



TWIO

This Week In Olympia

Special Edition **TWIO**

March 24, 2023



Senate Releases 2023–25 Operating & Capital Budgets

About **TWIO**

This Week in Olympia (TWIO) is published by **WASA** in support of our members and members of our partners in **WASBO**, **WSPA**, and **WAMOA**.

TWIO is emailed each Friday during the Legislative Session and archived on **WASA's** website at <https://wasa-oly.org/WASA/TWIO>.



On Monday, March 20, the [Economic & Revenue Forecast Council](#) unveiled its [March Revenue](#) Forecast. As we have discussed over the last few weeks, state revenues continue to come in above projections; however, that growth is continuing to slow.

While legislators have been aware of this slowdown in revenue, projections released on Monday indicated even slower growth than predicted in November. In November, state economists estimated revenue growth in Fiscal Year 2023 (the current biennium that ends June 30, 2023) to be 3.2 percent. This is healthy growth, but significantly lower than the amount of growth in Fiscal Year 2021 (13.3 percent) and Fiscal Year 2022 (11.6 percent)—in the midst of the pandemic. While growth in those two years could be considered a bit of an anomaly, 3.2 percent growth is the slowest revenue growth in over ten years. As the 2023–25 biennium begins (starting July 1, 2023), the November prediction was that revenue would dip 0.2 percent in Fiscal Year 2024 before a bounce back in the second half of the biennium in Fiscal Year 2025, projected to be an increase of 4.1 percent.

The March Forecast adjusted those projections. Fiscal Year 2023 is expected to be up, beyond the November Forecast, from 3.2 percent to 3.8 percent. The next two years, however, are below November predictions—from a negative 0.2 percent to negative 1.3 percent in Fiscal Year 2024 and from an increase of 4.1 percent to 3.7 percent in Fiscal Year 2025.

Those growth fluctuations impacted the overall prediction of revenue compared to November's Forecast. Revenue expectations for the remainder of the current 2021–23 biennium (ending June 30, 2023) are up by almost \$200 million (\$194 million). Revenue projections for the next two biennia, however, are down \$483 million in the upcoming biennium, 2023–25, and down another \$541 million in 2025–27. The projection for the 2025–27 biennium is important because the Legislature is not only required to adopt a balanced budget in the upcoming biennium, but the budget must also be balanced in the next biennium.

Budget-writers in both houses have been crafting new two-year budgets (Operating, Capital, and Transportation) behind-the-scenes for weeks. The release of the updated Revenue Forecast, as expected, triggered the release of legislative budget proposals. The Senate unveiled their Operating Budget proposal (Proposed Substitute [SB 5187](#)) yesterday afternoon and are scheduled to hold a public hearing in the Senate Ways & Means Committee later today. The Committee is scheduled to move the Budget to executive action on Monday, March 27 and is expected to quickly

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

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move it to the Senate Floor for final amendment, debate, and adoption, likely on Wednesday, March 29.

While Senate budget-writers unveiled their 2023–25 Operating Budget yesterday, they started the release process with their new two-year Capital Budget. Proposed Substitute [SB 5200](#), along with a necessary bond bill to fund the Capital Budget (Proposed Substitute [SB 5201](#)), were announced on Monday. The Senate Ways & Means Committee held a public hearing on the proposed Capital Budget Monday afternoon and adopted an amended proposal on Wednesday.

(NOTE: The Senate is expected to release a 2023–25 Transportation Budget proposal, a Proposed Substitute to [SB 5162](#), next Wednesday, March 29, with a scheduled hearing in the Senate Transportation Committee the following day. Other than the positive, indirect impact provided by safer roads, K–12 education is usually not greatly affected by the Transportation Budget; however, we will provide information on those issues that do impact schools—such as Safe Routes to Schools and similar matters.)

Below are details of the budgets introduced this week. This is not a comprehensive review of each budget, but covers most of the major education-related details. For full details, including text of the bills, complete agency details, and summaries, go to the Legislature’s “fiscal information” website: [Senate Operating Budget](#) and [Senate Capital Budget](#).

