

OSPI 2025 Legislative Session in Review

June 5, 2025



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Vision

All students prepared for post-secondary pathways, careers, and civic engagement.

Mission

Transform K–12 education to a system that is centered on closing opportunity gaps and is characterized by high expectations for all students and educators. We achieve this by developing equity-based policies and supports that empower educators, families, and communities.

Values

- Ensuring Equity
- Collaboration and Service
- Achieving Excellence through Continuous Improvement
- Focus on the Whole Child



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Equity Statement

Each student, family, and community possesses strengths and cultural knowledge that benefits their peers, educators, and schools.

Ensuring educational equity:

- Goes beyond equality; it requires education leaders to examine the ways current policies and practices result in disparate outcomes for our students of color, students living in poverty, students receiving special education and English Learner services, students who identify as LGBTQ+, and highly mobile student populations.
- Requires education leaders to develop an understanding of historical contexts; engage students, families, and community representatives as partners in decision-making; and actively dismantle systemic barriers, replacing them with policies and practices that ensure all students have access to the instruction and support they need to succeed in our schools.



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Reminders

- This webinar is being recorded. If you would like a copy of the recording, please email Carrie Hert at carrie.hert@k12.wa.us.
- OSPI did not filter or verify participants, it is being accessed by anyone who registered via the link publicly available.
- This PowerPoint is posted to the [SAFS Trainings and Presentations webpage](#).

Disclaimer

- The following presentation represents OSPI's understanding of the budget and the status of the implementation of the budget today.
- Some of the material presented here may change before it becomes final.
- OSPI will keep the field informed as implementation rules or strategies evolve.
- We appreciate your patience through the implementation processes.

Questions or Comments

- If you have a **question**, please use the chat function. We will monitor questions as they come in and pause between segments to address them throughout.
- If you have a **comment or concern**, feel free to use the chat. We can utilize those comments as necessary as we continue work needed to implement the budget.
- If your question does not get answered during the webinar, please email Carrie Hert at carrie.hert@k12.wa.us.

High Level Overview

Supplemental Budget (2024-25)

Special Education Funding

Limited MSOC Funding

Special Education/MSOC Reporting

Local Levy and LEA Changes

Transitional Kindergarten



Supplemental Budget Impacts to 2024-25

- Apportionment funding authority was short by about \$70 million for June. This means we will not provide the full 6% payment in June.
- LEA funding authority was also short by \$9 million. This means we will not provide full LEA funding in May and no payment in June.
- OSPI was provided the new \$52 million appropriation for a one-time payment in June.
- An additional \$7.7 million will be distributed for Free and Reduced Breakfast Assistance.

Big Picture:

- **Overall districts will get less apportionment in June and will be made whole in July.**
- **Because of the one-time money, the impact of the shortfall is somewhat mitigated.**
- **LEA districts have an additional impact – but also will be made whole in July.**



Other 2024-25 School Year Appropriations

Transitional Kindergarten Funded based on
Current Caseload – No current year reductions

Free School Meals – Supplemental Funding
funded – No current year reductions



State Investment in K-12 Then and Now

- While total dollars invested in K-12 has increased over the last decade, the K-12 share of investment has declined since the 2019-21 biennium.

	2019-21	2021-23	2023-25	2025-27
Total Spend (billions)	\$26.6	\$27.5	\$31.2	\$33.7
K-12 Percentage	51.6%	44.5%	43.4%	43.2%

- If the state invested 51.6% of its operating budget for the 2025-27 biennium, it would mean an additional \$6.5 billion for schools.

Special Education Funding



Major Special Education Changes



Eliminates the multiple student tiers and increased the multiplier for all students to 1.16.



Funding is reserved for statewide activities (0.006 of allocation).



Eliminates the funding cap of resident student enrollment of 16% and allows services for a student who turns 22 until the end of the school year.



Special Education Cost Allocation– New in **2025-26**

Resource reporting for Program 21 expenditures

- Basic Education allocation for special education will be calculated at a standard 25% rate for all districts.
- On the F-196, districts will be expected to show state resources for special education equal to:
 - 3121 and 4121 revenue first. If that does not cover all program 21 expenses, then:
 - Other State Resources up to 3 times the 3121 revenue amount. If that does not cover remaining program 21 expenditures, then:
 - Any other undesignated state or local resources as determined by the district.

