

Proposed Substitute House Bill 1368 (H-1243.2)

House Environment & Energy Committee

By Representative Street

Original Bill:

Requiring and funding the purchase of zero emission school buses.

Proposed Substitute (H-1243.2) compared to the original bill:

- Establishes a requirement that 70 percent of school buses purchased annually by school districts, charter schools, state-tribal education compact schools, or used for pupil transportation services contracts be zero-emission by September 1, 2030, and moves up the deadline for all school bus purchases to be zero-emission from September 1, 2035 to September 1, 2033.
- Provides a one-time extension from the 2030 and 2033 zero-emission school bus purchasing requirements upon a school bus purchaser determining that a zero-emission bus is not feasible due to route constraints, and making a request for an extension, which may be jointly granted by the Office of the Superintendent of Public Instruction and the Department of Ecology (Ecology).
- Makes Ecology, rather than the Office of the Superintendent of Public Instruction, responsible for administering the zero-emission school bus grant program (grant program)
- Directs Ecology to administer the grant program with a goal and objective of prioritizing grants that reduce diesel pollution and greenhouse gases from the oldest school buses and for economically-disadvantaged children, reduce diesel pollution and greenhouse gases in disproportionately impacted communities, and accelerate the transition of the state school bus fleet to zero-emissions.
- Makes all types of zero-emission refueling infrastructure an allowable expenditure under the grant program.
- Establishes a 10 percent limit on amounts appropriated to Ecology that Ecology may use for purposes of administration of the grant program.
- Makes contractors that provide pupil transportation services eligible under the grant program.
- Requires that assets for which funding is provided under the grant program be used in Washington or for the direct benefit of Washington students.

Committee: House Environment & Energy Committee
Staff: Jacob Lipson (786-7196), Office of Program Research
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1 AN ACT Relating to requiring and funding the purchase of zero
2 emission school buses; amending RCW 28A.160.130 and 28A.160.195;
3 adding new sections to chapter 28A.160 RCW; adding a new section to
4 chapter 70A.15 RCW; adding a new section to chapter 28A.710 RCW;
5 adding a new section to chapter 28A.715 RCW; and creating a new
6 section.

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

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

1 for children and are part of a broad-based policy approach to slowing
2 the environmental consequences of climate change.

3 (2) Therefore, it is the intent of the legislature to transition
4 school districts, charter schools, and state-tribal education compact
5 schools to using only zero emission school buses and to facilitate
6 this transition through the requirements and zero emission school bus
7 grant program.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.160
9 RCW to read as follows:

10 (1)(a) Beginning September 1, 2030, 70 percent of school buses
11 purchased annually by each school district, charter school, or state-
12 tribal education compact school, or used for pupil transportation
13 services contracts under RCW 28A.160.140, must be zero emission
14 school buses.

15 (b) Beginning September 1, 2033, all school buses purchased by
16 school districts, charter schools, or state-tribal education compact
17 schools, or used for pupil transportation services contracts under
18 RCW 28A.160.140, must be zero emission school buses.

19 (2) If a school district, charter school, state-tribal education
20 compact school, or contractor that provides pupil transportation
21 services determines that the purchase or contracting of a zero
22 emission school bus is not feasible due to route constraints, it may
23 request a one-time extension for a term not to exceed five years
24 provided that both of the following conditions are met:

25 (a) The extension requester can reasonably demonstrate that a
26 planned bus route for transporting pupils to and from school cannot
27 be serviced through available zero emission technology in 2030 for
28 purposes of compliance with subsection (1)(a) of this section, or
29 through available zero emission technology in 2033 for purposes of
30 compliance with subsection (1)(b) of this section.

31 (b) The office of the superintendent of public instruction must
32 receive and, jointly with the department of ecology, evaluate a pupil
33 transportation services provider's request, and grant a one-time
34 extension based on reasonably demonstrating the condition set forth
35 in (a) of this subsection.

36 (3) For the purposes of this section, "zero emission" means a
37 school bus that produces zero exhaust emission of any air pollutant
38 and any greenhouse gas.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 70A.15

2 RCW to read as follows:

3 (1) The zero emission school bus grant program is hereby
4 established. Grants to school districts, charter schools, state-
5 tribal education compact schools, and contractors that provide pupil
6 transportation services under RCW 28A.160.140 for the replacement of
7 school buses powered by fossil fuels with zero emission school buses
8 must be funded in accordance with this section.

