

SENATE, No. 2077

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED FEBRUARY 8, 2001

Sponsored by:

Senator JOHN O. BENNETT

District 12 (Monmouth)

Senator JOSEPH A. PALAIA

District 11 (Monmouth)

Co-Sponsored by:

Senators Kyrillos and Singer

SYNOPSIS

Increases aid-in-lieu-of transportation amount.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/16/2001)

S2077 BENNETT, PALAIA

2

1 AN ACT concerning pupil transportation and amending P.L.1981, c.57
2 and P.L.1997, c.53.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 2 of P.L.1981, c.57 (C.18A:39-1a) is amended to read
8 as follows:

9 2. **[Beginning in the 1998-99 school year and in each subsequent**
10 **year,]** For the 2001-2002 school year, the maximum amount of
11 nonpublic school transportation costs per pupil provided for in
12 N.J.S.18A:39-1 shall equal \$735 and this amount shall be increased
13 **[or decreased]** in each subsequent year in direct proportion to the
14 increase **[or decrease]** in the State transportation aid per pupil in the
15 year prior to the prebudget year compared to the amount for the
16 prebudget year or by the CPI, whichever is greater.

17 As used in this section, State transportation aid per pupil shall equal
18 the total State transportation aid payments made pursuant to section
19 25 of P.L.1996, c.138 (C.18A:7F-25) divided by the number of pupils
20 eligible for transportation. "CPI" means the average annual increase,
21 expressed as a decimal, in the consumer price index for the New York
22 City and Philadelphia areas during the fiscal year preceding the
23 prebudget year as reported by the United States Department of Labor.

24 In the 2001-2002 school year and thereafter, any additional costs
25 incurred by a school district due to the increase in the maximum
26 amount of nonpublic school transportation costs per pupil to \$735
27 shall be borne by the State.

28 (cf: P.L.1996, c.138, s.66)

29

30 2. Section 1 of P.L.1997, c.53 (C.18A:39-11.1) is amended to read
31 as follows:

32 1. a. The Commissioner of Education shall identify and publish a
33 list of local school boards of education, educational services
34 commissions, county special services school districts, and any other
35 established agencies providing cooperative transportation services.

36 b. Any school district responsible for the transportation of pupils to
37 and from a school, other than a local district school, pursuant to
38 N.J.S.18A:39-1 which transports pupils to a county vocational school
39 and pupils classified pursuant to chapter 46 of Title 18A of the New
40 Jersey Statutes shall utilize one of the agencies identified by the
41 commissioner for the transportation of the pupils. Transportation by
42 one of the agencies shall not be required when the local district can
43 provide transportation at a lower cost than those agencies, or the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 transportation to be provided by one of the agencies does not fall
2 within the policies of the resident school district regarding length of
3 ride and assignment of students to a route based on student age or
4 classification.

5 c. Any school district which has in the prior year provided
6 payments in lieu of transportation for any nonpublic school pupil
7 pursuant to N.J.S.18A:39-1 or which cannot provide transportation in
8 the ensuing school year shall attempt to provide transportation through
9 an agency identified by the commissioner prior to determining to pay
10 aid in lieu of transportation. The school district shall provide to the
11 agency any unique limitations or restrictions of the required
12 transportation. If the costs to provide transportation by the agency
13 identified by the commissioner are less than the in-lieu-of payments,
14 the agency shall provide transportation. The school district shall make
15 the determination on the manner in which transportation services shall
16 be provided and shall notify the nonpublic school and the parent or
17 guardian of the nonpublic school pupil by August 1 prior to the
18 beginning of the school year. For the purposes of this subsection,
19 "costs to provide transportation" shall not include any administrative
20 fee charged by the agency. If the sum of the costs to provide
21 transportation plus any administrative fee charged by the agency
22 exceeds on a per pupil basis the maximum amount for nonpublic
23 school transportation established pursuant to section 2 of P.L.1981,
24 c.57 (C.18A:39-1a), the board of education may apply to the
25 commissioner for that portion which exceeds the maximum amount.

26 d. The county superintendents shall assist local boards of education
27 and the chief school administrators of nonpublic schools in
28 coordinating the calendars and schedules of the public and nonpublic
29 schools to facilitate the coordination of transportation of pupils to and
30 from school in their respective county.
31 (cf: P.L.1997, c.53, s.1)

32
33 3. This act shall take effect immediately and shall first apply to the
34 2001-2002 school year.

35
36
37 STATEMENT

38
39 This bill raises the aid-in-lieu-of transportation amount to \$735 for
40 the 2001-2002 school year and provides for a yearly increase in the
41 amount in direct proportion to the increase in the State transportation
42 aid per pupil or by the CPI, whichever is greater. For the 2000-2001
43 school year the aid-in-lieu-of transportation amount equals \$710.

44 The bill provides that in the 2001-2002 school year and thereafter,
45 any additional costs incurred by a school district due to the increase in
46 the aid-in-lieu-of transportation amount to \$735 will be borne by the

S2077 BENNETT, PALAIA

4

1 State. It will be the school district's responsibility to pay for any
2 increased costs in excess of \$735 that may occur in the 2002-2003
3 school year and thereafter due to the annual increase that is provided
4 for in the bill.

5 The bill also provides that in the case of a cooperative
6 transportation services agency attempting to provide nonpublic school
7 transportation, the "costs to provide transportation" will not include
8 any administrative fees charged by the agency. The bill provides that
9 a school district which incurs increased costs due to this provision may
10 apply to the commissioner to be reimbursed for amounts that exceed
11 the aid-in-lieu-of transportation amount.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 2077

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 26, 2001

The Senate Education Committee reports favorably Senate Bill No. 2077 with committee amendments.

As amended, this bill raises the aid-in-lieu-of transportation amount to \$735 for the 2001-2002 school year and provides for a yearly increase in the amount in direct proportion to the increase in the State transportation aid per pupil or by the CPI, whichever is greater. For the 2000-2001 school year the aid-in-lieu-of transportation amount equals \$710.

The bill provides that in the 2001-2002 school year and thereafter, any additional costs incurred by a school district due to the increase in the aid-in-lieu-of transportation amount will be borne by the State.

In addition, the bill requires a county superintendent, during the approval process of pupil transportation contracts, to examine the contract to determine whether cost efficiencies could be realized by combining public and nonpublic school pupils on the same school bus routes.

Amendments were adopted to make clear that the State would pay any additional costs incurred by a school district because of the increase in the maximum amount of nonpublic school transportation costs per pupil; to provide for a review of transportation contracts by the county superintendent; and to delete a section of the bill containing language regarding administrative fees because that language is in a bill which is pending approval.

