153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 387**
SPONSOR:	**Representative Hilovsky**
DESCRIPTION:	**AN ACT TO AMEND TITLE 31 OF THE DELAWARE CODE RELATING TO CHILD CARE SUBSIDIES TO INCREASE ELIGIBILITY THRESHOLDS OVER FIVE YEARS.**

Assumptions:

1. This Act becomes effective upon signature by the Governor.
2. This Act temporarily increases the gross income eligibility threshold for Purchase of Care (POC) over a five-year phase-in period from 200% to 275% of the Federal Poverty Level (FPL). In addition, the Act expands continued eligibility thresholds at redetermination and requires annual reporting. Lastly, this Act sunsets on June 30, 2032, unless extended by further act of the General Assembly.
3. This Act is expected to result in additional state costs to the Department of Health and Social Services (DHSS), Division of Social Services (DSS), due to newly eligible families applying for benefits and increased enrollment and utilization rates.
    a. Increasing the gross income eligibility thresholds serves an estimated 1,431 additional children if the FPL is increased to 225%; 3,204 if increased to 250%, and 5,734 if increased to 275%.
4. For purposes of this fiscal projection, the estimated costs from the DHSS, DSS, are assumed to be aligned with the State's fiscal year (July 1st through June 30th). This annual cost is based on a per-attendance rather than a per-enrollment payment model.
    a. There are increased phase-out costs associated with families that will be eligible to continue in the program for 12 months for families exceeding the entry threshold at redetermination. These estimated costs have been included in this fiscal projection.
    b. There may be increased costs associated with families that will be eligible for the State to cover copayment costs due to the increases in the entry threshold at redetermination included in this Act. These costs are unknown at the time of the issuance of this fiscal projection.
5. Lastly, the temporary percentage of the FPL increases prescribed by this Act continues through Fiscal Year 2031, meaning that Fiscal Years 2030 and 2031 are beyond the scope of this fiscal projection. Increasing the eligibility threshold to 275% of the FPL is estimated to cost $43,200,000.

Cost:

Fiscal Year 2027:	$10,800,000
Fiscal Year 2028:	$24,100,000
Fiscal Year 2029:	$24,100,000

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Office of the Controller General