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**SUBSTITUTE HOUSE BILL 1880**

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**State of Washington                      52nd Legislature                      1991 Regular Session**

**By** House Committee on Education (originally sponsored by Representatives Cole, Brumsickle, Peery, Riley, Paris, Jacobsen, May, Betrozoff and Rasmussen; by request of Superintendent of Public Instruction).

Read first time March 6, 1991.

1        AN ACT Relating to school bus replacement for public school  
2 districts; amending RCW 28A.160.200; adding new sections to chapter  
3 28A.160 RCW; and providing an effective date.

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

5        **Sec. 1.** RCW 28A.160.200 and 1990 c 33 s 146 are each amended to  
6 read as follows:

7        (1) The superintendent of public instruction, with funds  
8 appropriated for this purpose, shall allocate state funds for the  
9 purpose of supporting, in whole or in part, the purchase of new school  
10 buses to replace school buses owned by school districts or educational  
11 service districts. The superintendent shall require that state funds  
12 allocated for bus replacement be applied only to the purchase of new  
13 school buses, except as provided in section 2 of this 1991 act, and  
14 shall require that each school bus purchased in whole or in part with  
15 state funds result in removal from service of an eligible school bus.

1 Each school bus eligible for replacement in whole or in part with state  
2 funds shall be owned by a school district or educational service  
3 district, be beyond the useful life as established by the  
4 superintendent, and have a valid school bus operating permit issued by  
5 the superintendent.

6 (2) The superintendent may adopt rules necessary to implement a  
7 school bus fleet replacement program designed to maintain a state-wide  
8 school bus fleet.

9 (3) The superintendent shall determine ((the vehicle acquisition))  
10 school district or educational service district allocations for  
11 replacement of school buses in the following manner:

12 ~~((1) By May 1st of each year, the superintendent shall develop~~  
13 ~~preliminary categories of student transportation vehicles to ensure~~  
14 ~~adequate student transportation fleets for districts. The~~  
15 ~~superintendent shall take into consideration the types of vehicles~~  
16 ~~purchased by individual school districts in the state. The categories~~  
17 ~~shall include, but not be limited to, variables such as vehicle~~  
18 ~~capacity, type of chassis, type of fuel, engine and body type, special~~  
19 ~~equipment, and life of vehicle. The categories shall be developed in~~  
20 ~~conjunction with the local districts and shall be applicable to the~~  
21 ~~following school year. The categories shall be designed to produce~~  
22 ~~minimum long range operating costs, including costs of equipment and~~  
23 ~~all costs incurred in operating the vehicles. Each category~~  
24 ~~description shall include the estimated state-determined purchase~~  
25 ~~price, which shall be based on the actual costs of the vehicles~~  
26 ~~purchased for that comparable category in the state during the~~  
27 ~~preceding twelve months and the anticipated market price for the next~~  
28 ~~school fiscal year. By June 15th of each year, the superintendent~~  
29 ~~shall notify districts of the preliminary vehicle categories and state-~~  
30 ~~determined purchase price for the ensuing school year. By October 15th~~

1 of each year, the superintendent shall finalize the categories and the  
2 associated state-determined purchase price and shall notify districts  
3 of any changes. While it is the responsibility of each district to  
4 select each student transportation vehicle to be purchased by the  
5 district, each district shall be paid a sum based only on the amount of  
6 the state-determined purchase price and inflation as recognized by the  
7 reimbursement schedule established in this section as set by the  
8 superintendent for the category of vehicle purchased.

9 (2) The superintendent shall develop a reimbursement schedule to  
10 pay districts for the cost of student transportation vehicles purchased  
11 after September 1, 1982. The accumulated value of the payments and the  
12 potential investment return thereon shall be designed to be equal to  
13 the replacement value of the vehicle less its salvage value at the end  
14 of its anticipated lifetime. The superintendent shall revise at least  
15 annually the reimbursement payments based on the current and  
16 anticipated future cost of comparable categories of transportation  
17 equipment. Reimbursements to school districts for approved  
18 transportation equipment shall be placed in a separate vehicle  
19 transportation fund established for each school district under RCW  
20 28A.160.130. However, educational service districts providing student  
21 transportation services pursuant to RCW 28A.310.180(4) and receiving  
22 moneys generated pursuant to this section shall establish and maintain  
23 a separate vehicle transportation account in the educational service  
24 district's general expense fund for the purposes and subject to the  
25 conditions under RCW 28A.160.130 and 28A.320.300.

26 (3) To the extent possible, districts shall operate vehicles  
27 acquired under this section not less than the number of years or useful  
28 lifetime now, or hereafter, assigned to the class of vehicles by the  
29 superintendent. School districts shall properly maintain the  
30 transportation equipment acquired under the provisions of this section,

1 in accordance with rules established by the office of the  
2 superintendent of public instruction. If a district fails to follow  
3 generally accepted standards of maintenance and operation, the  
4 superintendent of public instruction shall penalize the district by  
5 deducting from future reimbursements under this section an amount equal  
6 to the original cost of the vehicle multiplied by the fraction of the  
7 useful lifetime or miles the vehicle failed to operate.

8 (4) The superintendent shall annually develop a depreciation  
9 schedule to recognize the cost of depreciation to districts contracting  
10 with private carriers for student transportation. Payments on this  
11 schedule shall be a straight line depreciation based on the original  
12 cost of the appropriate category of vehicle.))

