

Special Edition: Senate & House Release 2024 Supplemental Budget Proposals



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 AEA.

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



On Wednesday, February 14, the [Economic & Revenue Forecast Council](#) released its first quarterly [Revenue update](#). As we discussed in last week's [TWIO, Week 6](#) newsletter, revenue projections continue to be positive. The Forecast indicated that revenue is expected to be up \$121.8 million above the November 2023 Forecast. Additionally, the Council noted that projections for the next biennium, 2025–27, are up \$215.4 million above previous Forecasts.

Certainly, this is positive, although considering the overall Operating Budget currently sits at just under \$70.0 billion, this is a minor bump. However, this minor bump is in addition to \$1.14 billion in increased revenue between the March 2023 Forecast (which the Legislature used to finalize its 2023–25 Operating Budget) and November 2023. Including February's modest increase, legislators now have \$1.26 billion in unexpected revenues to build a 2024 Supplemental Operating Budget. (NOTE: If you include 2025–27 revenues—because the Legislature is required to adopt a four-year balanced budget—available revenues increase to \$3.15 billion.)

One additional piece of news about the budget, which we did not yet have when we produced last week's *TWIO*, is the updated Caseload Forecast. On Friday, February 16, the [Caseload Forecast Council](#) met to adopt its [updated caseload projections](#). Caseloads account for the cost of continuing current services, adjusted for enrollment and inflation; these are required "Maintenance Level" items and are an important part of building the budget. Updated caseloads have increased since last session and are higher than anticipated in the governor's budget. When Governor Inslee released his 2024 Supplemental Operating Budget request, he included \$870 million in increased Maintenance Level costs. Those required costs have increased to approximately \$1.13 billion; both the Senate and House proposed budgets include this Maintenance Level total. This is important to know, because one of the excuses legislators will provide for minimal increases in the Policy Level budget (in particular, K–12 education) is this increased Maintenance Level number. Both budgets include the same \$191 million Maintenance Level total for K–12.

The release of the first quarterly Revenue Forecast usually triggers the release of initial legislative budget proposals and, as we discussed last week, budget rollouts are set for this week (although the Senate jump-started the process with the release of a 2024 Supplemental Capital Budget last week, reviewed in [TWIO, Week 6](#)). In this Special Edition, we will review the Senate and House 2024 Supplemental Operating Budgets. All six legislative budgets are scheduled for action:

- The Senate released its 2024 Supplemental Capital Budget ([PSSB 5949](#)) last Thursday, February 15. It was heard in the Senate Ways & Means Committee that afternoon, and was adopted by the Committee yesterday.

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WASA Legislative Report Podcast



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- On Sunday, February 18, the Senate released its 2024 Supplemental Operating Budget proposal ([PSSB 5950](#)), and heard the bill in the Senate Ways & Means Committee yesterday afternoon. It is scheduled to move to executive action on Wednesday, February 21.
- Yesterday, the House released its 2024 Supplemental Operating Budget proposal ([PSHB 2104](#)), and heard the bill in the House Appropriations Committee yesterday afternoon. The Appropriations Committee is scheduled to take executive action on its proposal on Wednesday, February 21.
- On Monday, February 19, the House Capital Budget Committee, released its 2024 Supplemental Capital Budget ([PSHB 2089](#)). The House Capital Budget Committee heard it this morning and is scheduled to adopt the budget on Friday, February 23.
- NOTE: While there should not be any major education-related changes in the Legislature's 2024 Supplemental Transportation Budgets, we will keep a close eye on them. We have not heard when the Senate will release its proposal ([PSSB 5947](#)); however, it is scheduled to be heard tomorrow and adopted on Friday, February 23. The House's proposal ([PSHB 2134](#)) was released and heard yesterday and is scheduled for executive action tomorrow.

Last week, following the release of the Revenue Forecast, we sent a [letter to all legislators](#) urging them to dedicate the newly available revenue to their constitutional paramount duty—K–12 Education—to shore up school district budgets. We encouraged administrators to follow-up with personal messages, asking for the same support, using your own local stories. (Thank you to the many administrators who communicated with legislators in the last several days.)

We sent this to legislators because we have been consistently told in the last several weeks that the K–12 “budget box” would be minimal. Our fears were confirmed to be valid when we saw the Senate and House budget proposals. Token increases were provided for our most pressing needs and many of our other requests were completely ignored. As the two Operating Budget proposals move through the process and budget-writers move into negotiations to hammer out compromises in order to craft a budget that can pass both houses, it continues to be imperative to continue your engagement. We have an uphill climb to convince legislators to provide the necessary additional support our school districts need; however, if we don't try, we are guaranteed to lose.

Below are details of the new Senate and House 2024 Supplemental Operating Budget proposals. This is not a comprehensive review of each budget, but covers most of the major education-related details. Note, however, education funding provided outside of Part V—Education is not included in this summary. Remember, these are Supplemental Budgets, which make adjustments in the underlying 2023–25 budget. Programs that have no changes (up or down) are not included here. 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 [House Operating Budget](#). The webpage to directly access all six 2024 Supplemental Budgets (House & Senate Operating; House & Senate Capital; and House & Senate Transportation) is [HERE](#).

Senate 2024 Supplemental Operating Budget

The Senate's Supplemental Operating Budget proposal, [Proposed Substitute SB 5950](#), would increase spending by \$1.85 billion beyond the current 2023–25 Operating Budget, with total appropriations coming to \$71.7 billion. The \$1.85 billion increase is comprised of: \$1.13 billion 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 \$722.0 million in discretionary Policy Level decisions. The proposed budget balances in 2023–25 and, as required, is balanced in 2025–27

(albeit with only an \$80.0 million Ending Fund Balance—not counting reserves of \$2.91 billion).

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For K–12 Education, the Senate Budget would provide a total increase of \$458.4 million, comprised of \$190.5 million in Maintenance Level increases and \$267.9 million in Policy Level increases. That is a total increase of 1.5 percent. If this budget were to pass as-is, K–12’s percentage of the Operating Budget would continue to go down—from the current 43.7 percent to 43.4 percent.

