

OSPI 2026 Session Implementation Updates

June 25, 2026



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



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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.



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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 status of the implementation of the budget today.
- OSPI will keep the field informed as implementation rules or strategies evolve.
- We appreciate your patience through this processes.

Questions or Comments

- If you have a **question**, please use the chat/Q&A function. We will monitor questions as they come in and pause between segments to address them throughout.
- 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 (2025–26) - LEA Short Pay

School Apportionment Rule Changes

Transition to Kindergarten (TK)

Transportation Depreciation

Transportation – Cars and Vans

OTHER (Sales Tax, Funding Equity Workgroup, Future Funding)

Supplemental Budget Impacts

- Levy Equalization Reduced by \$26.8 million (state fiscal year).
- Depreciation Reduced by \$25.8 million starting 2025–26.
- Transition to Kindergarten reduced to \$65.5 million for 2026–27.
- Running Start limit reduced to 1.3 FTE for 2026–27.

Pending SAFS Rule Changes

Rule Change #1: School District Budgeting

- School Districts on Binding Conditions have to be on modified accrual basis and recognize outstanding payables.
- Requires districts whose ending fund balance after F-196 to cause the subsequent year's ending balance to be in the red – a budget extension (correction) is required.
- Ensures a district can start school (incur mandatory expenditures) if the ESD or OSPI has not approved the budget prior to the start of school.
- Addresses legislative changes on interfund loans and property sales for districts on binding conditions or enhanced financial oversight.
- Clarifies the process for OSPI to determine if a budget is “unsound” to call a Financial Oversight Committee.
- Public Hearing Date: July 23 at 10 am

Rule Change #2: Apportionment Process

- For PSES and K–3 Compliance, OSPI will publish the calculations and potential impacts in February and April, but only reduce apportionment in June.
- Special Education staff will continue to be allocated between program 01 and 21 based on the November federal child count (no change to prior years).
- Public Hearing Date: July 21 at 2 pm

Rule Change #3: Special Education and Enrollment Reporting

- Allow reporting of students receiving SPED through end of school year when they turn 22.
- Clarifies the types of enrollment reporting where instruction must be provided or supervised by a certificated instructor.
- Public Hearing Date: July 22 at 10 am and July 23 at 2 pm

Rule Change #4: Emergency Advances

- Requires districts to request apportionment advances by April 15, for processing in May to ensure OSPI can verify sufficient appropriation authority.
- Clarifies that OSPI will only advance if it has appropriation authority.
- Public Hearing Date: July 22 at 2 pm

Transition to Kindergarten



Transition to Kindergarten (TK) Update



Funding reduced to total appropriation of \$65.5 million. This moves from 7,266 AAFTE funded to an estimated 5,000.

Allocations were made to districts who have programs this year and are also based on other factors including free and reduced price lunch eligibility.

Districts received an initial AAFTE allocation in mid-April as well as a survey on the District's intent to serve students.

OSPI will review allocations in Summer 2026 and Winter 2026 to determine if allocations can be increased. Allocations may increase in Summer based on survey results (if districts choose to return unused "slots").

Survey Responses / Slot Reallocation

- TK Notification of Intent Surveys were due June 1
- 157 districts offered TK in 2025–26 school year
 - 111 plan to **continue** TK at new funding cap allocation
 - 44 plan to **expand** TK using other funding source
 - 1 plans to **reduce** TK below allocation
 - 1 plans to **close** TK program
- It is unlikely that extra funding will be available for reallocation

Emergency Rules – Effective June 18

WAC 392-425-040 Student eligibility. (Amended Section)

(d) ~~(Not charge tuition or other fees from state-funded eligible students for enrollment in a transition to kindergarten program)~~ Eligible local education agencies are authorized to charge sliding scale fees for enrollment in a transition to kindergarten program, except that no fee may be charged for the following:

- (i) Children who are eligible for but not yet placed in the early childhood education or assistance program or the head start program;
- (ii) 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.

