
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-1945.4/25 4th draft

ATTY/TYPIST: CC:akl

BRIEF DESCRIPTION: Investing in the state's paramount duty to fund K-12 education and build strong and safe communities.

1 AN ACT Relating to investing in the state's paramount duty to
2 fund K-12 education and build strong and safe communities by
3 modifying the state and local property tax authority and adjusting
4 the school funding formula; amending RCW 84.52.0531, 28A.500.015,
5 84.55.005, 84.55.100, 28A.150.390, 28A.150.392, and 28A.150.560;
6 creating new sections; repealing RCW 84.55.0101; providing an
7 effective date; and providing an expiration date.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. **Sec. 1.** The legislature finds that the state's
10 constitutional paramount duty is to make ample provision for the
11 education of all children. The state continues to see growing needs
12 for everything from special education to equitable student supports
13 in school districts across the state. The legislature further finds
14 the current one percent property growth cap has damaged the ability
15 of our schools to adequately educate Washington's children because
16 population and inflation have exceeded one percent regularly over the
17 past decade. The legislature further finds that because costs have
18 exceeded the one percent cap for over a decade, it has damaged local
19 government's ability to adequately invest in public safety, including
20 the recruitment and retention of well-trained law enforcement

1 officers, early intervention, and other strategies to intervene in
2 behavioral health treatment.

3 The legislature further finds that school funding obligations
4 require an adjustment to levy equalization methods to ensure
5 equitable funding for our state's public schools. Increasing local
6 flexibility requires the state to ensure equitable funding for
7 historically underinvested areas of our state, including rural school
8 districts, mitigating widening funding gaps between schools.

9 Therefore, it is the legislature's intent to increase the levy
10 authority for state and local property tax limits from one percent to
11 three percent to ensure investments in public K-12 schools and public
12 safety improving community resiliency. The legislature further
13 intends to adjust the school funding formula to ensure appropriate
14 funding for schools so that all Washington children receive the
15 quality education afforded to them under our Constitution.

16 **Sec. 2.** RCW 84.52.0531 and 2022 c 108 s 3 are each amended to
17 read as follows:

18 (1) Beginning with taxes levied for collection in 2020, the
19 maximum dollar amount which may be levied by or for any school
20 district for enrichment levies under RCW 84.52.053 is equal to the
21 lesser of (~~two dollars and fifty cents~~) \$2.50 per (~~thousand~~
22 ~~dollars~~) \$1,000 of the assessed value of property in the school
23 district or the maximum per-pupil limit. This maximum dollar amount
24 shall be reduced accordingly as provided under RCW 43.09.2856(2).

25 (2) The definitions in this subsection apply to this section
26 unless the context clearly requires otherwise.

27 (a) (~~For the purpose of this section, "inflation"~~) "Inflation"
28 means the percentage change in the seasonally adjusted consumer price
29 index for all urban consumers, Seattle area, for the most recent 12-
30 month period as of September 25th of the year before the taxes are
31 payable, using the official current base compiled by the United
32 States bureau of labor statistics.

33 (b) "Inflation enhancement" means:

34 (i) \$500 in the 2026 calendar year; and

35 (ii) 3.33 percentage points added to inflation each year from the
36 2027 to 2030 calendar years.

37 (c) "Maximum per-pupil limit" means:

38 (i) (~~Two thousand five hundred dollars~~) Through the 2030
39 calendar year:

1 (A) \$2,500, as increased by inflation, plus inflation
2 enhancements defined in (b) of this subsection, beginning with
3 property taxes levied for collection in 2020, multiplied by the
4 number of average annual full-time equivalent students enrolled in
5 the school district in the prior school year, for school districts
6 with fewer than ((forty-thousand)) 40,000 annual full-time equivalent
7 students enrolled in the school district in the prior school year; or
8 ~~((ii) Three thousand dollars))~~ (B) \$3,000, as increased by
9 inflation plus the inflation enhancement defined in (b)(i) of this
10 subsection, beginning with property taxes levied for collection in
11 2020, multiplied by the number of average annual full-time equivalent
12 students enrolled in the school district in the prior school year,
13 for school districts with ((forty-thousand)) 40,000 or more annual
14 full-time equivalent students enrolled in the school district in the
15 prior school year.

