



# **FY 2027 Budget Presentation to the Joint Finance Committee**

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February 3, 2026

# DOF Senior Leadership Team



- **Michael Smith**, Secretary of Finance
- **Rebecca Goldsmith**, Deputy Secretary of Finance
- **Kyle Pritchard**, Director, Division of Accounting
- **Kathy Revel**, Director, Division of Revenue
- **Helene Keeley**, Director, State Lottery Office
- **Brenda Mayrack**, Director, Office of Unclaimed Property
- **David Roose**, Director of Research & Analysis
- **Joel Heller**, Director of Bond Finance
- **Charles Clark**, Executive Director of GEAR
- **Kylie Taylor-Roberts**, Deputy Principal Assistant

# DE Revenue Portfolio



**Grows with Delaware Economy ( $\approx 45\%$  of GF)**

Personal Income, Gross Receipts,  
Realty Transfer Taxes

**Grows due to Other Factors ( $\approx 35\%$ )**

Franchise Taxes & Fees, Insurance,  
Alcohol, Traditional Lottery

**Stagnant or Negative  
Trajectory  
( $\approx 12\%$ )**

Unclaimed Property, Tobacco,  
Casino Lottery, Other

**Volatile ( $\approx 8\%$ )  
Corporate Income &  
Dividends and Interest**

Source: FY 2025 Actual Revenues

# Revenue Outlook:

## FY 2026 and FY 2027 Dec. DEFAC Estimates



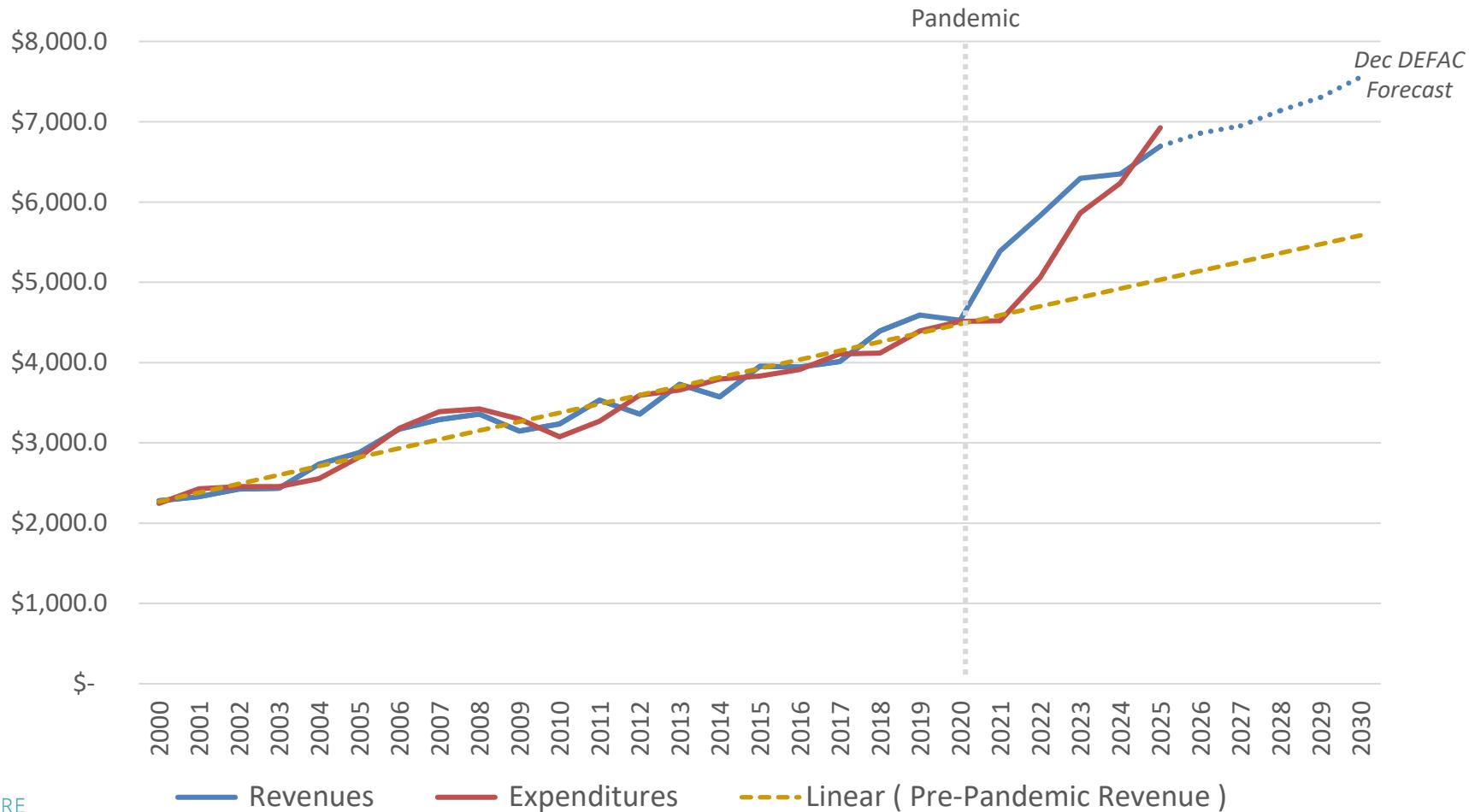
Revenue Source	FY 2026	Growth	FY 2027	Growth
Personal Income Tax	\$2,532.8	6.3%	\$2,648.3	4.6%
Franchise Tax & Related	\$2,058.9	1.4%	\$2,076.9	0.9%
Gross Receipts Tax	\$420.1	8.1%	\$432.2	2.9%
Unclaimed Property	\$404.0	-5.2%	\$424.0	5.0%
Corporate Income Tax	\$333.3	-10.3%	\$255.2	-23.4%
Realty Transfer Tax	\$247.9	5.1%	\$267.5	7.9%
Dividends & Interest	\$188.4	13.8%	\$145.4	-22.8%
Lottery – Casinos	\$185.7	6.2%	\$189.9	2.2%
Lottery – Traditional	\$62.7	13.7%	\$62.8	0.2%
Other	\$423.1	-8.7%	\$446.4	5.5%
<b>Total General Fund</b>	<b>\$6,856.9</b>	<b>2.4%</b>	<b>\$6,948.5</b>	<b>1.3%</b>

