



arizona business & education coalition

## **ABEC ISSUE BRIEF:**

### **THE “65%” INITIATIVE – “FIRST CLASS EDUCATION”**

#### **REQUESTED ABEC ACTION:**

The initiative language has been filed. The ABEC Board is requested to formalize its previously-expressed opposition to the initiative.

#### **INITIATIVE DESCRIPTION AS FILED (from the Secretary of State’s website):**

Randall Pullen, Chairman/Applicant

In an effort to achieve better educational results and ensure the best use of education taxpayer funding, First Class Education for Arizona requires public school districts in Arizona to spend at least 65% of their annual operating budget on classroom instruction. A public school district that does not spend at least 65% of its budget on classroom instruction expenditures in fiscal year 2006-2007 shall increase the percentage of its budget that it spends on classroom instruction by at least 2% each subsequent year until the public school district spends at least 65% of its budget on classroom instruction expenditures.

#### **CURRENT STATUS:**

The initiative was originally filed on October 19 but, due to a typo, was filed again on November 7<sup>th</sup>. Signature gathering is now underway according to the sponsors. The initiative amends Title 15, Chapter 9, Article 1 of the A.R.S. by adding section 15.903.1 entitled “Budget; classroom instruction expenditures; waiver; definition”. As a change to Arizona statute it must have 122,612 valid signatures by July 6, 2006 to qualify for the November ballot.

#### **SUPPORTERS:**

- The Initiative is supported by Republican National Committeeman Randy Pullen. Senate President Ken Bennett and House Speaker Jim Weiers supported a legislative version introduced last session and are on the organization’s website with a 30 second TV spot. The campaign manager, Tim Mooney, is a consultant who is running the same campaign in a several states on behalf of a the national “First Class Education” organization which is in large part financed by Patrick Byrne, CEO of “Overstock.com”, in Salt Lake City.

### **ARGUMENTS IN FAVOR**

- Too much school funding is being spent on administration and non-educational activities. By forcing at least 65% of all expenditures to be made “in the classroom” students and teachers will benefit from less money spent on administrative overhead.
- The 65% requirement, if passed nationwide, would inject nearly \$14 billion into the classroom which supporters contend would be enough to buy a computer for every student in America or hire 325,000 teachers at \$40,000 per year.
- Supporters contend that the proposal demonstrates strong support in polls and that it will allow for local control with increased accountability.

### **OPPONENTS:**

- ABEC and the Southern Arizona Leadership Council have opposed in concept. AEA, ASBA, AASBO and a number of business organizations are opposed in concept but have yet to formalize their opposition.

### **ARGUMENTS IN OPPOSITION**

- The initiative is a dangerous example of “sound bite politics” and, while it has superficial appeal, will create massive disruption for Arizona school districts which are mandated to meet the unique needs of all students. Opponents also point out that the proposal is bad tax policy. For instance: What if the federal government was mandated to spend 65% of all funds on defense? What would happen to a business if it was forced to comply with an externally-imposed rigid requirement that did not allow it to respond to changes in markets? Imagine a similar proposal relating to police or fire services that did not give them the flexibility to respond to unique conditions or meet special needs.
- The remaining “35%” from which the 65% will be drawn funds critical areas like school transportation, food services, school librarians, nurses, counselors and professional development for teachers. Many critical and necessary school functions are classified as “outside of the classroom” and will lose funding to comply.
- Opponents allege that the initiative has more to do with politics than education and can point to internal correspondence that supports the point. Supporters have been quoted repeatedly with comments relating to “union busting” and creating a partisan “wedge” issue for the 2006 election.

### **IS THE ISSUE CONSISTENT WITH ABEC’S PRINCIPLES OF AGREEMENT?**

- ABEC’s Principles of Agreement contain supportive language related to Funding Long Term Investment, Flexibility and Accountability. They also speak to Teacher Quality in the form of Career Development. These provisions do not directly address the 65% proposal but would cumulatively make a case against it based on its inflexibility. Additionally, an argument can be made that it may actually set back the ABEC principles of Student Achievement and Accountability.

### **CLOSING DISCUSSION POINTS:**

Recent electoral developments suggest that the proponents may desire to explore a legislative (referendum) strategy as well as an electoral (initiative) route. This has not been confirmed but even the sponsors have commented that this may be the case.

It is highly likely an organized opposition group will be formed in the near future.

[ ABEC Issue Brief – 65% Initiative (11/18/2005) ]