Special Education Reporting Concept

Program	3100/3121 Revenue	4121 Revenue	Federal Revenue	Local Revenue
01-Regular Education	\$19,000,000	\$1,000,000	\$500,000	\$7,500,000
21-Special Education	\$1,000,000	\$5,000,000	\$0	\$0
31-CTE	\$3,000,000	\$3,000,000	\$0	\$0
97- Support Svs	\$7,000,000	\$0	\$0	\$3,000,000

- This will impact how districts report the amount of local resources being spent for special education services.



Changes to Materials, Supplies and Operating Costs



Materials, Supplies, and Operating Costs (MSOC)—School Year 2025–26

MSOC School Year	2024-25	2025-26	Difference
Total MSOC Per Student FTE	\$1,533.02	\$1,614.28	\$81.26
Technology	\$182.37	XXXX	XXXX
Utilities and Insurance	\$438.43	XXXX	XXXX
Curriculum and Textbooks	\$167.61	XXXX	XXXX
Other Supplies	\$332.74	XXXX	XXXX
Library Materials	\$23.09	XXXX	XXXX
Instructional Professional Development for Certificated and Classified Staff	\$29.50	XXXX	XXXX
Facilities Maintenance	\$210.13	XXXX	XXXX
Security and Central Office Administration	\$149.15	XXXX	XXXX



MSOC Compliance - Continuing

For the 2025–26 school year, as part of the budget development, hearing, and review process, each school district must disclose: (A) the amount of state funding provided through MSOC, (B) the amount the district proposes to spend for MSOC, (C) the difference between these two amounts, and (D) any proposed use of this difference and how this use will improve student achievement.



OSPI recommends using disclosure in your budget development process as a means of demonstrating meeting the new MSOC compliance.



MSOC Compliance - Continuing

A portion of the increased MSOC allocation amount of:

- \$35.27 per annual average full-time equivalent student for MSOCs

AND

- \$4.69 per AAFTE in Grades 9-12 for MSOCs

May not be expended for any other purpose.



MSOC Compliance – New in **2026-27**

MSOC Expenditures will need to be reported annually by school districts in many new disaggregated categories:

- Technology devices
- Software licenses
- Technology or Software Maintenance/Repair
- Election Fees – Board
- Election Fees – Bonds and Levies
- Contracted Professional Development
- Safety and Security
- Dues and Fees
- Contracted Technology Staff
- Library Materials
- Utilities
- Insurance
- Curriculum and textbooks
- Facilities, maintenance not funded by CPF
- Property and Equipment not funded by CPF



Legislative Funding Study – No New Money

- K-12 Funding Equity Work Group
 - Analyze Funding Formulas and Revenue Sources.
 - Options for revising funding formulas that address system and resource inequities.
 - Options that address state, local and regional needs.
 - Consider weighted student funding formula.
 - Options for state and local tax authority.
 - Metrics for monitoring and accountability.
- Membership: Educators, school and district administrators, labor unions, families, students, community partners, the Department of Revenue, and legislators.
- Final Report due October 2027.



Transition to Kindergarten (TK) - Update



Considered a new GRADE – Transition to Kindergarten (2023 Legislative Session outcome).

The new grade is still not considered basic education. Expenditures must remain in sub-fund 1.

Enrollment is capped (for funding) at same level as last year. This means Districts will be limited to their prior year AAFTE amount for funding purposes.



Levy and LEA Impacts



Levy Authority is increased by \$500 in 2026 and by 3.33% above inflation for 2027 to 2030.



For districts with ALE in excess of 33% of the AAFTE in district, LEA is reduced.



LEA is increased by an inflation enhancement of \$150 for 2026 and \$250 in 2027.



Expenditures must be coded to the sub-fund of the general fund.



What about the Budgeting Systems & Tools?

Systems

- F-203 and F-195 are now available.
- We will leave the F-203 open later into the fall before transitioning to the x-option. The x-option will be released around Thanksgiving.