# Extraordinary Revenue Growth: Post-Pandemic Adjustments



Revenue Source	Prior 20-Year Trend (FY99-FY19)	Pandemic Trend (FY19-FY23)	Post-Pandemic Trend (FY23-FY27)
Personal Income Tax	3.5%	8.4%	5.8%
Franchise & Related	5.4%	10.8%	0.8%
Unclaimed Property	6.5%	-1.4%	0.5%
Gross Receipts Tax	3.5%	8.0%	5.2%
Lottery	1.3%	2.6%	1.3%
Corporate Income Tax	2.3%	26.9%	-9.7%
Realty Transfer Tax	7.0%	12.5%	2.0%
Bank Franchise Tax	-1.6%	1.2%	-0.1%
Dividends and Interest	-0.4%	10.6%	40.5%
Other	2.5%	0.1%	-3.0%
<b>Total General Fund</b>	<b>3.8%</b>	<b>8.2%</b>	<b>2.5%</b>
<b>Total GF (ex. UP/Lottery)</b>	<b>3.7%</b>	<b>9.4%</b>	<b>2.7%</b>

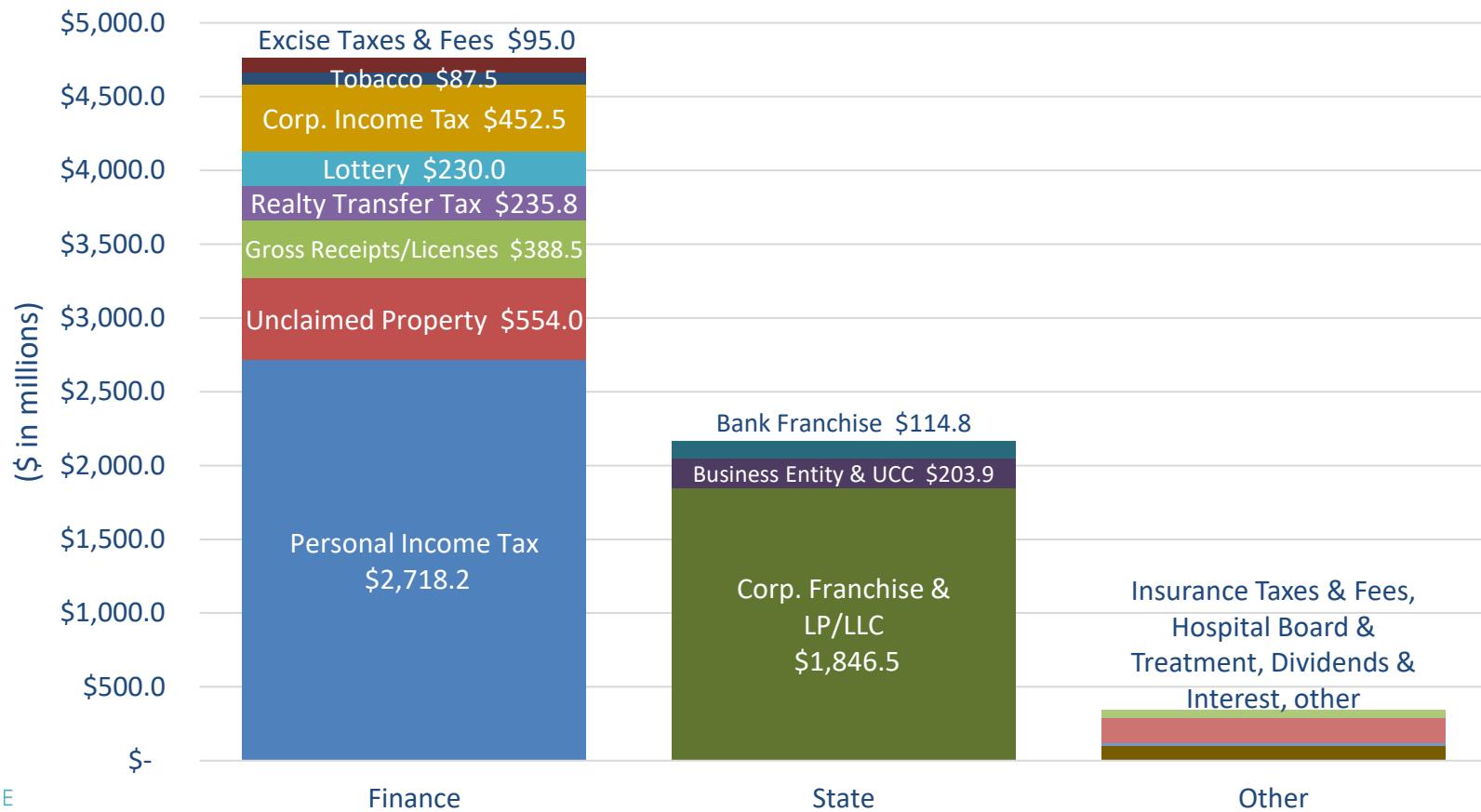
# Current Revenue and Expenditure Conditions



**DOF Mission:** Promote Delaware's fiscal health fairly and efficiently by forecasting, generating, collecting and accounting for funds that are essential for state government services.



***DOF collects 65% of the State's Gross General Fund Revenues***



# DOF Divisions and Offices



## OFFICE OF THE SECRETARY

Boards (15 incl. DEFAC, Port, GEAR, Pension, etc.)

