

SENATE BILL REPORT

SB 5408

As Reported By Senate Committee On:
Education, February 28, 1995

Title: An act relating to school bus acquisitions.

Brief Description: Changing school bus purchasing procedures.

Sponsors: 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].

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 Substitute Bill: A centralized state bidding process is established for school bus purchases. At least 30 percent of annual school bus purchases must be made from the state bid. State depreciation payments are based on the state bid price.

The Superintendent of Public Instruction must standardize and simplify the categories for school buses and the specifications for each category.

The Department of General Administration solicits the bids after the Superintendent of Public Instruction has set the specifications and secured the commitments.

The clean fuel vehicle requirements for state purchase of vehicles do not apply to the purchase of school buses.

Substitute Bill Compared to Original Bill: The term "state-supported price" is changed to "state reimbursement rate." The Superintendent of Public Instruction's authority to include options is eliminated. The "state reimbursement rate" does not include options. The Department of General Administration's role is clarified. Technical changes are made.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Section 2 of this bill is effective immediately. The remainder of the bill is effective September 1, 1995.

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).