

Multiple Agency Fiscal Note Summary

Bill Number: 1775 HB	Title: Capital assistance/schools
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Estimated Cash Receipts

NONE

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI		1,552,000		238,357,000		250,078,000
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Superintendent of Public Instruction	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Superintendent of Public Instruction	.6	1,552,000	1,804,000	1.0	238,357,000	238,707,000	1.0	250,078,000	250,428,000
Total \$	0.6	1,552,000	1,804,000	1.0	238,357,000	238,707,000	1.0	250,078,000	250,428,000

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI			1,552,000			339,181,000			355,936,000
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Agency Name	2021-23		2023-25		2025-27	
	Total		Total		Total	
Construction	1,552,000		339,181,000		355,936,000	
Grants/Loans	1,552,000		238,357,000		250,078,000	
Staff	252,000		350,000		350,000	
Total \$	3,356,000		577,888,000		606,364,000	

OSPI revised fiscal notes to add construction soft costs not previously included.

Prepared by: Darrell Jennings, OFM

Phone:
(360) 584-4734

Date Published:
Revised

Individual State Agency Fiscal Note

Bill Number: 1775 HB	Title: Capital assistance/schools	Agency: 350-Superintendent of Public Instruction
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

	2021-23		2023-25		2025-27	
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Predesign/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	1,552,000	117,862,000	120,495,000	123,454,000	126,624,000
Staff	0	252,000	175,000	175,000	175,000	175,000
Other	0	0	0	0	0	0
Total \$	0	1,804,000	118,037,000	120,670,000	123,629,000	126,799,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- ☒ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: John Wilson-Tepeli	Phone: 360-786-7115	Date: 01/07/2022
Agency Preparation: Kirti Vijay	Phone: 3607256261	Date: 01/20/2022
Agency Approval: Randy Newman	Phone: 360 725-6267	Date: 01/20/2022
OFM Review: Darrell Jennings	Phone: (360) 584-4734	Date: 01/20/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The proposed legislation aims to provide capital financial assistance to small school districts that struggle with raising their local share for participating in the school construction assistance program.

Sec. 1 details how some of the school districts are unable to participate in the School Construction Assistance Program (SCAP) due to limited bond capacity and/or inability to raise the local share required as a pre-requisite for accessing the state funding. The proposed bill intends to create a new grant program for such school districts to be able to have necessary funds to newly build, rebuild or modernize existing school buildings.

Sec. 2(1) states how supplementary funding must be awarded to such districts for modernization and new construction as well as planning purposes.

Sec. 2(2) describes that the eligibility of school districts is limited to those that have a student headcount of 1,000 or less.

Sec. 2(3) lists out the project eligibility criteria as follows,

- (a) (i) Comprehensive modernization or replacement of instructional spaces that are at least 30 years old and recorded to be in poor or unsatisfactory condition by the Office of Superintendent of Public Instruction (OSPI)
- (a)(ii) Project cost must not exceed 110% of the statewide average cost per square foot for new construction or modernization as estimated by an advisory committee and approved by OSPI
- (b) In order to be eligible for comprehensive modernization, the project must correct critical physical deficiencies and essential safety concerns, including but not limited to seismic vulnerabilities, infrastructural deficiencies and /or barriers to program accessibility.

Sec. 2(4) enables school districts with incomplete building inventory, natural hazard assessments, and condition information to apply for planning grants in order to complete the same as required by OSPI. Thereafter, they would be able to apply for construction grants.

Sec. 2(5) lists out the eligible use of planning grant funding to include completion of building inventory, hazard assessment, and condition information with OSPI, all predesign and design costs including value engineering and constructability review, and all other project associated costs except school district administration.

Sec. 2(6) describes the requirements of developing a prioritized grant list.

- (a) OSPI must propose a list of prioritized planning and construction grants on September 1st of even numbered years, starting September 1, 2022. The list must include a description of proposed projects, planning and /or construction grant amount, anticipated SCAP amount, anticipated local share, estimated total project cost and project score in total and by category.
- (b) The prioritized list prepared by the advisory committee will help determine the level of funding to support grants proposed by this bill.

Sec. 2(7) directs OSPI to assist eligible school districts in applying for a construction grant by providing technical assistance and planning grants. School districts seeking planning grants under this section must provide a brief statement describing existing school condition, building system and site deficiencies, headcount enrollment, student achievement measures, and financial constraints. If needed, priority may be given to school district's financial capacity and facility conditions.

Sec. 2(8) sets out the construction grant requirements and how prioritization points are calculated and are not to exceed 100 points. Points must be awarded based on the following criteria: Up to 45 points can be awarded based on a school district's debt capacity out of which up to 20 points can be awarded by the advisory committee based on the severity of a

district's financial constraints; and up to 40 points must be awarded based on facility conditions and up to 15 points may be awarded for district enrollment.

Sec. 2(9) allows the advisory committee to make recommendations to the legislature as they learn more about the characteristics of school districts unable to modernize or replace their aging school facilities.

Sec. 2(10) lets the school districts use the grant to fund the required local funding which may be equal to or greater than the difference between the total approved project cost and the amount of state funding assistance. However, the school districts are required to secure at least 30 percent of the project's total cost from local resources.

Sec. 2(11) instructs OSPI to award grants only after the recipient school district has identified available local and other resources sufficient to complete the approved project. The following reporting requirements must be included: all school inventory and condition data must be updated; a final project report as specified by OSPI in consultation with the advisory committee and approved by the school facilities citizen advisory panel; and implementing and maintaining an asset preservation program

Sec. 2(12) clarifies that advisory committee refers to the one created under RCW 28A.525.159.

Sec. 3(4)(a) specifies that OSPI must propose a list of prioritized grants to the Governor by September 1st of even numbered years. However, the advisory committee appointed to prioritize applications for this grant must keep the process separate from the prioritization of small school district modernization grants.

