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August 13, 2025

BY U.S. MAIL AND ELECTRONIC MAIL

Kevin Dehmer, Commissioner
New Jersey Department of Education
P.O. Box 500
Trenton, New Jersey 08625

Re: Office of the State Comptroller: Examination of Third-Party School Bus Companies' Compliance with the Law Requiring an Annual Certification of Bus Driver Qualifications

Dear Commissioner Dehmer:

The Office of the State Comptroller (OSC) has conducted a high-level review of data collected for the 2023-2024 and 2024-2025 school years to assess whether contracted school bus transportation vendors (school bus companies) are complying with a state law intended to ensure that only qualified bus drivers are transporting students.¹ OSC now publicly reports the findings it made based on a review of data collected over a two-year period. In doing so, OSC shares information regarding steps taken by the Department of Education (DOE) to ensure that bus companies are complying with N.J.S.A. 18A:39-18. OSC also reports that problems remain and makes recommendations to address them.²

School bus companies are required to provide the Executive County Superintendents (county superintendents)³ with an "Annual Certification" that their bus drivers meet certain minimum

¹ For this review, OSC only evaluated third-party vendor compliance with N.J.S.A. 18A:39-18 and not district-owned transportation fleets which are governed by a similar, but distinct, statute. OSC's review primarily focused on the timing of submission of the required materials. OSC did not review the completeness or accuracy of the materials submitted by the school bus companies along with their Annual Certifications.

² OSC conducted this review under its statutory responsibility to assess the performance and management of programs within the executive branch of state government. OSC issues this public letter to report its findings and to provide recommendations to DOE.

³ Executive County Superintendents are state officials appointed by the Governor and subject to Senate confirmation. They provide general support, oversight, and routine communications between local school districts and DOE's central offices. They are responsible for, among other things, performing onsite

standards, and to provide a package of supporting documents proving the same (bus packages). These minimum standards are commonsense requirements designed to ensure student safety while being transported to and from school. The law requires the package include information such as, the driver's name and social security number, a criminal background check, certification of a valid bus driver's license,⁴ and evidence of a check for the driver's record of alcohol and drug-related motor vehicle violations. Other laws require school bus companies to provide proof that school bus drivers and aides have been appropriately trained and subjected to criminal background checks.

OSC's limited review⁵ found widespread non-compliance with the statutory requirement that school bus companies submit Annual Certifications and bus packages to the county superintendents *prior to the beginning of transportation of school pupils*.⁶ OSC requested information from DOE to assess whether school bus companies were timely complying with submission of these materials for the 2023-2024 school year. OSC conducted a review of the information initially provided by DOE, which did not reflect complete data from all 21 counties, and found that there were a significant number of school bus companies that did not comply with timely submission. In August 2024, given the approaching school year, OSC shared its concerns with DOE and Office of School Bus Safety (OSBS).⁷ OSC later learned that DOE

evaluations of school districts; reviewing and approving district budgets; inspecting school buildings to ensure compliance with health and safety codes; responding to community, legislative, or parental concerns; and receiving information related to bus drivers.

⁴ School bus drivers must obtain "P" and "S" endorsements on their commercial driver's licenses to legally transport schoolchildren. The "P" endorsement allows drivers to operate vehicles that carry passengers and requires passing a written test focused on passenger safety regulations. The "S" endorsement is specific to school buses and requires passing additional written and skills tests covering school bus safety, emergency procedures, and student loading and unloading. These endorsements ensure drivers are qualified and knowledgeable about the specific responsibilities and safety standards required for transporting students. To obtain these endorsements, drivers must successfully complete the required tests and background checks, demonstrating their proficiency and understanding of safety regulations and procedures for transporting passengers and schoolchildren.

⁵ To conduct its evaluation of bus company compliance with this law, OSC obtained a sample of student transportation contracts, data, and other records for the 2023-2024 school year from the 21 county superintendents and DOE. OSC reviewed documents and data compiled by DOE's newly established Office of School Bus Safety for the 2024-2025 school year. OSC also interviewed the Director for this new office, a representative from the New Jersey Motor Vehicle Commission involved in oversight of bus companies, and the transportation coordinator for one county superintendent.

