

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5235

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: JUNE 29, 2026

SUMMARY

- Synopsis:**

Establishes School-Based Partnerships for Access and Resilience for Kids program in DCF; requires school districts to develop mental health support and partnership programs; makes appropriation.
- Type of Impact:**

Annual increase in State and local expenditures.
- Agencies Affected:**

Department of Children and Families, Department of Education, local school districts.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2 and Year 3
State Expenditure Increase	Up to \$44.0 million	Indeterminate
Local Expenditure Increase	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) concludes that the Department of Education may experience some administrative cost increases to comply with the bill’s requirement to establish guidelines for the development of comprehensive mental health support and partnership programs by school districts, charter schools, and renaissance school projects. The department would only experience cost increases to the extent that additional staff members are needed to produce the guidance required by the bill.
- Public schools may incur additional costs to comply with a requirement that each school either designate a staff member to provide school-based counseling services for students, have a formal arrangement with a community-based mental health provider, or have a formal arrangement with the New Jersey Statewide Student Support Services program. A public school may experience cost increases if the school decides to hire additional staff to provide school-based counseling services to satisfy this requirement.
- Although the bill appropriates \$44.0 million to the Department of Children and Families to implement the School-Based Partnerships for Access and Resilience for Kids (SPARK) program in its first year of operation, the OLS concludes that the State’s ongoing behavioral health workforce shortages may complicate the department’s efforts to scale the SPARK



program to such an extent that it is unlikely that the full amount of the appropriation will be expended in first year following the bill's enactment. Any residual funds still remaining at the end of the first year will be spent in subsequent fiscal years until the full \$44 million is exhausted.

- State costs to operate the SPARK program in future fiscal years will largely be driven by student and family demand for the mental health services available through the program, the program's ability to hire, train, and retain a sufficient number of mental health professionals to meet students' needs for the mental health services available through the program; and the annual appropriations process.
- To the extent that the mental health services provided through the SPARK program help prevent certain students' needs for more intensive and costly mental health interventions in the future, NJ FamilyCare costs, and associated federal revenue in the form of service reimbursements under Medicaid and the Children's Health Insurance Program, may be slightly reduced, albeit by an indeterminate amount.

BILL DESCRIPTION

The bill requires public school districts, charter schools, and renaissance school projects, according to guidelines established by the Department of Education, to institute a comprehensive mental health support and partnership program for students. The program will connect students requiring ongoing mental health care or having high-acuity mental health needs with community-based behavioral health services via the SPARK program.

Each public school district, charter school, and renaissance school project would be required to have either a designated staff member to deliver school-based counseling services, a formalized arrangement with a community-based mental health care provider, or a formalized arrangement with the New Jersey Statewide Student Support Services program to provide services, based on specific utilization criteria.

The SPARK program, to be established in the Department of Children and Families, will be operated and administered by the New Jersey Pediatric Psychiatry Collaborative under contract to the department. The collaborative will serve as the SPARK program navigator and will provide: psychiatric consultation and assessments; referrals and linkages to community-based psychiatrists and therapists; care navigation and coordination; short-term medication management and bridging services; educational support and consultation for school personnel; and consultation and guidance for State and local school leaders to implement evidence-based student mental health policies. SPARK services will be available for students in kindergarten through grade 12.

The Department of Children and Families will issue a request for proposals for a single State contract for a mobile mental health application to deliver universal mental health information and resources for students in kindergarten through grade 12 and their families.

To access SPARK services, school districts must report annually to the Department of Children and Families and the Department of Education on the number of: students accessing SPARK services during the most recent year; students and families referred by the SPARK navigator to community-based providers; school personnel receiving educational support, guidance, and consultation; and any other information required. The Department of Children and Families will make this information publicly available via a searchable, public-facing data platform on the department's website, and will report these data annually to the Governor and the Legislature.

The bill appropriates \$44.0 million to the Department of Children and Families to implement the SPARK program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the Department of Education may experience some administrative cost increases as a result of the bill's requirement for it to establish guidelines for the development of comprehensive mental health support and partnership programs by school districts, charter schools, and renaissance school projects. The department would only experience cost increases to the extent that additional staff members are needed to produce the guidance required by the bill.

The bill also requires each public school to: designate a staff member to either provide school-based counseling services for students; have a formalized arrangement with a community-based mental health care provider; or have a formalized arrangement with the New Jersey Statewide Student Support Services program. A public school may experience cost increases to implement this requirement, particularly if a school decides to hire additional staff to provide school-based counseling services. While the OLS cannot predict a school's potential hiring decisions to implement this requirement, the OLS notes for the purposes of illustration only that the mean annual salary for a school psychologist in New Jersey is nearly \$100,000, according to the federal Bureau of Labor Statistics' May 2025 Occupational Employment and Wage Statistics.

Although the bill appropriates \$44 million to the Department of Children and Families to implement the School-Based Partnerships for the SPARK program in its first year of operation, the OLS concludes that the State's ongoing behavioral health professional workforce shortages may complicate the department's efforts to scale the SPARK program to such an extent that it is unlikely that the full amount of this appropriation will be expended in first year following the bill's enactment. Any residual funds still remaining at the end of the first year will be spent in subsequent fiscal years until the full \$44 million is exhausted.

State costs to operate the SPARK program in future fiscal years will largely be driven by student and family demand for the mental health services available through the program and the program's ability to hire, train, and retain a sufficient number of mental health professionals to meet students' needs for the mental health services available through the program.

The bill stipulates that the New Jersey Pediatric Psychiatry Collaborative will be awarded the contract to administer and operate the SPARK program and serve as the SPARK program navigator for the students, families, and staff of the State's 2,505 schools. The OLS lacks the informational basis to determine the extent to which the collaborative may be able to scale its provider network and services within the two years allocated under the bill.

The collaborative provides psychoeducation and virtual psychiatric consultations to help pediatric primary care providers, including school physicians, screen for and diagnose behavioral health conditions in their pediatric patients and offers support with diagnoses, medication management, care coordination, and patient referrals to community-based providers. The collaborative operates through nine hubs that serve 21 counties and works with more than 1,700 pediatric primary care providers. The collaborative's FY 2024-2025 annual report stated that the

program served approximately 4,240 cases. In FY2026, the collaborative has received \$12.8 million in State support via the Department of Children and Families to fulfill these functions.

If the mental health services available through the SPARK program help prevent the need for more intensive and costly mental health interventions for certain students enrolled in the NJ FamilyCare program, NJ FamilyCare costs, and associated federal revenue in the form of service reimbursements under Medicaid and the Children's Health Insurance Program, may be slightly reduced, albeit by an indeterminate amount.

The OLS determines that the Department of Children and Families may potentially realize cost savings due to a provision in the bill requiring the department to contract with a single mobile mental health platform for a mobile mental health application that delivers universal, age-appropriate mental health information and resources for school-aged youth and their families. For FY2026, the State appropriated \$3.0 million for three different mobile mental health applications serving youth and their families that the OLS could identify. To the extent that the Department of Children and Families is able to replace these mobile mental health application contracts with a single contract at a lower cost, the department will realize cost savings.

The Department of Children and Families and the Department of Education may incur marginal administrative cost increases in order to meet the reporting requirements under the bill.

Section: Human Services

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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.).