

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 2049**

69th Legislature  
2025 Regular Session

Passed by the House April 22, 2025  
Yeas 50 Nays 48

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**Speaker of the House of  
Representatives**

Passed by the Senate April 26, 2025  
Yeas 28 Nays 20

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2049** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE HOUSE BILL 2049

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Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

**By** House Finance (originally sponsored by Representatives Bergquist, Pollet, Santos, Peterson, Fosse, Ryu, Ormsby, Parshley, Macri, Wylie, Berry, Ramel, Street, Gregerson, Doglio, Farivar, Reed, Reeves, Hill, and Callan)

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 and 28A.500.015;  
5 creating a new section; and providing an expiration date.

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

7 **Sec. 1.** RCW 84.52.0531 and 2022 c 108 s 3 are each amended to  
8 read as follows:

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

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

18 (a) (~~For the purpose of this section, "inflation"~~) "Inflation"  
19 means the percentage change in the seasonally adjusted consumer price  
20 index for all urban consumers, Seattle area, for the most recent 12-  
21 month period as of September 25th of the year before the taxes are

1 payable, using the official current base compiled by the United  
2 States bureau of labor statistics.

3 (b) "Inflation enhancement" means:

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

5 (ii) 3.33 percentage points added to inflation each year from the  
6 2027 to 2030 calendar years.

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

8 (i) (~~Two thousand five hundred dollars~~) Through the 2030  
9 calendar year:

10 (A) \$2,500, as increased by inflation, plus inflation  
11 enhancements defined in (b) of this subsection, beginning with  
12 property taxes levied for collection in 2020, multiplied by the  
13 number of average annual full-time equivalent students enrolled in  
14 the school district in the prior school year, for school districts  
15 with fewer than (~~forty thousand~~) 40,000 annual full-time equivalent  
16 students enrolled in the school district in the prior school year; or

17 (~~(ii) Three thousand dollars~~) (B) \$3,000, as increased by  
18 inflation plus the inflation enhancement defined in (b)(i) of this  
19 subsection, beginning with property taxes levied for collection in  
20 2020, multiplied by the number of average annual full-time equivalent  
21 students enrolled in the school district in the prior school year,  
22 for school districts with (~~forty thousand~~) 40,000 or more annual  
23 full-time equivalent students enrolled in the school district in the  
24 prior school year.

25 (~~(c) "Open for in-person instruction to all students" means that~~  
26 all students in all grades have the option to participate in at least  
27 40 hours of planned in-person instruction per month and the school  
28 follows state department of health guidance and recommendations for  
29 resuming in-person instruction to the greatest extent practicable.))

30 (ii) Beginning with the 2031 calendar year, \$5,035, as increased by  
31 inflation beginning with property taxes levied for collection in  
32 2032, multiplied by the number of average annual full-time equivalent  
33 students enrolled in the school district in the prior school year.

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

37 ~~(i) In the 2022 calendar year, if 2019-20 school year average~~  
38 ~~annual full-time equivalent enrollment is greater than the school~~  
39 ~~district's 2020-21 school year average annual full-time equivalent~~  
40 ~~enrollment and the school district is open for in-person instruction~~

1 ~~to all students by the beginning of the 2021-22 school year, "prior~~  
2 ~~school year" means the 2019-20 school year.~~

3 ~~(ii) In the 2023 calendar year, if 2019-20 school year average~~  
4 ~~annual full-time equivalent enrollment is greater than the school~~  
5 ~~district's 2021-22 school year average annual full-time equivalent~~  
6 ~~enrollment and the school district was open for in-person instruction~~  
7 ~~to all students by the beginning of the 2021-22 school year, "prior~~  
8 ~~school year" means the 2019-20 school year)).~~

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

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

18 (5) Beginning with propositions for enrichment levies for  
19 collection in calendar year 2020 and thereafter, a district must  
20 receive approval of an enrichment levy expenditure plan under RCW  
21 28A.505.240 before submission of the proposition to the voters.

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

25 (7) Beginning with taxes levied for collection in 2018,  
26 enrichment levy revenues must be deposited in a separate subfund of  
27 the school district's general fund pursuant to RCW 28A.320.330, and  
28 for the 2018-19 school year are subject to the restrictions of RCW  
29 28A.150.276 and the audit requirements of RCW 43.09.2856.

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

34 **Sec. 2.** RCW 28A.500.015 and 2022 c 108 s 4 are each amended to  
35 read as follows:

36 (1) Beginning in calendar year 2020 and each calendar year  
37 thereafter, the state must provide state local effort assistance  
38 funding to supplement school district enrichment levies as provided  
39 in this section.

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

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

14 (c) Beginning in calendar year 2022, for state-tribal education  
15 compact schools established under chapter 28A.715 RCW, the annual  
16 local effort assistance funding is equal to the actual enrichment  
17 levy per student as calculated by the superintendent of public  
18 instruction for the previous year for the school district in which  
19 the state-tribal education compact school is located, up to a maximum  
20 per-student amount of (~~(one thousand five hundred fifty dollars)~~)  
21 \$1,550 as increased by inflation from the 2019 calendar year,  
22 multiplied by the student enrollment of the state-tribal education  
23 compact school in the prior school year.

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

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

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

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

1 ~~of labor~~) the implicit price deflator for the previous calendar year  
2 using the official current base, compiled by the bureau of economic  
3 analysis, United States department of commerce.

4 (c) "Maximum local effort assistance" means the difference  
5 between the following:

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

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

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

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

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

22 (e) "State local effort assistance threshold" means (~~one~~  
23 ~~thousand five hundred fifty dollars~~) \$1,550 per student, increased  
24 for inflation beginning in calendar year 2020.

25 (f) "Student enrollment" means the average annual full-time  
26 equivalent student enrollment.

27 (5) For districts in a high/nonhigh relationship, the enrollments  
28 of the nonhigh students attending the high school shall only be  
29 counted by the nonhigh school districts for purposes of funding under  
30 this section.

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

36 NEW SECTION. **Sec. 3.** The superintendent of public instruction  
37 shall convene a K-12 funding equity work group to analyze K-12  
38 funding formulas and revenue sources and explore options for  
39 revisions to the funding formula that are responsive to student

1 needs, including economic, demographic, and geographic differences in  
2 student and community populations. The office of the superintendent  
3 of public instruction may contract with institutions of higher  
4 education and public, nonpartisan research entities to support the  
5 work group's analysis.

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

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

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

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

12 (d) Impacts of economic disparities on communities' access to  
13 resources for schools; and

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

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

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

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

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

30 (d) Modifications to state and local tax authority for schools;  
31 and

32 (e) Metrics for monitoring and accountability related to  
33 equitable access to resources.

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

1 community partners who support groups disproportionately impacted by  
2 inequities, the department of revenue, and legislators.

3 (4) This section expires December 1, 2027.

--- **END** ---