

# HOUSE BILL REPORT

## HB 1368

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**As Reported by House Committee On:**  
Environment & Energy

**Title:** An act relating to requiring and funding the purchase of zero emission school buses.

**Brief Description:** Requiring and funding the purchase of zero emission school buses.

**Sponsors:** Representatives Senn, Fey, Berry, Doglio, Peterson, Chapman, Fosse, Slatter, Gregerson, Callan, Lekanoff, Ramel, Stonier, Street, Santos, Fitzgibbon, Berg, Reed, Simmons, Bergquist, Goodman, Pollet, Cortes, Macri and Leavitt.

**Brief History:**

**Committee Activity:**

Environment & Energy: 2/7/23, 2/14/23 [DPS].

**Brief Summary of Substitute Bill**

- Requires school buses purchased by public kindergarten through twelfth grade (K-12) schools to be zero-emission school buses beginning September 1, 2033, and requires 70 percent of school bus purchases to be zero emission beginning September 1, 2030.
- Establishes a zero-emission school bus grant program for K-12 schools to be administered by the Department of Ecology.
- Amends school bus purchasing protocols of the Office of the Superintendent of Public Instruction (OSPI) and school districts to take into account the 2033 zero-emission bus purchasing requirement.

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### HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Doglio, Chair; Mena, Vice Chair; Berry, Duerr, Fey, Lekanoff, Ramel, Slatter and Street.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Minority Report:** Do not pass. Signed by 4 members: Representatives Dye, Ranking Minority Member; Abbarno, Couture and Goehner.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives Ybarra, Assistant Ranking Minority Member; Barnard.

**Staff:** Jacob Lipson (786-7196).

**Background:**

Student Transportation.

School buses are used to transport students to and from school or in connection with designated school activities. School district boards of directors are responsible for the operation of student transportation programs. School districts may use school buses and drivers hired by the district or commercial chartered bus services for the transportation of school children and employees necessary for their supervision.

School districts are responsible for selecting, paying for, and maintaining student transportation vehicles purchased by the district. Regarding school bus purchases, the Office of the Superintendent of Public Instruction (OPSI) is responsible for developing categories and competitive specifications for school bus acquisitions as well as a corresponding list of school bus dealers with the lowest purchase price quotes. School districts and educational service districts that purchase buses through this competitive quote process or through a separate lowest-price competitive bid process are eligible for certain state funds that are based on the category of vehicle, the anticipated lifetime of vehicles of this category, and a state reimbursement rate. The accumulated value of the state payments received by the district and the potential investment return is designed to be equal to the replacement cost of the vehicle, less its salvage value, at the end of its anticipated lifetime.

Legislation adopted in 2007 directed the OPSI to implement a school bus replacement incentive program for qualifying new buses purchased by a school district on or before June 30, 2009.

Department of Ecology Zero Emission Vehicle Rules and Grant Programs.

Under the federal Clean Air Act (federal CAA), most states, including Washington, are restricted from enacting their own emissions standards for new motor vehicles, which is an authority generally reserved to the federal government. California is the only state allowed under the federal CAA to adopt state standards for vehicle emissions. California's vehicle emissions standards must be at least as protective of public health as federal standards and must be approved by the United States Environmental Protection Agency (EPA). Other states may adopt vehicle emissions standards that are identical to California's vehicle emissions standards for specific vehicle model years. The motor vehicle emissions standards established by California contain two program components: low-emission vehicle (LEV) requirements and zero-emission vehicle (ZEV) requirements.

The California ZEV program requires that a specified percentage of the vehicles delivered for sale in the state by manufacturers must be ZEVs. California's current ZEV standards for passenger cars and light-duty trucks require that 9.5 percent of vehicles produced by manufacturers and delivered for sale in California be ZEVs by 2020. This requirement increases to 22 percent for model year 2025, and then increases to 100 percent of vehicles beginning in 2035.

In 2020 the Legislature enacted a bill that requires the Department of Ecology (Ecology) to adopt all of California's motor vehicle emission standards, including the ZEV program. Ecology adopted initial rules to implement the ZEV program in 2021, and in December of 2022 updated its rules to increase the standard for ZEV sales of passenger cars, light-duty trucks, and medium-duty vehicles to 100 percent beginning in 2035, in accordance with a similar rule recently adopted in California.

As part of Ecology's clean diesel program, Ecology administers grant programs that have a goal of reducing diesel pollution emissions, including grants that have been used to purchase zero-emission school buses.

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### **Summary of Substitute Bill:**

Beginning September 1, 2030, 70 percent of school buses purchased by each school district, charter school, or state-tribal education compact school, or used for pupil transportation services contracts, must be zero-emission. The requirement to purchase zero-emission buses applies to all school buses purchased beginning September 1, 2033.

A school bus purchaser that determines that the purchase or contracting of a zero-emission school bus is not feasible with existing technology due to route constraints may request a one-time extension for up to five years from the 2030 or the 2033 requirements. Extension requests must be jointly evaluated by the Office of the Superintendent of Public Instruction (OSPI) and the Department of Ecology (Ecology).

