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October 15, 2012

MEMORANDUM

TO: Legislative Education Study Committee

FR: David T. Craig and Ian Kleats

RE: STAFF BRIEF: FUEL COSTS AND APPROPRIATION REQUEST

Introduction

During the August LESC Transportation Subcommittee meeting, issues regarding fluctuations in fuel costs and budget shortfalls were discussed.

This staff report provides information on the following:

- current law;
- comparison of the school transportation request and the appropriation;
- fuel price forecasts and the appropriation development; and
- options for reducing fuel costs; and
- policy options.

Current Law

During the August LESC Transportation Subcommittee meeting, Legislative Education Study Committee (LESC) staff outlined provisions in current law relating to school transportation, including provisions in the *Special Fuels Supplier Tax Act* (act) that provide for a refund of state taxes on fuel. Attachment 1, *Provisions in Current Law and Administrative Rule, School Bus Transportation*, includes the current provisions of the act that:

- require the special fuel excise tax to apply to special fuel suppliers and users;
- define a special fuel user as an owner or operator of a motor vehicle using special fuel and having a gross vehicle weight in excess of 26,000 pounds, and
- exclude school districts operating their own buses from the definition of a special fuel user.

Among its other provisions, the act provides a credit to ensure that special fuel is not be subject to double taxation, once from the supplier and again from the user. For school bus operators, the act also provides for a refund of taxes paid on special fuel.

The table below compares tax rates paid by school districts and private contractors for retail or wholesale fuel purchases.

	Retail	Wholesale
School Districts	<ul style="list-style-type: none"> • Price at the pump is increased by full amount of the special fuel excise tax. • Cannot claim refund because school districts do not qualify as special fuel users. <p>The additional cost is the special fuel excise tax rate.</p>	<ul style="list-style-type: none"> • Supplier can deduct gallons sold from special fuel excise tax. • Supplier can deduct receipts from this sale when calculating Gross Receipts Tax (GRT) due. <p>There is additional cost.</p>
Private Contractors	<ul style="list-style-type: none"> • Price at the pump is increased by full amount of the special fuel excise tax. • Can claim refund as special fuel user for tax paid by supplier. • Can claim credit against their own special fuel excise tax liabilities. <p>There is no additional cost.</p>	<ul style="list-style-type: none"> • Supplier can deduct gallons sold from Special Fuel Excise Tax. • Supplier can deduct receipts from this sale when calculating GRT due. <ul style="list-style-type: none"> ◦ Supplier passes on cost of GRT to the contractor. • Cannot claim credit against their own special fuel excise tax liabilities. • Can claim refund equal to the amount of tax paid. <p>The additional cost is the GRT rate.</p>

Comparison of the School Transportation Request and the Appropriation

When discussing fuel allocations, it is difficult to track appropriations specific to fuel for school transportation because of the nature of the transportation appropriation. In the *General Appropriation Act*, the school transportation appropriation is a categorical public school support line item. As reported by LESC staff during the August subcommittee meeting, three components comprise the operational transportation request:

- operations and maintenance;
- fuel; and
- salary and benefits.

Together with the equipment component (traditionally appearing on the LESC public school support table as “rental fees”), these components generally make up the transportation appropriation in *General Appropriation Act*. Because the appropriation request is aggregated to one “Operational” line item, the impact of appropriation reductions or increases for fuel is

unknown. The history of the transportation request (excluding school-owned bus replacements funded through the capital outlay process) is provided below. Reductions or increases to appropriations are shown in the difference column.

Comparison of Transportation Request and Final Appropriation, by Fiscal Year

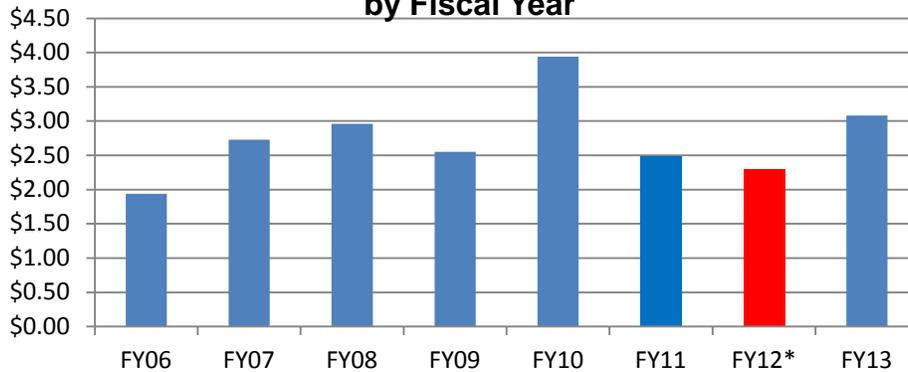
Fiscal Year	Total PED Request	Appropriation Amount	Difference
FY 06	\$99,781,300	\$99,954,000	\$172,700
FY 07	\$103,604,700	\$104,389,500	\$784,800
FY 08	\$105,179,800	\$105,566,900	\$387,100
FY 09	\$109,681,200	\$111,048,300	\$1,367,100
FY 10	\$107,839,300	\$99,041,700	(\$8,797,600)
FY 11	\$107,514,400	\$97,800,600	(\$9,713,800)
FY 12	\$95,104,600	\$92,930,300	(\$2,174,300)
FY 13	\$95,795,700	\$96,676,000	\$880,300

Source: PED and LESC Yearly Memo

Fuel Price Forecasts and the Appropriation Development

When developing the appropriation request, the Public Education Department (PED) uses an average diesel price per gallon to help determine the fuel base funding request. This information is provided in the graph below.

Diesel Price Per Gallon Used in Total Fuel Need Calculation, by Fiscal Year



*Uses the FY11 projection for diesel prices. Information on Total Fuel Need is unavailable in worksheet form for these years .

Source: LESC Analysis of PED Data

According to PED, historically the department used the Lundberg survey to determine an estimate for diesel fuel; however, in recent years PED has discontinued use of this survey in fuel cost projections.

LESC staff believes that econometric forecasting techniques, when used to estimate statewide fuel prices, face the following obstacles:

- price forecasts for diesel fuel, if available, are generally national;
- price history for diesel specific to New Mexico is either very costly or unavailable; and
- models result in extremely broad confidence intervals, suggesting inaccurate results.

Several key factors support a simpler approach:

- diesel fuel prices tend to trend with oil prices (see Attachment 2, *U.S. Diesel Fuel and Crude Oil Prices*);
- New Mexico diesel prices appear to be closely linked to Gulf Coast prices; and
- oil price forecasts are available from the consensus revenue estimating group, and historical diesel prices for the Gulf Coast region are available for free from the national Energy Information Agency (EIA).

After meeting with a New Mexico Department of Transportation (NMDOT) economist, LESC staff believes sufficient predictive power can be attained by growing the prior year's fuel price consistent with the oil price growth rates of the consensus group. Assuming the fuel price estimate used in preparing the appropriation request is reasonably accurate, two additional factors could result in budget shortfalls for fuel: price volatility and regional price variation.

The estimates developed by LESC staff during the appropriation process assume an average annual price; however, fuel prices can fluctuate on a daily basis. It is possible, at the district or contractor level, that refueling happens to occur more frequently on days of high prices rather than low prices. Under those unlucky circumstances, a district's annual budget for fuel could fall short of actual expenditures even if the statewide annual average price projection were correct.

Attachment 3, a map of gasoline prices statewide, illustrates that fuel price differentials exist between regions. If fuel prices are systemically higher in one region than another, the transportation allocation could underfund some school districts relative to others. As originally presented to the subcommittee at the August 2012 meeting, Attachment 4, *Public Education Department School Transportation 2011-2012 Initial Operation Allocations*, shows that the transportation allocation does not consider regional fuel price variation either directly or indirectly through the site characteristics.

Options for Reducing Fuel Costs

Statewide price agreements allow small entities to gain access to below-market rates. When tied to an index, the agreement can smooth daily or weekly price changes. The State Purchasing Division, General Services Department (GSD), currently has a state agreement for the price of fuel. This agreement also allows state agencies to benefit from a volume discount based on gallons purchased. The required use of purchasing cards also provide for increased transparency and accountability. However, it is unclear whether private contractors can benefit from such agreements due to the anti-donation clause in the state's constitution.

Bulk purchase agreements allow for purchase of fuel in large volumes allowing the buyer to obtain below-retail rates. Bulk purchasing can also alleviate price volatility because, to some extent, a buyer can draw down reserves when prices are high and restock when prices are low. However school districts or private contractors may not consume enough fuel to justify bulk purchases. These agreements would likely require the construction and maintenance of storage

and refueling facilities, which would mean an initial capital cost. Bulk sales of diesel fuel to private contractors are also subject to gross receipts tax.

Alternative fuel-powered fleets allow natural gas and propane fuels which are currently less expensive per gallon than diesel and gasoline. Alternative fuels may also be considered more environmentally friendly. However, buses employing compressed natural gas (CNG) engines can be \$30,000 to 60,000 more expensive than traditional diesel or gasoline engines. CNG buses also require that mechanics be trained or retrained with vehicle-specific knowledge.

Replacement parts are also generally more expensive, and in some cases, such as fuel tanks, the parts must be replaced more frequently than diesel counterparts. CNG also requires the construction and maintenance of storage and refueling facilities, which would also mean an initial capital cost.

