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**HOUSE BILL 1248**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Stonier, Harris, Senn, Simmons, Ryu, Reeves, Bergquist, Eslick, Pollet, and Reed

AN ACT Relating to pupil transportation; amending RCW 28A.160.170, 28A.160.180, 28A.160.193, and 28A.160.140; adding new sections to chapter 28A.160 RCW; adding a new section to chapter 28A.320 RCW; repealing RCW 28A.160.192; and providing effective dates.

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

**Sec.**  RCW 28A.160.170 and 2021 c 234 s 3 are each amended to read as follows:

Each district shall submit ((~~three~~)) the following reports on a timely basis as a condition of the continuing receipt of school transportation moneys:

(1) Three times each year to the superintendent of public instruction during October, February, and May of each year a report containing the following:

((~~(1)~~)) (a)(i) The number of eligible students transported to and from school as provided for in RCW 28A.160.150, along with identification of stop locations and school locations, and ((~~(b)~~)) (ii) the number of miles driven for pupil transportation services as authorized in RCW 28A.160.150 the previous school year; and

((~~(2)~~)) (b) Other operational data and descriptions as required by the superintendent to determine allocation requirements for each district. The superintendent shall require that districts separate the costs of operating the program for the transportation of eligible students to and from school as defined by RCW 28A.160.160(3), non-to-and-from-school pupil transportation costs, and costs to provide expanded services under RCW 28A.160.185(1) in the annual financial statement. The cost, quantity, and type of all fuel purchased by school districts for use in to-and-from-school transportation shall be included in the annual financial statement; and

(2) Monthly, a report of allowable transportation expenditures for the following categories of special passengers: Students eligible and receiving special education that require transportation as a related service of their individualized education program, homeless students requiring transportation under the McKinney-Vento act, reauthorized as Title X, Part C, of the no child left behind act, P.L. 107-110, in January 2002, and foster students receiving transportation as required under section 1112(c)(5)(B) of the every student succeeds act, P.L. 114-95, excluding excess costs covered by state or local child welfare agencies.

((~~Each district shall submit the information required in this section on a timely basis as a condition of the continuing receipt of school transportation moneys.~~))

**Sec.**  RCW 28A.160.180 and 2009 c 548 s 307 are each amended to read as follows:

Each district's annual student transportation allocation shall be determined by the superintendent of public instruction in the following manner:

(1) The superintendent shall annually calculate the transportation allocation for those services provided for in RCW 28A.160.150. The allocation formula may be adjusted ((~~to include such additional differential factors as basic and special passenger counts as defined by the superintendent of public instruction, average distance to school, and number of locations served~~)) based on reimbursements for allowable special passenger expenditures provided under subsection (2)(c) of this section.

(2) The allocation shall be ((~~based on a regression analysis of the number of basic and special students transported and as many other site characteristics that are identified as being statistically significant~~)) equal to the greater of the sum of (a) and (b) of this subsection, multiplied by the school district's regionalization factor under RCW 28A.150.410(9), and (c) of this subsection, or the school district's transportation allocation in the 2022-23 school year increased annually by the transportation inflation factor.

(a) $1,900, increased annually from the 2022-23 school year by the transportation inflation factor, multiplied by the average number of riders to and from school in the previous school year, multiplied by 0.86.

(b) $0.82, increased annually from the 2022-23 school year by the transportation inflation factor, multiplied by the total mileage transporting students to and from school, multiplied by 0.14.

(c) The reimbursement of allowable transportation expenditures for special passengers as reported under RCW 28A.160.170(2) in excess of the combined amount in (a) and (b) of this subsection. Allocations for reimbursement of allowable transportation expenditures for special passengers must be provided as follows:

(i) Allocations for reimbursable transportation expenditures under this subsection (2)(c) must be provided monthly. Allocations from September to December of a school year under this subsection (2)(c)(i) must be based on expenditures reported under RCW 28A.160.170(2) for the prior school year. Allocations after December must be adjusted based on monthly reports under RCW 28A.160.170(2) in the current school year so that districts receive allocations for all reimbursable transportation expenditures under this subsection (2)(c) within a school year.

(ii) The superintendent of public instruction must recover amounts that were distributed prospectively under this subsection (2)(c) that exceed the school district's total allowable pupil transportation expenditures for that school year.

