149th GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 3**
AS AMENDED BY:	**HA 4**
SPONSOR:	**Representative Heffernan**
DESCRIPTION:	**AN ACT TO AMEND TITLES 14 AND 29 OF THE DELAWARE CODE RELATING TO FAMILY LEAVE.**

Assumptions:

1. This Act is effective beginning April 1, 2019.

2. This Act allows any full time employee who has been working for the State and school districts for at least one year to have 12 weeks of paid leave upon the birth of a child of the employee or the employee's spouse. Full time employees with at least a year of service will also be eligible for 12 weeks of paid leave upon the adoption of a child who is 6 years of age or younger.

3. Under the current merit rules, employees may use up to 12 weeks of their accumulated sick or annual leave upon the birth of a child of the employee or the employee's spouse, or adoption by the employee of a pre-kindergarten age child.

4. According to the State Health Insurance providers, there was an average of 1,004 births per year during FY2014-2016. The cost estimate assumes this constant average of births each year.

5. Based on the number of employees in each agency, pro-rated according to agency populations between 18 and 45 years old, the Office of Management and Budget estimates that there were 433 births attributable to state agency employees and 571 births attributable to school district employees.

6. This analysis assumes individuals already take off 6 weeks after the birth of a child; therefore, any overtime expense is already occurring and is currently budgeted.

7. For State Agency related births, this analysis only considers cost impacts for Departments with 24/7 facilities due to additional overtime requirements including: the Delaware Veterans Home, Delaware Psychiatric Center, Stockley Center, Hospital for the Chronically Ill, Governor Bacon, 24 Hour Treatment, Secure Care, Prisons, Capitol Police and State Police (patrol units).

    - This analysis assumes individuals already take off 6 weeks after the birth of a child using a combination of short-term disability and accrued annual and sick leave, therefore, any overtime expense is already occurring and is currently budgeted.

    - State Agency employees have an estimated 433 births each year. Of those births, this analysis assumes that 241 births are attributable to employees who work in 24/7 facilities including those mentioned above. The estimated annual State Agency overtime expense is $1,128,000 (estimate includes salary and other employment costs).

8. For school districts, this analysis only considers cost impacts for substitute teachers and not other educational employees, as their duties are assumed to be borne by existing employees.

- Under current law, school districts can "charge" the cost of a substitute teacher to the Division I unit which is vacated by a teacher on maternity leave with no additional cost to the district. Since this Act now continues to pay the teacher who is on maternity leave, school districts bear the additional cost of a long-term substitute for the full 12 weeks.

- School districts have an estimated 571 births each year, with 446 of those births attributable to teachers. Pursuant to 14 Del. C. §1326, the daily rate for a Class A substitute (an educator who holds a valid/expired Delaware educator license or such license from another state) is $104.00 per day. Based on a survey of school districts, the median daily rate to retain a long-term substitute is $151 per day.

- Pursuant to Section 12 of the Fiscal Year 2019 Annual Appropriations Act approved by the Joint Finance Committee, the State will reimburse districts $104.00 per day for teachers after the 12-week leave period has ended. The remaining $47.00 per day will be borne by the local school districts. The estimate for one "Class A" substitute teacher for 12 weeks is $9,060 ($6,240 State and $2,820 local) for an estimated cost of $2,783,000 State and $1,258,000 local.

Cost: State

Fiscal Year 2019	$ 282,000 (effective for 3 months for Agency employees)
Fiscal Year 2020	$ 1,128,000 plus $2,783,000 for a total cost of $3,911,000
Fiscal Year 2021	$ 1,128,000 plus $2,783,000 for a total cost of $3,911,000

Cost: Local

Fiscal Year 2019	$ 1,010,000 (effective for 3 months due to reimbursement epilogue)
Fiscal Year 2020	$ 1,258,000
Fiscal Year 2021	$ 1,258,000

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