



Special Edition:

House Releases 2019–21 Capital Construction Budget Proposal

Yesterday, Democratic House budget-writers and Leaders held a press conference to unveil their three budget proposals: a 2019–21 Operating Budget; a 2019–21 Capital Construction Budget; and a 2019–21 Transportation Budget. Following the release of the budgets, WASA prepared a [Special Edition of TWIO](#) to provide details of the Operating Budget proposal. In this Special Edition of *TWIO* we provide details of the House’s Capital Construction Budget.

The House’s 2019–21 Capital Construction Budget, introduced as a Proposed Substitute of [HB 1102](#), would appropriate a total of \$4.6 billion. \$3 billion of the total appropriation would be provided in General Obligation bonds (Proposed Substitute [HB 1101](#) would authorize \$3.21 billion in General Obligation bonds), along with another \$100 million in existing bond authority. \$1.29 billion would be appropriated from other funding and \$200 million would be authorized in alternative financing. \$200 million in bond capacity would be reserved for a Supplemental Capital Budget.

Under the House’s proposal, K–12 Education would be provided with a total appropriation of \$1.12 billion, with \$1.04 billion of that total going to the School Construction Assistance Program (SCAP). \$893 million of the appropriation would be funded by General Obligation bonds and \$149 million would come from the Common School Construction Account.

Key highlights of the K–12 Education portion of the budget are detailed below. Full budget details, including a Summary and the actual budget and bond bills are available from the [Washington State Fiscal Information website](#).

K–12 Education Details

School Construction Assistance Program – \$1.04 billion

As noted above, \$1.04 billion is provided for the School Construction Assistance Program (SCAP). Proviso language requires \$1.0 million of the SCAP appropriation to be used for study and survey grants and for completing inventory and building condition assessments for public school districts every six years.

School Preservation Program – \$60.0 million

\$60.0 million is provided for a School Preservation Program and is divided as follows:

- \$20,000,000 of the appropriation is provided solely for projects in small rural districts, with total enrollments of less than one thousand students, where the school facility does not need to be replaced and does not require an extensive modernization but does have significant building system deficiencies. No individual school district may receive a grant that exceeds \$5,000,000. OSPI must use an expedited grant application process in selecting the grant recipients funded by this subsection. The funding in this section of the Capital Budget is very similar to [SB 5572](#), as we have described in *TWIO* previously.

About TWIO

This Week in Olympia is emailed to active WASA and AEA members each Friday during the Legislative Session and is posted on WASA’s website at www.wasa-oly.org/TWIO.

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- \$40,000,000 of the appropriation is provided solely for competitive grants for modular classrooms made with mass timber products, including cross-laminated timber, for the purpose of replacing portables in school districts with space challenges due to unavailable land for new school facilities to accommodate enrollment growth or with an overdependent use of portables to provide classroom space. The grants are subject to the following conditions:
 1. School districts are responsible for the costs of site preparation; required permits; delivery and installation of the modular classrooms; furnishings, fixtures, and equipment; utility connections; and any other infrastructure costs related to the modular classrooms; and
 2. OSPI must prioritize projects based on the following criteria in the following order:
 - » School districts with high ratios of portable classrooms to permanent classrooms;
 - » School districts with low acreage of land available for new construction;
 - » Projects that achieve lowest cost per classroom with highest percentage of mass timber products in the overall construction of the project; and
 - » Projects that demonstrate multistory application of mass timber products.

School District Health and Safety – \$6.0 million

\$6.0 million is provided for Emergency Repair Grants, Urgent Repair Grants, and Equal Access Grants to be divided as follows:

- \$2.0 million is provided for Emergency Repair Grants to address unexpected and imminent health and safety hazards at K–12 public schools—including Skills Centers—that will impact the day-to-day operations of the school facility. To be eligible for these grants, an emergency declaration must be signed by the school board and submitted to OSPI. The declaration must include a description of the imminent health and safety hazard, the possible cause, the proposed scope of emergency repair work and related cost estimates, and identification of local funding to be applied to the project. Grants of emergency repair moneys are conditioned upon the written commitment and plan of the school board to repay the grant with any insurance payments or other judgments that may be awarded, if applicable.
- \$3.0 million is provided for Urgent Repair Grants to address non-reoccurring urgent small repair projects at public schools—excluding Skills Centers—that could impact the health and safety of students and staff if not completed. OSPI must consult with school district maintenance and operations administrators before developing criteria for providing funding for specific projects through a competitive grant program, including: school districts are to be limited to one grant, not to exceed \$200,000, per three-year period; applications must be prioritized based on limited school district financial resources for the project; and school districts must demonstrate a consistent commitment to addressing school facility needs. Grant applications must include a detailed description of the remedy, with a detailed cost estimate of the repair or replacement, and identification of local funding which will be applied to the project. Grants can be used for: repair or replacement of failing building systems; abatement of potentially hazardous materials; and safety-related structural improvements.
- \$1.0 million is provided for Equal Access Grants for facility repairs and alterations at public schools—including Skills Centers—to improve compliance with the federal Americans with Disabilities Act (ADA) and Individuals with Disabilities Education Act (IDEA). OSPI must develop criteria for providing funding for specific projects through a competitive grant program, including: school districts are to be limited to one grant, not to exceed \$100,000, per three-year

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period; applications must be prioritized based on limited school district financial resources for the project; and school districts must demonstrate a consistent commitment to addressing school facility needs. Grant applications must include a description of the ADA or IDEA deficiency, with a detailed description of the remedy and a detailed cost estimate of the repair or replacement. Any local funding to be applied to the project must also be identified. School districts that demonstrate a lack of capital resources to address the compliance deficiencies must be given priority for grant funding.

Capital Projects Program Administration – \$4.1 million

OSPI is provided with funding for the administration of the Capital Projects Program. Proviso language requires \$261,000 of the appropriation to automate the SCAP grant application process in the Inventory and Condition of Schools (ICOS) database. OSPI must consult with its School Facilities Technical Advisory Committee and apply lean management principles prior to automating the grant process to reduce undue administrative burdens on school districts seeking state funding assistance for school construction. OSPI must submit a report to the Office of Financial Management and the Legislature on the progress and implementation of automating the application process by December 1, 2020.

Additional proviso language requires OSPI to consult with its School Facilities Technical Advisory Committee and its School Facilities Citizens Advisory Panel and apply lean management principles to the study and survey process to reduce undue administrative burdens on school districts seeking state funding assistance for school construction. OSPI must submit a report to the Office of Financial Management and the Legislature on policy recommendations to streamline the study and survey process by December 1, 2020.

Healthy Kids/Healthy Schools – \$3.3 million

Funding is provided for a series of health-related program grants. \$250,000 is provided solely for Washington Green Schools for planning and developing green stormwater infrastructure on public school properties that have been identified as needing to reduce stormwater runoff. OSPI must prioritize schools with high percentages of enrollments eligible for the Free and Reduced-Price Meal program to provide equity of opportunity in high need communities. It is the stated intent of the Legislature that these projects be used to engage students and be completed in conjunction with K–12 STEM education curriculum developed to meet next generation climate standards.

OSPI, after consulting with maintenance and operations administrators of school districts and the Department of Health, must develop or use its previously developed criteria for providing funding for specific projects that are consistent with the Healthiest Next Generation priorities. The criteria must include, but are not limited to, the following:

1. Districts or schools may apply for grants but no single district may receive more than \$200,000 of the appropriation;
2. Any district receiving funding provided in this section must demonstrate a consistent commitment to addressing school facilities' needs; and
3. Applicants with a high percentage of students who are eligible and enrolled in the Free and Reduced-Price Meals program must be prioritized.

The remaining portion of the appropriation may be used:

1. For water bottle filling stations, which may include replacement of lead-contaminated drinking water fixtures;
2. To purchase equipment or make repairs related to improving children's physical health which may include, but is not limited to: fitness playground equipment,

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covered play areas, and physical education equipment or related structures or renovation; and

3. To purchase equipment or make repairs related to improving children's nutrition which may include, but is not limited to: garden-related structures and greenhouses to provide students access to fresh produce, and kitchen equipment or upgrades.