13 (a) The superintendent shall establish school bus bid  
14 specifications eligible for state funding support, and optional school  
15 bus bid specifications that may be selected and funded by local school  
16 districts. The eligibility criteria shall place a high priority on the  
17 replacement of buses manufactured before April 1, 1977. School bus bid  
18 specifications shall be developed in concert with representatives of  
19 school districts and shall be structured to stimulate competition among  
20 vendors.

21 (b) The superintendent shall annually review eligible school buses  
22 and determine the number of school buses each school district is  
23 entitled to purchase with state funding during each fiscal year.  
24 School district annual entitlement to state-funded school bus  
25 replacement shall be the lesser of: (i) Bus replacement credit earned;  
26 or (ii) the number of eligible school buses. As used in this section,  
27 "bus replacement credit earned" means the whole number of buses without  
28 regard to partial remainder of the sum of each fraction that one year  
29 is to the scheduled life of each school bus owned by school districts  
30 or educational service districts. Bus replacement credit earned but

1 not used in a fiscal year and each partial remainder shall carry  
2 forward to the succeeding fiscal year.

3 (c) The superintendent shall annually announce bus replacement  
4 entitlement for each school district. As long as buses manufactured  
5 before April 1, 1977, remain in the state-wide bus fleet, at least  
6 fifty percent of the bus replacement entitlement shall be for these  
7 pre-1977 buses. Each school district shall notify the superintendent  
8 of each eligible school bus the school district has selected for  
9 replacement, along with general descriptive characteristics of the bus  
10 to be purchased as its replacement. School districts shall be required  
11 to give first priority to eligible school buses manufactured before  
12 April 1, 1977.

13 (d) The superintendent or his or her designee shall sponsor  
14 voluntary bus purchase bid pools throughout the state. The formation  
15 of sponsored bid pools shall be determined by the locations of  
16 districts electing to participate and the numbers of buses with common  
17 bid characteristics.

18 (e) The superintendent or his or her designee shall announce  
19 locations and times of sponsored bid pools where school districts may  
20 convene for the purposes of finalizing school bus bid specifications  
21 and issuing calls for bids. School districts shall be required to  
22 waive their right of cancellation or withdrawal from commitments  
23 expressed or implied in sponsored pooled calls for bids.

24 (f) School districts participating in bus purchase bid pools  
25 sponsored by the superintendent may replace an eligible school bus with  
26 a school bus of similar or different type, capacity, or other  
27 characteristic, however state funding shall be limited to the accepted  
28 bid price obtained for eligible specifications of a bus of similar  
29 characteristics to the bus being replaced or actual purchase cost of  
30 eligible specifications, whichever is less. Districts not

1 participating in bus purchase bid pooling sponsored by the  
2 superintendent shall have each eligible school bus replacement purchase  
3 funded as if such purchase were made through the bid pool sponsored by  
4 the superintendent and made available to the district for replacement  
5 of the eligible school bus.

6 (g) The superintendent shall make one payment of all state funds  
7 due for each eligible school bus replaced, which payment shall be made  
8 on notice of delivery and acceptance of the bus by the purchasing  
9 school district.

10 NEW SECTION. Sec. 2. A new section is added to chapter 28A.160  
11 RCW to read as follows:

12 The superintendent may make payments to school districts pursuant  
13 to RCW 28A.160.200, in lieu of the purchase of new school buses, for  
14 the purpose of liquidating indebtedness incurred for the purchase of  
15 school buses entered into before the effective date of this section.  
16 However, amounts paid in lieu of purchase of buses shall not exceed  
17 forty percent of the school district's bus replacement credit earned  
18 for the year, and payments in lieu of purchase of school buses shall  
19 not continue longer than four years from the effective date of this  
20 section. School districts electing to receive state funds to liquidate  
21 prior school bus indebtedness in lieu of the purchase of school buses  
22 shall submit to the superintendent, for approval, a plan that includes  
23 schedules of debt retirement and new bus purchases. Payments to school  
24 districts for approved transportation equipment shall be placed in a  
25 separate transportation vehicle fund established for each school  
26 district under RCW 28A.160.130. However, educational service districts  
27 providing student transportation services pursuant to RCW  
28 28A.310.180(4) and receiving moneys generated pursuant to this section  
29 shall establish and maintain a separate vehicle transportation account

1 in the educational service district's general expense fund for the  
2 purposes and subject to the conditions under RCW 28A.160.130 and  
3 28A.320.300.

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

6 The superintendent shall annually develop a depreciation schedule  
7 to recognize the cost of school bus depreciation to districts that  
8 contract with private carriers for student transportation.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.160  
10 RCW to read as follows:

11 The superintendent shall revoke the operating permit for each  
12 school bus replaced in whole or in part with state funds, and shall  
13 ensure that no operating permit is reissued for such school bus.

14 NEW SECTION. **Sec. 5.** A new section is added to chapter 28A.160  
15 RCW to read as follows:

16 Sections 2 through 4 of this act supersede all prior  
17 responsibilities of the state to provide school bus replacement or  
18 depreciation payments to school districts for school bus purchases as  
19 of the effective date of this section.

20 NEW SECTION. **Sec. 6.** If any provision of this act or its  
21 application to any person or circumstance is held invalid, the  
22 remainder of the act or the application of the provision to other  
23 persons or circumstances is not affected.

24 NEW SECTION. **Sec. 7.** This act shall take effect September 1,  
25 1992.