

K-12 Funding Equity Workgroup

Established 2025 through HB 2049

OSPI Webpage: [K12 Funding Equity Workgroup](#)

**Today's presentation is being brought to you by:
OSPI Fiscal and Government Relations Teams**



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Logistics for today

- Webinar format
- For questions, please use the Q&A feature
- Webinar is being recorded: Slides and video recording will be made available after the meeting

Agenda

- Recap
- 2025 Subcommittee Key Themes
- Break
- OSPI Recommended Approach for Phase II
- Breakout activity and discussion
- Closing and Next Steps

Authorizing Legislation and Task

- ESHB 2049 Section 3 (2025).
- OSPI must convene a K-12 Funding Equity Workgroup to analyze funding formulas and revenue options for revisions to the funding formulas that are responsive to student needs, including economic, demographic, and geographic differences in student and community populations.
- Specific areas of analysis were defined further in the section.
- No funding was provided to OSPI to convene or support this workgroup.

Welcome and Opening Remarks

Washington State

Superintendent Chris Reykdal



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Workgroup Accomplishments to Date

- Provided an overview of the K-12 funding system.
- Established subcommittees to identify challenges in the existing funding structure and establish priorities for moving forward.
- Subcommittees were as follows:
 - Resource Accountability and Efficiency
 - State and Local Taxing Systems
 - State, Local, and Regional Needs
 - Student Weighting Factors

Workgroup Accomplishments to Date

- Each subcommittee created an executive summary, based on subgroup discussions and priorities
- The first **Annual Report** was published in November with Superintendent Reykdal's recommendations based on sub-committee work and a request of funding for the workgroup.

Requests of the 2026 Legislative Session

- 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.
- Provide funding for the continued effort of the workgroup.
- Provide clarity around the definition of funding equity and the specific perceived inequities the Legislature has identified to be addressed by this group.

Results from the 2026 Legislative Session

- The 2026 Supplemental budget contained several K-12 cuts:
 - Decreased Transition to Kindergarten funding by \$27 million, representing a 30% reduction in the number of student's funded for SY 2026-27.
 - Reduced opportunities for high school students to access running start by temporarily reducing the maximum FTE available. A cut of \$7 million per year.
 - Cut \$25 million from Levy Equalization, which supports instruction, by reducing planned inflation adjustments.
 - Reduced funding for student transportation vehicles by \$25.8 million.

Bills of Note

- **SB 6065/5922 — Transportation Vehicle Funds**
Allows school districts to petition OSPI to authorize a transfer from the Transportation vehicle fund if appropriate due to declines in forecasted enrollment, or for districts in enhanced financial oversight to authorize a loan or transfer.
- **HB 1796 — School construction debt**
Allows districts to borrow for construction, modernization, or remodeling without voter approval if they have an approved capital levy, have not been on binding conditions in the past three years, and delay state construction assistance for two years.
- **SB 6346 — Millionaires' Tax**
Passes tax on income above \$1 million. Removes additional taxes on services in schools that were passed in 2025.

Introduced, but not passed

SB 6310 — Utilities/Insurance Costs

- Separates utilities/insurance from MSOC.
- Funds based on actual costs.

•SB 5198 — MSOC Increase (OSPI Request)

- Increases MSOC allocation by \$100 per student or \$100,000 per district.

•HB 2636 — District Requirement Reviews

- Creates a group to review K-12 requirements, focusing on unfunded additions.

•HB 2116 — Levy/LEA

- Increases LEA funding to meet the Levy lid as adjusted in 2025.



OSPI Recommended Approach for 2026

- Given the legislature provided no funding for additional research related to school funding approaches, the most cost-effective approach is to utilize a technical advisory committee (TAC) approach.
- Structure:
 - TAC is made up of domain experts from Washington State who tackle the technical issues and recommend implementation approaches.
 - The TAC prioritizes their recommendation and provides the FEWG with its summary for a broader community perspective on the solutions identified.
 - Both TAC and FEWG recommendations are submitted to the Superintendent to inform 2027 budget proposals and policy changes addressing funding equity and adequacy.

2026 Timeline

Late Spring – Early Summer

- Technical Advisory Committee will convene

May 18: Reconvene for full group meeting (2:00 – 4:00 pm)

- Update on TAC work
- Review Survey responses
- Discussion and Q&A.

August 24: Reconvene for final full group meeting (2:00 – 4:00 pm)

- Conclusion of TAC work
- Next Steps on Decision Packages and Report

September: OSPI decision packages due to the Governor

November 1: OSPI report to the legislature, ahead of 2027 deadline.



RECAP

High Level Sub-Committee Summaries
and Themes (Fall 2025)

Subgroup #1: State, Local, and Regional Needs

- Recommended options to explore included:
 - Adjustments to regionalization factors.
 - Funding solution for small districts – operating and capital.
 - Funding solution for state support of classified staff.
 - Strategies to reduce MSOC expenditures to the risk pool (i.e. insurance).
 - Impact of recent legislation on increasing legal costs.
 - Cost-saving options for school districts, such as shared operations.
 - Better support for CTE/Skill Center programs.
 - Solutions for business manager and superintendent turnover.
 - Create a dedicated funding source to support school district capital needs.

Subgroup #2: Student Weighting Factors

- Recommended options to explore included:
 - 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.
 - Prioritize currently available solutions in the upcoming legislative sessions to address the urgency of improving equity in our current funding model.
 - Identify a list of student weights for consideration based on the needs of students across the state.

