



Department of Commerce
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Jobs Act for K-12 Public Schools and Higher Education Institutions

*2015 Joint Report per Supplemental Capital Budget
(ESHB 2836, Section 1016, 2010)*

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Report to the Legislature

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Introduction

The Jobs Act for K-12 Public Schools and Higher Education Institutions (Jobs Act) was established as part of the 2010 Supplemental Capital Budget, [ESHB 2836](#), Section 1016. This budget included an appropriation of \$50 million to the Washington State Department of Commerce (Commerce) for energy cost-savings grants. The program's immediate goal was to stimulate Washington's economy by creating jobs. The Legislature recognized the need to create jobs quickly, at that time, to alleviate high unemployment in the construction sector. The long-term goal is to reduce the energy costs at the state's public educational facilities. These grants must be used solely for energy and operational cost-savings improvements.

The legislation directed Commerce to work with the Department of Enterprise Services' Energy Program (DES), the Office of Superintendent of Public Instruction (OSPI), and the Washington State University Extension-Energy Programs (WSU) to develop the program, conduct a competitive grant process, and evaluate applications. Final grant awards were determined by Commerce.

This joint report addresses project completion, program administrative function and administrative fees, compliance with apprenticeship utilization requirements in RCW 39.04.320, compliance with prevailing wage requirements, and the role of DES.

This is the fifth legislative report prepared for the Jobs Act. The legislation directs Commerce to submit reports by June 30 every year until all funds are fully expended and all savings verification requirements are fulfilled, which could take from three to 10 years depending on the projects.

Jobs Act Results

Executed Contracts and Completed Projects

All 72 of the Jobs Act's executed contracts, totaling \$42,561,459, have been paid and all projects are completed.

Number of Jobs Funded

The primary purpose of the Jobs Act was to fund family wage jobs throughout Washington, specifically in the construction industry. The final number of jobs funded was 695. This final figure comes directly from the quarterly reports submitted to Commerce by the grantees. Commerce used actual numbers in this report because all of the projects are complete. Commerce no longer receives quarterly reports from grantees.

Apprenticeships

The final number of apprenticeships funded by the Jobs Act was 77. An unexpected outcome of the Jobs Act was the number of apprenticeships funded – even projects that were not required to follow the apprenticeship utilization standards nonetheless hired apprentices.

Prevailing Wages

Commerce's Jobs Act contracts required all grantee contractors and subcontractors performing work on these projects to comply with prevailing wage laws set forth in RCW 39.12. The grantee must maintain records indicating compliance and these records must be made available if requested by Commerce.

Program Administration and Expenses

During this reporting period (July 2014-June 2015), Commerce staff continued to gather measurement and verification reports.

Administrative expenses for this period were for Commerce's staff. The Commerce model for administering capital programs assumes that no general funds will be used for administrative expenses. Commerce used three percent (\$1.5 million) of the original Jobs Act appropriation to cover startup costs and ongoing administrative expenses. Approximately \$175,123 will be expended by June 30, 2015, for administrative expenses. This appropriation's administrative funds are now fully expended.

Measurement and Verification of Energy Savings

Measurement and Verification (M&V) Reports containing complete data were received from 52 Commerce projects. Commerce's projects used two methods of delivering the energy efficiency work: Energy Service Companies (ESCOs) or energy/mechanical engineering firms that are not ESCOs. ESCOs are required to guarantee their energy savings projections. If the work does not meet these projections the ESCO works to achieve these savings or in some cases, pays the project owner the difference between projected and actual energy savings. Independent energy/mechanical engineering firms are not required to guarantee their energy savings projections. If there is a difference between projected and actual savings, the project owner assumes the risk.

Energy Service Companies (ESCOs)

Commerce received 28 complete M&V reports from ESCOs. When an ESCO first develops its Investment Grade Audit and/or the Energy Services Proposal, it calculates the project's energy savings using a variety of engineering methodologies. ESCOs then guarantee between 80 and 100 percent of the calculated energy savings depending upon the specific energy measure (i.e., lighting, HVAC, controls). The total guaranteed annual kBtu for these 28 projects was 66,609,557.

Approximately one year after the energy saving measures have been installed, the ESCO's follow up with an M&V report. This report reviews how well the energy saving measures are working, what has changed in the facility's use, and describes what needs to be done to correct any energy savings measures that are not operating at their peak performance. The M&V report gives actual annual kBtu savings achieved. The total actual annual kBtu savings for these 28 projects was 70,238,744.

Overall, the 28 projects exceeded the original energy savings guarantees by 3,629,189 kBtu. All of the projects except one exceeded the ESCO's guaranteed energy savings. The one project that did not meet the ESCO's guaranteed energy savings changed its scope of work.

The ratio of actual-to-guaranteed annual kBtu energy savings was 105.45 percent over all 28 projects. The average project saved 109.06 percent of its guaranteed energy amount.

Non-ESCOs

Seattle Public Schools and Everett School District chose not to use ESCOs. Rather, these districts hired individual energy/mechanical engineering firms to do their energy work.

Commerce received 23 complete M&V reports from the non-ESCOs. The total calculated annual kBtu for these 23 projects was 29,700,792.

Approximately one year after the energy saving measures have been installed, Seattle Public Schools conducted their own M&V review. Seattle Public Schools' M&V plan was reviewed and approved by the DES Energy Program. Everett School District hired an independent energy/mechanical engineering firm to do their M&V report. The M&V reports give actual annual kBtu savings achieved. The total actual annual kBtu savings for these 23 projects was 36,843,997 kBtu.