[First Reprint]

SENATE, No. 2077

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED FEBRUARY 8, 2001

Sponsored by:

Senator JOHN O. BENNETT

District 12 (Monmouth)

Senator JOSEPH A. PALAIA

District 11 (Monmouth)

Co-Sponsored by:

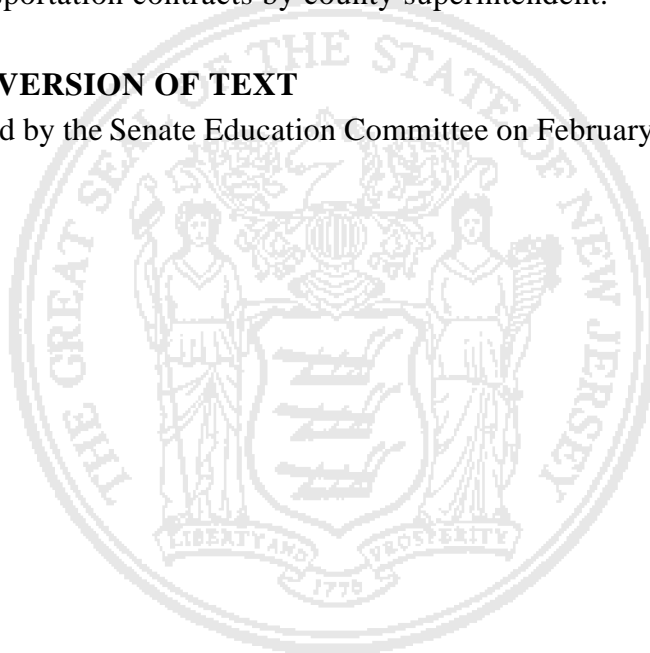
Senators Kyrillos, Singer, Turner, McNamara and Matheussen

SYNOPSIS

Increases aid-in-lieu-of transportation amount and requires certain review of pupil transportation contracts by county superintendent.

CURRENT VERSION OF TEXT

As reported by the Senate Education Committee on February 26, 2001, with amendments.



(Sponsorship Updated As Of: 6/22/2001)

1 AN ACT concerning pupil transportation¹~~[and]~~¹ amending P.L.1981,
2 c.57 and P.L.1997, c.53 ¹and supplementing chapter 39 of Title
3 18A of the New Jersey Statutes¹.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 2 of P.L.1981, c.57 (C.18A:39-1a) is amended to read
9 as follows:

10 2. ~~[Beginning in the 1998-99 school year and in each subsequent~~
11 ~~year,] For the 2001-2002 school year, the maximum amount of~~
12 ~~nonpublic school transportation costs per pupil provided for in~~
13 ~~N.J.S.18A:39-1 shall equal \$735 and this amount shall be increased~~
14 ~~[or decreased] in each subsequent year in direct proportion to the~~
15 ~~increase [or decrease] in the State transportation aid per pupil in the~~
16 ~~year prior to the prebudget year compared to the amount for the~~
17 ~~prebudget year or by the CPI, whichever is greater.~~

18 As used in this section, State transportation aid per pupil shall equal
19 the total State transportation aid payments made pursuant to section
20 25 of P.L.1996, c.138 (C.18A:7F-25) divided by the number of pupils
21 eligible for transportation. "CPI" means the average annual increase,
22 expressed as a decimal, in the consumer price index for the New York
23 City and Philadelphia areas during the fiscal year preceding the
24 prebudget year as reported by the United States Department of Labor.

25 In the 2001-2002 school year and thereafter, any additional costs
26 incurred by a school district due to the increase in the maximum
27 amount of nonpublic school transportation costs per pupil ¹[to \$735]
28 pursuant to this section¹ shall be borne by the State.

29 (cf: P.L.1996, c.138, s.66)

30
31 ¹[2. Section 1 of P.L.1997, c.53 (C.18A:39-11.1) is amended to
32 read as follows:

33 1. a. The Commissioner of Education shall identify and publish a
34 list of local school boards of education, educational services
35 commissions, county special services school districts, and any other
36 established agencies providing cooperative transportation services.

37 b. Any school district responsible for the transportation of pupils to
38 and from a school, other than a local district school, pursuant to
39 N.J.S.18A:39-1 which transports pupils to a county vocational school
40 and pupils classified pursuant to chapter 46 of Title 18A of the New
41 Jersey Statutes shall utilize one of the agencies identified by the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SED committee amendments adopted February 26, 2001.

1 commissioner for the transportation of the pupils. Transportation by
2 one of the agencies shall not be required when the local district can
3 provide transportation at a lower cost than those agencies, or the
4 transportation to be provided by one of the agencies does not fall
5 within the policies of the resident school district regarding length of
6 ride and assignment of students to a route based on student age or
7 classification.

8 c. Any school district which has in the prior year provided
9 payments in lieu of transportation for any nonpublic school pupil
10 pursuant to N.J.S.18A:39-1 or which cannot provide transportation in
11 the ensuing school year shall attempt to provide transportation through
12 an agency identified by the commissioner prior to determining to pay
13 aid in lieu of transportation. The school district shall provide to the
14 agency any unique limitations or restrictions of the required
15 transportation. If the costs to provide transportation by the agency
16 identified by the commissioner are less than the in-lieu-of payments,
17 the agency shall provide transportation. The school district shall make
18 the determination on the manner in which transportation services shall
19 be provided and shall notify the nonpublic school and the parent or
20 guardian of the nonpublic school pupil by August 1 prior to the
21 beginning of the school year. For the purposes of this subsection,
22 "costs to provide transportation" shall not include any administrative
23 fee charged by the agency. If the sum of the costs to provide
24 transportation plus any administrative fee charged by the agency
25 exceeds on a per pupil basis the maximum amount for nonpublic
26 school transportation established pursuant to section 2 of P.L.1981,
27 c.57 (C.18A:39-1a), the board of education may apply to the
28 commissioner for that portion which exceeds the maximum amount.

29 d. The county superintendents shall assist local boards of education
30 and the chief school administrators of nonpublic schools in
31 coordinating the calendars and schedules of the public and nonpublic
32 schools to facilitate the coordination of transportation of pupils to and
33 from school in their respective county.

34 (cf: P.L.1997, c.53, s.1)]¹

35

36 ¹2. (New section) A county superintendent of schools, during the
37 approval process of pupil transportation contracts conducted pursuant
38 to N.J.S.18A:39-2, shall examine the contract to determine whether
39 cost efficiencies could be realized by combining public and nonpublic
40 school pupils on the same school bus routes.¹

41

42 3. This act shall take effect immediately and shall first apply to the
43 2001-2002 school year.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2077

STATE OF NEW JERSEY

209th LEGISLATURE

DATED: APRIL 9, 2001

SUMMARY

Synopsis: Increases aid-in-lieu-of transportation amount and requires certain review of pupil transportation contracts by county superintendent

Type of Impact: An expenditure increase from the General Fund.

