

Date: February 25, 2026

Subject: House and Senate Proposed 2026 Supplemental Operating and Capital Budgets

INTRODUCTION

Leadership in the House and Senate released their initial 2026 supplemental operating and capital budget proposals on February 22 and February 23, respectively. Initial proposals from the legislature follow the release of the Governor's proposals in December. House and Senate proposals can be found on the state's [Fiscal Information website](#).

This brief covers the proposed budgets released by leadership in fiscal committees of each chamber (Senate Ways & Means, House Appropriations, and House Capital Budget committees), and any changes approved by committee and/or floor votes as of the date of posting. **This brief will be updated if any additional changes occur before the House and Senate release compromise budgets.**

In this session, lawmakers are tasked with amending the two-year budget set in the 2025 legislative session and are primarily focusing on the second fiscal year (FY27). The 2026 session began on January 12, 2026, and is slated to end on March 12, 2026. Once finalized, the supplemental operating budget will be incorporated into the UW's Fiscal Year 2027 (FY27) operating budget, which will be presented to the Board of Regents as an information item in May and as an action item in June.

For a review of the 2025-27 biennial budgets, please see the [FPB's brief page](#) on our website. For more information regarding the UW's current requests for state funding, please see our 2026 supplemental operating and capital submissions on [FPB's State Budget Information page](#).

EXECUTIVE SUMMARY

At a high level, the Senate and House supplemental budgets would make adjustments that appropriate \$1.0 billion over the biennium, which represent state funding decreases of \$66 million and \$68.5 million, respectively, compared to the enacted 2025-27 biennial budget. Removing a net-neutral shift described below, **total operating budget funding would increase by \$19.4 million in the Senate proposal and \$17 million in the House proposal**, largely attributed to funding for the Center for Behavioral Health and Learning (CBHL). In addition to funding levels, here are the key takeaways:

- Both budgets reduce state funding to the University by \$85.6 million (GF-S and WEIA) in FY27 but offset the total amount with UW Building Account funds, which are then backfilled by state bonds. This is a net-neutral shift of funding from the state's capital budget to the operating budget that reflects the legislature's creative efforts to avoid further cuts to the UW's operating budget. This is a one-time shift in FY27 and is not expected to continue into the next biennium.
- Both budgets implement reductions to administrative spending, totaling \$1.3 million in the Senate budget and \$1.2 million in the House budget. These cuts represent reductions in administrative spending of roughly 1.5%.
- The University requested \$18.34 million in ongoing funding for the Frank Chopp Center for Behavioral Health and Learning (CBHL), consistent with prior agreements among state leaders to fully fund CBHL operations. The Senate budget would provide \$15 million in ongoing funding for the CBHL, while the House budget would provide \$15 million in one-time funding for the CBHL, partially meeting this request.
- The House capital budget would fund the University's Climate Commitment Account (CCA) request for the Power Plant Electrification and Campus Hot Water Loop – Phase 1 project. The Senate budget proposal would not fund the request.

OPERATING BUDGETS

At the end of the 2025 legislative session, the Legislature passed a balanced operating budget for the upcoming 2025-27 biennium. The budget relied on a mix of tax and fee increases and spending cuts to close a projected \$12-16 billion deficit over four years. Revenue projections since then have shown modest changes. The most recent [February 2026 Revenue Forecast](#) estimated that revenue projections would increase by \$827.4 million for the current 2025-27 biennium and \$1.03 billion for the 2027-29 biennium compared to the previous forecast.

While the recent forecast was positive, there remains a projected deficit over the four-year budget period (state law requires that lawmakers approve a balanced budget over a four-year period). Balancing the budget can be achieved through a mix of budget cuts and revenue increases. Senate and House leadership proposed operating budgets would rely largely on agency budget cuts and shifts in fund sources to close the deficit. In both budgets, the UW would be subject to a 1.5% reduction in administrative spending (\$1.3 million in the Senate budget and \$1.2 million in the House budget). Additionally, for FY27, \$85.6 million would be shifted from state funding sources to UW Building Account revenue, which, in turn, would be backfilled by state bonds in the capital budget. This translates into a net neutral funding shift in both budgets for the University, but creates operating budget savings for the state offset by additional bond issuance.

Direct Impacts to the UW

Table 1 shows the total funding in the proposed 2026 supplemental budgets compared to the enacted 2025-27 biennial budget.

