



STATE OF DELAWARE
DELAWARE ECONOMIC AND FINANCIAL ADVISORY COUNCIL

MICHAEL HOUGHTON
CHAIR

June 17, 2024

To: The Honorable John Carney, Governor
Members of the 152nd General Assembly

RE: Executive Order Number Twenty-One Calculations

Attached, as prescribed in Executive Order Number Twenty-One as modified by Executive Order Number Fifty-Two, are the calculations approved by the Delaware Economic and Financial Advisory Council (DEFAC) at its May 20, 2024 meeting. As shown in the attached, the advisory "Benchmark Index" is 5.9% and the advisory "Benchmark Appropriation" is \$6,125.9 million. The 98% appropriation limit as determined at the May 2024 meeting is \$6,825.1 million.

The variance between the 98% appropriation limit and the advisory Benchmark Appropriation is currently a positive variance of \$699.2 million that would be deemed "extraordinary revenues" available for appropriation to the Budget Stabilization Fund and/or appropriation for non-recurring expenditures and/or reductions in long-term liabilities.

If you have any questions or desire additional information, please contact David Roose, Director of Research and Analysis in the Department of Finance at David.Roose@delaware.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Houghton".

Michael Houghton
Chair

Attachment

cc: Director, Office of Management and Budget
Controller General

BENCHMARK INDEX CALCULATION

The advisory Benchmark Index consists of equal weightings of the 3-year average of: (i) Delaware personal income growth and (ii) Delaware population growth and inflation reflecting the pool of goods and services purchased by government (as represented by the “Implicit Price Deflator for State & Local Government Purchases”). As of May 2024, the actual and forecast growth rates for the components of the index are as follows:

	Delaware Personal Income	State & Local Government Implicit Price Deflator	Delaware Population
FY 2024	2.6%	1.8%	1.2%
FY 2023	9.6%	4.8%	1.5%
FY 2022	4.8%	8.0%	1.3%
Average	5.7%	4.9%	1.3%

Equal weightings of the three-year average growth of Delaware personal income (5.7%) and the sum of the state and local government implicit price deflator and Delaware population (6.2%) result in an advisory **Benchmark Index of 5.9%**.

BENCHMARK APPROPRIATION CALCULATION

The advisory Benchmark Appropriation is the sum of (i) the product of the Benchmark Index and the sum of the previous fiscal year’s budget act and appropriations for grants in aid, plus (ii) an amount not to exceed 1 percent of the previous fiscal year’s budget act, but only to the extent that such amount is directed as a supplemental appropriation to the bond and capital improvements act for such fiscal year, plus (iii) an amount not to exceed 1 percent of the previous fiscal year’s budget act, but only to the extent such amount is directed to fund the Other Post-Employment Benefits Trust Fund as established by 29 Del. C. § 5281. The advisory **Benchmark Appropriation of \$6,125.9 million** is accordingly determined as shown below (\$ in millions):

FY 2024 Budget	\$5,606.7
FY 2024 Grants-in-Aid	\$72.0
Sum	\$5,678.7
Benchmark Index	5.9%
Product	\$6,013.7
Operating Spending in Bond Bill	\$56.1
OPEB Trust Fund	\$56.1
FY 2025 Benchmark Appropriation	\$6,125.9

EXTRAORDINARY REVENUES / SHORTFALLS

Pursuant to Executive Order 21, the calculated difference between the 98% Appropriation Limit (\$ in millions) and the advisory Benchmark Appropriation (\$ in millions) is deemed Extraordinary Revenues if positive, and a Shortfall if negative.

FY 2025 98% Appropriation Limit	\$6,825.1
FY 2025 Benchmark Appropriation	\$6,125.9
Extraordinary Revenues	\$699.2