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Special Edition: Sine Die

Last night, shortly after 6:00 p.m., the Legislature adjourned its 2021 Regular Session, *Sine Die*. The final week of the session was a whirlwind with multiple pieces of major legislation being negotiated and then moving through the final steps of the process towards final passage. Yesterday, the 2021–23 Operating Budget ([ESSB 5092](#)) was adopted on an almost party-line vote, as expected. Conservative Democrat Senator Mark Mullet's (D-Issaquah) “no” vote was the only thing that kept the vote from being a straight party-line vote. No one (except budget-writers) knew what was in the budget until late last week, with a public unveiling on Saturday at noon, but it was a foregone conclusion that it was going to pass.

Last week, it seemed as though none of the major legislation that was navigating the process was going to reach a positive conclusion. Yet, the old adage about it being the darkest just before the dawn is apt at the close of a session—just when you think everything will fall apart is right when all the pieces fall into place. The 2021–23 Capital Construction Budget ([SHB 1080](#)) was in some doubt, as Republicans continued to threaten to vote against the necessary bond bill if their bill to limit the governor's emergency authority was not brought to the Floor. It never did—and the Capital Budget was unanimously adopted by the Senate on Friday, followed by a unanimous vote on the bond bill ([ESSB 5084](#)). On Saturday, the House followed suit, unanimously adopting the budget bill, then falling two votes shy of unanimously adopting the bond bill.

Conversations about the 2021–23 Transportation Budget were volatile throughout the session and last week. Right up until the final bell, adoption of a Transportation Budget was in doubt. In fact, the “preferred” option (at least from the Transportation leads) was a massive, 16-year, \$17.8 billion transportation investment plan ([SB 5482](#)), which relied on, among other things, a 9.8 cent gas tax increase, revenue from a controversial carbon “cap-and-invest” bill, a partial shift of taxes on the sale of cars from the General Fund to transportation funding, and a very controversial tax increase on auto parts. Ultimately, the full meal deal was not able to get over the hump and transportation budget-writers opted for a “bare bones” transportation package ([SSB 5165](#)), which provides \$11.8 billion in appropriation authority. The bill passed both the House and Senate on Saturday.

At the same time, climate legislation, championed by Governor Inslee since he was first elected, had fits and starts, but finally passed the finish line before time was up. Both climate bills, [E2SSB 5126](#) (cap-and-trade) and [E3SHB 1091](#) (low-carbon fuel standard), however, are contingent on passage of a gas tax increase to fund new projects.



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This Sine Die special edition is the last TWIO of the 2021 Regular Session. TWIO is posted on WASA's website at www.wasa-oly.org/TWIO.

NOTE: WASA staff is currently working on our annual End of Session Report, which will include full details of the 2021–23 Operating Budget and the 2021–23 Capital Budget, along with a comprehensive review of the many education-related bills the Legislature addressed this session. It will be emailed to all TWIO subscribers (and available on the WASA website) as soon as it is completed.

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Senator Steve Hobbs (D-Lake Stevens), Chair of the Senate Transportation Committee is committed to moving his larger transportation package (named “Forward Washington”) and has said he will continue to work on the issue over the interim. Ultimately, if something comes together during the interim, this would be one of the few issues that could pull the Legislature back into a Special Session.

After years of trying, Democrats who were prodded by increased numbers of progressive members finally pushed a Capital Gains Tax ([ESSB 5096](#)) over the top. A squabble between the House and Senate almost tripped the bill up. Ultimately, the bill went to a Conference Committee to get a package that could pass muster with both House and Senate Democrats. The reason to mention this—other than it is a historic action—is the fact that K–12 has been drug into the discussion.

The intent section of the bill twists the constitutional paramount duty clause, and makes the case that high quality early learning and child care are critical to a child’s success in school and life. I won’t argue that point, but the bill’s proponents make it sound like the tax will support K–12 education. In fact, the intent language also says, “the Legislature will invest in the ongoing support of K–12 education and early learning and child care by dedicating revenues from this Act to the Education Legacy Trust Account and the Common School Construction Account.” Cleverly, the bill deposits proceeds into the Education Legacy Account, which “may be used only for support of the common schools, and for expanding access to higher education through funding for new enrollments and financial aid.” The bill, however, amends this to specifically include the support of “early learning and child care programs.” And funding for early learning and child care is the focus of this bill. Again, I won’t argue the importance and value of early learning or quality child care, I just wish the proponents would be honest about it. The “emergency clause” was removed from the bill, so there could potentially be a referendum on the bill—and, if so, K–12 will get used again to garner support for something that will not support K–12. Support or oppose a Capital Gains Tax, this is just frustrating.

