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FISCAL IMPACT REPORT

ORIGINAL DATE 02/25/21

SPONSOR Madrid/Dow LAST UPDATED _____ HB 257

SHORT TITLE School Bus Route Improvements SB _____

ANALYST Jorgensen/Liu

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$80.0	\$80.0	\$160.0	Recurring	State Road Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB93, SB144, SB307

SOURCES OF INFORMATION

LFC Files
Legislative Education Study Committee (LESC) Files

Responses Received From
Department of Transportation (DOT)
Public Education Department (PED)
Public School Facilities Authority (PSFA)

SUMMARY

Synopsis of Bill

House Bill 257 (HB257) requires DOT to designate a school bus route improvement coordinator to work with counties and public schools to ensure that school bus routes are paved and safe for transporting students. The coordinator shall create a survey to be distributed to school bus drivers for the purpose of ranking bus routes. Subject to availability of funding, at least 20 percent of school bus routes with the lowest rankings shall be paved and improved each year to the department's adequacy and safety standards.

HB257 also requires DOT to give or charge a county only a nominal fee for reclaimed asphalt pavement that the department has stockpiled.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

HB257 requires DOT to create a school bus route coordinator but does not provide for an appropriation to support this position. Therefore, the approximate cost of \$80 thousand for salary and benefits of this position would be absorbed by the state road fund.

Additionally, the bill requires DOT to “give or charge a county only a nominal fee for reclaimed asphalt pavement that the department has stockpiled.” However, these materials are used by DOT for other road and construction projects. Providing these materials to counties at a cost below market value will result in increased costs to DOT, as the department will be forced to pay for paving materials to replace those given to counties.

In FY19, New Mexico school buses traveled an average of 173.3 thousand miles per day statewide, transporting approximately 152.4 thousand students to and from school.

SIGNIFICANT ISSUES

School districts are responsible for designation of school bus routes, and while PED has a transportation bureau, the bureau does not maintain records of bus routes statewide. Because school busses are allowed to operate on all state routes under DOT jurisdiction, DOT does not maintain an inventory of school bus routes.

DOT has an existing planning process for roadway improvement which includes factors such as pavement condition and traffic volumes. Road projects are prioritized in the state transportation improvement program (STIP) as required by federal law. HB127 would require the DOT to create another planning process separate from and potentially in conflict with the STIP.

School bus routes receive a 16 percent distribution of funding through the local government road fund (LGRF). The LGRF receives \$22- \$25 million per year, so that annual funding solely dedicated to improvement of school bus routes totals \$3.5 to \$4 million per year.

The bill requires DOT to donate or charge a nominal fee to counties for stockpile asphalt material which is contrary to both the state process for disposal of public property and Federal Highway Administration (FHWA) requirements. This obligation to donate or otherwise sell the property at a price below fair market value may conflict with existing rules concerning disposition of state surplus materials such as Section 13-6-1 NMSA 1978.

State highways are subject to engineering design standards that address “adequacy and safety” based on considerations including pavement structure, soil type, traffic type and traffic counts. DOT notes the bill prescribes paving for all school bus routes and the use of specific paving methods that may not be supported by engineering standards for a particular roadway segment.

PED notes numerous school bus routes are on unpaved or unimproved roads resulting in increased maintenance needs. PED currently replaces all to-and-from school buses on a 12-year replacement cycle. The provisions of HB257 may reduce the early replacement of buses. However, the cost to pave one lane mile of roadway to state highway standards is \$1.45 million so that a 10-mile stretch of two lane road would cost \$29 million. Additionally, additional costs for maintenance are not provided for. Because the unpaved or unimproved roads are local government owned, the cost to pave those routes would fall primarily on counties.

LESC notes little statewide data is available regarding the status of school bus routes. Anecdotal evidence suggests school bus routes in the rural areas of the state need improvement to correct serious deficiencies. The Legislature has taken steps to improve access to rural roads, like authorizing school districts to use SUVs in lieu of school buses where appropriate.

ADMINISTRATIVE IMPLICATIONS

PED notes school districts and school bus contractors will be responsible for the submission of information as requested in the school bus route surveys. DOT notes PED may be a better agency to house the coordinator position.

DOT notes current regional transportation needs, which would include concerns about school bus routes, can be identified and ranked by relevant regional planning organizations (RPO) based on participation with other governmental entities such as counties, educational institutions, and other organizations. Provisions of this bill may cause DOT to provide services that duplicate RPO functions.

According to DOT, no additional rulemaking is necessary to define the appropriate engineering standards for performance and safety for school bus routes. Pavement condition, in accord with the applicable engineering standards, is the objective measure of roadway adequacy.

ALTERNATIVES

The state could consider improving the efficiency of school bus routes to reduce costs on bus maintenance and operation and decrease the need for required roadway improvements contemplated by this bill. In 2017, Boston Public School District held a contest to determine the most efficient solution for busing 25 thousand students to school every day. After choosing the winning algorithm (developed by MIT) the district was able to improve the efficiency of routes by 20 percent, reduce the need for 50 buses (8 percent reduction), cut annual travel by 1 million miles, remove 20 thousand pounds of carbon dioxide emissions each day, and save \$5 million for reinvestment into classroom initiatives.

CJ/SL/sb