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**ENGROSSED SUBSTITUTE HOUSE BILL 1248**

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AS AMENDED BY THE SENATE

Passed Legislature - 2024 Regular Session

**State of Washington                      68th Legislature                      2023 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Stonier, Harris, Senn, Simmons, Ryu, Reeves, Bergquist, Eslick, Pollet, and Reed)

READ FIRST TIME 02/16/23.

1            AN    ACT    Relating    to    pupil    transportation;    amending    RCW  
2    28A.160.140;    adding    a    new    section    to    chapter    28A.160    RCW;    and  
3    creating    a    new    section.

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

5            NEW SECTION.    **Sec. 1.**    The legislature recognizes that school bus  
6    drivers play a crucial role in ensuring students' safe passage to and  
7    from school, preventing absences, and extending a positive school  
8    climate beyond the classroom. By delivering this essential service,  
9    school bus drivers provide a significant time and convenience benefit  
10    to thousands of Washington families, remove cars from the road,  
11    reduce overall emissions, and increase traffic safety. However, a  
12    recent national survey revealed that 94 percent of bus contractors  
13    experience driver shortages, with 21 percent reporting their  
14    shortages as severe. With this act, the state of Washington intends  
15    to encourage the retention of bus drivers who provide vital services  
16    to local communities.

17            **Sec. 2.**    RCW 28A.160.140 and 1990 c 33 s 140 are each amended to  
18    read as follows:

19            (1)    As a condition of entering into a pupil transportation  
20    services contract with a private nongovernmental entity, each school

1 district shall engage in an open competitive process at least once  
2 every five years. This requirement shall not be construed to prohibit  
3 a district from entering into a pupil transportation services  
4 contract of less than five years in duration with a district option  
5 to renew, extend, or terminate the contract, if the district engages  
6 in an open competitive process at least once every five years after  
7 July 26, 1987.

8 (2) (a) A school district may only enter into, renew, or extend a  
9 pupil transportation services contract with a private nongovernmental  
10 entity if that entity provides the following to, or on behalf of, its  
11 employees who choose to opt in for coverage:

12 (i) An employer health benefits contribution equal to the  
13 employer payment dollar amount in effect for the first year of the  
14 contract for health care benefit rates (cockle rates), published  
15 annually by the health care authority, for the school employees'  
16 benefits board program for school employees; and

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

23 (b) All pupil transportation service contracts entered into or  
24 modified after the effective date of this section must include a  
25 detailed explanation of any contract cost increase by year,  
26 expenditure type, and amount, including any increases in cost that  
27 result from providing the benefits required under this section.

28 (c) For contracts entered into, renewed, or extended in the 2024  
29 calendar year, the benefits required under this section must be  
30 provided to employees by the beginning of the 2025-26 school year.

31 (3) As used in this section:

32 ((1)) (a) "Employees" means in-state employees of the private  
33 nongovernmental entity working sufficient compensated hours  
34 performing services pursuant to the contract with the school district  
35 to meet the eligibility requirements for the school employees'  
36 benefits board program if the employees were directly employed by a  
37 school district;

38 (b) "Open competitive process" means either one of the following,  
39 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))~~ (c) "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))~~ (d) "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       NEW SECTION.   **Sec. 3.** A new section is added to chapter 28A.160  
18 RCW to read as follows:

19       (1) A school district that experiences an increase in costs to a  
20 pupil transportation services contract as compared to prior year  
21 contract costs as a result of the provisions in RCW 28A.160.140 is  
22 eligible for supplemental transportation allocations as described in  
23 this section.

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

28       (a) A breakdown of the total contract cost increase, including a  
29 detailed explanation of the increase by expenditure type  
30 demonstrating dollar equivalency as required in RCW  
31 28A.160.140(2)(a)(i) and percentage equivalency as required in RCW  
32 28A.160.140(2)(a)(ii), as defined by the office of the superintendent  
33 of public instruction, and amount;

34       (b) A breakdown of cost from the contractor that shows the cost  
35 to provide health care and pension benefits to employees prior to the  
36 effective date of this section and the cost to provide health care  
37 and pension benefits to employees after the implementation of  
38 benefits as described in RCW 28A.160.140;

1 (c) The amount of funding received through transportation  
2 allocations under RCW 28A.160.150 through 28A.160.192 prior to the  
3 implementation of school employee benefits under chapter 41.05 RCW  
4 and the amount of funding received through the same transportation  
5 allocations for the period immediately following the implementation  
6 of school employee benefits under chapter 41.05 RCW, to determine the  
7 amount of funding for health care that is already being included in  
8 allocations.

9 (3) The office of the superintendent of public instruction may  
10 suspend the reporting requirements under subsection (2) of this  
11 section on or after September 1, 2027, for districts that do not  
12 request supplemental transportation allocations under this section.

13 (4) Subject to the availability of amounts appropriated for this  
14 specific purpose, the office of the superintendent of public  
15 instruction must reimburse a school district for the increased cost  
16 that is directly attributable to increased benefits as required under  
17 this act, using the following formula: The total contract cost  
18 increase, less any amounts not attributable to benefits required  
19 under RCW 28A.160.140, less the amount the allocation was increased  
20 based on the actual cost increase through the transportation funding  
21 formula.

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