

2026 LEGISLATIVE REPORT



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PO Box 14459 | Tumwater, WA 98511 | 360.943.5717 or 800.859.9272 | www.wasa-oly.org

K–12 Public Education Budget Summary

2026 Final Supplemental Budget

Net policy impact
-\$80.7M

Policy adds
+13.6M

Policy reductions
-\$94.3M

Bottom line: The final supplemental budget reflects a net policy-level reduction of about \$80.7 million (M) for K–12 in the 2026–27 Supplemental Budget. The package includes about \$13.6M in adds and about \$94.3M in reductions. Amounts below are shown as listed in dollars in thousands.

Increases in the Final Budget

These items add funding or provide targeted implementation support.

Final	Item	Narrative description
+\$3.5M	Foster Youth Outcomes	Supports educational outcomes for foster youth.
+\$1.3M	Dual Language Grants	Expands dual language grants, including heritage and tribal language programs.
+\$1.5M	Ninth Grade Success	Funds ninth-grade success strategies to improve on-track progress.
+\$1.2M	Homeless Student Support (HSSEP)	Provides added support through the homeless student program.
+\$1.8M	High School & Beyond Plan	Supports High School & Beyond Plan requirements and student planning.
+\$2.0M	AP Exam/Dual Credit Fees	Provides AP exam and dual-credit fee assistance.
+\$164K	IEP Transition Plans	Implements 2SSB 5969 on IEP transition plans.
+\$72K	Student Mobile Device Use	Implements SSB 5346 on student mobile device use.
+\$84K	Financial Aid Applications	Implements SSB 5841 on financial aid applications.
+\$30K	Interstate Military Compact	Covers increased Interstate Compact dues for military children.
+\$16K	Special Education Complaint Record	Implements SSB 6268 on special education complaint records.
+\$6K	School Vehicle Funds	Implements SB 6065 on school vehicle funds.
+\$6K	Teacher & Principal Programs	Implements SB 6278 on teacher and principal programs.
+\$6K	Transportation Vehicle Funds	Implements SB 5922 on transportation vehicle funds.
+\$1.4M	Truancy Funding	Supports truancy processing, case management, and related youth referrals.
+\$634K	OSPI Litigation	Supports OSPI litigation costs, including special education litigation.

Reductions in the Final Budget

These items reduce state support, assume savings, or narrow previously budgeted activity.

Final	Item	Narrative description
-\$25.1M	Local Effort Assistance (LEA)	Reduces Local Effort Assistance funding.
-\$1.7M	LEA/ALE Enrollment Cap	Reduces funding tied to LEA/ALE enrollment cap changes.
-\$21.1M	Bus Depreciation	Reduces school bus depreciation funding.
-\$27.3M	Transition to Kindergarten	Reduces Transition to Kindergarten enrollment support.
-\$7.0M	Running Start	Reduces Running Start funding by lowering funded combined enrollment.
-\$2.0M	Assessment Withholding	Assumes savings from assessment withholding.
-\$2.3M	Beginning Educator Support Team (BEST)	Reduces BEST mentoring support, with 2026-27 limited to first-year educators.
-\$695K	OSPI Statewide Programs	Reduces OSPI statewide program funding.
-\$650K	Fire Protection	Eliminates the FY 2026 fire protection appropriation; FY 2027 remains.
-\$405K	Leadership Academy (WSLA)	Reduces leadership academy funding for principals and administrators.
-\$4.7M	Federal Bus Grant—Depreciation	Reduces state support tied to federal bus grant/depreciation assumptions.
-\$226K	Charter School Technical Assistance	Reduces charter school technical assistance funding.
-\$1.1M	Paraeducator Training Underspend	Captures underspend savings in paraeducator training.

Budget summary observations. The final budget preserves a number of smaller targeted adds, especially around student supports, planning requirements, and bill implementation, while relying heavily on large reductions in Local Effort Assistance (LEA), bus depreciation, Transition to Kindergarten, and Running Start. The largest single reduction is Transition to Kindergarten at \$27.3M.

Although the final budget includes cuts to portions of K-12 spending, overall K-12 funding shows a net increase of \$207M once maintenance level is factored in. Maintenance level funding is the amount needed to carry forward the state's current commitments under existing law. Maintenance level should not be confused with full cost coverage. It funds the state's current formulas, but those formulas and built-in percentage adjustments do not necessarily reflect actual inflation or the real cost of delivering services in schools. So even when K-12 receives a maintenance level increase, districts likely still experience it as a cut in real terms because the funding does not keep pace with rising costs.

