



NEWS BRIEF:

State Revenue Estimates Continue to Trend Up

MARCH 25, 2019 -- The State of Delaware received some good news in the most recent revenue forecast.

Released on Monday by the non-partisan Delaware Economic and Financial Advisory Council (DEFAC), the [analysis](#) predicts state budget writers will have an additional \$28.8 million at their disposal as they craft the new Fiscal Year 2020 spending plan that begins July 1st.

The DEFAC forecasts are essential to the state's budget because Delaware law limits spending to 98-percent of projected revenues. The reports are made six times during the fiscal year. The latest forecast was the third in that series. The increased revenues noted Monday represent an increase over the preceding forecast made in December.

Since the first estimate was issued in September, cash available for appropriations has climbed by more than \$95 million.

While the news is welcome, State House Minority Leader Danny Short, R-Seaford, who is also a member of DEFAC, cautioned that long-term forecasts predict the good times will not last. He again noted his support for a bipartisan plan first unveiled last year that would reform the way the state spends money. Among the reforms is a provision limiting spending growth to increases in state population and an index of the goods and services purchased by state government. Revenue surpluses would be deposited into a Budget Stabilization Fund, providing a reserve on which to draw during economic downturns.



State Rep. Danny Short

Governor John Carney drafted his recommended state operating and capital budgets observing the reforms, but since they are not law the General Assembly is not bound by them.

House Republicans are expected to introduce a revised version of the budget reform legislation this session.