

2SHB 1368 - H AMD 903

By Representative Senn

ADOPTED AS AMENDED 02/09/2024

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that zero
4 emission vehicle technology is crucial to protecting Washington's
5 children from the health impacts of fossil fuel emissions and to
6 limiting the long-term impacts of climate change on our planet.
7 Spurred by a supportive regulatory environment, the state has made
8 great advances in recent years that have improved the performance and
9 reduced the costs of such vehicles. With the recent deployment of
10 financial incentives for clean transportation technology under the
11 federal bipartisan infrastructure law of 2021, the inflation
12 reduction act of 2022, and state funding for early adopters of zero
13 emission buses that began being made available in the 2023 enacted
14 budgets, the costs and performance of zero emission vehicles,
15 including zero emission school buses, are forecast to continue to
16 improve in coming years. Zero emission school buses on the market
17 today feature reduced fuel, operations, and maintenance costs
18 compared to their fossil-fueled counterparts.

19 (2) Zero emission school buses and the related reduction of
20 diesel exhaust will also have significant public health benefits for
21 children, school staff, bus drivers, and communities, and decrease
22 inequities. Residents in overburdened parts of Washington facing poor
23 air quality are disproportionately communities of color, rural, and
24 low-income and suffer from increased health risks, higher medical
25 bills, are living sicker and dying younger, emphasizing the need for
26 cleaner air and environmental justice.

27 (3) Further, the legislature finds that school districts need
28 funding support to enable the transition to zero emission buses,
29 including accurately reflecting the costs of zero emission buses in
30 the state's reimbursement schedule for school buses. Zero emission
31 buses are intended to include both battery electric technologies and
32 hydrogen fuel cell technologies.

1 (4) Therefore, it is the intent of the legislature to help
2 transition school districts, charter schools, and state-tribal
3 education compact schools to using only zero emission school buses.

4 (5) During this transition, it is the intent of the legislature
5 to prioritize grants to communities that are already bearing the most
6 acute harms of air pollution, and to replace the oldest diesel
7 vehicles that were manufactured under outdated and less protective
8 federal emission standards. During the time leading up to an eventual
9 phase out of fossil fuel powered school buses, electric utilities are
10 encouraged to plan and take steps to ensure any service upgrades
11 necessary to support the onboarding of zero emission fleets of school
12 buses, including by making use of the grid modernization grant
13 program administered by the department of commerce. Schools and
14 school districts receiving zero emission school buses funded through
15 the program created in this act are encouraged to coordinate with
16 electric utilities to utilize the vehicles to support electric system
17 reliability and capacity through vehicle-to-grid integration when the
18 buses are not in service.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 70A.15
20 RCW to read as follows:

21 (1) The department must administer the zero emission school bus
22 grant program within the clean diesel grant program for buses,
23 infrastructure, and related costs.

24 (2)(a) Appropriations to this grant program are provided solely
25 for grants to transition from fossil-fuel school buses to zero
26 emission vehicles. Eligible uses of grant funds include the planning
27 and acquisition of zero emission school bus vehicles for student
28 transportation, planning, design, and construction of associated
29 fueling and charging infrastructure, including infrastructure to
30 allow the use of zero emission buses in cold weather and other
31 challenging operational conditions, the scrapping of old diesel
32 school buses, and training drivers, mechanics, and facility
33 operations personnel to operate and maintain the zero emission buses
34 and infrastructure.

35 (b) Grant recipients may combine grant funds awarded under this
36 section with any other source of funding in order to secure all funds
37 needed to fully purchase each zero emission vehicle and any
38 associated charging infrastructure.

1 (c) Grants issued under this section are in addition to payments
2 made under the depreciation schedule adopted by the office of the
3 superintendent of public instruction. Grants may only be issued until
4 the school bus depreciation schedule established in RCW 28A.160.200
5 is adjusted to fund the cost of zero emission bus purchases at which
6 time the department must transition the program established in this
7 section to focus solely on electric vehicle charging infrastructure
8 grants.

9 (3) When selecting grant recipients, the department must
10 prioritize, in descending order of priority:

11 (a) School bus routes currently using school buses manufactured
12 prior to 2007 and serving overburdened communities, including
13 communities of color, rural, and low-income communities, highly
14 impacted by air pollution identified by the department under RCW
15 70A.65.020(1);

16 (b) School bus routes serving overburdened communities, including
17 communities of color, rural, and low-income communities, highly
18 impacted by air pollution identified by the department under RCW
19 70A.65.020(1);

20 (c) If funds remain after reviewing grant applications meeting
21 the criteria of (a) of this subsection, the replacement of school
22 buses manufactured prior to 2007; and

23 (d) If funds remain after reviewing grant applications meeting
24 the criteria of (a), (b), or (c) of this subsection, to applicants
25 that demonstrate an unsuccessful application to receive federal
26 funding for zero emission school bus purposes prior to January 1,
27 2024.

