

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5016
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: MARCH 3, 2021

SUMMARY

- Synopsis:** Establishes Water Apprenticeship, Training, and Resources Pilot Program in DOLWD.
- Type of Impact:** Annual State expenditure and revenue increases. Potential revenue increase to institutions of higher education.
- Agencies Affected:** Department of Labor and Workforce Development; Department of the Treasury; and Institutions of Higher Education.

Office of Legislative Services Estimate

| Fiscal Impact | <u>Annual</u> |
|--|---------------|
| State Expenditure Increase | Indeterminate |
| State Revenue Increase | Indeterminate |
| Revenue Increase to Institutions of Higher Education | Indeterminate |

- The Office of Legislative Services (OLS) finds that the bill will increase annual State expenditures by an indeterminate amount, as a result of the establishment and administration of the Water Apprenticeship, Training, and Employment Resources (WATER) Pilot Program in the Department of Labor and Workforce Development (DOLWD).
- The OLS notes that funding of the WATER program will come from the special non-lapsing fund to be known as the WATER Fund. The OLS finds that, if enacted, the bill may increase State annual revenues and administrative expenditures tied to the establishment and administration of the fund by the Department of the Treasury.
- The OLS also notes that the bill may potentially increase revenue to institutions of higher education. The bill includes colleges as eligible applicants for WATER grants.

BILL DESCRIPTION

This bill would create a five-year WATER Pilot Program in the DOLWD to provide grants to support funding for newly-established adult apprenticeship programs in the water infrastructure,

water utilities, and other water-related sectors, including, but not limited to, those employing wastewater workers, focusing on underserved and underrepresented communities. Any organizational sponsor of an apprenticeship program would be eligible to receive a grant, including businesses, labor organizations, colleges, workforce training providers, non-profit organizations, public utilities, local government entities and authorities, and trade organizations, provided that they have secured an industry partner or a monetary or in-kind funding contribution.

Beginning January 1, 2022, and each year thereafter for the duration of the pilot grant program, the Commissioner of Labor and Workforce Development would be required to submit to the Governor and the Legislature a report that evaluates the results of the program and its effectiveness.

In addition, the bill would create a special, non-lapsing fund to be known as the "WATER Fund" in the Department of the Treasury to collect and invest moneys to be used for the purposes of the bill. The bill directs the DOLWD to solicit grants from interested public or private sources for the fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will increase annual State expenditures by an indeterminate amount, as a result of the establishment and administration of the WATER program in the DOLWD. The annual State expenditure items will include the annual report to be submitted to the Governor and the Legislature. The OLS cannot quantify the annual increases because it is unclear how many applications for WATER grants the DOLWD will receive.

The OLS notes that the bill provides that funding of the WATER program will come from the special non-lapsing fund to be known as the WATER Fund. The OLS finds that, if enacted, the bill may increase annual State revenue and State administrative expenditures tied to the establishment and administration of the fund by the Department of the Treasury. The bill provides that the WATER Fund may consist of monies appropriated by the Legislature for inclusion in the fund, investment earnings of the fund, and moneys contributed to the fund by private sources, to be used for purposes of the WATER program.

The OLS also notes that the bill may potentially increase revenue to institutions of higher education. The bill includes colleges as eligible applicant for WATER grants.

Section: *Commerce, Labor and Industry*
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 Legislative Budget and Finance Officer

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.).