



August 21, 2014

## SUMMARY OF INITIATIVE 1351

(Relating to lower class sizes and increasing school staff to provide all students the opportunity for a quality education.)

*This summary has been prepared in response to specific questions about the provisions and effects of Initiative 1351 and is provided for legislative purposes only; it is **not** provided as an expression for or against the ballot measure. Please remember that it is inappropriate to use public resources to support or oppose a ballot measure. Please refer to the Legislative Ethics Manual or contact Senate Counsel for further guidance on when and how comment on ballot measures is appropriate.*

### BRIEF SUMMARY

- Changes the staffing values in the public school funding allocation statute, which specifies minimum allocations for K-12 class sizes and school staff. The new values will lower class size, which increases the number of teachers for which state funds are allocated, and in general increases the other school staff. The changes take full effect September 1, 2018, which is the beginning of the 2018-19 school year.
- Directs the Legislature to increase state funding for public schools in the 2015-2017 biennium to provide no less than 50 percent of the funding necessary to support the reduced class sizes and increased staffing values at full implementation.
- Requires full funding of the reduced class sizes and staffing values in statute by the end of the 2017-2019 biennium.
- The Office of Financial Management (OFM) estimates this initiative will increase state expenditures \$4.7 billion through fiscal year 2019. At full implementation, in school year 2018-19, the estimated annual state expenditure is \$1.9 billion.

### BACKGROUND

Basic Education Program. Article IX, Section 1 of the Washington State Constitution provides, "It is the paramount duty of the state to make ample provision for the education of all children residing within its borders . . ." The Washington Supreme Court has interpreted this to mean that the Legislature must define an instructional program of basic education and amply fund it from a regular and dependable source.<sup>1</sup>

In 2009 the Legislature enacted legislation (Chapter 548, Laws of 2009; Engrossed Substitute House Bill 2261) that expanded the program of basic education in public schools and created a new statutory framework for state funding of the program based on a prototypical schools model. The funding allocation statute specifically provides that the use of a prototypical schools model illustrates the level of resources needed to operate a school of a specified size with particular types and grade levels of students using commonly understood terms and inputs, such as class

size; specified staff positions; and itemized materials, supplies, and operation costs. The Legislature adjusts the actual state funding allocations from the school prototypes based on the actual number of students in each grade level at each school.

In 2010 the Legislature adopted specific prototypical schools funding values for each of the staff and non-staff elements in the statutory framework based on recommendations from a technical working group that converted the former state funding values into the newly created prototypical schools model framework (Chapter 236, Laws of 2010; Substitute House Bill 2776). These funding values determine the minimum state allocations provided to school districts to fund a program of basic education. However, while the statute provides specific staffing funding values at the school and district level, in most cases it does not require school districts to spend the state funding in the manner it was allocated.

Additionally, the 2010 legislation established a timeline for funding enhancements, including the reduction of class sizes for grades kindergarten through third (K-3) to 17 students per teacher to be implemented by the 2017-18 school year.

Legislative action in 2014. Legislation enacted in 2014 enhanced funding values for laboratory science class sizes in grades 9 through 12 (Chapter 217, Laws of 2014; Engrossed Second Substitute Senate Bill 6552). This recent enactment is not reflected in the Initiative.

Class size and school staff funding values. *Class size/teaching staff.* The current class size funding values form the basis for the state funding allocation for classroom teachers. The prototypical schools funding allocation statute provides the average general education class size by grade level. The statute also provides the average class size for specialty classes including career and technical education, classes at skill centers, and laboratory science class sizes in grades 9 through 12. Additionally, the funding statute provides that the state budget must specify an average class size by grade level for high poverty schools during the phase-in of the K-3 class size reduction to 17 students per teacher (Chapter 236, Laws of 2010; Substitute House Bill 2776). The statute defines a high poverty school as having more than 50 percent of its students eligible for the federal free and reduced-priced meals program.