In terms of overall support for K–12, we had an uphill battle all session, especially regarding the Operating Budget. Many legislators were reticent to provide state funding to K–12, arguing that, over the course of the last year, public schools have received almost \$3.0 billion in federal relief funds—and we did not need additional state funds. Other legislators were willing to provide the bare minimum and when we expressed concerns, they said, “Don’t worry about it. If we need to make adjustments, we can do that in the 2022 Supplemental Operating Budget.” First, if they are not willing to provide the necessary support now, when revenues are coming in faster than they can spend it, how can we trust that they will provide additional support next session? Second, and more important, if school districts do not have the fiscal support they need now, as they are in the process of making budget and staffing decisions for the coming year, additional support a year from now just doesn’t work.

After a struggle, we did get some support in the Operating Budget. Pupil transportation stabilization is not quite where we were hoping, but the budget will provide needed support, especially in 2021–22. Enrollment stabilization, again, was not exactly what we were looking for; however, it appears the final package will be better than what we were looking at, even a few weeks ago. The issue de jour is learning recovery and there is a significant investment there, albeit mostly in one-time supports. Anyway, you are encouraged to take a look and form your own opinions.

Below is a review of the K–12 education portion of the 2021–23 Operating Budget, as adopted, last night. Please note that there are numerous line-items included in the budget that are not discussed here; this simply addresses the K–12 major highlights. After the dust settles, WASA’s forthcoming End of Session Report will provide comprehensive details of the 2021–23 Operating Budget and the 2021–23 Capital Construction Budget. Also included in that Report will be a complete review of the many education-related bills

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the Legislature addressed this session. If you want more budget details, sooner, visit the [Washington State Fiscal Website](#). You can find information on all three budgets (Operating, Capital, and Transportation), including bill text, in-depth agency details, overviews, and various LEAP documents.

2021–23 Operating Budget

Major K–12 Education Items

Federal ESSER Grants—\$1.74 billion

As was proposed in both the Senate and House budget proposals, the final budget allocates \$1.74 billion for federal ESSER subgrants to school districts. This total is comprised of \$1.67 billion of ESSER III funds (American Rescue Plan, March 2021) and the remaining \$74.2 million of ESSER II funds (Coronavirus Response and Relief Supplemental Appropriations Act, December 2020) that remained on the table when [ESHB 1368](#) (Early Action Pandemic Relief Plan) was adopted, providing school districts with \$668 million. As required by federal law, these subgrants will be allocated to school districts using the federal Title I, Part A funding formulas. Allowable uses are defined in federal law—including a requirement that at least \$333.5 million (20 percent) of the ESSER III subgrants be used to address student learning loss (the 2021 Supplemental Operating Budget sets these funds aside under OSPI’s Grants/Pass Through Funding section).

NOTE: \$1.2 billion in federal funds are provided in the 2021 Supplemental Operating Budget (or were previously provided in ESHB 1368) and are reappropriated again in the 2021–23 Operating Budget, to ensure funding is available next biennium if the funds have not been expended in Fiscal Year 2021.

Pupil Transportation Stabilization—\$151.1 million

The final budget provides \$151.1 million one-time funding (\$117.1 million in the 2021 Supplemental Operating Budget and \$34.0 million in the 2021–23 Operating Budget) for “emergency” pupil transportation payments to school districts (and charter schools) to address lower pupil transportation payments (due to reduced ridership) for the 2020–21 school year. Proviso language in the 2021 Supplemental Operating Budget clearly stipulates the emergency transportation allocations must be provided to increase allocations for any school district that receives less in allocations in the 2020–21 school year than in the 2019–20 school year. There is a limit, however. The total amount of emergency stabilization a district can receive is calculated by adding transportation allocations in the 2019–20 and 2020–21 school years and dividing by two.

Pupil transportation funding for the upcoming 2021–22 school year will have a full “hold harmless.” Proviso language in the new biennial budget clarifies that OSPI “must provide student transportation allocations for the 2021–22 school year equal to the greater of allocations provided in the 2019–20 school year or the student transportation allocations” as calculated under current law.

While this is extremely positive, this short-term fix still does not solve the long-term transportation funding formula problem. Fortunately, as we worked with legislators seeking assistance with pandemic-related transportation shortfalls, some key legislators recognized that after this emergency passes, additional work needs to be done. We anticipate that these legislators will hold stakeholder meetings during the interim, seeking solutions, with an eye on introducing legislation in 2022. Stay tuned.

