

STORAGE NAME: h0367z.ei
DATE: May 24, 1998

****FINAL ACTION****
****SEE FINAL ACTION STATUS SECTION****

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
EDUCATION INNOVATION
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 367
RELATING TO: Florida Maximum Class Size Study 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 (W/D)
- (3) EDUCATION APPROPRIATIONS YEAS 13 NAYS 2
- (4)
- (5)

I. FINAL ACTION STATUS:

PASSED BY THE LEGISLATURE - CHAPTER #98-211, LAWS OF FLORIDA

HB 367, 4th Engrossed, passed as amended and was ordered enrolled on April 30, 1998. This act became law without the Governor's signature on May 24, 1998.

II. SUMMARY:

HB 367 creates the *Florida Maximum Class Size Study Act*, which requires school districts to reduce the teacher-to-student ratios in at least one elementary school in each district using the class size reduction funds provided in the 1998-1999 General Appropriations Act (GAA). At the end of the 1998-1999 school year the Department of Education is required to conduct a study of the efficacy of class size reductions.

The required ratio in HB 367 is one teacher to 20 students in kindergarten through grade three except for identified critically low-performing schools, where the required ratio will be one to 15. If the district has an identified critically low-performing school, that school must be selected for the class-size reduction program. For funding purposes, the district shall set the following priorities: first, identified critically low-performing schools; second, kindergarten through grade one; and, third, grades two through three.

Additionally, HB 367 encourages each school board to install in the elementary schools a character development program.

The total estimated cost for the program to General Revenue is indeterminate. However, \$100 million is appropriated in the GAA (line item 118) for class size reduction.

III. SUBSTANTIVE RESEARCH:

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 several years has provided funding to achieve specific class size goals. The 1997-1998 and 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 and 1997-1998 language. Additionally, teacher aides in the 1997-1998 and 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 1997-1998 and 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 1997-1998 and 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 Commissioner of Education was charged in proviso language of the 1997-1998 GAA to report on the progress made by each district toward the class size reduction goal for kindergarten, and grades one, two, and three. The Department of Education's annual March reports entitled *Class Size for Grades 1 to 3 and the Assignment of Elementary-Level Teacher Aides* for the past two years show selected comparisons of class sizes for the years from 1994 to 1997.

	Percentage of Classes With 20 or Fewer Students			
	1994	1995	1996	1997
Kindergarten	11.3%	11.9%	26.3%	31.1%
Grade One	10.6%	20.2%	29.2%	31.3%
Grade Two	9.8%	10.3%	10.8%	13.0%
Grade Three	7.8%	9.0%	8.4%	9.8%

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.

The department's reporting does not include any data regarding the effect of reduced class size on student achievement. However, several other states and organizations have conducted research in this area.

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.

Educational Testing Service Policy Information Center

When Money Matters by the Policy Information Center of the Educational Testing Service in Princeton, New Jersey, covered 20,000 students in fourth and eighth grades around the country. It is one of the few studies found using a national sample. The study covered 10,000 fourth graders in 203 school districts across the country and 10,000 eighth graders in 182 school districts across the county. Student scores on the National Assessment of Educational Progress (NAEP) mathematics assessment for 1992 were matched to class sizes and other factors that might influence test scores, such as socioeconomic status of students, educational expenditures, and regional cost of living. The study defined small classes as having fewer than 20 students and large classes as having more than 20 students.

Findings did indicate that students performed better in small classes than in large classes. Gains were larger for fourth graders than for eighth graders. Fourth graders in small classes were one-third of a grade level ahead of their counterparts in large classes. The difference for eighth graders was one-eighth of a grade level. A fourth grader could be expected to progress 33 percent more quickly than he or she would have in a large class, and that an eighth grader in a small class could be expected to progress 12.5 percent more quickly than he or she would have in a large class. The gains were larger for inner city groups than for any other group. An inner city fourth grader in a small class could be expected to progress 75 percent more quickly than he or she would have in a large class.

"The Evidence On Class Size" by Eric Hanushek

Eric Hanushek, a professor of economics and public policy at the University of Rochester, in his February 1998 paper, *The Evidence on Class Size*, concludes that the link between class size and student achievement is weak, and the increased cost for class size reduction will not yield student achievement gains. His research consists of a review of class size research and studies, including some of the same studies reviewed in the 1990 work by Allan Odden, who found that studies of class size indicate achievement gains for classes with less than 15 students.

In his review of the work done in Project STAR, he states that the data does not support overall reductions in class size except perhaps at kindergarten; does not suggest that improvements will result from class size reduction at later grades; and does not suggest that more modest reductions of 18 to 20 students per class will yield achievement gains.

Hanushek's review of international, econometric and experimental research failed to show a relationship between class size and student achievement. He notes that between 1950 and 1995, teacher/student ratios have dropped by 35 percent nationally. Information from the National Assessment of Educational Progress (NAEP) indicates that 17-year-olds were performing roughly the same in 1996 as in 1970 — a 26 year period during which class sizes were dropping. There is no evidence of overall achievement gains.

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 establishes the *Florida Maximum Class Size Study Act* in statute. During the 1998-1999 school year, each district using the GAA funds for class size reduction will be required to implement the one teacher to 20 student ratio in at least one elementary school for kindergarten through grade three. If the district has an identified critically low-performing elementary school, that school must be the one selected for the class size reduction program. The required ratio in the critically low-performing school will be one full-time equivalent teacher to 15 students. If the district has more than one identified critically low-performing school, the district school board will select the school to participate by lot. The bill does not include any provision allowing classes to use teacher aides to meet the required ratio.

