

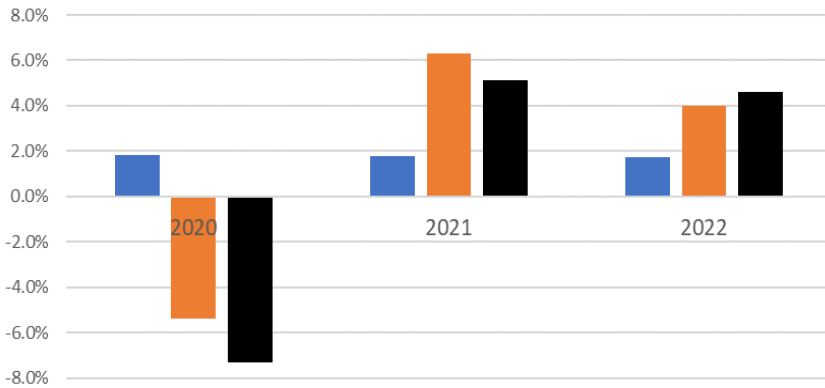
# Fiscal Year 2021 Final Budget



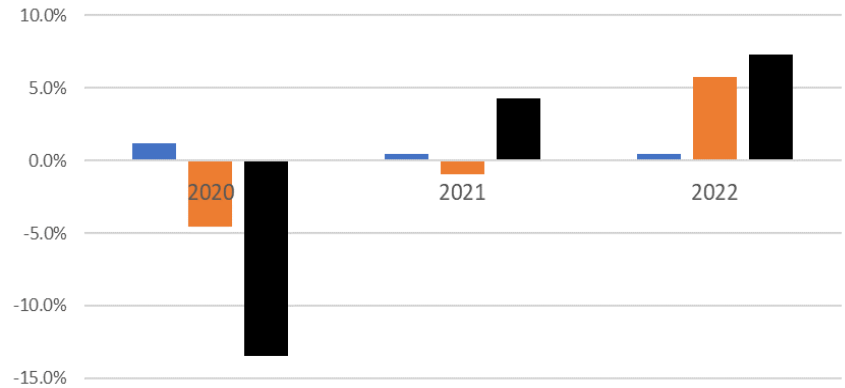
# COVID Impacts on US Economy

## Calendar Year Forecasts

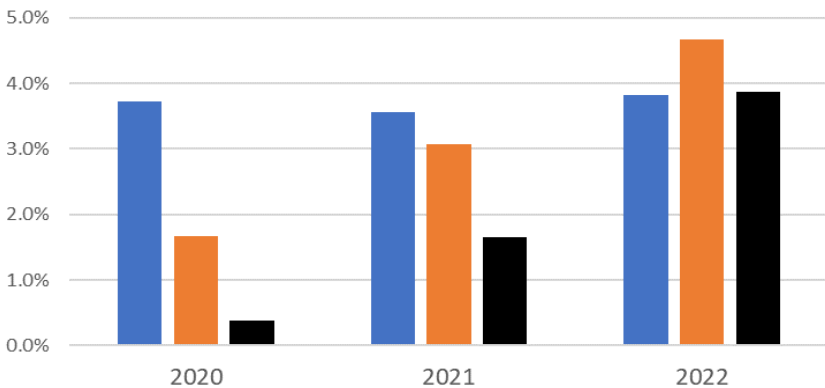
### Real GDP



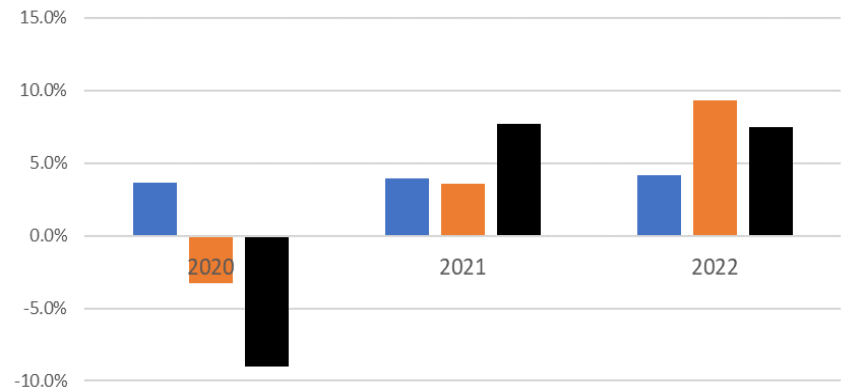
### Employment



### US Personal Income



### US Wages and Salaries



Source: IHS, May 11 2020

■ March 
 ■ April 
 ■ May

# Overview

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- \$530 million revenue forecast reduction since February
- No budget cuts.
- No layoffs or furloughs for state or schools
- Few budget increases. Focus on funding critical “door openers”
  - \$31.2 m for K-12 enrollment growth
  - \$21.8 m for salary steps/collective bargaining
  - \$8.4 m contingency for Corrections health costs
  - \$8.5 m for pupil transportation
  - \$6.6 m for 2020 Election costs and debt service
- Maintained fiscal controls (98% rule, Rainy Day Fund) and State’s Triple A bond rating
- Used half of Budget Stabilization Fund to build a bridge to FY22 and mitigate potential further downturns in revenue

# FY 2021 Financial Package

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**General Fund Operating Budget** **\$4,547.0 m**

*GF Operating Budget Growth 2.1%*

**Grants-In-Aid** **\$54.4 m**

**Bond and Capital Improvements Act** **\$708.0 m**

State Capital Projects \$344.4

(Sources -- Bonds \$227.5, Cash \$35.4, Other \$81.5)

Transportation \$363.6 m

**One-Time Supplemental** **\$0.0 m**

# Budget “Reserves”

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“Rainy Day” Fund (5%)	\$252.4 m
98% Rule	\$ 93.1 m
<u>Budget Stabilization Fund</u>	<u>\$ 63.1 m</u>
<b>Total “Reserves”</b>	<b>\$408.6m</b>
FY 2021 Gross Revenues	\$5,028.1 m
<b>“Reserve” Ratio</b>	<b>8.1%</b>

# FY 21 Budget Highlights

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- **Education**

- **Education Opportunity Funding - 2nd Year**

- \$20 million weighted funding for low-income and English learners
