
SUBSTITUTE SENATE BILL 5326

State of Washington

67th Legislature

2021 Regular Session

By Senate Ways & Means (originally sponsored by Senators Robinson, Cleveland, Conway, Das, Hasegawa, Hunt, Lias, Nguyen, Nobles, Saldaña, Wellman, and Wilson, C.)

READ FIRST TIME 02/22/21.

1 AN ACT Relating to health and pension benefits for school bus
2 drivers employed by private nongovernmental entities; amending RCW
3 28A.160.140; adding a new section to chapter 28A.160 RCW; and
4 creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that school bus
7 drivers play a crucial role in ensuring students' safe passage to and
8 from school, preventing absences, and extending a positive school
9 climate beyond the classroom. By delivering this essential service,
10 school bus drivers provide a significant time and convenience benefit
11 to thousands of Washington families, remove cars from the road,
12 reduce overall emissions, and increase traffic safety. However, a
13 recent national survey revealed that 94 percent of bus contractors
14 experience driver shortages, with 21 percent reporting their
15 shortages as severe. With this act, the state of Washington intends
16 to encourage the retention of bus drivers who provide vital services
17 to local communities.

18 **Sec. 2.** RCW 28A.160.140 and 1990 c 33 s 140 are each amended to
19 read as follows:

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

10 (2)(a) A school district may only enter into a pupil
11 transportation services contract with a nongovernmental entity if
12 that entity provides the following to its employees:

13 (i) An employer health benefits contribution equal to employer
14 payment for health care benefit rates (Cockle rates), published
15 annually by the health care authority, for the school employees'
16 benefits board program for school employees; and

17 (ii) An amount equivalent to the plans 2 and 3 normal cost
18 employer contribution rate of the school employees' retirement
19 system, multiplied by the salaries of the employees of the private
20 nongovernmental entity.

21 (b) Subsection (2)(a) of this section applies only to pupil
22 transportation service contracts entered into, renewed, or extended
23 after the effective date of this section.

24 (c) All pupil transportation service contracts entered into or
25 modified after the effective date of this section must include a
26 detailed explanation of any contract cost increase by year,
27 expenditure type, and amount, including any increases in cost that
28 result from providing the benefits required under this section.

29 (3) As used in this section:

30 ~~((1))~~ (a) "Employee" means an employee who works sufficient
31 compensated hours for the nongovernmental entity performing services
32 on the contract with the school district to meet the eligibility
33 requirements that apply to school employees for benefits in the
34 school employees' retirement system and the school employees'
35 benefits board program;

36 (b) "Open competitive process" means either one of the following,
37 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))~~ (c) "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))~~ (d) "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.

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

17 (1) A school district that experiences an increase in costs to a
18 pupil transportation services contract as compared to prior year
19 contract costs as a result of the provisions in RCW 28A.160.140 may
20 be eligible for supplemental transportation allocations as described
21 in this section.

22 (2) To be eligible for supplemental transportation allocations, a
23 school district must provide the office of the superintendent of
24 public instruction with the following information:

25 (a) A breakdown of the total contract cost increase, including a
26 detailed explanation of the increase by expenditure type, as defined
27 by the office of the superintendent of public instruction in rule,
28 and amount;

29 (b) A breakdown of cost from the contractor that shows the cost
30 to provide health care and pension benefits to employees prior to the
31 effective date of this section and the cost to provide health care
32 and pension benefits to employees after the implementation of
33 benefits as described in RCW 28A.160.140;

34 (c) The amount of funding received through transportation
35 allocations under RCW 28A.160.150 through 28A.160.192 prior to the
36 implementation of school employee benefits under chapter 41.05 RCW
37 and the amount of funding received through the same transportation
38 allocations for the period immediately following the implementation
39 of school employee benefits under chapter 41.05 RCW, to determine the

1 amount of funding for health care that is already being included in
2 allocations.

3 (3) The office of the superintendent of public instruction must
4 reimburse a school district for the increased cost that is directly
5 attributable to increased benefits as required under this act, using
6 the following formula: The total contract cost increase, less any
7 amounts not attributable to benefits required under RCW 28A.160.140,
8 less the amount the allocation was increased based on the actual cost
9 increase through the transportation funding formula.

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