

18A: 39-2 + 18A: 39-3

LEGISLATIVE HISTORY CHECKLIST

HJSA 18A: 39-2 and 18A:39-3

LAWS OF 1977

CHAPTER 68 (Multiyear Contracts for Pupil Transportation.)

Bill No. S506

Sponsor(s) Dumont, Bedell

Date Introduced Pre-filed

Committee: Assembly Education

Senate Education

Amended during passage Yes

~~x~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly February 1, 1977

Senate May 13, 1976

Date of approval April 21, 1977

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes ~~No~~

Fiscal Note Yes No

Veto Message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

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SENATE, No. 506

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senators DUMONT and BEDELL

AN ACT concerning contracts for the transportation of pupils, and amending sections 18A:39-2 and 18A:39-3 of the New Jersey Statutes.

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

1 1. N. J. S. 18A:39-2 is amended to read as follows:

2 18A:39-2. Any board of education having power to provide for
3 the transportation of school pupils in its district to and from
4 school may provide such transportation by a bus or buses owned
5 by it or may enter into contract for such transportation, approved
6 by the county superintendent, for a term not exceeding 4 years.

7 All multiyear contracts***[,]*** *made* pursuant to the above
8 ***[in]*** *taking* effect subsequent to September 1, ***[1974]*** *1975*
9 may, at the discretion of the local board of education, *and subject
10 to approval by the county superintendent,* be increased not to ex-
11 ceed 5% annually of the original yearly contract cost beginning
12 with the second year of the contract.

1 2. N. J. S. 18A:39-3 is amended to read as follows:

2 18A:39-3. No contract for the transportation of pupils to and
3 from school shall be made, when the amount to be paid during the
4 school year for such transportation shall exceed \$2,500.00 and
5 have the approval of the county superintendent of schools, unless
6 the board of education making such contract shall have first
7 publicly advertised for bids therefor in a newspaper published in
8 the district or, if no newspaper is published therein, in a newspaper
9 circulating in the district once, at least 10 days prior to the date
10 fixed for receiving proposals for such transportation, and shall
11 have awarded the contract to the lowest responsible bidder.

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

12 Nothing in this chapter shall require the advertisement and let-
13 ting on proposals or bids of annual extensions, approved by the
14 county superintendent, of any contract for transportation entered
15 into through competitive bidding when—

16 (a) Such annual extensions impose no additional cost upon the
17 board of education; or

18 (b) The original contract was entered into prior to May 14, 1942
19 and the increase in the original contractual amount as a result of
20 such extensions does not exceed 30% thereof; or

21 (c) The original contract was entered into on or subsequent to
22 May 14, 1942 and the increase in the original contractual amount
23 as a result of such extensions does not exceed ~~15%~~ 20% thereof.

1 3. This act shall take effect immediately.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 506

STATE OF NEW JERSEY

DATED: MARCH 29, 1976

PROVISIONS:

Senate Bill No. 506 provides incentives for pupil transportation contractors to enter into both multi-year contracts and annual extensions of such contracts. In addition, Senate Bill No. 506 provides caps on cost increases.

PROBLEMS ADDRESSED:

Currently, N. J. S. 18A:39-2 (section one of Senate Bill No. 506) permits boards of education to enter into contracts for pupil transportation for a term not to exceed 4 years. The proposed change to this section would encourage multi-year contracts by allowing a cost increase of up to 5% of the first year's cost for each subsequent year of the contract.

Under current law, N. J. S. 18A:39-3 (section two of the bill), boards of education are permitted to grant annual extensions of contracts, entered into through competitive bidding, as long as the overall increase does not exceed 15% of the original contract.

As amended, school boards would be permitted to grant annual extensions of pupil transportation contracts beyond the current 4-year limit. Such annual extensions of the contract may also include a cost increase factor if the overall increase (e.g., 4 years of the original contract and 1 year extension) does not exceed 20% of the cost of the original contract.

In effect, there is a cap of 5% placed on any yearly cost increase and a cap of 20% placed on any cumulative multi-year cost increase if extensions are granted beyond the 4-year period. Any increase granted by a school board is subject to approval by the county superintendent. This bill will apply to contracts entered into after September 1, 1975.

It is the judgment of the Senate Education Committee that such changes in the current law will provide incentives for contractors to enter into multi-year contracts, as well as to enter into extensions of contracts. Further, it is the judgment of the Senate Education Committee that such arrangements will serve to limit the increases in pupil transportation costs.