

K-12 Funding Equity Workgroup

Full Group Meeting #2

October 16, 2025



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Logistics for today

- Webinar is being recorded **except for breakout rooms:**
Slides and video recording will be made available after the meeting

Agenda

Time	Item	Notes
9:00 - 9:15	Welcome and Introduction	.
9:15 - 10:15	Subgroup presentations of top priorities	15-minute presentation by Co-Chairs
10:15 - 10:30	Break	Great American Shakeout at 10:16
10:30 - 11:00	Breakout discussion	• Breakout assignment random • Each group designates a notetaker
11:00 - 11:30	Breakout group share out	5-minute report out by notetaker
11:30 - 11:40	Next Steps	.
11:40 - 12:00	Closing remarks by Superintendent Reykdal	.



OSPI's Legislative Charge

- Convene a workgroup to analyze K–12 Funding Formulas and Revenue Sources
- Explore options for revisions to the funding formula that are responsive to student needs, including:
 - Student differences (income, need)
 - System and resource inequities (demographic differences, concentration factors, school district size)
 - Geographic differences (state, local, regional)
 - Monitoring, accountability, and system stability

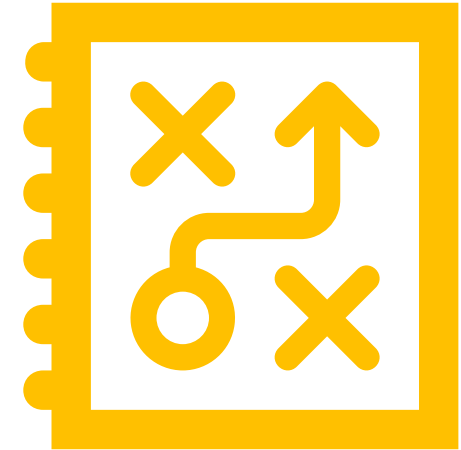
OSPI's Legislative Charge

- Workgroup Analysis must include:
 - Per pupil funding formulas
 - Compensation factors
 - Local revenue options
 - Current distribution compared to economic, demographic and geographic differences including total and specific programs of LAP, TBIP, LEA, and small school factors

OSPI's Approach for Work

Phase I (2025):

- Analyze K–12 Funding Formulas and Revenues Sources
 - Discuss what is working and what is not working
 - Explore and elevate key areas for future work



Phase II (2026)*:

- Work with the legislature to continue to refine the workgroup charge.
- Prioritize areas to explore, and for highest priority items: identify common interests, evaluate options, and recommend action.

Phase III (2027):

- Continue to address remaining prioritizes areas, identify common interests, and implement revisions to the funding formula that are responsive to student needs.



Subgroup Goals

1. Over the next three meetings, deliberate on three key questions

- What works in the current system?
- What is not being addressed in the current system?
- What options should be explored to address current weaknesses?

2. Create a concise, three-page executive summary drafted jointly by chairs and OSPI staff.

Executive Summary Presentations



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Resource Accountability and Efficiency

Co-Chairs

- **Dr. David Knight**, University of Washington
- **Marissa Rathbone**, Washington Association of School Administrators (WASA)

Executive Summary – Resource Accountability

- Key Recommendations

1. Explore funding options that **dedicate specific funding for required purposes**

- Centralize certain funding or responsibilities where costs are generally outside of the control of school districts
- Insurance, utility costs, transportation fuel cost increases, school construction materials

2. Explore a **simplified funding formula with fewer categories and increased accountability**

- Maintaining protections to ensure funding is driven to meet student needs based on economic, geographic, and demographic differences in communities.
- Address adequacy, limitations or accountability related to all salaries and salary growth

3. Explore accountability, efficiency, and effectiveness measures to **evaluate opportunity gaps and persistent education issues to inform funding adjustments and support for improved student outcomes**



Executive Summary – Resource Accountability

- Key Themes – Improve Accountability and Increase Public Trust by Addressing:
 - Funding Complexity and Transparency
 - Accountability and Efficiency Measures targeted to Equity and Resource Allocation
 - Accountability Measures Based to Address both Program and Student Needs
 - Incentives to increase district collaboration and efficiency opportunities
 - The balance between state and local control, maintaining flexibility while identifying clear spending compliance requirements
 - Alignment of program goals and spending objectives that drive funding, activities and accountability



