

Revenue Forecasts Increase, House Republican Leaders Advocate for Full Grants-in-Aid Funding

-- Call to Action Tied to Increased Accountability --

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Following another sizable uptick in state revenue, House Republican leaders are again calling for full restoration of state funding to assist fire companies, senior centers, and other non-profit organizations serving the community.

The Delaware Economic Financial and Advisory Council (DEFAC) today released its last state revenue forecast in advance of the new fiscal year that begins in less than two weeks.

When compared to last month's projection, DEFAC's latest estimates gave lawmakers an additional \$47.5 million as they contemplate the state's new operating budget, capital budget, and Grants-in-Aid (GIA) for FY 2019.

Last year, lawmakers faced a far different financial landscape as they sought to bridge a \$364 million budget gap. As part of their omnibus plan, legislators cut 20 percent, or \$8.64 million, from the current GIA program.

In his proposed FY 2019 spending plans issued in January, Gov. John Carney called for the Grants-in-Aid Bill to receive \$41.7 million, restoring a little more than half of what was cut.

Also in January, House Republicans filed House Concurrent Resolution 61, requesting that full funding be restored to the GIA program "providing sufficient surplus state revenue" existed. Since then, the amount of money available for state government appropriations has jumped by \$227.8 million.

"It's clear that the money is available," said State House Minority Leader Danny Short, R-Seaford, who is also a DEFAC member.

State House Minority Whip Deborah Hudson, R-Fairthorne, said the cuts made to Grants-in-Aid at this time last year were a measure of last resort that were needed to balance the budget under dire circumstances. "We all understand that the GIA it is not a commitment or ongoing obligation and that it is conditional upon state finances," she said. "When times were bad, as they were last year, we cut back. But when times are good, we should be stepping up to help the organizations that are working on behalf of Delawareans."

Rep. Short said while he and Rep. Hudson advocate for restoring GIA funding, it comes with a caveat. “We believe the groups receiving Grants-in-Aid funds need to be subject to more accountability,” he said. “It is, after all, public funding.”

Both Reps. Short & Hudson say restoring GIA funding should be linked to the enactment of pending bipartisan legislation. House Bill 260, as amended, would establish a new joint legislative committee charged with reviewing the performance and efficacy of GIA recipients.

“The bill passed the House of Representatives unanimously in January and has been bottled up in the Senate Finance Committee ever since,” Rep. Short said. “It has support from Democrats and Republicans in both chambers and deserves an up or down vote in the Senate.”

The 149th General Assembly is ticking down the final days of its 2018 legislative session. Any bill not worked when lawmakers depart in the early morning hours of July 1st will die.

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