



Washington Office of Superintendent of
PUBLIC INSTRUCTION

REPORT TO THE LEGISLATURE

K–12 Funding Equity Workgroup 2025 Annual Report

November 2025

Authorizing Legislation: [House Bill 2049 \(2025\)](#)

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EXECUTIVE SUMMARY

The K–12 Funding Equity Workgroup was established by the 2025 Legislature to analyze K–12 funding formulas and revenue sources, and explore options for revisions to the funding formula that are responsive to student needs, including economic, demographic, and geographic differences in student and community populations ([2025 Chapter 404 s.3](#)).

The Superintendent of Public Instruction is charged with using the Workgroup’s analysis to consider options for revising state and local school funding formulas. By November of each year through 2027, State Superintendent Chris Reykdal is required to report the Workgroup’s progress and any proposed options to the education and fiscal committees of the Legislature.

This report presents the first annual report on the Workgroup’s progress.

The Legislature did not provide funding for the Workgroup or for contracts for institutions of higher education or non-partisan research entities to support the Workgroup’s analysis. Due to the lack of funding, the initial efforts of the Workgroup were to identify options to explore in future years should the Legislature provide funding for research and analysis. No proposed options for revising state and local school funding formulas are included in this initial report.

In this initial phase of the work, the Workgroup divided into four subgroups for detailed conversations about specific aspects of the current funding landscape. The subgroups were as follows:

- Resource Accountability and Efficiency
- State and Local Taxing Systems
- State, Local, and Regional Needs
- Student Weighting Factors

Based on the Workgroup’s progress and reports from the Workgroup’s subcommittees, Superintendent Reykdal recommends the Legislature:

1. Address funding adequacy for current needs and requirements immediately, while the K–12 Funding Equity Workgroup continues work to recommend long-term formula changes to address both adequacy and equity.
2. Provide funding to the Office of Superintendent of Public Instruction (OSPI) to support the K–12 Funding Equity Workgroup priorities for the 2026 calendar year (fiscal years 2026 and 2027) as identified in the bulleted list below, including amounts to contract with institutions of higher education or non-partisan research entities, including the Washington State Institute for Public Policy.
3. Provide more clarity on the definition of funding equity, basic education, and the specific perceived inequities the Legislature has identified to be addressed by the K–12 Funding Equity Workgroup.

4. Authorize the exploration and review of the state's existing educational system organization—including how the current state, regional, and local jurisdictional divisions advance long-term education funding equity, efficiency, and accountability. Recommendations for efficiency must include a larger conversation on school system structures, given a changing demographic landscape in our state.

Based on the priorities recommended by the Workgroup provided within this report, the Superintendent supports the Workgroup exploring the following priorities prior to November 2026, subject to funding and additional directives provided by the Legislature:

1. Conduct research on student weighted funding models and explore other options to simplify funding formulas with fewer categories and increased accountability.
2. Explore sustainable revenue sources and funding solutions that address capital and operating needs for school districts and skills centers, with particular attention to creating equity among differing geographic, economic, and demographic communities. This includes a review of current levy and Local Effort Assistance (LEA) policies.
3. Develop recommendations for the 2027 Legislature to make high impact, immediate changes to the funding formula that would address adequacy and equity and increase accountability, efficiency, and effectiveness in the education system.
4. Recommend options for educational system structural changes that reduce administration, increase efficiency, and provide incentives for increased collaboration within the education system.
5. Identify education system funding that should be categorical or dedicated and limited to a specific purpose to provide increased clarity regarding education priorities, required spending, and local control.
6. Explore changes to education funding that address changes in education delivery models, including competency-based education.

Superintendent Reykdal intends to request that the Workgroup continue its work, including any additional requirements or directives provided by the Legislature to shift or narrow the scope, and consistent with any funding provided in the 2026 Supplemental Budget.

INTRODUCTION & BACKGROUND

Authorizing Statutory Language (House Bill 2049, 2025)

The following language was adopted by the 2025 Legislature in House Bill 2049:

The superintendent of public instruction shall convene a K–12 funding equity Workgroup to analyze K–12 funding formulas and revenue sources and explore options for revisions to the funding formula that are responsive to student needs, including economic, demographic, and geographic differences in student and community populations. The office of the superintendent of public instruction may contract with institutions of higher education and public, nonpartisan research entities to support the Workgroup's analysis.

(1) At a minimum, the Workgroup's analysis must include:

- a) Impacts of changes to per-pupil funding formulas and local revenue;*
- b) Compensation factors described in RCW 28A.150.412;*
- c) Funding distribution trends resulting from the prototypical school funding formula;*
- d) Impacts of economic disparities on communities' access to resources for schools; and*
- e) Current formulas that benefit specific populations of students including, but not limited to, the learning assistance program, local effort assistance, and small school funding.*

(2) The superintendent of public instruction must use the Workgroup's analysis conducted under subsection (1) of this section to consider options for revising state and local school funding formulas.

By November 1, 2025, and annually thereafter through 2027, the superintendent of public instruction shall report the Workgroup's progress and any proposed options to the education and fiscal committees of the Legislature. The reports must include, but are not limited to, the following topics:

- a) Options for revisions to the funding formula that address system and resource inequities;*
- b) Options that address state, local, and regional needs;*
- c) The potential adoption of student weights to direct additional funding to students most in need;*
- d) Modifications to state and local tax authority for schools; and*
- e) Metrics for monitoring and accountability related to equitable access to resources.*

(3) The superintendent of public instruction may determine the size, membership, and meeting frequency of the Workgroup. The Workgroup must include representation from education and community partners that are demographically and geographically diverse including, but not limited to, groups representing educators, school and district administrators, labor unions, families, students, community partners who support groups disproportionately impacted by inequities, the department of revenue, and legislators.