A zero-emission school bus grant program is established to make grants to school districts, charter schools, and tribal education compact schools. Grants may be used to replace fossil fuel powered buses with zero-emission buses, and to purchase and install zero-emission bus refueling infrastructure. School district buses must be at the end of their depreciation schedule and deemed eligible for replacement under the general OPSI process for school bus replacement to be eligible for replacement under the grant program. Grant recipients must scrap or render permanently disabled a replaced fossil fuel powered school bus and engine within 90 days of a new bus being placed into operation.

Ecology must administer the grant program with a goal and objective of prioritizing grants that:

- reduce diesel pollution and greenhouse gases from Washington's oldest buses;
- reduce diesel pollution and greenhouse gases in disproportionately impacted communities and for economically disadvantaged children; and
- accelerate the transition of Washington's diesel school bus fleet to zero-emissions busses.

Ecology may use up to 10 percent of amounts appropriated for the grant program for administrative costs. Ecology must establish a framework for calculating grant amounts, award grants on a competitive basis, and require that grant recipients attest to their ability to refuel a bus prior to delivery. Assets for which grant funding is provided must be used solely in Washington or for the direct benefit of Washington students.

Once nonzero-emission school bus pricing is deemed no longer necessary by the OSPI to calculate depreciation payments for school buses, the school bus categories for which the OSPI calculates depreciation payments must only include zero-emission school buses.

Zero-emission school bus purchasing requirements are in addition to Ecology's zero-emission vehicle rules, and the zero-emission school bus purchasing requirements do not modify the provisions governing Ecology's adoption of California's motor vehicle emission standards.

#### **Substitute Bill Compared to Original Bill:**

As compared to the original bill, the substitute bill:

- establishes a requirement that 70 percent of school buses purchased annually by school districts, charter schools, state-tribal education compact schools, or used for pupil transportation services contracts be zero-emission by September 1, 2030, and moves up the deadline for all school bus purchases to be zero-emission from September 1, 2035, to September 1, 2033;
- provides a one-time extension from the 2030 and 2033 zero-emission school bus purchasing requirements upon a school bus purchaser determining that a zero-emission bus is not feasible due to route constraints, and making a request for an extension, which may be jointly granted by the Office of the Superintendent of Public Instruction (OSPI) and the Department of Ecology (Ecology);
- makes Ecology, rather than the OSPI, responsible for administering the zero-emission school bus grant program;
- directs Ecology to administer the grant program with a goal and objective of prioritizing grants that reduce diesel pollution and greenhouse gases from the oldest school buses and for economically disadvantaged children, reduce diesel pollution and greenhouse gases in disproportionately impacted communities, and accelerate the transition of the state school bus fleet to zero emissions;
- makes all types of zero-emission refueling infrastructure an allowable expenditure under the grant program;
- establishes a 10 percent limit on amounts appropriated to Ecology that Ecology may

- use for purposes of administration of the grant program;
- makes contractors that provide pupil transportation services eligible under the grant program; and
- requires that assets for which funding is provided under the grant program be used in Washington or for the direct benefit of Washington students.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Diesel exhaust is a carcinogen, and students riding school buses are particularly at risk of diesel exposure. Diesel particles are small and penetrate deeply into the lungs, and increase risks of asthma and lung cancer. Asthma prevalence is an issue of racial equity. Zero-emission school buses emit no carcinogens or greenhouse gases, and are an environmentally superior alternative. While electric school buses are currently more expensive than diesel buses, zero-emission vehicle technology is improving and expected to be cost competitive within a decade. The grant program established by this bill would help school districts make up the price differential between electric buses and diesel buses until price parity is achieved. The 2035 phase-out of diesel school buses should be expedited, and other states have set more ambitious targets than what is contemplated in this bill. The bill supports both electric and hydrogen bus technology, but needs to be amended to also support hydrogen refueling infrastructure in a manner similar to electric bus charging infrastructure.

(Opposed) None.

(Other) The Department of Ecology (Ecology) supports the goals of transitioning to zero-emission buses, but has concerns with the language in the bill as introduced. Ecology should administer the grant program for zero-emission buses, rather than creating a new program at the Office of the Superintendent of Public Instruction that would duplicate Ecology's existing programs. Contractors that transport pupils should be eligible for grants, in addition to school districts. The grant program risks not being able to completely fund the costs of school districts associated with transitioning to a zero-emission fleet. The grant program should be a complete funding solution for school districts, rather than a competitive grant program. Electric buses are not appropriate for some school bus routes, and may face special storage and operational challenges.

**Persons Testifying:** (In support) Representative Tana Senn, prime sponsor; Devon

Kellogg, Washington State Parent-Teacher Association; Leah Missik, Climate Solutions; Carrie Nyssen, American Lung Association; Dave Arbaugh, Renewable Hydrogen Alliance; Claire Richards, Washington Physicians for Social Responsibility; and Bella Tancreti.

(Other) Shivani Sama; Siri Bliesner; Zachary Miller and Amy Cast, Washington State School Directors' Association; Joel Creswell, Department of Ecology; and Carolyn Logue, Washington State Student Transportation Coalition.

**Persons Signed In To Testify But Not Testifying:** None.