

**STORAGE NAME:** h367a.ei  
**DATE:** March 18, 1997

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
EDUCATION INNOVATION  
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB 367  
**RELATING TO:** Florida Maximum Class Size Goals Act  
**SPONSOR(S):** Representatives Rayson, Melvin, and Dockery  
**STATUTE(S) AFFECTED:** None  
**COMPANION BILL(S):** SB 38 (Identical)

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) EDUCATION INNOVATION YEAS 6 NAYS 0
- (2) CIVIL JUSTICE AND CLAIMS
- (3) EDUCATION APPROPRIATIONS
- (4)
- (5)

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I. SUMMARY:

HB 367 creates the *Florida Maximum Class Size Goals Act*, the intent of which is to establish class size standards to promote educational success by establishing a four year class size reduction phase-in program in statute. For the past two years, appropriations have been designated for class size reduction in the GAA and proviso language has established guidelines for the district use of that money.

The fully phased-in program will be complete in the 2000-2001 school year. The goal of the Legislature and each school district will be to reduce class sizes to 20 students, thus providing a student to teacher ratio of 20:1. Additionally, class sizes cannot exceed 29 students and classes that exceed 20 students must have a full-time equivalent teacher aide.

Every year the Department of Education will be expected to report to the Legislature regarding the school district implementation relating to district expenses and class size reductions. Additionally, if money is appropriated, for a longitudinal study, the department will conduct such a study during the phase-in years of the project. The study will include the benefits and impact of the class size reduction on students and student achievement and the results will be reported to the Legislature.

Based on the past research, the reduced class size in the lower level grades will lead to improved student performance. Past studies have shown that students placed in smaller classes, especially ones with 20 or fewer students, in grade levels kindergarten through grade level three have statistically significant higher scores on achievement tests.

The total estimated costs for the four year phase-in program to GR is indeterminate but is estimated to be over \$200.4 million.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Local school districts have the authority to determine class size and the student-to-teacher ratio for each classroom. There are no statutory requirements, Department of Education policies or State Board of Education rules which limit class size or student-to-teacher ratios for each classroom.

The General Appropriations Act (GAA) for the past two years has provided funding to achieve specific class size goals. The 1996-1997 GAA provided \$100 million, an increase over the \$40 million provided in the 1995-1996 GAA. Whereas kindergarten was not included in the 1995-1996 GAA proviso language, it was included in the 1996-1997 language. Additionally, teacher aides in the 1996-1997 GAA are required to be full-time equivalent whereas in the 1995-1996 GAA they were described as "full-time." Other provisions for both years were the same.

The 1996-1997 goal was that class size for kindergarten and grades one, two and three not exceed 20 students. This is a ratio of one full-time equivalent (FTE) teacher per 20 students. If a class size exceeds 20 students, they can still be considered as having met the goal if there is at least one FTE teacher aide for every ten students above the base of 20. The aide must be in the classroom for the same number of hours as the students; this is the difference in a full-time equivalent aide required in the 1996-1997 language and the full-time aide required in the 1995-1996 language. The full-time equivalent aide does not have to be the same person in the classroom for the entire day; two aides could split the day and the classroom would still be considered to have a "full-time equivalent" aide.

Furthermore, the proviso language sets priorities for the use of the funds:

- ◆ Priority 1 Kindergarten and grade one
- ◆ Priority 2 Grade two
- ◆ Priority 3 Grade three

The proviso language states that the funds are not to be used for anything other than to reduce class size for these grade levels unless a district achieves the goals and has funds left. Then they may, at the school board's discretion transfer the unused funds to the district's Florida Education Finance Program (FEFP). However, the proviso language also states that:

*Funds in [this provision] are provided for class size reduction and to support any other instructional activity designated by the district school board. No district shall be required to use more than 80 percent of its class size reduction allocation for that purpose. Any district that uses funds provided in [this provision] for a purpose other than class size reduction shall include in its annual financial report the amount and purpose for each expenditure.*

The Department of Education is in the process of updating the March 5, 1996 report entitled *Class Size for Grades 1 to 3 and the Assignment of Elementary-Level Teacher*

*Aides: Selected Comparisons, 1995-96 and 1996-97.* Preliminary findings from the draft report indicate reductions in class sizes.