Drivers and Tools (available on [Budget Preparations \(ospi.k12.wa.us\)](https://ospi.k12.wa.us))

- Budget Drivers ("John Jenft") Summary and Multi-Year budget comparison tool.
- **FINAL** Poverty for LAP and HiPov LAP for the 2025-26 school year.
- Enrichment Levy Pre-Ballot Approval Form with worksheet for Estimating Levies through CY2029.



Apportionment Advances

Advance Month	Minimum Repayment Requirement		
	No Later Than June 30	July	August
October - May	50%	50%	
June	n/a	50%	50%
July	n/a	n/a	100%
August - September	Advances not granted during these months.		

- In no case can a district repay and then re-advance funds in subsequent months.
- Even though apportionment advances are allowed in June, they are subject to OSPI's overall appropriation authority. This may not be an option.
- [WAC 392-121-442](#): remains unchanged – districts still required to report and repay any interest earned on apportionment advance payments.

School District Budgeting

School districts must submit a balanced budget to OSPI annually August or September, depending on size.

If budget is not balanced at the end of the fiscal period, the school district must request permission from OSPI to include future revenues to balance current year budget.

Approval of the request for permission comes with Binding Conditions to improve financial condition.

Binding Conditions are a set of financial goals or constraints the district must adhere to and/or achieve.



School Districts and Financial Health

- Binding Conditions rules have changed to include negative fund balances in budgets, budget extensions, financial statements.
- OSPI maintains the Financial Health Indicators Model as required by statute.
- There are currently 7 districts under state financial oversight.
- OSPI is **considering** future rule changes to exclude all fund balance categories except for unrestricted when determining if you are in a negative position and must be placed on Binding Conditions.



Other Items of Note



Budget Impact on OSPI

- Six percent reduction in agency administration in addition to reduction of staff funded by provisos and grants.
- Additional reductions may occur later in the year to address any reductions in federal funding.
- This will result in a decrease in services or longer wait times for services.

Reminder from 2024 Legislative Session

- **2SHB 5882** provided more funds through the prototypical school model allocations of paraeducators, office support, and instructional aides.
- Revenue associated with this change is identified separately on the 1191 INC.
- Funds must be used for increased staffing, preventing layoffs, or increased salaries as defined by OSPI in rule.
- Districts must report use of funds identified on the 1191 INC by category of allowable use to OSPI as part of the F-196 process.

CTE Changes for 2025-26 SY

- **CTE Carryover/Recovery** - creates an opportunity for districts to save carryover over multiple years by transferring into the CPF.
- **Indirect Rates**- most districts will see a reduction of their indirect rates due to a change in statute a few years ago.
- **Accounting Changes**
 - Activity 72 Information Systems will be closed
 - Activity 63 Operation of Buildings will be open
 - Activity 65 Utilities will be open



Final Thoughts – Aren't these two done yet?

- Starting with the 2025-26 School Year, Continuous Learning 2.0+ will no longer be an option as an educational delivery model under any circumstances.
- Transportation Safety Net is eliminated for the 2025-26 school year.
- New apportionment system is funded. Three-year project to modernize the apportionment system. Full implementation expected for the 2028-29 school year (starts during the 2027-28 school year for subsequent year budgets).



Capital Budget



School Construction Assistance Program

2025-27 Allocation Levels

- Construction Cost Allocation Increases
 - 2024 Release \$375.00 Square Foot Allocation
 - 2025 Release \$386.66 (+\$11.66 per Square Foot)
 - 2026 Release \$399.38 (+\$12.72 per Square Foot)
- No increase in the student space allocations.
- SCAP-Revision Project
 - OAC Services working on recommendations to modify, improve efficiencies, and access to SCAP. Report due September 2025.
 - ABETTERSCAP.ORG



Mt. Si High School, Snoqualmie.



