



2026 Legislative Priorities



TOP THREE STATEWIDE PRIORITIES

Increase Materials, Supplies, and Operating Costs (MSOC)

The 2026 Legislature must immediately address the significant underfunding of allocations for MSOC. While staffing remains the largest school district expense, non-staff costs are significant. The Legislature provides funding for these through MSOC at a set rate per student, but this funding has not kept up with actual district expenses. For example, from 2018-19 to 2023-24: Utility costs have risen by more than 26% (Source: OSPI) With these increasing costs, MSOC funding falls short, forcing districts to rely on local levy revenue meant to enhance education - not cover basic costs like insurance and utilities. Paying for basic costs often comes at the expense of building maintenance and other critical needs.

BPS impact

In 2025-26, we are budgeting to spend \$7.3M on utilities and insurance, \$3.5M more than the average amount the state funds us per year.

Utility costs have increased 49 percent since 2018-19. Insurance costs have tripled in that time.

Fully Fund Special Education

The 2026 Legislature must fully fund the cost of special education services. Despite the Legislature's investments over the last five years, Special Education remains underfunded. Recently, the State Legislature implemented accounting changes that disguise this underfunding. These changes require districts to draw from basic education funds intended for MSOC's, custodial, maintenance, etc.

BPS impact

Over 17% of our student population qualify to receive Special Education services and without adequate funding we use \$6M of state funds intended for staffing and MSOC's.

Fully Fund Substitute Costs

The 2026 Legislature must immediately address the significant underfunding of allocations for substitute costs.

Under **RCW 28A.400.300**, school districts are required to provide a **minimum of 10 days of sick leave** for full-time classified and certificated staff. Staff are using these days for more purposes than in the past, forcing districts to cover the cost of more substitute days and long-term substitutes at higher pay rates. The state currently only provides funding for 4 substitute days per funded certificated staff FTE at a rate of \$151.86 per day, a rate that has not changed in over 10 years. Most classified staff provide direct student services, which require use of substitutes during absences. Without state funding for classified substitutes, districts must use local levy funds or other resources to meet this shortfall. School districts are required by law to provide sick leave to substitutes and offer full medical insurance for substitutes who work 630 hours per year. By fully funding substitute costs, districts can focus local levy funds on enhancing education rather than covering essential staffing requirements.

BPS impact

The gap between what we are required to provide and the amount we are funded for certificated substitutes is \$1.3M.

We receive no funding for classified substitutes.

Bellingham Public Schools 2026 Legislative Priorities, *continued*

CRITICAL NEEDS FOR OUR DISTRICT

Increase Percentage of State Funding to Education Back to Where it Used to Be: K-12 Education is not being prioritized by the Legislature, and we are losing ground in the share of the State Operating Budget. In 2019-21 biennium K-12 held 52% of the budget; by this last session we were at 43%.

Adequately Fund Compensation: Regionalization factors have diminished, and experience factors are not applied despite one third of our staff being at the highest step in both experience and qualification. Bellingham has the highest cost of living, based on house median value, in Whatcom County. All our staff deserve to be adequately paid and our average certificated salary has increased from \$89,036 in 2018-19 to \$128,782 in 2025-26. During the same period the state funded salary has maintained an average of \$78,327.

Fix Regionalization Factors: *The current regionalization methodology does not align with actual, recognized community economies as evidenced by Bellingham receiving less regionalization funding than nearby districts. Despite having the highest median house value among our neighbors, Bellingham has the lowest regionalization factor, and our funding is being cut short as a result.*

Bellingham used to be at 12%. The state has reduced us down to 6%.

Here are some of our neighbors:

- 6% Concrete, Ferndale, Mt Baker, and Nooksack
- 12% Blaine, Burlington-Edison, La Conner, Lynden, Meridian, Mt Vernon, and Sedro Woolley
- 16% Anacortes and Conway

If we were to get back to our previous level of 12%, it would be an increase of ~ \$5.7 million dollars.

Fix Experience Factors: *Experience factor is “for districts with staff that have a higher-than-average experience and a higher ratio of advanced to master’s degrees than the statewide ratio”.*

The current rates were calculated using outdated school staffing data that no longer accurately reflects current staffing levels held by many districts. It is expected that these rates will remain in effect until the 2027-28 school year. **If up-to-date data was used, we would be receiving \$3.8 million additional dollars.**

STATE BUDGET NEUTRAL FIXES

Revisit K-3 Compliance: State law mandates class size at 17:1 for grades K-3 and will withhold funds if a district does not meet the required class size. Allowing districts the discretion to increase class sizes by 1 would free up \$1.5M of staffing costs for Bellingham without increasing overall state funding.

Allow districts flexibility in the use of proceeds from selling property and investment income from bond proceeds: Give districts discretion on how to use those funds and do not restrict to just capital.

Change the IPD Language: The state does not provide adequate funding to pass through the IPD % to all staff.

The state is stating
2.6% and they give us
\$2.5M.

The actual cost to us
is **\$4.5M.**

If we were to just
spend the allocated
\$2.5M, the “**State
Funded IPD**” would
be **1.5%**.