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FISCAL IMPACT REPORT

ORIGINAL DATE 01/17/08

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE Study School Transportation Funding SJM 12

ANALYST Escudero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

This Joint Memorial requesting The Public Education Department to study how school transportation funding for salaries and benefits is being spent.

- Each year, the legislature appropriates money to the public education department to fund to- and from-school bus transportation in public school districts statewide.
- Current law allows school districts to provide school bus transportation to students through the use of school bus service contracts, either with individual owner-operators or private school bus contractors or both.
- By public education department rule, a person who owns only one bus and who drives the bus on a full-time basis is, as a driver, considered an employee of the school district, while a person who owns more than one bus is considered a self-employed private school bus contractor who hires the contractor's own employees.
- Since 1994, the money distributed through school bus service contracts by the public education department to private school bus contractors has included a thirty-five percent reimbursement rate for employee benefits paid by a private school bus contractor to employees.
- Private school bus contractors may provide up to thirty-five percent employee benefits for their employees.

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- The public education department reports that fewer than ten percent of the current private school bus contractors provide any form of employee benefits for their employees.
- Now, therefore, be it resolved by the Legislature of the State of New Mexico that the Public Education Department, the Legislative Education Study Committee and the Legislative Finance Committee, in collaboration with public school district administrators and representatives of private school bus contractors, be requested to examine the funding of school transportation contracts to ensure that the employees of private school bus contractors have full access to the wages and benefits available to the contractor.
- Be it further resolved that the public education department report its findings and recommendations to the Legislative Education Study committee by October 1, 2008.
- Be it further resolved that copies of this memorial be transmitted to the Secretary of Public Education and the Directors of the Legislative Education Study Committee and the Legislative Finance Committee for appropriate distribution.

FISCAL IMPLICATIONS

According to PED, no fiscal impact. The PED can absorb the cost of this study with existing staff.

SIGNIFICANT ISSUES

- SJM 12 would require the PED, LESC, LFC, public school district administrators, and representatives of private school bus contractors to work in consortium to conduct the requested study.
- Current national and state trends for school bus driver recruitment and retention illustrate that school bus driver shortages are becoming more prevalent. School operations rely on school transportation operations being able to provide timely and consistent services. While many school districts have driver shortages, this directly impacts the level of services necessary to ensure that students receive full instructional time as required.
- New Mexico has qualified 15% more (new) drivers in calendar year 2007 and continues to have school bus driver shortages.
- Public school districts who employ school bus drivers may qualify for employee benefits provided that they meet the minimum hour requirement for educational retirement and/or health coverage. School bus drivers employed by private school bus operators have limited benefits.

PME/bb