

FY 2026 Statewide Financial Overview

*Joint Committee on Capital Improvement Hearing
March 31, 2025*



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MEYER ADMINISTRATION PRIORITIES

INVEST IN THE CLASSROOM

Invest directly in Delaware's classrooms to improve literacy, support educators, and address students' mental health - because stronger classrooms today will build a stronger Delaware tomorrow.

AFFORDABLE HOUSING

Delaware is dedicated to addressing our housing crisis head-on, prioritizing solutions that increase affordability, accessibility, and homeownership opportunities for families across our state.

HEALTHCARE FOR ALL

Every Delawarean deserves access to affordable, quality healthcare. We will expand access, tackle costs, and promote healthier communities throughout Delaware.

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MEYER ADMINISTRATION PRINCIPLES

EFFICIENCY & TRANSPARENCY

Delaware deserves a government that is transparent, accountable, and efficient.

This budget makes government smarter and more responsive, delivering tangible results for every taxpayer dollar.

TAX FAIRNESS

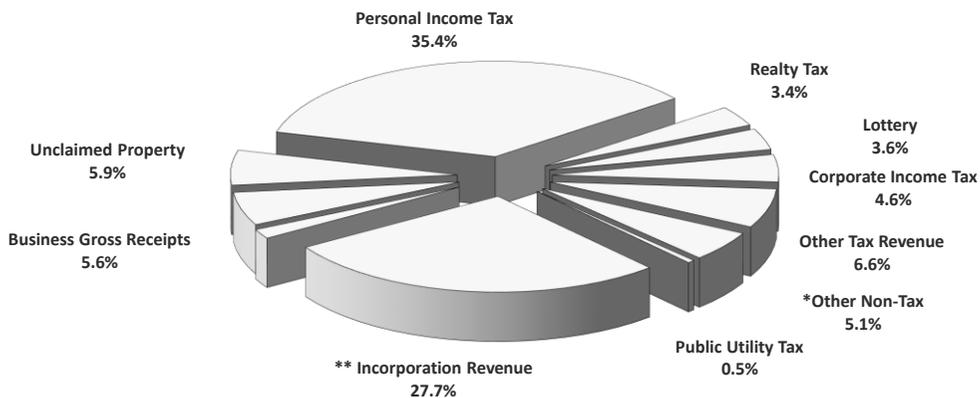
The wealthiest Delawareans will pay their fair share.

No Delawarean who has taxable income under \$134,667 annually will pay a penny more in income taxes.

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FY 2026 SOURCES OF FUNDS (Net of Refunds)



* Includes Prior Year Unencumbered Cash Balance.

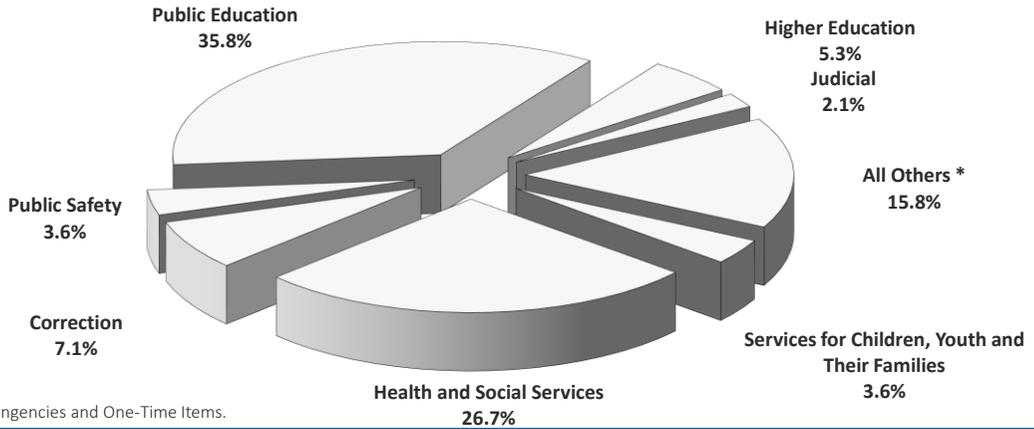
** Includes Corporate Franchise Taxes, Business Entity Fees and Limited Partnerships and Limited Liability Companies.



