



***Delaware Health  
and Social Services***

**Office of the Secretary**

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**MEMORANDUM**

**TO:** Governor John Carney  
Members of the General Assembly

**FROM:** Josette D. Manning Esq., Cabinet Secretary  
Department of Health and Social Services

**DATE:** November 13, 2024

**SUBJECT:** Delaware Health Fund Advisory Committee  
Fiscal Year 2026 Recommendations

Initial  
*JDM*

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2026 (FY26) Health Fund Recommendations. The Committee's final decisions reflect months of document review, several hours of public discussion and a strong commitment to sustainable stewardship of the fund.

The State anticipates receiving approximately \$23,443,500 in Tobacco Settlement Funds, including principal payment and interest for FY26. The available Reserve balance is \$12,346,100 bringing the fund total to \$35,789,600.

The Committee's FY26 recommendations are as follows:

- Fund Cancer Programs, Tobacco Prevention and Control Programs, Behavioral Health Programs, and Health Related Programs at 100% of FY2025 Budget (except AIDs Delaware - fund at 100% of FY2024 Budget)
- Fund Family/Caregiver Programs at 100% their FY2026 request.
- Fund Disability Program and Workforce Development Programs at 80% of their FY2025 Budget
- Fund DHSS/State Operating Programs and Switch-Fund Programs at 65% of their FY2025 Budget and a commitment to fund these programs at 50% their FY2026 recommended amount in FY2027, and at 0% by FY2028
- Do not fund New Programs, except for Health Literacy Council of DE - to be funded at 100% their FY2025 Budget
- Fund Other Programs at 60% their FY2026 request

The Committee remained cognizant of the continued decrease in funds from the Master Settlement Agreement (MSA) when making funding recommendations for FY26. Throughout

FY'2026 HFAC Recommendations  
November 13, 2024

their review, the Committee largely focused on the primary intent of these funds and thoughtfully discussed each program's alignment with the intent.

By way of background on the switch-fund and Department of Health and Social Services (DHSS)/State operated programs, many of these programs were placed into, or recommended to, the Tobacco Settlement Fund to ensure a balanced state budget and to limit cuts to services and programs. Based on conversations with the Office of Management and Budget (OMB), while many other programs have been switched back to General Funds over the year, many DHSS programs continue to be funded by the Health Fund.

The Committee's recommendation to move switch-funded and DHSS/State Operated programs to the State's General Funds is not intended to imply that these programs should not be funded. On the contrary, the Committee feels strongly that they should be funded, but from the General Fund or other funds, not the Health Fund. Switch-funding identified programs out of the Tobacco Settlement Fund will enable continuation of this fund to support the distribution to programs aligned with HFAC's mission, per the enabling legislation.

During the FY2025 cycle, the Committee recommended these programs be switched to the general budget at 100% their FY25 request, however, this recommendation was ultimately not recommended by OMB in the Governor's Recommended Budget, and therefore, \$7,882,500 additional dollars were funded through the Health Fund, consequently cutting into the reserves balance and the longevity of the Fund. Furthermore, after conversations with OMB, the Committee proposes an incremental decrease to provide time for the State to find alternative funding sources.

The Committee is committed to partnering with OMB to incrementally address programs that should be moved to the state's operating budget. This year, the Committee is recommending funding these programs at 65% their FY25 budget amount with a continued decrease over the next two years, until the programs are fully supported by the agencies' operating budgets. The Committee wanted to underscore the importance of funding programs from the correct funds as they continue to see the funds shrink and continued spending of the reserves balance will lead to the need for the Committee to cut programs that are closely tied to the intended purpose of the funds.

The details of this recommendation are set forth more fully in the attached document. The recommendation expends \$25,933,900 leaving \$9,855,700 in the Reserve in anticipation of continued annual decreases in the settlement funds received.

In addition to the funding recommendations, the Committee recognized the need for another revision of the application and review process. Last year, the Committee made some changes to the application and the submission timeline which were intended to improve the review process, which we believe they did. However, it is evident that additional changes are needed, and the Committee intends to reconvene to address them. Specifically, the Committee would like more robust data tied to outcomes to better assess their return on investment. This may also require

FY'2026 HFAC Recommendations  
November 13, 2024

legislation to adjust the timeline of the reviews because often, the Committee is conducting an application review before the recipient has utilized all of their past-year's funding and before they have complete outcome data. The Committee would also like to develop a scoring system for applications for a more consistent and equitable review process.