In addition, a more detailed benefit-cost analysis would be required to ascertain whether alternative fuel-powered buses are fiscally viable. Any transition would require substantial revision to the current process through which the state purchases school buses.

The experience of agencies like GSD and the NMDOT could provide a model for districts and private contractors. Examples of efficient fuel distribution models include:

- GSD's fuel card system; and
- NMDOT's district model with interspersed maintenance/refueling yards.

Examination of these best practices could lead to additional policy options, such as a partnership between NMDOT and small rural districts to use existing refueling facilities under mutually beneficial terms. The models employed by large state agencies may not work for many small transportation providers, whether they be school districts or private contractors.

Policy Options

The subcommittee may wish to consider:

- recommending a separate categorical appropriation for school transportation fuel in the *General Appropriations Act*;
- recommending that PED develop future diesel price estimates based on the EIA Gulf Coast region price estimate adjusted by the growth in oil prices as estimated by the consensus revenue forecast and incorporating regional fuel price differences in the fuel estimate;
- recommending that PED consider fuel as a site characteristic;
- amending current law to establish a transportation fuel fund to address budget shortfalls;
- recommending that PED explore the following alternative models for fuel purchase, distribution or use:
 - ✓ statewide price agreements;
 - ✓ bulk purchase agreements;
 - ✓ alternative fuel vehicles; and
 - ✓ utilizing the best practices of other state agencies.

Provisions in Current Law and Administrative Rule:
School Bus Transportation

Current Law		Administrative Rule
<p>7-9-26. Exemption; gross receipts and compensating tax; fuel. (1995)</p>	<p>Exempted from the gross receipts and compensating tax are the receipts from selling and the use of gasoline, special fuel or alternative fuel on which the tax imposed by Section 7-13-3, 7-16-3 or 7-16A-3 NMSA 1978 or the Alternative Fuel Tax Act has been paid and not refunded.</p>	<p>3.2.114 Gross Receipts Taxes Exemption – Gross Receipts and Compensating Tax - Fuel 3.2.114.8 Refund of Tax: When a refund of tax imposed by Sections 7-13-3 and 7-16A-3 NMSA 1978 is given the purchaser under Sections 7-13-17 or 7-16A-13.1 NMSA 1978, the compensating tax will be deducted from such refund and no gross receipts tax will be charged at the time of sale of the product. The reasonable value of gasoline or special fuel for compensating tax purposes will be the price paid for the fuel, including any applicable excise taxes whether separately stated or included in the price. This version of 3.2.114.8 NMAC applies to transactions on or after July 1, 1998. [12/5/69, 3/9/72, 11/20/72, 3/20/74, 7/26/76, 6/18/79, 4/7/82, 5/4/84, 4/2/86, 11/26/90, 11/15/96; 3.2.114.8 NMAC - Rn, 3 NMAC 2.26.8 & A, 10/31/00; A, 10/15/02; A, 12/30/10]</p>
<p>7-9-54. Deduction; gross receipts tax; governmental gross receipts tax; sales to governmental agencies. (2003)</p>	<p>A. Receipts from selling tangible personal property to the United States or New Mexico or any governmental unit or subdivision, agency, department or instrumentality thereof may be deducted from gross receipts or from governmental gross receipts. Unless</p>	<p>3.2.212 Gross Receipts Taxes Deduction – Gross Receipts Tax – Sales to Governmental Agencies 3.2.212.9 Sale of Service to a Governmental Agency: A. Receipts from the sale of a</p>

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
	<p>contrary to federal law, the deduction provided by this subsection does not apply to:</p> <p>(1) receipts from selling metalliferous mineral ore;</p> <p>(2) receipts from selling tangible personal property that is or will be incorporated into a metropolitan redevelopment project created under the Metropolitan Redevelopment Code [3-60A-1 NMSA 1978];</p> <p>(3) receipts from selling construction material; or</p> <p>(4) that portion of the receipts from performing a "service" that reflects the value of tangible personal property utilized or produced in performance of such service.</p> <p>B. Receipts from selling tangible personal property for any purpose to an Indian tribe, nation or pueblo or any governmental subdivision, agency, department or instrumentality thereof for use on Indian reservations or pueblo grants may be deducted from gross receipts or from governmental gross receipts.</p> <p>C. When a seller, in good faith, deducts receipts for tangible personal property sold to the state or any governmental unit, subdivision, agency, department or instrumentality thereof, after receiving written assurances from the buyer's representative that the property sold is not</p>	<p>service to a governmental agency are not deductible pursuant to Section 7-9-54 NMSA 1978. Only the receipts from selling tangible personal property to a governmental agency are deductible.</p>

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
	construction material, the department shall not assert in a later assessment or audit of the seller that the receipts are not deductible pursuant to Paragraph (3) of Subsection A of this section.	
7-15A-5. Exemption from tax. (2006)	Exempted from imposition of the weight distance tax is the use of the highways of this state by: A. school buses; B. buses used exclusively for the transportation of agricultural laborers; C. buses operated by religious or nonprofit charitable organizations; and D. commercial motor carrier vehicles as defined in Subsection B of Section 7-15-2.1 NMSA 1978 while operating exclusively within ten miles of a border with Mexico in conjunction with crossing the border with Mexico.	3.12.5.8 Highway Use Taxes and Fees Exemption From Tax Registration of School Buses Required: Only those school buses registered under the provisions of Section 66-6-12 NMSA 1978, those buses used exclusively for the transportation of agricultural laborers registered under the provisions of Section 66-6-8 NMSA 1978, and those buses operated by religious or nonprofit charitable organizations registered under the provisions of Section 66-6-5 NMSA 1978 are exempt from the imposition of the weight distance tax under Section 7-15A-5 NMSA 1978. [9/20/93, 9/14/96; 3.12.5.8 NMAC - Rn & A, 3 NMAC 12.5.8, 11/15/01]
7-16A-10. Deductions; special fuel excise tax; special fuel suppliers. (2009)	F. special fuel that is number 2 diesel fuel sold for the generation of power to propel a vehicle authorized by contract with the public education department as a school bus; provided that the fuel has a distillation temperature of five hundred degrees Fahrenheit at a ten percent recovery point	N/A

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
	and six hundred forty degrees Fahrenheit at a ninety percent recovery point;	
<p>7-16A-13.1. Claim for refund of special fuel excise tax paid on special fuel. (2006)</p>	<p>A. Upon the submission of proof satisfactory to the department¹, a user of special fuel² may submit and the department may allow a claim for refund of tax paid on special fuel used to propel a vehicle authorized by contract with the public education department as a school bus, to propel a vehicle off-road, to operate auxiliary equipment by a power take-off from the main engine or transmission of a vehicle or to operate a non-automotive apparatus mounted on a vehicle when the special fuel used for such purposes and the special fuel used to propel the vehicle on the highways are drawn from a common supply tank. The vehicle must be registered with the department. The user must be registered with the department for purposes of reporting and paying gross receipts tax.</p> <p>B. No person may submit claims for refund pursuant to the provisions of this section more frequently than quarterly. No claim for refund may be submitted or allowed on less than one hundred gallons.</p>	<p>3.1.4. Tax Administration Filing 3.1.4.11 Semi-Annual or Quarterly Filing D. Filing Periods for Alternative Fuel Tax Distributors: (1) In anticipation that distributors who are required to file and pay the alternative fuel excise tax will have a tax liability of less than \$200 per month, distributors are authorized to report and pay this tax on a quarterly basis without advance approval of the secretary. The quarterly reporting and payment intervals shall only be for the three-month periods ending March 31, June 30, September 30 and December 31. (2) After December 31, 1996, any distributor reporting and paying on a quarterly basis whose alternative fuel excise tax liability averages more than \$200 per month during a calendar quarter will be required to report and pay alternative fuel excise</p>

¹ "department" means the taxation and revenue department, the secretary or any employee of the department exercising authority lawfully delegated to that employee by the secretary;

²"special fuel" means any diesel-engine fuel or kerosene used for the generation of power to propel a motor vehicle, except for gasoline, liquefied petroleum gas, compressed or liquefied natural gas and products specially prepared and sold for use in aircraft propelled by turbo-prop or jet engines

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law	Administrative Rule
	<p>C. The department may prescribe the documents necessary to support a claim for refund pursuant to the provisions of this section. The department may prescribe the use of types of monitoring or measuring equipment.</p> <p>D. This section applies to special fuel purchased on or after July 1, 2001, except for the refund for special fuel used to propel a school bus, which applies to special fuel purchased on or after July 1, 2005.</p>
<p>22-8-26. Transportation distribution.</p>	<p>A. Money in the transportation distribution of the public school fund shall be used only for the purpose of making payments to each school district or state-chartered charter school for the to-and-from school transportation costs of students in grades kindergarten through twelve attending public school within the school district or state-chartered charter school and of three- and four-year-old children who meet the department approved criteria and definition of developmentally disabled and for transportation of students to and from their regular attendance centers and the place where vocational education programs are being offered.</p> <p>B. In the event a school district's or state-chartered charter school's transportation allocation exceeds the amount required to</p>
<p>tax on a monthly basis. After December 31, 1996, any distributor reporting on a monthly basis but whose alternative fuel tax liability is less than \$200 per month may report and pay the alternative fuel excise tax on a quarterly basis if the distributor obtains the prior approval of the secretary or the secretary's delegate. (3) This regulation is retroactively applicable to tax periods beginning on or after January 1, 1996.</p>	<p>6.43.3 Public School Transportation Operational Funding Reporting Requirements</p> <p>6.43.3.7 E. Remaining balance - Unexpended balance at the end of any fiscal year that is not obligated or necessary to meet the to-and-from transportation services included in the school district budget. [07-30-99; 6.43.3.7 NMAC - Rn, 6 NMAC 9.4.3.7, 12-29-2000; A, 11-13-2009]</p> <p>6.43.3.8 Requirements of the Public Education Department:</p> <p>B. The department shall prepare budget and reporting forms for the remaining balances carried forward and provide them to each school district.</p>

