

Requested by Representative NGUYEN H

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 3014**

1 On page 1 of the printed A-engrossed bill, delete lines 5 through 26 and  
2 delete pages 2 through 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 Miti-*  
5 *gation Trust Agreement’ have the meanings given those terms in ORS*  
6 *468A.795.]*

7 **“(1) As used in this section:**

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

10 **“(A) Reside less than five miles from school; and**

11 **“(B) Use human-powered forms of travel, including walking or bi-**  
12 **cycling.**

13 **“(b) ‘Active transportation costs’ means costs incurred by a school**  
14 **district for facilitating the use of active transportation, including costs**  
15 **incurred for:**

16 **“(A) A pedestrian or bicycle group;**

17 **“(B) A crossing guard; or**

18 **“(C) Staff time required for coordinating active transportation**  
19 **options.**

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

1 **transportation.**

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

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

4 **“(B) Costs incurred by a school district for public transportation,**  
5 **including costs incurred for staff time required for coordinating public**  
6 **transportation options.**

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

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

10 **“(2)(a) The State Board of Education shall adopt rules to determine**  
11 **the amounts to reimburse a school district for costs incurred by the**  
12 **school district in transporting students described in ORS 327.006 (2)(a).**

13 **“(b) The rules adopted under this subsection must allow for the**  
14 **reimbursement of alternative transportation costs that are approved**  
15 **transportation costs in an amount that does not exceed five percent**  
16 **of the school district’s transportation grant under ORS 327.013. Alter-**  
17 **native transportation costs are considered approved transportation**  
18 **costs if:**

19 **“(A) The use of alternative transportation is included as part of a**  
20 **supplemental plan approved by the State Board of Education, as pro-**  
21 **vided by ORS 327.043; or**

22 **“(B) The use of alternative transportation is included as part of a**  
23 **waiver approved by the State Board of Education, as provided by ORS**  
24 **327.043.**

25 **“(c) Notwithstanding paragraph (b) of this subsection, alternative**  
26 **transportation costs related to public transportation may be approved**  
27 **transportation costs only if:**

28 **“(A) No other transportation options, including active transporta-**  
29 **tion options, are suitable and sufficient; and**

30 **“(B) The school district can demonstrate efforts to recruit, and**

1 **subsequent inability to hire, sufficient workforce to ensure:**

2 **“(i) Reliable service by a school bus or school activity vehicle; and**

3 **“(ii) Timely transport of students to and from school.**

4 “[2] (3) Approved transportation costs shall be estimated for the year  
5 of distribution.

6 “[3] (4) In determining approved transportation costs **related to school**  
7 **buses**, the State Board of Education:

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

10 “(b) Shall include the costs to repower, retrofit or replace school buses  
11 powered by diesel engines for the purpose of reducing or eliminating diesel  
12 engine emissions, except that the board may not include the costs paid with  
13 moneys received from the state by a school district from the Clean Diesel  
14 Engine Fund under ORS 468A.801 (2)(a) to repower, retrofit or replace school  
15 buses powered by diesel engines for the purpose of reducing or eliminating  
16 diesel engine emissions; and

17 “(c) Shall include costs to school buses powered by diesel engines as al-  
18 lowed in the Environmental Mitigation Trust Agreement, except that the  
19 board may not include costs paid from the Environmental Mitigation Trust  
20 Agreement in the calculation of the transportation grant computed as pro-  
21 vided in ORS 327.013.

22 “[4] (5) School districts shall account separately for those funds received  
23 from the State School Fund attributable to the costs included under sub-  
24 section [(3)] (4) of this section, and expenditure of those funds shall be lim-  
25 ited as follows:

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

28 “(b) The expenditure of funds attributable to costs under subsection  
29 [(3)(b)] (4)(b) and (c) of this section shall be limited to the costs to repower,  
30 retrofit or replace school buses powered by diesel engines for the purpose

1 of reducing or eliminating diesel engine emissions.

2 “[5] (6) The transportation grant computed as provided in ORS 327.013  
3 when combined with costs paid from the Environmental Mitigation Trust  
4 Agreement to replace school buses powered by diesel engines may not exceed  
5 the purchase price of the buses for which the funds described in this sub-  
6 section were received.

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

8 **“327.043. (1) As used in this section, ‘alternative transportation’ has**  
9 **the meaning given that term in ORS 327.033.**

10 “[1] (2) A school district is required to provide transportation for ele-  
11 mentary **school** students who reside more than one mile from school and for  
12 secondary school students who reside more than 1.5 miles from school. A  
13 **school** district is also required to provide transportation for any student  
14 identified in a supplemental plan approved by the State Board of Education.

15 “[2] (3)(a) Notwithstanding subsection [(1)] (2) of this section, the State  
16 Board of Education may waive the requirement to provide transportation to  
17 **elementary and secondary students under paragraph (b) of this sub-**  
18 **section.**

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

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

30 **“(B) For secondary school students who reside more than 1.5 miles from**

1 school only if the school district provides or identifies suitable and  
2 sufficient alternate modes of transporting secondary school students.

3 A school district that seeks a waiver under this subparagraph must  
4 present to the board a plan for providing or identifying suitable and suffi-  
5 cient alternate modes of transporting secondary school students.

6 “(4) When submitting to the State Board of Education a supple-  
7 mental plan or a waiver request that includes alternative transporta-  
8 tion and that seeks reimbursement for costs incurred in providing  
9 alternative transportation, a school district must include:

10 “(a) A comparison of:

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

13 “(B) The school district’s projected approved transportation costs  
14 if alternative transportation is approved.

15 “(b) For a supplemental plan or a waiver that proposes to use al-  
16 ternative transportation for one or more routes not previously in-  
17 cluded in a supplemental plan or a waiver, an explanation of why the  
18 school district has determined that the use of alternative transporta-  
19 tion for the route is necessary.

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

22 “(A) The use of public transportation qualifies for approved trans-  
23 portation costs under ORS 327.033 (2)(c);

24 “(B) Any financial support provided by a local transit district ac-  
25 cording to ORS 184.758 will be used prior to the school district incur-  
26 ring additional expenses; and

27 “(C) The school district conducted a good faith effort to hire, train  
28 and retain drivers of school buses and school activity vehicles in a  
29 manner that included competitive wages and hiring practices consist-  
30 ent with applicable collective bargaining agreements.

1       “(5) The State Board of Education may approve a supplemental plan  
2 or a waiver request to use alternative transportation and to provide  
3 reimbursement for costs incurred in providing alternative transporta-  
4 tion only when:

5       “(a) The projected approved transportation costs under subsection  
6 (4)(a)(B) of this section are the same as or less than the projected  
7 transportation costs under subsection (4)(a)(A) of this section; or

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

12       “(6) Notwithstanding subsection (4) of this section, a school district  
13 may request a waiver that includes alternative transportation without  
14 providing the additional information required under subsection (4) of  
15 this section if the school district does not seek reimbursements for  
16 costs incurred in providing the alternative transportation.

17       “(7) Nothing in this section prevents a school district from provid-  
18 ing alternative transportation in addition to otherwise required trans-  
19 portation when no reimbursement is sought for costs incurred in  
20 providing the alternative transportation.

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

23       “(2) The amendments to ORS 327.033 and 327.043 by sections 1 and  
24 2 of this 2023 Act apply to approved transportation costs incurred on  
25 or after July 1, 2024.

26       “(3) The State Board of Education, the Department of Education  
27 and school districts may take any action before the operative date set  
28 forth in subsection (1) of this section to enable school districts to be  
29 reimbursed for approved transportation costs incurred on or after July  
30 1, 2024.”.

