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**SUBSTITUTE HOUSE BILL 1248**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Stonier, Harris, Senn, Simmons, Ryu, Reeves, Bergquist, Eslick, Pollet, and Reed)

AN ACT Relating to pupil transportation; amending RCW 28A.160.193 and 28A.160.140; and adding new sections to chapter 28A.160 RCW.

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

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

(1) The superintendent of public instruction must provide transportation safety net awards to school districts with a convincingly demonstrated need for additional transportation funding for special passengers. Transportation safety net awards shall only be provided when a school district's allowable transportation expenditures attributable to serving special passengers exceeds the amount provided under RCW 28A.160.180 and any excess transportation costs reimbursed by federal, state, tribal, or local child welfare agencies.

(2) For the purposes of this section, "special passengers" include:

(a) Students eligible for and receiving special education that require transportation as a related service of their individualized education program;

(b) Homeless students requiring transportation under the McKinney-Vento act, reauthorized as Title X, Part C, of the no child left behind act, P.L. 107-110, in January 2002; and

(c) Foster students receiving transportation as required under section 1112(c)(5)(B) of the every student succeeds act, P.L. 114-95.

(3) To be eligible for additional transportation safety net award funding, the school district must report, in accordance with statewide accounting guidance, the amount of the excess costs and the specific activities or services provided to special passengers that created the excess costs.

(4) The superintendent of public instruction must establish rules and processes for transportation safety net applications and awards. The omnibus appropriations act must specify the total amount available for transportation safety net awards. Total awards may not exceed the amount appropriated. The superintendent of public instruction must submit to the office of financial management, and the education and fiscal committees of the legislature, the total demonstrated need and awards by school district.

(5) Charter schools established under chapter 28A.710 RCW and state-tribal compact schools established under chapter 28A.715 RCW are also eligible for awards under this section.

(6) Transportation safety net awards allocated under this section are not part of the state's program of basic education.

**Sec.**  RCW 28A.160.193 and 2018 c 266 s 103 are each amended to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, a transportation alternate funding grant program is created.

(2) As part of the award process for the grants, the superintendent of public instruction must include a review of the school district's efficiency rating, key performance indicators, and local school district characteristics such as unique geographic constraints, low enrollment, geographic density of students, ((~~the percentage of students served under the McKinney-Vento homeless assistance act from outside the district,~~)) or whether the district is a nonhigh district.

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

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

(b) Any pupil transportation services contract entered into, renewed, or extended after September 1, 2023, must require the contractor to provide benefits comparable to the school employees' benefits board program and school employees' retirement system to employees and include:

(i) Sufficient funds specifically for the contracting employer to provide the employees of the contractor with an employer health benefits contribution equal to the monthly school employer funding rate for the school employees' benefits board program, less the retiree remittance for the public employees' benefits board; and

(ii) An amount equivalent to the plans 2 and 3 normal cost employer contribution rate of the school employees' retirement system, multiplied by the estimated salaries of the employees of the contractor.

(2) As used in this section:

((~~(1)~~)) (a) "Employees of the contractor" means employees working sufficient compensated hours for the contracting employer performing services on the contract with the school district to meet the eligibility requirements for the school employees' benefits board program if the employee was directly employed by a school district;

(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.**  A new section is added to chapter 28A.160 RCW to read as follows:

(1) Subject to amounts appropriated for this purpose, the office of the superintendent of public instruction must provide a one-time supplemental transportation allocation to school districts that experience an increase in costs to pupil transportation services contracts due to RCW 28A.160.140.

(2) To be eligible for supplemental transportation allocations, a school district must report to the office of the superintendent of public instruction the number of employees under pupil transportation services contracts that worked at least 630 hours in performing services on the contract with the school district in the school year prior to entering a contract subject to RCW 28A.160.140.

(3) Amounts provided under this section may only be used by school districts as payments under pupil transportation services contracts for employee compensation.

(4) A supplemental transportation allocation under this section may not exceed $200 per employee per month for contracted employees reported under subsection (2) of this section.

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