
SECOND SUBSTITUTE HOUSE BILL 1368

State of Washington

68th Legislature

2024 Regular Session

By House Appropriations (originally sponsored by Representatives Senn, Fey, Berry, Doglio, Peterson, Chapman, Fosse, Slatter, Gregerson, Callan, Lekanoff, Ramel, Stonier, Street, Santos, Fitzgibbon, Berg, Reed, Simmons, Bergquist, Goodman, Pollet, Cortes, Macri, and Leavitt)

READ FIRST TIME 01/31/24.

1 AN ACT Relating to requiring and funding the purchase of zero
2 emission school buses; amending RCW 28A.160.140 and 28A.160.195;
3 adding a new section to chapter 70A.15 RCW; adding a new section to
4 chapter 28A.300 RCW; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

9 (3) Further, the legislature finds that school districts need
10 funding support to enable the transition to zero emission buses,
11 including accurately reflecting the costs of zero emission buses in
12 the state's reimbursement schedule for school buses. Zero emission
13 buses are intended to include both battery electric technologies and
14 hydrogen fuel cell technologies.

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

18 (5) During this transition, it is the intent of the legislature
19 to prioritize grants to communities that are already bearing the most
20 acute harms of air pollution, and to replace the oldest diesel
21 vehicles that were manufactured under outdated and less protective
22 federal emission standards. During the time leading up to an eventual
23 phase out of fossil fuel powered school buses, electric utilities are
24 encouraged to plan and take steps to ensure any service upgrades
25 necessary to support the onboarding of zero emission fleets of school
26 buses. Schools and school districts receiving zero emission school
27 buses funded through the program created in this act are encouraged
28 to coordinate with electric utilities to utilize the vehicles to
29 support electric system reliability and capacity through vehicle-to-
30 grid integration when the buses are not in service.

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

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

36 (2)(a) Appropriations to this grant program are provided solely
37 for grants to transition from fossil-fuel school buses to zero
38 emission vehicles. Eligible uses of grant funds include the planning
39 and acquisition of zero emission school bus vehicles for student

1 transportation, planning, design, and construction of associated
2 fueling and charging infrastructure, including infrastructure to
3 allow the use of zero emission buses in cold weather and other
4 challenging operational conditions, the scrapping of old diesel
5 school buses, and training drivers, mechanics, and facility
6 operations personnel to operate and maintain the zero emission buses
7 and infrastructure.

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

12 (c) Grants issued under this section are in addition to payments
13 made under the depreciation schedule adopted by the office of the
14 superintendent of public instruction.

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

17 (a) School bus routes currently using school buses manufactured
18 prior to 2007 and serving overburdened communities, including
19 communities of color, rural, and low-income communities, highly
20 impacted by air pollution identified by the department under RCW
21 70A.65.020(1);

22 (b) School bus routes serving overburdened communities, including
23 communities of color, rural, and low-income communities, highly
24 impacted by air pollution identified by the department under RCW
25 70A.65.020(1);

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

29 (d) If funds remain after reviewing grant applications meeting
30 the criteria of (a), (b), or (c) of this subsection, to applicants
31 that demonstrate an unsuccessful application to receive federal
32 funding for zero emission school bus purposes prior to January 1,
33 2024.

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

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

39 (b) Up to six and one-half percent of funds appropriated under
40 this section to provide technical assistance to grant applicants

1 including, but not limited to, assistance in evaluating charging
2 infrastructure and equipment and in coordinating with electric
3 utility service adequacy.

4 (5) By June 1, 2025, the department must submit a report to the
5 governor and the relevant policy and fiscal committees of the
6 legislature providing an update on the status of implementation of
7 the grant program under this section and a summary of recommendations
8 and implementation considerations for transitioning the zero emission
9 school bus grant program from competitive grants to formula-based
10 grants.

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

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

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

25 (2) Beginning September 1, 2030, 75 percent of school buses used
26 for pupil transportation services contracts under this section must
27 be school buses that are zero emission vehicles, as defined in
28 section 2 of this act.

29 (3) As used in this section:

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

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

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

38 ~~((2))~~ (b) "Pupil transportation services contract" means a
39 contract for the operation of privately owned or school district

1 owned school buses, and the services of drivers or operators,
2 management and supervisory personnel, and their support personnel
3 such as secretaries, dispatchers, and mechanics, or any combination
4 thereof, to provide students with transportation to and from school
5 on a regular basis; and

6 ~~((3))~~ (c) "School bus" means a motor vehicle as defined in RCW
7 46.04.521 and under the rules of the superintendent of public
8 instruction.

