

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 759

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 3, 2022

The Senate Transportation Committee reports favorably and with committee amendments Senate Bill No. 759.

As amended and reported, 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, \$15,000,000 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 a 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 an 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 a report to the Governor and Legislature within six months following the conclusion of the program.

The committee amended the bill to:

- Clarify that school districts and school bus contractors are to be selected to participate in the program subject to available funding;
- Provide that bus drivers and any personnel required to receive training under the provisions of the bill are not to incur the cost of the training;
- Remove a provision requiring the DEP to consult with government and education stakeholders and non-profit policy experts before determining the amount of each grant;
- Require program participants to include any reliability issues related to delivery and procurement of electric school buses in reports provided to the DEP;
- Provide that the first report required to be submitted by a program participant is to be submitted six months after the participant first completes its initial procurement of electric school buses rather than six months after the participant first begins operating electric school buses;
- Require DEP to convene a working group that meets at least twice per year, or on a more frequent basis as needed, instead of establishing a committee that meets at least monthly;
- Require the working group to consider issues raised in reports submitted by program participants and make recommendations regarding program implementation;
- Remove reference to the Plug-in Electric Vehicle Incentive Fund as a source from which the DEP may use monies to procure certain professional services;

- Provide that the DEP may use monies appropriated by the Legislature or any other available sources to procure certain professional services; and
- Provide that societal benefits charge revenues may be used for light, medium, and heavy-duty plug in electric vehicles, including school buses and associated charging infrastructure rather than solely for the “Electric School Bus Program.”

This bill was pre-filed for introduction in the 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.