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FY 2026 RESET OPERATING APPROPRIATIONS



FY 2026 GRB FINANCIAL PLAN

General Fund Operating Budget <i>(incl. \$61.3M to OPEB)</i>	\$6,581.1 M *
Grants-in-Aid	\$82.8 M *
Bond and Capital Improvements Act	\$937.9 M
<ul style="list-style-type: none"> • State Capital Projects \$682.7 M <ul style="list-style-type: none"> • GO Bonds (5% net revenue projection) \$339.5 M • Cash \$291.4 M * • Reprogramming \$51.8 M • Transportation \$255.2 M 	
One-Time Supplemental	\$59.9 M *

* Reflects cash appropriations of **\$7,015.2 million**.

The FY 2026 Financial Plan maintains **\$469.2 million** in the Budget Stabilization Fund.

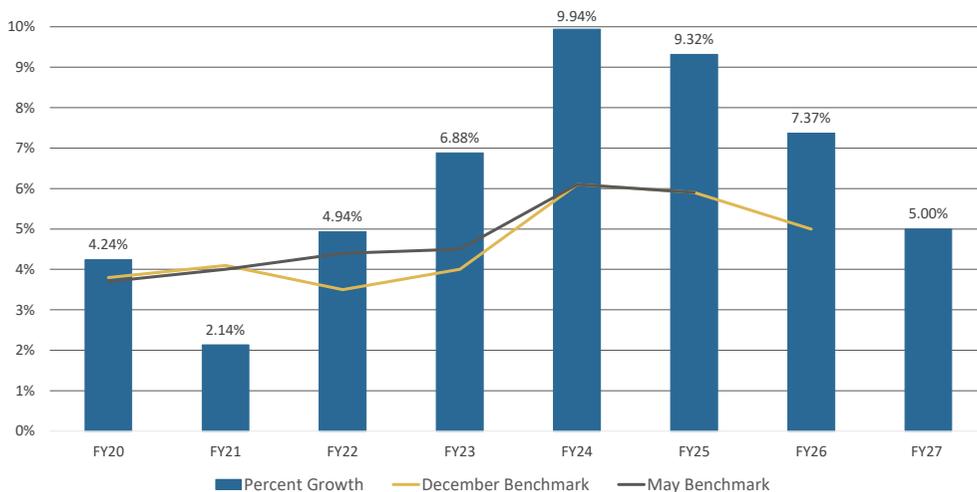


FY 2025 TO 2026 RESET COMPARISON

	Fiscal Year 2025	Fiscal Year 2026 Budget Reset	Variance	% Change
Budget Act	\$6,129,215,800	\$6,581,106,458	\$451,890,658	7.37%
Grants-in-Aid	\$98,498,026	\$82,782,575	(\$15,715,451)	(15.96%)
Supplemental Act	\$168,362,517	\$59,914,802	(\$108,447,715)	(64.41%)
Cash to Bond Bill	\$427,464,897	\$291,424,539	(\$136,040,358)	(31.82%)
	\$6,823,541,241	\$7,015,228,374		



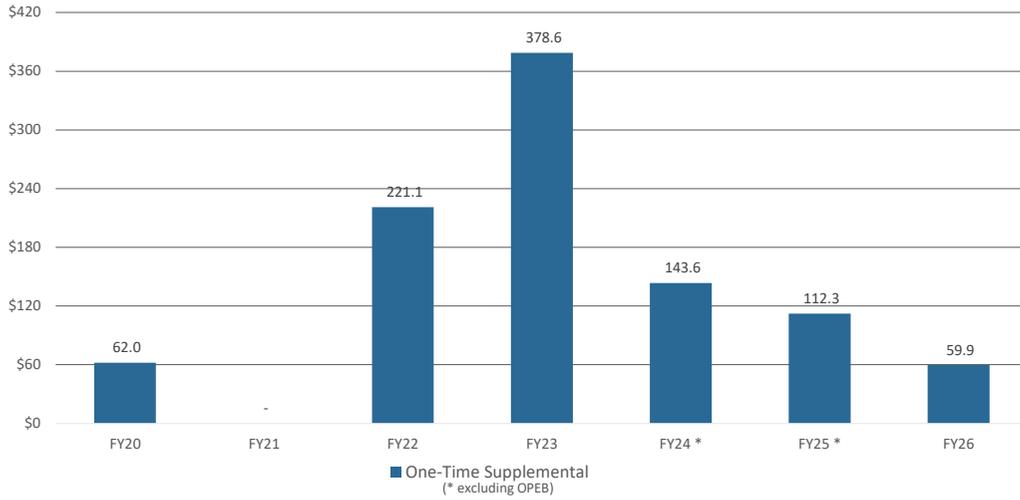
OPERATING BUDGET GROWTH VS. BENCHMARK INDEX