Table 1: UW State Funding - 2026 Supplemental Operating Budget Proposals
Near General Fund State (in \$1,000s)

Budget	FY1	FY2	Total
<i>Enacted 2025-27 Biennial Operating Budget</i>	542,261	527,278	1,069,539
<i>Governor's Proposed 2026 Supplemental Budget</i>	543,814	534,810	1,078,624
Senate Proposed 2026 Supplemental Budget	545,109	543,924	1,089,033
House Proposed 2026 Supplemental Budget	543,777	542,777	1,086,554

Table 2 shows a line-by-line breakdown of the funding levels and policy changes proposed in the 2026 supplemental operating budgets, amending the 2025-27 biennial budget for the remainder of FY26 and FY27.

Table 2: 2026 Supplemental Operating Budget Proposals
Near General Fund State (in \$1,000s)

	Governor	Senate			House		
	2025-27 Total	FY26	FY27	2025-27 Total	FY26	FY27	2025-27 Total
2025-27 Biennial Budget (base funding)	1,069,539	542,261	527,278	1,069,539	542,261	527,278	1,069,539
Maintenance Level Changes	3,326	1,498	1,791	3,289	1,498	1,791	3,289
Tuition Backfill Inflation Adjustment	1,149	411	738	1,149	411	738	1,149
ML Central Service Adjs.	57	28	(8)	20	28	(8)	20
Worker's Compensation	1,812	905	907	1,812	905	907	1,812
College in the High School	308	154	154	308	154	154	308
Policy Level Changes	5,759	1,350	14,855	16,205	18	13,708	13,726
PL Central Service Adjs.	897	(150)	772	622	18	852	870
Total Employee Benefits Changes	(304)	-	(619)	(619)	-	(496)	(496)
Across the Board Reduction	(15,818)	-	-	-	-	-	-
Administrative Reduction	(3,516)	-	(1,298)	(1,298)	-	(1,205)	(1,205)
Higher Education Adjustment – Step 1 ¹	-	(42,787)	(42,788)	(85,575)	(42,787)	(42,788)	(85,575)
Higher Education Adjustment – Step 2 ²	-	42,787	42,788	85,575	42,787	42,788	85,575
Electronic Health Record	9,500	1,500	500	2,000	-	-	-
CBHL Support	15,000	-	15,000	15,000	-	15,000	15,000
Center for Biotech Innovation/Training	-	-	250	250	-	-	-
Latino Center for Health	-	-	250	250	-	-	-
Environmental Forensic Science Center	-	-	-	-	-	(443)	(443)
Total Funding	1,078,624	545,109	543,924	1,089,033	543,777	542,777	1,086,554

Tuition Policy

The Senate and House budget proposals assume the continuation of current tuition policy (enacted by [2ESSB 5954](#), 2015), which has allowed resident undergraduate tuition increases of approximately 2.2-3.3% each year. The allowable increase for the 2026-27 academic year will be 3.3%. Part of that policy requires an inflationary adjustment to tuition backfill amounts provided in previous budgets. The backfill adjustments in both proposals would result in an additional \$1.1 million over the biennium.

2026 Supplemental Budget

Compensation and Benefits

Compensation:

Compensation funding provided by the state only covers a portion of what is needed to provide salary increases for UW employees. These salary increases are paid for by the combination of state funding and tuition revenue (our General Operating Fund) only and account for a small fraction of our employee base. Salary increases for all other employees are funded from other sources of revenue. For non-represented faculty and staff, the current biennial budget authorized salary increases of up to 3% in FY26 and 2% in FY27. The Senate and House budgets would not change underlying assumptions or approval of any collective bargaining agreements. Any cuts to overall state funding will make salary

¹ Both budgets reduce Near General State funding to the UW by \$85.6 million (GF-S in FY26 and WEIA in FY27).

² Reductions to state funds are offset by the total amount with UW Building Account funds deposited into Fund 149 (UW operating fees account). Projects previously funded by UW Building Account funds would then be backfilled by state bonds. This is a net-neutral shift of funding from the capital budget to the operating budget.

increases progressively more challenging for the University to afford given the state's partial funding of those increases and funding cuts implemented in the biennial budget.

Benefits:

The Senate budget would update monthly employer health care contribution caps in FY27 from \$1,350 in the current biennial budget to \$1,330, a reduction of \$20. The House would reduce these contribution caps from \$1,350 to \$1,334, a reduction of \$16. Benefit assumptions represent significant costs across all UW activities and are passed through to unit budgets via benefit load rates.

Additionally, the Senate budget assumes savings of \$123,000 starting in FY27 through lower employer premiums for retiree healthcare subsidies, which are reduced from a maximum monthly amount of \$183 to \$150. The assumed savings from this change across all UW funds is \$1.5 million.

