

**E2SHB 1368** - S COMM AMD  
By Committee on Ways & Means

**ADOPTED 03/01/2024**

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

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that zero  
4 emission vehicle technology is crucial to protecting Washington's  
5 children from the health impacts of fossil fuel emissions and to  
6 limiting the long-term impacts of climate change on our planet.  
7 Spurred by a supportive regulatory environment, the state has made  
8 great advances in recent years that have improved the performance and  
9 reduced the costs of such vehicles. With the recent deployment of  
10 financial incentives for clean transportation technology under the  
11 federal bipartisan infrastructure law of 2021, the inflation  
12 reduction act of 2022, and state funding for early adopters of zero  
13 emission buses that began being made available in the 2023 enacted  
14 budgets, the costs and performance of zero emission vehicles,  
15 including zero emission school buses, are forecast to continue to  
16 improve in coming years. Zero emission school buses on the market  
17 today feature reduced fuel, operations, and maintenance costs  
18 compared to their fossil-fueled counterparts.

19 (2) Zero emission school buses and the related reduction of  
20 diesel exhaust will also have significant public health benefits for  
21 children, school staff, bus drivers, and communities, and decrease  
22 inequities. Residents in overburdened parts of Washington facing poor  
23 air quality are disproportionately communities of color, rural, and  
24 low-income and suffer from increased health risks, higher medical  
25 bills, are living sicker and dying younger, emphasizing the need for  
26 cleaner air and environmental justice.

27 (3) Further, the legislature finds that school districts need  
28 funding support to enable the transition to zero emission buses,  
29 including accurately reflecting the costs of zero emission buses in  
30 the state's reimbursement schedule for school buses. Zero emission

1 buses are intended to include both battery electric technologies and  
2 hydrogen fuel cell technologies.

3 (4) Therefore, it is the intent of the legislature to help  
4 transition school districts, charter schools, and state-tribal  
5 education compact schools to using only zero emission school buses.

6 (5) During this transition, it is the intent of the legislature  
7 to prioritize grants to communities that are already bearing the most  
8 acute harms of air pollution, and to replace the oldest diesel  
9 vehicles that were manufactured under outdated and less protective  
10 federal emission standards. During the time leading up to an eventual  
11 phase out of fossil fuel powered school buses, electric utilities are  
12 encouraged to plan and take steps to ensure any service upgrades  
13 necessary to support the onboarding of zero emission fleets of school  
14 buses, including by making use of the grid modernization grant  
15 program administered by the department of commerce. Schools and  
16 school districts receiving zero emission school buses funded through  
17 the program created in this act are encouraged to coordinate with  
18 electric utilities to utilize the vehicles to support electric system  
19 reliability and capacity through vehicle-to-grid integration when the  
20 buses are not in service.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 70A.15  
22 RCW to read as follows:

23 (1) The department must administer the zero emission school bus  
24 grant program within the clean diesel grant program for buses,  
25 infrastructure, and related costs.

26 (2)(a) Appropriations to this grant program are provided solely  
27 for grants to transition from fossil-fuel school buses to zero  
28 emission vehicles. Eligible uses of grant funds include the planning  
29 and acquisition of zero emission school bus vehicles for student  
30 transportation, planning, design, and construction of associated  
31 fueling and charging infrastructure, including infrastructure to  
32 allow the use of zero emission buses in cold weather and other  
33 challenging operational conditions, the scrapping of old diesel  
34 school buses, and training drivers, mechanics, and facility  
35 operations personnel to operate and maintain the zero emission buses  
36 and infrastructure.

37 (b) Grant recipients may combine grant funds awarded under this  
38 section with any other source of funding in order to secure all funds

1 needed to fully purchase each zero emission vehicle and any  
2 associated charging infrastructure.

3 (c) Grants issued under this section are in addition to payments  
4 made under the depreciation schedule adopted by the office of the  
5 superintendent of public instruction. Grants may only be issued until  
6 the school bus depreciation schedule established in RCW 28A.160.200  
7 is adjusted to fund the cost of zero emission bus purchases at which  
8 time the department must transition the program established in this  
9 section to focus solely on electric vehicle charging infrastructure  
10 grants.