Agencies Affected: Department of Education and school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$989,050	Indeterminate-See Comments Below	

! The Office of Legislative Services (OLS) estimates that the cost to the State of the \$25 increase in the aid-in-lieu of transportation amount in the first year would be \$989,050. In subsequent years, the cost to the State would increase relative to the increase in the State transportation aid per pupil or by the CPI, whichever is greater and the number of non-public school students for which school districts are providing aid-in-lieu of transportation payments.

BILL DESCRIPTION

Senate Bill No. 2077 (1R) of 2001 raises the aid-in-lieu-of transportation amount for nonpublic school pupils to \$735 for the 2001-2002 school year and provides for a yearly increase in the amount in direct proportion to the increase in the State transportation aid per pupil or by the CPI, whichever is greater. For the 2000-2001 school year the aid-in-lieu-of transportation amount equals \$710.

The bill provides that in the 2001-2002 school year and thereafter, any additional costs incurred by a school district due to the increase in the aid-in-lieu-of transportation amount will be borne by the State.

In addition, the bill requires a county superintendent, during the approval process of pupil transportation contracts, to examine the contract to determine whether cost efficiencies could be realized by combining public and nonpublic school pupils on the same school bus routes.

FISCAL ANALYSIS***EXECUTIVE BRANCH***

None received.

OFFICE OF LEGISLATIVE SERVICES

OLS estimates that under the bill the cost to the State in the first year would be \$989,050. The Department of Education projection for FY 2002 is that 39,562 nonpublic students will receive aid-in-lieu-of payments. The aid-in-lieu-of payment for FY 2002 is \$710. The amount proposed in the bill is \$735, a \$25 difference. The cost to the State in the first year is \$25 times 39,562 = \$989,050. In subsequent years, the aid amount of \$735 would be increased in direct proportion to the increase in the State transportation aid per pupil as required under section 2 of P.L.1981, c.57 (C.18A:39-1a) or by the CPI, whichever is greater. This aid amount times the number of students would provide the added cost to the State in subsequent years.

Section: *Education*

Analyst: *Theodore C. Settle*
Lead Research Analyst

Approved: *Alan R. Kooney*
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.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2077

STATE OF NEW JERSEY

DATED: MAY 31, 2001

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2077 (1R).

This bill raises the maximum per-pupil amount of public funds that State law requires to be spent on the transportation of children to a nonpublic school, provides an alternative standard for computing the annual adjustment to that maximum amount, and increases State funding for such transportation.

Under New Jersey law, school districts that offer resident children transportation to and from *public* schools are required to do the same for resident children attending any *nonpublic* school, provided that the school operates on a nonprofit basis and is located in the State and within 20 miles of the pupil's residence. This obligation, however, is subject to a limit on the maximum annual per-pupil amount that a district must spend to provide the transportation. If a school district seeking to contract for the purchase of transport services for its nonpublic school pupils receives no bid at a price at or below that maximum amount, then the district need only provide, in lieu of actual transportation for those pupils, cash payment in that amount to the pupils' parents or other legal custodians. The cost to the district of these "in-lieu-of" payments is wholly or partially offset by formula State transportation aid under the "Comprehensive Educational Improvement and Financing Act of 1996" (CEIFA), payable to a district at the same rate for the district's nonpublic and public school students alike. (The average amount of such aid Statewide is currently \$410 per pupil, but the amount varies considerably among districts.)

Legislation enacted in 1992 set the maximum required spending level for nonpublic school transportation assistance, and thus the benchmark for in-lieu-of aid, at \$675 per pupil. A 1996 enactment provided that, beginning in the 1998-99 school year, the amount would increase annually in proportion to the year-to-year increase in formula State transportation aid under CEIFA. For the 2000-01 school year, the aid-in-lieu-of transportation amount is \$710 per pupil.

This bill would:

(1) Raise the aid-in-lieu-of transportation amount to \$735 for the 2001-02 school year;

(2) Provide that in subsequent years, the annual increase in the aid-in-lieu amount shall be based *either* on the increase in the State transportation aid per pupil under CEIFA *or* on the increase in the federal Consumer Price Index, whichever is greater; and

(3) Direct that in the 2001-02 school year and thereafter, any additional costs incurred by a school district due to increases in the aid-in-lieu-of transportation amount will be borne by the State.

In addition, the bill requires a county superintendent, during the approval process of pupil transportation contracts, to examine the contract to determine whether cost efficiencies could be realized by combining public and nonpublic school pupils on the same school bus routes.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the total costs to the State of implementing this legislation would be \$2.06 million in the first year. These costs would be incurred for both the students who receive in-lieu-of payments and for those who receive transportation services.

(1) The Department of Education projects that in FY2002, some 39,562 nonpublic students will receive in-lieu-of payments. As noted above, the payment amount for FY2002 is currently set at \$710 per pupil. The amount proposed in the bill for that year (\$735) represents a \$25 increase. Assuming that the increased amount will be paid for each pupil projected to be entitled to an in-lieu payment, the cost to the State in the first year is \$25 times 39,562, or about \$990,000.

(2) The State is also likely to incur increased costs with respect to nonpublic school pupils who are provided transportation, as the contract price to provide such transportation rises in conjunction with the increase in the mandated support level. Currently, some 75 percent of the contracts to provide nonpublic transportation are at the maximum per-pupil amount of \$710. The Department of Education expects that for most districts, the per-pupil cost to provide transportation will increase to the new maximum of \$735. There are 57,068 nonpublic school students being transported. The OLS estimates that the additional cost to the State would be \$25 times 75 percent of 57,068, or roughly \$1.07 million.

Finally, the OLS notes that in future years, the aid-in-lieu amount would be adjusted in direct proportion to the increase in the State transportation aid per pupil or the CPI, whichever is greater. These prospective adjustments will further increase State costs for the support of both the population of students for whom contract transportation service is provided and those for whom in-lieu-of payments are made.

[Corrected Copy]

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2077

STATE OF NEW JERSEY

209th LEGISLATURE

DATED: JUNE 14, 2001

SUMMARY

Synopsis: Increases aid-in-lieu-of transportation amount and requires certain review of pupil transportation contracts by county superintendent.

Type of Impact: An expenditure increase from the General Fund.

Agencies Affected: Department of Education and school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Direct State			
Cost	\$989,050	Indeterminate-See comments below	
Indirect State			
Cost	\$1,070,025	Indeterminate-See comments below	

- ! The Office of Legislative Services (OLS) estimates that the direct cost to the State of the \$25 increase in the aid-in-lieu of transportation amount in the first year would be \$989,050. In subsequent years, the cost to the State would increase relative to the increase in the State transportation aid per pupil or by the CPI, whichever is greater, and the number of non-public school students for which school districts are providing aid-in-lieu of transportation payments.
- ! In addition to the direct cost to the State for the increase in the amount of aid-in-lieu of transportation payment, OLS estimates that the State will experience an indirect cost increase of approximately \$1,070,025. Currently, 75 percent of the contracts for providing transportation to nonpublic students are at the per pupil maximum cost amount of \$710. If the cost to provide transportation is greater than \$710 per pupil, the aid-in-lieu of payment discussed above is made. The expectation of the Department of Education is that if the aid-in-lieu-of payment amount is increased from \$710 to \$735, the contracts for providing transportation will also increase by approximately the same dollar amount, \$25.

