



**150th GENERAL ASSEMBLY
FISCAL NOTE**

BILL:	HOUSE SUBSTITUTE NO. 1 FOR HOUSE BILL NO. 238
SPONSOR:	Representative Jaques
DESCRIPTION:	AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO OPTIONAL MID-YEAR UNIT COUNT.

Assumptions:

1. This Act becomes effective upon signature by the Governor.
2. This Act allows for an optional mid-year unit count on the last school day of January for school districts that experience enrollment growth during the school year, after the last school day in September unit count has been verified.
3. The Delaware Department of Education will annually certify and report the optional mid-year unit count.
4. The optional mid-year unit count will not reduce or rescind units or funding previously earned or allocated through the September unit count.
5. Additional units generated by the optional mid-year unit count shall qualify for one-half of the value of the Division I and Division II state financial support per unit. Such units shall be utilized only in schools that experienced enrollment growth between the last school day in September and the last school day in January.
6. The estimated state cost per unit generated by this Act is \$39,754. This includes one-half of Division I personnel costs at \$37,098, including health insurance and other employment costs at a rate of 32.33%; and one-half of Division II Energy and All Other Costs at \$2,656.
7. The actual enrollment and needs-based category growth that occurs between the September and January unit counts is difficult to estimate as it has not previously been captured through a certified unit count verification process. The following methodologies were used to project a potential range in the number of units generated by this Act:
 - a. The five-year average annual unit count increase, which is reflective of enrollment growth as well as increases in needs-based categories, is 221.49 units. Assuming up to 40% of this average unit growth occurs between September and January, an estimated 88.60 units would be generated under this Act.
 - b. Using a January 7, 2020, snapshot of active student enrollment, (through an unverified count process) considering only student increases since September, an estimated 100.91 units would be generated under this Act.
8. Overall salary and other employment costs are assumed to grow at a rate of 2.0% annually.
9. In order to implement a second certified unit count as required by this Act, the Delaware Department of Education will incur additional one-time, technology-related costs associated with programming of the unit count system. The Department of Education estimates these one-time costs at \$30,000.

Cost:

	On-Going Costs	One-Time Costs
Fiscal Year 2021:	\$3,522,057 - \$4,011,635	\$30,000
Fiscal Year 2022:	\$3,587,792 - \$4,086,508	
Fiscal Year 2023:	\$3,654,841 - \$4,162,877	

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Office of the Controller General