SENATE BILL 5431

State of Washington 68th Legislature 2023 Regular Session

By Senators Shewmake, Hasegawa, Hunt, Liias, Lovelett, Nguyen, Pedersen, Saldaña, Valdez, and C. Wilson

Read first time 01/18/23. Referred to Committee on Early Learning & K-12 Education.

AN ACT Relating to requiring and funding the purchase of zero emission school buses; amending RCW 28A.160.130, 28A.160.195, and 28A.160.205; adding new sections to chapter 28A.160 RCW; adding a new section to chapter 28A.710 RCW; adding a new section to chapter 28A.715 RCW; and creating a new section.

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

7 (1) The legislature finds that zero NEW SECTION. Sec. 1. 8 emission vehicle technology is crucial to protecting Washington's 9 children from the health impacts of fossil fuel emissions and to limiting the long-term impacts of climate change on our planet. 10 11 Spurred by a supportive regulatory environment, the state has made 12 great advances in recent years that have improved the performance and 13 reduced the costs of such vehicles. With the recent deployment of 14 financial incentives for clean transportation technology under the 15 federal inflation reduction act of 2022, the costs and performance of 16 zero emission vehicles, including zero emission school buses, are 17 forecast to continue to improve in coming years. Zero emission school 18 buses on the market today feature reduced fuel, operations, and maintenance costs compared to their fossil-fueled counterparts. Zero 19 20 emission school buses also have significant public health benefits

1 for children and are part of a broad-based policy approach to slowing 2 the environmental consequences of climate change.

3 (2) Therefore, it is the intent of the legislature to transition 4 school districts, charter schools, and state-tribal education compact 5 schools to using only zero emission school buses and to facilitate 6 this transition through the requirements and zero emission school bus 7 grant program.

8 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 28A.160 9 RCW to read as follows:

(1) Beginning September 1, 2035, any school buses purchased by school districts, charter schools, or state-tribal education compact schools, or used for pupil transportation services contracts under RCW 28A.160.140, must be zero emission school buses.

14 (2) For the purposes of this section, "zero emission" means the 15 emission of no exhaust gas from a vehicle's onboard source of power, 16 other than water vapor.

17 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 28A.160 18 RCW to read as follows:

19 (1) The zero emission school bus grant program is hereby 20 established. Grants to school districts, charter schools, and state-21 tribal education compact schools for the replacement of school buses 22 powered by fossil fuels with zero emission school buses must be 23 funded in accordance with this section.

24 (2) Eligibility.

(a) Only school districts, charter schools, and state-tribal
 education compact schools are eligible for a grant under this
 section.

(b) Zero emission school buses, purchase and installation of school bus charging stations, and associated electric vehicle charging infrastructure and equipment are eligible grant uses under this section.

32 (c) Except as provided for under (d) of this subsection, school 33 buses powered by fossil fuels must be at the end of their 34 depreciation schedule and deemed eligible for replacement pursuant to 35 RCW 28A.160.200 to be eligible for replacement under this program.

36 (d) For the purpose of determining eligibility for charter school 37 bus and state-tribal education compact school bus replacement under 38 this section, the office of the superintendent of public instruction

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1 must establish a standard that is sufficiently equivalent to the 2 standard used to determine eligibility for school district bus 3 replacement under (c) of this subsection.

(3) Application process.

5 (a) The office of the superintendent of public instruction shall 6 develop a competitive grant application process and assist eligible 7 applicants in matters related to applying for grants under this 8 section.

(b) The competitive application process established under this 9 section must reflect a ranking system based on the following factors: 10 11 (i) Providing the greatest reduction in greenhouse gas emissions, as 12 measured by the number of vehicle miles traveled, for the amount of state grant support; (ii) providing improvements in health equity for 13 communities of color and low-income communities; and (iii) the age of 14 15 applicants' fleets. The office of the superintendent of public 16 instruction may take into consideration other factors, such as 17 providing air quality improvements in areas with high traffic congestion. However, the office of the superintendent of public 18 instruction must first prioritize grants that provide the greatest 19 reduction in greenhouse gas emissions for the amount of state grant 20 21 support. The office of the superintendent of public instruction may consult with the department of ecology in the development and 22 23 evaluation of granting criteria.

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(4) Administration.

(a) The office of the superintendent of public instruction may
 use up to three percent of amounts appropriated for the grant program
 under this section for costs that result from administration of the
 program.

(b) Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction shall award grants under this section on a competitive basis and shall promulgate administrative rules for this purpose, subject to other requirements of this section.

