



# POLICY BRIEF

## **Accountability and Learning: Assessing the Seattle Families and Education Levy**

*Mayor McGinn seeks to double spending on a program that is  
not helping children as promised*

by Paul Guppy  
Vice President for Research

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### Key Findings

1. Education research shows spending more money will not improve learning for Seattle school children.
2. The current Families and Education Levy has failed to close the achievement gap.
3. The levy has failed to help more Seattle students finish school.
4. Seattle schools are well funded. Each year the public provides Seattle school officials with a generous operating budget of \$567 million.
5. Foreclosures are up, and about one-third of mortgage holders owe more than their homes are worth. Even so, in 2011 the property tax bill on a typical Seattle home increased by \$324, or about eight percent, to \$4,379.
6. Failure of the levy could lead to real reform and improved learning outcomes for children.

### Summary

Seattle school administrators are seeking approval of a fourth education levy in two years. Yet, education research shows spending more money will not improve learning for Seattle school children. If the Families and Education Levy is approved, school administrators will likely perceive it as a signal that no fundamental change is needed, and students in Seattle public schools will continue to experience poor educational results and a high drop-out rate. Academic measures based on state standards show that increased spending has not led to improved learning for public school students in Seattle.

Failure of the levy, however, may prompt creative thinking inside the education establishment about how the current half-billion dollar budget is spent, and that could lead to real reform and improved learning outcomes for children.

### Introduction

When the first Families and Education Levy passed in 1990 supporters told the public it would help close the achievement gap and help more students finish school. The special levy was in addition to regular property taxes and has been renewed and expanded twice since then. The special levy is up for renewal again, at about twice the cost of the previous funding level. In the twenty years the levy has been in place, the people of Seattle have paid an additional \$254 million in property taxes, while the levy has not produced the benefits supporters predicted: close the achievement gap between white and minority students, and ensure that more students stay in school.

Information from the Seattle Office of Education indicates the Families and Education Levy has failed to close the achievement gap, reporting in 2010 that “those gaps are as large as 50 percentage points.” The levy has also failed to help more Seattle students finish school. Today the public school drop-out rate remains steady at 32 percent, meaning only 68 percent of students finish school (for private schools the graduation rate is over 90 percent).

### History of the Families and Education Levy

In 1990 voters approved the first Families and Education Levy, increasing property taxes by \$69 million over seven years. Passage of the measure marked

the first time a City of Seattle special tax was imposed to pay for public education. These funds were in addition to state Basic Education funding, federal grants, and the local operating levies and capital construction levies that fund the Seattle School District.

In 1997 the levy was renewed for a further \$69 million over seven years. In 2004 supporters sought a tax increase of 68 percent, raising the levy to \$116 million over seven years. In February 2011 Mayor McGinn requested a further tax increase, seeking to raise the levy to \$231 million over seven years. The level sought by Mayor McGinn represents a 99 percent increase in the tax compared to 2004, and a 340 percent increase over the 1997 level.

When the levy was first proposed, and with each requested renewal, supporters made commitments about how it would benefit children, improve student learning and lower drop-out rates. The following section presents public statements supporters made each time the Families and Education special levy appeared on the ballot.

### **1990 levy (\$69 million):<sup>1</sup>**

- “A small investment today will bring enormous returns for the future.”
- “Join us in voting for our children. Vote for Seattle’s future.”
- Supporters told the public the levy was intended “to help all Seattle’s children become school ready, succeed academically, and graduate from high school.”
- Supporters told the public the levy was intended to put a “sharper focus on preparing children to be ready for school, improving academic achievement and reducing disproportionality, and helping students complete school.”

### **1997 levy (\$69 million):<sup>2</sup>**

- “A yes vote will not increase your taxes.” [Note: the measure proposed continuing a tax that was due to expire.]
- The levy will “improve grades and test scores, and increase the percent [sic] of students graduating on time.”
- The levy “gives very child a better chance to succeed .... Children who participate in [levy funded] activities have higher self esteem and do better in school.”
- The levy will “increase family involvement in schools and in student learning.”

### **2004 levy (\$116 million):<sup>3</sup>**

- “We are continuing the existing Families and Education levy – this is not a new tax.” [Note: the proposal represented a 69 percent increase over the previous levy.]
- A “yes” vote on the Families and Education levy will, “give every child and every family a chance for success in our schools.”
- “Give all children a chance for success in school!”

<sup>1</sup> City of Seattle, Families and Education Levy, \$69 million, Voters’ Pamphlet, Statement For, 1990, and Office for Education, City of Seattle.

<sup>2</sup> City of Seattle Proposition No. 1 (Families and Education), \$69 million, Voters’ Pamphlet, Statement For, 1997, page 40.