2023–25 Operating Budget

The Senate’s Operating Budget proposal, [Proposed Substitute SB 5187](#), would increase spending by \$5.1 billion beyond the current 2021–23 Operating Budget (a 7.9 percent increase), with total appropriations coming to \$69.2 billion. The \$5.1 billion increase is comprised of: \$914.6 million in Maintenance Level costs (required spending to provide currently authorized services, including adjustments—up or down—in entitlement caseloads or enrollment and other mandatory expenses, such as inflation); and \$4.1 billion in discretionary Policy Level decisions. The basic building blocks of the budget starts with a healthy, \$3.9 billion Beginning Balance, a significant amount of remaining and/or reappropriated federal pandemic funds, and \$650 million of available revenue in the Washington Rescue Plan Transition Account. The proposed budget balances in 2023–25, and, as required, is balanced in 2025–27 (albeit with only a \$131 million Ending Fund Balance—not counting reserves of \$3.7 billion).

For K–12 education, the new proposal would increase the current \$27.77 billion appropriation to approximately \$30.69 billion—a 10.5 percent increase. In yesterday’s press conference, Senator Christine Rolfes (D-Bainbridge Island), Chair of the Senate Ways & Means Committee and the main budget writer for the Senate Democratic Caucus, noted the budget “prioritizes kids” and “makes the largest investment in K–12 education since the *McCleary* court decision.” Certainly, there are important investments provided in the K–12 portion of the budget; however, it should be noted that the impressive \$2.9 billion increase includes \$2.56 billion in required Maintenance Level spending—and a miserly \$358 million increase in discretionary Policy Level spending. Additionally, it is important to note the number of programs that are funded with one-time funds. It is said “you shouldn’t look a gift horse in the mouth,” but it is hard to understand why the state’s paramount duty has to be funded with one-time appropriations. The financial assistance is appreciated; however, if programs are implemented using those funds, they will either immediately fade away, or districts have to figure out a way to pay for them out of their own funds. (By my count, almost \$930 million of program funding described below are funded with a one-time appropriation.)

Major K–12 Education Items

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

Special Education—\$371.9 million

The Senate’s Operating Budget proposal assumes adoption of [SB 5311](#), which would: increase excess cost multipliers for 3-5 year old students not yet enrolled in kindergarten and for students in grades K–12 (\$267.4 million); increase the current 13.5 percent enrollment cap to 15.0 percent (\$93.0 million); and lower the safety net threshold from the current 2.3 times average per pupil expenditure (APPE) to 2 times APPE for districts with less than 1,000 students and to 2.2 times APPE for districts with more than 1,000 students (\$11.5 million to support an anticipated increase in safety net awards).

Inflationary Factor—\$264.0 million

\$264 million is provided to support educator salary increases. Subject to [SB 5650](#), IPD is 3.7 percent in the 2023–24 school year, and pegged at 3.9 percent in 2024–25. Note that earlier estimates of the second-year IPD would be 3.6 percent; however, whichever number is used, it is just an estimate and can move up or down. Under SB 5650, beginning with the 2024–25 school year, the inflationary factor will be calculated as IPD for the prior calendar year. In other words, 3.9 percent is a projection; however, we will know the “real” IPD when the session convenes in 2024.

NOTE: The Senate’s Budget does NOT include any mandate to school districts to direct additional salary increases to paraeducators or classified staff, as requested by WEA—nor is additional funding provided to do so. Additionally, “accountability” language regarding salary increases, also requested by WEA, is NOT included.

Special Passenger Safety Net—\$100.6 million

Funding is provided to implement [SB 5174](#), which would create a new Special Passenger Safety Net program. Special passengers include: special education students that require transportation as a related service of their Individualized Education Program; homeless students requiring transportation under the McKinney-Vento Act; and foster students receiving transportation as required under the Every Student Succeeds Act.

CEP Expansion—\$59.0 million

Funding is provided to reimburse additional school districts required to participate in the federal Community Eligibility Provision (CEP), under [SHB 1878](#), adopted in 2022. The funding would support schools not eligible for the full federal reimbursement rate.

Learning Recovery—\$57.6 million

\$57.6 million in one-time federal Elementary and Secondary School Emergency Relief (ESSER) funding is reappropriated to OSPI to administer grants to school districts for the purposes of learning recovery due to impacts of the COVID-19 pandemic.