11 (3) When selecting grant recipients, the department must  
12 prioritize, in descending order of priority:

13 (a) School districts currently using school buses manufactured  
14 prior to 2007 and serving overburdened communities, including  
15 communities of color, rural, and low-income communities, highly  
16 impacted by air pollution identified by the department under RCW  
17 70A.65.020(1);

18 (b) If funds remain after reviewing grant applications meeting  
19 the criteria of (a) of this subsection, school districts serving  
20 overburdened communities, including communities of color, rural, and  
21 low-income communities, highly impacted by air pollution identified  
22 by the department under RCW 70A.65.020(1);

23 (c) If funds remain after reviewing grant applications meeting  
24 the criteria of (a) and (b) of this subsection, the replacement of  
25 school buses manufactured prior to 2007; and

26 (d) If funds remain after reviewing grant applications meeting  
27 the criteria of (a), (b), or (c) of this subsection, to applicants  
28 that demonstrate an unsuccessful application to receive federal  
29 funding for zero emission school bus purposes prior to January 1,  
30 2024.

31 (4) The department must distribute no less than 90 percent of the  
32 funds appropriated under this section to grant recipients. Amounts  
33 retained by the department may only be used as follows:

34 (a) Up to three and one-half percent of funds appropriated under  
35 this section for administering the grant program; and

36 (b) Up to six and one-half percent of funds appropriated under  
37 this section to provide technical assistance to grant applicants  
38 including, but not limited to, assistance in evaluating charging  
39 infrastructure and equipment and in coordinating with electric  
40 utility service adequacy.

1 (5) The department must provide notice of a grant award decision  
2 to the utility providing electrical service to the grant recipient.

3 (6) By June 1, 2025, the department in consultation with the  
4 superintendent of public instruction must submit a report to the  
5 governor and the relevant policy and fiscal committees of the  
6 legislature providing an update on the status of implementation of  
7 the grant program under this section and a summary of recommendations  
8 and implementation considerations for transitioning the zero emission  
9 school bus grant program to the competitive school bus vehicle  
10 depreciation schedule established in RCW 28A.160.200.

11 (7) For the purposes of this section, "zero emission vehicles"  
12 means a vehicle that produces zero exhaust emission of any air  
13 pollutant and any greenhouse gas other than water vapor.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.160  
15 RCW to read as follows:

16 (1) The office of the superintendent of public instruction, in  
17 consultation with the department of ecology, must develop preliminary  
18 guidance for school districts regarding the formula factors used to  
19 calculate the total cost of ownership for zero emission school buses  
20 and diesel school buses. After considering feedback to the  
21 preliminary guidance, the office of the superintendent of public  
22 instruction, in consultation with the department of ecology, must  
23 adopt rules to establish the formulas. Such formulas must, at a  
24 minimum, address the initial cost of the bus at the time of purchase,  
25 the cost of maintenance, the cost of fueling and charging, and the  
26 cost of replacing zero emission school bus batteries, if applicable.

27 (2)(a) Once the total cost of ownership of zero emission school  
28 buses is at or below the total cost of ownership of diesel school  
29 buses, as determined by the formulas in subsection (1) of this  
30 section, school districts may only receive reimbursement under RCW  
31 28A.160.195 and 28A.160.200 for the purchase of zero emission school  
32 buses.

33 (b) The requirements of this subsection do not prohibit the use  
34 of externally vented fuel-operated passenger heaters from November  
35 15th through March 15th annually until other viable alternatives  
36 become available.

37 (3)(a) The office of the superintendent of public instruction  
38 must make exceptions to the requirement under subsection (2) of this  
39 section in the following circumstances:

1 (i) The reimbursement is for a diesel school bus that was  
2 purchased prior to the total cost of ownership determination;

3 (ii) The school district has bus route mileage needs that cannot  
4 be met by the average daily mileage achieved under actual use  
5 conditions in Washington for zero emission school buses;

6 (iii) The school district has other unique needs that may not be  
7 met by the technological capabilities of zero emission school buses;  
8 or

9 (iv) The school district does not have, or have access to, the  
10 appropriate charging infrastructure to support the use of zero  
11 emission school buses. If a school district qualifies under this  
12 exception it must submit documentation indicating it has applied for  
13 grant funding to install charging infrastructure under available  
14 federal grant programs or the zero emission school bus grant program  
15 established under section 2 of this act, or documentation from a  
16 public utility district or utility company indicating the school  
17 district does not have enough electric capacity to support the  
18 appropriate charging infrastructure.

19 (b) Exceptions granted by the superintendent of public  
20 instruction under (a)(ii) through (iv) of this subsection may not  
21 exceed five years. A school district may apply to renew an exception  
22 if the need for such an exception still exists after the initial  
23 exception has expired.