<sup>3</sup> City of Seattle Proposition No. 1, Families and Education Levy – \$116 million, Voters’ Pamphlet, Statement For, 2004, page 58.

- High-risk youth will “get out of trouble and get on a path for positive development and academic success.”
- The levy will “close the Achievement Gap and help all children succeed.”
- “To ensure accountability, we will measure results to make sure we are making progress on our goals for children.”
- “Levy programs will be held accountable for showing measurable improvements in academic achievement, attendance, student health and discipline.”

## Levy Accountability

When the first Families and Education Levy was proposed, and with each requested renewal, supporters assured the public that levy funds would be spent effectively to improve learning for public school students. In 2004 particularly, when spending was increased by 69 percent, the public was assured the levy contained strict accountability measures.

“The Levy is a carefully-targeted, cost-effective measure that will get our children started on the right track early ....” (1990)

“The Oversight Committee ... shall continue in operation to review the expenditure of Proceeds; to advise upon expenditures and allocations ... and make recommendations on the implementation of particular programs and on any reallocations.” (1997)

“Increased Accountability: Levy programs will be held accountable for showing measurable improvements in academic achievement, attendance, student health and discipline.” (2004)

## Levy Failures

Extensive review by state and local authorities shows that by several measures the \$254 million spent by the three previous levies did little to close the achievement gap, raise student learning to state academic standards, or increase the proportion of students who finish school. Seattle’s Office for Education annual report on the Families and Education Levy for 2008-09 (the latest available) identifies some of the failures of past levy programs.<sup>4</sup>

- “In 3rd grade, many students of color and those who qualify for free and reduced lunch are achieving reading proficiency at rates significantly below their peers.”
- “In math, similar patterns of the achievement gap are evident in 4th grade, and continue to grow as students get older.”
- “Level 1 math students are often two or more years behind grade level and lack basic math skills.”
- “There continues to be a gap in the rates of achievement for different student groups participating in Levy-funded programs.”

<sup>4</sup> “Annual Report for the 2008-09 School Year,” Families and Education Levy, Office for Education, City of Seattle, January 2010, at [http://www.cityofseattle.net/neighborhoods/education/documents/annual\\_report\\_200809SY.pdf](http://www.cityofseattle.net/neighborhoods/education/documents/annual_report_200809SY.pdf).

- “Middle school students in Levy-funded programs are not meeting standard at the same rates, with large gaps remaining for Latino, Native American, African American, limited English proficient and free/reduced lunch students.”
- Test results “demonstrate wide and persistent achievement gaps for many students of color and those who qualify for free and reduced lunch, those gaps are as large as 50 percentage points.”

## Higher Spending Has Not Improved Student Learning

State data shows that while spending on public education in Seattle has increased dramatically, student test scores have remained largely flat. The results for the Student Progress and High School Proficiency Exam for 2010 show that in Seattle:

- 31 percent of 4th graders failed in Reading
- 38 percent of 4th graders failed in Math
- 27 percent of 8th graders failed in Reading
- 40 percent of 8th graders failed in Math
- 25 percent of 10th graders failed in Reading
- 55 percent of 10 graders failed in Math

The Washington State Report Card released by the Superintendent of Public Instruction shows slight learning gains in math and a decline in reading by Seattle public school students between 2004, when the third Families and Education Levy passed, and 2010. For example, in 2004, 59 percent of 4th graders were proficient in math. By 2010 that figure had only increased to 62 percent. In 2004, 72 percent of Seattle 4th graders were proficient in reading. By 2010 that figure had fallen to 69 percent.<sup>5</sup>

Academic assessments for the higher grades, nine through 12, become progressively less accurate because they only measure learning by students who have remained in school. As noted, nearly one-third of Seattle public school students drop out, so their level of learning is not included in high school test results.

Academic measures based on state standards show that increased spending has not led to improved learning for public school students in Seattle.

## Accountability Index

In April 2010 the State Board of Education released the Public School Accountability Index to measure whether school officials are fulfilling their paramount duty to provide a quality education for every child residing in the state.

The Board of Education based the Accountability Index on student test scores in reading, writing, math and science, plus each school’s graduation rate. Using these measures, schools were placed in one of five categories: Exemplary, Very Good, Good, Fair or Struggling.

<sup>5</sup> “Washington State Report Card, Office of the Superintendent of Public Instruction, at <http://reportcard.ospi.k12.wa.us/summary.aspx?year=2009-10>.