Maintenance Level Changes

- **College in the High School (CHS) Adjustment:** \$154,000 was added to CHS funding in both FY26 and FY27 to meet changes in caseloads. OFM and legislative staff will continue to adjust CHS funding annually, and adjustments will be carried forward in each fiscal year thereafter.

*Policy Level Changes***UW Budget Requests:**

Given the state's budget situation, the UW did not make any policy-level budget requests. However, we did request ongoing funding for the Frank Chopp Center of Behavioral Health and Learning (CBHL) as a maintenance level request.

- **Center for Behavioral Health and Learning (CBHL, formerly BHTF):** The Senate budget would allocate \$15 million in ongoing funding starting in FY27 from the Workforce Education Investment Account (WEIA) to support the costs of delivering behavioral health care to patients in long-term civil commitment beds at the CBHL. The House budget would also allocate \$15 million, though this funding would be one-time in FY27. This funding was requested at \$18.34 million ongoing to meet operating costs, so budget proposals would partially fund this amount. The state partnered with UW Medicine to build this facility and previously committed to full funding for the operation of these beds.

Budget Reductions:

- **Administrative Reduction:** The Senate and House budgets include an ongoing "administrative reduction" of \$1.3 million in the Senate budget and \$1.2 million in the House budget. This represents a roughly 1.5 percent annual reduction in administrative spending. The House budget specifies that institutions must prioritize retaining staff that provide direct student support when making administrative reductions.

Senate Proposal:

- **Electronic Health Record:** \$1.5 million in FY26 and \$500,000 in FY27 to complete a feasibility assessment for the technology viability and potential deployment of an electronic health record solution to support health care coordination and case management needs. The University must work collaboratively with the Department of Corrections and the Department of Social and Health Services. Funding is expected to be one-time from GF-S.
- **Center for Biotech Innovation and Training:** \$250,000 in FY27 to support the Center for Biotech Innovation and Training at the Bothell campus. Funding is expected to be one-time from WEIA.

- **Latino Center for Health:** \$250,000 in FY27 to expand the *Mi Salud* mobile health program to include mental health and dental screening and increase the frequency of mobile clinic events. Funding is expected to be one-time from WEIA.
- **Endometriosis:** \$96,000 for the implementation of [Substitute Senate Bill 5985](#) which requires the UW to establish an online resource center focusing on endometriosis by July 1, 2028. Funding is assumed in the 4-year outlook (2027-29 biennium) and thus is not included in Table 2. Funding aligns with estimates provided in the University’s fiscal note.

House Proposal:

- **Environmental Forensic Science Center:** The House budget would reduce funding by \$443,000 in FY27, eliminating state funding for the Center for Environmental Forensic Science.
- **Thriving Communities:** The House budget would eliminate \$263,000 in funding provided in the 2024 supplemental budget for two grant writers to offer technical assistance through the Thriving Communities Technical Assistance Program. This ongoing appropriation was funded from the Climate Commitment Account and thus is not included in Table 2 above.

Other Notable Changes:

- **Noise Reduction Study:** The House and Senate supplemental transportation budget proposals reduce funding for the UW Department of Engineering and the Department of Transportation to conduct a study on noise reduction measures for bridge expansion joints on SR 520, from \$657,000 to \$400,000. This is consistent with the reduction in the Governor’s supplemental budget proposal for this project.
- **Existing Proviso Language Change:** The Senate and House budget proposals did not change proviso language. This is in contrast to the Governor’s operating budget proposal, which amended existing proviso language for each of the University’s current provisos written into the budget bill. It did so by striking the word “solely” from each line indicating the purpose of each proviso (e.g., \$100,000 ~~solely~~ for the Center for...).
- **Increases to Agency Charges:** The Senate and House budgets would increase amounts other agencies are able to bill the University, which are partially funded: Workers’ Compensation (approximately \$4.3 million over the biennium, \$1.8 million funded) and OFM Central Services (approximately \$1.9 million in FY27, \$642k-817k funded).

Financial Aid

Policy level adjustments to the Washington Student Achievement Council (WSAC):

- The House budget proposal includes a targeted reduction of \$1.7 million (5%) to WSAC’s overall budget.
- The Senate budget proposal includes a \$117,000 (1.5%) reduction in administrative spending to reflect savings from reduced overtime, professional service contracts, travel, goods and services, and capital outlays.
- The Senate budget proposal includes a \$3.3 million increase in funding for scholarships for students attending private four-year not-for-profit institutions. This aligns with the provisions of [Substitute Senate Bill 5828](#).
- The Senate budget proposal fully funds [Senate Bill 5963](#), which establishes that individuals who are eligible for the Passport to Careers Program qualify as income eligible under the Washington College Grant.