Skills Centers Minor Works – \$3.0 million

Funding is provided for minor works projects at Skills Centers across the state.

Career Preparation and Launch Equipment Grants – \$1.0 million

Funding is appropriated to OSPI to provide competitive grants to school districts to purchase and install Career and Technical Education equipment that expands career-connected learning opportunities.

Proviso language requires OSPI, after consulting with school districts and the Workforce Training and Education Coordinating Board, to develop criteria and assurances for providing funding and outcomes for specific projects through a competitive grant program to stay within the appropriation level provided in this section consistent with the following priorities. The criteria must include, but not be limited to, the following:

1. Districts or schools must demonstrate that the request provides necessary equipment to deliver Career and Technical Education; and
2. Applicants with a high percentage of students who are eligible and enrolled in the Free and Reduced-Price Meals program must be prioritized.

Budget language also stipulates that no single district may receive more than \$100,000 of the appropriation.

Additional Details

Early Learning Facilities. \$4.2 million is provided, via the Department of Commerce, to school districts and other entities to assist with early learning facility projects. The school district funding is divided as follows:

- Toppenish School District—\$111,000
- Manson School District—\$400,000
- Kettle Falls School District—\$395,000
- North Thurston School District—\$324,000
- Ellensburg School District—\$800,000
- Everett School District—\$800,000
- Tukwila School District—\$196,000
- Richland School District—\$800,000
- Lake Quinalt School District—\$360,000

Proviso language in the same section of the budget requires the Department of Commerce, in consultation with OSPI, to identify buildings in the Inventory and Condition of Schools (ICOS) database that are no longer suitable for K–12 instructional space, but they could be repurposed as early learning facilities and available to eligible organizations. The Department of Commerce must report its findings and the list of buildings identified to the Office of Financial Management and the Legislature by January 15, 2020.

School Seismic Safety Assessments. \$2.2 million is provided to the Department of Natural Resources to conduct seismic risk assessments of school districts and other facilities.

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The Department of Natural Resources, in consultation with the Office of Emergency Management, OSPI, and the State Board of Education must develop a prioritized seismic risk assessment that includes seismic safety surveys of public facilities that are subject to high seismic risk because of high earthquake hazard and soils that amplify that hazard.

The survey must be a representative sample of public facilities located in high priority areas as determined in the [2017–19 Survey of Public School Seismic Safety Assessments and Tsunami Inundation Zones](#). The seismic safety surveys must be conducted for the following types of public facilities in the following order:

1. A portion of public school facilities that are routinely used for the instruction of students in kindergarten through twelfth grade and in school districts that have held successful bond elections within the previous three years;
2. A portion of the remaining public school facilities that are routinely used for the instruction of students in kindergarten through twelfth grade;
3. Fire stations located within a one-mile radius of a facility described above.

The statewide seismic needs assessment specified in this section must be submitted to the Office of Financial Management and the Legislature by June 30, 2021.

Energy Efficiency and Solar Grants Program. \$2.5 million in Fiscal Year 2020 and another \$2.5 million in Fiscal Year 2021 is provided to the Department of Commerce for grants to be awarded in competitive rounds to local agencies, public higher education institutions, school districts, and state agencies for operational cost savings improvements to facilities and related projects that result in energy and operational cost savings. For school district applicants, priority consideration must be given to school districts that demonstrate improved health and safety through:

1. Reduced exposure to polychlorinated biphenyl; or
2. Replacing outdated heating systems that use oil or propane as fuel sources as identified by the Washington State University Extension Energy Program.

An additional \$5.0 million is provided for grants to be awarded in competitive rounds to local agencies, public higher education institutions, school districts, and state agencies for projects that involve the purchase and installation of solar energy systems, including solar modules and inverters, with a preference for products manufactured in Washington.

Local and Community Projects. The Department of Commerce is provided with \$79.5 million for a series of community projects, including a handful of school district projects:

- Chief Leschi Schools Safety & Security—\$250,000
- Evergreen High School Health Center—\$388,000
- Ki-Be School Parking Lot Improvements—\$268,000
- Mt. Adams School District Athletic Fields—\$242,000

