

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3213

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 25, 2021

SUMMARY

- Synopsis:** Establishes New Jersey Community Learning Program in DOE to provide comprehensive extended learning time programs in certain communities; dedicates portion of State cannabis revenue to support program.
- Type of Impact:** Annual State expenditure increase; annual local school district revenue increase.
- Agencies Affected:** Department of Education; local school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
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 State funds generated by the taxation of the retail purchase of recreational cannabis products and from the Property Tax Relief Fund, as necessary, to provide funding to impact districts to defray the full costs of implementing an extended learning time program. The increase in State expenditures would correspond to a revenue gain for local school districts required to implement extended learning time programs under the bill.
- The bill establishes in the Department of Education a non-lapsing New Jersey Community Learning Assistance Fund (assistance fund), and requires the Cannabis Regulatory Commission to annually determine an amount collected from the tax imposed under the "Sales and Use Tax Act" on the retail sale of recreational cannabis products to be deposited into the assistance fund. However, if in any year, these amounts are insufficient to support the full distribution of funding to impact districts, the bill requires the State to appropriate additional amounts as are necessary from the Property Tax Relief Fund to the assistance fund.

BILL DESCRIPTION

This bill establishes the New Jersey Community Learning Program in the Department of Education to support the provision of comprehensive extended learning time programs in certain areas most impacted by the criminalization of cannabis (“impact zones”). The costs of the program would be supported by a portion of the annual State revenues collected from the retail sale of recreational cannabis products.

Under the bill, every school district located within an impact zone (“impact district”) would be required to establish and implement an extended learning time program. These programs would endeavor to close the achievement gap and provide services for enrolled students during non-school hours, including summer and holiday recesses. The bill allows these services to be provided at one or more locations, including existing school facilities and approved off-site locations, except that the district would be required to provide participating students with transportation to and from any such location.

Following the effective date of the bill, each impact district, in collaboration with the governing body of each municipality located within the district, would be required to conduct two public hearings to receive community input concerning the establishment of an extended learning time program. Before implementing the program, the board of education of an impact district would also be required to submit a program plan to the commissioner for approval.

At a minimum, the program plan would be required to include: (1) a detailed description of the services that will be provided through the program; (2) a detailed description of the background and qualifications of the personnel who will supervise and staff the program; (3) a schedule of the days and hours during which the program will operate; (4) the criteria that will be used to determine eligibility for student participation in the program; (5) an estimate of the number of students who will participate in the program; (6) the locations in which academic assistance and community enrichment services will be provided; (7) an estimate of the annual cost of implementing the program; and (8) any other information that the board of education may deem necessary.

The bill requires the commissioner to approve or conditionally approve each program plan within 30 calendar days of receipt. If the commissioner conditionally approves a program plan, the plan would be deemed approved when the board of education adopts all revisions contained in the conditional approval. Thereafter, an impact district may modify its extended learning time program by submitting a revised program plan to the commissioner for approval.

Under the bill, the department would be required to annually distribute such funding as is necessary to each impact district to defray the full costs of implementing the extended learning time program. The bill requires all State funds received by an impact district to be accounted for in a special revenue fund and used exclusively to implement the extended learning time program. The bill provides that an impact district would not be required to implement an extended learning time program during any year in which State funding is not provided pursuant to this bill.

The bill also establishes the New Jersey Community Learning Assistance Fund, which would be used to distribute program funding to impact districts. Beginning in State Fiscal Year 2022, the bill requires the State to annually deposit into the assistance fund an amount determined by the Cannabis Regulatory Commission from the State revenue collected from the tax imposed under the Sales and Use Tax Act on the retail sale of recreational cannabis products. However, if in any year, these amounts are insufficient to support the full distribution of funding to impact districts, the State would be required to appropriate such additional amounts as are necessary from the Property Tax Relief Fund to the assistance fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill may result in an indeterminate increase in annual State expenditures, from State funds generated by the taxation of the retail purchase of recreational cannabis products and, as necessary, from the Property Tax Relief Fund, to provide funding to impact districts to defray the full costs of implementing an extended learning time program.

The bill establishes in the Department of Education a non-lapsing New Jersey Community Learning Assistance Fund, and requires the Cannabis Regulatory Commission to annually determine an amount collected from the tax imposed under the Sales and Use Tax Act on the retail sale of recreational cannabis products to be deposited into the assistance fund. However, if in any year, these amounts are insufficient to support the full distribution of funding to impact districts, the bill requires the State to appropriate additional amounts as are necessary from the Property Tax Relief Fund to the assistance fund. The OLS cannot predict the amount of funding the Cannabis Regulatory Commission would determine to deposit into the assistance fund in any given year, and therefore cannot predict the additional amount of funding that may be necessary to appropriate from the Property Tax Relief Fund to the assistance fund. The OLS notes that, under the bill, a school district would not be required to implement an extended learning time program during any year in which State funding is not provided pursuant to this bill.

The OLS does not have the informational basis to predict costs that may be incurred by the school districts required to implement extended learning time programs under the bill, and is unaware of the extent to which school districts currently provide extended learning time programs consistent with the provisions of the bill. Therefore, the OLS cannot predict the amount of funding necessary for the State to defray the costs of school districts that are required to comply with the provisions of the bill.

<i>Section:</i>	<i>Education</i>
<i>Analyst:</i>	<i>Robert A. Melcher</i> <i>Section Chief</i>
<i>Approved:</i>	<i>Thomas Koenig</i> <i>Legislative Budget and Finance Officer</i>

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.).