ARPA IDEA—\$13.5 million

One-time funds are reappropriated from federal funding allocations for students with disabilities as authorized in section 2014 of the American Rescue Plan Act (ARPA) of 2021 (P.L. 117-2).

COVID-19 Learning Loss—\$10.5 million

One-time federal ESSER funding is reappropriated to OSPI to support: after-school programs (\$10.3 million); and summer programs (\$173,000).

Non-Public Schools Reappropriation—\$9.3 million

One-time federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) funding is reappropriated for allocations from the American Rescue Plan Act of 2021 (ARPA) to provide emergency assistance to non-public schools.

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

Children Experiencing Homelessness—\$8.4 million

One-time federal ESSER funding is reappropriated for the purpose of identifying children and youth experiencing homelessness and for providing them with wrap-around services due to the challenges of COVID-19 or with assistance to enable them to attend school and participate in school activities.

CBO (ESSER Set Aside)—\$7.8 million

One-time federal ESSER III funding is reappropriated to OSPI to support Community-Based Organizations (CBO) in addressing impacts from the COVID-19 pandemic.

Tutoring & Extended Learning Grants—\$7.0 million

One-time federal ESSER funding is appropriated for OSPI to administer grants to school districts for targeted high-quality tutoring and rigorous extended learning programs for the purposes of learning recovery and acceleration.

Mastery-Based Learning—\$6.9 million

A series of funding, totaling \$6.9 million, is provided to support Mastery-Based Learning:

- One-time funding is provided to continue the Mastery-Based Learning demonstration projects (\$2.9 million) originally funded in the 2021–23 biennial budget. Funding includes grants to schools, contracts with professional learning providers, travel costs, and staffing.
- Funding is provided to expand the Mastery-Based Learning demonstration projects (\$3.1 million) originally funded in the 2021–23 biennial budget, which provide professional learning to schools. Funding includes grants to schools, contracts with professional learning providers, event and travel costs, and staffing.
- Funding is provided for Mastery-Based Learning evaluation research, including a contract with an external evaluator (\$669,000).
- Funding is provided for a Mastery-Based Learning resource suite, including development, curation, and maintenance of resources, along with support functions provided by State Board of Education staff (\$199,000).

Dual Language (ESSER Set Aside)—\$6.2 million

One-time federal ESSER III funding is reappropriated to OSPI to support dual language grants to address impacts from the COVID-19 pandemic.

Language Access in Schools—\$6.0 million

Funding is provided for training, technical assistance, and district grants to support the implementation of language access programs in school districts, as required by [E2SHB 1153](#) (2022).

Nurse Supply—\$4.2 million

Funding is provided for the implementation of a Career and Technical Education grant program in health sciences, as required by [SB 5582](#).

OSPI Administration (ESSER Set Aside)—\$3.5 million

One-time federal funding is reappropriated to OSPI from Elementary and Secondary School Emergency Relief (ESSER) III state amounts to update the apportionment and financial reporting systems to administer grant programs funded with COVID relief funds.

IT Academy—\$3.0 million

Funding is provided to continue the Microsoft Information Technology (IT) Academy program in Fiscal Year 2024.

Treehouse Graduation Success—\$3.0 million

The Senate Budget provides increased funding for a non-profit entity to provide expanded individualized education services to middle school students experiencing homelessness.

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

CTE/CCL (ESSER Set Aside)—\$2.4 million

One-time federal funding is provided to OSPI from ESSER III state amounts to support Career and Technical Education and Career Connected Learning in response to the COVID-19 pandemic.

Regional Apprenticeship Marysville—\$2.0 million

Funding is provided for the Marysville School District to collaborate with the Arlington School District, Everett Community College, other local school districts, local labor unions, local state apprenticeship and training council registered apprenticeship programs, and local industry groups to continue the regional apprenticeship pathways program.

Institutional Education Oversight—\$2.0 million

Funding is provided for seven FTEs to support state-level institutional education collaboration, oversight, and data collection to implement [E2SHB 1295](#) (2021). These positions will work collaboratively with the Department of Children, Youth, and Families.

