

## **The Delaware Economic & Financial Advisory Council (DEFAC)**

### **HISTORY**

In 1977 Governor Dupont issued an Executive Order creating the Delaware Economic and Financial Advisory Council (DEFAC). Envisioned as a tool to improve the State's fiscal management practices, DEFAC was conceived to advise the Governor and Secretary of Finance with respect to:

- The State's overall financial condition,
- Tax policy,
- Debt management issues, and
- Current and projected trends in the national and local economies that may affect the State.

Finally, and perhaps most importantly, the Council was charged with providing non-partisan and objective revenue and expenditure estimates to the Governor and General Assembly. The revenue estimates are intended to meet the requirements of Title 29, §6534 of the Delaware Code, which states:

The Governor shall submit to all members of the General Assembly and the Controller General an estimate of anticipated General Fund revenues by major categories for the current and next immediate fiscal year. Such report shall be made no later than the 25th day of September, December, March, April, and May, and the 20th day of June.

In addition, DEFAC forecasts Transportation Trust Fund revenues and expenditures and its members are occasionally called upon to advise policymakers with respect to unique fiscal or economic issues facing the State.

Over the years, DEFAC, by providing State officials with conscientious, non-partisan guidance, has operated in a manner consistent with the fiscal blueprint conceived in 1977. Because both the Governor and General Assembly accept DEFAC's revenue projections as "the estimate," others recognize the DEFAC process as a model for eliminating politics from revenue and expenditure estimates.