General Fund Operating Budget $4,771.5 M
  • GF Operating Budget Growth 4.9%

Grants-in-Aid $57.2 M

Bond and Capital Improvements Act $1,350.9 M
  • State Capital Projects $964.8 M
    • General Obligation Bonds $255.9 M
    • General Fund Cash $692.3 M
    • Other $16.6 M
    • Transportation $386.1 M

One-Time Supplemental $221.1 M
The FY 2022 Financial Plan set aside $287.3 million in the Budget Stabilization Fund above the constitutionally mandated set asides.
Providing health care for low-income Delawareans
- $15.1 million - State share of the Medicaid program
- $2 million - Additional funding for the Children’s Health Insurance Program (CHIP) due to reductions in federal funding

Helping those afflicted by substance use
- $810,000 - Funding to expand the Delaware Treatment Referral Network, withdrawal management services and syringe distribution

Providing services in the community for the most vulnerable
- $20.7 million - Funding for community supports for the aging and those with disabilities.

Supporting our health care workers
- $1,000,000 - Create the Health Care Provider Loan Repayment Program
## FY 2022 FINAL BUDGET
### DEPARTMENT OF HEALTH AND SOCIAL SERVICES

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Allocation ($ thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMMA - Medicaid “Growth”</td>
<td>$15,110.0</td>
</tr>
<tr>
<td>DDDS - Community Placements &amp; Graduates</td>
<td>$19,242.1</td>
</tr>
<tr>
<td>DMMA - Delaware Healthy Children Program (CHIP)</td>
<td>$2,000.0</td>
</tr>
<tr>
<td>DSAAPD/DVI - Growth in Community Services</td>
<td>$1,519.0</td>
</tr>
<tr>
<td>Behavioral Health &amp; Treatment</td>
<td>$810.0</td>
</tr>
<tr>
<td>DPH - School Based Health Centers</td>
<td>$610.0</td>
</tr>
<tr>
<td>DSA&amp;MH Community Housing Supports</td>
<td>$528.0</td>
</tr>
<tr>
<td>Health Care Provider SLRP (HB 48) (1/2 one-time)</td>
<td>$1,000.0</td>
</tr>
<tr>
<td>ASF – Opioid Impact Fund</td>
<td>$700.0</td>
</tr>
<tr>
<td>ASF – Background Check Center</td>
<td>$1,000.0</td>
</tr>
<tr>
<td>ASF to GF – School Health Centers, CHIP, Renal, etc.</td>
<td>$8,101.0</td>
</tr>
</tbody>
</table>

**GF Budget: $1,288,966,700**

4.0% growth
FY 2022 FINAL BUDGET
ADDITIONAL INVESTMENTS IN HEALTH

• No premium increase for state employee health care. $20 M one-time contribution to stabilize rates.
• $8 million Student mental health services (HB 100)
• $8.7 million Correctional medical and behavioral health
• Bond and Capital Improvements Act
  – $6.7 M Herman Holloway Campus Improvements
  – $10.5 M DHSS Minor Capital / Maintenance/ Restoration
  – $8.6 M State Service Center Improvements
  – $3.0 M Public Health Lab Renovations/Expansion
  – $0.5 M Wastewater Epidemiology
  – $2.1 M HR Young Correctional Infirmary Expansion/Renovation
  – $50.0 M Clean Water Trust Fund
Delaware Annual Budget Cycle

**July 1st**
Fiscal year begins

**August / September**
Office of Management and Budget (OMB) provides guidance to agencies. Meets with agencies to develop budget requests in line with resources and Governor’s priorities

**February - May**
Joint Finance Committee (JFC) and Joint Capital Improvement Committee (Bond Bill Committee) considers GRB. Produce budget bills for General Assembly’s consideration

**June**
Budget typically adopted by June 30

**Delaware Economic and Financial Advisory Council (DEFAC) updates revenue forecasts in October, December, March, May and June**

**January**
Governor’s Recommended Budget (GRB) submitted to General Assembly

**November**
OMB convenes public budget hearings

**October**
Agencies submit proposed budgets to OMB
FY 2023 Financial Overview

• General Fund Revenues Remain Structurally Volatile
  - FY 17  + 1.7% / + $68M  Weak corporate income and franchise tax
  - FY 18  + 9.5% / +$380M  Strong economic growth/RTT & FT tax increases
  - FY 19  + 4.5% / +$199M  Moderate economic growth & FT increase tail
  - FY 20  - 1.4% / - $66M   COVID (Lottery/GRT/Excise taxes/Tax Date deferral)
  - FY 21 +18.3% / +$827M   Tax deferral tail, big cap gains, IPO & realty sales
  - FY 22  - 4.3% / -$229M No tax deferral
  - FY 23  - 0.7% / - $36M Corp. franchise/unclaimed property return to earth

• Typical Door Openers
  – Medicaid
  – Schools - Enrollment growth, special needs and opportunity funding
  – Pension plan and debt service
  – Required personnel costs (e.g., salary steps/collective bargaining agreements)
• Barring a major pandemic resurgence, the State should have adequate resources on hand to address regular budget demands and COVID response:
  – Budget benchmark index around 4%
  – Strong reserve position – Budget Stabilization Fund
  – Economic support from large FY19, 20, & 22 “Bond Bills”
  – Extraordinary federal support (next 3-5 years)
    • ARPA - American Rescue Plan Act (State & Local Fiscal Recovery Fund - SLFRF)
      – Delaware Share - $1.36 billion ($925M State, $435 million Local)
    • ??? - Bipartisan Infrastructure Plan
      – Delaware Share -- $2.4 billion ????
COVID 19 Financial Response (to Date)

Coronavirus Relief Fund – More than $1B Allocated

$238 M – Unemployment Insurance Trust Fund

$353 M – Relief Grants (Small Businesses, Non-profits, Healthcare Providers, Non-Profits, Higher Ed, etc.)

$143 M – Child Care Programs

$265 M – COVID Mitigation (Statewide Testing & Tracing, Group Health Plan Costs, Vaccine Incentives, PPE, and other direct State & Local agency costs)

PLUS: Programs supporting Housing ($26 M), Workforce Training ($15 M) and Broadband ($11 M)
ARPA Projects

• Federal relief funds (ARPA) available for projects that:
  – Meet pandemic response needs
  – Provide immediate economic stabilization for impacted households & businesses
  – Rebuilds a stronger, more equitable economy in communities hit hard by COVID-19
  – Addresses systemic public health, safety and economic challenges

• Health Care Projects should:
  – Mitigate COVID-19 spread, improve public health operations, or make transformative investments in health care delivery systems in communities most impacted by COVID
  – Comply with federal ARPA regulations
  – Maintain fiscal responsibility
    • Not expand the State’s operating budget
    • Ideally mitigate or reduce out-year costs
    • Leverage county, municipal government and private matching sources
    • Improve health care outcomes for communities hardest hit by COVID
    • Leverage existing processes around community investment