## HOUSE BILL 1808

State of Washington 67th Legislature 2022 Regular Session

By Representatives Stonier, MacEwen, Dolan, Leavitt, J. Johnson, Callan, Santos, Shewmake, Wylie, Bergquist, Pollet, Harris-Talley, and Kloba

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- 1 AN ACT Relating to pupil transportation funding; amending RCW
- 2 28A.160.170, 28A.160.180, 28A.160.192, and 28A.160.193; adding a new
- 3 section to chapter 28A.160 RCW; adding a new section to chapter
- 4 28A.320 RCW; and providing effective dates.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 **Sec. 1.** RCW 28A.160.170 and 2021 c 234 s 3 are each amended to read as follows:
- Each district shall submit ((three)) the following reports on a timely basis as a condition of the continuing receipt of school transportation moneys:
- 11 <u>(1) Three</u> times each year to the superintendent of public 12 instruction during October, February, and May of each year a report 13 containing the following:
- $((\frac{(1)}{(1)}))$  (a) (i) The number of eligible students transported to and from school as provided for in RCW 28A.160.150, along with identification of stop locations and school locations, and  $((\frac{(b)}{(b)}))$  (ii) the number of miles driven for pupil transportation services as authorized in RCW 28A.160.150 the previous school year; and
- $((\frac{(2)}{(2)}))$  Other operational data and descriptions as required by the superintendent to determine allocation requirements for each district. The superintendent shall require that districts separate

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the costs of operating the program for the transportation of eligible students to and from school as defined by RCW 28A.160.160(3), non-to-and-from-school pupil transportation costs, and costs to provide expanded services under RCW 28A.160.185(1) in the annual financial statement. The cost, quantity, and type of all fuel purchased by school districts for use in to-and-from-school transportation shall be included in the annual financial statement.

((Each district shall submit the information required in this section on a timely basis as a condition of the continuing receipt of school transportation moneys.))

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- (2) Monthly, a report of allowable transportation expenditures 11 12 for special passengers as defined by the superintendent of public instruction. Special passengers include, but are not limited to, 13 students eligible and receiving special education that require 14 15 transportation as a related service of their individualized education program, homeless students requiring transportation under the 16 17 McKinney-Vento act, reauthorized as Title X, Part C, of the no child left behind act, P.L. 107-110, in January 2002, and foster students 18 19 receiving transportation as required under section 1112 (c) (5) (B) of the every student succeeds act, P.L. 114-95 excluding excess costs 20 21 covered by state or local child welfare agencies.
- 22 **Sec. 2.** RCW 28A.160.180 and 2009 c 548 s 307 are each amended to 23 read as follows:

Each district's annual student transportation allocation shall be determined by the superintendent of public instruction in the following manner:

- (1) The superintendent shall annually calculate the transportation allocation for those services provided for in RCW 28A.160.150. The allocation formula may be adjusted to include such additional differential factors as basic ((and special)) passenger counts as defined by the superintendent of public instruction, average distance to school, and number of locations served.
  - (2) The allocation shall be based on ((a)):
- 34 <u>(a) A</u> regression analysis of the number of basic ((and special))
  35 students transported and as many other site characteristics that are
  36 identified as being statistically significant; and
- 37 <u>(b) Reimbursement of allowable transportation expenditures for</u>
  38 <u>special passengers as defined by the superintendent of public</u>
  39 instruction and reported under RCW 28A.160.170(2).

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

- (4) Prior to June 1st of each year the superintendent shall submit to the office of financial management, and the education and fiscal committees of the legislature, a report outlining the methodology and rationale used in determining the statistical coefficients for each site characteristic used to determine the allocation for the following year.
- Sec. 3. RCW 28A.160.192 and 2011 1st sp.s. c 27 s 3 are each amended to read as follows:
- (1) The superintendent of public instruction shall (( $\frac{\text{phase-in the implementation of}}{\text{of}}$ )) maintain the distribution formula under this chapter for allocating state funds to school districts for the transportation of students to and from school. (( $\frac{\text{The phase-in shall begin no later than the 2011-2013 biennium and be fully implemented by the 2013-2015 biennium.}))$
- (a) The formula must be developed and revised on an ongoing basis using the major cost factors in student transportation, including basic ((and special)) student loads, school district land area, average distance to school, roadway miles, and number of locations served. Factors must include all those site characteristics that are statistically significant after analysis of the data required by the revised reporting process.
- (b) The formula must allocate funds to school districts based on the average predicted costs of transporting students to and from school, using a regression analysis. Only factors that are statistically significant shall be used in the regression analysis. Employee compensation costs included in the allowable transportation expenditures used for the purpose of establishing each school district's independent variable in the regression analysis shall be limited to the base salary or hourly wage rates, fringe benefit

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rates, and applicable health care rates provided in the omnibus appropriations act.

