

# 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

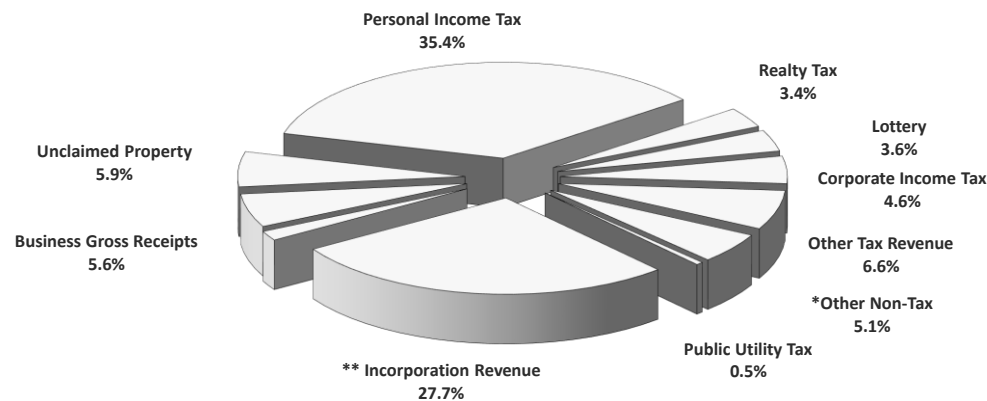
The wealthiest Delawareans will pay their fair share.

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)



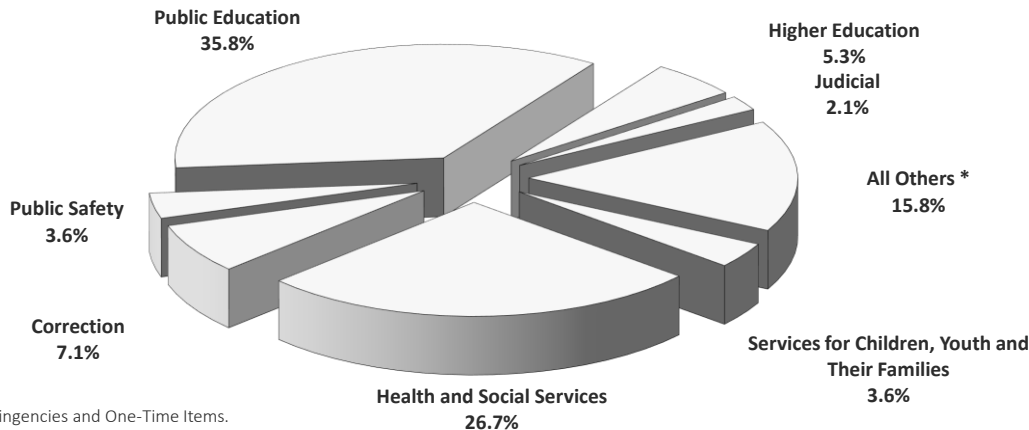
\* Includes Prior Year Unencumbered Cash Balance.  
\*\* Includes Corporate Franchise Taxes, Business Entity Fees and Limited Partnerships and Limited Liability Companies.



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# FY 2026 RESET OPERATING APPROPRIATIONS



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# FY 2026 GRB FINANCIAL PLAN

|   |                      |
|---|----------------------|
| <b>General Fund Operating Budget</b> <i>(incl. \$61.3M to OPEB)</i> | <b>\$6,581.1 M *</b> |
| <b>Grants-in-Aid</b>  | <b>\$82.8 M *</b>    |
| <b>Bond and Capital Improvements Act</b>                            | <b>\$937.9 M</b>     |
| • State Capital Projects  | \$682.7 M            |
| • GO Bonds (5% net revenue projection)                              | \$339.5 M            |
| • Cash  | \$291.4 M *          |
| • Reprogramming   | \$51.8 M             |
| • Transportation  | \$255.2 M            |
| <b>One-Time Supplemental</b>  | <b>\$59.9 M *</b>    |

\* Reflects cash appropriations of **\$7,015.2 million**.  
The FY 2026 Financial Plan maintains **\$469.2 million** in the Budget Stabilization Fund.



