

---

**SUBSTITUTE HOUSE BILL 1165**

---

**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** House Committee on Appropriations (originally sponsored by Representatives Fromhold, Orcutt, Anderson, Lantz, VanDeWege, Hunter, Wallace, McDonald, Sells, Kenney, Williams, Ormsby, Schual-Berke, Miloscia, Simpson, Campbell, P. Sullivan, Morrell, Moeller and Haler)

READ FIRST TIME 02/28/07.

1 AN ACT Relating to student transportation funding; amending RCW  
2 28A.160.160 and 28A.160.170; creating new sections; and providing an  
3 effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that the current  
6 student transportation funding formula is outdated and does not  
7 adequately address the costs incurred by school districts in  
8 transporting students. The legislature further finds that any new  
9 formula should be based on reliable data from a uniform system of  
10 accounting used by all districts, provide incentives for efficient use  
11 of state resources, and maintain local school district control over  
12 operational decisions within the transportation program. Therefore, it  
13 is the legislature's intent to respond to the findings of the 2006  
14 pupil transportation funding study by the joint legislative audit and  
15 review committee by improving the system of accounting for  
16 transportation costs, providing additional payments to districts to  
17 mitigate funding discrepancies identified by the study, and directing  
18 that a new funding formula be developed in a thoughtful and

1 deliberative manner and implemented no later than the 2009-10 school  
2 year.

3 **Sec. 2.** RCW 28A.160.160 and 1996 c 279 s 2 are each amended to  
4 read as follows:

5 For purposes of RCW 28A.160.150 through 28A.160.190, except where  
6 the context shall clearly indicate otherwise, the following definitions  
7 apply:

8 (1) "Eligible student" means any student served by the  
9 transportation program of a school district or compensated for  
10 individual transportation arrangements authorized by RCW 28A.160.030  
11 whose route stop is more than one radius mile from the student's  
12 school, except if the student to be transported is disabled under RCW  
13 28A.155.020 and is either not ambulatory or not capable of protecting  
14 his or her own welfare while traveling to or from the school or agency  
15 where special education services are provided, in which case no mileage  
16 distance restriction applies.

17 (2) "Superintendent" means the superintendent of public  
18 instruction.

19 (3) "To and from school" means the transportation of students for  
20 the following purposes:

21 (a) Transportation to and from route stops and schools;

22 (b) Transportation to and from schools pursuant to an interdistrict  
23 agreement pursuant to RCW 28A.335.160;

24 (c) Transportation of students between schools and learning centers  
25 for instruction (~~(specifically required by statute)~~) provided under RCW  
26 28A.150.200 (basic education act), chapter 28A.155 RCW (special  
27 education), RCW 28A.165.015 through 28A.165.075 (learning assistance  
28 program), or RCW 28A.180.010 through 28A.180.080 (transitional  
29 bilingual instruction program); and

30 (d) Transportation of students with disabilities to and from  
31 schools and agencies for special education services.

32 Academic extended day transportation for programs provided under  
33 RCW 28A.150.200 (basic education act), chapter 28A.155 RCW (special  
34 education), RCW 28A.165.015 through 28A.165.075 (learning assistance  
35 program), or RCW 28A.180.010 through 28A.180.080 (transitional  
36 bilingual instruction program) shall (~~not~~) be considered part of  
37 transportation of students "to and from school" for the purposes of

1 (~~chapter 61, Laws of 1983 1st ex. sess~~) this section. Transportation  
2 for field trips shall not be considered part of transportation of  
3 students "to and from school" under this section.

4 (4) "Transportation services" for students living within one radius  
5 mile from school means school transportation services including the use  
6 of buses, funding of crossing guards, and matching funds for local and  
7 state transportation projects intended to mitigate hazardous walking  
8 conditions. Priority for transportation services shall be given to  
9 students in grades kindergarten through five.

10 **Sec. 3.** RCW 28A.160.170 and 1990 c 33 s 143 are each amended to  
11 read as follows:

12 (1) Each district shall submit to the superintendent of public  
13 instruction during October of each year a report containing the  
14 following:

15 ~~((1))~~(a)(i) The number of eligible students transported to and  
16 from school as provided for in RCW 28A.160.150 for the current school  
17 year and the number of miles estimated to be driven for pupil  
18 transportation services, along with a map describing student route stop  
19 locations and school locations, and ~~((b))~~ (ii) the number of miles  
20 driven for pupil transportation services as authorized in RCW  
21 28A.160.150 the previous school year; and

22 ~~((2))~~ (b) Other operational data and descriptions as required by  
23 the superintendent to determine allocation requirements for each  
24 district.

25 (2) When reporting expenditures for student transportation, each  
26 district shall separate the costs of providing transportation for  
27 eligible students to and from school as defined in RCW 28A.160.160(3)  
28 from other transportation costs.