Members of the K–12 Funding Equity Workgroup

Name	Role	Representing
Aaron Yared	Director of Policy & Advocacy	Building Changes
Adam Aguilera	Board Chair	Professional Educator Standards Board (PESB)
Ailey Kato	Staff Coordinator/Counsel	Senate Committee Services – Washington State Senate
Alex Fairfortune	Staff Counsel	Senate Committee Services – Washington State Senate
Alexa Allmen	Superintendent, Deer Park School District	School district administrators
Amii Thompson	Superintendent, Bainbridge Island School District	School district administrators
Andrea Kadlec	Attorney	Disability Rights Washington
Anna Corinne Huffman	External Affairs Manager	Professional Educator Standards Board (PESB)
Austina De Bonte	President	Washington Coalition for Gifted Education
Berice Bétyna	Senior Research Associate	Building Changes
Brandon Schwecke	Paraeducator/Shop Steward, Lake Washington School District	School Employees
Brian Jeffries	Policy Director	Washington Roundtable
Buzz Porter	Attorney, Porter Foster Rorick LLP	School attorneys
Carolyn Logue	Legislative Consultant	K12 (online school provider)
Charlie Brown	President	Cascade Government Affairs, LLC
Choi Halladay	Deputy Executive Director, Business Operations	State Board for Community and Technical Colleges (SBCTC)
Clifford Traisman	Principal and State Lobbyist	Clifford Traisman & Associates, LLC
Concie Pedroza	Superintendent, Tukwila School District	School district administrators
David Knight	Associate Professor	University of Washington
Deborah Callahan	Executive Director/CEO	Washington Schools Risk Management Pool
Derick Harris	Executive Director	Black Education Strategy Roundtable
Elena Becker	Research Analyst	Senate Committee Services – Washington State Senate
Elizabeth Roberts	Chair – School Library Division; Librarian, Bellevue School District	Washington Library Association
Erin Frasier	Deputy Secretary	Washington State Building and Construction Trades Council

Name	Role	Representing
Ethan Moreno	Senior Research Analyst	Office of Program Research – Washington House of Representatives
Frieda Takamura	Co-Chair	Educational Opportunity Gap Oversight and Accountability Committee (EOGOAC)
Gordon James	Training and Special Projects Manager	Governor's Office of Indian Affairs (GOIA)
Heather Christianson	President	Public School Employees of WA/SEIU Local 1948
Heather Lewis-Lechner	Leadership Counsel	Senate Democratic Caucus
Heather Tow-Yick	Superintendent, Issaquah School District	School district administrators
Ingrid Colvard	Superintendent, Stevenson-Carson School District	School district administrators
Jacob Vela	Chief Policy Officer	League of Education Voters
James Mackison	Senior Fiscal Analyst	Office of Program Research – Washington House of Representatives
Jamie Traugott	Director of Student Services & K12 Alignment	Washington State Board for Community and Technical Colleges (SBCTC)
Jason Rhoads	Assistant Superintendent of Finance & Operations, Olympic Educational Service District 114	Olympic Educational Service District 114
Jayme Shoun	Director of Policy & Government Affairs	Washington STEM
Jeff Snell	Executive Director	Washington Association of School Administrators (WASA)
Jenny Choi	Policy Advisor	Governor's Office
Jenny Morgan	Legislative Advocate	Washington School Counselor Association
Jim Kowalkowski	Executive Director	Rural Education Center
Jonathan Appleton	Student Advocate	Student Advocate
Jordan Clarke	Senior Fiscal Analyst	Office of Program Research – Washington House of Representatives
Joseph Castilleja	Executive Director of Fiscal Services, Pasco School District	School district administrators
Julie Salvi	Lobbyist	Washington Education Association (WEA)
Kathy Mulkerin	Electoral Pipeline Manager	OneAmerica
Kayla Hammer	Fiscal Analyst	Senate Committee Services – Washington State Senate
Kelly Aramaki	Superintendent, Bellevue School District	School district administrators
Kiana Fuega		Commission on Asian Pacific American Affairs (CAPAA)

Name	Role	Representing
Kristi Dominguez	Superintendent, Ferndale School District	School district administrators
Kyle Rydell	Superintendent, West Valley School District	School district administrators
Logan Noel-Endres	Director of Strategic Advocacy	Washington State School Directors' Association (WSSDA)
Marcus Harden	Executive Director	Washington State Charter School Commission
Marcus Pimpleton	Board Chair	League of Education Voters
María Sigüenza	Executive Director	Washington State Commission on Hispanic Affairs (CHA)
Maria Arellano-Smith	Organizer	SEIU 925
Marie Bravo	Director of Resource Development & Program Director	Latino Civic Alliance
Marie Sullivan	Legislative Consultant	Washington State Parent Teachers Association (WSPTA)
Marissa Rathbone	Assistant Executive Director of Government Relations	Washington Association of School Administrators (WASA)
Mary Fertakis	Board Chair	Washington State Board of Education (SBE)
Matt Bridges	Fiscal Coordinator	Senate Democratic Caucus
Megan Wargacki	Senior Counsel	Office of Program Research – Washington House of Representatives
Melissa Beard	Director of Legislative Affairs	Council of Presidents (COP)
Mesrak Nega	Vice Chair	Legislative Youth Advisory Council (LYAC)
Michelle Price	Superintendent, North Central Educational Service District	North Central Educational Service District
Michelle Spenser	Executive Director	WA-ACTE
Nancy Chamberlain	Advocacy Committee member (past Advocacy Director)	Washington State Parent Teacher Association (WSPTA)
Randy Spaulding	Executive Director	Washington State Board of Education (SBE)
Regan Nickels	Superintendent, Sequim School District	School district administrators
Rep. Alicia Rule	State Representative	Washington State Legislature
Rep. April Berg	State Representative	Washington State Legislature
Rep. Carolyn Eslick	State Representative	Washington State Legislature
Rep. Janice Zahn	State Representative	Washington State Legislature
Rep. Joel McEnire	State Representative	Washington State Legislature
Rep. Lisa Callan	State Representative	Washington State Legislature

