



Supporting Indoor Air Quality and Efficiency

2027-29 Biennial Capital Budget Decision Package

Agency: 3500 Office of Superintendent of Public Instruction

Budget period: 2027-29 Biennial Budget

Budget level: PL

PROJECT SUMMARY

The Office of Superintendent of Public Instruction (OSPI) requests \$106.5 million to continue the indoor air quality and energy efficiency programs. This funding will provide grants to school districts for energy efficiency projects to comply with the Clean Buildings Performance Standard as well as improve indoor air quality (IAQ).

PROJECT DESCRIPTION

Beginning in the 2024 Supplemental Capital Budget, the OSPI was appropriated \$45 million to provide grants to school districts for IAQ assessments and improvements. Improvement projects included installation, repair or replacement of HVAC, air filtration, enhancements, and general air quality improvements that improve student health and safety.

The Legislature has continued its support for this grant program by providing another \$17.5 million in the 2025-27 Biennial Capital Budget, for a total of \$62.5 million dedicated to IAQ grants. As of June 2026, a total of \$14.9 million has been allocated to IAQ assessment projects and about 50% has been granted to school districts. The grant program will continue to stay open until funds are exhausted. The remaining funding of \$47.6 million has been allocated to IAQ improvement projects and all funding has been granted to school districts as of June 2026.

In the 2023-25 Biennial Capital Budget, \$5 million was appropriated for small district energy assessments under 1,000 students. The 2024 Supplemental Capital Budget provided an additional \$1.8 million for the grant program, for a total of \$6.8 million dedicated to small district energy assessments. As of June 2026, \$2.2 million has been allocated to small school districts. The remaining \$4.6 million is available, and OSPI is actively reaching out to small school districts to make them aware of this funding opportunity.

This budget request will continue funding new HVAC installations, repairs or replacements with priority given to energy efficiency grants that will help school buildings meet the Clean Buildings Performance Standard requirements. The requested funding will continue to be allocated to two cohorts of districts: \$60 million for districts with less than 3,000 students and \$40 million for

districts with 3,000 or more students.

An additional \$1.5 million is requested for IAQ assessments and \$5 million for energy assessments for all school districts regardless of size. Energy assessments are the first step in determining what is needed for a school building to be compliant with the Clean Buildings Performance Standards.

Grants – Indoor Air Quality Improvements-School districts with less than 3,000 students (\$60 Million)

The need for funding new IAQ grants is supported by the funding requests submitted by school districts for these limited funds. For example, OSPI received \$109.7 million in funding requests from 41 school districts (with student enrollment of less than 3,000 students) for projects that would improve IAQ in schools. OSPI was only able to fund 19 of these requests (\$39.7 million) as of June 2026.

This funding request (\$60 million) will allow OSPI to continue offering school districts with enrollments less than 3,000 students grant funding for energy efficiency projects including installation, repair, or replacement of HVACs, central air filtration enhancements and other capital projects that improve energy efficiency and student health and safety.

This grant funding will be prioritized based on criteria developed in consultation with representatives of OSPI's technical advisory committee and will include the following:

1. HVAC systems that are in poor condition and do not meet current energy efficiency standards;
2. School districts that are not in compliance with the Clean Buildings Performance Standard;
3. School districts that have the most limited financial capacity; and
4. School districts that have attempted and failed a capital bond or levy in the past five years.

Grants – Indoor Air Quality Improvements-School districts 3,000 or greater students (\$40 Million)

This request of \$40 million will allow OSPI to continue offering grant funds to school district with a student enrollment greater than 3,000 students to make IAQ improvements.

The demand for additional grant funding by districts is supported by the unprecedented amount of grant funding requested in the 2025-27 biennium where OSPI received \$74.6 million in requests from 24 school districts for districts over 3,000 students for IAQ improvements. Due to limited funding, only 8 districts over 3,000 students were funded for a total of \$7.9 million.

This request will continue to allow school districts with enrollments of three thousand students or greater to apply for grant funding for energy efficiency projects including installation, repair

or replacement of HVACs, central air filtration enhancements and other capital projects that improve energy efficiency and student health and safety.

