

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: Date 2-20-17
Original **Amendment** **Bill No:** SM56
Correction **Substitute**

Sponsor: Senator Pete Campos **Agency Code:** 924
Short Title: SCHOOL TRANSPORTATION FUNDS & BUS REPLACEMENT **Person Writing:** Aguilar/Ortiz
Phone: 505-827-6519 **Email:** Paulj.aguilar@state.nm

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
	None noted		

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Memorial (SM-56) is requesting that the Senate Finance Committee and the House Appropriations and Finance Committee consider, carefully, the importance of school bus safety under the provisions of House Bill 47 and similar legislation in the 2017 session.

The memorial also requests that the two committees respond to the urging of school bus operators by requesting the interim legislative education study committee to undertake a study of

school bus use and routes in New Mexico, its impact on student safety and the fiscal downside to extending school bus life.

FISCAL IMPLICATIONS

SM-56 will allow the state to study the impact of these changes before statute is amended to extend the life of the buses.

HB-47 is proposing to extend the life of a school bus from 12 to 15 years. The immediate 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.

The impact on school district budgets in HB-47 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. Generally, a 15-year old bus will cost more to maintain and operate than a 12-year old school bus. Districts are expressing concern with reduced funding for transportation and it is unclear if the provisions of this bill would keep costs neutral year-over-year, or if costs would rise. Provisions contained in this bill may require school districts and contractors to absorb increased maintenance costs.

SIGNIFICANT ISSUES

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. Again, SM-56 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.

ADMINISTRATIVE IMPLICATIONS

The PED may be requested to assist the LESC during the interim to study this issue. Due to minimal staff in the School Transportation Bureau, the PED will only be able to provide some support to the LESC to study this issue.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB-47 which is proposing to extend the life of to-and-from school buses to 15 years.