Math Nation—\$2.0 million

Funding is provided for OSPI to contract with a nongovernmental entity whose goals are to reduce disparities in student performance and improve algebraic achievement to create a statewide interactive math tutoring tool for middle and high school students that is accessible on a 24-hour basis to students, teachers, and parents across the state.

IDEA Preschool Services—\$1.8 million

One-time federal funding from ARPA is reappropriated for students qualifying for special education preschool services under Section 619 of Part B of the Individuals with Disabilities Education Act (IDEA).

Rural Mental Health Access—\$1.0 million

Funding is provided for ESDs to provide students attending school in rural areas with access to a mental health professional using telemedicine.

Holocaust and Genocide Education—\$1.0 million

Funding is provided for OSPI to contract with a nonprofit organization that supports Washington teachers in implementing lessons of the Holocaust for the expansion of comprehensive Holocaust and genocide education.

Media Literacy—\$1.0 million

Funding is provided to implement [SB 5626](#), which requires OSPI to establish a program to expand the capability of school districts to integrate media literacy and digital citizenship into given subject areas through teacher support. \$600,000 of the total appropriation is provided for grants to support school districts in development of curriculum through district-created leadership teams or for school districts or ESDs to support the integration of media literacy and digital citizenship into subject areas.

Residential Outdoor School—\$995,000

One-time federal funding is provided to OSPI from ESSER III state amounts to contract with the Washington School Principals' Education Foundation to support pandemic-related learning loss through outdoor learning and overnight camp experiences.

FIRST Robotics Increase—\$800,000

The Senate Budget provides enhanced funding for the FIRST Robotics program.

Expand Core Plus—\$800,000

Increased funding is provided to expand the Core Plus program, which provides intensive Career & Technical Education experiences with the purpose of preparing students for employment in Aerospace, Construction, or Maritime trades upon

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

graduation. Core Plus is a program that meets the criteria of the CTE Graduation Pathways.

Student Data Transfer—\$769,000

Funding is provided to implement [SB 5593](#), which requires data sharing agreements between public institutions of higher education and OSPI to facilitate the transfer of high school student directory information for purposes of informing students about postsecondary educational opportunities. The funding will allow OSPI to hire an Associate Director to implement the provisions of the bill.

Bilingual Educator Initiative—\$762,000

Funding is provided for additional teacher academy cohorts, programmatic support, and professional development related to the Bilingual Educator Initiative.

High School and Beyond Plan—\$751,000

The Senate Budget provides funding to implement [SB 5243](#), which requires OSPI to conduct a cost analysis and feasibility study to determine the cost of transitioning to an online High School and Beyond Plan platform.

Controls Programmer Apprenticeship—\$500,000

Funding is provided for OSPI to contract with a nongovernmental entity for a controls programmer apprenticeship program.

Hands-on Science—\$500,000

Funding is provided for a gravitational wave observatory located in southeastern Washington that is supported through the National Science Foundation to purchase hands-on, interactive exhibits to expand the number of developmentally appropriate activities available for K–12 students attending the observatory.

School Library Information and Technology—\$319,000

Funding is provided to implement [SB 5102](#), which, among other things, requires school boards to provide resources and materials for the operation of school library information and technology (LIT) programs, and to ensure that each student has access to a LIT program.

Special Education/Nonpublic Agencies—\$245,000

Funding is provided to implement [SB 5315](#), which expands OSPI’s duties regarding nonpublic agencies that contract with school districts to provide special education programs for students with disabilities.

Teacher Mobility Compact—\$225,000

The Senate Budget provides funding to implement [SB 5180](#), which would adopt the Interstate Teacher Mobility Compact to facilitate the mobility of teachers across the member states, with the goal of supporting teachers through a new pathway to licensure.

Summer Meals (ESSER Set Aside)—\$143,000

One-time federal funding is provided to OSPI from ESSER III state amounts for grants for supplies, equipment, staffing, and services to increase access to meals in the 2023–24 school year, or the summer prior to the start of the school year.

Inclusive Learning Standards—\$92,000

Funding is provided to implement [SB 5462](#), which requires OSPI to assist WSSDA with the review and updating of model policies and procedures regarding course design, selection, and adoption of instructional materials that include the histories, contributions, and perspectives of lesbian, gay, bisexual, transgender, and queer people and the histories, contributions, and perspectives of historically marginalized and underrepresented groups.

