
ENGROSSED SUBSTITUTE HOUSE BILL 1248

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)

READ FIRST TIME 02/16/23.

1 AN ACT Relating to pupil transportation; amending RCW
2 28A.160.140; adding a new section to chapter 28A.160 RCW; and
3 creating a new section.

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

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

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

19 (1) As a condition of entering into a pupil transportation
20 services contract with a private nongovernmental entity, each school

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

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

12 (i) An employer health benefits contribution equal to the
13 employer payment dollar amount in effect for the first year of the
14 contract 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 salaries of the employees of the
18 private nongovernmental entity multiplied by the employer normal cost
19 contribution rate determined under the entry age cost method for the
20 school employees' retirement system, as published in the most recent
21 actuarial valuation report from the office of the state actuary for
22 the first year of the contract.

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

28 (3) As used in this section:

29 ~~((1))~~ (a) "Employees" means in-state employees of the private
30 nongovernmental entity working sufficient compensated hours
31 performing services pursuant to the contract with the school district
32 to meet the eligibility requirements for the school employees'
33 benefits board program if the employees were directly employed by a
34 school district;

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

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

39 ~~((b))~~ (ii) The competitive solicitation of proposals and their
40 evaluation consistent with the process and criteria recommended or

1 required, as the case may be, by the office of financial management
2 for state agency acquisition of personal service contractors;

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

10 ~~((3))~~ (d) "School bus" means a motor vehicle as defined in RCW
11 46.04.521 and under the rules of the superintendent of public
12 instruction.

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

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

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

24 (a) A breakdown of the total contract cost increase, including a
25 detailed explanation of the increase by expenditure type
26 demonstrating dollar equivalency as required in RCW
27 28A.160.140(2)(a)(i) and percentage equivalency as required in RCW
28 28A.160.140(2)(a)(ii), as defined by the office of the superintendent
29 of public instruction, and amount;

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

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

1 of school employee benefits under chapter 41.05 RCW, to determine the
2 amount of funding for health care that is already being included in
3 allocations.

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

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

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