LFC Requester:	Liu

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

Indicate if analy:	sis is on an original bi	l, amendment, substitute or a	a correction of a previous bill?
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Date Prepared: January 18, 2025 *Check all that apply:* Bill Number: HB32Original X Correction Amendment Substitute

> **Agency Name** New Mexico Public School and Code Facilities Authority 940 Number:

> > Mona Martinez

Sponsor: Sarinana & Lujan

Electric or Alt Fuel School **Person Writing**

Busses Title: Phone: Email mmartinez@nmpsfa.org

SECTION II: FISCAL IMPACT

Short

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total				NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A

SECTION III: NARRATIVE

BILL SUMMARY

This Bill proposes that the department (PED) will offer school districts the opportunity to substitute a traditional school bus with an electric or zero-emission alternative fuel bus as part of the regular school bus replacement cycle. Should a school district choose to replace a school bus with an electric or zero-emission vehicle, PED shall allocate funding to the district equivalent to the amount designated for the replacement of a diesel bus, provided that the district has not secured funding to cover at least fifty percent of the associated costs. In cases where the school district has obtained at least fifty percent of the necessary funding, PED will contribute up to the amount it would allocate for the replacement of a diesel bus, in addition to funding for the required infrastructure.

FISCAL IMPLICATIONS

There is no appropriation for this Bill.

Funding for school busses currently comes out of the Public School Capital Outlay Fund. This bill provides that PED shall cover the cost of an electric or zero emission school bus up to the amount it would cover for a diesel school bus. Any excess costs shall be the responsibility of the school districts. The New Mexico Construction Industries Division recently adopted the 2021 Commercial Energy Code and included requirements for electric vehicle (EV) charging stations for passenger vehicles. This included requiring schools to provide 5% of the required parking with EV stations, with another 5% for future stations. This did not include EV stations for busses. Current estimates show approximately a 40% increase in electrical costs to install the infrastructure and devices required for EV stations. Depending on the size of the fleet, this could have a significant cost impact on new school construction.

SIGNIFICANT ISSUES

Without proper electrical infrastructure and devices, a district cannot make a proper transition towards electrification of a school bus fleet. As mentioned in the Fiscal Impact section, EV stations have a large electrical demand, which typically requires upgrading the electrical service to a facility or site.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

School districts will not have the option to replace a school bus with an electric or zero emission alternative fuel school bus.

AMENDMENTS

N/A