Name	Role	Representing
Rep. Mia Gregerson	State Representative	Washington State Legislature
Rep. Michael Keaton	State Representative	Washington State Legislature
Rep. Sharon Tomiko Santos	State Representative	Washington State Legislature
Rep. Skyler Rude	State Representative	Washington State Legislature
Rep. Steve Bergquist	State Representative	Washington State Legislature
Rep. Zach Hall	State Representative	Washington State Legislature
Rich Moore	Program Administrator	Schools Insurance Association of Washington (SIAW)
Rick Chisa	Government Relations Director	Public School Employees of Washington (PSE)
Rick Doehle	Insurance Pool Administrator	United Schools Insurance Program (USIP)
Roz Thompson	Director of Government Relations	Association of Washington School Principals (AWSP)
Sara Zier	Director of Legal Services	TeamChild
Sarah Butcher	Co-Executive Director	Roots of Inclusion
Scott Lehrman	Commissioner	Commission on Asian Pacific American Affairs (CAPAA)
Sen. Claire Wilson	Washington Senator	Washington State Legislature
Sen. Drew Hansen	Washington Senator	Washington State Legislature
Sen. Lisa Wellman	Washington Senator	Washington State Legislature
Sen. Noel Frame	Washington Senator	Washington State Legislature
Sen. Paul Harris	Washington Senator	Washington State Legislature
Sen. Steve Conway	Washington Senator	Washington State Legislature
Sen. T'wina Nobles	Washington Senator	Washington State Legislature
Sharonne Navas	Co-Founder and Executive Director	Equity in Education Center
Shaun Carey	Superintendent, Enumclaw School District	School district administrators
Shawna Moore	Student Success Dean, Highline Public Schools	Washington Education Association (WEA)
Sili Savusa		Commission on Asian Pacific American Affairs (CAPAA)
Stacey Estes	Commissioner	Commission on African American Affairs (CAAA)
Stacy Dym	Executive Director	The Arc of WA
Tabatha Mires	Superintendent, Manson School District	School district administrators

Name	Role	Representing
Tammy Ayers	Business Agent	Teamsters Local 763
Tim Merlino	Superintendent, Educational Service District 112	Association of Educational Service Districts (AESD)
Tina Greene	Legislative Communications Coordinator	Department of Revenue (DOR)
Toron Wooldridge	Superintendent, Toppenish School District	School district administrators
Tricia Lubach	Executive Director	WSSDA
Trisha Schock	Assistant Superintendent of Administrative Services, North Central Educational Service District	Washington Association of School Business Officers (WASBO)
Troy Nichols	Owner	The Nichols Group Government Relations, LLC
Woody Howard	Principal, Vancouver Public Schools	Association of Washington School Principals (AWSP)

Previous Studies Reviewed

Prior to engaging the full Workgroup, staff from OSPI reviewed studies and recommendations from previous groups to inform the work of the K–12 Funding Equity Workgroup. Those studies included the following:

- 1968 – Equalization of Educational Support
- 1975 – Miller Report
- 1982 – Ample Provisions for Education
- 1985 – Revising Basic Education Allocation for School Districts with less than 25 students
- 1988 – Recommended Formula for Remote and Necessary School Plants
- 1994 – Task Force Committee on Special Education Funding
- 2002 – Options to Revise the Learning Assistance Program
- 2006 – Washington Learns
- 2007 – Washington Adequacy Funding Study
- 2009 to 2012 – Quality Education Council Workgroups
 - Funding Formula Technical Workgroup
 - Early Learning Technical Workgroup
 - Transitional Bilingual Technical Working Group
 - Compensation Technical Workgroup
 - Levy and Local Funding Workgroup
- 2017 Salary Grid Workgroup Report
- 2018 School Day Task Force Report
- 2019 Staffing Enrichment Workgroup Report
- 2021 K–12 Basic Education Compensation Advisory Committee Report

In addition, staff reviewed all previous annual reports of the Educational Opportunity Gap Oversight and Accountability Committee (EOGOAC) and both the previous and most recent Achievement and Opportunity Gap studies.

These reports and recommendations from the various working groups served as a basis for OSPI staff to develop training materials to help the current Workgroup understand how the existing funding formulas were developed, previous options that have been considered to address funding equity, and previous recommendations that were not implemented by the Legislature regarding funding equity.