[E2SSB 5128](#), after it bounced back-and-forth between the two houses, was ultimately adopted. The final bill allows districts, during the current or future emergencies, to use pupil transportation allocations for “expanded services,” including delivering meals, instructional materials, and technology devices; and transporting students to/from

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learning centers where educational and support services are being provided to students. Although this bill was adopted by the Legislature and presumably will be signed by the governor, the budget does not take these potentially additional costs into account. For districts that still provide at least partial remote instruction, they have the potential concern of expending funds beyond their allocation. If so, this is an issue that will have to be addressed in the 2022 Supplemental Operating Budget.

Enrollment Stabilization—\$123.7 million

The final budget provides one-time funding (\$95.9 million in the 2021 Supplemental Operating Budget and \$27.8 million in the 2021–23 Operating Budget) for enrollment stabilization in the 2020–21 school year. Funding is provided for enrollment stabilization in the 2020–21 school year to school districts (as well as charter schools and state-tribal education compact schools) that do not receive sufficient subgrants from federal ESSER II funds (as provided in the Coronavirus Response and Relief Supplemental Appropriations Act, adopted in December 2020) to offset reductions to state revenues due to declines in enrollments from the 2019–20 school year.

The 2021 Supplemental Operating Budget includes language lifted directly from the original version HB 1476 defining the calculation of enrollment stabilization, which includes both general apportionment (including Alternative Learning Experience enrollment) and the many education programs that are enrollment based, specifically: special education; the Transitional Bilingual Instructional Program; highly capable students; dropout reengagement; and Career and Technical Education and Skills Centers. Previously included in this list was the Learning Assistance Program (LAP) and Institutional Education; both are excluded from this list in the final budget.

Funding for the LAP enrollment stabilization fix is a relatively minor amount of money. If the fiscal impact is so small, it seems as though it should have been included. The general thinking, apparently, is that districts will be receiving ESSER funds and legislators do not feel the need to address LAP in the mix of stabilization. Institutional Education stabilization, however, IS addressed—it is just located in a separate section in the 2021 Supplemental Operating Budget. Federal funds totaling \$3.0 million are provided for enrollment stabilization specifically for Institutional Education. Proviso language states if Institutional Education enrollment in the 2020–21 school year for a residential school or juvenile detention facility is less than funded annual average FTE enrollment in the 2019–20 school year, OSPI must provide an enrollment stabilization allocation to bring the allocation for the institution up to an amount calculated using 2019–20 annual average FTE enrollment values and formulas in place for the 2020–21 school year.

(NOTE: Enrollment stabilization legislation to ensure levy capacity eventually was adopted. [ESHB 1476](#), as amended by the Senate and adopted by the full Legislature, revises levy formulas for Calendar Year 2022 (rather than CY 2022 and CY 2023), requiring 2019–20 school year enrollment to be used in place of 2020–21 enrollment when 2019–20 enrollment is greater. The requirement that the school district must be open for in-person instruction at the beginning of the 2021–22 school year in order to utilize these provisions remained in the final version of the bill.)

School Funding Stabilization—\$16.2 million

The original Senate budget provided \$190.7 million to ensure all school districts received at least \$1,500 per pupil for COVID-19 relief funding when combined with federal ESSER funds; the House proposal did not include this funding. The final 2021–23 Operating Budget includes a compromise position, providing one-time funding in Fiscal Year 2022 to supplement federal relief funding to assist school districts with learning loss recovery and stabilize school district funding negatively impacted by COVID-related enrollment declines. Under the final budget, school districts are guaranteed to receive at least \$500 per pupil for COVID-19 relief funding when combined with federal relief dollars (ESSER I, II, III). Proviso language, similar to language in the Senate's original budget,

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requires school districts, prior to receiving these funds, to submit an academic and student well-being recovery plan to OSPI—as required by ESHB 1368, the Pandemic Relief package adopted earlier this session. Additionally, districts must report progress on implementing the plan in a manner identified by OPSI.

Under the Senate's original \$1,500 per pupil proposal, many districts would not have received supplemental funding. The significantly lower \$500 per pupil position will potentially put a large number of districts in a tough fiscal situation. As noted above, concerns raised about the earlier budget proposals mostly fell on deaf ears, with most legislators making the case that IF school districts needed additional funding, the issue could be addressed next year in the 2022 Supplemental Operating Budget. Unfortunately, as districts finalize budget and staffing decisions for the 2021–22 school year, they cannot wait a full year from now to deal with today's fiscal uncertainty. If nothing else, it is at least hoped that this funding will provide beneficial assistance to districts that have either little Title I enrollment or do not participate in Title I.