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

11 (1) The superintendent of public instruction, in consultation
12 with the regional transportation coordinators of the educational
13 service districts, shall establish a minimum number of school bus
14 categories considering the capacity and type of vehicles required by
15 school districts in Washington. Once zero emission school bus total
16 cost of ownership as defined by rule making authorized in subsection
17 (6) of this section is determined by the office of the superintendent
18 of public instruction to be at or below the total cost of ownership
19 as defined by rule making authorized in subsection (6) of this
20 section of diesel school buses, these school bus categories must
21 solely include school buses that meet the definition of zero emission
22 vehicle in section 2 of this act, except as necessary to reimburse
23 diesel school buses purchased prior to the determination. The
24 superintendent, in consultation with the regional transportation
25 coordinators of the educational service districts, shall establish
26 competitive specifications for each category of school bus. The
27 categories shall be developed to produce minimum long-range operating
28 costs, including costs of equipment and all costs in operating the
29 vehicles. The competitive specifications shall meet federal motor
30 vehicle safety standards, minimum state specifications as established
31 by rule by the superintendent, and supported options as determined by
32 the superintendent in consultation with the regional transportation
33 coordinators of the educational service districts. The superintendent
34 may solicit and accept price quotes for a rear-engine category school
35 bus that shall be reimbursed at the price of the corresponding front
36 engine category.

37 (2) After establishing school bus categories and competitive
38 specifications, the superintendent of public instruction shall
39 solicit competitive price quotes for base buses from school bus

1 dealers, which must include the solicitation of competitive price
2 quotes for zero emission buses that meet the definition of zero
3 emission vehicle in section 2 of this act, to be in effect for one
4 year and shall establish a list of all accepted price quotes in each
5 category obtained under this subsection. The superintendent shall
6 also solicit price quotes for optional features and equipment.

7 (3) The superintendent shall base the level of reimbursement to
8 school districts and educational service districts for school buses
9 on the lowest quote for the base bus in each category. School
10 districts and educational service districts shall be reimbursed for
11 buses purchased only through a lowest-price competitive bid process
12 conducted under RCW 28A.335.190 or through the state bid process
13 established by this section.

14 (4) Notwithstanding RCW 28A.335.190, school districts and
15 educational service districts may purchase at the quoted price
16 directly from any dealer who is on the list established under
17 subsection (2) of this section. School districts and educational
18 service districts may make their own selections for school buses, but
19 shall be reimbursed at the rates determined under subsection (3) of
20 this section and RCW 28A.160.200. District-selected options shall not
21 be reimbursed by the state.

22 (5) This section does not prohibit school districts or
23 educational service districts from conducting their own competitive
24 bid process.

25 (6) The superintendent of public instruction (~~may~~) must adopt
26 rules under chapter 34.05 RCW to implement this section. Rules must
27 establish the formulas used to calculate the total cost of ownership
28 for school buses. Prior to the establishment of total cost of
29 ownership rules, the superintendent must publish optional preliminary
30 guidance that school districts may follow.

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

33 (1) By November 15, 2024, the office of the superintendent of
34 public instruction, in consultation with the department of ecology,
35 must carry out a survey of school districts, charter schools, and
36 state-tribal education compact schools focused on the uptake and
37 total cost of ownership of zero emission school buses. The office of
38 the superintendent of public instruction must submit a report to the
39 legislature summarizing their findings by December 1, 2024.

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

3 (a) Current zero emission vehicle charging and refueling capacity
4 and infrastructure;

5 (b) Whether, assuming the availability of grant funds and
6 depreciation schedule payments to cover the full cost of a vehicle,
7 including the total cost of ownership of the vehicle, the school
8 district or school would anticipate applying for funds to support
9 zero emission school bus or bus infrastructure purchases in the next
10 two years, and in the next five years;

11 (c) For any schools or school districts still using a school bus
12 after the end of its applicable depreciation schedule, whether the
13 bus was manufactured prior to 2007, and an explanation of why the
14 school or school district has continued to use the bus past the end
15 of its depreciation schedule;

16 (d) Responses to preliminary guidance from the office of the
17 superintendent of public instruction for calculating total cost of
18 ownership and whether the school district or school utilizes the
19 preliminary guidance or uses a different calculation methodology; and

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

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

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