

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 2857

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JULY 6, 2023

SUMMARY

- Synopsis:** Establishes “Sustainable New Jersey Fund” in DEP to support certain sustainability initiatives; appropriates \$1 million.
- Type of Impact:** Annual State expenditure increases. Annual revenue and cost increases to public institutions of higher education.
- Agencies Affected:** Department of Environmental Protection; Public institutions of higher education.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Annually Thereafter</u>
State Cost Increase	Up to \$1 million	Indeterminate
Public Institution of Higher Education Revenue Increase	Up to \$1 million	Indeterminate
Public Institution of Higher Education Cost Increase	Up to \$1 million	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill may result in a State expenditure increase of up to \$1 million in the first year the bill is in effect. The Department of Environmental Protection will incur costs relating to the Sustainable New Jersey Fund established by the bill. If the full \$1 million is not expended in the first year, the residual amount will be spent in subsequent fiscal years until the full \$1 million is exhausted.
- The bill requires the moneys from the Sustainable New Jersey Fund to be distributed to a public institution of higher education which has a partnership with a qualified nonprofit organization and then requires the public institution of higher education to distribute the moneys to the qualified nonprofit organization, resulting in both a revenue and cost increase to the public institution of higher education.
- The bill also requires the Legislature to annually appropriate an unspecified amount to the Sustainable New Jersey Fund in subsequent fiscal years, which amount the OLS is unable to predict.

BILL DESCRIPTION

The bill establishes the Sustainable New Jersey Fund in the Department of Environmental Protection, makes an appropriation of \$1 million to the fund for the current fiscal year, and directs the Legislature to annually appropriate additional moneys to the fund.

Under the bill, the Department of Environmental Protection is required to annually distribute money in the fund to a public institution of higher education that has an existing contractual relationship with a qualified nonprofit organization, as defined in the bill, that offers certifications and grants to municipalities and public schools across the State in support of efforts to realize environmental, economic, and social sustainability. The public institution of higher education is to be required to distribute the funds to the qualified nonprofit organization to support the provision of the certification and grants. Under the bill, the fund is required to be annually credited with money appropriated by the Legislature, which moneys are required to be disbursed to the public institution of higher education partnered with a qualified nonprofit organization.

Under the bill, the qualified nonprofit organization that receives moneys pursuant to the provisions of the bill is to be treated as that a public institution of higher education for the purposes of complying with the public bidding requirements of the Local Public Contracts Law or the Public School Contracts Law, when contracting with a municipality, school, school district, and other State or local government contracting agency for services, certification processes, support initiatives, or grants under the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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Municipalities and public schools may also see an increase in revenue in the form of receipt of grant assistance through the qualified nonprofit organization. This assistance may result in cost decreases to the municipalities and public schools due to sustainability gains or reduced consulting costs through the qualified nonprofit organization.

The Department of Environmental Protection is also expected to incur costs associated with administering the Sustainable New Jersey Fund.

Section: Local Government

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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.).