Learning Recovery—\$237.1 million

One-time funding is provided to OSPI to administer grants to school districts for the purposes of learning recovery due to impacts of the COVID-19 pandemic. \$27.4 million of the appropriation is from state funds; \$79.5 million is federal funding from ESSER II; and \$93.1 million is federal funding from ESSER III.

An additional \$18.5 million in one-time ESSER III funds are provided to OSPI for grants to entities or organizations to provide outdoor education summer enrichment programs to youth. Proviso language requires recipients to prioritize activities or programs that: promote students connecting socially with their classmates; encourage students to engage in physical activity; and support families who have struggled with child care needs.

\$18.5 million in one-time ESSER III funds are also provided to OSPI to support evidence-based comprehensive afterschool programs.

IDEA Funding—\$57.1 million

\$52.7 million in additional federal funding from the American Rescue Plan is provided under the Individuals with Disabilities Education Act (IDEA) for special education services in addition to regularly provided federal IDEA funding. The American Rescue Plan also provided funding (\$4.4 million) for students qualifying for special education preschool services under section 619 of Part B of IDEA.

Counselors in High Poverty Schools—\$51.6 million

The original Senate proposal provided funding to allocate additional counselors for all high-poverty elementary schools, while the House's proposal provided funding for additional counselors in ALL high-poverty schools—elementary, middle school, and high school. The final 2021–23 Operating Budget moves to the House position and provides necessary funding to add 0.5 FTE counselors per high poverty school for each Prototypical school level (elementary, middle school, and high school), beginning in the 2022–23 school year. Qualifying high poverty schools in the 2022–23 school year are schools at which more than 50 percent of the students were eligible for Free and Reduced-Price Meals in the prior school year. This funding is in addition to the funding already provided in the Prototypical School Funding Model.

Educational Technology—\$47.5 million

The budget provides funding (\$24.0 million) to OSPI for grants to assist districts in acquiring and supporting learning devices and to ESDs to provide technology procurement, training and consultation, to implement [E2SHB 1365](#). Additionally, technology funding is provided to increase Materials, Supplies, and Operating Costs (MSOC) by \$25 per pupil student (\$23.5 million) to support broadband connectivity needs of families.

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ESSER Set Aside—\$35.5 million

Ten percent of the ESSER III funds provided in the American Rescue Plan are dedicated to OSPI. The final budget appropriates a portion of those state-level ESSER III funds to OSPI for a number of grant programs:

- **Community-Based Organizations (\$12.9 million)**—Funding is provided to administer a grant program for Community-Based Organizations to collaborate with school districts to support learning recovery and acceleration.
- **Dual Language (\$10.0 million)**—Funding is provided for grants to school districts to expand the number of dual language classrooms in early grades and professional development to accelerate literacy gains in early grades, especially for English learners.
- **Career and Technical Education (\$4.0 million)**—Funding is provided for grants to school districts to expand Career and Technical Education graduation pathway options, including Career-Connected Learning opportunities.
- **OSPI Administration (\$4.6 million)**—Funding is provided to OSPI: to update the apportionment and financial reporting systems to administer federal relief funding; and for administrative costs related to the management of federal funds provided for COVID-19 response and other emergency needs.
- **Summer Meals (\$4.0 million)**—Funding is provided to OSPI for grants for supplies, equipment, staffing, and services to increase access to summer meals and safe school meals in the 2021–22 school year and the summer prior to the start of the school year.

Special Education Transition—\$24.0 million

The final budget provides \$24.0 million (\$17.0 million state funding and \$7.0 million federal funding) to support the extension of transition services for students with disabilities who turned 21 during the 2019–20 or 2020–21 school years and did not graduate with a regular diploma.

Paraeducator Training—\$14.8 million

The final budget provides necessary funding for two days of training in the Paraeducator Certificate Program in Fiscal Year 2023 and two days each year thereafter. Funding is also provided to create online training for paraeducators on community, family, and student engagement.

Emergency Food Reimbursement—\$14.2 million

Federal funding is provided for emergency costs for child nutrition programs. The relief provided by these reimbursements is intended to help address shortfalls and ensure that program operators are in the best position to rebuild while continuing to serve their communities.

