LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3519

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JANUARY 13, 2022

SUMMARY

Synopsis: Concerns family leave and gestational carriers.

Type of Impact: Annual expenditure and revenue increases to State Disability Benefits Fund.

Agencies Affected: Department of Labor and Workforce Development.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Cost Increase	Indeterminate
State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) estimates that the enactment of this bill will result in an indeterminate annual increase in expenditures from the State Disability Benefits Fund (SDBF) due to an expansion of the pool of eligible beneficiaries for temporary disability insurance (TDI) and family leave insurance (FLI) benefits.

- The OLS notes that the benefits and administrative costs of the TDI program are funded by worker and employer payroll taxes and the benefits and administrative costs of the FLI program are funded by only worker payroll taxes, the rates for which are set annually to cover anticipated program expenditures. Accordingly, the OLS estimates that the bill will result in an annual revenue increase to the SDBF that will partially, if not fully, offset the annual expenditure increase.

BILL DESCRIPTION

This bill amends P.L.1948, c.110 and P.L.1989, c.261 to stipulate that the paid and unpaid leave provided under those laws include leave time in which an employee who is intended to become the parent of a child under a written agreement with a gestational carrier or otherwise provides care for the person whose pregnancy will result in the child during the person's pregnancy and recovery from childbirth.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the enactment of this bill will result in an indeterminate annual increase in expenditures from the SDBF due to an expansion of the pool of eligible beneficiaries for TDI and FLI benefits.

The OLS notes that the benefits and administrative costs of the TDI program are funded by worker and employer payroll taxes and the benefits and administrative costs of the FLI program are funded by only worker payroll taxes, the rates for which are set annually to cover anticipated program expenditures. Accordingly, the OLS estimates that the bill will result in an annual revenue increase to the SDBF that will partially, if not fully, offset the annual expenditure increase.

Section:	*Commerce, Labor and Industry*
Analyst:	*Juan C. Rodriguez* *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.).