Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Appropriations Committee

SB 5922

Brief Description: Authorizing transportation vehicle fund transfers.

Sponsors: Senators Wellman, Hansen, Frame and Nobles.

Brief Summary of Bill

- Allows a school district to transfer vehicle depreciation payments and earned interest from its transportation vehicle fund to another fund when reducing its vehicle fleet, subject to approval by the Office of the Superintendent of Public Instruction.

Hearing Date: 2/26/26

Staff: James Mackison (786-7104).

Background:

Transportation Vehicle Fund.
Each school district is required to maintain a transportation vehicle fund. Deposits in a school district's transportation vehicle fund may include, but are not limited to, state depreciation payments to reimburse school districts for vehicle purchases, proceeds from the sale of vehicles, and two-year levies for transportation vehicle funds authorized by voters. Money held in the account may also generate investment earnings. Allowable uses of money within the transportation vehicle fund include purchases and repairs of pupil transportation vehicles and related infrastructure. Rules adopted by the Office of the Superintendent of Public Instruction (OSPI) may not permit the transfer of funds from the transportation vehicle fund to any other district fund.

School Bus Purchasing and Reimbursement.

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.

School districts are responsible for selecting, paying for, and maintaining student transportation vehicles purchased by the district. The OSPI is responsible for developing categories and competitive specifications for school bus and vehicle acquisitions, as well as a corresponding list of school bus and vehicle dealers with the lowest purchase price quotes. School districts and educational service districts that purchase vehicles 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.

Summary of Bill:

If a school district chooses to reduce its overall fleet of student transportation vehicles by forgoing vehicle replacement it may petition the OSPI for permission to transfer money from its transportation vehicle fund to another fund for alternative use. The money that may be transferred includes depreciation payments and earned interest from a fully depreciated vehicle.

If the OSPI determines the reduction in student transportation vehicles is appropriate due to forecasted declines in student enrollment or other relevant factors affecting the district's transportation program, the petition must be approved.

Appropriation: None.

Fiscal Note: Available.

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