<b>Grade Level</b>	<b>Average Class Size</b>	<b>Average Class Size in High Poverty Schools</b>
Kindergarten and Grade 1	25.23	20.3
Grades 2-3	25.23	24.10
Grade 4	27.00	Same
Grades 5-6	27.00	Same
Grades 7-8	28.53	Same
Grades 9-12	28.74	Same
Middle and High School Career and Technical Education	26.57	Same
Skill Centers	22.76	Same
Laboratory class size grades 9-12	19.98	Same

*Note: The funding allocation statute specifically provides that school districts are not required to maintain a*

particular classroom teacher to student ratio. However, schools can receive the enhanced funding for K-1 class reduction only to the extent that the school actually implements the specified actual average class funded, up to 20.30 students per teacher. If the school is not able to meet the 20.30 class size ratio, the school will receive a funding allocation at a class size of 24.10 students per teacher, which is the actual enhanced funded value provided in the 2013-15 state budget.

Other school staff, in addition to classroom teachers. The minimum allocation provided for each of the prototypical schools (assumed school enrollment shown in parentheses) for all other school staff is as follows:

<b>School-Building Staff, other than teachers (Full-Time Equivalents or FTEs)</b>	<b>Elementary (400 students)</b>	<b>Middle (432 students)</b>	<b>High (600 students)</b>
Principals, building administrators	1.253	1.353	1.880
Teacher librarians	0.663	0.519	0.523
School nurses	0.076	0.060	0.096
School social workers	0.042	0.006	0.015
School psychologists	0.017	0.002	0.007
Guidance counselors	0.493	1.216	2.539
Teaching assistance	0.936	0.700	0.652
Office support, non-instructional aides	2.012	2.325	3.269
Custodians	1.657	1.942	2.965
Student and staff safety	0.079	0.092	0.141
Parent involvement coordinators	0.0825	0.0	0.0

*Note:* The funding allocation statute specifically provides that school districts are not required to maintain a particular staff-to-staff ratio or to use allocated funds to pay for particular types or classifications of staff. Staffing in the above chart represents the actual enhanced funded values provided in the 2013-15 state budget, which for some school staff may be greater than the statutory values.

Districtwide support and central administration. The minimum allocations provided for school district-wide support staff per 1000 FTE students are as follows:

<b>District-wide Support</b>	<b>Staff FTE</b>
Technology	0.628
Facilities, maintenance, grounds	1.813
Warehouse, laborers, mechanics	0.332

Central administration is funded as an additional 5.3 percent of all of the above staffing units to include K-12 teachers, school-level staffing, and districtwide support. This equates to about three and a half additional staffing units per 1000 students.

Special Education. An increase in general education funding formula will result in an increase in special education funding.

## **SUMMARY OF INITIATIVE 1351**

The public school funding allocation statute is changed to require a minimum specified funding to reduce K-12 class sizes and increase school staff with the specified intent for students to receive a

high quality basic education, improve student performance and graduation rates, and to provide an equitable opportunity for all students. The statutory changes take full effect September 1, 2018. The increased funding is phased in over the three prior years, with no less than 50 percent of the funding necessary to support the reduced class sizes and increased staffing allocations provided in the 2015-17 biennium and full funding of the reduced class sizes and increased staffing allocation by end of the 2017-2019 biennium, which would be the beginning of the 2018-19 school year.

Class size and school staff state funding values. *Class size/teaching staff.* The funding values for the average class size in general education and high-poverty schools are reduced, which forms the basis of the state allocation for classroom teachers. Instead of the values determining the state’s funding allocation, schools receive funding for class size only to the extent that the school implements the specified actual average class funded. A school district that demonstrates capital facility needs that prevent them from reducing class sizes to the specified levels may use the funding provided for class size for school-based personnel who provide direct services to students but the district must annually report this expenditure by school, grade level, and the type of personnel funded. The Office of Superintendent of Public Instruction must adopt rules to implement all of the class size provisions. State allocations for average class size in high-poverty schools are specified in the funding allocation statute rather than being specified in the state budget. The definition of a high-poverty school having more than 50 percent of its students eligible for the federal free and reduced-priced meals program in the prior school year is maintained.

