



POLICY BRIEF

Citizens' Guide to Initiative 1351

To Reduce Class Sizes

Liv Finne
Director, Center for Education

September 2014

Key Findings

1. *Seventy-one percent of new staff hired under I-1351 would not be classroom teachers.*
2. *The WEA union would profit by \$7.4 million a year under I-1351.*
3. *I-1351 would let school districts increase local property taxes by \$1.9 billion through 2019.*
4. *State and local spending under I-1351 would increase by up to \$6.6 billion.*
5. *I-1351 provides no funding. Education money diverted to it would make it harder to pay good teachers more.*
6. *Diverting money to I-1351 would make it harder to fund the McCleary decision.*
7. *I-1351's one-size-fits-all requirement would make it harder for teachers to use new technologies.*
8. *I-1351's narrow focus on class size is unlikely to improve the quality of education in Washington's public schools.*



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Introduction

Initiative 1351 is a ballot measure intended to reduce class sizes in public schools by hiring more teachers, administrators and school district support staff. The initiative is sponsored by the teachers union, the Washington Education Association (WEA), which devoted about \$350,000 in member funds to place the measure on the November 2014 ballot.¹

This Citizens' Guide summarizes the text of Initiative 1351, measures how it would increase public-sector employment, estimates the cost to the state budget and describes the proposal's effect on local school budgets and on local property taxes. This study also describes the state's current plan for reducing class sizes, and presents research showing that improved teacher quality is more effective than reducing class sizes in helping students learn.

Most public school employees hired under Initiative 1351 would be required to join the WEA or other unions, or at least make monthly fee payments to a union. This study includes estimates of how much the WEA would benefit financially if Initiative 1351 is passed.

Provisions of Initiative 1351

Initiative 1351 would direct the legislature to reduce average class sizes by increasing staffing levels in K-12 public schools, with additional class-size reductions and staffing increases in high-poverty schools.² New spending would be phased in over four years.³ The initiative would increase the state's

- 1 "Cash Contributions, I-1351, Class Size Counts," Public Disclosure Commission, accessed September 10, 2014, at www.pdc.wa.gov/MvcQuerySystem/CommitteeData/expenditures?param=Q0xBU1NDIDeWwMQ%3D%3D%3D&year=2014&type=initiative. As of August 2014, the WEA has contributed \$1,070,000 to the Initiative 1351 campaign, "C3 Cash Receipts, Monetary Contributions, Class Size Counts," Public Disclosure Commission, at www.pdc.wa.gov/MvcQuerySystem/CommitteeData/contributions?param=Q0xBU1NDIDeWwMQ%3D%3D%3D&year=2014&type=initiative.
- 2 Text of Initiative Measure No. 1351, certified July 25, 2014, Office of the Secretary of State, at www.sos.wa.gov/elections/initiatives/Initiatives.aspx?y=2014&t=p.
- 3 Text of Initiative 1351, Section 3, requires the Legislature to find funding for the initiative's requirements by the end of the 2017-19 biennium, with half funded in the 2015-17 biennium.

financial obligation by changing the staffing formulas for determining basic education funding given to each school district each year.

The official ballot title for Initiative 1351 says:

“This measure would direct the legislature to allocate funds to reduce class sizes and increase staffing support for students in all K-12 grades, with additional class-size reductions and staffing increases in high-poverty schools.”⁴

The official ballot summary says:

“The measure would direct the legislature to allocate funding for smaller K-12 class sizes, with extra class-size reductions for all grades in defined high-poverty schools and for grades K-3 in all schools; and for increased student support staffing, including counselors, teaching assistants, librarians, and others. Increased funding for these changes would be phased in over four years. Schools lacking enough classrooms to reduce class size could use funding for additional staff providing direct student services.”