24 (4) For the purposes of this section, "zero emission school bus"  
25 means a school bus that produces zero exhaust emission of any air  
26 pollutant and any greenhouse gas other than water vapor.

27 **Sec. 4.** RCW 28A.160.195 and 2005 c 492 s 1 are each amended to  
28 read as follows:

29 (1) The superintendent of public instruction, in consultation  
30 with the regional transportation coordinators of the educational  
31 service districts, shall establish a minimum number of school bus  
32 categories considering the capacity and type of vehicles required by  
33 school districts in Washington. The superintendent, in consultation  
34 with the regional transportation coordinators of the educational  
35 service districts, shall establish competitive specifications for  
36 each category of school bus. The categories shall be developed to  
37 produce minimum long-range operating costs, including costs of  
38 equipment and all costs in operating the vehicles. The competitive  
39 specifications shall meet federal motor vehicle safety standards,

1 minimum state specifications as established by rule by the  
2 superintendent, and supported options as determined by the  
3 superintendent in consultation with the regional transportation  
4 coordinators of the educational service districts. The superintendent  
5 may solicit and accept price quotes for a rear-engine category school  
6 bus that shall be reimbursed at the price of the corresponding front  
7 engine category.

8 (2) After establishing school bus categories and competitive  
9 specifications, the superintendent of public instruction shall  
10 solicit competitive price quotes for base buses from school bus  
11 dealers to be in effect for one year and shall establish a list of  
12 all accepted price quotes in each category obtained under this  
13 subsection. The superintendent shall also solicit price quotes for  
14 optional features and equipment.

15 (3) (a) The superintendent shall base the level of reimbursement  
16 to school districts and educational service districts for school  
17 buses on the lowest quote for the base bus in each category. School  
18 districts and educational service districts shall be reimbursed for  
19 buses purchased only through a lowest-price competitive bid process  
20 conducted under RCW 28A.335.190 or through the state bid process  
21 established by this section.

22 (b) Once the total cost of ownership of zero emission school  
23 buses is at or below the total cost of ownership of diesel school  
24 buses, as determined under the formulas adopted by rule pursuant to  
25 section 3 of this act, school districts may only receive  
26 reimbursement for the purchase of zero emission school buses, unless  
27 the district has been granted an exception under section 3(3) of this  
28 act. For the purposes of this subsection, "zero emission school bus"  
29 means a school bus that produces zero exhaust emission of any air  
30 pollutant and any greenhouse gas other than water vapor.

31 (4) Notwithstanding RCW 28A.335.190, school districts and  
32 educational service districts may purchase at the quoted price  
33 directly from any dealer who is on the list established under  
34 subsection (2) of this section. School districts and educational  
35 service districts may make their own selections for school buses, but  
36 shall be reimbursed at the rates determined under subsection (3) of  
37 this section and RCW 28A.160.200. District-selected options shall not  
38 be reimbursed by the state.

1 (5) This section does not prohibit school districts or  
2 educational service districts from conducting their own competitive  
3 bid process.

4 (6) The superintendent of public instruction may adopt rules  
5 under chapter 34.05 RCW to implement this section.

6 **Sec. 5.** RCW 28A.160.140 and 1990 c 33 s 140 are each amended to  
7 read as follows:

8 (1) As a condition of entering into a pupil transportation  
9 services contract with a private nongovernmental entity, each school  
10 district shall engage in an open competitive process at least once  
11 every five years. This requirement shall not be construed to prohibit  
12 a district from entering into a pupil transportation services  
13 contract of less than five years in duration with a district option  
14 to renew, extend, or terminate the contract, if the district engages  
15 in an open competitive process at least once every five years after  
16 July 26, 1987. If a school district enters into a pupil  
17 transportation services contract with a private nongovernmental  
18 entity that uses zero emission school buses to transport students for  
19 the school district, the contract period may be up to seven years in  
20 duration.

21 (2) Once the total cost of ownership of zero emission school  
22 buses is at or below the total cost of ownership of diesel school  
23 buses, as determined under the formulas adopted by rule pursuant to  
24 section 3 of this act, a school district may only enter into, renew,  
25 or extend a pupil transportation services contract with a  
26 nongovernmental entity that uses zero emission school buses to  
27 transport students for the school district. The office of the  
28 superintendent of public instruction must provide an exception to  
29 this requirement, upon request from the school district, if the  
30 school district meets the criteria in section 3(3)(a) (ii) through  
31 (iv) of this act. The requirements of this subsection do not prohibit  
32 the use of externally vented fuel-operated passenger heaters from  
33 November 15th through March 15th annually until other viable  
34 alternatives become available.