16 ~~((c) "Open for in-person instruction to all students" means that~~
17 ~~all students in all grades have the option to participate in at least~~
18 ~~40 hours of planned in-person instruction per month and the school~~
19 ~~follows state department of health guidance and recommendations for~~
20 ~~resuming in-person instruction to the greatest extent practicable.))~~
21 (ii) Beginning with the 2031 calendar year, \$5,035, as increased by
22 inflation beginning with property taxes levied for collection in
23 2032, multiplied by the number of average annual full-time equivalent
24 students enrolled in the school district in the prior school year.

25 (d) "Prior school year" means the most recent school year
26 completed prior to the year in which the levies are to be
27 collected(~~, except as follows:~~

28 ~~(i) In the 2022 calendar year, if 2019-20 school year average~~
29 ~~annual full-time equivalent enrollment is greater than the school~~
30 ~~district's 2020-21 school year average annual full-time equivalent~~
31 ~~enrollment and the school district is open for in-person instruction~~
32 ~~to all students by the beginning of the 2021-22 school year, "prior~~
33 ~~school year" means the 2019-20 school year.~~

34 ~~(ii) In the 2023 calendar year, if 2019-20 school year average~~
35 ~~annual full-time equivalent enrollment is greater than the school~~
36 ~~district's 2021-22 school year average annual full-time equivalent~~
37 ~~enrollment and the school district was open for in-person instruction~~
38 ~~to all students by the beginning of the 2021-22 school year, "prior~~
39 ~~school year" means the 2019-20 school year)).~~

1 (3) For districts in a high/nonhigh relationship, the enrollments
2 of the nonhigh students attending the high school shall only be
3 counted by the nonhigh school districts for purposes of funding under
4 this section.

5 (4) For school districts participating in an innovation academy
6 cooperative established under RCW 28A.340.080, enrollments of
7 students attending the academy shall be adjusted so that each
8 participant district receives its proportional share of student
9 enrollments for purposes of funding under this section.

10 (5) Beginning with propositions for enrichment levies for
11 collection in calendar year 2020 and thereafter, a district must
12 receive approval of an enrichment levy expenditure plan under RCW
13 28A.505.240 before submission of the proposition to the voters.

14 (6) The superintendent of public instruction shall develop rules
15 and regulations and inform school districts of the pertinent data
16 necessary to carry out the provisions of this section.

17 (7) Beginning with taxes levied for collection in 2018,
18 enrichment levy revenues must be deposited in a separate subfund of
19 the school district's general fund pursuant to RCW 28A.320.330, and
20 for the 2018-19 school year are subject to the restrictions of RCW
21 28A.150.276 and the audit requirements of RCW 43.09.2856.

22 (8) Funds collected from levies for transportation vehicles,
23 construction, modernization, or remodeling of school facilities as
24 established in RCW 84.52.053 are not subject to the levy limitations
25 in subsections (1) through (5) of this section.

26 **Sec. 3.** RCW 28A.500.015 and 2022 c 108 s 4 are each amended to
27 read as follows:

28 (1) Beginning in calendar year 2020 and each calendar year
29 thereafter, the state must provide state local effort assistance
30 funding to supplement school district enrichment levies as provided
31 in this section.

32 (2)(a) For an eligible school district with an actual enrichment
33 levy rate that is less than (~~((one dollar and fifty cents))~~) \$1.50 per
34 (~~((thousand dollars))~~) \$1,000 of assessed value in the school district,
35 the annual local effort assistance funding is equal to the school
36 district's maximum local effort assistance multiplied by a fraction
37 equal to the school district's actual enrichment levy rate divided by
38 (~~((one dollar and fifty cents))~~) \$1.50 per (~~((thousand dollars))~~) \$1,000
39 of assessed value in the school district.

