

FISCAL NOTE
SENATE, No. 2087
STATE OF NEW JERSEY
215th LEGISLATURE

DATED: SEPTEMBER 13, 2012

SUMMARY

Synopsis: Establishes a pilot program in DOE to increase the length of the school day and school year and provides tax credits for corporate contributions to fund the program.

Type of Impact: Revenue Decrease in General Fund

Agencies Affected: Department of Education; school districts

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
State Revenue	\$0	-\$18 million	-\$42 million	-\$66 million	-\$18 million

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Revenue	-\$24 million	-\$48 million	-\$72 million

- The Office of Legislative Services (OLS) generally **concurs** with the Executive's estimate of the fiscal impact of Senate Bill No. 2087 of 2012. However, the OLS anticipates that the revenue loss associated with the corporate business tax credits would occur without the delay assumed by the Executive.

BILL DESCRIPTION

Senate Bill No. 2087 of 2012 establishes a three-year pilot program to increase the length of the school day and school year in up to 25 school districts. Districts that are interested in participating in the pilot program would submit an application to the Commissioner of Education that details the amount by which the school day and school year would be increased, and how the program would support academic achievement in the district. The program would be funded by contributions made by corporations, which, in turn, would be allowed to claim a tax credit equal to 100 percent of the contribution. The bill limits the total tax credits that may be claimed to \$24

million in the first State fiscal year, \$48 million in the second State fiscal year, and \$72 million in the third State fiscal year.

FISCAL ANALYSIS

EXECUTIVE BRANCH

In its fiscal analysis, the Office of Management and Budget anticipates that the legislation would not have any fiscal effect in the first State fiscal year after enactment. In subsequent fiscal years, the analysis assumes that the corporate business tax will be reduced by 75 percent of the total amount of tax credits that are claimed. This assumption is based on anticipated delays due to filing requirements.

OFFICE OF LEGISLATIVE SERVICES

The OLS generally concurs with the Executive's fiscal analysis. However, the OLS assumes that the fiscal impacts of the tax credits will occur in the fiscal years as specified in the legislation.

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This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).