



**152nd GENERAL ASSEMBLY
FISCAL NOTE**

BILL:	HOUSE BILL NO. 438
SPONSOR:	Representative Heffernan
DESCRIPTION:	AN ACT TO AMEND TITLES 13 AND 19 OF THE DELAWARE CODE RELATING TO THE FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.

Assumptions:

1. This Act becomes effective upon signature of the Governor.
2. This Act makes changes to the Delaware Family and Medical Leave Insurance Program within the Department of Labor (DOL), Division of Paid Family Medical Leave. Provisions of this Act relevant to the fiscal projection include:
 - a. Removes the employer as the party responsible for determining eligibility and claims decisions and assigns the responsibility to the Department of Labor (DOL);
 - b. Gives DOL authority to enter into contracts to review and adjudicate claims for benefits;
 - c. Requires the DOL to set contribution rates, statewide average weekly wages, and maximum benefits;
 - d. Requires DOL to pay for any recertification that is not covered by an employees health insurance;
 - e. Provides that employers who violate the requirements of the Act are subject to a penalty only where the violations are due to wilful misconduct or gross negligence;
 - f. Makes changes to allow DOL to make garnishments to enforce child support judgements obtained under this Act.
3. This Act expands upon the DOL's duties and powers. To implement the provisions of this Act, the DOL anticipates the need for the following:
 - a. Addition of 10 FTE positions to the DOL, Division of Paid Family Medical Leave for additional duties assigned by this Act.
 - i. Recurring Costs –
 1. \$680,674 in Personnel Costs, including Other Employment Costs (OECs), for 1.0 FTE Claims Manager 4.0 FTEs Claims Deputy; 1.0 FTE Claims Processor Supervisor; 4.0 FTE Claims Processor.
 2. \$63,000 for ongoing leased space, supplies, and energy costs.
 - ii. One-time costs of \$2,520,000 for supplies for new FTEs and modifications to the benefit and tax system, Delaware LaborFirst required to implement the provisions of this Act.
4. This fiscal impact assumes that the initial costs and one-time costs associated with this Act for the DOL would require funding through the General Fund. Upon full implementation, it is assumed that all ongoing costs at the DOL will be paid from an administrative percentage of collections (Special Funds) and will not require continued General Fund appropriations (this transition occurs in the last six months of Fiscal Year 2025).
5. Future year costs are assumed to increase at a rate of 2%.

Cost:

	One-Time	On-going Costs (General Fund)	On-going Costs (Special Funds)
Fiscal Year 2025:	\$2,520,000	\$743,674	
Fiscal Year 2026:			\$757,288
Fiscal Year 2027:			\$771,174

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Office of the Controller General