153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE SUBSTITUTE NO. 1 FOR HOUSE BILL NO. 128**
SPONSOR:	**Representative Heffernan**
DESCRIPTION:	**AN ACT TO AMEND TITLE 19 OF THE DELAWARE CODE RELATING TO THE FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.**

Assumptions:

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

2. This Act provides that the Paid Family Leave (PFML) Insurance Program is the primary payor, with other leave benefits coordinated with this benefit.

3. This Act adds provisions for child support obligations to be withheld from benefit amounts.

4. This Act allows disability insurance benefits to be offset by family and medical leave benefits paid to an employee pursuant to the terms of a disability insurance policy.

5. This Act clarifies that an employer that meets its obligations through a private plan is not required to provide claim documentation to the Department of Labor (Department) except if there is an appeal, inquiry, or audit. Other provisions of this Act relevant to the fiscal projections include:
    a. Removes the ability of employers to require their employees to use unused accrued paid time off prior to an employee accessing benefits.
    b. Requires the Department to accept applications for approval of an employer's use of a private plan on a rolling basis quarterly, an increase from annually.
    c. Requires employers who opt to use the state plan to meet its obligations, use the state plan for all lines of coverage.
    d. Requires employers who are not required to provide coverage for all of the reasons listed under § 3702(a) of this title but voluntarily elects to provide additional coverage listed under § 3702(a), must comply with all the provisions of this chapter as if the employer were a covered employer.

6. This Act requires the Department to update its Delaware LaborFirst portal system to implement the provisions of this Act. The Department is pursuing estimates associated with the cost system updates and has received estimates ranging from $184,000-$2,500,000. Until final estimates are available, the actual one-time costs are indeterminable.

7. The Fiscal Year 2026 One-Time Supplemental Appropriations Act includes an appropriation of $184,000 for technology needs associated with implementation of this Act.

Cost:

Fiscal Year 2026: Indeterminable
Fiscal Year 2027: Indeterminable
Fiscal Year 2028: Indeterminable

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