(e) Tuition and fees collected for students in classrooms receiving state funding for the transition to kindergarten program must be accounted for separately, in accordance with the requirements outlined in the school district accounting manual.

Emergency Rules – Effective June 18

(NEW SECTION) WAC 392-425-065 Allocation of state funding. State funding for the transition to kindergarten program will be allocated to eligible local education agencies based on RCW 28A.300.072 and the state omnibus budget requirements. Funding allocations for the 2026–27 school year will be prioritized as follows:

- (1) Eligible local education agencies that received state funding allocations for transition to kindergarten in the previous year will have priority for the subsequent year.
- (2) When state funding is insufficient to maintain the number of students served in the subsequent year, eligible local education agencies will be allocated funding based on one or more of the following criteria:
 - (a) Districtwide percentage of students eligible for free and reduced price lunch;
 - (b) Districtwide percentage of students eligible for special education services;
 - (c) Districtwide percentage of students eligible for transitional bilingual program services; and
 - (d) Data available measuring access to state-funded early learning programs.
- (3) Local education agencies serving 20 or fewer transition to kindergarten students will continue to receive sufficient funding to maintain their current services, and their allocation will not be reduced below this level.

Levy Equalization Funding and F-780 Changes

Levy and LEA Estimates (F-780 Process)

- OSPI will not be providing an “initial” F-780 in the fall. Instead, districts will need to use the levy/LEA estimation tool with their own estimates of future Assessed Valuation.
- OSPI has had discussions with DOR regarding future AV estimates. We will be monitoring their early estimates to determine if they are more reliable than district projections for LEA calculations based on budgeted data.
- Final F-780 information for 2027 will be available in April 2027.

School Bus Depreciation

Steps Taken to Lessen Financial Impact

- Change depreciation lifetime starting for buses on depreciation schedule as of September 1, 2025, and after.
- A buses now 10 years.
- C and D buses 15 years.
- EV buses use 33% of low bid for depreciation calculation for 2025–26, 2026–27 and 2027–28 school years. Then revert to regular calculation.



System price of a 5-year average will change to a 2-year average.



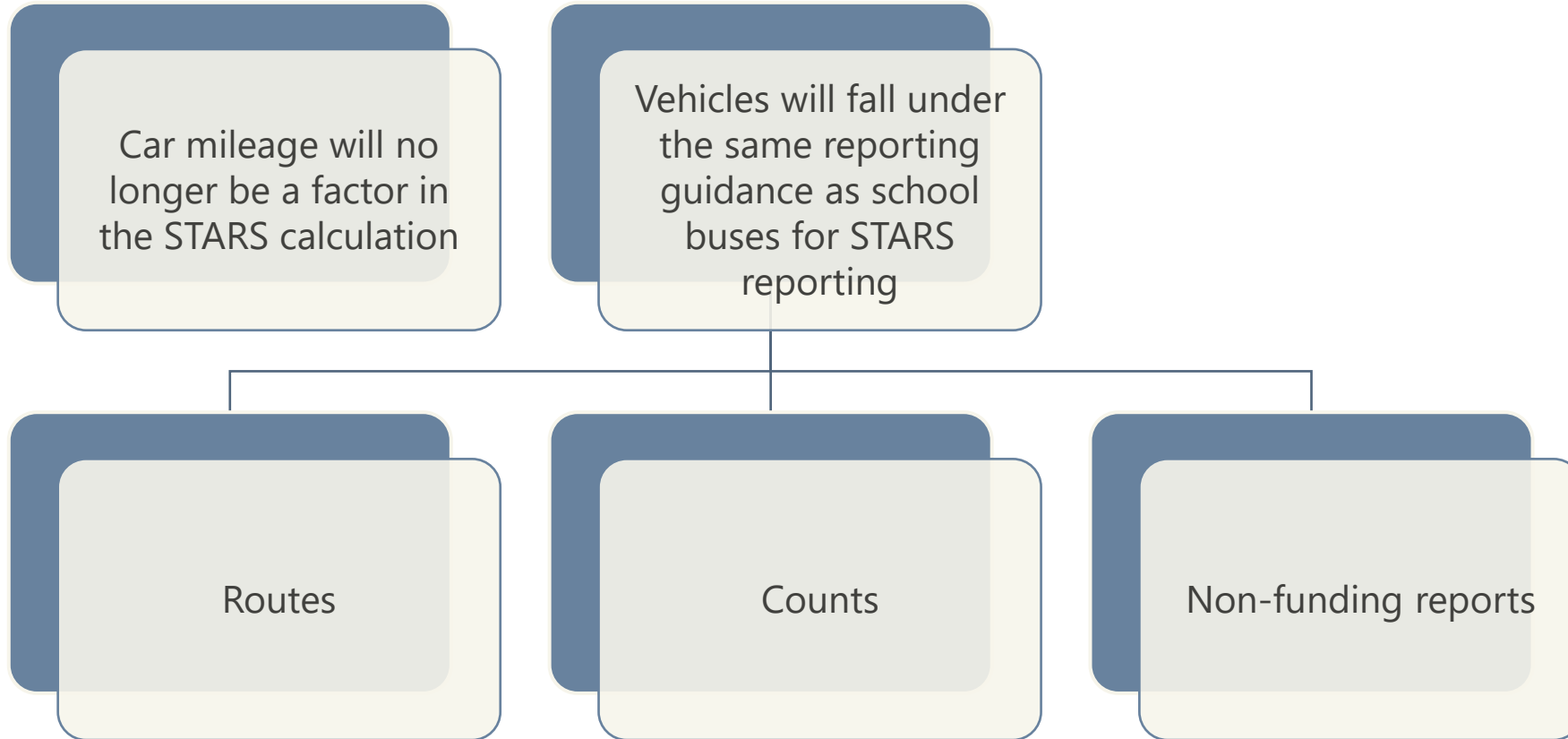
Buses receiving last payment in the 2025–26 school year will be calculated using base price plus tax for 2025–26, 2026–27, and 2027–28 school years.



