

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2716
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 10, 2021

SUMMARY

Synopsis: Establishes Student Wellness Grant Program in DOE.

Type of Impact: Annual State expenditure increase; annual local school district revenue increase.

Agencies Affected: Department of Education; Department of Children and Families; Local School Districts.

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Expenditure Increase	Indeterminate
Local School District Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill may result in an indeterminate increase in annual State expenditures, from federal or other State funds, to establish the program and provide grants to local school districts. The bill does not specify the number of grants that will be awarded annually or the amount of the grants, and it is unknown how many applications will be received and approved. The increase in State expenditures, excluding administrative costs, would correspond to a revenue gain for local school districts selected for grants under the bill.
- The bill does not appropriate any State funds for the program; however, it includes a provision requiring that any federal funds made available to the Department of Education (DOE) for the bill’s purposes must be used first to award grants to school districts, prior to using other State funds. It is unknown what new federal funds may become available for the program’s purposes at a future date.
- The OLS notes that a likely source 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) III Fund under the American Rescue Plan (ARP) Act of 2021.

BILL DESCRIPTION

This bill directs the DOE, in consultation with the Department of Children and Families (DCF), to establish the Student Wellness Grant Program. The purpose of the program will be to provide grants that support school districts in implementing school-based programs and practices that promote mental wellness, social and emotional learning, and student resilience.

The bill directs a school district which elects to participate in the grant program to submit an application to the DOE. The bill directs the DOE, in consultation with the DCF, to develop criteria for the evaluation of applications for grants and to allocate grants within the limits of available appropriations. The bill also directs the departments to develop and disseminate to all school districts model policies and best practices in school-based programs that promote mental wellness, social and emotional learning, and student resilience.

Each school district that receives a student wellness grant must prepare and submit annually to the DOE a report on its experience with and the effects of the program. The DOE, in consultation with the DCF, must annually submit a report to the Governor and the Legislature that includes the relevant information provided to them by the participating school districts on their implementation of the Student Wellness Grant Program.

The bill directs the DOE to use any available federal funds which may become available, including funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to effectuate the bill's purposes. Any federal funds available to the DOE will first be used to provide grant awards to school districts, prior to using State funds.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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While it is unknown what new federal funds may become available for the program's purposes at a future date, the OLS notes that a likely source 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 III Fund established in the ARP Act. Under the ARP Act, at least 90 percent of funds distributed to the DOE is required to be allocated to local education agencies, while the remaining 10 percent may be retained by State educational agencies for certain purposes. The ARP Act requires the State set-aside to be allocated in the following manner: at least five percent (\$138.2 million) of the State's total grant award for activities to address learning loss; at least one percent (\$27.6 million) of the total grant award for evidence-based summer enrichment programs; at least one percent (\$27.6 million) for evidence-based comprehensive afterschool programs; up to one-half of one

percent (\$13.8 million) of the total grant award for administration; and any remaining funds (\$69.1 million) for other State activities to address issues responding to COVID-19. The OLS notes that ESSER III Fund moneys are available for obligation through September 30, 2024. This timeline includes the routine one-year extension provided under the federal Tydings amendment, which is a provision of federal law providing that any funds under applicable programs that are not obligated and expended by a recipient education agency before the end of the fiscal year remain available for obligation and expenditure for one additional fiscal year.

The DOE would incur recurring administrative costs to discharge its new responsibilities under the bill. The OLS notes that, if ESSER III Fund moneys are used to fund the program established under this bill, the ARP Act allows the State to use up to a total of \$13.8 million for administration.

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.).