State, Local, and Regional Needs

Co-Chairs

- **Senator Lisa Wellman**, Chair of the Senate Early Learning & K–12 Education Committee
- **Representative Carolyn Eslick**, Ranking Member of the House Early Learning & Human Services Committee



Key Recommendations to Explore In 2026:

- Explore **adjustments to regionalization factors**.
- Explore **funding solutions - both capital and operating - for small districts**.
- Explore **funding solutions and state support for classified staff**.
- Explore strategies to **reduce school district MSOC and insurance costs**.
- Explore the **impact of recent legislation on rising legal costs**
- Explore **alternative revenue sources** to provide additional resources for public schools.
- Consider creating a **dedicated fund source to support the capital needs** of skills centers.
- Explore ways for districts and the state to better **support CTE programs and skills centers**.
- Explore **housing solutions** for communities facing shortages or affordability challenges.
- Explore **cost-saving options for school districts, such as shared operations**.
- Consider a **grace period for districts to meet K-3 class size requirements**.
- Explore **solutions to address superintendent and business manager turnover**.



Funding & Regionalization

Funding & Regionalization - The workgroup should consider adjustments to the current regionalization model to minimize inequities between small and large sized districts. Regionalization smoothing is needed, with suggestions to limit the increment between steps to now more than 2%.

- The prototypical model is not sufficiently funding basic education, causing districts to rely on levy funds to support basic education costs.
- The regionalization model requires adjustments and smoothing to lessen border impacts.
- Washington's broader tax structure exacerbates funding disparities across communities.

Compensation, Recruitment, & Retention

Compensation and Educator Recruitment/Retention: The workgroup should explore solutions to address insufficient compensation and educator retention and recruitment.

- Insufficient compensation contributes to teacher shortages and unfilled positions, exacerbating inequities in staffing and student learning experiences.
- Classified staff (CLS) positions are inadequately funded and require urgent attention. The prototypical model does not fund enough of these positions, and the salary allocations are too low, leading to high turnover.
- Many educators cannot afford to live in the communities they serve, a challenge further compounded by limited access to essential services such as groceries, pharmacies, and other community supports.

Increased Liability & Financial Pressure

Increased Liability and Financial Pressure - The workgroup should elevate the liability risks of operating and increased costs associated with operating a school district.

- Significant legal costs are consuming district budgets.
- Lawsuits against districts are increasing due to recent legal rights expansions. Districts often pay even when not directly responsible.
- Superintendents and business managers are turning over at a high rate; this lack of experience exposes districts to legal and financial vulnerabilities.
- MSOC and insurance costs are too high for districts.

CTE & Skills Centers

Career & Technical Education + Skills Centers- The workgroup should consider options to support state skills centers and CTE.

- The state should provide capital funding to skills centers.
- The state is missing opportunities to build a future workforce and create jobs resilient to AI.
- Small and/or remote school districts lack access to skills centers.

Small District Issues & Inequities

Small District Issues & Inequities - The workgroup should explore funding solutions and problems unique to small districts.

- Persistent disparities remain between districts, with ongoing gaps in student outcomes linked to geography, student demographics, and economic factors.
- Small districts continue to face challenges in securing levy and bond approvals. These difficulties exacerbate inequities and underscore the need for state-level solutions that reflect the unique circumstances of smaller communities.
- Local Effort Assistance (LEA) funding is insufficient given rising property values.

Specific Options Discussed by the Committee

- Persistent disparities remain between districts, with ongoing gaps in student outcomes linked to geography, student demographics, and economic factors.
- Small districts continue to face challenges in securing levy and bond approvals. These difficulties exacerbate inequities and underscore the need for state-level solutions that reflect the unique circumstances of smaller communities.
- Many school buildings constructed in the 1960s are approaching the end of their usable lifespan, potentially leading to a simultaneous surge in capital facility demands.
- Local Effort Assistance (LEA) funding is insufficient given rising property values.
- Small districts may benefit from exploring cost savings through consolidated central services, such as information technology (IT) and IT security.
- The full-time equivalent (FTE) per-pupil allocation formula disadvantages small districts. We have some small school funding factors, but the funding floors may need to be revisited.
- Limited housing and inadequate community infrastructure, including access to groceries, pharmacies, and other essential services, can prevent educators from living in the communities they serve.