K–12 Funding Equity Workgroup Activities

Initial Funding Equity Survey

The initial activity of the Workgroup was to complete a funding equity survey. Workgroup members were asked the following questions:

- What does it mean/look like to equitably distribute funding based on geographic factors?
- What does it mean/look like to equitably distribute funding based on the differing needs of student groups (e.g., by income level, special education, multilingual learners)?
- What would/does an equitable state and local tax system look like, specifically as it pertains to funding education?
- What does it mean/look like to ensure that resources are equitably distributed? How do you measure and monitor equitable distribution?
- If you looked across the whole system, what indicators and outcomes would tell you if funding is being equitably distributed in a way that is efficient and stable?

The general results of this survey were shared with the Workgroup. It was shared that a clearer definition of funding equity and perceived inequities from the Legislature would assist the group in making final recommendations to address those perceived inequities.

"The current funding model will starve our schools of the resources they need to provide every student a basic education. We must address basic needs now and make systemic changes for the future."

–Superintendent Chris Reykdal

Summary of Workgroup Meetings

The first full Workgroup meeting was held as a webinar. In the meeting, OSPI staff provided the Workgroup with the legislative charge and an overview of the plan for future Workgroup meetings and activities. For the bulk of the meeting, OSPI staff provided an overview of how Washington's existing funding formulas work to address geographic, demographic, and economic differences in the state, as well as current education accountability data.

This meeting ensured all members had access to the same basic understanding of Washington’s current K–12 education funding system, including the additional factors and formulas already in place that are designed to provide funding equity.

Subgroup Topics

To increase participation and ensure Workgroup members’ voices were heard, OSPI used a subgroup structure to begin the process of identifying options that should be researched and evaluated for possible recommendations to Superintendent Reykdal.

The subgroups focused on the following areas:

- State, Local, and Regional Needs: Unique differences that need to be addressed through regionalization or other geographic factors.
- Student Weighting Factors: Unique student differences that require different levels of resource allocation.
- State and Local Taxing Systems: Tax structures that support stable and reliable funding sources.
- Resource Accountability and Efficiency: How the state and public can ensure that resources are distributed and spent in a way that supports all students in an equitable manner.

Each subgroup was asked to identify the funding equity needs in their respective areas and to develop a list of prioritized options that should be explored to address perceived weaknesses in the system.

An executive summary of each subcommittee’s major discussion themes and the options that they prioritized for exploration are provided below and are posted on OSPI’s website for public review at [K12 Funding Equity Workgroup](#).

SUBGROUP #1: STATE, LOCAL, AND REGIONAL NEEDS

Subgroup Co-chairs

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

Subgroup #1's Recommended Options to Explore in 2026

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

Themes from Subgroup Meetings and Discussion

Funding & Regionalization

The subgroup recommends that the Workgroup 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 no more than 2%.

Problems to Address

- The prototypical model is not sufficiently funding basic education, causing school districts to rely on local levy funds to support basic education costs.
- Voters are aware that local enrichment levies are supplementing state funding, which reduces public trust and can create confusion when discussing the state's funding system.
- The regionalization model requires adjustments and smoothing to lessen border impacts.
- A robust safety net is needed to support students and populations whose needs differ from the assumptions built into the state's funding models.

- Washington’s broader tax structure exacerbates funding disparities across communities.
- The sole use of housing costs as an indicator does not account for housing availability, commuting costs, or other factors that influence staff recruitment and retention. In addition, the formula does not consider the impacts of housing costs in other states on communities that border those states.

Compensation & Educator Recruitment/Retention

The subgroup recommends that the Workgroup explore solutions to address insufficient compensation and educator retention and recruitment.

Problems to Address

- 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.
- Mastery-based learning initiatives may worsen underfunding challenges because more staff are needed to provide these individual supports for students.
- By providing funding based on average salaries instead of a state funded salary allocation model, state funding no longer adjusts to changing compensation costs for districts. This disconnect and the changes for districts moving in and out of regionalization or experience mix factors have introduced greater uncertainty in district budgets and added complexity for financial planning.
- School districts that border higher cost areas have pressure to meet the salaries of neighboring districts to recruit and retain their education workforce, even though they do not have the same funding available from the state.
- High housing costs, and, in some areas, limited housing availability, undermine districts’ ability to attract and retain educators.
- 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.
- Low educator teacher retention rates negatively impact student learning outcomes.

Increased Liability & Financial Pressure

The subgroup recommends that the Workgroup elevate the liability risks and increased costs associated with operating a school district.

Problems to Address

- Significant legal costs are consuming district budgets.
- Lawsuits against school districts are increasing due to recent legal rights expansions. Districts often pay even when not directly responsible.

- Complexity of laws/regulations makes running districts expensive and lawsuit-prone.
- District insurance (risk pool coverage) costs are too high.
- Maintenance, supplies, and operating costs (MSOC) funding needs a significant increase.
- Superintendents and business managers are turning over at a high rate; this lack of experience exposes districts to legal and financial vulnerabilities.

Career & Technical Education/Skills Centers

The subgroup recommends that the Workgroup consider options to support state skills centers and Career and Technical Education (CTE).

Problems to Address

- Skills centers depend on host districts for capital funding and operational support, but with districts facing unprecedented budget crises, they cannot adequately support them.
- MSOC for CTE does not adequately reflect the higher material costs for these programs.
- The state should provide capital funding to skills centers.
- The state is missing opportunities to build a future workforce and create jobs resilient to artificial intelligence (AI).
- Small and/or remote school districts lack access to skills centers.
- Students need accessible transportation to and from skills centers.

Small District Issues & Inequities

The subgroup recommends that the Workgroup explore funding solutions and problems unique to small school districts.

Problems to Address

- 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.

