

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2475
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: AUGUST 22, 2022

SUMMARY

Synopsis: Establishes Department of Early Childhood.

Type of Impact: Annual State expenditure increase.

Agencies Affected: Department of Children and Families; Department of Education; Department Health; Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill will result in indeterminate annual expenditure increases to the State due to the establishment of the new Department of Early Childhood.
- The creation of the new department would require sufficient staff to conduct the business of the department, including the newly created position of Commissioner of Early Childhood. The salaries and benefits of the commissioner and any new staff of the department would increase the State's annual expenditures by an indeterminate amount. The costs to establish and operate the department's offices would also increase the State's annual expenditures by an indeterminate amount.
- The bill transfers to the Department of Early Childhood certain functions and powers of other departments along with the associated staff and resources of those departments. To the extent that these personnel transfers minimize the need for hiring new staff, State cost increases under the bill will be reduced.

BILL DESCRIPTION

This bill establishes the Department of Early Childhood as a principal department in the Executive Branch. The department would focus on the needs of young children, from pregnancy to age eight.

The bill creates the position of Commissioner of Early Childhood as the head and chief administrative officer of the department, outlines the duties and responsibilities of the commissioner, and empowers the commissioner to appoint one or more deputy commissioners.

The bill transfers certain services and programs from the Department of Children and Families, Department of Education, Department of Health, and Department of Human Services to the Department of Early Childhood, and provides for the transfer of necessary staff and resources as well. The bill also transfers all functions of the Division of Early Childhood Education in the Department of Education to the Department of Early Childhood, in addition to any staff and resources necessary, and all appropriations of the division. The bill stipulates that a proportionate share of programmatic, administrative, and support staff of the impacted departments will be transferred to the Department of Early Childhood. The bill also permits the transfer of facilities to the Department of Early Childhood as determined by agreement between the commissioners of the relevant departments.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill would result in an indeterminate increase in annual State expenditures due to the establishment of the new Department of Early Childhood.

The primary cost increase would come from the hiring of new staff, as well as the need for additional resources and facilities. The bill provides that a Commissioner of Early Childhood will be appointed as the head of the department. Under current law, the annual salary for heads of the various State departments is \$175,000. Inclusive of fringe benefits, the annual cost increases to about \$270,000. The bill also permits the commissioner to appoint deputy commissioners but does not specify the number or salary of these positions. A review of salary data indicates that the average State department employs one to two deputy commissioners at an average annual salary of \$151,400 each. This amounts to an approximate annual cost increase of between \$233,000 and \$466,000, when including fringe benefits.

The bill provides for the transfer of certain services and programs pertaining to children between pregnancy and age eight from the Department of Education, Department of Children and Families, Department of Health, and Department of Human Services to the Department of Early Childhood and grants the department certain new powers. The bill also states that a proportionate share of programmatic, administrative, and support staff will be transferred from each impacted department to the Department of Early Childhood, and that the transfer of facilities, resources, and personnel will be determined by the commissioners of the impacted departments. Given the flexibility provided to the commissioners to consider functions and duties of each position of employment when determining which will be transferred, the OLS is unable to estimate a number of positions that will be transferred to the Department of Early Childhood or if new personnel and

facilities would be required. To the extent that staff and resources transferred from other departments do not sufficiently meet the needs of the Department of Early Childhood, additional State costs would be incurred.

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.).