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## FY 2025 TO 2026 RESET COMPARISON

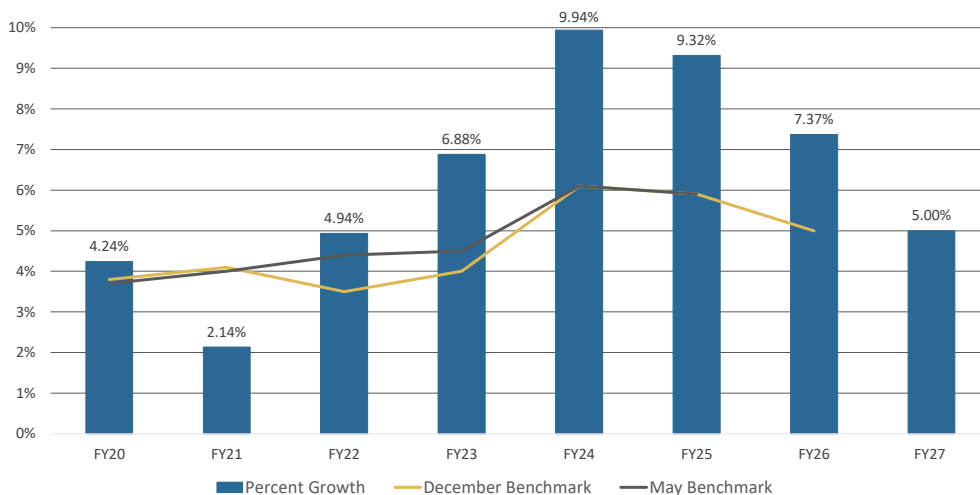
|                          | Fiscal Year 2025       | Fiscal Year 2026<br>Budget Reset | Variance        | % Change |
|--------------------------|------------------------|----------------------------------|-----------------|----------|
| <b>Budget Act</b>        | \$6,129,215,800        | \$6,581,106,458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



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## OPERATING BUDGET GROWTH VS. BENCHMARK INDEX



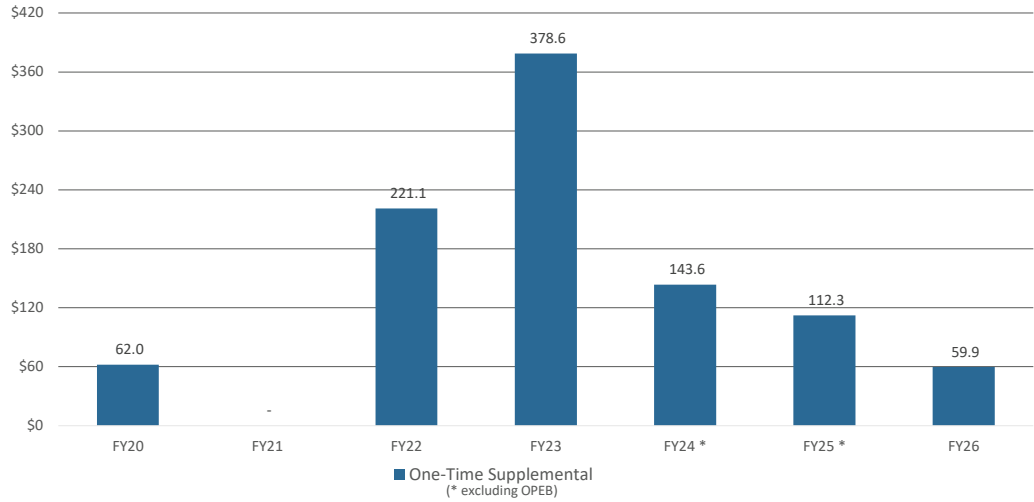
6.4% average budget growth FY20 to FY26 GRB  
 Benchmark Index calculation for FY2026 is 5.0%



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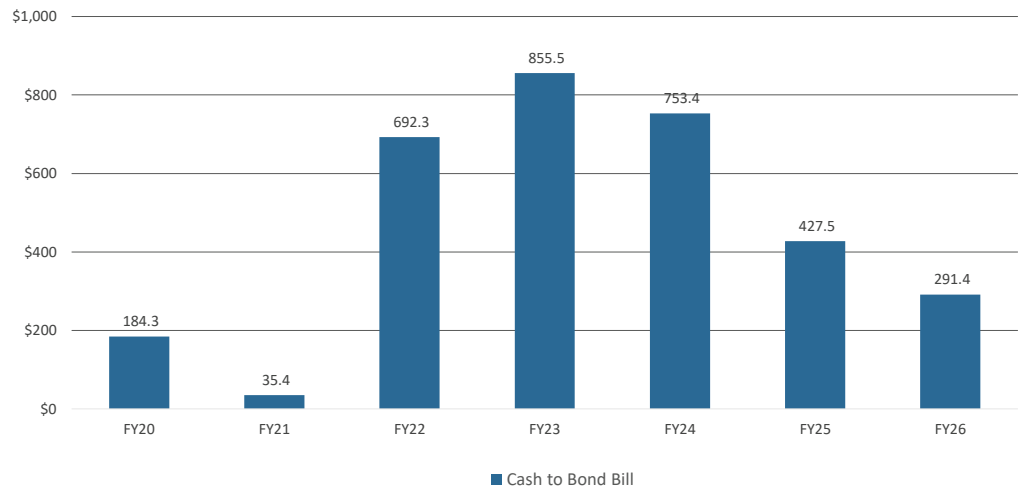
# SUPPLEMENTAL BUDGET BILL