28 (4) The department must distribute no less than 90 percent of the
29 funds appropriated under this section to grant recipients. Amounts
30 retained by the department may only be used as follows:

31 (a) Up to three and one-half percent of funds appropriated under
32 this section for administering the grant program; and

33 (b) Up to six and one-half percent of funds appropriated under
34 this section to provide technical assistance to grant applicants
35 including, but not limited to, assistance in evaluating charging
36 infrastructure and equipment and in coordinating with electric
37 utility service adequacy.

38 (5) By June 1, 2025, the department in consultation with the
39 superintendent of public instruction must submit a report to the
40 governor and the relevant policy and fiscal committees of the

1 legislature providing an update on the status of implementation of
2 the grant program under this section and a summary of recommendations
3 and implementation considerations for transitioning the zero emission
4 school bus grant program from competitive school bus vehicle
5 depreciation schedule established in RCW 28A.160.200.

6 (6) For the purposes of this section, "zero emission vehicles"
7 means a vehicle that produces zero exhaust emission of any air
8 pollutant and any greenhouse gas other than water vapor.

9 **Sec. 3.** RCW 28A.160.140 and 1990 c 33 s 140 are each amended to
10 read as follows:

11 (1) As a condition of entering into a pupil transportation
12 services contract with a private nongovernmental entity, each school
13 district shall engage in an open competitive process at least once
14 every ~~((five))~~ 15 years. This requirement shall not be construed to
15 prohibit a district from entering into a pupil transportation
16 services contract of less than ~~((five))~~ 15 years in duration with a
17 district option to renew, extend, or terminate the contract, if the
18 district engages in an open competitive process at least once every
19 ~~((five))~~ 15 years ~~((after July 26, 1987))~~.

20 (2)(a) Beginning September 1, 2030, 75 percent of newly-
21 acquired school buses used for pupil transportation services
22 contracts under this section must be school buses that are zero
23 emission vehicles, as defined in section 2 of this act.

24 (b) Once zero emission school bus total cost of ownership as
25 defined by rule making authorized in RCW 28A.160.195(7) is determined
26 to be at or below the total cost of ownership as defined by rule
27 making authorized in RCW 28A.160.195(7) of diesel school buses,
28 newly-acquired school buses used for pupil transportation services
29 contracts under this section must be school buses that are zero
30 emission vehicles, as defined in section 2 of this act.

31 (c) If zero emission school bus total cost of ownership is
32 determined to be at or below the total cost of ownership of diesel
33 school buses under (b) of this subsection, prior to September 1,
34 2030, the provisions of (b) of this subsection take precedence over
35 the provisions of (a) of this subsection.

36 (3) As used in this section:

37 ~~((1))~~ (a) "Open competitive process" means either one of the
38 following, at the choice of the school district:

1 ~~((a))~~ (i) The solicitation of bids or quotations and the award
2 of contracts under RCW 28A.335.190; or

3 ~~((b))~~ (ii) The competitive solicitation of proposals and their
4 evaluation consistent with the process and criteria recommended or
5 required, as the case may be, by the office of financial management
6 for state agency acquisition of personal service contractors;

7 ~~((2))~~ (b) "Pupil transportation services contract" means a
8 contract for the operation of privately owned or school district
9 owned school buses, and the services of drivers or operators,
10 management and supervisory personnel, and their support personnel
11 such as secretaries, dispatchers, and mechanics, or any combination
12 thereof, to provide students with transportation to and from school
13 on a regular basis; and

14 ~~((3))~~ (c) "School bus" means a motor vehicle as defined in RCW
15 46.04.521 and under the rules of the superintendent of public
16 instruction.

17 **Sec. 4.** RCW 28A.160.195 and 2005 c 492 s 1 are each amended to
18 read as follows:

19 (1) The superintendent of public instruction, in consultation
20 with the regional transportation coordinators of the educational
21 service districts, shall establish a minimum number of school bus
22 categories considering the capacity and type of vehicles required by
23 school districts in Washington. Once zero emission school bus total
24 cost of ownership as defined by rule making authorized in subsection
25 (7) of this section is determined to be at or below the total cost of
26 ownership as defined by rule making authorized in subsection (7) of
27 this section of diesel school buses, these school bus categories must
28 solely include school buses that meet the definition of zero emission
29 vehicle in section 2 of this act, except as necessary to reimburse
30 diesel school buses purchased prior to the determination, and except
31 for use cases where needs, including the mileage needs of bus routes,
32 are not capable of being met by the technological capabilities of
33 zero emission buses available to school districts for acquisition.

34 The superintendent, in consultation with the regional transportation
35 coordinators of the educational service districts, shall establish
36 competitive specifications for each category of school bus. The
37 categories shall be developed to produce minimum long-range operating
38 costs, including costs of equipment and all costs in operating the
39 vehicles. The competitive specifications shall meet federal motor

1 vehicle safety standards, minimum state specifications as established
2 by rule by the superintendent, and supported options as determined by
3 the superintendent in consultation with the regional transportation
4 coordinators of the educational service districts. The superintendent
5 may solicit and accept price quotes for a rear-engine category school
6 bus that shall be reimbursed at the price of the corresponding front
7 engine category.