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
	<p>meet obligations to provide to-and-from transportation, three- and four-year-old developmentally disabled transportation and vocational education transportation, fifty percent of the remaining balance shall be deposited in the transportation emergency fund.</p> <p>C. Of the excess amount retained by the school district or state-chartered charter school, at least twenty-five percent shall be used for to-and-from transportation-related services, excluding salaries and benefits, and up to twenty-five percent may be used for other transportation-related services, excluding salaries and benefits as defined by rule of the department.</p> <p>D. In the event the sum of the proposed transportation allocations to each school district or state-chartered charter school exceeds the amounts in the transportation distribution, the allocation to each school district or state-chartered charter school shall be reduced in the proportion that the school district or state-chartered charter school allocation bears to the total statewide transportation distribution.</p> <p>E. A local school board or governing body of a state-chartered charter school, with the approval of the state transportation director, may provide additional transportation services pursuant to Section 22-16-4 NMSA</p>	<p>[07-30-99; 6.43.3.8 NMAC - Rn, 6 NMAC 9.4.3.8, 12-29-2000; A, 11-13-2009]</p> <p>6.43.3.9 Requirements of School Districts</p> <p>B. School districts shall use their remaining balance as follows.</p> <p>(1) At least twenty-five percent of the total remaining balance shall be used for to-and-from transportation-related services, excluding salaries and benefits.</p> <p>(2) Up to twenty-five percent of the total remaining balance may be used for other transportation-related services, excluding salaries and benefits.</p> <p>(3) The school district may use fifty percent of the total remaining balance for to-and-from transportation-related services, excluding salaries and benefits.</p> <p>[07-30-99; 6.43.3.9 NMAC - Rn, 6 NMAC 9.4.3.9, 12-29-2000]</p> <p>HISTORY OF 6.43.3 NMAC: [RESERVED]</p>

Provisions in Current Law and Administrative Rule:
School Bus Transportation

Current Law		Administrative Rule
	<p>1978 to meet established program needs. F. Nothing in this section prohibits the use of school buses to transport the general public pursuant to the Emergency Transportation Act [22-17-1 through 22-17-4 NMSA 1978].</p>	
<p>22-8-27. Transportation equipment. (2009)</p>	<p>A. The department shall establish a systematic program for the purchase of necessary school bus transportation equipment. B. In establishing a system for the replacement of school-district-owned buses, the department shall provide for the replacement of school buses on a twelve-year cycle. School districts requiring additional buses to accommodate growth in the school district or to meet other special needs may petition the department for additional buses. Under exceptional circumstances, school districts may also petition the department for permission to replace buses prior to the completion of a twelve-year cycle or to use buses in excess of twelve years contingent upon satisfactory annual safety inspections. C. In establishing a system for the use of contractor-owned buses by school districts or state-chartered charter schools, the department shall establish a schedule for the payment of rental fees for the use of contractor-owned buses. The department shall establish procedures to ensure the</p>	<p>6.43.2. Requirements for School Bus Contracts and Per Capita Feeder Agreements K. The local board shall comply with the procedures established by the secretary of public education for the purchase and replacement of school buses. M. The school district shall ensure that a lien is filed in its name on every contractor-owned school bus under the contract. The school district shall also ensure that a lien is perfected in its name on each contractor-owned school bus with the motor vehicle division of the taxation and revenue department. The lien shall be recorded on the title of the school bus. The school district shall provide documentation to the state transportation director that the school district has filed a lien on each school bus authorized under contract with the school district. A school bus contractor shall not refinance or use a</p>

**Provisions in Current Law and Administrative Rule:
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Current Law	Administrative Rule
	<p>systematic replacement of buses on a twelve-year replacement cycle. School districts requiring additional buses to accommodate growth in the school district or to meet other special needs may petition the department for additional buses. Under exceptional circumstances, school districts may also petition the department for permission to replace buses prior to the completion of a twelve-year cycle or to use buses in excess of twelve years contingent upon satisfactory annual safety inspections.</p> <p>D. The school district shall file a lien on every contractor-owned school bus under the contract on which the contractor owes money, which lien shall have priority second only to a lien securing the purchase-money obligation. The school district shall perfect its lien on each contractor-owned school bus by filing the lien with the motor vehicle division of the taxation and revenue department. The lien shall be recorded on the title of the school bus. A school bus contractor shall not refinance or use a school bus on which a school district has a lien as collateral for any other loan without prior written permission of the department. A school bus lien shall be collected and enforced as provided in Chapter 55, Article 9 NMSA 1978. The school district shall release its lien on a school bus:</p>

Administrative Rule
<p>school bus on which a school district has a lien as collateral for any other loan without prior written permission of the public education department. The school district shall release its lien on a school bus when:</p> <p>(1) the public education department authorizes a replacement of the school bus; or</p> <p>(2) the contractor has reimbursed the school district the amount calculated by the public education department; if the school district fails to take action to collect money owed to it when a school bus contract is terminated or not renewed, the public education department may deduct the amount from the school district's transportation distribution.</p> <p>[12-31-98; 6.43.2.8 NMAC - Rn, 6 NMAC 9.4.1.8, 10-15-01; A, 11-13-09]</p>

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
	<p>(1) when the department authorizes a replacement of the school bus; or</p> <p>(2) when the contractor has reimbursed the school district the amount calculated pursuant to Subsection E of this section if the school bus service contract is terminated or not renewed and the contractor owes the school district as provided in that subsection.</p> <p>E. No school district shall pay rental fees for any one bus for a period in excess of five years. In the event a school bus service contract is terminated or not renewed by either party, the department shall calculate the remaining number of years that a bus could be used based on a twelve-year replacement cycle and calculate a value reflecting that use. The school district shall deduct an amount equal to that value from any remaining amount due on the contract, or if no balance remains on the contract, the contractor shall reimburse the school district an amount equal to the value calculated.</p> <p>F. If the school district fails to take action to collect money owed to it when a school bus contract is terminated or not renewed, the department may deduct the amount from the school district's transportation distribution.</p>	
22-8-29. Transportation distributions; reports; payments. (2010)	A. Prior to November 15 of each year, each local school board of a school district and governing body of a state-chartered charter school shall report to the state transportation	6.43.3 Public School Transportation Operational Funding Reporting Requirements 6.43.3.9 Requirements of School

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
	<p>director, upon forms furnished by the state transportation director, the following information concerning the school district's or state-chartered charter school's operation on the first reporting date of the current year:</p> <ul style="list-style-type: none"> (1) the number and designation of school bus routes in operation in the school district; (2) the number of miles traveled by each school bus on each school bus route, showing the route mileage in accordance with the type of road surface traveled; (3) the number of students transported on the first reporting date of the current year and adjusted for special education students on December 1; (4) the projected number of students to be transported in the next school year; (5) the seating capacity, age and mileage of each bus used in the school district for student transportation; and (6) the number of total miles traveled for each school district's or state-chartered charter school's per capita feeder routes. <p>B. Each local school board of a school district and governing body of a state-chartered charter school maintaining a school bus route shall make further reports to the state transportation director at other times specified by the state transportation director.</p> <p>C. The state transportation director shall certify to the secretary that the allocations</p>	<p>Districts</p> <p>A. Each school district that receives transportation distributions in accordance with Sections 22-8-26, 22-8-29, 22-8-29.1, 22-8-29.4, and 22-8-29.6, NMSA, 1978 shall report to the department their budget and expenditures on forms provided by the department.</p>

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
	<p>from the transportation distributions to each school district and state-chartered charter school are based upon the transportation distribution formula established in the Public School Code [Chapter 22 [except Article 5A] NMSA 1978]. The allocations for the first six months of a school year shall be based upon the tentative transportation budget of the school district or state-chartered charter school for the current fiscal year. Allocations to a school district or state-chartered charter school for the remainder of the school year shall adjust the amount received by the school district or state-chartered charter school so that it equals the amount the school district or state-chartered charter school is entitled to receive for the entire school year based upon the November 15 report and subject to audit and verification.</p> <p>D. The department shall make periodic installment payments to school districts and state-chartered charter schools during the school year from the transportation distributions, based upon the allocations certified by the state transportation director.</p>	