Major K–12 Education Items

Pupil Transportation—\$100.0 million

- \$76.9 million is provided to OSPI for a correction in the allocation of transportation funding to school districts;
- \$23.0 million is provided for “adequate and predictable” student transportation as proposed in [SB 5873](#): \$12.8 million is provided for 32,086 McKinney-Vento homeless students, at \$400 per student; \$4.0 million is provided for supplemental transportation allocations to school districts that experience an increase in costs to pupil transportation services contracts due to new benefit requirements; \$170,000 is provided to OSPI to collect student expenditure data; \$6 million is provided to OSPI for supplemental transportation allocations; and
- \$130,000 is provided to implement [SB 6031](#), which allows school districts to utilize their transportation allocation to purchase, not just big, yellow school buses, but also vehicles that are considered safe and the most appropriate to use to transport students

Prototypical School Staffing—\$49.6 million

Funding is provided implement [SB 5882](#), modifying the Prototypical School Staffing Model, by increasing staff allocations for paraeducators, office supports and noninstructional aides. The Senate opted to provide support for paraeducators (and other classified staff) via SB 5882, rather than requiring paraeducator raises in [SB 6082](#) (Reykdal) or budget language (Inslee); however, funding is provided for Charter Schools. \$161,000 is provided for grants to Charter Schools to recruit, retain, and provide wage increases to paraeducator staff. OSPI is required to establish standards and procedures for payment that consider regional cost differences between districts.

Community Eligibility Provision—\$45.0 million

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

Special Education Cap—\$13.5 million

Funding is provided to increase the current 15 percent enrollment limit on state special education funding to 15.6 percent. The funding gap between what school districts expend for special education and what the state provides is over \$400 million. It was understood this would not be addressed in 2024. Additionally, it was clear the effort to eliminate the special education enrollment cap would not happen. We were willing to settle this year for the governor’s proposal to increase the cap to 17.25 percent ([HB 2180](#)), but even this was too much for the Senate.

Tribal and Charter Enrichment—\$11.1 million

Funding is provided for payments to State-Tribal Schools and Charter Schools. The schools will receive \$1,500 per enrollment for enrichment. There was little conversation about providing assistance to property poor school districts by enhancing Local Effort Assistance (LEA or “levy equalization”), yet the Senate was comfortable providing \$11.1 million to assist State-Tribal Schools and Charter Schools.

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Small District Support—\$8.5 million

Additional funding is provided to support small districts, Charter Schools, and State-Tribal Education Compact Schools that have less than 800 enrolled students, are located in urban or suburban areas, and budgeted for less than \$20,000 per pupil in general fund expenditures in the 2022–23 school year. OSPI is required to allocate additional funds to these eligible districts. To determine the additional allocation, OSPI must multiply the school district’s or school’s budgeted enrollment in the 2022–23 school year by the lesser of 1) \$1,550 or 2) \$20,000 minus the school district’s or school’s budgeted general fund expenditures per pupil in the 2022–23 school year.

Transition to Kindergarten—\$4.3 million

Additional funding is provided to implement the Transition to Kindergarten program, as revised by [2SHB 1550](#) (2023). \$300,000 of the total appropriation is provided for staff and administrative costs necessary to provide interdepartmental coordination and engagement with stakeholders with respect to the amended Transition to Kindergarten program.

Computer science/graduation—\$4.0 million

Funding is provided to implement [SB 5849](#), which creates a computer science competency graduation requirement.

Special Education Recruitment—\$3.5 million

Funding is provided to OSPI to contract with an approved educator preparation program run by a statewide labor organization representing educators to fund one cohort of fifteen special education teacher residents who will complete a year-long program that combines professional training and coursework with in-the-classroom co-teaching experience alongside a mentor teacher. This program shall choose its candidates from among the paraeducators working in those districts. Through completing this program, participants shall attain a teaching certification with an endorsement in special education.

Ninth Grade Success—\$3.0 million

Funding is provided for grants to school districts for Ninth Grade Success. Part of this funding is provided for OSPI to contract with an evaluator to conduct a yearly evaluation of the program’s success.

Behavioral Health Supports—\$2.4 million

Funding is provided to continue behavioral health regional grants to support school districts with the least access to behavioral health services. Proviso language requires OSPI to conduct an evaluation of the investments in behavioral health supports and by December 31, 2024, report to the Office of Financial Management and the Legislature: the number of students served by specific behavioral health supports; how the students were selected for specific behavioral health supports; and how the students may have received behavioral health supports. As part of the report, OSPI must make recommendations for improving behavioral health supports for students.

Access to Skills Centers—\$2.1 million

Funding is provided for grants to small school districts, with less than 750 students, to enable access to regional Skills Centers for Career and Technical Education.

Chronically Absent Students—\$2.0 million

Funding is provided to implement [SB 5850](#), which creates a grant program to support chronically absent students and provides other supports to address chronic absenteeism.

Non-Public Schools Reappropriation—\$1.5 million

One-time funding from the federal Coronavirus State Fiscal Recovery Fund is provided to satisfy U.S. Department of Education requirements for Emergency Assistance to Non-Public Schools (EANS).

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Emergency Substitute Pipeline—\$621,000

Funding is provided to OSPI to contract with a statewide labor association that represents educators to provide a suite of supports and professional development opportunities for 15,000 emergency substitute teachers. Supports include relational conversations, online and in-person professional development, SubCommunities, career coaching, and SubPosium.

OSPI Customer Support Staff—\$596,000

Funding is provided for OSPI to hire three additional FTEs focused on data and fiscal analysis.

Special Education Safety Net—\$581,000

Funding is provided to implement [SB 5852](#), which requires safety net awards to only be adjusted for errors in applications or Individualized Education Programs that materially affect the demonstration of need.

Special Education Litigation—\$465,000

Funding is provided for Office of the Attorney General legal services related to special education related litigation.

