
SENATE BILL 5174

State of Washington

68th Legislature

2023 Regular Session

By Senators Wellman, Conway, Dhingra, Frame, Hunt, Kuderer, Lovelett, Rolfes, Valdez, Warnick, and C. Wilson; by request of Superintendent of Public Instruction

Prefiled 01/05/23. Read first time 01/09/23. Referred to Committee on Early Learning & K-12 Education.

1 AN ACT Relating to providing adequate and predictable student
2 transportation; amending RCW 28A.160.117, 28A.160.150, 28A.160.160,
3 28A.160.170, 28A.160.180, 28A.160.190, and 28A.160.192; adding new
4 sections to chapter 28A.160 RCW; and repealing RCW 28A.160.193.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.160
7 RCW to read as follows:

8 (1) The legislature recognizes that many school districts do not
9 receive adequate funding for student transportation under the student
10 transportation allocation reporting system formula. The legislature
11 finds that the student transportation allocation reporting system
12 formula does not provide sufficient transportation for special
13 student populations and skill center students and does not adequately
14 fund modern education services. The legislature recognizes that the
15 current student transportation allocation reporting system formula
16 does not provide sufficient funding to address unique transportation
17 challenges faced by rural and high population density urban school
18 districts. Furthermore, the legislature recognizes the necessity of
19 providing students career connected learning opportunities and
20 therefore intends to provide students transportation to their place
21 of work as part of the new transportation formula. Therefore, the

1 legislature intends to continue to gather additional data and
2 implement a new student transportation formula to address each of
3 these shortcomings in the existing student transportation formula. It
4 is the intent of the legislature to keep all school district
5 transportation allocations wholly funded while the new student
6 transportation formula is developed. Data collected by the
7 superintendent of public instruction will be used to develop a new
8 student transportation formula in subsequent biennia.

9 (2) By June 1, 2026, the office of the superintendent of public
10 instruction must provide an analysis of school district
11 transportation costs and allocations following the 2024-25 school
12 year to the education and fiscal committees of the legislature. This
13 analysis must include the mileage, ridership, and costs for each
14 district, disaggregated by the following student demographic
15 categories: (a) Students requiring special transportation due to a
16 properly formed and approved individualized education program; (b)
17 students requiring special transportation due to requirements of the
18 McKinney-Vento homeless assistance act or other federal program; (c)
19 students requiring special transportation due to a foster care
20 placement out of their regular school district boundary; and (d) all
21 other students transported to and from school. The legislature
22 intends to use this data to inform their future discussions on
23 revising the overall student transportation allocation model to a
24 more transparent and predictable funding model.

25 **Sec. 2.** RCW 28A.160.117 and 2009 c 548 s 310 are each amended to
26 read as follows:

27 ~~((1) The superintendent of public instruction shall encourage~~
28 ~~efficient use of state resources by providing a linear programming~~
29 ~~process that compares school district transportation operations. If a~~
30 ~~school district's operation is calculated to be less than ninety~~
31 ~~percent efficient, the regional transportation coordinators shall~~
32 ~~provide an individual review to determine what measures are available~~
33 ~~to the school district to improve efficiency. The evaluation shall~~
34 ~~include such measures as:~~

- 35 ~~(a) Efficient routing of buses;~~
- 36 ~~(b) Efficient use of vehicle capacity; and~~
- 37 ~~(c) Reasonable controls on compensation costs.~~

38 ~~(2) The superintendent shall submit to the fiscal and education~~
39 ~~committees of the legislature no later than December 1st of each year~~

1 ~~a report summarizing the efficiency reviews and the resulting changes~~
2 ~~implemented by school districts in response to the recommendations of~~
3 ~~the regional transportation coordinators.)~~ Beginning in the 2023-24
4 school year and each year thereafter until 2030, if a school
5 district's reimbursement amount for serving students under RCW
6 28A.160.192 exceeds 105 percent of the average per-student
7 reimbursement amount in similar school districts, the state auditor
8 must conduct a review of the school district's transportation
9 expenditures. This review must be included in the state auditor's
10 regular audits of school districts. The office of the superintendent
11 of public instruction must adopt rules to categorize school districts
12 of similar size and notify the state auditor when a review is
13 required under this subsection.

