

## HOUSE AMENDMENTS TO A-ENGROSSED HOUSE BILL 3014

By COMMITTEE ON REVENUE

June 2

1 On page 1 of the printed A-engrossed bill, delete lines 5 through 26 and delete pages 2 through  
2 4 and insert:

3 “**SECTION 1.** ORS 327.033 is amended to read:

4 “327.033. [(1) *As used in this section, ‘retrofit’ and ‘Environmental Mitigation Trust Agreement’*  
5 *have the meanings given those terms in ORS 468A.795.*]

6 “(1) **As used in this section:**

7 “(a) **‘Active transportation’ means the arrival to, or departure from, a school by students**  
8 **who:**

9 “(A) **Reside less than three miles from school; and**

10 “(B) **Use human-powered forms of travel, including walking or bicycling.**

11 “(b)(A) **‘Active transportation costs’ means costs incurred by a school district for facili-**  
12 **tating the use of active transportation, including costs incurred for:**

13 “(i) **A pedestrian or bicycle group;**

14 “(ii) **A crossing guard; or**

15 “(iii) **Staff time required for coordinating active transportation options.**

16 “(B) **‘Active transportation costs’ does not include costs incurred by a school district for:**

17 “(i) **Subcontracting the school district’s transportation services to a private transporta-**  
18 **tion provider; or**

19 “(ii) **The time of an individual who is not an employee of the school district.**

20 “(c)(A) **‘Alternative transportation’ means the arrival to, or departure from, a school by**  
21 **students using active transportation or public transportation.**

22 “(B) **‘Alternative transportation’ does not include transportation that is subcontracted**  
23 **by a school district to a private transportation provider.**

24 “(d) **‘Alternative transportation costs’ includes:**

25 “(A) **Active transportation costs; and**

26 “(B) **Costs incurred by a school district for public transportation, including costs in-**  
27 **curred for staff time required for coordinating public transportation options.**

28 “(e) **‘Environmental Mitigation Trust Agreement’ has the meaning given that term in**  
29 **ORS 468A.795.**

30 “(f) **‘Public transportation’ means forms of transportation that are provided by a public**  
31 **entity, charge set fares, run on fixed routes and are available to the public.**

32 “(g) **‘Retrofit’ has the meaning given that term in ORS 468A.795.**

33 “(h) **‘Suitable and sufficient’ means transportation that is appropriate for a particular**  
34 **student or group of students based on:**

35 “(A) **The age of the student;**

1       **“(B) The physical or mental capabilities of the student;**

2       **“(C) The distance the student is to be transported; and**

3       **“(D) The safety of the student to be transported.**

4       **“(2)(a) The State Board of Education shall adopt rules to determine the amounts to re-**  
5 **imburse a school district for costs incurred by the school district in transporting students**  
6 **described in ORS 327.006 (2)(a).**

7       **“(b) The rules adopted under this subsection must allow for the reimbursement of alter-**  
8 **native transportation costs that are approved transportation costs in an amount that does**  
9 **not exceed five percent of the school district’s transportation grant under ORS 327.013. Al-**  
10 **ternative transportation costs are considered approved transportation costs if:**

11       **“(A) The use of alternative transportation is included as part of a supplemental plan ap-**  
12 **proved by the State Board of Education, as provided by ORS 327.043; or**

13       **“(B) The use of alternative transportation is included as part of a waiver approved by the**  
14 **State Board of Education, as provided by ORS 327.043.**

15       **“(c) Notwithstanding paragraph (b) of this subsection and subject to paragraph (d) of this**  
16 **subsection, alternative transportation costs related to public transportation are approved**  
17 **transportation costs only if the school district submits sufficient documentation to establish**  
18 **that:**

19       **“(A) No other transportation options, including active transportation options, are suit-**  
20 **able and sufficient;**

21       **“(B) The school district engaged in efforts to recruit, and was subsequently unable to**  
22 **hire, sufficient workforce to ensure:**

