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FISCAL IMPACT REPORT

ORIGINAL DATE 2/10/2020

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE Low-Income Youth After School Transportation SB 251

ANALYST Gaussoin

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to an appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Legislative Education Study Committee (LESC) Files

No Response Received

Public Education Department (PED)

Regional Education Cooperatives (REC)

SUMMARY

Synopsis of Bill

Senate Bill 251 appropriates \$150 thousand from the general fund to the Public Education Department to provide transportation to and from after-school programs for low-income students.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The appropriation of \$150 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY21 shall revert to the general fund.

The House Appropriations and Finance Committee substitute for House Bills 2 and 3, the

General Appropriation Act of 2020, contains \$116 million for school transportation, including \$3.71 million for transportation for extended learning time programs and \$3.81 million for transportation for the K-5 Plus extended school year program. PED received \$113.6 million for transportation in FY20.

Extended learning time programs includes after-school programs but not all after-school programs are part of the extended learning time program. It is possible the appropriation in SB251 duplicates funds that could be available through the General Appropriation Act for some schools.

SIGNIFICANT ISSUES

LESC finds in its annual report to the Legislature that, despite its importance to ensuring equal access to education, New Mexico's system for funding public school transportation is not always equitable. From the report (<https://bit.ly/2uCcmaR>):

New Mexico's piecemeal approach to amending school transportation laws has resulted in a fragmented system of bus replacement and continued concerns that transportation funding is insufficient to meet the needs of students. To fund school district transportation expenditures, the Public Education Department (PED) collects data for a number of site characteristics for each school district and charter school; however, not all characteristics are funded in all school districts. For example, large school districts with more than 1,000 students do not receive funding for the number of school buses operated, while small school districts and state-chartered charter schools do not receive funding for special education students. Funding multipliers within the transportation allocation formula undergo significant changes from year to year, resulting in large swings in funding for some school districts and state-chartered charter schools. Inconsistencies within the transportation formula can contribute to overfunding of state-chartered charter schools as well as a climate where a number of school districts rely on using operational funds to subsidize their transportation programs. ... In 2012, an LESL subcommittee made recommendations to reform the transportation funding system, but many of those recommendations have not been implemented. In 2019, LESL again suggested a work group should be assembled during the 2020 interim to study the transportation funding formula and create a more balanced funding system.

PED requested \$500 thousand for a FY21 transportation study but that request is not included in the General Appropriation Act.

ADMINISTRATIVE IMPLICATIONS

It is unclear if the additional funds would be allocated through the existing transportation funding formulas or separately. If separately, PED would be required to create a system for allocating funds.

RELATIONSHIP

The House Appropriations and Finance Committee substitute for House Bills 2 and 3, the General Appropriation Act of 2020, contains \$116.013 million for school transportation

HFG/sb