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FISCAL IMPACT REPORT

ORIGINAL DATE 1/13/15
 LAST UPDATED 3/16/15

SPONSOR Munoz HB _____

SHORT TITLE School Transportation Boundary Agreements SB 416/aSJC

ANALYST Chavez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

Related to House Bill 319

SOURCES OF INFORMATION

LFC Files

Responses Received From

Indian Affairs Department (IAD)

Public Education Department (PED)

SUMMARY

Synopsis of SJC Amendment

The Senate Judiciary Committee amendment for Senate Bill 416 provides that school districts may enter into temporary transportation boundary agreements with an adjoining school district or adjoining school districts to transport students living within a specified area *in which geographical conditions would make it unsafe* to transport the students to a school within the school district in which the student resides. The original bill provided for transportation agreements given climatic conditions as well.

The amendment states that a transportation boundary agreement can only be authorized for issues related to geographic barriers and safety concerns, not school choice. The amendment removed Subsection H which stated the extended area of transportation service added to a school district boundary through a temporary transportation boundary agreement would be counted in the square miles per student for purposes of funding.

Finally, the bill puts time frames in place for disputes and the resolution processes.

Synopsis of Original Bill

Senate Bill 416 adds a section to Section 22-16 NMSA 1978 that addresses transportation boundary issues of school districts between and among adjacent school districts, establishes procedures and criteria for temporary transportation boundary agreements, and creates a resolution process for boundary disputes.

FISCAL IMPLICATIONS

This bill does not contain an appropriation.

PED notes provisions contained in this bill should not have a significant fiscal impact on school district budgets. Additional funding generated by districts that transport additional students should be offset by reductions in the district allocation to the district from which these students are no longer transported.

The bill states that transportation funding for students who receive transportation services within the area approved through the temporary transportation boundary agreement shall be provided by the school district in which the students attend school. School districts that choose to provide transportation services to ineligible students must do so at no additional cost to the school's transportation fund.

SIGNIFICANT ISSUES

PED expresses concern that the timeline limitation of 30 days provided for in the amendment may be difficult to achieve given the need to examine and determine a resolution. PED adds that, while emergency boundary issues can be dealt with quickly by the secretary under her authority of providing oversight of public education, to deal with other boundary issues covered by the provisions of this amendment could require more time, and suggests a limit of 60 days to ensure that sufficient time is allotted to a complete thorough examination of the issue and to develop an appropriate response.

SB 416 contains provides that districts may enter into temporary transportation boundary agreements with an adjoining school district to transport students living within a specified geographic area in which geographical or climatic conditions would make it unsafe to transport the students to a school within the school district in which the students resides. No temporary transportation boundary agreement would be valid unless approved by both the local school boards involved in an agreement.

The bill identifies procedures and criteria for temporary transportation boundary agreements and requires that those agreements not duplicate transportation services, unless justification for such duplication is provided within the agreement that meets the requirements of efficiency and economy.

The department will review the temporary transportation boundary agreements annually and rescind the temporary transportation boundary agreement when the conditions requiring the agreement no longer exist.

Finally, the bill contains a resolution process when transportation boundary disputes arise between local school boards that cannot be resolved. The decision of PED is final in the case of

disputes.

PED notes SB 416 duplicates 6.42.2 NMAC (Temporary Boundary Agreements) -- this bill would codify in law a process for transportation boundary agreements that is currently in place in the administrative code. PED argues this statute may be unnecessary, as all of its provisions are contained in NMAC rule.

PED also notes the proposed statutory change will reinforce that transportation boundary agreements are not authorized to provide services to students that attend school outside the boundary of the school district as a matter of choice.

DUPLICATION

HB 319 as amended is a duplicate.

OTHER SUBSTANTIVE ISSUES

IAD notes that many of the 22 nations, tribes and pueblos in New Mexico have lands located along the boundaries of New Mexico and Arizona, as well as lands located within close proximity to a local school district but that are not within the geographical boundary of the local school district to be eligible for transportation services.

IAD adds that the NMAC as written requires that local school district administrators communicate with tribal leaders relative to transportation services of students residing on Indian reservations, and that PED's transportation bureau and Indian education division should utilize the agency's State-Tribal Collaboration Act (STCA) policy when discussing agreements. The purpose of STCA is to build upon previously agreed-upon processes when there are changes or developments regarding policies, programs or services that impact tribal sovereignty and self-government. IAD also notes PED's current policy promotes collaboration and communication between their agency and tribes relating to any policy that promotes educational success of all students.

ALTERNATIVES

PED expresses concern that the timeline limitation of 30 days provided for in the amendment may be difficult to achieve given the need to examine and determine a resolution and suggests a limit of 60 days to ensure that sufficient time is allotted to a complete thorough examination of the issue and to develop an appropriate response.

POSSIBLE QUESTIONS

Is it necessary to codify in law a process for temporary transportation agreements that is already in administrative code?

KC/bb/je