    - \$5 million for mental health and reading support in K-5
    - \$500,00 for evaluation

- **\$1.5 M continued support for Christina Schools in Wilmington**

- **\$205.7 M for K-12 & Higher Education Infrastructure including \$7.5 m for Wilmington initiative**

- **Other Major Investments**

- **\$34.6 M for Economic Competitiveness (Strategic Fund, Research Collaboration, Higher Ed. Fund, Transportation Infrastructure Fund, RDC, DPP and redevelopment of State Strategic Sites)**

- **\$10 M for Open Space / Farmland Preservation**

- **\$13.7 M for Strong Communities (Affordable Housing, Downtown Development Districts, Museums, Parks and Libraries)**

- **\$47.5 M for Maintaining State facilities and assets**

# DHSS FY21 Budget Highlights

(\$ thousands)

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Medicaid “Growth” .....	(\$10,216.8)
DDDS Community Placements & Graduates.....	\$5,855.0
DE Healthy Children Program (CHIP) .....	\$2,769.2
DE Birth to Three Program .....	\$2,369.4
DHSS Technology Operations .....	\$336.5
Health Care Innovation .....	\$482.8

**GF Budget: \$1,239,610.3**

0.4% growth

# Additional Investments in Health

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- **No premium increase** for state employee health care
- **Bond and Capital Improvements Act**
  - **\$13.0 M** for Clean Water Trust (\$5 M Drinking Water)
  - **\$10.5 M** for DHSS facilities
  - **\$2.3 M** for Veterans Home (Bathing rooms, generator, courtyard, and minor caps)



# CARES Act Coronavirus Relief Fund

## Eligible Expenses

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- Are Coronavirus Disease 2019 (COVID-19) response related;
- Were not already accounted for in the State budget; and
- Were incurred between March 1, 2020 and December 30, 2020.

*Coronavirus Relief Funds cannot be used to replace state revenues lost as a result of the pandemic*

# Preliminary Estimates Coronavirus Relief Fund