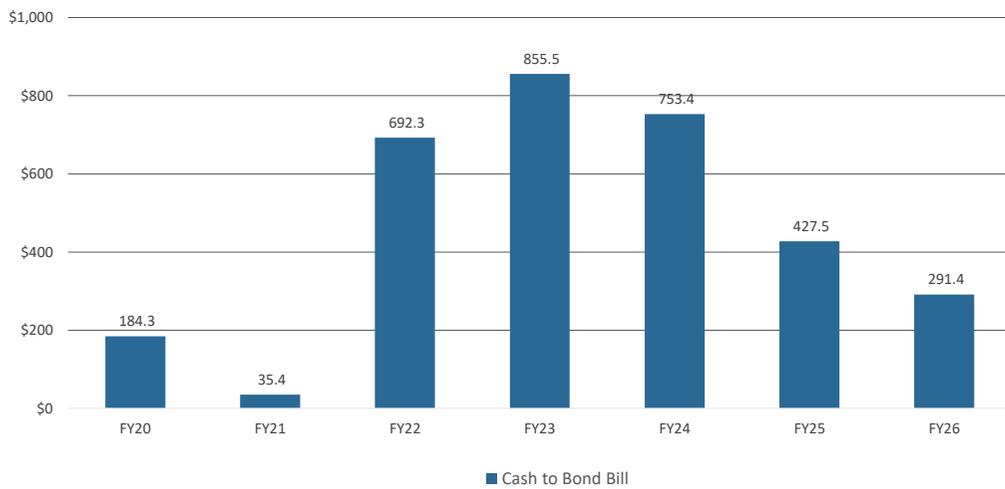
6.4% average budget growth FY20 to FY26 GRB
 Benchmark Index calculation for FY2026 is 5.0%



SUPPLEMENTAL BUDGET BILL



CASH TO BOND BILL



MARCH 2025 DEFAC: FY26 Reset at 7.4%; FY27-28 at 5% Operating Growth

	Actuals 2024	Projected 2025 March DEFAC	Projected 2026 March DEFAC	Projected 2027 March DEFAC	Projected 2028 October DEFAC
Resources					
Carry-over	745,392,100	552,992,100	367,956,300	121,902,926	94,275,680
Net DEFAC FY Revenue	6,348,900,000	6,632,600,000	6,760,900,000	6,840,600,000	6,996,700,000
Proposed Revenue - PIT, Cigarette, Other Tobacco			29,540,000	53,900,000	53,900,000
Total Resources @ 100%	7,094,292,100	7,185,592,100	7,158,396,300	7,016,402,926	7,144,875,680
Total Resources @ 98%	6,952,406,258	7,041,880,258	7,015,228,374	6,876,074,867	7,001,978,166
Budget Stabilization Use			-	380,969,488	121,126,746
Appropriations					
Operating Budget	(5,606,716,700)	(6,129,215,800)	(6,581,106,458)	(6,910,161,781)	(7,255,669,870)
Grant-In-Aid	(71,992,624)	(98,498,026)	(82,782,575)	(83,882,575)	(84,982,575)
1% Cash to OPEB (effective FY2024)	(50,997,200)	(56,067,167)	Incl Operating	Incl Operating	Incl Operating
One-Time Supplemental Bill	(143,563,078)	(112,295,350)	(59,914,802)	-	-
1% Cash to Capital Projects in Bond Bill	(50,997,122)	(56,067,167)	(61,292,158)	(65,811,065)	(69,101,618)
Cash to Capital *	(702,420,000)	(371,397,730)	(230,132,381)	(197,188,935)	(193,898,382)
Total Appropriations	(6,626,686,724)	(6,823,541,240)	(7,015,228,374)	(7,257,044,356)	(7,603,652,445)
Appropriation SURPLUS/(DEFICIT) vs 98% Limit	325,719,534	218,339,018	0	0	(480,547,532)
Additional Sources					
Cumulative Budget Stabilization Fund Balance	410,100,000	469,200,000	469,200,000	88,230,512	0
Budget Stabilization Fund Deposits/(Uses)				(380,969,488)	(88,230,512)
Additional Information					
Abandoned Property Revenue Forecast	554,000,000	554,000,000	554,000,000	500,000,000	500,000,000
Reversions	105,047,409	85,000,000	25,000,000	25,000,000	25,000,000
Revenue Growth	0.9%	4.5%	1.9%	1.2%	2.3%
Operating Budget Growth	9.9%	9.3%	7.4%	5.0%	5.0%

