

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3850

STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 26, 2023

SUMMARY

- Synopsis:** Establishes nonpublic school transportation program to provide funding to consortiums of nonpublic schools that will assume responsibility for mandated nonpublic school busing.
- Type of Impact:** Annual State expenditure increase.
Annual school district expenditure and revenue increases.
- Agencies Affected:** Department of Education; local school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate
Local Cost Increase	Indeterminate
Local Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) determines that this bill will result in an indeterminate annual increase in State costs associated with the creation of consortiums for nonpublic school transportation. The magnitude of the cost increase would depend on the number of consortiums created and the cost per pupil of providing transportation for each consortium.
- Based on assumptions and data described in detail in the fiscal analysis, the OLS estimates that this bill could cost as much as \$12.1 million in FY 2024. However, actual cost increases are likely to be more moderate, considering that the State does reimburse some districts for some amount of per pupil costs. The OLS does not have access to specific data concerning per pupil transportation costs needed to provide a more precise estimate.

BILL DESCRIPTION

This bill establishes a nonpublic school consortium transportation program to provide funding to consortiums of nonpublic schools that will assume responsibility for participating school districts' mandated nonpublic school busing for those students.

Under the bill, a participating school district will pay to the consortium an amount equal to the aid in-lieu-of transportation amount, currently \$1,022, for each nonpublic school pupil residing in the district who is attending a nonpublic school which is a part of the consortium and who is required by law to be transported to the district. The consortium is to assume the responsibilities of transporting the pupils for whom it receives payment from the school district. A consortium may provide non-mandated transportation to students attending the nonpublic schools, provided that the parents or guardians of those students pay all of the costs of that transportation.

The bill provides that if the per pupil cost of the lowest bid received exceeds the aid in-lieu-of transportation amount, the parent or guardian of the student will be eligible to receive the aid in-lieu-of transportation amount from the consortium for that school district. At the end of the school year, the consortium will refund to the resident school district a portion of the aid in-lieu-of amount for a nonpublic school student who did not receive transportation for the entire school year. If any funds remain unexpended by the consortium at the end of the school year, the consortium is required to allocate that amount among the participating school districts in proportion to the number of nonpublic school pupils for whom the school district paid the consortium.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that this bill will result in an indeterminate increase in State costs associated with the creation of consortiums for nonpublic school transportation. The magnitude of the cost increase for the State would depend on the number of consortiums created and the cost per pupil of providing transportation for each consortium compared to the current cost per pupil of providing transportation in each participating school district.

Currently, school districts are responsible for providing transportation services to certain nonpublic school students, and the State reimburses districts for per pupil transportation costs in excess of \$710 and up to \$1,022. Under the bill, a school district would pay to the consortium \$1,022 regardless of actual per pupil transportation costs incurred by the consortium. The State would then reimburse school districts the maximum amount possible.

Based on data from the Department of Education, an estimated 38,772 nonpublic school students will receive transportation services in the 2023-2024 school year. Assuming that the State does not currently reimburse school districts for per pupil transportation costs in excess of \$710

for any of these students and that a consortium would become responsible for providing transportation services for each of these students, the bill would result in an increase in State costs of \$12.1 million. However, actual cost increases are likely to be more moderate, considering that the State does reimburse some districts for some amount of per pupil costs. The OLS does not have access to detailed information about actual per pupil transportation costs that would enable a more precise estimate.

A school district may experience a slight revenue increase to the extent that any nonpublic school students residing in the district do not receive transportation services from the consortium for the entire school year and the consortium is required to return a portion of the funding provided for those students to the resident school district.

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.).