FINAL BILL REPORT
SB 5922

C 71 L 26
Synopsis as Enacted

Brief Description: Authorizing transportation vehicle fund transfers.

Sponsors: Senators Wellman, Hansen, Frame and Nobles.

Senate Committee on Early Learning & K-12 Education
House Committee on Appropriations

Background: School Bus Purchasing and Reimbursement. School districts are responsible for selecting, paying for, and maintaining student transportation vehicles purchased by the district. The Office of the Superintendent of Public Instruction (OSPI) 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 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.

Transportation Vehicle Fund. Each school district has a transportation vehicle fund that holds reimbursement payments for pupil transportation vehicle depreciation, proceeds from pupil transportation vehicle sales, and earnings from the fund's investments. Money within this fund may be expended only for specific purposes, including the purchase and maintenance of pupil transportation vehicles and certain expenditures related to transitioning to electric or zero emission vehicles. OSPI adopts rules to establish the standards, conditions, and procedures governing the establishment and use of the transportation vehicle fund, but is prohibited from adopting rules that permit the transfer of funds from the transportation vehicle fund to any other fund of the district.

Summary: If a school district chooses to reduce its overall fleet of student transportation vehicles by forgoing vehicle replacement it may petition OSPI for permission to transfer

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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 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.

OSPI rulemaking authority is modified to allow for such transfers to take place.

Votes on Final Passage:

Senate	49	0
House	59	38

Effective: June 11, 2026