Small District and State Tribal Education Compact Schools Modernization Grant Program

Small District and State Tribal Education Compact Grant Program \$202.3 Million

- Small School Planning Grants: \$0.5 million
 - Funded 14 district projects of the 113 requests (\$3.6 million)
- Small District Construction Grants: \$174.5 million
 - Funded 32 district projects of the 56 requests (\$302.3 million)
- Districts are prohibited from combining grant funding received in 2025-27 biennium with a School Construction Assistance Program (SCAP) grant.
- State Tribal Education Compact (STEC) \$27.3 million



Lake Quinault K-12 School, Amanda Park.



Improving Classroom Air Quality

Classroom Air Quality & Energy Efficiency - \$17.5 Million

- Provides grant funding for assessments, and improvements to HVAC systems, air filtration enhancements, and air quality and energy efficiency improvements.
 - \$9.6 million < 3,000 students
 - \$7.8 million > 3,000 students



DeLong, D. (2020). *Wildfire smoke obscures the Space Needle and the Seattle skyline in a view from Kerry Park*. Investigate West . Retrieved September 25, 2023, from <https://www.invw.org/>.



CTE Capital Funding

CTE Related Grants \$56.8 Million

- \$42.0 Million – West Sound Skills Center
- \$5.0 Million – South Puget Sound – Maritime 253 Skills Center
- \$5.8 Million – Skills Centers Minor Works
- \$4.0 Million – Career Preparation & Launch Grants
 - Grant funding for the purchase and installation of CTE equipment.



Northwest Career & Technical Academy fire science students.



Other Capital Funding

School Security and Preparedness Infrastructure Grants \$6 Million

- Provides grant funding to districts for school security and preparedness infrastructure grants to increase physical security.
- Grants Limited to \$500,000 per district.

Healthy Kids/Healthy Schools \$13 Million

- Physical Health/Nutrition Grants \$12.0 Million
 - Provides grant funding to districts for physical health and nutrition grants that support the Healthiest Next Generation Initiative.
- Lead in Water Remediation \$1.0 Million
 - Provides grant funding to districts for the replacement of lead-contaminated pipes and drinking water fixtures.

School District Health & Safety Grants \$31 Million

- Emergency Repair Pool \$11.0 million
 - Provides funding to school districts with limited financial resources to address building system failures which impact the day-to-day operations of school.
- ADA/Equal Access \$5 million
 - Provides funding to districts to address ADA and equal access facility needs.
 - Grants limited to \$150,000 per district.
- Urgent Repair Pool \$15 million
 - Provides funding to districts to address needed building system repairs or upgrades.
 - Grants limited to \$600,000 per district.



Siegel, M. (2019). A Seattle Public Schools administrator collects water for testing from a drinking fountain at Emerson Elementary School in South Seattle. The Seattle Times . Retrieved September 20, 2023, from <https://www.seattletimes.com/>.



Program Webpages and Resources

Program Webpages:

- [School Apportionment & Financial Resources \(SAFS\)](#)
- [Child Nutrition Services](#)
- [Student Transportation](#)
- [School Facilities & Organization](#)
- [Federal Fiscal Policy](#)

Presentation:

- 2025 Legislative Session in Review (today's presentation)—is posted on the [SAFS Trainings and Presentation webpage](#).
- If you would like a copy of this recorded presentation, please email Carrie Hert at carrie.hert@k12.wa.us.



Thank You!



Appendix



OSPI Presenters

- T.J. Kelly, Chief Financial Officer
 - thomas.kelly@k12.wa.us
- Shawn Lewis, Director of School Apportionment & Financial Services
 - shawn.lewis@k12.wa.us
- Randy Newman, Director of School Facilities & Organization
 - randy.newman@k12.wa.us



Other Panelists / OSPI Staff

- Jenny Plaja, Chief Policy and Legislative Affairs Officer
 - jenny.plaja@k12.wa.us
- Leanne Eko, Chief Nutrition Officer
 - leanne.eko@k12.wa.us
- Patti Enbody, Director of Student Transportation
 - patti.enbody@k12.wa.us
- Carrie Hert, Executive Assistant to T.J. Kelly
 - carrie.hert@k12.wa.us





Washington Office of Superintendent of
PUBLIC INSTRUCTION

Connect with us!



k12.wa.us



facebook.com/waospi



twitter.com/waospi



youtube.com/waospi



medium.com/waospi



linkedin.com/company/waospi