
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 the
2 restructuring of contracting practices, policies, and procedures
3 is of utmost importance so that school children can be
4 transported safely, efficiently, and at a reasonable cost. The
5 legislature finds and determines that the statutory provisions
6 governing the contracts for transportation of school children
7 should be revised in a manner that will enable the department of
8 education to implement the recommendations of the legislative
9 auditor and the department's consultants in restructuring the
10 practices, policies, and procedures of the department applicable
11 to the transportation of school children and the procurement,
12 execution, administration, and management of contracts for such
13 transportation.

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. The final
17 report cited sections 302A-406 and 302A-407, Hawaii Revised
18 Statutes, as atypically specifying contractual requirements by

1 statute. The final report cites the high costs of service as an
2 indication that the contracting process must allow for
3 reasonable flexibility to maximize the use of resources. To
4 that end, the legislature finds and determines that greater
5 flexibility in the contracting of student transportation is
6 necessary to improve delivery of services and contain escalating
7 costs.

8 SECTION 2. Section 302A-406, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) The department may provide suitable transportation to
11 and from school and for educational field trips for all children
12 in grades kindergarten to twelve and in special education
13 classes. The department shall adopt such policy, procedure, and
14 program as it deems necessary to provide suitable
15 transportation. [~~In formulating the policy, procedure, and
16 program, the department shall consider the school district, the
17 school attendance area in which a school child normally resides,
18 the distance the school child lives from the school, the
19 availability of public carriers or other means of
20 transportation, the frequency, regularity, and availability of
21 public transportation, and the grade level, physical handicap,
22 or special learning disability of a school child, and it may~~

1 ~~also consider such conditions and circumstances unique or~~
2 ~~peculiar to a county or area. If the implementation of student~~
3 ~~instructional hours pursuant to section 302A 251 results in~~
4 ~~varying schedules for the transportation of students, the~~
5 ~~department shall consider pick up and drop off times that~~
6 ~~optimize the department's transportation services while~~
7 ~~minimizing costs to the State.]”~~

8 SECTION 3. Section 302A-407, Hawaii Revised Statutes, is
9 amended to read as follows:

10 “§302A-407 School bus contracts. (a) ~~[Any other law to~~
11 ~~the contrary notwithstanding, school bus contracts between the~~
12 ~~State and a private contractor may be extended for two years by~~
13 ~~mutual agreement, provided that the parties may agree to extend~~
14 ~~the contract for an additional two years thereafter. The~~
15 ~~compensation due to the contractor by the State for each~~
16 ~~extended year may be increased by an amount not to exceed five~~
17 ~~per cent of the previous year's compensation. In addition, the~~
18 ~~compensation due to the contractor by the State for any original~~
19 ~~or extended contract year may be increased by a reasonable~~
20 ~~amount for unanticipated inflationary increases in the cost of~~
21 ~~fuel. If the original contract between the State and a private~~
22 ~~contractor already includes an option to extend the contract~~

1 ~~period, this subsection shall apply after the contract option is~~
2 ~~exercised.~~

3 ~~(b) In the renegotiation for the extension of any~~
4 ~~contract, the contractor shall be notified at least three months~~
5 ~~in advance to prepare data and facts relating to fuel cost for~~
6 ~~the justification of an increase in the amount for the new~~
7 ~~contract period.~~

8 ~~(c) If a school is temporarily closed due to an unexpected~~
9 ~~disruption necessitating the closing of the school, the~~
10 ~~contractor and the State may enter into renegotiation for~~
11 ~~payments of fixed costs.~~

12 ~~(d) The contract between the State and the contractor~~
13 ~~shall include an age limit for the school bus vehicles that may~~
14 ~~be used. The serviceability of a vehicle shall be determined by~~
15 ~~chapter 286.~~

16 ~~(e)]~~ The contract between the State and the contractor
17 shall include a provision requiring the contractor to equip the
18 contractor's vehicles with the signs and visual signals
19 described in section 291C-95(d) and (g). The contract shall
20 also include other provisions as may be deemed necessary by the
21 State for the safety of school bus passengers and shall include
22 provisions requiring [~~periodic refurbishment of school buses~~

1 ~~ever ten years old.]~~ compliance with the rules and standards
2 described in section 286-181.

3 [~~f~~] (b) All moneys received from students and parents or
4 guardians of students by public schools for state-provided
5 school busing services, as authorized by section 302A-406, shall
6 be deposited into the school bus fare revolving fund. Except as
7 otherwise provided by the legislature, expenditures for the
8 operation of state-contracted school bus services, expenditures
9 for the operation of state-contracted school bus services, as
10 authorized by section 302A-406, shall be made from this fund."

11 SECTION 4. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 5. This Act shall take effect upon its approval.

14

15

INTRODUCED BY:



BY REQUEST

16

JAN 22 2013

H.B. NO. 851

Report Title:

Transportation of School Children; Contracting Provisions

Description:

Deletes statutory language specifying considerations and provisions for contracting transportation of 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 FOR SCHOOL CHILDREN.

PURPOSE: To accomplish the department's objective to control student transportation costs, by implementing statutory changes that allow the department to define student transportation eligibility parameters and set school transportation contract terms that best serve its needs for flexibility, based in part on recommendations from the report by Management Partnership Services, Inc.

MEANS: Amend sections 302A-406 and 302A-407, Hawaii Revised Statutes.

JUSTIFICATION: School transportation consultant firm Management Partnership Services, Inc. recommends that student rider eligibility criteria be embedded in policy, procedure, and programs rather than established by statute in order to provide the department flexibility to modify such requirements as needed to control transportation costs. Further, the consultant recommends that school transportation contract terms and requirements be defined by individual service contracts instead of by statute in order to provide the department flexibility to modify such terms and requirements as needed in order to control transportation costs.

Impact on the public: Would allow cost savings from student transportation contracts to be spent on other beneficial needs.

Page 2

Impact on the department and other agencies: Would improve departmental control over the cost of student transportation services through improved oversight and management of its student transportation program.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: EDN 400.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.