1 (b) For an eligible school district with an actual enrichment
2 levy rate that is equal to or greater than (~~one dollar and fifty~~
3 ~~cents~~)) \$1.50 per (~~thousand dollars~~)) \$1,000 of assessed value in
4 the school district, the annual local effort assistance funding is
5 equal to the school district's maximum local effort assistance.

6 (c) Beginning in calendar year 2022, for state-tribal education
7 compact schools established under chapter 28A.715 RCW, the annual
8 local effort assistance funding is equal to the actual enrichment
9 levy per student as calculated by the superintendent of public
10 instruction for the previous year for the school district in which
11 the state-tribal education compact school is located, up to a maximum
12 per-student amount of (~~one thousand five hundred fifty dollars~~))
13 \$1,550 as increased by inflation, plus inflation enhancements, from
14 the 2019 calendar year, multiplied by the student enrollment of the
15 state-tribal education compact school in the prior school year.

16 (3) The state local effort assistance funding provided under this
17 section is not part of the state's program of basic education deemed
18 by the legislature to comply with the requirements of Article IX,
19 section 1 of the state Constitution.

20 (4) The definitions in this subsection apply throughout this
21 section unless the context clearly requires otherwise.

22 (a) "Eligible school district" means a school district where the
23 amount generated by a levy of (~~one dollar and fifty cents~~)) \$1.50
24 per (~~thousand dollars~~)) \$1,000 of assessed value in the school
25 district, divided by the school district's total student enrollment
26 in the prior school year, is less than the state local effort
27 assistance threshold.

28 (b) (~~For the purpose of this section, "inflation"~~) "Inflation"
29 means, for any school year, the rate of the yearly increase of the
30 previous calendar year's annual average consumer price index for all
31 urban consumers, Seattle area, using the official current base
32 compiled by the bureau of labor statistics, United States department
33 of labor.

34 (c) "Inflation enhancement" means:

35 (i) \$200 in the 2026, 2030, and 2031 calendar years; and

36 (ii) \$300 in the 2027 calendar year.

37 (d) "Maximum local effort assistance" means the difference
38 between the following:

39 (i) The school district's actual prior school year enrollment
40 multiplied by the state local effort assistance threshold; and

1 (ii) The amount generated by a levy of ~~((one dollar and fifty~~
2 ~~cents))~~ \$1.50 per ~~((thousand dollars))~~ \$1,000 of assessed value in
3 the school district.

4 ~~((d))~~ (e) "Prior school year" means the most recent school year
5 completed prior to the year in which the state local effort
6 assistance funding is to be distributed~~((, except as follows:~~

7 ~~(i) In the 2022 calendar year, if 2019-20 school year average~~
8 ~~annual full-time equivalent enrollment is greater than the school~~
9 ~~district's 2020-21 school year average annual full-time equivalent~~
10 ~~enrollment, "prior school year" means the 2019-20 school year.~~

11 ~~(ii) In the 2023 calendar year, if 2019-20 school year average~~
12 ~~annual full-time equivalent enrollment is greater than the school~~
13 ~~district's 2021-22 school year average annual full-time equivalent~~
14 ~~enrollment, "prior school year" means the 2019-20 school year)).~~

15 ~~((e))~~ (f) "State local effort assistance threshold" means ~~((one~~
16 ~~thousand five hundred fifty dollars))~~ \$1,550 per student, increased
17 for inflation, plus inflation enhancements, beginning in calendar
18 year 2020.

19 ~~((f))~~ (g) "Student enrollment" means the average annual full-
20 time equivalent student enrollment.

21 (5) For districts in a high/nonhigh relationship, the enrollments
22 of the nonhigh students attending the high school shall only be
23 counted by the nonhigh school districts for purposes of funding under
24 this section.