Overall, WSAC’s total budget for the biennium increases by approximately \$145 million under the House proposed budget and \$149 million under the Senate proposed budget. These proposed increases are driven by changes at the maintenance level and policy level.

Table 3: 2026 Supp. Operating Budget Proposals for WSAC Near General Fund State (in \$1,000s)

	House	Senate
Target Reduction to WSAC Budget	(1,700)	-
Administrative Spending Reduction	-	(117)
Scholarships for Private Four-Year Not-for-Profit Institutions	-	3,303
Total Funding:	144,516	149,437

For information about the operating budget, contact [Jed Bradley](#), [Christine Leibbrand-Lapinsky](#) or [Lauren Hatchett](#). For more information about financial aid, please contact [Alex Beard](#).

CAPITAL BUDGET

Budget Proposals

House Proposal

The House budget proposal would appropriate \$910.6 million in total funds, \$399.4 million of which are from debt limit bonds (leaving \$5 million of capacity) and \$511.2 million from other state and federal accounts.

Appropriations would include \$639.9 million in CCA proceeds. Of this total, \$400 million would be used for a variety of capital budget purposes, including clean energy grants, building decarbonization, salmon recovery, and habitat restoration and conservation. The House budget would fund the University’s \$47.5 million request for the Power Plant Electrification & Phase 1 of the Campus Hot Water Loop, which is an important component of the University’s decarbonization efforts.

Senate Proposal

The Senate proposal authorizes \$382.6 million in new debt limit bond expenditures, \$219 million in Climate Commitment Act account proceeds, and \$723 million in net total funds. Major investments include: \$150 million for housing and homelessness; \$142 million for water conservation, climate resilience, and clean energy; \$71 million for small school district modernization grants; and \$50 million for flood preparedness and response. However, similar to the Governor’s budget proposal, it does not fund the University’s decarbonization project.

Common Approaches

- As mentioned above, both budgets would reduce state funding to the University by \$85.6 million (GF-S and WEIA) but would offset the total amount with UW Building Account funds from the capital budget, which are then backfilled by state bonds. It appears that the House and Senate took slightly different approaches to make additional state bond capacity available:
 - The House budget would take the following steps: 1) \$239.9 million of CCA funding would be used to refinance \$239.9 million in bond-funded projects in the Natural Resources area of the enacted 2025-27 biennial capital budget; 2) the \$239.9 million in bonds under #1 would then be used to refinance \$239.9 million in higher education building account funded projects in the Higher Education area of the biennial capital budget; and 3) the \$239.9 million in higher education building accounts revenue would be used to fund higher education in the operating budget.

- The Senate budget would make account adjustments that transfer \$1 billion in cash resources from capital to the operating budget by redirecting them. These resources include capital gains, public works, and higher education building accounts. For public works and higher education building accounts, the 2025–27 total appropriation levels are maintained through offsetting changes in other accounts.
- Both budget proposals would adjust reappropriation values to reflect actual expenditures aligned with the Governor’s proposal: values for UW Clean Energy Testbeds and Infrastructure Renewal (2023-25) projects are adjusted to reflect actual expenditures for the 2023-25 biennium.

Table 4: 2026 Supp. Capital Budget Proposals (in \$1,000s)

UW Capital Projects	UW 2026 Supplemental Request			House Budget			Senate Budget		
	State Bonds	UW Building Account	CCA	State Bonds	UW Building Account	CCA	State Bonds	UW Building Account	CCA
Power Plant Electrification & Phase 1 of the Campus Hot Water Loop	-	-	47,500	-	-	47,500	-	-	-
Infrastructure Renewal 25-27	-	-	-	39,350	(39,350)	-	39,350	(39,350)	-
UW Bothell - Asset Preservation (Minor Works) 25-27	-	-	-	4,530	(4,530)	-	4,530	(4,530)	-
UW Major Infrastructure	-	-	-	10,300	(10,300)	-	10,300	(10,300)	-
UW Seattle - Asset Preservation (Minor Works) 25-27	-	-	-	22,080	(22,080)	-	22,080	(22,080)	-
UW Tacoma - Asset Preservation (Minor Works) 25-27	-	-	-	5,415	(5,415)	-	5,415	(5,415)	-
UW Tacoma - Campus Power Repairs (Phase 3)	-	-	-	3,900	(3,900)	-	3,900	(3,900)	-
Subtotal:	-	-	47,500	85,575	(85,575)	47,500	85,575	(85,575)	-

For more information about the capital budget, contact [John Wetzel](#).