At the end of the 1998-1999 school year, the Department of Education will conduct a complete study, including all of the participating schools, of the efficacy of the class size reductions. The study will focus on obtaining verifiable data regarding the benefits and impact of the class size reduction on student achievement and performance and the results will be reported to the Legislature and the Governor no later than January 1, 2000.

The act sets a legislative and school district goal to reduce the sizes of classes for grade levels kindergarten through grade three beginning with the 1998-1999 school year. The goal is that kindergarten through grade three classes not exceed 20 students, with a ratio of one full-time equivalent teacher for every 20 students. An exception to the 1:20 ratio is for critically low-performing schools, where the ratio goal is one teacher to 15 students. The critically low-performing schools are those which are identified as such by the Commissioner of Education.

For purposes of the \$100 million appropriation in the 1998-1999 GAA, the district is to set the following priorities:

- ◆ Identified critically low-performing schools in the district
- ◆ Kindergarten through grade one
- ◆ Grades two and three

HB 367 encourages each school board to install a character development program in the elementary schools. The program may be Character Counts or Character First! Education series or a program which is like those or similar to those. The chosen program must be secular in nature and stress such character qualities as attentiveness, patience, and initiative.

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?

No

(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 three years due to the proviso language in the GAA. The requirements for implementing for the school year 1998-1999 are different than those which have been in proviso in the past. The district must have at least one elementary school meet the required ratio in all kindergarten through grade three classes.

(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 RESEARCH:

Section 1 Creates the Florida Maximum Class Size Study Act. Requires school districts to reduce the teacher to student ratio in kindergarten through grade three classes in one elementary school in each district. Requires the Department of Education to conduct a study of the efficacy of class size reductions involving the participating schools. Requires that study focus on obtaining verifiable data regarding the benefits of class size reduction in terms of student achievement and performance. Provides legislative goal of class size ratio of one teacher for 20 students for kindergarten through grade three classes, except that in identified critically low-performing schools, the goal ratio is one teacher to 15 students. Sets priorities for GAA funding purposes with first priority being critically low-performing schools, second priority being kindergarten through grade one, and third priority being grades two and three.

Section 2 Encourages each school board to install in the elementary schools a character development program such as Character Counts or Character First! Education series. Requires programs to be secular in nature and stress qualities such as attentiveness, patience, and initiative.

Section 3 Provides for an effective date of July 1, 1998.

IV. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

The 1998-99 General Appropriations Act provides \$100 million for class size reduction. Recurring appropriations would be required to maintain class size reductions.

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

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

The total estimated cost for the program to General Revenue is indeterminate. However, \$100 million is appropriated in the GAA (line item 118) for class size reduction.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Indeterminate.

2. Recurring Effects:

Indeterminate.

3. Long Run Effects Other Than Normal Growth:

Indeterminate.

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:

V. 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.

VI. COMMENTS:

VII. 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.

On April 15, 1997, the Committee on Education Appropriations voted favorably on HB 367 with the following two amendments:

- An amendment conforming the bill to the Education Appropriations Act, which allows for one full-time equivalent teacher aide for every ten students above a class size of 20.
- An amendment which strikes language that restricts the use of funds appropriated for class size reduction.

During the 1997 legislative session, the House passed HB 367 as amended with 116 yeas and 0 nays on April 28, 1997. However, the House bill was in the Senate Education Committee upon adjournment of the 1997 legislative session and, therefore, HB 367 was carried over to the 1998 session.

During the 1998 legislative session, on March 24, 1998, HB 367 was amended on the House floor to conform the dates to 1998. On April 13, 1998, the bill was amended on the House floor as follows:

- Changes name of act to *Florida Maximum Class Size Study Act*.
- Removes statement that indicated there were legislative findings on correlations between class sizes and ability of students to learn and classroom teachers to teach.
- Requires that each school district using 1998-1999 General Appropriations Act funds for class size reduction, will reduce the teacher-to-student ratio to one full-time equivalent teacher to 20 students in kindergarten through grade three in at least one elementary school.
- Requires that, if district has an identified critically low-performing school, the critically low-performing school be selected for the class size reduction program and that the ratio in the low-performing school will be one teacher to 15 students.
- Establishes legislative and district goals for teacher/student ratios as one to 20 for kindergarten through grade three with the exception of identified critically low-performing schools where the goal ratio is one to 15 for the same grades.
- Requires that districts give first priority class size funding to identified critically low-performing schools in the district; second priority to kindergarten through grade one; and third priority to grades two and three.
- Changes requirement for the Department of Education to conduct a longitudinal study over a period of three years to requirement for a one year study involving participating schools with verifiable data on the efficacy of the reduction in class size as it relates to student achievement and performance.

HB 367, 3rd Engrossed, passed the House with 115 yeas and 0 nays and was sent to the Senate in messages. On April 28, 1998, the Senate amended the bill by adding a section which encourages school boards to install character development programs in elementary schools. The House concurred with the Senate amendment on April 30, 1998, and the bill passed as amended with 119 yeas and 0 nays.

VIII. SIGNATURES:

COMMITTEE ON EDUCATION INNOVATION:

Prepared by:

Legislative Research Director:

Ouida J. Ashworth

Peter C. Doherty

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DATE: May 24, 1998

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AS FURTHER REVISED BY THE COMMITTEE ON EDUCATION APPROPRIATIONS:

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