LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 2486

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: MARCH 18, 2021

SUMMARY

Synopsis: Establishes Clayton Model Pilot Program in DOE to provide school-based social emotional learning to students in grades kindergarten through five at certain public schools.

Type of Impact: Five-year increase in local expenditures; potential increase in State expenditures.

Agencies Affected: Certain school districts, and certain county special services school districts, educational services commissions, or jointure commissions; Department of Education.

Office of Legislative Services Estimate

Fiscal Impact	**Years 1-5**
Potential State Cost Increase	Indeterminate
Local Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill would result in an indeterminate annual increase in expenditures for school districts and certain county special services school districts, educational services commissions, or jointure commissions that participate in the Clayton Model Pilot Program.

- School districts that operate an elementary school participating in the pilot program are expected to incur annual increases in expenditures associated with the implementation of social emotional learning strategies under the Clayton Model during the five-year program. According to the Senator Walter Rand Institute for Public Affairs at Rutgers University-Camden, these annual costs could equal $80,000 to $100,000 per school, or $142 per student.

- The employment of social emotional learning coordinators is expected to increase the annual personnel costs of each county special services school district, educational services commission, or jointure commission that participates in the pilot program. According to the Senator Walter Rand Institute, these annual cost increases could range from approximately

$12.6 million to $27.5 million, collectively, depending on which counties participate in the program.

- The OLS also notes that the Department of Education could incur indeterminate expenditure increases to the extent that the implementation and evaluation of the pilot program require additional administrative expenses. The bill stipulates that federal funds will be utilized to support implementation of years one through five of the pilot program, and appropriation of State funds may occur to support implementation for years three through five if federal funds are insufficient to cover program costs in those years.

BILL DESCRIPTION

This bill establishes a five-year Clayton Model Pilot Program in the Department of Education to provide a social emotional learning program to elementary school students attending selected public schools. The pilot program would be based on the Clayton Model, which is a responsive, trauma-informed intervention program for student development that was created by the Clayton School District in Gloucester County.

Under the bill, the Commissioner of Education would select three counties to participate in the pilot program: (1) one county to represent the northern area of the State; (2) one county to represent the central area of the State; and (3) Gloucester County to represent the southern area of the State. After each county is selected, the commissioner, in collaboration with the Senator Walter Rand Institute for Public Affairs at Rutgers University-Camden, would select a maximum of 10 schools within each county to participate in the pilot program.

The bill also establishes a six-member steering committee to provide accountability and guidance concerning the policies and practices associated with the implementation of the pilot program. This steering committee would, at a minimum, include the following members: (1) a representative of the Department of Education; (2) two members of the public with expertise in issues related to the work of the committee, one appointed by the Senate President and one appointed by the Speaker of the General Assembly; (3) the Superintendent of Schools of the Clayton School District; (4) the Director of the Child Connection Center; and (5) a representative of the Senator Walter Rand Institute appointed by the commissioner upon the recommendation of the institute. The commissioner would be permitted to appoint additional members to the steering committee with expertise in issues related to the work of the commission as deemed necessary.

Under the bill, the Clayton School District would serve as the model site for the pilot program. The bill requires the Clayton School District to support the accurate communication of the model to administrators and teachers in participating schools, and design and conduct the training for county-level social emotional learning coordinators.

Additionally, the bill requires the county special services school district, educational services commission, or jointure commission serving each participating county to manage the social emotional learning program in the county. The districts, educational services commissions, and jointure commissions would be required to hire social emotional learning coordinators to train and organize the placement of social emotional learning specialists (e.g., social workers, behavioral health care providers, or other social emotional learning professionals) who would provide the social emotional learning supports in participating schools.

The commissioner would provide interim reports during each year of the pilot program to the State Board of Education, the Governor, and the Legislature including the costs of the pilot program to date, the number and names of the school districts and schools participating in the pilot program, the number of students served under the pilot program, and such other information that the commissioner deems appropriate.

The Senator Walter Rand Institute would also be required to develop and implement a comprehensive evaluation of the pilot program, which evaluation would include a cost-benefit analysis. The bill requires the institute to report the results of the evaluation to the commissioner and the steering committee no later than six months following the conclusion of the pilot program. After receiving these results, the commissioner would be required to report to the Governor and Legislature concerning the implementation and effectiveness of the pilot program, which report would include a recommendation regarding the continuation or expansion of the program.

Federal funds will be used to support implementation of years one and two of the Clayton Model Pilot Program. Federal funds would first be utilized to support years three through five of the program. An appropriation of State funds could be made to support implementation of the program for years three through five if federal funds are insufficient to cover program costs.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill would result in an indeterminate annual increase in expenditures for school districts and for county special services school districts, educational services commissions, or jointure commissions that participate in the five-year Clayton Model Pilot Program. Under the bill, a six-member steering committee would be responsible for establishing practices and policies to implement the pilot program. Absent information concerning the manner in which the pilot program will be implemented, the OLS is unable to quantify the overall fiscal impact of the bill on participants of the pilot program.