Inclusive Learning Standards—\$430,000

Funding is provided to implement [SB 5462](#), which updates learning standards to include the histories, contributions, and perspectives of LGBTQ people and recreates an open educational resource database for developing inclusive criteria

Empowering Youth—\$425,000

Funding is provided to OSPI for a pilot project providing grants to school districts to provide opportunities for youth to participate in high demand science, technology, engineering, and math (STEM) careers.

Competency-Based Education—\$195,000

Funding is provided to implement [SB 6264](#), which requires OSPI to adopt rules to authorize funding for students enrolled by competency-based education and to create competencies aligned with state learning standards.

Tribal Liaison—\$180,000

Funding is provided for the State Board of Education and the Professional Educator Standards Board to hire one FTE to serve as a tribal liaison for the two boards.

AED Grant—\$150,000

Funding is provided for grants to schools to install at least one semi-automatic external defibrillator. OSPI is required to establish a grant program to assist schools to offset the costs of purchasing an Automatic External Defibrillator (AED) or to maintain or replace an AED.

FRPM Alternative Metric Study—\$150,000

Funding is provided for a study to examine how Free and Reduced-Price Meal (FRPM) data is used as a funding driver for programs and to provide recommendations for an alternative metric or metrics to the Legislature.

Opioid Prevention Standards—\$125,000

Funding is provided implement [HB 1956](#), requiring OSPI to work with ESDs, the Health Care Authority, and the Department of Health to review and update materials for information sessions provided to students in grades 8–12. These sessions are designed to prevent the use of opioids, including fentanyl, specifically outlining the risks of death related to uneven dosages and pills that look like prescription drugs.

Seattle Public School Enrollment—\$100,000

Funding is provided for Seattle Public Schools to conduct an enrollment analysis to help learn why families have left the district and how they can be attracted back. The school district is required to provide a report to the Office of Financial Management and the Legislature by June 30, 2025, that addresses the reasons for

families leaving the district and specific steps necessary for them to return to the district.

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Youth Development Capacity Building—\$100,000

Funding is provided for OSPI to develop and implement capacity building supports for community-based youth development programs offering programs that serve youth between the ages of 11 and 19.

Evergreen High School ASB—\$40,000

Funding is provided for a grant to Evergreen High School in Vancouver to support its Associated Student Body.

Spanish Civics Books—\$35,000

Funding is provided to print 5,000 copies of the League of Women Voters Washington elementary civics textbook in Spanish for students and teachers across the state.

Americans of Chinese Descent—\$30,000

Additional funding is provided to develop and distribute age-appropriate materials for schools to utilize and to help students understand Chinese culture and history and to avoid bias and discrimination.

School Safety/Temp Employees—\$28,000

Funding is provided to implement [SB 5647](#), which requires safe school plans to include how substitute teachers and other temporary employees receive necessary information, including school safety policies and procedures.

Education Data Sharing—\$3,000

Funding is provided to implement [SB 6053](#), which requires the Washington Student Achievement Council (WSAC) to enter into data-sharing agreements with OSPI to facilitate the transfer of high school student directory information for informing high school students of postsecondary financial aid and educational opportunities available in the state.

Cannabis Revenue Distributions—(\$361,000)

Appropriations from the Dedicated Cannabis Account are modified as required by [E2SSB 5796](#) (2022) and the February 2024 Revenue Forecast. OSPI funding from the Dedicated Cannabis Account is used for dropout prevention, intervention, and reengagement programs, and dropout prevention programs that provide student mentoring. Previously, funding supported the Jobs for America's Graduates (JAG) program; however, proviso language in this budget removes the JAG program. Additional new proviso language requires OSPI to staff representatives from high schools to meet and share best practices for dropout prevention. Finally, new proviso language states the full appropriation from the Dedicated Cannabis Account is provided solely for the Building Bridges statewide program and for grants to districts for life skills training for children and youth in K–12.

Paraeducator Training Underspend—(\$5.2 million)

One-time savings are achieved by reducing the General Fund-State appropriation for paraeducator training to align with the program's underspend in Fiscal Year 2024.

Other Issues

Inflation

Last week, materials provided by the Economic & Revenue Forecast Council indicated that the 2023 IPD was 3.7 percent (down from the 3.9 percent projection in the underlying 2023–25 Operating Budget). The Senate budget does, in fact, include an IPD of 3.7 percent as the annual inflationary adjustment for salary increases in the 2024–25 school year.

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MSOC

For several weeks, [we have been urging](#) the Legislature to provide a significant enhanced investment in Materials, Supplies, and Operating Costs (MSOC) to assist school districts that have had substantial increases in day-to-day operations. The House responded by introducing HB 2494; however, the proposed MSOC increase moved from \$48 per student, to \$23 per student, and as it passed the House, the increase was down to \$21 per student. We continue to support the bill; however, in testimony and conversations with legislators, we have expressed the need to inflate the per pupil funding number.

As disappointed as we were with the minor—and decreasing—MSOC increase in HB 2494, we were stunned by the Senate’s proposal. The Senate budget actually REDUCES the per pupil MSOC in the 2024–25 school year. The underlying 2023–25 Operating Budget funded \$1,483.44 per student in the 2023–24 school year and included an increase (2.1 percent) to \$1,514.59 in the 2024–25 school year. The Senate’s 2024 Supplemental Operating Budget proposal would reduce the 2024–25 school year MSOC to \$1,511.63 (this would reduce the increase to 1.9 percent).

The Senate Early Learning & K–12 Education Committee held a public hearing on HB 2494 yesterday; however, it has not yet been scheduled for executive action.

House 2024 Supplemental Operating Budget

The House’s Supplemental Operating Budget proposal, [Proposed Substitute HB 2104](#), would increase spending by \$2.2 billion beyond the current 2023–25 Operating Budget, with total appropriations coming to \$72.0 billion (compared to the Senate’s \$1.85 billion increase; total of \$71.7 billion). The \$2.2 billion increase is comprised of: \$1.13 billion 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 \$1.06 billion in discretionary Policy Level decisions. The proposed budget balances in 2023–25 and, as required, is balanced in 2025–27 (albeit with only an \$82.0 million Ending Fund Balance—not counting reserves of \$2.19 billion; the Senate has a similar Ending Fund Balance of \$80.0 million but maintains reserves of \$2.91).