Student Weighting Factors

Co-Chairs

- **Superintendent Dr. Kelly Aramaki**, Bellevue School District
- **Shawna Moore**, Highline Public Schools (representing the Washington Education Association)

Executive Summary – Student Weighting

- Key Recommendations
 - Conduct a thorough and methodical study of states that have transitioned to weighted funding models, identifying both lessons learned, potential pitfalls, and how the weighted approach works for different types of districts (ex. urban v. rural, large v. small). Washington is among only a handful of states that continues to use a resource-based allocation model of funding; all other states have transitioned to a version of a student-weighted funding model.



Executive Summary – Student Weighting

- Key Recommendations
 - Prioritize currently available solutions in the upcoming legislative sessions to address the urgency of improving equity in our current funding model (ex. resolve the discrepancy between LEA and local levy; enhance investments in LAP and high poverty LAP funding). As we build the longer-term plan for a more equitable funding system, our students in our care right now need more support and can't wait.
 - Identify a List of Student Weights that we would want to consider in a student weighted funding model, based on the needs of students across our state.



Executive Summary – Student Weighting

- Key Themes – Improve Accountability and Increase Public Trust by Addressing:
 - State funding based on student weighting factors will help us achieve ample and equitable funding
 - Students at the margins reveal strengths and weaknesses of our current funding model
 - Centering students and community voices in the process (co-designing) is essential
 - We need a shared definition of “equitable” as we strive for ample and equitable
 - Reframe education funding so that it’s about investments and not costs
 - Early intervention and prevention is an equitable investment
 - Cross-agency collaboration is essential to meeting complex student needs
 - Implementation fidelity will be key
 - Only 15-18 states continue to fund schools through a resource-based model
 - The system we have is not broken, it’s performing as designed. Our responsibility now is to redesign it so that it serves each and every student across Washington State



State and Local Taxing Systems

Co-Chairs

- **Senator Drew Hansen**, Vice Chair of the Senate Higher Education & Workforce Development Committee
- **Jenny Choi**, K–12 Education Policy Advisor to Governor Ferguson

Executive Summary – State and Local Taxing

Key Recommendations

- Examine state models that attempt to serve a similar function to Washington's LEA by addressing property-wealth disparities or other (e.g., New Jersey's "adequacy budget" approach).
- Continue exploration of levy and LEA policy, including potential modernization or replacement strategies.
- A review of districts in binding conditions to identify systemic stress points in Washington's funding structure.
- Explore feasible approaches to increasing the K-12 share of the state general fund and the possibility of creating a new state-level revenue source exclusively dedicated to K-12 education.

Executive Summary – State and Local Taxing

Themes from Subgroup Discussions

1. Revenue Sources and Tax Structures for K-12 Education

- Members examined existing and potential revenue mechanisms to support K-12 education.
- Members noted that other states' revenue sources for funding K-12 were (for the most part) the same as their revenue sources for general government operations: there was no single “new” revenue source that another state has found for K-12 education that Washington could easily adopt.

Executive Summary – State and Local Taxing

Themes from Subgroup Discussions

2. State and Local Funding Balance

- A central focus of discussion was the relationship between state and local funding and how that balance shapes both adequacy and equity.
- Other states vary widely in their mix of state and local funding sources for K-12 education; Washington is one of the states that relies more heavily on state than local funding. “Local funding” means local property taxes; we did not find an example of another state relying heavily on a local revenue source for schools other than the property tax.

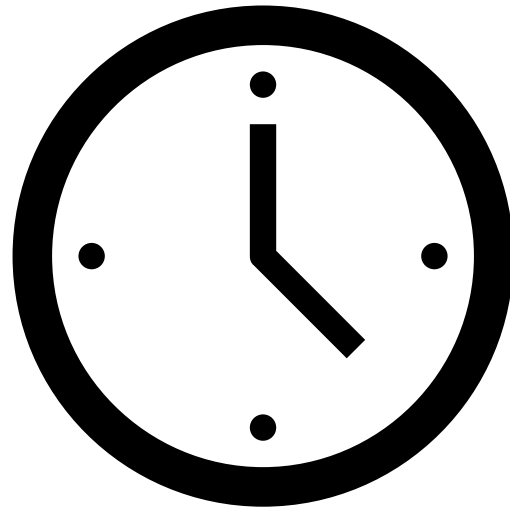
Executive Summary – State and Local Taxing

