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FISCAL IMPACT REPORT

SPONSOR: Rodella DATE TYPED: 2/3/03 HB 207

SHORT TITLE: School bus Service Contracts SB _____

ANALYST: L. Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
State Department of Education (SDE)

SUMMARY

Synopsis of Bill

House 207 amends the Section 22-16-3. of the Public School Code to allow a person who has a service contract as an individual school bus owner-operator to convert his contact to a school bus fleet operator contract without being required to submit to a competitive process.

The bill contains an emergency clause.

Significant Issues

Any individual owner-operators that change status to fleet contractor would no longer be considered a school district employee and would not be entitled to school district employee benefits including continuation of retirement benefits.

FISCAL IMPLICATIONS

The SDE reports that this bill has no fiscal impacts or implications.

ADMINISTRATIVE IMPLICATIONS

According to the SDE analysis, State Board of Education regulation “Requirements for School Bus Contracts and Per Capita Feeder Agreements” will require an amendment to convert school bus contracts. Potentially, school districts could reduce the number of employees.

POSSIBLE QUESTIONS

1. How many owner-operators have expressed a desire to convert to fleet contractor status?
2. Are fleet contractors and their employees covered by the New Mexico Public School Insurance Authority?
3. What advantages accrue to converting to a fleet contractor?
4. If this legislation is adopted, does this mean an owner-operator could add buses to his operation without competitive bidding?

LRB/njw