As Chair of the HFAC, I would like to commend the members for their dedication and contribution to the Health Fund process:

Senator Bryant Richardson  
Senator Nicole Poore  
Mr. Donald Fulton  
Mr. Perry Patel  
Ms. Autumn Tuxward

Representative Stephanie T. Bolden  
Representative Paul Baumbach  
Mrs. Elisabeth Massa  
Dr. Cimone Sylver  
Dr. Marshala Lee

Please do not hesitate to contact me if you have any questions.

Enclosures

Pc: Health Fund Advisory Committee Members  
Cerron Cade, Director, Office of Management and Budget  
Kylie Taylor, Office of Management and Budget  
Ruth Ann Miller, Office of the Controller General  
Victoria Brennan, Office of the Controller General

# FY 2026 Health Fund Summary

**Scenario #5:**  
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**FY 26 Health Fund  
Requests**

<b>Funds Available</b>	
Reserve balance	\$12,346.1
Projected MSA Payment	\$21,200.0
Projected Interest	\$2,243.5
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$35,789.6</b>

<b>Expenses</b>	
Scenario # 5	\$25,933.9

<b>TOTAL EXPENSES ALL PROGRAMS</b>	<b>\$25,933.9</b>
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<b>[Carry FWD Reserve Balance]</b>	<b>\$9,855.7</b>
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## FY 2026 Health Fund Requests

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PROGRAMS	FY 24 Budget	FY 25 HFAC Rec's	FY 25 Budget	FY26 Request	Scenario # 5	Comments
<b>Cancer Programs</b>						
DE Breast Cancer Coalition, Women's Mobile Health Screening, LLC - Women's Health Screening Program	\$397.7	\$397.7	\$397.7	\$462.2	\$397.7	100% Fy25 Budget
Cancer Consortium and Cancer Council Recommendations (DHSS - DPH)	\$8,620.8	\$8,620.8	\$8,620.8	\$8,620.8	\$8,620.8	100% Fy25 Budget
Consortium and Council Sub-Grantees:						100% Fy25 Budget
a) DE Breast Cancer Coalition - Breast Cancer Wellness	\$150.0	\$150.0	\$150.0	\$150.0	\$150.0	100% Fy25 Budget
b) Breast and Cervical Cancer Treatment (DHSS - DMMA)	\$99.5	\$147.0	\$147.0	\$147.0	\$147.0	100% Fy25 Budget
c) Cancer Care Connection - Oncology Social Work and Psychosocial Care	\$194.8	\$194.8	\$194.8	\$194.8	\$194.8	100% Fy25 Budget
d) Cancer Support Community Delaware - Cancer Supports and Services	\$138.6	\$138.6	\$138.6	\$138.6	\$138.6	100% Fy25 Budget
<b>Subtotal</b>	<b>\$9,601.4</b>	<b>\$9,648.9</b>	<b>\$9,648.9</b>	<b>\$9,713.4</b>	<b>\$9,648.9</b>	
<b>Disability Programs</b>						
Delaware Network for Excellence in Autism (DNEA) - UD	\$575.0	\$575.0	\$575.0	\$575.0	\$460.0	80% Fy25 Budget
<b>Subtotal</b>	<b>\$575.0</b>	<b>\$575.0</b>	<b>\$575.0</b>	<b>\$575.0</b>	<b>\$460.0</b>	
<b>Tobacco Prevention and Control Programs</b>						
Office of Tobacco Enforcement (DOJ)	\$228.9	\$278.1	\$278.1	\$274.8	\$278.1	100% Fy25 Budget
Botvin Life Skills Training Program - Tobacco Prevention Programs for Youth (DSCYF)	\$40.0	\$40.0	\$40.0	\$50.0	\$40.0	100% Fy25 Budget
Division of Alcohol and Tobacco Enforcement (DSHS)	\$481.4	\$607.5	\$607.5	\$623.2	\$607.5	100% Fy25 Budget
Tobacco Prevention and Control Program / Physical Activity, Nutrition and Obesity Prevention Program (DHSS - DPH)	\$3,720.7	\$3,720.7	\$3,720.7	\$3,720.7	\$3,720.7	100% Fy25 Budget
<b>Subtotal</b>	<b>\$4,471.0</b>	<b>\$4,646.3</b>	<b>\$4,646.3</b>	<b>\$4,668.7</b>	<b>\$4,646.3</b>	

