



THE WASHINGTON STATE BOARD OF EDUCATION

Governance | Accountability | Achievement | Oversight | Career & College Readiness

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| Title: | Initiative 1351 | |
| As Related To: | <input type="checkbox"/> Goal One: Effective and accountable P-13 governance. <input type="checkbox"/> Goal Two: Comprehensive statewide K-12 accountability. <input type="checkbox"/> Goal Three: Closing achievement gap. | <input checked="" type="checkbox"/> Goal Four: Strategic oversight of the K-12 system. <input type="checkbox"/> Goal Five: Career and college readiness for all students. <input type="checkbox"/> Other |
| Relevant To Board Roles: | <input type="checkbox"/> Policy Leadership <input type="checkbox"/> System Oversight <input type="checkbox"/> Advocacy | <input checked="" type="checkbox"/> Communication <input type="checkbox"/> Convening and Facilitating |
| Policy Considerations / Key Questions: | <ul style="list-style-type: none"> • Does I-1351 require districts to implement specific class sizes? • What is the SBE's role in ensuring compliance with new requirements? • How will OSPI's rules address implementation challenges such as demonstrating capital facility needs and actual average class size? | |
| Possible Board Action: | <input checked="" type="checkbox"/> Review <input type="checkbox"/> Adopt <input type="checkbox"/> Approve <input type="checkbox"/> Other | |
| Materials Included in Packet: | <input checked="" type="checkbox"/> Memo <input type="checkbox"/> Graphs / Graphics <input type="checkbox"/> Third-Party Materials <input type="checkbox"/> PowerPoint | |
| Synopsis: | <p>This section provides a brief summary of Initiative 1351, which reduces class sizes, and increases other staffing. The memo also explores implementation issues and questions raised by the passage of I-1351.</p> <p>Members will review and discuss the implementation issues.</p> | |



INITIATIVE 1351 IMPLEMENTATION – CONSIDERATIONS AND NEXT STEPS

Introduction

Initiative 1351 passed with 50.96% of the vote in November 2014 and went into effect on December 4, 2014. I-1351 amended RCW 28A.150.260, concerning basic education funding allocations and will be implemented beginning with the 2015-2016 school year. The passage of I-1351 raises a number of implementation questions for the Legislature, OSPI, and the State Board of Education, such as whether I-1351 requires districts to implement specific class sizes, who is responsible for ensuring compliance if that is the case, and how funding will be prioritized and distributed.

Initiative Summary

Initiative 1351 reduces class sizes, increases support staff, and creates a phase-in schedule for class size reduction over the next two biennia. The class size and staffing recommendations are in accordance with most of the Quality Education Council (QEC) 2010 recommendations.

Class Size and Staffing

I-1351 further reduces class sizes from those defined in SHB 2776 in 2010 for full implementation by 2018. It also adds high-poverty class sizes for grades 4-12 to the statute, whereas those were previously set in the appropriations act.

| Grade Level | Current State-Funded Class Sizes | 2018 Full Implementation SHB 2776 | I-1351 |
|---------------------|---|-----------------------------------|--------|
| K-3 | 25.23 | 17 | 17 |
| High Poverty K-3 | K-1: 20.85 (2013-2014) K-1: 24.10-20.30 (2014-2015) 2-3: 24.10 | 17 | 15 |
| 4-6 | 27 | 27 | 25 |
| High Poverty 4 | 27 | <i>Appropriations Act</i> | 22 |
| High Poverty 5-6 | 27 | <i>Appropriations Act</i> | 23 |
| 7-8 | 28.53 | 28.53 | 25 |
| High Poverty 7-8 | 28.53 | <i>Appropriations Act</i> | 23 |
| 9-12 | 28.74 | 28.74 | 25 |
| High Poverty 9-12 | 28.74 | <i>Appropriations Act</i> | 23 |
| CTE | 26.57 | 26.57 | 19 |
| Skill Center | 22.76 | 22.76 | 16 |

All other staff are also increased for each prototypical school level. Support staff such as counselors, classified teaching assistants, health and social service staff, and parent involvement coordinators, in particular, receive large increases.

Funding and Implementation

Language in Section 1 of the initiative asserts that the “annual improvements” in funding for the class size and other enhancements in the initiative constitute basic education funding and may be considered progress towards the state’s *McCleary* obligation. I-1351 also sets forth an implementation schedule for the enhancements. In the 2015-2017 biennium, at least 50 percent of the funding enhancements for full implementation must be made, with the remaining 50 percent provided by the end of the 2017-2019 biennium. Priority in the first biennium for funding enhancements is to be given to the highest-poverty school districts and schools.

The initiative also adds language to the statute requiring that money allocated for the purpose of class size reduction be used for this purpose, unless the district can demonstrate capital facility restrictions. If the district cannot implement the reduced class sizes, the funds must be spent on personnel that provide direct service to students. The Office of the Superintendent of Public Instruction is tasked with writing rules to implement this new funding formula.

Fiscal Impact Statement

The fiscal impact statement on I-1351 prepared by the Office of Financial Management states that state expenditures will increase by \$4.7 billion through 2019. This includes not only the costs for staff increases, but increases to special education allocations, and levy equalization payments, all of which are calculated as a function of allocations determined under the prototypical funding model.

The initiative does not impact state revenues.

