



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: February 3 2026

Bill No: HB289

Committee Referrals: HEC/HAFC

Sponsor: Armstrong / Mirabal Moya /
Baca / Charley

Agency Name and Code: PED - 924

PED Lead Analyst: /

Short Title: SCHOOL
TRANSPORTATION
FUNDING

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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		
N/A	N/A	N/A	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	N/A	N/A	N/A	N/A	N/A	N/A

Duplicates/Relates to Appropriation in the General Appropriation Act: As of February 8, 2026, it relates to the public school transportation appropriation of approximately \$144 million in the General Appropriation Act.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 289 (HB289) would amend statute to add that allowable school transportation costs are to include the miles a school bus travels to pick up the first student and the miles traveled to return a school bus after the last student is dropped off.

The bill has an effective date of July 1, 2026.

FISCAL IMPLICATIONS

The bill does not contain an appropriation.

Changing the transportation funding formula without increasing the overall distribution would have redistributive effects. Allowing school districts to include the additional miles would increase their reimbursable expenses and redistribute funds to those entities and away from the current distributions. This calculation would primarily shift funds from more urban districts with fewer “deadhead miles” to more rural school districts, which generally must travel greater distances to transport students. PED does not have the data to inform a cost estimate of these potential redistributive effects at this time.

SIGNIFICANT ISSUES

Per current law, [Section 22-8-26 NMSA 1978](#) (transportation distribution), permits money from the transportation distribution for transportation maintenance and operations to be used only for the to-and-from transportation costs of K-12 students attending public school within the school district or state-chartered charter school at certain distances from the school.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

House Bill 289 would require PED to collect new data and review its controls over reporting of miles for reimbursement. The bill may require additional monitoring of rural school district mileage reporting, which would have administrative costs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to:

- [HB175](#), Reporting on School Bus Data, which requires additional school bus transportation reporting by school districts and state charter schools
- [HB261](#), School Activity Buses, which appropriates \$3 million to PED for grants to small rural school districts for the purchase of buses for student activities.

- [HB262](#), School Transport Emergency Fund Use, which allows the fund to be used for purchase of activity buses in rural school districts.
- [SB234](#), 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.