Education Commission of the States—\$92,000

Currently, Washington State is a member of the Education Commission of the States. Funding is provided to support ongoing membership in the Commission.

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

Highly Capable Students—\$91,000

Funding is provided to implement [SB 5072](#), which modifies Highly Capable Program data collection and reporting requirements for OSPI.

CTE Courses—\$87,000

Funding is provided to implement [SB 5617](#), which addresses Career and Technical Education course equivalencies. Sufficient funding is provided for the technical work group established in the bill.

School Depreciation Subfunds—\$39,000

Funding is provided to implement [SB 5403](#), which requires the establishment of a depreciation subfund and allows school districts to deposit up to two percent of a school district’s general fund each fiscal year into the depreciation subfund for the purpose of preventative maintenance or emergency facility needs.

School Safety Staff—\$18,000

Funding is provided to implement [SB 5019](#), which removes classified staff providing student and staff safety from the Physical, Social, and Emotional support staff compliance calculation.

Elementary School Recess—\$17,000

Funding is provided to implement [SB 5257](#), which requires WSSDA, with OSPI’s assistance, to revise a model policy and procedure on nutrition, health, and physical education.

Special Education Safety Net Awards—\$2,000

Funding is provided to implement [SB 5031](#), which changes safety net payments to school districts from annually to quarterly if certain criteria are met.

West Sound STEM—\$250,000

The Senate Budget provides funding for the West Sound STEM network to increase science, technology, engineering, and math (STEM) activities for students in school and after school and develop industry education pathways in high demand sectors.

Substitute Teacher Application—\$150,000

Funding is provided for OSPI to plan for the development and implementation of a common substitute teacher application platform.

Transitional Kindergarten—(\$41.8 million)

Federal funding from allocations from the American Rescue Plan Act (ARPA) are provided for Transitional Kindergarten programs. The federal funds supplant state funding, providing a “savings” of \$41.8 million.

Reappropriations of Federal Pandemic Funds

In addition to one-time federal pandemic funds to support programs above, there are significant remaining federal pandemic funds that have been reappropriated providing additional one-time funding without any specific directed use. The following three pots of money total \$794.8 million:

- **ESSER III Subgrants—\$671.4 million**
Federal ESSER III subgrant funding is reappropriated to local education agencies for the allowable uses in the ARPA.
- **ESSER III Learning Loss Subgrants—\$123.4 million**
Federal funding is reappropriated from ESSER III funds, as authorized by section 2001 of the American Rescue Plan Act (ARPA) of 2021 (P.L. 117-2), for subgrants to local education agencies for learning loss.
- **ESSER II Reappropriation—\$102.0 million**
Federal ESSER II sub grant funding is reappropriated to local education agencies for the allowable uses in the Coronavirus Response and Relief Supplemental Appropriations Act.

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

Other Details

Minimum Statewide Salary Allocations. The Senate’s proposed Budget includes the following minimum statewide salary allocations:

- 2023–24
 - Certificated Instructional Staff: \$75,419
 - Certificated Administrative Staff: \$111,950
 - Classified Staff: \$54,103
- 2024–25
 - Certificated Instructional Staff: \$78,360
 - Certificated Administrative Staff: \$116,316
 - Classified Staff: \$56,213

Regionalization & Experience Factor. Funding for regionalization and the experience factor are “baked in” the salary increases. As required, the Senate Budget does provide for a regionalization “rebase,” beginning in the 2023–24 school year. While the current law does not specifically require a rebase of the experience factor (this was a sloppy oversight when legislators adopted the “*McCleary* fix” in 2018), it appears they will adjust experience factors alongside of regionalization.

The list of school districts and their regionalization (if any) and eligibility for the experience factor can be found in [LEAP Document 3](#), dated February 18, 2023 at 21:28 hours. We would encourage you to review this list, as many districts have their regionalization factor adjusted (mostly down); and even more districts are set to lose eligibility for the 4.0 percent experience factor. Discussions are ongoing about “hold harmless” funding or some other support for districts that are going backwards; however, there is no contemplation of protection in the Senate’s proposal.