	Percentage of Classes With 20 or Fewer Students		
	1994	1995	1996
<b>Kindergarten</b>	11.3%	11.9%	26.3%
<b>Grade One</b>	10.6%	20.2%	29.2%
<b>Grade Two</b>	9.8%	10.3%	10.8%
<b>Grade Three</b>	7.8%	9.0%	8.4%

The largest percentage changes are seen in kindergarten from 1995 to 1996 and in grade one from 1994 to 1995. This is due to the initial year of funding for these classes and the priority given to kindergarten and grade one classes during the initial year. Grade one was also included as a first priority with kindergarten in 1995, and the reduction in the number of students per class continues to be significant for this grade. Grades two and three received lower priority and the change was small.

### **Research on Class Size Reduction**

During the 1950s and 1960s most of the research reported on class size reduction was inconclusive. The turning point for the study of class size reduction came in 1979 with a document titled *Meta-Analysis of Research on the Relationship of Class-Size Achievement*, written by Gene V. Glass and Mary Lee Smith. This report concluded that "reduced class-size can be expected to produce increased academic achievement."

The report was met with controversy because of the limited scope of the study. During the early 1980s, Glass and Smith expanded their study and found even stronger evidence that there was a positive relationship between reducing class sizes and student achievement. In 1986 the Educational Research Services (ERS) published the research brief "Class Size Research," which summarized 100 class size research studies from 1950 to 1985. The report concluded that:

- The relationship between class size and student achievement varies because of grade levels, subject area, and instructional methods.
- Smaller classes have a positive effect on student learning, attitudes and behavior, and the effect is greatest at the lower grade levels.
- Disadvantaged, minority, and low-achieving students perform better and learn more in smaller classes.

In 1987, ERS published a review of the previous year's research. The conclusions in the 1987 research brief concur with those made in the 1986 report, but include these additional conclusions:

- Lowering class size to 20 may have a positive effect on student learning, but lowering the class size to 30 may not.
- While many positive results are believed to come from small classes, other variables affect the classroom environment and student achievement.

Much of the published research on class size during the 1990s has either focused on, or included results from a Tennessee class size research project which had three phases: The STAR (Student/Teacher Achievement Ratio) research project; The Lasting Benefits Study, and Project Challenge.

#### *STAR Research Project*

STAR was a major four year (1985-1989) longitudinal study. This research project was unique because of its scientific experimental methodology, and its size and scope. The study was authorized, and funded, at an approximate cost of \$3 million per year, by the Tennessee Legislature. The purpose of the STAR study was to obtain data on the effectiveness of reducing class sizes. A study of this magnitude has not been produced by any other state in the United States.

A consortium of university personnel from Memphis State University, Tennessee State University, the University of Tennessee at Knoxville, and Vanderbilt University, developed the study design, planned the research, analyzed the data, and prepared reports on the project for the Tennessee Department of Education.

The STAR study collected data from 6,500 students in 330 classrooms in 79 schools. Schools included inner city, suburban, urban, and rural areas, representing a geographical cross-section of the state. Students in grade levels kindergarten through three were randomly selected and put into one of three groups: a small class (13 to 17 students), regular class (22-25 students), or a regular class (22-25 students) with a teacher aide in addition to the regular class teacher. Teachers were also randomly assigned to their classrooms. The study compared results obtained from achievement tests from each of the classes to determine if reducing class size made a difference. The STAR study used several student achievement tests, among them the Stanford Achievement Test, to measure the difference in the groups. STAR data led to the following conclusions:

- Students in small classes scored in the 61st percentile on the reading section, which was eight points higher than those students in the regular size classes.
- Students in the small classes scored in the 69th percentile in math, which was seven points higher than those students who were in the regular size classes.
- The greatest increase in student achievement or the most pronounced effect of smaller class sizes was in kindergarten and first grade levels. Increases in student achievement began to reach a plateau by the second and third grades.
- Students of low socioeconomic levels who were placed in small classes experienced almost twice the gains of students with high socioeconomic levels. This occurred during the first two years of the study. After that time, the gains for both groups were approximately the same.