25 (6) For school districts participating in an innovation academy
26 cooperative established under RCW 28A.340.080, enrollments of
27 students attending the academy shall be adjusted so that each
28 participant district receives its proportional share of student
29 enrollments for purposes of funding under this section.

30 **Sec. 4.** RCW 84.55.005 and 2014 c 97 s 316 are each amended to
31 read as follows:

32 The definitions in this section apply throughout this chapter
33 unless the context clearly requires otherwise.

34 (1) "Inflation" means ~~((the percentage change in the implicit~~
35 ~~price deflator for personal consumption expenditures for the United~~
36 ~~States as published for the most recent twelve-month period by the~~
37 ~~bureau of economic analysis of the federal department of commerce by~~
38 ~~September 25th of the year before the taxes are payable;))~~ the annual
39 percentage increase in the consumer price index for all urban

1 consumers in the western region for all items as provided in the most
2 recent 12-month period by the bureau of labor statistics of the
3 United States department of labor by July 25th of the year before the
4 taxes are payable.

5 (2) "Limit factor" means(\div

6 ~~(a) For taxing districts with a population of less than ten~~
7 ~~thousand in the calendar year prior to the assessment year, one~~
8 ~~hundred one percent;~~

9 ~~(b) For taxing districts for which a limit factor is authorized~~
10 ~~under RCW 84.55.0101, the lesser of the limit factor authorized under~~
11 ~~that section or one hundred one percent;~~

12 ~~(c) For all other districts, the lesser of one hundred one~~
13 ~~percent or one hundred)) 100 percent plus population change and~~
14 ~~inflation(\div and)), not to exceed 103 percent.~~

15 (3)(a) "Population change" means the annual percent increase in
16 the population of a taxing district between the two most recent years
17 as provided in the official population estimates published by the
18 office of financial management for April 1st of the year before taxes
19 are payable. If the office of financial management estimates a net
20 decrease in a taxing district's population, for the purposes of this
21 section, the population change is zero. For a county, the "population
22 of a taxing district" means the population within the county's
23 incorporated and unincorporated areas, unless the county taxing
24 district boundaries are limited to the unincorporated county areas,
25 in which case the "population of a taxing district" means the
26 population of the unincorporated county areas only. For taxing
27 districts that are not coterminous with one or more cities, towns,
28 counties, or unincorporated county areas, or any combination thereof,
29 as provided in the official population estimates published by the
30 office of financial management in April of the year before the taxes
31 are payable, "population change" means:

32 (i) The population change for the city or town within which the
33 taxing district is wholly located;

34 (ii) The population change for the county in which the taxing
35 district is wholly located, when the taxing district is not wholly
36 located within a city or town; or

37 (iii) For taxing districts located in more than one county, the
38 county population change for the county in which the greatest total
39 taxable assessed value of the taxing district for the prior
40 assessment year is located.

1 (b) For the purposes of this subsection (3), the annual percent
2 increase in population is calculated to the nearest 0.1 percent,
3 rounding up to the next 0.1 percent if the second decimal place of
4 the annual percent increase is five or greater.

5 (4) "Regular property taxes" has the meaning given it in RCW
6 84.04.140.

7 **Sec. 5.** RCW 84.55.100 and 1983 c 223 s 1 are each amended to
8 read as follows:

9 (1) The property tax limitation contained in this chapter shall
10 be determined by the county assessors of the respective counties in
11 accordance with the provisions of this chapter: PROVIDED, That the
12 limitation for any state levy shall be determined by the department
13 of revenue and the limitation for any intercounty rural library
14 district shall be determined by the library district in consultation
15 with the respective county assessors.

16 (2) By September 1, 2025, and by September 1st every year
17 thereafter, the department of revenue must provide county assessors
18 the limit factors necessary for the county assessor to comply with
19 subsections (1) and (3) of this section.

