

# FINAL BILL REPORT

## E2SHB 1368

---

---

C 345 L 24  
Synopsis as Enacted

**Brief Description:** Requiring and funding the purchase of zero emission school buses.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Senn, Fey, Berry, Doglio, Peterson, Chapman, Fosse, Slatter, Gregerson, Callan, Lekanoff, Ramel, Stonier, Street, Santos, Fitzgibbon, Berg, Reed, Simmons, Bergquist, Goodman, Pollet, Cortes, Macri and Leavitt).

**House Committee on Environment & Energy**  
**House Committee on Appropriations**  
**Senate Committee on Early Learning & K-12 Education**  
**Senate Committee on Ways & Means**

### **Background:**

#### Student Transportation.

School buses are used to transport students to and from school or in connection with designated school activities. School district boards of directors are responsible for the operation of student transportation programs. School districts may use school buses and drivers hired by the district or commercial chartered bus services for the transportation of school children and employees necessary for their supervision.

School districts are responsible for selecting, paying for, and maintaining student transportation vehicles purchased by the district. Regarding school bus purchases, the Office of the Superintendent of Public Instruction (OPSI) is responsible for developing categories and competitive specifications for school bus acquisitions as well as a corresponding list of school bus dealers with the lowest purchase price quotes. School districts and educational service districts that purchase buses through this competitive quote process or through a separate lowest-price competitive bid process are eligible for certain state funds that are based on the category of vehicle, the anticipated lifetime of vehicles of this category, and a state reimbursement rate. The accumulated value of the state payments received by the district and the potential investment return is designed to be equal to the

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

replacement cost of the vehicle, less its salvage value, at the end of its anticipated lifetime.

Legislation adopted in 2007 directed the OPSI to implement a school bus replacement incentive program for qualifying new buses purchased by a school district on or before June 30, 2009.

Department of Ecology Zero-Emission Vehicle Rules and Grant Programs.

Under the federal Clean Air Act (federal CAA), most states, including Washington, are restricted from enacting their own emissions standards for new motor vehicles, which is an authority generally reserved to the federal government. California is the only state allowed under the federal CAA to adopt state standards for vehicle emissions. California's vehicle emissions standards must be at least as protective of public health as federal standards and must be approved by the United States Environmental Protection Agency (EPA). Other states may adopt vehicle emissions standards that are identical to California's vehicle emissions standards for specific vehicle model years. The motor vehicle emissions standards established by California contain two program components: low-emission vehicle (LEV) requirements and zero-emission vehicle (ZEV) requirements.

The California ZEV program requires that a specified percentage of the vehicles delivered for sale in the state by manufacturers must be ZEVs. California's current ZEV standards for passenger cars and light-duty trucks require that 9.5 percent of vehicles produced by manufacturers and delivered for sale in California be ZEVs by 2020. This requirement increases to 22 percent for model year 2025, and then increases to 100 percent of vehicles beginning in 2035.

In 2020 the Legislature enacted a bill that requires the Department of Ecology (Ecology) to adopt all of California's motor vehicle emission standards, including the ZEV program. Ecology adopted initial rules to implement the ZEV program in 2021, and in December of 2022 updated its rules to increase the standard for ZEV sales of passenger cars, light-duty trucks, and medium-duty vehicles to 100 percent beginning in 2035, in accordance with a similar rule recently adopted in California.

As part of Ecology's clean diesel program, Ecology administers grant programs that have a goal of reducing diesel pollution emissions, including grants that have been used to purchase zero-emission school buses.

**Summary:**

Zero-Emission Vehicle School Bus Grants.

The Department of Ecology (Ecology) must administer a Zero-Emission School Bus Grant Program within the Clean Diesel Grant Program for buses, infrastructure, and other related costs. Grants are to transition from fossil-fuel school buses to zero-emission vehicle (ZEV) school buses, and may be used for planning and acquisition of ZEV school buses, transportation, planning, design and construction of fueling and charging infrastructure, the

scrapping of old diesel school buses, and training for drivers, mechanics, and facility operations personnel. Grants are in addition to payments under the Office of the Superintendent of Public Instruction (OSPI)'s depreciation schedule, and may be combined with other sources of funding. Once the OSPI school bus depreciation schedule is adjusted to fund the cost of ZEV school bus purchases, Ecology must transition the grant program to focus solely on charging infrastructure grants. Ecology may retain up to 3.5 percent of funds for administering the grant program and 6.5 percent of funds for technical assistance to grant recipients.

Ecology must prioritize the following grant recipients, in descending order of priority:

- school districts using school buses manufactured prior to 2007 serving communities highly impacted by air pollution identified by Ecology under the Climate Commitment Act;
- school districts serving communities highly impacted by air pollution identified by Ecology under the Climate Commitment Act;
- the replacement of school buses manufactured prior to 2007; and
- applicants that have demonstrated a previously unsuccessful application for federal funding prior to January 1, 2024.

Ecology must notify electric utilities that provide service to grant recipients.

Ecology, in consultation with the OSPI, must submit a report updating on the status of the ZEV School Bus Grant Program by June 1, 2025.

#### Zero-Emission Vehicle School Bus Acquisition.

The OSPI, in consultation with Ecology, must develop preliminary guidance for school districts regarding the formula factors used to calculate total cost of ownership for ZEV and diesel school buses. After considering feedback to the preliminary guidance, the OSPI, in consultation with Ecology, must adopt rules to establish formulas, which must address the initial cost of the bus at the time of purchase; the cost of maintenance, fueling, and charging; and the cost of battery replacement, if applicable. Once total cost of ownership of ZEV buses is determined to be at or below the total cost of ownership of diesel school buses:

- school districts may only receive reimbursement under the OSPI's depreciation schedule for ZEV school buses; and
- newly acquired school buses used for pupil transportation services contracts must be ZEV school buses.

The OSPI must make exceptions to ZEV school bus reimbursement and contracting requirements:

- to allow reimbursement for diesel school buses purchased prior to the total cost of ownership determination;
- if the school district has bus route mileage needs that cannot be met by the average daily mileage achieved under actual use conditions in Washington for ZEV school

- buses;
- if the school district has other unique needs; or
- if the school district does not have or have access to appropriate charging infrastructure.

Exceptions may not exceed five years, but may be renewed. The use of externally-vented fuel-operated passenger heaters are authorized from November 15 to March 15 annually until other viable alternatives become available.

School districts that enter into pupil transportation services contracts for ZEV school buses may enter into contracts of a duration of up to seven years.

Zero-Emission Vehicle School Bus Survey.

By November 15, 2024, the OSPI, in consultation with Ecology, must carry out a survey of school districts, charter schools, and state-tribal education compact schools focused on the uptake and total cost of ownership of ZEV school buses. The OSPI must submit a report to the Legislature summarizing its findings by December 1, 2024.

**Votes on Final Passage:**

House	58	39	
Senate	29	20	(Senate amended)
House	58	38	(House concurred)

**Effective:** June 6, 2024