

LEGISLATIVE PROPOSAL ENTITLED "CLASS-SIZE
REDUCTION AND TEACHER QUALITY ACT OF 1998"

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A LEGISLATIVE PROPOSAL ENTITLED "CLASS-SIZE REDUCTION AND TEACHER QUALITY ACT OF 1998" WHICH WOULD HELP STATES AND LOCAL SCHOOL DISTRICTS RECRUIT, TRAIN, AND HIRE 100,000 ADDITIONAL WELL-PREPARED TEACHERS IN ORDER TO REDUCE THE AVERAGE CLASS SIZE TO 18 IN GRADES 1 THROUGH 3 IN OUR NATION'S PUBLIC SCHOOLS



MAY 11, 1998.—Message and accompanying papers referred to the Committee on Education and the Workforce and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and enactment the "Class-Size Reduction and Teacher Quality Act of 1998." This legislative proposal would help States and local school districts recruit, train, and hire 100,000 additional well-prepared teachers in order to reduce the average class size to 18 in grades 1 through 3 in our Nation's public schools. It is an essential part of our overall effort to strengthen public schools throughout the Nation.

As schools across the Nation struggle to accommodate a surge in enrollments, educators and parents have become increasingly concerned about the impact of class size on teaching and learning, particularly in the critically important early grades, where students learn reading and other basic skills. This concern is justified: rigorous research confirms what parents and teachers have long believed—that students in smaller classes, especially in the early grades, make greater educational gains and maintain those gains over time. These gains occur because teachers in small classes can provide students with more individualized attention, spend more time on instruction and less time on discipline, and cover more material effectively. Moreover, the benefits of smaller classes are greatest for poor, minority, and inner-city children, the children who often face the greatest challenges in meeting high educational standards.

Smaller classes will have the greatest impact on student learning if the new teachers brought into the classroom are well qualified to teach reading and to take advantage of smaller learning environments. For this reason, my proposal emphasizes not just class-size reduction but also professional development for educators, and it will give school districts adequate time to recruit and train staff while phasing in smaller classes. Furthermore, all new teachers hired under the program would be required to pass a State teacher competency test and would also have to be certified to teach or be making satisfactory progress toward full certification.

We can help all of our students learn to read independently and well by the third grade, get a solid foundation in basic skills, and reach high educational standards if we start them off with small classes and well-prepared teachers in the early grades.

Under my proposal, the Department of Education would provide \$20.8 billion in mandatory appropriations over a 10-year period (beginning with \$1.1 billion in fiscal year 1999) to States. The States would then distribute the funds to local school districts based on their relative class sizes in grades 1 through 3, as well as on their ability and effort to finance class-size reductions with their own resources. The bill would provide States with considerable flexibility in distributing these funds, while ensuring that the most needy school districts receive a fair share.

Moreover, because my proposal would actually appropriate the funds needed to carry out the program, States and local communities could count on these funds without the need for separate congressional appropriations each year. This proposal is fully paid for within my Fiscal Year 1999 Budget, and therefore would not reduce the budget surplus.

School districts would use these funds to reduce class sizes in grades 1 through 3. Just as importantly, these funds would also be available for a variety of activities to ensure that students in the early grades receive sound and effective instruction, such as making sure that teachers know how to teach reading and other subjects effectively in small classes.

This proposal includes strong accountability for results. Participating school districts would produce "report cards" documenting reductions in class sizes and the achievement of their students in reading, based on rigorous assessments. Schools whose students fail to make gains in reading would be required to undertake corrective actions. In addition, the Department of Education would undertake a comprehensive national evaluation of this program and its impact on reading achievement and teaching.

I urge the Congress to take prompt and favorable action on this proposal. Its enactment would help school districts reduce class sizes in the early grades and improve instruction and achievement in reading, issues that are of major importance to parents and to the Nation.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 8, 1998.*

A BILL

Be it enacted by the Senate and the House of Representatives
of the United States of America in Congress assembled, That this
Act may be cited as the "Class-Size Reduction and Teacher Quality
Act of 1998".

FINDINGS

SEC. 1. The Congress finds as follows:

(1) Rigorous research has shown that students attending small classes in the early grades make more rapid educational progress than students in larger classes, and that these achievement gains persist through at least the elementary grades.

