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| LFC Requester: | Sunny Liu |
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**AGENCY BILL ANALYSIS
2017 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment** _____ **Date** 1-30-17
Correction _____ **Substitute** _____ **Bill No:** HB178

Sponsor: Rep. Jimmie C. Hall
Rep. Stephanie Garcia Richard
Rep. Christine Trujillo **Agency Code:** 924
Short Title: SCHOOL FUNDS FOR BUS
PASSES FOR STUDENTS **Person Writing** Aguilar/Ortiz
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|-------------------------|---------------------------|---------------|
| FY17 | FY18 | | |
| | See fiscal implications | Recurring | General Fund |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY17 | FY18 | FY19 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|---------------|---------------|-------------------|---------------------------|--|
| Total | | Indeterminate | Indeterminate | | Recurring | School District Transportation Budgets |

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB-178 amends Section 22-8-9 to allow school districts and charter schools to use a portion of their respective state transportation distributions to provide long-term passes for high school students to use for public transportation for to-and-from school during the school year.

FISCAL IMPLICATIONS

The Public Education Department (PED) did not include this initiative in its FY18 budget request.

The current transportation formula funds school districts and charter schools using prior year data therefore if this bill is enacted, a school district or charter school who elects to issue public transportation passes would have to absorb the cost during the first year of implementation if this program is to be built into the current transportation calculation.

The current transportation funding formula does not contain provisions for calculating the costs associated with the provisions of this bill. The effective date of this bill should be July 1, 2018 to provide sufficient time for changes to be made in the transportation funding formula and to collect the necessary data.

There has been no data provided to the PED regarding the projected cost to implement this initiative. It is not certain if this initiative would be an additional expenditure for school districts or if this would actually save districts and the state by eliminating current bus routes. Without any data or studies, this initiative may not eliminate any bus routes and may duplicate current services that are being provided.

SIGNIFICANT ISSUES

There are only a few school districts who have public transportation services in their respective cities therefore the enactment of this bill would only affect a few school districts. The current factors in the transportation formula are applied equally to all school districts and charter schools. Adding an addition factor in the formula may be perceived as inequitable since it would not apply to all school districts and charter schools.

Issuing public transportation passes for to-and-from transportation does raise many safety issues however; the bill does add language to relieve school districts and charter schools from any potential liability. NMPSIA may need to weigh in on the bill to ensure the language in the bill is sufficient to release districts and charters from any type of liability.

ADMINISTRATIVE IMPLICATIONS

School districts would have to implement a process for auditing those students who are issued passes to ensure the students are utilizing the passes that are issued. School district would also be responsible for a tracking system for those student utilizing transportation passes in order to report data to the PED on the 80th and 120th day reporting dates.

TECHNICAL ISSUES

The current transportation formula is based on a regression analysis from prior year expenditures and is very complex. The current transportation funding formula does not contain provisions for calculating the costs associated with the provisions of this bill. The legislature should consider changing the effective date of this bill should be July 1, 2018 to provide sufficient time for changes to be made in the transportation funding formula and to collect the necessary data.

Further, the bill contains requirements for the PED to promulgate rules to account for the calculation of an additional funding factor for public transportation passes. This will take time and further supports a delayed implementation date.

ALTERNATIVES

There is no current data on how many students would utilize public transportation passes or any data on the projected cost to fund this initiative. The legislature may want to study the cost of implementation during the interim. The legislature may also consider funding this program separately from the regular transportation distribution.