For K–12 Education, the House Budget would provide a total increase of \$449.7 million, comprised of \$190.5 million in Maintenance Level increases and \$259.2 million in Policy Level increases (versus the Senate’s proposal at \$190.5 and \$267.9 million). That is a total increase of 1.5 percent. If this budget were to pass as-is, K–12’s percentage of the Operating Budget would continue to go down—from the current 43.7 percent to 43.2 percent (slightly below the Senate proposal; similar to the governor’s request).

Major K–12 Education Items

Pupil Transportation—\$73.7 million

Funding is provided to OSPI for a correction in the allocation of pupil transportation funding to school districts.

Community Eligibility Provision—\$45.2 million

Funding is provided for additional reimbursements to school districts participating in the federal Community Eligibility Provision for meals not reimbursed at the federal free meal rate.

MSOC Adjustment—\$36.7 million

Funding is increased for Maintenance, Supplies, and Operating Costs (MSOC) as required under [HB 2494](#). HB 2494 would provide an MSOC increase of \$21 per student (a 1.4 percent increase, from \$1,482.44 per student to \$1,504.44 per student) in the current 2023–24 school year, specifically increasing three components: Utilities and Insurance; Professional Development; and Security and Central Office

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Administration. The bill updates these base allocations in statute. Additional funding is provided to increase MSOC allocations for the 2024–25 school year beyond the previous allocations provided in the underlying 2023–25 Operating Budget. 2024–25 school year allocations increase by \$28.58 per student above the new base provided by HB 2494 (a 1.9 percent increase from \$1,504.44 per student to \$1,533.02 per student). Compared to the underlying 2023–25 Operating Budget, MSOC allocations increase in 2024–25 by 1.2 percent, from the original \$1,514.59 per student to \$1,533.02 per student.

Additionally, separate from HB 2494, the House budget reduces MSOC allocations provided in the underlying 2023–25 Operating Budget. In the 2024–25 school year, previous allocations adopted in the underlying 2023–25 Operating Budget for students in Skills Center programs and for students in exploratory and preparatory Career and Technical Education programs are reduced, from \$1,760.84 per student to \$1,757.39 per student.

Finally, neither HB 2494 nor the House budget proposal changes additional MSOC allocations for students in grades 9–12.

Special Education Cap—\$26.5 million

Funding is provided to increase the current 15 percent enrollment limit on state special education funding to 17.25 percent as required under [HB 2180](#).

Small District Support—\$7.6 million

Additional funding is provided to support small districts that have less than 800 enrolled students, are located in urban or suburban areas, and budgeted for less than \$20,000 per pupil in general fund expenditures in the 2022–23 school year. OSPI is required to allocate additional funds to these eligible districts. To determine the additional allocation, OSPI must multiply the school district’s or school’s budgeted enrollment in the 2022–23 school year by the lesser of 1) \$1,550 or 2) \$20,000 minus the school district’s or school’s budgeted general fund expenditures per pupil in the 2022–23 school year.

NOTE: The House budget would fund this item at a lower level than the Senate proposal (\$7.6 million vs. \$8.5 million) mostly because the House’s “small district support” does NOT include Charter Schools or State-Tribal Education Compact Schools, as the Senate budget does.

Special Education Recruitment—\$3.8 million

Funding is provided to OSPI to contract with an approved educator preparation program run by a statewide labor organization representing educators to fund three cohorts of special education teacher residents who will complete a year-long program that combines professional training and coursework with in-the-classroom co-teaching experience alongside a mentor teacher. This program shall choose its candidates from among the paraeducators working in those districts. Through completing this program, participants shall attain a teaching certification with an endorsement in special education.

Student Restraint and Isolation—\$3.7 million

Funding is provided to implement [HB 1479](#), limiting restraint and isolation of students. \$2.2 million is provided to OSPI to: monitor and provide technical assistance to support compliance with student isolation, restraint, and room clear requirements; receive from school districts incident reports and publish incident report summaries; collect school board policies and procedures; develop, and periodically update, a school board training program on student isolation and restraint and room clear requirements, specified resources, and other topics in partnership with WSSDA; develop and publish a model plan and guidance for staff training on student behavior management and OSPI-approved intensive crisis prevention and response that school districts and education providers must use when developing the staff training plan. A portion of the total appropriation is provided to OSPI to provide or for the provision of OSPI-approved intensive crisis prevention and response training with priority to staff in school districts and

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education providers using isolation. \$104,000 of the appropriation is provided to assist in the provision of the required training.

\$1.4 million is provided to ESDs for regional coaches to support the implementation of student isolation and restraint and room clear requirements, with priority to school districts and education providers using isolation. Regional coaches are required to have received OSPI-approved intensive crisis prevention and response training and must promote evidence-based, trauma-informed crisis prevention and response practices that are less restrictive than isolation and restraint, as well as classroom management techniques and the use of a multitiered system of supports.

Finally, \$14,000 is provided to the Professional Educator Standards Board (PESB) to establish policies and requirements for the preparation and certification of educators. PESB must require that the programs of courses, requirements, and other activities leading to educator certification include the foundational knowledge and skills of student behavior.

College Success Foundation—\$3.0 million

Funding is provided for the Rally for College initiative, which serves high school students by providing extra support to students that face barriers to postsecondary education.

Experience Factor Rebase—\$1.8 million

School districts that dropped 2 percent due to losing the Experience Factor in the 2023–24 school year receive a 1 percent factor in the 2024–25 school year. See [LEAP Document 3](#), February 16, 2024, 11:16 hours, for districts that would be supported (in the Document, districts that receive support are indicated by a bold number under 2024–25).

[HB 2458](#) died in the House Rules Committee at the house of origin cutoff; however, this funding would accomplish part of the original bill’s solution—providing a slow step-down for districts that lose the Experience Factor.