Sec. 4 says that the act takes effect immediately since it is necessary for the preservation of public peace, health, or safety.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency , identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources . Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

No impact to OSPI's cash receipts.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates . Distinguish between one time and ongoing functions .

No impact to OSPI's operating budget.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
057-1	State Building Construction Account	State	0	1,552,000	1,552,000	238,357,000	250,078,000
113-1	Common School Construction Account	State	0	252,000	252,000	350,000	350,000
Total \$			0	1,804,000	1,804,000	238,707,000	250,428,000

IV. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.2	0.6	1.0	1.0
A-Salaries and Wages		131,000	131,000	216,000	216,000
B-Employee Benefits		63,000	63,000	104,000	104,000
C-Professional Service Contracts		38,000	38,000		
E-Goods and Other Services		7,000	7,000	14,000	14,000
G-Travel		8,000	8,000	16,000	16,000
J-Capital Outlays		5,000	5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		1,552,000	1,552,000	238,357,000	250,078,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	1,804,000	1,804,000	238,707,000	250,428,000

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

Construction Estimate	FY 2022	FY 2023	2021-23	2023-25	2025-27
Predesign/Design					
Construction					
Grants/Loans		1,552,000	1,552,000	238,357,000	250,078,000
Staff		252,000	252,000	350,000	350,000
Other					
Total \$		1,804,000	1,804,000	238,707,000	250,428,000

IV. D - Capital FTE Detail: List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Senior IT Application Developer			0.2	0.1		
WMS 2			1.0	0.5	1.0	1.0
Total FTEs			1.2	0.6	1.0	1.0

The proposed legislation aims to provide capital financial assistance to small school districts that struggle with raising their local share for participating in the School Construction Assistance Program. For the purposes of discussion, a sample of six school districts (two each from three regions of Northwestern, Eastern and Southwestern Washington) with 1000 or fewer students were used to estimate the cost of the proposed bill.

Below is a summary of the grants outlined in the proposed legislation. See Attachment 1 and Attachment 2 for detailed calculations.

Project Planning Grants:

OSPI assumes the planning grants provided to small districts will be sufficient to provide OSPI a description of the proposed project, proposed construction cost, the anticipated SCAP amount, the anticipated local share of the project, and estimated total project cost. In order to provide OSPI this needed information, it is assumed that a high-level concept level design of the proposed project will need to be completed with associated costs and project schedule. OSPI assumes a maximum of \$250,000 project planning grant would be provided to a district for a large project and lowered for smaller scale projects.

Based on the assumed cost of \$250,000 maximum per planning grant, the estimated cost to provide planning grants to six large projects per fiscal is \$1.5 million (\$250,000 per project planning grant X 6 grants per year).

Building Inventory and Condition Assessment Grants:

The proposed bill requires districts applying for construction grant funding to have a complete building inventory and condition assessment. OSPI assumes it would provide a modified study and survey grant to school districts to complete an inventory and condition assessment of their school facilities to become eligible for a planning grant. A modified study and survey grant is calculated at 50% of the amount provided by the traditional study and survey grant formula.

Based on the six small school districts sampled, the estimate cost to provide grant funding to a small school district to complete an inventory and condition assessment is \$6,500. The estimated cost to provide a modified study and survey grant per fiscal year is \$39,000 (\$6,500 estimated grant funding per district X 6 Small School Districts)

Hazard Assessment Grants:

In addition to the building inventory and condition assessments, the proposed bill requires districts to have completed natural hazard assessment. The current natural hazard assessment grant program provides a small school district a base grant amount of \$1,500 and an additional amount based on the gross square feet of the district's instructional buildings as follows:

Square feet between 0 and 4,999 gets an additional grant of \$300
Square feet between 5,000 and 19,999 gets an additional grant of \$400
Square feet between 20,000 and 34,999 gets an additional grant of \$450
Square feet between 35,000 and 49,999 gets an additional grant of \$500
Square feet above 50,000 gets an additional grant of \$1,000

Based on the average cost of \$2,100 estimate per natural hazard assessment grant, the estimated cost to provide assessment grants to six small school districts per fiscal year is \$12,600 (\$2,100 per grant X 6 small school districts).

Construction Grants:

OSPI assumes 6 construction projects will be awarded funding each fiscal year beginning in fiscal year 2024. It is assumed the average project will be 51,760 gross square feet and will be eligible for SCAP funding. Also, it is assumed that 30% of the total project cost will be borne by each small school district as their local share. The estimated cost of the proposed supplementary grant program created in this bill and the associated SCAP funding assistance grants is as follows :

FY 2023 - No Fiscal Impact

FY 2024 - \$116.3 Million (\$54.9 Million Supplementary Grant + \$61.4 Million SCAP Grant)

FY 2025 - \$118.9 Million (\$56.2 Million Supplementary Grant + \$62.7 Million SCAP Grant)

FY 2026 - \$121.9 Million (\$57.6 Million Supplementary Grant + \$64.3 Million SCAP Grant)

FY 2027 - \$125.1 Million (\$59.1 Million Supplementary Grant + \$66.0 Million SCAP Grant)

FY 2028 - \$128.3 Million (\$60.6 Million Supplementary Grant + \$67.7 Million SCAP Grant)

FY 2029 - \$131.6 Million (\$62.2 Million Supplementary Grant + \$69.4 Million SCAP Grant)

OSPI Program Administration

In order to administer the tasks and responsibilities outlined in the bill, OSPI would need to hire a Program Administrator (1 FTE) to implement and coordinate the new grant program with local school districts. The position will assist in the creation of the new program, provide technical assistance to school districts wanting to consolidate and apply for planning and modernization grants, and manage the grants funding awards. In addition to the new hire, about 340 hours of a contractor and 0.20 FTE of an IT application developer will be needed in FY 2023 to make the necessary changes to the Information and Condition Of Schools database to incorporate this new grant program into the SCAP grant module. The administrative costs also include quarterly meetings of the advisory committee.

