



151st GENERAL ASSEMBLY
FISCAL NOTE

BILL:	HOUSE BILL NO. 205
SPONSOR:	Representative Lambert
DESCRIPTION:	AN ACT TO AMEND TITLES 19 AND 29 OF THE DELAWARE CODE RELATING TO ESTABLISHMENT AND MANAGEMENT OF THE EXPANDING ACCESS FOR RETIREMENT AND NECESSARY SAVING PROGRAM.

Assumptions:

1. This Act becomes effective upon signature by the Governor.
2. Section 1 of this Act, which establishes the Delaware Expanding Access for Retirement and Necessary Savings (EARNs) program, is effective upon notice by the State Treasurer to the Registrar that sufficient funding has been appropriated to implement the program. Section 2 of this Act takes effect December 31, 2025, or such time as the EARNs board transfers authority to the Plans Management Board.
3. The EARNs program establishes a state administered retirement savings program for employees of covered employers. Employers who already offer a specified tax-favored retirement program are exempt from facilitating the EARNs program. The EARNs program will be administered by the Office of the State Treasurer ("Office") with governance and oversight from a separate seven-member board.
4. The Office expects the implementation date of the program to be January 1, 2025. In the interim, the Office will engage in preliminary activities to include vendor solicitation, program design, outreach to businesses, and marketing. These activities would be funded initially through General Funds. Upon full implementation, the program is expected to be self-sufficient, using fees charged to participants to support the ongoing program administration.
5. The Office anticipates the need for the following costs for Fiscal Year 2022:
 - a. 1.0 FTE Program Director, PG 20, with Personnel Costs, including other employment costs, for 10 months of \$82,313.
 - b. Investment consultant services to design the program of \$150,000; program marketing and outreach to affected businesses and employees of \$100,000; and legal services of \$50,000.
6. The Office anticipates the need in Fiscal Year 2023 for an additional 0.5 FTE, Management Analyst III, PG 16, with Personnel Costs, including other employment costs, for 6 months of \$39,457.
7. For Fiscal Year 2024, consulting costs will be reduced to zero and marketing costs will be reduced to \$50,000.
8. The EARNs Board is empowered to create or enter into a consortium, alliance, joint venture, partnership, compact, or contract with another state or states or their programs or boards, which may result in the reduction of State expenditures needed to fully implement the program.

Cost:

Fiscal Year 2022: \$382,313
Fiscal Year 2023: \$438,233
Fiscal Year 2024: \$277,691