- First grade classes with a full-time teacher aide scored significantly higher than regular classes in both reading and math. In kindergarten and second grade, classes with a full-time teacher aide had higher achievement scores than regular classes in kindergarten and second grade, but the differences were not great enough to make a statistical significance.
- Third grade classes with a teacher aide reported slightly lower scores than regular classes.

During the study, parents who had students in the regular size classes were concerned that their children were not getting the same benefits as those in regular classes with teacher aides. Because of these parental concerns, researchers with the STAR project were compelled to reorganize classes with teacher aides. The reorganization was done during the second year of the study, between regular classes and the classes with teacher aides. Students in the smaller classes were not changed. This reorganization makes the data concerning teacher aides less reliable.

#### *Lasting Benefits Study*

The Lasting Benefits Study, the second phase of the Tennessee class size study, is a follow-up project which tracks the progress of the students involved in the STAR project, to see if the gains for the small-class students in K-3, have any lasting benefits in their subsequent performance on achievement tests in later grades. The Lasting Benefits Study reported that students who had been placed in smaller classes in K-3 during project STAR, continued to have statistically significant higher scores on achievement tests, than those who had been in regular classes or regular classes with teacher aides. The study confirmed that there are positive lasting effects on student achievement when students are placed in smaller classes during the early elementary grades.

#### *Project Challenge*

In 1989, Tennessee implemented a class size reduction program statewide which targeted 16 school districts with the highest poverty rates and the lowest achieving students. Before implementing smaller class sizes all 16 school districts were performing far below the state average on achievement test scores. In 1993, all school districts in Project Challenge were performing above the state average in math and had moved within 11 points of the state average in reading.

#### **Class Size Reduction Efforts in Other States**

In 1981-1982, Indiana began a class size reduction pilot program called PRIME TIME. The study focused on reducing class sizes in grades K-3 to an average of 18 students per teacher. Indiana reported positive results from the pilot program and began a phase-in implementation process in 1984-1985. Currently, Indiana law requires school districts to achieve a district average student-to-teacher ratio of 18:1.

In 1984, Texas passed an education reform package which phased-in class size reduction beginning with the 1985 school year. Class sizes were reduced to a student-to-teacher ratio of 22:1 in grades K-4. The reform package included extending kindergarten from a half day to a full day, and establishing a pre-kindergarten program for families in poverty or for those who do not speak English. In 1989, Texas reported

significant gains in their state basic skills test results. In 1992, Texas reported third, fourth, fifth, and sixth grades performing above the national average on a statewide norm-referenced assessment test.

Virginia's budget for the second year of the 1994-1996 biennium appropriated \$39.7 million to provide lower class sizes in grades K-3. The Virginia Omnibus Education Act of 1995 established a long-term goal to reduce the pupil-teacher ratio to 20:1 in grades K-3 in schools where 25 to 49 percent of the students participate in the federal lunch program, and to 18:1 in schools where more than 50 percent of the students participate in the free lunch program.

**B. EFFECT OF PROPOSED CHANGES:**

HB 367 will establish a four year class size reduction phase-in program in statute. Since the funding will be authorized in Florida Statute, it will be unnecessary to have proviso language in the GAA designating guidelines for the appropriation. The act sets a legislative and school district goal to reduce the sizes of classes for grade levels kindergarten through grade three on a phase-in schedule beginning with the 1997-1998 school year. The fully phased-in program will be complete in the 2000-2001 school year. The schedule for reducing class sizes to 20 students, thus providing a student to teacher ratio of 20:1, is as follows:

<b>School Year</b>	<b>Grade Level for Phase-In</b>
1997-1998	Kindergarten
1998-1999	Kindergarten, Grade One
1999-2000	Kindergarten, Grades One and Two
2000-2001	Kindergarten, Grades One, Two and Three

After the phase-in year for a specific grade level, the classes in that grade level cannot exceed 29 students and classes that exceed 20 students must have a full-time equivalent teacher aide.

