GOVERNOR CARNEY’S VISION FOR DELAWARE

• Investing in the new economy and new “old” jobs to **expand opportunity**

• 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

• **Improving quality and containing costs** of health care for all Delawareans, and promoting healthy living

• **Safe and secure communities** with improved quality of life

• 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**
  - Finalized an agreement to expand the Port of Wilmington and create jobs
  - Created the Angel Investor Job Creation and Innovation Act

☑️ **Invested in Schools**
  - Significantly expanded Opportunity Fund program with targeted investments in high-needs schools
  - Established program offering student loan relief to educators in high-needs schools

☑️ **Fostered a Healthier Delaware**
  - Supported the creation of a coordinated system of providers and treatment options for Delawareans struggling with addiction
  - Signed Aiden’s Law which will develop and implement a plan of safe care for substance exposed infants and their caregivers
  - Signed Executive Order 25 establishing a health care spending and quality benchmark

☑️ **Worked toward Long-Term Financial Sustainability**
  - Set aside $47.7 million in reserve
  - Signed Executive Order 21 establishing appropriation benchmark budgeting mechanism and reserve
OUR PRIORITIES: UPCOMING YEAR

Our budget continues investments in key areas to help us:

- STRENGTHEN OUR ECONOMY
- IMPROVE OUR SCHOOLS FOR ALL CHILDREN
- PROTECT OUR QUALITY OF LIFE
HIGHLIGHTS OF GOVERNOR CARNEY’S FY 2020 FINANCIAL PLAN

• Allocates significant resources toward high-needs schools
• Makes fundamental investments in our workforce, economic development, public safety and health care
• Adheres to appropriation benchmark consistent with Executive Order 21
• Allocates surplus revenues into one-time investments to continue an infrastructure package called Delaware Reinvest
• Funds long-term liabilities such as pensions and debt service
• Sets aside resources into a fund for long-term budget stability
$60 million

Over a three year period

• Targeted Investments Toward Disadvantaged Students
  ▪ Weighted funding for low-income students and English learners (EL)
  ▪ Mix of one-time and ongoing funding
• Investing in Educators
  ▪ $20 million – 2% pay increase for public school educators and $1,000 flat increase for non-educators
  ▪ $500,000 – Expand High Needs Educator Student Loan Forgiveness Program
    ▪ Brings total funding for this program to $700,000

• Investing in the Classroom
  ▪ $1 million – Yearlong residencies to prepare incoming teachers and improve retention in high-needs schools
  ▪ $850,000 – DE Literacy Plan – professional development and micro-credential bonus
  ▪ $560,000 – Middle school math coaches (4 additional)
    ▪ Brings total funding for this program to $1.6 million

• Partnering with Higher Education
  ▪ $15 million – Funding for the Higher Education Economic Development Investment Fund to supplement investments that Delaware’s institutes of higher education are making to improve job growth and economic development in the State
• Investing in Early Learning
  ▪ $3.2 million – Increase investments in quality early learning programs to bring total funding of STARS to $32.7 million

• City of Wilmington Education Initiative
  ▪ $1.5 million – Continued funding for school-based wellness centers and professional development for educators in Christina School District schools located in the City of Wilmington

• Student Success Block Grant
  ▪ $6.4 million – Continued funding for:
    • K-3 Basic Special Education allocated proportionately based on enrollment
    • Reading Interventionists for elementary schools
      • 60% or higher Low-SES enrollment
      • 20% or higher EL enrollment
Investing in Higher Education

- **$21 million** – Funding for **deferred maintenance, capital improvements and technology upgrades** at the University of Delaware, Delaware State University and Delaware Technical Community College

- **$898,900** – Funding for **SEED and Inspire program growth**

- **$1.2 million** – Funding for the University of Delaware to **support in-state students**

- **$351,800** – Funding to expand grant **opportunities for women athletes** and other programs at Delaware State University

- **$812,700** – Funding for Delaware Technical Community College **RN to BSN program, diesel mechanic program, pathways partnerships and enrollment and financial aid support**
WORKFORCE: INVESTMENTS IN OUR PEOPLE

• Investing in State Employees
  ▪ $1,000 pay increase for State and public education employees
  ▪ Steps and 2% increase for public school educators
  ▪ Support for 12 week paid parental leave

• Recruiting and Retaining Quality Employees
  ▪ $150,000 for the First State Quality Improvement Fund
  ▪ $85,000 for recruitment and retention efforts

