



Funding the School Construction Assistance Program (SCAP)

2027-29 Biennial Capital Budget Decision Package

Agency: 3500 Office of Superintendent of Public Instruction

Budget period: 2027-29 Biennial Budget

Budget level: ML

PROJECT SUMMARY

The Office of Superintendent of Public Instruction (OSPI) administers the School Construction Assistance Program (SCAP) which operates as a partnership with local school districts to provide the school buildings needed for educating the students of Washington. SCAP provides funding to school districts to plan, construct, and renovate (modernize) school facilities to provide space for learning. OSPI requests funding for the continuation of the current program at the 2025-27 biennial funding levels adjusted for inflation.

PROJECT DESCRIPTION

The OSPI administers SCAP, which operates as a partnership with local school districts to provide the school buildings needed for educating the students of Washington. SCAP provides funding to school districts to plan, construct, and renovate (modernize) school facilities to provide space for learning.

SCAP provides state funding assistance for new construction and renovation (modernization) of school facilities based on the following funding formula:

State Funding Assistance = Eligible Area X Construction Cost Allocation X State Funding Assistance Percentage

Eligible Area (Square Feet): The first component of the funding formula is to determine the amount of space (square feet) eligible for state assistance. The eligible area is determined by comparing a district's current capacity (square feet) to the district's projected enrollment and future space needs. Future space need is calculated by multiplying the number of students projected to be enrolled in the district in the next five years by the Student Space Allocation (SSA) per student for each grade level defined in Washington Administrative Code (WAC) 392-343-035.

Eligible Area Formula (New Construction)

(Future Enrollment X per Student Space Allocation) – Current District Capacity (Square Feet)

Eligible Area Formula (Modernization/Renovation)

(Future Enrollment X per Student Space Allocation) – District Capacity (Square Feet) Improved Space in the Past 20 Years (Pre-1993 Buildings) or 30 Years (Built after July 1, 1993)

Student Space Allocation (SSA)

The SSA is used to determine the amount of square feet the state will fund when a school facility is constructed, modernized, or replaced (New-In-Lieu). The SSA is authorized by administrative rule (WAC 392-343-035) and funding levels are set by the Legislature. Below are the current funded SSA levels:

Current SSA Funding Levels

90 square feet per student = Kindergarten through Grade 6

117 square feet per student = Grade 7 and 8

130 square feet per student = Grades 9 through 12

144 square feet per student = Students with Disabilities

The maintenance level capital budget request assumes the following square footages will be eligible for state assistance in the 2025-27 biennium:

Fiscal Year 2028

179,949 New Square Feet per Fiscal Year

1,054,868 New-In-Lieu Square Feet per Fiscal Year

324,819 Modernization Square Feet per Fiscal Year

1,559,636 Total Square Feet per Fiscal Year

Fiscal Year 2029

170,282 New Square Feet per Fiscal Year

971,677 New-In-Lieu Square Feet per Fiscal Year

231,205 Modernization Square Feet per Fiscal Year

1,373,164 Total Square Feet per Fiscal Year

2,932,800 Total Square Feet for the 2027-29 Biennium

The maintenance level eligible area square footage was determined by reviewing past local school district capital bond elections and their associated capital projects eligible for SCAP funding and projected future school district bond elections and projects.

Construction Cost Allocation (CCA)

The Construction Cost Allocation (CCA) is the maximum construction cost per square foot used to calculate the amount of state assistance and is authorized by administrative rule and final funding levels are set by the legislature. WAC 392-343-060 authorizes the CCA and prescribes how the CCA is calculated as follows:

1. The CCA for state funding assistance shall apply to the cost of construction of the total facility and grounds, including state sales and use taxes generally levied throughout the state of Washington and excluding those local option sales and use taxes levied by political subdivisions.
2. The CCA used in calculating state funding assistance for construction of school facilities shall be determined by the Superintendent of Public Instruction using the prior year's construction cost allocation, plus a construction inflation factor.
3. The Superintendent of Public Instruction's office shall work with appropriate parties to develop a method for determining the annual construction inflation factor.

The maintenance level capital budget request is based on increasing the CCA which was funded in fiscal year (FY) 2027 at \$399.38 per square foot using an annual escalation factor from the C100 form published by the Office of Financial Management.

The following outlines the proposed CCA for this maintenance level request:

Annual Construction Inflation Factor

The proposed increase is based on the chained price indices for state and local government spending from the HIS/Global Insight First Quarter 2022 Forecast. This methodology is consistent with the Office of Financial Management's inflation used for state building construction projects.

The following are the inflation factors used to calculate the CCA maintenance level funding for the 2027-29 biennium:

102.89% Fiscal Year 2028

103.16% Fiscal Year 2029

CCA Maintenance Level Calculations

\$399.38 Fiscal Year 2027 CCA

\$ 11.62 Plus Maintenance Level Increase (Rounded Up to Whole Dollar)

\$411.00 Fiscal Year 2028 CCA (\$399.38 X 102.89%)

\$411.00 Proposed Fiscal Year 2028 CCA

\$ 13.00 Plus Maintenance Level Increase (Rounded Up to Whole Dollar)

\$424.00 Fiscal Year 2029 CCA (\$411.00 X 103.16%)

Funding Assistance Percentage (FAP)

The Funding Assistance Percentage (FAP) is the percentage of recognized project costs which will be paid by the state and is set by Revised Code of Washington (RCW 28A.525.166). The percentage rate is based on the assessed property valuation of a district. The FAP equalizes the amount of state assistance between property-wealthy and property-poor school districts. The FAP ranges from a minimum level of 20% to a maximum level of 100%.