8 (2) After establishing school bus categories and competitive
9 specifications, the superintendent of public instruction shall
10 solicit competitive price quotes for base buses from school bus
11 dealers, which must include the solicitation of competitive price
12 quotes for zero emission buses that meet the definition of zero
13 emission vehicle in section 2 of this act, to be in effect for one
14 year and shall establish a list of all accepted price quotes in each
15 category obtained under this subsection. The superintendent shall
16 also solicit price quotes for optional features and equipment.

17 (3) The superintendent shall base the level of reimbursement to
18 school districts and educational service districts for school buses
19 on the lowest quote for the base bus in each category. School
20 districts and educational service districts shall be reimbursed for
21 buses purchased only through a lowest-price competitive bid process
22 conducted under RCW 28A.335.190 or through the state bid process
23 established by this section. Once school bus categories include only
24 school buses that meet the definition of zero emission as required in
25 subsection (1) of this section, reimbursements must reflect for the
26 full cost of zero emission buses, excluding operating costs covered
27 under this chapter and infrastructure eligible for grants under
28 section 2 of this act.

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

37 (5) This section does not prohibit school districts or
38 educational service districts from conducting their own competitive
39 bid process.

1 (6) Nothing in this section prohibits the use of externally
2 vented fuel-operated passenger heaters from November 15th through
3 March 15th annually until other viable alternatives become available.

4 (7)(a) The superintendent of public instruction (~~may~~) must
5 adopt rules under chapter 34.05 RCW to implement this section.

6 (b) The department of ecology, in consultation with the
7 superintendent of public instruction, must adopt rules to establish
8 the formulas used to calculate the total cost of ownership for school
9 buses. Prior to the establishment of total cost of ownership rules,
10 the superintendent of public instruction must, in consultation with
11 the department of ecology publish optional preliminary guidance that
12 school districts, including those contracting for pupil
13 transportation services, may follow.

14 NEW SECTION. Sec. 5. A new section is added to chapter 28A.300
15 RCW to read as follows:

16 (1) By November 15, 2024, the office of the superintendent of
17 public instruction, in consultation with the department of ecology,
18 must carry out a survey of school districts, charter schools, and
19 state-tribal education compact schools focused on the uptake and
20 total cost of ownership of zero emission school buses. The office of
21 the superintendent of public instruction must submit a report to the
22 legislature summarizing their findings by December 1, 2024.

23 (2) The survey required under this section must collect
24 information from each school district and school on:

25 (a) Current zero emission vehicle charging and refueling capacity
26 and infrastructure;

27 (b) Whether, assuming the availability of grant funds and
28 depreciation schedule payments to cover the full cost of a vehicle,
29 including the total cost of ownership of the vehicle, the school
30 district or school would anticipate applying for funds to support
31 zero emission school bus or bus infrastructure purchases in the next
32 two years, and in the next five years;

33 (c) For any schools or school districts still using a school bus
34 after the end of its applicable depreciation schedule, whether the
35 bus was manufactured prior to 2007, and an explanation of why the
36 school or school district has continued to use the bus past the end
37 of its depreciation schedule;

38 (d) Responses to preliminary guidance from the office of the
39 superintendent of public instruction for calculating total cost of

1 ownership and whether the school district or school utilizes the
2 preliminary guidance or uses a different calculation methodology; and

3 (e) Any other survey information deemed helpful by the department
4 of ecology or the office of the superintendent of public instruction
5 to facilitating the transition to zero emission vehicles.

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

8 Correct the title.

EFFECT: The amendment makes the following changes to the second substitute:

(1) Specifies that once bus depreciation schedules maintained by the Office of the Superintendent of Public Instruction (OSPI) are adjusted to fund the cost of zero emission buses (ZEBs), the zero emission school bus grant program at the Department of Ecology (Ecology) must focus solely on electric vehicle charging infrastructure grants.

(2) Requires Ecology to consult with OSPI in developing the status report on the grant program.

(3) Revises the requirement that 75 percent of school buses used for pupil transportation services contracts be zero emission by September 1, 2030, to a requirement that 75 percent of newly acquired buses be zero emission, unless the total cost of ownership (TCO) of ZEBs are determined to be lower than diesel buses, in which case, all newly acquired buses used under pupil transportation services contracts must be zero emission.

(4) Revises rules for determining TCO to include Ecology and OSPI in establishing TCO formulas.

(5) Adds exceptions to the requirement that the bus depreciation schedule include only ZEBs once TCO is equal or lower for use cases where needs, including mileage needs of bus routes, cannot be met by the technological capacities of ZEBs.

(6) Specifies that once the bus depreciation schedule includes only ZEBs, reimbursements must reflect the full cost of ZEBs, excluding operating costs covered under the student transportation RCW and infrastructure eligible for ZEB grants from Ecology.

(7) Revises the intent section to reference utilizing the grid modernization grant program administered by the Department of Commerce to support ZEBs.

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