(2) The benefits of smaller classes are greatest for lower-achieving, minority, poor, and inner-city children. One study found that urban fourth-graders in smaller-than-average classes were three-quarters of a school year ahead of their counterparts in larger-than-average classes.

(3) Teachers in small classes can provide students with more individualized attention, spend more time on instruction and less on other tasks, and cover more material effectively, and are better able to work with parents to further their children's education.

(4) Smaller classes allow teachers to identify and work more effectively with students who have learning disabilities and, potentially, can reduce those students' need for special education services in the later grades.

(5) Students in smaller classes are able to become more actively engaged in learning than their peers in large classes.

1 (C) the class-size goals the State intends to
2 reach and a justification for those goals;

3 (2) a description of the State educational agency's
4 plan for allocating program funds within the State, including--

5 (A) an estimate of the impact of those allocations
6 on class sizes in the individual local educational agencies of
7 the State; and

8 (B) an assurance that the State educational agency
9 will make this plan public within the State;

10 (3) a description of the State educational agency's
11 strategy for improving teacher quality in grades 1 through 3
12 within the State (which may be part of a broader strategy to
13 improve teacher quality generally), including--

14 (A) the actions it will take to ensure the
15 availability, within the State, of a sufficient number of well-
16 prepared teachers to fill the positions created with funds under
17 this Act; and

18 (B) a description of how the State educational
19 agency and the local educational agencies in the State will
20 ensure that--

21 (i) individuals hired for positions created
22 with program funds (which may include individuals pursuing
23 "alternative routes" to certification) will meet all of the
24 State's current requirements for full certification, or will be
25 making satisfactory progress toward achieving full certification;

1 (ii) teachers in first through third grade
2 will be prepared to teach reading effectively to all children,
3 including those with special needs, and will take part in
4 continuing professional development in effective reading
5 instruction and in teaching effectively in small classes; and
6 (iii) individuals hired as teachers in first
7 through third grade will be required to pass a teacher competency
8 test selected by the State;

9 (4) a description of how the State will use other
10 funds, including other Federal funds, to improve teacher quality
11 and reading achievement within the State;

12 (5) a description of how the State will hold local
13 educational agencies that use a significant portion of their
14 allocations under section 8(a)(2)(B) accountable for that use of
15 funds;

16 (6) an assurance that the local educational agency and
17 its schools will comply with the requirements of subsections (a)
18 and (b) of section 11; and

19 (7) an assurance that the State educational agency will
20 submit such reports and information as the Secretary may
21 reasonably require.

22 (c) APPROVAL OF APPLICATIONS. The Secretary shall approve a
23 State's application if it meets the requirements of this section
24 and holds reasonable promise of achieving the purposes of this
25 Act.

1 same share of those funds as it received of the State's
2 allocation under section 1122 of the Elementary and Secondary
3 Education Act of 1965 for the preceding fiscal year.

4 (c) MAINTENANCE OF EFFORT.--(1) A local educational agency
5 may receive an allocation under this section for any fiscal year
6 only if it submits to, or has on file with, the State educational
7 agency an assurance that it will spend at least as much from non-
8 Federal sources as it spent in the previous year for the
9 combination of--

10 (A) teachers in regular classrooms in grades 1
11 through 3 in schools receiving benefits under this Act; and

12 (B) the quality-improvement activities described
13 in section 8(b).

14 (2) The Secretary may waive or modify the requirement
15 of paragraph (1) for a local educational agency if the Secretary
16 determines that doing so would be equitable due to exceptional or
17 uncontrollable circumstances affecting that agency.

18 STATE-LEVEL ACTIVITIES

19 SEC. 7. Each State educational agency may use the funds it
20 reserves for State-level activities under section 6(a) to carry
21 out activities described in its application, which may include
22 such activities as--

23 (1) revising State teacher licensure standards;

24 (2) developing and administering teacher competency
25 tests; and

1 (3) program monitoring and other administrative costs
2 associated with operating the program.

3 USES OF FUNDS

4 SEC. 8. (a) IN GENERAL.--(1) Each local educational agency
5 shall use all funds it receives from the State under this Act,
6 except for funds it reserves under subsection (b), to pay the
7 salaries of, and benefits for, the additional teachers needed to
8 reduce class sizes in grades 1 through 3 to the level set by the
9 State as its goal in the State application.

