

HOUSE BILL REPORT

HB 1355

As Reported By House Committee On:
Education

Title: An act relating to school bus acquisitions.

Brief Description: Changing school bus purchasing procedures.

Sponsors: Representatives Brumsickle, Cole and Wolfe; by request of Office of Financial Management.

Brief History:

Committee Activity:

Education: 2/16/95, 2/28/95 [DPS].

HOUSE COMMITTEE ON EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Brumsickle, Chairman; Elliot, Vice Chairman; Johnson, Vice Chairman; Cole, Ranking Minority Member; Poulsen, Assistant Ranking Minority Member; Dickerson; G. Fisher; Hatfield; Quall; Radcliff; Talcott; Thompson and Veloria.

Minority Report: Do not pass. Signed by 4 members: Representatives Clements; Fuhrman; McMahan and B. Thomas.

Staff: Robert Butts (786-7111).

Background: In the 1993-95 operating budget, the Legislature required the Superintendent of Public Instruction (SPI) to evaluate methods of purchasing school buses.

The study found that the average price for a school bus in Washington was substantially higher than the price of buses in Florida, Kentucky, Nebraska, North Carolina and Texas. These states have state centralized bus purchasing.

Currently, school districts purchase buses, and the state provides replacement funds on a depreciation basis. Approximately 450 buses are purchased each year. Annual payments are made to districts that, when saved by the district, would pay for a new bus. Annual depreciation payments are calculated based on the remaining life of the

bus and the state-average purchase price for that category. The state average purchase price is based upon the districts' actual purchase prices in the previous school year adjusted for inflation.

Summary of Substitute Bill: SPI is to establish a task force to analyze issues associated with the purchase of new school buses. Membership on the task force is specified.

The task force is directed to analyze:

- (a) the costs of purchasing comparable school buses in Washington and other states taking into consideration differences in geography, weather conditions, and other factors;
- (b) actions that could be taken to reduce the cost of new buses in Washington and reduce the number of pre-1977 buses, including, but not limited to, a centralized purchasing program and contracting bus services with private firms; and
- (c) other matters pertaining to school bus purchasing.

The analysis, with recommendations, is to be submitted to the Legislature by December 1, 1995.

Substitute Bill Compared to Original Bill: Provisions establishing a centralized state bidding process for school bus purchases were deleted. A task force was established to make recommendations prior to the 1996 Legislature.

Appropriation: None.

Fiscal Note: Available. Requested on substitute bill March 1, 1995.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: States with centralized purchasing of school buses pay significantly less for school buses. It would save the state \$8 million over the next four years. Centralized purchasing increases competition and decreases the time and costs required for school districts to purchase buses. This has been used in other states for years. Don't believe those who say it will not save money.

Testimony Against: The comparisons of the cost of buying buses in other states are not valid. They are comparing apples and oranges: the buses in the other states do not have the options that are required in Washington. This might save the state money, but not school districts. This will reduce local control.

Testified: Alan Jones, Office of Financial Management (pro); Don Carnahan, Superintendent of Public Instruction (pro with concerns); Pat Kohler, Department of General Administration (pro); Ralph Munro, Secretary of State (pro); Jim Boldt, Larson Bus Sales (con); and Chuck Carpenter, Larson Bus Sales (con).