

148TH GENERAL ASSEMBLY

FISCAL NOTE

BILL:	HOUSE BILL NO. 60
SPONSOR:	Representative M. Smith
DESCRIPTION:	AN ACT TO AMEND TITLES 10 AND 16 OF THE DELAWARE CODE RELATING TO SAVINGS ACCOUNTS TO SUPPORT INDIVIDUALS WITH DISABILITIES.

ASSUMPTIONS:

1. Effective upon enactment.
2. Under the federal Achieving a Better Life Experience ("ABLE") Act of 2014, Congress authorized states to establish accounts to assist individuals and families in saving for qualified disabilities expenses such as education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, funeral and burial expenses, and other expenses which are approved by the federal regulations. This legislation establishes an ABLE program in Delaware, which allows the creation of savings accounts with tax advantages similar to 529 College Savings Plans.
3. This legislation establishes a seven member Board who will oversee the ABLE Plan. This legislation tasks the Treasurer's Office with supporting the Board and carrying out their functions.
4. This is a new federal program – only recently passed by Congress in December of 2014 – and currently no states have an ABLE program up and running. The IRS is in the process of developing regulations around ABLE accounts and is expected to complete these regulations in the mid to late summer 2015.
5. In order to conduct an RFP for an ABLE program administrator, develop regulations, market the program, and staff the ABLE Board, the Treasurer's Office will need one casual seasonal position - a part time Financial Investment Program Specialists (PG 15). This position will work 29.5 hours a week at a rate of \$26.62/hour and has an estimated first year cost of \$28,467 (which includes OECs). It is estimated that the casual seasonal will be hired in the 2nd quarter of fiscal year 2016; therefore, there will only be 9 months of salary expense in the first year. Fiscal year 2017 cost estimates include a full year of salary expense.
6. In fiscal year 2017 it is assumed the ABLE program will become self-sustaining and will generate enough fees to cover the cost associated with the casual seasonal position. It is anticipated that the position will switch funded from general funds to appropriated special funds in fiscal year 2017.
7. On-going costs are assumed to be supported by the application, account, and administrative fees, approved by the Board and charged by the program, as necessary to sustain operations. No funding is assumed for legal, investment, or audit expenses after start-up.
8. The Department of Finance estimates a negligible decrease of general fund revenues as a result of interest earnings accruing in tax free accounts.

Cost:

Fiscal Year 2016 \$ 28,467 (GF)
Fiscal Year 2017 \$ 37,955 (ASF)
Fiscal Year 2018 \$ 37,955 (ASF)