(3) The transportation allocation for transporting students in district-owned passenger cars, as defined in RCW 46.04.382, pursuant to RCW 28A.160.010 for services provided for in RCW 28A.160.150 if a school district deems it advisable to use such vehicles after the school district board of directors has considered the safety of the students being transported as well as the economy of utilizing a district-owned passenger car in lieu of a school bus is the private vehicle reimbursement rate in effect on September 1st of each school year. Students transported in district-owned passenger cars must be included in the corresponding basic or special passenger counts.

(4) Prior to June 1st of each year the superintendent shall submit to the office of financial management, and the education and fiscal committees of the legislature, a report outlining the methodology and rationale used in determining the statistical coefficients for each site characteristic used to determine the allocation for the following year.

(5) For purposes of this section, "transportation inflation factor" means, for any school year, the implicit price deflator for that fiscal year, using the official current base, compiled by the bureau of economic analysis, United States department of commerce.

**Sec.**  RCW 28A.160.193 and 2018 c 266 s 103 are each amended to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, a transportation alternate funding grant program is created.

(2) As part of the award process for the grants, the superintendent of public instruction must include a review of the school district's efficiency rating, key performance indicators, and local school district characteristics such as unique geographic constraints, low enrollment, geographic density of students, ((~~the percentage of students served under the McKinney-Vento homeless assistance act from outside the district,~~)) or whether the district is a nonhigh district.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.160 RCW to read as follows:

By January 1, 2025, the office of the superintendent of public instruction will provide an analysis of school district transportation costs and allocations following the 2023-24 school year to the education and fiscal committees of the house of representatives and senate. This analysis will include the mileage, ridership, and costs for each school district, disaggregated by the following student demographic categories: (1) Students requiring special transportation due to a properly formed and approved individualized education plan; (2) students requiring special transportation due to requirements of the McKinney-Vento act or other federal program; (3) students requiring special transportation due to a foster care placement out of their regular school boundary; and (4) all other students provided student transportation to and from school. The legislature intends this data to inform their future discussions and reviews of the overall student transportation allocation model to remain transparent and predictable.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.320 RCW to read as follows:

Beginning in the 2024-25 school year and each year thereafter, for any district where the reimbursement of costs under RCW 28A.160.180(2)(c) exceeds 105 percent of the state average per special passenger, the state auditor shall include in their regular audits of school districts a review of transportation costs to ensure they are necessary and reasonable costs attributable to special passengers as defined by the superintendent of public instruction and reported under RCW 28A.160.170(2).

NEW SECTION. **Sec.**  RCW 28A.160.192 (Student transportation allocation—Distribution formula) and 2011 1st sp.s. c 27 s 3, 2010 c 236 s 8, & 2009 c 548 s 311 are each repealed.

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

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

(b) Any pupil transportation services contract entered into, renewed, or extended after September 1, 2023, must require the contractor to provide benefits comparable to the school employees' benefits board program and school employees' retirement system to employees and include:

(i) Sufficient funds specifically for the contracting employer to provide the employees of the contractor with an employer health benefits contribution equal to the monthly school employer funding rate for the school employees' benefits board program, less the retiree remittance for the public employees' benefits board; and

(ii) An amount equivalent to the plans 2 and 3 normal cost employer contribution rate of the school employees' retirement system, multiplied by the estimated salaries of the employees of the contractor.

(2) As used in this section:

((~~(1)~~)) (a) "Employees of the contractor" means employees working sufficient compensated hours for the contracting employer performing services on the contract with the school district to meet the eligibility requirements for the school employees' benefits board program if the employee was directly employed by a school district;

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

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

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

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

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

NEW SECTION. **Sec.**  A new section is added to chapter 28A.160 RCW to read as follows:

(1) Subject to amounts appropriated for this purpose, the office of the superintendent of public instruction must provide a one-time supplemental transportation allocation to school districts that experience an increase in costs to pupil transportation services contracts due to section 7 of this act.

(2) To be eligible for supplemental transportation allocations, a school district must report to the office of the superintendent of public instruction the number of employees under pupil transportation services contracts that worked at least 630 hours in performing services on the contract with the school district in the school year prior to entering a contract subject to section 7 of this act.

(3) Amounts provided under this section may only be used by school districts as payments under pupil transportation services contracts for employee compensation.

(4) A supplemental transportation allocation under this section may not exceed $200 per employee per month for contracted employees reported under subsection (2) of this section.

NEW SECTION. **Sec.**  Section 1 of this act takes effect September 1, 2023.

NEW SECTION. **Sec.**  Sections 2 through 6 of this act take effect September 1, 2024.

**--- END ---**