

Office of Superintendent of Public Instruction
2010 Supplemental Capital Budget Summary

April 15, 2010

| <i>Dollars in Millions</i> | Biennial Budget | Supplemental Changes | 2009-11 Biennial Budget |
|--|------------------------|-----------------------------|--------------------------------|
| Total Capital Budget (New Appropriations) | 740.17 | (119.93) | 620.24 |
| <i>Supplemental Detail (changes only)</i> | | | |
| School Construction Assistance Program | | | |
| State Funding Assistance | 689.73 | (186.03) | 503.70 |
| Proviso – Grand Coulee Dam School | 0.00 | 17.00 | 17.00 |
| Proviso – K-12 Inventory | 0.00 | 0.25 | 0.25 |
| sub-total | 689.73 | (168.78) | 520.95 |
| Skills Centers | | | |
| Minor Works – uncommitted funds | 3.69 | (0.10) | 3.59 |
| Land Purchase – uncommitted funds | 4.01 | (0.05) | 3.96 |
| Wa-NIC Allied Health Building | 9.05 | (1.00) | 8.05 |
| Energy Efficiency and Small Repair Grants | 20.00 | 50.00 | 70.00 |
| Uncommitted Funds (Reappropriations) | | (3.00) | |

School Construction Assistance Program

- State Funding Assistance appropriations were reduced by the Legislature. However, they are expected to be sufficient to cover the 2009-11 Biennium demand for school district projects submitted to OSPI by June 30, 2010 for the July 2010 Release.
- Grand Coulee Dam School was provided state funding by the Legislature contingent on the availability of sufficient contributions from federal, local or private sources to fund the remainder of the total cost of the project.
- K-12 Inventory Project was funded and will be based on Cost Option #3 described in the Joint Legislative Audit and Review Committee’s January 2010 report, “K-12 Pilot Facility Inventory, Condition and Use System”. An additional requirement of the system will be to collect energy audits completed for K-12 public school buildings.

Skills Centers

- Reductions were made to the Allied Health Building Project – a cooperative project between the Washington Network for Innovative Careers (Wa-NIC) and the Lake Washington Technical College.
- Other small, technical adjustments were made for uncommitted funds.

Energy Efficiency and Small Repair Grants

- OSPI received an additional \$50 M for Energy Efficiency Grants. The focus of the program was modified. Only projects focused on energy operational cost savings and distributed using the performance-based contracting method of delivering the improvements to school facilities will be allowed. In 2009, there were provisions for health and safety infrastructure projects and for not using performance-based contracting. These were eliminated in 2010.

Other K-12 School Facility-Related Budget Issues

2010 Supplemental Budget

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"The Jobs Act" & Department of Commerce

- "The Jobs Act" (EHB 2561) was passed as a referendum to the People requesting voter approval of \$505 million in state bonds and the Department of Commerce received a \$50 million appropriation. Both will offer grants to make investments in K-12 and public higher education facilities. The investments are intended to create jobs and make building repairs that improve health and safety while saving energy and operational costs. The \$50 million to the Department of Commerce was authorized in the budget and is awaiting the Governor's final signature. If the referendum is approved, the \$505 million program will also be administered by the Department of Commerce.
- Both programs are competitive grant programs in multiple rounds.
 - 5% in each round will be reserved for school districts with fewer than 1,000 FTE
 - The criteria will include points for leverage ratio, energy savings and expediency of expenditure.

Education Construction Account

- A change was made to the distribution of lottery revenues in E2SSB 6409 – Creating the Washington Opportunity Pathways Account. The Legislature dedicated lottery funds to a variety of higher education purposes. The Education Construction Account will no longer receive the lottery funds and is guaranteed \$102 million per fiscal year from the General Fund-State to maintain current funding levels for K-12 and higher education construction.