BILL DESCRIPTION

Senate Bill No. 2077 (1R) of 2001 raises the aid-in-lieu-of transportation amount for nonpublic school pupils to \$735 for the 2001-2002 school year and provides for a yearly increase in the amount in direct proportion to the increase in the State transportation aid per pupil or by the CPI, whichever is greater. For the 2000-2001 school year the aid-in-lieu-of transportation amount equals \$710.

The bill provides that in the 2001-2002 school year and thereafter, any additional costs incurred by a school district due to the increase in the aid-in-lieu-of transportation amount will be borne by the State.

In addition, the bill requires a county superintendent, during the approval process of pupil transportation contracts, to examine the contract to determine whether cost efficiencies could be realized by combining public and nonpublic school pupils on the same school bus routes.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

In this Corrected Copy Fiscal Estimate to S-2077 1R of 2001, OLS estimates that under the bill the direct cost to the State in the first year of increasing the aid-in-lieu-of amount from \$710 to \$735 would be \$989,050. The Department of Education projection for FY 2002 is that 39,562 nonpublic students will receive aid-in-lieu-of payments. The aid-in-lieu-of payment for FY 2002 is \$710. The amount proposed in the bill is \$735, a \$25 difference. The cost to the State in the first year is \$25 times 39,562 = \$989,050.

In addition to the direct cost, the State is also likely to incur increased costs due to the anticipated increase in the cost in the contracted amount per student to provide transportation. Currently approximately 75 percent of the contracts to provide nonpublic transportation are at the maximum per pupil amount of \$710. If the per pupil cost to provide transportation is greater than \$710, the in-lieu-of payment discussed above is made. The Department of Education expects that the per-pupil cost to provide transportation will increase to the new maximum of \$735. There are 57,068 nonpublic school students being transported. OLS estimates that the additional indirect cost to the State would be \$25 times 75 percent of 57,068 = \$1,070,025.

OLS estimates that the total costs to the State in the first year would be \$2,059,075. In subsequent years, the aid-in-lieu-of amount of \$735 would be increased in direct proportion to the increase in the State transportation aid per pupil as required under section 2 of P.L.1981, c.57 (C.18A:39-1a) or by the CPI, whichever is greater. This aid amount times the number of students would provide the added direct cost to the State in subsequent years and in addition, the indirect costs are likely to increase based on increases in the contracted amount per pupil to provide transportation.

Section: *Education*

Analyst: *Theodore C. Settle*
Lead Research Analyst

Approved: *Alan R. Kooney*
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.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2077

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2001

The Assembly Education Committee reports favorably Senate Bill No. 2077 (1R) with committee amendments.

As amended by committee, beginning in the 2002-2003 school year, this bill raises the maximum per pupil amount of public funds that State law requires to be spent on the transportation of children to a nonpublic school, provides an alternative standard for computing the annual adjustment to that maximum amount, and increases State funding for such transportation.

Under New Jersey law, school districts that offer resident children transportation to and from *public* schools are required to do the same for resident children attending any *nonpublic* school, provided that the school operates on a nonprofit basis and is located in the State and within 20 miles of the pupil's residence. This obligation, however, is subject to a limit on the maximum annual per pupil amount that a district must spend to provide the transportation. If a school district seeking to contract for the purchase of transportation services for its nonpublic school pupils receives no bid at a price at or below that maximum amount, then the district need only provide, in lieu of actual transportation for those pupils, cash payment in that amount to the pupils' parents or other legal custodians. The cost to the district of these "in-lieu-of" payments is wholly or partially offset by formula State transportation aid under the "Comprehensive Educational Improvement and Financing Act of 1996" (CEIFA) P.L.1996, c.138, payable to a district at the same rate for the district's nonpublic and public school students alike. (The average amount of such aid Statewide is currently \$410 per pupil, but the amount varies considerably among districts.)

Legislation enacted in 1992 set the maximum required spending level for nonpublic school transportation assistance, and thus the benchmark for in-lieu-of aid, at \$675 per pupil and provided that beginning in the 1993-94 school year, the amount would increase annually in proportion to the year-to-year increase in State transportation aid under the school aid formula. For the 2001-02

school year, the aid-in-lieu-of transportation amount is \$710 per pupil.

This bill would:

(1) raise the aid-in-lieu-of transportation amount to \$735 for the 2002-03 school year;

(2) provide that in subsequent years, the annual increase in the aid-in-lieu-of amount will be based *either* on the increase in the State transportation aid per pupil under CEIFA *or* on the increase in the federal Consumer Price Index, whichever is greater; and

(3) direct that in the 2002-03 school year and thereafter, any additional costs incurred by a school district due to increases in the aid-in-lieu-of transportation amount will be borne by the State.

In addition, the bill requires a county superintendent, during the approval process of pupil transportation contracts, to examine the contract to determine whether cost efficiencies could be realized by combining public and nonpublic school pupils on the same school bus routes.

The committee amended the bill to make its provisions applicable beginning in the 2002-2003 school year.

[Second Reprint]

SENATE, No. 2077

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED FEBRUARY 8, 2001

Sponsored by:

Senator JOHN O. BENNETT

District 12 (Monmouth)

Senator JOSEPH A. PALAIA

District 11 (Monmouth)

Co-Sponsored by:

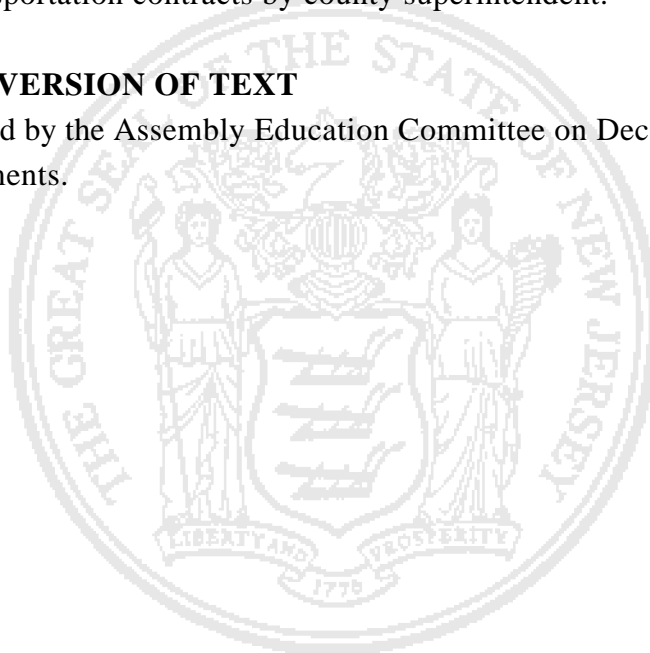
**Senators Kyrillos, Singer, Turner, Matheussen, McNamara and
Assemblyman Geist**

SYNOPSIS

Increases aid-in-lieu-of transportation amount and requires certain review of pupil transportation contracts by county superintendent.

