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**SUBSTITUTE SENATE BILL 5873**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Wellman, C. Wilson, Hasegawa, Hunt, Kuderer, Nguyen, Nobles, Trudeau, and Valdez)

AN ACT Relating to providing adequate and predictable student transportation; amending RCW 28A.160.170 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 legislature recognizes that many school districts do not receive adequate funding for student transportation under the current student transportation allocation reporting system formula. The legislature further finds that the formula does not provide sufficient funding to address the needs of special student populations, including students receiving special education services, students experiencing homelessness, students in foster care, and students attending skill centers. Furthermore, the formula does not address the unique transportation challenges faced by rural and high population density urban districts. Therefore, the legislature intends to direct the office of the superintendent of public instruction to gather and disaggregate student transportation data and develop a comprehensive funding model that is inclusive of the diverse needs of students and school districts.

(2) The legislature also recognizes the increased costs of transporting students experiencing homelessness due to the heavy reliance on individualized transport systems to get these students to and from school. To address this, the legislature intends to establish a flat rate funding model that allocates per-pupil funding for qualifying students.

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

(1) By June 1, 2027, the office of the superintendent of public instruction must provide an analysis of school district transportation costs and allocations following the 2025-26 school year to the education and fiscal committees of the legislature. This analysis must include the mileage, ridership, and costs for each district, disaggregated by the following student demographic categories: (a) Students requiring special transportation services to access special education services that are documented in a properly formed and approved individualized education program; (b) students requiring special transportation due to requirements of the McKinney Vento homeless assistance act or other federal program; (c) students requiring special transportation due to a foster care placement out of their regular school district boundary; (d) students attending skill centers; and (e) all other students transported to and from school.

(2)(a) The office of the superintendent of public instruction must use the analysis conducted in subsection (1) of this section to develop a transparent, predictable, and comprehensive student transportation funding model that addresses the diverse needs of students and the unique characteristics of school districts.

(b) The new funding model must be inclusive of student transportation services for the following demographic groups: (i) Students requiring special transportation services to access special education services that are documented in a properly formed and approved individualized education program; (ii) students requiring special transportation due to requirements of the McKinney Vento homeless assistance act or other federal program; (iii) students requiring special transportation due to a foster care placement out of their regular school district boundary; and (iv) students attending skill centers.

(c) The new funding model must include mechanisms to address the unique transportation challenges faced by high population density urban school districts and rural, geographically large districts that have a relatively low number of schools in proportion to the geographic size of the school district.

(d) This section is not intended to limit the factors, variables, demographic groups, or district characteristics that may be addressed by the office of the superintendent of public instruction when developing a new student transportation funding model.

**Sec.**  RCW 28A.160.170 and 2021 c 234 s 3 are each amended to read as follows:

Each district shall submit three times each year to the superintendent of public instruction during October, February, and May of each year a report containing the following:

(1)(a) The number of eligible students transported to and from school as provided for in RCW 28A.160.150, along with identification of stop locations and school locations((~~, and~~));

(b) ((~~the~~)) The number of miles driven for pupil transportation services as authorized in RCW 28A.160.150 the previous school year; and

(c) The number of students requiring special transportation due to requirements of the McKinney Vento homeless assistance act.

(2) Other operational data and descriptions as required by the superintendent to determine allocation requirements for each district. The superintendent shall require that districts separate the costs of operating the program for the transportation of eligible students to and from school as defined by RCW 28A.160.160(3), non-to-and-from-school pupil transportation costs, and costs to provide expanded services under RCW 28A.160.185(1) in the annual financial statement. The cost, quantity, and type of all fuel purchased by school districts for use in to-and-from-school transportation shall be included in the annual financial statement.

Each district shall submit the information required in this section on a timely basis as a condition of the continuing receipt of school transportation moneys.

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

(1) In addition to the pupil transportation allocations provided under this chapter, the superintendent of public instruction shall provide additional funds to support the alternative transportation costs associated with ensuring students experiencing homelessness are transported to and from school.

(2) Funds allocated to school districts under this section must be equal to $400 for each student that requires special transportation due to the requirements of the McKinney Vento homeless assistance act, as reported under RCW 28A.160.170, and may only be used to address transportation costs associated with such students.

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

(1) 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.

(2)(a) A school district may only enter into, renew, or extend a pupil transportation services contract with a private nongovernmental entity if that entity provides the following to, or on behalf of, its 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) 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) "Employees" means in-state employees of the private nongovernmental entity working sufficient compensated hours performing services pursuant to the contract with the school district to meet the eligibility requirements for the school employees' benefits board program if the employees were 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 the availability of amounts appropriated for this specific 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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