



SUPERINTENDENT OF PUBLIC INSTRUCTION

Randy I. Dorn Old Capitol Building · PO BOX 47200 · Olympia, WA 98504-7200 · <http://www.k12.wa.us>

May 19, 2010

(X) Informational
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MEMORANDUM NO. 035-10 SCHOOL FACILITIES AND ORGANIZATION

TO: Educational Service District Superintendents
School District Superintendents
School District Assistant Superintendents
School Business Managers
School District Capital Projects Directors
School Maintenance Operations Directors

FROM: Randy I. Dorn, State Superintendent of Public Instruction

RE: Grants for K-12 Energy Operational Cost Savings Improvements

CONTACT: Patricia Jatczak, Program Development Manager, OSPI
(360) 725-4973, Patricia.Jatczak@k12.wa.us, TTY (360) 664-3631

NEW CAPITAL GRANT FUNDING OPPORTUNITY

This memorandum is to alert districts to new competitive capital grant opportunities. The 2010 Legislature appropriated \$50 million to the Office of Superintendent of Public Instruction (OSPI) to implement grant funding for energy operational cost saving improvement projects in K-12 public schools. These funds are for energy projects in school facilities that use the performance-based contracting method, which provides a guaranteed construction cost and guaranteed energy savings. Grant awards are to be used to supplement district resources which may come from existing district funds, utility incentives, and/or low interest loans. More specific details will be available on the OPSI website indicated below.

The process and application will be similar to the 2009 OSPI Energy Efficiency Grant Program. In 2009, \$16.9 million was awarded to 60 districts in twenty-four counties in the state for facility energy improvements.

The Department of Commerce is also running a concurrent \$50 million grant funding program for energy operational cost saving improvement projects in which K-12 and higher education will both compete for those funds. OSPI and Commerce will stagger rounds of due dates for applications so that school districts have plenty of opportunities to apply.

Additionally, competitive grants may be available this year to cover the partial cost of preparing an Investment Grade Audit, if specific program rules are met.

APPLICATION PROCESS

School districts may begin applying for OSPI Round One of applications through the OSPI **iGrants system, package number 492**. (Note that while similar, there are some modifications from the 2009 application.) Projects will be competitively evaluated with an expected 85% of the total grants requested being awarded in each round. Criteria are based on the leveraged resources, energy savings, and expediency of the project. There is no upper grant award limit; however since energy system improvements and leverage are the priority scoring criteria, it is assumed that the grant awards will be up to \$1 million. The target leverage ratio is 3 to 1, with no minimum requirement, but the higher the district leverage, the better the score.

TIMELINES

The program grant cycle will run from May 2010 through June 2011, with grant awards made in multiple rounds. Round 1 is for districts with projects that are nearly ready to begin construction and must be able to submit an Investment Grade Audit, with guaranteed construction cost and guaranteed energy savings. Districts may apply for Investment Grade Audit grants. *(Please do not rush and submit an incomplete project application in Round One. Only a limited number of projects will be able to meet this very short application period.)* The goal of this round is to help stimulate the economy and create jobs by getting some projects underway as soon as possible. The iGrants application information will be available by **May 25, 2010**.

OSPI GRANT ROUNDS

OSPI Round 1 application deadline is 5:00 p.m. June 25, 2010.

Subsequent OSPI application rounds:

- **Round 2 -- 5:00 p.m. August 27, 2010.**
- **Round 3 -- 5:00 p.m. October 22, 2010.**
- **Round 4 (if needed) -- 5:00 p.m. March 4, 2010.**

COMMUNICATIONS

OSPI will host a K20 broadcast in Olympia on the 2010 Energy Operational Cost Savings Improvement Grants for districts to learn about energy performance contracting and the grant program requirements. It will be held on **Wednesday, May 26, 2010**, from 1:30 – 3:00 pm. If you wish to participate in the videoconference from your district, please contact the appropriate staff to ensure that a meeting room and videoconference equipment are available. Contact Tony Brownell at OSPI at tony.brownell@k12.wa.us or (360)725-6381, to be added to the videoconference after confirming your local site's availability.

Information on the OSPI grant process and performance-based contracting will be on OSPI's website at <http://www.k12.wa.us/SchFacilities/Programs/EnergyEfficiencyGrant.aspx> as it becomes available. Please check the website frequently for new information.

May 19, 2010

DEPARTMENT OF COMMERCE GRANTS

Please note the Washington State Department of Commerce is also administering an additional \$50 million grant program for higher education and K-12 schools, for the same purposes as the OSPI Energy Operational Cost Savings Improvements grants.

The OSPI funds are only for K-12 while the Department of Commerce funds are available to both K-12 and higher education. In the Department of Commerce program, at least five percent of each grant round must be awarded to public K-12 school districts with fewer than 1,000 full-time equivalent students, based on demand and capacity.

DEPARTMENT OF COMMERCE GRANT ROUNDS

Department of Commerce **Round 1 application deadline is 5:00 p.m. July 19, 2010.**

Subsequent Department of Commerce application rounds:

- **Round 2 -- 5:00 p.m. September 20, 2010.**
- **Round 3 -- 5:00 p.m. November 15, 2010.**
- **Round 4 (if needed) -- 5:00 p.m. March 22, 2011.**

Please contact Daniel Aarthun at d.aarthun@commerce.wa.gov, for information about the Department of Commerce program.

Contact Patricia Jatzak, (360) 725-4973, Patricia.Jatzak@k12.wa.us, for information about the OSPI program.

K-12 FINANCIAL RESOURCES

Shawn Lewis
Chief Financial Officer

SCHOOL FACILITIES AND ORGANIZATION

Gordon Beck
Director

RD:GB:pj