SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3523

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 22, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3523, with committee amendments.

As amended, the bill makes $25 million in federal funds available to the Economic Development Authority (EDA) to award grants to microbusinesses that produce goods or provide services and have five or fewer full-time equivalent employees. The EDA may use up to five percent of these funds to support administrative expenses.

The bill also allows the EDA to transfer the uncommitted balance of these funds to certain other programs administered by the authority using federal COVID-19 response funding. However, the EDA would be required to submit notice of the transfer to the Joint Budget Oversight Committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) restructure the bill such that it is not a supplemental appropriation, but rather makes funding available for the bill's designated purpose;

(2) reduce from 10 to five the maximum number of full-time employees who may be employed by an eligible microbusiness;

(3) allow the EDA to use up to five percent of the federal funds to support administrative expenses incurred in the implementation of the bill; and

(4) allow the EDA to transfer the uncommitted balance of federal funds to certain other programs administered by the authority using federal COVID-19 response funding, provided that the EDA submit notice to the Joint Budget Oversight Committee.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.