



Financial Overview

FISCAL YEAR 2023

January 27, 2022

***Embargoed until
January 27, 2022 at 11:00 a.m.***

RESPONSIBLE INVESTMENT
GOVERNOR CARNEY 

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**

FEDERAL RELIEF

Key Investments and Commitments

COVID-19 RELIEF: CARES ACT FUNDS

**\$229
million**

Unemployment
Trust Fund

**\$193
million**

Relief for
Small Businesses

**\$196
million**

Testing and
Contact Tracing
Programs

**\$140
million**

Child Care
Assistance
Program

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*

FEDERAL RELIEF

Key Investments and Commitments

BIPARTISAN INFRASTRUCTURE LAW

**\$1.2
billion**

Federal Highway
Funds

**\$355
million**

Clean Water and
Drinking Water

**\$225
million**

Bridge
Replacements
and Repairs

**\$220
million**

Public Transit
Improvements

**\$100
million**

Broadband
Infrastructure

*Awaiting guidelines and distribution of
funds from federal government*

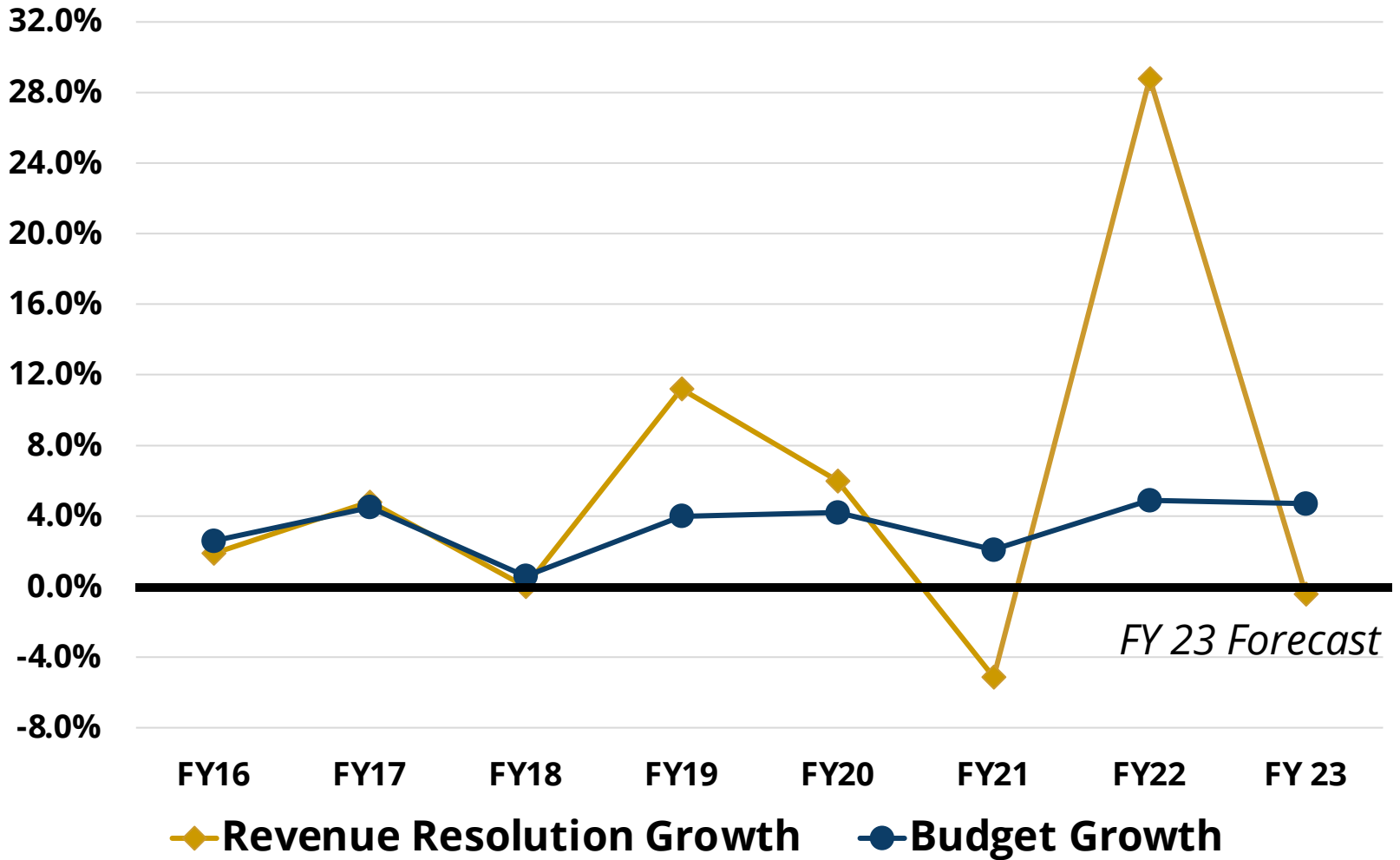
**We made it through the worst of
the pandemic without cutting
services or raising taxes.**

