

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 2353

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: AUGUST 28, 2026

SUMMARY

Synopsis: Establishes State stockpile of medicine and medical supplies; makes appropriation.

Type of Impact: Potential annual increase in State expenditures.

Agencies Affected: Department of Health, Department of Law and Public Safety.

Office of Legislative Services Estimate

Annual Fiscal Impact	
Potential State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that State expenditures may potentially increase under the bill to the extent that the Department of Health, in consultation with the State Office of Emergency Management in the Department of Law and Public Safety, establishes an essential buffer stock that surpasses the scale and scope of the State’s existing emergency stockpile. Costs would also increase if the Department of Health needs to newly develop guidelines for the procurement, management, and distribution of the buffer stock.
- Absent information from the Department of Health, the OLS is unable to estimate the size of any potential State expenditure increase.

BILL DESCRIPTION

The bill requires the Department of Health, in collaboration with the State Office of Emergency Management in the Department of Law and Public Safety, to establish a Statewide strategic essential buffer stock for emergency preparedness and drug shortage prevention to be used in the event of public health emergency, outbreak, or other State or local emergency.

The department will establish guidelines for the procurement, management, and distribution of supplies in the essential buffer stock. In consultation with the office and other relevant agencies, the department will compile a list of entities that may receive resources from the essential buffer stock.

The bill authorizes the department to contract with a private entity for the procurement of strategic emergency readiness supplies for, and the management and distribution of, the essential

buffer stock, including a virtually sequestered buffer stock. The department may contract for the reservation of supplies stored by a private vendor-managed entity for the essential buffer stock, and the distribution of those supplies to locations specified by the department, consistent with the departmental guidelines.

The department will conduct demand planning and buffer stock modeling to determine which emergency supplies should be included in the buffer stock. The department will also seek to maximize available federal and State funding to implement the bill's requirements.

The bill appropriates from the General Fund to the department such sums as are necessary to implement the provisions of the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that State expenditures may potentially increase under the bill, to the extent that the Department of Health, in consultation with the State Office of Emergency Management in the Department of Law and Public Safety, establishes an essential buffer stock that surpasses the scale and scope of the State's existing emergency preparedness warehouse and needs to newly develop guidelines for the procurement, management, and distribution of the buffer stock. According to the Office of Management and Budget, federal funding available to support the State's medical countermeasures warehouse, which stores supplies of personal protective equipment, medications, and vaccines, would expire at the end of FY 2026. As such, the FY 2027 Governor's Budget recommends \$4.3 million in State funding to support the costs associated with the warehouse and maintaining these countermeasures. Absent a response from the department, the OLS lacks the informational basis to determine whether, and the extent by which, State costs for the essential buffer stock may vary when compared with this \$4.3 million in State funding and other sources of State and federal funding currently available for this purpose.

To the extent that the department has not previously established guidelines governing the procurement, management, and distribution of medical countermeasures from the State's existing emergency preparedness warehouse, the department's administrative costs would increase by an indeterminate amount to establish such guidelines.

If federal funding is awarded to offset a portion of the State's costs to implement the provisions under the bill, State revenues will increase by an indeterminate amount.

Section: Human Services

Analyst: Anne Cappabianca
Senior Fiscal Analyst

Approved: Thomas Koenig
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.).