

SENATE BILL REPORT

SB 5581

As Reported by Senate Committee On:
Early Learning & K-12 Education, January 17, 2022
Ways & Means, February 7, 2022

Title: An act relating to pupil transportation allocations.

Brief Description: Addressing pupil transportation allocations.

Sponsors: Senators Wellman, Nobles, Conway, Das, Nguyen, Saldaña and Wilson, C..

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/12/22, 1/17/22 [DP-WM].
Ways & Means: 1/31/22, 2/07/22 [DPS, w/oRec].

Brief Summary of First Substitute Bill

- Requires the Office of the Superintendent of Public Instruction (OSPI) to reimburse 100 percent of school district costs for transporting students in distinct passenger categories beginning in the 2023-24 school year.
- Defines distinct passenger categories to include qualifying students with disabilities, qualifying students who are homeless, and qualifying students in foster care.
- Requires school districts to submit data monthly regarding the actual costs and miles of transporting students in distinct passenger categories beginning in the 2022-23 school year.
- Requires the State Auditor to review a school district's transportation expenditures if the district's per-pupil reimbursement amount for distinct passenger categories exceeds the average per-pupil reimbursement amount in similarly geographically sized school districts as categorized by the superintendent.
- Requires OSPI to provide an analysis of school district transportation

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

costs and allocations to the Legislature by January 1, 2025.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Wellman, Chair; Nobles, Vice Chair, K-12; Wilson, C., Vice Chair, Early Learning; Hawkins, Ranking Member; Dozier, Hunt, McCune, Mullet and Pedersen.

Staff: Alexandra Fairfortune (786-7416)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5581 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Ranking Minority Member, Capital; Billig, Braun, Carlyle, Conway, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senator Schoesler, Assistant Ranking Member, Capital.

Staff: Kayla Hammer (786-7305)

Background: Student Transportation. The state's program of basic education includes transportation for some students to and from school, including transportation to learning centers and special education services. Students are eligible for transportation if they live beyond a one-mile walk area from the school or have a qualifying disability.

Transportation Allocations. The Office of the Superintendent of Public Instruction (OSPI) calculates each school district's transportation allocation using the Student Transportation Allocation Reporting System (STARS). The STARS model uses a regression analysis of student ridership numbers and district characteristics to calculate an allocation amount, which is adjusted for certain qualifying factors. This STARS allocation amount is then compared to the district's transportation expenditures from the prior year. The school district receives the lesser of the two calculated amounts, plus salary and benefit allocations as appropriated by the Legislature.

The McKinney-Vento Act. The McKinney-Vento Act is designed to address the challenges homeless children and youths have faced in enrolling, attending, and succeeding in school.

Under the McKinney-Vento Act, homeless children are entitled to receive transportation comparable to what is available to non-homeless students. State and local education agencies must adopt policies and practices to ensure transportation is provided, upon request, to or from a student's school of origin. If a student remains at their school of origin but begins living in an area served by another local education agency, the two local education agencies must agree upon a method to apportion the responsibility and cost of transportation, or share the costs equally.

Under the McKinney-Vento Act, homeless children are defined as individuals who lack a fixed, regular, and adequate nighttime residence.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (First Substitute): A definition for distinct passenger categories is added and includes the following:

- students who require special transportation services as documented by an approved individualized education program;
- students who meet the definition of homeless where transportation is required by the McKinney-Vento act or other federal requirements;
- students who are in foster care where transportation is required outside of the normal school boundary.

The definition of to and from school for purposes of pupil transportation is modified to include the distinct passenger categories.

Beginning in the 2022-23 school year, each school district must submit a monthly report to OSPI that includes the actual costs and miles of transporting students in distinct passenger categories. OSPI must use the data submitted from the 2022-23 school year to determine the allocation model for the 2023-24 school year, and must adopt accounting and reporting rules as necessary.

Beginning in the 2023-24 school year, OSPI must reimburse school districts on a monthly basis for 100 percent of the costs to transport students in distinct passenger categories. These reimbursed services must be excluded from the general transportation allocation calculation for all other pupil transportation services. School districts must submit claims for reimbursement monthly on a schedule determined by OSPI consistent with methods used to reimburse school districts for categorical programs. If any school district's reimbursement of costs exceeds 105 percent of the average per-pupil reimbursement amount in similarly geographically sized school districts, the state auditor must review the transportation costs to ensure they are reasonable costs attributable to transporting students in distinct passenger categories. OSPI must adopt rules to categorize school districts of similar geographic size and notify the state auditor when a review is required.

By January 1, 2025, OSPI must provide an analysis of school district transportation costs

and allocations to the education and fiscal committees of the Legislature. This analysis must include the mileage, ridership, and costs for each district, disaggregated by the following groups:

- qualifying students with disabilities;
- qualifying students who are homeless;
- qualifying students in foster care;
- and all other students transported to and from school.

The Legislature intends to use this data to inform its future discussions on revising the overall student transportation allocation model to a more transparent and predictable funding model.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

Specifies that an audit of transportation expenditures will be initiated if a school district's reimbursement of serving distinct passenger categories exceeds an average per pupil amount in similarly geographically sized school districts as categorized by OSPI.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Early Learning & K-12 Education): PRO: The transportation formula doesn't work well for most school districts. It is not predictable, transparent, or adequately resourced. Since there is not yet a new formula, one of the things the Legislature can do is reimburse the costs to transport these three groups of students. This bill addresses the needs of unique populations that often require special transportation at a significant cost. Transporting one or two students at a time makes the individual cost much larger than a bus that can transport multiple students. When these services are covered by local levies it puts an extra burden on these communities. Providing transportation is one of the most important tools to achieve equity, so this bill is foundational and a responsible use of state resources.

Persons Testifying (Early Learning & K-12 Education): PRO: Senator Lisa Wellman, Prime Sponsor; Tyler Muench, Office of Superintendent of Public Instruction; Melissa Gombosky; Graeme Sackrison, North Thurston Public Schools; Elizabeth Bonbright, President, Tacoma Public School Board of Directors; Clifford Traisman, Bellevue, Highline, Olympia, Seattle Public Schools; Rick Chisa, Public School Employees of WA (PSE); Sean Dotson, Superintendent, Tumwater School District; Rich Staley,

Superintendent, Oakville School District.

Persons Signed In To Testify But Not Testifying (Early Learning & K-12 Education):

No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: The biggest issues facing K-12 is the broken STARS model. This bill is an important first step in beginning to address the issue. Transportation is not appropriately funded and the bill funds routes for the most vulnerable students. A foundational part of basic education is getting kids to school. In 20 years of work with school district, the transportation program has never been fully funded. This will help begin fixing the STARS model. Having stability for students is very important and districts have had to utilize local funding for transportation. The current transportation funding model needs to be streamlined. There previously has not been a mechanism to address the specific needs of special riders.

Persons Testifying (Ways & Means): PRO: Senator Lisa Wellman, Prime Sponsor; Clifford Traisman, Bellevue, Highline, Olympia, Seattle Public School Districts; Melissa Gombosky, Evergreen, Vancouver, ESD 112, & Spokane Public Schools; Charlie Brown, Tacoma, Puyallup, Clover Park, Peninsula, Bethel, Federal Way and other School District; Tom Seigel, Bethel School District; Lisa Grant, Centralia School District; Jim Kowalkowski, Davenport School District & Rural Education Center; Graeme Sackrison, North Thurston Public Schools.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.