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
<p>22-8-29.1. Calculation of transportation allocation.</p>	<p>A. As used in this section: (1) "annual variables" means the coefficients calculated by regressing the total operational expenditures from two years prior to the current school year for each school district and state-chartered charter school using the number of students transported and the numerical value of site characteristics; (2) "base amount" means the fixed amount that is the same for all school districts and an amount established by rule for state-chartered charter schools; (3) "total operational expenditures" means the sum of all to-and-from school transportation expenditures, excluding expenditures incurred in accordance with the provisions of Section 22-8-27 NMSA 1978;</p>	<p>6.43.3 Public School Transportation Operational Funding Reporting Requirements 6.43.3.8 Requirements of the Public Education Department: The department is responsible for determining the distribution for each school district in accordance with Sections 22-8-26, 22-8-29, 22-8-29.1, 22-8-29.4, and 22-8-29.6 NMSA 1978.</p>

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
	<p>and (4) "variable amount" means the sum of the product of the annual variables multiplied by each school district's or state-chartered charter school's numerical value of the school district's and state-chartered charter school's site characteristics multiplied by the number of days of operation for each school district or state-chartered charter school. B. The department shall calculate the transportation allocation for each school district and state-chartered charter school. C. The base amount is designated as product (A.) Product A is the constant calculated by regressing the total operations expenditures from the two years prior to the current school year for school district or state-chartered</p>	

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
	<p>charter school operations using the numerical value of site characteristics approved by the department. The legislative education study committee and the legislative finance committee may review the site characteristics developed by the state transportation director prior to approval by the department.</p> <p>D. The variable amount is designated as product B. Product B is the predicted additional expenditures for each school district or state-chartered charter school based on the regression analysis using the site characteristics as predictor variables multiplied by the number of days.</p> <p>E. The allocation to each school district and state-chartered charter school shall be equal to product A plus product B.</p> <p>F. For the 2001-2002, 2002-2003 and 2003-2004 school years, the transportation allocation for each school district shall not be less than ninety-five percent or more than one hundred five percent of the prior school year's transportation expenditure.</p> <p>G. The adjustment factor shall be applied to the allocation amount determined pursuant to Subsections E and F of this section.</p>	

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
<p>22-8-29.4. Transportation distribution adjustment factor.</p>	<p>A. The department shall establish a transportation distribution adjustment factor. The adjustment factor shall be calculated as follows: (1) calculate the unadjusted transportation allocation for each school district and state-chartered charter school, designated in Section 22-8-29.1 NMSA 1978 as product A plus product B; (2) the sum total of product A plus product B in all school districts and state-chartered charter schools added together equals product C; and (3) subtract product C from the total operational transportation distribution for the current year and divide the result by product C and then add 1 in the following manner: "[total operational transportation distribution - C] ÷ C] + 1". The result is the transportation distribution adjustment factor. B. As used in this section, "total operational transportation distribution" means the total legislative appropriation for the transportation distribution minus amounts included for capital outlay expenses.</p>	<p>6.43.3 Public School Transportation Operational Funding Reporting Requirements 6.43.3.8 Requirements of the Public Education Department: A. The department shall calculate the remaining balances for each school district and submit the amount to each school district that they are allowed to maintain and use for to-and -from operations and other transportation related services.</p>
<p>22-8-29.6. Transportation emergency fund. (1999)</p>	<p>A. The "transportation emergency fund" is created in the state treasury. Money in the fund shall not revert to the general fund at the end of any fiscal year. Money in the fund is appropriated to the department for the purpose of funding transportation</p>	<p>6.20.2 Public School Finance – Budgeting and Accounting Governing Budgeting and Accounting for New Mexico Public Schools and School Districts 6.20.2.24 Other Administrative</p>

**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law		Administrative Rule
	<p>emergencies. The state superintendent [secretary] shall make distributions only to ensure the safety of students receiving to-and-from transportation services.</p> <p>B. The state superintendent [secretary] shall account for all transportation emergency distributions and shall make full reports to the governor, the legislative education study committee and the legislative finance committee of payments made.</p>	<p>Standards:</p> <p>B. Transportation: Student transportation is provided for in Section 22-16-1 et seq., NMSA 1978. Monies allocated by the transportation unit of the department shall be utilized for transportation expenditures only and accounted for in accordance with department transportation regulations and GAAP.</p>
<p>22-16-2. State transportation division; duties. (1997)</p>	<p>Subject to the policies of the state board [department], the state transportation division of the department of education [public education department] shall:</p> <p>F. establish standards and certify for safety, vehicles that are defined as school buses by the Motor Vehicle Code [Articles 1 through 8 of Chapter 66 [except 66-7-102.1] NMSA 1978]; and</p>	<p>6.41.2. Transportation – School Bus Safety Part 2 School Bus Inspections</p> <p>6.41.2.8 Requirements of the Public Education Department: The department, working cooperatively with other agencies and entities, will establish a safety audit program. The department, or its authorized representatives, will be required to:</p> <p>A. randomly audit district school bus maintenance and inspections records;</p> <p>B. conduct random school bus inspections as a division, or through joint power agreements with other agencies, or contract with other entities;</p> <p>C. conduct random school bus inspections in compliance with the department’s guide for school bus maintenance and safety audit</p>

Provisions in Current Law and Administrative Rule:
School Bus Transportation

Current Law	Administrative Rule
	<p>program; D. maintain records of the school districts inspection and safety audits. [12-31-98; 6.41.2.8 NMAC - Rn, 6 NMAC 9.5.1.8 & A, 07-31-01; A, 11-13-09] 6.41.2.9 Requirements of School Districts: School districts shall ensure that all school buses are inspected semi-annually in accordance with the guide for school bus maintenance and safety audit program. A. School districts must maintain the following: (1) maintenance records in accordance with the department’s guide for school bus maintenance and safety audit program; (2) semi-annual inspection records completed by the contractor or in the case of owned operations, the local school district superintendent; (3) pre-and-post trip records of daily inspections for the school year completed by the contractor or school district transportation director; (4) inspection records of random inspections conducted by inspectors or auditor authorized by the department.</p>

Provisions in Current Law and Administrative Rule:
School Bus Transportation

Current Law		Administrative Rule
		<p>B. School districts must certify to the department that semi-annual inspections and daily driver inspections have been conducted and are on file. [12-31-98; 6.41.2.9 NMAC - Rn, 6 NMAC 9.5.1.9 & A, 07-31-01; A, 11-13-09]</p>
<p>22-16-3. School bus service contracts. (2009)</p>	<p>C. In addition to approving the form of the contract, the department shall, by rule, establish the parameters of school bus service contracts to include recognition of fuel costs, operation and maintenance costs and employee salary and benefits costs. In entering into school bus service contracts, school districts shall give preference to in-state service providers and the use of multiple providers. Upon request, the department shall provide assistance to local school districts in the negotiation and award of school bus service contracts.</p> <p>E. In the event a contract with a school bus operator is terminated or not renewed by either party, the buses owned by the operator that are used pursuant to the operator's school bus service contract shall be appraised by three qualified appraisers appointed by the local school board and approved by the state transportation director. The operator succeeding to the contract shall purchase, with the approval of the operator whose</p>	<p>6.43.2. Requirements for School Bus Contracts and Per Capita Feeder Agreements</p> <p>D. For fleet contractors, the amount of the contract shall include recognition of fuel costs, operation and maintenance costs, and salary and benefits costs. For individual owner operator equipment contracts, the amount of the contract shall include recognition of fuel and operations and maintenance costs.</p> <p>M. The school district shall ensure that a lien is filed in its name on every contractor-owned school bus under the contract. The school district shall also ensure that a lien is perfected in its name on each contractor-owned school bus with the motor vehicle division of the taxation and revenue department. The lien shall be recorded on the title of the school bus. The school district shall</p>

Provisions in Current Law and Administrative Rule:
School Bus Transportation

Current Law		Administrative Rule
	<p>contract was terminated, all of the buses owned by the former operator at their appraised value.</p>	<p>provide documentation to the state transportation director that the school district has filed a lien on each school bus authorized under contract with the school district. A school bus contractor shall not refinance or use a school bus on which a school district has a lien as collateral for any other loan without prior written permission of the public education department. The school district shall release its lien on a school bus when:</p> <ul style="list-style-type: none"> (1) the public education department authorizes a replacement of the school bus; or (2) the contractor has reimbursed the school district the amount calculated by the public education department; if the school district fails to take action to collect money owed to it when a school bus contract is terminated or not renewed, the public education department may deduct the amount from the school district's transportation distribution. <p>[12-31-98; 6.43.2.8 NMAC - Rn, 6 NMAC 9.4.1.8, 10-15-01; A, 11-13-09]</p>
<p>22-16-9. School buses; termination of use; resale. (1967)</p>	<p>A. When a school bus is being operated for purposes other than to actually transport students to and from school or on school</p>	<p>6.40.2. Transportation – School Bus Equipment Part 2 New Mexico School Bus Standards and School</p>