CURRENT VERSION OF TEXT

As reported by the Assembly Education Committee on December 6, 2001, with amendments.



(Sponsorship Updated As Of: 1/4/2002)

1 AN ACT concerning pupil transportation¹[and]¹ amending P.L.1981,
2 c.57 and P.L.1997, c.53 ¹and supplementing chapter 39 of Title
3 18A of the New Jersey Statutes¹.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 2 of P.L.1981, c.57 (C.18A:39-1a) is amended to read
9 as follows:

10 2. [Beginning in the 1998-99 school year and in each subsequent
11 year,] For the ²[2001-2002] 2002-2003² school year, the maximum
12 amount of nonpublic school transportation costs per pupil provided for
13 in N.J.S.18A:39-1 shall equal \$735 and this amount shall be increased
14 [or decreased] in each subsequent year in direct proportion to the
15 increase [or decrease] in the State transportation aid per pupil in the
16 year prior to the prebudget year compared to the amount for the
17 prebudget year or by the CPI, whichever is greater.

18 As used in this section, State transportation aid per pupil shall equal
19 the total State transportation aid payments made pursuant to section
20 25 of P.L.1996, c.138 (C.18A:7F-25) divided by the number of pupils
21 eligible for transportation. "CPI" means the average annual increase,
22 expressed as a decimal, in the consumer price index for the New York
23 City and Philadelphia areas during the fiscal year preceding the
24 prebudget year as reported by the United States Department of Labor.

25 In the ²[2001-2002] 2002-2003² school year and thereafter, any
26 additional costs incurred by a school district due to the increase in the
27 maximum amount of nonpublic school transportation costs per pupil
28 ¹[to \$735] pursuant to this section¹ shall be borne by the State.

29 (cf: P.L.1996, c.138, s.66)

30
31 ¹[2. Section 1 of P.L.1997, c.53 (C.18A:39-11.1) is amended to
32 read as follows:

33 1. a. The Commissioner of Education shall identify and publish a
34 list of local school boards of education, educational services
35 commissions, county special services school districts, and any other
36 established agencies providing cooperative transportation services.

37 b. Any school district responsible for the transportation of pupils
38 to and from a school, other than a local district school, pursuant to
39 N.J.S.18A:39-1 which transports pupils to a county vocational school
40 and pupils classified pursuant to chapter 46 of Title 18A of the New

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SED committee amendments adopted February 26, 2001.

² Assembly AED committee amendments adopted December 6, 2001.

1 Jersey Statutes shall utilize one of the agencies identified by the
2 commissioner for the transportation of the pupils. Transportation by
3 one of the agencies shall not be required when the local district can
4 provide transportation at a lower cost than those agencies, or the
5 transportation to be provided by one of the agencies does not fall
6 within the policies of the resident school district regarding length of
7 ride and assignment of students to a route based on student age or
8 classification.

9 c. Any school district which has in the prior year provided
10 payments in lieu of transportation for any nonpublic school pupil
11 pursuant to N.J.S.18A:39-1 or which cannot provide transportation in
12 the ensuing school year shall attempt to provide transportation through
13 an agency identified by the commissioner prior to determining to pay
14 aid in lieu of transportation. The school district shall provide to the
15 agency any unique limitations or restrictions of the required
16 transportation. If the costs to provide transportation by the agency
17 identified by the commissioner are less than the in-lieu-of payments,
18 the agency shall provide transportation. The school district shall make
19 the determination on the manner in which transportation services shall
20 be provided and shall notify the nonpublic school and the parent or
21 guardian of the nonpublic school pupil by August 1 prior to the
22 beginning of the school year. For the purposes of this subsection,
23 "costs to provide transportation" shall not include any administrative
24 fee charged by the agency. If the sum of the costs to provide
25 transportation plus any administrative fee charged by the agency
26 exceeds on a per pupil basis the maximum amount for nonpublic
27 school transportation established pursuant to section 2 of P.L.1981,
28 c.57 (C.18A:39-1a), the board of education may apply to the
29 commissioner for that portion which exceeds the maximum amount.

30 d. The county superintendents shall assist local boards of education
31 and the chief school administrators of nonpublic schools in
32 coordinating the calendars and schedules of the public and nonpublic
33 schools to facilitate the coordination of transportation of pupils to and
34 from school in their respective county.

35 (cf: P.L.1997, c.53, s.1)]¹

36

37 ¹2. (New section) A county superintendent of schools, during the
38 approval process of pupil transportation contracts conducted pursuant
39 to N.J.S.18A:39-2, shall examine the contract to determine whether
40 cost efficiencies could be realized by combining public and nonpublic
41 school pupils on the same school bus routes.¹

42

43 3. This act shall take effect immediately and shall first apply to the
44 ²[2001-2002] 2002-2003² school year.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 2077

STATE OF NEW JERSEY

DATED: DECEMBER 20, 2001

The Assembly Appropriations Committee reports favorably Senate Bill No. 2077 (2R).

Senate Bill No. 2077 (2R) raises the maximum per-pupil amount of public funds that State law requires to be spent on the transportation of children to a nonpublic school, provides an alternative standard for computing the annual adjustment to that maximum amount, and increases State funding for such transportation.

Under New Jersey law, school districts that offer resident children transportation to and from *public* schools are required to do the same for resident children attending any *nonpublic* school, provided that the school operates on a nonprofit basis and is located in the State and within 20 miles of the pupil's residence. This obligation, however, is subject to a limit on the maximum annual per-pupil amount that a district must spend to provide the transportation. If a school district seeking to contract for the purchase of transport services for its nonpublic school pupils receives no bid at a price at or below that maximum amount, then the district need only provide, in lieu of actual transportation for those pupils, cash payment in that amount to the pupils' parents or other legal custodians. The cost to the district of these "in-lieu-of" payments is wholly or partially offset by formula State transportation aid under the "Comprehensive Educational Improvement and Financing Act of 1996" (CEIFA), payable to a district at the same rate for the district's nonpublic and public school students alike. (The average amount of such aid Statewide is currently \$410 per pupil, but the amount varies considerably among districts.)

Legislation enacted in 1992 set the maximum required spending level for nonpublic school transportation assistance, and thus the benchmark for in-lieu-of aid, at \$675 per pupil. A 1996 enactment provided that, beginning in the 1998-99 school year, the amount would increase annually in proportion to the year-to-year increase in formula State transportation aid under CEIFA. For the 2001-02 school year, the aid-in-lieu-of transportation amount is \$710 per pupil.

