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FISCAL IMPACT REPORT

SPONSOR Gonzales **ORIGINAL DATE** 1/30/09
LAST UPDATED 3/6/09 **HB** 191/aHAFC

SHORT TITLE Interim School Transportation Task Force **SB** _____

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$20.0	Nonrecurring	Legislative Cash Balances

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB-3

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Education Department (PED)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 191 strikes the appropriation from the general fund and inserts an appropriation from legislative cash balances.

Synopsis of Original Bill

House Bill 191 appropriates \$20 thousand from the general fund to the Legislative Council Service for paying the expenses of the Public School Transportation Task Force.

HB-191 creates a joint interim public school transportation task force, makes an appropriation and declares an emergency.

The Bill contains an emergency clause.

FISCAL IMPLICATIONS

The appropriation of \$ 20 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

The task force created by the bill would examine all statutes, constitutional provisions, rules and court decisions governing public school transportation in New Mexico, including those provisions related to the transportation funding formula; personnel costs to school districts and school bus contractors; costs for fuel; equipment and maintenance; and, the administration of the public school transportation program.

A number of concerns have been raised by LFC and LESC staff regarding the distribution of funds to school districts and how transportation funds are then distributed to school bus contractors. A uniform methodology for estimating the cost of fuel remains the single most important consideration as well as how contract staff is compensated and how contractors pass on statewide salary increases to drivers.

The concerns raised by LFC and LESC are significant and need to be addressed to make certain school transportation funding meets the needs of students statewide.

HB-3 contains a \$20 thousand special appropriation to fund this initiative.

ADMINISTRATIVE IMPLICATIONS

PED would be required to provide staff along with LESC, LFC, and the OEA in conjunction with the LCS for the task force. This can be accomplished with existing staff and resources.

PA/svb:mt