Budget-related policy changes. To implement some of the budget reductions, the Legislature needed corresponding policy changes. ESSB 6260 serves as the policy vehicle for specific (not all) reductions, narrowing or recalibrating state support across several K-12 areas. Its main effects are to:

1. slow school bus depreciation reimbursement and reduce reimbursement assumptions for zero-emission buses;
2. reduce funded Running Start enrollment levels;
3. make Transition to Kindergarten (TTK) more targeted, capped, and state-prioritized;
4. reduce levy equalization support for districts with higher alternative learning experience (ALE) enrollment; and
5. freeze inflationary growth in National Board Certificate (NBC) bonuses after 2025-26.

Key Policy Changes and Implications

1. School bus reimbursement

The bill lengthens the assumed depreciation life for school buses from 8 to 10 years for category A buses and from 13 to 15 years for category C and D buses. It also requires OSPI, for 2025–26 through 2027–28, to reduce the reimbursement-generating quote for zero-emission buses to 33 percent of the quoted vehicle cost.

Policy implication:

This slows the pace of state reimbursement and likely increases local financial pressure on districts replacing fleets. For zero-emission buses, the reduced reimbursement basis may weaken state support for electrification unless districts can secure other grant or capital funding.

2. Running Start enrollment cap

The bill lowers the funded combined enrollment cap for Running Start students. If SB 6346 is not enacted by June 30, 2026, the cap drops from 1.4 FTE to 1.2 FTE. If SB 6346 is enacted by that date, the cap becomes 1.3 FTE for the 2026–27 and 2027–28 school years.

Policy implication:

This is a direct reduction in student access to fully funded dual-credit participation. It may especially affect students relying on Running Start for acceleration, flexibility, or lower-cost college credit attainment.

3. Transition to Kindergarten becomes capped and prioritized

The bill requires OSPI to prioritize TTK funding toward schools already serving certain student groups, schools in extreme child care access deserts, and students who are low-income, lack access to licensed child care, are eligible for but not placed in ECEAP or Head Start, receive special education, or are English/multilingual learners. TTK funding is limited to the amount provided in the omnibus appropriations act and must be allocated under OSPI's prioritized criteria.

Policy implication:

TTK shifts from a more broadly expandable early learning option to a more tightly managed, need-based program. This strengthens targeting toward higher-need students but may limit district flexibility to expand access more generally.

4. TTK and fees / special education alignment

The bill counts TTK children as kindergarten students for purposes of calculating special education funding. It also requires OSPI rules to allow districts, charter schools, and tribal compact schools to charge sliding scale fees for TTK, except for children entitled to FAPE and children eligible for but not yet placed in ECEAP or Head Start.

Policy implication:

Counting TTK students in special education funding may improve fiscal alignment for districts serving students with disabilities. Allowing sliding scale fees creates more local flexibility, but it also introduces the possibility that access may vary by local implementation and family ability to pay.

5. Increased OSPI reporting and oversight of TTK

Beginning June 30, 2026, OSPI must report annually to the Governor and Legislature on upcoming TTK slot allotment, including funded slots, prior-year FRPM percentages, and whether the school or district is located in an extreme child care access desert.

Policy implication:

This increases state oversight and creates a stronger accountability structure around how limited TTK slots are distributed.

6. Local Effort Assistance reduction for ALE-heavy districts

The bill lowers the threshold at which ALE enrollment reduces LEA eligibility calculations from 33 percent of AAFTE to 25 percent.

Policy implication:

More districts with larger ALE enrollment will see reduced enrollment counts for levy equalization purposes, which may reduce state equalization support. This could disproportionately affect districts with significant ALE programming.

7. National Board bonus inflation freeze

The bill ends annual inflationary increases for National Board Certificate bonuses after the 2025–26 school year.

Policy implication:

The bonus remains in place, but its value will erode over time relative to inflation, reducing its long-term strength as a recruitment and retention incentive.

Bottom Line

ESSB 6260 preserves these programs but constrains them. The bill reflects a policy choice to contain costs, prioritize limited state resources, and increase targeted oversight rather than maintain broader funding growth or program flexibility.

Sources: [ESSB5998PL.pdf](#), [House Operating Proposals](#), [Final Bill Report on SB 6260](#)



Marissa Rathbone
Proud Product of Washington Public Schools
Assistant Executive Director | Government Relations
PO Box 14459 | Tumwater, WA 98511
360.481.5842 | mrathbone@wasa-oly.org