The estimated total costs including salaries and benefits, contracts, related goods and services, meetings, travel, and one-time office set-up costs are as follows,

- FY 2023 - \$252,000 (Salaries \$131,000, Benefits \$63,000, IT Contract \$38,000, Goods and Services \$7,000, Travel \$8,000, and Furnishings and Equipment \$5,000)
- FY 2024 - \$175,000 (Salaries \$108,000, Benefits \$52,000, Goods and Services \$7,000, and Travel \$8,000)
- FY 2025 - \$175,000 (Salaries \$108,000, Benefits \$52,000, Goods and Services \$7,000, and Travel \$8,000)
- FY 2026 - \$175,000 (Salaries \$108,000, Benefits \$52,000, Goods and Services \$7,000, and Travel \$8,000)
- FY 2027 - \$175,000 (Salaries \$108,000, Benefits \$52,000, Goods and Services \$7,000, and Travel \$8,000)
- FY 2028 - \$175,000 (Salaries \$108,000, Benefits \$52,000, Goods and Services \$7,000, and Travel \$8,000)
- FY 2029 - \$175,000 (Salaries \$108,000, Benefits \$52,000, Goods and Services \$7,000, and Travel \$8,000)

Part V: New Rule Making Required

Office of Superintendent of Public Instruction
HB 1775 Distressed School District Modernization - Attachment 1

	2021-23 Biennium		2023-25 Biennium		2025-27 Biennium		2027-29 Biennium	
Cost Calculation of Planning, Hazard Assessment and Construction grants and OSPI Administration	2022	2023	2024	2025	2026	2027	2028	2029
Planning Grants								
Estimated average cost per planning grant		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Estimated number of planning grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of planning grants per year		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Building Inventory and Assessment Grant								
Estimated average cost per building inventory and assessment grant		\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Estimated number of planning grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of planning grants per year		\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000
Hazard Assessment Grants								
Estimated average cost per hazard assessment grant		\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Estimated number of hazard assessment grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of hazard assessment grants per year (rounded nearest 000's)		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
Total Estimated cost of planning grant activities (rounded to nearest 000's)		\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000

Construction Grants								
Average SCAP eligible sq.ft.			51,760	51,760	51,760	51,760	51,760	51,760
Estimated SCAP Construction Cost Allowance			\$ 251.62	\$ 257.32	\$ 263.72	\$ 270.59	\$ 277.67	\$ 284.82
Actual Cost of New Construction (Bids received between 8/1/20 to 7/31/21)			\$470.34					
Inflation			1.00	1.023	1.025	1.026	1.026	1.026
Adjusted Average Cost of New Construction			\$470.34	\$481.00	\$492.97	\$505.80	\$519.04	\$532.41
Estimated SCAP Financial Assistance Percentage			62.48%	62.48%	62.48%	62.48%	62.48%	62.48%

Estimated Total Construction Cost of Each Project			\$24,345,000	\$24,896,000	\$25,516,000	\$26,180,000	\$26,865,000	\$27,558,000
Estimated Average Soft Costs (% of Construction Costs)			13.75%	13.75%	13.75%	13.75%	13.75%	13.75%
Estimated Soft Costs Based on Construction Costs			\$3,347,905	\$3,423,678	\$3,508,940	\$3,600,253	\$3,694,453	\$3,789,754
Estimated Total Construction Cost + Soft Costs			\$27,692,905	\$28,319,678	\$29,024,940	\$29,780,253	\$30,559,453	\$31,347,754
Estimated number of construction grants issued per year			6	6	6	6	6	6
Total Estimated Project Costs (rounded to nearest 000's)			\$166,158,000	\$169,919,000	\$174,150,000	\$178,682,000	\$183,357,000	\$188,087,000

SCAP Assistance Per Project			\$ 10,228,741	\$ 10,460,453	\$ 10,720,799	\$ 10,999,861	\$ 11,287,722	\$ 11,578,584
Estimated number of construction grants issued per year			6	6	6	6	6	6
Estimated SCAP Assistance (rounded to nearest 000's)			61,373,000	62,763,000	64,325,000	66,000,000	67,727,000	69,472,000

30% of Required Local Share of Total Project Costs			\$ 8,308,000	\$ 8,496,000	\$ 8,708,000	\$ 8,935,000	\$ 9,168,000	\$ 9,405,000
Estimated number of construction grants issued per year			6	6	6	6	6	6
Total 30% of Required Local Share of Total Project Costs			\$ 49,848,000	\$ 50,976,000	\$ 52,248,000	\$ 53,610,000	\$ 55,008,000	\$ 56,430,000

Total Estimated Planning Grants		\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000
Total Estimated SCAP Grant Funding			\$ 61,373,000	\$ 62,763,000	\$ 64,325,000	\$ 66,000,000	\$ 67,727,000	\$ 69,472,000
Total Estimated cost of Supplementary grants (HB 1775)			\$ 54,937,000	\$ 56,180,000	\$ 57,577,000	\$ 59,072,000	\$ 60,622,000	\$ 62,185,000
Total Estimated SCAP and Supplementary Grants			\$ 116,310,000	\$ 118,943,000	\$ 121,902,000	\$ 125,072,000	\$ 128,349,000	\$ 131,657,000
Total Estimated Planning, Supplementary and SCAP Grant Funding		\$ 1,552,000	\$ 117,862,000	\$ 120,495,000	\$ 123,454,000	\$ 126,624,000	\$ 129,901,000	\$ 133,209,000
Biennial Total		\$ 1,552,000		\$ 238,357,000		\$ 250,078,000		\$ 263,110,000
OSPI Administration Costs		\$ 252,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
Biennial Total		\$ 252,000		\$ 350,000		\$ 350,000		\$ 350,000
Total Estimated Grants and Administrative Costs		\$ 1,804,000	\$ 118,037,000	\$ 120,670,000	\$ 123,629,000	\$ 126,799,000	\$ 130,076,000	\$ 133,384,000
Biennial Total		\$ 1,804,000		\$ 238,707,000		\$ 250,428,000		\$ 263,460,000