Specifically regarding the experience factor, there are 32 districts that will lose eligibility for the 4.0 percent bump if the Legislature “rebases” the experience factor as noted in the LEAP document above. It is likely an uphill battle; however, we are attempting to persuade legislators to put a hold on rebasing the experience factor and negatively impacting so many districts. To keep those districts whole, it would cost \$8.5 million. We have been trying since the experience factor was first implemented to adjust the law—and in the last three years, we pressed heavily in support of bills on the table that would have solved this problem. In 2021 and 2022 ([HB 1419](#)), the issue was ignored. This session, a bill was heard ([SB 5671](#)), but never advanced. Commitments have been made to address this issue next session; however, that will be too late for these 32 districts. If you are in one of those districts set to lose the experience factor, this would be the appropriate time to get on the horn or drop a note to your legislators (and members of both fiscal committees). Same thing, if you’re set to lose regionalization.

2023–25 Capital Budget

Traditionally, Capital Budgets are among the most non-partisan bills addressed during the session. One of the reasons is that in order to fund the budget, a bond bill must also be passed. Technically, the Legislature does not have to use bonds to fund the Capital Budget; however, almost half of the proposed projects would fall off the table without that funding source. In other words, in order to adopt a Capital Budget that can have any real impact, a bond bill has to pass. What makes this a bi-partisan or non-partisan affair is that to pass a bond bill, the Legislature needs a 60 percent supermajority approval from both the House and Senate. (By the way, this is one of the reasons legislators hesitate to move a constitutional amendment allowing the simple majority approval of school district bonds—even the Legislature must achieve a 60 percent supermajority to approve bonds). That means, even with healthy Democratic majorities in both houses, a bond bill (and therefore the Capital Budget) is dead in the water if Republicans do not support the package.

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

While it seldom happens with the Operating Budget, often Majority party budget-writers will meet with Minority party representatives as the Capital Budget is being crafted. When the 2023–25 Capital Budget (which includes the 2023 Supplemental Capital Budget) was released by the Senate on Monday, it was clear that the plan was a bi-partisan package. The budget documents even noted both Caucuses Capital Budget leads: Senator Mark Mullet (D-Issaquah), Vice Chair for Capital on the Senate Ways & Means Committee, and Senator Mark Schoesler (R-Ritzville), Ranking Minority Member for Capital on the Senate Ways & Means Committee.

Introduced as a Proposed Substitute of [SB 5200](#)—and the necessary bond bill, a Proposed Substitute of [SB 5201](#)—the Senate’s Capital Budget reduces reappropriations/appropriations in the 2023 Supplemental Budget by \$127 million. Overall, the Senate’s 2023–25 Capital Budget would fund \$7.9 billion in construction projects. \$4.7 billion of the total is financed with General Obligation bonds. The remaining \$3.2 billion consists of \$798 million in federal funds, \$325 million in Model Toxic Control Accounts, \$319 million in Climate Commitment Accounts, \$265 million in alternative financing authorizations, and \$1.5 billion in other funds. Approximately \$63 million in bond capacity is reserved for a 2024 Supplemental Capital Budget.

The proposed Capital Budget would provide \$860 million for behavioral health needs (including \$650 million for a new Western State Hospital, as long expected); \$625 million for affordable housing projects; and \$547 million to address various human services. Major funding is provided for various general government projects (\$1.1 billion); higher education (\$1.2 billion); and natural resources projects (\$2.3 billion).

Specifically for K–12 education, the Senate Capital Budget would provide \$894 million. The majority of this appropriation is for the School Construction Assistance Program (SCAP). SCAP receives \$593 million in the new two-year Budget, coupled with a reduction of \$109 million in the 2023 Supplemental Capital Budget. It is important to note that this is not a “cut”—it simply is an adjustment resulting from less districts requesting funding for eligible projects than expected. This is mostly due to unanticipated bond failures. \$3.7 million of the overall SCAP appropriation is provided for study and survey grants and for completing inventory and building condition assessments for public school districts every six years.

Additional K–12 Capital Investments

Small District and Tribal Compact Schools Modernization. \$100.0 million is provided for grants to repair or replace significant building systems in school facilities. (NOTE: Over half of this appropriation—\$50.9 million—is appropriated from the Common School Construction Account, as envisioned by [SB 5126](#).)