Bond Finance

Research & Analysis (Tax Policy)

# Department Priorities



- **Accounting** – Streamlining financial processes and control systems to reduce overhead and improve transparency
- **Revenue** – Modernizing DE's tax systems to create efficiencies for taxpayers and staff
- **Lottery** – Driving sales growth to support the General Fund in partnership with the State's casino, equine and retail industries
- **Unclaimed Property** – Providing fair, efficient and predictable holder compliance and owner claims services
- **Secretary's Office** – Improving the State's financial position
  - Bond finance
  - Revenue forecasting and policy analysis
  - GEAR (Government Efficiency & Accountability Review)

# Department Accomplishments

## – Division of Accounting



- Completed **4,843 requests** for Service Desk assistance and **260 FSF training classes**
- Streamlining ACFR processes
- ERP modernization and implementation
- SWAT Team
- 4 CPA Firms contracted to assist state agencies
- Implementation of electronic payment (HB 208)

# Department Accomplishments

## – Division of Revenue



- Processed **over 368,000** refunds (98%) for 2024 tax filers
- During the most recent tax year, DOR stopped **over \$100M** in fraudulent refund requests
- Go Live with One-Stop “Doing Business As” Registrations
- Began tax collections for:
  - Short-Term Rental Tax
  - Retail Marijuana Tax
- Live with Phase 3 of IRAS Implementation (October 6, 2025)
- Troop 4 Renovations for DOR Staff

# Department Accomplishments

## – State Lottery Office



- Celebrated Delaware Lottery 50<sup>th</sup> Anniversary
  - Since 1975, the Lottery has contributed more than **\$6 BILLION** to the General Fund
- Launched several new products, including the recent launch of iLottery



# Department Accomplishments

## - Office of Unclaimed Property



- Returned **over \$130M**, including value of securities returned, to almost **16,000 claimants**
- Completed the fifth year of the Money Match program, **returning close to \$400k** to thousands of Delaware taxpayers

Fiscal Year	# of Checks Mailed	Total Amount
2021	25,610	\$3,921,475
2022	3,466	\$453,302
2023	4,701	\$576,311
2024	2,706	\$357,269
2025	2,798	\$383,047
<b>TOTAL</b>	<b>39,281</b>	<b>\$5,691,404</b>

# Department Accomplishments

## - GEAR



- Led four State Efficiency Blitzes (SEBs) to advance Delaware's Ready in Six permitting efficiency strategy:
  - OMB/Office of State Planning Coordination Preliminary Land Use Service
  - DelDOT Traffic Impact Study
  - DelDOT Record and Entrance Plan
  - DNREC Subaqueous Permits

