

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 3910**

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably and with committee amendments the Senate Committee Substitute for Senate Bill No. 3910.

As amended and reported, this bill is to be known as the “New Jersey Universal Preschool and Kindergarten Act.”

The bill modifies various statutes governing early childhood education in an effort to codify and expand on requirements that the Department of Education has previously established for providing State-funded preschool to build and sustain universal access to high-quality programs.

Preschool Expansion Grants

The bill requires the Department of Education (DOE) to provide annual preschool expansion grants, defined as grants expanding free access to high-quality preschool for resident three- and four-year children in districts that do not, at the time of application for a grant, provide State-funded, high-quality, free preschool programs. Pursuant to the bill, the department’s preschool expansion grant program is to include certain requirements.

Preschool Education Aid

The bill also revises requirements for preschool education aid. The revisions include an update to the formula for determining each district’s allocation of preschool education aid to eliminate the use of District Factor Groups and specify the use of projected FTE enrollment for the upcoming year. The bill also requires districts that receive preschool education aid to meet certain criteria concerning partnerships with licensed child care providers and Head Start programs, program planning, and self-assessment.

Preschool Cost-Sharing Pilot Program

The bill establishes a three-year pilot program for a methodology of sharing preschool education costs between the State and participating school districts. A participating district is any district receiving preschool education aid for the first time in the 2025-2026, 2026-2027, or 2027-2028 school years. Under the pilot program, preschool education aid for participating school districts is to be calculated by multiplying the district's district aid percentage by the amount calculated under the preschool education aid formula applicable to districts that received preschool education aid in the 2024-2025 school year. District aid percentage for this purpose is to equal to the greater of the district aid percentage as defined pursuant to the State school construction law or 40 percent.

Universal Preschool Implementation Steering Committee

The bill establishes in the Department of Education a Universal Preschool Implementation Steering Committee composed of representatives of various State agencies and the New Jersey Legislature.

Other Early Childhood Education Provisions

The bill also:

(1) requires the DOE, the Department of Children and Families, and the Department of Human Services to maintain and annually update certain information regarding preschool and child care providers on their respective Internet websites;

(2) requires the DOE, the Department of Children and Families, and the Department of Human Services, in consultation with stakeholders, to annually submit a report to the Legislature on the status of preschool education in the State and the efficacy of the mixed delivery method of preschool education;

(3) requires numerous State agencies to publish guidance on a variety of topics related to expanding access to high-quality preschool education in areas of greatest need; and

(4) removes preschool students from the population used to determine approved area for unhoused students for school facilities projects.

Finally, the bill requires each elementary-serving school district in the State to establish a full-day kindergarten program no later than the beginning of the 2029-2030 school year. Attendance at the kindergarten program shall be free. School districts not providing full-day kindergarten by the effective date of the bill may satisfy this requirement by entering into a sending-receiving relationship with an adjacent school district.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) provide that school districts applying for preschool expansion grants are to demonstrate due diligence to partner with all ready, willing, and able licensed child care providers and Head Start programs in the district's immediate and neighboring communities, in a manner determined by the Commissioner of Education, which is to include documentation of all efforts made by the applicant school district to engage with all licensed child care providers and Head Start programs in the applicant's immediate and neighboring communities;

(2) permit a school district applying for a preschool expansion grant to justify its decision not to use a mixed delivery model of preschool education by including evidence that extenuating circumstances in the school district's community limit accessibility to, or feasibility of partnership with, licensed childcare centers and Head Start programs;

(3) stipulate that the Department of Education, the Department of Children and Families, and the Department of Human Services are to maintain on their respective Internet websites a list of all districts offering State-funded preschool for a school year, instead of only districts receiving preschool expansion grants;

(4) provide that the Department of Education, the Department of Children and Families, and the Department of Human Services are to update the required information on their respective Internet websites in a timely manner after preschool expansion grants are awarded;

(5) require the report on the efficacy of the mixed delivery method of preschool education to be issued by the Department of Education, the Department of Children and Families, and the Department of Human Services on an annual basis;

(6) require, rather than permit, the Universal Preschool Implementation Steering Committee to convene one or more local subcommittees to solicit input from local practitioners; and

(7) make various technical changes to the bill.

FISCAL IMPACT:

The Office of Legislative Services finds that this bill would lead to indeterminate increases in State costs. The provisions of the bill that impact the calculation of preschool education aid would result in no cost increase to the State because the bill largely codifies the preschool funding methodology incorporated in the annual appropriations act in recent years. The annual appropriations acts have provided preschool education aid for all students enrolled in State-funded preschool programs, regardless of the district factor group of the school districts operating the preschool programs. Additionally, the requirement that the State provide preschool expansion grants is not guaranteed to increase State costs, unless future appropriations acts increase the amount of funds available for the grants. The annual appropriations

act in recent years has included appropriations for preschool expansion grants, and the bill largely codifies budget language governing the program.

The bill also requires all school districts to provide for free, full-day kindergarten by the 2029-2030 school year, which would result in both local and State cost increases; however, the magnitude of the cost increase is unknown and would be spread across five years assuming this bill first takes effect in the 2025-2026 school year. Other provisions of the bill may result in marginal cost increases for the State and local school districts, to the extent that current resources are not sufficient to effectuate the purposes of the bill.

The bill could also result in indeterminate revenue increases for local school districts that first receive preschool education aid in the 2025-2026, 2026-2027, or 2027-2028 school years because these districts would have the ability to exceed the two percent levy growth limitation in order to account for additional preschool costs. The allowable increase would be limited to the actual costs of implementing a preschool program, which would vary significantly across districts based on the number of students enrolling and the availability of adequate facilities.