Educational Service Districts—\$13.6 million

Funding is provided (\$11.1 million) to the ESD School Nurse Corps to support one day per week of nursing services for all school districts with less than 2,000 students (second class school districts). \$2.5 million is provided for one additional FTE (total of 2.5 FTEs) at each ESD for comprehensive safety coordination. ESDs are also provided with \$3.3 million in “stabilization” funds for Fiscal Year 2021 to specifically address unanticipated increased costs that have resulted from the COVID-19 pandemic.

Special Education Professional Development—\$12.0 million

The original Senate proposal provided funding to continue the Inclusionary Practices Project (IPP) into Years Three and Four; the funding was absent in the House proposal. IPP provides professional development to promote the inclusion of special education students within the general education classroom. The final 2021–23 Operating

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Budget moved to the Senate position and provides funding (\$7.0 million in FY 22 and \$5.0 million in FY 23) to continue the Project.

WASA was one of the grant recipients in the initial phase of IPP and has been working with OSPI in planning for the next two years of the Project. Funding will continue to support professional development in inclusionary practices for classroom teachers. The primary form of support to public school classroom teachers has been and will continue to be for mentors who are experts in best practices for inclusive education, differentiated instruction, and individualized instruction. Proviso language continues to require funding for mentors to be prioritized to the public schools with the highest percentage of students with Individualized Education Programs (IEPs) aged three through 21 who spend the least amount of time in general education classrooms.

Children Experiencing Homelessness—\$12.0 million

The American Rescue Plan provided \$800 million (above-and-beyond the ESSER III funds provided for schools) for states to “identify homeless children and youth and provide homeless children and youth with: wrap-around services in light of the challenges of COVID-19; and assistance needed to enable homeless children and youth to attend school and participate fully in school activities.” The final budget appropriates this one-time funding (\$12.0 million) to address children experiencing homelessness.

School Lunch Copays—\$8.9 million

The current school lunch copay program supports eligible students in kindergarten through third grade. The 2021–23 Operating Budget provides additional funding to implement [EHB 1342](#), which eliminates school lunch copays for students eligible for reduced-price lunches in all grades, from prekindergarten through twelfth grade.

Additional Notes of Interest

SEBB Rate Adjustment— (\$10.5 million)

This past fall, an agreement was reached for the 2021–23 biennium between the governor and the School Employee Coalition, as required by law. Funding is provided in the final budget to support the provisions of the 2021–23 Collective Bargaining Agreement. The new CBA mandates that the monthly employer funding rate for insurance benefit premiums, School Employees’ Benefits Board administration, retiree remittance, and the Uniform Medical Plan, shall not exceed \$968 per eligible employee in the 2021–22 school year. For the 2022–23 school year, the monthly employer funding rate shall not exceed \$1,032 per eligible employee. These new rates will “save” the state \$10.5 million over the biennium. Under provisions of the new CBA, employers continue to be required to contribute one hundred percent of the retiree remittance, which is included as part of the above monthly employer funding rate. (For each full-time employee, the retiree remittance is \$72.08 per month beginning September 1, 2021 and \$80.04 per month beginning September 1, 2022.)

TRS 1 Unfunded Liability—\$800.0 million

The final budget provides \$800.0 million for the Teachers’ Retirement System (TRS) Plan I Fund to reduce the unfunded actuarial accrued liability of the fund. Because TRS Plan I is less than 100 percent funded, employer contribution rates are higher than they otherwise would be, as contributions must cover the unfunded actuarial accrued liability. Providing this money, to draw down the unfunded liability, will save the state (and school districts) money in the long run. Proviso language in the budget notes this funding is for expenditure on June 30, 2023. Language in the original Senate budget proposal also stated the Legislature’s intent to appropriate additional General Fund revenues into the account on June 30, 2025; this additional intent language is removed in the final budget.

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Salary Allocations

The 2021–23 Operating Budget provides funding for statewide minimum salary allocations, as required by law. For the 2020–21 school year, the 2019–21 budget provided for minimum salary allocations for Certificated Instructional Staff, Certificated Administrative Staff, and Classified Staff at these levels: \$67,917, \$100,815, and \$48,722, respectively. The final budget includes the following minimum statewide salary allocations for the 2021–22 school year for CIS, CAS, and CLS: \$68,937, \$102,327, and \$49,453, respectively. For the 2022–23 school year CIS, CAS, and CLS allocations are: \$70,040, \$103,964, and \$50,244, respectively.