20 (3) By October 1, 2025, and by October 1st every year thereafter,
21 the county assessor must determine the limit factor applicable to
22 each taxing district in their county and notify each taxing district
23 of the determination. However, for a taxing district located in more
24 than one county, the assessor of the county with the most assessed
25 value of the taxing district is subject to the requirements of this
26 subsection (3).

27 NEW SECTION. **Sec. 6.** RCW 84.55.0101 (Limit factor—Authorization
28 for taxing district to use one hundred one percent or less—Ordinance
29 or resolution) and 2007 sp.s. c 1 s 2 & 1997 c 3 s 204 are each
30 repealed.

31 NEW SECTION. **Sec. 7.** Sections 4 through 6 of this act apply to
32 taxes levied for collection in 2026 and thereafter.

33 **Sec. 8.** RCW 28A.150.390 and 2024 c 229 s 1 are each amended to
34 read as follows:

35 (1) The superintendent of public instruction shall submit to each
36 regular session of the legislature during an odd-numbered year a

1 programmed budget request for special education programs for students
2 with disabilities. Funding for programs operated by local school
3 districts shall be on an excess cost basis from appropriations
4 provided by the legislature for special education programs for
5 students with disabilities and shall take account of state funds
6 accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8) and
7 28A.150.415.

8 (2) The excess cost allocation to school districts shall be based
9 on the following:

10 (a) A district's annual average head count enrollment of students
11 ages three and four and those five year olds not yet enrolled in
12 kindergarten who are eligible for and receiving special education,
13 multiplied by the district's base allocation per full-time equivalent
14 student, multiplied by 1.2;

15 ~~(b) ((i) Subject to the limitation in (b)(ii) of this subsection~~
16 ~~(2), a) A district's annual average enrollment of resident students~~
17 ~~who are eligible for and receiving special education, excluding~~
18 ~~students ages three and four and those five year olds not yet~~
19 ~~enrolled in kindergarten, multiplied by the district's base~~
20 ~~allocation per full-time equivalent student, multiplied by the~~
21 ~~special education cost multiplier rate of((÷~~

22 ~~(A) Beginning in the 2020-21 school year, either:~~

23 ~~(I) 1.0075 for students eligible for and receiving special~~
24 ~~education and reported to be in the general education setting for 80~~
25 ~~percent or more of the school day; or~~

26 ~~(II) 0.995 for students eligible for and receiving special~~
27 ~~education and reported to be in the general education setting for~~
28 ~~less than 80 percent of the school day;~~

29 ~~(B) Beginning in the 2023-24 school year,)) either:~~

30 ~~((I)) (i) 1.12 for students eligible for and receiving special~~
31 ~~education and reported to be in the general education setting for 80~~
32 ~~percent or more of the school day; or~~

33 ~~((II)) (ii) 1.06 for students eligible for and receiving~~
34 ~~special education and reported to be in the general education setting~~
35 ~~for less than 80 percent of the school day.~~

36 ~~((ii) If the enrollment percent exceeds 16 percent, the excess~~
37 ~~cost allocation calculated under (b)(i) of this subsection must be~~
38 ~~adjusted by multiplying the allocation by 16 percent divided by the~~
39 ~~enrollment percent.))~~

40 (3) As used in this section((÷

1 ~~(a) "Base)), "base allocation"~~ means the total state allocation
2 to all schools in the district generated by the distribution formula
3 under RCW 28A.150.260 (4) (a), (5), (6), and (8) and the allocation
4 under RCW 28A.150.415, to be divided by the district's full-time
5 equivalent enrollment.

