

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 **Amendment**
Correction **Substitute**

Date February 2, 2022
Bill No: HB57/aHEC

Sponsor: Rep. GA Romero
2023 Transportation
Short Title: Distribution Calculations

Agency Name and Code Number: PED - 924
Person Writing John Sena
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		
N/A	N/A	N/A	N/A

(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 of HEC Amendment: House Bill 57 as amended by the House Education Committee (HB57/aHEC) includes a temporary provision to ensure funding can be allocated to new charter school transportation programs.

Synopsis of Original Bill: House Bill 57 (HB57) amends the FY23 transportation distribution to be based on school transportation data reported in FY20 and actual transportation expenditures in FY19.

FISCAL IMPLICATIONS

HB57/aHEC does not contain an appropriation.

School district and charter school transportation distributions are made in proportion to the amount of funding the legislature appropriates to the transportation distribution. While HB57/aHEC proposes to hold school district and charter school from fluctuations in ridership and other variables, the actual distribution at each school district and charter school may increase or decrease based on the funding the legislature appropriates to the transportation distribution. HB2/aHAFC includes \$119 million appropriation to the transportation distribution, a 6 percent increase from FY22.

SIGNIFICANT ISSUES

HB57/aHEC would hold school districts and state-chartered charter schools harmless from transportation abnormalities caused by the ongoing Covid-19 pandemic. Typically, the transportation distribution is based on a regression analysis which considers prior year “site characteristics,” or data about student ridership, miles traveled, and buses operated, as well as actual transportation expenditures from two years prior. However, throughout the pandemic, school transportation has not occurred on a normal basis. Even as the Public Education Department (PED) urges schools to remain open and provide in-person instruction in FY22, PED staff have found school district data submitted this year remains abnormal.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

School districts and charter schools are required to report transportation data on the second and third reporting dates of each year. As required in statute, the PED uses the average of this data in the transportation formula to calculate the final distributions for the subsequent fiscal year. School districts and charter schools will still be required to submit data, even if those data are not the basis for transportation distributions.

Under the HEC amendment, the PED would be required to use data from FY22 to calculate the transportation distribution in FY23 for a state-chartered charter school that did not operate a to-and-from school transportation program in FY19 or FY20 but did operate a to-and-from school transportation program in FY22.

OTHER SUBSTANTIVE ISSUES

Three new charter schools are requesting a transportation distribution for FY23. Currently, those charter schools are providing their first year of transportation out-of-pocket. HB57/aHEC includes a temporary provision that would allow these charter schools to receive a transportation distribution using site characteristic data from FY22 to calculate the distributions.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

It is critical to hold school districts and charter schools harmless for the impacts of Covid-19. If HB57/aHEC does not pass, school districts may receive irregular transportation distributions, which would likely be insufficient to fund the cost of transportation programs in most cases. School districts and charter schools would have no option but to rely on operational funding to maintain their constitutional obligation to provide a free and appropriate education to all students, which may divert money out of the classroom.

AMENDMENTS

N/A