- \$81.4 million of the overall appropriation is provided for modernization grants for small school districts and state-tribal education compact schools 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.
- \$1.5 million of the overall appropriation is set aside for planning 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.
- \$17.1 million of the overall appropriation is set aside for planning grants and modernization grants to state-tribal compact schools. OSPI may prioritize planning grants for state-tribal compact schools with the most serious building deficiencies and the most limited financial capacity.

OSPI must submit a list of small school district modernization projects, as prioritized by the Small District Modernization Grant Advisory Committee, to the Legislature by September 15, 2024. The list must include: (a) A description

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

of the project; (b) the proposed state funding level, not to exceed \$5.0 million; (c) estimated total project costs; and (d) local funding resources.

Appropriations provided may only be awarded to projects approved by the Legislature, as identified in [LEAP Capital Document No. OSPI-1-SB-2023](#) (developed March 20, 2023).

Skills Centers. \$48.2 million is provided to support Skills Centers:

- \$41.4 million is provided to the Bremerton School District to complete design and begin construction of a new Career and Technical Education facility at the West Sound Technical Skills Center in Bremerton. A reappropriation of \$11.0 million is also provided for the project. The reappropriation is subject to proviso language contained in the 2022 Supplemental Capital Budget, which requires the Bremerton School District to coordinate with OSPI to: (a) ensure the Career and Technical programs planned for in the design of the Skills Center support high-demand and high-wage sector program needs; (b) ensure that space needs are reasonable and appropriate for the programs planned and enrollment projections; (c) evaluate the proposed project budget using value engineering and life-cycle cost analysis techniques; and (d) use this information to inform the proposed design. OSPI is required to approve the Skills Center programs, design, and budget before requesting allotment of construction phase funding.
- \$6.9 million is provided for Skills Centers Minor Works. Proviso language stipulates that no Skills Center may receive funding for more than two minor works projects within the 2023–25 fiscal biennium. Additionally, the appropriation is subject to a series of Office of Financial Management conditions, as addressed in the 2023–25 Capital Budget (see Section 8017).

School Seismic Safety Grants. \$40.0 million is provided to the School Seismic Safety Grant Program, as established in 2022 (SSB 5933). Under the program, grants are provided to school districts and state-tribal education compact schools to cover the costs of retrofitting or relocating schools located in high seismic hazard areas or within the Washington Tsunami Design Zone. (NOTE: OSPI, in collaboration with its Citizens Advisory Panel (CAP) and Technical Advisory Committee (TAC), has developed administrative Rules to implement the School Seismic Safety Grant Program created by the Legislature in 2022. New Rules, which are awaiting public hearings, would outline how schools apply and receive grant funding provided by the new program. Additionally, if the proposed Rules are adopted, they would allow seismic projects to become eligible for SCAP funding.)

Distressed Schools. \$33.3 million is provided for eight specific projects:

- Crescent Elementary (Oak Harbor)—\$13.6 million
- Rainier Beach High School Campus Skills Center (Seattle)—\$9.9 million
- Maritime 253: South Puget Sound Maritime Skills Center (Tacoma)—\$6.0 million
- Seattle Skills Center (Seattle)—\$2.2 million
- Stevenson-Carson High School (Stevenson)—\$750,000
- Ingraham High School Construction Trades Skills Center (Seattle)—\$527,000
- Cascadia Technical Academy (Vancouver)—\$250,000
- Washington Middle School (Seattle)—\$98,000

School District Health & Safety. A total of \$19.2 million is provided to support school districts in making their schools safer. Proviso language stipulates the following:

- \$4.0 million is provided for **emergency repair grants** to address unexpected and imminent health and safety hazards at K–12 public schools, including

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

Skills Centers, that will impact the day-to-day operations of the school facility. For emergency repair grants only, an emergency declaration must be signed by the school district board of directors and submitted to OSPI for consideration. The emergency 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 estimate, and identification of local funding to be applied to the project. 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. OSPI is required to notify the Office of Financial Management, the Legislative Evaluation and Accountability Program Committee, the House Capital Budget Committee, and the Senate Ways & Means Committee as projects are approved for funding.

