

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1677

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 6, 2024

The Assembly Education committee reports favorably Assembly Bill No. 1677 with committee amendments.

This bill, as amended by the committee, authorizes a board of education to use competitive contracting and enter into extended contracts and lease terms for electric school buses. The amended bill also permits the New Jersey School Boards Association to serve as a government aggregator to obtain certain gas and electric related services, including electric school buses and related goods and services, for members and other local units.

Under current law a school district may utilize competitive contracting in lieu of public bidding for the procurement of certain listed specialized goods and services that exceed the bid threshold. The amended bill authorizes a board of education to utilize competitive contracting for the purchase of electric school buses, on-site charging infrastructure for electric school buses, and on-site or off-site related electric school bus and charging infrastructure operation and maintenance services, or any combination thereof.

Current law permits a school district to enter into a contract for the leasing of school buses for a term not exceeding in the aggregate 10 years. The amended bill provides that a school district may enter into a contract for the leasing of electric school buses and related charging equipment and services for a term not in excess of the service life of the electric school bus. The amended bill also clarifies that the 10-year contract term limit continues to apply to fossil fuel school buses.

Also under existing law, a school district may enter into a lease purchase agreement for the acquisition of a school bus for a term not in excess of 10 years. The amended bill extends the term of a lease purchase agreement in the case of electric school buses and related charging equipment and services to the service life of the electric school bus. The amended bill also clarifies that the 10-year lease purchase agreement term limit continues to apply to fossil fuel school buses.

Finally, the bill amends the “Electric Discount and Energy Competition Act,” P.L.1999, c.23 (C.48:3-49 et al), to provide that the New Jersey School Boards Association may serve as a

government aggregator to obtain electric school buses and related goods and services. The amended bill also permits the New Jersey School Boards Association to serve as a government aggregator to obtain the listed services, including electric school buses and related goods and services, for counties, municipalities, and other local contracting units.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committed amended the bill to:

- permit the New Jersey School Boards Association to act as a government aggregator to obtain certain energy services for counties, municipalities, and other local contracting units who wish to voluntarily participate; and
- update the bill title and synopsis.