151st GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 86**
SPONSOR:	**Representative K. Williams**
DESCRIPTION:	**AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO SPECIAL EDUCATION FUNDING.**

Assumptions:

1. This Act becomes effective upon signature by the Governor.

2. This Act changes the level of funding supporting students in basic special education in kindergarten through third grades (K-3), from one unit of funding for every 16.2 pupils to the following:
   a. One unit of funding for every 12.2 pupils, effective July 1, 2021;
   b. One unit of funding for every 10.2 pupils, effective July 1, 2022; and
   c. One unit of funding for every 8.4 pupils, effective July 1, 2023.

3. Per the Department of Education's November 13, 2020, Student Enrollment and Unit Allotment report, there are 2,242 pupils currently enrolled in K-3 basic special education.

4. Upon full implementation, this Act will add approximately 128.51 additional funding units above the current funding units for students enrolled in K-3 basic special education.

5. A state unit of funding, including Divisions I, II, and III costs, is estimated at $87,178 while the associated local share of personnel costs is assumed at $32,042. Personnel costs include other employment costs at a rate of 32.11%.

6. Overall costs are assumed to increase at an annual rate of 2.0%.

Cost:

	State Cost	Local Cost
Fiscal Year 2022:	$4,035,235	$1,483,155
Fiscal Year 2023:	$7,383,887	$2,713,884
Fiscal Year 2024:	$11,888,974	$4,369,726

Note: The Fiscal Year 2022 Governor's Recommended Budget (HB105), Section 347, states that it is the intent of the Governor to recommend to the General Assembly by Fiscal Year 2024, funding sufficient to satisfy the 8.4 pupils per funding unit for students in grades K-3 in accordance with the Order of the Court of Chancery, dated October 12, 2020, approving a settlement between the parties in *In Re Delaware Public Schools Litigation*.

Prepared by Ruth Ann Jones
Office of the Controller General