This grant funding will be prioritized based on criteria developed in consultation with representatives of OSPI's technical advisory committee and will include the following: 1. HVAC systems are in poor condition and do not meet current energy efficiency standards; 2. School districts that are not in compliance with the Clean Buildings Performance Standard 3. School districts that have the most limited financial capacity; and 4. School districts that have attempted and failed a capital bond or levy in the past five years.

Grants – Indoor Air Quality Assessments \$1.5 million

In the 2025-27 biennium, the legislature provided \$11.25 million in funding for districts with enrollments greater than 3,000 students to perform IAQ assessments and \$3.1 million in funding for districts with enrollments less than 3,000 students to perform IAQ assessments. In addition, \$500,000 was provided for HEPA filters for districts near the Sea-Tac Airport. The total number of districts that received funding for IAQ assessments and HEPA filters is 79. This funding request would continue these grant programs and help districts be prepared for an IAQ improvement project and expand the grant program to all districts regardless of student enrollment.

Grants – Energy Assessments \$5 million

In the 2023 Biennial Capital Budget, the legislature provided \$6.8 million for small districts under 1,000 students to perform energy assessments in preparation for Clean Buildings Performance Standard requirements. As of June 2026, \$2.2 million has been allocated to 63 small school districts under 3,000 students. This funding request would expand this grant opportunity to all school districts regardless of size. These grant funds would pay for an ASHRAE Level 2 audit which is the first step in determining what a building needs for Clean Buildings Performance Standard compliance.

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

These funds will allow districts to repair or replace HVAC systems or perform assessments to determine next steps for energy efficiency and IAQ improvement. Projects or assessments can begin as soon as districts receive funding and will not be phased.

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

School districts will receive funding to make needed repairs to HVAC systems that districts cannot pay for without grant funds. These HVAC systems improve IAQ and energy efficiency and create safe and healthy learning environments for students. HVAC improvements also reduce energy costs and greenhouse gas emissions. Without these funds, districts will have to continue

operating inefficient HVAC systems that do not provide adequate heating or cooling for students and consume larger than necessary amounts of energy.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

As of June 2026, a total of \$14.9 million has been allocated to IAQ assessment projects and about 50% has been granted to school districts. The grant program will continue to stay open until funds are exhausted.

The remaining IAQ project funding of \$47.6 million has been allocated to IAQ improvement projects and all funding has been granted to school districts as of June 2026. As of June 2026, \$2.2 million has been allocated to small school district energy assessment projects.

Does this project or program leverage non-state funding? If yes, how much by source?

Non-state funds will not be used to complete the project.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

N/A

For major construction projects, what project delivery method has been or will be selected and why?

N/A

Location

- Address: N/A
- Zip Code: N/A
- County: Statewide
- City: Olympia
- Legislative District: 098

Grant recipient organization

Local School Districts.

RCW that establishes grant

28A.525

Application process used

OSPI will prioritize the school district applications by scoring them using criteria developed in

consultation with its technical advisory committee.

Describe Growth Management Impacts (Have you worked with local officials and describe any potential impacts)

School districts are responsible for determining whether and how they need to participate in the planning process with the city or county planning authority.

Funding Requested

- 2027-29 \$106,500,000
- 2029-31 \$0
- 2031-33 \$0
- 2033-35 \$0
- 2035-37 \$0

STRATEGIC AND PERFORMANCE OUTCOMES

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

This project supports Superintendent Reykdal's K-12 Education Vision of his goal for Washington's public education system to prepare every student who walks through our school doors for post-secondary aspirations, careers, and life.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

Climate change affects all students statewide. Washington has countless communities that cannot pass bonds/levies. Students learning in these communities do not have guaranteed access to clean air quality in their classrooms, even though many of their peers are provided clean air daily. This disparity disproportionately affects low-income students of color and exacerbates pre-existing environmental injustice. Grant applications will be prioritized to promote equity and reduce health disparities across the state.

OTHER SUPPORTING MATERIALS

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

This project does not impact the Puget Sound Action Agenda or the Governor's Salmon Strategy.

Is there additional information you would like decision makers to know when evaluating this request?

No.