9 (2) Eligibility.

10 (a) School districts, charter schools, state-tribal education
11 compact schools, and contractors that provide pupil transportation
12 services under RCW 28A.160.140 are eligible for grants under this
13 section.

14 (b) Zero emission school buses, purchase and installation of zero
15 emission school bus refueling infrastructure, and associated training
16 and equipment are eligible grant uses under this section.

17 (c) School buses powered by fossil fuels must be at the end of
18 their reimbursement or depreciation schedule and deemed eligible for
19 replacement pursuant to RCW 28A.160.200 to be eligible for
20 replacement under this program.

21 (d) A grant recipient must scrap or render permanently disabled
22 the replaced fossil fueled school bus and engine within 90 days of
23 placing the new bus into operation.

24 (3) Application process. The department shall administer the zero
25 emission school bus grant program established in this section with
26 the goal and objective to prioritize grants that: (a) Reduce diesel
27 pollution and greenhouse gases from Washington's oldest school buses;
28 (b) reduce diesel pollution and greenhouse gases in
29 disproportionately impacted communities; (c) reduce diesel pollution
30 and greenhouse gases for economically disadvantaged children; and (d)
31 accelerate the transition of Washington's diesel school bus fleet to
32 zero emissions.

33 (4) Administration.

34 (a) The department may use up to 10 percent of amounts
35 appropriated for the grant program under this section for costs that
36 result from administration of the program.

37 (b) Subject to the availability of amounts appropriated for this
38 specific purpose, the department shall award grants under this
39 section on a competitive basis subject to other requirements of this
40 section.

1 (c) The department must require that grant recipients attest to
2 their ability to refuel the zero emission bus prior to bus delivery.

3 (d) School districts must deposit grant awards in the
4 transportation vehicle fund established under RCW 28A.160.130.

5 (5) Grant amount limitations. The department shall establish a
6 framework for calculating grant amounts to school districts, charter
7 schools, state-tribal education compact schools, and contractors that
8 provide pupil transportation services under RCW 28A.160.140 for the
9 replacement of school buses and associated refueling infrastructure
10 consistent with the goals in this section.

11 (6) Any assets for which grant funding under this section is
12 provided must be used solely in Washington or for the direct benefit
13 of Washington students.

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

16 **Sec. 4.** RCW 28A.160.130 and 2022 c 200 s 1 are each amended to
17 read as follows:

18 (1) There is created a fund on deposit with each county treasurer
19 for each school district of the county, which shall be known as the
20 transportation vehicle fund. Money to be deposited into the
21 transportation vehicle fund shall include, but is not limited to, the
22 following:

23 (a) The balance of accounts held in the general fund of each
24 school district for the purchase of approved transportation equipment
25 and for major transportation equipment repairs under RCW 28A.150.280.
26 The amount transferred shall be the balance of the account as of
27 September 1, 1982;

28 (b) Reimbursement payments provided for in RCW 28A.160.200 except
29 those provided under RCW 28A.160.200(3) that are necessary for
30 contracted payments to private carriers;

31 (c) Earnings from transportation vehicle fund investments as
32 authorized in RCW 28A.320.300; and

33 (d) The district's share of the proceeds from the sale of
34 transportation vehicles, as determined by the superintendent of
35 public instruction.

36 (2) Funds in the transportation vehicle fund may be used for the
37 following purposes:

38 (a) Purchase of pupil transportation vehicles pursuant to RCW
39 28A.160.200 and 28A.150.280;

1 (b) Payment of conditional sales contracts as authorized in RCW
2 28A.335.200 or payment of obligations authorized in RCW 28A.530.080,
3 entered into or issued for the purpose of pupil transportation
4 vehicles;

5 (c) Major repairs to pupil transportation vehicles;

6 (d) To complete a feasibility plan to transition from gas or
7 diesel pupil transportation vehicles to electric or zero emission
8 pupil transportation vehicles;

9 (e) Purchase, installation, and repair of electric pupil
10 transportation vehicle charging stations and other zero emission
11 pupil transportation vehicle fueling stations and for other costs
12 necessary for station installation; and

13 (f) Converting or repowering existing gas or diesel pupil
14 transportation vehicles to electric or zero emission pupil
15 transportation vehicles.