34 (c) The office of the superintendent of public instruction must 35 require that school districts, charter schools, and state-tribal 36 education compact schools receiving a grant for a zero emission 37 school bus grant under this section attest to meeting at least one of 38 the following conditions: (i) At the time of the grant award, the 39 grantee has sufficient charging infrastructure in place to operate 40 the replacement bus; or (ii) the grantee has secured enough funding,

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1 inclusive of any prospective grant awarded under this section, to 2 purchase and install sufficient charging infrastructure to operate 3 the replacement bus.

4 (d) Grant awards to school districts must be deposited in the
5 transportation vehicle fund of the receiving school district
6 established under RCW 28A.160.130.

7 (5) Grant amount limitations. Grant amounts to school districts, charter schools, and state-tribal education compact schools for the 8 replacement of school buses under this section must not exceed, on a 9 per-bus basis, the purchase price of the replacement school buses, 10 11 less total state depreciation payments received pursuant to RCW 28A.160.200 or any similar state payments to the extent applicable, 12 for the specific school buses being replaced and their salvage value. 13 14 Grant funding awarded for the purchase and installation of school bus charging stations must not be included in this calculation. 15

16 (6) For the purposes of this section, "zero emission" has the 17 same meaning as in section 2 of this act.

18 Sec. 4. RCW 28A.160.130 and 2022 c 200 s 1 are each amended to 19 read as follows:

(1) There is created a fund on deposit with each county treasurer for each school district of the county, which shall be known as the transportation vehicle fund. Money to be deposited into the transportation vehicle fund shall include, but is not limited to, the following:

(a) The balance of accounts held in the general fund of each
school district for the purchase of approved transportation equipment
and for major transportation equipment repairs under RCW 28A.150.280.
The amount transferred shall be the balance of the account as of
September 1, 1982;

30 (b) Reimbursement payments provided for in RCW 28A.160.200 except 31 those provided under RCW 28A.160.200(3) that are necessary for 32 contracted payments to private carriers;

33 (c) Earnings from transportation vehicle fund investments as 34 authorized in RCW 28A.320.300; and

35 (d) The district's share of the proceeds from the sale of 36 transportation vehicles, as determined by the superintendent of 37 public instruction.

38 (2) Funds in the transportation vehicle fund may be used for the 39 following purposes: (a) Purchase of pupil transportation vehicles pursuant to RCW
 28A.160.200 and 28A.150.280;

3 (b) Payment of conditional sales contracts as authorized in RCW 4 28A.335.200 or payment of obligations authorized in RCW 28A.530.080, 5 entered into or issued for the purpose of pupil transportation 6 vehicles;

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(c) Major repairs to pupil transportation vehicles;

8 (d) To complete a feasibility plan to transition from gas or 9 diesel pupil transportation vehicles to electric or zero emission 10 pupil transportation vehicles;

11 (e) Purchase, installation, and repair of electric pupil 12 transportation vehicle charging stations and other zero emission 13 pupil transportation vehicle fueling stations and for other costs 14 necessary for station installation; and

15 (f) Converting or repowering existing gas or diesel pupil 16 transportation vehicles to electric or zero emission pupil 17 transportation vehicles.

18 (3) <u>Beginning September 1, 2035, any school buses purchased by</u> 19 <u>school districts from the transportation vehicle fund must meet the</u> 20 <u>definition of zero emission in section 2 of this act.</u>

21 <u>(4)</u> The superintendent of public instruction shall adopt rules 22 which shall establish the standards, conditions, and procedures 23 governing the establishment and use of the transportation vehicle 24 fund. The rules shall not permit the transfer of funds from the 25 transportation vehicle fund to any other fund of the district.

26 Sec. 5. RCW 28A.160.195 and 2005 c 492 s 1 are each amended to 27 read as follows:

(1) The superintendent of public instruction, in consultation 28 with the regional transportation coordinators of the educational 29 30 service districts, shall establish a minimum number of school bus 31 categories considering the capacity and type of vehicles required by school districts in Washington. <u>Once nonzero emission school bus</u> 32 pricing is deemed no longer necessary by the office of the 33 superintendent of public instruction for calculating depreciation 34 payments, these school bus categories must solely include school 35 buses that meet the definition of zero emission in section 2 of this 36 superintendent, in consultation with the regional 37 act. The 38 transportation coordinators of the educational service districts, shall establish competitive specifications for each category of 39

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1 school bus. The categories shall be developed to produce minimum long-range operating costs, including costs of equipment and all 2 costs in operating the vehicles. The competitive specifications shall 3 meet federal motor vehicle safety standards, minimum 4 state specifications as established by rule by the superintendent, and 5 6 supported options as determined by the superintendent in consultation with the regional transportation coordinators of the educational 7 service districts. The superintendent may solicit and accept price 8 quotes for a rear-engine category school bus that shall be reimbursed 9 10 at the price of the corresponding front engine category.