Inflationary Factor

The 2021–23 Operating Budget establishes the annual inflationary factor—the Implicit Price Deflator or IPD. IPD will be 2.0 percent for the 2021–22 school year and a 1.6 percent IPD for the 2022–23 school year. Of course, the second year IPD is only a projection and could be adjusted—up or down—in the 2022 Supplemental Operating Budget.

Non-Public School Relief—\$90.0 million

\$46.3 million provided in the Coronavirus Response and Relief Supplemental Appropriations Act (December 2020), as a part of the Governor’s Emergency Education Relief Fund, is reappropriated to provide emergency assistance to non-public schools. \$43.7 million is provided, as required by the American Rescue Plan (March 2021), to support non-public schools to address impacts from the COVID-19 pandemic.

NOTE: These federal funds provided for non-school assistance were appropriated in the December 2020 and the March 2021 stimulus relief packages but were above-and-beyond the ESSER II and ESSER III funds provided to public schools. Said another way, the funds provided for non-public schools were not taken from the ESSER funds provided to public schools.

2021–23 Capital Budget

The biennial Operating Budget is always the issue that catches the most attention—and adopting an Operating Budget is the ONLY specific accomplishment necessary in a long session—but the Capital Construction Budget is also a major issue. Crafting and adopting a two-year Capital Budget is often a very bi-partisan affair and that was certainly true again this year. Both the Senate’s and the House’s original proposals were adopted by their respective bodies unanimously. And from all accounts, behind-the-scenes negotiations were “four corners” discussions which included Majority and Minority members from both houses.

In recent weeks, there were threats about holding the necessary bond bill hostage (which would have stalled the overall Capital Budget), as Republicans tried to force adoption of a bill to limit the governor’s emergency powers. There were saber-rattling Floor speeches, press releases, and procedural maneuvers, but in the end Republicans relented. Shortly after, the 2021–23 Capital Budget ([SHB 1080](#)) passed the Senate and House unanimously, followed by the Senate’s unanimous adoption of the bond bill ([ESSB 5084](#)) and a 96–2 vote in the House.

The overall budget is a historic, and record-setting, \$6.3 billion package, funded with \$3.9 billion in General Obligation bonds and \$1.6 billion in other funds (including \$275 million in funds from the Model Toxic Control Account and \$255 million in alternative financing authorizations). Additionally, \$189 million from the federal Coronavirus Capital Projects Fund is appropriated, along with another \$400 million from the federal Coronavirus State Fiscal Recovery Fund. \$82 million in bond capacity is reserved for a 2022 Supplemental Capital Budget.

The 2021 Supplemental Capital Budget (embedded in ESSB 5084) reduces reappropriations and 2019–21 appropriations by \$63.6 million. As part of the \$6.3 billion

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package, the 2021–23 budget reappropriates \$4.5 billion in previously authorized, but uncompleted projects.

The Capital Budget provides a significant investment in broadband connectivity. \$411 million is provided for grants and loans to improve and expand broadband access to unserved and underserved communities across the state. The following programs are funded in the budget:

- \$326 million is provided to the Washington State Broadband Office for grants to eligible applicants for broadband infrastructure projects;
- \$60 million is provided for loans and grants to be competitively awarded by the Public Works Board to promote expanding access to broadband service in unserved areas of the state; and
- \$25 million is provided for loans and grants to be awarded on a first-come, first-served basis by the Community Economic Revitalization Board (CERB) to finance infrastructure projects to provide high-speed, open-access broadband services to rural, underserved communities.

The issue of connectivity has been a major point of emphasis for this year’s Legislature. In addition to the \$411 million in the Capital Budget, there are investments in broadband funding in the 2021–23 Operating Budget and a potentially significant investment in broadband could be forthcoming in the American Jobs Plan—President Biden’s infrastructure package currently being discussed by Congress. There are even broadband impacts in the 2021–23 Transportation Budget ([SSB 5165](#)). \$220,000 is set aside to oversee a consultant study to provide recommendations related to the Washington State Department of Transportation’s role in broadband service expansion efforts as required by [ESHB 1457](#) (adopted by this Legislature).

While not directly related to K–12 education, the further expansion of broadband connectivity, especially in unserved and underserved communities, will have a positive impact on schools, students, and families.

Specifically, for K–12 education, the final Capital Budget provides \$929.9 million. The majority of this appropriation is for the School Construction Assistance Program (SCAP). SCAP receives \$730.6 million; \$702.7 million of the appropriation comes from state General Obligation bonds and \$27.9 million comes from the Common School Construction Account (CSCA). An additional \$71.4 million from state General Obligation bonds is swapped with CSCA to fund obligations for 2017–19 projects and to assist with the CSCA’s solvency.

