

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

SPONSOR Dow LAST UPDATED 02/24/2025  
ORIGINAL DATE 02/24/2025  
BILL  
SHORT TITLE School Reporting of Gender Incongruence NUMBER House Bill 501  
ANALYST Chilton

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact		

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Relates to House Bills 185, 466, and 543 and Senate Bills 459, 258, 356, and 500.

### Sources of Information

LFC Files

#### Agency Analysis Received From

Regional Educational Cooperatives (RECA)

Early Childhood Education and Care Department (ECECD)

Health Care Authority (HCA)

Public Education Department (PED)

#### Agency Analysis was Solicited but Not Received From

Albuquerque Public Schools (APS)

Department of Health (DOH)

## SUMMARY

### Synopsis of House Bill 501

House Bill 501 (HB501) would introduce a new section of the School Personnel Act, Section 22-10A, NMSA 1978 entitled “Students Experiencing Gender Incongruence – Parental Notification – Response Plans.”

School employees are required to report to a school administrator if a child mentions gender incongruence, defined as a difference between the child’s biologic sex and the child’s perceived or desired sex, or transitions to a sex other than their biological sex while at school. The school administrator must then notify a parent, and with the parent, implement a response plan, which may include counseling or other support for the student.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## **FISCAL IMPLICATIONS**

There is no appropriation in House Bill 501. No fiscal impact is identified.

## **SIGNIFICANT ISSUES**

The Health Care Authority points out that:

On February 18, 2025, the United States Court of Appeals for the First Circuit issued a decision that found parents do not have a right to be informed of their child discussing gender identity issues with teacher and school officials. The court stated, “By cultivating an environment where students may feel safe in expressing their gender identity, the protocol endeavors to remove psychological barriers for transgender students and equalizes educational opportunities.” In addressing the school district’s policy that protected the privacy of students, the Court opined that the policy “plausibly creates a space for students to express their identity without worrying about parental backlash...” Foote v. Ludlow School Committee, Case No. 23-1069.

According to the Public Education Department, the American Psychological Association (APA) and National Association of School Psychologists (NASP) recommend:

Policies that respect the right to privacy for students, parents, and colleagues with regard to sexual orientation, sexual development, gender expression, gender identity, and transgender status, clearly state that school personnel will not share information with anyone about the sexual orientation, gender expression, gender identity, intersex/DSD condition, or transgender status of a student, parent, or school employee without that individual’s informed consent.

APA and NASP also advocate for “education, training, and professional development about the needs of sexual and gender diverse students for educators and trainers of school personnel, education and mental health trainees, school-based mental health professionals, administrators, and school staff; and [about] how to support sexual and gender diverse students to all students, parents, and community members.” HB501 would not provide for professional learning on this topic.

Involuntarily outing gender-nonconforming youth endangers students. The American Civil Liberties Union notes, “For trans youth, especially those who cannot be safe at home, school may be one of the few places to be themselves. Trans youth thrive when they are affirmed in their gender identity, which includes being called by a name and pronouns that reflect who they are [...] Forced outing bills are not about parents’ rights: they are designed to harm trans students. Parents have a fundamental right to raise their children, including making important choices like whether to homeschool or enroll in public school. But none of those fundamental parental rights are protected by forced outing bills.” Further, “Youth who are transgender face a real risk of rejection by the adults who are supposed to care for them when they disclose their gender identity. Trans people are much more likely to be abused by their immediate family based on their gender identity, and high risks of abuse and family rejection mean trans youth are

overrepresented in foster care homes, juvenile detention centers, and homeless shelters. These high rates of familial rejection and abuse dramatically increase the risks of suicidality, substance abuse, and depression.”

Guidance from APA and NASP further cautions schools that children experiencing gender incongruity may fear stigma and discrimination that result from speaking openly. Substantial evidence suggests that gender incongruity, without appropriate supports at school, is substantially associated with negative impacts on students’ physical and mental well-being, including higher rates of:

- Anxiety and depression;
- Low self-esteem;
- Self-injurious behaviors;
- Suicidality;
- Substance use;
- Homelessness; and
- Eating disorders.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

This bill relates to the following bills:

- House Bill 185/Senate Bill 459, identical bills entitled Protection of Women’s Sports Act,
- House Bill 466, Hormone Therapy and Puberty Blocker Protection,
- House Bill 543, Parental Consent for Minor’s Health Care,
- Senate Bill 258, Human Sexuality Education,
- Senate Bill 356, State Diversity Act, and
- Senate Bill 500, Detransitioner Protection Act.

## **TECHNICAL ISSUES**

The Early Childhood Education and Care Department points out that, “HB501 does not provide clarification as to what constitutes requested ‘participation’ in a students’ transition to a gender different from the student’s biological sex.”

LAC/hj/SL2/rl