



State of New Jersey

DEPARTMENT OF EDUCATION

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*Acting Commissioner*

February 18, 2011

TO: Chief School Administrators  
Board Secretaries/School Business Administrators  
County Superintendents  
County School Business Administrators

FROM: Yut'se O. Thomas, Acting Assistant Commissioner  
Division of Finance & Regulatory Compliance

SUBJECT: Payment of Aid in Lieu of Transportation

A handwritten signature in black ink, appearing to read "YOT", is written over the "FROM:" line of the memorandum.

It has come to our attention that some local boards of education are confused about the definition of "public school student" and are questioning their responsibility to pay aid in lieu of transportation under certain circumstances.

Public school students are all students attending regular public school programs provided in their resident school districts, all students attending vocational school, charter school, choice school or any other specialized public school program, and all students assigned to private schools for the handicapped by their resident school district's child study team. Only those students attending private schools for which their parents or legal guardians pay tuition, or students attending a public school outside of their resident district and for which their parents or legal guardians pay tuition are not considered to be public school students.

N.J.S.A. 18A:39-1 defines who is eligible for mandated transportation services. Whenever a board of education provides transportation to its resident students who attend regular public school programs, it must also provide transportation services to students attending nonpublic schools who meet the distance requirements in the law. If an elementary school student lives more than two miles from their nonpublic school or a student attends a secondary school located more than two and one-half miles from their school, the student is eligible for mandated transportation services. However, the law places a limit on the cost of this transportation. If the student's resident district cannot provide transportation for that amount or less (\$884 per student for the 2010-2011 school year), the district must pay the student's parent or legal guardian that amount as aid in lieu of transportation.

In order to limit the fiscal impact of costly transportation to charter and choice school programs, the cost of transportation to charter schools for students living outside of the charter school's district or region of residence, as well as the cost of transportation to choice school programs, is also limited to the maximum annual expenditure for nonpublic school transportation (\$884 per student for the 2010-2011 school year). If the cost is higher and the student's parent or legal guardian agrees to pay the amount in excess of this annual limit, the student will be provided with a ride. Otherwise, the student's parents or legal guardians will be paid that amount as aid in lieu of transportation.

Payment of aid in lieu of transportation is a transportation service provided by law to the parents or legal guardians of students who are eligible for transportation services under the law. The laws establishing this eligibility and payment of aid in lieu of transportation predate both the "State Mandate, State Pay" provisions of law and the CEIFA funding formula, N.J.S.A. 18A:7F-57. **No state law relieves a local board of education of the obligation to pay aid in lieu of transportation when a student is eligible for this transportation service.** State transportation aid paid to local boards of education has never covered the full cost of these mandated transportation services, and is not a prerequisite for the payment of aid in lieu of transportation.

If you have any questions regarding this issue, please contact the Office of Student Transportation at (609) 984-5757 or by email at [student.trans@doe.state.nj.us](mailto:student.trans@doe.state.nj.us).

YOT/DRS:T/Doc Orig/Nonpublic/2010-2011/Payment of aid in lieu of transportation

c: Members, State Board of Education  
Christopher Cerf  
Senior Staff  
LEE Group  
Garden State Coalition of Schools  
Dot Shelmet  
Alan Guenther