

Referendum 52

Healthy Schools for WA: FAQ

What is the purpose of Referendum 52?

Referendum 52 gets badly needed funds to our state's cash-strapped public school buildings to help create healthier, safer, and more energy efficient learning environments. Referendum 52 would create \$500 million in state bonding that public schools, community colleges, and universities can use to make health, safety, and energy saving improvements to their school buildings. R-52 will reduce building maintenance backlogs, modernize aging and unsafe schools, and complete energy saving retrofits - all reducing pollutants to create healthier learning environments for our students.

How did R-52 get on the ballot?

A bill proposed during the 2010 legislative session by Representative Hans Dunshee to retrofit school buildings and put energy savings toward education passed the Washington legislature this spring (Engrossed House Bill 2561) and was signed by the Governor in April 2010. It now goes to the voters on the November ballot in the form of Referendum 52.

What kinds of projects will Referendum 52 fund?

Nearly half of school buildings in Washington were built or last remodeled prior to 1969. Like any older building, schools need repairs. Many of these buildings are riddled with mold, asbestos, lead, and other toxins that harm our students and can trigger allergies and chronic illnesses such as asthma. Local school leaders and staff already know which projects are most important and R-52 gives local schools an opportunity to decide which buildings to retrofit and improve to remove these dangerous toxins and make schools better, healthier places to learn.

In addition to fixing problems like mold and asbestos, the repairs funded by R-52 include new HVAC systems, water-saving fixtures, energy efficient lighting, and other energy saving retrofits. These improvements will save schools and school districts millions of dollars in heating, lighting, and water costs by using less energy each year - while creating thousands of new construction jobs in the process.

Does Referendum 52 impact student learning?

A 2005 report by the Washington State Board of Education (SBE) and the Office of Superintendent of Public Instruction (OSPI) found that "students in classrooms with sustainable design features perform better on standardized tests — up to 26% better than other students." The report also found that improved school buildings reduce absenteeism by 15% and decrease teacher turnover rates by 5 percent.

A 2001 assessment of 156 schools in Washington State found that 88% of school buildings had at least one classroom with carbon dioxide levels greater than three times the normal atmospheric level. High levels of CO₂ in the air can lead to lethargy and attention problems. Lowering CO₂ levels show increases in test performance by 7%. Fixing older buildings can improve air flow

and ensure children can thrive in a better learning environment. (Paladino and Company (cOSPI) 2005)

Who can apply for money?

Under R-52, every school district, college, and university in Washington would be eligible to receive funds through a competitive grant process.

Where does the money for Referendum 52 come from?

Approving Referendum 52 authorizes \$500 million in state bonding to fix schools and higher education buildings. The funds are borrowed by the state, and the state—not local school districts—is obligated to pay back the money to the general fund over time. The construction work is funded by extending the state’s bonding capacity by 1.5% and the annual debt service on the bonds will be paid through an extension of the existing tax on bottled water, which was set to expire in 2013.

How much will this cost taxpayers?

Referendum 52 does not increase taxes. Only projects where savings meet or exceed costs would be eligible to receive money, so the projects will pay for themselves. R-52 will actually save Washington taxpayers an estimated \$130 million per year by reducing energy costs, creating other efficiencies, and extending the life of existing school buildings. In fact, extending the life of just 20% of public school buildings in the state would save the taxpayers 68 million in debt service needed on the replacement buildings.

How will Referendum 52 impact the local economy?

Passing Referendum 52 would create 30,000 new construction jobs in communities across the state. Most of the projects funded by R-52 could begin immediately--meaning new jobs could start now. The new jobs created by passing R-52 would bring new employment opportunities to one of our hardest hit industries in Washington State, spurring economic growth statewide.

My school district has a bond vote scheduled for next year. Will this affect our bond ratings or the state’s bond rating?

No. Local school district bond ratings will be unaffected by the passage of Referendum 52, as it is not the districts that will be borrowing the money or paying it back. Therefore, local districts do not assume any risk with the passage of Referendum 52.

The state will authorize and sell the bonds to fund an account for projects. And while the state’s bonding capacity is increased slightly, R-52 does not affect the state’s overall bond rating.

I read something about another initiative that would repeal the bottled water tax. What happens if that passes?

The bonds authorized by R-52 are not dependent on the extension of the bottled water tax. If a repeal of the bottled water tax passes this November, the Legislature will carry out the voters will and determine another funding source if necessary.

How will the projects be chosen?

Referendum 52 will provide grants awarded in competitive rounds, with at least 5% of each round awarded to small public school districts with fewer than one thousand full-time students. Grant proposals will be evaluated and awarded based on three criteria:

1. how much other money the district or institution can leverage to fund the work,
2. the amount of energy savings achieved through the proposal – only projects where the savings meet or exceed costs would be eligible, and
3. the timeframe in which the school could complete the project.

Who would be eligible to do the work and how will the state insure the money is wisely spent?

Local schools would be able to use any contractor to do the work, provided the selected contractor can measure and verify energy savings. The state has at least 14 approved energy services contractors that are experienced in doing performance contract work for schools and other government agencies. These contractors are approved based on a guarantee to meet their savings projections and are held accountable to meeting those projections.

School districts may use one of the pre-approved energy service contractors or select a local contractor of its choice. If a school district or higher education institution chooses to use a local contractor that has not been pre-approved by the state, the contractor must measure and verify cost savings for ten years or until the savings pay for the project.

How would this affect local school districts operating costs?

Clearing expensive maintenance backlogs and modernizing aging buildings will be covered by the state-supported grants, allowing local districts to put money back into the classroom. And the money saved by the efficiency upgrades will go directly back to the district's operating budget. This means that the school district will have more money that can be used to hire another teacher, buy more books, or save for a rainy day. R-52 is truly a win for local schools.