

Governor's Budget Overview

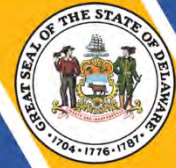


The Governor's proposed Fiscal Year 2026 Operating Budget totals \$6,552.5 million, including \$61.3 million to the Other Post-Employment Benefits (OPEB) Trust Fund. This budget includes \$368.3 million in dedicated cash for the Recommended Bond and Capital Improvements Act, a \$16.9 million Recommended One-Time Supplemental Appropriations Act, and a recommended \$78.2 million set aside for Grants-in-Aid. In addition to the constitutionally mandated two percent set-aside to remain unappropriated, the Budget Stabilization Fund balance has been maintained at \$469.2 million. Total appropriations represent 98.0 percent of available General Fund revenues.

Historic Investment in These Priority Areas: Clean Water, Economic Development, Education Initiatives, Safe Communities, Strong Workforce and Economy

- \$63.0 million in state and federal Clean Water investments to improve Delaware's drinking water and water resources, including funding for low-income and underserved communities. The recommendation is comprised of the following:
 - \$5.5 million for the Drinking Water State Revolving Fund;
 - \$7.6 million for the Clean Water State Revolving Fund;
 - \$5.0 million for Resource, Conservation and Development;
 - \$250,000 for statewide ground water monitoring network; and
 - \$44.6 million federal funding for clean water and drinking water.
- \$39.7 million to ensure Delaware remains competitive through modernizing infrastructure, focusing on small businesses and fostering a culture of innovation and entrepreneurship. Recommended funding includes:
 - \$20.0 million for the Delaware Strategic Fund. The Fund represents the primary funding source used by the Division of Small Business to provide targeted financial assistance to businesses;
 - \$5.0 million for the Transportation Infrastructure Investment Fund (TIIF). TIIF provides economic assistance for road improvement and related transportation infrastructure in order to attract new businesses to Delaware or for the expansion of existing Delaware businesses;
 - \$4.7 million to expand laboratory space to help drive bio-tech innovation and entrepreneurship; and
 - \$10.0 million for the Site Readiness Fund so businesses have options to locate and expand in Delaware.
- \$18.5 million to support economic growth and revitalization initiatives in the City of Wilmington and the City of Dover.

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Stronger Schools for All Children

- \$210.6 million for Public Education capital projects including Minor Capital Improvements, and school construction funding for projects in the Appoquinimink, Christina, Colonial, Red Clay, Smyrna, and New Castle County and Sussex Vocational Technical districts.
- \$33.9 million to fund Public Education enrollment growth.
- \$10.1 million for school safety.
- \$13.4 million for a total of \$72.7 million, for Mental Health Services for Elementary, Middle, and High School students.
- \$15.3 million to fund salary steps for Public Education administrators and educators.
- \$3.8 million, for a total of \$66.8 million, for the Opportunity Funding to provide additional resources to low-income students and English Learners.

Delaware Families and Safer Communities

- \$76.9 million for Purchase of Care for continued support of families with children.
- \$85.5 million for Medicaid services growth, as well as \$40.0 million in new state revenue to leverage additional federal funds for enhancing health services.
- \$1.2 million in matching funds for statewide library projects.
- \$17.8 million to preserve historical and recreational sites across Delaware.
- \$36.0 million for security, safety, and infrastructure improvements at Department of Correction facilities.
- \$5.3 million for public safety communications and critical equipment.
- \$16.0 million to support affordable housing.
- \$12.5 million for the eleventh year of the statewide Urban Redevelopment initiative. This program provides funding for Downtown Development Districts, designed to promote healthy and vibrant downtowns as critical components of Delaware's economic well-being and quality of life.
- \$4.0 million for the Strong Neighborhoods Housing Fund, targeted at efforts that support community development and/or transform neighborhoods that are experiencing blight or other forms of stress, including high crime.
- \$10.0 million for Subdivision Street Pavement Management Fund to support direct paving and rehabilitation of community streets.
- \$8.0 million for Workforce Housing Program to expand housing investments and affordable units for Delawareans and their families.

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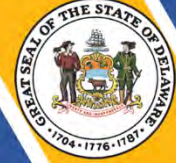
A Strong and Stable Workforce

- \$65.8 million for continued efforts towards compensation and pay equity for state employees. This proposal includes two percent salary increases for all state employees, funding for collective bargaining contracts and supports recruitment and retention efforts.
- \$60.0 million to implement the second year of the Public Education Compensation Committee recommendations.
- \$16.1 million for funding salary steps for education, higher education, and state agencies.
- \$61.3 million to continue investments toward the reduction of the OPEB Trust Fund liability.
- \$94.2 million to maintain and upgrade state facilities including minor capital improvements and renovations to the Carvel State Office Building, State Fire School New Castle County, Georgetown Circle, Herman Holloway Campus, Department of Labor Sussex facility, the Leonard L. Williams Justice Center, Delaware National Guard Cheswold Readiness Center, Richardson and Robbins building, former Sussex Family Court and existing Kent Family Court, existing Delaware State Police Troop 4, Stockley Center, and addressing statewide deferred maintenance.
- \$50.0 million to renovate and expand Legislative Hall and construction of parking garage.
- \$30.0 million to renovate Emily P. Bissell campus.
- \$10.0 million to combine Justice of the Peace (JP) Courts 8 Smyrna and 9 Middletown, complete Customs House renovation, and to reconfigure JP Court 4 Seaford.

A Stronger Economy

- \$80.0 million for capital projects at Delaware State University, Delaware Technical Community College, and the University of Delaware.
- \$9.8 million for the Riverfront Development Corporation to continue development efforts along the Christina River in Wilmington.
- \$1.5 million for the third year of a five-year commitment to the Center for Clinical and Translational Research initiative. Partner institutions (University of Delaware, Christiana Care and Nemours) will develop new methods to translate research discoveries to community health settings and will leverage additional funding from the National Institutes of Health.
- \$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.
- \$2.0 million for the third year of a five-year commitment to support the State's academic and medical institutions. Through collaborations among the public, private and academic sectors, the grant continues to support biomedical research, encompassing both basic and translational research.

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- \$800,000 for the first year of a five-year commitment for the Experimental Program to Stimulate Competitive Research - Research Infrastructure Improvement initiative. The program provides infrastructure to support research and educational programs for Delaware's water and energy challenges and will leverage additional funding from the National Science Foundation.
- \$5.0 million for the third year of a five-year commitment to support the transformation of biopharmaceutical manufacturing in the State and around the country. The biopharmaceutical category includes vaccines, cancer drugs and drugs to treat autoimmune diseases, as well as emerging drugs for cell and gene therapies. The institute will provide for higher quality and safer medicines, being made available faster than ever before, and create quality jobs for the citizens of Delaware.