Of the 91 Seattle public schools on the Index, half, 46, ranked near the bottom, with ratings of only Fair or Struggling. Only three Seattle schools, Loyal Heights, Montlake and Olympic Hills, received Exemplary ratings.<sup>6</sup>

### **Seattle Schools Are Well Funded**

The poor academic standing of most public schools in Seattle is not due to lack of support from taxpayers. Each year the public provides Seattle schools officials with a generous operating budget of \$567 million, plus additional money for school construction.

Funding for Washington public education is at record highs in Seattle, more than \$13,000 per student, not counting the construction budget. Since 1980 education spending, adjusted for inflation, has more than doubled, while the number of students, due to smaller families and the rise in families with no children, has increased by only a third. There are fewer students today in relation to the total population than in the past, and spending per student is at one of the highest levels ever.

### **Lack of Classroom Resources**

Although taxpayers strongly support public education and provide generous funding, only 59 cents of every education dollar reaches the classroom and, as noted, nearly one-third of students drop out before completing their education. The governor's Washington Learns commission concluded, "Public education officials are producing a generation of students less educated than their parents."<sup>7</sup>

Governor Gregoire says she found that more spending does not improve learning for students: "I put a lot more money into K-12. But then you sit there and say, 'Why have I not been able to get the result I set out to achieve?'"

The following information from the Seattle School District and the Office of Superintendent of Public Instruction gives an overview of Seattle public schools.

- Seattle currently has about 43,000 students attending 97 public schools. Between 25 percent and 30 percent of Seattle children attend private schools
- Seattle Schools has nearly 5,000 full-time employees, or about one employee for every nine students
- Only 42 percent of public school employees are classroom teachers
- Seattle teachers work hard and are well compensated. Average teacher salary with benefits is \$92,100 for a ten-month year

<sup>6</sup> "Public School Accountability Index," Washington Policy Center, February 2011, at [www.washingtonpolicy.org/research/education/public-school-accountability-index](http://www.washingtonpolicy.org/research/education/public-school-accountability-index), and "The 2010 Achievement Index," Washington State Board of Education, at [www.sbe.wa.gov/research.html?tab=4&panel=3#TabbedPanels1](http://www.sbe.wa.gov/research.html?tab=4&panel=3#TabbedPanels1).

<sup>7</sup> "Washington Learns, World Class, Learner-Focused, Seamless Education," Governor Christine Gregoire, Chair, Final Report, November 2006, page 13.

- Average administrator pay with benefits is \$132,550
- Seattle provides 167 classroom instruction days for K-12 students, less than the state standard of 180 days
- Local union executives receive about \$4 million a year in education funding annually in the form of member dues
- The Seattle School Board is spending \$567 million in 2010 – 2011, or about \$13,000 per student
- The School Board is spending an additional \$266 million on school buildings
- The School Board does not allow parental choice in school assignments

Union membership is a mandatory condition of employment. The failure of a teacher to join the union and pay monthly dues is cause for dismissal. Negotiated union rules control work hours, teacher assignments, salaries and benefits, and hiring and firing policy.

Union rules strictly limit the available pool of public school teachers, rejecting, with few narrow exceptions, any applicant who cannot produce a special state-approved certificate. For example, with few exceptions, a community college professor cannot teach in a public high school. A provision of state law, however, allows private schools to hire any qualified individual as a teacher.<sup>8</sup>

### **Union Requires that Youngest Teachers Are Laid off First**

Teacher union executives insist that during layoffs schools have to fire the youngest teachers first. Collective bargaining agreements expressly prohibit a teacher’s classroom performance from being considered. For example, the Seattle collective bargaining agreement says:

“The performance ratings (evaluation) of employees shall not be a factor in determining the order of layoff under this Section.”

As a result younger teachers are driven from the profession in order to protect the jobs of more senior union members. This policy drives away new talent, and denies school children access to the best teachers available.

Central administration and union rules tightly regulate how money can be spent in Seattle schools, and about \$4 million in education funding is transferred to unions each year in the form of monthly dues.

Policy changes that would improve learning for children without increasing spending are described in Washington Policy Center’s education reform plan “Eight Practical Ways to Reverse the Decline in Public Schools.”

### **Seattle’s Growing Tax Burden**

Despite experiencing the worst recession since the 1930s, the property tax burden in Seattle has risen sharply in recent years. Many homeowners are struggling, foreclosures are up, and about one-third of mortgage holders owe

<sup>8</sup> Revised Code of Washington 28A.195.010.

more than their homes are worth. Even so, this year the property tax bill on a typical Seattle home increased by \$324, or about eight percent, to \$4,379.<sup>9</sup>

The populations hardest hit by property tax increases are the elderly and the unemployed, since the cost of staying in their home rises even though their ability to pay has not increased.

