

ACT 257

S.B. NO. 1082

A Bill for an Act Relating to Transportation of School Children.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. In November 2012, the student bus transportation study final report was received by the department of education from its consultant, Management Partnership Services, Inc. The final report cited concerns with sections 302A-406 and 302A-407, Hawaii Revised Statutes, and in particular, noted section 302A-407, Hawaii Revised Statutes, as atypically specifying contractual requirements by statute. The final report cites the high costs of service as an initial indication that the contracting process requires revision and states that the function of the contracting process must allow the State reasonable flexibility to maximize the use of resources.

The legislature finds and determines that the restructuring of contracting practices, policies, and procedures for state-authorized student transportation services is of utmost importance to ensure that school children are transported to and from school safely, efficiently, and at a reasonable cost. The legislature further finds and determines that the statutory provisions governing contracts for the transportation of school children should be revised in a manner that will enable the department of education to implement the recommendations of the department's consultants and the auditor in Auditor's Report No. 12-07 of August 2012 to restructure the practices, policies, and procedures of the department applicable to the transportation of school children and the procurement, execution, administration, and management of contracts for such transportation.

Accordingly, the purpose of this Act is to provide the department of education with greater flexibility in the contracting of student transportation to improve service delivery and contain escalating costs.

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

"(a) The department may provide suitable transportation to and from school and for educational field trips for all children in grades kindergarten to twelve and in special education classes. The department shall adopt ~~[such policy, procedure, and program]~~ policies, procedures, and programs as it deems necessary to provide suitable transportation. ~~[In formulating the policy, procedure, and program, the department shall consider the school district; the school attendance area in which a school child normally resides; the distance the school child lives from the school; the availability of public carriers or other means of transportation; the frequency, regularity, and availability of public transportation; and the grade level, physical handicap, or special learning disability of a school child, and it may also consider such conditions and circumstances unique or peculiar to a county or area. If the implementation of student instructional hours pursuant to section 302A-251 results in varying schedules for the transportation of students, the department shall consider pick-up and drop-off times that optimize the department's transportation services while minimizing costs to the State.]"~~

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

“§302A-407 School bus contracts. ~~[(a) Any other law to the contrary notwithstanding, school bus contracts between the State and a private contractor may be extended for two years by mutual agreement; provided that the parties may agree to extend the contract for an additional two years thereafter. The compensation due to the contractor by the State for each extended year may be increased by an amount not to exceed five per cent of the previous year’s compensation. In addition, the compensation due to the contractor by the State for any original or extended contract year may be increased by a reasonable amount for unanticipated inflationary increases in the cost of fuel. If the original contract between the State and a private contractor already includes an option to extend the contract period, this subsection shall apply after the contract option is exercised.~~

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

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

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

~~(e) The (a) Any school bus contract between the State and the contractor shall include a provision requiring the contractor to equip the contractor’s vehicles with the signs and visual signals described in section 291C-95(d) and (g). The contract shall also include other provisions as may be deemed necessary by the State for the safety of school bus passengers and shall include provisions requiring [periodic refurbishment of school buses over ten years old.] compliance with the rules and standards described in section 286-181.~~

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

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

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

(Approved July 2, 2013.)