



**BRIEFLY**

Per pupil spending in Washington is about average for the nation, but class sizes are among the largest. The discrepancy can be explained by looking at the state's relatively high compensation of school employees.

# Class Size and Public School Spending

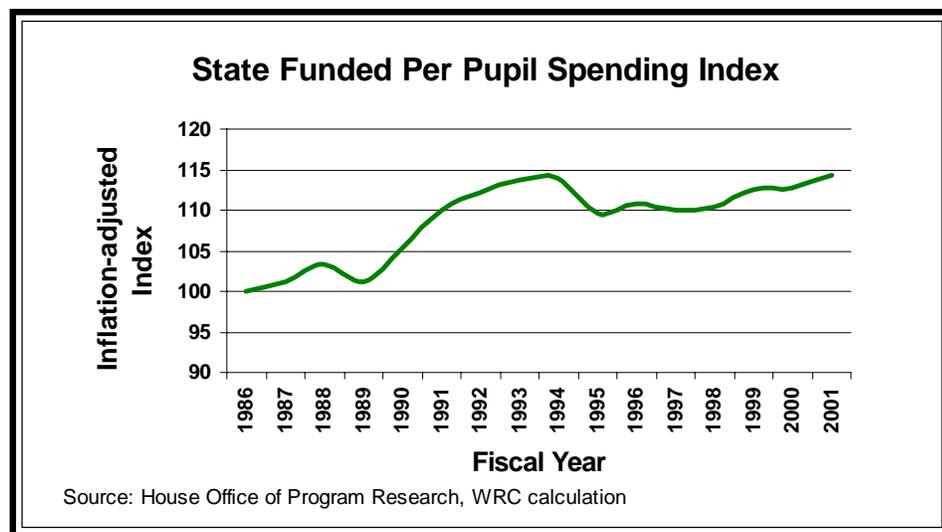
Governor Gary Locke made reducing class size the centerpiece of his supplemental budget proposal. While that budget and its curious Learning Improvement Tax Credit have moved to the sidelines (see e-PB 99:11 December 22, 1999, *Spending Up in Governor's 1999-2001 Supplemental Budget — Is I-601 Down?*), proposals to reduce class size remain alive.

A group of public school activists calling themselves K-12 2000 has filed an initiative to dedicate funds from the state lottery and a share of the property tax to pay for a number of education programs, especially class size reductions. An extended debate on the merits of the proposal will likely extend through the spring and summer.

By focusing attention on class size, K-12 boosters leave the impression that Washington has failed to fund adequately its public schools. Adequacy, of course, is entirely a subjective consideration. We can, however, review three objective measures: per pupil spending, class sizes, and teacher compensation.

First, Washington ranks 25<sup>th</sup> among the states in per pupil spending according to the National Center for Education Statistics, spending about \$5,734 per pupil in 1996-97. That's slightly below the US average of \$5,925. More recent data suggest that the actual per student spending in the state has reached about \$6,300, but the national comparisons are unavailable.

Even taking the lower and earlier number, that's quite a jump from fifteen years ago. In inflation-adjusted dollars (all state sources – excluding local levies) spending in Washington rose 14% between 1986 and 1994. Since then, it has remained fairly constant, dipping in 1995 and rising subsequently. (See chart.)



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Second, teacher salaries in Washington have recently been close to the national average. Moreover, the increases granted in the last legislative session should raise the state's relative ranking for 1999-2000.

Education is labor-intensive. About 80 percent of the money spent on K-12 education goes to compensate school employees, primarily teachers.

Because of methodological differences, there is some variation in the reported rankings among the states. Consider:

□ The average salary of Washington teachers for 1997-98 according to a survey conducted by the American Federation of Teachers (AFT) was \$38,755, the 18<sup>th</sup> highest average among the fifty states. Washington teachers, according to the AFT, earned about 98.5% of the US average.

□ The National Education Association survey for 1998-99 showed Washington teachers earning an average of \$38,692 and ranking 21<sup>st</sup> among the fifty states.

The best assessment available, however, is that by the Joint Legislative Audit and Review Committee (JLARC), reported in September 1999. According to JLARC, in Washington "total compensation costs are about 16 percent above average" for the nation. JLARC reminds us that the data reported by the NEA reflect only base salaries, exclusive of supplemental contracts and benefits. JLARC used the more comprehensive National Center for Education Statistics (NCES) data. (See also PB 99:19 *Generous Pay Raises for Teachers.*)

Third, the student-teacher ratio here of 20.2 is third highest in the nation, behind Utah and California. The US average is 17.1.

Clearly, class size in Washington represents an allocation decision. JLARC concludes that Washington's "per pupil expenditures are low *relative to staff compensation*, which results in a higher than average student-teacher ratio. (Emphasis added.)

To illustrate, JLARC reports that Washington spends 98.6% of the national average per pupil, while total compensation per staff stands at 115.6% of the national average. That goes a long way toward explaining a student-teacher ratio that is 118.2% of the US average.

**Conclusion.** The data tell a simple story. Per pupil expenditures in Washington are about average. Overall compensation levels are above the national average. Given that dynamic, class sizes inevitably will be above the national average as well. Public school spending per pupil would have to be considerably higher in order to both hire many more teachers and pay them unusually well.

As it is, Washington's relatively large classes (high pupil-teacher ratios) represents a decision by policy makers, both legislators and school board members, to pay higher salaries to proportionately fewer teachers than is the case in many other states.

