

LESC bill analyses are available on the New Mexico Legislature website (www.nmlegis.gov). Bill analyses are prepared by LESC staff for standing education committees of the New Mexico Legislature. LESC does not assume any responsibility for the accuracy of these reports if they are used for other purposes.

LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
55th Legislature, 2nd Session, 2022

| | | | |
|------------------------|--|----------------------------|-----------------------|
| Bill Number | <u>HB57/aHEC</u> | Sponsor | <u>Romero, GA</u> |
| Tracking Number | <u>.221831.2</u> | Committee Referrals | <u>HEC/H AFC; SEC</u> |
| Short Title | <u>2023 Transportation Distribution Calculations</u> | | |
| Analyst | <u>Simon</u> | Original Date | <u>1/24/2022</u> |
| | | Last Updated | <u>2/14/2022</u> |

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

BILL SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment to House Bill 57 (HB57/aHEC) adds a temporary provision for state-chartered charter schools that were not operating transportation programs in FY19 or FY20. The amendment requires the Public Education Department (PED) to calculate a transportation distribution for these charter schools using FY22 data.

Synopsis of Original Bill

House Bill 57 (HB57) requires PED to calculate FY23 transportation allocations for school transportation based on data collected on the second and third reporting dates in FY20 and actual expenditures in FY19, avoiding issues created by a lack of to- and-from transportation for most of FY21 due to school closures from August through April.

FISCAL IMPACT

HB57/aHEC does not contain an appropriation but would alter how the funding from the appropriation to the transportation distribution would be allocated to school districts and charter schools in FY23. If enacted, school district and state-chartered charter schools' FY23 transportation allocations will be similar to those made in FY21 and FY22; however, transportation allocations are proportional to the amount of funding appropriated to the transportation distribution.

The transportation distribution is allocated to school districts and state-chartered charter schools through a formula considering the number of school buses in operation, miles traveled by each school bus on separate road surface types, the mileage of each school bus, total number of miles traveled by all school buses, the number of students actually transported and a projected number of students to be transported the following year. Funding provided through the transportation distribution is limited for expenses related to the transportation of students to and from school.

SUBSTANTIVE ISSUES

The public school transportation distribution, established in Section 22-8-29 NMSA 1978, is based on data collected annually on the second and third reporting dates, December 1 and the second Wednesday of February. Statute requires school districts and charter schools to report to PED on a number of variables used to calculate transportation allocations.

Under normal circumstances, PED performs a regression analysis against actual expenditures from the school year two years prior. For example, FY20 transportation allocations were based on ridership data from FY19 and actual expenditures from FY18. However, the Covid-19 pandemic caused anomalies in school bus ridership and expenditures. Without a change in the transportation data used for FY23 funding, the allocation will be based on ridership from the 2021-2022 school year and actual expenditures from FY21, a year where many schools were closed through April and expenditures will be lower than normal. If enacted, the bill would avoid anomalies in school transportation expenditures from FY21.

During the Covid-19 pandemic, school districts and state-chartered charter schools have reported spending transportation funding on meal distribution and occasional transportation for special education students and small-group learning. However, these expenditures likely will be a fraction of those seen during a normal school year, which could result in large amounts of unspent funding and consequently large reversions to the transportation emergency fund. Section 22-8-26 NMSA 1978 requires 50 percent of unspent transportation allocations to revert to the transportation emergency fund, while school districts and charter schools can retain the other 50 percent to spend on transportation services in future years. Money in the transportation emergency fund can only be allocated to fund “transportation emergencies, including fuel price increases.”

While schools were open during FY22 and school bus ridership data was collected, school districts have reported that ridership has not fully recovered from the pandemic-induced decreases. Analysis from PED notes the department urges schools to remain open but school district data submitted this year remains abnormal.

Charter Schools. PED notes three new charter school that were not operating transportation programs in FY19 or FY20 have requested funding for FY23 and recommends an amendment to allow funding for these programs in FY23. **The HEC amendment addresses this issue.** Transportation funding for these schools will be based on FY22 data, the only year for which there is available information.

CONSEQUENCE OF NOT ENACTING THE BILL

PED notes school districts and charter schools may see irregularities in transportation distributions amounts if the bill does not pass. The department states many would have insufficient funds to cover the cost of transportation programs and would need to rely on funding from the state equalization guarantee distribution, which would divert money out of the classroom to transportation programs.

SOURCES OF INFORMATION

- LESC Files
- Public Education Department (PED)