29 (3) Each district shall submit the information required in this  
30 section on a timely basis as a condition of the continuing receipt of  
31 school transportation moneys.

32 NEW SECTION. **Sec. 4.** Until a new distribution formula is  
33 implemented as directed under section 5 of this act, the legislature  
34 intends to appropriate funds for student transportation in addition to  
35 the funds generated by the distribution formula in RCW 28A.160.150  
36 through 28A.160.180 and the omnibus appropriations act. The office of

1 the superintendent of public instruction shall allocate the additional  
2 funds on a pro rata basis to school districts based on the variance  
3 between a district's allocation under the distribution formula in the  
4 2004-05 school year and the estimate of that district's costs of  
5 transporting students to and from school created by the joint  
6 legislative audit and review committee in 2006, if such a variance was  
7 negative. The office of the superintendent of public instruction may  
8 adjust a school district's allocation under this section based on  
9 revised data about the district's costs of transporting students. The  
10 purpose of this additional allocation is to mitigate the estimated  
11 funding variance in state allocations for student transportation  
12 identified by the joint legislative audit and review committee while  
13 improvements are made in school districts' cost accounting and a new  
14 distribution formula is developed and implemented as provided in this  
15 act.

16 NEW SECTION. **Sec. 5.** (1) The superintendent of public instruction  
17 shall develop and propose a new distribution formula for allocating  
18 state funds to school districts for transportation of students to and  
19 from school, to be implemented beginning with the 2009-10 school year.  
20 The distribution formula shall include but not be limited to the  
21 characteristics in this subsection.

22 (a) The formula shall be developed using the major cost factors in  
23 student transportation, including but not limited to driver and aide  
24 compensation, road miles, fuel, maintenance, student loads, and  
25 supervision. The major cost factors in the formula shall be based on  
26 reliable data and transparent to policymakers and the public. The  
27 formula shall be constructed in a manner that allows policymakers to  
28 adjust one or more of the major cost factors independently from the  
29 others. The formula may use data from school district transportation  
30 routing programs but shall not necessitate use of such a program to  
31 function reliably.

32 (b) The formula shall allocate funds to school districts based on  
33 the predicted costs of transporting students to and from school, using  
34 the cost factors in the formula. The formula shall not be based on  
35 direct reimbursement of school districts for transportation  
36 expenditures, nor shall the formula direct how a school district  
37 operates its student transportation program.

1 (c) The formula shall encourage efficient use of state resources by  
2 addressing:

3 (i) Reasonable controls on compensation costs to be covered by the  
4 formula;

5 (ii) Efficient use of vehicle capacity; and

6 (iii) Efficient routing of buses.

7 (d) The formula shall allocate funds for all students in grades  
8 kindergarten through five who are transported to and from school and  
9 all students in grades six through twelve who are transported to and  
10 from route stop locations located more than one mile from school.

11 (e) The formula shall include transportation for academic extended  
12 day programs that are provided under the basic education act, special  
13 education, the learning assistance program, and the transitional  
14 bilingual instruction program.

15 (2) The superintendent of public instruction shall contract with a  
16 school transportation finance and funding expert to assist in  
17 developing the new distribution formula.

18 (3) A student transportation funding work group is established to  
19 provide advice and oversight to the superintendent of public  
20 instruction in the development of the distribution formula under this  
21 section.

22 (a) At a minimum, the work group shall be comprised of:

23 (i) Two members from each of the two largest caucuses of the house  
24 of representatives, appointed by the speaker of the house;

25 (ii) Two members from each of the largest caucuses of the senate,  
26 appointed by the president of the senate;

27 (iii) A representative from the office of financial management; and

28 (iv) Two representatives each from school districts with small,  
29 medium, and large student populations, appointed by the superintendent  
30 of public instruction with advice from the school administrators',  
31 school directors', and pupil transportation associations.

32 (b) Legislative members of the work group shall be reimbursed for  
33 travel expenses in accordance with RCW 44.04.120. Nonlegislative  
34 members are entitled to be reimbursed for travel expenses in accordance  
35 with RCW 43.03.050 and 43.03.060.

36 (4) Beginning in September of 2007, the superintendent shall  
37 provide quarterly updates and progress reports to the fiscal committees

1 of the legislature on the development and testing of the distribution  
2 formula.

3 (5) The superintendent of public instruction shall present an  
4 interim report on the proposed distribution formula to the governor and  
5 the education and fiscal committees of the legislature by December 1,  
6 2007, and a final report that includes the proposed formula, estimates  
7 of its fiscal impact on the state and school districts, and draft  
8 legislation necessary to implement the proposal, by December 1, 2008.

9 NEW SECTION. **Sec. 6.** Section 2 of this act takes effect September  
10 1, 2009.

--- END ---