Additional Workgroup Information

Specific Options Discussed

- The regionalization model requires adjustments – specifically, lowering the increments from 6% differences to 2%, including border communities in other states, and removing the 15-mile radius provision.
- Superintendents are consistently exposed to legal and financial risks and require appropriate training and guidance. The Legislature should consider measures to support superintendents in mitigating these risks.
- Explore options that increase cooperation and collaboration between and among school districts in serving students. This may range from operational cooperation (transportation) or educational service cooperation (CTE and skills centers).
- Skills centers depend on host districts for capital funding and operational support, but with districts facing unprecedented budget crises, they cannot adequately support them. The state is missing opportunities to build a future workforce and create jobs resilient to AI and should provide dedicated capital funding to skills centers.
- Districts are being penalized for noncompliance with K–3 Class Size Requirements despite the lack of adequate staffing. Could these penalties be removed?

SUBGROUP #2: STUDENT WEIGHTING FACTORS

Subgroup Co-chairs

- Dr. Kelly Aramaki: Superintendent, Bellevue School District
- Shawna Moore: Dean of Student Success for Puget Sound Skills Center, Highline Public Schools, representing the Washington Education Association

Subgroup #2's Recommended Options to Explore in 2026

1. **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 (for example, urban vs. rural, large vs. small). Washington is among only a handful of states that continue to use a resource-based allocation model of funding; all other states have transitioned to a version of a student-weighted funding model.
2. **Prioritize currently available solutions in the upcoming legislative sessions** to address the urgency of improving equity in our current funding model (for example, resolve the discrepancy between LEA and local levy and enhance investments in LAP and high poverty LAP funding). As the state builds a longer-term plan for a more equitable funding system, the students in our care right now need more support and cannot wait.
3. **Identify a list of student weights** for consideration in a student weighted funding model, based on the needs of students across the state.

Themes from Subgroup Meetings and Discussion

State Funding Based on Student Weighting Factors Will Help Us Achieve Ample and Equitable Funding

Washington's public education funding model must evolve to meet the real and complex needs of students. The concept of student weighting factors centers those who have been pushed to the margins of public education; students whose needs are not fully reflected in any prototypical model. Moving toward a student-weighted model, Washington will not only have a more sustainable, student-centered system, it will bring greater transparency and fairness to education funding, making it easier for policymakers and the public to see how resources follow student need and increasing accountability for student outcomes.

Students at the Margins Reveal Strengths and Weaknesses of Our Current Funding Model

Centering the experiences of students who are pushed to the margins of our educational system, reveals where Washington state's funding system shines and where it falls short. The subgroup highlighted stories of students who are pushed to the margins, which include, but are not limited to, students from generationally underserved communities, students who live in under-resourced communities, students with intellectual or developmental disabilities, students in foster care, students who are incarcerated, students impacted by trauma, and students who are experiencing homelessness.

Centering Students and Community Voices in the Process

The subgroup agreed that meaningful funding reform must begin with those most impacted by the system—students and families themselves. Authentic engagement and co-design are essential; “nothing about us, without us” should guide the process. Future work must elevate student voice by asking: What is working in your education? What is not working? What would it take to feel truly supported?

A Shared Definition of Ample and Equitable

In striving for ample and equitable funding, members articulated the importance of working on a shared definition of “equity” and “equitable resourcing.” Since the 1960s, education funding has been structured around adult-centered systems – staffing formulas, compliance rules, and program categories.

Education Funding is About Investment, Not Costs

Moving toward a student-centered model requires both structural change and a mindset shift. One participant noted that instead of talking about the “costs” of education (which equates education to a business or a commodity), the funding of education should be called what it is: an “investment.” Ample and equitable investment in students and public education will bring valuable returns, including the thriving of individuals, communities, and the state economy now and into the future.

Early Intervention and Prevention is an Equitable Investment

Members also emphasized the importance of early intervention and prevention. Investing in the earliest stages of learning and well-being is more equitable and cost-effective than reacting to challenges after they escalate.

Cross-Agency Collaboration is Essential

The subgroup acknowledged that schools cannot (and should not) be expected to meet every social and emotional need of its students alone. Collaboration across systems is essential, particularly with courts, health agencies, and community organizations that work with system-involved youth.

Fidelity of Implementation Will Be Key

Once a plan is designed and a roadmap to implementation is developed, fidelity of implementation and follow-through will be key. While structures and programs exist, implementation often varies widely, and supports for students can depend on local capacity rather than state design. As one participant noted, “When we get systems right, we thrive.” Another participant reminded the group, “Without a plan, a goal is a wish.” The path forward must be grounded in deliberate design and measurable outcomes, not aspirations alone.

Additional Workgroup Information

Subgroup Reflections on Washington’s Current Funding Model

Washington’s current approach, known as a resource-based or prototypical school model, allocates funding based on staffing ratios tied to an assumed “typical” school. It defines how many teachers, administrators, and support staff a district should have per number of students. This model has notable positives: it provides consistency and predictability, ensuring somewhat stable funding tied to enrollment; it demonstrates the state’s constitutional commitment to fund education; and it includes certain categorical supports such as the Learning Assistance Program (LAP) and High Poverty LAP, Career and Technical Education (CTE), and safety nets for students with needs that come at a higher cost. Additionally, the model attends to unique geographic needs.

