



**149th GENERAL ASSEMBLY
FISCAL NOTE**

BILL:	HOUSE BILL NO. 338
SPONSOR:	Representative Heffernan
DESCRIPTION:	AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO EXCEPTIONAL CHILDREN.

1. This Act becomes effective upon the signature of the Governor.
2. This Act extends public school eligibility for a child with a disability from the end of the school year in which the child attains the age of 21 to the end of the school year in which the child attains the age of 22.
3. According to Department of Education estimates, over the past three academic years, roughly 110 students would qualify under this Act annually. For the 2017-2018 academic year, 118 students would remain eligible for public school services. The additional cost related to these students are estimated as follows:
 - 118 students are estimated to generate roughly 30.78 additional units of formula funding. Using the average state and local per unit cost for FY 2018, \$115, 760, 30.78 additional units would generate an estimated \$3.56 million in additional cost (\$2.6 million State / \$959,600 local).
 - Related Services unit values would increase 10.08 units based on the current ratio of special education units. Related Services units' values are based on a Master's plus 10 years of experience teacher salary, which for FY 2018 totaled \$78,512. The 10.08 units add an additional cost of \$791,706 (\$554,200 State / \$237,500 local).
 - The Department of Education estimates that in the 2017-2018 academic year 15 students approved for private placements by the State's Interagency Collaborative Team (ICT) would also qualify under this Act. According to the most recent ICT annual report for FY 2016, roughly 60% of students in private placement are day residents and 40% receive residential treatment.
 - Annual education and transportation costs for day students average \$380 per day over a 200 day period. The cost of 9 students continuing day services is estimated at \$684,000 (9 students X \$380 x 200 days). Annual education and resident costs for residential students average \$325 per day over a 210 day period for educational costs and \$500 per day over 365 days for residential costs. The cost for 6 students that would continue residential treatment is estimated at \$1.5 million.
 - Total ICT student costs are estimated at \$2.2 million (\$1.5 million State/ \$700,000 local)
 - The total additional cost for all eligible students under this Act is estimated at \$6.5 million (\$4.7 million State/\$ 1.8 million Local).

4. Special needs students that currently "age out" of public education often seek continued services through the Department of Labor's Vocation Rehabilitations Services (DVR) or the Delaware Department of Health and Social Service's Division of Developmental Disability Services (DDDS). DDDS's Special School Graduates program serves many special needs students transitioning from school and assists them in finding employment or attending day services.

It is assumed that the costs to DDDS and DVR for students eligible for another year of public education are avoided, thereby offsetting the cost increases identified above. These cost offsets include:

- DDDS estimates the Special School's cost per student is \$13,610 in FY 2018. Comparing this cost per student amount to the 118 identified by the Department of Education as eligible under this Act, the total cost avoidance is estimated as \$1.6 million.
 - For ICT students, the cost of DDDS provided services average approximately 64% of the total ICT expense incurred by the Department of Education and local school districts. The cost avoidance to the State for the 15 students identified by the Department of Education as eligible under this Act is estimated at \$1.4 million (\$2.2 million X 64%). Local school tuition tax would continue to support students eligible under this Act.
 - Total cost avoidance for eligible students is estimated at \$3.0 million.
5. Assumes 2% annual cost projection growth.
 6. Federal funding for students no longer eligible under federal guidelines upon reaching age 22 is indeterminable.

Net Impact/Cost:

FY 2019: \$1.6 million State / \$1.8 million Local
(\$4.6 million additional cost to DOE - \$3.0 million cost avoidance to DDDS/DVR)

FY 2020: \$1.7 million State / \$1.9 million Local (assumed 2% growth)

FY 2021: \$1.74 million State / \$1.92 million Local (assumed 2% growth)

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