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<b>Workforce Development Programs</b>						
New Nurse Development Program - Del Tech	\$3,011.7	\$2,576.8	\$3,221.0	\$3,221.0	\$2,576.8	80% Fy25 Budget
Paramedic Instructional Program Expansion - Del Tech	\$350.0	\$350.0	\$350.0	\$350.0	\$280.0	80% Fy25 Budget
Nursing Program - Polytech Adult Education	\$70.0	\$80.5	\$80.5	\$80.5	\$64.4	80% Fy25 Budget
Nursing Program - Delaware State University	\$183.8	\$214.3	\$214.3	\$1,000.0	\$171.4	80% Fy25 Budget
<b>Subtotal</b>	<b>\$3,615.5</b>	<b>\$3,221.6</b>	<b>\$3,865.8</b>	<b>\$4,651.5</b>	<b>\$3,092.6</b>	
<b>Behavioral Health Programs</b>						
Delaware Schools Surveys - Center for Drug and Health Studies - UD (DHSS - DSAMH)	\$18.3	\$18.3	\$18.3	\$18.3	\$18.3	100% Fy25 Budget
<b>Subtotal</b>	<b>\$18.3</b>	<b>\$18.3</b>	<b>\$18.3</b>	<b>\$18.3</b>	<b>\$18.3</b>	
<b>Consumer Education Programs</b>						
Nurse Family Partnership - Children & Families First	\$149.5	\$149.5	\$149.5	\$149.0	\$119.6	80% Fy25 Budget
<b>Subtotal</b>	<b>\$149.5</b>	<b>\$149.5</b>	<b>\$149.5</b>	<b>\$149.0</b>	<b>\$119.6</b>	
<b>Health Related Programs</b>						
Family Planning Services - Planned Parenthood of Delaware	\$82.0	\$86.2	\$86.2	\$92.0	\$86.2	100% Fy25 Budget
Programmatic Support - Delaware Hospice	\$150.0	\$150.0	\$150.0	\$250.0	\$150.0	100% Fy25 Budget
Asthma Project - American Lung Association of Mid-Atlantic	\$41.9	\$45.0	\$45.0	\$45.0	\$45.0	100% Fy25 Budget
Aids Delaware	\$15.0	\$0.0	\$0.0	\$50.0	\$15.0	100% Fy24 Budget
<b>Subtotal</b>	<b>\$288.9</b>	<b>\$281.2</b>	<b>\$281.2</b>	<b>\$437.0</b>	<b>\$296.2</b>	
<b>Family/ Caregiver Programs</b>						
Caregiver Program - Delaware Ecumenical Council on Children & Families	\$133.2	\$153.2	\$153.2	\$133.2	\$133.2	100% Fy26 Request
Recreation and Respite Care Services - Easter Seal	\$25.0	\$25.0	\$25.0	\$25.0	\$25.0	100% Fy26 Request
<b>Subtotal</b>	<b>\$158.2</b>	<b>\$178.2</b>	<b>\$178.2</b>	<b>\$158.2</b>	<b>\$158.2</b>	
<b>DHSS/ State Operating Program</b>						
Social Security Income Medical Assistance Transition Program (DHSS - DMMA)	\$750.0	\$0.0	\$750.0	\$750.0	\$487.5	65% Fy25 Budget
Respite Services - Family Support Services (DHSS - DDDS)	\$55.9	\$0.0	\$55.9	\$55.9	\$36.3	65% Fy25 Budget
Personal Attendant Services Program - Attendant Care (DHSS - DSAAPD)	\$568.5	\$0.0	\$568.5	\$568.5	\$369.5	65% Fy25 Budget
Social Security Income (SSI) Supplement (DHSS - DSS)	\$984.0	\$0.0	\$984.0	\$984.0	\$639.6	65% Fy25 Budget
Delaware Prescription Assistance Program "DPAP" (DHSS - DMMA)	\$1,871.6	\$1,871.6	\$1,871.6	\$1,648.0	\$1,216.5	65% Fy25 Budget
Delaware First State/First Shock - Semi-Automatic External Defibrillators (AEDs) (DHSS - DPH)	\$59.9	\$0.0	\$59.9	\$75.0	\$38.9	65% Fy25 Budget

