

# Governor's Budget Overview



The Governor's proposed Fiscal Year 2023 Operating Budget totals \$4,991.3 million. This budget, in combination with \$591.6 million in dedicated cash for the Recommended Bond and Capital Improvements Act, a \$215.9 million Recommended One-Time Supplemental Appropriations Act, a recommended \$47.7 million in dedicated cash to the Other Post-Employment Benefits (OPEB) Trust Fund, and a recommended \$56.9 million set aside for Grants-in-Aid, is equal to 97.8 percent of available General Fund revenues. The Governor has recommended that \$15.2 million over and above the constitutionally mandated two percent set-aside remain unappropriated and added to the Budget Stabilization Fund for a new balance of \$302.5 million

## **Historic Investment in Three Priority Areas: Clean Water, Wilmington Education Initiatives and Economic Development**

- \$367.2 million in state and federal Clean Water investments to improve Delaware's drinking water and water resources. Includes funding for low-income and underserved communities. The recommendation is comprised of the following:
  - \$2.2 million for the Drinking Water State Revolving Fund;
  - \$5.0 million for the Clean Water State Revolving Fund;
  - \$5.0 million for Resource, Conservation and Development; and
  - \$355.0 million federal bi-partisan infrastructure funding for clean water and drinking water.
- \$75.0 million to ensure Delaware remains competitive through modernizing infrastructure, focusing on small businesses and fostering a culture of innovation and entrepreneurship. Recommended funding includes:
  - \$30.0 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;
  - \$15.0 million for the Higher Education Economic Development Investment Fund, which supplements investments that Delaware's institutes of higher education are making to improve job growth and economic development in the State;
  - \$10.0 million for the Transportation Infrastructure Investment Fund. The Fund 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;
  - \$10.0 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.

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- \$11.5 million to support education initiatives in the City of Wilmington. This funding will build upon previous year's appropriations and will be directed toward building a new state of the art school on the East Side of Wilmington.

## **Better Schools for All Children**

- \$320.2 million for Public Education capital projects including Minor Capital Improvements, school construction, and market pressure funding for projects in Wilmington and in the Appoquinimink, Caesar Rodney, Cape Henlopen, Capital, Christina, Colonial, Indian River, Milford, and New Castle County and Sussex Vocational Technical districts.
- \$24.7 million to fund Public Education unit growth.
- \$19.8 million for the Wilmington Learning Collaborative and Redding Consortium initiatives to support students, families, and teachers delivering education in the City of Wilmington.
- \$10.5 million to fund salary steps for Public Education administrators and educators.
- \$4.5 million commitment for the Opportunity Funding to provide additional resources to low-income students and English Learners.
- \$4.0 million for recruiting and retaining teachers in high-needs schools.

## **Delaware Families and Safer Communities**

- \$2.4 million to extend post-partum Medicaid coverage and support the growth of the Delaware Healthy Children Insurance Program (CHIP).
- \$2.2 million for the development of a therapeutic foster care program and expansion of crisis beds in Kent and Sussex counties for children, youth and their families.
- \$30.0 million for Farmland Preservation and Open Space programs.
- \$26.8 million in matching funds for statewide library projects.
- \$21.0 million to preserve historical and recreational sites across Delaware.
- \$11.6 million for security, safety, and infrastructure improvements at Department of Correction facilities.
- \$8.8 million for public safety communications and critical equipment.
- \$6.0 million to support affordable housing.
- \$5.5 million for the seventh 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. The funds are targeted at efforts that support community development and/or transform neighborhoods that are experiencing blight or other forms of stress, including high crime.

## **A Strong and Stable Workforce**

- \$11.5 million in increased support for childcare providers and 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.

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- \$74.6 million for continued efforts towards compensation and pay equity for state employees. This proposal includes funding gradual movement in merit pay scales to more closely align with market wages for state employees, provide no less than 2 percent salary increase for all employees, and ensure all of the state's workforce is moving toward a \$15/hour minimum wage.
- \$14.1 million for funding salary steps for education, higher education and state agencies.
- \$83.0 million increase to support the Group Health Insurance Plan premium.
- \$47.7 million to support the Other Postemployment Benefits (OPEB) Trust Fund liability.
- \$17.1 million to provide a \$500 one-time bonus for retirees.
- \$111.3 million to maintain and upgrade state facilities including minor capital improvements and renovations to the Carvel State Office Building, Delaware Hospital for the Chronically Ill, Jesse Cooper Building, Legislative Hall, the Leonard L. Williams Justice Center, the Herman Holloway Campus, and addressing statewide deferred maintenance.
- \$92.0 million to construct both the Kent and Sussex County Family Courthouses and to renovate the historic Customs House in the City of Wilmington.
- \$21.8 million to design and begin site work on a new Troop 4 in Georgetown and to construct the new Troop 6 on Kirkwood Highway in Wilmington.

## **A Stronger Economy**

- \$45.0 million for capital projects at Delaware State University, Delaware Technical Community College and the University of Delaware.
- \$6.5 million for the Riverfront Development Corporation to continue development efforts along the Christina River in Wilmington.
- \$1.0 million for the fifth 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 \$20.0 million in 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.
- \$1.0 million for the fourth 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.
- \$800,000 for the fifth 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 \$20.0 million in funding from the National Science Foundation.