14 **Sec. 3.** RCW 28A.160.150 and 2009 c 548 s 304 are each amended to
15 read as follows:

16 Funds allocated for transportation costs, except for funds
17 provided for transportation and transportation services to and from
18 school shall be in addition to the basic education allocation. The
19 distribution formula developed in RCW 28A.160.150 through 28A.160.180
20 shall be for allocation purposes only and shall not be construed as
21 mandating specific levels of pupil transportation services by local
22 districts. Operating costs as determined under RCW 28A.160.150
23 through 28A.160.180 shall be funded at one hundred percent or as
24 close thereto as reasonably possible for transportation of an
25 eligible student to and from school as defined in RCW
26 28A.160.160(~~(+3)~~) (4). In addition, funding shall be provided for
27 transportation services for students living within the walk area as
28 determined under RCW 28A.160.160(~~(+5)~~) (6).

29 **Sec. 4.** RCW 28A.160.160 and 2009 c 548 s 305 are each amended to
30 read as follows:

31 For purposes of RCW 28A.160.150 through 28A.160.190, except where
32 the context shall clearly indicate otherwise, the following
33 definitions apply:

34 (1) "Distinct passenger categories" includes the following:

35 (a) Students who require special transportation services as
36 documented in an approved individualized education program under
37 chapter 28A.155 RCW;

1 (b) Students who meet the definition of homeless where
2 transportation is required by the McKinney-Vento homeless assistance
3 act or other federal requirements;

4 (c) Students who are in foster care where transportation is
5 required outside of the normal school district boundary; and

6 (d) Students attending skill centers.

7 (2) "Eligible student" means any student served by the
8 transportation program of a school district or compensated for
9 individual transportation arrangements authorized by RCW 28A.160.030
10 whose route stop is outside the walk area for a student's school,
11 except if the student to be transported is disabled under RCW
12 28A.155.020 and is either not ambulatory or not capable of protecting
13 his or her own welfare while traveling to or from the school or
14 agency where special education services are provided, in which case
15 no mileage distance restriction applies.

16 ~~((+2))~~ (3) "Superintendent" means the superintendent of public
17 instruction.

18 ~~((+3))~~ (4) "To and from school" means the transportation of
19 students, including those students listed in the distinct passenger
20 categories as defined in this section, for the following purposes:

21 (a) Transportation to and from route stops and schools;

22 (b) Transportation to and from schools pursuant to an
23 interdistrict agreement pursuant to RCW 28A.335.160;

24 (c) Transportation of students between schools and learning
25 centers for instruction specifically required by statute; ~~((and))~~

26 (d) Transportation of students with disabilities to and from
27 schools and agencies for special education services; and

28 (e) Transportation of students participating in career connected
29 and work-based learning opportunities as defined by the
30 superintendent of public instruction.

31 Academic extended day transportation for the instructional
32 program of basic education under RCW 28A.150.220 shall be considered
33 part of transportation of students "to and from school" for the
34 purposes of this section. Transportation for field trips may not be
35 considered part of transportation of students "to and from school"
36 under this section.

37 ~~((+4))~~ (5) "Transportation services" for students living within
38 the walk area includes the coordination of walk-to-school programs,
39 the funding of crossing guards, and matching funds for local and
40 state transportation projects intended to mitigate hazardous walking

1 conditions. Priority for transportation services shall be given to
2 students in grades kindergarten through five.

3 ~~((5))~~ (6) As used in this section, "walk area" means that area
4 around a school with an adequate roadway configuration to provide
5 students access to school with a walking distance of less than one
6 mile. Mileage must be measured along the shortest roadway or
7 maintained public walkway where hazardous conditions do not exist.
8 The hazardous conditions must be documented by a process established
9 in rule by the superintendent of public instruction and must include
10 roadway, environmental, and social conditions. Each elementary school
11 shall identify walk routes within the walk area.

12 **Sec. 5.** RCW 28A.160.170 and 2021 c 234 s 3 are each amended to
13 read as follows:

14 Each district shall submit ~~((three))~~ the following reports on a
15 timely basis as a condition of the continuing receipt of school
16 transportation moneys:

17 (1) Three times each year to the superintendent of public
18 instruction during October, February, and May of each year a report
19 containing the following:

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

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

26 ~~((2))~~ (b) Other operational data and descriptions as required
27 by the superintendent to determine allocation requirements for each
28 district. The superintendent shall require that districts separate
29 the costs of operating the program for the transportation of eligible
30 students to and from school as defined by RCW 28A.160.160~~((3))~~ (4),
31 non-to-and-from-school pupil transportation costs, and costs to
32 provide expanded services under RCW 28A.160.185(1) in the annual
33 financial statement. The cost, quantity, and type of all fuel
34 purchased by school districts for use in to-and-from-school
35 transportation shall be included in the annual financial statement~~((-~~

36 ~~Each district shall submit the information required in this~~
37 ~~section on a timely basis as a condition of the continuing receipt of~~
38 ~~school transportation moneys)); and~~

1 (2) Quarterly, a report of allowable transportation expenditures
2 for students included in the definition of distinct passenger
3 categories as defined in RCW 28A.160.160. The data submitted in the
4 2024-25 school year must be used to determine the allocation model
5 for the 2025-26 school year. The data submitted in the 2024-25 school
6 year and thereafter must be used for reimbursement of transportation
7 expenditures costs as provided in RCW 28A.160.180. The superintendent
8 of public instruction must adopt accounting and reporting rules
9 necessary to implement this section. Rules established by the
10 superintendent of public instruction may streamline reporting
11 requirements for small school districts to account for their unique
12 needs.