However, participants agreed that the model does not reflect the realities or actual costs of today’s schools and students. Key roles (for example, bus drivers, paraeducators, substitutes, specialists, and administrators) are not fully funded, forcing districts to stretch limited resources. The model underestimates the cost of serving students with disabilities, multilingual/English learners, twice exceptional students, and highly mobile students. It also does not account for the increasing costs of unfunded mandates or new, emerging practices to address important needs such as student mental health and wellness. Over-reliance on local levies exacerbates inequities, leaving students’ educational opportunities contingent on where they live.

A participant described the current approach as an “adult-based funding model for a student-based system.” While designed for predictability, it too often reflects historical, inequitable structures rather than student needs.

Subgroup Case for a Student-Weighted Funding Model

A student-weighted funding model, now used by the majority of states across the country, allocates resources based on student needs rather than on staffing formulas. Each student begins with a base allocation, and additional funding “weights” are added for specific needs such as poverty, disability, multilingual/English learner status, foster care, homelessness, highly capable, or rural isolation. Under this system, dollars follow students, ensuring that schools serving students with greater needs receive proportionally greater funding.

Weighted systems are considered to be more transparent, easy to understand and communicate, and responsive to changing student demographics. They allow for local flexibility in how dollars are spent, while maintaining equity in how dollars are distributed. Most importantly, they are designed to align resources with student outcomes rather than institutional structures.

Across the United States, approximately 30 to 32 states now use a student-weighted or hybrid model. States such as California, Oregon, Nevada, Colorado, Texas, Florida, Massachusetts, New Mexico, and Maryland have implemented versions that tie funding to student need and outcomes. Roughly 15 to 18 states, including Washington, Idaho, Wyoming, North Carolina, and Tennessee, continue to operate with resource-based or staffing allocation models. Over the past decade, however, the national trend has been steadily toward weighted funding systems, reflecting an increasing recognition that one-size-fits-all resource models cannot achieve equity in diverse and dynamic educational systems.

Ultimately, the subgroup's discussion converged on a powerful recognition: The system is not broken—it is performing exactly as it was designed to. Washington state's leaders' collective responsibility now is to redesign the funding model so it serves each and every student. The future of Washington's public schools depends on whether the state can move from a model that funds systems and adults to one that truly funds students and learning.

SUBGROUP #3: STATE AND LOCAL TAXING SYSTEMS

Subgroup Co-chairs

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

Subgroup #3's Recommended Options to Explore in 2026

1. **Examine state models** that attempt to serve a similar function to Washington's Local Effort Assistance (LEA) by addressing property-wealth disparities or other (e.g., New Jersey's "adequacy budget" approach).
2. **Continue exploration of levy and LEA policy**, including potential modernization or replacement strategies.
3. Review the school districts in Binding Conditions (required state intervention over financial affairs) to **identify systemic stress points in Washington's funding structure**.
4. 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**.

Themes from Subgroup Meetings and Discussion

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 education 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.

- Most states rely primarily on property, sales, and income taxes to fund schools; Washington's lack of an income tax limits revenue diversity. Other states have not identified a unique source of K–12 revenue that Washington state either does not already have (property tax, business tax, sales tax); or has not considered (income tax). However, some other states have revenue sources for K–12 education that are not available to Washington: for example, oil, gas, or mineral taxes to fund education (Alaska, New Mexico); or a second-residence tax (New Jersey), which is unavailable in Washington because of the Constitution's uniformity limitation on property taxes.
- Other suggestions included revisiting tax exemptions, creating a wealth tax, and taxing executive bonuses.

- Several participants recommended focusing on increasing the share of the state General Fund dedicated to K–12 education rather than creating a new tax.

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.

- Washington’s constitutional requirement that “it is the paramount duty *of the state* to make ample provision for the education of all children residing within its borders” (emphasis added) means that education in Washington state is primarily a state, rather than local, obligation and argues in favor of state-level rather than local-level revenue sources for funding education.
- However, even other states that rely heavily on local funding have developed mechanisms to try to equalize tax collections at the state level (New Jersey).

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.

- Members noted that many school districts rely on local levies to fund basic education (for example, special education or MSOC) even though local levies are technically limited to “enrichment” beyond basic education. Participants noted the need to preserve some local flexibility while ensuring that enrichment funding does not substitute for basic education support.
- The group discussed whether the state has reduced local levy authority “too deeply” following the *McCleary* decision, and whether the shrinking LEA program is worsening inequities. In particular, members noted that shrinking LEA may not capture the true ability of local school districts to support local levies for several reasons:
 1. Rises in assessed value (AV) do not mean that families have the ability to pay more in taxes out of pocket because property wealth does not immediately translate into cash or liquidity.
 2. Educational Programs and Operation (EP&O) levies are generally limited to every several years, so a district that has recently lost LEA eligibility cannot necessarily fill the gap with local levy dollars.
 3. Some districts have public or unusable land that is not included in local tax bases so their theoretical levy capacity may not match their actual levy capacity. Members also noted a timing issue with LEA, where districts might not know about a loss of LEA until they have

set their budgets. Members raised the possibility of a 'hold harmless' for sudden increases in AV so that districts have a window to plan for a loss of LEA funding.

- Members discussed how Washington's system of 295 independent school districts promotes or hinders equity and efficiency. Some members questioned whether district consolidation could improve efficiency, while others cautioned that it might weaken community engagement and levy passage rates.

Additional Workgroup Information

Subgroup Overview

The subgroup focused on how the balance of state and local revenue sources affects equity, adequacy, and stability. The group's work supports the work of the broader Workgroup by analyzing how current revenue systems align, or fail to align, with the state's constitutional and policy commitments to provide an ample, equitable, and dependable system of public education.