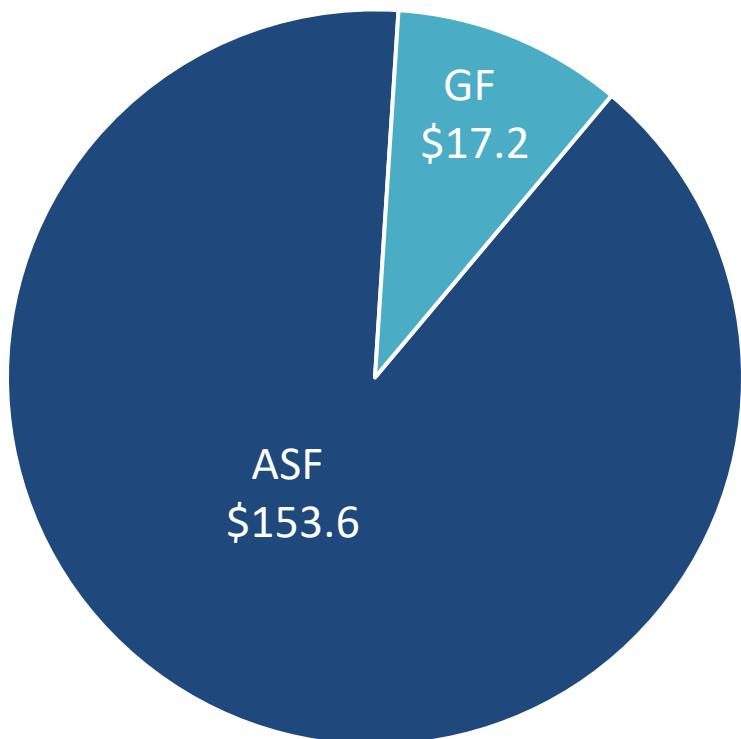


# DOF Budget Structure

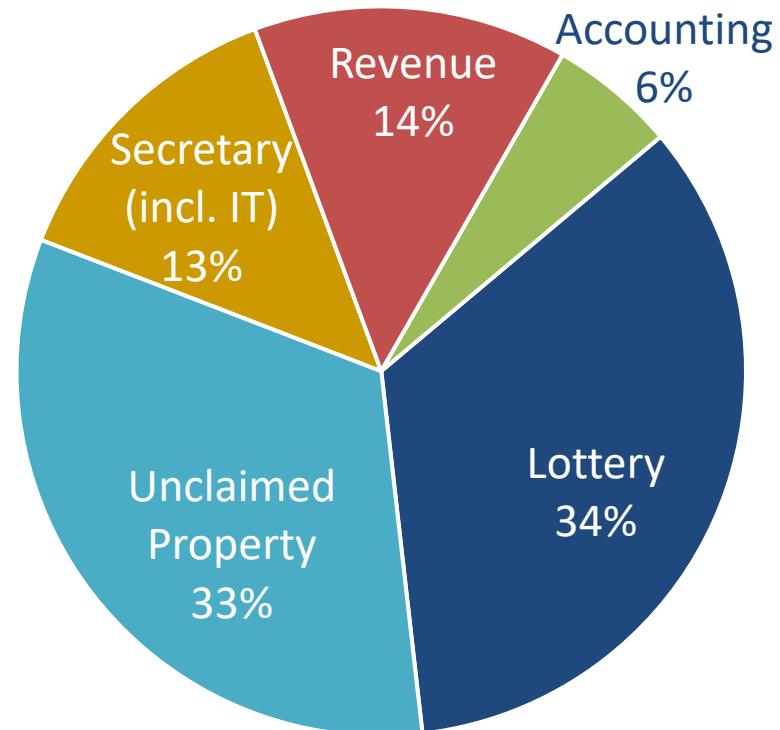
## FY 2026 Budget



By Fund (\$ in millions)



By Function (GF & SF)



# FY 2027 Budget Priorities



## GF – Increase \$572.1 (3.3%)

- \$572.1 Personnel Contingency
- No other General Fund Requests

## ASF – Increase \$1,084.2 (0.7%)

- \$628.4 – FY26 ASF Pay Policy
- \$455.8 – FY26 Position Annualizations for:
  - DOA Compliance Task Force
  - DOA State Accountant
  - DOA Deputy Principal Assistant
  - DOR Tax Auditors

# Performance Measures



Measure	FY25 Actual	FY26 Budget	FY27 GRB	Notes
<b>GEAR:</b> Trained GEAR field team members (cumulative)	155	190	226	Representing 23 state organizations; 20 more completing spring CIP program
<b>GEAR:</b> Estimated return on investment of GEAR projects over the project lifespan (cumulative)	\$107m	\$130m	\$150m	156+ projects; 65% GEAR Field Team projects, 35% GEAR Enterprise Services Delivery Team
<b>DOA:</b> Internal control reviews completed (transactions only)	440	400	400	Policy and process reviews vs. transaction reviews
<b>DOR:</b> Days to process Personal Income Tax refunds without exception	10	9	9	Evaluation of opportunities to improve automation of processing is ongoing
<b>DOR:</b> Days to process Personal Income Tax refunds with exception	59	45	45	Enhanced fraud and filing error identification resulted in savings of nearly \$100 million last year
<b>DOR:</b> Automated call waiting time (seconds)	299	250	200	Impacted by staff turnover and high call volumes

# Vacant Positions



- **Long-term vacancies:**
  - Intentional holds for final phase of IRAS implementation and IT reorganization
  - All are in the process of being posted or reclassified
- **Other vacancies:**
  - Hard to fill and high turnover positions (Tax Auditors, Fiscal Associates, Economic Analysts)
  - Several tenured retirements through end-of-year
  - Implementation of new FTEs and reclassifications

# 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.*



DELAWARE  
DEPARTMENT OF  
**FINANCE**

**Thank you!**

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