

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3995

STATE OF NEW JERSEY

DATED: JUNE 22, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3995.

This bill establishes the School and Small Business Energy Efficiency Stimulus Program fund (program fund) in the Board of Public Utilities (BPU). “Small business” is defined in the bill as concerning women and minority-owned small businesses. The purpose of the program fund is to ensure that school and small business heating, ventilation, and air conditioning (HVAC) systems are upgraded to safely prepare schools and small businesses for operating during the coronavirus 2019 pandemic, to improve the general health and safety of the school and small business environment, and to create jobs across the State. The program fund will also fund the upgrading of old, inefficient plumbing fixtures that waste water and energy.

The bill provides that the program fund is to consist of two sub-programs:

- 1) the School and Small Business Ventilation and Energy Efficiency Verification and Repair (SSBVEEVR) Program; and
- 2) the School and Small Business Noncompliant Plumbing Fixture and Appliance (SSBNPFA) Program.

The bill provides that 75 percent of projects funded by the SSBVEEVR Program or SSBNPFA Program are to be in schools and small businesses located in underserved communities, as defined in the bill.

The bill provides that the BPU is to begin to solicit applications from boards of education and small businesses for grants on or before October 1, 2021 and begin to approve applications for grants no later than December 1, 2021, subject to the availability of funds. The bill provides that the program fund is to be funded by monies provided to the State from the federal government under the “American Rescue Plan Act of 2021,” as determined by the BPU, and is to be allocated as follows:

- 1) 75 percent of funds for the SSBVEEVR Program; and
- 2) 25 percent of funds for the SSBNPFA Program.

Seventy-five percent of grant funds issued pursuant to the bill are to be awarded to school districts and the remaining 25 percent is to be awarded to small businesses. Program fund grants made pursuant to the bill are to provide no more than 75 percent of the cost of projects

approved by the board, with the remaining 25 percent covered by non-SSBVEEVR or non-SSBNPFA funding sources, as applicable.

Notwithstanding the provisions of any other law to the contrary, the bill provides that, for the purpose of expediting the BPU's procurement of technical services to administer the SSBVEEVR and the SSBNPFA Programs, certain provisions are to apply as modifications to law or regulation that may interfere with the expedited award of the grants.

The bill requires the BPU to establish and administer the SSBVEEVR Program to award grants to boards of education and small businesses to ensure schools and small businesses are to have functional HVAC systems that are tested, adjusted, and, if necessary or cost effective, repaired, upgraded, or replaced to increase efficiency and performance.

The BPU is to award a grant if the amount requested in the application is verified by a certified energy auditor's estimate and the board of education and small business meet other requirements determined by the BPU to be appropriate to achieve the purposes of the bill.

The bill provides that as a condition for receiving a grant, a board of education and small business are to comply with the requirements of the bill for all certain aspects of the schools' or small business' HVAC system or systems. The HVAC systems installed pursuant to the bill are to meet ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable Indoor Air Quality. The HVAC requirements for filtration levels, ventilation rates, and ventilation schedules may be amended by the BPU based on the latest coronavirus 2019, or other applicable, guidance.

The bill provides that a certified energy auditor is to determine what, if any, additional adjustments or repairs would be necessary to meet the minimum ventilation and filtration requirements. If the cost of recommended repairs, upgrades, or replacements are greater than the contingency amount provided in the grant, then the certified energy auditor and the board of education or small business are to submit an application for additional funding. The bill requires that, upon completion of all work funded by a grant made pursuant to the bill, the board of education and small business are to prepare an HVAC verification report.

The bill requires the BPU to establish and administer the SSBNPFA Program to provide grants to boards of education and small businesses to replace noncompliant plumbing fixtures and appliances that fail to meet water efficiency standards and waste potable water and the energy used to convey that water, with water-conserving plumbing fixtures and appliances, as those terms are defined in the bill. The BPU is to award a grant if a board of education or small business submits documents showing the existence of noncompliant plumbing fixtures or appliances in the schools or small business for

which the grant funding will be used and a cost estimate that is verified by a contractor for the replacement of the noncompliant plumbing fixtures and appliances with water-conserving plumbing fixtures and water-conserving appliances, and the board of education and small business meet other requirements determined by the BPU to be appropriate to achieve the purposes of the bill.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.