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## FISCAL IMPACT REPORT

SPONSOR Campos ORIGINAL DATE 2/25/17  
 LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE School Transportation Funds & Bus Replacement SM 56

ANALYST Fernandez

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications				

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB47

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

Senate Memorial 56 requests the Senate Finance Committee, the House Appropriations and Finance Committee and the full Legislature give careful consideration to the importance of school bus safety and request the Legislative Education Study Committee conduct a study of school bus use and routes in New Mexico and the fiscal downside to extending school bus life.

### FISCAL IMPLICATIONS

PED indicates that the department will only be able to provide limited staff support to the LESC for this study.

### SIGNIFICANT ISSUES

Since FY04, school bus replacements have been funded through the General Appropriation Act and various capital outlay funds. However, beginning in FY13, school bus replacements received funding primarily through supplemental severance tax bond proceeds appropriated from the public school capital outlay fund. HB 47, introduced in the current session will delay statutory requirements to replace the 2006 bus cohort, which is scheduled for replacement in FY18, until FY21.

HB47 proposes to extend the life of a school bus from 12 to 15 years. According to PED, the fiscal impact of this bill would be a decrease in capital funding as the number of buses needing to be replaced would decrease for the first three years. Once the replacement cycle evens out, the number of buses to be replaced annually would equal the number of buses currently replaced each year.

PED indicates that the specific impact of HB47 on school districts is unclear as the costs of maintaining older buses are not well documented. However, as a school bus ages, parts wear out and maintenance costs increase significantly as also stated in the memorial that the last three years of a school bus's life are the most expensive.

SM56 will allow the state to study the impact of these changes before statute is amended to extend the life of the buses.

PED provides the following information:

A major objective of the Public Education Department (PED), Transportation Bureau is to establish a safe and efficient unified system of transportation to ensure all eligible students are transported in a safe and timely manner. Extending the maximum number of years that a school bus can be used for transporting students to-and-from school increases the chances of safety components to wear out and will require more diligence on the part of safety inspector to ensure those parts more prone to failure such as brakes, steering components, and suspension parts are identified early and replaced. A number of districts, particularly those in the northwest corner of the state and in our rural ranching communities deal primarily with extremely difficult unpaved roads and these districts struggle to keep their current fleet operational for 12 years. In these districts, buses simply will not last this long without a significant investment in replacement parts. Some parts like bus frames cannot be replaced and are prone to cracking and failure after such long-term usage especially in these severe conditions. SM56 will allow the state an opportunity to study the cost savings and actual safety issues that may surface by extending the life of a school bus before a bill is passed to actually extend the current life of 12 years.

## **RELATIONSHIP**

HM56 relates to HB47 which proposes to amend the Public School Code to extend the school bus replacement cycle from 12 years to 15 years.

CF/al/jle