6 ~~((b) "Basic education enrollment" means enrollment of resident~~
7 ~~students including nonresident students enrolled under RCW~~
8 ~~28A.225.225 and students from nonhigh districts enrolled under RCW~~
9 ~~28A.225.210 and excluding students residing in another district~~
10 ~~enrolled as part of an interdistrict cooperative program under RCW~~
11 ~~28A.225.250.~~

12 ~~(c) "Enrollment percent" means the district's resident annual~~
13 ~~average enrollment of students who are eligible for and receiving~~
14 ~~special education, excluding students ages three and four and those~~
15 ~~five year olds not yet enrolled in kindergarten and students enrolled~~
16 ~~in institutional education programs, as a percent of the district's~~
17 ~~annual average full-time equivalent basic education enrollment.))~~

18 **Sec. 9.** RCW 28A.150.392 and 2024 c 127 s 2 are each amended to
19 read as follows:

20 (1) (a) To the extent necessary, funds shall be made available for
21 safety net awards for districts with demonstrated needs for special
22 education funding beyond the amounts provided through the special
23 education funding formula under RCW 28A.150.390.

24 (b) If the federal safety net awards based on the federal
25 eligibility threshold exceed the federal appropriation in any fiscal
26 year, then the superintendent shall expend all available federal
27 discretionary funds necessary to meet this need.

28 (2) Safety net funds shall be awarded by the state safety net
29 oversight committee subject to the following conditions and
30 limitations:

31 (a) The committee shall award additional funds for districts that
32 can convincingly demonstrate that all legitimate expenditures for
33 special education exceed all available revenues from state funding
34 formulas. When determining award eligibility and amounts(~~(+,-)~~), the
35 committee shall limit its review to relevant documentation that
36 illustrates adherence to award criteria. The committee shall not make
37 determinations regarding the content of individualized education
38 programs beyond confirming documented and quantified services and

1 evidence of corresponding expenditures for which a school district
2 seeks reimbursement.

3 (b) In the determination of need, the committee shall consider
4 additional available revenues from federal sources.

5 (c) Differences in program costs attributable to district
6 philosophy, service delivery choice, or accounting practices are not
7 a legitimate basis for safety net awards.

8 (d) In the determination of need, the committee shall require
9 that districts demonstrate that they are maximizing their eligibility
10 for all state revenues related to services for students eligible for
11 special education and all federal revenues from federal impact aid,
12 medicaid, and the individuals with disabilities education act-Part B
13 and appropriate special projects. Awards associated with (e) ~~((and~~
14 ~~-(f)))~~ of this subsection shall not exceed the total of a district's
15 specific determination of need.

16 (e) The committee shall then consider the extraordinary high cost
17 needs of one or more individual students eligible for and receiving
18 special education. Differences in costs attributable to district
19 philosophy, service delivery choice, or accounting practices are not
20 a legitimate basis for safety net awards.

21 ~~((f) ((Using criteria developed by the committee, the committee~~
22 ~~shall then consider extraordinary costs associated with communities~~
23 ~~that draw a larger number of families with children in need of~~
24 ~~special education services, which may include consideration of~~
25 ~~proximity to group homes, military bases, and regional hospitals.~~
26 ~~Safety net awards under this subsection (2)(f) shall be adjusted to~~
27 ~~reflect amounts awarded under (e) of this subsection.~~

28 ~~-(g)))~~ The committee shall then consider the extraordinary high
29 cost needs of one or more individual students eligible for and
30 receiving special education served in residential schools, programs
31 for juveniles under the department of corrections, and programs for
32 juveniles operated by city and county jails to the extent they are
33 providing a secondary program of education.

34 ~~((-(h)))~~ (g) The maximum allowable indirect cost for calculating
35 safety net eligibility may not exceed the federal restricted indirect
36 cost rate for the district plus one percent.

37 ~~((-(i)))~~ (h) Safety net awards shall be adjusted based on the
38 percent of potential medicaid eligible students billed as calculated
39 by the superintendent of public instruction in accordance with
40 chapter 318, Laws of 1999.

1 (~~((j))~~) (i) Safety net awards must be adjusted for any unresolved
2 audit findings or exceptions related to special education funding.
3 Safety net awards may only be adjusted for errors in safety net
4 applications or individualized education programs that materially
5 affect the demonstration of need.