Initiative 1351’s new staffing formulas would seek to reduce class sizes to 17 students in Kindergarten through 3rd grade, and to 25 students in 4th grade through 12th grade. In high-poverty schools, Initiative 1351 would seek to set class sizes at no more than 15 students in Kindergarten through 3rd grade, 22 students in 4th grade, and 23 students in 5th grades through 12th grade.⁵

Initiative 1351 would also direct the legislature to significantly increase the number of non-teachers in the schools. In fact, the majority of new staff hired by school districts under Initiative 1351 would not be classroom teachers.⁶

Initiative 1351 would increase local taxing authority and levy equalization payments. The initiative would allow local school districts to seek higher property taxes from local taxpayers. In that case, property owners in districts with high values would be required to supply higher levy equalization payments to schools in districts with lower property values.⁷

4 Text of Initiative Measure 1351, concerns K-12 education, Office of the Secretary of State, Initiatives and Referenda, 2014, at www.sos.wa.gov/elections/initiatives/Initiatives.aspx?y=2014&t=p.

5 Text of Initiative 1351, Section 2(4)(d). See also “Initiative 1351 Fiscal Impact,” Office of Financial Management, August 11, 2014, at www.ofm.wa.gov/ballot/2014/Fiscal_Impact_Statement_I-1351.pdf.

6 Text of Initiative 1351, Section 5 and Section 6(a). See also “Initiative 1351 Fiscal Impact,” Office of Financial Management, August 11, 2014, at www.ofm.wa.gov/ballot/2014/Fiscal_Impact_Statement_I-1351.pdf.

7 “Initiative 1351 Fiscal Impact,” Office of Financial Management, August 11, 2014, at www.ofm.wa.gov/ballot/2014/Fiscal_Impact_Statement_I-1351.pdf.

Fiscal impact of Initiative 1351

Initiative 1351 includes no funding, so its provisions would be funded with existing state and local revenues, if state and local lawmakers choose to redirect money from other programs. Similar initiatives in the past, such as Initiative 728 (class-size reduction) and Initiative 732 (teacher pay), received funding for a time, but later were left unfunded by lawmakers. Initiative 728 was repealed. Initiative 732 remains on the books, but is unfunded.

If funded by the legislature, Initiative 1351 would cost an estimated \$4.7 billion in state funding through 2019. In addition, the Initiative would grant local school districts the authority to increase property taxes by a combined \$1.9 billion through 2019.⁸

Together, state and local spending under Initiative 1351 would increase by as much as \$6.6 billion over four years.

Most new staff would not be classroom teachers

Initiative 1351 would require school districts to create 25,561 new staff positions.⁹ The majority (71 percent) of these would be non-teaching positions, including 17,081 additional support staff and 1,027 additional administrators. The remaining new positions (29 percent) would be filled by 7,453 teachers.

The Initiative would also provide for increased pay and benefits for school district employees, and increased pension payments, adding to the burden of the state's current \$5.6 billion in unfunded pension liability.

Unions will profit from Initiative 1351 spending

As mentioned, Initiative 1351 would require school districts to hire 7,453 more teachers in an effort to reduce class sizes. In Washington state union membership is not voluntary for certain job classifications. In the field of education, public school teachers must join the Washington Education Association (WEA) union as a condition of employment; failure to do so is cause for dismissal.

Each new teacher hired under Initiative 1351 would pay the WEA union about \$1,000 a year. WEA executives spent about \$350,000 to place Initiative 1351 on the ballot. If the measure passes and once 350 new teachers are hired and paying dues, the money the WEA spent to sponsor the initiative would be paid back in the first year. These teachers would pay the WEA another \$350,000 in the second year of the program and again each year thereafter.

A further 7,103 public school employees would be hired under Initiative 1351, adding another \$7.1 million in payments to WEA executives in their

⁸ Ibid.

⁹ Ibid.

first year of employment. Overall, passage of the initiative would add about \$7.4 million a year in new-employee dues, a roughly 21 percent boost in the union's annual collections of about \$33 million.