Subgroup #3: State and Local Taxing Systems

- Recommended options to explore included:
 - Examine state models that attempt to serve a similar function to Local Effort Assistance by addressing property-wealth disparities.
 - Continue exploration of LEA/Levy policy.
 - Identify the systemic stress points in the current funding structure that are resulting in a higher-than-normal number of districts in binding conditions.
 - Explore the possibility of a new state revenue stream dedicated to specifically and exclusively K-12.

Subgroup #4: Resource Accountability and Efficiency

- Recommended options to explore included:
 - Explore funding options that dedicate specific funding for required purposes or centralize certain funding or responsibilities where costs are outside of the control of the school board.
 - 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 accountability, efficiency, and effectiveness measures to evaluate opportunity gaps and persistent education issues to inform funding adjustments and support improved student outcomes.

Sub-Committee Key Themes and Next Steps

- Explore options to simplify state funding formulas with fewer categories and increased accountability. (Spring 2026 Meeting #1 Focus).
- Develop recommendations for the 2027 legislative session to make immediate, high impact changes to address adequacy, equity and accountability. (Spring 2026 Meeting #2 Focus).
- Recommend structural changes to the K-12 system that reduce administration and increase efficiency. (Spring 2026 Meeting #3 Focus).
- Explore funding changes that address emerging education delivery models. (Spring 2026 Meeting #3 Focus).
- Identify education funding that should be categorical or dedicated and limited to a specific purpose. (Spring 2026 Meeting #4 Focus).



Break – 15 minutes



Technical Advisory Committee (*Spring – Summer 2026*)

Technical Advisory Committee

- The TAC will be made up of practitioners and stakeholders from a variety of areas within the K–12 system.
- Program experts may also be brought in to provide research, data and recommendations on an as needed basis.
- The TAC will be tasked with creating implementable solutions for the problem statements identified last year.
- The process will identify and prioritize policy funding recommendations of high interest and high impact for review and comment by the full committee.

Feedback Loop with Large Group

- Utilizing small group and 1:1 check ins, OSPI will stay connected and provide updates as needed to group membership. Interested? Email Tyler.
- Full group will reconvene once in late May, and again in August to receive updates and provide feedback on the TAC's work.
- Anything not addressed by the TAC but is found important can be included in the 2026 report to the Legislature.

Step 1: Prioritization and Planning

- OSPI will work with the TAC to prioritize the recommendations from last year for this year's focus based on the perceived impact on equity and sufficiency.
- OSPI and the TAC will determine the cadence and timing of meetings, and the need for technical expertise and research within the agency. The lack of funding for this effort will limit new research efforts.
- Once developed, the plan will be shared with the full group and progress will be shared as segments of work are completed.

Step 2: Determine Funding Structure

- Based on the prioritization of items in step one, the TAC will begin working on the core structure of new funding models that address the issues identified by the FEWG last year.
 - What structures address the recommendations from the FEWG?
 - What structures improve equity and sufficiency?
 - What structures are easier to understand and implement?
 - How do these structures maintain or increase accountability?

Step 3: Define Funding Model Detail

- Based on the funding structure determined in step 2, we need to define the next level of detail.
- For example, if we select a hybrid prototypical/per-student model, what programs will be funded through what mechanism.
- Are there going to be any new targeted investments using the per student approach?

Step 4: OSPI Provides Total Cost and Reports Back Initial Plan

- As soon as we have the necessary detail OSPI fiscal team will build and run models to show the impact.
- We will bring the results of these cost estimates back to the technical advisory group for review.
- Depending on how quickly Steps 1 and 2 of this workflow take, we may have time for multiple iterations of this steps

Step 5: Final Report and Decision Package

- OSPI will present the TAC recommendations to the full FEWG workgroup for comment and feedback.
- Both the TAC report and FEWG feedback will be considered by the Superintendent to develop a 2027 biennial budget recommendation for the Legislature.
- The budget recommendation, TAC report, and FEWG feedback will all be included in the 2026 workgroup progress report provided to the Legislature.
- OSPI will present the Superintendent's 2027 biennial budget request prior to submission to the Governor and the Legislature.



Breakout Activity

20 minutes

Discussion questions *(please appoint a note taker)*

1. When fully funding basic education, what are the priorities that the system must address (non-negotiables)?
2. What would a weighted student model address that is not accomplished through the current system?
3. What are some accountability measures that could help to ensure funding is utilized to support student needs while maintaining local flexibility?



Share out



Closing & Next Steps

Next Steps

Questions or Requests
for information
Please email:
govrelations@k12.wa.us

- Webpage updated with today's materials
- Complete Survey to prioritize key items for the TAC
- TAC Meeting Updates will be periodically posted to the Funding Equity Workgroup Meeting website

2026 Timeline

- **Today**
 - Recap, 2026 session review, and next steps
- **Late Spring – Early Summer**
 - Technical Advisory Committee will convene.
- **May 18**
 - Reconvene – status update from TAC
- **Summer 2026**
 - OSPI staff will formalize a final draft report and identify which aspects of the proposals will be included in the OSPI biennial decision package.
- **August 24**
 - Overview of the report as well as the agency decision package for the 2027-29 biennium.

Technical Advisory Committee

- Subgroup of members who have experience, knowledge, and background in education policy, the funding of schools, and the delivery of elementary and secondary education to public school students.
- Move from big ideas and themes to actionable adjustments and formulas to recommend to the legislature.
- Will bring concepts back to the larger group.



Thank you and have a good day!