

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1282

STATE OF NEW JERSEY

DATED: MAY 19, 2022

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1282 (1R).

This bill requires the New Jersey Department of Environmental Protection (DEP) to implement, a three-year “Electric School Bus Program” (program). The purpose of the program is to determine the operational reliability and cost effectiveness of replacing diesel-powered school buses with electric school buses for daily transportation of students.

The bill requires the DEP, subject to available funding, to select no less than six school districts (districts) and school bus contractors (bus contractors) annually for participation in the program, so that during the third year of the program, no less than a total of 18 districts or bus contractors are selected to participate in the program amongst the northern, central, and southern regions of the State. At least half of the districts or bus contractors annually selected and at least half of the grant funding is to be located in a “low-income, urban, or environmental justice community” as defined pursuant to law. The DEP is to use its best efforts to select an equal number of grantees from the northern, central, and southern parts of the State.

The DEP is to award grants to the selected districts or bus contractors to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure. An electric school bus and charging infrastructure vendor purchase or lease arrangement is to include certain provisions as described in the bill. Under the bill, \$45 million is made available for grants provided under the program. The DEP is to provide \$15 million in grants in the first year for electrification and, subject to available funding, \$15 million for each of the next two years. The DEP may use available monies to provide grants from the societal benefits charge (SBC) revenues, the “Global Warming Solutions Fund,” any appropriations made by the Legislature, or any other sources of available funding.

The bill requires the selected districts or bus contractors to submit reports to the DEP detailing the cost to operate electric school buses, the electric school bus maintenance records and transponder data, and any reliability issues related to the operation or delivery and procurement of the buses.

The DEP is to convene, twice per year, a working group, which includes certain representatives as provided in the bill. The working group is to review reports and, as appropriate, troubleshoot and recommend solutions to any issue raised in the submitted report. The working group is also required to consider issues raised in the reports and make recommendations regarding program implementation.

The DEP is to permit a recipient of any grant under any State agency-administered program for the provision of electric school bus and electric school bus charging infrastructure prior to the effective date of the bill to submit any additional information and data to the DEP to complement any data received by the DEP from program participants.

The bill requires the DEP to, in collaboration with the Board of Public Utilities and the New Jersey Economic Development Authority, submit reports to the Governor and Legislature within six months following the conclusion of the program.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that this bill will result in an increase in State expenditures of up to \$45 million over three years to fund and administer the program. Participating local school districts will realize the same amount in increased grant revenue to purchase electric buses and electric charging infrastructure, less any monies retained by the Department of Environmental Protection (DEP) to administer the grant.

The program may also generate an indeterminate amount of net local cost savings throughout the duration of the program and possibly longer. Electric vehicles generally require lower operating and maintenance costs during the life of the vehicle compared to diesel powered ones, but participating school districts will likely incur some upfront costs associated with the program that they otherwise would not have incurred with their current diesel fleet. The magnitude of any savings cannot be accurately stated at this time due to uncertainty about the cost benefits a local school district will realize from the use of electric buses as opposed to conventional diesel buses.