Office of Superintendent of Public Instruction
Local School District Capital Budget Impact
HB 1775 Distressed School District Modernization - Attachment 2

	2021-23 Biennium		2023-25 Biennium		2025-27 Biennium		2027-29 Biennium	
Cost Calculation of Planning, Hazard Assessment and Construction grants	2022	2023	2024	2025	2026	2027	2028	2029
Planning Grants								
Estimated average cost per planning grant		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Estimated number of planning grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of planning grants per year		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Building Inventory and Assessment Grant								
Estimated average cost per building inventory and assessment grant		\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Estimated number of planning grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of planning grants per year		\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000
Hazard Assessment Grants								
Estimated average cost per hazard assessment grant		\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Estimated number of hazard assessment grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of hazard assessment grants per year (rounded nearest 000's)		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
Total Estimated cost of planning grant activities (rounded to nearest 000's)		\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000
Construction Grants								
Average SCAP eligible sq.ft.			51,760	51,760	51,760	51,760	51,760	51,760
Estimated SCAP Construction Cost Allowance			\$ 251.62	\$ 257.32	\$ 263.72	\$ 270.59	\$ 277.67	\$ 284.82
Actual Cost of New Construction (Bids received between 8/1/20 to 7/31/21)			\$470.34					
Inflation			1.00	1.023	1.025	1.026	1.026	1.026
Adjusted Average Cost of New Construction			\$470.34	\$481.00	\$492.97	\$505.80	\$519.04	\$532.41
Estimated SCAP Financial Assistance Percentage			62.48%	62.48%	62.48%	62.48%	62.48%	62.48%
Estimated Total Construction Cost of Each Project			\$24,345,000	\$24,896,000	\$25,516,000	\$26,180,000	\$26,865,000	\$27,558,000
Estimated Average Soft Costs (% of Construction Costs)			13.75%	13.75%	13.75%	13.75%	13.75%	13.75%
Estimated Soft Costs as % of Total Construction Costs			\$3,347,905	\$3,423,678	\$3,508,940	\$3,600,253	\$3,694,453	\$3,789,754
Estimated Total Construction Cost + Soft Costs			\$27,692,905	\$28,319,678	\$29,024,940	\$29,780,253	\$30,559,453	\$31,347,754
Estimated number of construction grants issued per year			6	6	6	6	6	6
Total Estimated Project Costs (rounded to nearest 000's)			\$166,158,000	\$169,919,000	\$174,150,000	\$178,682,000	\$183,357,000	\$188,087,000
SCAP Assistance Per Project			\$ 10,228,741	\$ 10,460,453	\$ 10,720,799	\$ 10,999,861	\$ 11,287,722	\$ 11,578,584
Estimated number of construction grants issued per year			6	6	6	6	6	6
Estimated SCAP Assistance (rounded to nearest 000's)			61,373,000	62,763,000	64,325,000	66,000,000	67,727,000	69,472,000
30% of Required Local Share of Total Project Costs (rounded to nearest 000's)			\$ 8,308,000	\$ 8,496,000	\$ 8,708,000	\$ 8,935,000	\$ 9,168,000	\$ 9,405,000
Estimated number of construction grants issued per year			6	6	6	6	6	6
Total 30% of Required Local Share of Total Project Costs			\$ 49,848,000	\$ 50,976,000	\$ 52,248,000	\$ 53,610,000	\$ 55,008,000	\$ 56,430,000
Estimated Construction Supplementary Grants (Total Project Costs - SCAP - Required Local Share)			\$ 54,937,000	\$ 56,180,000	\$ 57,577,000	\$ 59,072,000	\$ 60,622,000	\$ 62,185,000

Summary of State Funding								
Total Estimated Planning Grants		\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000
Total Estimated SCAP Grant Funding			\$ 61,373,000	\$ 62,763,000	\$ 64,325,000	\$ 66,000,000	\$ 67,727,000	\$ 69,472,000
Total Estimated cost of Supplementary grants (HB 1775)			\$ 54,937,000	\$ 56,180,000	\$ 57,577,000	\$ 59,072,000	\$ 60,622,000	\$ 62,185,000
Total Estimated Planning, SCAP and Supplementary Grants		\$ 1,552,000	\$ 117,862,000	\$ 120,495,000	\$ 123,454,000	\$ 126,624,000	\$ 129,901,000	\$ 133,209,000

Total Planning and Construction Costs		\$ 1,552,000	\$ 167,710,000	\$ 171,471,000	\$ 175,702,000	\$ 180,234,000	\$ 184,909,000	\$ 189,639,000
Biennial Total		1,552,000		339,181,000		355,936,000		374,548,000
Total Local School District Costs Less State Grant Funding Assistance		\$ -	\$ 49,848,000	\$ 50,976,000	\$ 52,248,000	\$ 53,610,000	\$ 55,008,000	\$ 56,430,000

	2021-23 Biennium		2023-25 Biennium		2025-27 Biennium		2027-29 Biennium	
	2022	2023	2024	2025	2026	2027	2028	2029
School District Cash Receipts								
Planning Grant		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Building Inventory and Assessment Grant		\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000
Hazard Assessment Grant		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
SCAP Assistance		\$ -	\$ 61,373,000	\$ 62,763,000	\$ 64,325,000	\$ 66,000,000	\$ 67,727,000	\$ 69,472,000
Supplementary Grant (HB1775)		\$ -	\$ 54,937,000	\$ 56,180,000	\$ 57,577,000	\$ 59,072,000	\$ 60,622,000	\$ 62,185,000
Total Cash Receipts		\$ 1,552,000	\$ 117,862,000	\$ 120,495,000	\$ 123,454,000	\$ 126,624,000	\$ 129,901,000	\$ 133,209,000
Biennial Total		1,552,000		238,357,000		250,078,000		263,110,000