*Responsibly managing our
state budget is more
important than ever.*

Revenue Volatility *vs.* Benchmark Spending Stability



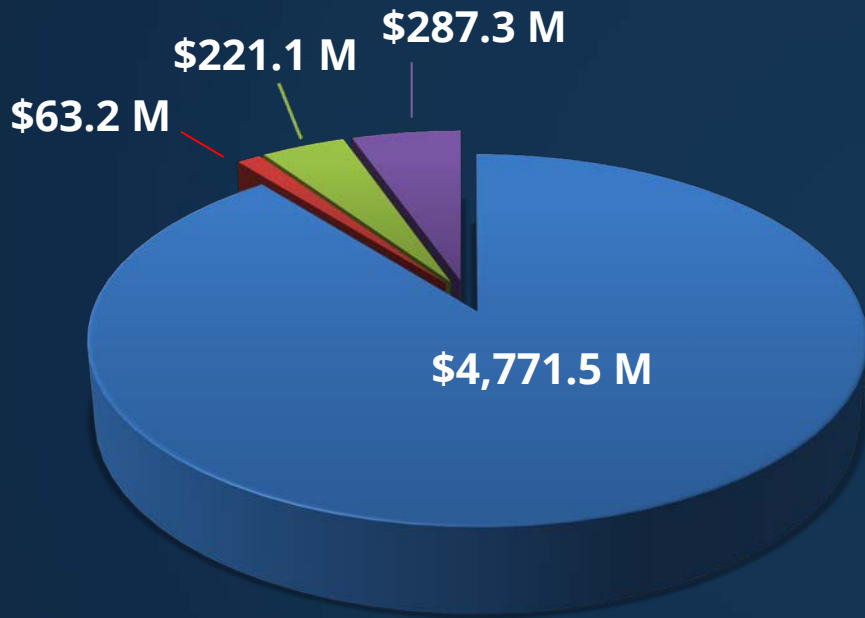
Revenue Volatility with Stable Budget Growth



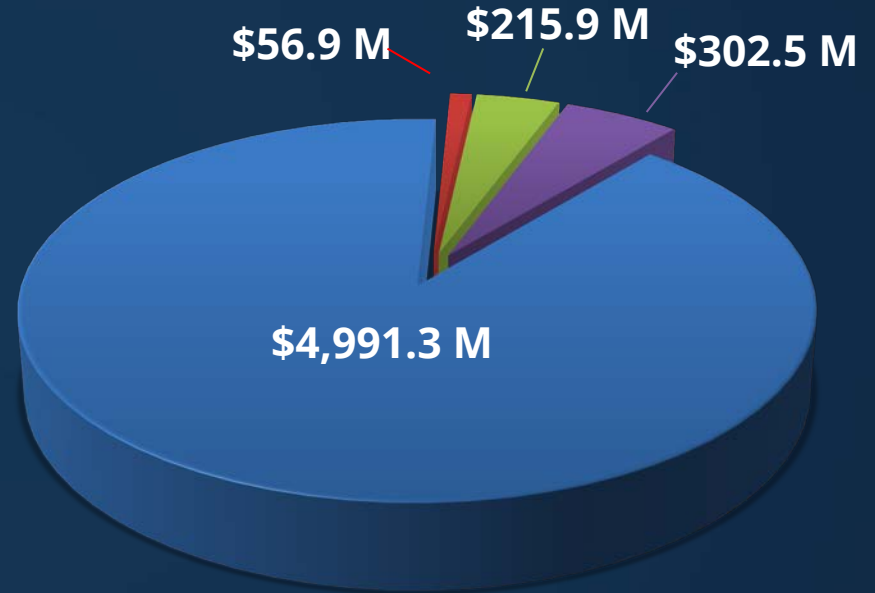
Year in Review: Sustainable Finances



FY 2022



FY 2023



■ Budget ■ GIA ■ One-Time ■ Savings

■ Budget ■ GIA ■ One-Time ■ Savings

******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.

Governor Carney's Recommended FY 2023 Financial Plan



General Fund Operating Budget		\$4,991.3 M
• GF Operating Budget Growth 4.6%		
Grants-in-Aid		\$56.9 M
Bond and Capital Improvements Act		\$1,184.4 M
• State Capital Projects	\$868.7 M	
• GO Bonds	\$274.6 M	
• Cash	\$591.6 M	
• Other	\$2.5 M	
• Transportation	\$315.7 M	
One-Time Supplemental		\$215.9 M

