



Washington Office of Superintendent of  
**PUBLIC INSTRUCTION**  
Financial Resources

## Recent Federal Forest Payment Deductions

Recently, there has been confusion regarding the recent treatment of federal forest payments (revenue 5500) and the applicable reduction of state apportionment dollars upon receipt of those payments. (For your awareness, [this spreadsheet](#) shows the total amounts of Federal Forest 1 [first payment] and Federal Forest 2 [second payment] by school district.) State law (RCW 28A.520.020) governs how OSPI must handle federal forest payments and requires that federal forest payments are treated as deductible revenue that reduces state apportionment.

In the 2023–25 biennial budget, the Legislature included temporary language allowing districts to retain all federal forest payments received between July 1, 2023, and June 30, 2025. Critically, this language refers to when the federal forest payment was received, not when it was intended to be received. The federal forest revenue that should have been paid in spring 2025 was only recently paid, after June 30, 2025, and therefore falls outside the legislative exemption period. **Because the federal government delayed payment until after that date, these payments do not qualify for exemption under the temporary budget language.**

OSPI is bound by state law and has no legal authority to deviate from the law. OSPI did not choose this treatment and has no discretionary authority in this matter. We are legally required to deduct these payments from state apportionment under current law.

For federal forest revenue to not be treated as deductible revenue going forward, the Legislature must take action by either: a) reinserting language into the state budget as they did for the 2023–25 biennium (a time-bound temporary solution); or b)

amending RCW 28A.520.020 to clearly exempt federal forest funds from being deducted from general apportionment on a permanent basis.

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## Transition to Kindergarten Intent Survey Reminder

The TK Intent Survey is due on June 1. OSPI requests all districts, regardless of their current or future intent to serve TK students, to submit a response to the [TK Notification of Intent Survey 2026-27](#) to help OSPI understand the landscape of the intent across the state. Please collaborate with stakeholders and fill out one response on behalf of the district. For any questions regarding the survey, please contact the [Early Learning team](#).

Questions? Check out our website at [www.ospi.k12.wa.us/policy-funding/school-apportionment](http://www.ospi.k12.wa.us/policy-funding/school-apportionment). Or:

- Email: [safs@k12.wa.us](mailto:safs@k12.wa.us)
- Phone: 360-725-6300
- The OSPI [Telecommunication Relay Services](#) number is 711 or 1-800-833-6384

Suggestion for a future monthly update? Let us know!

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### **ALL STUDENTS PREPARED FOR POST-SECONDARY PATHWAYS, CAREERS, AND CIVIC ENGAGEMENT.**

Led by State Superintendent Chris Reykdal, OSPI oversees K-12 public education in Washington state. Our mission is to provide funding, resources, tools, data and technical assistance that enable educators to ensure students succeed in our public schools, are prepared to access post-secondary training and education, and are equipped to thrive in their careers and lives.