Individual State Agency Fiscal Note

Bill Number: 1775 HB	Title: Capital assistance/schools	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Local School Districts-Private/Local New-7		1,552,000	1,552,000	238,357,000	250,078,000
Total \$		1,552,000	1,552,000	238,357,000	250,078,000

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

	2021-23		2023-25		2025-27	
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Predesign/Design	0	0	0	0	0	0
Construction	0	1,552,000	167,710,000	171,471,000	175,702,000	180,234,000
Grants/Loans	0	0	0	0	0	0
Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	0	1,552,000	167,710,000	171,471,000	175,702,000	180,234,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- ☒ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: John Wilson-Tepeli	Phone: 360-786-7115	Date: 01/07/2022
Agency Preparation: Kirti Vijay	Phone: 3607256261	Date: 01/20/2022
Agency Approval: Randy Newman	Phone: 360 725-6267	Date: 01/20/2022
OFM Review: Darrell Jennings	Phone: (360) 584-4734	Date: 01/20/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The proposed legislation aims to provide capital financial assistance to small school districts that struggle with raising their local share for participating in the school construction assistance program.

Sec. 1 details how some of the school districts are unable to participate in the School Construction Assistance Program (SCAP) due to limited bond capacity and/or inability to raise the local share required as a pre-requisite for accessing the state funding. The proposed bill intends to create a new grant program for such school districts to be able to have necessary funds to newly build, rebuild or modernize existing school buildings.

Sec. 2(1) states how supplementary funding must be awarded to such districts for modernization and new construction as well as planning purposes.

Sec. 2(2) describes that the eligibility of school districts is limited to those that have a student headcount of 1,000 or less.

Sec. 2(3) lists out the project eligibility criteria as follows,

- (a) (i) Comprehensive modernization or replacement of instructional spaces that are at least 30 years old and recorded to be in poor or unsatisfactory condition by the Office of Superintendent of Public Instruction (OSPI)
- (a)(ii) Project cost must not exceed 110% of the statewide average cost per square foot for new construction or modernization as estimated by an advisory committee and approved by OSPI
- (b) In order to be eligible for comprehensive modernization, the project must correct critical physical deficiencies and essential safety concerns, including but not limited to seismic vulnerabilities, infrastructural deficiencies and /or barriers to program accessibility.

Sec. 2(4) enables school districts with incomplete building inventory, natural hazard assessments, and condition information to apply for planning grants in order to complete the same as required by OSPI. Thereafter, they would be able to apply for construction grants.

Sec. 2(5) lists out the eligible use of planning grant funding to include completion of building inventory, hazard assessment, and condition information with OSPI, all predesign and design costs including value engineering and constructability review, and all other project associated costs except school district administration.

Sec. 2(6) describes the requirements of developing a prioritized grant list.

- (a) OSPI must propose a list of prioritized planning and construction grants on September 1st of even numbered years, starting September 1, 2022. The list must include a description of proposed projects, planning and /or construction grant amount, anticipated SCAP amount, anticipated local share, estimated total project cost and project score in total and by category.
- (b) The prioritized list prepared by the advisory committee will help determine the level of funding to support grants proposed by this bill.

Sec. 2(7) directs OSPI to assist eligible school districts in applying for a construction grant by providing technical assistance and planning grants. School districts seeking planning grants under this section must provide a brief statement describing existing school condition, building system and site deficiencies, headcount enrollment, student achievement measures, and financial constraints. If needed, priority may be given to school district's financial capacity and facility conditions.

Sec. 2(8) sets out the construction grant requirements and how prioritization points are calculated and are not to exceed 100 points. Points must be awarded based on the following criteria: Up to 45 points can be awarded based on a school district's debt capacity out of which up to 20 points can be awarded by the advisory committee based on the severity of a

district's financial constraints; and up to 40 points must be awarded based on facility conditions and up to 15 points may be awarded for district enrollment.

Sec. 2(9) allows the advisory committee to make recommendations to the legislature as they learn more about the characteristics of school districts unable to modernize or replace their aging school facilities.

Sec. 2(10) lets the school districts use the grant to fund the required local funding which may be equal to or greater than the difference between the total approved project cost and the amount of state funding assistance. However, the school districts are required to secure at least 30 percent of the project's total cost from local resources.

Sec. 2(11) instructs OSPI to award grants only after the recipient school district has identified available local and other resources sufficient to complete the approved project. The following reporting requirements must be included: all school inventory and condition data must be updated; a final project report as specified by OSPI in consultation with the advisory committee and approved by the school facilities citizen advisory panel; and implementing and maintaining an asset preservation program

Sec. 2(12) clarifies that advisory committee refers to the one created under RCW 28A.525.159.

Sec. 3(4)(a) specifies that OSPI must propose a list of prioritized grants to the Governor by September 1st of even numbered years. However, the advisory committee appointed to prioritize applications for this grant must keep the process separate from the prioritization of small school district modernization grants.

Sec. 4 says that the act takes effect immediately since it is necessary for the preservation of public peace, health, or safety.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency , identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources . Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

The proposed legislation aims to provide capital financial assistance to small school districts that struggle with raising their local share for participating in the School Construction Assistance Program. For the purposes of discussion, a sample of six school districts (two each from three regions of Northwestern, Eastern and Southwestern Washington) with 1000 or fewer students were used to estimate the cost of the proposed bill.

Below is a summary of the three grants outlined in the proposed legislation. See Attachment 1 and Attachment 2 for detailed calculations.

Planning Grants: The legislation allows planning grants to be awarded to school districts with incomplete building inventory/condition and/or with an incomplete hazard assessment. A base grant of \$250,000 would be awarded to all the six small school districts chosen.

Building Inventory and Condition Assessment Grants: Based on the sample of six small school districts chosen, OSPI assumes it would provide a modified study and survey grant to school districts to complete an inventory and condition assessment of their school facilities. A modified study and survey grant is calculated at 50% of the amount provided by the traditional study and survey grant formula.

