

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5147
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: FEBRUARY 26, 2021

SUMMARY

Synopsis: Establishes Alleviating Learning Loss in New Jersey Grant Program in DOE to assist public schools in establishing or expanding certain educational programs to address learning loss in students.

Type of Impact: Expenditure of federal funds received by the State.

Agencies Affected: Department of Education; Local School Districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>One-Time</u>
State Expenditure of Federal Funds	Indeterminate
Local School District Revenue	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill would result in an indeterminate, one-time expenditure of federal funds provided to the Department of Education (DOE). The expenditure of federal funds by the DOE would correspond to a revenue gain for local school districts selected for funds under the bill.
- The bill does not appropriate State funds for the program; however, it includes a provision requiring that grants to school districts under the bill be paid from financial assistance provided by the federal government to address the impact of the COVID-19 pandemic on elementary and secondary schools.
- The OLS notes that the most likely sources of federal funds that could currently be utilized in the provision of grants under the bill are State “set-aside” funds provided under the Elementary and Secondary Schools Emergency Relief (ESSER) I and II Funds established respectively in the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act.

BILL DESCRIPTION

This bill establishes in the DOE the Alleviating Learning Loss in New Jersey Grant Program. The purpose of the grant program is to provide funds to school districts, charter schools, and renaissance schools for the creation or expansion of summer learning programs and other student support programs during the summer of 2021 and the 2021-2022 school year. The programs are to address student learning loss resulting from the COVID-19 related school closures or the use of virtual or remote instruction.

A school district, charter school, or renaissance school seeking funds under the Alleviating Learning Loss in New Jersey Grant Program is required to submit an application to the Commissioner of Education. When selecting districts or schools for funding under the grant program, the commissioner is required to give priority to school districts, charter schools, and renaissance schools that: 1) have not established for the summer of 2021 a summer learning program; and 2) have a student population in which 20 percent or more of the students enrolled in the district or school are eligible for free or reduced price meals under the National School Lunch Program or the federal School Breakfast Program.

To the extent permitted by federal law, grants awarded under the grant program would be paid from the monies received by the State under the federal CARES Act or any other financial assistance provided by the federal government to address the impact of the COVID-19 pandemic on elementary and secondary schools.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill would result in a one-time, indeterminate expenditure of federal funds provided to the DOE. The expenditure of federal funds by the DOE would correspond to a revenue gain for local school districts selected for funds under the bill. The bill does not appropriate State funds for the program; rather, it includes a provision requiring that grants to school districts under the bill be paid from financial assistance provided by the federal government to address the impact of the COVID-19 pandemic on elementary and secondary schools.

The OLS notes that the most likely sources of federal funds that could currently be utilized in the provision of grants under the bill are State “set-aside” funds provided under the ESSER I and ESSER II Funds established respectively in the CARES Act and the CRRSA Act. Under the two laws, at least 90 percent of funds distributed to State educational agencies from the ESSER Funds must be allocated to local education agencies, while the remaining 10 percent may be retained by State educational agencies for certain purposes. According to a fact sheet produced by the United States Department of Education on the provisions of the CARES Act and the CRRSA Act, State educational agencies are generally required to award funds within one year of receiving them.

State grant programs similar to that established under the bill have been initiated using CARES Act and CRRSA Act moneys. Under the provisions of the CARES Act, the DOE was able to retain approximately \$31 million of its total \$310 million allocation under the ESSER I Fund. This \$31 million set-aside can be used to, among other purposes, provide subgrants to school districts,

charter schools, and renaissance schools for certain allowable purposes. Related to the content of this bill, the DOE announced, on December 10, 2020, the establishment of a \$2.5 million Addressing Student Learning Loss Grant Program. Under the program, school districts, charter schools, and renaissance schools were eligible to apply for up to \$156,425.

Under the provisions of the CRRSA Act, the DOE was able to retain approximately \$123 million of its total \$1.23 billion allocation under the ESSER II Fund. Related to the content of this bill, the DOE, on February 19, 2021, announced that it was making available \$75 million from the State set-aside to establish the Learning Acceleration Grant. According to the DOE's announcement, 75 percent of those funds will be used to support research-based academic enrichment activities such as summer learning academies, school year learning acceleration academies, and one-to-one tutoring. The remaining 25 percent of the Learning Acceleration Grant funds will be used for activities that support the broader learning ecosystem.

Section: Education

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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.).