

HOUSE BILL REPORT

HB 1880

*As Reported By House Committee on:
Education
Appropriations*

Title: An act relating to school bus replacement for public school districts.

Brief Description: Authorizing the replacement of school buses.

Sponsor(s): Representatives Cole, Brumsickle, Peery, Riley, Paris, Jacobsen, May, Betrozoff and Rasmussen; by request of Superintendent of Public Instruction.

Brief History:

Reported by House Committee on:
Education, March 6, 1991, DPS;
Appropriations, March 10, 1991, DPS(ED)-A.

**HOUSE COMMITTEE ON
EDUCATION**

Majority Report: *That Substitute House Bill No. 1880 be substituted therefor, and the substitute bill do pass.*

Signed by 15 members: Representatives Peery, Chair; G. Fisher, Vice Chair; Brough, Ranking Minority Member; Betrozoff; Broback; Brumsickle; Cole; Dorn; P. Johnson; Neher; Orr; Phillips; Rasmussen; Roland; and H. Sommers.

Staff: Robert Butts (786-7111).

Background: The statewide school bus fleet includes more than 5,600 district-owned buses. Approximately 2,100 of these buses do not meet the federal safety standards adopted in April 1977. These 1977 standards required significant improvements in school bus construction designed to protect bus occupants. According to the Office of the Superintendent of Public Instruction (SPI), an additional 1,500 of the district-owned buses are beyond their normal life expectancy, resulting in annual costs of \$10 - \$15 million for extraordinary avoidable repairs.

Under the current system of state funding, school districts are required to front-fund the purchase of school buses. The state then reimburses the school district based on a depreciation schedule. Under this system, a district must

first raise the funds for the new bus, which often requires the voters to approve a transportation levy. Passing these bus levies is often difficult.

Summary of Substitute Bill: The current reimbursement/depreciation model for state funding of school buses is changed to a model based on having the state "front-fund" the purchase of new buses. Provisions apply only to the replacement of aging and obsolete buses, not to the purchase of "growth" buses.

The Superintendent of Public Instruction shall allocate, with funds appropriated by the Legislature, state funds for the purchase of new buses to replace buses owned by school districts or Educational Service Districts (ESDs). The superintendent shall require that state funds allocated for bus replacement be applied only to the purchase of new school buses, except as provided, and shall require that each bus purchased with state funds result in removal from service of an eligible school bus.

Each school bus eligible for replacement shall be owned by a school district or ESD, be beyond its useful life, and have a valid school bus operating permit.

Determining allocations for replacement of school buses shall be made in the following manner. SPI shall:

- (a) establish bus bid specifications eligible for state funding support, and optional school bus bid specifications that may be selected and funded by local school districts;
- (b) annually review eligible school buses and determine the number of school buses each school district is entitled to purchase with state funding during each fiscal year; and
- (c) annually announce bus replacement entitlement for each school district. At least 50 percent of the statewide bus replacement entitlement shall be for buses manufactured before April 1, 1977. School districts shall notify SPI of each eligible bus the district has selected for replacement, along with a description of the new bus. School districts shall be required to give first priority to eligible pre-77 school buses.

SPI may make payments to school districts in lieu of the purchase of new school buses to liquidate indebtedness incurred for the purchase of school buses entered into

before the effective date of the act. Limitations of in lieu payments are specified.

SPI shall annually develop a depreciation schedule to recognize the cost of school bus depreciation to districts that contract with private carriers for student transportation.

SPI shall revoke the operating permit for each school bus replaced with state funds, and shall ensure that no operating permit is reissued for such school bus.

Substitute Bill Compared to Original Bill: The substitute makes the funding of replacement buses dependent on funds appropriated by the Legislature, and the replacement of pre-1977 buses is given a higher priority. Implementation of the bill is postponed one year until September 1, 1992.

Fiscal Note: Requested February 20, 1991.

Effective Date of Substitute Bill: The bill takes effect September 1, 1992.

Testimony For: The current funding for new buses is not working: local funding is not uniform, the fleet continues to age, and about one-third of the buses do not meet the 1977 safety standards. Of the 50 states, Washington has the third highest percentage of these pre-77 buses.

Testimony Against: None.

Witnesses: Don Carnahan, Superintendent of Public Instruction; Carolyn Tolas, Kent School District; Ed Heiser, Tahoma School District; Paul Plumis, Shoreline School District; Tom Prigmore, Cent-Che Transportation Coop; and Gary Tollefsen, PTA.

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *The substitute bill by Committee on Education be substituted therefor and the substitute bill as amended by Committee on Appropriations do pass.* Signed by 28 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Braddock; Brekke; Dorn; Ebersole; Ferguson; Fuhrman; Hine; Lisk; May; McLean; Mielke; Nealey; Peery; Pruitt; Rust; H. Sommers; Valle; Vance; Wang; and Wineberry.

Staff: Jack Daray (786-7178).

***Summary of Recommendation of Committee on Appropriations
Compared to Recommendation of Committee on Education:***

Unless this bill is referenced and funded in the budget, the proposed new funding process for school bus replacement is null and void.

Fiscal Note: Available.

Effective Date of Substitute Bill as Amended: September 1, 1992.

Testimony For: The need for replacing buses that don't meet federal safety standards and for new approaches to financing fleet replacement is supported.

Testimony Against: None.

Witnesses: Ken Kanikeberg, Superintendent of Public Instruction.