

Appendix B: State Financial Investments

Prepared for Governor Carney and the 151st Delaware General Assembly

Prepared by the Cabinet Committee on State Planning Issues

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In support of a growing population and changing demographics, the state government provides a variety of infrastructure and services. In accordance with the *Strategies for State Policies and Spending*, Delaware has strategically invested state taxpayer dollars in important infrastructure and services. These funds help pay for public education, transportation, water and wastewater, public safety, agricultural and forest preservation, and housing. The following are some highlights showing fiscal trends and indicators from the past five fiscal years.

Education

In fiscal year (FY) 2022, the Delaware Department of Education's capital expenditures for public education equaled \$246 million, which included \$204.7 million for new construction and land acquisition. The availability of substantial federal Covid-19 recovery funding allowed for more state funding to be put towards new construction and land acquisition. New schools are listed below Table B.1.

Table B.1 Public education trends and indicators, fiscal years 2018–2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY2022
Total Enrollment*	137,873	138,666	140,363	137,956	139,799
Charter School Enrollment	15,882	16,088	16,366	16,910	17,201
State Portion, Public Education Operating Budget (in thousands)	\$1,418,473.8	\$1,481,992.2	\$1,571,366.6	\$1,643,857.3	\$1,710,107
State Portion, Education Bond Bill***	\$134,542,464	\$165,609,697	\$166,217,588	\$175,723,015	\$246,018,000
State Portion, New Construction and Land Acquisition**	\$57,261,863	\$96,832,561	\$101,710,037	\$102,532,915	\$204,753,000
New Schools Opened<<	1	1	1	3	1

Source: Delaware Office of Management and Budget; Delaware Department of Education

* Total enrollment includes charter school enrollment and does not include Dover Air Force Base.

** New Construction and Land Acquisition is a subset of the Education Bond Bill. The remaining portion of the Education Bond Bill funded other capital projects at school facilities.

<< New schools are public schools that involve the construction of a new building utilizing state capital funds. Building additions and charter schools are not included.

*** Bond Bill figures have been updated to include funding budgeted in the Office of Management and Budget for the City of Wilmington Education Initiative

Table B.2 New education construction and land acquisition, fiscal years 2022

New Construction/Land Acquisition	FY2022
Appoquinimink Summit Campus	\$15,095,400
Appoquinimink Replace Everitt	\$16,324,300
Cape New 600 Student Middle School	\$14,236,200
Capital New 800 Student Middle School 1	\$12,697,100
Capital New 800 Student Middle School 2	\$10,561,800
Indian River New SCHS	\$34,559,200
Smyrna Land Purchase	\$693,000
CR St. Thomas More Purchase	\$10,586,000
Brandywine Bush School	\$25,000,000
Wilmington Schools, New Bancroft only	\$65,000,000
Total	204,753,000

Infrastructure

Trails and Pathways

Since 2011, the State has had a renewed emphasis on the benefits of an integrated non-motorized pathway and recreational trail network to provide opportunities for pedestrians and bicyclists to travel safely and efficiently and to expand outdoor recreation opportunities while enjoying the natural, cultural, and historic assets of Delaware. It also recognizes the benefits of integrated multi-modal transportation infrastructure in improving the economic and environmental sustainability of communities. The following table lists the funding for trails and pathways from the Delaware Department of Transportation (DelDOT) and the Delaware Department of Natural Resources and Environmental Control (DNREC) since FY 2018.

Table B.3 Trails and pathways funding, fiscal years 2018–2022, in millions

Agency	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
DNREC	\$0	\$.2	\$0	\$0	0
DelDOT	\$.8	\$7.7	\$1.0	\$1.6	\$1.0
Total	\$.8	\$7.9	\$1.0	\$1.6	\$1.0

Roads and Bridges

DelDOT is responsible for maintaining approximately 85 percent of all roads in Delaware compared with other states, which maintain about 20 percent of their roads. The state also is responsible for transit services. Responding to the demands of Delawareans for a safe, efficient transportation system is a challenge, especially in light of recent growth and development trends. Table B.4 demonstrates several trends that are relevant to transportation planning.

