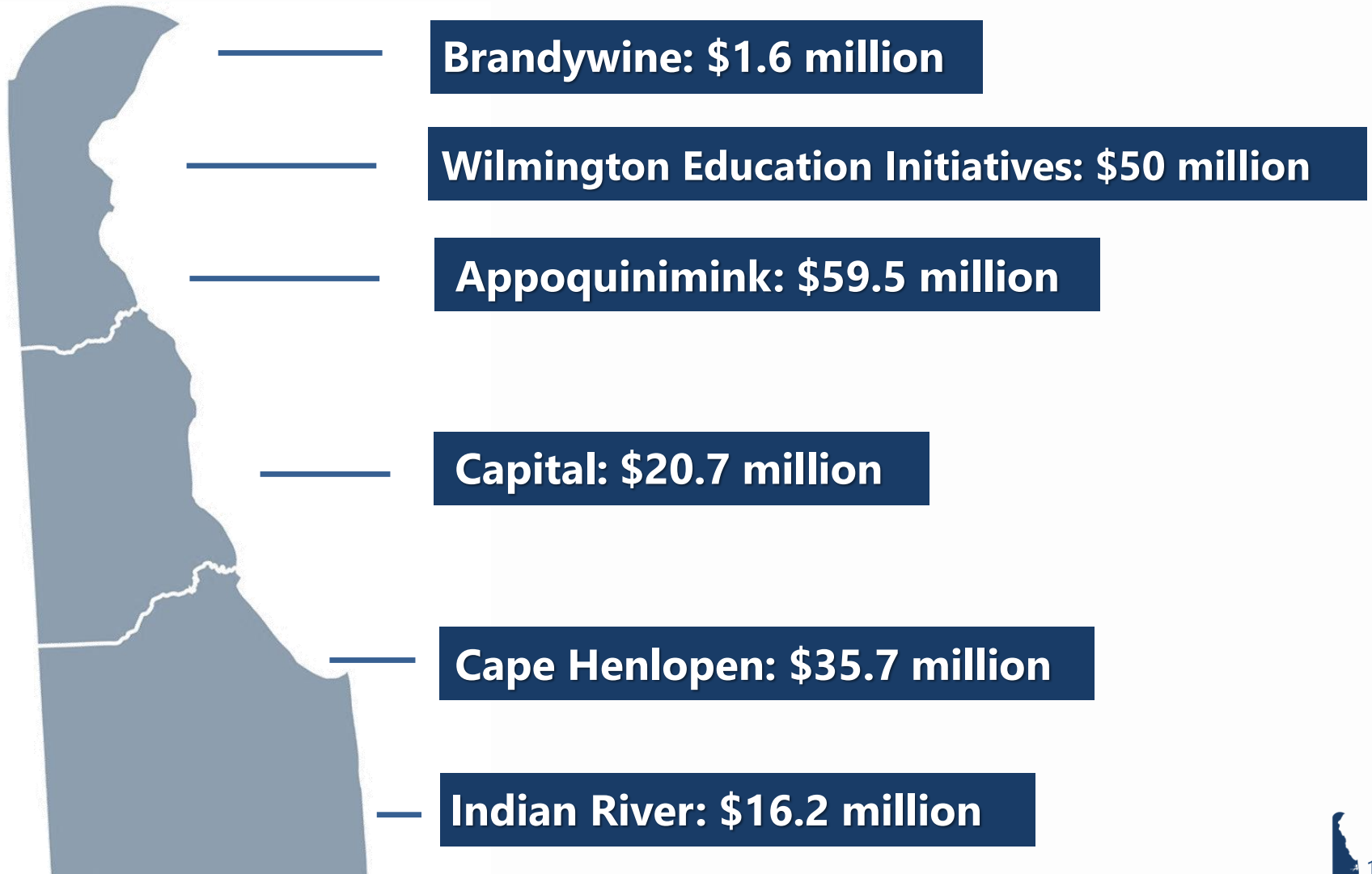
## Investing in Schools

- **\$36.5 million** - Current year growth and projected school year 2020 – 2021 enrollment growth