⁶ Because the statute does not provide a date, OSC used September 7, 2023 as the deadline for companies to submit required documents when reviewing 2023-2024 data for compliance. A standard operating procedure later implemented by the Office of School Bus Safety (OSBS), discussed below, requires school bus companies to comply with an August 31 deadline.

⁷ In January 2022, the Legislature established OSBS under DOE to "oversee the school busing industry and to coordinate enforcement and accountability among the [DOE], school bus drivers, and school bus contractors." N.J.S.A. 18A:39-34. As of May 2025, OSBS consists of three staff members, including a Director who was appointed in December 2023. According to OSBS's website, the office "is committed to advancing the safety of student transportation in New Jersey through dedicated educational, compliance, and enforcement efforts. Our mission is to safeguard every student's journey, upholding the highest standards of safety in school transportation services." <https://www.nj.gov/education/compliance/bussafety/>.

conducted an independent assessment reflecting that close to 300 non-compliant school bus companies across 21 counties had not submitted as of August 31, 2023.

Within a few weeks after reaching out to DOE in August 2024, DOE provided OSC with a response indicating it was aware of the problems and that the following steps, among others, were already being taken by OSBS to address school bus company non-compliance before the 2024-2025 school year.

- DOE issued Standard Operating Procedure OSBS 24-002 which requires county superintendents to track and report school bus companies that do not submit Annual Certifications by August 31 each year. This SOP, which became effective August 9, 2024, was intended to better enable OSBS to identify when bus companies do not comply with the Annual Certification requirement.
- Beginning in 2024, OSBS also began requiring training for all new school bus companies. The new training focused on best practices that OSBS developed through on-site observations of compliant school bus companies.⁸ OSBS reported that roughly 120 companies have attended the new training between February 2024 and May 2025. OSBS also offers statewide training to existing companies, and, while this training is not mandatory, OSBS reported that over 500 bus companies attended in 2024.
- OSBS implemented a new notification system in which OSBS employees send form letters to school bus companies alerting them that they have not complied with the Annual Certification requirement and providing a ten-business-day period to submit outstanding documentation. Failure to comply after this notification results in a letter being sent to school districts currently engaged in a student transportation contract with the delinquent school bus company.
- OSBS provided all 21 counties with necessary access to a DOE-run computer system that contains folders for each county with spreadsheets for tracking compliance.

In light of these measures, OSC sought to review whether compliance improved for the 2024-2025 school year. OSC reviewed additional information provided by OSBS and found improvement in some areas. However, issues with school bus companies failing to comply with the requirements prior to the beginning of the school year persisted.

OSBS provided data to OSC collected under the new SOP for the 2024-2025 school year. The data showed that as of August 31, 2024, a statewide total of 109 school bus companies in 14 counties

⁸ Trainings are held every Sunday of the year and focus on best practices and relevant laws, including the required submission of Annual Certifications to the county superintendents. The training details the documentation that is required in each Annual Certification and the deadline for submission each year. School bus companies are not issued a vendor code, which is required for a company to bid on student transportation contracts, until completion of the training.

had not complied with N.J.S.A. 18A:39-18.⁹ OSBS later reported to OSC that by November 2024, another 81 companies had submitted bus packages. This means that approximately two months into the 2024-2025 school year, there were 28 school bus companies that remained non-compliant, despite the new notification system.