35 (3) As used in this section:

36 ~~((1))~~ (a) "Open competitive process" means either one of the  
37 following, at the choice of the school district:

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

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

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

12        ~~(3))~~ (c) "School bus" means a motor vehicle as defined in RCW  
13 46.04.521 and under the rules of the superintendent of public  
14 instruction; and

15        (d) "Zero emission school bus" means a school bus that produces  
16 zero exhaust emission of any air pollutant and any greenhouse gas  
17 other than water vapor.

18        NEW SECTION. Sec. 6. A new section is added to chapter 28A.300  
19 RCW to read as follows:

20        (1) By November 15, 2024, the office of the superintendent of  
21 public instruction, in consultation with the department of ecology,  
22 must carry out a survey of school districts, charter schools, and  
23 state-tribal education compact schools focused on the uptake and  
24 total cost of ownership of zero emission school buses. The office of  
25 the superintendent of public instruction must submit a report to the  
26 legislature summarizing their findings by December 1, 2024.

27        (2) The survey required under this section must collect  
28 information from each school district and school on:

29        (a) Current zero emission vehicle charging and refueling capacity  
30 and infrastructure;

31        (b) Whether, assuming the availability of grant funds and  
32 depreciation schedule payments to cover the full cost of a vehicle,  
33 including the total cost of ownership of the vehicle, the school  
34 district or school would anticipate applying for funds to support  
35 zero emission school bus or bus infrastructure purchases in the next  
36 two years, and in the next five years;

37        (c) For any schools or school districts still using a school bus  
38 after the end of its applicable depreciation schedule, whether the  
39 bus was manufactured prior to 2007, and an explanation of why the



1 school or school district has continued to use the bus past the end  
2 of its depreciation schedule;

3 (d) Responses to preliminary guidance from the office of the  
4 superintendent of public instruction for calculating total cost of  
5 ownership and whether the school district or school utilizes the  
6 preliminary guidance or uses a different calculation methodology; and

7 (e) Any other survey information deemed helpful by the department  
8 of ecology or the office of the superintendent of public instruction  
9 to facilitating the transition to zero emission vehicles.

10 (3) For purposes of this section, "zero emission vehicle" has the  
11 same meaning as in section 2 of this act."

**E2SHB 1368** - S COMM AMD  
By Committee on Ways & Means

**ADOPTED 03/01/2024**

12 On page 1, line 2 of the title, after "buses;" strike the  
13 remainder of the title and insert "amending RCW 28A.160.195 and  
14 28A.160.140; adding a new section to chapter 70A.15 RCW; adding a new  
15 section to chapter 28A.160 RCW; adding a new section to chapter  
16 28A.300 RCW; and creating a new section."

EFFECT: (1) Directs the Office of the Superintendent of Public  
Instruction (OSPI), in consultation with the Department of Ecology  
(Ecology), to develop preliminary guidance regarding the formula  
factors used to calculate the total cost of ownership for zero  
emission school buses and diesel school buses.

(2) Requires OSPI, in consultation with Ecology, to adopt rules  
to establish such formulas and sets out minimum formula factors that  
must be considered.

(3) Provides that, once total cost of ownership of zero emission  
buses is at or below the total cost of ownership of diesel buses,  
school districts may only receive reimbursement for the purchase of  
zero emission school buses and may only contract with pupil  
transportation service providers that use zero emission school buses  
to transport students for the school district.

(4) Provides exceptions to the reimbursement limitation and the  
contracting requirements, up to five years in duration, if a school  
district has mileage or other unique needs that cannot be met by zero  
emission buses or if a school district does not have appropriate  
charging infrastructure or the capacity to install such  
infrastructure.

(5) Authorizes school districts to enter pupil transportation  
service contracts with private nongovernmental entities for a period  
of seven years, rather than five years, if the entity uses zero  
emission school buses to transport students for the school district.

(6) Allows the use of externally vented fuel-operated passenger heaters from November 15th through March 15th annually until other viable options become available.

(7) Provides that grant prioritization is based on school district rather than bus route.

(8) Adds definition of "zero emission school bus" to the new sections to align with the definition of "zero emission vehicle" under the grant program and survey.

(9) Modifies the intent section, grant program, and survey to align with the new language.

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