Below are some of the major K–12 highlights in the 2021–23 Capital Construction Budget. Like the Operating Budget above, this is a high-level overview, with more detail to be provided in WASA’s End of Session Report.

Major K–12 Education Items

Small School Modernization Program—\$42.1 million

\$33.8 million (\$21.8 million of the State Building Construction Account and \$12.0 million of the federal Coronavirus Capital Projects Account) is provided for modernization grants for small school districts with total enrollments of 1,000 students or less with significant building system deficiencies and limited financial capacity as approved by OSPI’s Small District Modernization Grant Advisory Committee.

\$1.1 million is provided for planning grants for small school districts interested in seeking modernization grants. Planning grants may not exceed \$50,000 per district and may only be awarded to school districts with an estimated total project cost of \$5.0 million or less. Another \$4.2 million is provided for planning grants and modernization grants to state tribal compact schools.

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The funding appropriated is provided for projects approved by the Legislature, as identified in [LEAP Capital Document No. OSPI-1.1-CD-2021](#), developed April 15, 2021.

\$3.0 million of the overall appropriation is provided for a modernization grant to the Mount Adams School District to complete the replacement of Harrah Elementary School.

Seismic Retrofits—\$40.0 million

\$2.0 million of the overall appropriation will be used for school seismic safety retrofit planning grants to school districts. OSPI is required to prioritize planning grants for school districts with the most significant building deficiencies and the greatest seismic risks as determined by the most recent geological data and building engineering assessments, beginning with facilities classified as very high risk.

The remaining \$38.0 million of the appropriation is provided for school seismic safety retrofit grants to school districts for seismic retrofits and seismic safety related improvements of school buildings used for the instruction of students in kindergarten through 12th grade. OSPI must prioritize school seismic safety retrofit grants for school districts with the most significant building deficiencies and the greatest seismic risks as determined by the school seismic safety retrofit planning grants, beginning with facilities classified as very high risk.

In the development of school seismic safety retrofit projects, OSPI must give consideration to the following:

- Prioritizing student instructional spaces and facilities that improve communities' emergency response capacity, including school gymnasiums and school facilities that are capable of providing space for emergency shelter and response coordination;
- The financial capacity of low property value school districts in the sizing of grant awards;
- Facilities' seismic needs in light of the useful life of the facilities; and
- The extent to which the cost of the proposed seismic improvements are less than the estimated costs of facility replacement or new construction.

Skills Centers—\$11.1 million

\$11.1 million is provided to fund the following Skills Center projects:

- \$9.8 million for modernization of the Evergreen Building at the Pierce County Skills Center;
- \$1.0 million for a major electrical improvement project at the Puget Sound Skills Center; and
- \$300,000 for a predesign for a replacement and expansion of the Seattle Public Schools Skills Center at Rainier Beach High School.

Skills Centers Minor Works—\$3.4 million

\$3.4 million is provided to fund several minor works projects:

- \$1.2 million for New Market Skills Center;
- \$1.1 million for Cascadia Tech Academy;
- \$832,000 for Seattle Public Schools;
- \$131,000 for Puget Sound Skills Center; and
- \$129,000 for Sno-Isle Tech Skills Center.

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Distressed Schools—\$8.7 million

Funding is provided to assist three distressed schools:

- \$7.0 million is provided for a 12-classroom addition at Green Lake Elementary School in the Seattle School District;
- \$940,000 is provided for the Healthy Schools pilot in SeaTac to reduce exposure to air pollution and improve air quality in schools; and
- \$772,000 is provided for a School-Based Health Center at Spanaway Middle School.

School District Health & Safety—\$7.2 million

\$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. For emergency repair grants an emergency declaration must be signed by the school district board of directors and submitted to OSPI for consideration. Grants of emergency repair moneys must be conditioned upon the written commitment and plan of the school district board of directors to repay the grant with any insurance payments or other judgments that may be awarded, if applicable.

\$4.2 million (including \$1.2 million in federal funds) is provided for urgent repair grants to address non-recurring urgent small repair projects at K–12 public schools, excluding Skills Centers, that could impact the health and safety of students and staff if not completed. OSPI, after consulting with Maintenance and Operations administrators of school districts, is required to develop criteria and assurances for providing funding for specific projects through a competitive grant program. The criteria and assurances must include at least the following:

- Limiting school districts to one grant, not to exceed \$200,000, per three-year period;
- Prioritizing applications based on limited school district financial resources for the project; and
- Requiring any district receiving funding to demonstrate a consistent commitment to addressing school facility needs.

