

# Office of Superintendent of Public Instruction

## 2015-17 Capital Budget Overview

During this crucial time for schools, Superintendent Dorn requests capital funding for the following programs to assist school districts in providing the educational space needed for learning. These proposals provide support to school districts to meet the requirements for K-3 class size reduction and to offer full day kindergarten enacted by the Legislature and confirmed by the Supreme Court in its January 2014 order.

### K-3 Class Size Reduction \$1.98 Billion

Currently, there is statewide need for 5,698 classrooms to offer full day kindergarten and reduce K-3 class sizes. Superintendent Dorn requests funding to provide the funding necessary to provide schools with the needed classrooms to enable the offering of full day kindergarten and reduce K-3 class size to a 17:1 student to teacher ratio. These funds will:

- Respond to classrooms needed based on a school by school analysis
- Provide permanent classroom space
- Allow for alternative space (portable/modular) for schools with site limitations

### School Construction Assistance Program (SCAP) \$1.14 Billion

State funding assistance for school construction has not been sufficient to meet the space needs for 21<sup>st</sup> century learning. In addition, Local school districts have paid the cost difference between what the state recognizes and actual cost of constructing schools. The state funding formula for construction costs and student space must be significantly increased to the actual cost of construction and the true space needed for learning.

Superintendent Dorn requests increases to both the construction cost allocation (CCA) and the student space allocation (SSA) to meet actual costs and space needs.

#### Construction Cost Information (Square Feet Costs)

Grant Release Year	Actual Cost of Construction	Construction Cost Allocation*
2013	\$275.95	\$194.26
2014	\$270.31	\$200.40
2015	\$278.89**	
2016	\$287.62**	

\*Note – Construction Cost Allocation is the cost of construction recognized by SCAP for both the local and state cost share.

\*\*Actual Cost of Construction adjusted with estimated inflation for the 2015 and 2016 grant releases.

#### Student Space Allocation (Square Feet per Student)

Grade Span	1979 Level	Current Funded Level	Superintendent Request
Kindergarten – Grade 6	90	90	140*
Grades 7 - 8	130	117	155
Grade 9 -12	130	130	165
Students with Disabilities	150	144	165

\*Meets space needs for K-3 17:1 Ratio and Full Day Kindergarten.

This funding request will bring the CCA and SSA closer to the actual cost of construction, but will only fund costs which are recognized by the state. The following is a list of items which are recognized or not recognized under SCAP and are paid entirely by the local school district.

*Recognized Costs*

Sales Tax up to 7%  
Architectural/Engineering Design Fees  
Education Specification  
Value Engineering  
Energy Reports  
Constructability Reviews  
Building Commissioning  
Public Art  
Certain Special Inspections\Testing

*Non-Recognized Costs*

Sales Tax in excess of 7%  
Land Acquisition  
Feasibility Studies  
Geotechnical Studies  
Off-Site Work  
Abatement (not part of modernization work)  
Construction Contract Modifications  
Change Orders  
Legal Fees

### **Local Assistance Grants for School Construction \$50.2 Million**

Before a school district can apply for state funding assistance for school construction (SCAP), they must have local funding to pay for costs not matched or recognized by the state. To pay for their cost share, districts generally must pass capital bonds with a super majority (60%) approval. Historically, several districts statewide have not received state assistance to build or modernize their facilities due to the lack of local funding. Superintendent Dorn proposes a new grant program to provide class II (enrollment < 2,000 students) small school districts funding to allow them to participate in the school construction assistance program by funding the local cost for major construction.

The new grant program would provide priority funding to districts who have failed to pass a capital bond or capital levy in three consecutive elections and lesser priority would be given to districts who have not submitted a capital bond or capital levy to its voters in the past ten years.

Additional grant criteria include:

- 1) Projects must qualify for School Construction Assistance Program funding.
- 2) Age and condition of facility
- 3) Projected "unhoused" students based on OSPI five year enrollment projections
- 4) Assessed property valuation per student as compared to state averages

### **Energy Grants \$8.0 Million**

Schools are looking for ways to reduce the operating cost of their facilities and provide a better learning environment. One way for schools to maximize state funding for materials, supplies, and operating costs is to lower energy consumption and maintenance costs by replacing in efficient and out-of-date building systems. The replacement of these system will reduce energy consumption and maintenance costs, and provide a better learning environment with improved lighting, and heating and cooling systems. Superintendent Dorn requesting funding to continue Energy grants to schools to make the needed investments in these building systems.