(2) After establishing school bus categories and competitive 11 12 specifications, the superintendent of public instruction shall solicit competitive price quotes for base buses from school bus 13 dealers to be in effect for one year and shall establish a list of 14 15 all accepted price quotes in each category obtained under this 16 subsection. The superintendent shall also solicit price quotes for optional features and equipment and, beginning September 1, 2035, 17 require vendors to ensure that emission-related features meet the 18 definition of zero emission in section 2 of this act. 19

(3) The superintendent shall base the level of reimbursement to school districts and educational service districts for school buses on the lowest quote for the base bus in each category. School districts and educational service districts shall be reimbursed for buses purchased only through a lowest-price competitive bid process conducted under RCW 28A.335.190 or through the state bid process established by this section.

27 (4) Notwithstanding RCW 28A.335.190, school districts and 28 educational service districts may purchase at the quoted price directly from any dealer who is on the list established under 29 30 subsection (2) of this section. School districts and educational 31 service districts may make their own selections for school buses, but 32 shall be reimbursed at the rates determined under subsection (3) of 33 this section and RCW 28A.160.200. District-selected options shall not 34 be reimbursed by the state.

(5) This section does not prohibit school districts or educational service districts from conducting their own competitive bid process. <u>However, beginning September 1, 2035, any school buses</u> <u>purchased by school districts, or used for pupil transportation</u> <u>services contracts under RCW 28A.160.140, must be school buses that</u> <u>meet the definition of zero emission in section 2 of this act.</u> (6) <u>The office of the superintendent of public instruction shall</u>
 annually publish and update information regarding federal grant
 opportunities pertinent to nonzero emission school bus replacement,
 <u>such as the clean school bus program under Title 42 U.S.C Sec. 16091.</u>
 <u>(7)</u> The superintendent of public instruction may adopt rules
 under chapter 34.05 RCW to implement this section.

7 Sec. 6. RCW 28A.160.205 and 2007 c 348 s 101 are each amended to 8 read as follows:

9 (1) ((The)) Subject to subsection (2) of this section, the office of the superintendent of public instruction shall implement a school 10 11 bus replacement incentive program. ((As part of the program, the office shall fund up to ten percent of the cost of a new 2007 or 12 later model year school bus that meets the 2007 federal motor vehicle 13 emission control standards and is purchased by a school district by 14 15 no later than June 30, 2009, provided that the new bus is replacing a 16 1994 or older school bus in the school district's fleet. Replacement of the oldest buses must be given highest priority.)) 17

18 (2) <u>Beginning September 1, 2035, the office of the superintendent</u> 19 of public instruction must provide funding under subsection (1) of 20 this section only for school buses that also meet the definition of 21 zero emission in section 2 of this act, except for any remaining 22 depreciation payments for school buses powered by fossil fuels that 23 were purchased prior to this date.

24 (3) The office of the superintendent of public instruction shall 25 ensure that buses being replaced through this program are surplused under RCW 28A.335.180. As part of the surplus process, school 26 27 districts must provide written documentation to the office of the superintendent of public instruction demonstrating that buses being 28 29 replaced are scrapped and not purchased for road use. The 30 documentation must include bus make, model, year, vehicle identification number, engine make, engine serial number, and salvage 31 32 yard receipts; and must demonstrate that the engine and body of the bus being replaced has been rendered unusable. 33

34 (((3))) <u>(4)</u> The office of the superintendent of public 35 instruction may adopt any rules necessary for the implementation of 36 chapter 348, Laws of 2007.

37 <u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 28A.160 38 RCW to read as follows:

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The requirements of this act are in addition to any rules adopted by the department of ecology under chapter 70A.30 RCW, and nothing in this act modifies or limits the provisions of chapter 70A.30 RCW as they apply to zero emission school buses.

5 <u>NEW SECTION.</u> Sec. 8. A new section is added to chapter 28A.710 6 RCW to read as follows:

Section 2 of this act, related to zero emission school buses, governs school operation and management under RCW 28A.710.040 and applies to charter schools established under this chapter.

10 <u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 28A.715 11 RCW to read as follows:

Section 2 of this act, related to zero emission school buses, governs school operation and management under RCW 28A.715.020 and applies to state-tribal education compact schools established under this chapter.

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