

SY 2026–27 Fiscal and System Updates

School Apportionment and Financial Services



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Presenter Information



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Accounting and Budgeting for 2026–2027

TODAY'S TOPICS

 The [Accounting Manual](#) & The [SDAAC](#)

 [SAFS Hot Topics](#)

 Accounting Manual Updates

 MSOC Annual Reporting Requirement

 Budgeting Updates

 Financial Stress and Insolvency

 Replacing the Education Data System (EDS)

The School District Accounting Manual



[Accounting Manual](#)



[SDAAC](#)



SAFS HOT TOPICS



SAFS Communications

- [March 2026 | SAFS Hot Topics Monthly Update](#)
- [February 2026 | SAFS Hot Topics Monthly Update Addendum #1](#)
- [February 2026 | SAFS Hot Topics Monthly Update](#)
- [January 2026 | SAFS Hot Topics Monthly Update](#)

Chapter 2 Minor Edit on Budget Adoption



Passage of the budget resolution shall require the vote of a majority ~~of all members~~ of the school district board of directors ~~at the public meeting~~.



Passage of the budget resolution shall require a majority vote of the school district board of directors or the charter school board.

Federal Stimulus Guidance Removed



- Everything SLFRF, ESSER, APR, CARES Act is out of the Accounting Manual.
- Programs (11,12,13,14,19,23)
- Associated Federal Resources

Obsolete Federal Programs Removed

Don't Budget these Programs



Program **54**
Reading First



Program **62**
Math and Science PD



Federal Resources:
6X54 and **6X62**



Other Federal Stimulus Guidance Removed



In Chapter 5: Targeted Assistance: Revenue Codes 6176, 6276, and 6376 — no longer open for use in the Capital Projects Fund.



In Chapter 7: The AJEs related to ESSER are obsolete and removed.



In Chapter 10: The guidance Allowable Use of ESSER Resources for Major Capital Improvements is removed.

Accounting Manual Changes

Debt Topics



Debt-related topics throughout the Accounting Manual have been updated.

Continuing a trend of increased focus on School District Debt and Disclosure.



A portion of the Debt Service Fund guidance in Chapter 1 was removed.

It was outdated or duplicated in Chapter 11.

Chapter 3 Edits Related to Debt



Debt Topic Guidance is Edited and Realigned:

Arbitrage, Lines of Credit; Claims and Judgements, Conditional Sales Contracts, BANs, TANs, and RANs, Registered Warrants, Loans and Debts to Other Governments.



The Guidance for Leases, SBITAs, PPPs & APAs is taken out of Chapter 3 & moved to Appendix B.

Chapter 4 — Edits Related to Debt



Many edits to GL Account Code titles and descriptions
— related to debt — NEW GL Codes Added



Alignment to Chapter 3 — Debt Guidance



Alignment to the Schedule of Debt and Liabilities.

Chapter 4 — New GL Codes for Debt



New **GL 721** Loans and Debt Obligations to Other Governments



New **GL 722** Arbitrage



New **GL 723** Registered Warrants



New **GL 724** Revenue Anticipation Notes

Changes Related to Debt Schedule



The title to the Debt Schedule is changed



From: the “Schedule of Long-Term Liabilities”.



To the: “Schedule of Debt and Liabilities”.

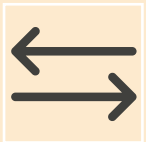


The acronym “SLTL” becomes the “SDAL”

Chapter 8 — Edits Relate to Debt



Headers Changed



Debt Descriptions
Crosswalk to GL
Codes



Debt Descriptions
Aligned to
Chapters 3 & 4

Schedule of Debt and Liabilities

For the Year Ended August 31, 20XX

Description	Beg Balance	Additions	Reductions	Ending Balance	Amt Due One Year
Voted General Obligation Debt <i>Subject to the 5% Debt Limitation</i>					
Non-Voted Debt and Liabilities <i>Subject to the 3/8th of One Percent Debt Limitation</i>					
Revenue Debt and Other Liabilities <i>Not Subject to the Debt Limitation</i>					



Chapter 11 — Edits Related to Bonds



The Debt Service Fund — Chapter is overhauled.