Grants may 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 K–12 public schools, including Skills Centers, to improve compliance with the Americans with Disabilities Act and Individuals with Disabilities Education Act. OSPI must develop criteria and assurances for providing funding for specific projects through a competitive grant program. The criteria must include at least the following:

- Limiting districts to one grant, not to exceed \$100,000, per three-year period;
- Prioritizing applications based on limited school district financial resources for the project; and
- Requiring recipient districts to demonstrate a consistent commitment to addressing school facility needs.

Healthy Kids-Healthy Schools—\$6.6 million

- **Remediation of Lead (\$3.6 million)**—Funding is provided for grants to school districts, charter schools, and state-tribal education compact schools for the replacement of lead-contaminated pipes, drinking water fixtures, and the purchase of water filters, including the labor costs of remediation design, installation, and construction. The amount provided to charter schools and state-

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tribal education compact schools for lead remediation costs may not exceed \$100,000 and must be provided from the State Building Construction Account.

\$128,000 of the appropriation is provided for OSPI to enter into a contract to study, estimate, and provide future common and charter school lead-contaminated drinking water remediation and mitigation costs associated with complying with codified lead remediation standards for these schools.

OSPI must consult with stakeholders and legislative fiscal staff regarding the development of the study and the development of a request for proposal to comply with the study requirement. The results of this study, including cost estimates, must be provided to the governor and the Legislature by November 1, 2021.

- **Physical Health & Nutrition (\$3.0 million)**—Funding is provided for student physical health and nutrition. OSPI is required to develop criteria for funding specific projects that are consistent with the Healthiest Next Generation priorities. The criteria must include at least the following:
 - Districts may apply for grants, but no single district may receive more than \$200,000 of the appropriation for grants awarded;
 - Any district receiving funding provided under this program must demonstrate a consistent commitment to addressing school facilities' needs; and
 - Applicants with a high percentage of students who are eligible and enrolled in the free and reduced-price meals program may be prioritized.

The appropriation under this program is provided for grants to school districts for the purchase of equipment or to make repairs to existing equipment that is related to improving:

- Children's physical health, and may include, but is not limited to, fitness playground equipment, covered play areas, and physical education equipment or related structures or renovation; and
- Children's nutrition, and may include, but is not limited to, garden related structures and greenhouses to provide students access to fresh produce, and kitchen equipment or upgrades.

K–12 Capital Programs Administration—\$4.3 million

OSPI is provided with \$4.3 million for administration of the Capital Projects Program.

Career Preparation and Launch Grants—\$2.0 million

Funding for Career Preparation and Launch Grants is subject to the following conditions and limitations:

- The appropriation is provided for OSPI to provide competitive grants to school districts to purchase and install Career and Technical Education equipment that expands Career-Connected Learning and work-integrated learning opportunities; and
- OSPI, after consulting with school districts and the Workforce Training and Education Coordinating Board, must develop criteria and assurances for providing funding and outcomes for specific projects through a competitive grant program to stay within the appropriation level provided consistent with the following priorities.

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The criteria must include at least the following:

- Districts or schools must demonstrate that the request provides necessary equipment to deliver Career and Technical Education; and
- Applicants with a high percentage of students who are eligible and enrolled in the free and reduced-price meals program must be prioritized.

Agriculture Science in Schools—\$2.0 million

OSPI is provided with funding for an Agriculture Science in Schools Grant to the FFA Foundation.

Green Schools—\$300,000

Funding is provided for a contract with a statewide Community-Based Organization with experience planning and developing green stormwater infrastructure and related educational programs on public school properties. The organization that is awarded the contract must use geographic analysis to identify green stormwater infrastructure project locations based on the opportunity to reduce stormwater runoff.

To qualify for a project, schools must be eligible for financial assistance under Title I and the contracted organization must prioritize schools with high percentages of students eligible for the free and reduced-price meals program that also serve diverse student populations.

Stormwater infrastructure projects should aim to:

- Provide equity of opportunity in high-need communities; and
- Engage students in conjunction with K–12 STEM education programs aligned with the Washington state science and learning standards.

Early Learning Facilities-School District Grants—\$4.7 million

Funding is provided to the Department of Commerce for early learning facilities grants for [nine school district projects](#).



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