

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number: SJM 43**

**50th Legislature, 2nd Session, 2012**

**Tracking Number: .188777.1**

**Short Title: Transportation Funding Formula Work Group**

**Sponsor(s): Senator Lynda M. Lovejoy and Others**

**Analyst: Travis Dulany**

**Date: February 9, 2012**

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**Bill Summary:**

SJM 43 requests the Legislative Education Study Committee (LESC), with the assistance of the Public Education Department (PED), to study the current transportation distribution formula, including equity issues.

Further, the joint memorial requests that the LESC consider the inclusion of other transportation-related expenses that are not included in to-and-from mileage, including:

- the miles of unpaved and unimproved roads traveled by school buses in a school district;
- special education transportation miles and type;
- school district demographics;
- contractor fees and gross receipts taxes; and
- feeder route fees and miles.

Finally, the joint memorial requests that the LESC report to the Second Session of the 50<sup>th</sup> Legislature (see: “Technical Issues,” below) any findings and recommendations on making the transportation distribution formula a fairer and more equitable formula.

**Fiscal Impact:**

Legislative memorials do not contain an appropriation.

Memorials requesting committees to conduct studies are likely to have a fiscal impact in terms of staff time, travel, office supplies, and other items.

**Fiscal Issues:**

According to PED:

- the final 2010-2011 operations allocation for school transportation was \$83.2 million;
- the initial 2011-2012 operations allocation for school transportation is \$80.1 million;
- in its current form, House Appropriations and Finance Committee Substitute for House Bill 2, *General Appropriation Act of 2012*, includes an appropriation of \$83.8 million for school transportation operations.

According to provisions in current law:

- Public School Fund allocations for transportation are to be used only for payments to school districts or state-chartered charter schools for the to-and-from school transportation costs of:
  - students in grades kindergarten through 12;
  - three- and four-year old developmentally disabled children; and
  - vocational education transportation;
- using forms furnished by PED, and prior to November 15 of each year, each local school board or governing body of a state-chartered charter school is required to report to the State Transportation Director of PED the following information:
  - the number and designation of school bus routes in operation in the school district;
  - the number of miles traveled by each school bus on each school bus route, showing the route mileage in accordance with the type of road surface traveled;
  - the number of students transported on the first reporting date of the current year and adjusted for special education students on December 1;
  - the projected number of students to be transported in the next school year;
  - the seating capacity, age, and mileage of each bus used in the school district for student transportation; and
  - the number of total miles traveled for each school district's or state-chartered charter school's per capita feeder routes;
- each school board or governing body of a state-chartered charter school shall make further reports at other times specified by the State Transportation Director of PED;
- the allocations of the first six months of a school year shall be based upon the tentative transportation budget of a school district or state-chartered charter school for the current fiscal year, and allocations for the remainder of the school year shall adjust the amount received by the school district or charter school so that it equals the amount the entity is entitled to based upon the November 15 report, subject to audit and verification; and
- in the event that a school district or state-chartered charter school transportation allocation exceeds the amount required to meet obligations to provide to-and-from transportation, 50 percent is deposited in the Transportation Emergency Fund, and the school district or charter school may use the remaining amount for to-and-from related services and other transportation services as defined by PED rule.

### **Technical Issues:**

Page four, lines one and two should be amended to read, "...study committee report to the first session of the fifty-first legislature..."

### **Background:**

During the 2008 legislative session, LESC-endorsed SJM 12 passed, requesting that PED, the LESC, and the Legislative Finance Committee, in collaboration with public school district administrators and representatives of private school bus contractors, examine the funding of school transportation contracts to ensure that employees of private school bus contractors have

full access to the wages and benefits available to the contractor. The memorial requested a report from PED by October 1, 2008.

In December 2008, PED reported in a letter to the LESC that it did not convene such a work group during the 2008 interim, and the department recommended that the Legislature form a task force to study issues related to public school transportation, as was recommended in 1994 by a previous legislative school transportation task force.

In 2009 the Legislature passed LESC-endorsed legislation establishing a Public School Transportation Task Force; however, the bill was vetoed.

During the 2011 regular legislative session, LESC-endorsed HB 76 was introduced; however, the bill did not pass. Among its provisions, HB 76 would have:

- Created the joint interim Public School Transportation Task Force to examine the:
  - statutes, constitutional provisions, rules, and court decisions governing public school transportation in New Mexico, including those provisions related to the public school transportation funding formula;
  - personnel costs to school districts and school bus contractors;
  - costs of fuel, equipment, and maintenance; and
  - administration of the public school transportation program.
- Required that the Legislative Council appoint the following members to the task force:
  - five members from the House of Representatives;
  - five members from the Senate; and
  - six other members, including a representative of PED, the Office of Education Accountability (OEA)<sup>1</sup> of the Department of Finance and Administration, a public school district, a charter school, a school bus contractor, and an organization representing school bus transportation employees employed by school bus contractors.
- Required the task force to make a report of its findings and recommendations to the Legislature and the Governor on or before December 1, 2011.
- Appropriated funds to the Legislative Council Service for expenditure in FY 12 to pay the expenses of the task force.

In the bill analysis for HB 76, PED notes that a legislative task force appointed in 1994 to study school transportation recommended that the issue be revisited every 10 years.

### **Related Bills:**

CS/HB 2 *General Appropriation Act of 2012*

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<sup>1</sup> The OEA is no longer active.