

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 787

STATE OF NEW JERSEY

DATED: MARCH 11, 2024

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 787.

This bill provides supplemental transportation aid to certain districts participating in the interdistrict public school choice program.

Under the bill, a choice district located in a city of the second class, which district has been directed by the New Jersey Supreme Court to engage in efforts to desegregate the student population, is responsible for providing transportation, including the organization of bus routes and bidding for transportation services, or aid-in-lieu-of transportation, to certain elementary and secondary school pupils to attend the choice district. Under the bill, the sending district is to receive State aid for transportation for those students transported to the choice district. The sending district is then to pay directly to the choice district the State aid for transportation, or aid-in-lieu-of amount, received by the sending district pursuant to the bill.

The bill also provides supplemental State aid for transportation for a choice district responsible for transporting students from a sending district pursuant to the provisions of the bill when the total costs of providing transportation from the sending districts to the choice district exceeds the amount of State aid for transportation the sending district receives pursuant to the bill. To be eligible to receive the supplemental State aid for transportation, the choice district is required to demonstrate to the commissioner that the bus routes utilize cost efficient methods. The choice district is to annually report to the Department of Education at the end of each school year the cost of providing transportation to students from a sending district that exceed the amount of funds the choice district receives from the sending district pursuant to the bill. The department is required to reimburse the choice district for the additional costs reported.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that this bill will lead to indeterminate, likely modest costs for the State to provide supplemental transportation aid to certain school choice districts. Any school choice district receiving aid under the bill will experience a revenue increase. The State expenditure increase will likely be modest given the bill's limited applicability to school districts that: participate in the Interdistrict Public School Choice Program; are located in a city

of the second class; and have been directed by the New Jersey Supreme Court to engage in efforts to desegregate the student population. The OLS finds that there are only three school districts located in cities of the second class that participate in the Interdistrict Public School Choice Program. Of those three school districts, the OLS is aware of only one district that is under desegregation orders from the New Jersey Supreme Court: Englewood City School District.

The costs of the bill are indeterminate because the OLS does not have access to information that would indicate the number of students for which the total costs of providing transportation would exceed the amount of State transportation aid received for those students.