Table B.4 Transportation trends and indicators, fiscal years 2018–2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Licensed Drivers	786,504	801,086	807,626	824,123	850,424
Registered Motor Vehicles*	928,927	934,615	919,414	961,501	978,016
Vehicle Miles Traveled* (billions)	10.7	10.4	10.5	8.3	10.1
DART R2 Rail Ridership	1,160,079	1,196,630	840,692	211,975	404,032
DART Fixed Route Ridership (millions)	7.2	7.2	6.0	4.1	4.0
Paratransit Ridership	926,884	945,628	758,064	455,279	696,195
Transportation Trust Fund Revenues (thousands)	\$565,500	\$588,200	\$551,100	\$468,393	\$597,241
State Capital Expenditures (thousands)	\$233,936*	\$312,206*	374,784*	\$370,223*	\$300,099*
Federal Capital Expenditures (thousands)	\$233,904	\$215,668	\$278,499	\$293,501	\$259,657
Total Capital Expenditures (thousands)	\$467,840	\$527,874	\$653,283	\$663,724	\$559,756

Source: Delaware Office of Management and Budget; Delaware Department of Transportation

*Without US 301/Rehab of I-95 (State Capital Expenditures with GARVEE Loan for US 301/Rehab of I-95 equal \$392,477 for a total of \$652,134 in FY22)

Water and Wastewater

While the operation of drinking water and wastewater systems has traditionally been the domain of Delaware's local governments, the state Department of Health and Social Services (DHSS) and DNREC do provide significant funding to allow for the improvement and expansion of these systems. Table B.5 lists recent state and federal expenditures on wastewater projects through the Water Pollution Control Revolving Funds, which is a program that is administered by DNREC to provide support for community wastewater service projects.

Table B.5 Wastewater funding to local governments, fiscal years 2018–2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Projects Funded	4, +1 increase	12 + 3 increase	5	5 + 1 increase	8 + 2 increase
Water Pollution Control Funds (State Match)*	\$1,294,800	\$1,571,800	\$1,556,000	\$1,556,000	\$1,555,800
Water Pollution Control Funds (Federal Grant)	\$6,474,000	\$7,859,000	\$7,779,000	\$7,780,000	\$7,779,000
Water Pollution Control Revolving Funds (Principal and Interest Repayments)*	\$58,203,048	\$58,632,188	\$4,414,960	\$2,874,309	\$20,739,205
Water Pollution Control Funds (Total)	\$65,971,848	\$68,062,988	\$13,749,760	\$12,210,309	\$30,074,005
21st Century Wastewater Fund*	\$235,063	\$0	\$0	\$0	\$0

Source: DNREC Environmental Finance

* State Funds

Public Safety

Paramedic Program

The State currently provides 30 percent of the funding that the counties use to provide their jurisdictions with paramedic service. This percentage remained consistent with the 30 percent in the most recent budget process.

Table B.6 State paramedic program funding, fiscal years 2018–2022

	FY 2018	FY 2019	FY 2020*	FY 2021	FY 2022
State Portion	24%	30%	30%	30%	30%
New Castle	\$4,153,270	\$5,211,419	\$5,771,365	\$6,039,077	\$6,433,159
Kent	\$1,212,635	\$1,703,902	\$1,869,254	\$2,126,370	\$2,394,294
Sussex	\$3,241,214	\$4,351,845	\$4,670,529	\$5,099,873	\$5,086,141
Total	\$8,607,119	\$11,267,166	\$12,311,148	\$13,265,320	\$13,913,594

Source: Delaware Office of Management and Budget

* For FY 2020, \$12,387,266 was appropriated for paramedic program operations as reported in last year's annual report, however, only \$12,311,148 was distributed. Therefore, this table has been updated to reflect the revised figure.

State Police

The Delaware State Police (DSP) provides statewide public safety services. The agency assists all local and county police agencies with specialized police and investigative services. The agency has the primary responsibility for enforcing traffic laws on Delaware's major roadways. In addition, the

DSP is the agency responsible for providing police protection for residents of unincorporated Kent and Sussex Counties, as well as for small towns that lack municipal police departments.

Table B.7 State police personnel and budget, fiscal years 2018–2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total Employees*	963	975	985	986	992
GF Budget** (thousands)	\$115,662.3	\$118,076.8	\$123,391.9	\$132,604.2	\$135,628.9

Source: Delaware Office of Management and Budget

* Includes both troopers and civilian staff

** State Police budget reported is General Fund only and excludes the Closed State Police Pension Plan.

Agriculture

Delaware has one of the best-regarded and most productive farmland preservation programs in the nation. Administered by the Department of Agriculture, farmers and other landowners sell easements to their land to the state, which essentially extinguishes their right to develop the land, but continues to allow a wide range of agricultural uses.

The Agriculture Lands (Aglands) Preservation Program chooses farms to preserve based on the percentage discount that the owners offer from the appraised value of their farms' development rights. The farms with the highest percentage discounts are preserved.

