

**SHB 1248 - H AMD 887**

By Representative Stonier

ADOPTED 02/08/2024

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature recognizes that school  
4 bus drivers play a crucial role in ensuring students' safe passage to  
5 and from school, preventing absences, and extending a positive school  
6 climate beyond the classroom. By delivering this essential service,  
7 school bus drivers provide a significant time and convenience benefit  
8 to thousands of Washington families, remove cars from the road,  
9 reduce overall emissions, and increase traffic safety. However, a  
10 recent national survey revealed that 94 percent of bus contractors  
11 experience driver shortages, with 21 percent reporting their  
12 shortages as severe. With this act, the state of Washington intends  
13 to encourage the retention of bus drivers who provide vital services  
14 to local communities.

15 **Sec. 2.** RCW 28A.160.140 and 1990 c 33 s 140 are each amended to  
16 read as follows:

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

26 (2)(a) A school district may only enter into, renew, or extend a  
27 pupil transportation services contract with a private nongovernmental  
28 entity if that entity provides the following to, or on behalf of, its  
29 employees who choose to opt in for coverage:

30 (i) An employer health benefits contribution equal to the  
31 employer payment dollar amount in effect for the first year of the  
32 contract for health care benefit rates (cockle rates), published

1 annually by the health care authority, for the school employees'  
2 benefits board program for school employees; and

3 (ii) An amount equivalent to the salaries of the employees of the  
4 private nongovernmental entity multiplied by the employer normal cost  
5 contribution rate determined under the entry age cost method for the  
6 school employees' retirement system, as published in the most recent  
7 actuarial valuation report from the office of the state actuary for  
8 the first year of the contract.

9 (b) All pupil transportation service contracts entered into or  
10 modified after the effective date of this section must include a  
11 detailed explanation of any contract cost increase by year,  
12 expenditure type, and amount, including any increases in cost that  
13 result from providing the benefits required under this section.

14 (3) As used in this section:

15 ~~((1))~~ (a) "Employees" means in-state employees of the private  
16 nongovernmental entity working sufficient compensated hours  
17 performing services pursuant to the contract with the school district  
18 to meet the eligibility requirements for the school employees'  
19 benefits board program if the employees were directly employed by a  
20 school district;

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

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

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

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

36 ~~((3))~~ (d) "School bus" means a motor vehicle as defined in RCW  
37 46.04.521 and under the rules of the superintendent of public  
38 instruction.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.160

2 RCW to read as follows:

3 (1) A school district that experiences an increase in costs to a  
4 pupil transportation services contract as compared to prior year  
5 contract costs as a result of the provisions in RCW 28A.160.140 is  
6 eligible for supplemental transportation allocations as described in  
7 this section.

8 (2) Beginning September 1, 2024, school districts that provide  
9 pupil transportation through a contract with a nongovernmental entity  
10 under RCW 28A.160.140 must annually provide the office of the  
11 superintendent of public instruction with the following information:

12 (a) A breakdown of the total contract cost increase, including a  
13 detailed explanation of the increase by expenditure type  
14 demonstrating dollar equivalency as required in RCW  
15 28A.160.140(2)(a)(i) and percentage equivalency as required in RCW  
16 28A.160.140(2)(a)(ii), as defined by the office of the superintendent  
17 of public instruction, and amount;

18 (b) A breakdown of cost from the contractor that shows the cost  
19 to provide health care and pension benefits to employees prior to the  
20 effective date of this section and the cost to provide health care  
21 and pension benefits to employees after the implementation of  
22 benefits as described in RCW 28A.160.140;

23 (c) The amount of funding received through transportation  
24 allocations under RCW 28A.160.150 through 28A.160.192 prior to the  
25 implementation of school employee benefits under chapter 41.05 RCW  
26 and the amount of funding received through the same transportation  
27 allocations for the period immediately following the implementation  
28 of school employee benefits under chapter 41.05 RCW, to determine the  
29 amount of funding for health care that is already being included in  
30 allocations.

31 (3) The office of the superintendent of public instruction may  
32 suspend the reporting requirements under subsection (2) of this  
33 section on or after September 1, 2027, for districts that do not  
34 request supplemental transportation allocations under this section.

35 (4) Subject to the availability of amounts appropriated for this  
36 specific purpose, the office of the superintendent of public  
37 instruction must reimburse a school district for the increased cost  
38 that is directly attributable to increased benefits as required under  
39 this act, using the following formula: The total contract cost  
40 increase, less any amounts not attributable to benefits required

1 under RCW 28A.160.140, less the amount the allocation was increased  
2 based on the actual cost increase through the transportation funding  
3 formula."

4 Correct the title.

EFFECT: (1) Removes provisions requiring transportation safety net awards for special passengers and amending the transportation alternate funding grant program.

(2) Revises requirements of contracts for pupil transportation services, including:

(a) Changes health benefit requirement from sufficient funds specifically for the contracting employer to provide employees with a health benefits contribution equal to the school employees' benefit board (SEBB) to a contribution equal to the employer payment dollar amount in effect for the first year of the contract for health care benefit rates for the SEBB.

(b) Changes requirement for employer retirement contributions equivalent to state plans to an amount equivalent to the salaries of the employees of the contractor multiplied by the employer normal cost contribution rate determined under the entry age cost method for the school employees' retirement system.

(c) Changes term of "employees of the contractor" to "employees" and revises definition of an eligible employee to specify these employees are in-state employees of a private nongovernmental entity.

(d) Replaces one-time supplemental allocations of \$200 per employee working more than 630 hours, per month for districts that experience higher costs under the new contract requirements with a reimbursement subject to funding provided specifically for increased costs. Additional reporting requirements for contracting districts are included to show the dollar equivalency for health care and retirement benefits as provided by this act.

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