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To the Members of the 153rd General Assembly:

In compliance with 29 Del. C. Section 6335(a), I respectfully submit for your consideration the Fiscal Year 2026 Recommended Operating Budget, Supplemental One-Time Appropriation, and Bond and Capital Improvements Act for the State of Delaware. This budget reflects the priorities that have guided my tenure as Governor and adheres to the fiscal principles we have upheld over the past eight years. It avoids spending into unsustainable revenues, manages budget growth responsibly, and maintains savings to protect against unexpected revenue downturns.

I extend my gratitude to the 152nd General Assembly for passing Senate Bill 270, which codified the State's Budget Stabilization Fund, now robustly funded at \$469 million. This budget proposal does not include withdrawals from the Fund or new revenue enhancements.

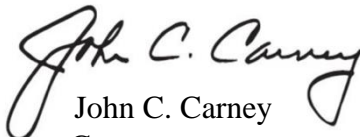
The recommended budget continues investments in our educators, schools, communities, economy, and environment, honoring commitments made by my administration. This includes supporting the recommendations of the Public Education Compensation Commission, funding critical capital projects, and modernizing state government operations.

Highlights of the FY 2026 plan include:

- Ensuring Delaware educators' salaries remain regionally competitive to support our children's future.
- Investing in economic development and workforce initiatives.
- Supporting Delaware's higher education institutions.
- Covering projected Medicaid costs to protect our most vulnerable Delawareans.

As I submit these recommendations to the General Assembly for the final time, I trust that the foundational budgeting practices we have established together will endure. Thank you for your continued partnership. I'm grateful for all we accomplished together.

Sincerely,


John C. Carney
Governor