States received historic federal resources to fight the COVID-19 pandemic.

*We are putting those funds to work for Delawareans.*
Federal Resources for COVID-19 Recovery & Rebuilding Our Economy

- Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
- American Rescue Plan Act
- Bipartisan Infrastructure Law
## COVID-19 RELIEF: CARES ACT FUNDS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Trust Fund</td>
<td>$229 million</td>
</tr>
<tr>
<td>Relief for Small Businesses</td>
<td>$193 million</td>
</tr>
<tr>
<td>Testing and Contact Tracing Programs</td>
<td>$196 million</td>
</tr>
<tr>
<td>Child Care Assistance Program</td>
<td>$140 million</td>
</tr>
</tbody>
</table>

Funds are fully distributed.
FEDERAL RELIEF
Key Investments and Commitments

AMERICAN RESCUE PLAN ACT

- $355 million
  Statewide Technology & Capital Upgrades

- $135 million
  Housing Development & Emergency Housing

- $121 million
  DE Hospitals and Health Care Facilities

- $112.5 million
  Community Investment Recovery Fund (Nonprofits)

- $107 million
  Higher Education
  (University of Delaware, Delaware State University, Delaware Tech)

- $100 million
  COVID-19 Response and Mitigation

- $50 million
  Workforce Development & Pathways 2.0

Funds have been allocated to comply with strict U.S. Treasury requirements
Awaiting guidelines and distribution of funds from federal government
We made it through the worst of the pandemic without cutting services or raising taxes.

Responsibly managing our state budget is more important than ever.
Revenue Volatility vs. Benchmark Spending Stability

Revenue Volatility with Stable Budget Growth

FY 23 Forecast

FY 16, FY 17, FY 18, FY 19, FY 20, FY 21, FY 22, FY 23

- Revenue Resolution Growth
- Budget Growth
Year in Review: Sustainable Finances

FY 2022
- Budget: $4,771.5 M
- GIA: $221.1 M
- One-Time: $287.3 M
- Savings: $63.2 M

FY 2023
- Budget: $4,991.3 M
- GIA: $56.9 M
- One-Time: $215.9 M
- Savings: $302.5 M

***Budget Stabilization Fund is Fully Funded***
Providing Targeted Tax Relief and Incentives

**Individuals**

- Exempts 2021 unemployment insurance (UI) benefits from State personal income taxes - $25.2 million over 2 years
- Doubles the Volunteer Firefighter Tax Credit - $1.8 million
- Extends military pension exclusions to attract highly skilled, young military retirees to Delaware’s workforce - $1.5 million
- Promotes College and “ABLE” Plan Savings - $667,000

**Employers**

- Continues to protect UI contributory employers from COVID-related claim costs - $11.4 million
- Saves an estimated 6,000 new employers, mostly small businesses, from pandemic-related rate increases.
The FY 2023 Financial Plan sets aside **$15.2 million** into the Budget Stabilization Fund, which would result in a total amount over and above the constitutionally mandated set asides - **$302.5 million**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Operating Budget</td>
<td>$4,991.3 M</td>
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<tr>
<td>Grants-in-Aid</td>
<td>$56.9 M</td>
</tr>
<tr>
<td>Bond and Capital Improvements Act</td>
<td>$1,184.4 M</td>
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<tr>
<td>- State Capital Projects</td>
<td>$868.7 M</td>
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<tr>
<td>- GO Bonds</td>
<td>$274.6 M</td>
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<tr>
<td>- Cash</td>
<td>$591.6 M</td>
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<tr>
<td>- Other</td>
<td>$2.5 M</td>
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<tr>
<td>- Transportation</td>
<td>$315.7 M</td>
</tr>
<tr>
<td>One-Time Supplemental</td>
<td>$215.9 M</td>
</tr>
</tbody>
</table>
OUR BUDGET CONTINUES INVESTMENTS IN KEY AREAS

Strengthening our economy

Expanding opportunity

Supporting families & workforce
Long-term
Financial Sustainability

FY 2023 Financial Plan

- Fully funds Rainy Day Fund
- Appropriates less than 98% of revenues
- Budget growth targeted to the DEFAC benchmark
- Fully funds Budget Stabilization Fund - sets aside $15.2 million
- Allocates $591.6 million in cash to the Capital and Bond Bill

***Total Fund Amount: $302.5 million***
Highlights of Governor Carney’s FY 2023 Financial Plan

✓ Takes continued steps towards providing compensation and pay equity for state employees.

✓ Increases Opportunity Funding investments in our schools for low-income students and English language learners.

✓ Continues investments in clean water, economic development and fulfills our commitments to new school construction in all 3 counties.

✓ Continues to fund secure and modern spaces for Kent and Sussex County courthouses.
Preparing for the Economy of the Future

ECONOMIC DEVELOPMENT

$60 MILLION

Strategic Fund
$30 million

Graduation Lab Space
$10 million

Site Readiness
$10 million

Transportation Infrastructure Fund
$10 million
Environmental Justice for all Delawareans

ENVIRONMENTAL INITIATIVES

$404.7 MILLION

Aglands Preservation and Open Space
$30 million

Shoreline and Waterway Resiliency
$7.5 million

Clean Water
$367.2 million
($12.2M state Clean Water Trust Fund and $355M federal)
Investing in Delaware’s Children & Families

FY23 AND FORWARD FUNDING SCHOOL PROJECTS

$339.9 MILLION

New Castle County
$82.4 million

Kent County
$89.9 million

Sussex County
$122.8 million

Statewide Market Pressure
$25 million

Wilmington Learning Collaborative and Redding Consortium
$19.8 million
• $7 million to support the Wilmington Learning Collaborative