- \$11.6 million is provided for **urgent repair grants** to address nonrecurring 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, must develop criteria and assurances for providing funding for specific projects through a competitive grant program. The criteria and assurances must include, but are not limited to, the following: (a) limiting school districts to one grant, not to exceed \$500,000, per three-year period; (b) prioritizing applications based on limited school district financial resources for the project; and (c) requiring any district receiving funding provided in this section to demonstrate a consistent commitment to addressing school facility needs. The grant applications must include a comprehensive description of the health and safety issues to be addressed, a detailed description of the remedy, including a detailed cost estimate of the repair or replacement work to be performed, and identification of local funding, if any, which will be applied to the project. Grants may be used for, but are not limited to: Repair or replacement of failing building systems, abatement of potentially hazardous materials, and safety-related structural improvements.
- \$3.6 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 and assurances must include, but are not limited to, the following: (a) limiting districts to one grant, not to exceed \$100,000, per three-year period; (b) prioritizing applications based on limited school district financial resources for the project; and (c) requiring recipient districts to demonstrate a consistent commitment to addressing school facility needs. The grant applications must include a description of the Americans with Disabilities Act and Individuals with Disabilities Education Act compliance deficiency, a comprehensive description of the facility accessibility issues to be addressed, a detailed description of the remedy including a detailed cost estimate of the repair or replacement work to be performed, and identification of local funding, if any, which will be applied to the project. Priority for grant funding must be given to school districts that demonstrate a lack of capital resources to address the compliance deficiencies outlined in the grant application.

Healthy Kids—Healthy Schools. \$13.0 million is provided to support Healthy Kids—Healthy Schools grants. Proviso language stipulates:

- \$10.0 million is provided for Healthy Kids—Healthy Schools grants for projects that are consistent with the Healthiest Next Generation priorities. Funding is provided for grant funding to school districts for the purchase

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

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.

OSPI must develop criteria for grant funding under this subsection that include, but are not limited to, the following requirements:

- districts may apply for grants, but no single district may receive more than \$200,000 of the appropriation for grants awarded under this section;
 - any district receiving funding provided in this section 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.
- \$3.0 million is provided for grants to school districts 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.

Agriculture Science in Schools. \$5.0 million is provided for competitive grants administered by the Future Farmers of America Foundation to furnish equipment for agricultural science instruction in public schools.

Career Preparation and Launch Capital Grants. \$4.0 million 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. Proviso language requires OSPI, after consulting with school districts, Career Connect Washington, 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. The criteria must include, but are not limited to, the following: (a) districts or schools must demonstrate that the request provides necessary equipment to deliver Career and Technical Education; and (b) 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 prohibits any single district from receiving more than \$150,000 of the overall appropriation.

K–12 Capital Program Administration. OSPI is provided with \$4.8 million (as requested) for the administrative funding needs of the School Facilities and Organization department within OSPI for the 2023–25 biennium. Funding will support the administration and management of K–12 capital grant programs.

Green Schools: Stormwater Infrastructure. Originally funded under the Healthy Kids-Healthy Schools Grant program, Green Schools: Stormwater Infrastructure Projects began being funded as a stand-alone program in the 2021–23 Capital Budget. The 2023–25 Capital Budget appropriates \$575,000 to continue the program. The funding must be used to 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 the funding solely for green stormwater infrastructure projects on public school properties and must use geographic analysis to identify green stormwater infrastructure project locations based on the opportunity to reduce stormwater runoff.

This Week in Olympia
Special Edition:
Senate Releases Budget

Continued

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. The 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.

Other Details

Early Learning Facilities—School Districts Grant. A total of \$5.4 million is provided, via the Department of Commerce, to assist in the building or expansion of early learning facilities. Grants are provided for six school district projects:

- Toppenish School District—\$1.08 million
- Orondo School District—\$1.08 million
- Bethel School District—\$1.08 million
- Issaquah School District—\$1.06 million
- Highline School District—\$809,000
- South Bend School District—\$300,000

Chief Leschi School. \$20.0 million is provided, via the Climate Commitment Account, to Chief Leschi School to upgrade its HVAC system.