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**SHB 1248** - H AMD **38**

By Representative Stonier

**NOT CONSIDERED 01/02/2024**

Beginning on page 3, at the beginning of line 10, strike all material through the end of the act and insert the following:

"(2)(a) A school district may only enter into a pupil transportation services contract with a nongovernmental entity if that entity provides the following to, or on behalf of, employees who choose to opt in for coverage:

(i) An employer health benefits contribution equal to the employer payment dollar amount in effect for the first year of the contract for health care benefit rates (Cockle rates), published annually by the health care authority, for the school employees' benefits board program for school employees; and

(ii) An amount equivalent to the salaries of the employees of the private nongovernmental entity multiplied by the employer normal cost contribution rate determined under the entry age cost method for the school employees' retirement system, as published in the most recent actuarial valuation report from the office of the state actuary for the first year of the contract.

(b) Subsection (2)(a) of this section applies only to pupil transportation service contracts for which the request for proposals begins after the effective date of this section and no earlier than for a contract affecting the 2024-25 school year.

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

(3) As used in this section:

((~~(1)~~)) (a) "Employee" means a bus, van or shuttle driver, monitor, mechanic, or dispatcher who works sufficient compensated hours for the nongovernmental entity performing services on the contract with the school district to meet the eligibility requirements that apply to school employees for benefits in the school employees' retirement system and the school employees' benefits board program;

(b) "Open competitive process" means either one of the following, at the choice of the school district:

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

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

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

((~~(3)~~)) (d) "School bus" means a motor vehicle as defined in RCW 46.04.521 and under the rules of the superintendent of public instruction.

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

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

(2) Beginning September 1, 2024, school districts that provide pupil transportation through a contract with a nongovernmental entity under RCW 28A.160.140 must annually provide the office of the superintendent of public instruction with the following information:

(a) A breakdown of the total contract cost increase, including a detailed explanation of the increase by expenditure type demonstrating dollar equivalency as required in RCW 28A.160.140(2)(a)(i) and percentage equivalency as required in RCW 28A.160.140(2)(a)(ii), as defined by the office of the superintendent of public instruction, and amount;

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

(c) The amount of funding received through transportation allocations under RCW 28A.160.150 through 28A.160.192 prior to the implementation of school employee benefits under chapter 41.05 RCW and the amount of funding received through the same transportation allocations for the period immediately following the implementation of school employee benefits under chapter 41.05 RCW, to determine the amount of funding for health care that is already being included in allocations.

(3) The office of the superintendent of public instruction may suspend the reporting requirements under subsection (2) of this section on or after September 1, 2027, for districts that do not request supplemental transportation allocations under this section.

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

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|  | EFFECT:  Revises requirements of contracts for pupil transportation services, including:  Changes the requirement that the bill apply to contracts that are new, renewed, or extended after September 1, 2023 to applying to request for proposals that begins after the effective date of the act and no earlier than contracts for the 2024-25 school year.  Changes health benefit requirement from sufficient funds specifically for the contracting employer to provide employees with a health benefits contribution equal to the school employees' benefit board (SEBB) to a contribution equal to the employer payment dollar amount in effect for the first year of the contract for health care benefit rates for the SEBB.  Changes requirement for employer retirement contributions equivalent to state plans to an amount equivalent to the salaries of the employees of the contractor multiplied by the employer normal cost contribution rate determined under the entry age cost method for the school employees' retirement system.  Changes term of "Employees of the contractor" to "Employees" and revises definition of an eligible employee to include a bus, van or shuttle driver, monitor, mechanic, or dispatcher.  Replaces one-time supplemental allocations of $200 per employee working more than 630 hours, per month for districts that experience higher costs under the new contract requirements with a reimbursement subject to funding provided specifically for increased costs. Additional reporting requirements for contracting districts are included to show the dollar equivalency for health care and retirement benefits as provided by this act. |

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