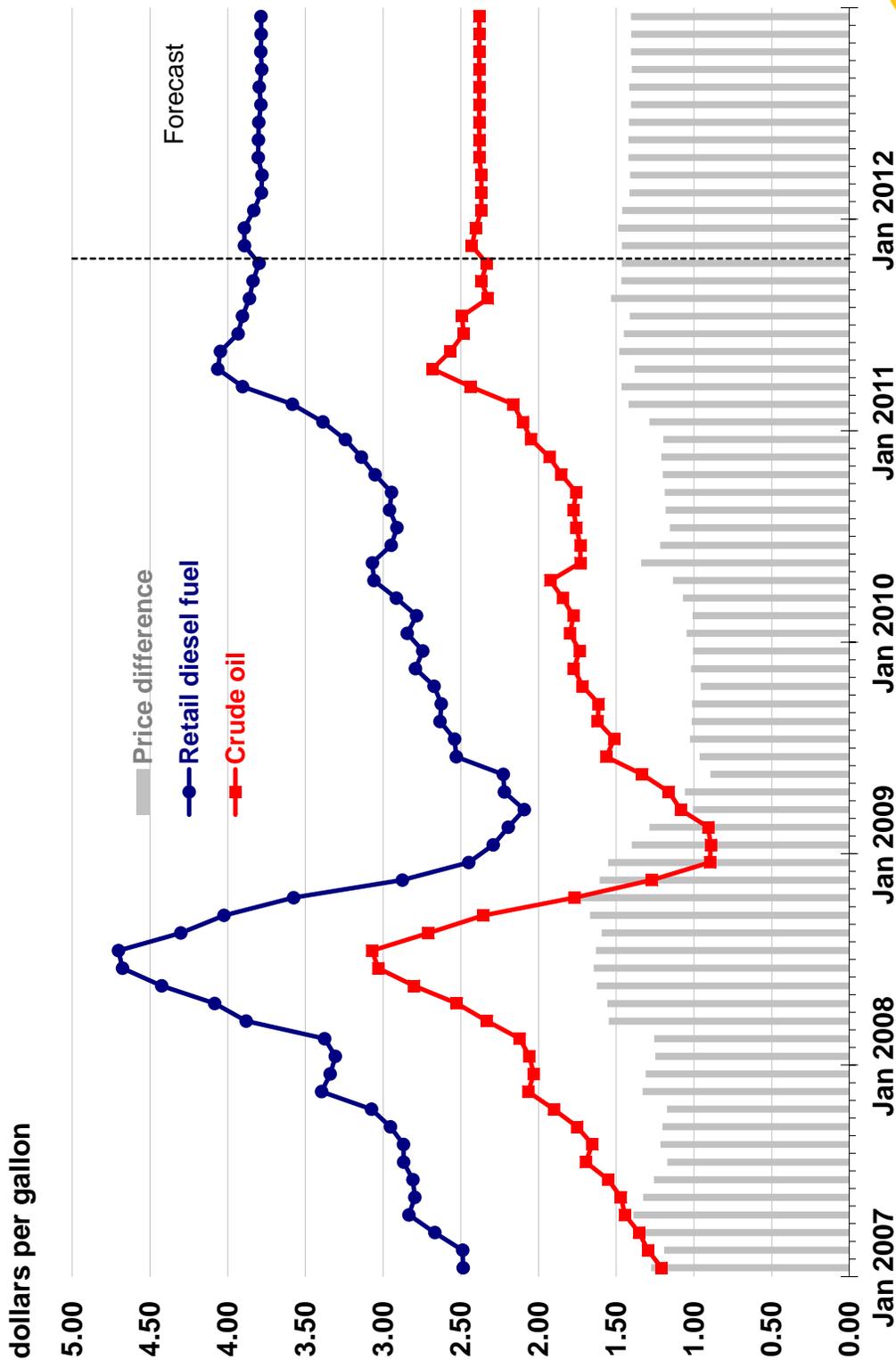
**Provisions in Current Law and Administrative Rule:
School Bus Transportation**

Current Law	Administrative Rule
	<p>activity trips, all markings indicating "school bus" shall be covered or removed.</p> <p>B. When a school bus is sold to be used exclusively for purposes other than the transportation of students, all school bus identification shall be removed. In addition, unless the motor vehicle is painted a different color than that prescribed by the state board [department] for school buses, a series of diagonal black stripes shall be painted on the rear of the motor vehicle. The stripes shall be at least three feet long, four inches wide, and shall be spaced not more than ten inches apart.</p> <p>C. The provisions of this section shall apply to any school bus that is operated on any public street or highway, except for the purpose of taking it to a place to be painted or moving it to a place of storage.</p>

Bus Phase-Out
6.40.2.6 Objective
E. To establish school bus construction costs for small, medium and large buses, and to establish a maximum useful life criteria for spare and activity buses. [7-01-96; 6.40.2.6 NMAC - Rn, 6 NMAC 9.2.6, 6 NMAC 9.2.8 & A, 7-31-2000]

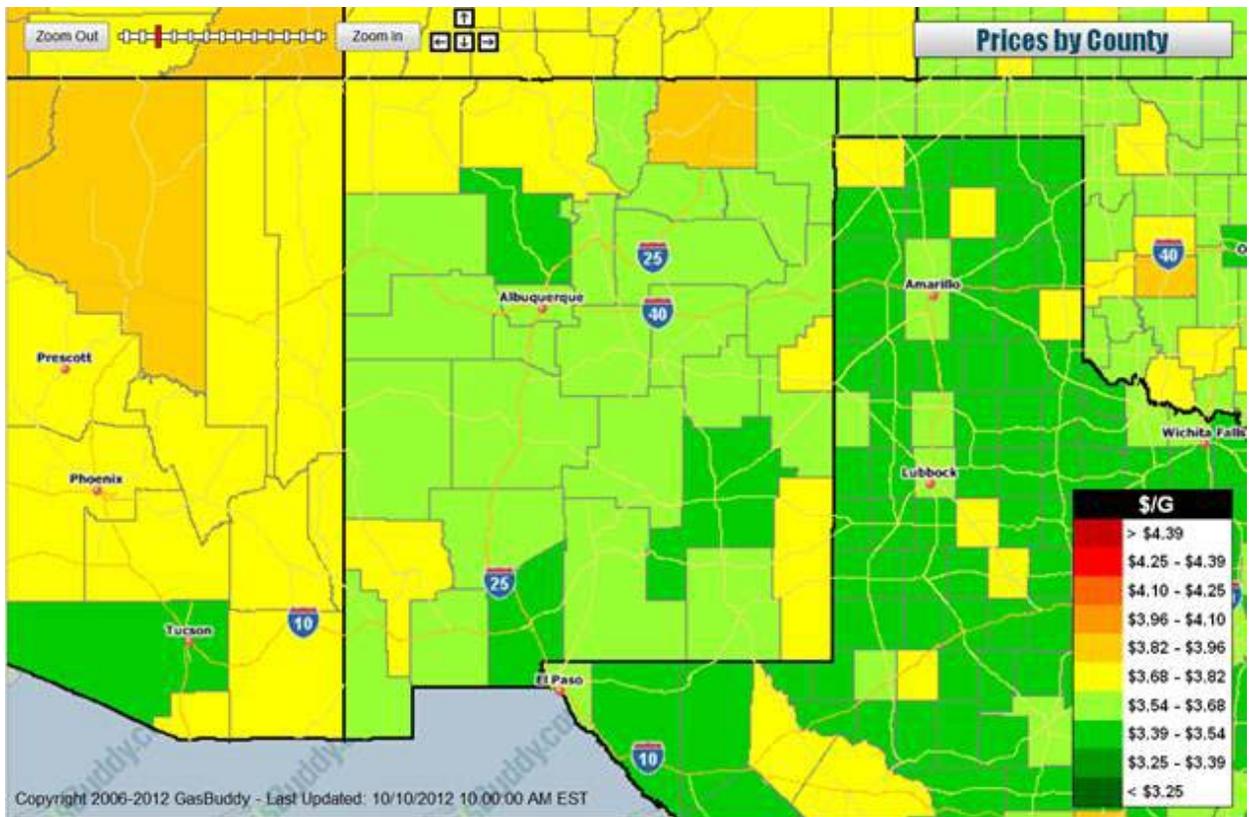
6.40.2.8 School Bus Phase-Out
A. All school buses including spare and activity buses shall not be operated for any purpose once they have become twenty (20) years of age, from the date of (body) manufacture.
B. School buses twenty (20) years of age, from the date of (body) manufacture shall be removed from service in accordance with Section 22-16-9, NMSA, 1978. [7-01-96; 6.40.2.8 NMAC - Rn, 6 NMAC 9.2.9 & A, 7-31-2000]

U.S. Diesel Fuel and Crude Oil Prices



Crude oil price is average refiner acquisition cost. Retail





Public Education Department
School Transportation
2011-2012
Initial Operation Allocations

