

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4434
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 28, 2021

SUMMARY

Synopsis:	Establishes Student Wellness Grant Program in DOE.
Type of Impact:	Annual State expenditure increase; annual local school district revenue increase
Agencies Affected:	Department of Education; Department of Children and Families; Local School Districts.

Office of Legislative Services Estimate

Annual Fiscal Impact	
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 federal or other State funds, to establish the program and provide grants to local school districts. The bill does not specify the number of grants that will be awarded annually or the amount of the grants, and it is unknown how many applications will be received and approved. The increase in State expenditures, excluding administrative costs, would correspond to a revenue gain for local school districts selected for grants under the bill.
- The bill does not appropriate any State funds for the program; however, it includes a provision requiring that any federal funds made available to the Department of Education (DOE) for the bill’s purposes must be used first to award grants to school districts, prior to using other State funds. It is unknown what new federal funds may become available for the program’s purposes at a future date.
- The OLS notes that the most likely sources of federal funds that could currently be utilized in the provision of grants under the bill are State set-aside funds provided under the Elementary and Secondary Schools Emergency Relief (ESSER) I and II Funds established respectively in

the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act.

BILL DESCRIPTION

This bill directs the Commissioner of Education, in full consultation with the Commissioner of Children and Families, to establish the Student Wellness Grant Program. The purpose of the program will be to provide grants that support school districts in implementing school-based programs and practices that promote mental wellness, social and emotional learning, and student resilience.

The bill directs a school district which elects to participate in the grant program to submit an application to the Commissioner of Education. The bill directs the Commissioner of Education, in full consultation with the Commissioner of Children and Families, to develop criteria for the evaluation of applications for grants and to allocate grants within the limits of available appropriations. The bill also directs the commissioners to develop and disseminate to all school districts best practices in school-based programs that promote mental wellness, social and emotional learning, and student resilience.

Each school district that receives a student wellness grant must prepare and submit annually to the Commissioner of Education a report on its experience with and the effects of the program. The Commissioner of Education, in full consultation with the Commissioner of Children and Families, must annually submit a report to the Governor and the Legislature that includes the relevant information provided to them by the participating school districts on their implementation of the Student Wellness Grant Program.

The bill directs the DOE to use any available federal funds which may become available, including funds from the CARES Act, to effectuate the bill's purposes. Any federal funds available to the DOE will first be used to provide grant awards to school districts, prior to using State funds.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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The OLS notes that the most likely sources of federal funds that could currently be utilized in the provision of grants under the bill are State set-aside funds provided under the ESSER I and

ESSER II Funds established, respectively, in the CARES Act and the CRRSA Act, both of which permit the use of funds for student mental health services and support. Under the two laws, at least 90 percent of funds distributed to State educational agencies from the ESSER Funds must be allocated to local education agencies, while the remaining 10 percent may be retained by State educational agencies for certain purposes. According to a fact sheet produced by the United States Department of Education on the provisions of the CARES Act and the CRRSA Act, State educational agencies are generally required to award funds within one year of receiving them.

Under the provisions of the CARES Act, the DOE was able to retain approximately \$31 million of its total \$310 million allocation under the ESSER I Fund. This \$31 million set-aside can be used to, among other purposes, provide subgrants to school districts, charter schools, and renaissance schools for certain allowable purposes. Under the provisions of the CRRSA Act, the DOE was able to retain approximately \$123 million of its total \$1.23 billion allocation under the ESSER II Fund.

The DOE and the Department of Children and Families would incur recurring administrative costs to discharge its new responsibilities under the bill. The OLS has insufficient information upon which to base an estimate of this impact.

Section: Education

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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.).