

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 5153
STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: JUNE 29, 2026

SUMMARY

- Synopsis:** Requires unexpended State aid for nonpublic school nursing services and nonpublic school security services to be used to support nonpublic school transportation services.
- Type of Impact:** Overall net neutral State expenditure impact; local school district revenue increase to support nonpublic school transportation costs.
- Agencies Affected:** Department of Education, local school districts, nonpublic schools.

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Expenditure Impact	Net Neutral
Local School District Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that this bill will ultimately have a net neutral State expenditure impact. The bill does not change the process under current law whereby unexpended State aid for nonpublic school nursing and security services provided to a school district in one school year is refunded to the State in the following school year. The bill’s requirement to use the refunded State aid to increase the maximum amount of nonpublic school transportation costs per pupil in the year succeeding the following school year would result in increased nonpublic school transportation aid in that school year.
- The amount of unexpended State aid for nonpublic school nursing and security services can vary in any given school year. However, the OLS notes that if \$1 million in unexpended funds were to be redirected to increase nonpublic school transportation aid in FY2027, the maximum amount of nonpublic school transportation costs per pupil would be expected to increase by between \$12 and \$22.



BILL DESCRIPTION

This bill would require unexpended State aid for the nonpublic school nursing services aid program and the nonpublic school security aid program to be used to increase the Statewide maximum amount of nonpublic school transportation costs per pupil.

Under current law, in the event that the expenditures incurred by a school district are less than the State aid received to support required nursing or security services provided to nonpublic schools, the district is required to refund the unexpended State aid after the completion of the school year. The bill would require the State to apply any refunded nonpublic school nursing services aid or nonpublic school security services aid from one school year to increase the Statewide maximum amount of nonpublic school transportation costs per pupil for the school year succeeding the following school year.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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By way of background, the OLS notes that current law requires a school district to provide transportation to public school students who live remote from school, with "remote" being defined as more than two miles from the school of attendance for elementary school students and more than two and a half miles for secondary school students. If a school district provides mandatory busing to public school students, the district is also required to provide transportation, or payments in lieu of transportation, to nonpublic school students in the district who live remote from the nonpublic school of attendance but not more than 20 miles from the school.

School districts are limited, however, to the amount per pupil that they can spend on nonpublic school student transportation. In recent years, this maximum amount of nonpublic school transportation costs per pupil has been established in the annual appropriations act. The FY2026 appropriations act sets the limit at \$1,177 per pupil, and the FY2027 Governor's Budget recommends the same per pupil limit. If the school district is unable to provide transportation services to a nonpublic school student within this limit, then it is required to make an aid in-lieu-of transportation payment in that amount to the student's parent or guardian. The State is responsible for reimbursing school districts for any nonpublic student transportation costs in

excess of \$710 per pupil. Based on the proposed FY2027 transportation spending limit of \$1,177 per pupil, the State reimburses school districts up to \$467 per pupil for nonpublic transportation costs. An increase of \$1 million for nonpublic transportation funding would increase the maximum amount of nonpublic school transportation costs per pupil to somewhere between \$1,189 and \$1,199, thereby increasing the maximum State reimbursement to between \$479 and \$489.

By redirecting additional resources to increase the maximum amount of nonpublic school transportation costs per pupil, this bill effectively would increase State aid provided to school districts for the provision of nonpublic school student transportation services. The OLS estimates that the current amount of funds available for reimbursement of nonpublic school transportation costs under the FY2026 appropriations act is approximately \$33.2 million; meanwhile the estimated amount available under the FY2027 Governor's Budget is approximately \$36.6 million.

Section: Education

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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 (C.52:13B-6 et seq.).