New illustrations for Closing Documents and Journal Entry Illustrations



New Examples for Bond — Note Disclosure

Other Edits Related to Bond Guidance



Bond Refunding Guidance in Chapter 3 is modified



Crossover Bond Refunding guidance is removed everywhere.

Chapter 4: Other GL Code Cleanup



GL 821 Restricted for Carryover of Restricted Revenue: References to Categorical Programs w/o carryover — removed.



GL 840 Nonspendable – Inventory & Prepaid:
Opened for use in the TVF. Because...
GL 340 Prepaid Items is open in the TVF...

Chapter 5 — New T–K Revenue Code — Added

2109 Tuition and Fees—Transition to Kindergarten

Applicable Fund: (GFL)

Record revenue from tuition and fees to attend or participate in a transition to kindergarten program.

In accordance with [ESSB 6260](#), school districts, charter schools, and state-tribal education compact schools are authorized to charge sliding scale fees for enrollment in a transition to kindergarten program, except for:

- students who are eligible for but not yet placed in the early childhood education and assistance program or the head start program,
- or for children with disabilities entitled to a free appropriate public education in accordance with the federal individuals with disabilities education act and chapter 28A.155 RCW.

Chapter 5 — Old T–K Revenue Code — Removed



6109 Special Purpose—Transition to Kindergarten

Applicable Fund: (GFL)



The original funding was from an ESSER source.

Chapter 7 AJEs – Arbitrage Rebate



When the calculation indicates that arbitrage is due. Keep adjusting GL 861 and GL 835 (up or down – annually) as the calculation indicates.



Adjust GL 861 and GL 835 (up or down) when payment is due (90% due to the IRS after fifth year).



Other JE Examples to set up the Liability and Payments. And to make the Final 10% Payment.

Chapter 10 TVF – Type Code 33 Transportation Equipment Purchases



Record expenditures for the purchase of school buses for student transportation...

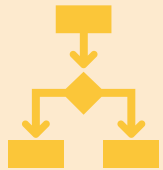


or other vehicles used for the expressed purpose of student to-and-from-transportation as defined in WAC 392-141-310(6).



... must be approved by the school district's board of directors and meet specific standards as provided in RCW 28A.160.195.

Chapter 10 CPF – Ongoing Tech & Maintenance Transfers – New Guidance



School districts must use Revenue Code 9902 Transfers – Technology and Maintenance to record these transfer transactions in the General Fund.



School Districts will also be required to provide details of how the resources are used in the General Fund on a supplemental report in their annual F-196 financial statement.



MSOC Reporting Categories

BEA — MSOC Reporting Categories

ESSB-5192

MSOC Reporting
Categories

Legislative
Report
EOY 2026-27

BEA MSOC
NCES Codes:
30 Categories

Change to
NCES Code 7311
Election Costs

Revenue 9902
CPF Transfers for
Tech & Maint.

F-196 Schedule
CPF Transfers
EOY 2026–27

Valid COA PPAAO–NCES Tool and BEA MSOC Reporting Categories



A new column is added describing BEA MSOC categories



30 Categories Described — This is for Reference Only



No Action Required – No need to modify your COA



Report to Legislators — This work is done by OSPI

Chapter 6 — Change to NCES Code 7311 Election Fees



NCES Code 7311 — Election Fees



Services in support of School Board authorized elections.