- (2) ((During the phase-in period, funding)) Funding provided to school districts for student transportation operations shall be distributed on the following basis:
- (a) Annually, each school district shall receive the lesser of the previous school year's pupil transportation operations allocation, or the total of allowable pupil transportation expenditures identified on the previous school year's final expenditure report to the state plus district indirect expenses using the federal restricted indirect rate as calculated in the district annual financial report;
- (b) Annually, the amount identified in (a) of this subsection shall be adjusted for any budgeted increases provided in the omnibus appropriations act for salaries or fringe benefits;
- (c) ((Annually, any funds appropriated by the legislature in excess of the maintenance level funding amount for student transportation shall be distributed among school districts on a prorated basis using the difference between the amount identified in (a) adjusted by (b) of this subsection and the amount determined under the formula in RCW 28A.160.180; and
- (d)) Allocations provided to recognize the cost of depreciation to districts contracting with private carriers for student transportation and expenditures eligible for reimbursement under RCW 28A.160.180(2)(b) shall be deducted from the allowable transportation expenditures in (a) of this subsection; and
- (d) Allocations for reimbursable transportation expenditures under RCW 28A.160.180(2)(b) must be provided monthly. Allocations from September to December of a school year under this subsection (2) (d) must be based on expenditures reported under RCW 28A.160.170(2) for the prior school year. Allocations after December must be adjusted based on monthly reports under RCW 28A.160.170(2) in the current school year so that districts receive allocations for all reimbursable transportation expenditures under RCW 28A.160.180(2)(b) within a school year.
- **Sec. 4.** RCW 28A.160.193 and 2018 c 266 s 103 are each amended to read as follows:

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1 (1) Subject to the availability of amounts appropriated for this 2 specific purpose, a transportation alternate funding grant program is 3 created.

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- (2) As part of the award process for the grants, the superintendent of public instruction must include a review of the school district's efficiency rating, key performance indicators, and local school district characteristics such as unique geographic constraints, low enrollment, geographic density of students, ((the percentage of students served under the McKinney-Vento homeless assistance act from outside the district,)) or whether the district is a nonhigh district.
- NEW SECTION. Sec. 5. A new section is added to chapter 28A.160
  RCW to read as follows:

By January 1, 2025, the office of the superintendent of public 14 15 instruction will provide an analysis of school district 16 transportation costs and allocations following the 2023-24 school year to the education and fiscal committees of the house of 17 representatives and senate. This analysis will include the mileage, 18 ridership, and costs for each district, disaggregated by the 19 20 following student demographic categories: (1) Students requiring 21 special transportation due to a properly formed and approved 22 individualized education plan; (2) students requiring special transportation due to requirements of the McKinney-Vento act or other 23 24 federal program; (3) students requiring special transportation due to 25 a foster care placement out of their regular school boundary; and (4) 26 all other students provided student transportation to and from 27 school. The legislature intends this data to inform their future 28 discussions on revising the overall student transportation allocation model to a more transparent and predictable funding model. 29

NEW SECTION. Sec. 6. A new section is added to chapter 28A.320 RCW to read as follows:

Beginning in the 2023-24 school year and each year thereafter, for any district where the reimbursement of costs under RCW 28A.160.180(2)(b) exceeds 105 percent of the state average per special passenger, the state auditor shall include in their regular audits of school districts a review of transportation costs to ensure they are necessary and reasonable costs attributable to special

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- 1 passengers as defined by the superintendent of public instruction and
- 2 reported under RCW 28A.160.170(2).
- 3 <u>NEW SECTION.</u> **Sec. 7.** Section 1 of this act takes effect
- 4 September 1, 2022.
- 5 <u>NEW SECTION.</u> **Sec. 8.** Sections 2 through 6 of this act take
- 6 effect September 1, 2023.

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