Governor’s Recommended Financial Plan

FISCAL YEAR 2023

Prepared for Delaware Health Care Commission
February 3, 2022
States received historic federal resources to fight the pandemic and emerge stronger.

*We are putting those funds to work with significant investments in health and human services infrastructure and technology.*
# FEDERAL RELIEF

Coronavirus Relief Fund Support for Health

<table>
<thead>
<tr>
<th>Program</th>
<th>Funds (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Testing and Contact Tracing Programs</td>
<td>$196</td>
</tr>
<tr>
<td>Medical Provider Grants</td>
<td>$92</td>
</tr>
<tr>
<td>Child Care Assistance Programs</td>
<td>$140</td>
</tr>
<tr>
<td>State Group Health Insurance Plan</td>
<td>$24</td>
</tr>
</tbody>
</table>

Funds fully distributed through Dec. 2021
## FEDERAL RELIEF
*Key Investments and Commitments to Health*

### AMERICAN RESCUE PLAN ACT - $216M

<table>
<thead>
<tr>
<th>Amount</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50 million</td>
<td>New Delaware Hospital for the Critically Ill (DHCI)</td>
</tr>
<tr>
<td>$42 million</td>
<td>New Public Health and DNREC Labs</td>
</tr>
<tr>
<td>$56 million</td>
<td>DE Hospitals and Health Care Facilities (Nursing Costs and COVID Mitigation)</td>
</tr>
<tr>
<td>$5 million</td>
<td>DHSS Public Health Information Center</td>
</tr>
<tr>
<td>$41 million</td>
<td>UD Infectious Disease Education &amp; Research Facility</td>
</tr>
<tr>
<td>$15 million</td>
<td>DTCC Allied Health Center of Excellence</td>
</tr>
<tr>
<td>$7 million</td>
<td>DSU Health Disparities Molecular Diagnostics Lab</td>
</tr>
</tbody>
</table>

Funds have been allocated to comply with strict U.S. Treasury requirements.
We made it through the worst of the pandemic without cutting services or raising taxes.

Responsibly managing our state budget is more important than ever.
Revenue Volatility vs. Benchmark Spending Stability

Revenue Volatility with Stable Budget Growth

FY 23 Forecast

FY16  FY17  FY18  FY19  FY20  FY21  FY22  FY23

Revenue Resolution Growth
Budget Growth
Year in Review: Sustainable Finances

FY 2022
- Budget: $4,771.5 M
- GIA: $221.1 M
- One-Time Savings: $63.2 M
- Savings: $287.3 M

FY 2023
- Budget: $4,991.3 M
- GIA: $215.9 M
- One-Time Savings: $56.9 M
- Savings: $302.5 M

***Budget Stabilization Fund is Fully Funded***
Long-term Financial Sustainability

**FY 2023 Financial Plan**

- **Fully funds** Rainy Day Fund
- Appropriates less than 98% of revenues
- Budget growth targeted to the DEFAC benchmark
- **Fully funds** Budget Stabilization Fund - sets aside $15.2 million
  ***Total Fund Amount: $302.5 million***
- Allocates $591.6 million in cash to the Capital and Bond Bill
Additional Investments in Health

• $735,000 expansion of crisis beds in Kent and Sussex counties (Dept. Services for Children, Youth & Their Families)

• $500,000 to increase funding for the Health Care provider State loan repayment program.

• $300,000 to permanently fund the mental health services loan forgiveness program.

• $3.7 million (one time) for DHSS Technology Needs, Centralized Command Center, Security Equipment and My Healthy Community Data Portal
• **Bond and Capital Improvements Act**
  - **$6.1 million** – Delaware Hospital for the Chronically Ill – Prickett & Candee Building Renovations
  - **$5.0 million** - Jesse Cooper Building Improvements
  - **$2.6 million** - DHSS Phone and Security Systems Replacement
  - **$10.5 million** - DHSS Minor Capital and Maintenance
  - **$2.0 million** - Baylor Women’s Correctional Infirmary Expansion
## Preparing for the Economy of the Future

### Economic Development

<table>
<thead>
<tr>
<th>Category</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Fund</td>
<td>$30 million</td>
</tr>
<tr>
<td>Graduation Lab Space</td>
<td>$10 million</td>
</tr>
<tr>
<td>Site Readiness / Transportation Infrastructure</td>
<td>$20 million</td>
</tr>
<tr>
<td>Higher Ed. Economic Dev. Fund</td>
<td>$15 million</td>
</tr>
</tbody>
</table>

**Total Funding:** $75 MILLION
Environmental Justice for all Delawareans

Environmental Initiatives

$404.7 MILLION

- Aglands Preservation and Open Space: $30 million
- Shoreline and Waterway Preservation: $7.5 million
- Clean Water: $367.2 million

($12.2M state Clean Water Trust Fund and $355M federal Bipartisan infrastructure)
## Investing in Delaware’s Schoolchildren

### FY23 AND FORWARD FUNDING SCHOOL PROJECTS

<table>
<thead>
<tr>
<th>County</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Castle County</td>
<td>$82.4 million</td>
</tr>
<tr>
<td>Sussex County</td>
<td>$122.8 million</td>
</tr>
<tr>
<td>Kent County</td>
<td>$89.9 million</td>
</tr>
<tr>
<td>Statewide Market Pressure</td>
<td>$25 million</td>
</tr>
<tr>
<td>Wilmington Learning Collaborative and Redding Consortium</td>
<td>$19.8 million</td>
</tr>
</tbody>
</table>
Maintain Expansion of Mental Health Supports

- $20.6 million to support mental health service units for elementary schools. *(HB 100 - operating budget and one-time funding)*

Oppportunity Funding

- $4.5 million increase in funding for low-income students and English learner students

- Continues goal to more than double the Opportunity Fund to $60 million annually by 2025
Governor Carney and cabinet members developed the FY 2023 budget draft.

Delaware Economic and Financial Advisory Council (DEFAC) met in October and December to project revenue. DEFAC will update their projections in March, May and June.

January 27: Governor Carney proposes recommended budget for FY 2023.

Joint Finance Committee (JFC) and Bond Bill Committee Hearings: Committee members consider Governor Carney's recommended operating budget and hold hearings to discuss budget items with agencies and advocates.

Mark-up: JFC reviews budget proposals.

The General Assembly passes the budget and bond bills, and the Governor signs the bills by June 30. The new fiscal year begins July 1.