13 **Sec. 6.** RCW 28A.160.180 and 2009 c 548 s 307 are each amended to
14 read as follows:

15 (1) Each district's annual student transportation allocation
16 shall be determined by the superintendent of public instruction in
17 the following manner:

18 ~~((1))~~ (a) The superintendent shall annually calculate the
19 transportation allocation for those services provided for in RCW
20 28A.160.150. The allocation formula may be adjusted to include such
21 additional ~~((differential))~~ factors as basic and special passenger
22 counts as defined by the superintendent of public instruction,
23 ~~((average distance to school))~~ total sum of miles driven, factors
24 necessary to address unique transportation challenges faced by rural
25 and high population density urban school districts, and number of
26 locations served.

27 ~~((2) The allocation shall be based on a regression analysis of~~
28 ~~the number of basic and special students transported and as many~~
29 ~~other site characteristics that are identified as being statistically~~
30 ~~significant.~~

31 ~~(3))~~ (b) The transportation allocation for transporting students
32 in district-owned passenger cars, as defined in RCW 46.04.382,
33 pursuant to RCW 28A.160.010 for services provided for in RCW
34 28A.160.150 if a school district deems it advisable to use such
35 vehicles after the school district board of directors has considered
36 the safety of the students being transported as well as the economy
37 of utilizing a district-owned passenger car in lieu of a school bus
38 is the private vehicle reimbursement rate in effect on September 1st
39 of each school year. Students transported in district-owned passenger

1 cars must be included in the corresponding basic or special passenger
2 counts.

3 ~~((4) Prior to June 1st of each year the superintendent shall~~
4 ~~submit to the office of financial management, and the education and~~
5 ~~fiscal committees of the legislature, a report outlining the~~
6 ~~methodology and rationale used in determining the statistical~~
7 ~~coefficients for each site characteristic used to determine the~~
8 ~~allocation for the following year.)) (c) The superintendent of public
9 instruction shall identify and collect necessary data in order to
10 update the transportation model in subsequent biennia, and to
11 identify district transportation allocation outliers.~~

12 (2) Beginning in the 2024-25 school year, each school district's
13 annual student transportation allocation shall be determined by the
14 superintendent of public instruction in the following manner:

15 (a) The superintendent must reimburse school districts for 100
16 percent of the transportation expenditures reported under RCW
17 28A.160.170(2) attributable to serving students in distinct passenger
18 categories.

19 (b) The superintendent shall annually calculate the
20 transportation allocation for those services provided for in RCW
21 28A.160.150, excluding any services reimbursed in (a) of this
22 subsection. The allocation formula may be adjusted to include such
23 additional factors as passenger counts as defined by the
24 superintendent of public instruction, and number of locations served.

25 (c) The allocation shall be based on a regression analysis of the
26 number of students transported and as many other site characteristics
27 that are identified as being statistically significant.

28 (d) The transportation allocation for transporting students in
29 district-owned passenger cars, as defined in RCW 46.04.382, pursuant
30 to RCW 28A.160.010 for services provided for in RCW 28A.160.150 if a
31 school district deems it advisable to use such vehicles after the
32 school district board of directors has considered the safety of the
33 students being transported as well as the economy of utilizing a
34 district-owned passenger car in lieu of a school bus is the private
35 vehicle reimbursement rate in effect on September 1st of each school
36 year. Students transported in district-owned passenger cars must be
37 included in the corresponding basic or special passenger counts.

38 (e) Prior to June 1st of each year, the superintendent of public
39 instruction shall submit to the office of financial management and
40 the education and fiscal committees of the legislature, a report

1 outlining the methodology and rationale used in determining the
2 statistical coefficients for each site characteristic used to
3 determine the allocation for the following year.

4 **Sec. 7.** RCW 28A.160.190 and 2009 c 548 s 308 are each amended to
5 read as follows:

6 ((The)) (1) Beginning in the 2024-25 school year, the
7 superintendent of public instruction shall reimburse school districts
8 on a monthly basis for 100 percent of the transportation expenditures
9 attributable to serving students in distinct passenger categories, as
10 reported under RCW 28A.160.170(2). School districts must submit
11 claims for reimbursement monthly, on a schedule determined by the
12 superintendent of public instruction that is consistent with the
13 methods used to reimburse school districts for costs in other
14 reimbursement-based categorical programs.