Most school employees hired under Initiative 1351 would not be teachers, but many job classifications in public education require union membership as a condition of employment. As a result, executives at other unions would receive up to \$18 million a year under the initiative.

Initiative 1351 contains no funding mechanism, so all the money needed for monthly payments to unions, or roughly \$25 million a year, would come from current state and local education programs or other areas of the state General Fund budget.

The current class size-reduction program

Washington policymakers have been pursuing a policy of reducing class sizes for many years, and the student/teacher ratio has declined by 20 percent since 1974.¹⁰ The average class size today is about 24 students in elementary schools and 30 students in high schools.¹¹

In 2009 the Legislature significantly expanded the program of basic education, creating detailed formulas for funding the cost of providing school personnel to staff a typical elementary school of 400 students, a typical middle-school of 432 students and a typical high school of 600 students.¹² Funding for each school district is adjusted depending on how much a district's schools vary from the typical school model.

10 In Washington state, the number teachers for every 1,000 students increased from 43.18 in 1973-74 to 54.38 in 2013-14, "Historical Comparison of Statewide School District Personnel, Table 4: Kindergarten Through Twelfth Grade Staff per 1,000 Enrolled Students, Preliminary School District Personnel Summary Reports," by School Apportionment and Financial Services, Office of Superintendent of Public Instruction at www.k12.wa.us/safs/PUB/PER/1314/ps.asp.

11 "Digest of Education Statistics, 2013, National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, Table 209.30, at nces.ed.gov/programs/digest/d13/tables/dt13_209.30.asp.

12 "Concerning the state's education system," Engrossed Substitute HB 2261, passed April 22nd, 2009 and signed by Governor Gregoire May 19, 2009, at apps.leg.wa.gov/billinfo/summary.aspx?bill=2261&year=2009.

The following chart shows average class sizes funded by the legislature under current law:¹³

Grade Level	Average class size	Average class size, high poverty schools
K-1	25	20
Grades 2-3	25	24
Grade 4	27	27
Grades 5-6	28	28
Grades 7-8	28	28
Grades 9-12	28	28

In 2010, the legislature phased in funding for this expansion over seven years, from 2011 to 2018.¹⁴ In the 2013-15 budget, the legislature has provided \$119 million to reduce class sizes for kindergarten and 1st grade in high-poverty schools.¹⁵

This is the state’s current class-size reduction program. If Initiative 1351 does not pass, the legislature plans to continue providing class-size reduction funding based on this schedule.

Initiative 1351 funding might not be used to reduce class sizes

Initiative 1351 contains a waiver provision that allows schools districts to use funding for purposes other than reducing class sizes.

*“Except as required for class-size reduction funding provided under subsection (4)(f), nothing in the measure requires school districts to maintain a particular classroom teacher-to-student ratio or other staff-to-student ratio.”*¹⁶

Initiative 1351 says school district officials who say they do not have the facilities needed to reduce class sizes at local schools can ask the Superintendent of Public Instruction for a waiver from the class-size reduction requirement.¹⁷ If approved, the waiver would allow school district

13 “Summary of Initiative 1351,” Washington State Senate Committee Services, August 5, 2014, page 2 at www.leg.wa.gov/Senate/Committees/Documents/Initiatives/2014/I-1351.pdf.

14 “Regarding funding distribution formulas for K-12 education,” Substitute HB 2776, passed March 11, 2010 and signed by Governor Gregoire March 29, 2010, at apps.leg.wa.gov/billinfo/summary.aspx?bill=2776&year=2009.

15 “Citizens Guide to K-12 Financing 2014,” Senate Ways and Means Committee, page 7, at www.leg.wa.gov/LIC/Documents/EducationAndInformation/Citizens_Guide_to_K-12_Ed.pdf.

16 Text of Initiative 1351, Section 2(2).

17 Text of Initiative 1351, Section 2(4)(f)(i).

officials to use class-size reduction money to hire more personnel to provide services to students.