FY12 Name	Enrollment	10-11 Transp. Students	Students		SE Stu	Buses	Lifts	Area	Density	BUS MILES TRAVELED	PER CAPITA MILES TRAVELED	TOTAL MILES TRAVELED	Student Daily Variable		S.E. Student Daily Variable		
			A	B									H	G		A X Variable	B X Variable
> 1000														\$	1.60	\$	2.63
< 1000														\$	(0.08)	\$	-
ALAMOGORDO	6,357	1,832	1,532	300	28	8	3,698	0.41428	342,194.0	79,094.8	421,288.8	172	\$	2,457.24	\$	789.60	
ALBUQUERQUE	99,094	40,562	38,481	2,081	432	56	1,178	32.66638	6,052,780.5	36,264.4	6,089,044.9	177	\$	61,721.22	\$	5,477.21	
ANIMAS	225	232	220	12	9	0	2,315	0.09503	128,040.0	10,740.0	138,780.0	150	\$	(19.09)	\$	-	
ARTESIA	3,583	3,030	2,845	185	17	3	2,776	1.02486	301,536.0	37,032.6	338,568.6	180	\$	4,563.21	\$	486.92	
AZTEC	3,351	3,181	3,044	137	27	3	415	7.33494	392,634.0	18,864.0	411,498.0	180	\$	4,882.39	\$	360.59	
BELEN	4,675	3,029	2,811	218	39	6	1,081	2.60037	604,863.0	3,168.0	608,031.0	180	\$	4,508.68	\$	573.78	
BERNALILLO	3,130	3,005	2,836	169	36	6	648	4.37654	437,332.5	0.0	437,332.5	172	\$	4,548.77	\$	444.81	
BLOOMFIELD	3,040	2,808	2,606	202	24	2	1,508	1.72812	338,484.8	28,358.0	366,842.8	180	\$	4,179.87	\$	531.67	
CAPITAN	511	310	310	0	8	0	665	0.46617	90,190.0	0.0	90,190.0	145	\$	(25.51)	\$	-	
CARLSBAD	5,945	2,604	2,438	166	38	3	2,497	0.97637	430,137.0	73,748.0	503,885.0	179	\$	3,910.41	\$	436.91	
CARRIZOZO	161	102	101	1	4	0	1,725	0.05855	71,737.6	17,037.0	88,774.6	176	\$	(8.39)	\$	-	
CENTRAL CONS.	6,352	5,065	4,721	344	64	9	2,819	1.67471	821,523.4	40,584.0	862,107.4	178	\$	7,572.20	\$	905.41	
CHAMA	402	342	332	10	6	3	1,178	0.28183	70,725.0	566.4	71,291.4	150	\$	(28.15)	\$	-	
CIMARRON	425	241	238	3	7	2	1,436	0.16574	179,175.0	0.0	179,175.0	153	\$	(19.83)	\$	-	
CLAYTON	555	363	354	9	14	1	2,636	0.13429	300,801.6	7,040.0	307,841.6	174	\$	(29.87)	\$	-	
CLOUDCROFT	416	262	251	11	8	1	1,456	0.17239	116,732.4	0.0	116,732.4	178	\$	(21.56)	\$	-	
CLOVIS	8,526	2,697	2,368	329	32	5	454	5.21586	400,487.5	0.0	400,487.5	177	\$	3,798.13	\$	865.93	
COBRE CONS.	1,297	787	728	59	13	2	1,045	0.69665	171,625.2	0.0	171,625.2	179	\$	1,167.67	\$	155.29	
CORONA	72	45	45	0	4	1	2,081	0.02162	88,020.0	60,060.0	148,080.0	150	\$	(3.70)	\$	-	
CUBA	620	621	604	17	14	3	1,764	0.34240	356,825.6	2,988.0	359,813.6	180	\$	(51.11)	\$	-	
DEMING	5,450	4,216	3,954	262	44	6	2,968	1.33221	556,045.0	35,591.0	591,636.0	175	\$	6,341.98	\$	689.59	
DES MOINES	74	43	43	0	4	0	1,171	0.03672	69,300.0	0.0	69,300.0	174	\$	(3.54)	\$	-	
DEXTER	1,039	907	845	62	9	1	685	1.23358	138,177.6	0.0	138,177.6	177	\$	1,355.33	\$	163.18	
DORA	276	89	79	10	6	1	817	0.09670	79,033.4	0.0	79,033.4	151	\$	(7.32)	\$	-	
DULCE	689	288	278	10	4	1	1,294	0.21484	12,163.2	0.0	12,163.2	180	\$	(23.70)	\$	-	
ELIDA	120	42	42	0	4	0	796	0.05276	73,839.0	8,661.4	82,500.4	151	\$	(3.46)	\$	-	
ESPANOLA	4,360	3,059	2,905	154	36	7	712	4.08006	530,529.1	9,014.0	539,543.1	181	\$	4,659.45	\$	405.33	
ESTANCIA	874	628	603	25	12	1	1,064	0.56673	148,680.0	8,208.0	156,888.0	180	\$	(51.68)	\$	-	
EUNICE	586	376	368	8	4	1	662	0.55589	54,038.1	0.0	54,038.1	177	\$	(30.94)	\$	-	
FARMINGTON	10,562	6,124	5,725	399	68	13	805	7.11180	976,597.0	127,642.1	1,104,239.1	178	\$	9,182.56	\$	1,050.17	
FLOYD	229	103	95	8	3	1	431	0.22042	30,471.8	0.0	30,471.8	151	\$	(8.48)	\$	-	
FT. SUMNER	309	288	278	10	9	0	2,332	0.11921	188,476.2	11,673.0	200,149.2	169	\$	(23.70)	\$	-	
GADSDEN	14,031	10,975	10,485	490	103	12	1,307	8.02219	1,770,906.9	20,175.8	1,791,082.7	187	\$	16,817.31	\$	1,289.68	
GALLUP	11,720	8,670	8,361	309	120	17	4,957	1.68671	2,738,031.0	34,480.0	2,772,511.0	177	\$	13,410.54	\$	813.29	

