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**ENGROSSED SUBSTITUTE HOUSE BILL 1813**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Sullivan, Santos, Ortiz-Self, and Ormsby)

AN ACT Relating to incorporating the costs of employee health benefits into school district contracts for pupil transportation; and amending RCW 28A.160.140.

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

**Sec.**  RCW 28A.160.140 and 1990 c 33 s 140 are each amended to read as follows:

(1)(a) As a condition of entering into a pupil transportation services contract with a private nongovernmental entity, each school district shall engage in an open competitive process at least once every five years. This requirement shall not be construed to prohibit a district from entering into a pupil transportation services contract of less than five years in duration with a district option to renew, extend, or terminate the contract, if the district engages in an open competitive process at least once every five years after July 26, 1987.

(b) Beginning on the effective date of this act, and until December 31, 2019, any pupil transportation services contract must include:

(i) Sufficient funds specifically for the contracting employer to provide the employees of the contractor with an employee health benefits contribution equal to the allocation rate for school employees for the months between the effective date of this act and January 1, 2020, less the retiree remittance for the public employees' benefits board; and

(ii) An amount equivalent to the total employer and employee contribution rate to the school employees' retirement system, multiplied by estimated salaries of the employees of the contractor.

(c) Beginning January 1, 2020, any pupil transportation services contract must include:

(i) Sufficient funds specifically for the contracting employer to provide the employees of the contractor with an employer health benefits contribution equal to the monthly school employer funding rate for the school employees' benefits board program, less the retiree remittance for the public employees' benefits board; and

(ii) An amount equivalent to the plans 2 and 3 normal cost employer contribution rate of the school employees' retirement system, multiplied by the estimated salaries of the employees of the contractor.

(2) As used in this section:

((~~(1)~~)) (a) "Employees of the contractor" means employees working sufficient compensated hours for the contracting employer performing services on the contract with the school district to meet the eligibility requirements for the school employees' benefits board program if the employee was directly employed by a school district;

(b) "Open competitive process" means either one of the following, at the choice of the school district:

((~~(a)~~)) (i) The solicitation of bids or quotations and the award of contracts under RCW 28A.335.190; or

((~~(b)~~)) (ii) The competitive solicitation of proposals and their evaluation consistent with the process and criteria recommended or required, as the case may be, by the office of financial management for state agency acquisition of personal service contractors;

((~~(2)~~)) (c) "Pupil transportation services contract" means a contract for the operation of privately owned or school district owned school buses, and the services of drivers or operators, management and supervisory personnel, and their support personnel such as secretaries, dispatchers, and mechanics, or any combination thereof, to provide students with transportation to and from school on a regular basis; and

((~~(3)~~)) (d) "School bus" means a motor vehicle as defined in RCW 46.04.521 and under the rules of the superintendent of public instruction.

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