It is unknown how many school districts would seek a waiver to divert Initiative 1351 funding to non-class-size-reduction purposes. It is likely many districts would seek waivers, because Initiative 1351 would require large class-size reductions, by seven to eight students in most elementary schools, and it is unlikely districts have the space or the funding to provide enough additional classrooms.

Class-size reduction has not improved student learning

Supporters of Initiative 1351 say that reducing class sizes is essential for improving student learning, closing the achievement gap and reducing the drop-out rate.

Extensive research, however, shows that reducing class sizes is not the most important factor in improving student learning. Researchers at the Center for American Progress, the Brookings Institute and the Hoover Institution at Stanford University have found no improvement in student learning from class-size reductions.¹⁸

Researcher Eric Hanushek of the Hoover Institution reviewed 277 education studies on the effects of reducing class sizes. He found that only 15 percent showed statistically significant benefits for students from reduced class sizes, while 13 percent of studies found student achievement became worse, and 85 percent showed class-size reduction had no effect at all.¹⁹

In the 1990s, California and Florida embarked on large-scale programs to reduce class sizes. The efforts did not succeed in improving student learning. In California, the class-size policy forced district administrators to hire unqualified teachers, causing the quality of classroom instruction to fall.

18 “The False Promise of Class-Size Reduction,” by Matthew M. Chingos, The Center for American Progress, April, 2011, at www.americanprogress.org/issues/education/report/2011/04/14/9526/the-false-promise-of-class-size-reduction/.

“Class Size: What Research Says and What It Means for State Policy,” Matthew M. Chingos and Grover J. “Russ” Whitehurst, Brookings Institution, at www.brookings.edu/research/papers/2011/05/11-class-size-whitehurst-chingos.

“Improving Student Achievement: Is Reducing Class Size the Answer?” by Eric Hanushek, Hoover Institution, Stanford University, June 1998, at hanushek.stanford.edu/publications/improving-student-achievement-reducing-class-size-answer.

19 “Improving Student Achievement: Is Reducing Class Size the Answer?” by Eric Hanushek, Hoover Institution, Stanford University, June 1998, at hanushek.stanford.edu/publications/improving-student-achievement-reducing-class-size-answer.

Overall, the billions of dollars spent in the two states on class-size reduction efforts failed to yield positive results for student learning.²⁰

To give an international example, South Korea has average class sizes of 36, yet these students routinely outperform U.S. students on assessment tests. The best U.S. high school students routinely perform near the bottom of the rankings of the 21 nations participating in the Third International Mathematics and Science Study (TIMSS), although class sizes in other countries are often larger.

Teacher quality, not class size, is the most important factor in student learning

Any benefit that might be gained from reducing class sizes is minimal compared to the demonstrated educational benefit of giving every student access to a high-quality teacher.

Research shows that a good teacher provides about a year and a half of learning to students, while ineffective teachers provide only half a year of learning over the same time period.²¹ The difference between a good and a bad teacher is one whole year of learning for students.²² Further, students assigned to the class of a bad teacher three years in a row may never catch up.²³

Reducing the number of students in a class does not transform a bad teacher into a good one. Initiative 1351, even if implemented as planned, would do little to improve academic performance if students are assigned to the same teachers. A review of class-size studies found that:

“...one set of policies that stand out are those aimed at improving teacher quality. Researchers agree that teacher quality is the single most important in-school determinant of how much students learn.

“Stanford economist Eric Hanushek has estimated that replacing the worst 5 percent to 8 percent of teachers with average teachers would dramatically boost achievement in the United States. Investing less in CSR [Class Size

20 “The False Promise of Class-Size Reduction,” by Matthew M. Chingos, The Center for American Progress, April 2011, at www.americanprogress.org/issues/education/report/2011/04/14/9526/the-false-promise-of-class-size-reduction/.

