

November 17, 2025

To Governor Ferguson and Members of the Washington State Legislature:

On behalf of the education associations and school districts signed below, we respectfully urge legislative action during the 2026 session to correct the unintended consequences of Section 101(3)(j) of ESSB 5814, which extends sales tax to temporary staffing services and essential professional learning opportunities for school staff.

During and after the 2025 legislative session, education advocates raised concerns about this policy, pointing out its potential to negatively impact already strained district budgets and therefore cause harm to students and staff. Despite those appeals, the provision was enacted without change. As a result, the K–12 community across Washington is now experiencing even more significant and unanticipated financial hardship. A legislative fix in the 2026 session is necessary so that this financial strain does not increase the need to lay off staff or eliminate programs just to pay new state taxes with state dollars.

Impact on Student Services and Budgets

School districts throughout the state depend on contracted and temporary staff to provide essential services to students, including speech therapy, occupational and physical therapy, skilled nursing, behavioral support, and personal care. Many of these services cannot be provided through direct district employment because of ongoing shortages of qualified specialists statewide. Additionally, the new sales tax on live presentations and IT-related training will increase the cost of essential professional development that teachers and staff rely on to improve instruction, integrate new technologies, and meet student needs.

Adding an average 10 percent sales tax to these critical services has created millions of dollars in new, unbudgeted expenses. For projecting the fiscal year 2025-26 (FY26) SPED contracted services, Clover Park School District pulled the first two months' actual expenditures (Sept and Oct) and annualized the two months out to the 10-month school year. This projection puts estimated contracted services at \$11,846,000 and a potential new tax impact of approximately \$1,200,000. The Northshore School District has projected an annual 1.8-million-dollar impact overall. Statewide, the total fiscal impact likely exceeds the amount of new special education funding appropriated in 2025, effectively canceling out that much-needed state investment.

Unintended and Counterproductive Consequences

ESSB 5814 was enacted with the intent of increasing funding for public education, health care, and social services. However, by taxing the very services that schools are legally required to provide, the law has produced the opposite effect. As districts are forced to scale back or redirect limited funds to cover these added taxes, educators lose access to high-quality, real-time learning that directly strengthens classroom practice. Ultimately, higher costs for professional development mean fewer opportunities for educators to stay current and effective, resulting in a measurable and negative impact on student learning.

A Call for Legislative Correction in 2026

Members of the Legislature reported during the 2025 legislative session that they did not intend for this policy to impact public schools. You have the opportunity now to correct this harmful policy. We urge lawmakers to

include in the 2026 session a trailer bill that exempts K–12. This approach would mirror the exemption already extended to hospitals and ensure that education dollars remain focused on students rather than redirected to cover new tax obligations.

This correction would restore alignment between legislative intent and educational equity, ensuring that funding dedicated to supporting students, including students with disabilities and individualized needs, is not eroded by unintended taxation.

We appreciate your continued leadership and partnership in supporting Washington’s public schools and stand ready to collaborate on the necessary corrective language.

Respectfully,

Association of Educational Service Districts
Bellevue School District
Bethel School District
Carbonado Historical School District
Central Washington Schools Coalition
Clover Park School District
Dieringer School District
Eatonville School District
Franklin Pierce Schools
Orting School District
Puyallup School District
White River School District
Sumner-Bonney Lake School District
Vashon Island School District
Tacoma Public Schools
University Place School District
Peninsula School District
Steilacoom Historical School District
Fife Public Schools
Enumclaw School District
Colfax School District
Creston School District
Eastern Washington Quality Schools Coalition

Freeman School District
Harrington School District
Highline Public Schools
Inchelium School District
Lake Chelan School District
Lamont School District
Mead School District
Northshore School District
Oroville School District
Quincy School District
Reardan-Edwall School District
Richland Public Schools
Rural Education Center
Seattle Public Schools
South Sound County Superintendents
Sprague School District
Vancouver School District
Walla Walla Public Schools
Washington Association of School Administrators
Washington Association of School Business Officers
Washington State Parent Teacher Association
Washington State School Directors’ Association
Wilbur School District