

**E2SSB 5174** - H COMM AMD  
By Committee on Appropriations

**ADOPTED 04/10/2023**

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

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.160  
4 RCW to read as follows:

5 (1) The superintendent of public instruction must provide  
6 transportation safety net awards to school districts with a  
7 convincingly demonstrated need for additional transportation funding  
8 for special passengers. Transportation safety net awards shall only  
9 be provided when a school district's allowable transportation  
10 expenditures exceed the amounts provided under RCW 28A.160.150  
11 through 28A.160.192 and any excess transportation costs reimbursed by  
12 federal, state, tribal, or local child welfare agencies. School  
13 district safety net awards shall not exceed the school district's  
14 expenditures directly attributable to serving special passengers in  
15 the pupil transportation program.

16 (2) For the purposes of this section, "special passengers"  
17 include:

18 (a) Students eligible for and receiving special education that  
19 require transportation as a related service of their individualized  
20 education program;

21 (b) Homeless students requiring transportation under the  
22 McKinney-Vento act, reauthorized as Title X, Part C, of the no child  
23 left behind act, P.L. 107-110, in January 2002; and

24 (c) Foster students receiving transportation as required under  
25 section 1112(c)(5)(B) of the every student succeeds act, P.L. 114-95.

26 (3) To be eligible for additional transportation safety net award  
27 funding, the school district must report, in accordance with  
28 statewide accounting guidance, the amount of the excess costs and the  
29 specific activities or services provided to special passengers that  
30 created the excess costs.

31 (4) The superintendent of public instruction must establish rules  
32 and processes for transportation safety net applications and awards.  
33 The omnibus appropriations act must specify the total amount

1 available for transportation safety net awards. Total awards may not  
2 exceed the amount appropriated. The superintendent of public  
3 instruction must submit to the office of financial management, and  
4 the education and fiscal committees of the legislature, the total  
5 demonstrated need and awards by school district.

6 (5) Charter schools established under chapter 28A.710 RCW and  
7 state-tribal compact schools established under chapter 28A.715 RCW  
8 are also eligible for awards under this section.

9 (6) Transportation safety net awards allocated under this section  
10 are not part of the state's program of basic education.

11 **Sec. 2.** RCW 28A.160.193 and 2018 c 266 s 103 are each amended to  
12 read as follows:

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

16 (2) As part of the award process for the grants, the  
17 superintendent of public instruction must include a review of the  
18 school district's efficiency rating, key performance indicators, and  
19 local school district characteristics such as unique geographic  
20 constraints, low enrollment, geographic density of students, (~~the~~  
21 ~~percentage of students served under the McKinney-Vento homeless~~  
22 ~~assistance act from outside the district,~~) or whether the district  
23 is a nonhigh district.

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

26 (1) As a condition of entering into a pupil transportation  
27 services contract with a private nongovernmental entity, each school  
28 district shall engage in an open competitive process at least once  
29 every five years. This requirement shall not be construed to prohibit  
30 a district from entering into a pupil transportation services  
31 contract of less than five years in duration with a district option  
32 to renew, extend, or terminate the contract, if the district engages  
33 in an open competitive process at least once every five years after  
34 July 26, 1987.

35 (2) (a) A school district may only enter into a pupil  
36 transportation services contract with a nongovernmental entity if  
37 that entity provides the following to, or on behalf of, employees who  
38 choose to opt in for coverage:

1 (i) An employer health benefits contribution equal to the  
2 employer payment dollar amount in effect for the first year of the  
3 contract for health care benefit rates (Cockle rates), published  
4 annually by the health care authority, for the school employees'  
5 benefits board program for school employees; and

6 (ii) An amount equivalent to the salaries of the employees of the  
7 private nongovernmental entity multiplied by the employer normal cost  
8 contribution rate determined under the entry age cost method for the  
9 school employees' retirement system, as published in the most recent  
10 actuarial valuation report from the office of the state actuary for  
11 the first year of the contract.

12 (b) Subsection (2)(a) of this section applies only to pupil  
13 transportation service contracts for which the request for proposals  
14 begins after the effective date of this section and no earlier than  
15 for a contract affecting the 2024-25 school year.

16 (c) All pupil transportation service contracts entered into or  
17 modified after the effective date of this section must include a  
18 detailed explanation of any contract cost increase by year,  
19 expenditure type, and amount, including any increases in cost that  
20 result from providing the benefits required under this section.

