



FY 2025 Budget Overview

Joint Committee on Capital Improvement
April 29, 2024



1

Responsibly managing our state budget remains a priority.

BENCHMARK SPENDING

Measuring operating budget growth against a sustainable benchmark (EO#21)

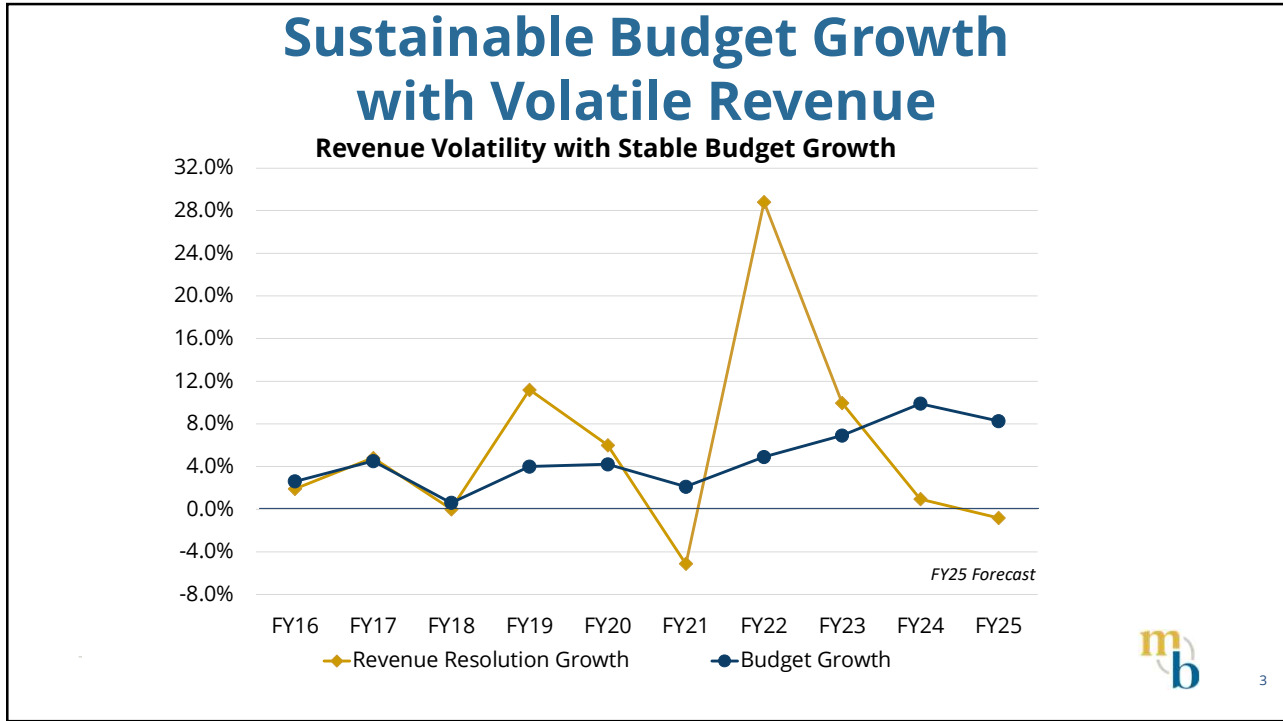
BUDGET STABILIZATION FUND

Using extraordinary revenues to build reserves available to cover future revenue shortfalls

