

WAC 392-142-100 Definitions. For the purposes of this chapter, the following definitions apply:

(1) **"Superintendent"** means the superintendent of public instruction.

(2) **"District"** means a public school district or educational service district.

(3) **"Charter school"** means a public school operating under the provisions of chapter 28A.710 RCW.

(4) **"School bus"** means a vehicle:

(a) With a seating capacity of more than ~~((ten))~~ 10 persons including the driver;

(b) Used for transportation of students to and from school or in connection with school activities; and

(c) That meets the requirements of the school bus specifications manual published by the superintendent.

(5) **"Replacement system"** is the reimbursement process used for school buses when a district is the legal owner.

(6) **"Depreciation system"** is the reimbursement process used for contractor-owned school buses operated under a contract with a district to provide regularly scheduled to-and-from student transportation services.

(7) **"Charter school system"** is the reimbursement process used when a charter school is contracting transportation services.

(8) **"School bus categories"** are defined annually by the superintendent, taking into account such factors as student capacity, fuel type, and special equipment.

(9) **"System lifetime"** means the minimum number of months that a category of school bus is expected to be in use as determined by the superintendent.

(10) **"Eligible months"** are defined as the number of months a school bus is eligible for reimbursement payments within a school year. If a newly acquired school bus is eligible for reimbursement, such eligibility is determined by the issue date of the school bus operation permit as defined in WAC 392-143-010(4). If the issue date is prior to the 15th of any month, eligibility begins with the first of the month; otherwise eligibility begins with the first of the following month. The total number of eligible months in all school years shall not be more than the system lifetime.

(11) A school bus is defined as **"improperly maintained or operated"** when it is unable to pass the Washington state patrol inspection process within ~~((ninety))~~ 90 days of the date requested for presentation. The school district may request the superintendent for an additional ~~((ninety))~~ 90 days to arrange for repairs to the school bus. Improper operation includes use of a school bus without a valid school bus operation permit issued by the superintendent.

(12) The **"state school bus quote"** means the annual sealed bid process used by the superintendent as authorized by RCW 28A.160.195 to establish prices for districts to purchase school buses for a school year. Districts may purchase school buses from any school bus dealer's accepted bid.

(13) The **"low price quote"** means the lowest competitive price quote for each category of school bus received from school bus dealers in the state school bus quote. The low price quote is determined prior

to the inclusion of any sales or use tax. Included in the low price quote are:

(a) Freight to the district; and

(b) Cost associated with full payment within (~~(thirty)~~) 30 days of delivery.

In the state school bus quote process, the superintendent may include options for districts to purchase that are not included in the low price quote.

(14) **"State-determined purchase price"** is defined as the low price quote including any sales and use taxes at the highest rate that could be charged to any district in the state by the school bus dealer submitting that quote.

(15) **"Average price"** is defined as (~~(the)~~) no more than a five-year average of the low price quote for each school bus category. The average price is determined using the current and four previous school years' state school bus quote.

(16) **"System price"** means the price used to calculate the payment in a given school year, as follows:

(a) For the replacement system, the system price for a school bus for all years except the final year is the average price. For the final year, the system price is the current state determined purchase price.

(b) For the depreciation system, the system price for a school bus for all years is the first year's state determined purchase price.

(c) Until September 1, 2028, the office of superintendent of public instruction will adjust the system price used for calculation purposes to address the transition to longer system lifetimes and required zero emission calculation prices. During this transition period, adjustments to the system price will be posted to the office's website.

(17) **"Total school bus replacement payments"** means the sum of all replacement payments for a school bus for prior school years.

(18) **"Assumed interest earnings"** means the sum of interest which is assumed to be earned on money assumed to be available in the transportation vehicle fund from any prior replacement payments and any previous interest earnings for a school bus. The rate used to calculate assumed interest earnings shall be the average of the (~~(ninety)~~) 90-day treasury bill rate during the previous state fiscal year calculated on the basis of simple interest.

(19) The **"salvage value"** of a school bus is defined as (~~(twenty-five)~~) 25 percent of the first year's state determined purchase price divided by the system lifetime in years.

AMENDATORY SECTION (Amending WSR 12-19-098, filed 9/19/12, effective 10/20/12)

WAC 392-142-245 Calculation of depreciation system payments. To calculate the depreciation system payment for a contractor-owned school bus, the superintendent shall:

(1) Assign the school bus to the appropriate category;

(2) Divide the first year state supported price by the system lifetime; (~~(and)~~)

(3) Multiply the result by the number of eligible months in the current school year; and

(4) Average remaining payments by eligible months in the current school year for school buses on the depreciation schedule prior to September 1, 2025, and zero emission school buses purchased September 2025 through August 2028.