Social-Emotional Instruction—\$1.3 million

Funding is provided to implement [HB 2239](#), which directs OSPI to annually distribute funding to support social-emotional instruction and to submit an outcomes report. Proviso language requires \$1.0 million of the overall appropriation to be used for grants in Fiscal Year 2025.

Early Learning Navigators—\$1.3 million

Funding is provided for staff at the nine ESDs for pre-kindergarten through third grade system navigators in order to expand capacity at the ESDs to help school districts and families navigate and access early learning programs, including Transition to Kindergarten.

Behavioral Health Supports—\$1.2 million

Funding is provided to expand the existing Student Assistance Professionals (SAP) Program through the ESDs. The SAP Program places intervention specialists in local schools to serve students at risk of, or who have substance abuse.

Non-Public Schools Assistance—\$905,000

Federal funding is provided for reimbursements to eligible nonpublic schools that requested but were not reimbursed for emergency assistance to nonpublic schools.

Tribal Schools Opioid Pilot—\$900,000

Funding is provided for OSPI to administer a pilot program for State-Tribal Education Compact Schools and before- and after-school programs offered by tribes to adopt opioid and fentanyl abuse prevention materials and resources during the 2024–25 school year.

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Tribes/K–12 Instruction—\$867,000

Funding is provided to implement [HB 1332](#), to support public school instruction in tribal sovereignty and federally recognized Indian tribes. \$250,000 of the appropriation is provided to OSPI to administer grants for the 2024–25 and 2025–26 school years to school districts for implementing tribal sovereignty curriculum incorporation obligations and related requirements. Grants may cover costs for collaboration with federally recognized tribes, which may comprise reimbursements to tribes for collaboration-related costs, and costs for curriculum design and implementation. \$21,000 of the appropriation is provided to the State Board of Education to implement a system of annual monitoring and evaluations of school district compliance with new social studies curricula requirements established by HB 1332.

Workforce Vacancy Tool Study—\$720,000

Funding is provided to OSPI to conduct a feasibility study on the costs and timeline for developing a database and tool to identify real-time and future educator workforce shortages.

Student Advisory Groups—\$717,000

Funding is provided to implement [HB 1692](#), which creates a Legislative District Student Council and a nonpartisan Youth Civic Engagement Caucus to make recommendations to the Legislature on issues affecting youth and education. Proviso language requires \$475,000 of the overall appropriation to be provided in Fiscal Year 2025 for Green School Program grants.

Emergency Substitute Pipeline—\$621,000

Funding is provided to OSPI for supports to contract with a statewide labor association that represents educators to provide a suite of supports and professional development opportunities for 15,000 emergency substitute teachers.

Statewide IEP Feasibility Study—\$500,000

Funding is provided to conduct a feasibility study for an online, statewide Individualized Education Program (IEP) system.

Therapeutic Educational Program—\$500,000

Funding is provided for ESD 112 to implement a therapeutic educational program for students in Clark, Cowlitz, and Skamania counties.

Core Plus Program—\$500,000

Funding is provided to OPSI to implement [HB 2236](#). The bill requires OSPI, in collaboration with the State Board for Community and Technical Colleges, the Department of Health, the Health Workforce Council, and others, to develop an Allied Health Professions Career and Technical Education Core Plus Program.

Contract Bus Driver Benefits—\$425,000

Funding is provided to allow bus drivers and related staff employed by pupil transportation services contractors to opt into health and retirement benefits as required by [HB 1248](#).

West Sound STEM—\$425,000

Funding is provided for the West Sound STEM Network, in collaboration with the Mid-Columbia STEM Network, to launch STEM Career Role Model experiences to provide students with opportunities to see themselves in STEM careers.

Special Education/Nonpublic Agencies—\$411,000

Additional funding is provided for implementation of [E2SSB 5315](#) (2023), which expands OSPI's duties regarding nonpublic agencies that contract with school districts to provide special education programs for students with disabilities.

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Budget Proposals***Continued***ESD 112 Teacher Residency Program—\$400,000**

Funding is provided for a teacher residency program located at ESD 112, which will fund tuition and faculty costs for new certified teachers during the 2024–25 school year.

Apprenticeship Preparation Programs—\$400,000

Funding is provided for the Federal Way school district to contract with an organization to offer state-recognized apprenticeship preparation program opportunities for high school students in south King County in the summer.

Healthcare Industry Credential Fees—\$375,000

Funding is provided for OSPI to subsidize the cost of health-care-based industry-recognized credentials required for employment for students enrolled in health care courses in Skills Centers and comprehensive high school programs.

Parent Coaching Program—\$350,000

Funding is provided for OSPI to contract with a nonprofit organization to offer a parent coaching program that provides educational and communication tools for parents that have children ages 10 through 18 who are involved in youth violence.

Substance Use Prevention Education—\$334,000

Funding is provided to implement [HB 1956](#), which requires OSPI to develop and periodically update age-appropriate substance use prevention and awareness materials for school and classroom use. Additionally, OSPI is required to adjust the state health and physical education learning standards for middle and high school students to add opioids to the list of drugs included in drug-related education.

An additional \$3.0 million is provided to the Department of Health (outside of the Education budget), which is directed to develop, implement, and maintain a statewide drug overdose prevention and awareness campaign to address the drug overdose epidemic through 2029.

Food Insecurity Support—\$300,000

Funding is provided for OSPI to contract with an organization that provides bags of food for students in Thurston County schools who are impacted by food insecurity and do not have adequate access to food in the evenings, on weekends, during holiday breaks, and during the summer months.

FieldSTEM Program Increase—\$250,000

Additional funding is provided for the FieldSTEM program, which helps classroom teachers, schools and school districts implement equitable and culturally relevant environmental and sustainability education.

Islamophobia Prevention Curriculum—\$228,000

Funding is provided for OSPI to contract with a nonprofit organization that collaborates with Muslim and Arab communities and education organizations, to support Washington teachers in implementing lessons on Islamophobia through an ethnic studies framework for the establishment of comprehensive education related to Islamophobia.

Principal/Superintendent Internships—\$223,000

Additional funding is provided for the Leadership Internship Program for superintendents, principals, and program administrators.

