

Department of Health and Social Services

Division of Social Services

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Division Director**

Joint Finance Committee Hearing Fiscal Year 2027 Budget

March 2, 2026



Good morning, Senator Paradee, Representative Williams, members of the Joint Finance Committee and members of the public.

Thank you for the opportunity to speak with you today and present our accomplishments and Fiscal Year (FY) 2027 Governor's Recommended Budget (GRB).

I'm Stephanie Staats, Director of the Division of Social Services (DSS). The Division administers the state's many safety net programs, supporting thousands of Delawareans each year, with services designed to help families and individuals achieve self-sufficiency.

Accomplishments - DSS Safety Net Programs



During FY 2025 DSS distributed
benefits to over

327,456

individuals*

* Includes eligibility determination for
income-based Medicaid programs



8,244

Temporary Assistance for
Needy Families (TANF)



5,508

General
Assistance



10,373

Low-Income Home
Energy Assistance
Program (LIHEAP)



165,536

Supplemental Nutrition
Assistance Program (SNAP)



18,647

Purchase of Care
(POC)

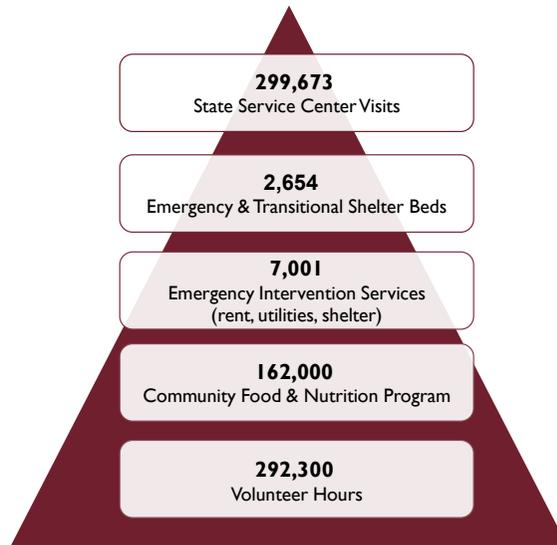


In 2025 DSS distributed benefits to more than 327,000 Delawareans, ensuring access to basic needs, essential benefits, and services including:

- Temporary Assistance for Needy Families
- General Assistance
- Supplemental Nutrition Assistance Program (SNAP)
- Purchase of Care childcare program (POC)
- Low-Income Home Energy Assistance Program (LIHEAP)
- Refugee Assistance
- Medical Assistance

The beneficiaries of these programs are some of Delaware's most vulnerable individuals, families, and children. Continued investment in their well-being and financial security strengthens health outcomes, workforce readiness, economic mobility and quality of life, reducing long-term state costs.

Accomplishments - DSS Community & Household Security Programs



In FY 2025, state service centers received almost 300,000 individual visits. DSS community services facilitated emergency housing for 2,600 people; conducted more than 7,000 interventions to prevent homelessness; supported 162,000 visits to statewide food pantries through the Community Food and Nutrition Program; and enriched the community through nearly 300,000 volunteer service hours.



Accomplishments

Supported Delawareans During the Federal Shutdown

- First State Food Relief Funds
- Enhanced case management and food distribution through State Service Centers

Distributed an Additional \$750,000 to Delaware Shelters

Launched State Service Center Improvements

- Qmatic Queuing System
- Streamlined Front Desk



In 2025, the federal government stopped SNAP benefits during the shutdown, jeopardizing the food security of thousands of Delaware families. DSS responded with First State Food Relief Funds, issuing Electronic Benefit Transfers (EBT) to approximately 120,000 Delawareans; ensuring food pantries at State Service Centers were fully stocked; and by redeploying case managers to nontraditional locations to make access to services easier during a frightening time for those in need.

One-time funding of \$750,000 from the Legislature supported statewide emergency housing by increasing shelter capacity, providing safe and dignified living space for Delawareans experiencing homelessness, alongside our ongoing work to support those facing homelessness with temporary resources through a variety of programs

We advanced our ongoing Innovations project to improve efficiency at State Service Centers by launching a tech-based queuing system, streamlining front desk processes, extending evening hours, and through rapid response to extreme weather with heating and cooling stations.

FY 2027 Governor's Recommended Budget

(\$ in Thousands)

	GF	ASF	NSF	Total
FTEs	338.9	0.0	161.8	500.7
Dollars (\$)	\$175,574.6	\$2,258.0	\$110,411.9	\$288,244.5



Budget Definitions:

- GF – General Funds
- ASF – Appropriated Special Funds
- NSF – Non-Appropriated Special Funds
- FTEs – Full Time Equivalent Positions

Our Division's FY 2027 Governor's Recommended Budget includes:

\$175 Million dollars in General Funds (GF);

\$2 Million dollars in Appropriated Special Fund (ASF) spending authority; and

\$110 Million dollars in Non-Appropriated Special Funds (NSF).

For a total of \$288 Million dollars.

FY 2027 Governor's Recommended Budget

(\$ in Thousands)

- \$25,266.2 - Purchase Of Care Pay By Enrollment
- \$6,368.2 - SNAP Match Increased To 75% Effective 10/2026
- \$891.6 - SNAP Case Reading Team
- \$223.2 - SmartComm Cloud Maintenance
- \$664.2 - Tobacco Master Settlement Fund Switch for SSI Supplement Program



The Governor's Recommended Budget includes:

- An increase of \$25 Million for Purchase of Care in response to federal policy changes requiring payment by enrollment instead of by attendance. If the federal government changes their policy before the April 1st implementation date, we are prepared to use these funds to serve more children in Purchase of Care.
- \$6 Million at DSS for the federally required state match for SNAP moving from 50% to 75%, effective October 1, 2026. Other Divisions in DHSS also see small increases for a total of \$9 million Department-wide.
- \$900 Thousand for implementation of the SNAP Error Reduction Plan that includes case reviews prior to payment approval. These interventions prevent errors and better support frontline staff.
- \$220 Thousand for the SmartComm eligibility system, which automates federal and state required notices for benefit recipients; and
- \$660 Thousand for the federally mandated Supplemental Security Income (SSI) program, which was previously funded by the Tobacco Master Settlement.

Looking ahead

Safeguarding the Well-Being of Delawareans:

- Designing and integrating a verification framework for SNAP and Medicaid to ensure compliance with Federal policy change and expanded work requirements
 - 20,000 individuals SNAP Food Benefits
 - 70,000 individuals Medicaid
- Absorbing a 25% increase in Federal state match requirement for SNAP administration costs
- Strengthening SNAP Error Reduction activities
- Innovating public service by modernizing and optimizing State Service Centers



Looking ahead, much of the work in 2026 will be focused on implementing federal policy changes in ways that protect Delawareans to the greatest extent possible.

This includes:

- Complying with federal mandates to require non-elderly SNAP recipients without children to prove that they are working or in training or volunteer programs, including expanding these paperwork standards to veterans, older Delawareans age 55-64, people who have aged out of foster care, and the unhoused.
- Partnering with DMMA to implement similar paperwork requirements in Medicaid starting January 1, 2027.
- Absorbing financial and capacity impacts of implementing changes to Federal policy regarding cost share and benefit eligibility requirements.
- Prioritizing and rigorously implementing SNAP error reduction activities.

We are also working hard to improve service delivery and simplify the customer experience, including physical site improvements to streamline operations. We will also relocate the Smyrna State Service Center from leased space to a state-owned facility.

THANK YOU



Thank you for the opportunity to present this information on our Division. We would be happy to answer any questions.