



# Delaware Health Care Commission State Budget Update

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Rick Geisenberger, Secretary of Finance  
September 2, 2021

# State of Delaware

## FISCAL YEAR 2022 FINAL BUDGET

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### General Fund Operating Budget

**\$4,771.5 M**

- GF Operating Budget Growth 4.9%

### Grants-in-Aid

**\$57.2 M**

**\$1,350.**

### Bond and Capital Improvements Act

**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.*

# FY 2022 FINAL BUDGET INVESTING IN HEALTH OF DELAWAREANS

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## 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

# DEPARTMENT OF HEALTH AND SOCIAL SERVICES

(\$ thousands)

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

**GF Budget: \$1,288,966,700**  
4.0% growth

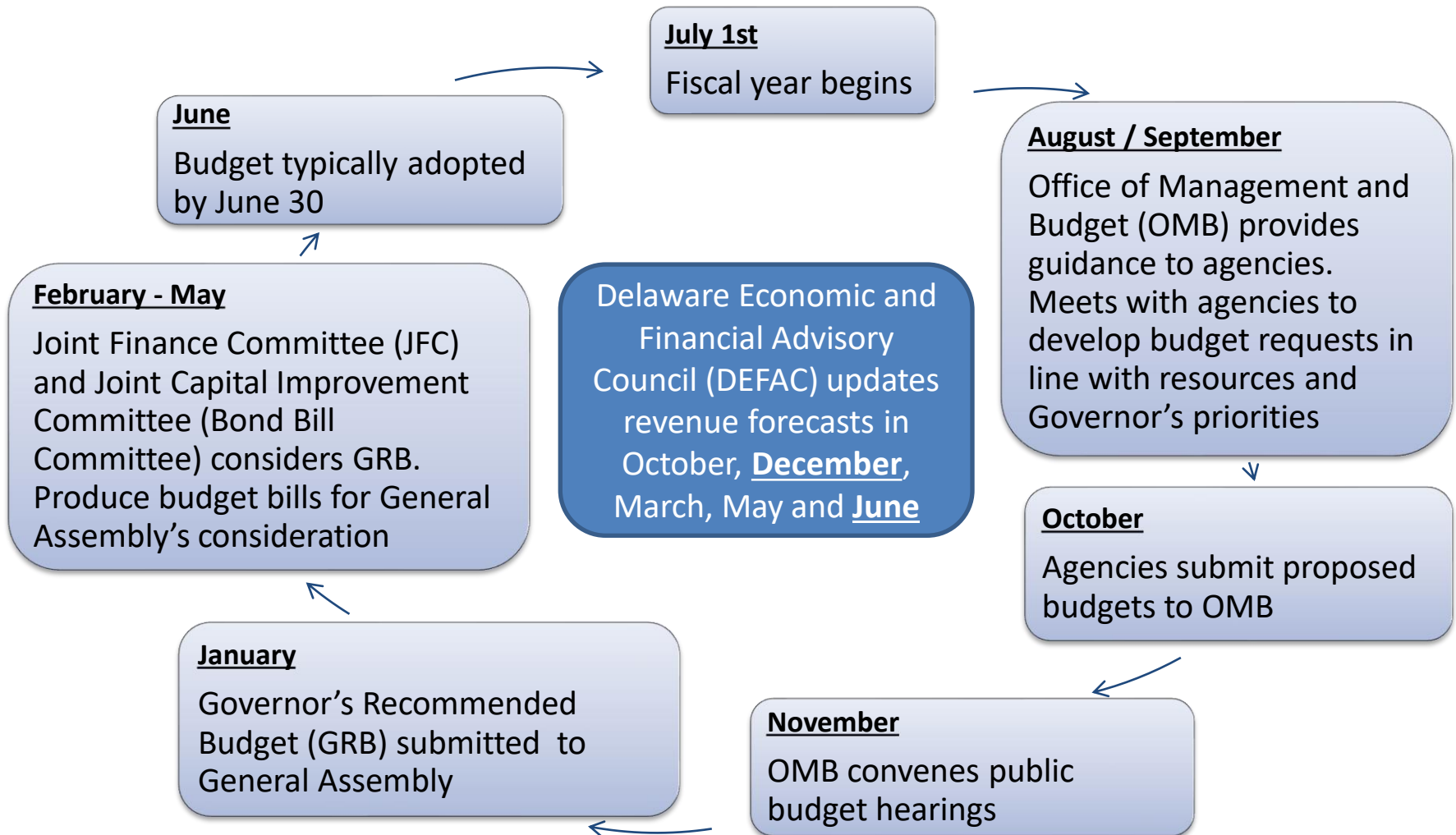
# FY 2022 FINAL BUDGET

## ADDITIONAL INVESTMENTS IN HEALTH

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- **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



# 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)

# FY 2023 Financial Overview (cont.)

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- 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)

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## 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

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- 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