23       **“(i) Reliable service by a school bus; and**

24       **“(ii) Timely transport of students to and from school; and**

25       **“(C) The school district conducted a good faith effort to hire, train and retain drivers of**  
26 **school buses in a manner that included competitive wages and hiring practices consistent**  
27 **with applicable collective bargaining agreements.**

28       **“(d) If, during the 2022-2023 school year, costs incurred by a school district for transit**  
29 **passes were considered approved transportation costs, the costs incurred by the school dis-**  
30 **trict after the effective date of this 2023 Act for transit passes shall continue to be consid-**  
31 **ered approved transportation costs.**

32       **“[(2)] (3) Approved transportation costs shall be estimated for the year of distribution.**

33       **“[(3)] (4) In determining approved transportation costs **related to school buses**, the State Board**  
34 **of Education:**

35       **“(a) Shall include depreciation of original cost to the school district of district-owned buses, not**  
36 **in excess of 10 percent per year;**

37       **“(b) Shall include the costs to repower, retrofit or replace school buses powered by diesel en-**  
38 **gines for the purpose of reducing or eliminating diesel engine emissions, except that the board may**  
39 **not include the costs paid with moneys received from the state by a school district from the Clean**  
40 **Diesel Engine Fund under ORS 468A.801 (2)(a) to repower, retrofit or replace school buses powered**  
41 **by diesel engines for the purpose of reducing or eliminating diesel engine emissions; and**

42       **“(c) Shall include costs to school buses powered by diesel engines as allowed in the Environ-**  
43 **mental Mitigation Trust Agreement, except that the board may not include costs paid from the En-**  
44 **vironmental Mitigation Trust Agreement in the calculation of the transportation grant computed as**  
45 **provided in ORS 327.013.**

1 “[(4)] (5) School districts shall account separately for those funds received from the State School  
2 Fund attributable to the costs included under subsection [(3)] (4) of this section, and expenditure  
3 of those funds shall be limited as follows:

4 “(a) The expenditure of funds attributable to costs under subsection [(3)(a)] (4)(a) of this section  
5 shall be limited to the acquisition of new buses.

6 “(b) The expenditure of funds attributable to costs under subsection [(3)(b)] (4)(b) and (c) of this  
7 section shall be limited to the costs to repower, retrofit or replace school buses powered by diesel  
8 engines for the purpose of reducing or eliminating diesel engine emissions.

9 “[5)] (6) The transportation grant computed as provided in ORS 327.013 when combined with  
10 costs paid from the Environmental Mitigation Trust Agreement to replace school buses powered by  
11 diesel engines may not exceed the purchase price of the buses for which the funds described in this  
12 subsection were received.

13 “**SECTION 2.** ORS 327.043 is amended to read:

14 “327.043. (1) **As used in this section, ‘alternative transportation,’ ‘public transportation’**  
15 **and ‘suitable and sufficient’ have the meanings given those terms in ORS 327.033.**

16 “[1)] (2) A school district is required to provide transportation for elementary **school** students  
17 who reside more than one mile from school and for secondary school students who reside more than  
18 1.5 miles from school. A **school** district is also required to provide transportation for any student  
19 identified in a supplemental plan approved by the State Board of Education.

20 “[2)] (3)(a) Notwithstanding subsection [(1)] (2) of this section, the State Board of Education  
21 may waive the requirement to provide transportation **to elementary and secondary students un-**  
22 **der paragraph (b) of this subsection.**

23 “(b) **The State Board of Education may waive the requirement to provide transportation:**

24 “(A) **For some or all of the elementary school students who reside more than one mile**  
25 **from school only if the school district that seeks the waiver provides suitable and sufficient**  
26 **alternative transportation to the elementary school students for whom the school district**  
27 **seeks the waiver. A school district that seeks a waiver under this subparagraph must pres-**  
28 **ent to the board a plan for providing suitable and sufficient alternative transportation to the**  
29 **elementary school students. Public transportation is not considered suitable and sufficient**  
30 **for elementary school students.**