This bill would:

(1) Raise the aid-in-lieu-of transportation amount to \$735 for the 2002-03 school year;

(2) Provide that in subsequent years, the annual increase in the aid-in-lieu amount shall be based *either* on the increase in the State transportation aid per pupil under CEIFA *or* on the increase in the federal Consumer Price Index, whichever is greater; and

(3) Direct that in the 2002-03 school year and thereafter, any additional costs incurred by a school district due to increases in the aid-in-lieu-of transportation amount will be borne by the State.

In addition, the bill requires a county superintendent, during the approval process of pupil transportation contracts, to examine the contract to determine whether cost efficiencies could be realized by combining public and nonpublic school pupils on the same school bus routes.

As reported, this bill is identical to Assembly Bill No. 4040, as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the total costs to the State of implementing this legislation would be \$2.06 million in the first year. These costs would be incurred for both the students who receive in-lieu-of payments and for those who receive transportation services.

(1) The Department of Education projects that in FY2002, some 39,562 nonpublic students will receive in-lieu-of payments. As noted above, the payment amount for FY2002 is currently set at \$710 per pupil. The amount proposed in the bill for that year (\$735) represents a \$25 increase. Assuming that the increased amount will be paid for each pupil projected to be entitled to an in-lieu payment, the cost to the State in the first year is \$25 times 39,562, or about \$990,000.

(2) The State is also likely to incur increased costs with respect to nonpublic school pupils who are provided transportation, as the contract price to provide such transportation rises in conjunction with the increase in the mandated support level. Currently, some 75 percent of the contracts to provide nonpublic transportation are at the maximum per-pupil amount of \$710. The Department of Education expects that for most districts, the per-pupil cost to provide transportation will increase to the new maximum of \$735. There are 57,068 nonpublic school students being transported. The OLS estimates that the additional cost to the State would be \$25 times 75 percent of 57,068, or roughly \$1.07 million.

Finally, the OLS notes that in future years, the aid-in-lieu amount would be adjusted in direct proportion to the increase in the State transportation aid per pupil or the CPI, whichever is greater. These prospective adjustments will further increase State costs for the support of both the population of students for whom contract transportation service is provided and those for whom in-lieu-of payments are made.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 2077

STATE OF NEW JERSEY

209th LEGISLATURE

DATED: JANUARY 17, 2002

SUMMARY

Synopsis: Increases aid-in-lieu-of transportation amount and requires certain review of pupil transportation contracts by county superintendent.

Type of Impact: An expenditure increase from the General Fund.

Agencies Affected: Department of Education and school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Direct State			
Cost	\$989,050	Indeterminate-See comments below	
Indirect State			
Cost	\$1,070,025	Indeterminate-See comments below	

- ! The Office of Legislative Services (OLS) estimates that the direct cost to the State of the \$25 increase in the aid-in-lieu of transportation amount in the first year would be \$989,050. In subsequent years, the cost to the State would increase relative to the increase in the State transportation aid per pupil or by the CPI, whichever is greater, and the number of non-public school students for which school districts are providing aid-in-lieu of transportation payments.
- ! In addition to the direct cost to the State for the increase in the amount of aid-in-lieu of transportation payment, OLS estimates that the State will experience an indirect cost increase of approximately \$1,070,025. Currently, 75 percent of the contracts for providing transportation to nonpublic students are at the per pupil maximum cost amount of \$710. If the cost to provide transportation is greater than \$710 per pupil, the aid-in-lieu of payment discussed above is made. The expectation of the Department of Education is that if the aid-in-lieu of payment amount is increased from \$710 to \$735, the contracts for providing transportation will also increase by approximately the same dollar amount, \$25.

BILL DESCRIPTION

Senate Bill No. 2077 (2R) of 2001 raises the aid-in-lieu-of transportation amount for

nonpublic school pupils to \$735 for the 2002-2003 school year and provides for a yearly increase in the amount in direct proportion to the increase in the State transportation aid per pupil or by the CPI, whichever is greater. For the 2001-2002 school year the aid-in-lieu-of transportation amount equals \$710.

The bill provides that in the 2002-2003 school year and thereafter, any additional costs incurred by a school district due to the increase in the aid-in-lieu-of transportation amount will be borne by the State.

In addition, the bill requires a county superintendent, during the approval process of pupil transportation contracts, to examine the contract to determine whether cost efficiencies could be realized by combining public and nonpublic school pupils on the same school bus routes.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

OLS estimates that under the bill the direct cost to the State in the first year of increasing the aid-in-lieu amount from \$710 to \$735 would be \$989,050. The Department of Education projection for FY 2002 is that 39,562 nonpublic students will receive aid-in-lieu-of payments. The aid-in-lieu-of payment for FY 2002 is \$710. The amount proposed in the bill is \$735, a \$25 difference. The cost to the State in the first year is \$25 times 39,562 = \$989,050.

In addition to the direct cost, the State is also likely to incur increased costs due to the anticipated increase in the cost in the contracted amount per student to provide transportation. Currently approximately 75 percent of the contracts to provide nonpublic transportation are at the maximum per pupil amount of \$710. If the per pupil cost to provide transportation is greater than \$710, the in-lieu-of payment discussed above is made. The Department of Education expects that the per-pupil cost to provide transportation will increase to the new maximum of \$735. There are 57,068 nonpublic school students being transported. OLS estimates that the additional indirect cost to the State would be \$25 times 75 percent of 57,068 = \$1,070,025.

OLS estimates that the total costs to the State in the first year would be \$2,059,075. In subsequent years, the aid-in-lieu-of amount of \$735 would be increased in direct proportion to the increase in the State transportation aid per pupil as required under section 2 of P.L.1981, c.57 (C.18A:39-1a) or by the CPI, whichever is greater. This aid amount times the number of students would provide the added direct cost to the State in subsequent years and in addition, the indirect costs are likely to increase based on increases in the contracted amount per pupil to provide transportation.

Section: *Education*

Analyst: *Theodore C. Settle*
Lead Research Analyst

Approved: *Alan R. Kooney*
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.

ASSEMBLY, No. 4040

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED DECEMBER 17, 2001

Sponsored by:

Assemblyman GEORGE F. GEIST

District 4 (Camden and Gloucester)

SYNOPSIS

Increases aid-in-lieu-of transportation amount and requires certain review of pupil transportation contracts by county superintendent.

CURRENT VERSION OF TEXT

As introduced.