Subgroup members expressed broad agreement that Washington's current funding structure is insufficient to meet the full range of staffing, programmatic, and capital needs in the K–12 system. Discussions centered on what Washington can learn from other states' revenue sources for K–12 education; how Washington balances state and local funding for K–12 education compared to other states; and the pros and cons of Washington's current system of local levies, local control, and LEA as part of the K–12 funding model.

SUBGROUP #4: RESOURCE ACCOUNTABILITY AND EFFICIENCY

Subgroup Co-chairs

- Marissa Rathbone: Assistant Executive Director of Government Relations, Washington Association of School Administrators (WASA)
- Dr. David Knight: Associate Professor, University of Washington

Subgroup #4's Recommended Options to Explore in 2026

1. Explore funding options that **dedicate specific funding for required purposes** or centralize certain funding or responsibilities where costs are generally outside of the control of school districts. Examples include insurance (risk pool coverage) or utility costs, but could also extend to increases in the cost of transportation fuel, school construction materials, etc.
2. Explore a **simplified funding formula with fewer categories and increased accountability**, while maintaining protections to ensure funding is driven to meet student needs based on economic, geographic, and demographic differences in communities. This exploration should include how a simplified funding formula would also 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**.

Themes from Subgroup Meetings and Discussion

Funding Complexity and Transparency

The subgroup recommends that the Workgroup explore ways to simplify the state funding formulas to enhance public trust, reduce confusion, and improve accountability and efficiency measurements.

Problems to Address

- Complex funding systems confuse families and reduce trust due to inconsistent data reporting.
- Parents and families are less likely to engage in accountability discussions due to the implied complexity of the system. When they do engage, they are at a disadvantage in conversations due to the formulas.

Equity and Resource Allocation

The subgroup recommends that the Workgroup explore efficiency and effectiveness measures that ensure unique student needs are met based on program objectives. Students should be included in shaping recommendations so outcomes reflect their experiences and needs.

Problems to Address

- There continue to be disparities between school districts and persistent gaps in student outcomes based on geography, student demographics, and economic factors. Measurements and metrics should address targeting resources and ensuring outcomes based on needs.
- There is a significant need to have a safety net in place to address students or populations that are different from state assumptions built into the funding models. Safety nets may be needed in all programs, not just special education.
- Rural vs. urban funding needs differ, and the funding formulas should address unique geographic issues in a manner that transparently indicates the reason for differences in cost.
- Some inefficiencies are not within a district's control (e.g., remote and necessary schools).

Accountability

The subgroup recommends that the Workgroup explore accountability measurements that are based on program and funding objectives; reflect student needs, where they are, and where they come from; authentically incorporate student voice; and can be implemented at state and local levels using multiple measures.

Problems to Address

- Establishing accountability measures will first require clarity on program/funding goals and objectives. Once the state clarifies the program objectives, accountability measures can be established for resource allocation, program results, and inclusive processes.
- Accountability should reflect student needs and student voice. Students should also play a role in evaluating program success.
- There must be different ways to measure student performance and outcomes that are not tied to an individual test that is taken once per year. While this may play a role in system monitoring, it is inadequate as a standalone accountability measure.
- Certain accountability measures already exist that should be reviewed to determine if they can be used in other areas and how they may be improved to provide more transparency on inputs, processes, and outcomes.
- The goal of accountability and efficiency should not be limited to avoiding "Binding Conditions" (required state intervention over financial affairs); it should support a funding system that advances the core purposes of public education.

Efficiency and Collaboration

The subgroup recommends that the Workgroup explore options that encourage more school districts to collaborate and take advantage of efficiency opportunities.

Problems to Address

- The current funding models make it difficult to achieve cost savings through collaboration. In fact, some models discourage collaboration and cost sharing opportunities due to funding disincentives (e.g., small school factors).
- The current financial and other mandatory reports often create more burdens for partnerships and collaborative efforts.
- The state should review existing laws to ensure the public continues to have a right to access school district information, while also balancing that with a recognition that existing laws may divert resources away from education goals. An example is the Public Records Act: The public must have access to public records, but frivolous requests can impact student services and available funding.
- A shared definition of “efficiency” would make it possible to pursue and measure more effectively.

Flexibility and Local Control

The subgroup recommends that the Workgroup explore options for continued local flexibility and control, balanced with clearer resource allocation expectations.

Problems to Address

- The state should continue to provide funding that allows school districts to use state and local funding to address local student needs. This allows community and student voice to inform local decisions and districts to tailor services to their specific communities.
- The state should increase clarity on those elements of education that are required and must be implemented as part of the basic education program. The state currently does this with K–3 compliance and physical, social, and emotional support (PSES) staff compliance. The state should determine whether there are other required services (e.g., teacher-librarians, school counselors, school psychologists, etc.) that must be a part of each school system. The current system creates confusion and mistrust about what is funded, what is required, and who makes resource allocation decisions.
- Materials, Supplies, and Operating Costs (MSOC) should be recognized as a fundamental part of the state’s obligation, while maintaining local control for the use of allocations.

Redefining Basic Education and Funding Models

The subgroup recommends that the Workgroup explore different funding models that may result in a different definition of basic education and a different method for the public and stakeholders to monitor resource allocation, efficiency, effectiveness, and program outcomes.

