

STATE OF DELAWARE



EXECUTIVE DEPARTMENT
DOVER

**EXECUTIVE ORDER
NUMBER SIXTY-TWO**

TO: HEADS OF ALL STATE DEPARTMENTS AND AGENCIES

**RE: REAUTHORIZING THE DELAWARE ECONOMIC & FINANCIAL ADVISORY
COUNCIL (DEFAC)**

WHEREAS, a bipartisan commitment to balanced budgets and sound financial planning has fostered Delaware's reputation for fiscal prudence and budgetary restraint which has been further strengthened by the availability of credible, nonpartisan, and expert projections of the State's revenues and expenditures and of important national and state economic trends; and

WHEREAS, DEFAC has for nearly five decades, provided a sound basis upon which to make determinations regarding the State's operating and capital budgets, and helped ensure that the long-term fiscal implications of administrative, budgetary, and legislative alternatives are considered before those alternatives are adopted as state policy; and

WHEREAS, on June 30, 2018, I issued Executive Order 21, directing DEFAC to calculate and report an advisory budget benchmark for the State; and

WHEREAS, on November 20, 2018, I issued Executive Order 25, establishing Delaware Health Care Spending and Quality Benchmarks and the DEFAC Health Care Spending Benchmark Subcommittee (the "Subcommittee"); and

WHEREAS, on November 26, 2018, I issued Executive Order 26, reauthorizing DEFAC and listing its then current duties and responsibilities, and on July 4, 2024, I issued Executive Order 61, confirming legislative representation on DEFAC; and

WHEREAS, on December 15, 2021, I issued Executive Order 52, amending Executive Order 21 and adopting an incremental OPEB Trust Fund Carveout within the Budget Benchmark Appropriation to help reduce the State's unfunded OPEB liability; and

WHEREAS, during 2022, the 151st General Assembly enacted, and I signed, House Bill 442, and during 2023 and 2024, the 152nd General Assembly enacted, and I signed, Senate Bills

175 and 270, codifying provisions to secure certain key objectives of the foregoing executive orders for the future; and

WHEREAS, after the codification, certain provisions in the foregoing executive orders are obsolete; and

WHEREAS, relevant provisions from the foregoing executive orders that have not been codified should be consolidated for clarity and convenience.

NOW, THEREFORE, I, JOHN C. CARNEY, by virtue of the authority vested in me as Governor of the State of Delaware, do hereby **DECLARE** and **ORDER** the following:

1. DEFAC is continued.
2. DEFAC shall consist of at least 25 members appointed by the Governor to serve during his pleasure, including four members of the General Assembly, to include one member from each of the House Majority and Minority caucuses, who shall be designated by the Speaker of the House, and one member from each of the Senate Majority and Minority caucuses, who shall be designated by the President Pro Tempore of the Senate. The membership of DEFAC shall broadly represent both the public and private sectors of the State's economy. The Governor shall designate a Chairperson of DEFAC from among its members.
3. DEFAC shall:
 - a. Meet on a regular basis as determined by the Chairperson, and on other such occasions as deemed necessary by the Governor or the Chairperson.
 - b. Serve in a general advisory capacity to the Governor and the Department of Finance.
 - c. Advise the Governor and the Secretary of Finance on:
 - (i) The overall financial condition of the State of Delaware;
 - (ii) Current and projected economic conditions and trends, particularly as they affect the expenditures and revenues of the State of Delaware, its citizens, and its major industries; and
 - (iii) The tax policy of the State and the impact of federal tax policies.
 - d. Submit to the Governor, the Secretary of Finance, the Comptroller General, and the General Assembly, by such dates as required by 29 *Del. C.* § 6534(a), estimates as follows:
 - (i) General Fund and Transportation Trust Fund revenue by major categories for the current fiscal year;
 - (ii) General Fund and Transportation Trust Fund revenue by major categories for the succeeding two fiscal years; and