• Investing in our Workplaces
  ▪ $2.8 million for Carvel State Office Building improvements and renovations
  ▪ $5 million for the deferred maintenance backlog in state facilities
  ▪ $1.5 million for renovations to the Jesse Cooper Building
  ▪ $850,000 for elevator replacement at the Leonard L. Williams Justice Center
• Department of Services for Children, Youth & Their Families
  - $2.9 million – Adding **34 new caseworkers** in the Division of Family Services to bolster child welfare investigations

• Department of Labor
  - $798,400 – Adding **9 new staff members** in the Labor Law Enforcement section and in the Anti-Discrimination section
SAFER COMMUNITIES: DOC INVESTMENTS

- **Staffing Investments**
  - $1.5 million for direct offender contact positions and other support
  - $305,000 for staff training and education

- **Improving Reentry Services**
  - $762,800 to implement the Delaware Correctional Reentry Continuum

- **Security & Safety Equipment**
  - $903,900 for vests, radios and other equipment

- **Facility Technology**
  - $437,400 for phone and camera system upgrades and maintenance

- **Health and Welfare of Offenders**
  - $1.1 million for inmate medical services
  - $109,100 for inmate grievance review projects
  - $176,500 for electronic monitoring

- **Capital Investments**
  - $4.8 million for conversion of Central Violation of Probation Center
  - $2.3 million for security cameras
• **Addressing the drug use epidemic**
  - **$1.8 million** – Continued support for the recommendations of the Behavioral Health Consortium

• **Ensuring continued access to care for our children**
  - **$3.2 million** – Funding for the Children’s Health Insurance Program (CHIP) to offset the cut in federal share

• **Assisting seniors with maintaining their health**
  - **$1.8 million** – Aging services volume growth

• **Supporting our non-profit service providers**
  - **$2 million** – Adult disability provider increase
  - **$3.8 million** – Purchase of Care provider increase
LONG TERM FINANCIAL SUSTAINABILITY

- Based on Executive Order 21
- Helps avoid the negative impact of program cuts and tax increases due to revenue volatility and economic downturns
- Amount available for the operating budget is calculated based on an index relative to the overall economy to help reduce budget volatility
- Revenue above the index directed to ONE-TIME investments AND savings
Bond Bill funding toward investments in Delaware’s infrastructure, economy and communities

**Economic Development**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Fund</td>
<td>$12.5 million</td>
<td>Delaware Prosperity Partnership</td>
</tr>
<tr>
<td>Research Collaboration</td>
<td>$8.6 million</td>
<td>Higher Education Economic Development Fund</td>
</tr>
<tr>
<td>Transportation Investment Fund</td>
<td>$10 million</td>
<td>Transportation Infrastructure Fund</td>
</tr>
<tr>
<td></td>
<td>$15 million</td>
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</table>
Bond Bill funding toward investments in Delaware’s infrastructure, economy and communities

Modernizing Delaware’s Transportation Infrastructure

$3.2 Billion Transportation System (federal, state, other) through 2025
DELAWARE REINVEST

Bond Bill funding toward investments in Delaware’s infrastructure, economy and communities

### Environment

<table>
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<tr>
<th>Amount</th>
<th>Initiative</th>
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<tbody>
<tr>
<td>$20 million</td>
<td>Open Space and Farmland Preservation</td>
</tr>
<tr>
<td>$10 million</td>
<td>Clean Water/Drinking Water</td>
</tr>
<tr>
<td>$5 million</td>
<td>Beach Preservation</td>
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Delaware Reinvest

Bond Bill funding toward investments in Delaware’s infrastructure, economy and communities

**Strong Communities**

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<thead>
<tr>
<th>Funding</th>
<th>Description</th>
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</thead>
</table>
| $17.5 million | Affordable Housing/ Strong Neighborhoods/  
Downtown Development Districts |
| $5 million | Preserving Historic Sites |
| $137.5 million | School Construction & Safety |
| $6.3 million | Library Construction |
The FY 2020 Financial Plan sets aside $92.1 million over and above the constitutionally mandated set asides.
DOOR OPENERS

$15M
Medicaid growth

$19.5M
K-12 enrollment growth

$8.9M
Pupil Transportation

$14.6M
Steps (Ed, DSP, DTCC, agency)

$1.1M
DOC Inmate Medical/Pharmacy inflation

$2.2M
Debt Service
GOVERNOR’S RECOMMENDED FY 2020
FINANCIAL PACKAGE

July - December

- **Governor Carney and cabinet members** developed the FY 2020 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 24**: Governor Carney proposes recommended budget for FY 2020.

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**.
- End of Presentation -