16 (3) (a) Beginning September 1, 2030, 70 percent of school buses
17 purchased annually by a school district from the transportation
18 vehicle fund must meet the definition of zero emission in section 2
19 of this act.

20 (b) Beginning September 1, 2033, any school buses purchased by
21 school districts from the transportation vehicle fund must meet the
22 definition of zero emission in section 2 of this act.

23 (4) The superintendent of public instruction shall adopt rules
24 which shall establish the standards, conditions, and procedures
25 governing the establishment and use of the transportation vehicle
26 fund. The rules shall not permit the transfer of funds from the
27 transportation vehicle fund to any other fund of the district.

28 **Sec. 5.** RCW 28A.160.195 and 2005 c 492 s 1 are each amended to
29 read as follows:

30 (1) The superintendent of public instruction, in consultation
31 with the regional transportation coordinators of the educational
32 service districts, shall establish a minimum number of school bus
33 categories considering the capacity and type of vehicles required by
34 school districts in Washington. Once nonzero emission school bus
35 pricing is deemed no longer necessary by the office of the
36 superintendent of public instruction for calculating reimbursement or
37 depreciation payments, these school bus categories must solely
38 include school buses that meet the definition of zero emission in
39 section 2 of this act. The superintendent, in consultation with the

1 regional transportation coordinators of the educational service
2 districts, shall establish competitive specifications for each
3 category of school bus. The categories shall be developed to produce
4 minimum long-range operating costs, including costs of equipment and
5 all costs in operating the vehicles. The competitive specifications
6 shall meet federal motor vehicle safety standards, minimum state
7 specifications as established by rule by the superintendent, and
8 supported options as determined by the superintendent in consultation
9 with the regional transportation coordinators of the educational
10 service districts. The superintendent may solicit and accept price
11 quotes for a rear-engine category school bus that shall be reimbursed
12 at the price of the corresponding front engine category.

13 (2) After establishing school bus categories and competitive
14 specifications, the superintendent of public instruction shall
15 solicit competitive price quotes for base buses from school bus
16 dealers to be in effect for one year and shall establish a list of
17 all accepted price quotes in each category obtained under this
18 subsection. The superintendent shall also solicit price quotes for
19 optional features and equipment and, beginning September 1, 2033,
20 require vendors to ensure that emission-related features meet the
21 definition of zero emission in section 2 of this act.

22 (3) The superintendent shall base the level of reimbursement to
23 school districts and educational service districts for school buses
24 on the lowest quote for the base bus in each category. School
25 districts and educational service districts shall be reimbursed for
26 buses purchased only through a lowest-price competitive bid process
27 conducted under RCW 28A.335.190 or through the state bid process
28 established by this section.

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. However, beginning September 1, 2033, any school buses
40 purchased by school districts, or used for pupil transportation

1 services contracts under RCW 28A.160.140, must be school buses that
2 meet the definition of zero emission in section 2 of this act.

3 (6) The superintendent of public instruction may adopt rules
4 under chapter 34.05 RCW to implement this section.

5 NEW SECTION. Sec. 6. A new section is added to chapter 28A.160
6 RCW to read as follows:

7 The requirements of this act are in addition to any rules adopted
8 by the department of ecology under chapter 70A.30 RCW, and nothing in
9 this act modifies or limits the provisions of chapter 70A.30 RCW as
10 they apply to zero emission school buses.

11 NEW SECTION. Sec. 7. A new section is added to chapter 28A.710
12 RCW to read as follows:

13 Section 2 of this act, related to zero emission school buses,
14 governs school operation and management under RCW 28A.710.040 and
15 applies to charter schools established under this chapter.

16 NEW SECTION. Sec. 8. A new section is added to chapter 28A.715
17 RCW to read as follows:

18 Section 2 of this act, related to zero emission school buses,
19 governs school operation and management under RCW 28A.715.020 and
20 applies to state-tribal education compact schools established under
21 this chapter.

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