



LFC Requester: Liu

**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2026 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: January 28 2026

Bill No: HB175

Committee Referrals: Not Printed

Agency Name and Code: PED - 924

Sponsor: Ortez / Garratt

PED Lead Analyst: David Craig

Phone: (505) 670-7550 **Email:** David.Craig@ped.nm.gov

Short Title: REPORTING ON SCHOOL
BUS DATA

PED Policy Senior Manager: denise terrazas

Phone: (505) 470-5303 **Email:** denise.terrazas@ped.nm.gov

SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		
None	None	N/A	NFA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY27	FY28	FY29		
None	None	None	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None.	None.	None.	None.	None.	None.

Duplicates/Relates to Appropriation in the General Appropriation Act: House Bill 2 (HB2) includes \$662 thousand within the public school transportation distribution for recruitment and retention of public school transport personnel.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 175 (HB175) would amend public school transportation reporting and funding requirements so that school districts and state-chartered charter schools can receive transportation funding in the same year they expand services, rather than waiting until the following year.

The bill does not provide an effective date. Laws go into effect 90 days after the adjournment of the legislature enacting them, unless a later date is specified. If enacted, this bill would become effective May 20, 2026.

FISCAL IMPLICATIONS

The bill does not contain an appropriation.

SIGNIFICANT ISSUES

HB175 would require school districts and state-chartered charter schools to report additional data on the second and third reporting dates, including:

- the number of charter school students transported on district- or charter-operated routes;
- use of public transit or fare-based transportation, including costs; and
- evidence of transportation expansion, such as new routes, increased miles traveled, and increased number of student riders compared to the prior year.

It is unclear how each local school board of a school district and governing body of a state-chartered charter school would report to the state transportation director the number of students using public transit.

Under current law, transportation allocations are largely based on a prior-year average of reported data. HB175 would change that by allowing school districts or state-chartered charter schools that report expanded transportation services in the current school year to receive a current-year allocation based on the expanded data, to be reconciled or adjusted in the following school year.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

HB175 would require PED to perform and maintain the following with fiscal oversight:

- Any current-year allocation based on expanded services is subject to reconciliation or adjustment in the subsequent school year.
- Adjustments will be made according to PED rule.
- Allocations remain subject to audit and verification.

HB175 would require PED to promulgate rule for transportation growth funding, and would likely do so by amending Rule [6.43.3 NMAC](#), Public School Transportation Operational Funding

Reporting Requirements. Currently, transportation allocations have stability and allow for distribution after calculation, by basing funding on prior year. Requiring a growth element would require PED to essentially forecast potential growth, hold some funding back and then recalculate the funding formula for the growth and then redistribute with the new funds. If there is no growth, then there will be a delay in a school district receiving full transportation funding allocations as they await the recalculation. HB175 will complicate forecasting of transportation distributions compared to a strictly prior-year average model.

HB175 would require additional reporting, verification, and reconciliation. HB175 is dependent on PED developing rulemaking to define and verify “expanded transportation services.” There may be potential reporting disputes or adjustments created if current-year data later differs from audited figures, and claw-back adjustments have to be made.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to:

- [House Bill 262](#), School Transport Emergency Fund Uses, which permit grants from the fund to small rural school districts for the purchase of buses for student activities.
- [House Bill 289](#), School Transportation Funding, which would allow for payments from the public school transportation distribution to include the cost of miles travelled to pick up the first student on a route and after the last student is dropped off.
- [Senate Bill 234](#), Foster Child School Transportation, which would appropriate \$1.2 million to the PED for transportation to and from school for foster children attending Albuquerque Public Schools.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.