School District Financial Health

Budget Language

$2,393,000 of the general fund—state appropriation for fiscal year 2026 and $370,000 of the general fund—state appropriation for fiscal year 2027 are provided solely for providing proactive and solutions-oriented regional and local technical and financial assistance to districts. Of the amounts provided in this subsection, $2,000,000 of the general fund—state appropriation for fiscal year 2026 is provided solely for:

(i) School districts that have been removed from their insurance risk pool due to district financial trouble for the difference between the previous cost of insurance provided through the Washington schools risk management pool and the cost of purchasing private insurance; and

(ii) School districts with enrollment of less than 500 students under enhanced financial oversight, to support the repayment of outstanding interfund loans. Priority shall be given to the school district that has been in binding conditions for the longest period.

Proviso Purpose

Provide proactive technical and financial assistance to school districts experiencing fiscal challenges, including targeted support for districts facing increased insurance costs due to financial trouble and small districts under enhanced financial oversight that need assistance repaying outstanding interfund loans.

Services Provided

OSPI uses this funding to provide assistance to school districts experiencing fiscal challenges. Services include targeted support to districts facing increased insurance costs related to financial instability, as well as assistance to small districts under enhanced financial oversight in developing strategies to address and repay outstanding interfund loans.

Criteria for Receiving Services/Grants

Funding may be provided to school districts that meet either of the following criteria:

- Insurance costs: Districts removed from their insurance risk pool due to financial difficulties may receive funding to cover the difference between their previous Washington Schools Risk Management Pool insurance costs and the cost of private insurance.
- Interfund loan repayment: Districts with fewer than 500 students that are under enhanced financial oversight may receive funding to help repay outstanding interfund loans. Priority is given to the district that has been under binding conditions for the longest period.

Beneficiaries in the 2025-26 School Year

Number of School Districts: 2

Number of Schools: N/A

Number of Students: N/A

Number of Educators: N/A

Are Federal or Other Funds Contingent on State Funding?

No.

State Funding History

1K1

Fiscal Year	Amount Funded	Actual Expenditures
2026	$393,000	$197,614

1L1

Fiscal Year	Amount Funded	Actual Expenditures
2026	$2,000,000	$1,987,904

Number of Beneficiaries Per Fiscal Year (e.g. School Districts, Schools, Students, Educators, Other)

1K1

Fiscal Year	Number of Beneficiaries
2026	N/A

1L1

Fiscal Year	Number of Beneficiaries
2026	2

Programmatic Changes Since Inception (If Any)

N/A

Program(s) Evaluation or Major Findings

N/A

Major Challenges Faced by Program(s)

N/A

Future Opportunities

N/A

Other Relevant Information

N/A

Schools/Districts Receiving Assistance

Click here to see a list of all OSPI grant recipients in the 2026 Fiscal Year.

Program Contact Information

Name: T.J. Kelly

Title: Chief Financial Officer

Phone: 360-725-6301

Email: thomas.kelly@k12.wa.us