- (iii) General Fund and Transportation Trust Fund expenditures for the current fiscal year and General Fund expenditures for the succeeding fiscal year.
 - e. Submit to the Governor, the Secretary of Finance, the Controller General, and the General Assembly, not later than December 31 of each year, estimates as follows:
 - (i) General Fund and Transportation Trust Fund revenue by major categories for five fiscal years, starting with the current fiscal year and including the next succeeding four fiscal years; and
 - (ii) General Fund expenditures for four fiscal years, starting with the current fiscal year and including the next succeeding three fiscal years.
 - f. Perform such other duties and responsibilities imposed upon it by the Delaware Code including, but not limited to:
 - (i) The requirements set forth in 16 *Del. C.* § 9903(k) and such other related duties imposed from time to time, with respect to the Delaware Health Care Spending Benchmark;
 - (ii) The requirements set forth in 29 *Del. C.* § 7423 with respect to statutory limits on the State of Delaware's indebtedness;
 - (iii) Effective December 1, 2024, the requirements set forth in 29 *Del. C.* § 6533(i), with respect to the Benchmark Index and reporting of budgetary reserves including the Budget Stabilization Fund;
 - (iv) The requirements set forth in 29 *Del. C.* § 6534(b)(3) with respect to reviewing tax preferences; and
 - (v) The requirements of 30 *Del. C.* § 515(a) with respect to inflation adjustment factor calculations.
- 4. The DEFAC estimates required by paragraph 3.d. of this Executive Order shall constitute the Governor's revenue estimates required by 29 *Del. C.* § 6534(a).
- 5. The DEFAC Health Care Spending Benchmark Subcommittee (hereafter "Subcommittee") is continued.
 - a. The Subcommittee shall consist of the following:
 - (i) A Chair and a Vice-Chair, both of whom shall be members of DEFAC and have health care expertise, appointed by the DEFAC Chairperson;
 - (ii) Three existing members of DEFAC, appointed by the DEFAC Chairperson;
 - (iii) Two members, representing health economists, appointed by the Governor; and
 - (iv) Two members, representing quality improvement experts from two health care systems or hospitals that operate in the state, appointed by the Governor.

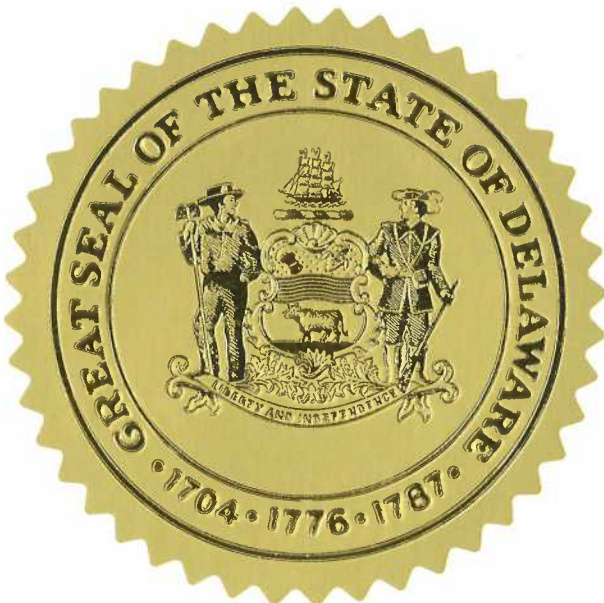
- b. All Subcommittee members shall be appointed by and serve at the pleasure of the appointing authority. All meetings shall be called by the Chair of the Subcommittee. The Vice-Chair shall chair any meetings of the Subcommittee in the absence of the Chair.

- 6. All state agencies shall cooperate in providing data and assistance to DEFAC as may be requested by the Chairperson of DEFAC and approved by the Secretary of Finance. Such data and assistance may include, but is not limited to, statistics, reports, projections, and testimony. DEFAC may call and rely upon the expertise of individuals and entities outside of its membership for research, advice, support, or other functions necessary and appropriate to accomplish its mission.

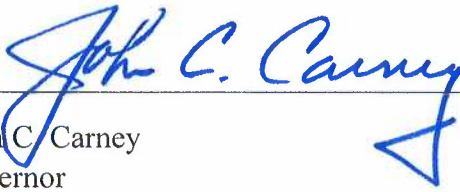
- 7. Upon request of the Chairperson of DEFAC, the Department of Finance and such other state agencies as deemed appropriate by the Secretary of Finance, shall provide such staff and financial support to the activities of DEFAC as are approved by the Secretary of Finance.

- 8. Executive Order numbers Twenty-One, dated June 30, 2018; Twenty-Five, dated November 20, 2018; Twenty-Six, dated November 26, 2018; Fifty-Two, dated December 15, 2021; and Sixty-One, dated July 4, 2024, issued by Governor Carney, are hereby rescinded.

- 9. This Executive Order shall take effect immediately.

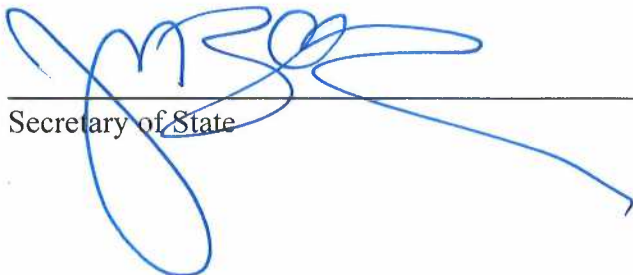


APPROVED this 27th day of August, 2024.



John C. Carney
Governor

ATTEST:



Secretary of State