A4040 GEIST

2

1 AN ACT concerning pupil transportation, amending P.L.1981, c.57 and
2 P.L.1997, c.53 and supplementing chapter 39 of Title 18A of the
3 New Jersey Statutes.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7

8 1. Section 2 of P.L.1981, c.57 (C.18A:39-1a) is amended to read
9 as follows:

10 2. **[Beginning in the 1998-99 school year and in each subsequent**
11 **year,]** For the 2002-2003 school year, the maximum amount of
12 nonpublic school transportation costs per pupil provided for in
13 N.J.S.18A:39-1 shall equal \$735 and this amount shall be increased
14 **[or decreased]** in each subsequent year in direct proportion to the
15 increase **[or decrease]** in the State transportation aid per pupil in the
16 year prior to the prebudget year compared to the amount for the
17 prebudget year or by the CPI, whichever is greater.

18 As used in this section, State transportation aid per pupil shall equal
19 the total State transportation aid payments made pursuant to section
20 25 of P.L.1996, c.138 (C.18A:7F-25) divided by the number of pupils
21 eligible for transportation. "CPI" means the average annual increase,
22 expressed as a decimal, in the consumer price index for the New York
23 City and Philadelphia areas during the fiscal year preceding the
24 prebudget year as reported by the United States Department of Labor.

25 In the 2002-2003 school year and thereafter, any additional costs
26 incurred by a school district due to the increase in the maximum
27 amount of nonpublic school transportation costs per pupil pursuant to
28 this section shall be borne by the State.

29 (cf: P.L.1996, c.138, s.66)

30

31 2. (New section) A county superintendent of schools, during the
32 approval process of pupil transportation contracts conducted pursuant
33 to N.J.S.18A:39-2, shall examine the contract to determine whether
34 cost efficiencies could be realized by combining public and nonpublic
35 school pupils on the same school bus routes.

36

37 3. This act shall take effect immediately and shall first apply to the
38 2002-2003 school year.

39

40

STATEMENT

41

42 This bill raises the maximum per-pupil amount of public funds that
43 State law requires to be spent on the transportation of children to a

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 nonpublic school, provides an alternative standard for computing the
2 annual adjustment to that maximum amount, and increases State
3 funding for such transportation.

4 Under New Jersey law, school districts that offer resident children
5 transportation to and from public schools are required to do the same
6 for resident children attending any nonpublic school, provided that the
7 school operates on a nonprofit basis and is located in the State and
8 within 20 miles of the pupil's residence. This obligation, however, is
9 subject to a limit on the maximum annual per-pupil amount that a
10 district must spend to provide the transportation. If a school district
11 seeking to contract for the purchase of transport services for its
12 nonpublic school pupils receives no bid at a price at or below that
13 maximum amount, then the district need only provide, in lieu of actual
14 transportation for those pupils, cash payment in that amount to the
15 pupils' parents or other legal custodians. For the 2000-01 school year,
16 the aid-in-lieu-of transportation amount is \$710 per pupil.

17 This bill would:

18 (1) raise the aid-in-lieu-of transportation amount to \$735 for the
19 2002-03 school year;

20 (2) provide that in subsequent years, the annual increase in the aid-
21 in-lieu amount shall be based either on the increase in the State
22 transportation aid per pupil under CEIFA or on the increase in the
23 federal Consumer Price Index, whichever is greater; and

24 (3) direct that in the 2002-03 school year and thereafter, any
25 additional costs incurred by a school district due to increases in the
26 aid-in-lieu-of transportation amount will be borne by the State.

27 In addition, the bill requires a county superintendent, during the
28 approval process of pupil transportation contracts, to examine the
29 contract to determine whether cost efficiencies could be realized by
30 combining public and nonpublic school pupils on the same school bus
31 routes.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4040

STATE OF NEW JERSEY

DATED: DECEMBER 20, 2001

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4040.

Assembly Bill No. 4040 raises the maximum per-pupil amount of public funds that State law requires to be spent on the transportation of children to a nonpublic school, provides an alternative standard for computing the annual adjustment to that maximum amount, and increases State funding for such transportation.

Under New Jersey law, school districts that offer resident children transportation to and from *public* schools are required to do the same for resident children attending any *nonpublic* school, provided that the school operates on a nonprofit basis and is located in the State and within 20 miles of the pupil's residence. This obligation, however, is subject to a limit on the maximum annual per-pupil amount that a district must spend to provide the transportation. If a school district seeking to contract for the purchase of transport services for its nonpublic school pupils receives no bid at a price at or below that maximum amount, then the district need only provide, in lieu of actual transportation for those pupils, cash payment in that amount to the pupils' parents or other legal custodians. The cost to the district of these "in-lieu-of" payments is wholly or partially offset by formula State transportation aid under the "Comprehensive Educational Improvement and Financing Act of 1996" (CEIFA), payable to a district at the same rate for the district's nonpublic and public school students alike. (The average amount of such aid Statewide is currently \$410 per pupil, but the amount varies considerably among districts.)

Legislation enacted in 1992 set the maximum required spending level for nonpublic school transportation assistance, and thus the benchmark for in-lieu-of aid, at \$675 per pupil. A 1996 enactment provided that, beginning in the 1998-99 school year, the amount would increase annually in proportion to the year-to-year increase in formula State transportation aid under CEIFA. For the 2001-02 school year, the aid-in-lieu-of transportation amount is \$710 per pupil.

This bill would:

- (1) Raise the aid-in-lieu-of transportation amount to \$735 for the 2002-03 school year;
- (2) Provide that in subsequent years, the annual increase in the aid-in-lieu amount shall be based *either* on the increase in the State

transportation aid per pupil under CEIFA *or* on the increase in the federal Consumer Price Index, whichever is greater; and

(3) Direct that in the 2002-03 school year and thereafter, any additional costs incurred by a school district due to increases in the aid-in-lieu-of transportation amount will be borne by the State.

In addition, the bill requires a county superintendent, during the approval process of pupil transportation contracts, to examine the contract to determine whether cost efficiencies could be realized by combining public and nonpublic school pupils on the same school bus routes.

As reported, this bill is identical to Senate Bill No. 2077 (2R), as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the total costs to the State of implementing this legislation would be \$2.06 million in the first year. These costs would be incurred for both the students who receive in-lieu-of payments and for those who receive transportation services.

(1) The Department of Education projects that in FY2002, some 39,562 nonpublic students will receive in-lieu-of payments. As noted above, the payment amount for FY2002 is currently set at \$710 per pupil. The amount proposed in the bill for that year (\$735) represents a \$25 increase. Assuming that the increased amount will be paid for each pupil projected to be entitled to an in-lieu payment, the cost to the State in the first year is \$25 times 39,562, or about \$990,000.

(2) The State is also likely to incur increased costs with respect to nonpublic school pupils who are provided transportation, as the contract price to provide such transportation rises in conjunction with the increase in the mandated support level. Currently, some 75 percent of the contracts to provide nonpublic transportation are at the maximum per-pupil amount of \$710. The Department of Education expects that for most districts, the per-pupil cost to provide transportation will increase to the new maximum of \$735. There are 57,068 nonpublic school students being transported. The OLS estimates that the additional cost to the State would be \$25 times 75 percent of 57,068, or roughly \$1.07 million.

