

# LEGISLATIVE FISCAL ESTIMATE

[Fourth Reprint]

## ASSEMBLY, No. 764

### STATE OF NEW JERSEY 218th LEGISLATURE

DATED: DECEMBER 20, 2018

#### SUMMARY

- Synopsis:** “Alyssa’s Law”; requires public school buildings to be equipped with panic alarm linked to local law enforcement.
- Type of Impact:** Expenditure and Revenue Increase to School Districts.
- Agencies Affected:** School Districts.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>Reallocation of State Bond Proceeds</b>	\$2,500,000 to \$12,500,000		
<b>Local Expenditure Increase</b>	Indeterminate		

- The Office of Legislative Services (OLS) notes that the bill provides that a portion of the proceeds of the bond funds authorized for school security projects under the “Securing Our Children’s Future Bond Act,” P.L.2018, c.119, will be used for the installation of panic alarms. The bond funds will provide school districts with a source of revenue to finance the installation of the panic alarms.
- Research on the cost of installing panic alarm systems in schools in recent years suggests that the cost may range from \$1,000 to \$5,000 per school. Given that there are approximately 2,500 public schools located in the State, the total cost of installing the initial systems required by the legislation may range from \$2.5 million to \$12.5 million. Thereafter, panic alarm system purchases would recur intermittently to the extent that schools replace defective and outdated systems.
- Under the bill, the New Jersey Schools Development Authority (SDA) is authorized to adopt rules and regulations to implement the bill’s provisions. The actual cost of the installation of the alarms will be dependent upon the alarm specifications adopted by SDA.
- After installation of the panic alarm systems is completed, school districts may incur indeterminate ongoing testing and maintenance costs.

## **BILL DESCRIPTION**

This bill requires that all public elementary and secondary schools in the State be equipped with at least one panic alarm that is directly linked to local law enforcement (or State Police, if the municipality does not operate its own police department) for use in an emergency situation. The panic alarm must be silent within the school building. A school district may equip its school buildings with an emergency mechanism that is an alternative to a panic alarm if the mechanism is approved by the Department of Education. A school district that, prior to the bill's effective date, installed a panic alarm or alternative emergency mechanism approved by the department may receive reimbursement for those costs.

The bill provides that a portion of the proceeds of the bonds authorized to be issued under the "Securing Our Children's Future Bond Act," P.L.2018, c.119, will be used to fund the full cost of the panic alarms.

The bill directs the SDA to adopt rules and regulations to implement the bill's provisions.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS determines that this bill will lead to increased revenue for school districts, as the costs of installing the panic alarms will be covered by the general obligation bond proceeds to be issued under the "Securing Our Children's Future Bond Act," P.L.2018, c.119, that was approved by the voters on November 6, 2018. The bill will also lead to increased expenditures for school districts over time for costs associated with the replacement of defective and outdated systems, and ongoing testing and maintenance costs after the equipment is installed.

The cost of installing a panic alarm in a school appears to vary considerably, ranging from \$1,000 per school to \$5,000 per school. Given that there are approximately 2,500 public schools located in the State, the total cost of installing the initial systems required by the legislation may range from \$2.5 million to \$12.5 million. It should be noted that the New Jersey Schools Development Authority is authorized under the bill to promulgate rules and regulations to implement its provisions. Consequently the actual cost of the purchase and installation of the alarms will be dependent upon the alarm specifications established by SDA.

The financing of the cost of the purchase and installation of the panic alarms through the proceeds of bonds issued under the "Securing Our Children's Future Bond Act," P.L.2018, c.119, will represent a revenue increase for school districts. However, once the initial systems are installed, panic alarm system purchases would recur intermittently to the extent that schools replace defective and outdated systems, which would represent an expenditure increase for the districts. School districts may also incur indeterminate ongoing testing and maintenance costs after the equipment is installed.

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