10 (2) A local educational agency that has already reached
11 this level may use those funds to--

12 (A) make further class-size reductions in grades 1
13 through 3;

14 (B) reduce class sizes in other grades; or

15 (C) undertake quality-improvement activities under
16 subsection (b).

17 (b) QUALITY IMPROVEMENT.--(1) Each local educational agency
18 shall use at least 10 percent of the funds it receives under this
19 Act for each of the fiscal years 1999 through 2003 for activities
20 to ensure that teachers who will teach smaller classes are
21 prepared to teach reading and other subjects effectively in a
22 smaller class setting.

23 (2) The activities described in paragraph (1) may
24 include--

25 (A) training teachers in effective reading
26 instructional practices (including practices for teaching

- 1 students who experience initial difficulty in learning to read)
2 and in effective instructional practices in small classes;
3 (B) paying the costs to obtain full certification
4 for teachers hired in grades 1 through 3 who are not fully
5 certified;
6 (C) providing mentors or other support for
7 teachers in grades 1 through 3;
8 (D) providing incentives for recruitment of
9 teachers for schools that have a particularly difficult time
10 hiring certified instructors; and
11 (E) providing scholarships or other aid to
12 paraprofessionals or undergraduate students in order to expand
13 the pool of qualified teachers.

14 COST-SHARING REQUIREMENT

- 15 SEC. 9. (a) FEDERAL SHARE. The Federal share of the cost of
16 activities carried out under this Act may be up to 100 percent in
17 local educational agencies with child-poverty levels greater than
18 40 percent, but shall be no more than--
19 (1) 95 percent in local educational agencies with
20 child-poverty rates of more than 30 percent but not more than
21 40 percent;
22 (2) 85 percent in local educational agencies with
23 child-poverty rates of more than 20 percent but not more than
24 30 percent;

1 that school, shall produce an annual report to parents and the
 2 general public on its student achievement in reading (using
 3 available evidence of reading achievement of its students in
 4 grades 1 through 5 and the assessments the State uses under
 5 part A of title I of the Elementary and Secondary Education Act
 6 of 1965, disaggregated as required under that part), average
 7 class size in its regular classrooms, and teacher qualifications
 8 in grades 1 through 3.

9 (b) LOCAL EDUCATIONAL AGENCY REPORTS.--(1) INTERIM
 10 REPORTS. Each local educational agency shall provide each year,
 11 to its State educational agency, a report summarizing the
 12 information reported by, or for, its schools under
 13 subsection (a).

14 (2) SUBSEQUENT REPORTS. Within three years of
 15 receiving funding under this Act, and each year thereafter, each
 16 local educational agency shall provide evidence, to its State
 17 educational agency, of the reading achievement of its students,
 18 in grade 3, 4, or 5 in schools served under this Act, which shall
 19 be--

20 (A) in a form determined by the State educational
 21 agency;

22 (B) based on the assessments that the local
 23 educational agency is using under title I of the Elementary and
 24 Secondary Education Act of 1965, or on comparably rigorous State
 25 or local assessments; and

1 (C) disaggregated to show the achievement of
2 students in individual schools and of students separately by race
3 and by gender, as well as for students with disabilities,
4 students with limited English proficiency, migrant students, and
5 students who are economically disadvantaged.

6 (c) PROGRAM-IMPROVEMENT PLAN. A local educational agency
7 with schools that fail to show improvement in reading achievement
8 within three years of receiving funds under this Act shall, with
9 the approval of the State educational agency, develop and
10 implement a program-improvement plan, which may provide for--

11 (1) the local agency's intervention, in schools failing
12 to show improvement, in order to change curriculum, management,
13 or staffing (following appropriate professional development);

14 (2) implementation, in those schools, of comprehensive,
15 research-based education reform models; or

16 (3) any other improvement strategy jointly agreed to by
17 the local educational agency and the State educational agency.

18 (d) REDUCED LOCAL ALLOCATIONS. If a school participating in
19 the program under this Act fails to show improvement in reading
20 achievement of its students within two years after the local
21 educational agency develops a plan under subsection (b), the
22 State educational agency shall reduce the allocation to that
23 local agency by an amount equal to the share of the local
24 agency's allocation attributable to that school.

1 section 14101(18) (A) and (B) of the Elementary and Secondary
2 Education Act of 1965.

3 (2) SECRETARY. The term "Secretary" means the
4 Secretary of Education.