• $12.8 million to implement Redding Consortium recommendations
Investing in Statewide School Infrastructure

Northern New Castle: $50.6 M
- $14.9 million – Christina
- $33 million – NCC Vo Tech
- $2.7 million – Colonial

Appoquinimink: $23.1 M

Smyrna: $19.9 M

Capital: $56.1 M

Caesar Rodney: $11.0 M

Milford: $37.4 M

Cape Henlopen: $2.4 M

Sussex Tech: $32.5 M

Indian River: $47.1 M
OPPORTUNITY FUNDING

• $4.5 million increase in funding for low-income students and English learner students

• Continues goal to more than double the Opportunity Fund to $60 million annually by 2025

Maintain Expansion of Mental Health Supports

• $20.6 million to support mental health service units for elementary schools. (HB 100 - operating budget and one-time funding)
Investing in Higher Education

• $45 million - Deferred maintenance, capital improvements and technology upgrades at UD, DSU, and DTCC

• $15 million - Higher Education Economic Development Investment Fund

• Increases for Scholarships:
  • $1.3 million – Increase for First State PROMISE Scholarship at UD
  • $1.6 million – Increase for SEED+ for DTCC and UD
  • $1.4 million – Increase for INSPIRE for DSU

• $921,000 - Compensation stabilization plan (phase two) to reduce faculty and staff turnover at DTCC

• $100,000 – Supports the Bachelor of Education program at DTCC

$107 million (ARPA funding) for higher education to support pandemic-related projects funded
Providing Transparency in Policing

- $7.6 million for the development and deployment of body worn cameras.
- $390,000 to support in-car camera program for law enforcement vehicles.

Security in Correctional Facilities

- $11.6 million for security, safety and infrastructure improvements at Department of Correction facilities.
Supporting Delaware Families

- **$1.4 million** to support extended post-partum Medicaid coverage.

- **$1.5 million** for the development of a therapeutic foster care program.

- **$996,000** to support the growth of the Delaware Healthy Children Insurance Program (CHIP).

- **$3.7 million** increase to support expungement programs.

- **$735,000** expansion of crisis beds in Kent and Sussex counties (Department of Services for Children, Youth and Their Families).
Supporting Delaware Workers

Supporting Health Care Workers

• $500,000 to increase funding for the Health Care provider State loan repayment program.

• $300,000 to permanently fund the mental health services loan forgiveness program.

Supporting Child Care Providers & Workers

• $11.5 million in increased support for child care providers and workers.
Investing in our State Workforce

COMPENSATION AND PAY EQUITY

$88.7 MILLION

- Moving toward $15 Minimum Wage
- Increase to Merit Pay Scales or 2% Pay Increase
- Funding Current Negotiated Wages and Steps
- One-time $500 Bonus for State Retirees
**Highlights: Governor Carney’s FY 2023 Capital Budget**

### Improving Schools for Delaware Students
- $305.2 million - School Construction and Renovation
- $45.0 million - Higher Education Campus Improvements
- $15.0 million - School Building Deferred Maintenance

### Small Businesses & Infrastructure
- $30.0 million - Strategic Fund Investments to Support Jobs in DE
- $15.0 million - Higher Education Economic Development Fund
- $10.0 million - Site Readiness Fund
- $10.0 million - Graduation Lab Space
- $10.0 million - Transportation Infrastructure Investment Fund
- $6.5 million - Riverfront Development Corporation
- $3.8 million - Research Collaboration
Highlights: Governor Carney’s FY 2023 Capital Budget

Building Strong Communities

- $26.8 million - Libraries
- $6.0 million - Affordable Housing
- $5.5 million - Downtown Development Districts
- $4.0 million - Strong Neighborhoods
- $21.0 million - Preserving Historical and Recreational Sites

Protecting Natural Resources for Future Generations

- $12.2 million - Clean Water Trust Fund (+ $355M federal funding)
- $30.0 million - Aglands Preservation and Open Space
- $7.5 million - Shoreline and Waterway Resiliency
- $3.2 million - Cover Crop Program
- $1.7 million - Conservation Cost Share
- $500,000 - Delaware Bayshore
Highlights: Governor Carney’s FY 2023 Capital Budget

**Safe and Stable Communities**
- $80.0 million - Kent/Sussex Family Court Facilities
- $21.8 million - New DSP Troops 4 and 6
- $12.0 million - Customs House
- $8.8 million - Public Safety Communications and Equipment
- $3.2 million - New James T. Vaughn Intake Facility
- $3.0 million - Baylor Women’s Correctional Institute renovations
- $2.5 million - Howard R. Young Correctional Center renovations
- $1.3 million - Leonard L. Williams Justice Center improvements

**Building a Strong Foundation for Our State**
- $35.4 million - State agency minor capital improvements and deferred maintenance
- $10.5 million - Carvel State Office Building renovations
- $6.0 million - Delaware Hospital for the Chronically Ill
- $5.1 million - Jesse Cooper Building improvements
- $3.5 million - Cleveland White Building renovations
- $1.0 million - Herman Holloway Campus improvements
The FY 2023 Financial Plan sets aside $15.2 million into the Budget Stabilization Fund, which would result in a total amount over and above the constitutionally mandated set asides - $302.5 million
Governor Carney and cabinet members developed the FY 2023 budget draft.

Delaware Economic and Financial Advisory Council (DEFAC) met in October and December to project revenue. DEFAC will update their projections in March, May and June.

January 27: Governor Carney proposes recommended budget for FY 2023.

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.

Mark-up: JFC reviews budget proposals.

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.