Table B.8 Farmland preservation by easement, fiscal years 2018 – 2022

	FY 2018	FY 2019	FY 2020	FY 2021***	FY 2022
Farms Preserved	36	109	63	46	52
Acres Preserved	3,420	9,275	5,300	3,263	3,725
State Funds	\$2,508,253	\$8,382,144	\$6,342,690	\$6,119,156	\$7,447,466
Federal Funds	\$1,339,039	\$5,377,053	\$3,417,090	\$1,972,632	\$2,751,465
County/Other Funds	\$585,338	\$1,928,546	\$572,473	\$1,532,905	\$500,000
Legal and Survey*	\$160,601	\$500,000	\$250,000	\$180,000	\$225,000
Total Funds	\$4,432,630	\$16,187,743	\$10,582,253	\$9,804,693	\$10,923,931
Cost per Acre**	\$1,296	\$1,671	\$1,949	\$2,950	\$2,872

Source: Delaware Department of Agriculture

* State Funds

** Cost per acre paid to land owner excludes legal and survey costs.

*** An additional FY2021 easement and settlement from New Castle County occurred after last year's annual report. This table has been updated to reflect changes to the FY21 data.

Young Farmer Loan Program

The Young Farmer Loan Program was established in FY 2012 by the Department of Agriculture to help individuals acquire farmland. Applicants who meet the criteria for the program (age 18 to 40, net worth not exceeding \$300,000, and at least three years of farming experience) can apply for a loan to help purchase a farm (the property must have at least 15 acres of cropland). If approved, an applicant can receive a thirty-year, no-interest loan for up to 70 percent (not to exceed \$500,000) of the appraised value of the property's development rights.

Table B.9 Young Farmer Loan Program, fiscal years 2018–2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Farms Preserved	1	1	1	0	2
Acres Preserved	113	76	99	0	250
State Funds	\$305,097	\$290,888	\$258,836	0	\$837,679
Legal and Survey*	\$4,399	\$6,008	\$6,071	0	\$10,000
Total Funds	\$309,496	\$296,896	\$264,907	\$0	\$847,679
Cost per Acre**	\$2,700	\$3,827	\$2,615	N/A	\$3,351

Source: Delaware Department of Agriculture

* State Funds

** Cost per acre paid to landowner excludes legal and survey costs

Forestland Preservation

The Forest Preservation Program was established in FY 2010, and nine forest tracts were preserved at that time, totaling 872 acres. The funding for these easements included state funding combined with funding from The Nature Conservancy, a private conservation organization.

Table B.10 Total forest preservation easements, fiscal years 2019–2022

	FY 2019	FY 2020	FY 2021**	FY 2022**
Forest Tracts Preserved	3	2	4	2
Acres Preserved	140	122	432	102
State Funds	\$113,234	\$111,946	\$393,064	\$241,936
Federal Funds	N/A	N/A	\$0	\$0
Local Funds	N/A	\$9,500	\$0	\$0
Private Conservation Funds	N/A	N/A	\$0	\$0
Legal & Survey*	\$8,500	\$6,500	\$12,000	\$8,000
Total Funds	\$121,734	\$127,946	\$405,064	\$249,936

Source: Delaware Department of Agriculture

* State Funds

** Totals are estimates because not all settlements have occurred as of publication.

Environment

Community Water Quality Improvement Grant

The Community Water Quality Improvement Grant is an annually-determined amount set aside in the Delaware Clean Water State Revolving Fund (CWSRF) Non-Federal Administrative Account. It requires a 25 percent cash match and must meet state insurance requirements. This grant is intended for projects to improve water quality as part of specific watershed improvement plans. It is meant for programs and projects that demonstrate innovative and sustainable methods, techniques, and/or practices for water quality improvements with cost-effective and measurable results.

Table B.11 Community water quality improvement grants, fiscal years 2018–2022

State Funds	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
DNREC	\$250,000	\$250,000	\$250,000	\$250,000	\$280,016

Source: DNREC Division of Watershed Stewardship, based on the annual allocation of funds for multi-year projects

Nonpoint Source Program

Nonpoint source (NPS) pollution, unlike pollution from industrial and sewage treatment plants, comes from many diffused sources. NPS pollution is caused by rainfall or snowmelt moving over and through the ground. As the runoff moves, it picks up and carries away natural and human-made pollutants, finally depositing them into lakes, rivers, wetlands, coastal waters, and even our underground sources of drinking water.

The Delaware NPS Program addresses NPS pollution through educational programs, publications, and partnerships with other Delaware organizations. The Delaware NPS Program also administers a competitive grant made possible through Section 319 of the Clean Water Act, providing funding for projects designed to reduce NPS pollution.