The initiative also increases local costs on staff in addition to state costs. Districts often provide additional salary to teachers on top of the state provided salary. Additional teachers and staff hired to reduce class sizes will also receive these local enhancements, increasing local costs. These local increases will vary depending on each district’s current staffing and structure and whether local funds are used for personnel costs.

| School Year 2018–19 | | | |
|--|--------------------------------------|--|----------------------------------|
| Class Size/Position | New State-Funded Staff Positions | New State Expenditures | New School District Expenditures |
| | Staff full-time equivalent employees | Dollars in millions (rounded to 10 millions) | |
| Additional teachers to meet class-size changes | 7,453 | \$510 | \$590 |
| Additional school-based staff | 17,081 | \$810 | \$980 |
| Additional district/central staff | 1,027 | \$370 | \$450 |
| Special education funds~ | | \$140 | \$170 |
| Reduction in small school factor | -237 | \$(20) | \$(20) |

[^]Changes refer to I-1351 compared to continuing school year 2014–15 apportioned formula, with the exception of K-3 class size of 17 and statewide full-day kindergarten, which are scheduled to be implemented by school year 2017–18, pursuant to Chapter 236, Laws of 2010. As of Sept. 1, 2013, these class sizes were authorized under RCW 28A.150.220, though they were not funded as of Sept. 1, 2013.

~Special education is distributed as a percentage of the general student rate. The state formula does not allocate staffing positions for special education.

NOTE: Once current law (Chapter 236, Laws of 2010) is implemented, the state will fund 7,396 additional teachers and 909 other staff to meet class sizes of 17 for K-3.

Implementation Questions

The passage of I-1351 changes the basic education statute in potentially significant ways and raises a number of implementation questions.

Does I-1351 require districts to implement specific average class sizes?

Language added to RCW 28A.150.260 (2) indicates that funds allocated for class size reduction must be spent on reducing class sizes: "The distribution formula under this section shall be for allocation purposes only. Except as required for class size reduction funding provided under subsection (4)(f) of this section...nothing in this section requires school districts to use basic education instructional funds to implement a particular instructional approach or services." This language seems to indicate that the class sizes detailed later in the section must be implemented in districts.

However, underlying language in the same subsection states that "Nothing in this section requires school districts to maintain a particular classroom teacher-to-student ratio..." This language has been interpreted in the past to mean that the class sizes provided in the allocation formula were not required to be implemented. Since this language still exists in the law, there may be conflict with the addition above. However, the intention seems to be to require particular class sizes in districts.

This seems further supported by the language added to RCW 28A.150.260 (4)(f)(ii): "Districts that demonstrate capital facility needs that **prevent them from reducing actual class sizes to funded levels** [emphasis added], may use funding in this subsection (4) for school based-personnel who provide direct services to students." Again, the new language seems to indicate that the class sizes are required and that districts are restricted in what the funding may be used for if they are not able to reduce class sizes.

It is important to note, as well, that the class sizes in RCW 28A.150.260 (4)(a) are expressed as "general education average class size of full-time equivalent students per teacher," so the class sizes required are average across the district.

Requiring average class sizes in districts, rather than using them for allocation purposes only, is a marked shift in the basic education statute.

If I-1351 requires specific class sizes, is the SBE required to ensure compliance?

RCW 28A.150.220 (7) requires the SBE to "adopt rules to implement and ensure compliance with the program requirements imposed by this section, RCW 28A.150.250 and 28A.150.260." If it is determined that Initiative 1351 amended RCW 28A.150.260 to require reduced class sizes, then the SBE would need to determine if additional rules or procedures are needed to ensure compliance with the new class size requirements.

OSPI is tasked by language in I-1351 with writing rules to implement the new class size and staffing ratios (RCW 28A.140.260 (4)(f)(iii)).

How do districts demonstrate capital facility needs and to whom?

If a district demonstrates capital facility needs that prevent it from implementing the new class sizes, it may use the funds allocated for additional staff. OSPI is required to write rules to implement this section and determine how districts would demonstrate need. However, if the SBE is also involved with compliance with RCW 28A.150.260, there may also be the need to demonstrate facility needs to the SBE.

How will district actual average class size be calculated and reported?

RCW 28A.150.260 (4)(f)(i) stipulates that “funding for average class sizes in this subsection (4) shall be provided only to the extent of, and proportionate to, the school district’s demonstrated actual average class size, up to the funded class sizes.” Districts do not currently calculate and report an actual average class size to OSPI. I-1351 also tasks OSPI with writing rules to this subsection.

Who are “school-based personnel who provide direct services to students”?

RCW 28A.150.260 (4)(f)(ii) allows districts to use funds for class size reduction to hire additional “school-based personnel who provide direct services to students” if the district does not have the capital facilities needed to reduce class sizes. It is not clear which personnel and staff categories would fall under this definition. It is also unclear whether this language conflicts with language in RCW 28A.150.260 (2) that states “Nothing in this section requires school districts to...use allocated funds to pay for particular types or classifications of staff.”

Next Steps

The impacts on school districts begin in the 2015-16 school year, when districts will presumably need to demonstrate compliance with new class size requirements, or alternatively, demonstrate facilities shortages. The particulars of these impacts will depend on the details of the rules that OSPI writes to resolve these procedures and the manner in which the Legislature chooses to implement the statute. I-1351 requires that priority for funding in the first two years be given to high-poverty schools, but does not specify whether particular grade levels should also be prioritized.

There are number of detailed implementation questions raised by the changes to basic education law in Initiative 1351. The SBE and staff will work with OSPI and counsel to determine the Board’s potential role in compliance and implementation.

If you have questions regarding this memo, please contact Julia Suliman at Julia.suliman@k12.wa.us.