153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**SENATE BILL NO. 302**
SPONSOR:	**Senator Sturgeon**
DESCRIPTION:	**AN ACT TO AMEND THE LAWS OF DELAWARE RELATING TO PUBLIC EDUCATION FUNDING.**

Assumptions:

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

2. This Act authorizes the Department of Education (DOE) to take actions to implement the hybrid model for public education funding, including the following:
    a. Support the continued work of the Public Education Funding Commission (PEFC).
    b. Make the necessary changes to computer systems and financial management processes.
    c. Develop required training for public schools.
    d. Launch a digital parent portal and develop and implement other resources to communicate and explain the hybrid model to the public.
    e. Implement the education accountability system.

3. DOE estimates the need for four software development contracting tasks to build the digital parent portal, update unit count systems, updated unit count SQL reports, and implement school finance system changes. These task orders would include required training. Based on research of existing vendors and comparable prior contracts, DOE estimates costs as follows.
    a. One-time costs
        i. For Fiscal Year 2027 - $2,168,600
        ii. For Fiscal Year 2028 - $575,000
        iii. For Fiscal Year 2029 - $250,000
    b. Recurring costs - $200,000 annually, beginning in Fiscal Year 2028, for ongoing licensing technology and hosting needs.

4. To provide the required outreach services, based on prior PEFC expenses, DOE estimates a cost of $150,000 annually until the hybrid funding formula is fully implemented.

5. DOE anticipates the need for contracted personnel to support the project in Fiscal Year 2027 at a projected one-time cost of $279,960.

6. To support implementation and ongoing oversight, beginning in Fiscal Year 2028 DOE estimates the need to hire 1.0 FTE Education Associate to serve as the program manager, 1.0 FTE Education Specialist to serve as the financial analyst, and 2.0 FTEs Education Specialists to review accountability oversight plans. Their cost can be estimated as follows:
    a. Recurring costs
        i. $576,191 in Personnel Costs for nine months of salary, including 33.72% in Other Employment Costs (OECs).
        ii. $6,320 for annual supplies and licensing needs.
    b. One-time costs - $29,200 for computers, office furniture, and other supply startup costs for the new positions.

7. The annualization of the Personnel Costs has been incorporated into Fiscal Year 2029. A 2% annual inflationary adjustment is applied to personnel costs and OECs for Fiscal Year 2029.

8. The Act states that DOE may incorporate elements of the hybrid model in the development of the Governor's Recommended Budget for Fiscal Year 2028, including the weighted funding calculations and expanded opportunity funding. Using the current recommended weights and the provision to hold local education agencies harmless, this is estimated to require an additional $150,000,000 to $200,000,000 beginning in Fiscal Year 2028. As weights are not finalized, there is also the ability to implement the hybrid weighted funding formula without added funding.

9. The Governor's Recommended Fiscal Year 2027 Appropriations Act includes a one-time appropriation of $2,598,560 to support the implementation costs associated with this Act. The expenditure of these funds shall be contingent upon the passage of this legislation.

Cost:

	Ongoing	**One-Time**
Fiscal Year 2027:	$150,000	$2,448,560
Fiscal Year 2028:	$932,510	$604,200
Fiscal Year 2029:	$1,139,939	$250,000

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