The maintenance level request uses an average of 54.12% to approximate the FAP of school districts who might be accessing SCAP funding for FY 2028 (2027 SCAP Release) and 60.0% for FY 2029 (2028 SCAP Release) during and in future biennia thereafter.

Study and Survey Grants

School districts who are considering applying for funding under SCAP must complete a study and survey which is an analysis of the school district's facilities, educational programs and plans, student population projections, capital finance and operating capabilities, and needs for new construction, modernization, or replacement of facilities.

Study and survey grants are available every six years to school districts. The amount of grant funding provided by rule is based on the enrollment of the district and the state recognized square feet of its school facilities. A base amount is provided at different enrollment levels plus funding based on the number of square feet.

Study and survey grants are established by OSPI in accordance with WAC 392-341-030 based on the following funding formulas:

FY 2028

Headcount Enrollment of 1 to 500 – \$10,504 Base + \$0.077 per State Recognized Square Feet

Headcount Enrollment of 501 to 3,000 – \$11,813 Base + \$0.062 per State Recognized Square Feet

Headcount Enrollment of 3,001 to 10,000 – \$15,757 Base + \$0.053 per State Recognized Square Feet

Headcount Enrollment of Above 10,000 – \$23,636 Base + \$0.032 per State Recognized Square Feet

FY 2027

Headcount Enrollment of 1 to 500 – \$10,576 Base + \$0.079 per State Recognized Square Feet

Headcount Enrollment of 501 to 3,000 – \$12,097 Base + \$0.063 per State Recognized Square Feet

Headcount Enrollment of 3,001 to 10,000 – \$16,135 Base + \$0.054 per State Recognized Square Feet

Headcount Enrollment of Above 10,000 – \$24,203 Base + \$0.033 per State Recognized Square Feet

The maintenance level calculations were inflated using the Seattle CPI+ (Table A4.1) published in the June 2026 edition of the Washington State Economic & Revenue Forecast. The historical number of study and survey grants has been used to estimate the grants that will be funded in FY 2028 and FY 2029.

The average amount of the basic study and survey grant is \$39,401 in FY 2028 and \$40,347 in FY 2029. The total funding request is as follows:

Maintenance Level Funding Request

- \$ 1,458,000 FY 2028
- \$ 1,493,000 FY 2029

\$ 2,951,000 Total Biennial Request

Natural Hazards Assessment Grant Funding

This request provides continued grant funding to school districts to provide additional building information to help determine the risk of natural hazards for buildings used for instruction. The building data collected is entered into OSPI's Information and Condition of Schools (ICOS) Pre-Disaster Mitigation Module to create an initial risk assessment of each natural hazard such as earthquakes, tsunamis, volcanic activities, floods, wildfires, and landslides.

This request provides grant funding for school districts to hire qualified consultants to collect building data that will help districts and OSPI assess the seismic vulnerability of school buildings. The collected information will be used to prioritize which buildings require further seismic evaluation because they are most likely to pose high risks to life safety, suffer severe damage, or require extended repair downtime after an earthquake. OSPI's School Seismic Safety Committee will analyze the risk data and create a prioritized list of high-risk buildings for detailed structural assessment and potential retrofitting under OSPI's School Seismic Safety Grant Program established by SSB 5933.

OSPI partners with the Department of Natural Resources' (DNR) Washington Geological Survey to assist school districts who receive a study and survey grant in identifying the seismic site class information at each of their school campuses. The site class data will be entered into ICOS PDM and used to calculate the seismic risk of each instructional building. The additional geological data provided by DNR will assist in the prioritization of projects for future SSSP funding. OSPI and DNR have been working collaboratively since the 2017-19 biennium to address school seismic safety. This will continue the coordination of school building data and geological data.

In addition, the information collected will assist school districts in assessing long-term facility needs and mitigate natural hazard risks.

The estimated average cost per building to complete the seismic hazard assessment in the 2027-29 biennium is \$533. Based on the number of historical study and survey grants and the average number of instructional buildings per district, the estimated cost to provide this additional funding is \$474,000.

Project Related Costs

SCAP grants include funding for other direct project related costs such as:

1. Architectural and Engineering Fees
2. Construction Management
3. Educational Specifications
4. Value Engineering
5. Constructability Review
6. Building Commissioning
7. Energy Reports and Review
8. Inspection and Testing
9. Fixtures, Furnishings, and Equipment

The maintenance level request continues funding project related costs at current levels.

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

The state funding provided by SCAP to local school districts is combined with local funding to construct, modernize and replace school facilities. Without state funding, 100% of the construction cost would be the responsibility of local school districts.

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

The program supports Article IX of the state's constitution to provide funding to the common schools for the construction of school facilities. The SCAP program fulfills this intent as outlined in RCW 28A.525.010 which was enacted to establish a program of state assistance to school districts to provide school facilities.

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?

The previous funding appropriated to the SCAP funding has been granted to local school districts for school construction projects.

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

No, this program is 100% state funded.

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?

Local school districts receiving SCAP grant funding select their project delivery method.

Location

- Address Statewide
- Zip Code Statewide
- County Statewide
- City Statewide
- Legislative District Statewide

Grant recipient organization

Local School Districts.

RCW that establishes grant

N/A

Application process used

N/A

Describe the Growth Management Impacts

N/A

Funding Requested

- 2027-29 \$831,941,000
- 2029-31 \$863,261,000
- 2031-33 \$902,338,000
- 2033-35 \$944,534,000
- 2035-37 \$987,730,000

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?

The SCAP program attempts to provide an equitable distribution of funding for eligible projects based on its calculation of state financial assistance under RCW 28A.525.166.

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.