21 “Why an effective teacher matters,” by Eric Hanushek, Hoover Institution, Stanford University, February 2011, at www.studentsfirst.org/blog/entry/why-an-effective-teacher-matters-a-q-a-with-eric-hanushek/.

22 Ibid.

23 “How the world’s best-performing school systems come out on top,” McKinsey and Company, September 2007, at mckinseysociety.com/downloads/reports/Education/Worlds_School_Systems_Final.pdf.

*Reduction] would free up resources that could be used to recruit and retain highly effective teachers.*²⁴

The lack of effectiveness of reducing class sizes has been recognized in states that adopted a class-size mandate. School districts in California and Florida have sought and obtained waivers from class-size rules.²⁵ In Florida, lawmakers passed legislation in 2011 exempting school districts from class-size caps.²⁶

Passage of Initiative 1351 could actually reduce teacher quality in existing classrooms. Any funding the legislature re-directed from the education budget to hire the new teachers, administrators and support staff called for by the initiative would reduce funding available for increases in the salary, benefits and training of current teachers.

Retaining and rewarding good teachers is the key to maintaining a high-quality instructional staff. Education funding diverted to Initiative 1351's class-size reduction program would make retaining good teachers more difficult.

Effect on *McCleary* decision funding

Initiative 1351 would make it harder for the legislature to comply with the state supreme court's 2012 *McCleary* ruling that it is the legislature's paramount duty to provide adequate funding for the education of all children living in the state. The legislature is already facing problems in providing additional funding for the program of basic education.

The class-size reduction funding called for by Initiative 1351, which would have to be drawn from existing education budgets, would make it harder for the legislature to meet the requirements ordered under *McCleary*.

Effect on local school budgets

Initiative 1351 would impose an unfunded mandate on local school districts, requiring districts administrators to divert money from existing instructional programs. Initiative 1351 provides new authority for districts to increase the local property tax burden to raise money for the class-size reduction mandate. It is unknown how many school districts would exercise

24 "The False Promise of Class-Size Reduction," by Matthew M. Chingos, The Center for American Progress, April 2011, at www.americanprogress.org/issues/education/report/2011/04/14/9526/the-false-promise-of-class-size-reduction/.

25 "Districts continue to seek and receive, class size waivers," *The Cabinet Report*, September 16, 2012 at www.cabinetreport.com/curriculum-instruction/districts-continue-to-seek-and-receive-class-size-waivers.

26 "Republican Lawmakers Undo Class Size Requirements," by Lilly Rockwell, *West Orlando News*, May 8, 2011, at <http://westorlandonews.com/2011/05/08/republican-lawmakers-undo-class-size-requirements/>.

this new taxing authority, but statewide the local tax burden could increase by as much as \$1.9 billion through 2019.

Further, Initiative 1351 may lead district administrators to increase local capital levies for more classroom space and expanded facilities to meet the class-size reduction mandate.

The same mandate may prevent local schools from pursuing innovative modern building designs that accommodate student computer use and online learning. For example, some schools in Arizona have created spaces where large numbers of students learn at computer terminals for part of the day, and later break into small group sessions with teachers for extra help. Computers and online learning have significantly cut operating costs for many schools. Initiative 1351's one-size-fits-all classroom requirements would make it harder for educators to take advantage of new technologies.

Washington does not rank 47th in class sizes

Supporters of Initiative 1351 say the measure is urgently needed because, "Washington ranks forty-seventh out of fifty states in the nation in the number of students per class."²⁷

This claim is incorrect. The "ranks 47th" number comes from a 2012 publication of the National Education Association union and is based on earlier, outdated school data.

