



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

*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 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 fourth 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 up to 10 years depending on the project.

## Jobs Act Results

### **Executed Contracts and Completed Projects**

All of the 72 Jobs Act executed contracts, totaling \$42,561,459, have been paid and all projects are completed. Total construction costs from the Jobs Act contracts totaled approximately \$122 million.

### **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, a figure that comes directly from the quarterly reports submitted to Commerce by the grantees. Commerce is using actual numbers in this report, rather than projected, because all of the projects are complete. Commerce will no longer be receiving quarterly reports from grantees.

In past Jobs Act reports, the number of jobs funded was higher because Commerce used a ratio of 8.1 jobs per \$1 million in construction costs. The ratio was derived from early Jobs Act Quarterly Reports submitted by the grantees for Government Management Accountability and Performance (GMAP) reporting.

### **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 2013-June 2014), Commerce staff continued to review contracts for compliance, pay invoices, and gather measurement and verification reports and quarterly jobs data.

Administrative expenses for this period were approximately \$201,000. The Commerce model for administering capital programs assumes that no general funds will be used for

administrative expenses. Commerce used 3 percent (\$1.5 million) of the original Jobs Act appropriation to cover startup costs and ongoing administrative expenses.

Now that all contract funds have been expended, Commerce and the DES Energy Program will continue project monitoring, including the mandatory measurement and verification process for some projects, for up to 10 years to ensure that energy savings pay for the project. Remaining administrative funds will also be used by Commerce and the DES Energy Program to provide ongoing technical support.

### **Measurement and Verification of Energy Savings**

OSPI developed a spreadsheet, which was approved by Capital Budget legislative staff, that lists all of the projects funded by the Jobs Act, and projected and actual energy savings for the first year of measurement and verification (M&V). Commerce has received 52 M&V reports out of 76 projects. Seven projects have not started their first year M&V period because the projects took longer to complete than expected, and 17 M&V reports have not been completed.

Commerce has had numerous communications over the biennium with the energy service companies (ESCOs) about the importance of completing the M&V reports on time. Commerce was assured that the M&V reports would be done. Our latest communication (April 29, 2014) with the ESCOs gave us a timeline of the end of July 2014 to have the reports completed. Besides these communications, Commerce's program guidelines and contracts enumerate the M&V requirements.

### **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 energy service proposals, contractor bids and invoices, and measurement and verification plans and reports.

## Appendix: Final Contract Grant Awards and Expenditures

**As of May 15, 2014**

<b>Round One</b>	<b>Contracted Grant Amount</b>	<b>Amount Paid</b>
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 – Six boilers	1,030,360	\$1,030,360
SPS – Hawthorne Elementary	\$457,629	\$457,629
SPS – Lawton Elementary	\$496,565	\$496,565
SPS – Eight 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
<b>Total</b>	<b>\$15,302,096</b>	<b>\$15,302,096</b>

<b>Audit Only Grant</b>	<b>Contracted Grant Amount</b>	<b>Amount Paid</b>
Spokane School District	\$12,500	\$12,500
<b>Total</b>	<b>\$12,500</b>	<b>\$12,500</b>

<b>Round Two and Reassigned Funds</b>	<b>Contracted Grant Amount</b>	<b>Amount Paid</b>
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 – Six 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
<b>Total</b>	<b>\$27,246,863</b>	<b>\$27,246,863</b>

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