* FY2027 and FY2028 Cash to Capital includes: Economic Development/Research, MCI, Maintenance and Restoration, Roof Replacements, and Deferred Maintenance (including Higher Ed).



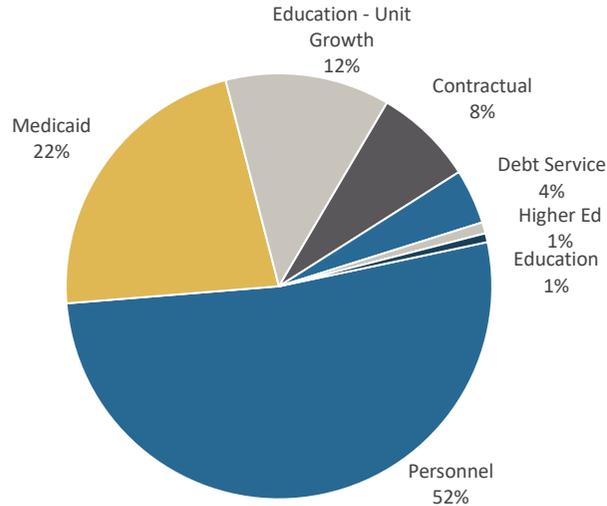
FY 2026 DOOR OPENERS

Total Door Openers (6.3%)	\$386,354.8
Medicaid Growth	85,500.0
PECC and Education Steps	75,544.9
OPEB 1% Contribution	61,292.2
Group Health Insurance Plan Premium Increase	27,507.0
Education Enrollment Growth *	26,973.1
CBA Negotiated Wages, Steps and OECs	25,920.7
Student Unit Count Growth (225 Units)	21,982.8
Debt Service	16,000.0
Annualization of FY25 Legislation and Positions	10,618.5
Community and Special School Graduate Placements	9,153.8
Maintenance for New Courthouses and Facilities	3,430.7
SEED/SEED+ and Inspire	3,269.0
Birth-to-Three Program Referral Growth	2,227.2
Annualization of Direct Support Professional Rate Increase	1,131.3
Other Door Openers (lease escalators, insurance, Senior/Vets tax credit, legal contingency, etc.)	15,803.6

* Education enrollment growth impacts: Opportunity Funds, Academic Excellence, Cafeteria Funding, Public Transportation, etc.