The claim does not include Washington's current class-size reduction program or the \$119 million in class-size reductions the legislature has funded in the 2013-15 budget. The "ranks 47th" number is more than three years out of date. The ongoing class-size reduction program means Washington's average class size had declined significantly since then.²⁸

Not funding Initiative 1351 would be called a "cut" in education funding

Passage of Initiative 1351, and the legislature not allocating funding for it, would likely lead to false claims by administrators that school budgets have been "cut," and to tell the public that lawmakers were not doing enough to fund education. This pattern has occurred in the past.

In 2000, Washington voters passed two ballot initiatives sponsored by the WEA, Initiative 728 on class-size reductions and Initiative 732 on raising teacher salaries. Neither initiative included funding for its requirements. At first, lawmakers funded these initiatives using state budget surpluses. Later,

27 Cited in the text of Initiative 1351, Section 1.

28 Washington's ongoing funding for class size reductions since 2012 is reported in "Summary of Initiative 1351," Washington State Senate Committee Services, August 5, 2014, at www.leg.wa.gov/Senate/Committees/Documents/Initiatives/2014/I-1351.pdf.

the legislature shifted funding to other programs in the public education budget, leaving these two initiatives unfunded.

The temporary funding, however, created expectations among school administrators that their budgets were entitled to receive Initiative 728 and Initiative 732 funding every year. When the legislature did not provide the anticipated level of funding for these programs the resulting budget change was called a “cut,” even though other areas of education spending increased.²⁹

Initiative 1351 is like Initiative 728 and Initiative 732 in that it does not include a way to fund its provisions. Based on Washington’s poor experience with the two past initiatives, Initiative 1351 would likely lead school administrators to tell the public their budgets had been “cut,” at a time when lawmakers are increasing education spending.

Conclusion

Initiative 1351 is intended to improve the education of Washington school children by reducing the number of students in each class. The proposal contains no budget or revenue source, however. If passed it might not be funded, and any funding it receives might not be used to reduce class sizes. Research shows that any class-size reductions that do occur would do little to help children, compared to providing every student access to a high-quality teacher.

While the academic benefits of Initiative 1351 are doubtful, the financial windfall to organized interests within public education is concrete. Most public-sector workers in education must join a union as a condition of employment. As a result several unions would profit by as much as an aggregate \$25 million a year under Initiative 1351, with the measure’s main sponsor, the WEA union, receiving some \$7.4 million a year.

The face of public education is changing, as more ways to access learning beyond the traditional classroom setting are becoming available. A number of charter schools are opening in Washington, giving families greater choice in public education. Many school districts offer online courses, allowing children to learn at their own pace. Many Washington families are receiving free tutoring and free transportation to better schools under the federal No Child Left Behind law, and some states are giving low-income families flexible school choice, allowing children to transfer to better-performing schools.

As more education alternatives become available, the measure’s narrow focus on reducing class sizes in traditional classrooms is unlikely to improve the quality of public education in Washington’s public schools.

²⁹ “Seattle School District repeats erroneous claim of \$45.5 million budget cut,” by Liv Finne, Washington Policy Center, July 19, 2011, at www.washingtonpolicy.org/blog/post/seattle-school-district-repeats-erroneous-claim-455-million-budget-cut.

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Communications Director	Lisa Shin

If you have any comments or questions about this study, please contact us at:

Washington Policy Center
PO Box 3643
Seattle, WA 98124-3643

Online: www.washingtonpolicy.org
E-mail: wpc@washingtonpolicy.org
Phone: (206) 937-9691

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About the Author

Liv Finne is director of WPC's Center for Education. Prior to that position she served as an adjunct scholar focusing on education policy issues, authoring in-depth studies including *An Overview of Public School Funding in Washington* and *Early Learning Proposals in Washington State*. She is the author of Washington Policy Center's *Education Reform Plan: Eight Practical Ways to Improve Public Schools*, *Learning Online: An Assessment of Online Public Education Programs*, *Review of Quality Rating and Improvement System (QRIS) Programs for Child Care Services*, and more. Liv holds a law degree from Boston University School of Law and a Bachelor of Arts degree from Wellesley College.