ESSB 5009 – Vehicles Other Than School Buses

- Implementation date September 1, 2026
- Impacts STARS, Drivers, and Bids

STARS



Drivers of Other Vehicles



Drivers of to/from transportation will adhere to same criteria as school bus drivers other than a CDL will not be required and training is adapted to type of vehicle driven.

Many districts already implement this procedure for their “regular” drivers.



Activity drivers are defined as drivers that occasionally drive extracurricular trips (i.e. coaches).

Requirements similar to above but initial and continuing requirements are not as strict.



Bids



RFP opened June 26, 2026 and closes August 4, 2026



10 passenger (including the driver) or less



Must be inspected by WSP, initial and summer. Initial inspection prior to operating with students on board. Same acquisition procedure as school buses.



Weight 6500–10,000 lbs



All modifications/upfitting must be performed by OEM approved facilities prior to delivery to the district. Aftermarket upfitting/modifications are not authorized.



Other Topics

New Sales Taxes from 2026 SB 5814

- Department of Revenue has posted regulatory guidance for implementation on their website: [New sales/use tax exemption for purchases of certain retail services by schools and libraries | Washington Department of Revenue](#)
- Districts should use Form 27 0063 when purchasing exempt items: [Sales Tax Exemption Certificate for Purchases Certain Retail Services by Schools and Libraries](#)
- As a reminder – exempt items for K–12 entities include: information technology services; custom website development services; live presentations; investigation, security, and armored car services; temporary staffing; and custom software or customization of prewritten software.



Final Thoughts – Things to look forward to?

- Looking at LEA after 2026–27, eligibility is expected to be reduced significantly.
- Next year is a “rebase year” for regionalization.
- As costs and expectations continue to increase and funding is decreased or remains stagnant – the Superintendent continues to direct us to think about how the system could be improved to provide ample, equitable, and stable funding for all districts.
- New apportionment system will begin development in 2026–27. This means that over the next few years, a new system will replace all data collection systems, the calculation and reporting from SAFS.



Program Webpages and Resources

Program Webpages:

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

Presentation:

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Thank You!



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