

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3445
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: AUGUST 16, 2023

SUMMARY

- Synopsis:** Requires Director of Division of Housing and Community Resources in DCA to establish grant program to encourage municipalities to develop recreational sports and STEM programs for children; appropriates \$10 million.
- Type of Impact:** State expenditure increase; Municipal cost and revenue increase.
- Agencies Affected:** Department of Community Affairs; Municipalities.

Office of Legislative Services Estimate

Fiscal Impact	<u>Duration of Matching Grant Program</u>
State Expenditure Increase	Up to \$10 million plus administrative expenses
Local Expenditure Increase	Up to \$20 million
Local Revenue Increase	Up to \$10 million

- The Office of Legislative Services (OLS) concludes that the bill will result in increased State expenditures of up to \$10 million to provide matching grants to participating municipalities. The bill appropriates \$10 million for these grants. The bill also is expected to result in increased administrative costs to the Division of Housing and Community Resources in the Department of Community Affairs associated with the establishment and administration of the matching grant program and from reporting requirements.
- Participating municipalities will incur costs of up to \$20 million under the program, consisting of up to \$10 million provided from a municipality’s own funding and up to \$10 million in dollar-for-dollar State matching grants. These State matching grants represent revenue increases for the participating local governments.

BILL DESCRIPTION

This bill requires the Division of Housing and Community Resources in the Department of Community Affairs to establish a competitive, dollar-for-dollar, matching grant program to

encourage municipalities to develop recreational sports and athletic programs and science, technology engineering, and math (STEM) programs for children. To participate in the grant program, the governing body of a municipality is required to submit an application to the division with information detailing the proposed plans for the grant funding, including the proposed sources of matching funds that the municipality is to contribute toward the programs. The bill appropriates \$10 million to the division to provide matching grants to the participating municipalities.

After reviewing the applications, the division is to select municipalities in each of the northern, southern, and central regions of the State, to participate in the program and is required to seek a cross section from urban, suburban, and rural areas of the State. The division is required to develop a list of municipal costs that are eligible for matching grant funds.

Within one year of receiving a grant, each participating municipality is required to submit a report to the division, which is to include certain details provided in the bill. The division is required to compile the reports submitted for inclusion in a comparative profile of the participating municipalities and to publish and distribute the profile.

The bill specifies that a municipality may not charge a participation fee for any person participating in a recreational sports and athletic program or STEM program for local children established by the bill. However, the bill specifies that the division may establish a list of premium services for which the municipality may charge a specialty fee.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill will result in increased State expenditures of up to \$10 million to provide matching grants to participating municipalities for the development and administration of recreational sports and athletics programs and STEM programs for local children. The bill appropriates \$10 million for these grants. The bill also is expected to result in increased administrative costs to the Division of Housing and Community Resources in the Department of Community Affairs associated with the establishment and administration of the matching grant program and from reporting requirements.

Participating municipalities will incur costs of up to \$20 million under the program, consisting of \$10 million provided from a municipality's own funding and up to \$10 million in dollar-for-dollar State matching grants. These State matching grants represent revenue increases for the participating local governments.

The bill limits potential revenue increases for municipalities beyond the receipt of State grants by generally prohibiting them from charging any person a fee for participating in a recreational sports or athletics program, or STEM program. The bill, however, specifies that participating municipalities may charge a specialty fee for premium services such as the use of a scoreboard, public address system, or nighttime lighting of fields. Municipalities may experience an indeterminate increase in revenue to the extent they decide to charge a specialty fee.

Section: Local Government

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Legislative Budget and Finance Officer

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.).