School districts will be required to implement the above schedule and goals if funds are appropriated for that purpose. The funds which are appropriated for that purpose cannot be used for any other purpose.

Every year the Department of Education will be expected to report to the Legislature regarding the school district implementation relating to district expenses and class size reductions. Additionally, if money is appropriated, for a longitudinal study, the department will conduct such a study during the phase-in years of the project. The study will include the benefits and impact of the class size reduction on students and student achievement and the results will be reported to the Legislature.

Based on the past research, the reduced class size in the lower level grades will lead to improved student performance. Past studies have shown that students placed in smaller classes, especially ones with 20 or fewer students, in grade levels kindergarten through grade level three have statistically significant higher scores on achievement tests.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

The Department of Education has general rulemaking authority over all laws relating to education.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

School districts will have the responsibility of implementation; however, the process has been underway for the past two years due to the proviso language in the GAA.

(3) any entitlement to a government service or benefit?

School districts will receive additional funding for implementation.

b. If an agency or program is eliminated or reduced:

Not applicable.

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

(2) what is the cost of such responsibility at the new level/agency?

(3) how is the new agency accountable to the people governed?

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

Not applicable.



(1) Who evaluates the family's needs?

(2) Who makes the decisions?

(3) Are private alternatives permitted?

(4) Are families required to participate in a program?

(5) Are families penalized for not participating in a program?

b. Does the bill directly affect the legal rights and obligations between family members?

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

Not applicable.

(1) parents and guardians?

(2) service providers?

(3) government employees/agencies?

**D. SECTION-BY-SECTION ANALYSIS:**

**Section 1** Creates the Florida Maximum Class Size Goals Act. Establishes legislative intent. Provides class size goals for elementary schools. Provides that each school district implement goals if funds are appropriated and that any funds appropriated for class size reduction may not be used for any other

purpose. Requires annual reports and, if funds are appropriated, a longitudinal study.

**Section 2** Provides for an effective date of July 1, 1997.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

The estimated costs to implement this bill over the four year phase-in period are approximately \$200.4 million. This estimate uses an average starting teacher salary of \$23,961 for a teacher with an undergraduate degree and a 33 percent benefits factor. Excess student counts for classrooms having greater than 20 students were divided by 20 to determine the number of additional teachers required. Data for the estimate was provided by the Department of Education in the Class Size Report which was submitted to the Legislature on March 5, 1996.

Appropriations would also be required to maintain class size reductions after the initial four years.

An additional cost would be incurred for DOE to conduct a longitudinal study on the effects of class size reduction on student achievement. This cost is indeterminate at this time.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

The total cost to the General Revenue Fund is indeterminate, but is estimated to be more than \$200.4 million.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

To reduce class size, some school districts may need additional classroom space in which more, but smaller, classes can meet. Possibilities for meeting this need include building classrooms, purchasing portable buildings, or leasing classrooms. The capital outlay cost is indeterminate and will vary from district to district.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenue.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties and municipalities.

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V. COMMENTS:

The language in this bill passed the House and the Senate last year; however, it was part of a larger educational package which contained. The Governor vetoed the bill, not because of the maximum class size provisions, but because of other provisions within the bill.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

HB 367 was prefiled on January 29, 1997, and referred to the House Education Innovation Committee on February 17, 1997. On March 17, 1997, the Education Innovation Committee voted the bill favorably with one amendment which differed from the original bill in the following way:

- Added a phrase which indicates that the goal of reducing class sizes for grade levels K-3 is a goal of the Legislature, not only the goal of each school district.

VII. SIGNATURES:

COMMITTEE ON EDUCATION INNOVATION:

Prepared by:

Legislative Research Director:

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Ouida J. Ashworth

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Peter C. Doherty