**Public Education Department
School Transportation
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FY12 Name	Bus Daily Variable	Lift Bus Daily Variable	Daily Variable	Annual Student Variable	Annual Mileage Variable	Annual Density Adjustment	Annual Variable	PRODUCT A	PRODUCT C	TOTAL
	C X Variable	D X Variable	Sum of Variables	Sum X H	G X Variable	F X Variable	Annual Variable	Base Amount	BASE ALLOCATION	ADJ. FACTOR INITIAL ALLOCATION
> 1000	\$ -	\$ 72.13						\$ 185,055.00		\$ 185,055.00
< 1000	\$ 158.25	\$ -						\$ 40,730.00		\$ 40,730.00
ALAMOGORDO	\$ -	\$ 577.08	\$ 3,823.91	\$ 657,713.26	\$ 252,221.39	\$ (7,743.73)	\$ 902,190.92	\$ 185,055.00	\$ 1,087,245.92	\$ 995,764.00
ALBUQUERQUE	\$ -	\$ 4,039.53	\$ 71,237.95	\$ 12,609,117.92	\$ 3,645,450.29	\$ (610,603.31)	\$ 15,643,964.89	\$ 185,055.00	\$ 15,829,019.89	\$ 14,497,147.00
ANIMAS	\$ 1,424.24	\$ -	\$ 1,405.15	\$ 210,772.11	\$ 82,435.32	\$ -	\$ 293,207.43	\$ 40,730.00	\$ 333,937.43	\$ 305,840.00
ARTESIA	\$ -	\$ 216.40	\$ 5,266.53	\$ 947,976.18	\$ 202,697.64	\$ (19,156.71)	\$ 1,131,517.11	\$ 185,055.00	\$ 1,316,572.11	\$ 1,205,794.00
AZTEC	\$ -	\$ 216.40	\$ 5,459.38	\$ 982,688.75	\$ 246,359.74	\$ (137,105.43)	\$ 1,091,943.06	\$ 185,055.00	\$ 1,276,998.06	\$ 1,169,550.00
BELEN	\$ -	\$ 432.81	\$ 5,515.26	\$ 992,746.79	\$ 364,022.08	\$ (48,606.38)	\$ 1,308,162.49	\$ 185,055.00	\$ 1,493,217.49	\$ 1,367,577.00
BERNALILLO	\$ -	\$ 432.81	\$ 5,426.39	\$ 933,339.07	\$ 261,826.59	\$ (81,806.78)	\$ 1,113,358.88	\$ 185,055.00	\$ 1,298,413.88	\$ 1,189,164.00
BLOOMFIELD	\$ -	\$ 144.27	\$ 4,855.80	\$ 874,044.44	\$ 219,625.12	\$ (32,302.13)	\$ 1,061,367.43	\$ 185,055.00	\$ 1,246,422.43	\$ 1,141,547.00
CAPITAN	\$ 1,265.99	\$ -	\$ 1,240.48	\$ 179,869.46	\$ 53,572.86	\$ -	\$ 233,442.32	\$ 40,730.00	\$ 274,172.32	\$ 251,103.00
CARLSBAD	\$ -	\$ 216.40	\$ 4,563.72	\$ 816,906.34	\$ 301,670.91	\$ (18,250.44)	\$ 1,100,326.82	\$ 185,055.00	\$ 1,285,381.82	\$ 1,177,228.00
CARRIZOZO	\$ 633.00	\$ -	\$ 624.60	\$ 109,929.85	\$ 52,732.11	\$ -	\$ 162,661.96	\$ 40,730.00	\$ 203,391.96	\$ 186,278.00
CENTRAL_CONS.	\$ -	\$ 649.21	\$ 9,126.82	\$ 1,624,574.28	\$ 516,135.08	\$ (31,303.80)	\$ 2,109,405.56	\$ 185,055.00	\$ 2,294,460.56	\$ 2,101,402.00
CHAMA	\$ 949.49	\$ -	\$ 921.35	\$ 138,202.11	\$ 42,347.09	\$ -	\$ 180,549.20	\$ 40,730.00	\$ 221,279.20	\$ 202,661.00
CIMARRON	\$ 1,107.74	\$ -	\$ 1,087.91	\$ 166,450.03	\$ 106,429.95	\$ -	\$ 272,879.98	\$ 40,730.00	\$ 313,609.98	\$ 287,222.00
CLAYTON	\$ 2,215.49	\$ -	\$ 2,185.61	\$ 380,296.33	\$ 182,857.91	\$ -	\$ 563,154.24	\$ 40,730.00	\$ 603,884.24	\$ 553,073.00
CLOUDCROFT	\$ 1,265.99	\$ -	\$ 1,244.43	\$ 221,508.43	\$ 69,339.05	\$ -	\$ 290,847.48	\$ 40,730.00	\$ 331,577.48	\$ 303,678.00
CLOVIS	\$ -	\$ 360.67	\$ 5,024.73	\$ 889,377.78	\$ 239,767.86	\$ (97,495.36)	\$ 1,031,650.28	\$ 185,055.00	\$ 1,216,705.28	\$ 1,114,330.00
COBRE CONS.	\$ -	\$ 144.27	\$ 1,467.23	\$ 262,633.40	\$ 102,750.29	\$ (13,021.86)	\$ 352,361.83	\$ 185,055.00	\$ 537,416.83	\$ 492,198.00
CORONA	\$ 633.00	\$ -	\$ 629.29	\$ 94,393.88	\$ 87,959.52	\$ -	\$ 182,353.40	\$ 40,730.00	\$ 223,083.40	\$ 204,313.00
CUBA	\$ 2,215.49	\$ -	\$ 2,164.38	\$ 389,587.99	\$ 213,729.28	\$ -	\$ 603,317.26	\$ 40,730.00	\$ 644,047.26	\$ 589,856.00
DEMING	\$ -	\$ 432.81	\$ 7,464.37	\$ 1,306,265.06	\$ 354,206.56	\$ (24,901.81)	\$ 1,635,569.81	\$ 185,055.00	\$ 1,820,624.81	\$ 1,667,435.00
DES MOINES	\$ 633.00	\$ -	\$ 629.46	\$ 109,525.54	\$ 41,164.20	\$ -	\$ 150,689.74	\$ 40,730.00	\$ 191,419.74	\$ 175,313.00
DEXTER	\$ -	\$ 72.13	\$ 1,590.65	\$ 281,544.75	\$ 82,725.55	\$ (23,058.14)	\$ 341,212.16	\$ 185,055.00	\$ 526,267.16	\$ 481,986.00
DORA	\$ 949.49	\$ -	\$ 942.17	\$ 142,267.56	\$ 46,945.84	\$ -	\$ 189,213.40	\$ 40,730.00	\$ 229,943.40	\$ 210,596.00
DULCE	\$ 633.00	\$ -	\$ 609.29	\$ 109,672.85	\$ 7,224.94	\$ -	\$ 116,897.79	\$ 40,730.00	\$ 157,627.79	\$ 144,365.00
ELIDA	\$ 633.00	\$ -	\$ 629.54	\$ 95,060.45	\$ 49,005.24	\$ -	\$ 144,065.69	\$ 40,730.00	\$ 184,795.69	\$ 169,247.00
ESPANOLA	\$ -	\$ 504.94	\$ 5,569.72	\$ 1,008,118.60	\$ 323,019.06	\$ (76,264.82)	\$ 1,254,872.84	\$ 185,055.00	\$ 1,439,927.84	\$ 1,318,771.00
ESTANCIA	\$ 1,898.99	\$ -	\$ 1,847.30	\$ 332,514.65	\$ 93,191.47	\$ -	\$ 425,706.12	\$ 40,730.00	\$ 466,436.12	\$ 427,190.00
EUNICE	\$ 633.00	\$ -	\$ 602.05	\$ 106,563.06	\$ 32,098.63	\$ -	\$ 138,661.69	\$ 40,730.00	\$ 179,391.69	\$ 164,297.00
FARMINGTON	\$ -	\$ 937.75	\$ 11,170.48	\$ 1,988,344.67	\$ 661,096.91	\$ (132,934.50)	\$ 2,516,507.08	\$ 185,055.00	\$ 2,701,562.08	\$ 2,474,250.00
FLOYD	\$ 474.75	\$ -	\$ 466.27	\$ 70,406.79	\$ 18,100.25	\$ -	\$ 88,507.03	\$ 40,730.00	\$ 129,237.03	\$ 118,363.00
FT. SUMNER	\$ 1,424.24	\$ -	\$ 1,400.54	\$ 236,691.02	\$ 118,888.62	\$ -	\$ 355,579.65	\$ 40,730.00	\$ 396,309.65	\$ 362,964.00
GADSDEN	\$ -	\$ 865.61	\$ 18,972.61	\$ 3,547,877.81	\$ 1,072,303.30	\$ (149,951.54)	\$ 4,470,229.57	\$ 185,055.00	\$ 4,655,284.57	\$ 4,263,584.00
GALLUP	\$ -	\$ 1,226.28	\$ 15,450.12	\$ 2,734,670.93	\$ 1,659,874.61	\$ (31,528.07)	\$ 4,363,017.47	\$ 185,055.00	\$ 4,548,072.47	\$ 4,165,393.00

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	\$	-	\$	72.13			\$	0.60	\$	(18,692.10)		\$	185,055.00		\$	TOTAL				
	\$	158.25	\$	-			\$	0.59	\$	-		\$	40,730.00		\$					
FY12		Bus Daily Variable		Lift Bus Daily Variable		Daily Variable		Annual Student Bus Variable		Annual Mileage Variable		Annual Density Adjustment		PRODUCT B Annual Variable		PRODUCT A Base Amount		PRODUCT C BASE ALLOCATION		ADJ. FACTOR INITIAL ALLOCATION
GRADY	\$	791.25	\$	-	\$	787.54	\$	115,768.60	\$	45,230.72	\$	-	\$	160,999.32	\$	40,730.00	\$	201,729.32	\$	184,756.00
GRANTS	\$	-	\$	216.40	\$	3,893.33	\$	669,652.02	\$	216,380.34	\$	(10,328.47)	\$	875,703.89	\$	185,055.00	\$	1,060,758.89	\$	971,505.00
HAGERMAN	\$	791.25	\$	-	\$	761.70	\$	136,344.17	\$	29,133.32	\$	-	\$	165,477.50	\$	40,730.00	\$	206,207.50	\$	188,857.00
HATCH	\$	-	\$	144.27	\$	2,533.97	\$	451,046.57	\$	89,494.82	\$	(23,228.05)	\$	517,313.33	\$	185,055.00	\$	702,368.33	\$	643,270.00
HOBBS	\$	-	\$	360.67	\$	6,939.56	\$	1,249,120.63	\$	312,311.43	\$	(91,880.19)	\$	1,469,551.87	\$	185,055.00	\$	1,654,606.87	\$	1,515,386.00
HONDO	\$	791.25	\$	-	\$	778.32	\$	112,078.64	\$	38,379.53	\$	-	\$	150,458.17	\$	40,730.00	\$	191,188.17	\$	175,101.00
HOUSE	\$	633.00	\$	-	\$	630.86	\$	91,474.15	\$	24,977.70	\$	-	\$	116,451.85	\$	40,730.00	\$	157,181.85	\$	143,956.00
JAL	\$	474.75	\$	-	\$	465.61	\$	83,810.11	\$	43,259.83	\$	-	\$	127,069.94	\$	40,730.00	\$	167,799.94	\$	153,681.00
JEMEZ MOUNTAIN	\$	1,898.99	\$	-	\$	1,880.88	\$	289,655.83	\$	107,914.24	\$	-	\$	397,570.07	\$	40,730.00	\$	438,300.07	\$	401,421.00
JEMEZ VALLEY	\$	1,424.24	\$	-	\$	1,386.30	\$	249,534.13	\$	63,692.24	\$	-	\$	313,226.37	\$	40,730.00	\$	353,956.37	\$	324,174.00
LAKE ARTHUR	\$	316.50	\$	-	\$	312.38	\$	55,604.17	\$	21,463.60	\$	-	\$	77,067.77	\$	40,730.00	\$	117,797.77	\$	107,886.00
LAS CRUCES	\$	-	\$	1,442.69	\$	18,641.23	\$	3,299,496.84	\$	1,201,180.01	\$	(115,811.42)	\$	4,384,865.43	\$	185,055.00	\$	4,569,920.43	\$	4,185,402.00
LAS VEGAS EAST	\$	-	\$	72.13	\$	1,872.12	\$	336,982.02	\$	136,742.47	\$	(15,817.53)	\$	457,906.96	\$	185,055.00	\$	642,961.96	\$	588,862.00
LAS VEGAS WEST	\$	-	\$	288.54	\$	1,697.57	\$	305,563.30	\$	136,580.77	\$	(4,897.15)	\$	437,246.92	\$	185,055.00	\$	622,301.92	\$	569,941.00
LOGAN	\$	791.25	\$	-	\$	777.58	\$	114,304.73	\$	61,576.65	\$	-	\$	175,881.38	\$	40,730.00	\$	216,611.38	\$	198,385.00
LORDSBURG	\$	1,265.99	\$	-	\$	1,230.60	\$	220,277.94	\$	57,426.73	\$	-	\$	277,704.67	\$	40,730.00	\$	318,434.67	\$	291,641.00
LOS ALAMOS	\$	-	\$	432.81	\$	2,787.83	\$	496,234.63	\$	95,718.32	\$	(227,193.98)	\$	364,758.97	\$	185,055.00	\$	549,813.97	\$	503,552.00
LOS LUNAS	\$	-	\$	649.21	\$	10,921.31	\$	1,922,151.16	\$	633,291.41	\$	(168,759.77)	\$	2,386,682.80	\$	185,055.00	\$	2,571,737.80	\$	2,355,349.00
LOVING	\$	316.50	\$	-	\$	310.00	\$	54,559.35	\$	31,781.38	\$	-	\$	86,340.72	\$	40,730.00	\$	127,070.72	\$	116,379.00
LOVINGTON	\$	-	\$	144.27	\$	3,351.79	\$	606,674.01	\$	149,324.96	\$	(28,188.89)	\$	727,810.08	\$	185,055.00	\$	912,865.08	\$	836,056.00
MAGDALENA	\$	1,107.74	\$	-	\$	1,092.68	\$	162,809.63	\$	88,983.93	\$	-	\$	251,793.57	\$	40,730.00	\$	292,523.57	\$	267,910.00
MAXWELL	\$	158.25	\$	-	\$	156.27	\$	22,972.25	\$	11,066.93	\$	-	\$	34,039.18	\$	40,730.00	\$	74,769.18	\$	68,478.00
MELROSE	\$	949.49	\$	-	\$	942.00	\$	169,560.85	\$	54,956.88	\$	-	\$	224,517.73	\$	40,730.00	\$	265,247.73	\$	242,929.00
MESA VISTA	\$	949.49	\$	-	\$	922.42	\$	159,578.19	\$	51,912.63	\$	-	\$	211,490.82	\$	40,730.00	\$	252,220.82	\$	230,999.00
MORA	\$	1,265.99	\$	-	\$	1,224.51	\$	220,412.30	\$	65,029.93	\$	-	\$	285,442.24	\$	40,730.00	\$	326,172.24	\$	298,728.00
MORIARTY	\$	-	\$	288.54	\$	5,688.38	\$	989,777.72	\$	528,575.38	\$	(57,161.19)	\$	1,461,191.91	\$	185,055.00	\$	1,646,246.91	\$	1,507,730.00
MOSQUERO	\$	316.50	\$	-	\$	314.19	\$	45,243.88	\$	60,987.17	\$	-	\$	106,231.05	\$	40,730.00	\$	146,961.05	\$	134,596.00
MOUNTAINAIR	\$	949.49	\$	-	\$	937.64	\$	168,775.70	\$	55,063.80	\$	-	\$	223,839.50	\$	40,730.00	\$	264,569.50	\$	242,308.00
PECOS	\$	1,265.99	\$	-	\$	1,205.42	\$	214,564.62	\$	67,755.20	\$	-	\$	282,319.82	\$	40,730.00	\$	323,049.82	\$	295,868.00
PENASCO	\$	1,265.99	\$	-	\$	1,230.03	\$	218,944.79	\$	35,574.66	\$	-	\$	254,519.45	\$	40,730.00	\$	295,249.45	\$	270,407.00
POJOAQUE	\$	-	\$	72.13	\$	2,508.60	\$	436,495.82	\$	176,113.28	\$	(86,927.34)	\$	525,681.77	\$	185,055.00	\$	710,736.77	\$	650,935.00
PORTALES	\$	-	\$	144.27	\$	4,599.41	\$	827,894.13	\$	123,404.38	\$	(124,329.17)	\$	826,969.34	\$	185,055.00	\$	1,012,024.34	\$	926,872.00
QUEMADO	\$	949.49	\$	-	\$	941.51	\$	139,343.61	\$	130,858.14	\$	-	\$	270,201.75	\$	40,730.00	\$	310,931.75	\$	284,770.00
QUESTA	\$	1,107.74	\$	-	\$	1,076.96	\$	193,853.30	\$	62,370.48	\$	-	\$	256,223.78	\$	40,730.00	\$	296,953.78	\$	271,968.00

