

JAN 24 2013

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**A BILL FOR AN ACT**

RELATING TO TRANSPORTATION OF SCHOOL CHILDREN.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds and determines that  
2 student transportation costs have escalated in recent years,  
3 prompting the legislature to mandate comprehensive assessment  
4 and reports relating to the transportation of school children.  
5 The legislature finds and determines that the statutory  
6 provisions governing the transportation of school children and  
7 contracts for such transportation should be revised in a manner  
8 that will enable the department of education to implement the  
9 recommendations of the department's consultants in restructuring  
10 the practices, policies, and procedures relating to requests for  
11 proposal, thereby, providing greater flexibility in determining  
12 the values as markets evolve while maintaining the integrity of  
13 procurement through specifications in the contracting process.

14           In November 2012, the Student Bus Transportation Study  
15 Final Report was received by the department of education from  
16 its consultant, Management Partnership Services, Inc.,  
17 confirming that student transportation costs have escalated  
18 unacceptably in recent years. The final report cited statutory

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1 compensation requirements as a constraint on contracting for bus  
2 services. The report noted that statutory wording has the most  
3 direct impact on system efficiencies as it establishes a floor  
4 for bus driver salaries.

5 SECTION 2. Section 103-55, Hawaii Revised Statutes, is  
6 amended by amending subsection (c) to read as follows:

7 "(c) This section shall apply to all contracts to perform  
8 services in excess of \$25,000, including contracts to supply  
9 ambulance service and janitorial service.

10 This section shall not apply to:


- 11 (1) Managerial, supervisory, or clerical personnel.
- 12 (2) Contracts for supplies, materials, or printing.
- 13 (3) Contracts for utility services.
- 14 (4) Contracts to perform personal services under  
15 paragraphs (2), (3), (12), and (15) of section 76-16,  
16 paragraphs (7), (8), and (9) of section 46-33, and  
17 paragraphs (7), (8), and (12) of section 76-77.
- 18 (5) Contracts for professional services.
- 19 (6) Contracts to operate refreshment concessions in public  
20 parks, ~~[or]~~ to provide food services to educational  
21 institutions~~[-]~~, or to provide transportation services  
22 for school children.

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1 (7) Contracts with nonprofit institutions."

2 SECTION 3. Statutory material to be repealed is bracketed  
3 and stricken. New statutory material is underscored.

4 SECTION 4. This Act shall take effect upon its approval.

5  
6 INTRODUCED BY: 

7 BY REQUEST

# S.B. NO. 1083

**Report Title:**

Transportation of School Children; Contracts; Wage Certification

**Description:**

Amends section 103-55(c), Hawaii Revised Statutes, to make wage certification inapplicable to contracts to provide transportation services for school children.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Education

TITLE: A BILL FOR AN ACT RELATING TO  
TRANSPORTATION OF SCHOOL CHILDREN.

PURPOSE: To achieve the department's objective to control student transportation costs, by stimulating competitive bidding through the exemption of student transportation contracts from restrictions on labor costs, based in part on the report by Management Partnership Services, Inc.

MEANS: Amend section 103-55(c), Hawaii Revised Statutes.

JUSTIFICATION: The original purpose of 103-55 was to restrict competition on labor costs from consideration in selecting contractors performing services. Current law already excludes certain kinds of services from this restriction, such as contracts for refreshment concessions or to provide food services to schools. The purpose of this proposal is to extend the exclusion to school bus transportation service contracts, thus allowing competition among school bus transportation vendors on labor costs.

Impact on the public: Would enable school bus vendors to compete for student transportation contracts without constraint of complying with labor cost requirements, which would generate savings to be spent on other beneficial needs.

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Impact on the department and other agencies: Would relieve the department from escalating costs of student transportation.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: EDN 400.

OTHER AFFECTED  
AGENCIES: Department of Accounting and General Services.

EFFECTIVE DATE: Upon approval.