5 (3) STATE. The term "State" means each of the
50 States, the District of Columbia, and Puerto Rico.

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CLASS-SIZE REDUCTION AND TEACHER QUALITY ACT OF 1998

SECTION-BY-SECTION ANALYSIS

Section 1. findings. Section 1 of the bill would set out eight findings in support of the Class-Size Reduction and Teacher Quality Act of 1998 (the Act).

Section 2. purpose. Section 2 of the bill would provide that the purpose of the Act is to help States and local educational agencies (LEAs) recruit, train, and hire 100,000 additional teachers over a seven-year period, in order to: (1) reduce class sizes nationally, in grades 1 through 3, to an average of 18 students per classroom; and (2) improve teaching in the early grades so that all students can learn to read independently and well by the end of the third grade.

Section 3. program funding. Section 3 of the bill would directly appropriate \$1.1 billion for fiscal year (FY) 1999, \$1.3 billion for FY 2000, \$1.5 billion for FY 2001, \$1.7 billion for FY 2002, \$1.735 billion for FY 2003, \$2.3 billion for FY 2004, and \$2.8 billion for each of the fiscal year 2005 through 2008 to carry out the Act. Because the Act would both authorize and appropriate these funds, no further appropriations action by the Congress would be needed.

Section 4. allocations to States. Section 4(a) of the bill would permit the Secretary to reserve up to \$2 million each year to carry out the evaluation described in section 13.

Subsection (b) would direct the Secretary to reserve a total of not more than 1 percent of the remaining amount (the amount remaining after reserving funds for the program evaluation) to make payments, on the basis of their respective needs, to the several outlying areas and to the Secretary of the Interior for activities in schools operated or supported by the Bureau of Indian Affairs (BIA).

After reserving funds for the program evaluation and for the outlying areas and the BIA, subsection (c) would direct the Secretary to allocate the remaining amount among the States (including the District of Columbia and Puerto Rico) on the basis of their respective shares under Part A of Title I of the Elementary and Secondary Education Act of 1965 (ESEA) for the previous fiscal year. If a State chooses not to participate in the program, or fails to submit an approvable application, the Secretary would reallocate that State's allocation to the remaining States.

Section 5. applications. Section 5(a) of the bill would require the State educational agency (SEA) of each State desiring to receive a grant to submit an application to the Secretary.

Subsection (b) would require each application to include:

(1) the State's goals for using program funds to reduce average class sizes in regular classrooms in grades 1 through 3; (2) a description of the SEA's plan for allocating program funds within the State; (3) a description of the SEA's strategy for improving teacher quality in grades 1 through 3 within the State; (4) a description of how the State will use other funds, including other Federal funds, to improve teacher quality and reading achievement within the State; (5) a description of how the State will hold LEAs accountable that use a significant portion of their funds to reduce class size in other grades besides 1 through 3; (6) an assurance that the LEA and its schools will report to the public and the SEA, as required by section 11; and (7) an assurance that the SEA will submit such reports and information as the Secretary may reasonably require.

Subsection (c) would direct the Secretary to approve a State's application if it meets the requirements of section 5 and holds reasonable promise of achieving the purposes of the Act.

Section 6. within-State allocations. Section 6(a) of the bill would permit each State to use not more than one half of 1 percent of its annual grant or \$50,000, whichever is greater, for the administrative costs of the SEA and for State-level activities described in section 7.

Subsection (b) would direct each State to use the remainder of its allocation to make subgrants to LEAs, for the purpose of reducing class size and improving instruction in grades 1 through 3. The State would base those subgrants on the current or projected class sizes in grades 1 through 3 in those LEAs and on the relative ability and effort of those LEAs to finance class-size reductions with their own funds. Each State would make subgrants in such a manner as to enable LEAs to reduce their average class sizes, in grades 1 through 3, to the average class size proposed in the State application. However, each State would have to ensure that each LEA in which at least 30 percent of the children are from low-income families, or in which there are at least 10,000 children from those families, receives at least the same share of program funds as it received of the State's allocation under Part A of Title I of the ESEA for the preceding fiscal year.

Subsection (c) would require each participating LEA to maintain its fiscal effort for certain activities related to the purpose of the Act, and would permit the Secretary to waive that requirement when that would be equitable due to exceptional or uncontrollable circumstances affecting the LEA.