Natural Hazard Assessment Grants: In case of an incomplete hazard assessment, the new legislation provides funding to the school districts to complete the same. In this case, a building was chosen as a sample, taking care of the facts that the district had 1000 or fewer students enrolled and that the building had not been modernized in the past 30 years. A base grant amount of \$1,500 is granted to the small school districts to get started on the hazard assessment. In addition to the base amount, an additional grant is awarded based on the gross square feet of the building in consideration.

It's assumed all six small school districts would be eligible and receive project planning grants, building inventory and

condition assessment, and natural hazard assessment grants beginning in FY 2023. The amount per grant per fiscal year is shown below:

FY 2023 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants

FY 2024 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants

FY 2025 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants

FY 2026 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants

FY 2027 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants

FY 2028 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants

FY 2029 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants

Construction Grants: OSPI assumes all six districts will be eligible to receive state SCAP assistance and funding under the new grant program for their proposed construction projects.

Below is an estimate of the SCAP and supplementary grant funding under this proposed grant program for the six small school district projects.

FY 2024 - \$116.3 Million (\$54.9 Million Supplementary Grant + \$61.4 Million SCAP Grant)

FY 2025 - \$118.9 Million (\$56.2 Million Supplementary Grant + \$62.7 Million SCAP Grant)

FY 2026 - \$121.9 Million (\$57.6 Million Supplementary Grant + \$64.3 Million SCAP Grant)

FY 2027 - \$125.1 Million (\$59.1 Million Supplementary Grant + \$66.0 Million SCAP Grant)

FY 2028 - \$128.3 Million (\$60.6 Million Supplementary Grant + \$67.7 Million SCAP Grant)

FY 2029 - \$131.6 Million (\$62.2 Million Supplementary Grant + \$69.4 Million SCAP Grant)

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates . Distinguish between one time and ongoing functions .

No impact to local school district's operating budget.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
New-7	Local School Districts	State	0	1,552,000	1,552,000	339,181,000	355,936,000
Total \$			0	1,552,000	1,552,000	339,181,000	355,936,000

IV. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays		1,552,000	1,552,000	339,181,000	355,936,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	1,552,000	1,552,000	339,181,000	355,936,000

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

Construction Estimate	FY 2022	FY 2023	2021-23	2023-25	2025-27
Predesign/Design					
Construction		1,552,000	1,552,000	339,181,000	355,936,000
Grants/Loans					
Staff					
Other					
Total \$		1,552,000	1,552,000	339,181,000	355,936,000

IV. D - Capital FTE Detail: List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB

NONE

The proposed legislation aims to provide capital financial assistance to small school districts that struggle with raising their local share for participating in the School Construction Assistance Program. For the purposes of discussion, a sample of six school districts (two from Northwestern, Eastern and Southwestern Washington) with 1,000 or fewer students were used to estimate the cost of the proposed bill.

Below is a summary of the anticipated costs incurred by school districts including state funding from the three grants outlined in the proposed legislation. See Attachment 1 and Attachment 2 for detailed cost and grant reimbursement calculations.

Project Planning Costs: OSPI assumes the planning grants provided to small districts will be sufficient to provide OSPI a

description of the proposed project; proposed construction cost, the anticipated SCAP amount, the anticipated local share of the project, and estimated total project cost. In order to provide OSPI this needed information, it is assumed a high level concept level design of the proposed project will need to be completed with associated costs and project schedule. OSPI assumes a maximum of \$250,000 project planning grant would be provided to a district for a large project and lowered for smaller scale projects.

Based on the assumed cost of \$250,000 maximum per planning grant, the estimated cost to provide planning grants to six large projects per fiscal year is \$1.5 million (\$250,000 per project planning grant X 6 grants per year).

OSPI assumes all cost incurred for the completion of the project planning activities will be fully reimbursed to the local school district.

Building Inventory and Condition Assessment Costs: Based on the sample of six small school districts chosen, OSPI assumes it would provide a modified study and survey grant to school districts to complete an inventory and condition assessment of their school facilities. A modified study and survey grant is calculated at 50% of the amount provided by the traditional study and survey grant formula.

OSPI assumes all costs incurred by the local school district to complete the required building inventory and condition assessments will be reimbursed by the grant funding provided by OSPI.

Natural Hazard Assessment Costs: The legislation allows planning grants to be awarded to school districts with incomplete building inventory or condition. Based on the sample of six small school districts chosen, OSPI assumes it would provide a modified study and survey grant to school districts to complete an inventory and condition assessment of their school facilities. A modified study and survey grant is calculated at 50% of the amount provided by the traditional study and survey grant formula.

- Square feet between 0 and 4,999 gets an additional grant of \$300
- Square feet between 5,000 and 19,999 gets an additional grant of \$400
- Square feet between 20,000 and 34,999 gets an additional grant of \$450
- Square feet between 35,000 and 49,999 gets an additional grant of \$500
- Square feet above 50,000 gets an additional grant of \$1,000

OSPI assumes all costs incurred by the local school district to complete the required natural hazard assessments of their instructional buildings will be reimbursed through the proposed grant program.

