

SENATE BILL REPORT

ESSB 5408

As Passed Senate, April 27, 1995

Title: An act relating to school bus acquisitions.

Brief Description: Changing school bus purchasing procedures.

Sponsors: Senate Committee on Education (originally sponsored by Senators McAuliffe, Johnson, Quigley and Long; by request of Office of Financial Management).

Brief History:

Committee Activity: Education: 2/9/95, 2/28/95 [DPS].

First Special Session: Passed Senate, 4/27/95, 30-7.

SENATE COMMITTEE ON EDUCATION

Majority Report: That Substitute Senate Bill No. 5408 be substituted therefor, and the substitute bill do pass.

Signed by Senators McAuliffe, Chair; Pelz, Vice Chair; Gaspard and Rasmussen.

Minority Report: Do not pass.

Signed by Senators Finkbeiner, Hochstatter and Johnson.

Staff: Leslie Goldstein (786-7424)

Background: Districts purchase 450 school buses per year. In the 1993-95 operating budget, the Legislature required the Superintendent of Public Instruction to evaluate methods of purchasing school buses.

The study found that the average price for a school bus in Washington was substantially higher than the price of buses in Florida, Kentucky, Nebraska, North Carolina and Texas. These states have state centralized bus purchasing.

Currently, school districts purchase buses, and the state provides replacement funds on a depreciation basis. Annual payments are made to districts that, when saved by the district, would pay for a new bus. Annual depreciation payments are calculated based on the remaining life of the bus and the state-average purchase price for that category. The state average purchase price is based upon the districts' actual purchase prices in the previous school year adjusted for inflation.

Summary of Bill: The Superintendent of Public Instruction must establish school bus categories and the minimum specifications for each category. The superintendent must get price quotes for each category from school bus dealers.

The state reimbursement rate is based on the lowest price quote received in each category. Districts may purchase buses from the dealer submitting the lowest price without going to

bid. Districts may purchase buses directly from dealers and may conduct their own competitive bid process.

By December 15, 1995, the superintendent must report on the savings due to using the new method, a comparison of reimbursement rates in the 1994-95 and 1995-96 school years, and the price quotes received by the state compared with the price quotes received by districts.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Section 1 of this bill is effective immediately; section 2 of the bill is effective September 1, 1995. The remainder of the bill takes effect 90 days after the end of the special session.

Testimony For: This will save state dollars through promoting competition among bus vendors; providing simpler, more standardized bus specifications, and by purchasing buses in greater volume. It has worked in other states.

Testimony Against: Since Washington has different requirements for buses, it is difficult to compare prices among states. There is already sufficient competition. Decisions to purchase buses should be made by local school districts. The state should not mandate centralized purchasing since districts can and have formed their own cooperatives.

Testified: Don Carnahan, SPI; Allen Jones, Mike Bigelow, OFM (pro); Lisa Thatcher, Chuck Carpenter, Larson Bus Sales (con); Bonnie Miller, Griffin School District (con); Ronald Ricketts, KCDA Purchasing (con); Stephen Dinger, WA Federation of Independent Schools (pro); Ralph Munro, Secretary of State (pro).

House Amendment(s): When developing school bus categories, competitive specifications, and state-supported options, the Superintendent of Public Instruction shall consult with the regional transportation coordinators of the educational service districts. The categories must be developed to produce minimum long range operating costs.

For the purposes of comparative studies, the categories used in the studies will be the same as those in the beginning of the 1994-95 school year.

The study must be done by the superintendent in consultation with the Legislative Budget Committee, and the due date is extended to December 15, 1996.