Themes from Subgroup Discussions

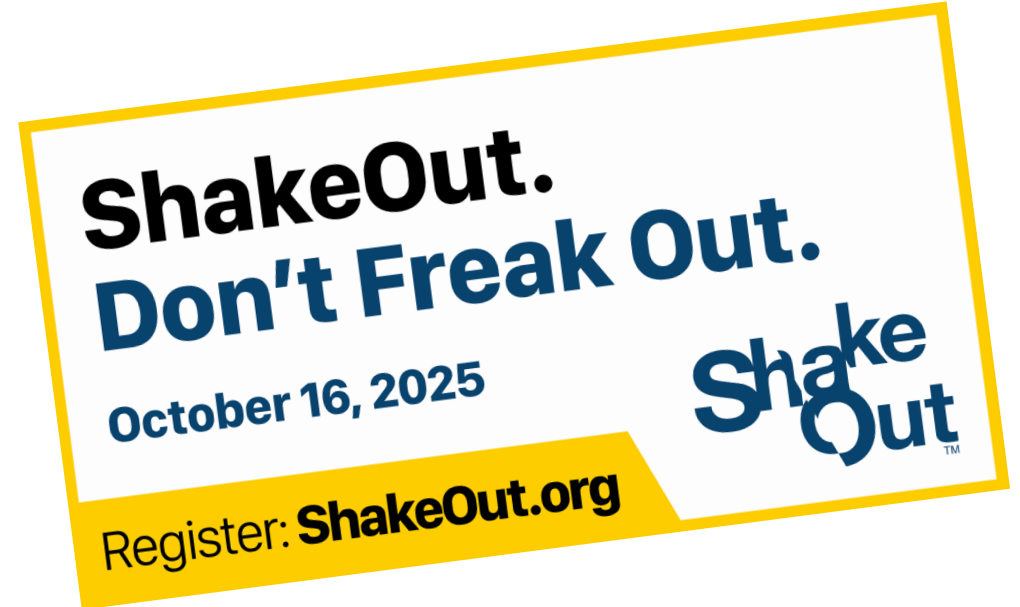
3. Local Control, Local Levies and Levy Equalization (LEA)

- Washington still relies substantially on local property tax levies to fund education, even though Washington's Constitution requires the state to make basic education its paramount duty and even though Washington has more state than local funding for K-12 education compared to many other states.

Let's take a quick



Break



Returning at 10:10



DROP where you are, onto your hands and knees. This position protects you from being knocked down and reduces your chances of being hit by falling or flying objects.



COVER your head and neck with one arm and hand.

- If a sturdy table or desk is nearby, crawl underneath for shelter.
- If no shelter is nearby, crawl next to an interior wall.
- Stay on your knees; bend over to protect vital organs.



HOLD ON until the shaking stops.

- Under shelter: hold on to it with one hand; be ready to move with your shelter if it shifts
- No shelter: hold on to your head and neck with both arms and hands.



Breakout Discussion – *30 minutes*

- Be respectful - Allow everyone to have a chance to briefly share their thoughts
- Designate a notetaker for your group
- Notetaker will share out to the full group after 30 minutes

Breakout Discussion Questions

- What overlap did you see in recommendations from the four subgroups?
- What resonated with you?
- Is anything missing?

Next Steps

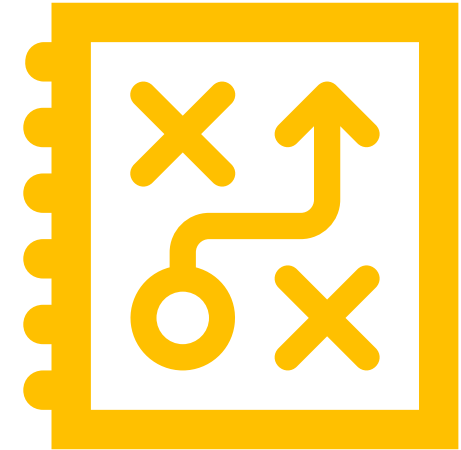
- What happens with these recommendations?
- What to expect short - and long-term from this workgroup
- How can workgroup members track the conversation and work going forward?



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Closing Remarks

Washington State

Superintendent Chris Reykdal



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Next Steps

Q&A follow up

Webpage updated with today's materials

November 1: OSPI progress report to the legislature