31 “(B) **For secondary school students who reside more than 1.5 miles from school only if the**  
32 **school district provides or identifies suitable and sufficient alternative transportation for**  
33 **transporting secondary school students. A school district that seeks a waiver under this**  
34 **subparagraph must present to the board a plan for providing or identifying suitable and sufficient**  
35 **[alternate modes of] alternative transportation for transporting secondary school students.**

36 “(4) **When submitting to the State Board of Education a supplemental plan or a waiver**  
37 **request that includes alternative transportation and that seeks reimbursement for costs in-**  
38 **curring in providing alternative transportation, a school district must include:**

39 “(a) **A comparison of:**

40 “(A) **The school district’s projected approved transportation costs to serve students**  
41 **without alternative transportation; and**

42 “(B) **The school district’s projected approved transportation costs if alternative trans-**  
43 **portation is approved.**

44 “(b) **For a supplemental plan or a waiver that proposes to use alternative transportation**  
45 **for one or more routes not previously included in a supplemental plan or a waiver, an ex-**

1 planation of why the school district has determined that the use of alternative transportation  
2 for the route is necessary.

3 “(c) For a waiver request that proposes to use public transportation for secondary school  
4 students, an explanation of how:

5 “(A) The use of public transportation qualifies for approved transportation costs under  
6 ORS 327.033 (2)(c);

7 “(B) Any financial support provided by a local transit district according to ORS 184.758  
8 will be used prior to the school district incurring additional expenses; and

9 “(C) The school district conducted a good faith effort to hire, train and retain drivers of  
10 school buses in a manner that included competitive wages and hiring practices consistent  
11 with applicable collective bargaining agreements.

12 “(5) The State Board of Education may approve a supplemental plan or a waiver request  
13 to use alternative transportation and to provide reimbursement for costs incurred in pro-  
14 viding alternative transportation only when:

15 “(a) The projected approved transportation costs under subsection (4)(a)(B) of this sec-  
16 tion are the same as or less than the projected transportation costs under subsection  
17 (4)(a)(A) of this section; or

18 “(b) The applying school district adequately demonstrates that any expenses incurred in  
19 excess of subsection (4)(a)(A) of this section that are attributable to alternative transporta-  
20 tion will be paid with funds other than the transportation grant from the State School Fund.

21 “(6) Notwithstanding subsection (4) of this section, a school district may request a waiver  
22 that includes alternative transportation without providing the additional information re-  
23 quired under subsection (4) of this section if the school district does not seek reimbursement  
24 for costs incurred in providing the alternative transportation.

25 “(7) When the State Board of Education approves a supplemental plan or waiver request  
26 to use alternative transportation and provides reimbursement for costs incurred in providing  
27 alternative transportation, the approved supplemental plan or waiver shall be effective for  
28 two years from the date of approval.

29 “(8) Notwithstanding subsections (4), (5) and (7) of this section, a school district that,  
30 prior to the effective date of this 2023 Act, had been receiving reimbursement for costs in-  
31 curred in providing transit passes under a supplemental plan or a waiver shall continue to  
32 receive reimbursement under the terms and conditions the school district was receiving re-  
33 imbursement prior to the effective date of this 2023 Act unless the State Board of Education  
34 and the school district agree otherwise.

35 “(9) Nothing in this section prevents a school district from providing alternative trans-  
36 portation in addition to otherwise required transportation when no reimbursement is sought  
37 for costs incurred in providing the alternative transportation.

38 “**SECTION 3.** (1) The amendments to ORS 327.033 and 327.043 by sections 1 and 2 of this  
39 2023 Act become operative on July 1, 2024.

40 “(2) The amendments to ORS 327.033 and 327.043 by sections 1 and 2 of this 2023 Act apply  
41 to approved transportation costs incurred on or after July 1, 2024.

42 “(3) The State Board of Education, the Department of Education and school districts may  
43 take any action before the operative date set forth in subsection (1) of this section to enable  
44 school districts to be reimbursed for approved transportation costs incurred on or after July  
45 1, 2024.”.