<b>Grade Level</b>	<b>Average Class Size<sup>1</sup></b>	<b>Average Class Size in High Poverty Schools<sup>1</sup></b>
Grades K-3	17.0	15.0
Grade 4	25.0	22.0
Grades 5-6	25.0	23.0
Grades 7-8	25.0	23.0
Grades 9-12	25.0	23.0
Middle and High School Career and Technical Education	19.0	Same
Skill Centers	16.0	Same
Laboratory science class size grades 9-12	Not addressed	Not addressed

*Note: High poverty class size reductions are not considered for the calculation of the special education per-pupil non-enhanced basic education allocation or districtwide central administrative staff.*

*Other school staff, in addition to classroom teachers.* The minimum allocation for each level of prototypical school for school staff other than classroom teachers is changed as follows:

<b>Building-Level Staff FTE</b>	<b>Elementary (400 students)</b>	<b>Middle (432 students)</b>	<b>High (600 students)</b>
Principals, building administrators	1.30	1.40	1.90
Teacher librarians	1.0	1.0	1.0
School nurses	0.585	0.888	0.824
School social workers	0.311	0.088	0.127

School psychologists	0.104	0.024	0.049
Guidance counselors	0.50	2.0	3.5
Teaching assistance	2.0	1.0	1.0
Office support, non-instructional aides	3.0	3.5	3.5
Custodians	1.7	2.0	3.0
Student and staff safety	0.0	0.7	1.3
Parent involvement coordinators	1.0	1.0	1.0

The allocations of district-wide support staff per 1000 FTE students are increased as follows:

District-wide Support	Staff FTE
Technology	2.8
Facilities, maintenance, grounds	4.0
Warehouse, laborers, mechanics	1.9

## FISCAL IMPACT

Current law requires OFM to prepare the official fiscal impact statements for initiatives certified by the Secretary of State to appear on the November General Election ballot. The fiscal impact statement can be found at: [www.ofm.wa.gov/ballot](http://www.ofm.wa.gov/ballot)

Phase-in. The Legislature must increase state funding allocations for public schools in the 2015-2017 biennium to provide no less than 50 percent of the funding necessary to support the reduced class sizes and increased staffing values at full implementation. Full funding of the reduced class sizes and statutory staffing values in statute must be provided by the end of the 2017-2019 biennium.

State and Local School District Impact. OFM estimates this initiative will increase state expenditures \$4.7 billion through fiscal year 2019. At full implementation, in school year 2018-19, the estimated annual state expenditure is \$1.9 billion. OFM also estimates local school districts will have additional costs of \$1.3 billion through school year 2018-19 to implement this initiative. Local school district authority to levy local property taxes is estimated to increase by \$1.9 billion through 2019.

OFM's cost estimates for the initiative do not include increased costs for kindergarten through third grade class size reduction to 17 students per teacher and statewide all-day Kindergarten, as required by Chapter 236, Laws of 2010 (SHB 2776), which will be fully implemented by school year 2017-18.

Facility Costs. OFM's fiscal impact statement does not quantify the potential capital facility cost, because they indicate that it is unknown how school districts will implement this initiative or how it will affect their facility choices. No changes are made to the state school construction assistance formulas. Current law allows local school districts to propose a capital levy or bond measure to remodel existing facilities or build new classroom space for voter approval. Some of

these voter-approved levies or bonds may be eligible for state school construction assistance funding.

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For further information please contact:

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*This summary should not be considered legislative history for purposes of interpreting Initiative 1351.*

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<sup>1</sup> *Seattle School District 1 v. State*, 90 Wn.2d 476, 585 P.2d 71 (1978); and *McCleary v. State*, 173 Wn.2d 477, P.3rd 227 (2012).