



## **NEWS:**

# **\$4.27 Billion State Operating Budget Enacted**

**JUNE 29, 2018** -- Late yesterday afternoon, Governor John Carney signed the state operating budget for the new fiscal year that begins Sunday.

The [\\$4.27 billion Fiscal Year 2019 Appropriation Act](#) is \$163 million more than the budget it replaces -- a 3.97 percent increase.

"I am glad we were able to get a budget done before the last day and hold spending growth to less than four percent," said [State House Minority Whip Deborah Hudson, R-Fairthorne](#).

The state has been enjoying a surge in revenue over the last 12 months. Since June 2017, the amount of money government officials could legally appropriate jumped from [\\$3.937 billion](#) to [\\$4.624 billion](#) -- an increase of \$687 million. About half that total -- \$335.6 million -- is being carried over from the current fiscal year into the new budget. Reasons for the substantial change of fortunes include tax increases enacted last year, positive impacts from changes in the federal tax code, and increased economic activity.

"This budget stands in stark contrast to last year, when we had to close a budget hole topping \$360 million," said [State House Minority Leader Danny Short, R-Seaford](#). "We

should be taking more action to curtail these troubling boom and bust cycles."

Budget writers sequestered some of the unexpected revenue by temporarily decreasing the percentage of anticipated state revenue available for spending from 98 percent to 97 percent. That change will place an additional \$47 million in reserve, giving the state a buffer of unencumbered cash totaling more than \$140 million. The Budgetary Reserve Account (Rainy Day Fund) stands at \$231.6 million.

Also signed into law yesterday was [Senate Bill 236](#) -- a supplemental budget appropriating \$49.2 million in one-time funding to provide a \$500 bonus to full-time and part-time state employees, a \$400 supplement to pensioners, and financing for priority projects.

Other highlights of the budget include:

- Expanding the Opportunity Grants program, targeting schools with high percentages of students living in poverty or English Language Learners (ELL).
- A \$1,000 annual raise for state workers.
- A two percent raise for teachers statewide and annual step increases.
- Hiking the starting salary of correctional officers to \$43,000 and implementing a career ladder.
- Adding 30 new caseworkers and contractual support to bolster child welfare, abuse and neglect investigations.
- Expanding substance abuse treatment.
- Increasing the pay scale for service providers working with the disabled.
- Reestablishing prescription assistance for seniors and maintaining full funding for Meals on Wheels.