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# CASH TO BOND BILL



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

|   | Actuals<br>2024    | Projected<br>2025<br>March DEFAC | Projected<br>2026<br>March DEFAC | Projected<br>2027<br>March DEFAC | Projected<br>2028<br>October DEFAC |
|---|--------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------|
| <b>Resources</b>                                    |                    |                                  |                                  |                                  |                                    |
| 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                      |
| <b>Budget Stabilization Use</b>                     |                    |                                  | -                                | 380,969,488                      | 121,126,746                        |
| <b>Appropriations</b>                               |                    |                                  |                                  |                                  |                                    |
| 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)                    |
| <b>Appropriation SURPLUS/(DEFICIT) vs 98% Limit</b> | <b>325,719,534</b> | <b>218,339,018</b>               | <b>0</b>                         | <b>0</b>                         | <b>(480,547,532)</b>               |
| <b>Additional Sources</b>                           |                    |                                  |                                  |                                  |                                    |
| Cumulative Budget Stabilization Fund Balance        | 410,100,000        | 469,200,000                      | 469,200,000                      | 88,230,512                       | 0                                  |
| <b>Budget Stabilization Fund Deposits/(Uses)</b>    |                    |                                  |                                  | <b>(380,969,488)</b>             | <b>(88,230,512)</b>                |
| <b>Additional Information</b>                       |                    |                                  |                                  |                                  |                                    |
| 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                         |
| <b>Revenue Growth</b>                               | <b>0.9%</b>        | <b>4.5%</b>                      | <b>1.9%</b>                      | <b>1.2%</b>                      | <b>2.3%</b>                        |
| <b>Operating Budget Growth</b>                      | <b>9.9%</b>        | <b>9.3%</b>                      | <b>7.4%</b>                      | <b>5.0%</b>                      | <b>5.0%</b>                        |

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



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## 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.

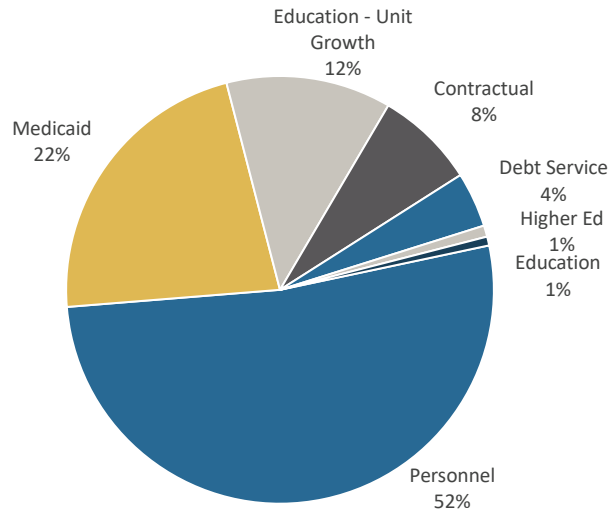


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## FY 2026 DOOR OPENERS

### \$386,354.8



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## 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  |

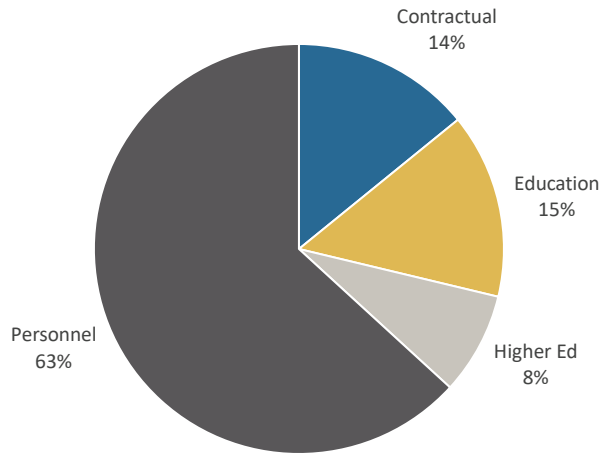


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# FY 2026 DISCRETIONARY GROWTH

## \$68,535.9



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## 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

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## 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.*



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# Questions?

**mb** | OFFICE OF  
management  
+ budget

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