6 (3) The superintendent of public instruction shall adopt such
7 rules and procedures as are necessary to administer the special
8 education funding and safety net award process. By December 1, 2018,
9 the superintendent shall review and revise the rules to achieve full
10 and complete implementation of the requirements of this subsection
11 and subsection (4) of this section including revisions to rules that
12 provide additional flexibility to access community impact awards.
13 Before revising any standards, procedures, or rules, the
14 superintendent shall consult with the office of financial management
15 and the fiscal committees of the legislature. In adopting and
16 revising the rules, the superintendent shall ensure the application
17 process to access safety net funding is streamlined, timelines for
18 submission are not in conflict, feedback to school districts is
19 timely and provides sufficient information to allow school districts
20 to understand how to correct any deficiencies in a safety net
21 application, and that there is consistency between awards approved by
22 school district and by application period. The office of the
23 superintendent of public instruction shall also provide technical
24 assistance to school districts in preparing and submitting special
25 education safety net applications.

26 (4)(a) On an annual basis, the superintendent shall survey
27 districts regarding their satisfaction with the safety net process
28 and consider feedback from districts to improve the safety net
29 process. Each year by December 1st, the superintendent shall prepare
30 and submit a report to the office of financial management and the
31 appropriate policy and fiscal committees of the legislature that
32 summarizes the survey results and those changes made to the safety
33 net process as a result of the school district feedback.

34 (b) By December 1, 2024, the office of the superintendent of
35 public instruction must develop a survey requesting specific feedback
36 on the safety net application process from school districts with
37 3,000 or fewer students. The survey must include, at a minimum,
38 questions regarding the average amount of time school district staff
39 spend gathering safety net application data, filling out application
40 forms, and correcting application deficiencies. The survey must also

1 include questions to help identify which application components are
2 the most challenging and time consuming for school districts to
3 complete. By December 1, 2025, the office of the superintendent of
4 public instruction must use this feedback to implement a simplified,
5 standardized safety net application for all school districts that
6 reduces barriers to safety net funding.

7 (5) The safety net oversight committee appointed by the
8 superintendent of public instruction shall consist of:

9 (a) One staff member from the office of the superintendent of
10 public instruction;

11 (b) Staff of the office of the state auditor who shall be
12 nonvoting members of the committee; and

13 (c) One or more representatives from school districts or
14 educational service districts knowledgeable of special education
15 programs and funding.

16 (6) (a) ~~((Beginning in the 2019-20 school year, a high-need~~
17 ~~student is eligible for safety net awards from state funding under~~
18 ~~subsection (2)(e) and (g) of this section if the student's~~
19 ~~individualized education program costs exceed two and three-tenths~~
20 ~~times the average per-pupil expenditure as defined in Title 20 U.S.C.~~
21 ~~Sec. 7801, the every student succeeds act of 2015.~~

22 ~~(b))~~ Beginning in the 2023-24 school year, a high-need student
23 is eligible for safety net awards from state funding under subsection
24 (2)(e) and ~~((g))~~ (f) of this section if the student's
25 individualized education program costs exceed:

26 (i) 2 times the average per-pupil expenditure, for school
27 districts with fewer than 1,000 full-time equivalent students;

28 (ii) 2.2 times the average per-pupil expenditure, for school
29 districts with 1,000 or more full-time equivalent students.

30 ~~((e))~~ (b) For purposes of ~~((b))~~ (a) of this subsection,
31 "average per-pupil expenditure" has the same meaning as in 20 U.S.C.
32 Sec. 7801, the every student succeeds act of 2015, and excludes
33 safety net funding provided in this section.

34 **Sec. 10.** RCW 28A.150.560 and 2023 c 417 s 6 are each amended to
35 read as follows:

36 (1) It is the policy of the state that for purposes of state
37 funding allocations, students eligible for and receiving special
38 education generate the full basic education allocation under RCW
39 28A.150.260 and, as a class, are to receive the benefits of this

1 allocation for the entire school day, as defined in RCW 28A.150.203,
2 whether the student is placed in the general education setting or
3 another setting.