**Compliance of Third-Party School Bus Companies by County
for 2024-2025 School Year as of August 31, 2024¹⁰**

Non-Compliant	Compliant
Bergen County (14 companies)	Atlantic County
Camden County (2 companies)	Burlington County
Cumberland County (2 companies)	Cape May County
Essex County (20 companies)	Hunterdon County
Gloucester County (3 companies)	Monmouth County
Hudson County (17 companies)	Salem County
Mercer County (4 companies)	Warren County
Middlesex County (8 companies)	
Morris County (2 companies)	
Ocean County (17 companies)	
Passaic County (13 companies)	
Somerset County (3 companies)	
Sussex County (1 company)	
Union County (3 companies)	

OSC reviewed a list provided by OSBS, tracking submission of school bus packages. It reflects that, as of May 2025, two school bus companies apparently had not submitted bus packages—the status of these companies is listed as “unknown.” This does not mean that the bus drivers for these companies were untrained, unlicensed, or had not passed background checks, among other requirements. But this does mean that, if these companies were transporting students, no one at

⁹ In total, the county superintendents identified 236 non-compliant bus companies to OSBS for the 2024-2025 school year. However, OSBS found that over half of those companies were either no longer operational, do not currently have a student transportation contract (exempt), or the status of the company was unknown to OSBS at the time.

¹⁰ The data provided by OSBS did not include the total number of school bus companies operating in each of the counties that it found to be compliant. Two of the counties, Atlantic and Burlington, reported that some bus companies had not complied, but after investigation, OSBS determined that the school bus companies reported for those counties as non-compliant were either closed or no longer transporting students.

DOE or OSBS had been provided with required assurance that the people transporting students to school were qualified to do so.

OSC also compared this newer data to available data from the 2023-2024 school year. This review revealed that there appear to be at least 16 school bus companies that failed to comply with the required submission by August 31 in both school years reviewed. This included school bus companies from multiple counties. OSC has shared the names of the 16 companies with OSBS to assess whether they are operational, have active transportation contracts, and further action is needed. However, since this review only included limited information provided to OSC for the 2023-2024 school year, the number could be higher.

While compliance has substantially improved because of steps DOE and OSBS have taken, the situation remains untenable. Currently, there are limited circumstances under which DOE is authorized to issue fines to a school bus company or bar it from bidding on student contracts, such as when the company knowingly employs an unqualified driver. Likewise, school districts may refuse to allow a bus company to transport students if the company fails to submit the required documentation. The unfortunate reality is, however, that these remedies may be difficult to implement without affecting student transportation, especially if compliance is only evaluated immediately prior to the start of the school year. For these reasons and those articulated above, OSC has made recommendations below to ensure more vigorous enforcement mechanisms that protect students and timely compliance that does not leave any student or school district stranded.

Recommendations

OSC acknowledges the efforts made by DOE and OSBS to improve compliance among school bus companies with the Annual Certification requirement under N.J.S.A. 18A:38-18. However, given the findings that further actions are needed to ensure all students are transported by qualified bus drivers, OSC makes the following recommendations:

1. To strengthen compliance with N.J.S.A. 18A:38-18, OSBS should consider:
 - a. Automating the new notification system to allow for regular and repeated alerts (i.e., daily, weekly) when school bus companies remain non-compliant, especially after the school year begins;
 - b. Implementing a staggered or earlier deadline to ensure there is adequate time for school bus companies to come into compliance or for school districts to make alternative arrangements for student transportation, if necessary;
 - c. Creating a pilot program to incentivize early compliance by school bus companies.
2. County superintendents should take affirmative steps to obtain and maintain a comprehensive master list of school bus companies that have active transportation contracts in their respective counties. This will allow them to more effectively assist with tracking compliance with the requirements of N.J.S.A. 18A:38-18.

3. The Legislature should strengthen the remedies for non-compliance, including public notification when school bus companies are persistently non-compliant with its laws and authorization of sanctions against school bus companies. OSBS has indicated to OSC that it is taking these matters seriously and is willing to work with the Legislature on needed changes to ensure compliance.

In conclusion, although progress has been made in improving compliance among school bus companies, additional steps are necessary to ensure the safety and reliability of student transportation statewide. OSC urges OSBS to fully exercise its authority to bring bus companies into compliance before the start of the upcoming school year. Meanwhile, the Legislature should continue to address this critical safety issue. Thank you for your time and attention to this matter.

Respectfully,

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ACTING STATE COMPTROLLER

By: 

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