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PROGRAMS	FY 24 Budget	FY 25 HFAC Rec's	FY 25 Budget	FY26 Request	Scenario # 5	Comments
Health Care Connection (DHSS - DPH)	\$573.6	\$0.0	\$585.4	\$585.4	\$380.5	65% Fy25 Budget
Diabetes and Heart Disease Prevention and Control Program (DHSS - DPH)	\$292.2	\$0.0	\$292.2	\$292.2	\$189.9	65% Fy25 Budget
Medicaid Eligibility Increase for Pregnant Women and Infants (DHSS - DMMA)	\$667.0	\$0.0	\$667.0	\$667.0	\$433.6	65% Fy25 Budget
Healthy Communities Delaware (DHSS - DPH)	\$500.0	\$0.0	\$500.0	\$614.5	\$325.0	65% Fy25 Budget
Social Determinants of Health (DHSS - DMMA)	\$1,000.0	\$0.0	\$1,000.0	\$1,000.0	\$650.0	65% Fy25 Budget
DHSS Library (DHSS)	\$110.0	\$0.0	\$115.0	\$120.0	\$74.8	65% Fy25 Budget
<b>Subtotal</b>	<b>\$7,432.7</b>	<b>\$1,871.6</b>	<b>\$7,449.5</b>	<b>\$7,360.5</b>	<b>\$4,842.2</b>	
<b>Other Programs</b>						
Create Innovation Fund using Endowment Balance	\$1,500.0	\$1,500.0	\$1,500.0	\$2,000.0	\$1,200.0	
<b>Subtotal</b>	<b>\$1,500.0</b>	<b>\$1,500.0</b>	<b>\$1,500.0</b>	<b>\$2,000.0</b>	<b>\$1,200.0</b>	
<b>New Programs</b>						
Health Literacy Council of DE - Christiana Care, University of Delaware, DHSS/DPH		\$200.0	\$200.0	\$400.0	\$200.0	100% Fy25 Budget
Wellness and Prevention Program - More Than Fitness		\$169.9	\$169.9	\$251.0	\$0.0	DO NOT FUND
Community Mobile Health (DHSS-DPH)		\$150.0	\$150.0	\$200.0	\$0.0	DO NOT FUND
Behavioral Risk Factor Surveillance System Survey "BRFSSS" (DHSS - DPH)				\$300.0	\$0.0	DO NOT FUND
Delaware Adolescent Program Inc (DAPI) Healthy Future Program				\$261.2	\$0.0	DO NOT FUND
Healthy Food for Healthy Kids "HFHK"				\$25.0	\$0.0	DO NOT FUND
Sean Locke 24 Foundation				\$97.0	\$0.0	DO NOT FUND
<b>Subtotal</b>	<b>\$0.0</b>	<b>\$519.9</b>	<b>\$519.9</b>	<b>\$1,534.2</b>	<b>\$200.0</b>	
<b>"Switch Funded" Programs</b>						
Non-Public School Nursing Program (DHSS - DPH)	\$620.4	\$0.0	\$620.4	\$620.4	\$403.3	65% Fy25 Budget
Cancer Council (DHSS - DPH)	\$265.1	\$265.1	\$265.1	\$265.1	\$172.3	65% Fy25 Budget
Nurse Family Partnership (DHSS - DPH)	\$1,040.0	\$0.0	\$1,040.0	\$1,584.5	\$676.0	65% Fy25 Budget
<b>Subtotal</b>	<b>\$1,925.5</b>	<b>\$265.1</b>	<b>\$1,925.5</b>	<b>\$2,470.0</b>	<b>\$1,251.6</b>	
<b>Past Applicants</b>						
Health Equity Webinars - Bureau of Health Equity (DHSS - DPH)		\$5.0	\$5.0	\$0.0	\$0.0	
Operating Funds - St. Francis Hospital Charity Care Program	\$80.1	\$73.7	\$73.7	\$0.0	\$0.0	
Limem Recovery and Wellness (DHSS - DSAMH)	\$324.1	\$250.0	\$250.0	\$0.0	\$0.0	
Smoking Cessation (Brandywine Counseling)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
<b>Subtotal</b>	<b>\$404.2</b>	<b>\$328.7</b>	<b>\$328.7</b>	<b>\$0.0</b>	<b>\$0.0</b>	

## FY 2026 Health Fund Requests

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<b>GRAND TOTAL</b>	<b>\$30,140.2</b>	<b>\$23,204.3</b>	<b>\$31,086.8</b>	<b>\$33,735.8</b>	<b>\$25,933.9</b>	