LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 4709

STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JANUARY 15, 2026

SUMMARY

Synopsis: Requires automatic enrollment into utility bill payment assistance programs for certain individuals and households.

Type of Impact: Annual State expenditure increase.

Agencies Affected: Department of Human Services; Department of Community Affairs; Board of Public Utilities.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the State will incur additional indeterminate costs, which may be in the hundreds of millions of dollars annually, associated with an increase in recipients of utility assistance through the Universal Service Fund due to the bill's requirement to automatically enroll eligible households, and increased administrative costs associated with the review of eligibility and recipient data for certain needs-based public assistance programs, including certain utility bill payment assistance programs.

BILL DESCRIPTION

This bill requires the Department of Human Services to enter into a memorandum of understanding with the Department of Community Affairs, the Board of Public Utilities, and any other State agency that administers a utility bill payment assistance program that provides ongoing assistance to recipients. The memorandum of understanding is to require the Department of Human Services to provide information to any State agency that administers a utility bill payment assistance program that provides ongoing assistance to recipients concerning recipients of or households eligible for certain needs-based public assistance programs.

Based on the information received from the Department of Human Services pursuant to the memorandums of understanding, and a review of programs administered by any State agency that

administers a utility bill payment assistance program, the Department of Community Affairs, the Board of Public Utilities, and any other State agency that administers a utility bill payment assistance program that provides ongoing assistance to recipients would be required, to the extent permitted by federal law, to automatically enroll eligible households into the Universal Service Fund, the Winter Termination Program, the Summer Termination Program, and any other State utility bill payment assistance program that provides ongoing assistance to recipients.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the State will incur additional indeterminate costs associated with an increase in recipients of utility assistance through the Universal Service Fund (USF) program due to the bill's requirement to automatically enroll eligible households.

The USF program provides a monthly credit on qualifying residential utility bills to help make electricity and natural gas more affordable. A June 2025 Board of Public Utilities press release indicates that the USF program provided assistance to 226,000 households in 2024. Additionally, according to a study conducted by The Brattle Group for the board and published in December 2024, an estimated 1.1 million households are eligible for the USF program (20.5 percent). In response to an FY 2026 OLS Discussion Point, the board reported USF program costs having been approximately $184.9 million in the program year from October 2023 through September 2024. In October 2025, program changes went into effect that increased the minimum benefit from $5 to $20 and the maximum benefit from $180 to $200. Based on information in the June 2025 press release, these changes are expected to increase program costs by approximately $28.5 million. For illustrative purposes, this could increase annual USF program costs to $213.4 million and the average annual cost per household to approximately $944.24. Providing the average amount of assistance to each of the estimated 1.1 million eligible households may require a maximum of $1 billion annually in USF program funding. The OLS, however, maintains that the annual State cost increase as a result of the bill is indeterminate, and likely less than the $1 billion provided in the illustration, because those households that are eligible for the USF program are also eligible for the federal Low-Income Home Energy Assistance Program (LIHEAP), which provides a similar benefit to the Universal Service Fund Program. Any of the approximately 1.1 million eligible households that receive assistance through the LIHEAP program reduce demand for the USF program. The study conducted by The Brattle Group estimated that 227,000 households participate in the LIHEAP program.

New Jersey ratepayers fund the Universal Service Fund program via the societal benefits charge embedded in their electric and natural gas bills. In 2024, the State collected $165.9 million in societal benefit charges for the USF program. While the State has indicated that the established increases in assistance for the program year beginning in October 2025 would be funded with carry-over amounts and not through an increase in societal benefit charges, a substantially larger increase in program costs may require such adjustments.

In addition to increased USF program costs, the Department of Human Services, the Department of Community Affairs, the Board of Public Utilities, and certain other State agencies are expected to experience increased administrative costs associated with the bill's requirement to

review eligibility and recipient data for certain needs-based public assistance programs, including certain utility bill payment assistance programs, in order to automatically enroll eligible households into the USF program, the Winter Termination Program, the Summer Termination Program, and any other State utility bill payment assistance program that provides ongoing assistance to recipients.

Section:	*Local Government*
Analyst:	*Abigail Stoyer* *Senior Fiscal Analyst*
Approved:	*Thomas Koenig* *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.).