Overall, the 23 projects exceeded the original energy savings guarantees by 7,143,205 kBtu.

The ratio of actual to estimated annual kBtu energy savings was 124.05 percent over all 23 projects. The maximum ratio of actual to estimated energy savings for this project group was 306.07 percent. The minimum ratio of actual to estimated energy savings for this project group was 11.89 percent.

Department of Enterprise Services

The DES Energy Program partnered with Commerce to implement the Jobs Act program. During this reporting period, DES provided Commerce with ongoing technical services that covered reviewing measurement and verification plans and reports.

Appendix A: Final Contract Grant Awards and Expenditures

As of May 15, 2015

Round One	Contracted Grant Amount	Amount Paid
Bethel Public Schools	\$645,000	\$645,000
CWU* – Getz	\$100,000	\$100,000
CWU – Pools	\$70,000	\$70,000
CWU – Library & Farrel Hall	\$30,000	\$30,000
Colville School District	\$765,000	\$765,000
Edmonds Community College	\$850,000	\$850,000
Everett School District No. 2 – HS Commercial	\$85,500	\$85,500
Everett School District No. 2 – district-wide	\$71,400	\$71,400
Everett School District No. 2 – Heatherwood	\$12,986	\$12,986
Lake Washington School District	\$501,580	\$501,580
North Seattle Community College	\$273,524	\$273,524
North Thurston School District	\$173,000	\$173,000
Olympic College	\$130,000	\$130,000
SPS** – Green Lake Elementary & Ballard High School	\$749,000	\$749,000
SPS – 6 boilers	1,030,360	\$1,030,360
SPS – Hawthorne Elementary	\$457,629	\$457,629
SPS – Lawton Elementary	\$496,565	\$496,565
SPS – 8 gyms	\$45,530	\$45,530
SPS – Madrona & Cooper Elementary	\$565,800	\$565,800
SPS – Viewlands Elementary	\$513,300	\$513,300
South Puget Sound Community College	\$375,000	\$375,000
The Evergreen College	\$415,742	\$415,742
UW*** – Bothell	\$745,000	\$745,000
UW – Seattle	\$2,210,000	\$2,210,000
WSU****	\$3,075,180	\$3,075,180
Wishkah Valley School District	\$200,000	\$200,000
Yakima School District	\$715,000	\$715,000
Total	\$15,302,096	\$15,302,096

Audit Only Grant	Contracted Grant Amount	Amount Paid
Spokane School District	\$12,500	\$12,500
Total	\$12,500	\$12,500

Round Two and Reassigned Funds

	Contracted Grant Amount	Amount Paid
Bates Technical College	\$2,125,000	\$2,125,000
Battle Ground School District #119	\$850,000	\$850,000
Camas School District 117	\$68,130	\$68,130
Clover Park Technical College	\$800,000	\$800,000
Columbia Basin College	\$2,170,784	\$2,170,784
Edmonds Community College	\$660,466	\$660,466
Everett School District No. 2 High School – Main	\$232,000	\$232,000
Everett School District No. 2 High School – Science	\$195,795	\$195,795
Everett School District No. 2 High School – Vocational	\$191,235	\$191,235
Everett School District No. 2 – Heatherwood	\$328,250	\$328,250
Everett Community College	\$162,825	\$162,825
Grays Harbor College	\$175,000	\$175,000
Kahlotus School District	\$287,408	\$287,408
Lake Washington School District	\$1,123,925	\$1,123,925
Montesano School District	\$145,500	\$145,500
Northshore School District #417	\$3,181,095	\$3,181,095
North Thurston School District	\$197,000	\$197,000
Orcas Island	\$900,000	\$900,000
Peninsula College	\$264,879	\$264,879
Puyallup School District	\$675,000	\$675,000
Quilcene School District	\$230,000	\$230,000
Renton School District No. 403	\$595,000	\$595,000
Ritzville School District	\$298,813	\$298,813
SPS – 6 DDC upgrades	\$1,832,053	\$1,832,053
SPS – Columbia & Wing Luke Elementary	\$310,171	\$310,171
SPS – Catherine Blaine K-8	\$77,545	\$77,545
SPS – Olympic View & Bagley Elementary	\$105,500	\$105,500
SPS – Meany Middle School	\$522,183	\$522,183
SPS – Leschi Elementary	\$185,500	\$185,500

SPS – Lowell Elementary	\$276,000	\$276,000
SPS – Sand Point Elementary	\$248,400	\$248,400
SPS – Rainier Beach High School	\$21,870	\$21,870
Seattle Central Community College	\$2,058,915	\$2,058,915
Skagit Valley College	\$302,000	\$302,000
Sunnyside School District	\$450,000	\$450,000
Tumwater School District		
– New Market Center	\$119,170	\$119,170
UW – Tacoma	\$846,314	\$846,314
Walla Walla Community College	\$526,969	\$526,969
Walla Walla Public Schools	\$350,000	\$350,000
WSU – 2.9a Info Tech Building	\$378,241	\$378,241
WSU – In-Vessel Compost	\$780,402	\$780,402
Washtucna School District	\$1,450,000	\$1,450,000
Wenatchee Valley College	\$320,000	\$320,000
Whatcom Community College	\$227,525	\$227,525
Total	\$27,246,863	\$27,246,863

- *Central Washington University
- ** Seattle Public Schools
- *** University of Washington
- ****Washington State University