The planning and hazard assessment grants calculated are as follows,

- FY 2023 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants
- FY 2024 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants
- FY 2025 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants
- FY 2026 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants
- FY 2027 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants
- FY 2028 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants
- FY 2029 - \$1,500,000 planning grants + \$39,000 building inventory and assessment grants + \$13,000 hazard assessment grants

Construction Costs:

OSPI assumes 6 construction projects will be approved for funding each fiscal year beginning in fiscal year 2024. Its assumed the average project will be 51,760 gross square feet and will be eligible for SCAP funding. Soft costs are estimated at 13.75% of the total project construction costs. Also, its assumed 30% of the total project cost will be the responsibility of each small school district as their local share. The estimated total construction cost of the six local school district projects is shown below:

FY 2023	– No Fiscal Impact
FY 2024	- \$166.2 Million (\$54.9 Million Supplementary Grant + \$61.4 Million SCAP Grant + \$49.9 Million Local Funding
FY 2025	- \$169.9 Million (\$56.2 Million Supplementary Grant + \$62.7 Million SCAP Grant + \$51.0 Million Local Funding
FY 2026	- \$174.1 Million (\$57.6 Million Supplementary Grant + \$64.3 Million SCAP Grant + \$52.2 Million Local Funding
FY 2027	- \$178.7 Million (\$59.1 Million Supplementary Grant + \$66.0 Million SCAP Grant + \$53.6 Million Local Funding
FY 2028	- \$183.3 Million (\$60.6 Million Supplementary Grant + \$67.7 Million SCAP Grant + \$55.0 Million Local Funding
FY 2029	- \$188.0 Million (\$62.2 Million Supplementary Grant + \$69.4 Million SCAP Grant + \$56.4 Million Local Funding

Part V: New Rule Making Required

Office of Superintendent of Public Instruction
HB 1775 Distressed School District Modernization - Attachment 1

	2021-23 Biennium		2023-25 Biennium		2025-27 Biennium		2027-29 Biennium	
Cost Calculation of Planning, Hazard Assessment and Construction grants and OSPI Administration	2022	2023	2024	2025	2026	2027	2028	2029
Planning Grants								
Estimated average cost per planning grant		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Estimated number of planning grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of planning grants per year		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Building Inventory and Assessment Grant								
Estimated average cost per building inventory and assessment grant		\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Estimated number of planning grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of planning grants per year		\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000
Hazard Assessment Grants								
Estimated average cost per hazard assessment grant		\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Estimated number of hazard assessment grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of hazard assessment grants per year (rounded nearest 000's)		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
Total Estimated cost of planning grant activities (rounded to nearest 000's)		\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000

Construction Grants								
Average SCAP eligible sq.ft.			51,760	51,760	51,760	51,760	51,760	51,760
Estimated SCAP Construction Cost Allowance			\$ 251.62	\$ 257.32	\$ 263.72	\$ 270.59	\$ 277.67	\$ 284.82
Actual Cost of New Construction (Bids received between 8/1/20 to 7/31/21)			\$470.34					
Inflation			1.00	1.023	1.025	1.026	1.026	1.026
Adjusted Average Cost of New Construction			\$470.34	\$481.00	\$492.97	\$505.80	\$519.04	\$532.41
Estimated SCAP Financial Assistance Percentage			62.48%	62.48%	62.48%	62.48%	62.48%	62.48%

Estimated Total Construction Cost of Each Project			\$24,345,000	\$24,896,000	\$25,516,000	\$26,180,000	\$26,865,000	\$27,558,000
Estimated Average Soft Costs (% of Construction Costs)			13.75%	13.75%	13.75%	13.75%	13.75%	13.75%
Estimated Soft Costs Based on Construction Costs			\$3,347,905	\$3,423,678	\$3,508,940	\$3,600,253	\$3,694,453	\$3,789,754
Estimated Total Construction Cost + Soft Costs			\$27,692,905	\$28,319,678	\$29,024,940	\$29,780,253	\$30,559,453	\$31,347,754
Estimated number of construction grants issued per year			6	6	6	6	6	6
Total Estimated Project Costs (rounded to nearest 000's)			\$166,158,000	\$169,919,000	\$174,150,000	\$178,682,000	\$183,357,000	\$188,087,000

SCAP Assistance Per Project			\$ 10,228,741	\$ 10,460,453	\$ 10,720,799	\$ 10,999,861	\$ 11,287,722	\$ 11,578,584
Estimated number of construction grants issued per year			6	6	6	6	6	6
Estimated SCAP Assistance (rounded to nearest 000's)			61,373,000	62,763,000	64,325,000	66,000,000	67,727,000	69,472,000

30% of Required Local Share of Total Project Costs			\$ 8,308,000	\$ 8,496,000	\$ 8,708,000	\$ 8,935,000	\$ 9,168,000	\$ 9,405,000
Estimated number of construction grants issued per year			6	6	6	6	6	6
Total 30% of Required Local Share of Total Project Costs			\$ 49,848,000	\$ 50,976,000	\$ 52,248,000	\$ 53,610,000	\$ 55,008,000	\$ 56,430,000

Total Estimated Planning Grants		\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000
Total Estimated SCAP Grant Funding			\$ 61,373,000	\$ 62,763,000	\$ 64,325,000	\$ 66,000,000	\$ 67,727,000	\$ 69,472,000
Total Estimated cost of Supplementary grants (HB 1775)			\$ 54,937,000	\$ 56,180,000	\$ 57,577,000	\$ 59,072,000	\$ 60,622,000	\$ 62,185,000
Total Estimated SCAP and Supplementary Grants			\$ 116,310,000	\$ 118,943,000	\$ 121,902,000	\$ 125,072,000	\$ 128,349,000	\$ 131,657,000
Total Estimated Planning, Supplementary and SCAP Grant Funding		\$ 1,552,000	\$ 117,862,000	\$ 120,495,000	\$ 123,454,000	\$ 126,624,000	\$ 129,901,000	\$ 133,209,000
Biennial Total		\$ 1,552,000		\$ 238,357,000		\$ 250,078,000		\$ 263,110,000
OSPI Administration Costs		\$ 252,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
Biennial Total		\$ 252,000		\$ 350,000		\$ 350,000		\$ 350,000
Total Estimated Grants and Administrative Costs		\$ 1,804,000	\$ 118,037,000	\$ 120,670,000	\$ 123,629,000	\$ 126,799,000	\$ 130,076,000	\$ 133,384,000
Biennial Total		\$ 1,804,000		\$ 238,707,000		\$ 250,428,000		\$ 263,460,000