*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***

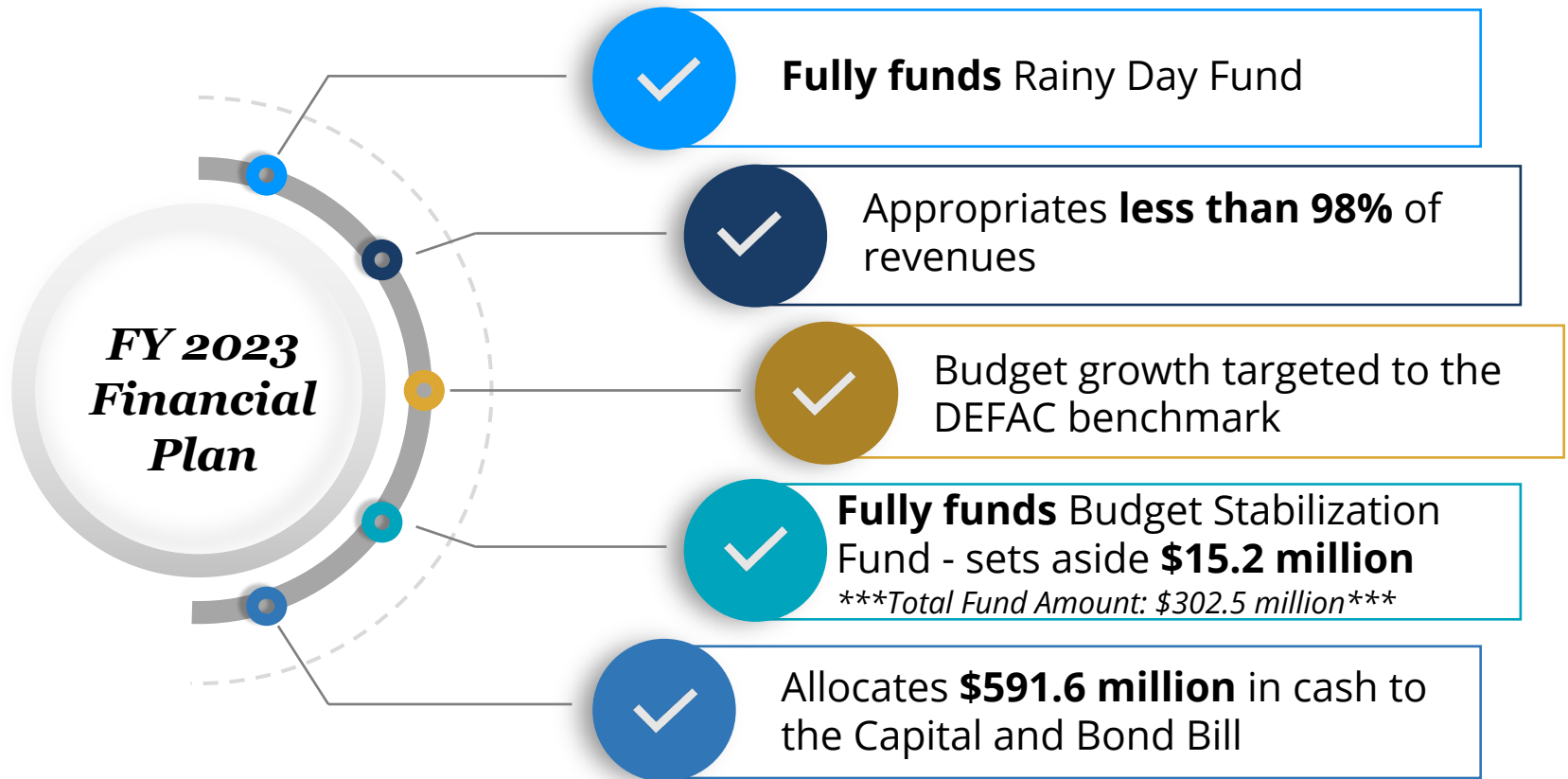
OUR BUDGET CONTINUES INVESTMENTS IN KEY AREAS

Strengthening our
economy

Expanding
opportunity

Supporting
families & workforce

Long-term Financial Sustainability



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**

**Site Readiness
\$10 million**

**Graduation Lab
Space
\$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

WILMINGTON LEARNING COLLABORATIVE

- **\$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*)

Education:

Supporting Higher Education



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

Investing in **Safety and Security**



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**



Supporting 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

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FY 2023

Budget Process



*July -
December*

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

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

*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* -