4 (2) The superintendent of public instruction shall develop an
5 allocation and cost accounting methodology ~~((that ensures state
6 general apportionment funding for students who receive their basic
7 education services primarily in an alternative classroom or setting
8 are prorated and allocated to the special education program and
9 accounted for before calculating special education excess costs))~~ to
10 account for expenditures beyond amounts provided through the special
11 education funding formula under RCW 28A.150.390. This method of
12 accounting must shift 30 percent of a school district's base
13 allocation as defined in RCW 28A.150.390 for students eligible for
14 and receiving special education to the school district's special
15 education program for expenditure.

16 (3) To the extent that a school district's special education
17 program expenditures exceed state funding in a school year provided
18 under RCW 28A.150.390 and 28A.150.392, and redirected general
19 apportionment revenue under subsection (2) of this section, the
20 school district must use the remaining portion of the school
21 district's base allocation as defined in RCW 28A.150.390 for students
22 eligible for and receiving special education for the expenditures
23 prior to using other funding sources.

24 (4) Unless otherwise prohibited by law, nothing in this section
25 prohibits school districts from using other funding and state
26 allocations above the amounts provided under RCW 28A.150.390 and
27 subsections (2) and (3) of this section to serve students eligible
28 for and receiving special education.

29 (5) Nothing in this section requires districts to provide
30 services in a manner inconsistent with the student's individualized
31 education program or other than in the least restrictive environment
32 as determined by the individualized education program team.

33 ~~((+3+))~~ (6) The superintendent of public instruction shall
34 provide the legislature with an accounting of prorated general
35 apportionment allocations provided to special education programs
36 broken down by school district by January 1, 2024, and then every
37 January 1st of odd-numbered years thereafter.

38 NEW SECTION. Sec. 11. The superintendent of public instruction
39 shall convene a K-12 funding equity work group to analyze K-12
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1 funding formulas and explore options for revisions to the funding
2 formula that are responsive to student needs, including economic,
3 demographic, and geographic differences in student and community
4 populations. The office of the superintendent of public instruction
5 may contract with institutions of higher education and public,
6 nonpartisan research entities to support the work group's analysis.

7 (1) At a minimum, the work group's analysis must include:

8 (a) Impacts of changes to per-pupil funding formulas and local
9 revenue;

10 (b) Compensation factors described in RCW 28A.150.412;

11 (c) Funding distribution trends resulting from the prototypical
12 school funding formula; and

13 (d) Current formulas that benefit specific populations of
14 students including, but not limited to, the learning assistance
15 program, local effort assistance, and small school funding.

16 (2) The superintendent of public instruction must use the work
17 group's analysis conducted under subsection (1) of this section to
18 consider options for revising state and local school funding
19 formulas. By November 1, 2025, and annually thereafter through 2027,
20 the superintendent of public instruction shall report the work
21 group's progress and any proposed options to the education and fiscal
22 committees of the legislature. The reports must include, but are not
23 limited to, the following topics:

24 (a) Options for revisions to the funding formula that address
25 system and resource inequities;

26 (b) Options that address state, local, and regional needs;

27 (c) The potential adoption of student weights to direct
28 additional funding to students most in need; and

29 (d) Metrics for monitoring and accountability related to
30 equitable access to resources.

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

39 (4) The estimated cost of an option or group of options proposed
40 by the superintendent of public instruction under subsection (2) of

1 this section must not exceed the estimated additional state revenue
2 provided under section 4, chapter . . ., Laws of 2025 when combined
3 with the estimated additional state funding allocated in this act.
4 The department of revenue shall make available relevant data and
5 analyses to the superintendent of public instruction to support the
6 calculations under this subsection (4).

7 (5) This section expires December 1, 2027.

8 NEW SECTION. **Sec. 12.** Sections 8 through 10 of this act take
9 effect September 1, 2028.

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