Office of Superintendent of Public Instruction
Local School District Capital Budget Impact
HB 1775 Distressed School District Modernization - Attachment 2

	2021-23 Biennium		2023-25 Biennium		2025-27 Biennium		2027-29 Biennium	
Cost Calculation of Planning, Hazard Assessment and Construction grants	2022	2023	2024	2025	2026	2027	2028	2029
Planning Grants								
Estimated average cost per planning grant		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Estimated number of planning grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of planning grants per year		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Building Inventory and Assessment Grant								
Estimated average cost per building inventory and assessment grant		\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Estimated number of planning grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of planning grants per year		\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000
Hazard Assessment Grants								
Estimated average cost per hazard assessment grant		\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Estimated number of hazard assessment grants issued per year		6	6	6	6	6	6	6
Total Estimated cost of hazard assessment grants per year (rounded nearest 000's)		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
Total Estimated cost of planning grant activities (rounded to nearest 000's)		\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000
Construction Grants								
Average SCAP eligible sq.ft.			51,760	51,760	51,760	51,760	51,760	51,760
Estimated SCAP Construction Cost Allowance			\$ 251.62	\$ 257.32	\$ 263.72	\$ 270.59	\$ 277.67	\$ 284.82
Actual Cost of New Construction (Bids received between 8/1/20 to 7/31/21)			\$470.34					
Inflation			1.00	1.023	1.025	1.026	1.026	1.026
Adjusted Average Cost of New Construction			\$470.34	\$481.00	\$492.97	\$505.80	\$519.04	\$532.41
Estimated SCAP Financial Assistance Percentage			62.48%	62.48%	62.48%	62.48%	62.48%	62.48%
Estimated Total Construction Cost of Each Project			\$24,345,000	\$24,896,000	\$25,516,000	\$26,180,000	\$26,865,000	\$27,558,000
Estimated Average Soft Costs (% of Construction Costs)			13.75%	13.75%	13.75%	13.75%	13.75%	13.75%
Estimated Soft Costs as % of Total Construction Costs			\$3,347,905	\$3,423,678	\$3,508,940	\$3,600,253	\$3,694,453	\$3,789,754
Estimated Total Construction Cost + Soft Costs			\$27,692,905	\$28,319,678	\$29,024,940	\$29,780,253	\$30,559,453	\$31,347,754
Estimated number of construction grants issued per year			6	6	6	6	6	6
Total Estimated Project Costs (rounded to nearest 000's)			\$166,158,000	\$169,919,000	\$174,150,000	\$178,682,000	\$183,357,000	\$188,087,000
SCAP Assistance Per Project			\$ 10,228,741	\$ 10,460,453	\$ 10,720,799	\$ 10,999,861	\$ 11,287,722	\$ 11,578,584
Estimated number of construction grants issued per year			6	6	6	6	6	6
Estimated SCAP Assistance (rounded to nearest 000's)			61,373,000	62,763,000	64,325,000	66,000,000	67,727,000	69,472,000
30% of Required Local Share of Total Project Costs (rounded to nearest 000's)			\$ 8,308,000	\$ 8,496,000	\$ 8,708,000	\$ 8,935,000	\$ 9,168,000	\$ 9,405,000
Estimated number of construction grants issued per year			6	6	6	6	6	6
Total 30% of Required Local Share of Total Project Costs			\$ 49,848,000	\$ 50,976,000	\$ 52,248,000	\$ 53,610,000	\$ 55,008,000	\$ 56,430,000
Estimated Construction Supplementary Grants (Total Project Costs - SCAP - Required Local Share)			\$ 54,937,000	\$ 56,180,000	\$ 57,577,000	\$ 59,072,000	\$ 60,622,000	\$ 62,185,000

Summary of State Funding								
Total Estimated Planning Grants		\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000	\$ 1,552,000
Total Estimated SCAP Grant Funding			\$ 61,373,000	\$ 62,763,000	\$ 64,325,000	\$ 66,000,000	\$ 67,727,000	\$ 69,472,000
Total Estimated cost of Supplementary grants (HB 1775)			\$ 54,937,000	\$ 56,180,000	\$ 57,577,000	\$ 59,072,000	\$ 60,622,000	\$ 62,185,000
Total Estimated Planning, SCAP and Supplementary Grants		\$ 1,552,000	\$ 117,862,000	\$ 120,495,000	\$ 123,454,000	\$ 126,624,000	\$ 129,901,000	\$ 133,209,000

Total Planning and Construction Costs		\$ 1,552,000	\$ 167,710,000	\$ 171,471,000	\$ 175,702,000	\$ 180,234,000	\$ 184,909,000	\$ 189,639,000
Biennial Total		1,552,000		339,181,000		355,936,000		374,548,000
Total Local School District Costs Less State Grant Funding Assistance		\$ -	\$ 49,848,000	\$ 50,976,000	\$ 52,248,000	\$ 53,610,000	\$ 55,008,000	\$ 56,430,000

	2021-23 Biennium		2023-25 Biennium		2025-27 Biennium		2027-29 Biennium	
	2022	2023	2024	2025	2026	2027	2028	2029
School District Cash Receipts								
Planning Grant		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Building Inventory and Assessment Grant		\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000
Hazard Assessment Grant		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
SCAP Assistance		\$ -	\$ 61,373,000	\$ 62,763,000	\$ 64,325,000	\$ 66,000,000	\$ 67,727,000	\$ 69,472,000
Supplementary Grant (HB1775)		\$ -	\$ 54,937,000	\$ 56,180,000	\$ 57,577,000	\$ 59,072,000	\$ 60,622,000	\$ 62,185,000
Total Cash Receipts		\$ 1,552,000	\$ 117,862,000	\$ 120,495,000	\$ 123,454,000	\$ 126,624,000	\$ 129,901,000	\$ 133,209,000
Biennial Total		1,552,000		238,357,000		250,078,000		263,110,000