

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3850

STATE OF NEW JERSEY

DATED: JUNE 12, 2023

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3850.

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 program, a participating school district will disburse to the consortium an amount equal to the aid in-lieu-of transportation amount (currently set at \$1,022) for each nonpublic school pupil who is attending a nonpublic school which is a part of the consortium and who is required by law to be transported by a school district. The consortium is to assume the responsibilities of transporting the pupils for whom it receives the aid in-lieu-of transportation amount.

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 year. In addition to providing transportation for students who are mandated to be transported, the consortium may provide non-mandated busing to students attending the nonpublic schools that are a part of the consortium, provided that the parents or guardians of those students pay all of the costs of that transportation.

At the end of the school year, the consortium will refund to individual participating school districts a portion of the aid-in-lieu-of amount the district provided to the consortium for a nonpublic school student who did not receive transportation for the entire school year. If any unexpended funds remain, the bill requires the consortium to allocate that amount among the school districts in proportion to the number of nonpublic school pupils for whom the school district distributed funds to the consortium.

The bill requires the Commissioner of Education to establish a committee to oversee the operations of each consortium in implementing the program. The oversight committee will consist of five members appointed by the commissioner, one of whom must represent a nonpublic school that is part of the consortium, and one of whom must represent a school district that is participating in the program. Under the provisions of the bill, the consortium is required to annually enter into a contract with an independent entity to audit the

implementation of the program and the audit is required to be submitted to the commissioner no later than December 1 of each year.

The bill takes effect immediately and provides that the program will first be applicable in the 2023-2024 school year.

FISCAL IMPACT:

The Office of Legislative Services (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.

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. 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, the bill would result in an increase in State costs of \$12 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.