

LFC Requester:	Liu
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**AGENCY BILL ANALYSIS
2022 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original	<input checked="" type="checkbox"/>	Amendment	<input type="checkbox"/>	Date	January 28, 2022
Correction	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Bill No:	SB110

Sponsor:	Sen. Pirtle	Agency Name and Code Number:	PED - 924
	School Bus Driver	Person Writing	John Sena
Short Title:	Compensation	Phone	505-570-7816
		Email:	John.Sena@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$26,200.0	Nonrecurring	Appropriation Contingency Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY22	FY23	FY24		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 110 (SB110) would appropriate \$26.2 million to the Public Education Department (PED) to assist school districts in increasing school bus driver compensation.

FISCAL IMPLICATIONS

SB110 appropriates \$26.2 million to the Public Education Department (PED) for expenditure in FY23 to assist school districts in increasing school bus driver compensation. Any unexpended or unencumbered balance remaining at the end of FY23 shall revert to the appropriation contingency fund.

SB110 makes a nonrecurring appropriation for school bus driver salaries, a recurring expense typically covered in a recurring categorical appropriation to the transportation distribution. While this may help bus drivers in a single year, recurring salary expenditures will need to be included in a recurring manner, either in the transportation distribution or the department’s operational budget.

The PED public school support request for FY23 includes \$2.8 million and the LFC public school support recommendation for FY23 includes \$2.9 million to increase compensation for public school transportation employees by 7 percent.

The appropriation in SB110 does not specify the method of distribution to school districts. New Mexico school bus drivers provide school transportation services both as employees of school districts and charter schools and on a contract basis. PED staff estimate 2,100 school bus drivers are operating school buses in FY22. Proportionally, the appropriation of \$26.2 million in SB110 could result in a potential stipend of \$12,476 for each of New Mexico’s school bus drivers, nearly doubling school bus driver salaries on average.

SIGNIFICANT ISSUES

Data in STARS suggest school bus drivers are among the lowest paid educational personnel in New Mexico with a median salary of approximately \$15,800. The appropriation in SB110 is sufficient to provide about \$12,400 to each school bus driver in the state, potentially increasing bus driver salaries by 78 percent.

The appropriation in SB110 does not specify a target for increased salaries. While the appropriation would give the PED a large amount of flexibility to decide how the funds are

distributed, it also leaves a great deal of uncertainty about the legislative intent of the appropriation. The PED would ultimately strive for equitable salary increases, but there are no statutory provisions tied to the bill requiring an equitable increase for school bus drivers. Moreover, the PED does not have administrative oversight over private school bus contractors, who are bound only by the state Minimum Wage Act.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

The PED would be required to develop a methodology to distribute the funding to school districts and charter schools. Distributing funding directly to school bus contractors would be administratively cumbersome. The simplest distribution method would be reimbursing school districts and charter schools directly for increased bus driver salary expenses.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

The legislature may wish to consider appropriating these funds to the categorical transportation distribution, which is distributed directly to school districts and charter schools based on student ridership, miles traveled, and other factors that affect the cost of school transportation.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A

AMENDMENTS

N/A