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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 3/2/25

SPONSOR Maestas

BILL
NUMBER Senate Bill 465

SHORT TITLE Participation in School Sports

ANALYST Liu

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		Indeterminate but minimal				General Fund
Total						

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bills 54, 185, and 464 and Senate Bills 386, 494

Sources of Information

LFC Files

Agency Analysis Received From
New Mexico Activities Association (NMAA)

Agency Analysis was Solicited but Not Received From
Public Education Department (PED)

SUMMARY

Synopsis of Senate Bill 465

Senate Bill 465 creates a new section of the Public School Code to change student eligibility for school-sponsored and athletic activities, authorize private schools to offer athletic scholarships, and change the makeup of the board of directors that oversees NMAA. 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

The bill does not contain an appropriation but may change where students, particularly athletes, enroll in school. Because the state equalization guarantee (SEG) distribution is primarily based on student counts, overall state fiscal impacts will likely be minimal—likely affecting about 0.2 percent of the student population. The transfer of students between districts, charters, or private

schools could result in changes to program units, which may affect SEG distributions for individual entities. Overall effects may be negated if students remain within public schools, with net effects not expected to exceed \$8.5 million statewide.

SIGNIFICANT ISSUES

According to NMAA, the two largest school districts (Albuquerque and Las Cruces) each receive an automatic member seat on the NMAA board of directors. Another eight elected member positions on the board are based on region and school size—four from large schools and four from small schools. Another three member positions are appointed—one superintendent who serves as an at-large member, one representative from the New Mexico School Boards Association, and the Chair of the NMAA Commission.

Provisions of this bill would change the membership of the NMAA board of directors to be proportional to the population of the counties represented. New Mexico has 33 counties and a member school in nearly every corner of the state. It is unclear how many members would be necessary to achieve “proportional representation” by county population; however, nearly half of the state’s population is located within Bernalillo, Dona Ana, and Santa Fe Counties. Bernalillo County alone represents nearly a third of the population. NMAA notes the population of counties does not currently play a role in the composition of the board, and in the last 20 years, there have been no proposals from the membership to make adjustments that would increase representation for large schools or higher populated areas.

Provisions of this bill would change eligibility and access provisions for athletic activities—middle, junior high, or high school sports regulated by NMAA by allowing:

- High school students to participate in athletic activities, even if they participated in an athletic activity while attending a different school,
- Students to fully participate in a school-sponsored athletic activity, even if they participated in an athletic activity or team that was not school-sponsored,
- Students to participate in a school-sponsored athletic activity, even if they participated in an athletic training camp,
- Eighth grade students to participate in high school athletic activities without losing a season of eligibility to participate in that athletic activity in high schools, and
- Private schools to offer scholarships to students to participate in an athletic activity.

Over 30 thousand high school students participate in NMAA athletic activities each year. NMAA regulations currently allow some exceptions for transfer students to participate in athletic activities for varsity or sub-varsity competition. On average, there are about 600 transfer situations that result in eligibility petitions to NMAA each year. According to NMAA, two-thirds of these petitioning students become eligible, and the remainder still participate at the sub-varsity level or return to participate at their original school. About 35 students, or 6 percent, appeal NMAA’s decision, and 40 percent win their appeal—overturning NMAA’s decision. Altogether, NMAA denies eligibility for about 20 students, or 3 percent, of all petitions each year.

According to NMAA, current regulations permit students to participate in school-sponsored athletic activities after participating in an athletic training camp. However, if student-athletes disenroll from their school to participate in a non-school sponsored athletic team and then try to re-enroll, they are prohibited from participating.

NMAA notes allowing private schools to offer scholarships to student-athletes would violate NMAA recruitment rules and deviate from the association's mission of promoting education-based athletics and competitive balance.

ADMINISTRATIVE IMPLICATIONS

Provisions of this bill would require NMAA to change the makeup of its board and change regulations to align with statutory changes on student eligibility for sports.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to House Bill 54, which requires defibrillators in every high school; relates to House Bill 185, which requires participation in single-sex school sports be restricted to those of the same biological sex assigned at birth; relates to House Bill 464, which affects school enrollment policies; relates to Senate Bill 386, which allows chiropractors to certify athletes for competition after a brain injury; and relates to Senate 494, which makes an appropriation to train school employees in rural schools on the use defibrillators.

SL/hj