**Public Education Department
School Transportation
2011-2012
Initial Operation Allocations**

	\$	-	\$	72.13			\$	0.60	\$	(18,692.10)		\$	185,055.00		TOTAL					
	\$	158.25	\$	-			\$	0.59	\$	-		\$	40,730.00							
FY12		Bus Daily Variable		Lift Bus Daily Variable		Daily Variable		Annual Student Variable		Annual Density Adjustment		PRODUCT B Annual Variable		PRODUCT A Base Amount	PRODUCT C BASE ALLOCATION	ADJ. FACTOR INITIAL ALLOCATION				
Name		Variable		Variable		Variable		Variable		Variable		Variable		Amount	ALLOCATION	ALLOCATION				
TRATON	\$	-	\$	72.13	\$	1,893.01	\$	340,742.21	\$	51,348.14	\$	(19,494.26)	\$	185,055.00	\$	557,651.09	\$	510,730.00		
RESERVE	\$	633.00	\$	-	\$	623.70	\$	94,178.11	\$	26,059.14	\$	-	\$	40,730.00	\$	160,967.25	\$	147,423.00		
RIO RANCHO	\$	-	\$	1,082.02	\$	20,668.69	\$	3,658,358.36	\$	638,355.07	\$	(1,324,162.65)	\$	185,055.00	\$	3,157,605.78	\$	2,891,921.00		
ROSWELL	\$	-	\$	288.54	\$	9,409.58	\$	1,674,904.90	\$	349,773.62	\$	(26,081.05)	\$	185,055.00	\$	2,183,652.47	\$	1,999,918.00		
ROY	\$	316.50	\$	-	\$	315.59	\$	45,760.94	\$	22,238.77	\$	-	\$	40,730.00	\$	108,729.71	\$	99,581.00		
RUIDOSO	\$	-	\$	144.27	\$	3,045.30	\$	548,154.28	\$	143,972.97	\$	(202,667.68)	\$	185,055.00	\$	674,514.58	\$	617,760.00		
SAN JON	\$	633.00	\$	-	\$	630.86	\$	92,105.01	\$	22,331.43	\$	-	\$	40,730.00	\$	155,166.44	\$	142,111.00		
SANTA FE	\$	-	\$	577.08	\$	10,607.29	\$	1,866,882.20	\$	621,723.88	\$	(112,483.76)	\$	185,055.00	\$	2,561,177.32	\$	2,345,677.00		
SANTA ROSA	\$	1,582.49	\$	-	\$	1,545.54	\$	278,196.71	\$	120,605.76	\$	-	\$	40,730.00	\$	439,532.47	\$	402,550.00		
SILVER CITY	\$	-	\$	288.54	\$	3,319.69	\$	587,584.57	\$	191,509.14	\$	(11,034.02)	\$	185,055.00	\$	953,114.69	\$	872,919.00		
SOCORRO	\$	-	\$	288.54	\$	2,313.57	\$	418,755.81	\$	144,640.09	\$	(8,356.05)	\$	185,055.00	\$	740,094.86	\$	677,822.00		
SPRINGER	\$	633.00	\$	-	\$	619.58	\$	94,176.33	\$	34,246.24	\$	-	\$	40,730.00	\$	169,152.57	\$	154,920.00		
TAOS	\$	-	\$	144.27	\$	2,893.17	\$	512,090.57	\$	179,955.08	\$	(46,246.07)	\$	185,055.00	\$	830,854.58	\$	760,946.00		
TATUM	\$	791.25	\$	-	\$	780.71	\$	121,790.85	\$	63,187.58	\$	-	\$	40,730.00	\$	225,708.44	\$	206,717.00		
TEXICO	\$	791.25	\$	-	\$	767.95	\$	119,032.89	\$	46,826.80	\$	-	\$	40,730.00	\$	206,589.69	\$	189,207.00		
TRUTH OR CONS.	\$	-	\$	144.27	\$	2,297.74	\$	402,104.17	\$	185,557.02	\$	(5,532.19)	\$	185,055.00	\$	767,184.00	\$	702,632.00		
TUCUMCARI	\$	-	\$	72.13	\$	1,180.00	\$	176,999.58	\$	77,669.01	\$	(10,622.22)	\$	185,055.00	\$	429,101.37	\$	392,996.00		
TULAROSA	\$	1,582.49	\$	-	\$	1,527.10	\$	271,824.17	\$	82,280.64	\$	-	\$	40,730.00	\$	394,834.82	\$	361,613.00		
VAUGHN	\$	158.25	\$	-	\$	153.64	\$	23,046.03	\$	17,160.66	\$	-	\$	40,730.00	\$	80,936.69	\$	74,127.00		
WAGON MOUND	\$	474.75	\$	-	\$	471.70	\$	70,283.58	\$	26,233.18	\$	-	\$	40,730.00	\$	137,246.76	\$	125,699.00		
ZUNI	\$	-	\$	72.13	\$	1,445.27	\$	260,148.50	\$	43,525.96	\$	(30,291.55)	\$	185,055.00	\$	458,437.91	\$	419,864.00		
CHARTER SCHOOLS	\$	1,107.74	\$	-	\$	1,093.51	\$	186,940.99	\$	61,711.97	\$	-	\$	122,190.00	\$	370,842.96	\$	339,640.00		
TOTALS	\$	47,474.70	\$	18,899.21	\$	353,019.20	\$	62,226,272.68	\$	19,963,200.64	\$	(4,287,529.42)	\$	77,901,943.90	\$	9,520,160.00	\$	87,422,103.90	\$	80,066,310.00