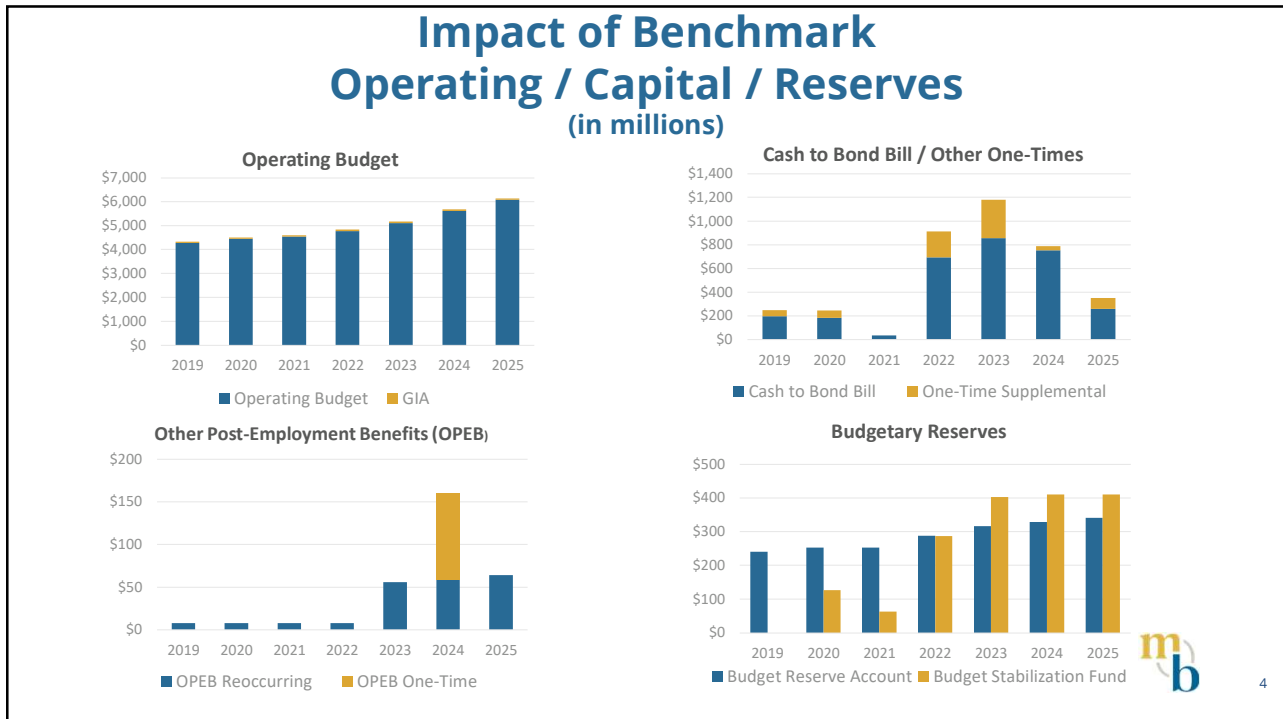
RESPONSIBLE BUDGETING

Directing one-time revenues to one-time investments that support long-term economic growth

2



3



4

Fiscal Year 2025 GRB Financial Plan

General Fund Operating Budget	\$6,074.9 M
• GF Operating Budget Growth below 8.25%	
Grants-in-Aid	\$66.5 M
Bond and Capital Improvements Act	\$943.7 M
• State Capital Projects	\$614.6 M
• GO Bonds	\$314.6 M
• Cash	\$257.5 M
• Other	\$42.5 M
• Transportation	\$329.1 M
One-Time Supplemental <i>(incl. \$56.1M to OPEB)</i>	\$91.8 M

The FY 2025 Financial Plan maintains **\$410.1 million** in the Budget Stabilization Fund to manage through forecasted flat revenues in the out years.



