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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 02/24/2025

SPONSOR Dow

BILL
NUMBER House Bill 501

SHORT TITLE School Reporting of Gender Incongruence

ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact		

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bills 185, 466, and 543 and Senate Bills 459, 258, 356, and 500.

Sources of Information

LFC Files

Agency Analysis Received From

Regional Educational Cooperatives (RECA)

Early Childhood Education and Care Department (ECECD)

Health Care Authority (HCA)

Agency Analysis was Solicited but Not Received From

Public Education Department (PED)

Albuquerque Public Schools (APS)

Department of Health (DOH)

SUMMARY

Synopsis of House Bill 501

House Bill 501 (HB501) would introduce a new section of the School Personnel Act, Section 22-10A, NMSA 1978 entitled “Students Experiencing Gender Incongruence – Parental Notification – Response Plans.”

School employees are required to report to a school administrator if a child mentions gender incongruence, defined as a difference between the child’s biologic sex and the child’s perceived or desired sex, or transitions to a sex other than their biological sex while at school. The school administrator must then notify a parent, and with the parent, implement a response plan, which may include counseling or other support for the student.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

There is no appropriation in House Bill 501. No fiscal impact is identified.

SIGNIFICANT ISSUES

The Health Care Authority points out that:

On February 18, 2025, the United States Court of Appeals for the First Circuit issued a decision that found parents do not have a right to be informed of their child discussing gender identity issues with teacher and school officials. The court stated, “By cultivating an environment where students may feel safe in expressing their gender identity, the protocol endeavors to remove psychological barriers for transgender students and equalizes educational opportunities.” In addressing the school district’s policy that protected the privacy of students, the Court opined that the policy “plausibly creates a space for students to express their identity without worrying about parental backlash...” Foote v. Ludlow School Committee, Case No. 23-1069.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to the following bills:

- House Bill 185/Senate Bill 459, identical bills entitled Protection of Women’s Sports Act,
- House Bill 466, Hormone Therapy and Puberty Blocker Protection,
- House Bill 543, Parental Consent for Minor’s Health Care,
- Senate Bill 258, Human Sexuality Education,
- Senate Bill 356, State Diversity Act, and
- Senate Bill 500, Detransitioner Protection Act.

TECHNICAL ISSUES

The Early Childhood Education and Care Department points out that, “HB501 does not provide clarification as to what constitutes requested ‘participation’ in a students’ transition to a gender different from the student’s biological sex.”

LAC/hj/SL2/rl