15 (2) (a) For all other transportation allocations not included in
16 subsection (1) of this section, the superintendent shall notify
17 districts of their student transportation allocation before January
18 15th. The superintendent shall recalculate and prorate the district's
19 allocation for the transportation of pupils to and from school.

20 (b) The superintendent shall make the student transportation
21 allocation in accordance with the apportionment payment schedule in
22 RCW 28A.510.250. Such allocation payments may be based on the prior
23 school year's ridership report for payments to be made in September,
24 October, November, December, and January.

25 **Sec. 8.** RCW 28A.160.192 and 2011 1st sp.s. c 27 s 3 are each
26 amended to read as follows:

27 (1) ~~The superintendent of public instruction shall ((phase-in the~~
28 ~~implementation of the distribution formula under this chapter for~~
29 ~~allocating state funds to school districts for the transportation of~~
30 ~~students to and from school. The phase-in shall begin no later than~~
31 ~~the 2011-2013 biennium and be fully implemented by the 2013-2015~~
32 ~~biennium.~~

33 ~~(a) The formula must be developed and revised))~~ develop and
34 revise the distribution formula on an ongoing basis using the major
35 ~~((east))~~ factors in student transportation, including basic and
36 special student loads, ~~((school district land area, average distance~~
37 ~~to school, roadway miles, and number of locations served. Factors~~
38 ~~must include all those site characteristics that are statistically~~

1 significant after analysis of the data required by the revised
2 reporting process.

3 ~~(b) The formula must allocate funds to school districts based on~~
4 ~~the average predicted costs of transporting students to and from~~
5 ~~school, using a regression analysis. Only factors that are~~
6 ~~statistically significant shall be used in the regression analysis.~~
7 ~~Employee compensation costs included in the allowable transportation~~
8 ~~expenditures used for the purpose of establishing each school~~
9 ~~district's independent variable in the regression analysis shall be~~
10 ~~limited to the base salary or hourly wage rates, fringe benefit~~
11 ~~rates, and applicable health care rates provided in the omnibus~~
12 ~~appropriations act)) total sum of miles driven, and factors necessary~~
13 ~~to address unique transportation challenges faced by rural and high~~
14 ~~population density urban school districts.~~

15 (2) During the phase-in period, funding provided to school
16 districts for student transportation operations shall be distributed
17 on the following basis:

18 (a) ~~((Annually, each school district shall receive the lesser of~~
19 ~~the previous school year's pupil transportation operations~~
20 ~~allocation, or the total of allowable pupil transportation~~
21 ~~expenditures identified on the previous school year's final~~
22 ~~expenditure report to the state plus district indirect expenses using~~
23 ~~the federal restricted indirect rate as calculated in the district~~
24 ~~annual financial report;~~

25 ~~(b))~~ Annually, the amount identified in ~~((a))~~ (b) of this
26 subsection shall be adjusted for any budgeted increases provided in
27 the omnibus appropriations act for salaries or fringe benefits;

28 ~~((c) Annually, any funds appropriated by the legislature in~~
29 ~~excess of the maintenance level funding amount for student~~
30 ~~transportation shall be distributed among school districts on a~~
31 ~~prorated basis using the difference between the amount identified in~~
32 ~~(a) adjusted by (b) of this subsection and the amount determined~~
33 ~~under the formula in RCW 28A.160.180)) (b) Beginning in the 2022-23~~
34 ~~school year and each year thereafter until 2026-27, no school~~
35 ~~district shall receive a student transportation appropriation less~~
36 ~~than their total student transportation appropriation as calculated~~
37 ~~under this section during the 2021-22 school year; and~~

38 ~~((d))~~ (c) Allocations provided to recognize the cost of
39 depreciation to districts contracting with private carriers for

1 student transportation shall be deducted from the allowable
2 transportation expenditures in (~~(a)~~) (b) of this subsection.

3 NEW SECTION. **Sec. 9.** A new section is added to chapter 28A.160
4 RCW to read as follows:

5 Beginning in the 2024-25 school year and each year thereafter,
6 for any district where the reimbursement of costs under RCW
7 28A.160.180 exceeds 105 percent of the state average per student, the
8 state auditor shall include in their regular audits of school
9 districts a review of transportation costs to ensure they are
10 necessary and reasonable.

11 NEW SECTION. **Sec. 10.** RCW 28A.160.193 (Transportation alternate
12 funding grant program) and 2018 c 266 s 103 are each repealed.

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