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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
55th Legislature, 1st Session, 2021

Bill Number	<u>SB307/aSEC</u>	Sponsor	<u>Campos</u>
Tracking Number	<u>.219185.1</u>	Committee Referrals	<u>SEC/SFC</u>
Short Title	<u>Daily School Bus Driver Salaries</u>		
Analyst	<u>Bedeaux</u>	Original Date	<u>2/8/21</u>
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BILL SUMMARY

Synopsis of SEC Amendment

The Senate Education Committee amendment to Senate Bill 307 (SB307/aSEC) establishes a minimum salary for school bus attendants of \$100 per day.

Synopsis of Bill

Senate Bill 307 (SB307) establishes a minimum salary of \$150 per day for school bus drivers statewide. The Public Education Department (PED) would be required to ensure each school bus driver receives the daily minimum salary whether driving a school bus owned by a school district, a state-chartered charter school, or a school bus contractor. Additionally, school districts and state-chartered charter schools would be required to cover the appropriate gross receipts tax for other services of school bus contractors that do not include driving school buses.

FISCAL IMPACT

The bill does not contain an appropriation. The Legislature typically accounts for salary increases for transportation personnel by subsequently increasing appropriations to the public school transportation distribution, a categorical appropriation to PED allocated annually based on a formula that considers the costs of operating a school transportation program, including student ridership, miles traveled by school buses, and actual transportation expenditures. The House Appropriations and Finance Committee Substitute for House Bills 2 and 3 (HB2/HAFCS) includes \$2 million in the public school funding formula to hold school districts and charter school budgets harmless for an already-scheduled increase to the minimum wage, but due to PED data collection and reporting practices, it is difficult to determine whether this amount is sufficient to also offset the impact of SB307/aSEC. See “Data Transparency” below.

SUBSTANTIVE ISSUES

In terms of salary, school bus drivers join food service personnel and educational assistants in the lowest paid personnel categories in New Mexico public schools. The employment website Indeed estimates New Mexico’s school bus drivers make an of \$14.87 per hour or \$104 per day on

average, a rate 9 percent lower than the national average. This estimated average hourly rate is above the current statutory minimum wage of \$10.50 per hour, which became effective January 1, 2021, as part of a phased minimum wage increase to \$12 on January 1, 2023. A daily salary of \$150 per day for a typical eight-hour day would be an hourly wage of \$18.75 per hour, and a daily salary of \$100 per day for a typical eight-hour day is \$12.50 per hour. However, it is unclear how many school bus drivers and attendants work a full 8 hours per day.

Data Transparency. PED’s data collection and reporting practices introduce difficulties in determining the full fiscal impact of SB307/aSEC for a number of reasons. First, while the actual salaries of school bus drivers are generally available to legislative staff, it is unclear how many days and hours each bus driver currently works. For example, data from FY18 provided by PED show some school bus drivers at an annual salary of less than \$10 thousand for 1 FTE; these bus drivers likely work on limited schedules and do not represent a true “full-time equivalent,” and the salary amounts likely reflect data entry error from school districts or charter schools that has not been validated or corrected by PED.

Second, salary information for school bus contractors is unavailable. A number of school districts, including Albuquerque Public Schools, primarily contract with third-party vendors to provide school transportation services. SB307/aSEC would require these contractors to pay bus drivers \$150 per day and attendants \$100 per day, which would likely increase the cost of contracts between school districts and their chosen vendors, but the actual increase is difficult to determine.

Finally, PED has not provided legislative staff with up-to-date salary information for all public school employees. Despite multiple requests, the most recent data available to legislative staff is from FY18, before the Legislature passed a phased-in increase to the minimum wage that has likely affected school bus driver salaries substantially.

These types of fiscal inaccuracies, especially as they pertain to funds to address the ongoing *Martinez-Yazzie* lawsuit, were the impetus for Laws 2020, Chapter 71 (SB96), which sought to improve oversight of school district and charter school uses of funding directly intended for at-risk students, English learners, and bilingual and multicultural education programs. The law includes several provisions to improve the accuracy, comparability, transparency, and timeliness of school finance data and requires the data system to “drill-down” to the school site level and display administrative costs and actual expenditures by major budget categories, including expenditures for salaries and benefits. As PED works to improve its financial data systems, the department should consider the value of a system with validated FTE and salary information to better understand the actual fiscal impact of salary increases.

Public School Transportation Funding. An October 2019 LESC analysis of the transportation funding formula highlighted ongoing issues with the formula, including inequity in per-student transportation funding among school districts statewide and consistent underfunding of a few school districts forced to rely on operational funding for transportation expenditures. PED uses three separate funding schema for large school districts, small school districts, and state-chartered charter schools when calculating transportation funding, contributing to inequity on a per-student basis and large year-over-year swings at individual school districts and charter schools. During its October 2019 hearing on the transportation funding formula and other issues, LESC members showed interest in conducting another systematic review of public school transportation issues, including topics like funding equity and emerging safety and environmental technologies. A public school transportation subcommittee or task force could spend time evaluating school bus driver

salaries and the actual hours worked per day to analyze how a minimum daily salary would affect school transportation expenses.

RELATED BILLS

Relates to HB175, School Funding & Losses from Pandemic, which proposes to hold school transportation funding harmless for reductions due to reduced school bus ridership and mileage during the Covid-19 pandemic.

Relates to HB110, Phased Minimum Wage Increase, which proposes to increase the minimum wage incrementally to \$15 per hour by January 1, 2024.

SOURCES OF INFORMATION

- LESC Files

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