5

March 2024 DEFAC: FY25 at 9.1%; FY26 at 5% Benchmark Growth

	FY 2024 ACTUAL	FY 2025 PROJECTED	FY 2026 PROJECTED
Resources			
Carry-over	\$ 745,392,100	\$ 402,392,100	\$ 245,600,725
Net DEFAC FY Revenue	6,248,800,000	6,307,100,000	6,434,600,000
Total Resources @ 98%	6,854,308,258	6,575,302,258	6,546,596,711
Budget Stabilization			119,460,000
Uses			
Less: Operating Budget	\$ (5,606,716,700)	\$ (6,114,625,500) *	\$ (6,420,356,775)
One-Time Supplemental Bill	(143,563,078)	(35,709,400)	(25,000,000)
1% Cash to OPEB (effective FY2024)	(50,997,200)	(56,067,167)	(61,146,255)
1% Cash to Capital Projects In Bond Bill	(50,997,122)	(56,067,167)	(61,146,255)
One-Times for Capital (Extraordinary)	(702,420,000)	(201,398,485)	(29,853,745)
Grant-In-Aid	(71,992,624)	(66,550,823)	(68,550,823)
TOTAL USES	\$ (6,626,686,724)	\$ (6,530,418,542)	\$ (6,666,053,853)
APPROPRIATION SURPLUS/(DEFICIT)	\$ 227,621,534	\$ 44,883,716	\$ 2,858
Additional Sources			
Cumulative Budget Stabilization Fund Balance	\$ 410,100,000	\$ 410,100,000	\$ 290,640,000
Budget Stabilization Fund Deposits/(Uses)	\$ 7,500,000	\$ -	\$ (119,460,000)
Additional Information			
Abandoned Property Revenue Forecast			
March 2024 DEFAC Forecast	554,000,000	525,000,000	500,000,000
Revenue Adjustments			
Revenue Growth/(Reduction)	(0.7%)	0.9%	2.0%
Reversions			
March 2024 DEFAC Forecast	54,600,000	25,000,000	25,000,000
Operating Budget Growth	9.9%	9.1%	5.0%
Operating & GIA Budget Growth	9.9%	8.8%	5.0%
Appropriation Benchmark (FINAL)	6.2%	5.9%	

* Includes \$39.7M for GHIP 27% Rate Increase



6

6

Capital Investment Highlights Maurice Pritchett Academy



7



8



Biden Center
*Cape Henlopen State
 Park*

9

*Highlights: Governor Carney's
 FY 2025 Capital Budget*



Improving Schools for Delaware Students

\$196.9 million - School Construction and Renovation
 (Includes new schools statewide, market pressure, school
 safety, and MCI)

\$30.0 million - Higher Education Campus Improvements



Investing in Small Business & Infrastructure

\$25.3 million - Research Collaborations

\$27.5 million - Strategic Fund, Site Readiness Fund, and
 Graduation Lab Space

\$15.0 million - Suburban Roads/Subdivision Street Pavement
 and Transportation Infrastructure Investment Fund



10

Highlights: Governor Carney's FY 2025 Capital Budget



Building Strong Communities

- \$6.5 million** - Libraries
- \$6.0 million** - Affordable Housing
- \$5.5 million** - Downtown Development Districts
- \$4.0 million** - Strong Neighborhoods
- \$2.8 million** - Preserving Historical and Recreational Sites



Protecting Natural Resources for Future Generations

- \$37.8 million** - Clean Water Trust, Shoreline and Waterway
- \$20.0 million** - Farmland Preservation and Open Space (RTT)
- \$7.2 million** - Cover Crop Program and Conservation Cost Share



11

Highlights: Governor Carney's FY 2025 Capital Budget



Ensuring Safe and Stable Communities

- \$25 million** - Kent/Sussex Family Court Facilities
- \$26 million** - New DSP Troop 4
- \$17.7 million** - Statewide Correctional Facility and Safety Improvements
- \$20 million** - Leonard L. Williams Justice Center Improvements
- \$10 million** - Customs House



Building a Strong Foundation for Our State

- \$43.3 million** - State agency minor capital improvements and deferred maintenance
- \$22 million** - Emily P. Bissell/Forensic Science facility construction
- \$12 million** - Statewide Park improvements (including Killens Pond, Lums Pond, and Fenwick Island State Parks)



12

Continuing Cost Drivers

- Group Health Insurance Costs
 - Rate action made on March 25th for 27% premium growth
 - Continued growth in benefits offered
- Medicaid
 - Rate of disenrollment
 - Usage costs and trends
- Collective Bargaining
 - Final negotiations unknown until late Spring
- DEFAC (May 20th) Revenue Projections
- Potential Legislation



13

Questions?



OFFICE OF
management
+ budget

14