## Connecting Schools

- **\$4.6 million** - School Technology Infrastructure

# SCHOOL CONSTRUCTION AND RENOVATION



# EDUCATION: SUPPORTING HIGHER EDUCATION



## Investing in Higher Education

- **\$30 million** - Funding for **deferred maintenance, capital improvements and technology upgrades** at the University of Delaware, Delaware State University and Delaware Technical Community College
- **\$20 million** - Third year funding for the **Higher Education Economic Development Investment Fund** to improve job growth and economic development in the State
- **\$2.5 million** - Expansion of University of Delaware **scholarship funds for resident students**
- **\$1.3 million** - Funding to match **Cooperative Extension, Research and Forestry grants** and other programs at Delaware State University
- **\$1.5 million** - Funding for first phase of a **compensation stabilization plan** to reduce faculty and staff turnover at Delaware Technical Community College

# WORKFORCE: INVESTMENTS IN OUR PEOPLE



## State Workers

- **2% across the board increase** for state employees
- Continued support of **Paid Parental Leave**
  - **More than 200 state employees** have been able to spend twelve weeks at home with their new children

## Workplaces

- \$17.5 million for new **Kent & Sussex Family Court** facilities
- \$7.5 million for **Deferred Maintenance for state buildings**
- \$3.5 million for renovations to the **Cleveland White building** on the DSCYF campus
- \$2.8 million for **Carvel State Office building** improvements



# HIGHLIGHTS: GOVERNOR CARNEY'S FY 2021 CAPITAL BUDGET



## Improving Schools for All Delaware Children

**\$183.7 million** – School construction and renovation

**\$15 million** – School building deferred maintenance

**\$30 million** – Higher Education campus improvements



## Investing in Small Businesses & Infrastructure

**\$20 million** – Strategic Fund investments to support jobs in DE

**\$2 million** – Delaware Prosperity Partnership

**\$9.6 million** – Research Collaboration

**\$10 million** – Graduation Lab Space

**\$20 million** – Higher Education Economic Development Fund

**\$10 million** – Transportation Infrastructure Investment Fund

**\$10 million** – Site Readiness Fund

# HIGHLIGHTS: GOVERNOR CARNEY'S FY 2021 CAPITAL BUDGET



## Building Strong Communities

**\$8 million** – Strong Neighborhoods

**\$6 million** – Affordable Housing

**\$5.6 million** – Downtown Development Districts

**\$8.6 million** – Preserving Historical and Recreational sites

**\$4.2 million** – Libraries

**\$4 million** – Increase to Municipal Street Aid



## Protecting Natural Resources for Future Generations

**\$50 million** – Clean Water Trust Fund

**\$10 million** – Open Space

**\$10 million** – Farmland Preservation

**\$5 million** – Beach Preservation

**\$2.9 million** – Cover Crop Program

**\$1.7 million** – Conservation Cost Share

**\$500,000** – Delaware Bayshore

# HIGHLIGHTS: GOVERNOR CARNEY'S FY 2021 CAPITAL BUDGET



## Building Strong Foundation for Our State

**\$46.3 million** – State agency minor capital improvements and deferred maintenance

**\$4.7 million** – Herman Holloway Campus improvements

**\$3.5 million** – Cleveland White Building renovations

**\$2 million** – Veterans Home improvements



## Safe and Stable Communities

**\$17.5 million** – Kent/Sussex Family Court facilities

**\$8.3 million** – Public safety communications

**\$4 million** – Security cameras at Department of Correction facilities

**\$2 million** – Vaughn Correctional Center sprinklers

# GOVERNOR CARNEY'S RECOMMENDED FY 2021 FINANCIAL PLAN



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# FY 2021 BUDGET PROCESS



July -  
December

**Governor Carney and cabinet members** developed the FY 2021 budget draft.  
**Delaware Economic and Financial Advisory Council (DEFAC)** met in September and December to **project revenue**. **DEFAC** will update their projections in March, April, May and June.

January

**January 30:** Governor Carney proposes recommended budget for FY 2021.

February -  
March

**Joint Finance Committee (JFC) and Bond Bill Committee Hearings:** Committee members consider Governor Carney's recommended operating budget and hold hearings to discuss budget items with agencies and advocates.

April -  
May

**Mark-up:** JFC reviews budget proposals.

June 30

The **General Assembly passes** the budget and bond bills, and the **Governor signs** the bills by June 30.

The **new fiscal year begins July 1**.



Office of the Governor  
**JOHN CARNEY**

*- End of Presentation -*

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