Behavioral Health Specialists—\$200,000

Funding is provided for the Nooksack Tribe to fund behavioral health specialists to work with tribal and non-tribal children in the Mount Baker School District.

OSPI Customer Support Staff—\$199,000

Funding is provided for OSPI to hire one additional FTE focused on fiscal analysis.

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Dual & Tribal Language Education—\$185,000

Funding is provided for implementation of [HB 1228](#), which creates grant programs for establishing or expanding dual language and tribal language education programs; requires literacy supports in service of American Indian and Alaska Native students. \$35,000 of the appropriation is provided in Fiscal Year 2024 to the Professional Educator Standards Board and the Paraeducator Board to collaborate with OSPI to align bilingual education and English language learner endorsement standards and to determine language assessment requirements for multilingual teachers and paraeducators, as required by HB 1228. Additionally, a previously provided \$71,000 is shifted to be used in Fiscal Year 2025.

Seasonal Farmworkers Children Study—\$183,000

Funding is provided for OSPI to study the factors that impact education outcomes for children of seasonal farm workers in comparison to migrant students.

Mental Health Coordinator—\$150,000

Funding is provided to OSPI to hire a mental health instruction implementation coordinator to facilitate the addition of mental health education curriculum in schools.

Public Schools Grant Assistance—\$150,000

Funding is provided for OSPI to hire 1 FTE to support smaller school districts with applying for state, local, or other public or private grant sources.

FRPM Alternative Metric Study—\$150,000

Funding is provided to OSPI to examine how Free and Reduced-Price Meal (FRPM) data is used as a funding driver other programs and provide recommendations for an alternative poverty metric.

K–12 Sexual Assault Education—\$150,000

Funding is provided for OSPI to contract with a nonprofit organization to continue sexual assault prevention education programming to K–12 schools in Tacoma and expand services to the Franklin-Pierce school district.

Water Safety Pilot Program—\$150,000

Funding is provided for OSPI to contract with a nonprofit organization to administer a pilot program to develop and implement a water safety curriculum in public schools.

African Community—\$100,000

Additional funding is provided to OSPI to contract with an organization located in SeaTac, Washington to provide wraparound social services and expand and maintain existing education and family engagement programs that serve students and families in the Federal Way School District and the Highline School District. The organization must focus on housing and social services, education, and economic development for African immigrant and refugee communities.

Tribal Liaison—\$90,000

Funding is provided for the State Board of Education and the Professional Educator Standards Board to hire 1 FTE to serve as a tribal liaison for the two boards.

Educator Ethics & Complaints—\$67,000

Funding is provided to implement [HB 1239](#), which addresses complaints regarding conduct within or involving public elementary and secondary schools. \$46,000 is provided to the Professional Educator Standards Board and the Paraeducator Board to report to the Legislature on a code of educator ethics. OSPI is provided with \$21,000 to post on their website and assist school districts, public schools, and ESDs to post on their websites a prominent link to the complaint resolution and referral access point maintained by the Office of the Education Ombuds.

An additional \$559,000 is provided to the Governor’s Office of the Education Ombuds (outside of the Education budget) to create a simple and uniform access

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point for the receipt of complaints involving the elementary and secondary education system.

Public School Transfer Data—\$56,000

Funding is provided to implement [HB 2038](#), which requires OSPI to create a voluntary online survey for parents or guardians to complete upon transferring or withdrawing a student from a public school or school district.

Civics Education Books—\$35,000

Funding is provided for OSPI to contract with a nonprofit organization to print civics education books, as well as hard copy teachers' guides, in Spanish for elementary students and teachers.

Paraeducator Training Underspend—(\$5.2 million)

One-time savings are achieved by reducing the General Fund-State appropriation for paraeducator training to align with the program's underspend in Fiscal Year 2024.

Other Issues

Inflation

Last week, materials provided by the Economic & Revenue Forecast Council indicated that the 2023 IPD was 3.7 percent (down from the 3.9 percent projection in the underlying 2023–25 Operating Budget). The House budget, like the Senate budget, include an IPD of 3.7 percent as the annual inflationary adjustment for salary increases in the 2024–25 school year.

Office of Native Education

Funding is shifted from Fiscal Year 2024 to Fiscal Year 2025 for the Office of Native Education's work group on literacy supports for American Indian and Alaska Native students. No change in appropriation.

Teacher Residency Program

Funding is transferred from Fiscal Year 2024 to Fiscal Year 2025 for teacher residency program administration. No change in appropriation.

House 2024 Supplemental Capital Budget

Before we get to the House's 2024 Supplemental Capital Budget, a note about the Senate's proposal is in order. For details on the Senate's 2024 Supplemental Capital Budget, see [TWIO, Week 6](#).

Yesterday, before the Senate Ways & Means Committee heard the Senate's new Operating Budget proposal, the Committee took executive action on [PSSB 5949](#), their Supplemental Capital Budget. The Committee reviewed 19 amendments that had been introduced; however, the debate was not all that exhilarating. Nine of the amendments were withdrawn before being acted upon, three were rejected, and the remaining seven that were adopted were not very controversial. Of the 19 amendments, three of them were education-related:

- [Amendment 14](#) would have provided some funding, as well as guidance, to the Department of Natural Resources in conserving carbon-dense forestland. The idea has some merit: sequester segments of forestland and preserve the forested areas from logging in order to store carbon. The concern, however, as this has been discussed in the last few years, is the land proposed to be sequestered are state trust lands. State trust lands are set aside to provide proceeds from logging (or whatever minerals or natural resources may be able to provide a benefit) to beneficiaries, including schools. When the sequester conversation comes up, proponents argue that proceeds from sequestering would be the same—or more—than revenues the beneficiaries currently receive. Unfortunately, no plan that has been on the table provides any kind of guarantee this would happen. Nevertheless, this amendment was withdrawn.