However, according to a recent analysis conducted by the Senator Walter Rand Institute, in collaboration with the Clayton School District, the full implementation of the pilot program is expected to result in an annual increase in expenditures of approximately $2.4 million to $3 million, collectively, for the 30 elementary schools that participate in the program. The analysis also estimates that the full implementation of the pilot program could cause three participating county special services school districts to incur annual expenditure increases of approximately $12.6 million to $27.5 million, collectively, depending on which counties are selected for the program.

The OLS notes that the Department of Education could incur indeterminate expenditure increases to the extent that the implementation and evaluation of the pilot program require additional administrative expenses. The OLS also notes that federal funding will be used to support implementation of the pilot program for each year of the pilot program, and State funds may be appropriated to support implementation of the program in years three through five of the pilot program if federal funds are insufficient to cover program costs in those years. However, the OLS does not have sufficient information to determine whether the federal and State funds are expected to offset the total increase in local and State costs that would result from the bill.

Participating School Districts

The bill is expected to increase the annual expenditures of any school district that operates one of the thirty elementary schools that participates in the pilot program. These cost increases are expected to arise through the implementation of social emotional learning strategies, as prescribed

by the Clayton Model and required under the pilot program. Specifically, the pilot program would require the use of two educational strategies: (1) a strategy that teaches about processing, integrating, and selectively applying social and emotional skills; and (2) a strategy that involves fostering students' social emotional development by creating safe and caring learning environments using tiered supports that incorporate peer and family activities, improved classroom management and teaching practices, and whole-school community-building activities.

Participating school districts are, therefore, expected to incur annual expenditure increases to the extent that the implementation of these educational strategies requires additional investments in school personnel, classroom equipment, and extracurricular activities. According to the Senator Walter Rand Institute, each of these schools could incur annual expenditure increases of $80,000 to $100,000, or approximately $142 per student. However, absent information concerning the manner in which the steering committee will implement the pilot program, the OLS is unable to substantiate these cost estimates.

Given that the implementation of the pilot program would be initiated in phases, as determined by the commissioner, certain school districts may not experience significant expenditure increases until the pilot program is fully implemented, which would occur no later than the third year of the pilot program. Consequently, certain school districts might only experience expenditure increases during the final three years of the program.

The Clayton School District – Model Site

Under the bill, the Clayton School District would be required to serve as the model site for the pilot program. Accordingly, the school district would be required to: (1) support the accurate communication of the Clayton Model to the administrators and teachers of each participating school; and (2) design and conduct training for each county social emotional learning coordinator. As a result, the Clayton School District is expected to incur increased administrative and training expenses associated with the performance of these additional duties. Given the responsibility to train county social emotional learning coordinators, the school district may incur a significant portion of these expenditure increases during the early stages of the pilot program, before the program has been fully implemented in each participating school.

Participating County Special Services School Districts, Educational Services Commissions, or Jointure Commissions

The bill is expected to increase the annual expenditures of each county special services school district, educational services commission, or jointure commission that participates in the pilot program. Under the bill, each county special services school district, educational services commission, or jointure commission would be responsible for the social emotional learning programming provided in the county under the pilot program. Specifically, the bill requires these entities to hire county social emotional learning coordinators to train and organize the placement of social emotional learning specialists (e.g., social workers, behavioral health care providers, or other social emotional learning professionals) who would support participating schools. Most notably, the employment of social emotional learning coordinators is expected to increase the annual expenditures of each participating county special services school district, educational services commission, or jointure commission.

The OLS notes that the total increase in expenditures will vary depending on which three counties are selected to participate in the pilot program. For example, an analysis conducted by the Senator Walter Rand Institute estimates that the full implementation of the pilot program would result in annual expenditure increases for each eligible county special services school district, as

follows: (1) Sussex County, $2.2 million to $2.7 million; (2) Morris County, $8.2 million to $10.6 million; (3) Middlesex County, $9 million to $11.3 million; (4) Ocean County, $5.9 million to $7.4 million; and (5) Gloucester County, $4.5 million to $5.6 million. Depending on which counties are selected for the program, this analysis indicates that three participating county special services school districts could incur annual expenditure increases of approximately $12.6 million to $27.5 million, collectively, when the pilot program is fully implemented no later than the third year of the five-year program. It is important to note that the Senator Walter Rand Institute analysis is specific to county special services school districts. There is not enough information to determine an estimate of annual expenditure increases specifically for educational services commissions or jointure commissions. However, it is likely that the annual expenditure increases for these entities would be similar to the estimate for county special services school districts. Absent information concerning the manner in which the steering committee will implement the pilot program, the OLS is unable to substantiate these cost estimates.

Department of Education

Under the bill, the Department of Education would primarily serve in a supervisory capacity in the implementation of the pilot program. However, in addition to selecting counties and schools for participation in the pilot program, the commissioner would also be required to issue a final report to the Governor and Legislature concerning the effectiveness of the pilot program. As such, the bill could also result in increased State expenditures to the extent that these responsibilities require additional administrative expenses.

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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.).