

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 1173
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: AUGUST 2, 2022

SUMMARY

Synopsis: Establishes two-generational school readiness and workforce development pilot program for certain low-income households.

Type of Impact: Five-Year Increase in State General Fund Expenditures.

Agencies Affected: Department of Education.

Office of Legislative Services Estimate

Annual Fiscal Impact	<u>Year 1 through Year 5</u>
State Cost Increase	Up to \$1.5 million

- The Office of Legislative Services (OLS) concludes that this bill will lead to an indeterminate increase in annual State expenditures to implement the five-year pilot program. The bill requires that the annual amount of State funds appropriated to the pilot program will not exceed \$1.5 million.
- The actual State expenditure increase that will occur as a result of the bill is indeterminate as several parameters of the pilot program may be defined by the Department of Education, including the number of communities that would host pilot sites under the program and the specific breadth of support services that would be provided at each pilot site.

BILL DESCRIPTION

This bill establishes in the Department of Education a five-year, two-generational school readiness and workforce development pilot program. The purpose of the program is to foster family economic self-sufficiency in low-income households by delivering academic and job readiness support services across two generations in the same household. The Department of Education will designate the municipalities that will participate in the pilot program, which must be municipalities that have a poverty rate that is at least twice the Statewide average poverty rate.

Under the bill, the pilot program will include: early learning programs; adult education; child care; housing; job training; transportation; financial literacy; and other related support services such as health and mental health services.

The program will also include a long-term plan to adopt a model for the delivery of these services on a Statewide basis. The pilot program will foster partnerships between State and national philanthropic organizations to provide technical assistance in the phase-in and design of the two-generational programs and practices model, an evaluation plan, and a Statewide replication and implementation of the program. The pilot program includes a workforce liaison to gauge the needs of employers and households in each community and help coordinate the two-generational program to meet the needs of these employers and households.

The coordinators of the program sites and any organization serving as fiduciary for the program will report on a quarterly basis to an interagency working group established by the bill on such information as the working group deems necessary.

Four years following the bill's effective date, the working group will submit a report to the Governor and the Legislature that includes information on program outcomes, and includes a recommendation on program expansion.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill will lead to an indeterminate increase in State expenditures over the five-year duration of the pilot program primarily for developing and administering various support services to low-income households. State expenditures may also increase under this bill as a result of: the development of a long-term plan to deliver two-generational programming on a Statewide basis; the potential provision of salary and benefits for a workforce liaison established under the bill as well as for staff at the pilot program sites; and for costs related to the report required to be issued by the interagency working group created under the bill. However, the bill requires that the annual amount of State funds appropriated to the pilot program will not exceed \$1.5 million.

The actual State expenditure increase that would occur as a result of the bill is indeterminate as several parameters of the pilot program may be defined by the Department of Education, including the number of communities that would host pilot sites under the program and the specific breadth of support services that would be provided at each pilot site. While the bill requires that the annual amount of State funds appropriated to the pilot program will not exceed \$1.5 million, the ultimate level of funding for the pilot program each year will be determined by the factors cited as well as the amount of federal and private funds made available to the program.

Data compiled by the United States Census Bureau as part of the 2016-2020 American Community Survey indicate that the Statewide average poverty rate is 9.7 percent. Using this same dataset, the OLS concludes that 47 municipalities in New Jersey have a poverty rate that is at least twice the Statewide average and would therefore qualify for selection under the pilot program.

The OLS does not have sufficient information to determine the magnitude of the annual State cost increases during the life of the pilot program. The OLS notes, however, that Connecticut

established a substantially similar two-year, two-generational school readiness and workforce development pilot program that was in place from 2015 to 2017. Connecticut provided \$1.5 million in annual funding in Fiscal Years 2016 and 2017 from the state's Temporary Assistance to Needy Families federal grant. The funding was disbursed to the communities of New Haven, Greater Hartford, Norwalk, Meriden, Colchester and Bridgeport.

Section: Education

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).