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- [Amendment 15](#) would have added the Edwin Markham Elementary School in Pasco to the list of Distressed Schools projects and provided \$300,000. The amendment failed.
- [Amendment 16](#) clarifies that school district bonds that passed in last week’s election (Tuesday, February 13) are eligible for state and local sales taxes to be paid by the state under [SB 5789](#). This amendment was adopted. Of course, the SB 5789 has to be adopted before any money flows; however, it passed the Senate with only one “No” vote and has been scheduled for a **public hearing in the House Capital Budget Committee on Friday, February 23, 8:00 a.m.**

Let’s get back to the House 2024 Supplemental Capital Budget.

On Monday, House budget-writers unveiled their 2024 Supplemental Capital Budget, [Proposed Substitute HB 2089](#). This morning, the House Capital Budget Committee held a public hearing and it is scheduled for executive action on Friday, February 23. Like the Senate Capital proposal, the House’s plan is a bipartisan affair. The plan was released jointly by Representative Steve Tharinger (D-Port Townsend), Chair of the House Capital Budget Committee, and Representative Peter Abbarno (R-Centralia), House Capital Budget Committee Ranking Minority Member.

The bipartisan plan would increase appropriations by \$1.28 billion above the underlying 2023–25 Capital Budget. The proposal spends \$101.5 million in available bond capacity, \$669.6 million from Climate Commitment Act accounts, \$312.5 million from the Common School Construction Account, \$123.6 million from federal funds, \$15.5 million from the Model Toxic Control Account, \$8.5 million from the Washington Housing Trust Fund Account, \$7.5 million from the Public Works Assistance Account, and \$25.1 million in all other funds.

K–12 Investments

Combining all K–12 education appropriations indicate a net loss of \$81.6 million. Like the Senate proposal, there is a significant reduction (\$294.5 million) in the School Construction Assistance Program (SCAP) due to less districts requesting funding for eligible projects than expected—because of unanticipated bond failures. The major difference between the Senate and House plans is the Senate proposal to dramatically increase the Construction Cost Allowance (CCA or cost per square foot). The House does not provide the same investment. The Senate’s \$144.1 million investment in enhancing the CCA pulled the total K–12 budget above water; without that investment, the House’s plan provides for a net loss.

School Construction Revised Assistance Program Planning (SCRAPP)—\$1.0 million

This program is only allocated \$1.0 million; however, it needs to be addressed first because Chair Tharinger, if he had his way, would complete do away with SCAP. Instead of updating the formulas, as we have requested for years, he wants to start over.

The \$1.0 million appropriation would be provided to OSPI to: develop a proposal to replace the School Construction Assistance Program (SCAP) with a new, competitive model for awarding state grants for the construction and modernization of common school facilities; contract with a consultant to develop the proposal according to this Capital Budget; and facilitate a stakeholder process.

The proposal development process would be required to include “iterative consultation and meetings” with the following entities:

- School districts, including ESDs;
- The governor or the governor’s designee;

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- The chairs and ranking members of the appropriate fiscal committees of the Legislature or their designees;
- OSPI's Technical Advisory Committee; and
- Other stakeholders deemed appropriate by the stakeholder group

OSPI would be required to convene a meeting with the chairs and ranking members of the appropriate fiscal committees of the Legislature or their designees to discuss a work plan, a draft Request for Proposals to hire a consultant, a facilitation plan that may include professional facilitation, and a schedule no later than April 15, 2024.

The proposal developed would be required to include:

- A process that recognizes the substantial variation between district sizes and financial capacities that categorizes reasonably comparable applicants into distinct school district groupings in order to foster a fair and equitable prioritization of projects;
- A process for prioritizing requests for state funding for school construction that results in ranked project lists, using the groupings developed as described for the governor and Legislature's consideration during the biennial budget development process;
- A formula or formulas for determining the state and school district shares of project cost, which may vary across the groupings established as described;
- Policies regarding allowable space types and quantities to meet current and future instructional requirements and initiatives;
- A recommendation regarding the appropriate entity, such as an advisory committee, to evaluate and prioritize project applications;
- Recommendations related to the development of prototypical school designs intended to enhance the student learning environment and the useful life of facilities, while also reducing design and construction costs; and
- Recommendations for timelines and processes by which the state and school districts can effectively transition from the existing SCAP to the proposed program developed according to this Capital Budget.

The project prioritization process developed as described must include consideration of:

- District incorporation of prototypical designs;
- Projected enrollment;
- Facility condition and age;
- Factors related to school district financial capacity, such as remaining debt capacity and any special circumstances that may impact districts' ability to fund capital projects;
- Natural hazard conditions, including seismic and tsunami risk; and
- Any other factors deemed appropriate by OSPI

The formula for determining the state and school district shares of project cost developed as described must include consideration of:

- District incorporation of prototypical designs;
- Factors related to school district financial capacity, including remaining debt capacity, property tax rates, and median household income;
- The market price of construction per square foot, with consideration of regional cost differences; and
- Any other factors deemed appropriate by OSPI

OSPI is required to submit an interim progress report to the governor and the appropriate fiscal committees of the Legislature, no later than December 1, 2024;

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and a final report containing the proposal developed as described, including draft legislation of the proposal, to the governor and the appropriate fiscal committees of the Legislature, no later than June 30, 2025.

You likely have your own opinion and feelings about this proposal; remember what happened when the education funding system was overhauled? We are still picking up the pieces. Perhaps trying to “fix” SCAP is the wrong approach, but the discussion of prioritization and ranked project lists, among other things, brings a cold sweat.

It is unclear what Tharinger’s colleagues think of this plan; however, it seems unlikely the Senate would agree.

Small District & Tribal Compact Schools Modernization—\$161.9 million

While the Senate scaled back its initial plan for this modernization grant program, the House plan reaches much higher.

Proviso language specifies that \$135.0 million of the total appropriation is provided solely for small district modernization grants, not to exceed \$6.0 million per grant, to school districts that were awarded a planning grant during the 2023–25 fiscal biennium (see [LEAP capital document No. OSPI-1-2023](#), April 10, 2023 for the list of districts). Small districts awarded a planning grant pursuant to this list that do not receive a modernization grant in the 2023–25 fiscal biennium are eligible for the maximum state funding level of \$12.0 million. OSPI must report the status and award amounts of all grants awarded to the governor and the Legislature no later than October 15, 2024.