General revenues collected by the city increased from \$598 million in 2001 to an estimated \$907 million in 2011, an increase of nearly 52 percent in ten years, double the rate of inflation.<sup>10</sup> Over the same period Seattle has added nearly \$1 billion in special levies and bond measures, for housing, fire stations, street repair, parks and other basic services. A list of current levies and bond measures is below.

### King County Bonds and Special Levies

<u>Bond or Levy</u>	<u>Total Cost</u>	<u>Payable for</u>	<u>Passed</u>	<u>Expires</u>
Harborview Refit	\$193 million	20 years	2000	2020
County Parks	.10/\$1,000 *	4 – 6 years	2007	2013
Fingerprint System	.05/\$1,000 *	6 years	2006	2012
Health/Human Svcs. (Vets)	.05/\$1,000	6 years	2005	2011

\* Levy rate is five cents or ten cents per \$1,000 of assessed value.

### Seattle Bonds and Special Levies

<u>Bond or Levy</u>	<u>Total Cost</u>	<u>Payable for</u>	<u>Passed</u>	<u>Expires</u>
Library Construction	\$196 million	30 years	1998	2028
Low-income Housing	\$145 million	7 years	2010	2016
Fire Facilities	\$167 million	9 years	2004	2012
Families and Education	\$116 million	7 years	2005	2011
Bridging the Gap	\$365 million	9 years	2007	2015
Pike Place Market	\$73 million	6 years	2009	2014
Parks for All	\$145.5 million	6 years	2009	2014
School Operations	\$443 million	3 years	2010	2013
School Maintenance	\$270 million	6 years	2010	2016
School Supplemental	\$48 million	3 years	2010	2013

The people of Seattle are generous in funding schools and other services, and Seattle officials have learned voters will generally approve any tax proposal presented to them. Perhaps for that reason city and school officials have avoided using general funds to pay for core services, instead relying on short-term revenue from special levies.

For example, school administrators in Seattle have cancelled all high school counselors, and cut back on the summer school program, in the expectation special levy dollars would be used to fill the gap. For budget purposes, administrators treat temporary levies as if they were permanent.

<sup>9</sup> “King County property tax going up as home prices fall,” by Keith Ervin, *The Seattle Times*, February 10, 2011, [www.seattletimes.nwsource.com/html/localnews/2014188778\\_propertytax11m.html?prmid=related\\_stories\\_section](http://www.seattletimes.nwsource.com/html/localnews/2014188778_propertytax11m.html?prmid=related_stories_section).

<sup>10</sup> “General Government Fiscal Update, 2010 – 2012,” Budget Committee presentation, City of Seattle, April 19, 2011, page 18, at [www.clerk.ci.seattle.wa.us/~public/meetingrecords/budget20100419\\_4.pdf](http://www.clerk.ci.seattle.wa.us/~public/meetingrecords/budget20100419_4.pdf).

## Conclusion

The research is clear that increased education spending has not improved learning for Seattle's public school children. After trying one approach for decades, poor academic results raise questions about a deep-seated belief within the education establishment: that adding more money to the system eventually trickles down to help students in the classroom.

In spite of past assurances to voters, the Families and Education Levy has not led to the kind of academic improvement that supporters promised.

After 20 years of relying on the flawed assumption that more spending leads to improved student learning, some fresh ideas are needed. Such reforms include easing centralized control and directing more support to classroom teachers, reducing the power of unions in the system, allowing merit pay and bonuses so the best teachers are retained, changing layoff rules so the youngest teachers are not fired first.

The research indicates spending more money will not improve learning for Seattle school children. If the Families and Education Levy is approved, central administrators will likely perceive it as a signal that no fundamental change is needed, and students in Seattle public schools will continue to experience poor educational results.

Failure of the levy, however, may prompt creative thinking inside the education establishment about how the current half-billion dollar budget is spent, and that could lead to real reform and improved learning outcomes for children.

## About the Author

**Paul Guppy** is Vice President for Research at Washington Policy Center. He came to WPC in 1998 after 12 years on the staff of the U.S. Congress, including service as Legislative Director, Chief of Staff and with the House Appropriations Committee, with a focus on budget policy and federal spending. He is the author of numerous published studies and articles, including the *Washington State Piglet Book*, and is editor of the *Policy Guide for Washington State*. He specializes in state and local tax systems, health care reform and free market economics. He is a member of the King County Citizens Election Oversight Committee, the State Commission on Tax Preferences, and the Attorney General's Eminent Domain Task Force. In addition, Paul writes WPC's monthly column in Spokane's *Spokesman Review* newspaper. Paul is a graduate of Seattle University and holds graduate degrees in political science from Claremont Graduate University and the London School of Economics.



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