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**HOUSE BILL 1689**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Representatives Santos, Harris, Muri, Pollet, and Hudgins; by request of Superintendent of Public Instruction

AN ACT Relating to adjustments to the student transportation allocation system; and amending RCW 28A.160.150, 28A.160.191, and 28A.160.192.

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

**Sec.**  RCW 28A.160.150 and 2009 c 548 s 304 are each amended to read as follows:

Funds allocated for transportation costs, except for funds provided for transportation and transportation services to and from school shall be in addition to the basic education allocation. The distribution formula developed in RCW 28A.160.150 through ((~~28A.160.180~~)) 28A.160.192 shall be for allocation purposes only and shall not be construed as mandating specific levels of pupil transportation services by local districts. Operating costs as determined under RCW 28A.160.150 through 28A.160.180 shall be funded at one hundred percent or as close thereto as reasonably possible for transportation of an eligible student to and from school as defined in RCW 28A.160.160(3). In addition, funding shall be provided for transportation services for students living within the walk area as determined under RCW 28A.160.160(5).

**Sec.**  RCW 28A.160.191 and 2009 c 548 s 309 are each amended to read as follows:

(1) The superintendent of public instruction shall ensure that the allocation formula results in an adequate ((~~appropriation~~)) allocation for low enrollment districts, nonhigh districts, districts involved in cooperative transportation agreements, and cooperative special transportation services operated by educational service districts. If necessary, the superintendent shall develop a separate process to adjust the allocation of the districts.

(2) The superintendent shall evaluate districts whose allocation is less than the districts' prior year transportation expenditures and shall determine which districts qualify for inclusion in the alternate funding process provided in subsection (1) of this section. The evaluation process must include a review of the district efficiency rating as determined in RCW 28A.160.117, key performance indicators, and local characteristics.

(3) The superintendent shall establish a transportation allocation adjustment process to address districts with unique geographic or other constraints that result in inadequate funding and to cover initial year costs for new district programs, including new transportation to skill centers and early education programs.

**Sec.**  RCW 28A.160.192 and 2011 1st sp.s. c 27 s 3 are each amended to read as follows:

(1) The superintendent of public instruction shall ((~~phase-in the implementation of the distribution formula under this chapter for allocating~~)) allocate state funds to school districts for the transportation of students to and from school((~~. The phase-in shall begin no later than the 2011-2013 biennium and be fully implemented by the 2013-2015 biennium~~)) as provided in this subsection.

(a) The formula must be ((~~developed and~~)) revised on an ongoing basis using the major cost factors in student transportation, including basic and special student loads, school district land area, average distance to school, roadway miles, and number of locations served. Factors must include all those site characteristics that are statistically significant after analysis of the data required by the revised reporting process.

(b) The formula must allocate funds to school districts based on the average predicted costs of transporting students to and from school, using a regression analysis. Only factors that are statistically significant shall be used in the regression analysis. Employee compensation costs included in the allowable transportation expenditures used for the purpose of establishing ((~~each school district's~~)) the statewide independent variable in the regression analysis shall be limited to the ((~~base salary or hourly wage rates, fringe benefit rates, and applicable health care rates provided in the omnibus appropriations act~~)) costs of providing to and from school transportation. The result of the regression analysis must be offset by one year and adjusted for inflation.

(2) ((~~During the phase-in period,~~)) Funding provided to school districts for student transportation operations shall be distributed on the following basis:

(a) Annually, each school district shall receive the lesser of the ((~~previous school year's pupil transportation operations~~)) allocation determined by the regression analysis, or the total of allowable pupil transportation expenditures identified on the previous school year's final expenditure report to the state; plus district indirect expenses using the federal restricted indirect rate as calculated in the district annual financial report;

(b) Annually, the amount identified in (a) of this subsection shall be adjusted for any budgeted increases provided in the omnibus appropriations act for salaries or fringe benefits;

(c) ((~~Annually, any funds appropriated by the legislature in excess of the maintenance level funding amount for student transportation shall be distributed among school districts on a prorated basis using the difference between the amount identified in (a) adjusted by (b) of this subsection and the amount determined under the formula in RCW 28A.160.180; and~~

~~(d)~~)) Allocations provided to recognize the cost of depreciation to districts contracting with private carriers for student transportation shall be deducted from the allowable transportation expenditures in (a) of this subsection.

**--- END ---**