FY 2026 DOOR OPENERS \$386,354.8



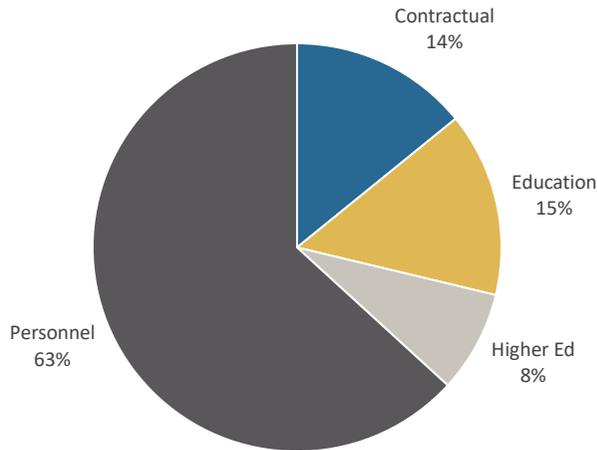
FY 2026 DISCRETIONARY GROWTH

Discretionary Growth Included (1.1%)	\$68,535.9
Salary Policy at 2%, Collective Bargaining Placeholder, Maintenance Reviews	36,991.3
Early Literacy Emergency	8,000.0
DSU Campus Operations	5,000.0
DOJ Lease	3,000.0
Judicial Switch Fund from ASF to GF (JP & Family Courts ASF Deficits)	2,477.6
Attorney Matrix	2,000.0
State Rental Assistance Program	2,000.0
Smart Food Program	1,485.0
Mental Health Rate Study	1,153.3
Public Education Division II Other Costs (Unit) Increase	1,100.0
Judicial Chancery Magistrates & New Family Court Judges	1,050.8
DTCC Seaford Lease	519.9
Other Discretionary Items (Maintenance and technology agreements, DOL auditor, grant reductions, etc.)	3,758.0



FY 2026 DISCRETIONARY GROWTH

\$68,535.9



HIGHLIGHTS

FY 2026 RESET CAPITAL BUDGET



Improving Schools for Delaware Students

- \$171.5 million** - School Construction and Renovation
- \$42.0 million** - Higher Education Campus Improvements
- \$30.0 million** - School Building Deferred Maintenance (MCI)
- \$9.1 million** - School Safety and Security



Investing in Small Business & Infrastructure

- \$10.3 million** - Research Collaborations
- \$5.0 million** - Strategic Fund Investments to Support Jobs in DE
- \$9.5 million** - Site Readiness Fund
- \$10.0 million** - Suburban Roads/Subdivision Street Pavement
- \$5.0 million** - Transportation Infrastructure Investment Fund
- \$9.75 million** - Riverfront Development Corporation

HIGHLIGHTS

FY 2026 RESET CAPITAL BUDGET



Building Strong Communities

- \$1.2 million** - Libraries
- \$15.0 million** - Affordable Housing
- \$5.5 million** - Downtown Development Districts
- \$2.0 million** - Strong Neighborhoods
- \$3.0 million** - Workforce Housing Program



Protecting Natural Resources for Future Generations

- \$18.1 million** - Clean Water Trust
- \$10.0 million** - Farmland Preservation (RTT)
- \$10.0 million** - Open Space (RTT)
- \$10.0 million** - Shorelines and Waterways
- \$4.0 million** - Cover Crop Program
- \$3.2 million** - Conservation Cost Share
- \$500,000** - Delaware Bayshore

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HIGHLIGHTS

FY 2026 RESET CAPITAL BUDGET



Ensuring Safe and Stable Communities

- \$5.0 million** - Justice of the Peace Court Facilities
- \$41.3 million** - Statewide Correctional Facility and Safety Improvements
- \$1.8 million** - Leonard L. Williams Justice Center Improvements
- \$5.0 million** - Customs House



Building a Strong Foundation for Our State

- \$84.4 million** - State agency minor capital improvements/deferred maintenance and facility renovations
- \$30.0 million** - Emily P. Bissell/Forensic Science facility construction
- \$50.0 million** - Legislative Hall expansion
- \$15.5 million** - Statewide Park Improvements
- \$8.0 million** - Carvel State Office Building upgrades

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MEYER ADMINISTRATION VALUES

INTEGRITY

Actions speak louder than words - actions build trust. We will lead with transparency and accountability to ensure every decision serves the public good.

EFFICIENCY

Government should work smarter, not harder. We will eliminate waste, streamline services, and prioritize execution over excuses.

COLLABORATION

Lasting change requires teamwork. We will break down silos, build strong partnerships, and deliver solutions that work.

