

HOUSE BILL 289

**57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; PROVIDING THAT MONEY IN THE  
TRANSPORTATION DISTRIBUTION OF THE PUBLIC SCHOOL FUND SHALL BE  
USED FOR PAYMENTS TO SCHOOL DISTRICTS AND STATE-CHARTERED  
CHARTER SCHOOLS FOR TO-AND-FROM TRANSPORTATION COSTS THAT  
INCLUDE THE COST OF MILES TRAVELED TO PICK UP THE FIRST STUDENT  
OR CHILD ON A BUS ROUTE AND OF MILES TRAVELED TO RETURN A BUS  
AFTER THE LAST STUDENT OR CHILD ON A BUS ROUTE IS DROPPED OFF;  
MAKING CONFORMING AMENDMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1.** Section 22-8-26 NMSA 1978 (being Laws 1967,  
Chapter 16, Section 76, as amended) is amended to read:

"22-8-26. TRANSPORTATION DISTRIBUTION.--

A. Money in the transportation distribution of the  
public school fund shall be used only for the purpose of making  
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1 payments to each school district or state-chartered charter  
2 school for:

3 (1) the to-and-from school transportation  
4 costs of students in ~~[grades]~~ kindergarten through ~~[twelve]~~  
5 twelfth grade attending public school within the school  
6 district or state-chartered charter school and of three- and  
7 four-year-old children who meet the department-approved  
8 criteria for and definition of developmentally disabled,  
9 including the cost of miles traveled by a school bus to pick up  
10 the first student or child on a school bus route and the number  
11 of miles traveled to return a school bus after the last student  
12 or child on a school bus route is dropped off; and [for]

13 (2) the transportation of students to and from  
14 their regular attendance centers and the place where vocational  
15 education programs are being offered.

16 B. In the event a school district's or state-  
17 chartered charter school's transportation allocation exceeds  
18 the amount required to meet obligations to provide to-and-from  
19 transportation, three- and four-year-old developmentally  
20 disabled transportation and vocational education  
21 transportation, fifty percent of the remaining balance shall be  
22 deposited in the transportation emergency fund.

23 C. Of the excess amount retained by the school  
24 district or state-chartered charter school, at least twenty-  
25 five percent shall be used for to-and-from transportation-

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1 related services, excluding salaries and benefits, and up to  
2 twenty-five percent may be used for other transportation-  
3 related services, excluding salaries and benefits as defined by  
4 rule of the department.

5 D. In the event the sum of the proposed  
6 transportation allocations to each school district or state-  
7 chartered charter school exceeds the amounts in the  
8 transportation distribution, the allocation to each school  
9 district or state-chartered charter school shall be reduced in  
10 the proportion that the school district or state-chartered  
11 charter school allocation bears to the total statewide  
12 transportation distribution.

13 E. A local school board or governing body of a  
14 state-chartered charter school, with the approval of the state  
15 transportation director, may provide additional transportation  
16 services pursuant to Section 22-16-4 NMSA 1978 to meet  
17 established program needs.

18 F. Nothing in this section prohibits the use of  
19 school buses to transport the general public pursuant to the  
20 Emergency Transportation Act."

21 SECTION 2. Section 22-8-29.1 NMSA 1978 (being Laws 1995,  
22 Chapter 208, Section 10, as amended) is amended to read:

23 "22-8-29.1. CALCULATION OF TRANSPORTATION ALLOCATION.--

24 A. As used in this section:

25 (1) "annual variables" means the coefficients  
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1 calculated by regressing the total operational expenditures  
2 from two years prior to the current school year for each school  
3 district and state-chartered charter school using the number of  
4 students transported and the numerical value of site  
5 characteristics; ~~[provided that for fiscal years 2022 and 2023,~~  
6 ~~the coefficients shall be calculated by regressing the total~~  
7 ~~operational expenditures from fiscal year 2019]~~

8 (2) "base amount" means the fixed amount that  
9 is the same for all school districts and an amount established  
10 by rule for state-chartered charter schools;

11 (3) "total operational expenditures" means the  
12 sum of all to-and-from school transportation expenditures,  
13 including the cost of miles traveled by a school bus to pick up  
14 the first student or child on a school bus route and the number  
15 of miles traveled to return a school bus after the last student  
16 or child on a school bus route is dropped off and excluding  
17 expenditures incurred in accordance with the provisions of  
18 Section 22-8-27 NMSA 1978; and

19 (4) "variable amount" means the sum of the  
20 product of the annual variables multiplied by each school  
21 district's or state-chartered charter school's numerical value  
22 of the school district's and state-chartered charter school's  
23 site characteristics multiplied by the number of days of  
24 operation for each school district or state-chartered charter  
25 school.

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1           B. The department shall calculate the  
2 transportation allocation for each school district and state-  
3 chartered charter school.

4           C. The base amount is designated as product A.  
5 Product A is the constant calculated by regressing the total  
6 operational expenditures from the two years prior to the  
7 current school year for school district or state-chartered  
8 charter school operations using the numerical value of site  
9 characteristics approved by the department. The legislative  
10 education study committee and the legislative finance committee  
11 may review the site characteristics developed by the state  
12 transportation director prior to approval by the department.

13           D. The variable amount is designated as product B.  
14 Product B is the predicted additional expenditures for each  
15 school district or state-chartered charter school based on the  
16 regression analysis using the site characteristics as predictor  
17 variables multiplied by the number of days.

18           E. The allocation to each school district and  
19 state-chartered charter school shall be equal to product A plus  
20 product B. The adjustment factor shall be applied to the  
21 calculation.

22           ~~[F. For the 2001-2002, 2002-2003 and 2003-2004~~  
23 ~~school years, the transportation allocation for each school~~  
24 ~~district shall not be less than ninety-five percent or more~~  
25 ~~than one hundred five percent of the prior school year's~~

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underscored material = new  
[~~bracketed material~~] = delete

~~transportation expenditure.~~]"

SECTION 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2026.

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