

**FOR IMMEDIATE RELEASE**

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**Media Contact:** Mila Myles, mila.myles@delaware.gov

**GOVERNOR MEYER ANNOUNCES FISCAL YEAR 2026 BUDGET RESET**

*GOVERNOR KEEPS PROMISE OF TAX FAIRNESS TO PROTECT STATE SERVICES*

**DOVER** — Today, Governor Matt Meyer released his proposed budget amendments for Fiscal Year 2026, focusing on investments in classrooms, affordable housing, and healthcare for all Delawareans, totaling over \$6.58 billion.

“This budget reflects our core Delaware values—investing in education, affordable housing, accessible healthcare, and safer neighborhoods. For too long, hardworking Delawareans who come home with dirt under their nails and stains on their shirts have paid the same as the wealthiest among us. That changes now,” **said Governor Meyer.** “Under this plan, 92% of Delawareans will receive a personal income tax cut, while the most fortunate pay their fair share. Together, we are building a stronger, fairer Delaware where every family has a chance to succeed.”

The Governor’s plan includes new revenue proposals, including tax increases on cigarettes and other tobacco products, plus updated tax brackets to deliver on promises that the wealthiest will pay their fair share. Those with a taxable income of \$134,667 or less will see no increase in personal income taxes, with 92% of Delawarean taxpayers receiving an overall tax decrease.

Governor Meyer’s budget is also focused on government efficiency and transparency. It invests in new and upgraded systems throughout state government that will streamline services and processes and save Delawareans money in the long run. The state is also anticipating significant impacts to key programs in Delaware due to federal funding cuts, including Medicaid, education, food assistance, coastal protection, renewable energy, housing, and transportation. These cuts shift the financial burden to the state, forcing a choice between reducing benefits or covering the costs.

For any questions or to schedule a one-on-one interview with Governor Meyer, please email [mila.myles@delaware.gov](mailto:mila.myles@delaware.gov).

**FY26 BUDGET HIGHLIGHTS:**

**TAX FAIRNESS**

- The wealthiest Delawareans will pay their fair share.
- We are reducing taxes for 92% of Delaware taxpayers.
- This means every Delawarean with taxable income under \$134,667 will see no increase to their personal income taxes.

- We are updating Delaware's tax code to include three new tax brackets:
  - \$125,000
  - \$250,000
  - \$500,000

### **INVESTING IN OUR WORKFORCE**

- Increasing pay for Delaware public educators.
- Providing a salary increase for all state employees.
- Providing increased healthcare funding for all state employees.
- Taking additional steps to ensure public employee compensation continues to be competitive.

### **INVESTING IN THE CLASSROOM**

- Invest directly in Delaware's classrooms to improve literacy, support educators, and address students' mental health—because stronger classrooms today will build a stronger Delaware tomorrow.
- Emergency funding for schools to help students meet their full literacy potential.
- The State will invest \$3 million - and seek an additional \$3 million in private donations - to provide direct-to-classroom assistance to educators, as they work to lift student literacy rates.
- A \$500,000 investment to get cell phones out of our classrooms.
- Launch a statewide effort to expand training in Artificial Intelligence, building on the groundbreaking work from the Delaware Council on Educational Technology.

### **AFFORDABLE HOUSING**

- Streamline vouchers and increase funding for State Rental Assistance Programming (SRAP).
- Incentivize the construction of housing that is affordable.
- Extend funding for DSHA programs that provide low-interest loans and downpayment assistance.
- Build a coordinated response system to reduce homelessness and end child homelessness in our state.

- Fund Downtown Development Districts (DDD) across Delaware to promote sustainable multi-use development.

## **HEALTHCARE FOR ALL DELAWAREANS**

- Targeted Medicaid investments to ensure Delawareans have access to critical care.
- Begin medical school analysis in Delaware, one of four states without a medical school.
- Executive Order #5 – Delaware Council on Farm and Food Policy will bring healthier foods and better nutrition directly to our communities.
  - \$250,000 to launch a new round of the First State Food System Grant Program, as part of the Delaware Grocery Initiative and led by the Division of Small Business and the Delaware Council on Farm & Food Policy

## **GOVERNMENT EFFICIENCY AND TRANSPARENCY**

- Streamline processes and increasing transparency, so government works effectively for all Delawareans.
- Executive Order #3: Committing to a Good Government that is Ethical, Transparent, and Effective
- Invest in Shovel-Ready Infrastructure Planning to ensure government efficiency is not just a promise, but a measurable reality.

## **FY26 BUDGET MONETARY HIGHLIGHTS:**

### **EDUCATION**

- \$8.0 million: Early Literacy Emergency
- \$75.5 million: Supporting Education Professionals Compensation
- \$3.0 million: To Leverage Private Contributions for Direct Support in the Classroom
- \$3.8 million: Additional investment for low-income and multilingual learner students to a total of \$66.8M
- \$20.2 million: Continued support for Wilmington Learning Collaborative and Redding Consortium
- \$8.4 million: Additional funding for mental health services for students, bringing the total to \$67.7M
- \$500,000: To get cell phones out of our classrooms.

- \$150,000: Career and technical education programs on Artificial Intelligence

## **HOUSING**

- \$19.0 million: Housing Development Fund
- \$5.5 million: Downtown Development Districts
- \$6.0 million: State Rental Assistance Programs
- \$3.0 million: Workforce Housing Program
- \$2.0 million: Strong Neighborhoods

## **HEALTHCARE**

- \$85.5 million: Medicaid
- \$61.3 million: Other Post Employment Benefits
- \$27.5 million: Group Health Insurance Premiums
- \$1.5 million: Smart Food
- \$250,000: Medical School Feasibility Study
- \$1.15 million: Division of Substance Abuse and Mental Health rate increase for mental health professionals

## **EFFICIENCY AND TRANSPARENCY**

- \$1.95 million: DHSS Electronic Health Records system to efficiently process reimbursements.
- \$500,000: Government Performance Review – Improving the Delivery of Services to Citizens
- \$100,000: Develop efficiencies within the business permitting process and shorten the duration.
- \$200,000: Investing in Shovel-Ready Infrastructure Planning

## **ABOUT DELAWARE GOVERNOR MATT MEYER**

Governor Matt Meyer is a former public school math teacher and small business owner who served as New Castle County Executive from 2017 through January 2025. As the leader of Delaware's largest local government, Matt proved that government can still work for the people—delivering real

results for real people and making real progress for Delaware's working families. Governor Meyer is bringing that same result-driven leadership to the state by creating an effective government that reflects our values and priorities.

From Wilmington to Kenya and Iraq: Growing up in Delaware, Matt attended schools in the Brandywine School District, followed by Wilmington Friends School, and then studied Computer Science & Political Science at Brown University. He then moved to Nairobi, Kenya, where he learned Swahili and created Ecosandals, a recycled footwear company that sold environmentally friendly footwear to customers in 17 countries on five continents. Matt subsequently spent 12 months in Mosul, Iraq, as a diplomat embedded with the United States Army during Operation Iraqi Freedom and Operation New Dawn.

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