Use Activity 11, Board of Directors, for **school board election fees.**



Use Activity 12, Superintendent's Office, for **Bonds and Levies**



Chapter 6 — Change to Activities 11 & 12



Edited election fee guidance in Activities 11 & 12



11 Board of Directors...Include expenditures for elections of school board members...



12 Superintendent's Office...Include **election costs for bonds and levies** in this activity...

New F-196 Reporting for Technology and Maintenance Transfer Costs

Capital Project Fund Technology Transfers: RCW 28A.320.330 (2)(f)(ii)	
Capital Project Fund Maintenance Transfers: RCW 28A.320.330 (2)(g)	
1) General Fund Revenue Code 9902 (System Calculated)	9902
2) Total Technology/Maintenance/Safety — Expenditures	\$XXXX
3) Edit Check: Revenue 9902 (#1) and (#2) Expenditures net to zero	\$0
4) Total Technology MSOCs (Activity 32-72)	\$a
5) Total Building Maintenance MSOCs (Activities 62, 63, & 64)	\$b
6) Total Safety MSOCs (Activities 35 & 67)	\$c

The EDS Data Input Screen — For CPF Tech & Maintenance Transfers and MSOC Reporting

Description of Items Paid with CPF Transfer Resources	Line Items by Object	Amount
Building-Technology Expenditures — Program 01, Activity 32	[3,4,5,7,9]	\$xxx
Districtwide Technology Expenditures — Program 97, Activity 72	[3,4,5,7,9]	\$xxx
Ground Maintenance — Program 97, Activity 62	[3,4,5,7,9]	\$xxx
Building Operations — Program 97, Activity 63	[3,4,5,7,9]	\$xxx
Maintenance — Program 97, Activity 64	[3,4,5,7,9]	\$xxx
Pupil Safety — Program 01 or 97, Activity 35	[3,4,5,7,9]	\$xxx
Building Safety — Program 97, Activity 67	[3,4,5,7,9]	\$xxx
Total Expenditures on this schedule equals Transfer Resources 9902	Σ EXPD = 9902	\$XXXX
MSOC Expenditures are pulled from this EDS input — into the F-196 — (\$a, \$b, & \$c)		




2026–27 Budgeting Updates


Budget Topics

 Budget — Programming Changes

 Time Schedule

 The System Flow in EDS

 Other Budget Reminders

 2025–26 Budget Extensions

 Financial Stress and Insolvency

F-195 Programming Updates



Cannot Budget ESSER Programs 11, 12, 13, 14, 19, 23



Cannot Budget Programs 54 Reading First — or
Program 62 Math & Science Professional Development.



The minimum salary amount on the certificated salary exhibit should be greater than or equal to \$51,406



Added “Unusual or Infrequent” line items (GASB 103).

It is Time to Prepare for the Budget Meeting



By July 10, you need to have a public hearing to review the complete budget.



You need to provide two weeks public notice. Be ready by publish the public notice by **early-June**.



The board shall meet for the purpose of fixing and adopting the budget.

Budget Milestones:

[WAC 392-123-054](#) — Due Dates



By — July 10: — All Districts:

A complete Budget is ready for public review.
Copies must be available to the public.
Submit budget to ESD or Charter Authorizer.



August 1, then August 3:

2nd Class Districts –
Budget Adoption — then Submit Budget to ESD

Final Dates: Time Schedule for Budgets

— [WAC 392-123-054](#)



August 31:

1st Class Districts & Charters –
Fix & Adopt Budget.



August 31:

2nd Class – Budget Review Committee –
Edits, Fix, & Forward Budget to OSPI

Final Dates: — [WAC 392-123-054](#)



September 3:

1st Class Districts & Charters –
File Budget with ESD & Charter Authorizer.



September 10:

1st Class Districts –
ESDs file District Budgets with OSPI



October 1:

Final Date to Post Adopted Budget
to District Website

Order of Submitting Budget Documents



Develop the F-203 Apportionment estimate (enrollment);
Include other applicable revenue estimates.



The F-203 data transfers to the F-195 Budget.
Develop the Budget appropriations and salary exhibits.



Create the F-195F four-year budget projection.
This is created with the F-195. "An ending fund balances in one year becomes the beginning fund balance the next year."

F-195-F Questions and Answers

Does each year of the four-year budget have to balance?

- No, OSPI's interpretation of statute is that only the current 2026-2027 budget be balanced.
- **However, a warning will show in any year that has a negative ending fund balance.**

Does a beginning fund balance in one year need to tie to the ending fund balance from the prior year?