Table B.12 Nonpoint Source Program Grant funding, fiscal years 2018–2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY2022
State	\$783,115	\$783,115	\$799,667	\$822,134	\$821,534
Federal	\$1,174,612	\$1,174,552	\$1,199,500	\$1,233,200	\$1,232,300
Total	\$1,957,727	\$1,957,667	\$1,999,167	\$2,055,334	\$2,053,834

Source: DNREC Division of Watershed Stewardship, based on the annual allocation of funds for multi-year projects

Surface Water Matching Planning Grant

The Surface Water Matching Planning Grant is designed to assist counties and municipalities to prepare surface water projects for funding through the Delaware Water Pollution Control Revolving Fund (WPCRF). The available funding can be used to assist with surface water planning in general and for specific project planning and designs necessary to submit a loan application to the WPCRF for funding consideration.

The grants support planning, preliminary engineering, and feasibility analysis of surface water improvement projects and activities that focus on the developed landscape to improve water quality in impaired watersheds in Delaware.

Table B.13 Surface Water Matching Planning Grant funding, Fiscal Years 2018–2022

State Funds	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
DNREC	\$250,000	\$250,000	\$250,000	\$250,000	\$350,000

Housing

Homeownership

DSHA continues to expand access to low rates and settlement assistance through various programs to help advance and sustain homeownership. DSHA also continued to preserve homeownership by working with partners to support the rehabilitation of homes to ensure they are safe and habitable.

Building on efforts to promote responsible homeownership, DSHA continues to support pre-purchase homeownership counseling provided by Delaware HUD-certified housing counseling agencies, as well as foreclosure prevention counseling and financial assistance.

Table B.14 DSHA Homeownership Programs, fiscal years 2018–2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Homebuyers Assisted	963	1,259	1,432	2,075	1,617
Mortgage Assistance* (millions)	\$221	\$253	\$279#	\$445	\$381
Homeownership Rehabilitation	335	290	227	257	283

Source: Delaware State Housing Authority

* Below-market rate mortgages, down payment, and settlement assistance.

Figure corrected from 2021 Annual Report

Affordable Rental

Demand for rental housing is incredibly high in Delaware, with the state having one of the lowest rental vacancy rates of all its neighbors. DSHA helps create and preserve affordable rental housing by offering federal and state financing for new construction and rehabilitation of affordable housing. The primary federal tool for this is the Low-Income Housing Tax Credit program (Housing Credit), which is leveraged by state investments in the Housing Development Fund (HDF). Due to the long timing of application, underwriting, and construction, DSHA counts these projects as completed when they go to construction closing.

DSHA also serves as the Public Housing Authority (PHA) for Kent and Sussex Counties outside the City of Dover, administering federal public housing and Housing Choice Voucher assistance. DSHA owns and manages approximately 500 units of public housing and administers about 900 federal Housing Choice Vouchers.

DSHA also provides rental assistance to numerous special populations through partnerships with our sister state agencies and their providers. The largest of these is the State Rental Assistance Program (SRAP), created in partnership with DHSS and the Department of Services for Children, Youth and their Families to help Delawareans who require supportive services live independently in their communities.

DSHA has also added several additional federal sources of rental assistance for special populations in recent years and coordinates with other Public Housing Authorities in Delaware to effectively implement partnerships to support these.

Table B.15 DSHA Rental Programs, fiscal years 2018–2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Rental Units Produced or Preserved	230	242	204	265	342
Housing Development Fund > (millions)	\$10	\$10	\$10	\$10	\$10
DSHA Public Housing & Housing Choice Vouchers Managed	1,405	1,401	1,309	1,264	1,264
Rental Assistance for Special Populations	843	871	983	988	969

> HDF base allocation and Affordable Rental Housing Program (ARHP). Does not include HDF allocated for specific programs.

Community Revitalization

Strong partnerships, private investment, and public incentives continue to create new retail and downtowns, stimulating job growth, and improving the commercial vitality of our towns and cities. DSHA continues to combine Downtown Development District investments with community interventions through the Strong Neighborhoods Housing Fund (SNHF). The SNHF is now established as a revolving fund to help redevelop vacant and blighted lots that can have a negative impact on an entire community.

Table B.16 DSHA Downtown Development District Rebate Program, fiscal years 2018–2022

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
DDD Rebate Program Program (millions)	Reserved	\$6.1	\$10.9	\$12.3	\$10	\$6.3
	Leveraged	\$66.1	\$231.4	\$244	\$250	\$67.03
***	Includes both small and large projects.					