21 (3) As used in this section:

22 ~~((1))~~ (a) "Employee" means a bus, van or shuttle driver,  
23 monitor, mechanic, or dispatcher who works sufficient compensated  
24 hours for the nongovernmental entity performing services on the  
25 contract with the school district to meet the eligibility  
26 requirements that apply to school employees for benefits in the  
27 school employees' retirement system and the school employees'  
28 benefits board program;

29 (b) "Open competitive process" means either one of the following,  
30 at the choice of the school district:

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

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

37 ~~((2))~~ (c) "Pupil transportation services contract" means a  
38 contract for the operation of privately owned or school district  
39 owned school buses, and the services of drivers or operators,  
40 management and supervisory personnel, and their support personnel

1 such as secretaries, dispatchers, and mechanics, or any combination  
2 thereof, to provide students with transportation to and from school  
3 on a regular basis; and

4 ~~((3))~~ (d) "School bus" means a motor vehicle as defined in RCW  
5 46.04.521 and under the rules of the superintendent of public  
6 instruction.

7 NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.160  
8 RCW to read as follows:

9 (1) A school district that experiences an increase in costs to a  
10 pupil transportation services contract as compared to prior year  
11 contract costs as a result of the provisions in RCW 28A.160.140 is  
12 eligible for supplemental transportation allocations as described in  
13 this section.

14 (2) Beginning September 1, 2024, school districts that provide  
15 pupil transportation through a contract with a nongovernmental entity  
16 under RCW 28A.160.140 must annually provide the office of the  
17 superintendent of public instruction with the following information:

18 (a) A breakdown of the total contract cost increase, including a  
19 detailed explanation of the increase by expenditure type  
20 demonstrating dollar equivalency as required in RCW  
21 28A.160.140(2)(a)(i) and percentage equivalency as required in RCW  
22 28A.160.140(2)(a)(ii), as defined by the office of the superintendent  
23 of public instruction, and amount;

24 (b) A breakdown of cost from the contractor that shows the cost  
25 to provide health care and pension benefits to employees prior to the  
26 effective date of this section and the cost to provide health care  
27 and pension benefits to employees after the implementation of  
28 benefits as described in RCW 28A.160.140;

29 (c) The amount of funding received through transportation  
30 allocations under RCW 28A.160.150 through 28A.160.192 prior to the  
31 implementation of school employee benefits under chapter 41.05 RCW  
32 and the amount of funding received through the same transportation  
33 allocations for the period immediately following the implementation  
34 of school employee benefits under chapter 41.05 RCW, to determine the  
35 amount of funding for health care that is already being included in  
36 allocations.

37 (3) The office of the superintendent of public instruction may  
38 suspend the reporting requirements under subsection (2) of this

1 section on or after September 1, 2027, for districts that do not  
2 request supplemental transportation allocations under this section.

3 (4) Subject to the availability of amounts appropriated for this  
4 specific purpose, the office of the superintendent of public  
5 instruction must reimburse a school district that contracts for  
6 transportation bus services as of March 30, 2023, for the increased  
7 cost that is directly attributable to increased benefits as required  
8 under this act, using the following formula: The total contract cost  
9 increase, less any amounts not attributable to benefits required  
10 under RCW 28A.160.140, less the amount the allocation was increased  
11 based on the actual cost increase through the transportation funding  
12 formula."

13 Correct the title.

EFFECT: Strikes the underlying bill and does the following:

Requires the Office of the Superintendent of Public Instruction to administer transportation safety net awards to school districts with a convincingly demonstrated need for additional transportation funding for special passengers, which include special education, homeless, and foster students. Total amounts for safety net awards must be defined in the operating budget.

Removes the requirement that the Superintendent of Public Instruction include a review of a school district's percentage of students served under the McKinney-Vento homeless assistance act from outside the district as part of the current transportation alternate funding grant program award process for the grants.

Provides that, no earlier than for a contract affecting the 2024-25 school year, school districts may only enter into a pupil transportation services contract if that entity provides the following to, or on behalf of, employees who choose to opt in for coverage: A health benefit contribution equal to the employer payment dollar amount in effect for the first year of the contract for health care benefit rates for the SEBB, and; an amount equivalent to the salaries of the employees of the contractor multiplied by the employer normal cost contribution rate determined under the entry age cost method for the school employees' retirement system. Defines "Employee" in this section to include a bus, van or shuttle driver, monitor, mechanic, or dispatcher.

Provides reimbursement subject to funding provided specifically for increased costs to school districts that are directly attributable to increased benefits as required in the bill. Additional reporting requirements for contracting districts are included to show the dollar equivalency for health care and retirement benefits as provided by this act.

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