- Yes. A footnote edit will display a message in red:
- **"This Beginning Fund Balance does not match prior year Ending Fund Balance"**.
- **THIS MUST BE CORRECTED BEFORE FILING.**

Other Budget Reminders



ASB budgets require student signatures..



Debt Service appropriations need to be adequate for payment schedule.



Think about TVF appropriation capacity for new vehicle types not yet planned. And New Vehicles are charged to T.C. 33

2025–26 Budget Extensions

- First Class Districts: [WAC 392-123-071](#)
- Second Class Districts: [WAC 392-123-072](#)
- Charter Schools: [WAC 392-123-073](#)
- Filing deadline is August 31 or the last business day prior to.
- **If** you are submitting a 25-26 F-200 Budget Extensions around the time you last **saved** your 26-27 F-195 Budget — **Then re-run the F-195 edits in EDS** to allow the budget extension to **be accurately displayed in the 25–26 F-196.**





Financial Stress and Insolvency

Financial Insolvency Budgeting Receivables [WAC 392-123-060](#)



These are tough times: **Inadequate state** funding; **Uncertain** federal funding; **Increasing risk** of levy failures.



If the district's adopted budget results in a negative ending fund balance, the district **submits a petition** to OSPI to **budget receivables**.



If permission is granted by OSPI, the approval response will contain **binding condition** upon the district.



Review the **Financial Sustainability** section on OSPI's [ABFR](#) webpage

Modified Accrual Accounting during Binding Conditions



Districts on binding conditions may not elect to be on the cash basis of expenditure recognition.



Second-Class Districts would be required to account for revenues and expenditures as a First-Class District

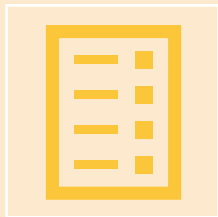


Must be on the Modified Accrual Basis of Accounting until the fiscal year following the district's release from binding conditions.

The Petition to Budget Receivables — Not an Automatic Qualifier



When a school district submits a budget with a negative ending fund balance — and then petitions OSPI to budget receivables...



OSPI may delay or qualify “Petition-Approval” and the subsequent Binding Conditions — pending a financial review.

A Balanced Budget may not be enough



A positive ending Fund Balance does not preclude OSPI from requiring a district to enter into **financial oversight**.



A positive Ending Fund Balance made up of Restricted Carryover and Inventory is a financial health concern.



If your Unreserved Fund Balance amounts (Committed, Assigned, & Unassigned) are negative, OSPI may take action.

Budgeting in Times of Extremely Low Financial Reserves — New WACs



OSPI is monitoring budgets: — To determine whether budgets are “Unsound”.



Require districts to submit additional financial information



Require district to submit a revised budget and a two-year financial plan.



Convene a Financial Oversight Committee if the district fails to provide documentation.

Monitoring Financial Health



There should be no question...



That when — OSPI attempts to create legislation — to control school district fund balances...



Then — School district financial health is a high priority at the state level.



Financial Health Indicators are being revised; and new forecasting metrics are being developed.

Budgeting Best Practices: It's more than S.A.L.Y.



Plan & Prepare — Mobilize key stakeholders, Gather Information, Establish principles to guide the process, Have a communication strategy



Set Instructional Priorities — Reasonable Goals, Identify root cause of gap in current outcome, Research & Develop potential paths, Evaluate choices



Pay for Priorities — Find capacity to pay for top instructional priorities.



Implement Plan — Do cost analysis and staffing analysis to identify how the district might allocate limited resources.



OSPI is Replacing the SAFS Portion of the
Education Data System (EDS)

Coming to OSPI in
2027-28...



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Reports of SASQUATCH Sightings



- Sasquatch Financial Reporting System
- **S**tate – **A**pportionment – **S**ystem for – **Q**uality – **A**ccountability and – **T**ransparency – **C**alculation – **H**ub

SASQUATCH — The new Data and Reporting System



Three Components

- Data Collection
- Calculation Engines
- Financial Reporting Products



Questions?



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