Section 7. State-level activities. Section 7 of the bill would permit each SEA to use the funds it reserves for State-level activities under section 6(a) to carry out activities described in the State's plan, which could include such

activities as revising State teacher licensure standards; developing and administering teacher competency tests; and program monitoring and other administrative costs associated with operating the program.

Section 8. uses of funds. Section 8(a) of the bill would require each LEA to use all of its program funds, except for funds it reserves for quality-improvement activities under subsection (b), to pay the salaries of, and benefits for, the additional teachers needed to reduce class sizes in grades 1 through 3 to the level set by the State as its goal in the State application. If an LEA has already reached this level, it may use those funds to make further class-size reductions in grades 1 through 3, reduce class sizes in other grades, or undertake quality-improvement activities under subsection (b).

Subsection (b) would require each LEA to use at least 10 percent of its program funds for each of the fiscal years 1999 through 2003 for activities to ensure that teachers who will teach smaller classes are prepared to teach reading and other subjects effectively in a smaller class setting.

Section 9. cost-sharing requirement. Section 9(a) of the bill would allow program funds to pay the full cost of local programs under the Act in LEAs with child-poverty rates greater than 40 percent. The Federal share would be "capped" at progressively lower levels for LEAs with lower rates of child poverty, and could not exceed 65 percent in LEAs with child-poverty rates of 10 percent or less.

Subsection (b) would require an LEA to provide the non-Federal share of a project through cash expenditures from non-Federal sources. However, an LEA operating one or more schoolwide programs under section 1114 of the ESEA could use funds under Part A of Title I of that Act to pay the non-Federal share of activities under this program that benefit those schoolwide programs (notwithstanding Title I's supplement-not-supplant provision), so long as the LEA meets Title I's requirement to ensure that services provided with State and local funds in Title I schools are at least comparable to services provided with State and local funds in non-Title I schools.

Section 10. carryover of funds. Section 10 of the bill would provide States and LEAs an additional year, beyond the period for which Federal education funds are generally available, in which to use funds under this program. This will help ensure that States and LEAs have adequate time in which to recruit, train, and hire 100,000 new teachers who are well qualified to teach young children in small classes, and to provide the necessary professional development to current teachers who will be teaching in smaller classes.

Section 11, accountability. Section 11(a) of the bill would require each school that benefits from the Act (or the LEA for that school) to produce an annual report to parents and the general public on its student achievement in reading (using available evidence), average class size in its regular classrooms, and teacher qualifications in grades 1 through 3.

Subsection (b) would require each participating LEA to provide its SEA an annual report summarizing the school-level reports produced under subsection (a). In addition, within three years of receiving funds, the LEA would have to provide evidence to its SEA of the reading achievement of its students, in grades 3 through 5, in schools served under this Act. This evidence would be in a form determined by the SEA, based on assessments that the LEA is using under Title I of the ESEA (or on comparably rigorous State or local assessments), and disaggregated by school and by various demographic characteristics, as under Title I.

Subsection (c) would require an LEA with schools that fail to show improvement in reading achievement within three years of receiving funds under the Act to develop and implement, with the approval of the SEA, a program-improvement plan. This plan could provide for the LEA's intervention, in schools failing to show improvement, in order to change curriculum, management, or staffing (following appropriate professional development); implementation, in those schools, of comprehensive, research-based education reform models; or any other improvement strategy jointly agreed to by the LEA and the SEA.

Subsection (d) would require the SEA to proportionately reduce the allocations to an LEA by the amount attributable to any of the LEA's schools that continue to fail to show improvement in reading achievement within two years after the LEA develops a program-improvement plan for the school.

Section 12, participation of private school teachers. Section 12 of the bill would require each participating LEA to provide for the inclusion of teachers from private schools in professional development activities it carries out with program funds.

Section 13, evaluation. Section 13 of the bill would direct the Secretary to evaluate the program authorized by the Act, including a measurement of its effectiveness in accordance with the Government Performance and Results Act of 1993.

Section 14, waivers. Section 14 of the bill would permit the Secretary, at the request of an SEA, to waive or modify a requirement of the Act if the Secretary determines that doing so would better promote the purpose of the Act.

Section 15, definitions. Section 15 of the bill would define the terms "local educational agency", "Secretary", and "State", as used in the Act.

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