Finally, the OLS notes that in future years, the aid-in-lieu amount would be adjusted in direct proportion to the increase in the State transportation aid per pupil or the CPI, whichever is greater. These prospective adjustments will further increase State costs for the support of both the population of students for whom contract transportation service is provided and those for whom in-lieu-of payments are made.

P.L. 2001, CHAPTER 437, *approved January 10, 2002*
Senate, No. 2077 (*Second Reprint*)

1 AN ACT concerning pupil transportation¹ [and],¹ amending P.L.1981,
2 c.57 and P.L.1997, c.53 ¹and supplementing chapter 39 of Title
3 18A of the New Jersey Statutes¹.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 2 of P.L.1981, c.57 (C.18A:39-1a) is amended to read
9 as follows:

10 2. [Beginning in the 1998-99 school year and in each subsequent
11 year,] For the ²[2001-2002] 2002-2003² school year, the maximum
12 amount of nonpublic school transportation costs per pupil provided for
13 in N.J.S.18A:39-1 shall equal \$735 and this amount shall be increased
14 [or decreased] in each subsequent year in direct proportion to the
15 increase [or decrease] in the State transportation aid per pupil in the
16 year prior to the prebudget year compared to the amount for the
17 prebudget year or by the CPI, whichever is greater.

18 As used in this section, State transportation aid per pupil shall equal
19 the total State transportation aid payments made pursuant to section
20 25 of P.L.1996, c.138 (C.18A:7F-25) divided by the number of pupils
21 eligible for transportation. "CPI" means the average annual increase,
22 expressed as a decimal, in the consumer price index for the New York
23 City and Philadelphia areas during the fiscal year preceding the
24 prebudget year as reported by the United States Department of Labor.

25 In the ²[2001-2002] 2002-2003² school year and thereafter, any
26 additional costs incurred by a school district due to the increase in the
27 maximum amount of nonpublic school transportation costs per pupil
28 ¹[to \$735] pursuant to this section¹ shall be borne by the State.

29 (cf: P.L.1996, c.138, s.66)

30
31 ¹[2. Section 1 of P.L.1997, c.53 (C.18A:39-11.1) is amended to
32 read as follows:

33 1. a. The Commissioner of Education shall identify and publish a
34 list of local school boards of education, educational services
35 commissions, county special services school districts, and any other
36 established agencies providing cooperative transportation services.

37 b. Any school district responsible for the transportation of pupils
38 to and from a school, other than a local district school, pursuant to

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SED committee amendments adopted February 26, 2001.

² Assembly AED committee amendments adopted December 6, 2001.

1 N.J.S.18A:39-1 which transports pupils to a county vocational school
2 and pupils classified pursuant to chapter 46 of Title 18A of the New
3 Jersey Statutes shall utilize one of the agencies identified by the
4 commissioner for the transportation of the pupils. Transportation by
5 one of the agencies shall not be required when the local district can
6 provide transportation at a lower cost than those agencies, or the
7 transportation to be provided by one of the agencies does not fall
8 within the policies of the resident school district regarding length of
9 ride and assignment of students to a route based on student age or
10 classification.

11 c. Any school district which has in the prior year provided
12 payments in lieu of transportation for any nonpublic school pupil
13 pursuant to N.J.S.18A:39-1 or which cannot provide transportation in
14 the ensuing school year shall attempt to provide transportation through
15 an agency identified by the commissioner prior to determining to pay
16 aid in lieu of transportation. The school district shall provide to the
17 agency any unique limitations or restrictions of the required
18 transportation. If the costs to provide transportation by the agency
19 identified by the commissioner are less than the in-lieu-of payments,
20 the agency shall provide transportation. The school district shall make
21 the determination on the manner in which transportation services shall
22 be provided and shall notify the nonpublic school and the parent or
23 guardian of the nonpublic school pupil by August 1 prior to the
24 beginning of the school year. For the purposes of this subsection,
25 "costs to provide transportation" shall not include any administrative
26 fee charged by the agency. If the sum of the costs to provide
27 transportation plus any administrative fee charged by the agency
28 exceeds on a per pupil basis the maximum amount for nonpublic
29 school transportation established pursuant to section 2 of P.L.1981,
30 c.57 (C.18A:39-1a), the board of education may apply to the
31 commissioner for that portion which exceeds the maximum amount.

32 d. The county superintendents shall assist local boards of education
33 and the chief school administrators of nonpublic schools in
34 coordinating the calendars and schedules of the public and nonpublic
35 schools to facilitate the coordination of transportation of pupils to and
36 from school in their respective county.

37 (cf: P.L.1997, c.53, s.1)]¹

38

39 ¹2. (New section) A county superintendent of schools, during the
40 approval process of pupil transportation contracts conducted pursuant
41 to N.J.S.18A:39-2, shall examine the contract to determine whether
42 cost efficiencies could be realized by combining public and nonpublic
43 school pupils on the same school bus routes.¹

44

45 3. This act shall take effect immediately and shall first apply to the
46 ²[2001-2002] 2002-2003² school year.

1

2

3 Increases aid-in-lieu-of transportation amount and requires certain
4 review of pupil transportation contracts by county superintendent.

CHAPTER 437

AN ACT concerning pupil transportation, amending P.L.1981, c.57 and P.L.1997, c.53 and supplementing chapter 39 of Title 18A of the New Jersey Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 2 of P.L.1981, c.57 (C.18A:39-1a) is amended to read as follows:

C.18A:39-1a Adjustment of nonpublic school transportation costs.

2. For the 2002-2003 school year, the maximum amount of nonpublic school transportation costs per pupil provided for in N.J.S.18A:39-1 shall equal \$735 and this amount shall be increased in each subsequent year in direct proportion to the increase in the State transportation aid per pupil in the year prior to the prebudget year compared to the amount for the prebudget year or by the CPI, whichever is greater.

As used in this section, State transportation aid per pupil shall equal the total State transportation aid payments made pursuant to section 25 of P.L.1996, c.138 (C.18A:7F-25) divided by the number of pupils eligible for transportation. "CPI" means the average annual increase, expressed as a decimal, in the consumer price index for the New York City and Philadelphia areas during the fiscal year preceding the prebudget year as reported by the United States Department of Labor.

In the 2002-2003 school year and thereafter, any additional costs incurred by a school district due to the increase in the maximum amount of nonpublic school transportation costs per pupil pursuant to this section shall be borne by the State.

C.18A:39-2.2 Determination of cost efficiencies by combining public, nonpublic school bus routes.

2. A county superintendent of schools, during the approval process of pupil transportation contracts conducted pursuant to N.J.S.18A:39-2, shall examine the contract to determine whether cost efficiencies could be realized by combining public and nonpublic school pupils on the same school bus routes.

3. This act shall take effect immediately and shall first apply to the 2002-2003 school year.

Approved January 10, 2002.