OSPI will continue to be required to submit a list of small school district modernization projects, as prioritized by the Advisory Committee, to the Legislature and the governor; however, the House adjusts the deadline to October 15, rather than September 15, 2024. New proviso language also requires OSPI to submit an alternative list, prioritized by the Advisory Committee, that includes small school districts with 3,000 students or less (Senate included 2,000 or less).

Like the Senate, the House proposal includes an increase of \$811,000 beyond the underlying 2023–25 Capital Budget for planning grants, not to exceed \$50,000 per district; and an increase of \$1.8 million beyond the underlying 2023–25 Capital Budget solely for energy assessment grants for eligible small school districts.

Funds are appropriated to fund projects approved by the Legislature, identified in [LEAP capital document No. OSPI-1-2023](#), developed April 10, 2023 and in [LEAP capital document No. OSPI-1-2024](#), developed February 1, 2024. Finally, new proviso language states that if appropriations for small districts and state-tribal compact schools specified in these documents exceeds the actual costs of funding these projects, excess funding can be reallocated to eligible projects. However, the total funding appropriated to eligible small district projects must remain allocated to eligible small district projects, and the total funding appropriated to eligible state-tribal compact school projects must remain allocated to eligible state-tribal compact school projects.

Indoor Air Quality & Energy Efficiency—\$55.0 million

Funding is provided from the Climate Commitment Account (\$30.0 million) and the Common School Construction Account (\$25.0 million).

\$13.8 million is provided for: grants to school districts with enrollments exceeding 3,000 students for indoor air quality assessment grants. \$41.2 million of the total appropriations is provided: for grants to school districts with enrollments that are less than or equal to 3,000 students for assessment, installation, repair, or replacement of HVAC, air filtration enhancements, and general air quality improvements that improve student health and safety.

Grant recipients may: seek technical assistance from state funded entities, such as OSPI, the Department of Commerce, and the Department of Health; seek technical assistance from other entities, such as local health jurisdiction school safety

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programs and the smart buildings center’s K–12 ventilation and indoor air quality resource team; and use funding awarded to seek guidance and technical assistance from commercial entities that have specialized knowledge of troubleshooting modern HVAC or smart building systems.

Proviso language notes, if applications for assessment grants exceed available funding, OSPI must first prioritize grants for school districts: (i) Without existing HVAC systems; (ii) that have documented proof of indoor air quality performance that does not meet current state energy code; (iii) with outdated or underperforming HVAC systems; and (iv) that have the most limited financial capacity.

\$25,000 of the appropriation is provided for OSPI to make modifications to its Information and Condition of Schools (ICOS) system related to implementing these provisions.

School District Health & Safety—\$18.5 million

Additional funding is provided beyond the funding in the underlying 2023–25 Capital Budget for school district health and safety grants. An additional \$6.0 million is provided for emergency repair grants to address unexpected and imminent health and safety hazards at K–12 public schools; an additional \$10.0 million is provided for urgent repair grants to address nonrecurring urgent small repair projects at K–12 public schools that could impact the health and safety of students and staff if not completed; and an additional \$2.5 million is provided for equal access grants for facility repairs and alterations at K–12 public schools to improve compliance with the Americans with Disabilities Act (ADA) and Individuals with Disabilities Education Act (IDEA).

Career and Technical Education Projects—\$13.5 million

Funding is provided for the following projects:

- Cascadia Tech: Natural Resource Outdoor Learning Collaboration—\$1.2 million
- Sequim School District CTE Center of Excellence: Phase 1—\$5.0 million
- Whatcom County Skills Center Preconstruction—\$2.1 million
- Wenatchee Valley Tech: Phases 1 & 2—\$5.3 million

Distressed Schools—\$9.2 million

Additional funding is provided for the Distressed Schools Program. \$3.6 million is provided to the Marysville School District; and \$5.6 million is provided to the Whittier Elementary School (Seattle).

Energy Assessment Grants—\$5.0 million

\$4.9 million of the Climate Commitment Account is provided solely for energy assessment grants to school districts for buildings that exceed 220,000 gross square feet pursuant to compliance with the state’s energy-related building standards in law. Assessments funded with this appropriation must include professional cost estimates for mitigating the energy use intensity deficiencies identified. OSPI is required to collect the cost estimate data from school districts receiving grants and report a summary of the collected cost data, as well as a list of specific capital projects for school districts developed from this data, to the Legislature by January 6, 2025.

\$50,000 of the Common School Construction Account is provided for OSPI to make modifications to its Information and Condition of Schools (ICOS) system.

If applications for energy assessment grants exceed funds available, OSPI must prioritize grants for school buildings that are likely to require the most substantial improvements related to compliance with law and for school districts that have the most limited financial capacity. OSPI is required to make such prioritizations using facilities data from the ICOS database and through information provided by the school district at the time of application.

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Funding is provided to provide preconstruction grants and administrative implementation pursuant to [HB 1044](#) (small school district capital assistance).

School-based Health and Behavioral Health Clinics—\$2.1 million

Funding is provided for several school-based health and Behavioral Health Clinics:

- Bellingham Public Schools (Options High School)—\$300,000
- CHC of Snohomish County (Cascade High School)—\$244,000
- CHC of Snohomish County (Everett High School)—\$244,000
- Country Doctor CHC (Meany Middle School)—\$80,000
- Country Doctor CHC (Nova High School)—\$80,000
- HealthPoint (Evergreen High School)—\$490,000
- HealthPoint (Tyee High School)—\$490,000
- Jefferson County Public Health (Blue Heron Middle School)—\$136,000

Healthy Kids—Healthy Schools—\$1.5 million

An additional \$1.5 million is provided for Healthy Kids and Healthy Schools grants for projects that are consistent with the Healthiest Next Generation priorities.

School Construction Assistance Program—(\$294.5 million)

As discussed above, funding for SCAP grants is reduced. Technically, 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.