Problems to Address

- The first element of redefining basic education, or evolving the current definition, should involve clarifying the measurable goals of specific programs for specific groups of students. It may also involve clarifying administrative or operational goals for specific resource allocations.
- Weighted student-based funding models (California, Texas) vs. Washington's resource-based model may provide opportunities for different accountability, efficiency, and effectiveness measures.
- Funding for staff and staff salaries should be considered separately from other program costs to ensure required services are not diminished due to increased salary and benefit costs.

Additional Workgroup Information

Specific Options Discussed by the Subgroup

- Explore a simplified funding formula with fewer categories and increased accountability, while maintaining protections to ensure funding is driven to meet student needs based on economic, geographic, and demographic differences in communities.
- Explore options to increase parent, family, and student voice in funding decisions and accountability models. This includes increasing understanding of funding models for parents, families, and students to better inform funding decisions.
- Explore options to increase school board and superintendent understanding of their unique accountability roles, and early intervention options when financial insolvency warning signs are present.
- Explore increased transparency for school districts providing state required educational services, activities, and staffing levels. This includes improved clarity regarding what a required service is and part of a district's responsibility. This may include categorical funding requirements or new staffing ratio requirements.
- Explore funding formula options where some elements follow the student and other elements are dedicated to school facility support or district-wide costs.
- Explore accountability, efficiency, and effectiveness measures to evaluate opportunity gaps and persistent education issues to inform funding adjustments and support for improved student outcomes.
- Explore funding options to improve efficiency and effectiveness in the use of capital and operating resources to support equity for both rural and sparsely populated areas, as well as dense, urban educational environments. This includes the School Construction Assistance Program (SCAP), small school funding, shared staffing, levy/LEA funding, and other cooperative options.
- Explore options to measure how the Legislature, state executive offices, and regional educational organizations are fulfilling their responsibilities for supporting school districts, schools, and students.

- Explore options that increase cooperation and collaboration between and among school districts in serving students. This may range from operational cooperation (e.g., transportation), geographic cooperation (e.g., online students served by multiple school districts), or educational service cooperation (e.g., translation services or CTE, competency-based, and special education cooperatives).
- Explore options that dedicate specific funding for required purposes or centralize certain funding or responsibilities where costs are generally outside of the control of school districts. Examples include insurance (risk pool coverage) or utility costs, but could also extend to increases in costs of transportation fuel, school construction materials, etc.
- Explore funding options for salary and benefits that increase accountability and address wage growth, regional costs, and equity between and among districts (e.g., consider a revised salary grid or schedule and compliance requirements).
- Explore best practices in accountability and funding models used in other states that include student outcomes, efficiency measures, and effectiveness measures; and how those measures differentiate meeting the needs of individual students, specific groups of students, and entire schools or districts.
- Explore options for more frequent and inclusive processes for clarifying and refining the definition of basic education to ensure the current needs of students are met.
- Explore accountability systems that promote the use of funding for student outcomes and transparently report the impact of expenditures that support student outcome measures.
- Explore new options for safety nets or funding multipliers for communities with high concentrations of students with high cost needs outside of special education.

CONCLUSION & NEXT STEPS

This report is a status report of the work performed by the K–12 Funding Equity Workgroup through October 2025. The report includes all recommendations from the four subgroups that discussed and prioritized options for future consideration. Based on the recommendations provided by the subgroups of the Workgroup, Superintendent Reykdal identified the six priorities below for recommended action. These recommended actions include commonly identified interests of the subgroups, addressed the statutory charge of the Workgroup, and could be accomplished in the 2026 calendar year, subject to appropriation and legislative support.

Those recommended actions are:

1. Conduct research on weighted funding models and explore other options to simplify state funding formulas with fewer categories and increased accountability.
2. Explore revenue sources and funding solutions that address capital and operating needs for school districts and skills centers, with particular attention to creating equity among differing geographic, economic, and demographic communities. This includes a review of current local levy and Local Effort Assistance (LEA) policies.
3. Develop recommendations for the 2027 Legislature to make high impact, immediate changes to the K–12 education funding formula that would address adequacy and equity and increase accountability, efficiency, and effectiveness in the education system.
4. Recommend options for structural changes within the state’s K–12 education system that reduce administration, increase efficiency, and provide incentives for increased collaboration.
5. Identify education funding that should be categorical or dedicated, and limited to a specific purpose to provide increased clarity regarding education priorities, required spending, and local control.
6. Explore changes to education funding that address changes in education delivery models, including competency-based education.

In addition, Superintendent Reykdal identified the following recommended action steps for the Legislature based on the work of the K–12 Funding Equity Workgroup:

1. Address funding adequacy for current needs and requirements immediately, while the K–12 Funding Equity Workgroup continues work to recommend long-term funding formula changes to address both adequacy and equity.
2. Provide funding to the Office of Superintendent of Public Instruction to support the K–12 Funding Equity Workgroup priorities for the 2026 calendar year (fiscal years 2026 and 2027) as identified in the bulleted list below, including amounts to contract with institutions of higher education or non-partisan research entities, including the Washington State Institute for Public Policy.

3. Clarify the definition of funding equity and the specific perceived inequities the Legislature has identified to be addressed by the K–12 Funding Equity Workgroup.
4. Authorize an exploration and review of the existing organization of Washington’s educational system—including how the current state, regional, and local jurisdictional divisions advance long-term education funding equity, efficiency, and accountability. Recommendations for efficiency must include a larger conversation about school system structures, given a changing demographic landscape in our state.

The Workgroup will begin their 2026 work based on additional directives, requirements, and funding provided by the 2026 Legislature. It is expected that this work will begin in the spring of 2026 and be completed by November 1, 2026.

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