151st GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**SENATE BILL NO. 243**
SPONSOR:	**Senator Brown**
DESCRIPTION:	**AN ACT TO AMEND TITLE 29, TITLE 30, AND TITLE 31 OF THE DELAWARE CODE RELATING TO THE BABY BOND ACCOUNT FUND.**

Assumptions:

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

2. This Act establishes the Baby Bond Account Fund. Appropriations to the Baby Bond Account Fund are to be made such that each eligible individual born on or after January 1, 2022, shall receive a $2,000 payment to an individual account maintained by the Office of the State Treasurer and the Plans Management Board. Contributions to individual accounts and any interest and earnings accrued are exempt from state personal income tax.

3. As defined in the Act, "eligible individual" refers to an infant born on or after January 1, 2022, to a Delaware resident parent or a parent that establishes residency in Delaware within 6 months of the infant's birth. The eligible individual must also reside in a household with an annual income less than 200 percent of the federal poverty level.

4. The current income level for Medicaid eligibility for pregnant women and infants under the age of 1 is 200 percent of the federal poverty level. According to the Delaware Health Statistics Center, there were 11,256 births in 2019. Of this number, 4,617 were paid by Delaware's Medicaid program.

5. In order to administer the Baby Bond Account Fund, costs incurred by the Office of the State Treasurer are estimated based on costs associated with the State's 529 Higher Education savings program and include:
    a. Annual Personnel Costs, including other employment costs, for 0.5 FTE, Administrator position are estimated at $45,448.
    b. Annual contractual services including, consulting, legal, and auditing services, are estimated at $135,000.

6. Given that the account remains whole until the child reaches 18 (with some exception) and that the account owner is the child and not the family, any General Fund revenue impact is indeterminable but likely minimal.

7. The Fiscal Year 2023 estimated cost reflects births occurring January 1, 2022 – June 30, 2023.

Cost:

Fiscal Year 2023: $14,031,448
Fiscal Year 2024: $ 9,414,448
Fiscal Year 2025: $ 9,414,448

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